The Ontario Securities Commission

OSC Bulletin

June 27, 2024

Volume 47, Issue 26

(2024), 47 OSCB

The Ontario Securities Commission carries out the powers, duties and functions given to it pursuant to the *Securities Commission Act, 2021* (S.O. 2021, c. 8, Sched. 9).

The Ontario Securities Commission exercises its regulatory oversight function through the administration and enforcement of Ontario's *Securities Act* (R.S.O. 1990, c. S.5) and *Commodity Futures Act* (R.S.O. 1990, c. C.20), and administration of certain provisions of the *Business Corporations Act* (R.S.O. 1990, c. B.16).

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Published under the authority of the Commission by:
Thomson Reuters
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Toronto, Ontario
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416-609-3800 or 1-800-387-5164

43236099

The OSC Bulletin is published weekly by Thomson Reuters Canada, under the authority of the Ontario Securities Commission.

Printed in the United States by Thomson Reuters.

ISSN 0226-9325

THOMSON REUTERS
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Toronto, ON
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FILE NO.: 2024-10

ONTARIO SECURITIES COMMISSION

AND

LIQUID MARKETPLACE INC.,
LIQUID MARKETPLACE CORP.,
RYAN BAHADORI,
AMIN NIKDEL AND
DENNIS DOMAZET

NOTICE OF HEARING
Subsection 127(1) and Section 127.7 of the *Securities Act,* RSO 1990, c S.5

PROCEEDING TYPE: Enforcement Proceeding

HEARING DATE AND TIME: July 31, 2024 at 10:00 a.m.

LOCATION: By videoconference

PURPOSE

The purpose of this proceeding is to consider whether it is in the public interest for the Capital Markets Tribunal to make the orders requested in the application filed by the Commission on June 19, 2024.

The hearing set for the date and time indicated above is the first case management hearing in this proceeding, as described in subsection 14(4) of the *Capital Markets Tribunal Rules of Procedure*.

REPRESENTATION

Any party to the proceeding may be represented by a representative at the hearing.

FAILURE TO ATTEND

IF A PARTY DOES NOT ATTEND, THE HEARING MAY PROCEED IN THE PARTY'S ABSENCE AND THE PARTY WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THE PROCEEDING.

FRENCH HEARING

This Notice of Hearing is also available in French on request of a party. Participation may be in either French or English. Participants must notify the Tribunal in writing as soon as possible if the participant is requesting a proceeding be conducted wholly or partly in French.

AVIS EN FRANÇAIS

L'avis d'audience est disponible en français sur demande d'une partie, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Tribunal par écrit dès que possible si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 21st day of June, 2024.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For more information

Please visit capitalmarketstribunal.ca or contact the Registrar at registrar@capitalmarketstribunal.ca.

ONTARIO SECURITIES COMMISSION

Applicant

AND

LIQUID MARKETPLACE INC.,
LIQUID MARKETPLACE CORP.,
RYAN BAHADORI,
AMIN NIKDEL AND
DENNIS DOMAZET

Respondents

APPLICATION FOR ENFORCEMENT PROCEEDING
(Subsection 127(1) and Section 127.1 of the *Securities Act*, RSO 1990 c S.5)

A. OVERVIEW

1. This matter involves a multi-layered fraud in the crypto asset sector.

2. The Liquid Marketplace business promotes and sells crypto assets that purportedly represent fractional ownership of valuable collectibles (**LMP Tokens**). The collectibles include trading cards and digital assets such as non-fungible tokens (**NFTs**) which are purportedly fractionalized into LMP Tokens. These LMP Tokens are offered to investors through an online platform accessible through LMP's (defined below) website at www.liquidmarketplace.io (the **LMP Platform**). LMP Tokens are securities and/or derivatives under the *Securities Act*, RSO 1990, c S.5 (the **Act**).

3. Liquid Marketplace is operated and controlled by Ryan Bahadori, Amin Nikdel and Dennis Domazet (together, the **LMP Principals**) and operated primarily through two entities: Liquid MarketPlace Inc. (**LMP Inc.**) and Liquid Marketplace Corp. (**LMP Nevada**, together with LMP Inc., **LMP**).

4. LMP and its Principals (the **Respondents**) have perpetrated a fraud on investors in two ways. First, the Respondents raised over $10 million by selling common shares and promissory notes in LMP to investors located primarily in Canada and the U.S. (**Share and Note Purchasers**). From these funds, the Respondents misappropriated approximately $3 million, including through hidden payments to shell companies, for the personal enrichment of the LMP Principals.

5. Second, approximately US$2.7 million has been obtained by LMP from the sale of LMP Tokens to LMP Token purchasers (**Token Purchasers**). LMP, Bahadori and Nikdel made false and misleading statements to Token Purchasers including that LMP Tokens represent legal ownership in underlying collectibles, and that the collectibles themselves had been authenticated, appraised and insured.

6. In addition, LMP sold and facilitated the trading of LMP Tokens without complying with the prospectus and registration requirements of the Act, thus depriving investors of important safeguards to protect them from unscrupulous and fraudulent conduct.

7. Finally, the LMP Principals also made misleading and untrue statements to the Ontario Securities Commission (the **Commission**) during the Commission's investigation into LMP. The LMP Principals misled the Commission by hiding the true nature and total amount of money they had misappropriated for their personal enrichment.

B. GROUNDS

The Commission makes the following allegations of fact:

I. The Liquid Marketplace Business

8. Bahadori, Nikdel and Domazet are individuals residing in Ontario.

9. At all material times, Bahadori (co-founder and Chief Executive Officer), Nikdel (co-founder, Chief Operations Officer and Chief Technology Officer) and Domazet (formerly Chief Financial Officer and ongoing advisor to the business) were the legal or *de facto* directing and controlling minds of LMP.

10. The LMP Principals have operated the business and LMP Platform primarily through two companies: LMP Inc., and LMP Inc.'s wholly-owned subsidiary, LMP Nevada.

11. LMP Inc. was incorporated under the *Canada Business Corporations Act*, RSC 1985, c C-44 in or around February 2021. Each of the LMP Principals is, or has been, an officer and/or director of LMP Inc. Each of the LMP Principals is also a shareholder of LMP Inc.

12. LMP Nevada was incorporated in the State of Nevada in or around February 2023. Bahadori and Nikdel are officers and directors of LMP Nevada. Beginning in or around March 2023, LMP Nevada has carried on activities of LMP, including holding U.S. corporate bank accounts and raising capital.

13. LMP Platform operations began on or around April 3, 2022. LMP represents that it "tokenizes" valuable collectibles (i.e., fractionalizes legal ownership of the collectibles into LMP Tokens). LMP promotes, sells and facilitates the trading of the LMP Tokens on the LMP Platform, as described below. The collectibles that are purportedly tokenized on the LMP Platform include trading cards and digital assets such as NFTs. Most of the collectibles were contributed by LMP personnel or other non-arm's length associates (**Collectors**).

II. The Sale of LMP Tokens

14. Investors can purchase LMP Tokens in two ways. Initially, LMP Tokens for each collectible are offered for "pre-order" on an "**Initial Drop**" where they are offered to Token Purchasers for a set price of US$0.10 each. The number of LMP Tokens offered for a collectible's Initial Drop is purportedly based on the offering price of that collectible, divided by the US$0.10 token price, less the number of LMP Tokens reserved for the Collector. By way of illustration only, if a collectible were valued at $10,000, it would be fractionalized into 100,000 LMP Tokens. According to LMP's representations, the number of tokens on offer on Initial Drop would be 100,000, less the number of LMP Tokens reserved for the Collector.

15. Only once all LMP Tokens representing a particular collectible are fully sold on the Initial Drop are the LMP Tokens for that collectible to be moved to the LMP "**Marketplace**" on the LMP Platform. Here, buyers and sellers can enter into various types of orders to trade LMP Tokens at any price they wish. Buy and sell orders are then matched automatically using an algorithm. Collectibles whose tokens do not sell out on the Initial Drop are to be removed from the LMP Platform and money returned to those who pre-ordered tokens in the Initial Drop.

16. To purchase LMP Tokens, investors must create an account, agree to LMP's Terms of Use, and deposit fiat currency or crypto assets on the LMP Platform, which are converted to U.S. Dollars and held in an LMP custody bank account.

17. LMP charges fees for: (i) any collectible whose LMP Tokens are moved to the Marketplace; (ii) trades made in the Marketplace; and (iii) investors' deposits into, and withdrawals from, their LMP Platform accounts.

i. Promotion of LMP Tokens as an Investment

18. LMP promotes LMP Tokens as a means to profit or obtain increased value. The LMP Platform offers two main ways Token Purchasers can earn profits on their investments in LMP Tokens: (i) through trades on the Marketplace described above; and (ii) through sale of collectibles via a buyout offer or at auction. Token Purchasers can vote on the sale of collectibles, such as on whether a collectible should be sent for sale at auction, or whether to accept a buyout offer (**Sale Votes**).

19. In particular, LMP communications and promotional materials that were disseminated to actual and prospective investors make representations that the collectibles underlying the LMP Tokens are attractive investments with anticipated returns because they are, among other things, "good hedge[s] on inflation" with "long-term growth potential". LMP has also purported to list collectibles on Initial Drop at "cheap" or discounted prices, further creating an expectation of profits for Token Purchasers whether through LMP Token trades on the Marketplace or Sale Votes to sell or auction the collectibles for their purportedly higher market value.

20. LMP facilitates the sale of collectibles by, among other things: (i) maintaining and operating the Marketplace through which Token Purchasers can make trades; (ii) enabling certain users to make buyout offers through the LMP Platform; (iii) effecting certain buyouts, in its discretion; (iv) maintaining relationships with auction houses; and (v) once Token Purchasers vote to auction a collectible, sending the collectible for sale at such auction houses. After a collectible is sold, LMP delivers the proceeds of sale to Token Purchasers proportionate to the percentage of LMP Tokens they held for the collectible.

ii. LMP Token Sales Involve Securities

21. The LMP business involves securities and/or derivatives in two ways. First, the LMP Tokens themselves are securities and/or derivatives under the Act.

22. Second, LMP also retains custody of the LMP Tokens, holding them in LMP-controlled crypto wallets. Token Purchasers do not have possession or control of LMP Tokens. It is not possible for Token Purchasers to withdraw or otherwise request delivery of the LMP Tokens into an investor-controlled wallet. Accordingly, in practice, LMP only provides Token

Purchasers with instruments or contracts involving crypto assets. These instruments or contracts constitute securities and/or derivatives under the Act.

III. Fraud on Share and Note Purchasers

23. In or around March 2021 to August 2022, LMP and its Principals raised approximately US$6.8 million and CA$0.9 million by selling common shares and share options of LMP Inc. to approximately 146 investors located primarily in Canada and the US. Since around June 2023, LMP and its Principals have raised at least a further US$1.4 million by selling unsecured convertible promissory notes in LMP Nevada.

24. The Respondents defrauded Share and Note Purchasers by misappropriating millions of dollars of funds from LMP for the LMP Principals' personal enrichment by: (i) making hidden payments to shell corporations without any legitimate business purpose; and (ii) providing interest-free loans from investor funds to LMP Principals for personal use, which loans were never repaid.

i. Hidden Payments to LMP Principals' Shell Companies

25. In or around fall 2021, the LMP Principals devised a scheme to make significant payments to themselves through purported consulting companies – Kooney Industries Inc. (Bahadori), Kooney Marketing Inc. (Nikdel), and Kooney Management Corp. (Domazet) (each individually a **Kooney Company** and together, the **Kooney Companies**).

26. Beginning in November 2021, each of the LMP Principals received payments to his Kooney Company while also earning hundreds of thousands of dollars in salary from LMP.

27. In total, the LMP Principals authorized approximately $2.5 million in payments to the LMP Principals' Kooney Companies.

28. There was no business purpose for the payments to the Kooney Companies. There are no consulting services agreements between LMP and any of the Kooney Companies, and the services purportedly provided to LMP by the Kooney Companies were identical to the pre-existing roles and responsibilities of the LMP Principals, for which they were already earning generous salaries.

29. The LMP Principals did not disclose their Kooney Company payments to actual or prospective Share and Note Purchasers.

ii. Personal Loans to Bahadori and Nikdel

30. The LMP Principals also authorized the use of investor funds to make interest-free personal loans to Bahadori and Nikdel. In total, at least $550,000 of investor funds were received by Bahadori and Nikdel by way of, among other things: (i) nearly half a million dollars worth of loans made to Bahadori for personal use; and (ii) advances to Bahadori (approximately $56,000) and Nikdel (approximately 37,000) to fund their personal LMP Platform accounts. These loans and advances have not been repaid.

31. With respect to paragraph 30(i), Bahadori used LMP credit cards and funds to pay for nearly half a million dollars' worth of personal expenses including high-end fashion, expensive jewellery and watches, personal health and luxury spa services. These Bahadori personal expenses were accounted for as loans from LMP to Bahadori and his Kooney Company. Bahadori did not repay LMP for any of his personal spending loans. Instead, many of Bahadori's personal expenditures were written off by periodically offsetting them against amounts purportedly owing to Bahadori's Kooney Company. By December 2022, Bahadori and/or his Kooney Company still owed LMP over $286,000 for personal expenses. To write off this outstanding loan, the LMP Principals declared a notional "bonus" from LMP to Bahadori's Kooney Company for the exact amount Bahadori owed LMP, and used the "bonus" to offset Bahadori's outstanding loan owed to LMP.

IV. Fraud on Token Purchasers

32. The Respondents obtained approximately US$2.7 million from Token Purchasers through the sale of LMP Tokens.

i. Overview of Fraud on Token Purchasers

33. As described in greater detail below, LMP, Bahadori and Nikdel defrauded Token Purchasers by misrepresenting the fundamental characteristics, values and risks of the LMP Tokens they were selling. In particular, LMP, Bahadori and Nikdel made or caused to be made representations to the effect that: (i) LMP Tokens represent legal ownership, recorded on the blockchain, of a fraction of an underlying collectible that could be traded in the Marketplace only after all tokens for a collectible had been sold on Initial Drop; and (ii) LMP authenticates, appraises and insures the collectibles.

34. Contrary to these representations and as described in greater detail below, (i) LMP Tokens do not represent legal ownership of underlying collectibles, purported Token Purchaser ownership is not recorded on any blockchain, and LMP

moved collectibles to the Marketplace that had failed to sell out on Initial Drop; and (ii) LMP does not authenticate, appraise or insure the collectibles. These false and misleading representations exposed Token Purchasers to undisclosed risks, caused investor losses and benefitted LMP and its associates.

ii. LMP Tokens Do Not Represent Legal Ownership of Collectibles

35. LMP represented to actual and prospective Token Purchasers that LMP Tokens represent legal fractional ownership of the underlying collectibles, including that:

i. Legal ownership of a collectible is transferred to the LMP Tokens pursuant to a listing agreement between LMP and a Collector. LMP requires all Collectors to sign such a listing agreement before listing a Collectible for sale on the LMP Platform;

ii. LMP Tokens are offered for "pre-order" on an Initial Drop and only once all tokens for a collectible are fully sold on the Initial Drop does the collectible move to the Marketplace where Token Purchasers can trade their fractional ownership (purportedly represented by the LMP Tokens) with other LMP Platform users;

iii. Each LMP Token is on the Ethereum blockchain and proof of purchase of an LMP Token is recorded and transferable on the blockchain; and

iv. LMP has structures in place to protect Token Purchasers' purported proprietary interests in an LMP insolvency event.

36. Contrary to these representations:

i. LMP has only entered into listing agreements for six of the thirty-seven collectibles that were listed on the LMP Platform, and has no other documentation to transfer legal ownership of the collectibles from Collectors to Token Purchasers;

ii. LMP moved collectibles to the Marketplace that had not sold out on the Initial Drop and deposited the unsold LMP Tokens into LMP Platform accounts that were owned or controlled by the LMP Principals or their affiliates;

iii. LMP failed to mint or create tokens for many of the collectibles, and no purported Token Purchaser ownership has been recorded on any blockchain. Rather, LMP tracks LMP Token sales and trades through an 'off-chain' ledger system; and

iv. LMP has no structures in place to protect Token Purchasers' purported proprietary interests in an insolvency event.

iii. LMP Does Not Authenticate, Appraise or Insure the Collectibles

37. LMP represented to actual and prospective Token Purchasers that:

i. Each collectible that is tokenized for listing on the LMP Platform is properly authenticated, including representations that collectibles are "carefully inspected for authenticity", go through an "extensive" authentication process and additional evaluation is conducted to "guarantee" the collectibles' authenticity;

ii. Each collectible is also appraised and LMP determines a fair offering price for each collectible after working with "renowned experts relevant to the particular collectible" and "constant" monitoring of global collectible markets for data on sales amounts and assets sold; and

iii. The collectibles are insured and safely stored in a third-party vault.

38. Contrary to LMP's representations:

i. LMP does not authenticate the collectibles, does not have the credentials to perform such authentications, and does not coordinate the authentication of the collectibles by any qualified third party. Even when a Collector was known to have previously brought fraudulent collectibles for tokenization on the LMP Platform, LMP did not conduct diligence to ensure the authenticity of subsequent collectibles offered by such (non-arm's-length) Collector;

ii. LMP does not appraise or otherwise ensure the fair valuation of the collectibles. Rather, LMP accepts whatever price is stipulated by Collectors who profit from the sale of LMP Tokens for their collectibles. For at least eleven collectibles, LMP also artificially raised the Initial Drop price by 8% beyond what Collectors were seeking, and gave the additional 8% worth of LMP Tokens free-of-charge to an LMP associate. Furthermore, LMP hid instances where the market did not show sufficient interest in the collectible at the stated value on Initial Drop

by moving collectibles to the Marketplace that had not sold out on the Initial Drop and not disclosing the fact that such collectibles had failed to sell out from Token Purchasers, as described at subparagraph 36.ii above; and

iii. LMP does not insure the collectibles and has failed to ensure that the collectibles stored in third-party vaults are covered by any insurance. LMP stores some of the collectibles in a Canadian safe deposit box, and the rest in third-party storage vaults located in the United States. LMP has no insurance over the collectibles in the Canadian safe deposit box, and has relied on the third-party vaults' insurance without confirming whether or to what extent any vault insurance covers the collectibles stored in their vaults.

V. The LMP Principals' Misleading Statements to the Ontario Securities Commission

39. Over the course of the Commission's investigation, each of the LMP Principals attended compelled interviews under oath. In addition, each of the LMP Principals helped prepare responses to the Commission's written requests for records and information.

40. As described above, the LMP Principals misappropriated significant amounts of investor funds. Initially, the LMP Principals provided false and misleading information to the Commission, hiding the true nature and total amount of money misappropriated for their benefit.

41. For example, in a written response to a Commission question for the LMP Principals to advise of "all compensation" provided to each of them "including the amount and form of compensation", the LMP Principals answered that they each only received a $102,153.86 salary in 2022, and that no salaries were paid in 2023. The response made no mention of any other forms of compensation.

42. Additionally, in their interviews, each of the LMP Principals gave false and misleading responses as follows:

i. Bahadori was asked multiple times in a variety of ways to advise (a) of the total amount of all compensation he received from LMP and (b) whether he or the other LMP Principals received any compensation through another company. Bahadori gave a number of false and misleading responses, including that: (i) he identified one company, not his Kooney Company, which he claimed was the sole company he had incorporated; (ii) each of the LMP Principals only received a $102,153.86 salary in 2022; (iii) Bahadori and Nikdel took no salaries in 2023; (iv) even if Bahadori received any compensation payments via another corporation, any such compensation was included in his $102,153.86 salary; and (v) Bahadori did not spend LMP funds on personal items or expenses that were "flashy or of substantial value like jewellery [and] watches";

ii. In response to questions about his compensation from LMP, Nikdel advised that he was paid an annual salary of $150,000 but he stopped taking a salary in summer 2022. When asked if he received "any other form of compensation", Nikdel responded "No."; and

iii. Domazet was asked to identify all companies that he had incorporated. In response, Domazet identified three companies, but did not mention his Kooney Company or other companies that he had incorporated.

43. In reality, in or around 2021-2023:

i. Bahadori received over $300,000 in salary and over $1.2 million in payments to his Kooney Company;

ii. Bahadori also spent nearly half a million dollars of LMP investor funds on personal expenses, including over $50,000 of investor funds on high-end jewellery, watches and clothing;

iii. Bahadori also received US$10,000 from LMP investor funds to pay for his personal rent;

iv. Approximately $93,000 of investor funds were used to fund Bahadori and Nikdel's personal accounts on the LMP Platform;

v. Nikdel received over $260,000 in salary and approximately $750,000 in payments to his Kooney Company;

vi. Domazet received nearly $200,000 in salary and at least approximately $490,000 and US$240,000 in payments to his Kooney Company and one other company – Lone Star Advisory Ltd. – through which Domazet received these payments after he dissolved his Kooney Company in or around early 2023; and

vii. Domazet also received approximately $50,000 of investor funds towards the renting and furnishing of a residential condominium owned by Domazet.

44. It was only after the Commission independently discovered these payments and questioned the LMP Principals that they admitted to these payments.

45. Not only did the earlier responses fail to disclose payments to the Kooney Companies, but the responses also failed to disclose any of the other forms of compensation received by the LMP Principals, including the various payments and loans for the LMP Principals' personal use or benefit.

46. Each of the LMP Principals made misleading or untrue statements and/or did not state a fact that was required to be stated or that was necessary to make the statements not misleading, contrary to s. 122(1)(a) of the Act.

VI. Unregistered Trading

47. Neither LMP Inc. nor LMP Nevada was registered with the Commission in any capacity under the Act. No exemptions from the registration requirement were available to LMP under Ontario securities law.

48. Based on the conduct described above, beginning April 2022, LMP has engaged in, or held itself out as engaging in, the business of trading in LMP Tokens without the necessary registration or an applicable exemption from the registration requirement, contrary to s. 25(1) of the Act.

VII. Illegal Distribution

49. The sale of LMP Tokens are trades in securities not previously issued and are, therefore, distributions.

50. No preliminary prospectus or prospectus was filed for the distribution of the LMP Tokens. The investments did not qualify for any exemption from the prospectus requirements, and no reports of exempt distribution were filed with the Commission.

51. By engaging in the conduct described above, LMP has engaged in distributions of securities without filing a preliminary prospectus or a prospectus and without an applicable exemption to the prospectus requirement, contrary to s. 53(1) of the Act.

VIII. Unlawful Operation of a Marketplace

52. The LMP Platform is a marketplace under the Act.

53. Beginning April 2022, when the LMP Platform began operating, LMP has operated a marketplace, without either recognition as an exchange contrary to s. 21(1) of the Act or registration as a dealer and approval to operate an Alternative Trading System (ATS) contrary to s. 6.1 of National Instrument 21-101 *Marketplace Operation* (**NI 21-101**).

IX. Authorizing, Permitting, or Acquiescing in Breaches of Ontario Securities Law

54. The LMP Principals, as legal or *de facto* directors and officers of LMP, authorized, permitted or acquiesced in the conduct described above. As a result, the LMP Principals are deemed not to have complied with Ontario securities law pursuant to s. 129.2 of the Act.

C. BREACHES AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

55. The Commission alleges the following breaches of Ontario securities law and conduct contrary to the public interest:

i. The Respondents directly or indirectly engaged or participated in an act, practice or course of conduct relating to securities, derivatives or the underlying interest of a derivative that they knew or reasonably ought to have known perpetrated a fraud on a person or company, contrary to s. 126.1(1)(b) of the Act;

ii. LMP engaged in, and held itself out as engaging in, the business of trading in securities without being registered to do so and without an applicable exemption from the registration requirement, contrary to s. 25(1) of the Act;

iii. LMP engaged in distributions of securities without filing a preliminary prospectus or prospectus and without an applicable exemption from the prospectus requirement, contrary to s. 53(1) of the Act;

iv. LMP operated a marketplace, without either recognition as an exchange contrary to s. 21(1) of the Act or registration as a dealer and approval to operate an ATS contrary to s. 6.1 of NI 21-101;

v. The LMP Principals authorized, permitted or acquiesced in LMP's non-compliance with Ontario securities law, including contraventions of ss. 126.1(1)(b), 25(1), 53(1) and 21(1) of the Act and/or s. 6.1 of NI 21-101, and are therefore deemed not to have complied with Ontario securities law pursuant to s. 129.2 of the Act;

vi. The LMP Principals made statements to the Commission that were misleading, untrue and/or did not state a fact that was required to be stated or that was necessary to make the statements not misleading, contrary to s. 122(1)(a) of the Act; and

vii. The Respondents engaged in conduct that is contrary to the public interest.

56. These allegations may be amended, and further and other allegations may be added as counsel may advise, and the Capital Markets Tribunal (the **Tribunal**) may permit.

D. ORDERS SOUGHT

57. The Commission requests that the Tribunal make the following orders as against each of the Respondents:

i. that they cease trading in any securities or derivatives permanently or for such period as is specified by the Tribunal, pursuant to paragraph 2 of s. 127(1) of the Act;

ii. that they be prohibited from acquiring any securities permanently or for such period as is specified by the Tribunal, pursuant to paragraph 2.1 of s. 127(1) of the Act;

iii. that they resign any position they may hold as a director or officer of any issuer, pursuant to paragraph 7 of s. 127(1) of the Act;

iv. that they be prohibited from becoming or acting as a director or officer of any issuer permanently or for such period as is specified by the Tribunal, pursuant to paragraph 8 of s. 127(1) of the Act;

v. that they resign any position they may hold as a director or officer of any registrant, pursuant to paragraph 8.1 of s. 127(1) of the Act;

vi. that they be prohibited from becoming or acting as a director or officer of any registrant permanently or for such period as is specified by the Tribunal, pursuant to paragraph 8.2 of s. 127(1) of the Act;

vii. that any exemptions contained in Ontario securities law do not apply to them permanently or for such period as is specified by the Tribunal, pursuant to paragraph 3 of s. 127(1) of the Act;

viii. that they be reprimanded, pursuant to paragraph 6 of s. 127(1) of the Act;

ix. that they be prohibited from becoming or acting as a registrant or promoter permanently or for such period as is specified by the Tribunal, pursuant to paragraph 8.5 of s. 127(1) of the Act;

x. that they pay an administrative penalty of not more than $1 million for each failure to comply with Ontario securities law, pursuant to paragraph 9 of s. 127(1) of the Act;

xi. that they disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of s. 127(1) of the Act;

xii. that they pay costs of the investigation and the hearing, pursuant to s. 127.1 of the Act; and

xiii. such other order as the Tribunal considers appropriate in the public interest.

DATED this 19th day of June, 2024.

ONTARIO SECURITIES COMMISSION
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A.1.2 Riot Platforms, Inc. et al. – s. 127

FILE NO.: 2024-11

RIOT PLATFORMS, INC.

Applicant

AND

BITFARMS LTD. &
ONTARIO SECURITIES COMMISSION

Respondents

NOTICE OF HEARING
Section 127 of the *Securities Act,* RSO 1990, c S.5

PROCEEDING TYPE: Application relating to a transaction

HEARING DATE AND TIME: June 27, 2024, at 10:30 a.m.

LOCATION: By videoconference

PURPOSE

The purpose of this proceeding is to consider the Application filed by Riot Platforms, Inc., dated June 24, 2024, requesting interim and/or permanent cease trade orders with respect to Bitfarms Ltd.'s shareholder rights plan adopted on June 10, 2024, and other related relief.

The hearing set for the date and time indicated above is the first case management hearing in this proceeding, as described in subsection 13(3) of the *Capital Markets Tribunal Rules of Procedure*.

REPRESENTATION

Any party to the proceeding may be represented by a representative at the hearing.

FAILURE TO ATTEND

IF A PARTY DOES NOT ATTEND, THE HEARING MAY PROCEED IN THE PARTY'S ABSENCE AND THE PARTY WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THE PROCEEDING.

FRENCH HEARING

This Notice of Hearing is also available in French on request of a party. Participation may be in either French or English. Participants must notify the Tribunal in writing as soon as possible if the participant is requesting a proceeding be conducted wholly or partly in French.

AVIS EN FRANÇAIS

L'avis d'audience est disponible en français sur demande d'une partie, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Tribunal par écrit dès que possible si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 25th day of June, 2024.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For more information

Please visit capitalmarketstribunal.ca or contact the Registrar at registrar@capitalmarketstribunal.ca.

CAPITAL MARKETS TRIBUNAL

RIOT PLATFORMS, INC.

Applicant

AND

BITFARMS LTD. &
ONTARIO SECURITIES COMMISSION

Respondents

APPLICATION OF
RIOT PLATFORMS, INC.

(In connection with the Shareholder Rights Plan adopted by
Bitfarms Ltd. on June 10, 2024 and under section 127 of the *Securities Act*, R.S.O. 1990, c. S.5)

A. ORDERS SOUGHT

1. The Applicant, Riot Platforms, Inc. ("**Riot**"), requests that the Tribunal make the following Orders:

   (a) an interim, interlocutory and/or permanent Order pursuant to section 127(1)(2) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "**Act**") cease trading with immediate effect all securities issued, or that may be issued, pursuant to the shareholder rights plan adopted by the board of directors of Bitfarms Ltd. ("**Bitfarms**" or the "**Company**") on June 10, 2024 (the "**15% Rights Plan**"), in accordance with the Tribunal's public interest jurisdiction;

   (b) to the extent necessary, a temporary Order cease trading with immediate effect all securities issued, or that may be issued, by operation of the 15% Rights Plan pursuant to section 127(5) of the Act, and to the extent necessary, extension Orders pursuant to sections 127(6), 127(7) and 127(8) of the Act;

   (c) to the extent necessary, an interim, temporary, interlocutory and/or permanent Order pursuant to sections 127(1)(2) and 127(5) of the Act, and to the extent necessary, extension Orders pursuant to sections 127(6), 127(7) and 127(8) of the Act, and in accordance with the Tribunal's public interest jurisdiction cease trading with immediate effect all securities issued, or that may be issued, pursuant to or in connection with one or more private placements or other similar dilutive transactions ("**Dilutive Transaction**") by or concerning Bitfarms, and that restrain the exercise of any voting rights acquired thereunder, from the date of this Application until at least 15 business days after the date on which this Application is determined;

   (d) to the extent necessary, an Order pursuant to section 127(1)(5) of the Act prohibiting the circulation of any release, report, preliminary prospectus, prospectus, information circular, take-over bid circular, issuer bid circular, offering memorandum, proxy solicitation or any other document that may be issued by Bitfarms or another person or company in relation to any transaction or series of transactions providing for the acquisition of beneficial ownership or control over a majority of the outstanding voting or equity securities of Bitfarms by any person or company (whether by way of amalgamation, arrangement or other business combination) or any Dilutive Transaction;

   (e) to the extent necessary, an Order pursuant to section 127 of the Act prohibiting Bitfarms, its directors and its officers from fixing a date as the record date for the purpose of determining shareholders entitled to receive notice of and to vote at any meeting of holders of common shares of Bitfarms ("**Bitfarms Shares**") to a date that is less than 30 business days following the date on which this Application is determined, or such other period as the Tribunal may determine;

   (f) to the extent necessary, an Order requiring Bitfarms to schedule the Requisitioned Meeting (as defined below) no later than September 20, 2024, and to conduct that Meeting on a fair, proper and even-handed basis that respects properly any relief that the Tribunal may grant in respect of this Application;

   (g) to the extent necessary or appropriate, an Order that directs the Ontario Securities Commission ("**Commission**") to issue one or more of the Orders described above;

   (h) to the extent necessary, an Order seizing the Panel of the Tribunal that hears and determines this Application with authority to issue one or more ancillary Orders to ensure that any relief the Tribunal may grant is fully respected and implemented;

   (i) to the extent necessary, an Order granting Riot standing to pursue this Application;

(j) an Order for an expedited hearing; and

(k) such further and other relief as this Tribunal may deem appropriate.

B. GROUNDS FOR THE ORDERS SOUGHT

(i) Overview

2. This Application arises in the context of a shareholder rights plan—often referred to as a "poison pill"—adopted by the Board of Directors of Bitfarms (the "**Bitfarms Board**") on June 10, 2024. The clear purpose and effect of the 15% Rights Plan is to prevent Riot, the single largest shareholder of Bitfarms, from exercising its fundamental legal rights to acquire up to 19.9% of the issued and outstanding Bitfarms Shares in the open market as permitted by applicable securities laws and to vote those Bitfarms Shares at a special meeting of Bitfarms shareholders (the "**Requisitioned Meeting**") requisitioned by Riot to add new, well-qualified and independent directors to the Bitfarms Board.

3. The 15% Rights Plan in question contains an atypical and off-market 15% trigger, which is well below the customary 20% threshold. Unlike a typical rights plan which simply requires a party making a take-over bid to abide by additional constraints, the 15% Rights Plan has the effect of imposing the entirety of the bid regime on a party who would otherwise be free to buy shares in the open market.

4. Accordingly, the 15% trigger stipulated in the 15% Rights Plan is *prima facie* contrary to the public interest, and substitutes the conflicted and private preferences of the Bitfarms Board in place for the carefully calibrated, predictable and even-handed take- over bid regime enacted by the Commission and other Canadian securities Commissions in 2016 after years of careful study and analysis. The 15% Rights Plan infringes on fundamental shareholder rights and flagrantly disregards the policy underlying the Canadian take-over bid regime, as well as recent decisions of the Commission and other Canadian securities Commissions.

5. As the single largest shareholder of Bitfarms, Riot has acquired an ownership interest of approximately 14.9% of the outstanding Bitfarms Shares as of the date of filing this Application for an aggregate acquisition cost of approximately US$132 million. Riot has grave concerns, however, with the poor corporate governance practices, lack of independence and entrenchment of the Bitfarms Board. It is this track record that has culminated in Bitfarms' summary dismissals of Riot's attempts in the period since May 2023 to engage in constructive discussions concerning refreshment of the Bitfarms Board, and with respect to a potential mutually beneficial combination of Bitfarms and Riot. Instead of engaging in good faith discussions with Riot, Bitfarms has responded to Riot's approaches by implementing the 15% Rights Plan without advance notice or shareholder approval. The questionable conduct of the Bitfarms Board is in direct conflict with established legal and governance standards.

6. While the purported rationale for the 15% Rights Plan is to facilitate a Strategic Review (defined below) that the Bitfarms Board announced only after Riot went public with its proposal for a combination with Bitfarms and its intention proceed with the Requisitioned Meeting, the 15% Rights Plan is clearly, directly and improperly aimed Riot, and seeks to prevent its lawful and ordinary course acquisitions of Bitfarms Shares in the open market in accordance with applicable securities laws.

7. Bitfarms has publicly claimed that the 15% Rights Plan is required since Riot's lawful acquisition of Bitfarms Shares in the open market of 15% or more of the outstanding Bitfarms Shares is "likely to inhibit" the Bitfarms' Strategic Review Process. Riot disagrees with this characterization of the impact of its shareholding on the Strategic Review process and such a rationale for a shareholder rights plan with a 15% trigger was expressly dismissed when the *Bureau de décision et de révision en valeurs mobilières* (now Financial Markets Administrative Tribunal), in the case of *Northern Financial Corporation v. Jaguar Nickel Inc.*, 2007 QCBDRVM 15, cease-traded a shareholder rights plan with a 15% trigger on facts strikingly similar to those in the present case.

8. Riot also understood that the operation of the Canadian take-over bid regime would allow for its accumulation of shares and was not willing to agree to the unreasonable and off-market terms that Bitfarms required of Riot as a precondition to granting due diligence access to Bitfarms' confidential information, for all of the sound reasons set out below, recognizing that such a decision comes with both costs and benefits: Riot is not party to a confidentiality agreement with Bitfarms so it is unable to review Bitfarms' confidential information to conduct its due diligence; however, Riot is also not subject to a standstill which is a customary feature of any confidentiality agreement entered into in this context, so Riot is otherwise free to acquire shares in the open market and exercise its fundamental rights as a shareholder. By adopting the 15% Rights Plan, Bitfarms has effectively and unilaterally imposed a standstill on Riot, thereby denying Riot the key benefit of its legitimate decision not to agree to Bitfarms' off-market demands while conferring none of the benefits of access to Bitfarms' confidential information.

9. An even more troubling element of the 15% Rights Plan is that the 15% threshold is temporary, lasting for three months, or about half of the shelf-life of the 15% Rights Plan (which will expire in six months if not approved by Bitfarms' shareholders). This forces a shareholder in Riot's position to make a troubling choice:

(a) seek to increase its stake now, by commencing a formal 105-day take-over bid which will only expire well after the 15% Rights Plan flips back to the traditional 20% threshold, all while another party could accumulate up to 19.9% of the outstanding Bitfarms Shares prior to the bid's expiry on the open market or participate in a private placement sanctioned by the Bitfarms Board to acquire a 20% interest in Bitfarms; or

(b) stay on the sidelines and challenge the 15% Rights Plan before this Tribunal.

10. The 20% threshold stipulated in virtually all Canadian shareholder rights plans is the only logical and appropriate threshold that is consistent with the 20% threshold under the Canadian take-over bid regime, at which point an offeror is required to make a formal take-over bid and the additional regulatory protections for security holders begin to apply. This 20% threshold was first proposed in the Kimber Report of 1965 and has remained untouched since then, despite periodic consideration by regulatory authorities. The Bitfarms Board has rewritten the Canadian take-over bid regime by way of the 15% Rights Plan to require any market participant, including Riot, to assume the obligations of launching a formal take-over bid in order to acquire Bitfarms Shares in excess of its 15% threshold in circumstances where a take-over bid is not legally required. Riot has not formally commenced a take-over bid to acquire any Bitfarms Shares or announced an intention to do so.

11. The 15% Rights Plan also yields another substantial benefit to incumbent members of the Bitfarms Board. By placing this substantial roadblock in the path of its largest shareholder, the Bitfarms Board has effectively capped the voting power of Riot at the Requisitioned Meeting to 14.9%. At the same time, it has also crafted an exception in the 15% Rights Plan which allows the Bitfarms Board unfettered discretion to create a new, friendly 20% block holder while at the same time diluting the ownership interests of Riot from 14.9% down to 11.9%.

12. Both the right to acquire shares in the open market up to 19.9% and the right to vote those shares are fundamental rights of critical importance to shareholders, and particularly to Riot as the single largest shareholder of Bitfarms.

13. If permitted to remain in place, the 15% Rights Plan will significantly prejudice Riot, other Bitfarms shareholders and the capital markets generally. The 15% Rights Plan may also place the Tribunal in the invidious position of having to conduct rights plan hearing after rights plan hearing, even though the Commission sought to avoid that very result when it adopted the current take-over bid regime some eight years ago in 2016.

14. Among other things, if the 15% Rights Plan is permitted to stand it will almost certainly embolden other issuers to take similarly aggressive steps and adopt sub-20% shareholders rights plans in contested situations, particularly if they perceive the Tribunal to be unwilling to intervene in egregious circumstances such as those in the present case, substantially upending the fairness and certainty of the bid regime and introducing inefficiencies into the market.

15. For these reasons, and those set out in more detail below, Riot has five primary concerns with the Rights Plan:

(a) *first*, the Rights Plan operates to prevent Bitfarms from its exercising its right to acquire up to 19.9% of the outstanding Bitfarms Shares, should it determine to do so, and voting those Bitfarms Shares at the Requisitioned Meeting;

(b) *second*, it is manifestly unfair for the Bitfarms Board to have adopted a 15% Rights Plan that precludes Riot and other market participants from acquiring 15% or more of the outstanding Bitfarms Shares while reserving for itself the right to create a 20% block holder hand-picked by the Bitfarms Board;

(c) *third*, even if the 15% Rights Plan is cease-traded, Riot has been prejudiced by its inability to acquire Bitfarms Shares on the open market since June 19, 2024 (the date on which it acquired 14.9% of the outstanding Bitfarms Shares), despite suitable market conditions, all of which has provided the Bitfarms Board with an unfair timing advantage (including with respect to the Requisitioned Meeting);

(d) *fourth*, the 15% Rights Plan unfairly prevents Riot from participating in any future success of Bitfarms to the degree it would otherwise be entitled to but for the existence of the 15% Rights Plan; and

(e) *fifth*, as is well-understood by market participants, the acquisition of a toehold interest can typically serve to lower a potential buyer's acquisition costs, and it is unfair that Bitfarms has sought to prevent this benefit's availability to Riot pursuant to the 15% Rights Plan.

16. As set out in more detail below, the 15% Rights Plan is *prima facie* contrary to the public interest. Accordingly, Riot requests that the Tribunal issue an Order with immediate effect cease trading all securities issued or that may be issued pursuant to the 15% Rights Plan.

(ii) The Parties and the Bitcoin Mining Industry

17. Bitfarms is a corporation continued under the *Business Corporations Act*, R.S.O. 1990, c. B.16. Bitfarms is a global Bitcoin mining company that develops, owns and operates vertically integrated mining farms. Bitfarms is a reporting issuer in all provinces and territories of Canada. The principal regulator of Bitfarms is the Commission.

18. Riot is a Nevada corporation. Riot is a leading Bitcoin mining and digital infrastructure company focussed on a vertically integrated strategy. Riot operates the world's largest Bitcoin mining sites, which are located in Texas. Riot's vision is to be the world's leading Bitcoin-driven infrastructure platform. Riot is not a reporting issuer in any province or territory of Canada.

19. Both Bitfarms and Riot are participants in the Bitcoin mining industry. Bitcoin is a decentralized digital currency (also known as a "**cryptocurrency**"). Transactions are verified by network nodes[1] through cryptography,[2] and are recorded on a publicly distributed ledger known as a "**blockchain**".

20. The Bitcoin protocol is a set of rules that govern the operation of the Bitcoin network. When a user initiates a transaction, it is broadcast to the network and grouped with other transactions into a "**block**". Computers (known as "**miners**") designed for the purposes of performing proof of work on the Bitcoin blockchain compete to solve a cryptographic puzzle to add this block to the Bitcoin blockchain. Once verified by the majority of nodes in the Bitcoin network, the block is added to the blockchain, and the miner receives a "block reward" in the form of newly minted bitcoins and transaction fees.

21. This process is known as Bitcoin mining, and is the means by which new Bitcoins enter into circulation.

22. The Bitcoin protocol has a built-in process designed to control the overall supply and reduce the risk of inflation in Bitcoin known as "**halving**". Every 210,000 blocks (approximately every four years), a "**Bitcoin Halving**" event occurs which results in the block reward for Bitcoin mining being reduced by half (hence the term halving), significantly impacting revenues for Bitcoin mining companies.

23. A Bitcoin Halving event and the period surrounding it is a critical juncture for the Bitcoin industry, and tends to result in significant industry and price volatility. Bitcoin mining companies in particular must navigate such increased market volatility by optimizing costs and potentially diversifying operations to mitigate financial strain and capitalize on potential price increases following a Bitcoin Halving event.

24. Most recently, in April 2024, the fourth "Bitcoin Halving" event occurred. It resulted in the Bitcoin block reward decreasing from 6.25 bitcoin per block to 3.125 bitcoin per block. Previous Halving events occurred in May 2020 (when the block reward decreased from 12.5 to 6.25 bitcoin per block), July 2016 (when the block reward decreased from 25 to 12.5 bitcoin per block) and November 2012 (when the block reward decreased from 50 to 25 bitcoin per block).

(iii) Factual Background

(a) Riot's Interest in a Negotiated Combination with Bitfarms

25. In early 2023, Riot developed an interest in exploring a potential strategic transaction with Bitfarms in view of the strategic merits, financial benefits and synergies that would result from a potential combination of Riot and Bitfarms. Such a transaction would give rise to the following benefits to Bitfarms and its shareholders, among others:

    (a) the opportunity to participate in a vertically-integrated world leading Bitcoin mining company with significant current power capacity and current self-mining capacity, with increased capacity by year-end, on a scale that Riot believes would be substantially larger than any other publicly-listed Bitcoin mining company globally;

    (b) exposure to a more geographically diverse set of sites well-positioned for expansion and long-term growth through 16 highly-differentiated sites to allow for continued expansion into operating environments with favourable energy arrangements; and

    (c) access to Riot's strong balance sheet, with *de minimis* corporate debt, and Riot's significant public equity markets profile, which would enable Riot to fully finance Bitfarms' current and future growth plans.

[1] Network nodes are network stakeholders whose devices (e.g., computers) are authorized to keep track of the distributed ledger and serve as communication hubs for various network tasks. A network node's primary job is to confirm the legality of each subsequent batch of network transactions, known as blocks.

[2] Cryptography is math that can involve encrypting and decrypting data into and from incomprehensible code.

(b) Riot's Initial Engagement with Bitfarms

26. Given its interest in Bitfarms, Riot resolved to begin building a constructive relationship with key Bitfarms personnel in order to explore a potential strategic combination. Between March 2023 and September 2023, members of senior management of Riot engaged in several meetings and discussions with senior management of Bitfarms. In November 2023, Riot provided Bitfarms with a formal analysis requested by Bitfarms management that illustrated the potential value creation to Bitfarms shareholders that would arise from a combination of the Company with Riot based on public filings.

27. During these meetings and discussions, members of management of Riot came to understand that, while Bitfarms management acknowledged the strategic merits of a potential combination of Riot and Bitfarms, the Bitfarms Board was not prepared to consider a transaction at that time. Following the delivery of the formal analysis requested by Bitfarms management in November 2023, management of Riot decided not to push continued discussions regarding a transaction too aggressively and run the risk of undermining the goodwill that Riot had cultivated during the preceding months.

(c) Bitfarms Terminates its CEO

28. During the initial months of 2024, Riot management continued to monitor its industry peers, including Bitfarms, in accordance with its usual practice. Riot also continued to evaluate the prospect of a potential combination with Bitfarms and considered whether to reengage in discussions with Bitfarms.

29. This process accelerated on March 25, 2024 when Bitfarms announced that its then-CEO, Mr. Morphy, would be departing from Bitfarms. Given Mr. Morphy's departure, Riot believed that the Bitfarms Board may have been more receptive to a proposed combination at the time. Such a transaction could have assisted in maintaining stability at the Company and alleviating the impacts that Mr. Morphy's departure and the recent Bitcoin Halving event in April 2024 would have on Bitfarms and its shareholders. In addition, Riot was made aware that the termination by the Bitfarms Board of Mr. Morphy was contentious within the senior executive ranks of Bitfarms.

(d) Riot's Proposal for a Negotiated Combination with Bitfarms

30. To further its efforts to recommence engagement with Bitfarms, on April 22, 2024, Riot delivered to the Bitfarms Board a written non-binding proposal to combine with Bitfarms in a negotiated transaction that implied an equity value for Bitfarms of approximately US$950 million (the "**April Proposal**").

31. The April Proposal was deliberately structured to demonstrate Riot's commitment to delivering significant value to Bitfarms and its shareholders. Among other things, the April Proposal was not subject to any financing contingency and was subject only to a limited period of customary due diligence, final approval from Riot and Bitfarms' respective boards of directors and the negotiation of terms and execution of definitive agreements.

32. Later in the day on April 22, 2024, Bitfarms advised that the April Proposal would be referred to a meeting of a Special Committee of the Bitfarms Board (the "**Special Committee**") that would be convened the following day.

(e) Negotiation of a Non-Disclosure Agreement and Standstill

33. In order to facilitate the limited period of customary due diligence contemplated in the April Proposal, the April Proposal suggested that Riot and Bitfarms sign a mutually agreeable non-disclosure agreement. Accordingly, on April 24, 2024, Riot's counsel delivered an initial draft non-disclosure agreement to Bitfarms' counsel.

34. Bitfarms' counsel sent a markup of the non-disclosure agreement to Riot and its outside advisors on April 26, 2024. Riot was extremely troubled by Bitfarms' request for a standstill provision with a three-year term. Under the terms of the standstill provision proposed by Bitfarms, Riot would have been restricted from acquiring more than 4.9% of the outstanding Bitfarms Shares and taking certain other prohibited actions for a period of three years following the termination of the non-disclosure agreement.

35. The request for a standstill provision with a three-year term was extraordinary, obviously excessive and a serious red flag to Riot. At the time of the April Proposal, Riot was prepared to agree to an appropriate standstill period in exchange for access to due diligence information and the opportunity to engage in constructive discussions with Bitfarms regarding a potential combination. A three-year standstill term, however, would have ceded control and leverage over any future engagement to the Bitfarms Board by eliminating the opportunity for Riot to make any offer directly to Bitfarms shareholders. Three years is a lifetime in the context of the Bitcoin mining industry.

36. In light of Riot's understanding of the governance dynamics within the Bitfarms Board, Bitfarms' proposal for a standstill provision with a three-year term caused Riot to question the sincerity of Bitfarms' openness to consider a potential combination in good faith.

(f) Discussions with the Bitfarms' Lead Independent Director

37. As Riot and Bitfarms' respective external advisors continued to negotiate the non- disclosure agreement, including the term of the standstill provision, on May 1, 2024, Brian Howlett, the Lead Independent Director of Bitfarms, contacted Benjamin Yi, the Executive Chairman of Riot. In this discussion, Mr. Howlett made the startling revelation that Bitfarms was "not for sale".

38. The following day, Mr. Howlett followed up and asserted that be misspoke the day before when he said that Bitfarms "is not for sale." He stated that he had allegedly intended to say that "Bitfarms does not need to sell."

39. This shift in position was remarkable. It was also entirely tactical. Mr. Howlett was presumably advised to go back to Riot and adopt a new position concerning whether Bitfarms was "for sale" to preserve its ability to announce on short notice a strategic review and the 15% Rights Plan as defensive measures should Riot continue to pursue a combination of Riot and Bitfarms. In fact, that is precisely what happened, as explained below.

40. After Riot delivered the April Proposal, the Bitfarms Board failed to provide any meaningful response for two weeks, except when Mr. Howlett once again raised the issue of a standstill during a call on May 7, 2024 with Riot's Executive Chairman, Benjamin Yi. In response, Mr. Yi clarified that Riot was looking for feedback on its written proposal in writing prior to signing a non-disclosure agreement with a standstill.

41. The very next day, on May 8, 2024, Mr. Howlett sent Riot executives a brief email rejecting the April Proposal. He also noted that Bitfarms would be interested in having meaningful discussions with respect to a potential combination, but only if Bitfarms agreed to a non-disclosure agreement that rejected several key changes in the most recent version and contained a standstill provision with a one-year term.

42. This series of events indicates that the position of Riot on the standstill may have contributed to the rejection by the Bitfarms Board of the April Proposal. The request for Riot to enter into a non-disclosure agreement with a standstill provision as a condition to engaging in discussions regarding a potential combination was intended to sideline Riot from proceeding with an offer directly to shareholders and would have represented a significant victory for a Bitfarms Board that had not put Bitfarms up for sale. It is not uncommon for parties to discuss potential deal terms in the absence of a confidentiality agreement and only enter into such an agreement with a standstill once the due diligence process commences.

43. In addition, to Riot's knowledge, Bitfarms had not by this point engaged a financial advisor in relation to the April Proposal, as would be customary. This demonstrated to Riot that Bitfarms was not serious about the April Proposal and had not given it due consideration, because the April Proposal was apparently rejected without input from a financial advisor.

(g) Riot's Concerns with Bitfarms' Conflicted Board

(i) The Conflicted Composition of the Bitfarms Board

44. The Bitfarms Board is currently comprised of Nicolas Bonta, Brian Howlett, Andrés Finkielsztain, and Edie Hofmeister. There is one vacancy on the Board. Until recently, Emiliano Grodzki, one of the founders and a former CEO of Bitfarms, was also a director of Bitfarms. However, shareholders voted overwhelmingly against his candidacy during an uncontested election of directors at the most recent annual general and special meeting of Bitfarms on May 31, 2024. He failed to receive a majority of the votes cast and was therefore forced to tender his resignation pursuant to Bitfarms' majority voting policy.

45. Mr. Bonta and Mr. Grodzki are two of the founders of Bitfarms. They are not independent and together own approximately 4.3% of the outstanding Bitfarms Shares. Mr. Howlett, Mr. Finkielsztain and Ms. Hofmeister are the purported independent directors of the Bitfarms Board (though as explained below, Riot has serious doubts about Mr. Finkielsztain's purported independence).

(ii) Founder Control

46. It is widely-known in the Bitcoin mining industry that two of Bitfarms' founders, Nicolas Bonta and Emiliano Grodzki, exert an outsized level of control and influence over Bitfarms and the Bitfarms Board, relative to their owning approximately 2.42% and 1.88% of the outstanding Bitfarms Shares, respectively, as of May 3, 2024.

47. Messrs. Bonta and Grodzki have been able to exert such an outsized level of control and influence, in part, due to their close relationship with Andrés Finkielsztain. Although Mr. Finkielsztain is a purported "independent" director of Bitfarms (and serves on the Special Committee, which is supposed to consist only of independent directors), he has previously been advertised by Bitfarms as a "Co-Founder" and on his own LinkedIn page Mr. Finkielsztain describes himself as a "Co-Founder" of Bitfarms. Mr. Finkielsztain also played an instrumental role in Bitfarms' early development. He is the

furthest thing from independent. His membership on the Special Committee raises serious doubts about its independence.

48. Perhaps as a result of this dynamic, Bitfarms has had a revolving door of CEOs during its time as a public company. In particular:

(a) in March 2018, Mr. Grodzki stepped aside as CEO, and Wes Fulford assumed the position of CEO;

(b) after just two years in the position, Mr. Fulford resigned as director and CEO in March 2020, ceding the position once again to Mr. Grodzki;

(c) in December 2022, Mr. Grodzki again stepped aside as CEO, and Mr. Morphy was appointed to the position; and

(d) after a tenure of less than approximately 18 months, Mr. Morphy was terminated in May 2024, and Mr. Bonta, another founder of Bitfarms, assumed the role of interim President and CEO, a position he continues to hold today.

49. Messrs. Bonta and Grodzki also have received outsized compensation relative to the other directors of Bitfarms. During 2023, Messrs. Bonta and Grodzki served as non- independent directors of Bitfarms. Neither Mr. Bonta nor Mr. Grodzki served as a member of management during that period. However, each of Messrs. Bonta and Grodzki received total compensation of US$1,399,370 for 2023, while Bitfarms' other directors received compensation of between US$401,968 and US$743,223.

(iii) Bitfarms is Sued By its Former CEO, Who is Replaced by Mr. Bonta

50. On May 10, 2024 (three days before Bitfarms elected to publicly announce Mr. Morphy's departure), Mr. Morphy issued a Statement of Claim against Bitfarms seeking damages for wrongful dismissal. In his Statement of Claim, Mr. Morphy alleged that:

(a) Bitfarms' CFO and Chief Mining Officer stated that "an outright dismissal [of Mr. Morphy] would have a catastrophic impact on market perception and stock price of" Bitfarms;

(b) the Bitfarms Board "often demanded unrealistic compensation";

(c) two of Bitfarms' founders and Board members (presumably Mr. Bonta and Mr. Grodzki) "requested egregious adjustments to their compensation which was two times higher than peer companies";

(d) since Mr. Morphy's termination on March 22, 2024, "money has been extravagantly paid to directors" of Bitfarms; and

(e) Mr. Morphy's termination was "motivated at least in part due to his objection to unreasonable expenditure of Company funds purely to the benefit of a handful of directors."

51. On May 13, 2024, Bitfarms issued a press release announcing that it had terminated the employment of Mr. Morphy, and that he no longer served as a Director. Bitfarms also announced that it had appointed Mr. Bonta as CEO on an interim basis.

52. As noted above, this was not the first time that a CEO left Bitfarms to be replaced by an insider. Although Bitfarms claimed that the search for a new CEO was nearing completion and that a new CEO would be appointed "in the next several weeks", as of June 21, 2024 (almost six weeks after its press release) Bitfarms had not appointed a new permanent CEO.

53. Mr. Bonta is a founder of Bitfarms and is not independent. As Chairman of the Bitfarms Board since 2018, Mr. Bonta is directly responsible for the poor corporate governance described in this Application.

54. Mr. Bonta's new role as interim CEO will solve none of these issues. Instead, it will better enable Mr. Bonta to continue to entrench himself and frustrate the efforts of Riot to improve Bitfarms. In effect, Mr. Morphy's departure means that Mr. Bonta has further consolidated his grip over Bitfarms, to the severe detriment of Bitfarms' shareholders. That is precisely why Riot has always asked, as a term of resolving its dispute with Bitfarms, that Mr. Bonta be required to leave the board and management of Bitfarms and why he is targeted for removal at the Requisitioned Meeting.

(iv) The Concerns of Riot Regarding Bitfarms Board are Not New

55. The concerns of Riot regarding the Bitfarms Board are not new or unique to Riot.

56. Most members of the Bitfarms Board have faced declining voting support from shareholders in recent years, which culminated in Mr. Grodzki being voted off the Bitfarms Board in May 2024.

57. In addition, the world's two most reputable proxy advisory firms, Glass Lewis and Institutional Shareholder Services ("**ISS**"), have expressed similar concerns for several years. Since 2022, each has issued on an annual basis reports that describe a concerning lack of proper corporate governance at Bitfarms. These reports were published in advance of Bitfarms' annual shareholder meetings and provided voting recommendations to shareholders. For example:

    (a) in 2022, Glass Lewis recommended that Bitfarms shareholders withhold their votes for two of the five directors up for re-election—Mr. Grodzki and Mr. Finkielsztain. ISS also recommended against the re-election of Mr. Grodzki;

    (b) in 2023, Glass Lewis again recommended against the re-election of Mr. Grodzki. Glass Lewis recommended that the Bitfarms Board take notice of the "significant level of shareholder disapproval" of Mr. Grodzki and Mr. Finkielsztain that was expressed by shareholders at Bitfarms' 2022 Annual Meeting, during which those directors received shareholder support of just 51.67% and 60.32% respectively;

    (c) in addition to once again recommending against the re-election of Grodzki, ISS also recommended in 2023 against the re-election of Mr. Bonta and Mr. Morphy as directors;

    (d) in 2024, Glass Lewis and ISS both recommended against the re-election of Mr. Grodzki (and Glass Lewis also recommended against voting for Ms. Hofmeister); and

    (e) in a report issued in May 2024, ISS assigned Bitfarms a Governance QualityScore of 9 out of 10, placing Bitfarms near the bottom in the 9th decile of governance risk in its index or region.

(h) Riot Goes Public With its Concerns

58. Riot continued to acquire Bitfarms Shares in May 2024. As of May 28, 2024, Riot reported that it had acquired beneficial ownership of approximately 10% of the outstanding Bitfarms Shares. Since then, Riot has been Bitfarms' single largest shareholder. As a result, Riot has a significant interest in the proper management of the Company and the appropriate constitution of the Board.

59. After the numerous unsuccessful attempts to engage constructively with Bitfarms set out above and in light of its concerns regarding entrenchment of the Bitfarms Board, on May 28, 2024, Riot sent to the Bitfarms Board a letter in which Riot expressed its profound disappointment arising from the swift rejection by the Board of Riot's proposal without a thorough and informed evaluation, and the lack of meaningful engagement from the Bitfarms Board. Riot also explained its significant concern that two of Bitfarms' founders—Mr. Bonta and Mr. Grodzki—were entrenching themselves on the Bitfarms Board, rather than acting in the best interests of Bitfarms shareholders.

60. In its letter of May 28, 2024, Riot also provided Bitfarms with notice that it intended to disclose the April Proposal to the public. Later that morning, Riot issued a press release announcing that it had made the April Proposal to Bitfarms on April 22, 2024. Riot also announced that it intended to requisition a special meeting of Bitfarms' shareholders (defined above as the Requisitioned Meeting) for the purpose of bringing much needed change to the Bitfarms Board, as discussed in greater detail below.

(i) Bitfarms' 2024 Annual General Meeting

61. Bitfarms' 2024 Annual General and Special Meeting (the "**2024 AGM**") took place on May 31, 2024, just three days after Riot's announcement. The director election at the 2024 AGM was unopposed, but Bitfarms shareholders nevertheless took the extraordinary step of voting out Mr. Grodzki—one of Bitfarms' founders—from the Bitfarms Board.

62. It is unsurprising that Mr. Grodzki was not re-elected to the Bitfarms Board. As noted above, Mr. Grodzki has faced consistent criticism in reporting from ISS and Glass Lewis, and has experienced declining shareholder support in the past several years. There can be no doubt that the ouster of Mr. Grodzki as a member of the Bitfarms Board is also a direct result of the serious corporate governance failures of the Bitfarms Board discussed throughout this Application. It appears that a large proportion of other Bitfarms shareholders hold views similar to those of Riot concerning governance at Bitfarms.

63. As of June 21, 2024, Bitfarms has not yet filled the vacancy on its Board left by the ouster of Mr. Grodzki.

(j) Bitfarms' Response to Riot's May 28, 2024 Press Release

64. Bitfarms did not respond fairly or properly to Riot's proposal or its May 28, 2024 letter and Press Release. Instead, on May 29, 2024, Bitfarms issued a press release announcing that it had formed a Special Committee of unspecified

"independent" directors to consider the April Proposal, and that the Special Committee had determined that it undervalued Bitfarms and its growth prospects.

65. Bitfarms also announced that it had received additional unsolicited expressions of interest and would be conducting a review of strategic alternatives (defined above as the "**Strategic Review**") that could include a continuation of Bitfarms' existing business plan, a strategic business combination or other strategic transaction or sale of Bitfarms.

66. Riot executives were surprised that Bitfarms had supposedly undertaken the Strategic Review, given that Mr. Howlett had as recently as May 1, 2024 informed Riot that Bitfarms was "not for sale". While he later followed up and purported to correct himself to say that Bitfarms "does not need to sell", it is clear that the Bitfarms Board never had any genuine intention of participating in a strategic transaction with Riot, and Mr. Howlett's correction was entirely tactical in nature.

67. It is clear that Bitfarms hastily commenced its Strategic Review only after its conduct was disclosed publicly by Riot, Bitfarms' largest shareholder. The Strategic Review is nothing more than a pretense for Bitfarms' true objectives, which are to frustrate Riot's proposal, further entrench the Board, and as discussed below, purport to justify the 15% Rights Plan. It is clear that Bitfarms is not pursuing the Strategic Review in good faith based on its summary dismissal of the April Proposal and previous unsuccessful attempts by Riot to engage constructively with representatives of Bitfarms, including members of the Bitfarms Board.

68. Any credible strategic review would include Riot as a participant given its position in the market and interest in Bitfarms. In that regard, the Bitcoin mining industry features only a handful of large-scale Bitcoin miners and other participants. Riot is one of the leading publicly-traded Bitcoin miners in the world. In a proper Strategic Review process, a first-tier counterparty offering a premium transaction with limited conditionality would be a natural and obvious counterparty to engage with. Instead, as recently as April 28, 2024, Bitfarms insisted that Riot agree to an off-market standstill in order to receive due diligence access—a request so unreasonable it could not plausibly have been made in good faith.

69. There is accordingly a serious question as to whether the existing Bitfarms Board will properly oversee the Strategic Review. Its true intention appears to be to frustrate a potential strategic combination with Riot or another third party and further entrench members of the Bitfarms Board. Given this concern, additional independent Directors are necessary to oversee the Strategic Review. That is why Riot has requisitioned the Requisitioned Meeting to nominate and vote for new independent Directors.

(k) Riot's Attempts to Engage are Rebuffed Again

70. In light of the voting results from the 2024 AGM, Riot's previous interactions with Bitfarms, and the corporate governance concerns raised by ISS, Glass Lewis and in Mr. Morphy's Statement of Claim, Riot had developed serious concerns regarding the Bitfarms Board in late May and early June of 2024.

71. For that reason, on June 1, 2024, the day after Mr. Grodzki was voted off the Bitfarms Board, Riot sent a letter to Bitfarms in an attempt to discuss potential approaches to improve Bitfarms' corporate governance practices and board composition for the benefit of all shareholders, including the appointment of at least two new directors who are fully independent of both Riot and Bitfarms. Riot also expressed its desire to work constructively with Bitfarms to select new directors.

72. Bitfarms responded by letter dated June 3, 2024 and again insisted on engaging in dialogue only on terms that would inappropriately limit Riot's strategic options. Bitfarms also baselessly characterized Riot's legitimate corporate governance concerns as "surreptitious cover for [Riot's] opportunistic actions". Bitfarms also purported to change its tune by offering a three month standstill. However, Riot viewed this as a disingenuous offer from a counterparty that had by that point lost credibility and wished to sideline Riot and limits its strategic options. Riot was not willing to re-engage with the Bitfarms Board concerning its proposal unless and until the Bitfarms Board was reconstituted with credible, independent directors who would fairly consider Riot's proposal.

73. On June 4, 2024, Riot responded to Bitfarms' letter of June 3, 2024. In that letter, Riot explained that it was deeply disappointed that Bitfarms continued to ignore the serious corporate governance issues plaguing the Bitfarms Board, which could not be rectified until one of the principal architects of those issues—Mr. Bonta, the Chairman of the Board since 2018—resigned from his position on the Board and as CEO.

74. Riot accordingly proposed a resolution that would address its serious governance concerns and improve the composition of the Bitfarms Board for the benefit of all Bitfarms shareholders. The proposal included the following terms: (i) Mr. Bonta would leave the Bitfarms Board and resign as interim CEO; and (ii) Bitfarms would add at least two directors who are independent from both Riot and Bitfarms. Riot also provided further notice to Bitfarms that it intended to requisition a special meeting of the shareholders to elect new independent directors.

(l) Bitfarms Adopts the 15% Rights Plan

75. Regrettably, Bitfarms did not respond to Riot's letter of June 4, 2024. Instead, on June 10, 2024, Bitfarms unilaterally announced the adoption by its Board of the 15% Rights Plan by way of a press release.

76. Under the terms of the 15% Rights Plan, a "Flip-In Event" occurs and triggers the 15% Rights Plan upon any person (together with its affiliates, associates and persons acting jointly or in concert with such person) acquiring beneficial ownership over the "Stipulated Percentage" or more of the outstanding Bitfarms Shares, other than by way of a "Permitted Bid" and certain other exceptions. For purposes of the 15% Rights Plan, the "Stipulated Percentage" means "from the Effective Date to and including September 10, 2024, 15%, and thereafter, 20%".

77. Accordingly, at any time prior to September 11, 2024, the acquisition by any person (together with its affiliates, associates and persons acting jointly or in concert with such person) of beneficial ownership of 15% or more of the outstanding Bitfarms Shares will result in the triggering of the 15% Rights Plan (subject to certain exceptions).

78. Remarkably, one of those exceptions applies to any private placement approved by the Bitfarms Board of up to 25% of the outstanding Bitfarms Shares. In other words, the Bitfarms Board is satisfied for a new 20% block holder to exist, so long as that block holder is friendly to the existing Bitfarms Board. Importantly, any such private placement would also dilute Riot's holdings down to 11.9%.

79. As noted throughout this Application and in greater detail below, the 15% Rights Plan will cause significant prejudice to Riot. In effect, the 15% Rights Plan caps Riot's ability to acquire Bitfarms Shares to 14.9% despite the customary 20% trigger that would usually apply. This limits the ability of Riot to acquire further voting power in advance of the Requisitioned Meeting and to vote in favour of the Independent Nominees to bring much-needed change to Bitfarms. And the 15% Rights Plan also provides to the Bitfarms Board the ability to conduct a private placement of new Bitfarms Shares in an amount equal to up to 25% of the existing Bitfarms Shares to a friendly third party, which would create a new 20% block holder while diluting Riot from its current 14.9% position to 11.9% (with a corresponding dilution of 20% to other shareholders as well).

80. In its June 10, 2024 press release, Bitfarms publicly claimed that Riot's accumulation of Bitfarms Shares is an attempt to undermine the integrity of the Strategic Review and thwart the interest of third parties. Bitfarms asserted that the adoption of the 15% Rights Plan is "necessary…to ensure…that the Board has sufficient opportunity to identify, develop and negotiate alternatives, if considered appropriate, pursuant to the [Strategic Review]…to deliver the best value for Bitfarms' shareholders". Bitfarms also asserted that "the continuing accumulation of common shares of the Company by Riot (or economic interests therein) above a 15% threshold in the short term is likely to inhibit" the Strategic Review.

81. These statements are simply false. The 15% Rights Plan is tactical in nature and has not been approved by Bitfarms shareholders. Prior to the adoption of the 15% Rights Plan, Bitfarms did not have in place a standing shareholder rights plan. At no time has Riot sought to undermine the integrity of the Strategic Review. Moreover, Bitfarms has never properly explained how Riot's acquisition of Bitfarms Shares could possibly inhibit the Strategic Review.

82. Rather than inhibit it, Riot intends to enhance the integrity of the Strategic Review by adding new independent Directors to the Bitfarms Board to ensure that the Strategic Review does not result in further entrenchment of Mr. Bonta and other members of the Bitfarms Board. Riot has made numerous attempts to participate on certain conditions that have not been accepted by Bitfarms.

83. In addition, the 15% Rights Plan provides:

> WHEREAS the Board of Directors, on the recommendation of the special committee of independent directors, has determined that it is in the best interests of the Corporation to adopt a shareholder protection rights plan (the "**Rights Plan**") **to ensure, to the extent possible, that the Board of Directors has sufficient opportunity to identify, develop and negotiate value-enhancing alternatives, if considered appropriate, to any unsolicited Offer to Acquire** (as hereinafter defined) the outstanding Voting Shares, including pursuant to the Board of Directors' current comprehensive review of strategic alternatives to maximize shareholder value; [emphasis added]

84. Bitfarms' true intentions, including of minimizing Riot's voting power at the Requisitioned Meeting, are flatly inconsistent with this preamble. Riot has not announced any intention of launching a formal take-over bid for the shares of Bitfarms it does not already own. Riot sought to engage with the Bitfarms Board in order to attempt to reach a negotiated transaction with the Bitfarms Board, rather than to launch an unsolicited take-over bid made directly to the Company's shareholders.

85. Bitfarms has asserted that it adopted the 15% Rights Plan at the request of an interested party. This is an obvious statement of self-interest by the party in question and further shows that the 15% Rights Plan is improper.

86. Bitfarms has asserted that it followed the advice of its advisors in adopting the 15% Rights Plan. Riot seriously questions the veracity of this assertion, given that the 15% Rights Plan is *prima facie* contrary to industry custom, stated guidance

and previous rulings of Canadian securities regulators. To the extent the 15% Rights Plan was adopted by Bitfarms on the advice of its advisors, that advice was unreasonable and inappropriate in the circumstances, particularly in light of decisions of the Commission since the 2016 amendments (the "**2016 Amendments**") to National Instrument 62-104 - *Take-Over Bids and Issuer Bids* ("**NI 62-104**") that such advisors were, or ought to have been, fully aware of.

(m) Press Releases of Riot and Bitfarms in Mid-June 2024

87. On June 12, 2024, Riot issued a press release in response to the implementation by Bitfarms of the 15% Rights Plan, noting that, among other things, the 15% Rights Plan is in direct conflict with prevailing corporate governance standards, including the proxy voting guidelines of both ISS and Glass Lewis, which view shareholder rights plans with triggers below 20% as contrary to the best interests of shareholders.

88. Later on June 12, Bitfarms issued a press release in response. Among other things, Bitfarms falsely asserted in this press release:

(a) Riot is acquiring Bitfarms Shares "in an attempt to undermine the integrity of the [Strategic Review] process and harm the interests of the Company";

(b) "Riot is attacking Bitfarms' Board and corporate governance in an effort to push its low-ball bid and disrupt the [Strategic Review]";

(c) the purpose of the 15% Rights Plan is to preserve "the integrity of the [Strategic Review] so the Special Committee can continue working towards value maximization for all shareholders";

(d) "Riot's comments make clear their frustration lies in no longer being able to tilt the scale towards their opportunistic nonbinding offer, cloaked in vague concerns about corporate governance"; and

(e) "Attacking Bitfarms' governance is not only hypocritical, but it is a thinly veiled ploy to achieve Riot's own self-serving agenda and attempt to acquire Bitfarms at a discounted price."

89. These comments are unfortunate. They are also entirely inaccurate:

(a) Riot has no interest in undermining the Strategic Review. In any event, and as explained above, the Strategic Review is nothing more than a pretense to enable the Bitfarms Board to forestall an independent, fair and proper consideration of a combination of Riot and Bitfarms.

(b) Riot has never made a "low-ball" offer to acquire Bitfarms and has no desire to pay any sort of "discounted price". When it made its April Proposal, Riot offered a significant premium to Bitfarms' then-current market share price. Further, under any normal circumstance, such an offer would presumably have been subject to some reasonable negotiation between the parties. Riot has since withdrawn the April Proposal. Riot will continue to assess the appropriateness of this offer based on current market conditions. It is now, however, focussed on remedying the corporate governance issues described in this Application at the Requisitioned Meeting.

(c) The 15% Rights Plan—and in particular, the 15% trigger—simply has no reasonable connection whatsoever with furthering the Strategic Review. To the extent that Bitfarms justifies the 15% Rights Plan as somehow being "auction enhancing", that could apply in any case, and there are no unique circumstances here that warrant special treatment of this 15% Rights Plan.

(n) Riot's June 13, 2024 With Prejudice Settlement Offer

90. Riot's sincere hope was that a satisfactory resolution with Bitfarms could be achieved quickly without regulatory intervention. In furtherance of that objective, Riot submitted a settlement proposal to Bitfarms on June 13, 2024 that would have provided for a resolution of the issues raised herein.

91. Among other things, consistent with its position in prior proposals, that proposal provided that Mr. Bonta would resign from the Bitfarms Board and as interim CEO; three new independent Board members would be appointed (two selected by Bitfarms from a list of independent directors provided by Riot and one selected by Riot from a list of independent directors provided by Bitfarms); and the 15% Rights Plan would be terminated. If all of those conditions were satisfied, Riot would also enter into a non- disclosure agreement with a three month standstill since Riot would have the confidence that it would have a fair dealing counterparty to engage with on any proposal.

92. On June 17, 2024, Bitfarms responded to Riot's letter of June 13, 2024. In that letter, Bitfarms repeated several of its false assertions, all of which are completely wrong. Among other things, it incorrectly characterized Riot's engagement with Bitfarms as being "neither constructive nor made in good faith". Bitfarms also inaccurately characterized Riot's entirely appropriate concerns with the Bitfarms Board as being a "surreptitious cover for your opportunistic actions in

seeking to acquire Bitfarms at a price which significantly undervalues the Company and its growth prospects". Even though Bitfarms rejected all of the other important and essential elements of Riot's Settlement Proposal, Bitfarms also curiously attached a signed copy of the confidentiality and standstill agreement that was appended to Riot's June 13, 2024.

93. These comments are unfortunate and misplaced. Riot has at all times sought to engage constructively and in good faith with the Bitfarms Board. It has never proposed to acquire Bitfarms at a price that undervalues Bitfarms. Instead, at all times, Riot has sought to pursue a transaction that would realize value for all parties, including Bitfarms and its shareholders. Unfortunately, as is clear from its response, Bitfarms has not properly acknowledged Riot's significant concerns with the Bitfarms Board's governance or Riot's concern over Mr. Bonta's outsized influence on the Board. Until the Bitfarms Board does so, there is no possibility of a negotiated resolution and Riot has no alternative but to seek relief from the Tribunal.

(o) Riot's Letter to the Commission of June 18, 2024

94. On June 18, 2024 Riot's Canadian counsel sent a complaint letter to the Commission to formally inform them of Bitfarms' conduct, including the 15% Rights Plan, and to request intervention by the Commission. Later on June 18, 2024, Bitfarms' Canadian counsel responded in a brief and cursory letter that launched further baseless accusations against Riot.

(p) Call with the Special Committee on June 23, 2024

95. On June 23, 2024, senior Riot personnel spoke with the Special Committee. Riot explained that its goal was to make governance changes and address the founder-led culture at Bitfarms. Riot clarified that it was not concerned with the "truly independent members of the Board" (Mr. Howlett and Ms. Hofmeister). Mr. Finkielsztain asked whether Riot would agree to it and Bitfarms each appointing one Director, such that two new Directors would be added to the Bitfarms Board. Mr. Les advised that Riot required a response in writing to its proposal of June 13, 2024. Ms. Hofmeister volunteered that the Bitfarms Board took issue with Riot's approach and that the 15% Rights Plan was a defensive measure to protect the integrity of Bitfarms. However, she also noted that it was not unusual for Riot, being a large shareholder, of "15% to 20%", to ask for changes to the Board. To date, Riot has not received any response in writing from Bitfarms despite Mr. Les' request.

(q) The Requisitioned Meeting

96. As noted above, Riot provided notice to Bitfarms on May 28, 2024 and several times thereafter that it intended to requisition a special meeting of shareholders. Riot requisitioned that meeting on June 24, 2024.

97. The purpose of the Requisitioned Meeting is to add new, well-qualified Directors to the Bitfarms Board who are independent of both Riot and Bitfarms. It will give shareholders a chance to bring needed change to the Bitfarms Board and make repairing Bitfarms' broken corporate governance and maximizing value for all Bitfarms' shareholders their top priorities. It will also give shareholders the opportunity to vote on the removal of the entrenched Directors or their replacements, and any individual who fills the current vacancy created by the departure of Mr. Grodzki. That is the sole and exclusive right of the Bitfarms shareholders, not a decision for the Bitfarms Board to make.

98. As Bitfarms' largest shareholder by a wide margin, Riot has significant exposure to Bitfarms' corporate governance standards and practices. The track record set out in this Application concerning Bitfarms reflects poor corporate governance, entrenchment and a lack of Board independence. That track record has culminated in Bitfarms' summarily dismissing Riot's numerous attempts to engage constructively.

99. That is precisely why the Requisitioned Meeting is necessary. It is Riot's response to months of unproductive, frustrating and troubling interactions with Bitfarms that have arisen in response to Riot's efforts to engage constructively with the Bitfarms Board regarding a potential friendly combination of Riot and Bitfarms.

100. Riot intends to exercise its right as a shareholder of Bitfarms and vote all of its Bitfarms Shares at the Requisitioned Meeting. Riot has proposed three nominees for election to the Bitfarms Board at the Requisitioned Meeting: John Delaney, Ralph Goehring and Amy Freedman. Each is an eminently qualified and well-respected individual who would bring foundational and much-needed change to the Bitfarms Board.

(iv) Why Riot has Brought this Application

101. For the reasons set out above, Riot has serious concerns with the Bitfarms Board that it believes have resulted in and facilitated an untenable situation. However, the purpose of this Application is not to address those issues. Instead, Riot aims to do nothing more than: (i) ensure it is treated like any other participant in public markets and be permitted to exercise its right to acquire up to 19.9% of the outstanding Bitfarms Shares should it determine to do so, without triggering an unreasonable and punitive dilutive event; and (ii) maximize its chance of success at the Requisitioned Meeting. To do

so, any securities that have been or will be issued pursuant to the 15% Rights Plan must be cease traded since Bitfarms has adopted an off-market 15% Rights Plan with an ownership trigger of 15% rather than the customary 20% trigger.

102. The 15% Rights Plan is directed squarely at frustrating Riot's entirely appropriate and lawful acquisition of Bitfarms Shares in the open market. It is intended to, and without immediate relief from the Tribunal will, improperly prevent Riot from acquiring additional Bitfarms Shares. An arbitrary and privately-ordered limitation on Riot's ability to acquire up to 19.9% of the outstanding Bitfarms Shares in the period prior to the Requisitioned Meeting—or at all—is materially harmful and prejudicial to Riot.

103. Riot has five primary concerns regarding the purpose and effects of the 15% Rights Plan.

104. *First*, the purpose and effect of the 15% Rights Plan is to prevent Bitfarms from exercising its right to acquire up to 19.9% of the outstanding Bitfarms Shares and voting those Bitfarms Shares at the Requisitioned Meeting. As noted above, Riot has requisitioned the Requisitioned Meeting in order to propose three new and highly-qualified director candidates who are independent of both Riot and Bitfarms. If elected at the Requisitioned Meeting, Riot's Director nominees will bring much needed corporate governance improvements and business expertise to the Bitfarms Board, including by helping to objectively oversee the strategic alternatives review process at Bitfarms and by guiding Bitfarms forward if the Bitfarms Board ultimately determines that continuing to execute on Bitfarms' standalone business plan is the optimal direction for all Bitfarms shareholders.

105. In order to ensure it has the best possible chance of success, Riot would like to preserve the right to acquire as many Bitfarms Shares as it is legally permitted to acquire without the obligation of launching a formal take-over bid before the record date of the Requisitioned Meeting. As a matter of law, that threshold is 19.9% of the outstanding Bitfarms Shares. Riot has not announced that it intends to commence a take-over bid to acquire Bitfarms Shares it does not already own. In a perverse way, under the terms of the 15% Rights Plan, the sole means for Riot to acquire any further Bitfarms Shares is to make a formal take-over bid that complies with the "Permitted Bid" provisions of the 15% Rights Plan—a significant obligation that is completely impractical in circumstances where Riot merely wishes to preserve its right to acquire an additional 5.0% of the outstanding Bitfarms Shares over what it currently owns should it determine to do so.

106. *Second*, as noted above, Riot believes that Bitfarms intends to pursue a private placement or other dilutive issuance of securities to a friendly third party while Riot is precluded from acquiring Bitfarms Shares on the open market by virtue of the 15% Rights Plan. This intention is apparent from the terms of the 15% Rights Plan itself. Any such issuance would dilute Riot's ownership interest to as low as 11.9% and create a new shareholder holding up to 20% of the Bitfarms Shares that would presumably exercise its voting rights at the Requisitioned Meeting in concert with the 4.3% of Bitfarms Shares held by two of Bitfarms' founders, Mr. Bonta and Mr. Grodzki. It is manifestly unfair for the Bitfarms Board to have adopted a 15% Rights Plan that precludes market participants such as Riot from acquiring 15% or more of the Bitfarms Shares while reserving for itself the right to issue 25% of those shares to a third party hand-picked by the Bitfarms Board.

107. *Third*, even if the 15% Rights Plan is cease-traded, Riot has been prejudiced by its inability to acquire Bitfarms Shares on the open market without triggering the 15% Rights Plan since June 19, 2024, the date on which it acquired 14.9% of the outstanding Bitfarms Shares. Since that time, Riot has not been able to avail itself of the suitable market conditions that have existed for the acquisition of additional Bitfarms Shares. As such, the 15% Rights Plan has provided the Bitfarms Board with an unfair timing advantage.

108. Riot is concerned that the Bitfarms Board will leverage this timing advantage to call a record date for the Requisitioned Meeting or other meeting of shareholders to consider a significant transaction that is prior to, or shortly following, the issuance of an order to cease-trade the 15% Rights Plan by the Tribunal. In such circumstances, Riot's potential voting power at the Requisitioned Meeting or such other meeting of shareholders will have been unfairly limited by an unlawful 15% Rights Plan that will have restricted Riot's ability to acquire additional Bitfarms Shares in the open market, should it have chosen to do so, with the result that the Bitfarms Board will have been permitted to benefit from a tactical ploy.

109. *Fourth*, the 15% Rights Plan unfairly prevents Riot from participating in the future success of Bitfarms to the degree it would otherwise be entitled to but for the 15% Rights Plan. As has been recognized by the Commission, the involvement of significant shareholders in governance and strategic matters can facilitate enhanced shareholder value. If Riot is successful in changing the composition of the Bitfarms Board, improving Bitfarms' corporate governance and enhancing value for all of Bitfarms shareholders, Riot should not be precluded from increasing its pro rata participation in the significant benefits it believes will accrue to all Bitfarms shareholders should it decide to increase the size of its investment.

110. The substantial investment of time and capital made by Riot to monitor and discipline the Bitfarms Board and its management through the Requisitioned Meeting will be borne solely by Riot, but any benefits will be shared on a *pro rata* basis with all Bitfarms shareholders. Riot has invested approximately US$132 million in its acquisition of Bitfarms Shares to date, in addition to significant advisory and transaction expenses and opportunity costs. Commensurate with its investment, Riot should be entitled to avail itself of the attendant benefits, including strengthening its position in any potential auction scenario that may arise. In this scenario, ownership of a block of Bitfarms Shares would potentially

benefit Riot as a buyer by potentially lowering its average cost of acquisition per share and by potentially strengthening its bargaining position (all of which would be subject to the minority protections afforded to minority shareholders under Canadian securities laws) or as a seller, since a buyer of Bitfarms will be likely to seek a transaction that Riot as a shareholder views favourably.

111. There is nothing improper about Riot's stake-building strategy yielding these benefits to offset the substantial costs it has incurred in its investment in Bitfarms and in monitoring and disciplining the Bitfarms Board and management. Should a third party wish to obtain the same benefits, it would have the option to make a corresponding investment in Bitfarms. To date, however, no such other party has done so. As Bitfarms has conceded, instead of making this investment, another interested party requested that Bitfarms adopt the 15% Rights Plan.

112. *Fifth*, as is well-understood by market participants and as alluded to above, the acquisition of a toehold interest can typically serve to lower the average acquisition cost per share to a potential buyer in the context of a corporate-level transaction. Should Riot decide to pursue an acquisition of all of the outstanding Bitfarms Shares, this benefit should be available to it. It is manifestly unfair that Bitfarms should seek to prevent it.

113. Despite the materially harmful and prejudicial effects of the 15% Rights Plan, Bitfarms has claimed that it is unable to amend or rescind the 15% Rights Plan and has steadfastly refused to engage constructively with Riot in seeking a viable and legally permissible means of rescinding the 15% Rights Plan. These could include supporting Riot in its application to cease-trade the 15% Rights Plan and instead adopting a market- standard shareholder rights plan that complies with appropriate corporate governance standards and proxy voting guidelines. In the circumstances, Riot has had no choice but to ask the Tribunal for relief.

(v) The 15% Rights Plan is Contrary to the Public Interest

114. Section 127 of the Act confers upon the Tribunal broad public interest jurisdiction to intervene in Ontario capital markets where actions are abusive of shareholders or the capital markets or inconsistent with the principles animating securities legislation, even where no breach of securities law has been found.

115. The public interest is animated by the purposes of the Act, which are set out in section 1.1 as follows:

(a) to provide protection to investors from unfair, improper or fraudulent practices;

(b) to foster fair, efficient and competitive capital markets and confidence in capital markets;

(b.1) to foster capital formation; and

(c) to contribute to the stability of the financial system and the reduction of systemic risk.

116. A consideration of the public interest is also informed by the objectives underlying Canada's take-over bid regime, which is the "protection of the bona fide interests of the shareholders of the target company. A secondary objective is to provide a regulatory framework within which take-over bids may proceed in an open and even-handed environment." Commission decisions have also recognized the importance of predictability of the regime.

117. One of the principal regulatory objectives of this Tribunal is to prevent future conduct that may be detrimental to investors or the integrity of the capital markets. In addition, specific and general deterrence are also appropriate regulatory objectives in issuing an order under section 127 of the Act.

118. A shareholder rights plan with a 15% trigger is *prima facie* contrary to the public interest, and no exceptional circumstances exist in this context to justify the decision of the Bitfarms Board to adopt the 15% Rights Plan, for at least five reasons.

119. *First*, the stipulated threshold of 15% limits Riot's ability to acquire Bitfarms Shares on the open market as permitted by applicable securities laws, as well as its potential voting power at the Requisitioned Meeting. The right to acquire shares in the open market and exercise the voting power connected to those shares has been recognized by securities regulators as fundamental. The Bitfarms Board has undermined these fundamental rights to its own benefit.

120. It is especially notable that Riot has not formally commenced a take-over bid or announced an intention to do so. As such, the purpose and effect of the 15% Rights Plan is to minimize Riot's voting power at the Requisitioned Meeting. Not only is this apparent from the right the Bitfarms Board built into the 15% Rights Plan that permits it to issue by way of private placement up to 25% of the outstanding Bitfarms Shares to a friendly third party, it is contrary to the terms of the 15% Rights Plan itself, which provide that the 15% Rights Plan is intended to "ensure, to the extent possible, that the Board of Directors has sufficient opportunity to identify, develop and negotiate value-enhancing alternatives, if considered appropriate, to any unsolicited Offer to Acquire (as hereinafter defined) the outstanding Voting Shares, including pursuant

to the Board of Director's current comprehensive review of strategic alternatives to maximize shareholder value" [emphasis added].

121. *Second*, the 15% Rights Plan undermines carefully-calibrated bid dynamics. The 2016 Amendments reflect the principal regulatory objective of the fair treatment of target security holders in an open and even-handed environment governed by rules that are well-understood by market participants. The 2016 Amendments reflect a deliberate legislative and policy decision with respect to the balance of the playing field between target companies and potential acquirors, including the right for potential acquirors to acquire up to 19.9% of the outstanding voting or equity securities of a target company. This right is counterbalanced by other aspects of the Canadian take-over regime, such as the early warning reporting requirements and related moratoriums and the statutory minimum tender condition, which excludes the securities beneficially owned or controlled by an offeror.

122. *Third*, the 15% Rights Plan undermines the predictability of the Canadian take- over bid regime. NI 62-104 features a bright-line 20% acquisition threshold at which point regulatory protections for target security holders begin to apply. By instituting a 15% Rights Plan with a 15% threshold, Bitfarms has substituted this predictable carefully- calibrated regime with the self-serving preferences of the Bitfarms Board, undermining a clear and unambiguous statutory framework that has been consistently enforced by securities regulators across Canada since the 2016 Amendments.

123. *Fourth*, the 15% Rights Plan prejudices Bitfarms shareholders and investors generally. The 15% Rights Plan will not only prevent Riot from acquiring more Bitfarms Shares, but will also discourage any other potential buyers that wish to acquire in excess of 15% of the outstanding Bitfarms Shares, to the detriment of Bitfarms shareholders that wish to exit their investments and require liquidity to do so. Additionally, to the extent that Riot determines to acquire additional Bitfarms Shares in order to establish a sufficient toehold before determining to make a formal take-over bid, any attempts to disrupt that strategy pursuant to the 15% Rights Plan will potentially deprive Bitfarms shareholders of the opportunity to consider and respond to a take-over bid.

124. *Fifth,* the 15% Rights Plan, if allowed to stand, sets a damaging precedent and will put Canadian securities commissions "back in the business" of rights plan hearings. In 2013, the Canadian Securities Administrators proposed a comprehensive framework for regulating shareholder rights plans in Canada. Part of the rationale for this proposal was to reduce the number of hearings concerning shareholder rights plans, and the proposal was not ultimately adopted as the issues it intended to address were instead addressed through the 2016 Amendments. If this 15% Rights Plan is allowed to stand for even a short period of time, the use of shareholder rights plans with sub-20% triggers will become widespread, resulting in a steep increase in the number of cease-trade hearings that Canadian securities commissions or their tribunals will be required to preside over.

125. Prior to the 2016 Amendments, a large body of Commission decisions developed to address the circumstances and timing in which a shareholder rights plan "must go." As the Commission has acknowledged, the 2016 Amendments largely achieve the historical objectives of shareholder rights plans in Canada, such that these past decisions are of limited utility.

126. Just as importantly, virtually all of these past decisions evaluated the shareholder rights plan in question in the face of a formal take-over bid. Here, however, the Bitfarms Board has adopted a tactical 15% Rights Plan in the absence of any actual or imminent take-over bid. In fact, as described above, Riot has called the Requisitioned Meeting precisely because it wishes to deal with a Bitfarms Board with new directors that will be able to objectively help oversee the Strategic Review.

127. Instead, the purpose and effect of the 15% Rights Plan is to prevent further acquisitions of Bitfarms Shares by Riot. There is no take-over bid for the Tribunal to consider in its evaluation of the propriety of the 15% Rights Plan, which makes this case different from the body of past regulatory decisions concerning shareholder rights plans.

128. In fact, in a perverse way, the sole means for Riot to acquire additional Bitfarms Shares is to make a formal take-over bid that complies with the "Permitted Bid" provisions of the 15% Rights Plan. Riot does not intend or desire to incur the cost and expense of seeking to acquire a majority of the Bitfarms Shares at this time pursuant to a take-over bid. Nor does it wish to (or should it have to) wait for the 105-day minimum bid period to expire before it can exercise its rights to acquire additional Bitfarms Shares. By that time, the record date for the Requisitioned Meeting could have come and gone and the 15% Rights Plan, even if cease-traded by the Tribunal, will have achieved its purpose.

(vi) Grounds for a Temporary Order

129. There are ample grounds for the Tribunal to issue (and extend, if necessary) the temporary orders sought by Riot, to the extent necessary: (i) the allegations are serious; (ii) Riot will adduce *prima facie* evidence supporting its allegations, and sufficient evidence of conduct that is harmful to the public interest; and (iii) the public interest supports granting such a temporary order, as set out above.

(vii) Riot has Standing Before this Tribunal

130. Riot has standing to bring this Application to the Tribunal. The Application was timely and Riot has a *prima facie* case. Riot has a direct interest in the outcome of this Application as a substantial shareholder of Bitfarms, and will be directly affected by the outcome of this Application.

131. In addition, this Application concerns transactions regulated by National Instruments and National Policies and the alleged breach of those Instruments and Policies, is not purely enforcement in nature, the relief sought is forward looking in nature, and the Commission has the authority but has declined to impose a remedy in the circumstances.

132. Moreover, the purpose of this Application is not to impose sanctions in respect of past breaches of the Act or past conduct alleged to be contrary to the public interest.

133. This Application also raises novel issues, including whether a shareholder rights plan with a 15% trigger is *prima facie* contrary to the public interest, particularly in light of the long-standing 20% threshold set forth in NI 62-104. As set out above, there is a strong need for clear guidance from this Tribunal as to whether shareholder rights plans with sub-20% triggers are lawful.

134. The Application also concerns important matters involving shareholder democracy and the take-over bid regime, and raises serious public policy concerns that will materially affect Riot. It is in the public interest to hear the Application and Riot has public interest standing to bring this Application.

(viii) This Tribunal Has Jurisdiction

135. Section 26 of the *Securities Commission Act, 2021*, S.O. 2021, c. 8, Sched. 9, provides that the Tribunal has "exclusive jurisdiction to exercise the powers conferred on it under the *Securities Act* and the *Commodity Futures Act* and to determine all questions of fact or law in any proceeding before it under those Acts."

136. Section 127 of the Act confers upon the Tribunal the power to make the various orders requested by Riot in this Application, as set out in paragraphs 1(a) to 1(k) above.

(ix) Statutes, Rules and Instruments:

137. Riot relies upon the following statutes, rules and instruments:

(a) *Business Corporations Act*, R.S.O. 1990, c. B.16;

(b) *Securities Act*, R.S.O. 1990, c. S.5;

(c) *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22 ("***SPPA***");

(d) *Capital Markets Tribunal Rules of Procedure*, made under the *SPPA*;

(e) *National Instrument 62-104 – Take-Over Bids and Issuer Bids*;

(f) *National Policy 62-202 – Take-Over Bids – Defensive Tactics*;

(g) *National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer*; and

(h) such other statutes, rules and instruments as counsel may advise.

C. EVIDENCE

138. Riot intends to rely on the following documents and evidence at the hearing:

(a) Affidavit of Jason Chung affirmed June 24, 2024;

(b) Evidence given during the hearing of this Application;

(c) The Written Submissions, Book of Authorities and Compendium of Riot for Oral Argument, to be filed in accordance with any schedule that may be agreed among by the parties and/or imposed by the Tribunal; and

(d) Such other evidence (including expert evidence) and materials as counsel may advise and the Tribunal may permit.

June 24, 2024

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Lawyers for the Applicant, Riot Platforms, Inc.

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A.2
Other Notices

A.2.1 Liquid Marketplace Inc. et al.

FOR IMMEDIATE RELEASE
June 21, 2024

LIQUID MARKETPLACE INC.,
LIQUID MARKETPLACE CORP.,
RYAN BAHADORI,
AMIN NIKDEL AND
DENNIS DOMAZET,
File No. 2024-10

TORONTO – The Tribunal issued a Notice of Hearing on June 21, 2024 setting the matter down to be heard on July 31, 2024 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above-named matter.

A copy of the Notice of Hearing dated June 21, 2024 and the Application for Enforcement Proceeding dated June 19, 2024 are available at capitalmarketstribunal.ca.

Members of the public may observe the hearing by videoconference, by selecting the "Register to attend" link on the Tribunal's hearing schedule, at capitalmarketstribunal.ca/en/hearing-schedule.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

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inquiries@osc.gov.on.ca

A.2.2 Oasis World Trading Inc. et al.

FOR IMMEDIATE RELEASE
June 25, 2024

OASIS WORLD TRADING INC.,
ZHEN (STEVEN) PANG, AND
RIKESH MODI,
File No. 2023-38

TORONTO – The hearing of the Motion dated June 10, 2024 brought by Oasis World Trading Inc., Zhen (Steven) Pang and Rikesh Modi in the above-named matter is scheduled to be heard on July 31, 2024 at 1:00 p.m. by videoconference.

Members of the public may observe the hearing by videoconference, by selecting the "Register to attend" link on the Tribunal's hearing schedule, at capitalmarketstribunal.ca/en/hearing-schedule.

Registrar, Governance & Tribunal Secretariat
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A.2.3 Riot Platforms, Inc. and Bitfarms Ltd.

FOR IMMEDIATE RELEASE
June 25, 2024

RIOT PLATFORMS, INC. AND
BITFARMS LTD.,
File No. 2024-11

TORONTO – On June 25, 2024, the Tribunal issued a Notice of Hearing pursuant to section 127 of the *Securities Act,* RSO 1990, c S.5, to consider the Application filed by Riot Platforms, Inc., dated June 24, 2024, requesting interim and/or permanent cease trade orders with respect to Bitfarms Ltd.'s shareholder rights plan adopted on June 10, 2024, and other related relief.

A first case management hearing will be held on June 27, 2024 at 10:30 a.m.

A copy of the Notice of Hearing dated June 25, 2024 and the Application dated June 24, 2024 are available at capitalmarketstribunal.ca.

Members of the public may observe the hearing by videoconference, by selecting the "Register to attend" link on the Tribunal's hearing schedule, at capitalmarketstribunal.ca/en/hearing-schedule.

Registrar, Governance & Tribunal Secretariat
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B. Ontario Securities Commission

B.2
Orders

B.2.1 Indigo Books & Music Inc. – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Statutes Cited

Business Corporations Act (Ontario), R.S.O. 1990, c. B.16 as am., s. 1(6).

IN THE MATTER OF
THE *BUSINESS CORPORATIONS ACT* (ONTARIO),
R.S.O. 1990, c. B.16,
AS AMENDED
(the OBCA)

AND

IN THE MATTER OF
INDIGO BOOKS & MUSIC INC.
(the Applicant)

ORDER
(Subsection 1(6) of the OBCA)

UPON the application of the Applicant to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an "offering corporation" as defined in subsection 1(1) of the OBCA;

2. The registered and head office of the Applicant is located at 620 King Street West, Suite 400, Toronto, Ontario M5V 1M6;

3. The Applicant has no intention to seek public financing by way of an offering of securities;

4. On June 11, 2024, the Applicant was granted an order (the **Reporting Issuer Order**) pursuant to subclause 1(10)(a)(ii) of the *Securities Act* (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or the equivalent in any other jurisdiction of Canada in accordance with the simplified procedure set out in section 19 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*; and

5. The representations set out in the Reporting Issuer Order continue to be true.

AND UPON the Commission being satisfied that to grant this order would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission pursuant to subsection 1(6) of the OBCA that the Applicant is deemed to have ceased to be offering its securities to the public.

DATED this 18th, day of June, 2024.

"Erin O'Donovan"
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2024-0342

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B.3
Reasons and Decisions

B.3.1 Echelon Wealth Partners Inc. and Ventum Financial Corp.

Headnote

Multilateral Instrument 11-102 Passport System, National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions and National Instrument 33-109 Registration Information (NI 33-109) – relief from certain filing requirements in relation to the bulk transfer of business locations and registered individuals in accordance with section 3.4 of Companion Policy 33-109CP to NI 33-109, as a result of an amalgamation.

June 20, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the "Jurisdiction")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
ECHELON WEALTH PARTNERS INC.
("EWPI")

AND

VENTUM FINANCIAL CORP.
("Ventum")
(collectively, the "Filers")

DECISION

Background

The securities regulatory authority or regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the "**Legislation**") for relief from the requirements contained in sections 2.2, 2.3, 3.2 and 4.2 of National Instrument 33-109 *Registration Information* ("**NI 33-109**") pursuant to section 7.1 of NI 33-109 to allow the bulk transfer (the "**Bulk Transfer**") of the securities registration of all of the EWPI Registrants (as defined below) and EWPI Locations (as defined below) to Ventum as a result of the Amalgamation (as defined below) of EWPI and Ventum, which is expected to occur on June 24, 2024 (the "**Amalgamation Date**") in accordance with section 3.4 of the Companion Policy to NI 33-109 (the "**Exemption Sought**").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application ("**Principal Regulator**"); and

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 - *Passport System* ("**MI 11-102**") is intended to be relied upon in each of the other provinces and territories of Canada outside Ontario.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filers:

Echelon Wealth Partners Inc. – Amalgamating Corporation

1. EWPI is a corporation amalgamated under the *Business Corporations Act* (Ontario). Its head office is located at 181 Bay Street, Suite 2500, Toronto, Ontario M5J 2T3.

2. EWPI is registered under the applicable Canadian securities laws as an investment dealer in each of the provinces and territories of Canada (the "**Jurisdictions**") and as a derivatives dealer in Quebec. EWPI is also a dealer member of the Canadian Investment Regulatory Organization ("**CIRO**")**.** EWPI's National Registration Database ("**NRD**") number is 32420.

3. EWPI is an affiliate of Ventum and is a wholly-owned subsidiary of 1-UP Holdings Corp. ("**1-UP**").

4. EWPI currently has approximately 140 registered and permitted individuals (collectively, the "**EWPI Current Registrants**").

5. EWPI currently operates from 10 locations across Canada, however, on Amalgamation, EWPI's Vancouver branch will close and the EWPI Registrants in that location will be transferred to Ventum's Location in Vancouver, leaving EWPI with 9 locations across Canada (the "**EWPI Locations**").

6. Prior to the Amalgamation, certain of the EWPI Current Registrants will be transferred to Highgate Group Inc., another wholly owned subsidiary of 1-UP and an affiliate of EWPI and Ventum that is also a dealer member of CIRO (the "**EWPI Transferring Registrants**") such that at the time of the Amalgamation EWPI will have approximately 110 registered and permitted individuals (the "**EWPI Registrants**"). The EWPI Registrants being the EWPI Current Registrants less the EWPI Transferring Registrants.

7. EWPI is not in default of the securities legislation in any of the Jurisdictions.

Ventum Financial Corp. – Amalgamating Corporation

8. Ventum is a corporation continued under the *Business Corporations Act* (Ontario). Its head office is located at 40 King Street West, Suite 3401, Toronto, ON M5H 3Y2.

9. Ventum is registered under the applicable Canadian securities laws as an investment dealer in each of the Jurisdictions, as a futures commission merchant in Ontario and Manitoba and as a derivatives dealer in Quebec. Ventum is also a dealer member of CIRO. Ventum's NRD number is 5290.

10. Ventum is an affiliate of EWPI and is also a wholly-owned subsidiary of 1-UP.

11. Ventum has approximately 170 registered and permitted individuals (collectively, the "**Ventum Registrants**").

12. Ventum currently operates from 10 locations across Canada, however, on Amalgamation, Ventum's Toronto and Victoria branches will close and the Ventum Registrants in those locations will transfer to EWPI's Locations in Toronto and Victoria respectively, leaving Ventum with 8 locations across Canada (the "**Ventum Locations**" and together with the EWPI Locations the "**Locations**").

13. Ventum is not in default of the securities legislation in any of the Jurisdictions.

The Amalgamation and Bulk Transfer

14. As contemplated at the time of the business combination, EWPI and Ventum now wish to conduct the Amalgamation. A separate application requesting the approval of the Amalgamation has been filed pursuant to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

15. The amalgamation of EWPI and Ventum is anticipated to be a horizontal short-form amalgamation pursuant to section 177(2) of the *Business Corporations Act* (Ontario) (the "**Amalgamation**").

16. CIRO has approved the amalgamated entity to carry on under the name Ventum Financial Corporation ("**Amalco**") and NRD Number (5290).

17. The sole shareholder of Amalco will be the same as the current sole shareholder of each of EWPI and Ventum (*i.e.,* 1-UP). 1-UP will own all of the issued and outstanding common shares of Amalco. As such there will be no change of control over both of EWPI and Ventum.

18. The head office of Amalco, which will continue using the name Ventum Financial Corp. or Ventum, will be located at EWPI's current head office, which is 181 Bay Street, Suite 2500, Toronto, Ontario M5J 2T3.

19. As a result of the Amalgamation, all individuals that fall within clause (a) of the definition of "registered individual" under NI 31-103 currently registered with EWPI, as well as the EWPI Locations, will be transferred to Amalco through the Bulk Transfer. All of the current registrable activities of EWPI will become the responsibility of Amalco.

20. Also on the Amalgamation Date, EWPI's Vancouver location will be closed and the current EWPI Registrants located in this office will be consolidated into Ventum's Vancouver location. Similarly, on the Amalgamation Date the current Ventum locations in Toronto and Victoria will be closed, and the Ventum Registrants located in Ventum's Toronto and Victoria locations will be consolidated into the current EWPI locations in Toronto and Victoria, respectively. As such, on Amalgamation, Amalco will operate from 17 Locations.

21. The registered individuals transferred to Amalco will carry on the same registrable activities carried on by them at EWPI.

22. The Amalgamation and Bulk Transfer are both scheduled to occur on the Amalgamation Date.

Submissions in support of the Exemption Sought

23. Subject to obtaining the Exemption Sought, no disruption in the services provided by EWPI Registrants or Ventum Registrants to their clients is anticipated as a result of the Amalgamation.

24. Following the Amalgamation, Amalco will conduct the same operations, essentially in the same manner, and with essentially the same personnel and compliance staff as the Filers conducted prior to the Amalgamation.

25. The Exemption Sought will not have any negative consequences on the ability of EWPI or Ventum to comply with any applicable regulatory requirements or the ability to satisfy any obligations in respect of their respective clients.

26. Given the number of EWPI Registrants and EWPI Locations to be transferred from EWPI to Amalco on the Amalgamation Date, it would be unduly time consuming and difficult to transfer each of the EWPI Registrants and EWPI Locations through NRD in accordance with the requirements of NI 33-109 if the Exemption Sought is not granted.

27. Both Filers are generally registered in the same categories of registration in the same Jurisdictions, with the sole exception being Ventum's futures commission merchant registration in Ontario and Manitoba, affording the opportunity to seamlessly transfer the EWPI Registrants and EWPI Locations to Amalco on the Amalgamation Date by way of Bulk Transfer and thereby ensuring that there is no interruption in registration.

28. On the Amalgamation Date, all of the EWPI Registrants and EWPI Locations will be transferred to Ventum by way of Bulk Transfer. The EWPI Registrants and the Ventum Registrants will be the only registrants of Amalco and the Locations will be the only branches of the Amalco.

29. Accordingly, the transfer of registrations of the EWPI Registrants and the EWPI Locations on the Amalgamation Date by means of Bulk Transfer can be implemented in a relatively simple manner without any significant disruption to the registrable activities of the EWPI Registrants and Ventum Registrants, the Locations, EWPI, Ventum or Amalco, and will be easier to administer than having to transfer the registration of each of the EWPI Registrants and EWPI Locations on an individual basis.

30. Allowing the Bulk Transfer of the EWPI Registrants and EWPI Locations to occur on the Amalgamation Date will benefit (and have no detrimental impact on) the clients of the EWPI Registrants and Ventum Registrants by facilitating seamless service on the part of both the EWPI Registrants and Ventum Registrants.

31. The Exemption Sought complies with the requirements of, and the reasons for, a bulk transfer as set out in Section 3.4 of the Companion Policy to NI 33-109 and Appendix D thereto and is similar to previous exemptions granted in similar circumstances.

32. The Exemption Sought will not be prejudicial to the public interest and will have no negative consequence on the ability of the Filers to comply with all applicable regulatory requirements or the ability to satisfy obligations to their clients.

Decision

The Principal Regulator is satisfied that the following decision meets the test set out in the Legislation for the Principal Regulator to make the decision.

The decision of the Principal Regulator under the Legislation is that the Exemption Sought is granted.

"Jason Tan"
Manager, Registration
Registration, Inspections and Examinations Division
Ontario Securities Commission

OSC File #: 2024/0112

B.3.2 Hazelview Securities Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – alternative mutual funds granted from: subsection 2.6(2), section 2.6.1 and section 2.6.2 of NI 81-102 to borrow cash and short sell up to 100% of NAV, and subsection 6.1(1) of NI 81-102 to appoint additional custodians and to clarify that short sale proceeds are excluded for the purposes of calculating non-custodial borrowing agent collateral limits under section 6.8.1 of NI 81-102, subject to conditions.

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from sections 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a.1) and 15.8(3)(a.1) and 15.1.1 of National Instrument 81-102 Investment Funds to permit a new prospectus qualified alternative mutual fund that has not distributed securities under a simplified prospectus in a jurisdiction for 12 consecutive months to include in its sales communications past performance data relating to a period when the fund's securities were previously distributed to investors on a prospectus-exempt basis and to use this past performance data to calculate its investment risk level in accordance with Appendix F Investment Risk Classification Methodology, subject to conditions.

Relief granted from section 2.1 of National Instrument 81-101 Mutual Fund Prospectus Disclosure for the purposes of the relief requested from Item 10(b) of Part B of Form 81-101F1 Contents of Simplified Prospectus to permit the new alternative mutual fund to use the past performance data for a period when its securities were offered on a prospectus-exempt basis to calculate its investment risk rating in its simplified prospectus, and Item 5 of Part I of Form 81-101F3 Contents of Fund Facts Document to permit the alternative mutual fund to include in its fund facts document past performance data for a period when the fund was offered on a prospectus-exempt basis.

Relief granted from section 4.4 of National Instrument 81-106 Investment Fund Continuous Disclosure for the purposes of the relief requested from Items 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B of Form 81-106F1, and Items 3(1) and 4 of Part C of Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance, to permit the new alternative mutual to include in its annual and interim management reports of fund performance the past performance and financial data relating to a period when the fund was previously offered on a prospectus-exempt basis.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a.1), 15.8(3)(a.1), 15.1.1 and 19.1.
National Instrument 81-101 Mutual Fund Prospectus Disclosure, ss. 2.1 and 6.1.
Item 10(b) of Part B of Form 81-101F3 Contents of Simplified Prospectus.
Item 5 of Part I of Form 81-101F3 Contents of Fund Facts Document.
National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 4.4 and 17.1.
Items 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B and Items 3(1) and 4 of Part C of Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance.

June 20, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
HAZELVIEW SECURITIES INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer on behalf of Hazelview Alternative Real Estate Fund (the **Fund**), which will be an alternative mutual fund governed by National Instrument 81-102 *Investment Funds* (**NI 81-102**), for a decision under the securities legislation of the Jurisdiction (the **Legislation**):

(a) exempting the Fund from the following restrictions of NI 81-102 to permit the Fund to sell securities short and/or borrow cash up to a combined aggregate total of 100% of the Fund's NAV:

(i) subparagraph 2.6.1(1)(c)(v) of NI 81-102, which restricts the Fund from selling a security short if, at the time, the aggregate market value of all securities sold short by the Fund exceeds 50% of the Fund's NAV (together with (a)(iii) below, the **Short Selling Limit**);

(ii) subparagraph 2.6(2)(c) of NI 81-102, which restricts the Fund from borrowing cash if the value of cash borrowed, when aggregated with the value of all outstanding borrowing by the Fund, exceeds 50% of the Fund's NAV (together with (a)(iii) below, the **Cash Borrowing Limit**); and

(iii) section 2.6.2 of NI 81-102, which restricts the Fund from borrowing cash or selling securities short if, immediately after entering into a cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by the Fund (the **Combined Aggregate Value**) would exceed 50% of the Fund's NAV and which requires the Fund, if the Combined Aggregate Value exceeds 50% of the Fund's NAV, as quickly as commercially reasonable, to take all necessary steps to reduce the Combined Aggregate Value to 50% or less of the Fund's NAV;

((a)(i) and (iii) together, the **Short Selling Relief**, (a)(ii) and (iii) together, the **Cash Borrowing Relief**).

(b) exempting the Fund from the requirement in subsection 6.1(1) of NI 81-102 that, except as provided, all portfolio assets of the Fund be held under the custodianship of one qualified custodian,

(i) to permit the Fund to deposit portfolio assets with a borrowing agent that is not the Fund's custodian or sub-custodian in connection with a short sale of securities, if the aggregate market value of the portfolio assets held by the borrowing agent after such deposit, excluding the aggregate market value of the proceeds from outstanding short sales of securities held by the borrowing agent, does not exceed 25% of the Fund's NAV at the time of deposit (the **Short Sale Collateral Relief**); and

(ii) to permit the Fund to appoint more than one custodian, each of which satisfies the requirements of Section 6.2 of NI 81-102, subject to certain conditions (the **Custodian Relief**);

(c) exempting the Series F-1 units of the Fund from sections 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a.1) and 15.8(3)(a.1) of NI 81-102 which would permit the Fund to include its past performance data in sales communications notwithstanding that the past performance data will relate to a period prior to the Fund offering its units under a simplified prospectus;

(d) exempting the units of the Fund from section 15.1.1(a) of NI 81-102 and Items 2 and 4 of Appendix F *Investment Risk Classification Methodology to NI 81-102* (**Appendix F**) to permit the Fund to include its past performance data in determining its investment risk level in accordance with Appendix F;

(e) exempting the units of the Fund from section 15.1.1(b) of NI 81-102 and Item 4(2)(a) and Instruction (1) of Item 4 of Form 81-101F3 *Contents of Fund Facts Document* (**Form 81-101F3**) to permit the Fund to disclose its investment risk level as determined by including its past performance data in accordance with Appendix F;

(f) exempting the units of the Fund from Item 10(b) of Part B of Form 81-101F1 *Contents of Simplified Prospectus* (**Form 81-101F1**) to permit the Fund to use its past performance data to calculate its investment risk rating in its simplified prospectus;

(g) exempting the units of the Fund from section 2.1 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**) for the purposes of the relief requested herein from Form 81-101F1 and Form 81-101F3;

(h) exempting the Series F-1 units of the Fund from Items 5(2), 5(3) and 5(4) and Instruction (1) of Part I of Form 81-101F3 in respect of the requirement to comply with sections 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a.1) and 15.8(3)(a.1) of NI 81-102 to permit the Fund to include in its fund facts the past performance data of the Fund notwithstanding that such performance data relates to a period prior to the Fund offering its units under a simplified prospectus and the Fund has not distributed its units under a simplified prospectus for 12 consecutive months;

(i) exempting the Series F-1 units of the Fund from section 4.4 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) for the purposes of relief requested herein from Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* (**Form 81-106F1**); and

(j) exempting the Series F-1 units of the Fund from Items 3.1(7) and 4.1(1) in respect of the requirement to comply with subsections 15.3(2) and 15.3(4)(c) of NI 81-102, 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B of Form 81-106F1 and Items 3(1) and 4 of Part C of Form 81-106F1 to permit the Fund to include in its annual and interim management reports of fund performance (**MRFP**) the past performance data and financial highlights of the Fund notwithstanding that such performance data and financial highlights relate to a period prior to the Fund offering its units under a simplified prospectus;

((c) through (j), the **Past Performance Relief** and, together with the Short Selling Relief, the Cash Borrowing Relief, the Short Sale Collateral Relief and the Custodian Relief, the **Exemption Sought**).

Under National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (for a passport application):

(i) the Ontario Securities Commission is the principal regulator for this application; and

(ii) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (the **Other Jurisdictions** and, together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, NI 81-101, and NI 81-102 have the same meaning, unless otherwise defined.

NAV means net asset value;

Prime Broker means any entity that acts as a lender or borrowing agent, as the case may be, to one or more investment funds;

Prospectus means a prospectus of the Fund prepared in accordance with Form 81-101F1 *Contents of Simplified Prospectus*, as the same may be amended from time to time; and

Securities Lending Agreements means agreements which effect securities lending, repurchase or reverse repurchase transactions between the Fund, as lender of the securities, third party borrowers and the Fund's securities lending agent.

Representations

This decision is based on the following facts represented by the Filer:

The Filer

1. The Filer is a corporation incorporated under the laws of the Province of Ontario. The head office of the Filer is located in Toronto, Ontario.

2. The Filer is registered as (a) an investment fund manager in Newfoundland and Labrador, Ontario and Québec, (b) a portfolio manager in Ontario, and (c) an exempt market dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon.

3. The Filer is the trustee, investment fund manager and portfolio manager of the Fund.

4. The Filer is not in default of applicable securities legislation in any of the Jurisdictions.

The Fund

5. The Fund is organized as a trust established under the laws of the Province of Ontario.

6. Since the Fund's commencement of operations on January 17, 2023 (the **Effective Date**), one series of units of the Fund was distributed to investors on a prospectus-exempt basis in accordance with the *Securities Act* (Ontario) in Ontario.

7. The Fund's investment objective is to provide superior risk-adjusted return by investing primarily in securities of real estate investment issuers in developed markets globally. The Fund combines a market neutral long-short overlay with a concentrated long-only portfolio. The Fund uses leverage to enhance return primarily by short selling, cash borrowing and investing in derivatives. The Fund's aggregate exposure to short selling, cash borrowing and derivatives transactions

must not exceed a certain percentage of the Fund's NAV (currently 300%) or as otherwise permitted under applicable securities legislation and/or regulatory approval.

8. Concurrent with the filing of this Application, the Filer pre-filed on a confidential basis a preliminary simplified prospectus and fund facts to qualify the existing series of the Fund, as well as newly created series of the Fund, to be named Series A, F and I, for distribution under a simplified prospectus in the Jurisdictions. The existing series of the Fund is currently named Series F, but upon the filing of the simplified prospectus, will be renamed Series F-1. Series F-1 Units of the Fund will be available to investors who (i) participate in fee-based programs through brokers or dealers who have been approved to distribute Series F-1 Units, or (ii) are clients of dealers that do not make a suitability determination. This Series will be available for purchase by such investors until such time as the Fund reaches a net asset value of $75,000,000 (the "**Founders Investment Period**"). Once the Founders Investment Period has concluded, Series F-1 Units will no longer be available for purchase; although existing holders of Series F-1 Units will be entitled to receive new Series F-1 Units through reinvestment of distributions on the Series F-1 Units that they hold. The newly created Series F Units will be available to the same investors as Series F-1 Units, but will only be available for purchase after the Founders Investment Period has concluded. The Series F-1 Units of the Fund have lower fees than the Series F Units of the Fund and are being offered in order to encourage investors to invest in the Fund while it still remains in its start-up phase as a public offering.

9. Investors in the existing series will be notified (1) that the name of the series they hold will be changed from Series F to Series F-1, (2) that the fees will be reduced as described in para 11 b. below, (3) of the details of the offering period of the Series F-1 Units as described in para 8 above, and (4) that, following the conclusion of the Founders Investment Period, the Series F Units will be offered which are a new series distinct from the Series F-1 Units with a different fee structure.

10. Upon the issuance of the final receipt for such disclosure documents of the Fund, the Fund will be a reporting issuer in each Jurisdiction and will be subject to the requirements of NI 81-102 that relate to alternative mutual funds and the requirements of NI 81-106 that apply to investment funds that are reporting issuers.

11. The Fund will be managed substantially similarly after it becomes a reporting issuer as it was prior to becoming a reporting issuer. Specifically:

    a. the Fund's investment objective and strategies will not change, other than to reflect (i) that the Fund will use synthetic derivatives (e.g., synthetic cash positions) that materially replicate the function of cash borrowing beyond the Cash Borrowing Limit but within the Leverage Limit, and (ii) minor grammatical changes;

    b. the only changes to the fee structure associated with the Series F-1 units were that the management fee and performance fee rates associated with such units were reduced. Additionally, prior to becoming public, an immaterial amount of performance fees were waived by the Filer. Based on its calculations, the Filer believes that these changes will be immaterial.

    c. the day-to-day administration of the Fund will not change, other than to comply with the additional regulatory requirements associated with being a reporting issuer (as modified by the Exemption Sought) and to provide additional features that are available to investors of mutual funds managed by the Filer, as will be described in the Fund's Prospectus and fund facts.

12. Since the Effective Date, the Fund has used investment restrictions and practices that resulted in similar performance results to that which would have been obtained if it had complied with the investment restrictions and practices contained in NI 81-102 that relate to alternative mutual funds except as modified by the Exemption Sought.

13. The Fund is not in default of applicable securities legislation in any of the Jurisdictions.

The Short Selling Relief and the Cash Borrowing Relief

14. The investment objective of the Fund includes the use of a concentrated long-only portfolio coupled with a market neutral pair trading strategy that requires the use of short selling in excess of the Short Selling Limit as well as the use of short selling and cash borrowing in excess of the Combined Aggregate Value.

15. Market neutral strategies are well-recognized for limiting market risk, balancing long and short positions within an investment portfolio with the objective of providing positive returns regardless of whether the broader market rises, falls or is flat. Market neutral strategies are designed to have less volatility than the broader market when measured over medium to long-term periods. Market neutral strategies also provide diversification to investors as returns are intended to be uncorrelated to the performance of the broader market – such strategies are designed to effectively remove any "beta" component from their returns and investment exposures.

16. As part of an investment strategy, short positions can serve as both a hedge against exposure to a long position or a group of long positions and also as a source of returns with an offsetting long position or positions. In addition to a long-only portfolio, the Fund utilizes a market neutral pair trading strategy in the portfolio to seek to generate an attractive risk/return profile independent of the direction of the broad equity market for this portion of the portfolio. As such, for this portion of the portfolio, the market neutral pair trading strategy will seek to generate positive performance from the difference, specifically, the spread between the performance of the portfolio's long and short positions.

17. The ability to engage in additional short selling and cash borrowing in connection with the investment strategies of the Fund may provide material cost savings to the Fund compared to obtaining the same level of investment exposure through the use of specified derivatives while, at the same time, not increasing the overall level of risk to the Fund.

18. The costs to the Fund of engaging in physical short sales and cash borrowing are typically less when compared to the equivalent derivative transactions due to a number of factors which may include:

    (a) Prime Brokers typically have greater flexibility to offer more favourable financing terms to the Fund in relation to the aggregate amount of the Fund's assets held in the prime brokerage margin account. Derivative instruments, such as futures contracts and over the counter (OTC) derivatives, are not held in a prime brokerage account and, therefore, reduce the ability of the Fund to obtain the most beneficial pricing terms available.

    (b) Margin requirements for derivative instruments are primarily based on the underlying investment exposure and, as a result, can be high.

    (c) Certain derivative instruments (such as futures contracts) require cash or near cash securities (such as government treasuries) to be deposited with the counterparty as collateral. This would require the Fund to use these portfolio assets to satisfy collateral requirements rather than utilizing them in connection with the Fund's investment strategy.

19. The investment strategies of the Fund permit it to:

    (a) sell securities short, provided that at the time the Fund sells a security short, (i) the aggregate market value of securities of any one issuer (other than "government securities" as defined in NI 81-102) sold short by the Fund does not exceed 10% of the Fund's NAV, and (ii) the aggregate market value of all securities sold short by the Fund does not exceed 100% of its NAV;

    (b) borrow cash, provided that, at the time, the value of cash borrowed when aggregated with the value of all outstanding borrowing by the Fund, does not exceed 100% of the Fund's NAV;

    (c) borrow cash or sell securities short, provided that the aggregate value of cash borrowed combined with the aggregate market value of the securities sold short by the Fund does not exceed 100% of the Fund's NAV (the **Total Borrowing and Short Selling Limit**). If the Total Borrowing and Short Selling Limit is exceeded, the Fund shall, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed combined with the aggregate market value of securities sold short to be within the Total Borrowing and Short Selling Limit; and

    (d) borrow cash, sell securities short or enter into specified derivatives transactions, provided that the aggregate value of cash borrowed combined with the aggregate market value of securities sold short and aggregate notional amount of the Fund's specified derivatives positions (other than positions held for hedging purposes, as defined in NI 81-102) would not exceed 300% of the Fund's NAV as set out in section 2.9.1 of NI 81-102 (the **Leverage Limit**). If the Leverage Limit is exceeded, the Fund shall, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed combined with the aggregate market value of securities sold short and the aggregate notional amount of the Fund's specified derivatives positions (other than positions held for hedging purposes) to be within the Leverage Limit.

20. An alternative mutual fund that is subject to NI 81-102 is permitted to take leveraged long and short positions using specified derivatives up to the Leverage Limit. As such, the Short Selling Relief and Cash Borrowing Relief would not be required if the Fund utilized solely specified derivatives (such as over-the-counter total return swaps) to obtain short exposure to the underlying securities or to provide additional investment exposure in connection with the Fund's investment strategies. NI 81-102 contemplates that alternative mutual funds may utilize shorting strategies using a combination of short sale transactions (subject to the Short Selling Limit) and specified derivative positions and obtain additional investment exposure using a combination of cash borrowing (subject to the Cash Borrowing Limit) and specified derivative positions subject, in all cases, to the Leverage Limit. Accordingly, the Short Selling Relief and Cash Borrowing Relief would simply allow the Fund to do directly what they could otherwise do indirectly through the use of specified derivatives.

21. The Fund requires the flexibility to enter into physical short positions and borrow cash when doing so is, in the opinion of the Filer, in the best interests of the Fund and to not be obligated to utilize an equivalent short position or amount of leverage synthetically through the use of specified derivatives as a result of regulatory restrictions in NI 81-102 that the Filer believes do not provide any material additional benefit or protection to investors.

22. The Filer believes that the Short Selling Relief and the Cash Borrowing Relief would allow the Filer to more effectively manage the Fund's investment exposure by providing it with the ability to respond to market developments in a timely manner and enabling the Filer to reduce the related expenses incurred by the Fund. In addition, specified derivative options may not be readily available for certain securities, may be relatively illiquid or may require large capital commitments on the part of the Fund.

23. While there may be certain situations where using a synthetic short position may be preferable, physical short positions are typically less costly, because of the ability to execute trades with a larger number of counterparties, compared to a single counterparty for synthetic shorts. This can result in lower borrowing costs for the Fund and reduce its exposure to counterparty risk (e.g. counterparty default, counterparty insolvency and premature termination of derivatives) compared to a synthetic short position.

24. The Filer, as a registrant and a fiduciary, is in the best position to determine, depending on the surrounding circumstances, whether the Fund should enter into a physical short position and/or obtain additional investment exposure via cash borrowing versus achieving the same result through the use of specified derivatives. The Short Selling Relief and Cash Borrowing Relief would provide the Filer with the required flexibility to make timely trading decisions between physical and synthetic short sale positions and/or achieving additional investment exposure through cash borrowing or synthetic transactions. Accordingly, the Short Selling Relief and the Cash Borrowing Relief would permit the Filer to implement more effective portfolio management activities on behalf of the Fund and its investors. Investors would benefit by obtaining access to a more diversified set of investment opportunities than are currently available, while remaining within the overall investment limits set out in NI 81-102.

25. Any physical short position or cash borrowing transaction entered into by the Fund will be consistent with the investment objectives and strategies of the Fund.

26. The Prospectus and fund facts of the Fund will comply with the applicable requirements of NI 81-101 for alternative mutual funds, including cover page text box disclosure in the fund facts to highlight how the Fund differs from other mutual funds and alternative mutual funds and emphasize that the short selling and cash borrowing strategies and increased ability to engage in short selling and cash borrowing permitted for the Fund are outside the scope of the restrictions in NI 81-102 applicable to both mutual funds and alternative mutual funds.

27. The investment strategies of the Fund will clearly disclose that the short selling strategies and cash borrowing strategies and abilities of the Fund are outside the scope of NI 81-102, including that the aggregate market value of all securities sold short by the Fund and/or the aggregate amount of cash borrowed may exceed 50% of the Fund's NAV. The Prospectus will also contain appropriate risk disclosure, alerting investors of any material risks associated with such investment strategies.

28. The Filer does not consider that granting the Short Selling Relief and Cash Borrowing Relief would constitute either a fundamental or material change for the Fund under NI 81-102 or NI 81-106.

29. The Filer will determine the risk rating for the Fund using the Investment Risk Classification Methodology as set out in Appendix F of NI 81-102. The Filer does not anticipate that the current risk rating of the Fund would change if the Short Selling Relief and Cash Borrowing Relief were granted.

30. The Filer has comprehensive risk management policies and/or procedures that address the risks associated with short selling and cash borrowing in connection with the implementation of the investment strategy of the Fund.

31. The Fund will implement the following controls when conducting a short sale:

    (a) The Fund will assume the obligation to return to the borrowing agent the securities borrowed to effect the short sale;

    (b) The Fund will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected;

    (c) The Filer will monitor the short positions within the constraints of the Exemption Sought at least as frequently as daily;

(d) The security interest provided by the Fund over any of its assets that is required to enable the Fund to effect a short sale transaction is made in accordance with industry practice for that type of transaction and relates only to obligations arising under such short sale transactions;

(e) The Filer will maintain appropriate internal controls regarding short sales, including written policies and procedures for the conduct of short sales, risk management controls and proper books and records; and

(f) The Filer will keep proper books and records of short sales and all assets of the Fund deposited with borrowing agents as security.

32. The Filer believes that it is in the best interests of the Fund to be permitted to engage in physical short selling and/or to obtain additional investment exposure via cash borrowing in excess of the current limits set out in NI 81-102.

The Short Sale Collateral Relief

33. As part of its investment strategies, the Fund is permitted to grant a security interest in favour of and to deposit pledged portfolio assets with its Prime Broker. If the Fund engages as its Prime Broker an entity that is not its custodian or sub-custodian, then the Fund may only deliver to its Prime Broker portfolio assets having a market value, in the aggregate, of not more than 25% of the Fund's NAV at the time of deposit.

34. A Prime Broker may not wish to act as the borrowing agent for the Fund if the Prime Broker is only permitted to hold, as security for such transactions, portfolio assets, including the proceeds from short sales, having an aggregate market value that is not in excess of 25% of the Fund's NAV when the Fund has the ability to sell securities short that have an aggregate market value of up to 50% of the Fund's NAV (or more if the Short Selling Relief is granted).

35. Prime Brokers that are qualified to act as a custodian or sub-custodian under NI 81-102 are not widely appointed as custodians or sub-custodians under NI 81-102 as it can be both operationally challenging and costly to appoint them to act in such capacity.

36. Given the typical collateral requirements that Prime Brokers impose on their customers who engage in the short sale of securities, if the Short Sale Collateral Limits apply, the Fund would need to retain multiple Prime Brokers in order to sell short securities to the extent permitted under Section 2.6.1 of NI 81-102 and, if granted, the Short Selling Relief described above. Managing and overseeing relationships with multiple Prime Brokers introduces unnecessary operational and administrative complexities and additional costs of operation for the Fund.

The Custodian Relief

37. The Filer would like the flexibility for the Fund to engage additional custodians that are qualified to act as a custodian under subsection 6.2(3) of NI 81-102 (each, an **Additional Custodian**) in order to provide additional flexibility for the Fund to engage in the short selling of securities under Section 6.8.1 of NI 81-102, as portfolio assets deposited with a borrowing agent that is the custodian or a sub-custodian of the Fund are not subject to the Short Sale Collateral Limits.

38. An Additional Custodian may also be appointed as a securities lending agent of the Fund and, in such circumstances, would provide the Fund with the opportunity to enter into a greater number of Securities Lending Agreements than would be the case with a single custodian and would, therefore, have the potential to increase revenues to the Fund from securities lending activities.

39. If the Custodian Relief is granted, an Additional Custodian's responsibility for custody of the Fund's assets will apply only to the assets held by the Additional Custodian on behalf of the Fund (the **Relevant Assets**). The custodial arrangements between the Fund and each Additional Custodian will comply with the requirements of Part 6 of NI 81-102 other than subsection 6.1(1).

40. Any Additional Custodian will meet the requirements of NI 81-102 to act as a custodian for an investment fund and will have experience acting as custodian of the assets of public investment funds governed by NI 81-102. As custodian of the Relevant Assets, an Additional Custodian will comply with the standard of care applicable to qualified custodians under Section 6.6 of NI 81-102, will hold the Relevant Assets in the name of the Fund in accordance with Section 6.5 of NI 81-102 and will include the provisions prescribed in Section 6.4 of NI 81-102 in its custody agreement with the Filer and the Fund. Each Additional Custodian will complete the review and provide compliance reports to the Filer as contemplated in Section 6.7 of NI 81-102.

41. The ability to terminate an Additional Custodian as custodian of the Relevant Assets of the Fund at any time without cause on written notice will ensure that the Filer maintains ultimate control over all of the portfolio assets of the Fund and can restore all assets to the custody of the custodian of the Fund at any time if the Filer considers it to be in the best interests of the Fund and its unitholders to do so.

42. The appointment of an Additional Custodian should not have an impact on the safety of the portfolio assets of the Fund because any Additional Custodian will meet the requirements of NI 81-102 to act as a custodian for an investment fund and will have experience acting as custodian of the assets of public investment funds governed by NI 81-102.

43. Disclosure regarding the particulars of the appointment of any Additional Custodian of the Fund with respect to the Relevant Assets will be included in the next Prospectus filed with respect to the Fund after such appointment is made.

The Past Performance Relief

44. The Filer proposes to present the performance data of Series F-1 units of the Fund for the time period commencing as of the Effective Date in sales communications pertaining to the Fund. Without the Exemption Sought, the sales communications pertaining to the Fund cannot include performance data of the Fund that relates to a period prior to the Fund becoming a reporting issuer, and the Fund cannot provide performance data in its sales communications until it has distributed securities under a simplified prospectus for at least 12 consecutive months.

45. Once the Fund is a reporting issuer, the Fund will be required under NI 81-101 to prepare and file a simplified prospectus and fund facts documents.

46. The Filer proposes to use the Fund's past performance data for the time period commencing as of the Effective Date to determine its investment risk level and to disclose that investment risk level in the Prospectus and the fund facts documents for each series of units of the Fund. Without the Exemption Sought, the Filer, in determining and disclosing the Fund's investment risk level in the Prospectus and the fund facts documents for each series of units of the Fund, cannot use performance data of the Fund that relates to a period prior to the Fund becoming a reporting issuer.

47. The Filer proposes to include in the fund facts documents for Series F-1 units of the Fund past performance data for the time period commencing as of the Effective Date in the charts required by Items 5(2), 5(3) and 5(4) of Part I of Form 81-101F3 under the sub-headings "Year-by-year returns", "Best and worst 3-month returns" and "Average return", respectively, related to periods prior to the Fund becoming a reporting issuer, and that is otherwise in accordance with the requirements of Items 5(2), 5(3) and 5(4) of Part I of Form 81-101F3. Without the Exemption Sought, the fund facts documents for Series F-1 units of the Fund cannot include performance data of the Fund that relates to a period prior to the Fund becoming a reporting issuer.

48. Once a reporting issuer, the Fund will be required under NI 81-106 to prepare and send MRFPs to all holders of its securities on an annual and interim basis. Without the Exemption Sought, the MRFPs of the Fund cannot include certain financial highlights and performance data of the Fund that relates to a period prior to the Fund becoming a reporting issuer.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

In Respect of the Short Selling Relief and the Cash Borrowing Relief:

1. The Fund may sell a security short or borrow cash only if, immediately after the cash borrowing or short selling transaction:

    (a) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund's NAV;

    (b) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund's NAV;

    (c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's NAV; and

    (d) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed the Leverage Limit.

2. In the case of a short sale, the short sale:

    (a) otherwise complies with all of the short sale requirements applicable to alternative mutual funds under sections 2.6.1 and 2.6.2 of NI 81-102; and

    (b) is consistent with the Fund's investment objectives and strategies.

3. In the case of a cash borrowing transaction, the transaction:

   (a) otherwise complies with all of the cash borrowing requirements applicable to alternative mutual funds under sections 2.6 and 2.6.2 of NI 81-102; and

   (b) is consistent with the Fund's investment objectives and strategies.

4. The Prospectus under which securities of the Fund are offered discloses in the investment strategies that the Fund can sell securities short or borrow cash up to, and subject to, the limits described in condition 1 above.

In Respect of the Short Sale Collateral Relief:

5. The Fund otherwise complies with subsections 6.8.1(2) and (3) of NI 81-102.

In Respect of the Custodian Relief:

6. The Fund may appoint one or more Additional Custodians provided that the following conditions are met:

   (a) a single entity reconciles all the portfolio assets of the Fund and provides the Fund with valuation and unitholder recordkeeping services and will complete daily reconciliations amongst the custodians before calculating a daily net asset value;

   (b) the Filer maintains such operational systems and processes, as between two or more custodians and the single entity referred to in part (a) above, in order to keep a proper reconciliation of all the portfolio assets that will move amongst the custodians, as appropriate; and

   (c) each Additional Custodian will act as custodian and securities lending agent only for the portion of portfolio assets of the Fund transferred to it.

In Respect of the Past Performance Relief:

7. Any sales communication, fund facts documents and MRFP that contains performance data of the Series F-1 units of the Fund relating to a period of time prior to when the Fund was a reporting issuer discloses:

   (a) that the Fund was not a reporting issuer during such period;

   (b) the expenses of the Fund would have been higher during such period had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer;

   (c) the Filer obtained exemptive relief on behalf of the Fund to permit the disclosure of performance data of the Series F-1 units relating to a period prior to when the Fund was a reporting issuer; and

   (d) with respect to any MRFP, the financial statements of the Fund for such period are posted on the Fund's website and are available to investors upon request.

8. The Filer posts the financial statements of the Fund since the Effective Date on the Fund's website and makes those financial statements available to investors upon request.

"Darren McKall"
Investment Management
Ontario Securities Commission

Application File #: 2023/0281

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B.4
Cease Trading Orders

B.4.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK.				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Payfare Inc.	June 18, 2024	
Uriel Gas Holdings Corp.	June 5, 2024	June 20, 2024
CareSpan Health, Inc.	May 6, 2024	June 24, 2024
Minas Metals Ltd.	June 5, 2024	June 24, 2024

B.4.2 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Payfare Inc	April 3, 2024	June 18, 2024

B.4.3 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Sproutly Canada, Inc.	June 30, 2022	
iMining Technologies Inc.	September 30, 2022	
Alkaline Fuel Cell Power Corp.	April 4, 2023	
mCloud Technologies Corp.	April 5, 2023	
FenixOro Gold Corp.	July 5, 2023	
HAVN Life Sciences Inc.	August 30, 2023	
Payfare Inc.	April 3, 2024	June 18, 2024
Perk Labs Inc.	April 4, 2024	
XTM Inc.	April 30, 2024	

Company Name	Date of Order	Date of Lapse
Cybeats Technologies Corp.	April 30, 2024	
Powerband Solutions Inc.	April 30, 2024	
Organto Foods Inc.	May 8, 2024	
Magnetic North Acquisition Corp.	May 8, 2024	
Mydecine Innovations Group Inc.	May 9, 2024	
FRX Innovations Inc.	May 10, 2024	
Nickel 28 Capital Corp.	May 31, 2024	

B.7
Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as in Thomson Reuters Canada's internet service SecuritiesSource (see www.westlawnextcanada.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

B.9
IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
IA Clarington Strategic Equity Income Fund
IA Clarington Strategic Income Fund
IA Clarington Tactical Income Class
IA Clarington Thematic Innovation Class
IA Clarington U.S. Dividend Growth Fund
IA Clarington U.S. Dollar Floating Rate Income Fund
IA Clarington U.S. Equity Class
IA Clarington U.S. Equity Currency Neutral Fund
IA Wealth Balanced Portfolio
IA Wealth Conservative Portfolio
IA Wealth Core Bond Pool
IA Wealth Enhanced Bond Pool
IA Wealth Growth Portfolio
IA Wealth High Growth Portfolio
IA Wealth Moderate Portfolio
IA Clarington Inhance Global Equity SRI Fund
IA Clarington Inhance Global Small Cap SRI Fund
IA Clarington Inhance Growth SRI Portfolio
IA Clarington Inhance High Growth SRI Portfolio
IA Clarington Inhance Moderate SRI Portfolio
IA Clarington Inhance Monthly Income SRI Fund
IA Clarington Loomis Global Allocation Class
IA Clarington Loomis Global Allocation Fund
IA Clarington Loomis Global Equity Opportunities Fund
IA Clarington Loomis Global Multisector Bond Fund
IA Clarington Loomis U.S. All Cap Growth Fund
IA Clarington Money Market Fund
IA Clarington Monthly Income Balanced Fund
IA Clarington Strategic Corporate Bond Fund
IA Clarington Strategic Equity Income Class
IA Clarington Canadian Dividend Fund
IA Clarington Canadian Leaders Class
IA Clarington Canadian Small Cap Class
IA Clarington Canadian Small Cap Fund
IA Clarington Core Plus Bond Fund
IA Clarington Dividend Growth Class
IA Clarington Floating Rate Income Fund
IA Clarington Global Dividend Fund
IA Clarington Global Equity Fund
IA Clarington Global Multifactor Equity Fund
IA Clarington Global Risk-Managed Income Portfolio
IA Clarington Inhance Balanced SRI Portfolio
IA Clarington Inhance Bond SRI Fund
IA Clarington Inhance Canadian Equity SRI Class
IA Clarington Inhance Conservative SRI Portfolio
IA Clarington Inhance Global Equity SRI Class
Principal Regulator – Quebec
Type and Date:
Final Simplified Prospectus dated Jun 14, 2024
NP 11-202 Final Receipt dated Jun 18, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06130390

Issuer Name:
FÉRIQUE Aggressive Growth Portfolio
FÉRIQUE American Equity Fund
FÉRIQUE Asian Equity Fund
FÉRIQUE Balanced Portfolio
FÉRIQUE Canadian Bond Fund
FÉRIQUE Canadian Dividend Equity Fund
FÉRIQUE Canadian Equity Fund
FÉRIQUE Conservative Portfolio
FÉRIQUE Emerging Markets Equity Fund
FÉRIQUE European Equity Fund
FÉRIQUE Global Innovation Equity Fund
FÉRIQUE Global Sustainable Development Bond Fund
FÉRIQUE Global Sustainable Development Equity Fund
FÉRIQUE Globally Diversified Income Fund
FÉRIQUE Growth Portfolio
FÉRIQUE Moderate Portfolio
FÉRIQUE Short-Term Income Fund
FÉRIQUE World Dividend Equity Fund
Principal Regulator – Quebec
Type and Date:
Final Simplified Prospectus dated Jun 20, 2024
NP 11-202 Final Receipt dated Jun 20, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06118370

Issuer Name:
Caldwell Canadian Value Momentum Fund
Caldwell U.S. Dividend Advantage Fund
Caldwell-Lazard CorePlus Infrastructure Fund (formerly, Caldwell CorePlus Infrastructure Fund)
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jun 18, 2024
NP 11-202 Final Receipt dated Jun 19, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06127870

Issuer Name:
Dynamic Global Growth Opportunities Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jun 20, 2024
NP 11-202 Final Receipt dated Jun 21, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06114399

Issuer Name:
CI Global Quality Dividend Growth Index ETF
CI U.S. Aggregate Bond Covered Call ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jun 21, 2024
NP 11-202 Preliminary Receipt dated Jun 24, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06148095

Issuer Name:
NBI Target 2025 Investment Grade Bond Fund
NBI Target 2026 Investment Grade Bond Fund
NBI Target 2027 Investment Grade Bond Fund
NBI Target 2028 Investment Grade Bond Fund
NBI Target 2029 Investment Grade Bond Fund
Principal Regulator – Quebec
Type and Date:
Final Simplified Prospectus dated Jun 18, 2024
NP 11-202 Final Receipt dated Jun 19, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06138059

Issuer Name:
CIBC Asia Pacific Fund
CIBC Asia Pacific Index Fund
CIBC Balanced ETF Portfolio (formerly, CIBC Balanced Passive Portfolio)
CIBC Balanced Fund
CIBC Balanced Growth ETF Portfolio (formerly, CIBC Balanced Growth Passive Portfolio)
CIBC Balanced Index Fund
CIBC Canadian Bond Fund
CIBC Canadian Bond Index Fund
CIBC Canadian Equity Fund
CIBC Canadian Equity Value Fund
CIBC Canadian Index Fund
CIBC Canadian Real Estate Fund
CIBC Canadian Resources Fund
CIBC Canadian Short-Term Bond Index Fund
CIBC Canadian Small-Cap Fund
CIBC Canadian T-Bill Fund
CIBC Conservative ETF Portfolio (formerly, CIBC Conservative Passive Portfolio)
CIBC Dividend Growth Fund
CIBC Dividend Income Fund
CIBC Emerging Markets Fund
CIBC Emerging Markets Index Fund
CIBC Energy Fund
CIBC European Equity Fund
CIBC European Index Fund
CIBC Financial Companies Fund
CIBC Global Bond Fund
CIBC Global Bond Index Fund
CIBC Global Equity Fund
CIBC Global Monthly Income Fund
CIBC Global Technology Fund
CIBC International Equity Fund
CIBC International Index Fund
CIBC International Small Companies Fund
CIBC Managed Balanced Growth Portfolio
CIBC Managed Balanced Portfolio
CIBC Managed Growth Plus Portfolio (formerly, CIBC Managed Aggressive Growth Portfolio)
CIBC Managed Growth Portfolio
CIBC Managed Income Plus Portfolio
CIBC Managed Income Portfolio
CIBC Managed Monthly Income Balanced Portfolio
CIBC Money Market Fund
CIBC Monthly Income Fund
CIBC Nasdaq Index Fund
CIBC Precious Metals Fund
CIBC Short-Term Income Fund
CIBC Smart Balanced Growth Solution
CIBC Smart Balanced Income Solution
CIBC Smart Balanced Solution
CIBC Smart Growth Solution
CIBC Smart Income Solution
CIBC Sustainable Balanced Growth Solution
CIBC Sustainable Balanced Solution
CIBC Sustainable Canadian Core Plus Bond Fund (formerly, CIBC ex. Fossil Fuel Canadian Core Plus Bond Fund)
CIBC Sustainable Canadian Equity Fund (formerly, CIBC ex. Fossil Fuel Canadian Equity Fund)
CIBC Sustainable Conservative Balanced Solution
CIBC Sustainable Global Equity Fund (formerly, CIBC ex. Fossil Fuel Global Equity Fund)
CIBC U.S. Broad Market Index Fund
CIBC U.S. Dollar Managed Balanced Portfolio
CIBC U.S. Dollar Managed Growth Portfolio
CIBC U.S. Dollar Managed Income Portfolio
CIBC U.S. Dollar Money Market Fund
CIBC U.S. Equity Fund
CIBC U.S. Index Fund
CIBC U.S. Small Companies Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jun 18, 2024
NP 11-202 Final Receipt dated Jun 20, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06115350

Issuer Name:
Canoe Asset Allocation Portfolio Class
Canoe Bond Advantage Fund
Canoe Bond Advantage Portfolio Class
Canoe Canadian Small Mid Cap Portfolio Class
Canoe Defensive Global Balanced Fund
Canoe Defensive Global Equity Fund
Canoe Defensive International Equity Fund
Canoe Defensive U.S. Equity Portfolio Class
Canoe Energy Income Portfolio Class
Canoe Energy Portfolio Class
Canoe Enhanced Income Fund
Canoe Enhanced Income Portfolio Class
Canoe Equity Portfolio Class
Canoe Fundamental Global Equity Portfolio Class
Canoe Global Equity Fund
Canoe Global Income Fund
Canoe Global Income Portfolio Class
Canoe International Equity Portfolio Class
Canoe North American Monthly Income Portfolio Class
Canoe Preferred Share Portfolio Class
Canoe Premium Yield Fund (formerly Canoe Premium Income Fund)
Canoe Trust Fund
Canoe Unconstrained Bond Fund
Canoe Unconstrained Bond Portfolio Class
Principal Regulator – Alberta
Type and Date:
Final Simplified Prospectus dated Jun 20, 2024
NP 11-202 Final Receipt dated Jun 21, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06126148

Issuer Name:
Guardian Canadian Sector Controlled Equity Fund
Guardian i3 Global Quality Growth ETF
Guardian i3 US Quality Growth ETF
Guardian Ultra-Short Canadian T-Bill Fund
Guardian Ultra-Short U.S. T-Bill Fund
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Jun 24, 2024
NP 11-202 Final Receipt dated Jun 24, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06133847

Issuer Name:
Caldwell North American Fund
Tactical Sovereign Bond Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jun 18, 2024
NP 11-202 Final Receipt dated Jun 19, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06127763

Issuer Name:
Dynamic Active Global Gold ETF
Dynamic Active Mining Opportunities ETF
Dynamic Active Real Estate ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated Jun 21, 2024
NP 11-202 Final Receipt dated Jun 21, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06131503

Issuer Name:
Waratah Alternative Equity Income Fund
Waratah Alternative ESG Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jun 21, 2024
NP 11-202 Final Receipt dated Jun 24, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06133635

Issuer Name:
Venator Alternative Income Fund
Venator Founders Alternative Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jun 17, 2024
NP 11-202 Final Receipt dated Jun 21, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06133036

Issuer Name:
Sprott Physical Copper Trust
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus (NI 44-102) dated Jun 21, 2024
NP 11-202 Preliminary Receipt dated Jun 21, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06147898

Issuer Name:
The Solana Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jun 20, 2024
NP 11-202 Preliminary Receipt dated Jun 20, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06147466

Issuer Name:
Friedberg Asset Allocation Fund
Friedberg Global-Macro Hedge Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jun 14, 2024
NP 11-202 Final Receipt dated Jun 20, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06131488

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NON-INVESTMENT FUNDS

Issuer Name:
Hammond Power Solutions Inc.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated June 20, 2024
NP 11-202 Final Receipt dated June 21, 2024
Offering Price and Description:
Class A Subordinate Voting Shares
Filing # 06147650

Issuer Name:
Metalla Royalty & Streaming Ltd.
Principal Regulator – British Columbia
Type and Date:
Preliminary Shelf Prospectus dated June 20, 2024
NP 11-202 Preliminary Receipt dated June 21, 2024
Offering Price and Description:
C$300,000,000 - Common Shares, Warrants, Subscription Receipts, Units, Share Purchase Contracts
Filing # 06147602

Issuer Name:
Electrovaya Inc.
Principal Regulator – Ontario
Type and Date:
Amendment to Preliminary Shelf Prospectus dated June 19, 2024
NP 11-202 Amendment Receipt dated June 20, 2024
Offering Price and Description:
Common Shares, Debt Securities, Subscription Receipts, Warrants, Units
USD$100,000,000
Filing # 06099206

Issuer Name:
TR Finance LLC
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated June 18, 2024
NP 11-202 Final Receipt dated June 19, 2024
Offering Price and Description:
Debt Securities (unsecured)
Guaranteed by Thomson Reuters Corporation, Thomson Reuters Applications Inc., Thomson Reuters (Tax & Accounting) Inc. and West Publishing Corporation
Filing # 06143569

Issuer Name:
Thomson Reuters Corporation
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated June 18, 2024
NP 11-202 Final Receipt dated June 19, 2024
Offering Price and Description:
Debt Securities (unsecured)
Filing # 06143568

Issuer Name:
AIP Realty Trust
Principal Regulator – British Columbia
Type and Date:
Preliminary Shelf Prospectus dated June 17, 2024
NP 11-202 Preliminary Receipt dated June 17, 2024
Offering Price and Description:
$125,000,000
Trust Units, Debt Securities, Subscription Receipts, Warrants, Units
Filing # 06146544

Issuer Name:
Profound Medical Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated June 14, 2024
NP 11-202 Preliminary Receipt dated June 17, 2024
Offering Price and Description:
Common Shares, Warrants, Debt Securities, Subscription Receipts, Units
US$150,000,000
Filing # 06146066

B.10
Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	GRYPHON CAPITAL CORPORATION/CORPORATION GRYPHON CAPITAL	Exempt Market Dealer	October 20, 2023
New Registration	Fidelity Wealth ULC	Investment Dealer and Mutual Fund Dealer	June 19, 2024
Consent to Suspension (Pending Surrender)	CREDIT SUISSE SECURITIES (CANADA), INC./VALEURS MOBILIERES CREDIT SUISSE (CANADA), INC.	Investment Dealer	June 21, 2024

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B.11
CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.1 CIRO

B.11.1.1 Canadian Investment Regulatory Organization (CIRO) – Clarifying Amendments to Registration and Proficiency Requirements – Notice of Commission Approval

NOTICE OF COMMISSION APPROVAL

CLARIFYING AMENDMENTS TO REGISTRATION AND PROFICIENCY REQUIREMENTS

CANADIAN INVESTMENT REGULATORY ORGANIZATION (CIRO)

The Ontario Securities Commission has approved CIRO's proposed amendments to the Investment Dealer and Partially Consolidated (**IDPC**) Rules to improve the clarity of the registration and proficiency requirements (**Amendments**).

More specifically, the Amendments:

- refine the proficiency requirements in Rule 2600,
- clarify redundant and ambiguous language in Rules 2500, 2600, 2700, and 3900, and
- make consequential changes to cross-references and terminology arising from the foregoing changes.

CIRO published the Amendments for comment on August 31, 2023. One comment letter was received. No changes were made to the Amendments in response to the comments received. A summary of the public comments and CIRO's responses to those comments, as well as the CIRO Implementation Bulletin, including text of the Amendments, can be found at **www.osc.ca**.

Non-material changes made to the IDPC Rules following the publication for comment were approved by CIRO's President and Chief Executive Officer and are described in the CIRO Implementation Bulletin.

The Amendments will be effective September 28, 2024.

In addition, the Alberta Securities Commission; the Autorité des marchés financiers; the British Columbia Securities Commission; the Financial and Consumer Affairs Authority of Saskatchewan; the Financial and Consumer Services Commission of New Brunswick; the Manitoba Securities Commission; the Northwest Territories Office of the Superintendent of Securities; the Nova Scotia Securities Commission; the Nunavut Office of the Superintendent of Securities; the Office of the Superintendent of Securities, Digital Government and Services, Newfoundland and Labrador; the Office of the Yukon Superintendent of Securities; and the Prince Edward Island Office of the Superintendent of Securities have either not objected to or have approved the Amendments.

B.11.2 Marketplaces

B.11.2.1 Tradelogiq Markets Inc. – Lynx ATS – Periodic Matching – Notice of Approval

TRADELOGIQ MARKETS INC.

NOTICE OF APPROVAL

LYNX ATS – PERIODIC MATCHING

In accordance with the *Process for the Review and Approval of the Information Contained in Form 21-101F2 and the Exhibits Thereto*, the Ontario Securities Commission (**OSC** or **Commission**) has approved, subject to certain terms and conditions, amendments to the Tradelogiq Markets Inc. (**Tradelogiq)** Form 21-101F2 for Lynx ATS.

Summary of the Amendments

The amendments involve the implementation of a periodic matching model on Lynx ATS, whereby orders will not be matched immediately upon receipt, but will participate in discrete match events that will occur after an established, but randomized, time interval.

Details regarding the changes that have been approved (**Approved Changes**) were previously published for comment on October 13, 2023 at https://www.osc.ca/sites/default/files/2023-10/ats_20231012_ats-proposed-amendments.pdf (**RFC**).

Comments Received

Two comment letters were received. See the appendix to this notice for a summary of the comments and responses prepared by Tradelogiq.

There have been no changes to the functionality as proposed in the RFC as a result of the comments received.

Terms and Conditions of Approval

The OSC has imposed the following terms and conditions of approval on Tradelogiq in relation to the Approved Changes:

1. Tradelogiq is to promptly advise OSC staff of any negative feedback stemming from subscribers' use of the Approved Changes, including the "dynamic display mechanism" (**DDM**), on an ongoing basis for a period of time, as required by the Commission.

2. Three months following implementation of the Approved Changes, Tradelogiq will provide OSC staff with a document summarizing all material questions that it has received from market participants with respect to the DDM's functionality.

3. Tradelogiq must provide OSC staff with any training materials provided to participants pertaining to the Approved Changes.

4. Tradelogiq must provide OSC staff with periodic analysis of order and/or trade activity on Lynx following implementation of the Approved Changes, for a period of time as required by the Commission.

Implementation date

Tradelogiq is currently targeting implementation during Q4 2024, and will provide notice to its subscribers once the date has been finalized.

APPENDIX

SUMMARY OF AND RESPONSE TO COMMENTS

Comment letters were received from the following parties:

1. Canadian Securities Traders Association, Inc.
2. Scotiabank Global Banking and Markets

COMMENTS	TRADELOGIQ RESPONSE
Both commenters indicated general support for the model, subject to certain caveats and/or suggestions. The approach being taken by Lynx to leverage existing connectivity was also acknowledged as helpful, as it reduces overall disruption for dealers. One of the two commenters also indicated support for allowing marketplaces to innovate and compete for order flow, and if necessary, even fail.	We agree. Innovations such as those that comprise the Lynx periodic matching model should be allowed to proceed so long as they do not violate regulatory requirements or principles. Because Lynx is currently and will remain unprotected, subscribers will continue to not be subject to any obligations under order protection requirements to route their marketable orders to trade against displayed quotes on Lynx. In addition, subscribers can choose if and when to interact with the model based on whether it is beneficial to do so for the execution of their and/or their clients' orders.
Both commenters suggested revisiting the EOC Final Turn on the basis that it would result in EOCs in that second phase of matching receiving a better price than EOCs participating in the first EOC-to-DAY phase of matching, the latter potentially having paid the spread. Suggested alternatives included allowing all orders to trade at the midpoint, matching EOC orders with other EOC orders first before allowing EOC-to-DAY interaction, or to cancel any unfilled EOC orders after the EOC-to-DAY matching phase.	We acknowledge that there may be circumstances where a later-arriving EOC receives an execution at a price that is better than the earlier-arriving EOC, but do not view this as unreasonable or unfair when considering the intent of the EOC Final Turn (as was outlined in the Notice), and what we believe will result in a positive overall effect. We had considered alternatives such as those suggested by commenters. However, in our view, the alternatives either unfairly penalize DAY orders that have contributed to the displayed volume on Lynx or under-incent provision of liquidity by making it less or even not worthwhile to post unless willing to provide at least midpoint price improvement. As indicated in the Notice, one of the purposes of the EOC Final Turn is to help to mitigate the risk that DAY volume is no longer available at the time of the Match Event, whether because it faded before, or was exhausted during, the Match Event. This type of situation is one of the common concerns associated with market models that incorporate delays. We also do not believe it is an unfair or unreasonable outcome considering the earlier-arriving EOC has the benefit of higher fill certainty than a later-arriving EOC. Further, it is our expectation that the experience for any given sender of an EOC may differ from EOC to EOC and from Match Event to Match Event, with the benefits of being earlier-arriving or later-arriving balancing out over time, leading to a better overall experience. Lastly, we feel that the innovation of the EOC Final Turn will result in access to a novel source of liquidity and increased price improvement for active order flow that would not otherwise be available if unfilled EOC orders were simply cancelled back.

Both commenters raised questions about the proposed display price mechanism in the event that it results in orders being displayed at prices that do not reflect their more aggressive tradeable price. One commenter suggested that this is misleading, but this commenter also noted that as an unprotected market, the pricing on Lynx would not contribute to the protected NBBO and will not impact the accessibility or price discovery of protected quotations on other markets. The other commenter expressed the view that displayed quotations on all marketplaces are expected to represent a source of price discovery and are inputs into others' activity on all markets, and therefore was of the view that displaying orders at a price that is less aggressive than their tradeable price would be misleading to participants who may be looking at Lynx as a source of price discovery.	We appreciate commenters' concerns about the potential for the display price mechanism to result in misleading prices, and note that the two commenters appear to have differing views as to the significance of this facet of the model based on their views on the extent to which visible pricing on Lynx contributes to price discovery more broadly. It is not our expectation that subscribers will frequently enter visible DAY orders at prices that are at or through the Protected NBBO midpoint. As a result, we expect it to be the exception rather than the norm that booked DAY orders in the Visible Book will be displayed at prices that do not reflect their more aggressive executable prices, and we believe that this outcome is reasonable when considering that the purpose of the mechanism is to manage the potential for the appearance of locked or crossed DAY orders received during a Collection Period. Further, we note that the outcome in question, whereby the volume of certain price-improving orders will be displayed at a less aggressive price, can currently also arise on NEO-N, because the volume of more aggressively priced buy (sell) midpoint peg volume on NEO-N is displayed as part of the total aggregated volume at the less aggressive best NEO-N bid (ask). On both NEO-N and Lynx, there can therefore be circumstances where the volume displayed at the venue's best bid/ask includes the volume of orders that have a more aggressive tradeable price. Proper disclosure by the venue should allow subscribers to understand that the volume displayed at the best bid/ask on NEO-N, or displayed at or just inside of the Protected NBBO midpoint on Lynx, represents volume available at that displayed price or better. We also note that OSC staff have imposed terms and conditions relating to the concerns raised, as set out above.
Both commenters suggested the implementation of a freeze period at the end of the collection phase, with one suggesting this could be combined with a randomization of the collection periods. It was suggested that this could help to reduce the potential for gaming and quote fading in relation to the displayed orders, and resulting in better execution quality for both EOC and DAY orders.	We appreciate the commenters' suggestion regarding the inclusion of a freeze period, and agree that it could be beneficial. However, we prefer to proceed with the launch as proposed in order to allow us to assess whether the model is delivering the intended outcomes, and will consider adding a freeze period depending on user experience and the feedback received post-launch.
Clarification was requested as to whether the period between Match Events would be implemented with a static or random interval, indicating a preference for a random interval.	We are currently intending to implement with a randomized period between Match Events – which will be effected through the combination of a static duration and a randomization window as indicated in the Notice. For example, if the static duration is set at 4ms with a randomization window of 1ms on each side, Match Events will occur on a randomized basis every 3ms to 5ms. Notice regarding the durations to be applied will be provided at least 2 months prior to launch.

B.11.2.2 TSX Inc. and Alpha Exchange Inc. – Minimum Price Improvement Peg – Notice of Approval

TSX INC. AND ALPHA EXCHANGE INC.

NOTICE OF APPROVAL

MINIMUM PRICE IMPROVEMENT PEG

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits thereto for recognized exchanges, each of TSX Inc. ("**TSX**") and Alpha Exchange Inc. ("**Alpha**") has adopted, and the Ontario Securities Commission has approved, certain public interest amendments relating to the functionality of the Minimum Price Improvement Peg order type on each of TSX (TSX DRK only) and Alpha (Alpha DRK only), as set out in the Notice of Proposed Amendments and Request for Comment (the "**Request for Comments**") published jointly by TSX and Alpha (the "**Amendments**").

Capitalized terms used and not otherwise defined in the Notice of Approval shall have the meaning ascribed to them in the Request for Comments.

Summary of the Amendments

A copy of the Amendments can be found at www.osc.ca.

As set out in the Request for Comment, amendments to the TSX Rule Book and Alpha Trading Policy Manual are not required to reflect the Amendments.

Comments Received

On May 16, 2024, TSX and Alpha published the Request for Comments and no comment letters were received.

Effective Date

The Amendments will be effective in Q3 2024.

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