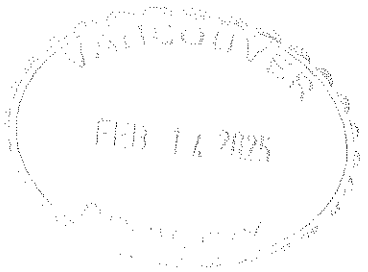
COPY



This is the 4rd Affidavit
of Murray Bockhold in this case and was
made on the 14th day of February, 2025

No. S-241997
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

CIBC WOOD GUNDY, A DIVISION OF CIBC WORLD MARKETS INC. / MARCHE MONDIAUX CIBC INC.

PLAINTIFF

AND

MURRAY BOCKHOLD

DEFENDANT

AFFIDAVIT

I, Murray Bockhold, of 6266 Par Road, Whistler, British Columbia, Chairman of Bockhold Investment Management AFFIRM THAT:

1. I am the defendant in this action and as such I have direct knowledge of the facts and matters hereinafter deposed to, save and except in cases where such matters are stated to be known on information and belief and where so stated I verily believe them to be true.
2. Attached hereto and marked as EXHIBIT "A" is a BIM Newsletter dated February 15, 2025
3. Attached hereto and marked as EXHIBIT "B" is a document referenced in BC Supreme Court on January 28, 2025 entitled "Themes that frame this matter"
4. Attached hereto and marked as EXHIBIT "C" is correspondence to Blakes entitled "Part of the solution, or the problem" dated January 31, 2025
5. Attached hereto and marked as EXHIBIT "D" is correspondence to Blakes entitled "Notice of Intent to File Injunction if Necessary" dated February 12, 2025.
6. Attached hereto and marked as EXHIBIT "E" is correspondence to Warren Funt at IIROC dated February 7, 2019.

7. Attached hereto and marked as EXHIBIT "F" is an undated RECO Market Manipulation Analysis from Urvin Finance.
8. Attached hereto and marked as EXHIBIT "G" is a Vancouver Sun article dated September 13, 2012
9. Attached hereto and marked as EXHIBIT "H" is a CIRO Bulletin entitled "Proposed Close-out Amendments dated January 9, 2025.
10. Attached hereto and marked as EXHIBIT "I" is an article entitled "Trudeau concerned about TD Banks actions" dated October 10, 2024.
11. Attached hereto and marked as EXHIBIT "J" is an undated article entitled "FCAC fines TD Bank"
12. Attached hereto and marked as EXHIBIT "K" ia an undated article entitled "Quantum BioPharma sues over alleged stock spoofing"
13. Attached hereto and marked as EXHIBIT "L" is a report entitled "Quantum - Short volume over 4 days" dated February 2025.
14. Attached hereto and marked as EXHIBIT "M" is a Class Action Memorandum from Poulus, Ensom & Smith dated January 21, 2025.
15. Attached hereto and marked as EXHIBIT "N" is an OSC Bulletin - Oasis World Trading dated January 4, 2024.
16. Attached hereto and marked as EXHIBIT "O" is an email entitled "Invictus Games" dated February 9, 2025.
17. Attached hereto and marked as EXHIBIT "P" is a tweet on X "$101 Million Fine, 25 Years in Prison" dated February 13, 2025.
18. Attached hereto and marked as EXHIBIT "Q" are copies of text messages with Romolo DiFonzo, the former Head of Enforcement at the BC Securities Commission, on his personal phone and burner phone.

SWORN BEFORE ME at Whistler,
British Coluimbia, on February 14, 2025

A Notary Public in and for the Province of
British Columbia

Murray Bockhold.

Murray Bockhold.

AMANDA WELTON-HAGEN
Lawyer & Notary Public
Mountain Law Corporation
#200 - 1410 Alpha Lake Road
Whistler, B.C. V8E 0J3 Canada
Tel: (604) 938-4947
(non-expiring Commission)

This is Exhibit " A " referred to in
the Affidavit of Murray Backhold
sworn to before me at Whistler
in the Province of British Columbia
this 14 day of February, 2025

A Commissioner for taking Affidavits
In and for the Province of British Columbia

BIM
NEWSLETTER

February 14, 2025

Friends, family, former clients, and colleagues,

I have attached a copy of my Valentine's Day present to CIBC. I am anxious to share the opportunity I see for investors to protect their wealth if they act before March 2, 2025.

If you thought BreX was a serious crime, in my opinion, the pending class action lawsuits alleging illegal market manipulation will likely create a far larger liability for Canadian banks, our SROs, Ernst & Young, PwC, KPMG, Deloitte and our provincial and federal governments than the Tobacco Master Settlement (1998) for US$206 Billion.

I feel like a swimmer who has yelled "SHARK" so many times that no one listens. Not your fault, or mine and I apologize profusely for the rift this has created with many of my friendships, and the stress for BIM Group. Our SRO regulatory regime in Canada is the culprit, as is my determination to see this through, as the scale of the harm to ***all Canadians*** and investors the world over has exploded exponentially. The other culprits are the people who, for reasons that remain unclear, ***don't do their job***. After 12 years of pursuing justice with nothing to show for it, the tide will turn on or before March 2 at the Prospectors & Developers Association of Canada ("PDAC") conference in Toronto. As Buffett says "Only when the tide goes out do you learn who has been swimming naked."

Thanks to a team of 18 dedicated professionals, you will be shocked when you learn who has been swimming naked since CIRO repealed the 'tick-test' on October 15, 2012. You will also be shocked if you read my evidence filed in BC Supreme court on January 28, 2025, and summarized in this letter to CIBC's counsel at Blakes. Make no mistake, Justice Walker did Canada a huge favour. Save Canadian Mining, Harrington Global, BIM and others will be doing our part to ensure Ottawa puts a stop to illegal market manipulation – a request we first made over a year ago in Exhibits 242, 245, 248, 249, 250, 251, 258, 259 and ignored as recently as last November.

In fact, it is far worse than that. Not one of the recipients we have asked to ***do their job*** in this email of August 20, 2024 or November 21, 2024 replied, and look at how many of them are on this email way back on November 4, 2021. Indeed, the worst offenders are the BCSC and the Minister of Finance, who go all the way back to February 12, 2016. Shocking, isn't it? The

government of Canada first learned about a multi-billion dollar alleged Ponzi scheme 9 years ago and has since learned the damages are in the 100's of billions and counting, and they refuse to shut down naked short selling through the SME exemption offered by our chartered banks. This ***cancer*** is the best kept secret amongst Bay Street, our SROs, accounting firms, the provincial and federal governments, and Wall Street. Who is harmed by it - you, me, and every consumer in Canada, the United States and around the world.

I want to remove any concern you may have that what I'm telling you is 'inside' information. This newsletter was filed on Valentine's Day in my 4th affidavit so it becomes part of something like 5 or 6000 pages of evidence filed with the BC Supreme Court. Once in the public domain, it is available for anyone who wants to do their due diligence and make an investment decision. If you are reading this you are the first of about 300 people (yes, you are a victim) from my Contacts to have an opportunity to rebalance your investment portfolios before the ***entire world*** reads about the black eye Canada is going to get on, or before PDAC. The reason I say 'on or before,' is we will issue a press release at PDAC, but I don't control when the US Department of Justice surfaces - they march to their own drummer.

It is also very important that we separate Bockhold Investment Management ("BIM") from BIM Group. When I framed this matter for Justice Walker, 'Conflicts of Interest' were at the top of the list. In this situation, BIM Group is conflicted because they work at CIBC. On the other hand, BIM isn't conflicted because CIBC terminated me back in April 2018. As many of you at law firms, accounting firms, banks, broker-dealers etc. already know, you are conflicted just like BIM Group is. It makes for a very messy situation which Justice Walker addressed at the opening of our hearing. His personal accounts are with CIBC and he disclosed that and asked Mr. Howcroft and I if we were ok proceeding on that basis, which we both replied we were.

In the securities business, the protocol for dealing with COIs is identical to the courts and is defined in CIRO Rule 42. To avoid BIM Group being terminated, like I was, for following Rule 42, I suggest their clients consult with them if your opinion happens to differ from theirs. The Model Portfolio already has an extremely low weighting in just BMO and Royal Bank. For those of you that aren't clients of BIM Group, I recommend you seek the advice of your financial advisor.

BIM's prediction, based on publicly available information (ie. my court filing, recent news from Trump hinting at Canada opening up our cozy bank 6'opoly, and us becoming a 51st state) is the DOJ, at Trump's direction, will be showing their cards very soon and when they do ALL Canadian bank shares will drop, in my opinion, a minimum of 20% — CIBC much more - easily back to 2024 lows of $45

Within 12-18 months my prediction is:

1. TD and CIBC will no longer exist as stand alone Canadian banks - they will be forced to merge with a big US bank but not until ***after*** the fallout and the stocks have re-priced the new risk (i.e. hypothetically, TD Citibank)

2. Our SRO regime will be dismantled and we will finally have a national, non-conflicted regulator - a very good thing for all Canadians.
3. The SME trading platform offered by all Canadian banks will be shut down - illegal market manipulation using algorithms that employ techniques like spoofing, baiting and FTD's will be banned.
4. There will be massive legal claims filed against all of Canada's banks, broker dealers, CIRO, EY, PwC, KPMG, Deloitte and the provincial and federal governments - and BIM, SCM and Harrington will be soliciting class action contingency law firms in Canada and the US to file these claims based on our evidence. We will be leading the charge at PDAC by announcing our intent to file 2 lawsuits:

    1) BIM will be filing claims for damages to BIM Group clients of an unknown amount (but to pick a number, US$5 billion) and the defendants will include all of the participants in the Waterton alleged Ponzi scheme that illegally acquired the mines in Water Precious Metals Fund II. The statute of limitations is 2 years from when the claim accrues in November 2024 when BIM learned about all 6 chartered bank's role as gatekeepers in the alleged illegal naked shorting, counterfeiting, spoofing etc. that was employed by Waterton to strip mines from 14 public companies listed on the TSX.
    2) A class action lawsuit for damages in excess of US$100 billion arising from all parties who have conducted alleged illegal market manipulation using the DMA, DEA, SME platform.

5. Canadian bank dividend growth will be impaired for an undetermined period measured in years. In the absence of a merger with a US bank, TD and CIBC will eventually have to cut their dividends.
6. Outside of banking, the moment the SME platform is shut down, every stock in your portfolio will benefit. Junior resource, oil and gas, tech and biotech stocks will be the biggest beneficiaries.
7. The Liberal government, Premier Eby and many others will be embarrassed beyond belief.

I wouldn't blame you for asking - "Murray, how the heck do you arrive at $100 Billion?" The answer is quite simple - since the tick test was repealed ***13 years ago***, every SME account at every Canadian bank has been allowed to trade using alleged illegal market manipulation techniques. Therefore, all the profits of all the bank's clients, for whom ***the banks are gatekeepers,*** plus the profits of each bank's own trading desk, we allege, have been earned illegally. It's an incomprehensible number because CIRO intentionally repealed the tick-test to enable all of this alleged malfeasance.

Together with SCM, Harrington and others, we have put in all the legwork getting us to this tipping point and I want to enjoy my retirement with my granddaughter, friends and family, so my plan is to announce at PDAC that I am looking for law firms who operate on contingency who I

would be pleased to partner with if they think I can add value. If they don't need me, my evidence is already in the public domain so take the ball and run with it.

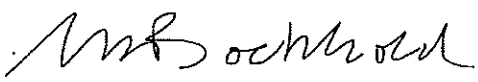
Canadians and Americans deserve adequate consumer protection. Unbeknownst to all of us, we have been the victims of our most trusted financial institutions working jointly, and in concert, to transfer wealth from our pockets to theirs. I readily acknowledge you may find this hard to believe. I know I was shocked when Terry, Danny and I started putting the puzzle pieces together. The goal of this newsletter is to provide you with the information we have amassed so that you can reach your own conclusion.

In closing, I want to leave you with one last thought that sums up the absurdity of this matter. On May 2, 2024, FINTRAC, our SRO agency responsible for 'consumer protection', announced a fine against TD that the press reported was the largest fine ever levied against a Canadian bank. The fine was $9,185,000. On October 10, 2024, TD Bank pleaded guilty to the ***exact same criminal wrongdoing*** that resulted in the US Department of Justice levying US$3.1 billion in fines plus a minimum 4-year asset cap on TD's US assets of $434 billion. Hmm... do you think our SRO regime provides Canadians with adequate consumer protection? Does our SRO structure enable bad behaviour, or deter it?

As many of you know, BIM has had in-person meetings with both the DOJ and the US Trustee Program. Our most recent update of the original presentation on May 7, 2021, is Exhibit 254, which I encourage everyone to look at and pay particular attention to pages 28-31. If I had to guess, I think the odds are extremely high that one of these days President Trump and the DOJ are going to take Canada to task - and it isn't going to be pretty. The good news long term is I predict our SRO regime is on the verge of being dismantled and the SME platform buried in a grave with a tombstone that reads "Canada's SRO's Died: February 14, 2025 Rest in Peace."

Let's face it, Canada deserves more than a slap on the wrist.

Sincerely,



Murray Bockhold
Bockhold Investment Management

This is Exhibit "B" referred to in
the Affidavit of Murray Rockhold
sworn to before me at Whistler
in the Province of British Columbia
this 14 day of February, 2025

A Commissioner for taking Affidavits
in and for the Province of British Columbia

Themes that frame this matter

1. Conflicts of Interest.
2. Large Scale Product Liability – eg. JNJ baby powder, tobacco,
3. Product Knowledge – What is a Naked Short Sale?
4. The Role of the Self Regulatory Organization – "SRO"
5. TD Bank – Not the bastion of integrity we once thought.
6. US Department of Justice - Immediate and ongoing interest.

Primary law enforcement contacts

RCMP

Ms. Karla Kincaid
Canadian Representative to the International Anti-Corruption
Coordination Centre, National Crime Agency.
London, England
EMail: karla.kincade@rcmp-grc.gc.ca

US Department of Justice

Ms. Anna Kaminska
US Department of Justice
Chief of the Criminal Division,
EMail: anna.kaminska@usdoj.gov

Consumer Protection Financial Branch

Ms. Tracee Plowell-Paige
Senior Litigation Counsel
EMail: tracee.plowell@cfpb.gov

This is Exhibit "C" referred to in
the Affidavit of Murray Bockhold
sworn to before me at Whistler
in the Province of British Columbia
this 14 day of February, 2025

A Commissioner for taking Affidavits
in and for the Province of British Columbia

BIM

Blake, Cassels & Graydon
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Suite 3500, The Stack
Vancouver, B.C.
V6E 4E5

January 31, 2025

Delivered via Email to: Mr. Michael Howcroft, Partner
michael.howcroft@blakes.com

With cc to: Mr. Bryson Stokes, Firm Managing Partner
bryson.stokes@blakes.com

Mr. Ed Dodig, EVP, Personal Banking, Imperial Service
Edward.Dodig@cibc.com

Mr. Human Alghabi, Br. Manager, Park Place
human.alghabi@cibc.com

CIBC and Blakes: Part of the solution going forward, or remain part of the problem?

Dear Mr Howcroft,

Thank you for the opportunity to discuss my proposal yesterday and for your feedback. I meant to mention that I recently learned that a key individual in this debacle, Ed Dodig, is no longer CEO of Wood Gundy. According to Linkedin he is now the EVP, Personal Banking, Imperial Service. That makes him the 3rd Wood Gundy CEO, and 11th CIBC employee (pg. 31) with a primary role in this matter who has been intentionally removed, terminated or left unexpectedly.

As you know, our hearing on Tuesday with Justice Walker was very insightful. My sense was, of the many pieces of evidence, there were 2 that caught his attention - the analogy to the 10 year money laundering fraud at TD Bank and the 5 screenshots of Romolo DiFonzo's text messages I selected from the 23 in my files. Regardless of what it was, the court sent a very clear message which I sincerely appreciated:

1. Your 2 hour summary judgement application, for which I had requested a 2 day hearing, the court extended to 3 days to provide more time to present my evidence.
2. Confirmed that I filed a defense against your claim for the balance owing - but as you quickly pointed out when asked, no counterclaim has been filed.
3. Advised that to access the documents BIM requested, I need to file a counterclaim and name the necessary defendants (eg. CIBC, Waterton, CIRO, Scorpio etc.)
4. Recognized this is an important matter that has dragged on for years and stepped out of court specifically to ask the scheduling clerk to find the earliest possible hearing date.
5. When that was secured for April 22, 2025, the court advised that it is incumbent on me to clearly define the facts I had knowledge of at the time of settlement, the representations CIBC made that I relied on, the specific point in time I learned of the new facts, what they are and why would they have influenced my, or the trial judges decision. In other words, more specificity to the pleadings in my application.

In our conversation yesterday, I requested that you ask your client if they would like to be part of the solution going forward, or remain part of the problem. You advised that I should not be self-representing and to seek professional counsel because "I was the problem" and went on to explain that "Everyone is telling you there isn't a problem here so you should be listening to them."

With respect, 'thou doth protest too much, methinks' and I suggest that anyone who holds that view should be taking a long look in the mirror.

Drawing on the courts advice, BIM will proceed with filing a counterclaim for a minimum of $500 million for damages to CIBC's retail clients at BIM Group arising from your clients alleged malfeasance. The named defendants will include all of the parties directly responsible -- CIBC, TD Bank, Blakes, Torys, CW, Ernst and Young, PwC, Waterton, GR Dawson Holdings, Scorpio Gold, Augusta Group, Richardson Wealth and JRSL. The lawsuit will name each company, the board of directors and every individual who is party to the alleged crime.

In addition, in the absence of a change in their view, we will break new ground in Canada and include all of the regulators and bureaucrats as defendants -- BCSC, OSC, CSA, CIRO, OSFI, the RCMP, the Province of BC, the Premier, AG, MoF and every politician who has been given the opportunity to fulfill their duty to the public and failed.

In a similar vein, because illegal naked short selling, spoofing and market manipulation are a national and international crime that also affects our national security, in our view, the media has a responsibility to inform the public. Canadian consumers are victims every bit as much as BIM Group clients, Harrington, Quantum BioPharma and Save Canadian Mining are. Over the past year, and documented in our Case History, we mounted a campaign to engage in a collaborative effort to address the alleged crime against society. Our efforts were ignored by everyone resulting in our new approach to ask for the courts involvement. Due to the scope and scale of the alleged fraud, we believe the media has a duty to advise Canadians that we allege our most trusted financial and regulatory institutions, including our law enforcement agencies, are acting jointly, and in concert, to maintain the existing SRO structure which, our evidence clearly shows, does not provide adequate consumer protection. For this reason, we will ask the Globe and Mail, the Financial Post and every reporter we have had contact with to make the same choice.

Our claim will allege breach of fiduciary duty, bad faith, negligence, unjust enrichment and conspiracy to harm the public interest. BIM will seek Poulus, Ensom and Smith's ("PES") advice on adding other causes of action but I think you get the jist of our claims.

Naturally, BIM will provide everyone with the same opportunity to support reform and restitution we provided your client that you rejected on their behalf. Either be part of the solution or remain part of the problem; but you can't sit on the fence and do nothing – like you have for 11 years – without there being a consequence.

The regulators will argue they are protected by statutory immunity but that doesn't prevent BIM from challenging the structure of our SRO regime. With respect to CIRO, by their own admission they don't have statutory immunity in BC and they are the gatekeeper for the trading records we want Urvin Finance to analyze.

We have amassed very compelling evidence that alleges the OSC, IMET and BCSC have acted jointly, and in concert, to prevent investigations of short sellers like Waterton and Anson Funds who conduct 'bear' raids. There are many exhibits that address this including 242, 243, 310, 317 and 330. In light of this, and that BIM's offer to present the USTP presentation was denied by everyone, the most revealing 'red cards' are the replies from EY, the BCSC, OSC and RCMP who, after receiving all of the new evidence of illegal market manipulation, the overlap between BIM, Harrington and SCM's evidence plus copies of the USTP presentation, responded by restricting or blocking communication with BIM. 283,295,302,336

Further to what was disclosed in court, we also have a 32 page legal opinion from PES for a class action claim for 10's of billions that we will pursue simultaneously. In other words, there will be 3 claims in total, in addition to the ongoing claims filed by Harrington and Quantum. These are the first of what will be 1000's of claims once victims, the world over, know Canada is a safe haven for illegal market manipulation. My prediction is the product liability lawsuits against broker-dealers will pale in comparison to JNJ's baby powder liabilities.

You may have noted there were 2 people who attended the hearing and appeared to be recording everything. They left before I could ask them who they represented. The logical assumption would be the BCSC, CIRO or the media but I readily acknowledge that is conjecture. Speaking of the court record, at our next hearing if you misrepresent facts like you did twice on Tuesday, I will do as I did then and ensure the court is aware you are trying to mislead them.

In closing, I would like to leave you and all the parties who will be receiving a copy of this correspondence, with the same question I posed to Justice Walker: If your client is innocent as claimed, why aren't they volunteering to provide their trading records and letting Urvin Finance analyze them?

Bottom line - CIBC, TD, Royal Bank, BMO, BNS, National Bank, Blakes, Torys, Colson Winterstein, Canada's SRO's, Big 4 accounting firms and the RCMP are responsible for enabling the largest alleged financial fraud on society in the history of Canada's capital markets. In the weeks that follow, BIM will reach out to all parties with a very simple proposition - be a part of the solution, or continue to be a part of the problem. The choice is yours and the Two-Minute Warning has been given.

Respectfully,

Murray Bockhold
Bockhold Investment Management

This is Exhibit "D" referred to in
the Affidavit of Murray Boothold
sworn to before me at Whistler
In the Province of British Columbia
this 14 day of February, 2025

A Commissioner for taking Affidavits
In and for the Province of British Columbia

BIM

Blake, Cassels & Graydon
1133 Melville Street
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February 12, 2025

Delivered via Email to: Mr. Michael Howcroft, Partner
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Mr. Ed Dodig, Executive VP and Head, Private Wealth Management
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Mr. Human Alghabi, Br. Manager, Park Place
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With cc to:

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Office of the Superintendent of Financial Institutions
Mr. Tolga Yalkin
Assistant Superintendent, Regulatory Response
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Canadian Securities Administrators
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BC Securities Commission
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Executive Director
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warrenfunt@gmail.com
fishiwish@gmail.com

Re: Protecting BIM Group from intimidation, retribution, manipulation or influencing Ms. Markham's advice to BIM Group clients

Dear Mr. Howcroft,

We have not received a reply to our letter of February 6, 2025 so we are assuming your client remains entrenched in their position to be part of the problem, not the solution. In light of this, we want to ensure your client will not take any action that disrupts BIM Group's business during this period of expanded and prolonged litigation. Like Justice Walker, and in accordance with CIRO Rule 42, BIM Group acknowledge the advice they will be giving clients may conflict with their employer. Upon reviewing BIM's affidavits in BC Supreme Court, it is Ms. Markham's responsibility to advise clients in accordance with her fiduciary duty under her PM license.

Please be advised that any attempt at influencing her decision, threatening her or the team with termination or any action in bad faith will immediately result in BIM filing an injunction with the court to prevent such abusive and retaliatory behaviour.

Regards,

Murray Bockhold
Bockhold Investment Management

Gmail Murray Bockhold <murray.bockhold@gmail.com>

Update and advice

Warren Funt <WFunt@iiroc.ca> Thu, Feb 7, 2019 at 3:40 PM
To: Murray Bockhold <murray.bockhold@gmail.com>

Hi Murray

Most insider trading cases are prosecuted by the Commissions, not IIROC. The facts often involve people outside of our jurisdiction. I strongly suggest that if you have concerns, this is an area where you and the issuer should seek legal advice. The basic principle is that if you are in possession of material undisclosed information as a tippee or tipper, you should not trade until that information becomes publicly disseminated.

I now see you point about CIBC. The problem is that you think CIBC may be in a conflict and may act in a way that does not suitably address the conflict. Determining if there was a breach of our conflict rules can only be done after an action has occurred and based on a formal investigation. The offence has to occur and be investigated which takes time.

If a CIBC client or registrant thinks something has gone wrong, the best approach is to formally complain to us. Contact information and processes can be found on the front page of our website. Dealer employees can also use our Whistleblower service.

Warren Funt | Vice President, Western Canada | Investment Industry Regulatory Organization of Canada | PH: 604 331 4750

IIROC OCRCVM

This is Exhibit " E " referred to in
the Affidavit of Murray Bockhold
sworn to before me at Whistler
in the Province of British Columbia
this 14 day of February, 2025
A Commissioner for taking Affidavits
In and for the Province of British Columbia

From: Murray Bockhold <murray.bockhold@gmail.com>
Sent: Thursday, February 07, 2019 2:32 PM
To: Warren Funt <WFunt@IIROC.CA>
Subject: Re: Update and advice

[EXTERNAL EMAIL / COURRIEL EXTERNE]

Thanks Warren - assumed you were a busy guy.... no worries

I'm very aware that the relationship between my team and CIBC is not of IIROC's concern in a direct sense. However, indirectly I think it is. Much like the Twin Butte situation, CIBC is potentially exercising their discretion to influence their clients trading without disclosing a conflict of interest. They didn't want their own clients voting down the TBE deal because on the other side of the ledger the bank syndicate wanted the deal to go thru. In our current circumstance we anticipate they will prevent Marteena's clients from buying Scorpio because they have told her repeatedly they don't want "this to be the Murray show".

In the short term we can't move the team... longer term we will

So... following our discussion last spring... I write a newsletter suggesting my subscribers buy Scorpio and my Model Portfolio weight is 3-5%. They call in to my team and the team helps their client determine the right weighting and, unsolicited, they buy the stock or the PP of convertible debentures. All sounds easy and in line with the rules. So what happens if CIBC comes to the team and threatens them to stop buying it or they will give them a warning letter? Not because the trade is inappropriate for the client... but because it's a form of constructive dismissal. So... our clients are precluded from making an investment not because of it's merits but because they happen to be a client of BIM Group and CIBC terminated Murray for standing up for his clients in TBE. And what if the opportunity cost of not buying turns out to be significant? Does CIBC reimburse our/their client? You and I both know there isn't a chance of that happening.

CIBC may not play their hand this way Warren but if they do I want my team to be prepared and I think our clients should be protected. You said yourself that IIROC is concerned with conflicts of interest. If you don't see this as one I would like to understand why.

Lastly, in my new role as a newsletter writer and soon to be Director of Scorpio I would like to clearly understand where the 'inside information' line gets drawn in IIROC's eyes. I'm not an IA, an issuer or in a control position but clearly there are times when I have non-public information. Perhaps you could direct me to someone who knows these rules inside out at IIROC?

On a side note Scorpio was in the midst of becoming Watertons 17th victim. Fortunately I had enough leverage to prevent that from happening. They had one of the same undisclosed 'friendlies' working on the Mineral Ridge project as a 'consultant' who also came in to run Borealis as COO when they did the JV with Gryphon. A short time later I met with Peter Hawley (SGN Chairman) who proclaimed that swapping W's debt for Mineral Ridge was 'the easy way out' for Scorpio - they survive and keep the Goldwedge project. When asked if they would be doing a fairness opinion he looked at me with a blank look on his face and said he didn't 'think they needed too.' Mineral Ridge happens to be 95% of

the value and is worth something in the order of US$40m while the debt is only US$6m. Wouldn't it be nice if the OSC and BCSC put in some rules to protect unsuspecting shareholders from predators like this. Anyway... save that for another day.

Hope this helps clarify the issues and thanks for your input.

Best,

Murray

On Wed, Feb 6, 2019 at 1:59 PM Warren Funt <WFunt@iiroc.ca> wrote:

Hi Murray

My response has been delayed as I have been traveling and had to deal with another, very time consuming matter.

I'm unclear as to what type of advice you think IIROC can reasonably provide.

Your concerns seem to split into how CIBC may be treating the part of your team that works there today. If that's the case, it really isn't an obvious IIROC matter, it strikes me as being an employment law question. We cannot give advice in that area and I don't think our rules come into play.

As for point about preventing clients from making a purchase, they probably can in certain circumstances. A dealer and individual registrants have an obligation to ensure a transaction is suitable and to know their product. While rare, a dealer can refuse an order. The practical outcome is that the client often leaves the firm.

If I'm missing your point, please say so. Otherwise I may not be in a position to give you much guidance.

Warren Funt | Vice President, Western Canada | Investment Industry Regulatory Organization of Canada | PH: 604 331 4750

IIROC OCRCVM

From: Murray Bockhold <murray.bockhold@gmail.com>
Sent: Tuesday, February 05, 2019 11:11 AM
To: Warren Funt <WFunt@IIROC.CA>
Subject: Fwd: Update and advice

[EXTERNAL EMAIL / COURRIEL EXTERNE]

Hi Warren,

Hope you got this email from last week? Can we expect a reply soon? Happy to discuss with whomever you think is the appropriate person at IIROC.

Thanks,

Murray

---------- Forwarded message ---------
From: **Murray Bockhold** <murray.bockhold@gmail.com>
Date: Tue, Jan 29, 2019 at 9:30 AM
Subject: Update and advice

To: Warren Funt <wfunt@iiroc.ca>
CC: Romolo DiFonzo <RDiFonzo@bcsc.bc.ca>, <marleenamarkham@shaw.ca>, Keith Bockhold <keithbockhold@gmail.com>

Good morning Warren,

Hope this finds you well. A lot has happened since we spoke last spring after CIBC terminated me. Here is the short story:

1) CIBC accepted Marleena as the lead IA for my book in May but held back paying her for over 6 months while they 'negotiated' a succession plan. Ultimately, they decided to not support a normal internal succession plan. We believe this was constructive dismissal.

2) Since then we have arranged our own succession plan with the assistance of Faskens and Lewis & Co. I have retired from being an IA, however to implement my succession I have to transfer my license which I am in the midst of doing. It will likely be with either Fort Capital or Fieldhouse.

3) Marleena, Keith and Jenny remain at Park Place for the time being but CIBC has made it clear they don't want it to be "the Murray show". The team feels threatened by this which makes the Newsletter idea we spoke about problematic.

4) Romolo was recently given an anonymous complaint (see below) that I was acting as an IA without being licensed. He didn't have to come out a say who the tipster was to put 2 and 2 together.

5) The Waterton saga is unfolding at an accelerated clip and I recently used my leverage with them to unwind their deal with Scorpio Gold. This news release out yesterday. http://www.scorpiogold.com/s/news.asp?ReportID=844178

6) We want to offer the debs to all our Gryphon clients who qualify and buy the stock for the ones that don't. We would like to put out a newsletter saying same.

7) CIBC has no right to prevent our clients from participating nor do they have the right to pressure my team or threaten them with termination. In the event they try that we want to be ahead of the curve. We also want to clearly understand the procedures going forward since I will be going on the Scorpio board. Neither the team nor I want to cross the line with respect to insider trading.

We are reaching out to you in the hopes you can connect us with the appropriate person at IIROC who can meet with us to walk through the issues and come up with the solution(s). As I am sure you can appreciate this is a time sensitive matter and we thank you in advance for your prompt attention to it.

Look forward to hearing from you.

Sincerely,

Murray & Team

to murray@bockholdinvestment.com

Hi Murray

HNY!

We have received an anonymous complaint that you were representing yourself to the public as an advisor, but not registered.

I had a look at the web site https://bockholdinvestment.com/ the complainant provided to us, but I'm not clear if your using your own funds or soliciting funds from other investors. Can you briefly describe the nature of the business of Bockhold Investment Management and BIM Group? And if the intent is to solicit funds from others?

If you wish, you can call me to discuss.

Reconnaissance Energy Manipulation Analysis: Canada

Methods

This section provides a high-level overview of the metrics that we calculated to measure the quoting and trading activity we were looking for. While this is a high-level overview, we would be happy to provide a much more detailed explanation if requested.

Data

Urvin sourced market data from a third-party provider. They provided us full depth-of-book snapshots by order for Canadian market data. Canadian Market data included every exchange in Canada[1]. Further, we acquired Time and Sales data for all Canadian exchanges. Our analysis runs from January 12, 2022 through January 6, 2025. We start our measurement at 9:35am, as the opening auction adds too much noise.

Canadian market data has a Broker ID to attribute both quotes and trades. While we assign every individual order and trade to the corresponding party, trading and quoting can also be done through the Anonymous ID (1). The analyses can be greatly improved if the full deanonymized order histories are acquired for the sample period, as 32.6% of all trading was done through ID #1.

During this time period, we saw a total of 685.17M shares traded in Canada.

Order Activity

From the market by order data, we track the life of orders placed by each Broker ID until they no longer appear in the order book data (representing a fill or cancel). From the first and last timestamps as well as the first and last levels in the order book, we determine the order life and whether they were filled or canceled away from the best bid or offer. We then align the trade data with the order data to describe the characteristics of the market at each order book update as well as before, at and after each trade time.

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[1] Canadian Exchanges analyzed include: CBOE Canada, CSE, TSX Alpha, Nasdaq CSC, Nasdaq CS2, TSX Venture Exchange and the Toronto Stock Exchange.

Spoofing

While there are multiple types of order spoofing, the overall goal is the same: a market participant attempts to gain an unfair advantage by placing orders that they do not intend to execute in order to influence either a security's price or the behavior of other market participants. Spoofing occurs when a market participant temporarily distorts the price or quantity by "submitting multiple or large orders to trade, often away from the [best bid or offer] on one side of the order book, in order to execute a trade on the other side of the order book. Once the trade has taken place, the orders with no intention to be executed shall be removed."[2] The advantage obtained by the spoofer comes from the false signal that the spoofer sends to the market indicating that there is more interest on one side of the order book than would otherwise exist, and creating an unbalanced order book. As a result of the spoofer's actions, the spoofer materially benefits at the expense of other market participants.

Spoofing Definitions

- **Spoof-to-Buy**: in which a participant places sell orders that they do not intend to execute in order to cause a reaction in the market (driving down the current price) which allows the participant to execute a buy order at a more advantageous price than the participant would have been able to obtain otherwise.
- **Spoof-to-Sell**: in which a participant places buy orders that they do not intend to execute in order to cause a reaction in the market (driving up the current price) which allows the participant to execute a sell order at a more advantageous price than the participant would have been able to obtain otherwise.

A similar type of market manipulation is called Layering, in which multiple resting orders at different prices are used to also create this false demand. Our analysis will catch this type of manipulation.

Another type of market manipulation uses fleeting or flashing orders to momentarily create artificial demand, knowing that high-speed trading systems will still be able to see and react to this demand despite order lifetimes that can be measured in milliseconds. Our analysis will catch this type of manipulation as well.

Market Reactions to Manipulation

While the precise reaction of other market participants cannot be determined *ex ante*, we identify two common market reactions in which a spoofer gains an advantage.

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[2] https://www.marketconductrules.com/risks/layering-and-spoofing.html#definition

1. **Best Bid/Ask Improvement**: in which the spoofer's false orders cause market participants to react by placing new orders at a better price on the spoofed side of the order book. In this case, the spoofer is able to improve the price at which they can transact as a result of the better price on the spoofer's real intended trading side.
2. **Mid-Price Improvement**: in which the spoofer's false orders cause market participants to cancel orders on the opposite side of the order book from the spoofed side, thus giving the spoofer a greater price-time priority advantage on the side of the order book at which the spoofer intends on executing.
3. **Baiting**: in which the spoofer's false orders cause market participants to cross the spread and hit a resting order on the other side of the false orders.

Spoofing Identification

Our analysis focuses on Spoof-to-Buy orders as those manipulate the selling activity of other market participants and artificially manipulate the price down, so that sellers sell at less advantageous prices than they otherwise should. We identify spoofing behavior which satisfies the above definitions, and which is followed by one or more of the above market reactions, by examining the order activity in the periods immediately before and after a trade occurs for a particular Broker ID. We define the two periods as follows.

- **Spoofing Period**: for a Spoof-to-Buy, within a window starting 5 seconds prior to the trade and ending at the trade time, the spoofing Broker ID places one or more Sell orders above the eventual executed Buy price, which are then canceled unexecuted during the Cancellation Period.
- **Cancellation Period**: for a Spoof-to-Buy, starting 10 milliseconds prior to the trade and ending 2 seconds after the trade, the spoofing Broker ID cancels any Sell orders placed during the spoofing period.

We then look for anomalous order activity to one side of the order book during the Spoofing Period, in the first 10 levels of the order book. The following three Size Conditions must be satisfied.

- **Total Size Condition**: for a Spoof-to-Buy, the sum of the sizes of all Sell orders placed by the spoofing Broker ID, and which satisfy the conditions of Spoofing Period, is greater than 1.25 times the average size of the best bid and offer according to the National Best Bid Offer feed.
- **Size Imbalance Condition**: for a Spoof-to-Buy, the sum of the sizes of all Sell orders placed by the spoofing Broker ID satisfying the previous condition must be greater than 1.25 times the sum of the sizes for all Buy orders placed by the spoofing Broker ID during the Spoofing Period.

Lastly, we look for one of the described market reactions to occur between the time spoofing orders are placed and the executed trade. For each Broker ID, we assign a label to each trade for which that broker was the Buyer according to the following rules.

- **No Spoof**: trades in which either (1) the above Size Conditions were not satisfied, or (2) if the Size Conditions were satisfied but none of the below conditions are satisfied.
- **Spoof-to-Buy BBO**: in which the Size Conditions were satisfied and, after the spoofing broker's orders were placed during the Spoofing Period, other market participants placed Sell orders lower than the Best Ask at the time the spoofing broker's orders were placed.
- **Spoof-to-Buy Mid-Price**: in which the Size Conditions were satisfied and the mid-price decreased from the time the spoofing broker's orders were placed until the time trade occurred.
- **Spoof-to-Buy Baited**: in which the Size Conditions were satisfied and a resting bid order was executed within the time the spoofing broker's orders were placed.

Results

Spoofing Impact

In order to assess the effects that the various Spoof-to-Buy reactions had on market prices and behavior, we look at the differences between price activity during the Spoofing Period and at 5-minutes after the execution of the Spoof-to-Buy trades.

Pre-Trade Price Change

- No Spoof: we take the mid-price movements from 5 seconds prior to the trade to the time of the trade.
- Spoof-to-Buy BBO: we take the Best Ask movements from the time spoofing began during the Spoofing Period to the time of the trade.
- Spoof-to-Buy Mid-Price: we take the mid-price movements from the time spoofing began during the Spoofing Period to the time of the trade.
- Spoof-to-Buy Baited: by definition there is no pre-trade price change for the Baited type.

Post-Trade Price Change

For all trade labels, we take the mid-price movement from the time of the execution to 5 minutes after the trade occurs.

Results:

Spoof Type	Count	PreTrade Move	Post-Trade Move: 15s	Post-Trade Move: 30s	Post-Trade Move: 1m	Post-Trade Move: 5m
None	652,856	-1.62	2.37	2.82	3	3.79
Spoof-Buy BBO	15,933	-61.02	-4.85	-3.17	-3.82	-1.96
Spoof-Buy Mid-Price	624	-16.18	-8.3	-6.52	-5.04	-3.28
Spoof-Buy Baited	1,521	0	-12.75	-13.19	-13.58	-13.84

Table 1: Average Pre- and Post-Trade Price Changes by Spoof Type

The above table shows the average price changes, in basis points, during the Spoofing Period and at 15-seconds, 30-seconds, 1-minute and 5 minutes after the trade occurs. All of these results have p-values that show they are statistically significant out to 5 minutes. The most frequent spoof type, BBO, also has the largest pre-trade price impact of -61.02 basis points. Both BBO and Mid-Price show significant pre-trade price impact, indicating that in general, the potential spoofing behavior is successful in artificially lowering the price ahead of the buy trade. With Spoof-Buy BBO, we see a large pre-trade price impact, and then continued, statistically significant price impact of around -2 basis points out to 5 minutes. For Spoof-Buy Mid-Price we see a smaller, though still large pre-trade price impact of -16.18 basis points, and a large statistically significant continuation of -5 basis points out to 1 minute. For Spoof-Buy Baited we see statistically significant follow-through out to 5 minutes of -13.84 basis points.

The p-values that we measure suggest an extremely low probability that the price changes in each of the labels could have been randomly obtained from the same generating process as the price changes in the No Spoof label. These results imply that the market impact of this activity is both materially and statistically significant.

Analysis

Over the analysis period of January 12, 2022 through January 6, 2025, there were 732 trading days, with Spoof-to-Buy events on 388 of those days.

This chart illustrates the daily activity by type of Spoof-to-Buy reaction:

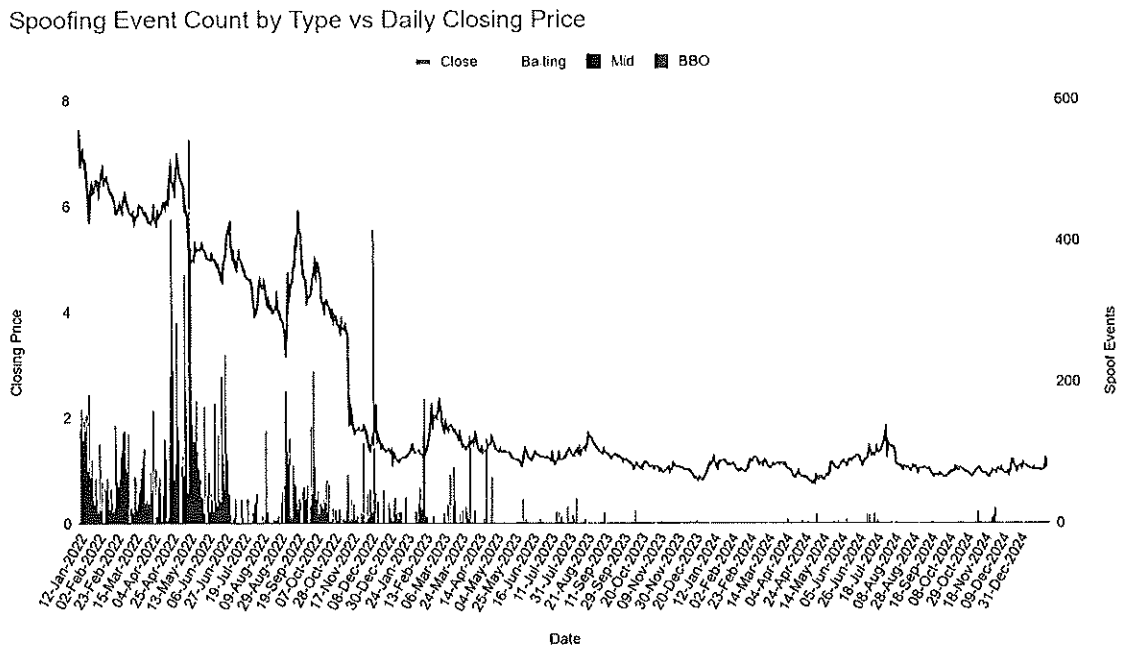

Figure 1: Spoof Event Count by Type, January 12, 2022 - January 6, 2025

We can see a high amount of potential manipulative activity concentrated in several periods throughout 2022 and early 2023.

- April 21, 2022 - May 13, 2022:
  - From April 21, 2022 - May 13, 2022, the stock dropped from $6.58 to $4.87, a fall of almost 26%.
  - There were a total of 3,988 potential spoofing events over that time period, an average of over 234 per day, where there was only an average of 67 per day in the month before that.
- August 22, 2022 - August 31, 2022:
  - From August 22, 2022 - August 31, 2022, the stock dropped from $4.16 to $3.53, a fall of over 15%.
  - There were a total of 548 potential spoofing events over that time period, and average of over 68 per day, where there was only an average of 5 per day in the week before that.
- January 20, 2023 - February 1, 2023

- From January 20, 2023 - February 1, 2023, the stock dropped from $1.50 to $1.26, a fall of 16%.
- There were a total of 475 potential spoofing events over that time period, an average of over 52 per day, where there was only an average of one per day in the week before that.

Breaking out the results by broker, we see most of the potential spoofing activity under CIBC World Markets and Merrill Lynch Canada:

Broker	Spoof-Buy BBO	Spoof-Buy Mid	Spoof-Buy Baited	Total Shares
CIBC World Markets	12,672	387	1,084	4,031,840
Merrill Lynch Canada	2,873	229	421	1,203,627
Anonymous	378	7	16	210,879

Table 2: Spoof Event Count and Shares by Type, by Broker

While we are able to show that there are many potential daily spoofing events, how much of the trading volume do we think is affected by these events? To answer this question, we have looked at trading volume in two ways.

The first is to look at the actual potential spoof trades themselves. Even with this narrow view, we see a total of 1.75% of all volume is accounted for just by the potential spoofing trades themselves. 20.9% of days (153 out of 732) have trading volume attributable to potential Spoof-to-Buy trades of more than 3% of all trading volume, with a maximum of 22.91% of volume on December 12, 2022.

Another way of looking at spoofing volume is to look at the total shares traded during the period of time where potential Spoof-to-Buy activity is artificially depressing the stock price. From this perspective, we see that a significant amount of volume is being traded at manipulated prices.

We noted above that there are statistically significant negative price impacts from the primary spoofing type out to 5 minutes after the spoof event takes place. Calculating the amount of trading volume that takes place during these potential spoof events shows that for the entire period, 13.85% of all trading volume is traded at potentially manipulated prices, and that 18% of all trading days have trading volume where over 25% of all volume is traded at potentially manipulated prices. On May 13, 2022, 78.97% of volume traded at potentially manipulated prices.

While these numbers are material to RECO trading activity, it is important to note that there continues to be a high amount of Anonymous trading[3]. With de-anonymized data, we could complete this analysis and confirm these results. However, as can be

[3] 32.6% of all trading during the time period was done under Broker ID #1.

seen in the illustrative examples below, the evidence is good that many of these incidents are difficult to explain in any other way.

Finally, reproduced in table 3 below are the number of shares traded, by broker, over the entire analysis period. We have only included brokers that traded more than one hundred thousand shares.

Broker	Shares Traded
Anonymous	223,706,256
CIBC World Markets Inc.	162,402,492
RBC Capital Markets	45,047,624
TD Securities Inc.	39,575,503
Merrill Lynch Canada Inc.	29,877,452
Scotia Capital Inc.	28,021,351
National Bank Financial Inc.	24,839,472
BMO Nesbitt Burns Inc.	20,825,518
Raymond James Ltd.	16,148,767
Canaccord Genuity Corp.	15,772,722
ITG Canada Corp.	14,041,201
Instinet Canada Ltd.	12,565,206
Morgan Stanley Canada Ltd.	9,834,868
Independent Trading Group	8,565,603
Credential Securities Inc.	6,103,138
Haywood Securities Inc.	6,006,341
Questrade Inc.	5,601,284
PI Financial Corp.	4,276,899
Leede Jones Gable Inc.	1,982,022
Fidelity Clearing Canada ULC	1,869,218
Mackie Research Capital Corp.	1,786,420
Desjardins Securities Inc.	1,450,539
Interactive Brokers Canada Inc.	1,186,030
Pershing Securities Canada Ltd.	643,052
Echelon Wealth Partners Inc.	437,200
Velocity Trade Capital Ltd.	230,467
Paradigm Capital Inc.	218,600
Hampton Securities Ltd.	206,960
Odlum Brown Ltd.	206,810
GMP Securities Limited	206,720
JonesTrading Canada Inc.	200,000
UBS Securities Canada Inc./UBS Valeurs Mobilieres Canada Inc.	178,966
BBS Securities Inc.	159,645
Cormark Securities Inc./Valeurs Mobilieres Cormark Inc.	139,900
Barclays Capital Canada Inc.	121,921
Clarus Securities Inc.	106,400
JP Morgan Securities Canada Inc.	100,554

Table 4: Total Trading By Broker

Examples

In order to illustrate the behavior we have defined and described above, we have pulled out some examples of each. The sequences of events described in these examples are unlikely to be attributed to any other motive or behavior. Given a fully deanonymized dataset, we could speak with greater certainty, but these specific events are compelling. Furthermore, the statistical methods that we have developed have identified 41,301 examples of such potential manipulation over the analysis period.

CIBC World Markets

From 2022-01-13 12:22:29.925 to 2022-01-13 12:22:33.050, prior to 400 share trades occurring at $6.73 and $6.74 under CIBC's broker ID, 17 sell orders were were flashed or rested under CIBC's broker ID above the execution price for a total size of 10,200 shares, representing over 4 times the average size at the NBBO for that day. After the buy orders were completed at 12:22:33.050, all of the sell orders had been canceled.

These orders coincided with a -44.31 basis point drop in the Best Ask price prior to the trades. The mid-price continued to decline an additional -37 basis points over the next 5 minutes following the completion of the trades.

From 2022-01-24 14:17:20.131 to 2022-01-24 14:17:25.382, prior to and in the midst of 1,200 share trades occurring between $5.71 and $5.75 under CIBC's broker ID, 40 sell orders were were flashed or rested under CIBC's broker ID above the execution price for a total size of 21,300 shares. As the orders executed, this represented between 2 and 11.5 times the average size at the NBBO for that day. After the buy orders were completed at 14:17:25, all of the sell orders had been canceled.

These orders coincided with a -69.4 basis point drop in the Best Ask price prior to the trades. The mid-price recovered slightly over the following 5 minutes, rising by 17.5 basis points.

From 2022-03-01 10:56:44.334 to 2022-03-01 10:56:44.561, when 33 trades executed between $5.95 and $5.98 for a total size of 3,300 shares under CIBC's broker ID, 47 orders were flashed or rested under CIBC's broker ID above the execution price for a total size of 12,200 shares, representing between 2.4 - 5 times the average size at the NBBO for that day. These orders coincided with a -33.4 basis point drop in the Best Ask price prior to the trades.

After the executions were completed all 47 sell orders had been canceled. The mid-price continued to decline an additional -58.7 basis points over the next 5 minutes following the completion of the trades.

From 2022-04-25 09:51:32.188 to 2022-04-25 09:51:34.205, prior to 2 trades for a total of 200 shares occurring at $6.51 under CIBC's broker ID, 47 orders were flashed or rested under CIBC's broker ID above the execution price for a total size of 13,500 shares, representing over 12 times the average size at the NBBO for that day. These orders coincided with a -76.3 basis point drop in the Best Ask price prior to the trades.

After the executions were completed all 47 sell orders had been canceled. The mid-price continued to decline an additional -84.7 basis points over the next 5 minutes following the completion of the trades.

Merrill Lynch Canada

From 2022-01-24 14:39:46.900 to 2022-01-24 14:39:46.903, prior to 900 share trades occurring at $5.72 under Merrill Lynch's broker ID, 9 sell orders were flashed or rested under Merrill Lynch's broker ID above the execution price for a total size of 11,400 shares, representing almost 6.5 times the average size at the NBBO for that day. After the buy orders were completed at 14:39:46.903, all of the sell orders had been canceled.

These orders coincided with a -34.8 basis point drop in the Best Ask price prior to the trades. The mid-price recovered slightly over the following 5 minutes, rising by 8.7 basis points.

From 2022-02-22 10:22:43.318 to 2022-02-22 10:22:43.477, prior to 3 trades executing at $5.92 for a total size of 500 shares under Merrill Lynch's broker ID, 19 sell orders were flashed or rested under Merrill Lynch's broker ID above the execution price for a total size of 21,300 shares, representing between 6.6 - 10.3 times the average size at the NBBO for that day. These orders coincided with a -33.6 basis point drop in the Best Ask price prior to the trades.

After the executions were completed all 19 sell orders had been canceled. The mid-price continued to decline an additional -42 basis points over the next 5 minutes following the completion of the trades.

From 2022-12-12 11:17:10.007 to 2022-12-12 11:17:10.372, prior to 3 trades executing at $1.61 for a total size of 6,300 shares under Merrill Lynch's broker ID, 41 sell orders were flashed or rested under Merrill Lynch's broker ID above the execution price for a total size of 143,200 shares, representing between 17 - 21 times the average size at the NBBO for that day. These orders coincided with a -181.81 basis point drop in the Best Ask price prior to the trades.

After the executions were completed all 41 sell orders had been canceled. The mid-price continued to decline an additional -31 basis points over the next 5 minutes following the completion of the trades.

DISCLAIMER: Any and all analyses, observations or conclusions contained herein are based upon public data; therefore, the completeness or correctness of any aspect of the Report, including any analyses, observations or conclusions is contingent and dependent on the correctness and completeness of the data available and provided by these sources. Nothing contained in this Report is intended to assign intent, culpability or liability to any party identified or contained herein, nor does this report contain or make or intend to contain or make, any allegation of illegal activity. PRELIMINARY REPORT. NOT INTENDED FOR DISTRIBUTION.

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Baines: High-profile gangland crime buster to head securities enforcement in B.C.

The B.C. Securities Commission has appointed high-profile Crown prosecutor Teresa Mitchell-Banks, Q.C., as its new director of enforcement, effective Oct. 10. The commission also appointed Peter Brady, a former lawyer with the commission and now general counsel of QTrade Financial Group, as its new director of corporate finance, effective Oct. 24.

By **David Baines**
Published Sep 13, 2012Last updated Sep 15, 20124 minute read

Sun columnist David Baines PHOTO BY FILE PHOTO /Vancouver Sun

This is Exhibit "G" referred to in the Affidavit of Murray Bockhold sworn to before me at Whistler in the Province of British Columbia this 14 day of February, 2025

A Commissioner for taking Affidavits In and for the Province of British Columbia

The B.C. Securities Commission has appointed high-profile Crown prosecutor Teresa Mitchell-Banks, Q.C., as its new director of enforcement, effective Oct. 10.

The commission also appointed Peter Brady, a former lawyer with the commission and now general counsel of QTrade Financial Group, as

its new director of corporate finance, effective Oct. 24.

Mitchell-Banks currently works as deputy director of criminal appeals and special prosecutions for the B.C. minister of justice, which has been aggressively prosecuting organized crime figures such as the notorious Bacon brothers.

"As head of B.C.'s organized crime prosecution unit, I found her extremely effective in ensuring that violent gangsters remain behind bars," Kim Bolan, who covers organized crime for this newspaper, told me Friday. "She successfully fought bail applications and went on to get convictions against some of the big players linked to gang violence."

Mitchell-Banks replaces Lang Evans, who left in May to head the BCSC's new special investigations unit. That unit is focusing on large and complex market cases, particularly those involving offshore secrecy jurisdictions.

Mitchell-Banks previously worked as a commercial crime prosecutor, most notably in the 1995 prosecution of Vancouver businessman Nelson Skalbania, which succeeded upon appeal.

I dealt with her in the Skalbania case (and a few others). I found her very accessible, and have said so: "I have found some prosecutors to be extremely helpful and cooperative," I wrote in a November 2005 column. "Examples are Mike Van Klaveren and Teresa Mitchell-Banks. Others treat you like you have some infectious disease."

4 
tariffs
Opinion: Farewell to my American friends. It's over.

5 
canada fentanyl
B.C. organized crime expanding export of fentanyl and other drugs

Monty Carstairs — who, as deputy director of commercial crime prosecutions, worked closely with Mitchell-Banks — said in an interview Friday that she is a "very conscientious, bright and enthusiastic person. She is a good addition to the securities commission."

While I concur with Carstairs' description, I still find her appointment rather curious. She has no prior securities experience, and the vast majority of the commission's enforcement efforts are pursued through administrative hearings, where penalties are limited to market suspensions and fines, rather than through criminal prosecutions.

"I recognize Teresa doesn't have securities regulatory content in her background, but she does have commercial crime background, doing complex fraud and theft cases," BCSC executive director Paul Bourque said in an interview Friday. "We allege fraud in many cases, and the difference between

administrative and criminal fraud is just one of intent, so she has strong crossover skills there."

In recent years, the commission has been stepping up its criminal investigations and pressing Crown counsel to take securities offenders to criminal court, where jail sentences can be imposed. I asked Bourque whether Mitchell-Bank's appointment signals an intensification of these efforts.

"I think we are trying to raise our gain in every category," he replied. "I think we are doing a good job here and getting good results, I just want to take us to the next level. To the extent we can demonstrate improving results, we can make additional requests for additional resources."

Brady, who takes over the corporate finance function, is a University of Victoria law school

graduate. He worked at the commission from 2002 to 2007 in both a policy function and as senior counsel in the enforcement branch. He currently works as general counsel and corporate secretary for QTrade Financial Group which, through various subsidiaries, provides online and full-service brokerage services, mutual fund and insurance products, and sundry other money management services.

STORY CONTINUES BELOW

He replaces Martin Eady, who despite being well-regarded by commission staff, was dismissed "without cause" in May (the same month Evans stepped down as head of enforcement).

The corporate finance department performs several key functions: it reviews prospectuses and other offering documents; enforces disclosure requirements for companies and insiders (including insider trading reports);

and educates directors and officers of public companies on their disclosure obligations. Unlike Eady, Brady is not a chartered accountant, which strikes me as an important asset to have in this position.

"No candidate brings a full suite of skills to these sorts of positions," Bourque acknowledged. "I was seeking, as a priority, top managers — people who could manage professional teams in an effective way. Both Teresa and Peter have experience doing that and getting good results."

Bourque declined to tell me how much he is paying his two new hires, but I note that Evans made $273,959 as head of enforcement, while Eady made $262,023 as head of corporate finance.

STORY CONTINUES BELOW

The long-awaited criminal trial of Vancouver real estate developer Tarsem Singh Gill has been postponed once again.

In the spring of 2002, Gill and his lawyer, Martin Wirick, were implicated in an alleged multimillion-dollar real estate fraud, but it wasn't until August 2008 that the pair were charged with defrauding 77 homeowners and 30 lenders of just over $30 million.

In June 2009, Wirick pleaded guilty to his part in the scheme and was sentenced to seven years in prison. Gill pleaded not guilty, but his trial was delayed when he hired, then fired, defence counsel David Crossin.

He subsequently hired Ian Donaldson, and the trial was reset for Monday, but in a familiar refrain, he discharged Donaldson and applied for an adjournment. Despite the objections of Crown counsel, B.C. Supreme Court judge Terry Schultes granted the application.

The trial is now set to start on Jan. 28 with Robert Doran, a sole practitioner in Surrey, as Gill's lawyer. The trial is scheduled for five weeks. Assuming it starts on that date, nearly 11 years will have passed since the alleged fraud was discovered.

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CIRO · OCRI

CIRO Bulletin

January 9, 2025
25-0001
Rules Bulletin > Request for Comments

Distribute internally to:
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Contact:

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Rule Connection: UMIR/IDPC Rules

Division: Investment Dealer

Proposed Amendments Respecting Mandatory Close-Out Requirements

Executive Summary

Comments Due By: April 10, 2025

The Canadian Investment Regulatory Organization (**CIRO**) is proposing amendments to the Universal Market Integrity Rules (**UMIR**) and Investment Dealer Partially Consolidated Rules (**IDPC**) that would require applicable Dealer Members that are Investment Dealers (**Investment Dealer Members**) to:

- close out a fail-to-deliver position in the event of a settlement failure in a listed security at the recognized clearing agency by specified timelines by buying or borrowing shares,
- pre-borrow the affected security where there has been a failure to close out by specified timelines for all future short sales in the security at issue,
- provide certain reporting and notifications in connection with mandatory close-out requirements, and
- have a reasonable expectation to settle on settlement date for Investment Dealer Members that are not Participants under UMIR (**Proposed Amendments**).

This is Exhibit " H " referred to in
the Affidavit of Murray Barkhold
sworn to before me at Whistler
in the Province of British Columbia
this 14 day of February, 2025

A Commissioner for taking Affidavits
In and for the Province of British Columbia

CIRO is publishing the Proposed Amendments in order to solicit comments on the best approach to:

- introduce mandatory close-out requirements to reduce fail-to-deliver positions involving securities with persistent failures to deliver, and
- establish a reasonable expectation to settle a trade on the expected settlement date for Investment Dealer Members that are not Participants.

How to Submit Comments

Comments on the Proposed Amendments should be in writing and delivered by Thursday April 10, 2025 (90 days from the publication date of this Bulletin) to:

Theodora Lam
Director, Market Regulation Policy
Canadian Investment Regulatory Organization
Bay Adelaide North
40 Temperance Street, Suite 2600
Toronto, Ontario, M5H 0B4
e-mail: market_regulation_policy@ciro.ca

A copy should also be delivered to the Canadian Securities Administrators (**CSA**):

Trading & Markets Division Ontario Securities Commission 22nd Floor 20 Queen Street West, Toronto, Ontario, M5H 3S8 e-mail: tradingandmarkets@osc.gov.on.ca	**Capital Markets Regulation** B.C. Securities Commission P.O. Box 10142, Pacific Centre 701 West Georgia Street, Vancouver, British Columbia, V7Y 1L2 e-mail: CMRdistributionofSROdocuments@bcsc.bc.ca

Commenters should be aware that a copy of their comment letter will be made publicly available on the CIRO website at www.ciro.ca.

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1. Background

A number of stakeholders have recently raised the need to introduce mandatory close-out provisions in Canada. In January 2021, the Ontario Capital Markets Modernization Taskforce (**Taskforce**) issued its Final Report which recommended the modernization of Ontario's short selling regime. The Final Report indicated that Ontario's short selling regime stands in contrast to other jurisdictions such as the U.S., where there are mandatory close-out provisions in place. Part of the Taskforce's recommendations included the adoption of mandatory buy-in requirements by CIRO.

In December 2022, CIRO and the CSA published our Joint CSA/IIROC Staff Notice 23-329 Short Selling in Canada to request public feedback on Canada's short selling regulatory framework. We received 23 comment letters. A number of commenters supported introducing mandatory buy-ins or close-outs of short positions, similar to rules in place in the U.S. and adopted but not yet in force in the European Union.

In November 2023, CIRO and the CSA published our joint response[1] to the comments received. In our response, we indicated that the CSA and CIRO would form a staff working group to more broadly examine short selling issues in the Canadian market context, beginning with an analysis of potential mandatory close-out or buy-in requirements.

As a result, CIRO and the CSA struck a staff working group in January 2024. Since then, CIRO staff have been working with the CSA to review whether additional requirements relating to short selling, including mandatory close-out provisions, would be appropriate in the Canadian context. CIRO and the CSA have heard concerns of persistent failures to settle and that the current voluntary buy-in procedures in Canada are too lax and could contribute to a negative perception of capital markets in Canada, which in turn could deter otherwise interested parties from listing or investing in Canada. Based on our analyses at this time, CIRO and the CSA are of the view that proposing a mandatory close-out requirement would be helpful to Canadian regulators to better understand if this approach would be appropriate to strengthen our regulatory framework.

Therefore at this time, CIRO is publishing the Proposed Amendments for comment.

2. Proposed Amendments

We propose to structure mandatory close-out requirements to align with similar requirements under Rule 204 of Regulation of Short Sales (**Regulation SHO**) in the U.S. Based on our consultation with certain stakeholders to date, we have heard that this would facilitate increased efficiencies and contribute to a level playing field among Investment Dealer Members that trade in both markets. As some entities in the industry may already be familiar with U.S. requirements, modeling close-out requirements on U.S. rules may have less of an impact on Investment Dealer Members that trade securities that are inter-listed in the U.S. There are also similarities between the settlement processes in the U.S. and Canada. As a result, most elements of the Proposed Amendments are harmonized with the mandatory close-out requirements in Rule 204 of U.S. Regulation SHO where appropriate.

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[1] Joint CSA/CIRO Staff Notice 23-332 Summary of Comments and Responses to CSA/IIROC Staff Notice 23-329 Short Selling in Canada.

We believe that this approach could achieve the regulatory objective of reducing persistent failures to settle while minimizing negative impacts on the industry where possible. This is because basing mandatory close-out requirements on fail-to-deliver positions at the recognized clearing agency:

- would be consistent with current settlement practices and procedures in Canada.

  The recognized clearing agency in Canada is the Canadian Depository for Securities Limited and CDS Clearing and Depository Services Inc. (**CDS**). Similar to the National Securities Clearing Corporation (**NSCC**) in the U.S., CDS also clears and settles trades through the Continuous Net Settlement (**CNS**) process, which nets the securities delivery and payment obligations of all of its members.

- has proven to be effective in reducing settlement failures in the U.S.

  Regulation SHO became effective in the U.S. in June 2004. At that time, the majority of trades in the U.S. settled on time. The NSCC indicated that on an average day, only approximately 1% (by dollar value) of all trades failed to settle on time.[2] This trade failure rate is similar to what we are currently experiencing in Canada.

  After the implementation of a temporary mandatory close-out provision in Rule 204T (predecessor to Rule 204) in the U.S., the SEC's Office of Economic Analysis indicated that the average daily number of fails-to-deliver for equity securities declined from 1.1 billion to 478 million for a total decline of 56.6 percent.[3] These improvements led the SEC to adopt mandatory close-outs as a permanent requirement, resulting in Rule 204 of Regulation SHO.

2.1 Requirement to Close out or Allocate

Investment Dealer Members that have sold shares in a listed security on a marketplace must deliver those shares by settlement date. Under the Proposed Amendments, Investment Dealer Members that are members of a recognized clearing agency[4] (**Clearing Members**) that are unable to deliver sufficient shares on settlement date to the recognized clearing agency (**fail-to-deliver position**) would need to close out that position within the timelines set out below. Fail-to-deliver positions would be specific to each Clearing Member and reflect the daily outstanding position in each listed security after the netting of the Clearing Member's delivery and payment obligations through the CNS system. The Clearing Member would be required to close out a fail-to-deliver position by:

- purchasing or borrowing shares until the fail-to-deliver position has been reduced to a net flat or net long position at the recognized clearing agency, or

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[2] See Rule 204 Adopting Release No. 34-60388

[3] See Rule 204 Adopting Release No. 34-60388

[4] We propose to define a "recognized clearing agency" in subsection (1) of IDPC Rule 4781 to mean an acceptable clearing corporation that is recognized by the applicable securities regulatory authorities in Canada for the clearing and settling of trades in listed securities. At the time of writing, there is only one recognized clearing agency, being The Canadian Depository for Securities Limited and CDS Clearing and Depository Services Inc.

- allocating all or a portion of the fail-to-deliver position to another Investment Dealer Member (**Allocated Member**) for which it clears or settles trades. Allocated Members would then become responsible for closing out the allocated fail-to-deliver position by purchasing or borrowing shares until the fail-to-deliver position has been reduced to a net flat or net long position at the recognized clearing agency.

When closing out a fail-to-deliver position

Where a Clearing or Allocated Member purchases shares on a marketplace to close out a fail-to-deliver position, we expect that these purchases would be executed under reasonable commercial terms that would not be prejudicial to the maintenance of a fair and orderly market. To minimize market disruption, we propose that Clearing or Allocated Members:

- would not be required to purchase securities at a price that is greater than a certain premium to the current market price when executing their trades on a marketplace to close out a fail-to-deliver position. We are asking for feedback on this issue in Question 6 of this Bulletin and will take the comments into consideration when determining the appropriate guidelines for the premium; and
- may also borrow securities as an alternative to purchasing shares on a marketplace to satisfy the close-out requirement.

Allocations must be reasonable and timely

Clearing Members would have the ability to allocate all or a portion of a fail-to-deliver position to an Investment Dealer Member for which it clears or settles trades, as long as these allocations are made in a reasonable and timely manner:

- allocations must be reasonable in that the Clearing Member must have books and records in place to support the identification of a specific Investment Dealer Member whose trading activities caused the fail-to-deliver position, and
- allocations must be made in a timely manner as the Allocated Member would need to close out within the required timelines. The act of making an allocation itself does not extend the close-out timeline to close out, which is calculated from settlement date (or in the case of deemed to own securities as described below, the close-out timeline is calculated from trade date).

If a Clearing Member does not have the processes or books and records in place to support a reasonable and timely allocation, the Clearing Member would remain subject to the close-out requirement.

2.2 Timelines for Closing out

Clearing or Allocated Members would be required to close out a fail-to-deliver position that resulted from a sale by no later than the trading day after settlement date, being S+1. This would also be the default close-out timeline for all sales where the Clearing or Allocated Member is not able to demonstrate on its books and records that the fail-to-deliver position resulted from one of the exemptions provided below. This default close-out timeline would also apply to fail-to-deliver positions

that resulted from a sale that is marked as a short-marking exempt[5] (**SME**) order on the marketplace, except where the SME order relates to trading by a person with Marketplace Trading Obligations acting in their security of responsibility.

2.2.1 Long Sales

If a Clearing or Allocated Member can demonstrate on its books and records that its fail-to-deliver position resulted from a long sale, the Clearing or Allocated Member would be required to close out the fail-to-deliver position by no later than the third consecutive trading day after settlement date, being S+3.

2.2.2 Persons with Marketplace Trading Obligations

If a Clearing or Allocated Member can demonstrate on its books and records that its fail-to-deliver position is attributable to transaction(s) by a person with Marketplace Trading Obligations when acting in their security of responsibility, the Clearing or Allocated Member would be required to close out the fail-to-deliver position by no later than the third consecutive trading day after settlement date, being S+3.

2.2.3 Deemed to Own

If a Clearing or Allocated Member can demonstrate on its books and records that its fail-to-deliver position resulted from the sale of a security that the Clearing or Allocated Member (or the client that they are acting for) is deemed to own, the Clearing or Allocated Member would be required to deliver the security as soon as all restrictions on delivery have been removed, and in any case by no later than thirty-five calendar days after trade date.

Under the Proposed Amendments, a seller is deemed to own a security if they have complied with one of the following conditions, either directly or through an agent or trustee:

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[5] A "short-marking exempt order" is defined in section 1.1 of UMIR to mean an order for the purchase or sale of a security from an account that is:
(a) an arbitrage account;
(b) the account of a person with Marketplace Trading Obligations in respect of a security for which that person has obligations;
(c) a client account, non-client account or principal account:
(i) for which order generation and entry is fully-automated, and
(ii) which, in the ordinary course, does not have, at the end of each trading day, more than a nominal position, whether short or long, in a particular security;
(d) a principal account that has acquired during a trading day a position in a particular security in a transaction with a client that is unwound during the balance of the trading day such that, in the ordinary course, the account does not have, at the end of each trading day, more than a nominal position, whether short or long, in a particular security; or
(e) a principal account for a Participant that has:
(i) Marketplace Trading Obligations in respect of an exempt Exchange-traded Fund, or
(ii) entered into an agreement for the continuous distribution of an Exempt Exchange-traded Fund;
if the order is for the Exempt Exchange-traded Fund security or one of its underlying securities to hedge a pre-existing position in the Exempt Exchange-traded Fund security or one of its underlying securities and in the normal course, the account does not have, at the end of each trading day, more than a minimal exposed risk.

(a) purchased or entered into an unconditional contract to purchase the security, but has not yet received delivery of the security;

(b) owns another security that is convertible or exchangeable into that security and has tendered such other security for conversion or exchange or has issued irrevocable instructions to convert or exchange such other security;

(c) has an option to purchase the security and has exercised the option;

(d) has a right or warrant to subscribe for the security and has exercised the right or warrant; or

(e) has entered into a contract to purchase a security that trades on a when issued basis and such contract is binding on both parties and subject only to the condition of issuance or distribution of the security.

In these scenarios, it is possible that the seller has fulfilled a condition as set out above, but the security may not be in the physical possession of the seller at the time of the execution of the trade due to administrative delays that are outside of the seller's control. Therefore, we propose to include the same extended close-out timeframe as Regulation SHO, meaning that the seller must deliver the security as soon as all restrictions on delivery have been removed, and in any case by no later than thirty-five calendar days following trade date (T+35).

Additionally, UMIR Policy 2.2, UMIR 3.3 and proposed IDPC Rule 4782 each impose a reasonable expectation to settle a trade. For consistency, we also propose to amend these provisions to reflect the deemed to own exemption. Rather than requiring a reasonable expectation to settle on settlement date, in the case of deemed to own securities we would expect the seller to have a reasonable expectation to deliver the security as soon as all restrictions on delivery have been removed, and in any case by no later than thirty-five calendar days after trade date.

2.3 Consequences for Failing to Close Out

Failure to close out within the required timelines by the Clearing or Allocated Member would trigger pre-borrow requirements for all future short sales in the security at issue, including when:

- the Clearing Member is trading for its own account or for any of its clients, or
- the Allocated Member is trading for its own account or for any of its clients.

The pre-borrow restrictions would continue for the affected security until the Clearing or Allocated Member has closed out the position by purchasing or borrowing shares such that they are able to demonstrate they have a net long or net flat position on their books and records. Pre-borrow restrictions would also apply to any trade resulting from a short sale for an account where the order is marked as SME on the marketplace.

2.4 Reporting and Notification Requirements

To facilitate the operation and oversight of a mandatory close-out framework in Canada, we are proposing four requirements relating to reporting and notification as set out below. We are asking for feedback on the feasibility and appropriate information for such reporting under Question 9 of this

Bulletin. Once finalized, we expect to provide further details on reporting in guidance. The reported information would be used for regulatory purposes only and would not be publicly disseminated.

2.4.1 Allocation Reporting by Clearing Member

Where a Clearing Member has made a reasonable and timely allocation to an Allocated Member, we propose to require the Clearing Member to provide an allocation report to CIRO that, at a minimum, would include the following information:

- identity of Clearing Member
- identity of Allocated Member
- date of allocation
- details of the fail-to-deliver position that has been allocated, including security and volume.
- applicable trade date(s) and close-out date(s) associated with the allocated position.

We would expect Clearing Members to submit allocation reports directly to CIRO. The purpose of requiring allocation reports is to help facilitate the surveillance of fail-to-deliver positions by CIRO. These reports would allow CIRO to follow up directly with the Allocated Member for the allocated fail-to-deliver positions, rather than having to reach out to the Clearing Member to obtain information about the allocation.

2.4.2 Notification of Failure to Close out

2.4.2.1 By Clearing Member to Clients that are Investment Dealer Members

We propose to require Clearing Members to notify their clients that are Investment Dealer Members if the Clearing Member has failed to close out on time, and also when the purchase or borrow of securities has been made to close out the position. The purpose of these notifications is to inform Investment Dealer Members that use the Clearing Member for clearing and settlement of trades that they will become subject to pre-borrow restrictions for future short sales in the affected security until the fail-to-deliver position has been closed out by the Clearing Member. We would also require the Clearing Member to provide a copy of these notifications to CIRO, which would assist with our monitoring and surveillance efforts.

2.4.2.2 By Allocated Member to Clearing Member

We propose to require Allocated Members to notify their Clearing Member if the Allocated Member has failed to close out the allocated fail-to-deliver position on time, and also when the purchase or borrow of securities has been made to close out the position. The purpose of these notifications is to inform the Clearing Member that the Allocated Member will become subject to pre-borrow restrictions for future short sales in the affected security until the fail-to-deliver position has been closed out by the Allocated Member. We would also require the Allocated Member to provide a copy of these notifications to CIRO, which would assist with our monitoring and surveillance efforts.

2.4.2.3 By Clearing Member or Allocated Member to Trading Dealer

Where the Clearing or Allocated Member uses another Investment Dealer Member to execute trades on a marketplace (**trading dealer**), we propose to require the Clearing or Allocated Member to notify the trading dealer if the Clearing or Allocated Member fails to close out on time and becomes subject to pre-borrow restrictions, and also when the purchase or borrow of securities has been made to close out the position. The purpose of these notifications is to inform the trading dealer that the Clearing Member or Allocated Member will become subject to pre-borrow restrictions for future short sales in the affected security until the fail-to-deliver position has been closed out by the Clearing or Allocated Member. We would also require the Clearing or Allocated Member to provide a copy of these notifications to CIRO, which would assist with our monitoring and surveillance efforts.

2.5 Reasonable Expectation to Settle for all Investment Dealer Members

In addition to mandatory close-out requirements, we also propose to extend the requirement for a reasonable expectation to settle trades that resulted from an order to sell a listed security to all Investment Dealer Members. Currently only Participants and Access Persons under UMIR are required to have a reasonable expectation to settle a trade on settlement date, however Participants may be executing trades for another Investment Dealer Member that is not subject to the same requirement. Extending this requirement to all Investment Dealer Members would help ensure there is no regulatory gap so that the pre-trade requirement for a reasonable expectation to settle applies consistently to sales executed by all Investment Dealer Members. The extension of the requirement to have a reasonable expectation to settle becomes particularly important when an executing Participant relies on an originating Dealer Member that is not a Participant to have an expectation to settle that is reasonable.

Where a seller is deemed to own a security as described in subsection 2.2.3 above, rather than requiring an Investment Dealer Member to have a reasonable expectation to settle on settlement date, in these cases we would require that the Investment Dealer Member must be reasonably informed that the seller has a reasonable expectation to deliver the security:

- as soon as all restrictions on delivery have been removed, and
- in any case by no later than thirty-five calendar days after trade date (T+35).

In section 4 of Guidance Note GN-URPart3-24-0002, we provided guidance on the requirement to have a reasonable expectation to settle for Participants and Access Persons, which would also apply to Investment Dealer Members that are not Participants, such as:

- setting out factors that would affect the ability to have a reasonable expectation to settle, including client history and the presence of prior failed trades
- examples of how an Investment Dealer Member can have a reasonable expectation to settle
- what happens if there is no reasonable expectation to settle.

3. Alternative Considered - Mandatory Close-out Requirements as a Conduct Rule

We considered structuring mandatory close-out provisions as a type of conduct requirement rather than one that focuses on fail-to-deliver positions at the recognized clearing agency. A conduct rule would require that Investment Dealer Members close out each individual failed trade as executed on a marketplace where there has been no delivery of securities on the expected settlement date, regardless of whether this results in a settlement failure at the recognized clearing agency (through netting and novation). This would set a different trigger to initiate a close-out as compared to the Proposed Amendments, which focus on a fail-to-deliver position that would only be created where there is a CNS settlement failure at the recognized clearing agency. A conduct rule would impose a different standard than what is currently required under Rule 204 of Regulation SHO. Accordingly, we concluded that a conduct rule would not meet our objective of aligning with the U.S. requirements where possible.

At this time, we are not proposing to structure mandatory close-out provisions as a type of conduct requirement for the reasons set out below.

3.1 Reasons for rejecting alternative

Higher difficulty and costs in identifying individual trades to close out

Focusing on individual failed trades where there may be no fail-to-deliver position at the recognized clearing agency would be significantly more complex and resource-intensive to implement. For example, one order could have multiple partial fills across several days on a marketplace, and each fill could trigger a separate close-out timeframe that would need to be managed and tracked.

Increasing burden on Investment Dealer Members and Potential Conflict with Existing Settlement System

To date, we have not identified any other jurisdiction that has implemented an approach to close-out requirements that is similar to a conduct requirement where the focus is on individual failed trades. Therefore, it may be unlikely that Investment Dealer Members would be able to leverage any existing infrastructure to facilitate closing out individual trades as executed on a marketplace. Investment Dealer Members may need to build new systems and processes to ensure compliance, which could impose disproportionate burdens and challenges, especially on smaller or regional Investment Dealer Members.

Since a potential violation of the conduct rule could also be related to a trade failure at the recognized clearing agency, we have heard concerns that a conduct requirement could create a risk of Investment Dealer Members needing to close out the same failure twice, as the CIRO requirement would operate outside of existing settlement processes at the recognized clearing agency. This could create potential conflicts between the new conduct rule and existing processes at the recognized clearing agency, as these two processes would run independently of each other and be administered separately. It may be difficult for Investment Dealer Members to reconcile these processes, which could impose duplicative efforts on Investment Dealer Members regarding the same transactions.

For the reasons set out above, we are proposing not to proceed with structuring mandatory close-outs as a conduct requirement at this time.

3.2 Comparison with Other Jurisdictions

In addition to the U.S., we also reviewed mandatory buy-in or close-out requirements in other jurisdictions, as set out below.

3.2.1 European Union

Background

The European Union (**EU**) regime that requires mandatory buy-ins of trades that have failed to settle is part of a broader framework known as the Central Securities and Depositories Regulation (**CSDR** or **Regulation (EU) No 909/2014**).[6] The rules on the mandatory buy-in requirements are contained in Article 7 of the CSDR and the operational details of the buy-in process were detailed in the Commission Delegated Regulation (EU) 2018/1229 with regard to regulatory technical standards on settlement discipline (**Regulation (EU) 2018/1229**)[7] supplementing Regulation (EU) No 909/2014. The entry into force of the entire Regulation (EU) 2018/1229, initially scheduled for September 2020, was delayed twice, first until February 2021 and then until February 2022, when it became effective. However, in June 2022, the mandatory buy-in provisions of Regulation (EU) 2018/1229 were suspended until at least November 2, 2025.[8]

Reasons for delay

Initially, Regulation (EU) 2018/1229 was delayed due to concerns about the broader impact of settlement discipline provisions in CSDR on a variety of stakeholders, particularly with respect to IT resources, testing and adjustments to various legal arrangements. The impact of the COVID-19 pandemic resulted in further delays, as most IT resources were being deployed to ensure business continuity in work-from-home arrangements.

The decision to further delay (until November 2, 2025) provisions of Regulation (EU) 2018/1229 relating to mandatory buy-ins had several contributing factors, including the fact that the European Commission had begun a process of reviewing the CSDR more generally. The feedback received as part of that review showed significant stakeholder concern with the mandatory buy-in provision, with this aspect receiving the largest number of comments.

Concerns Raised

There were many concerns raised by stakeholders in relation to mandatory buy-in provisions that can generally be categorized as follows. Mandatory buy-ins may, or are likely to:

- Reduce market liquidity, especially in less liquid securities
- Reduce the willingness of providers of liquidity to participate

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6 The latest version of CSDR came into effect in January 2024.

7 Commission Delegated Regulation (EU) 2018/1229 of 25 May 2018 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on settlement discipline (Text with EEA relevance.)

8 For more details, please refer to ESMA's report on suspending the application of mandatory buy-in requirements Also, please refer to the amendments to the Commission Delegated Regulation formally postponing the application of the mandatory buy-in regime

- Increase costs to investors through wider spreads
- Negatively impact securities lending and repo markets.

Revised CSDR

As a result of the broader review of the CSDR noted above, and particularly in response to the issues raised, the EU revised the CSDR, and the amended framework came into force in January 2024.[9] While the mandatory buy-in provisions are still included as part of the framework, there are significant additional conditions that must apply before any implementation of the provisions:

- The European Commission must consider the mandatory buy-in provisions to be a "necessary, appropriate and proportionate" means to address the level of settlement failures in the EU;
- The application of other mechanisms of the CSDR (notably financial penalties) must be shown to have not reduced settlement failures or maintained a low level of failures; and
- The level of settlement failures has or is likely to have a negative effect on the financial stability of the EU.

Specific Provisions of Mandatory Buy-In Provisions

While it is not clear if or when the buy-in provisions would be implemented, the revised CSDR sets out some details of the expected process.

Obligation to Close Out

Responsibility for the buy-in depends on what entity clears the transaction. The specifics are as follows:

- Where a transaction is cleared by a central counterparty (**CCP**), the CCP executes the buy-in for all transactions cleared by that CCP
- For transactions not cleared by a CCP, but executed on a trading venue, the trading venue must have rules that impose an obligation on its members and participants to apply the buy-in process
- For all other transactions, a central securities depository (**CSD**) must have rules that impose an obligation for their participants to be subject to the buy-in provisions

These requirements are different than the close-out requirements under Regulation SHO, where the participant of a registered clearing agency is responsible for the close-out unless the failing position is allocated to a broker or dealer.

Timing of Close Out

Where a failing participant has not delivered securities within 5 business days after expected settlement date[10] (referred to as the "extension period"), the buy-in process commences. Depending on asset type

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[9] Regulation (EU) 2023/2845 of the European Parliament and of the Council of 13 December 2023 amending Regulation (EU) No 909/2014 as regards settlement discipline, cross-border provision of services, supervisory cooperation, provision of banking-type ancillary services and requirements for third-country central securities depositories and amending Regulation (EU) No 236/2012 (Text with EEA relevance)

[10] Expected settlement in the EU is currently T+2.

and liquidity, the extension period may be increased to a maximum of 7 business days. Additionally, where the failing transaction relates to a small and medium sized enterprise (**SME**) traded on a SME Growth Market, the extension period is 15 business days. The failing position must be delivered within an "appropriate timeframe" to be determined by the European Securities and Markets Authority (**ESMA**).

ESMA is responsible for developing several standards that set out the specific details of the buy-in process, including appropriate timeframes that take into account the asset type and liquidity of the financial instrument and the circumstances under which the extension period could be prolonged. These standards are due to the European Commission by January 2025.

3.2.2 Australia

Australia has a mandatory close-out requirement that is found in the rules of the Australian Securities Exchange (**ASX**). The ASX operates both the equities trading exchange as well as a clearing and settlement facility. Settlement in Australia is currently T+2. Similar to the CNS settlement process in Canada, Australia relies on the batch settlement system, where trades are netted before being settled. Australian close-out requirements operate within such system.

The "Automatic Close Out" (**ACO**) provisions are found in Section 10 of the ASX Settlement Operating Rules[11] and Section 9 of the ASX Settlement Procedure Guidelines.[12] These provisions impose a requirement on the participant of the settlement facility (**Settlement Participant**).

For any transaction that has not settled on the 2nd business day after expected settlement (i.e., T+4), the Settlement Participant must either:

- Close out the settlement shortfall on the next business day (i.e., T+5) by purchasing the unsettled quantity of the shares; or
- Borrow the shares to cover the shortfall by no more than 2 business days later (i.e., T+6)

Essentially, the rules require a Settlement Participant to either buy back the shares by T+5 (for complete settlement by T+7) or borrow the shortfall by T+6.

ASX Guidance[13] suggests that unless a Settlement Participant has a high degree of confidence that it can borrow the shares by T+6 (or has other arrangements in place to ensure that the fail is entirely cured by T+8), it should be covering the fail on T+5.

If the Settlement Participant is also a market participant, it may cover the fail itself, otherwise it may instruct a market participant to cover on its behalf.

The ultimate goal of the ACO is to ensure that all failed trades have a finite date, and are eliminated by T+8.

Failure to comply with this rule empowers the ASX to take enforcement action against the Settlement Participant and also attracts the imposition of fail fees by the ASX for each day that the settlement obligation remains outstanding.

---

11 ASX Settlement Section 10 - Batch Settlement

12 Settlement (asxonline.com)

13 Maintenance of an Orderly Market when Closing Out Settlement Failures

3.2.3 Conclusion

Given the variety of approaches to addressing settlement failures as set out above, introducing requirements to address persistent failures to settle would be consistent with other jurisdictions. We propose aligning our requirements with the U.S. approach given the interconnectedness of our markets and familiarity with U.S. requirements as compared to other jurisdictions.

4. Impacts of the Proposed Amendments

A detailed assessment of the impacts of the Proposed Amendments has been prepared and is included as Appendix 3.

CIRO acknowledges that the impacts of the Proposed Amendments on Investment Dealer Members and investors may be significant. We expect these impacts would include:

- Investment Dealer Members that sell listed securities may need to undertake significant developments to their systems and operations, and create policies and procedures to, among other things:
    - monitor and track fail-to-deliver positions
    - buy or borrow shares to close out by the specified timelines to bring the fail-to-deliver position to a net flat or net long position
    - prevent short selling without pre-borrowing where fail-to-deliver positions have not been closed out as required
    - require clients or traders to make pre-borrow arrangements where appropriate
- investors may be required to buy or borrow shares to close out a fail-to-deliver position within specified timelines, or to pre-borrow prior to short selling where there has been a failure to close out, which may in turn increase the transaction costs
- Investment Dealer Members that are not Participants would need to update their processes and policies and procedures to ensure they have a reasonable expectation to settle a short sale on settlement date prior to order entry.

We expect that there may be greater impacts to Investment Dealer Members and clients that sell listed securities that have traditionally experienced higher rates of settlement failure. When CIRO conducted the Failed Trade Study in 2022, we concluded that junior securities (as identified by their listing market) generally have more settlement issues than senior securities.[14] We also recognize that smaller or regional dealers may face greater challenges in terms of dedicating the resources necessary to implement mandatory close-out requirements and may also face restrictions in accessing securities where pre-borrowing may be required under the Proposed Amendments.

---

[14] IIROC Failed Trade Study

5. Implementation

If approved, the Proposed Amendments would become effective no sooner than 180 days after the publication of the Notice of Approval. We believe it is important to fully understand the implementation impact of the Proposed Amendments before finalizing an implementation period. Therefore, we are soliciting comments from stakeholders regarding implementation impacts, costs, appropriate timing and alternative approaches. These comments are important to developing a full understanding of the impacts, which will assist in finalizing the implementation timeline and process.

6. Questions

While comment is requested on all aspects of the Proposed Amendments, comment is also specifically requested on the following questions:

Question 1

To what extent do Investment Dealer Members currently use CDS Participants for clearing and settlement that are not Investment Dealer Members? It is important that we assess the risk of regulatory arbitrage, as the Proposed Amendments would become a CIRO requirement that would only affect Investment Dealer Members that are within CIRO's jurisdiction.

Would the Proposed Amendments create an incentive for Investment Dealer Members to seek entities that are not regulated by CIRO for clearing purposes, and/or create disadvantages for Investment Dealer Members that currently offer clearing and settlement?

Question 2

Do Clearing Members, or Investment Dealers that could be allocated a fail-to-deliver position from a Clearing Member, currently have the books and records in place to close out in a timely manner pursuant to the proposed timelines? This would require the tracking of a CNS fail-to-deliver position to one of the following in order to determine the applicable close-out timeline:

- Short sales or trades resulting from SME orders that do not relate to persons with Marketplace Trading Obligations when trading in securities for which that person has obligations: S+1
- Long sales: S+3
- Persons with Marketplace Trading Obligations when trading in a security for which that person has obligations: S+3
- Deemed to own: T+35

Question 3

We propose to allow Clearing Members to allocate all or a portion of the fail-to-deliver position to another Investment Dealer Member as long as that allocation is made in a reasonable and timely manner. Would the recent move to T+1 settlement affect the ability of Clearing Members to make allocations, or the ability of Allocated Members to close out under the specified timelines? Would Clearing Members have enough information from CDS or their own books and records to conduct allocations in a timely manner, and if not, what types of information would be required?

Question 4

Under the Proposed Amendments, we would expect the majority of trades in listed securities to be settled or closed out prior to ten days past settlement date, which is the current reporting timeline for extended failed trades. Given the proposed close-out requirements would apply to all sales, should we consider repealing or narrowing the reporting requirement for extended failed trades on Participants and Access Persons?

Question 5

Given that Investment Dealer Members may use different entities for clearing and trading purposes in Canada, would the proposed notification and reporting requirements ensure a consistent application of close-out and pre-borrow requirements similar to the regulatory framework under Regulation SHO? What are the operational or technical challenges associated with the proposed reporting or notification requirements?

Question 6

What are some relevant factors or considerations when ensuring purchases made on a marketplace to close out a fail-to-deliver position are being executed using reasonable commercial terms in a manner that is consistent with market integrity?

For example, should there be an exception to allow the purchase of securities made to close out fail-to-deliver positions to be executed off-marketplace in order to minimize potential market disruptions? Would the ability to conduct off-marketplace trades only benefit certain Investment Dealer Members that are able to find their own counterparties away from the marketplace? Would there be a greater benefit to the market to require these trades to occur on a marketplace for transparency purposes?

Question 7

To assist with our monitoring capabilities at CIRO, we are considering the use of a new marker for purchases executed on a marketplace for the purpose of closing out a fail to deliver position. While this marker would only be used for regulatory purposes and would not be publicly disseminated, we would like to seek feedback on whether there are any operational challenges faced by executing Participants in terms of implementing such a marker.

Question 8

Are there any common practices that are currently in place that may raise issues in complying with closing out under the specific timeframes or with the pre-borrow requirements as set out in the Proposed Amendments?

8a) Would the use of average price or accumulation accounts affect the ability of Investment Dealer Members to close out in a timely manner as required by the Proposed Amendments, and if so, how?

8b) Would the use of the SME marker for trades that are not executed by a person with Marketplace Trading Obligations in respect of their security of responsibility affect the ability of Participants to close out in a timely manner or pre-borrow as required by the Proposed Amendments, and if so, how?

Question 9

To facilitate the operation of a close-out framework in Canada, we are proposing reporting and notification requirements as set out above. We are requesting comment on whether Investment Dealer Members anticipate any challenges with the proposed reporting and notification requirements, and if so, please specify.

Question 10

Is the extended close-out timeline of T+35 calendar days appropriate for deemed to own securities, or should we consider a shortened close-out timeline for these transactions?

Question 11

Are there other situations that would warrant an extended close-out timeline, and if so, what other exceptions should we consider?

Question 12

SEC Rule 204 in Regulation SHO allows broker dealers that have not closed out fail-to-deliver positions to continue short selling as long as they pre-borrow for themselves or their clients in the affected security. Would this outcome be appropriate for Canada, or should we consider restricting short selling altogether where there is a failure to deliver?

Question 13

Given that we are proposing extending the requirement for a reasonable expectation to settle to Investment Dealer Members that are not Participants, should we also consolidate this requirement in the IDPC Rules, rather than having separate requirements in both UMIR and IDPC Rules?

Question 14

Have we identified all the proposed provisions that will materially impact clients, investors Investment Dealer Members, marketplaces or CIRO in our Impact Assessment? If not, please list any other proposed provisions that you believe will materially impact one or more parties and why.

Question 15

Overall, do you agree with CIRO's qualitative assessment of the benefits and impacts of the Proposed Amendments? Please provide reasons for your stance.

Question 16

We are proposing an implementation period of no less than six months after the publication of the final amendments, and request feedback on what implementation period would be appropriate to provide applicable Investment Dealer Members with sufficient time to make the changes necessary to comply with the Proposed Amendments.

7. Policy Development Process

7.1 Regulatory Purpose

The Proposed Amendments would:

- foster fair and efficient capital markets and promote market integrity,
- prevent fraudulent and manipulative acts and practices,
- promote just and equitable principles of trade and the duty to act fairly, honestly and in good faith,
- foster public confidence in capital markets, and
- provide effective market surveillance.

The Proposed Amendments do not involve a Rule that CIRO, its Members or Approved Persons must comply with in order to be exempted from a requirement of securities legislation.

7.2 Regulatory Process

The Board has determined the Proposed Amendments to be in the public interest and on November 20, 2024 approved them for public comment.

We consulted with the following CIRO advisory committees on this matter:

- CCLS Institutional Subcommittee
- CCLS Retail Subcommittee
- Investor Advisory Panel
- Market Rules Advisory Committee
- National Council

We also consulted with several individual Investment Dealer Members that currently trade securities that are inter-listed in the U.S. and/or have U.S.-based affiliates that trade listed securities.

After considering the comments on the Proposed Amendments received in response to this Request for Comments together with any comments of the CSA, CIRO staff may recommend revisions to the Proposed Amendments. If the revisions and comments received are not material

in nature, the Board has authorized the President to approve the revisions on CIRO's behalf and the revised Proposed Amendments will be subject to approval by the CSA. If the revisions or comments are material, CIRO staff will submit the Proposed Amendments, including any revisions, to the Board for approval for republication or implementation, as applicable.

8. Appendices

Appendix 1 - Proposed Amendments to UMIR / IDPC Rules (blacklined)

Appendix 2 - Proposed Amendments to UMIR / IDPC Rules (clean)

Appendix 3 - Impact Assessment

This is Exhibit " I " referred to in
the Affidavit of Murray Rockhold
sworn to before me at Whistler
in the Province of British Columbia AD
this 14 day of February 2025

A Commissioner for taking Affidavits
In and for the Province of British Columbia

CANADA

Trudeau 'concerned' about TD Bank's actions in U.S. money laundering case

By Sean Boynton • Global News
Posted October 23, 2024 1:03 pm
4 min read

WATCH: TD Bank fined $3B U.S. in money-laundering case – Oct 13, 2024

Prime M 'ned"
about th US$3-
billion pl

Trudeau
Commor iberals
have done to address repeated criminal actions of TD Bank.

"We're of course very concerned by the actions of TD Bank in the United States," the prime minister responded.

"We make sure every single day that banks in Canada behave by following all the rules. We have continued to strengthen financial oversight and we are making sure there is full accountability for those responsible for this wrongdoing in the United States."

The comment appears to be the first public acknowledgement by Trudeau or any minister of the case, which **saw TD plead guilty to violating a U.S. law** aimed at preventing money laundering — the largest bank ever to do so.

At the time the settlement was announced, Canada's superintendent of financial institutions Peter Routledge said in a statement the information disclosed in the case was "serious" but could not comment on the affairs of any Canadian federally regulated financial institution.

A spokesperson for Finance Minister Chrystia Freeland's office told Global News the deputy prime minister "takes the stability of Canada's financial system very seriously" and is "closely monitoring the situation" along with regulatory authorities.

The U.S. om high-
risk cust s to
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a decade funds
through

2:17
Business Matters: TD Bank to pay $3 billion USD in historic money-l...

In addition to the more than US$3-billion fine, the plea deal included a rare asset cap on TD's U.S. business interests, which is typically reserved for severe cases. The penalty dealt a major blow to TD, which is the 10th largest bank in the U.S. and was planning to expand further.

Some U.S. politicians said the penalties didn't go far enough, including U.S. Senator Elizabeth Warren, who said it "lets bad bank executives off the hook for allowing TD Bank to be used as a criminal slush fund."

The plea deal has also sparked scrutiny over Canada's relatively modest penalties for similar activity.

In Canada, Fintrac can level a maximum fine of $500,000 for each very serious reporting violation, or it can refer violations to potential criminal prosecution.

In contrast, the massive American fine came in part from U.S. rules that allow regulators to fine banks up to US$500,000 for each day they lack a functioning anti-money laundering program.

The limited fines available to Fintrac means the $9.2 million penalty it imposed on TD earlier this year was the largest it had ever issued.

Fintrac said in a statement that along with its record penalty against TD, it also required the bank to develop an action plan to address its deficiencies, and the regulator may levy additional penalties if the bank doesn't follow through with its plan.

2:14
Business Matters: TD Bank posts $181M loss amid anti-money lau...

TD has said it is making the investments, changes and enhancements required to deliver on commitments regarding its anti-money laundering program. Incoming CEO Ray Chun told investors on a conference call on the day the U.S. plea deal was announced that TD "will make the necessary changes to put the bank on a stronger foundation" and "meet our commitments to our regulators."

The federal government undertook public consultations last year on ways to improve and strengthen Canada's anti-money laundering regime, and boosted regulatory requirements for casinos and other non-bank entities earlier this year.

The finance department told the Canadian Press in a statement that the government has zero tolerance for financial crimes, and is continuously working to improve Canada's ability to combat financial crime.

A spoke nber of
measure ng
increasir $379
million t

Routledg lged
money laundering was "a risk that is more significant than I appreciated three years ago when I started the job" and that mounting incidents had forced his office to study the matter more closely.

— with files from the Canadian Press

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sworn to before me at Whistler
in the Province of British Columbia
this 14 day of February, 2025

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Enforcement

Canada's consumer regulator fines TD bank over rebate failures

The Financial Consumer Agency of Canada (FCAC) announced a C$6.5m ($4.6m) fine leveraged against TD Bank in July over accusations that employees had not entered customers' annual credit card rebates from September 1, 2001, to June 29, 2022. TD is ruled to have violated the *Cost of Borrowing (Banks) Regulations* (in effect until 2022) and the *Financial Consumer Protection Framework Regulations* (in effect after 2022).

TD's noncompliant behavior led to an "approximate financial impact of $71,723,694.49," on 255,886 customers, according to the FCAC's summary of proceeding.

The agency blamed TD's "inadequate procedures," which included a lack of effective compliance monitoring, for the long-term problem.

The FCAC stated that the degree of harm, and TD's history of previous instances of misconduct, were considered in determining the fine's severity. The agency is empowered to impose a maximum penalty of C$10m on corporate entities,

The summary notes that TD is reimbursing customers for the fault, and that funds which cannot be credited will be distributed to charity.

TD in the crosshairs

Europe. Denis Meunier, a former deputy director of FINTRAC, has called for creating the ability to leverage increased fines for gross negligence.

But although the fines from Canadian regulators are anemic compared to the massive $3.09 billion in combined penalties leveraged by a host of US regulators last month, they underscore TD's recurring problem of failing to engage proper detection protocols for noncompliant activities.

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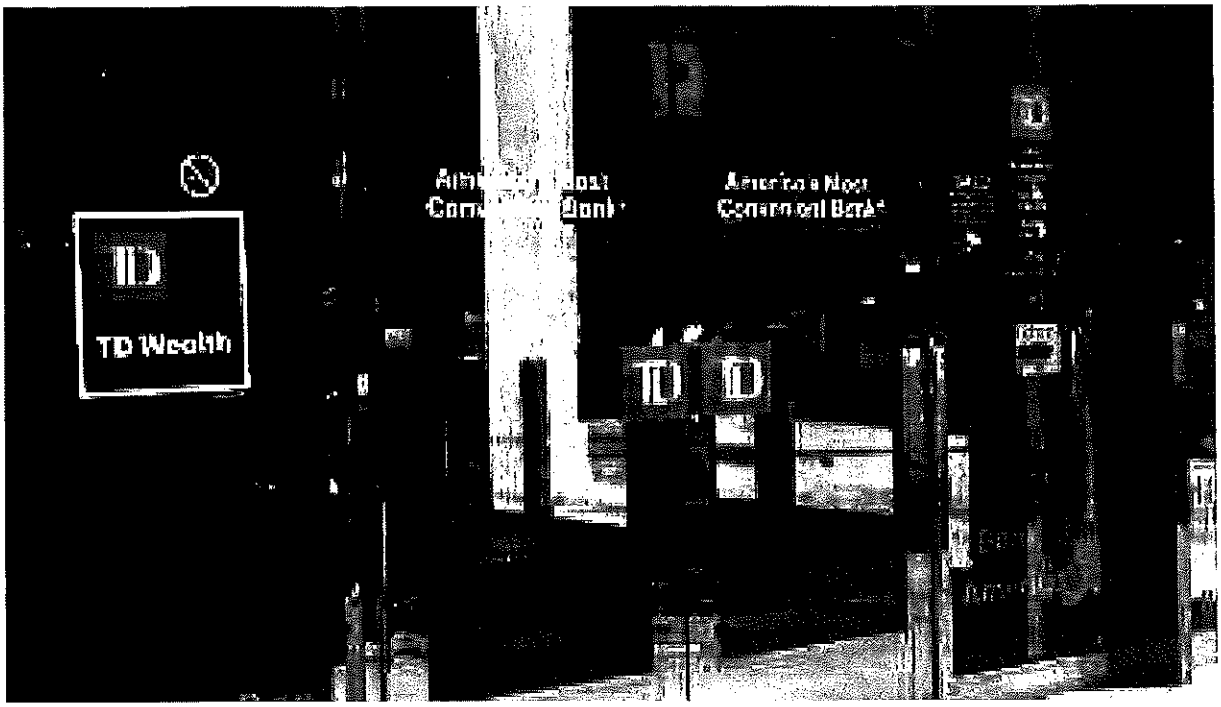

Enforcement

TD Bank anticipates $2.6 billion hit for lax AML controls

August 23, 2024

The potential size of the fine means that the bank will partially offset it by sale of Schwab shares.

Thomas Hyrkiel, Julie DiMauro • 2 min read

Enforcement

TD Bank's long-running AML case – fentanyl sales link now alleged

May 7, 2024

The latest probe focuses on how Chinese crime groups used the lender to hide money derived from US fentanyl sales.

Julie DiMauro • 3 min read

Enforcement

Investigation into Canadian bank's AML practices involves US DOJ

Enforcement

Is TD Bank's massive fine yet another Band-Aid on a broken AML system?

September 13, 2024

Failure to prevent being used as a conduit for laundering money – despite its investment in AML technology – could see the bank fined $4 billion.

Dr Mariola Marzouk | Vortex Risk, Dr Nicholas Gilmour | Vortex Risk • 7 min read

Quantum BioPharma sues over alleged stock spoofing

This is Exhibit " K " referred to in the Affidavit of Murray Backhold sworn to before me at Whistler in the Province of British Columbia this 14 day of February, 2025

A Commissioner for taking Affidavits In and for the Province of British Columbia

ALEXANDRA POSADZKI > FINANCIAL AND CYBERCRIME REPORTER
DAVID MILSTEAD >
PUBLISHED YESTERDAY
UPDATED 5 HOURS AGO
FOR SUBSCRIBERS

A Toronto-based biopharmaceutical company is taking legal action against CIBC World Markets Inc. and RBC Dominion Securities Inc., alleging that the broker-dealer units of two of Canada's biggest banks allowed an illegal trading tactic known as spoofing to manipulate its share price.

Quantum BioPharma Ltd., which trades on the Nasdaq QNTM-Q (/investing/markets/stocks/QNTM-Q/) -15.27% ▼ and the Canadian Securities Exchange QNTM-CN (/investing/markets/stocks/QNTM-CN/) -17.09% ▼ , filed the lawsuit on Sunday in the United States District Court for the Southern District of New York. The company was formerly known as FSD Pharma Inc. until a name change in August.

The suit also names 10 "John Does," entities that could include market makers, subsidiaries, affiliates and sister companies, as well as customers of the defendants, whose identities are currently unknown. Quantum BioPharma alleges that the defendants either engaged in spoofing for their own proprietary accounts, or failed to fulfill their duties as gatekeepers by not implementing proper controls to prevent the market manipulation from occurring.

The alleged spoofing, which utilized high-speed algorithmic computer systems, occurred between Jan. 1, 2020, and Aug. 15, 2024, according to the company, which claims it has suffered significant damages and is seeking US$700-million in damages.

Spoofing involves artificially creating or suppressing demand for a stock by flooding the market with orders to buy or sell the stock that are ultimately cancelled before they go through.

In the case of Quantum BioPharma, for instance, the company alleges that the defendants placed thousands of spoofing orders to sell the company's shares, creating the illusion that the share price was declining in order to bait other investors into selling their shares, which would drive the price down even further.

After having caused the price of the company's shares to decrease, the defendants would allegedly swoop in and buy shares at the artificially low prices, before cancelling all of their sell orders.

These steps, which are referred to as a "spoofing episode" or "spoofing cycle," would be completed within seconds or milliseconds and repeated multiple times a day, according to Quantum BioPharma.

None of the allegations have been proven in court. CIBC spokesperson Kathryn Lawler declined to comment, "given this is a matter before the courts." RBC also declined to comment.

Sunday's lawsuit follows an opinion and order issued by a U.S. Federal District Court Judge last year in a spoofing case filed by a Bermuda-based hedge fund against a consortium of U.S. and Canadian broker-dealers, including CIBC World Markets Inc., TD Securities Inc. and BOFA Securities Inc.

In that case, which is still continuing, Federal District Court Judge Lorna Schofield of the Southern District of New York denied the defendants' motion to dismiss the hedge fund's spoofing claims, noting that broker-dealers have a responsibility to detect and prevent manipulative or fraudulent trading.

"This decision is a clear and unambiguous warning to broker-dealers that unless they fulfill their gate-keeper responsibilities of monitoring their customers' trading they can be held primarily liable for their client's manipulative conduct," Alan Pollack, a partner at Warshaw Burstein LLP and one of the lawyers representing Bermuda-based Harrington Global Opportunity Fund Ltd., said in a statement at the time.

Last month, the U.S. broker-dealer unit of Toronto-Dominion Bank agreed to pay more than US$20-million as part of a deal with U.S. authorities to settle charges that it spoofed the U.S. Treasuries market.

Quantum BioPharma was founded in 1994 and went public in 2018. It was targeted in January, 2019, by short seller White Diamond Research, which called it a "rollup with scattered, uneconomical cannabis investments" and said they thought it had 50-per-cent to 70-per-cent downside from its price at the time of roughly $0.30.

The company announced in July, 2020, that it was shuttering its medical cannabis subsidiary, FV Pharma Inc., and selling off its cannabis production facility in Cobourg, Ont., to focus on drug development.

In 2021, Quantum BioPharma had a contested board election, with founder and director Anthony Durkacz taking control of the company and replacing the chief executive officer.

The company's current projects include developing a multiple sclerosis drug called Lucid-MS and a product called "Unbuzzd" that it bills as a "rapid alcohol detoxification drink." One of its directors is Dr. Eric Hoskins, who served as Ontario's health minister from 2014 to 2018.

Quantum BioPharma recorded $26,000 of revenue in 2017, but otherwise has had no sales from 2016 to the present. Its cumulative net loss has been $225-million in that past 8½ years, according to S&P Global Market Intelligence.

As the company's stock tumbled, it has performed two large reverse share splits. Today, a share of Quantum – which closed Monday at $6.81 on the Canadian Securities Exchange – is equal to 13,000 shares from the time it was known as FSD Pharma.

The stock is down more than 99 per cent from its all-time high set in September, 2018.

Terry Lynch, the founder of Save Canadian Mining, an advocacy group focused on combatting predatory short selling in Canada's junior markets, said the ruling in the Harrington Global case in New York "means quite clearly that the banks are

responsible for the trading actions of their clients. If their clients are spoofing they are responsible to stop it and deal with it."

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Gmail

Murray Bockhold <murray.bockhold@gmail.com>

Fw: Trades which seem impossible (pics attached)

Tom Ronk <tomronk@gmail.com> Mon, Feb 10, 2025 at 7:06 AM
Reply-To: tomronk@gmail.com
To: Nathan Coyle <ncoyle@quantumbiopharma.com>
Cc: Zeeshan Saeed <zsaeed@quantumbiopharma.com>, Bockhold Murray <murray.bockhold@gmail.com>, Dave Lauer <dave@urvin.ai>, Dave Lauer <dave@urvin.finance>, "dwenger@shareintel.com" <dwenger@shareintel.com>, Donal Carroll <dcarroll@quantumbiopharma.com>, Ahsan Khan <akhan@quantumbiopharma.com>, Anthony Durkacz <adurkacz@quantumbiopharma.com>

Hi, Team.

The attached excel file has several tabs. Not all QNTM trading takes place on NASDAQ. The broker volume report is specific to NASDAQ trades only. I calculated that 56% of total volume from February 24 to January 25 took place on NASDAQ. These were the top 5 market makers for trading on NASDAQ in that time period. The Daily Short Volume tab shows GROSS total shares shorted including both EXEMPT (market makers) and NON-EXEMPT (everyone else) short sales. It does not include covers because the SEC won't allow exchanges to sell the data. But over the last 5 years 45.11% of all trading volume was short selling and the volume weighted average price of all the short sales is $14.26.
Souce: https://x.com/buyinsnet

See attached excel file.

Tom

Market Participant	12-Month Total	% of Total
Citadel Securities LLC	6,937,836	29
VIRTU Americas LLC	4,855,809	20
JANE STREET CAPITAL, LLC	3,227,964	13
HRT FINANCIAL LP	1,711,771	7
G1 Execution Services, LLC	1,640,834	7

This is Exhibit " L " referred to in the Affidavit of Murray Bockhold sworn to before me at Whistler in the Province of British Columbia this 14 day of February, 2025

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Date	ShortVolume	TotalVolume	Percent	SqueezeTrigger	$Value
2/7/2025	1,163,860	2,869,254	40.56%	$12.12	$14,105,983
2/6/2025	18,192,495	35,533,898	51.20%	$15.13	$275,252,449
2/5/2025	9,218,772	17,260,635	53.41%	$8.44	$77,806,436
2/4/2025	35,083,389	77,718,771	45.14%	$5.80	$203,483,656
2/3/2025	29,526	57,924	50.97%	$3.11	$91,826
1/31/2025	20,573	37,050	55.53%	$3.15	$64,805
1/30/2025	19,913	46,697	42.64%	$3.01	$59,938
1/29/2025	3,804	12,478	30.49%	$2.94	$11,184
1/28/2025	13,474	41,801	32.23%	$2.95	$39,748
1/27/2025	11,975	53,991	22.18%	$3.03	$36,284
1/24/2025	11,440	31,989	35.76%	$3.33	$38,095
1/23/2025	14,770	44,444	33.23%	$3.35	$49,480
1/22/2025	7,114	44,285	16.06%	$3.52	$25,041
1/21/2025	14,022	49,072	28.57%	$3.39	$47,535
1/17/2025	8,133	42,428	19.17%	$3.36	$27,327
1/16/2025	23,030	67,043	34.35%	$3.36	$77,381
1/15/2025	29,067	105,741	27.49%	$3.34	$97,084
1/14/2025	13,798	38,851	35.52%	$3.29	$45,395
1/13/2025	18,562	51,817	35.82%	$3.50	$64,967
1/10/2025	27,001	63,361	42.61%	$3.64	$98,284
1/8/2025	25,924	87,890	29.50%	$3.82	$99,030
1/7/2025	21,579	111,380	19.37%	$3.88	$83,727
1/6/2025	32,479	77,892	41.70%	$3.96	$128,617
1/3/2025	27,551	59,498	46.31%	$4.08	$112,408
1/2/2025	25,490	64,233	39.68%	$3.92	$99,921
12/31/2024	40,942	103,120	39.70%	$3.73	$152,714
12/30/2024	74,471	187,026	39.82%	$3.96	$294,905
12/27/2024	301,929	637,565	47.36%	$4.13	$1,246,967
12/26/2024	45,937	158,510	28.98%	$3.37	$154,808
12/24/2024	59,806	97,605	61.27%	$3.23	$193,173
12/23/2024	117,000	265,408	44.08%	$3.25	$380,250
12/20/2024	347,570	979,897	35.47%	$3.20	$1,112,224
12/19/2024	60,785	561,006	10.83%	$3.34	$203,022
12/18/2024	259,819	561,476	46.27%	$4.55	$1,182,176
12/17/2024	46,652	107,156	43.54%	$4.31	$201,070
Total	**82,502,016**	**182,853,007**	**45.12%**	**$14.26**	**$1,176,452,215**

*Total includes data back to 1-10-20 and is split adjusted. Chart truncated for viewing.
Publicity for this report paid for by the Company.

QNTM Broker Volume Update 2-10-25.xlsx
140K

This is Exhibit " L " referred to in
the Affidavit of Murray Backhdd
sworn to before me at Whistler
in the Province of British Columbia
this 14 day of February, 2025

A Commissioner for taking Affidavits
In and for the Province of British Columbia

POULUS ENSOM SMITH LLP

This is Exhibit " M " referred to in
the Affidavit of Murray Bockhold
sworn to before me at Whistler
In the Province of British Columbia
this 14 day of February, 2025

A Commissioner for taking Affidavits
In and for the Province of British Columbia

File No. 00262-001

DATE: January 21, 2025

TO: Daniel Guy, Harrington Global Opportunities Fund Limited
Terry Lynch, Save Canadian Mining
Murray Bockhold, BIM Group Committee

FROM: Poulus Ensom Smith LLP

RE: Viability of a Canadian action against broker-dealer for naked short selling and spoofing

MEMORANDUM

Overview

You have asked us to provide a memo advising on whether it is possible to mount a class action in Canada against broker-dealers[1] and their customers in the Canadian and US financial markets who engage in order submission strategies and trading practices, such as naked short selling and spoofing, which create a false impression of the state of the market to the detriment of other market participants.

While not without some impediments, we have determined that a class action stemming from the following potential causes of action is viable in relation to the alleged spoofing scheme:

- The tort of civil conspiracy
- Breach of the *Competition Act*, R.S.C., 1985, c. C-34
- Civil fraud/fraudulent misrepresentation
- Negligent misrepresentation; and
- Unjust enrichment

[1] In the US, firms that are in the business of buying and selling securities for their customers (i.e., brokering trades for customers) as well as for themselves (i.e., dealing for their own account) are referred to as broker-dealers. In Canada, such firms are simply referred to as dealers because under Canadian securities legislation, a "dealer" is defined as a person who trades in securities or derivatives as principal or agent. For the purpose of this memo we will continue to refer to these firms as broker-dealers, including when being discussed within the Canadian context.

This is Exhibit "N" referred to in the Affidavit of Murray Backhdd sworn to before me at Whistler In the Province of British Columbia this 14 day of February, 2025

A Commissioner for taking Affidavits In and for the Province of British Columbia

The Ontario Securities Commission

OSC Bulletin

January 4, 2024

Volume 47, Issue 1

(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).

The Ontario Securities Commission
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Toronto, Ontario
M5H 3S8

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A. Capital Markets Tribunal

A.1
Notices of Hearing

A.1.1 RAMM Pharma Corporation – ss. 8, 21.7

FILE NO.: 2023-36

IN THE MATTER OF
RAMM PHARMA CORPORATION

NOTICE OF HEARING
Sections 8 and 21.7 of the *Securities Act*, RSO 1990, c S.5

PROCEEDING TYPE: Application for Hearing and Review

HEARING DATE AND TIME: February 21, 2024 at 10:00 a.m.

LOCATION: By videoconference

PURPOSE

The purpose of this proceeding is to consider the Application dated December 13, 2023 made by the party named above to review a decision of Canadian Securities Exchange dated November 16, 2023.

The hearing set for the date and time indicated above is the first attendance in this proceeding, as described in subsection 6(1) of the *Capital Markets Tribunal Practice Guideline.*

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 December, 2023.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For more information

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

IN THE MATTER OF
OASIS WORLD TRADING INC.,
ZHEN (STEVEN) PANG, AND
RIKESH MODI

STATEMENT OF ALLEGATIONS
(Subsection 127(1) and Section 127.1 of the *Securities Act*, RSO 1990, c S.5)

A. OVERVIEW

1. Oasis World Trading Inc. is an unregistered Ontario company whose hundreds of foreign traders engage in securities day-trading. From 2018 through 2020, Oasis and its traders engaged in extensive and repeated manipulative trading on Canadian and foreign stock markets, repeating a pattern of activity for which Oasis and Steven Pang, its founder and CEO, were sanctioned by the Commission in 2015.

2. Using spoofed orders, Oasis Traders entered orders that created a false and misleading appearance of market activity allowing Oasis to trade at artificial prices. Oasis failed to detect, prevent, or take appropriate action in response to the manipulative trading. Oasis further failed to implement controls to prevent thousands of wash trades—trades that Oasis executed with itself—from creating misleading trading activity on hundreds of publicly traded securities in Canada.

3. Oasis's rampant market manipulation is enabled by its unregistered status and its lack of reasonable controls. Oasis, through profit-sharing agreements with dozens of unregistered, overseas managers who run trading groups ("Trading Group Managers" or "TGMs"), pays compensation in the form of a share of profits to hundreds of unregistered traders engaging in voluminous and unregistered trading on Canadian and foreign securities exchanges. The TGMs and the unregistered traders are not officers, directors, or employees of Oasis, but are nonetheless trading in Oasis's name and for its account.

4. Oasis and its officers have also failed to create an adequate culture of compliance. Instead, Oasis fostered an environment where Oasis Traders consistently acted in a manner that placed Oasis's and Oasis Traders' economic interests ahead of the integrity of the capital markets. Oasis provided little to no training to its traders and took little to no action when alerted to misconduct. It has a culture of non-compliance and lacks reasonable controls.

5. Market participants are expected to act responsibly. Companies that repeatedly engage in market manipulation undermine the integrity and efficiency of capital markets.

B. FACTS

Staff of the Enforcement Branch of the Ontario Securities Commission ("Enforcement Staff") makes the following allegations of fact:

i. Oasis Background

6. Oasis is a trading firm whose head office was formerly in Hamilton, Ontario and is now in Burlington, Ontario. Oasis has never been registered with the Commission in any capacity.

7. Zhen (Steven) Pang, an Ontario resident, is the founder, CEO, and controlling shareholder of Oasis. Rikesh Modi, an Ontario resident, is the Chief Compliance and Operations Officer and a part owner. Pang and Modi are the directing minds of Oasis. Neither Pang nor Modi are registered with the Commission in any capacity.

8. Oasis grants access to its trading systems and accounts to approximately 600 traders ("Oasis Traders") organized across dozens of trading groups or offices ("Oasis Offices"). The vast majority of Oasis Traders and Oasis Offices are located in China. These traders engage in highly active day trading on Canadian and foreign securities exchanges. At least 272 Oasis Traders have traded on Canadian securities exchanges since the start of 2018.

9. Each Oasis Office is headed by an Oasis Trader who is designated as the Trading Group Manager and has entered into a profit-sharing shareholder agreement with Oasis. All TGMs and their corresponding offices are located overseas: over 50 in China and two in Latin America. The offices vary in size and location. Some offices comprise only the TGM, while others employ 50 or more traders.

10. Oasis directly employs seven people as part of its Burlington office (the "Head Office"), which includes Pang and Modi. Two of the Head Office employees work remotely from China. The Head Office serves as the operational hub of the organization through which the traders are able to conduct their activities.

11. Oasis TGMs recruit and manage traders at their own discretion with very little oversight by the Head Office. According to Oasis, there is "no employment or consulting relationship" between the Head Office and Oasis Traders. The Head Office

does not have any requirements regarding traders' qualifications except an unverified attestation that the trader has no prior regulatory disciplinary history. The Head Office also does not have access to the traders' employment agreements or any other contract or arrangement the traders may have with their TGM.

12. Oasis's website describes itself as "connecting traders with direct market access to the global market exchanges." It advertises itself as "BUILT BY TRADERS. FOR TRADERS." Its shareholder agreements with TGMs describes Oasis's business as "providing access to capital, training materials, Trading Software, administrative and management services for the purpose of engaging in electronic day trading on equity markets worldwide."

ii. Oasis Trades on Canadian and Foreign Markets

13. Oasis and its traders access Canadian and foreign exchanges through omnibus accounts at brokerage firms in Canada and elsewhere. This means Oasis's securities in any given jurisdiction are held in a single account. Oasis then allocates securities for its TGMs and traders through subaccounts within Oasis's internal systems. Between the start of 2018 and October 2022, Oasis has identified its full list of Oasis Traders to its Canadian broker on only one occasion in February 2022 at the broker's request.

14. Oasis Traders place orders and trade on Canadian and foreign markets through Oasis's omnibus account at brokerage firms. To trade, Oasis Traders log onto Oasis's internal system, which then transmits the order to Oasis's Canadian or foreign broker—an arrangement resembling an omnibus clearing relationship between a dealer and a clearing firm. When a trade occurs, Oasis assigns the transaction to the relevant Oasis Trader in Oasis's own system, but all securities are held within Oasis's brokerage account. Oasis designates each trader with different daily buying power and net loss limits, which are adjusted based on the trader's individual performance and the performance of the trader's associated Oasis Office. In most cases, Oasis Traders are required to close out their positions at the end of each trading day.

15. Oasis Traders trade very frequently. For instance, in December 2020, Oasis Traders cumulatively executed 477,468 trades on Canadian exchanges—an average of 22,736 daily trades across Oasis and 84 daily trades per trader. About half of the hundreds of Oasis Traders are active on Canadian markets. The others trade on foreign markets. Some trade on both.

16. In 2023, Oasis has traded over 3 billion shares on Canadian markets. Each month, Oasis trades, on average, approximately $1 billion in value on over 100,000 trades per month.

iii. Oasis Financials

17. Oasis derives its revenue from the trading profits of Oasis Traders. The Oasis Head Office allocates most of its profits—varying between 85% to 95%—to the relevant Oasis Office that earned it (minus trading costs and other fees). Oasis thus retains 5-15% of the trading gains. Each TGM then pays that Office's Oasis Traders out of the Office's 85-95% share. The Head Office does not receive any information on each individual Oasis Trader's compensation.

18. During the relevant years, Oasis paid tens of millions of dollars to its TGMs. The TGMs then distributed those sums among Oasis Traders with no input or oversight from the Oasis Head Office.

19. In 2018, 2019, 2020, and 2021, Oasis's gross trading revenues in Canadian and foreign markets, net trading revenue, and profits were approximately as follows (all values CAD):

	2018	2019	2020	2021	Total
Gross Revenue, Canadian Markets	$19,812,349	$11,885,440	$25,094,433	$27,423,415	$84,215,637
Gross, Revenue, Foreign Markets	$5,778,750	$4,031,938	$20,395,815	$22,527,494	$52,733,997
Net Trading Revenue	$2,653,815	$1,748,320	$5,591,947	$6,721,896	$16,715,978
Oasis Profit	$809,213	$165,338	$2,572,472	$3,395,476	$6,942,499

iv. Regulatory History

20. Oasis has previously admitted to failing to adequately monitor trading activities and failing to ensure there was an adequate compliance structure in place to identify and prevent possible manipulative trading. In a settlement agreement approved by the Commission in 2015, Oasis admitted that Oasis engaged in at least 460 instances of manipulative trading on Canadian securities markets between November 2013 and December 2014.

21. As a result, Pang received a one-year ban from acting as a director or officer of Oasis or any issuer that was in the business of trading on Canadian securities markets. Oasis paid an administrative penalty of $225,000, as well as $75,000 costs. Oasis also entered into an undertaking to improve its compliance structure within a year.

v. Market Manipulation by Oasis Traders

22. In 2018, 2019, and 2020, Oasis engaged in repeated instances of market manipulation, including, but not limited to practices commonly known as spoofing. Spoofing is an illegal, deceptive and manipulative trading strategy that involves entering an order without an intent to execute that order.

Locked and Crossed Market Spoofing on Foreign Markets

23. During the period January 1, 2018 to December 31, 2018, Oasis engaged in at least 404 instances of manipulative behaviour known as locked and crossed market spoofing ("LCMS") on foreign securities exchanges.

24. A "locked" market occurs where there are multiple exchanges trading the same security and an order on one exchange is posted at the same price as an opposite order on another exchange without the two orders matching for a trade. A "crossed" market occurs where an order on one exchange is better priced than a posted, opposite order on a different exchange. Locked and crossed market spoofing occurs where orders that locked or crossed the market are entered with no intention that they be executed in order to temporarily manipulate the price of the security and create a locked or crossed market condition. This permits Oasis Traders to take advantage of other market participants who are misled by the trading interest reflected in the locked or crossed markets.

25. The general pattern of LCMS involved one or more Oasis Traders entering a deceptive bid or offer with no intention to execute that bid or offer on foreign stock exchanges. In the case of a deceptive bid:

    a. Oasis Trader(s) would enter an initial bid on the first exchange at a price equal to or higher than the best offer price of the same security on the second exchange without an intent to execute the bid.

    b. This coincided with one or more Oasis Traders placing an offer on the second exchange before or shortly after entering the initial bid.

    c. Other market participants, upon seeing the initial deceptive bid, reacted with bids priced more aggressively on the second exchange, which would execute against Oasis's resting or newly entered offers at an improved price.

    d. Oasis Traders would then cancel their initial deceptive bid on the first exchange.

26. The reverse occurs in the case of a deceptive offer:

    a. Oasis Trader(s) would place an initial offer on the first exchange priced equal to or lower than the best bid price on the second exchange.

    b. This attracts offers on the second exchange from other market participants.

    c. The placing of Oasis's initial offer coincides with Oasis placing a bid on the second exchange, which executes against the offers from the other market participants at an improved price.

    d. Oasis Traders would then cancel their initial, deceptive offer on the first exchange.

27. In both scenarios, Oasis Traders received improved execution prices on the trades executed on the second exchange because of the illegal manipulation.

Spoofing on Canadian Markets

28. Between January 1, 2018 and December 31, 2020, Oasis engaged in at least 239 instances of manipulative behaviour known as spoofing or quote manipulation. These patterns involved Oasis Traders entering non-*bona fide*, deceptive order(s) to buy or sell a security to move the National Best Bid or National Best Offer price and narrowing the spread. Oasis Traders then received better prices for execution for their resting or newly placed orders on the opposite side of the market due to the manipulated spread. Oasis Traders then cancelled the initial deceptive order shortly after the execution of their resting or newly placed order.

Wash Trades on Canadian Markets

29. During the period from January 1, 2018 to December 31, 2020, Oasis executed approximately 10,511 trades against itself, commonly known as wash trades, on 759 symbols on two Canadian securities exchanges. These wash trades involved approximately 48,347,000 shares valued at approximately $38 million. The wash trades were concentrated

among specific Oasis Offices and Oasis Traders. Four Oasis Offices were responsible for over 70%, or 7,485 of the total wash trades.

30. These wash trades caused a misleading appearance of trading activity on those 759 symbols. None of the approximately 10,511 wash trades were cancelled or suppressed from public trading records, colloquially known as the "tape". This was because during this period, Oasis improperly applied the self-trade prevention ("STP") tools offered by the exchanges meant to reduce public wash trades. All 10,511 Oasis wash trades were caused by mismatched and misapplied STP tools. Oasis was unaware that these STP tools were improperly configured until December 2020.

31. Oasis should have known that its wash trades were not being cancelled or suppressed from the public tape. Oasis received multiple indicators that wash trading was taking place. Oasis's internal compliance detection system flagged thousands of trades where Oasis was on both sides of a trade. Oasis took no action to confirm these wash trades had been cancelled or suppressed. Between 2018 and 2020, the Oasis Head Office made approximately 260 supervision inquiries where an Oasis Trader had been on both sides of a trade or multiple trades. Oasis's Canadian broker also notified Oasis of wash trades taking place. Modi did not view trades between different Oasis Traders as wash trades because Oasis considered them as unintentional crosses resulting in a beneficial change in ownership, even though the trades took place in Oasis's omnibus account.

vi. Inadequate Systems of Controls and Supervision

32. From at least 2018 to the present, Oasis has lacked adequate systems to control or supervise its trading activities conducted by Oasis Traders.

Oasis Training

33. Oasis's onboarding training for new traders contains no instructions or information on a trader's responsibilities beyond short, translated excerpts of the Universal Market Integrity Rules ("UMIR"), which are the rules governing securities-related trading on marketplaces in Canada. Oasis provides its traders with links to the UMIR website and other websites such as homepages of major Canadian stock exchanges. All these websites are in English, but Oasis has no requirement that Oasis Traders, who are almost all located in China, be able to read English.

34. Oasis has no formal or scheduled training for its traders. The Oasis Head Office provides only sporadic, *ad hoc* "trainings" via instant messaging to select TGMs and sometimes a small number of non-TGM Oasis Traders. These "trainings" predominantly take place in Chinese and are often as short as 100 words in length.

35. Between January 1, 2018 to December 31, 2020, approximately 18 of these *ad hoc* "trainings" took place. Oasis did not test or confirm whether those who received the "trainings" disseminated them to the other Oasis Traders.

Controls on Trader Identification

36. On several occasions during the relevant time, Oasis Traders used Oasis Trader IDs that did not correspond with their personal information to trade.

37. Oasis Trader IDs, which are alphanumeric usernames based on the trader's name and associated Oasis Office, are assigned buying power and net loss limits by the Oasis Head Office. These limits typically correlate with the associated Oasis Trader's past success. A long-term Oasis Trader will have higher buying power and net loss limits than a new Oasis Trader. This difference means that, when an Oasis Trader with high buying power and net loss limits leaves Oasis, the Oasis TGM is incentivized to keep the associated Oasis Trader ID active and assign it to a different Oasis Trader.

38. On multiple occasions, Oasis TGMs did so. For instance, around July 2020, an Oasis Office located in China, Office G24, contacted the Oasis Head Office to state that they would close three accounts of Oasis Trader IDs where the "information and Trader did not match" and open new Oasis Trader IDs for those same Oasis Traders "using [the Traders'] own identification". The TGM requested that these traders' existing buying power and net loss limits carry over to the new accounts. The Oasis Head Office closed the existing accounts, opened new accounts and transferred the buying power and net loss limits as requested. The TGM then requested that the buying power and net loss limits be further increased for these three new accounts. By the end of August 2020, the Oasis Head Office had increased the buying power for the three accounts by 38%, 50%, and 60% and the net loss limit for two of the accounts by 23% and 50%.

39. On another occasion, it was an Oasis TGM—viewed by the Oasis Head Office as an office's main compliance officer—who used an Oasis Trader ID assigned to someone else. A year prior, in August 2019, the TGM for Office G24 informed the Oasis Head Office that he had been trading using two Oasis Trader IDs—one assigned to him and another to his brother. Oasis took no disciplinary action regarding the TGM operating two accounts and viewed this conduct as permissible.

40. In fact, the Oasis Head Office had been aware of the issue of Oasis Traders using other's Trader IDs since at least the spring of 2018. In May 2018, Pang messaged all TGMs reminding them that all Oasis Trader accounts "must be opened by traders with their own identity cards." In March 2019, when a TGM escalated a series of trades to Pang, Pang responded by asking whether it was "the trader himself" trading in the account.

41. Despite the Oasis Head Office being aware of the trader identification issue, it did little to implement controls to prevent it. A new trader is required to submit a photograph of themselves holding their government-issued ID card as part of the Oasis onboarding process. Oasis does not have any other procedures to verify trader identity and Oasis does not perform any formal due diligence on new traders.

42. Nor does Oasis have any restrictions on which or how many computers their traders can install the trading software on. Oasis does not track the logins of each account and allows multiple logins of the same ID into the system simultaneously. The only requirement for logging into the Oasis platform is the UserID and corresponding password.

Trader Supervision

43. Oasis failed to develop and maintain an internal compliance system to supervise its trading activities.

44. In 2018, Oasis failed to detect and investigate the LCMS activity by Oasis Traders on foreign securities exchanges described in paragraphs 23-27 above.

45. In 2018 through 2020, Oasis failed to detect and investigate the spoofing activity by Oasis Traders on Canadian exchanges described in paragraph 28 above.

46. In late 2018, Oasis began implementing a system that attempted to algorithmically detect manipulative trading. By the end of 2020, this system had generated tens of thousands of alerts regarding potentially manipulative trading, with approximately half relating to price manipulation. With minor exceptions, Oasis ignored most of these alerts. For example, Oasis personnel investigated only approximately seven alerts relating to price manipulation.

47. In 2018 through 2020, Oasis failed to detect and investigate the wash trade activity by Oasis Traders on Canadian exchanges described in paragraphs 29-31 above.

48. Oasis also failed to utilize external compliance tools available to it. Since mid-2018, Oasis Head Office personnel, in particular Modi, had access to a compliance portal maintained by its Canadian broker that flagged potentially suspicious transactions. Oasis ignored or failed to review broad categories of flagged transactions, including types of transactions that would have identified potential spoofing or other manipulative behaviour. Sometimes, Oasis neglected the compliance portal for weeks without logging on.

Culture of Compliance

49. Oasis failed to promote a culture of compliance in its trading business. Instead, Oasis permitted Oasis Traders to consistently behave in a manner that placed Oasis's and Oasis Traders' economic interests ahead of following market rules, thus undermining confidence in the capital markets. This conduct includes and is demonstrated by the facts above and the following.

50. Oasis Head Office personnel responsible for trade compliance were few in number, inadequately trained, and set loose standards in compliance. In addition to Pang and Modi, the Oasis Head Office retained only two other employees for compliance monitoring, and those employees' responsibilities did not include reviewing for price manipulation. One compliance employee regularly exchanged instant messages with Oasis Traders regarding wash trades where the Oasis Trader would provide an explanation and the compliance employee would respond with the cry-laughing emoji 😂. That same employee did not recognize Oasis compliance documents and could not recall having reviewed UMIR.

51. Disciplinary actions taken by Oasis against Oasis Traders were lax and ineffective, particularly with respect to repeat infractions. As an example, in April 2020, the Oasis Head Office contacted the TGM for Oasis Office G06 regarding two Oasis Traders who had engaged in wash trading. When the Oasis Head Office instructed the TGM to ask the Traders to explain the situation, the TGM refused. The Oasis Head Office suspended the Traders for one day each. Five days later, one of the Traders engaged in wash trading again, resulting in another one-day suspension. In May, that same trader again engaged in self-trading. The TGM for Oasis Office G06 proposed fines, but the Head Office imposed none.

52. Oasis views its TGMs as primarily responsible for supervising, monitoring, and escalating compliance issues. But these same TGMs are, in multiple instances, responsible for non-compliance, including engaging in manipulative transactions. Many TGMs use intermediaries to receive funds from Oasis because the TGMs lack authorization to receive foreign funds.

C. BREACHES AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

Enforcement Staff alleges the following breaches of Ontario securities law and conduct contrary to the public interest:

i. Breaches of Ontario Securities Laws

53. Oasis 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 subsection 25(1) of the *Securities Act*, RSO 1990, c S.5, as amended (the "Act");

54. Each of Oasis, Pang, and Modi, directly or indirectly, engaged or participated in an act, practice or course of conduct relating to securities that it knew or ought reasonably to have known resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for a security, contrary to subsection 126.1(1)(a) of the Act;

55. Oasis failed to establish and maintain systems of control and supervision in accordance with the regulations for controlling its activities and supervising its representatives, contrary to section 32(2) of the Act;

56. Oasis provided access to its direct electronic trading access to non-authorized persons or companies, contrary to subparagraph 4.7(4) of National Instrument 23-103 – *Electronic Trading and Direct Electronic Access to Marketplaces*;

57. Each of Pang and Modi, as officers and directors of Oasis, authorized, permitted, or acquiesced in the non-compliance of Ontario securities laws by Oasis, contrary to section 129.2 of the Act;

ii. Conduct Contrary to the Public Interest

58. In the alternative to the breach described in paragraph 55 above, each of Oasis, Pang and Modi, engaged in conduct contrary to the public interest by failing to establish and maintain adequate systems of control and supervision and therefore, among other things, should not be entitled to participate in Canadian markets or rely on any exemption allowing them to participate.

D. ORDERS SOUGHT

Enforcement Staff requests that the Capital Markets Tribunal (the "Tribunal") make the following orders:

59. As against Oasis:

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

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

    c. that any exemption contained in Ontario securities law not apply to it permanently or for such period as is specified by the Tribunal, pursuant to paragraph 3 of subsection 127(1) of the Act;

    d. that it 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 subsection 127(1) of the Act;

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

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

    g. that it pay costs of the investigation and the hearing, pursuant to section 127.1 of the Act; and

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

60. As against each of Pang and Modi:

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

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

c. that any exemption contained in Ontario securities law not apply to him permanently or for such period as is specified by the Tribunal, pursuant to paragraph 3 of subsection 127(1) of the Act;

d. that he be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

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

f. that he 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 subsection 127(1) of the Act;

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

h. that he 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 subsection 127(1) of the Act;

i. that he 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 subsection 127(1) of the Act;

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

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

l. that he pay costs of the investigation and the hearing, pursuant to section 127.1 of the Act; and

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

DATED at Toronto, Ontario, this 21st day of December, 2023

ONTARIO SECURITIES COMMISSION
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8

Hanchu Chen
Senior Litigation Counsel
Enforcement Branch

Tel: 416-593-3660
Email: HChen@osc.gov.on.ca

Gmail Murray Bockhold <murray.bockhold@gmail.com>

Invictus Games

Karla Kincade <49ontariostreet@gmail.com> Sun, Feb 9, 2025 at 12:17 AM
To: Bockhold Murray <murray.bockhold@gmail.com>
Cc: Jamie Wildgen <wjw@live.ca>

Wow yes. That Honour Guard role was LONG time ago!

I'll be watching for the news on the banks!

Karla.

Sent from my iPhone

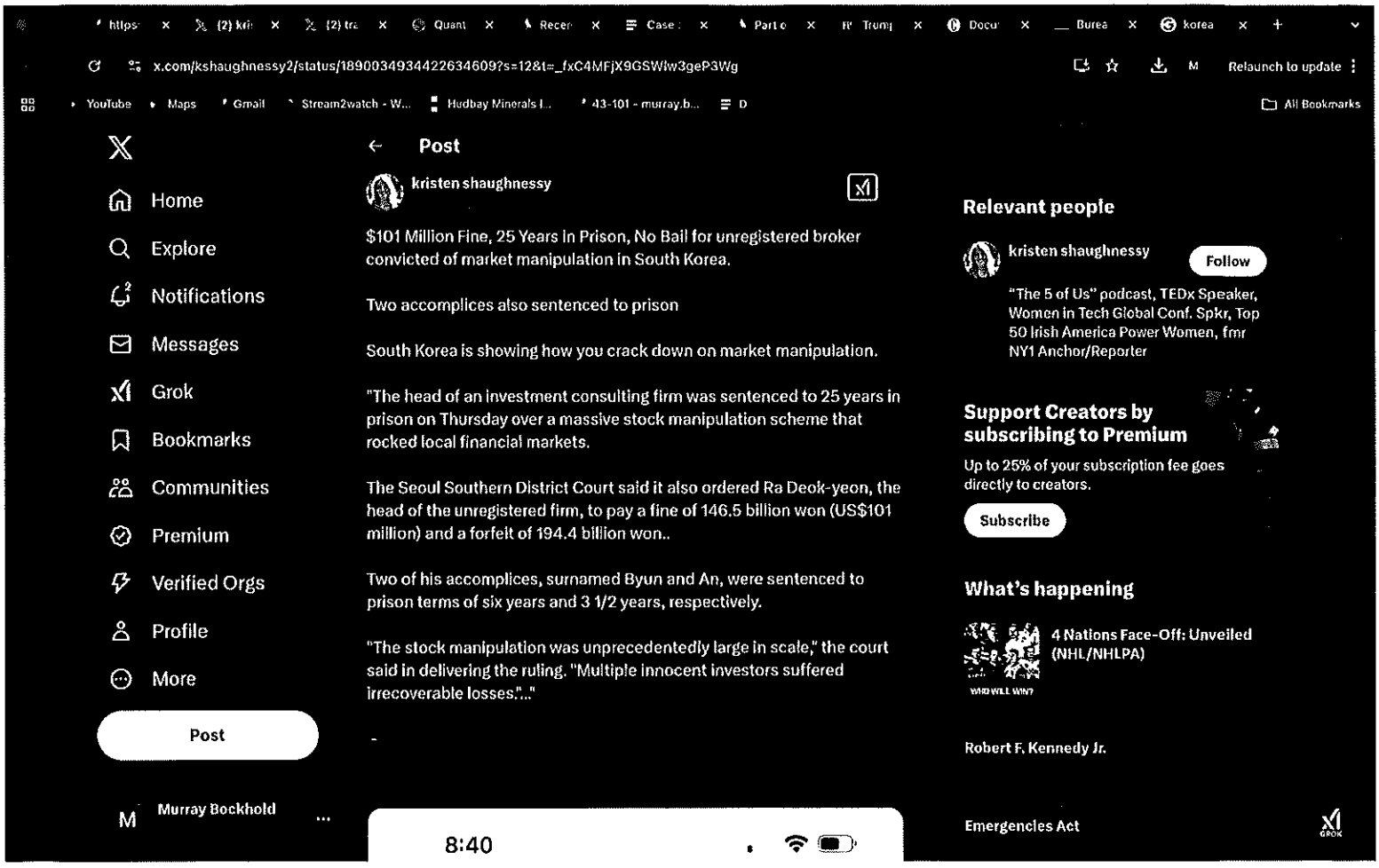
> On 9 Feb 2025, at 03:33, Murray Bockhold <murray.bockhold@gmail.com> wrote:
>
>
> Hi u guys!
>
> I thought of you today at the opening ceremonies Karla. Took me right back to 2010 when u were in the Honour Guard!!
>
> That was such a proud moment in time for Canada. So different now. Our banks will be getting a black eye on March 2 at PDAC... but there is a silver lining - regulatory reform is finally going to happen!
>
> After 12 years, the goal line is finally within sight!
>
> Hope u guys are doing well.
>
> Hugs,
>
> Murray
>
>

This is Exhibit " O " referred to in
the Affidavit of Murray Bockhold
sworn to before me at Whistler
in the Province of British Columbia
this 14 day of February, 2025

A Commissioner for taking Affidavits
In and for the Province of British Columbia

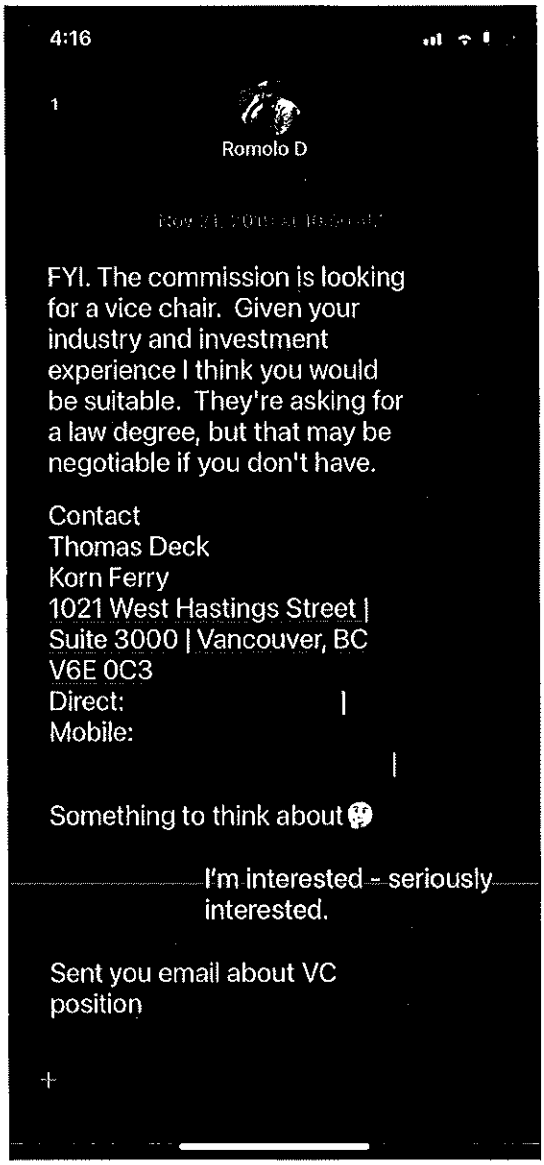
This is Exhibit " P " referred to in
the Affidavit of Murray Bockhold
sworn to before me at Whistler
in the Province of British Columbia
this 14 day of February, 2025

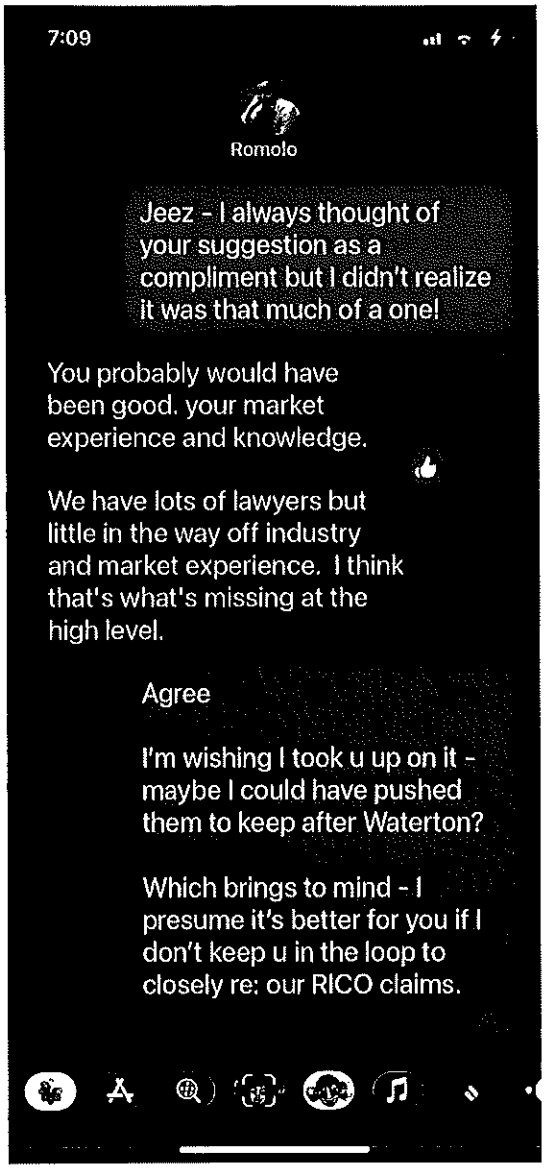
A Commissioner for taking Affidavits
in and for the Province of British Columbia

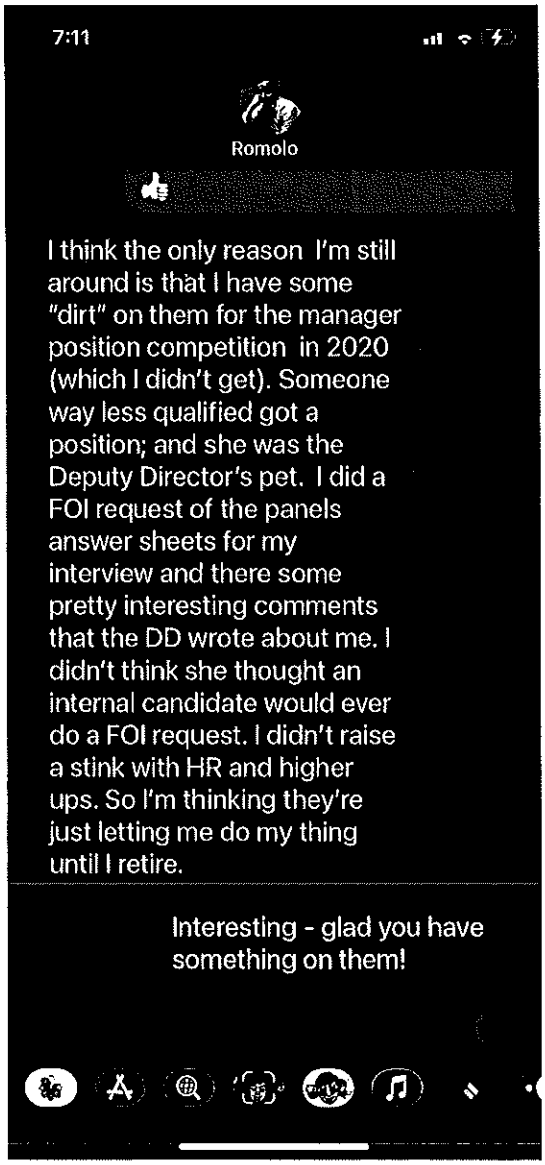


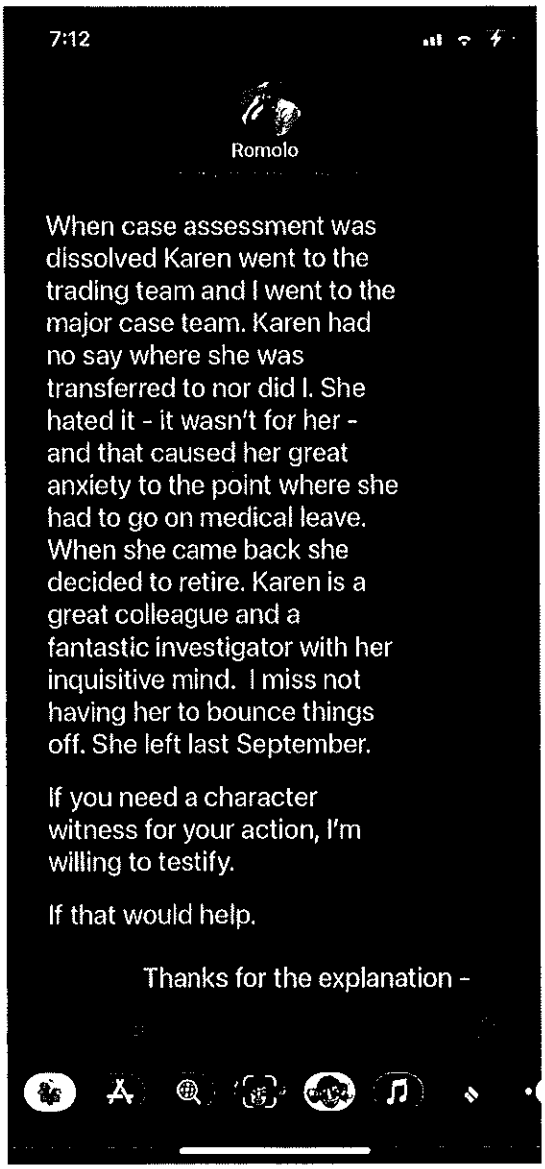
This is Exhibit "Q" referred to in
the Affidavit of Murray Rockhold
sworn to before me at Whistler
in the Province of British Columbia
this 14 day of February, 2025

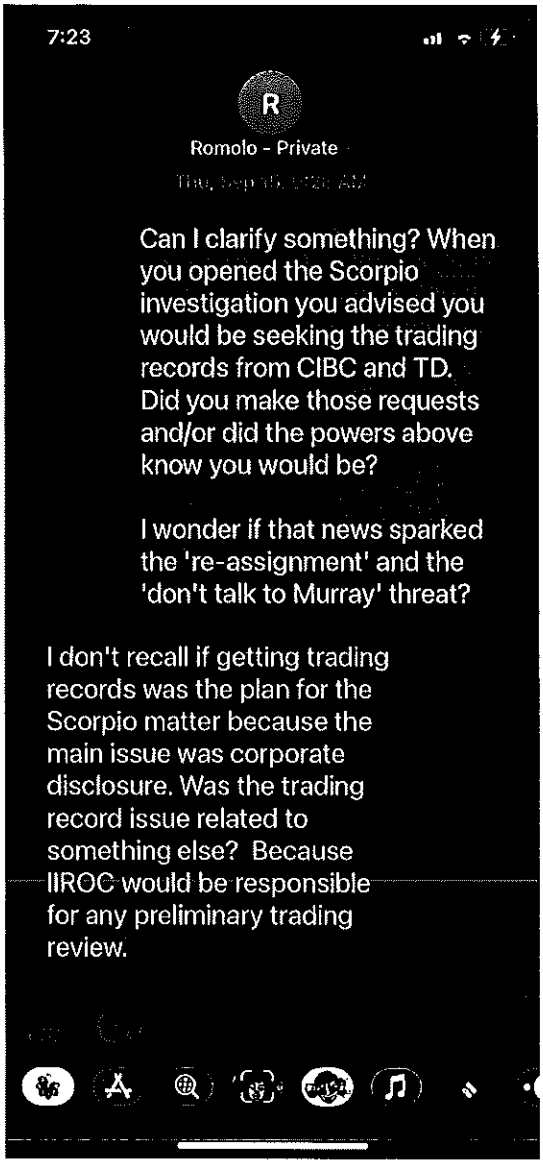
A Commissioner for taking Affidavits
In and for the Province of British Columbia

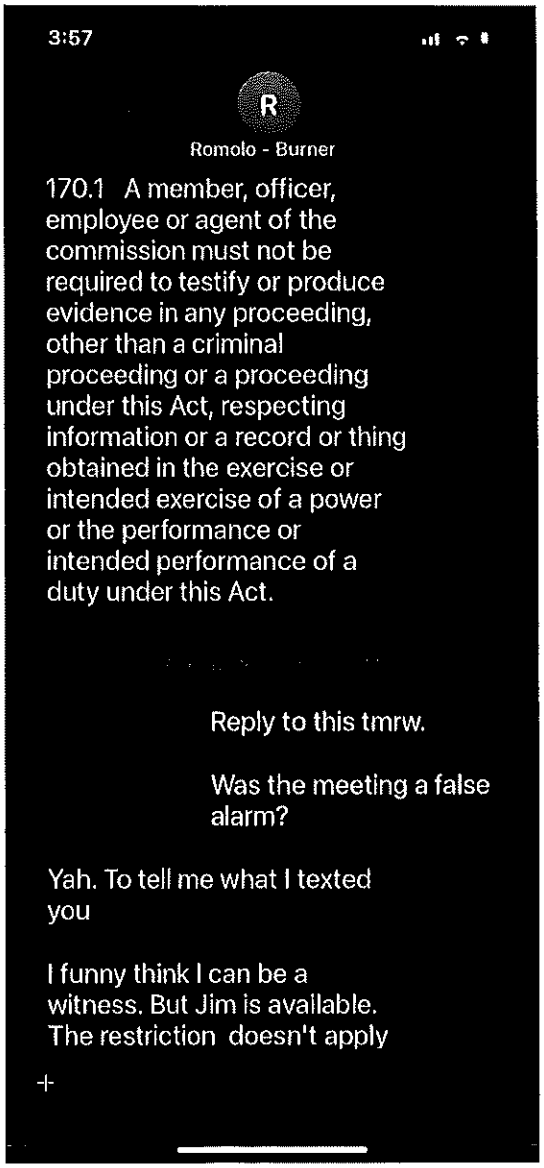


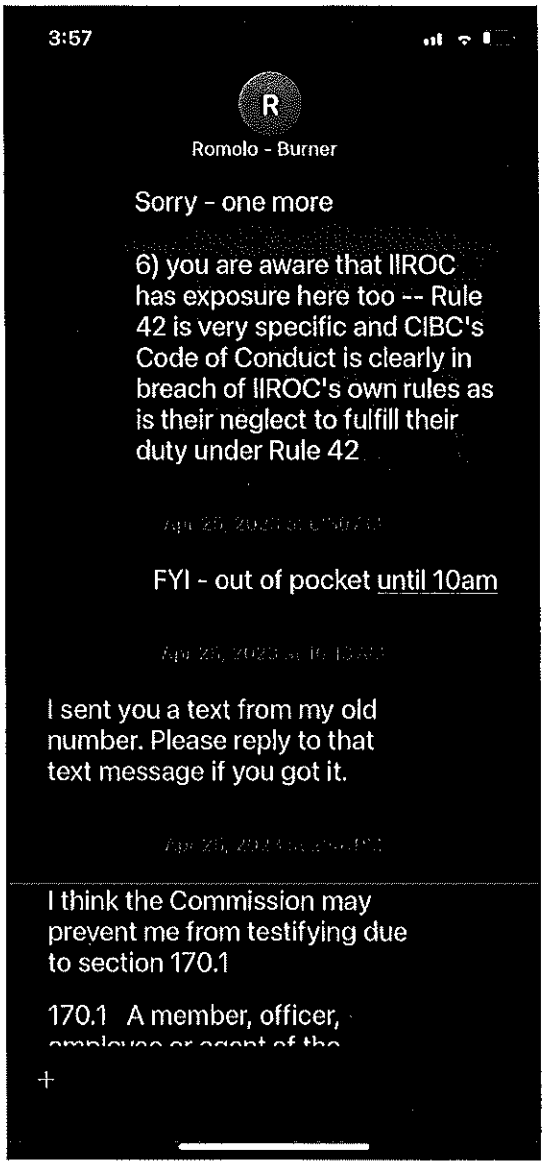

7:09
Romolo
Jeez - I always thought of your suggestion as a compliment but I didn't realize it was that much of a one!
You probably would have been good. your market experience and knowledge.
We have lots of lawyers but little in the way off industry and market experience. I think that's what's missing at the high level.
Agree
I'm wishing I took u up on it - maybe I could have pushed them to keep after Waterton?
Which brings to mind - I presume it's better for you if I don't keep u in the loop to closely re: our RICO claims.

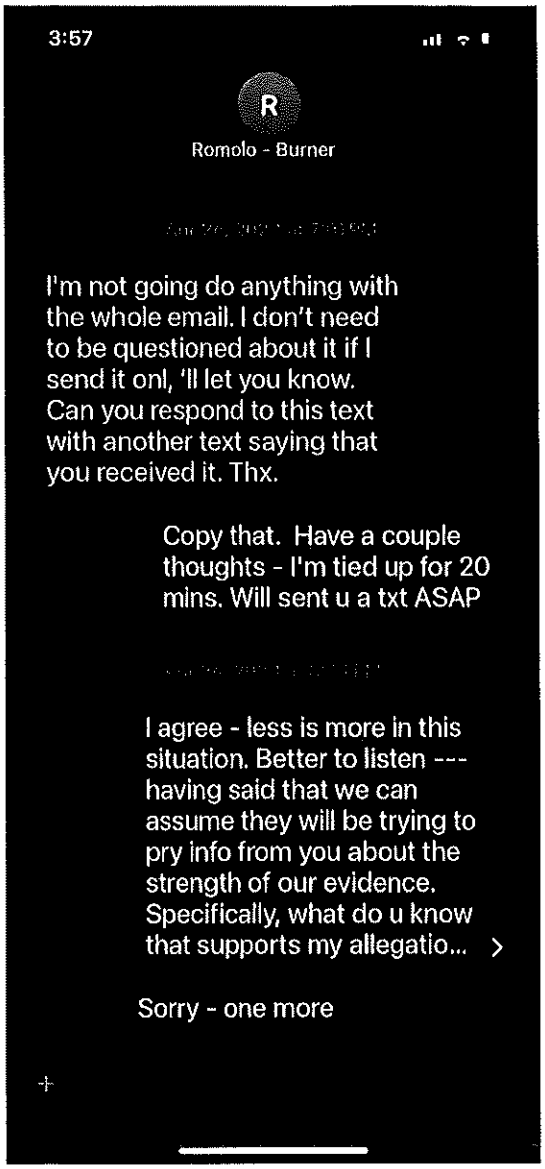

7:11
Romolo
I think the only reason I'm still around is that I have some "dirt" on them for the manager position competition in 2020 (which I didn't get). Someone way less qualified got a position; and she was the Deputy Director's pet. I did a FOI request of the panels answer sheets for my interview and there some pretty interesting comments that the DD wrote about me. I didn't think she thought an internal candidate would ever do a FOI request. I didn't raise a stink with HR and higher ups. So I'm thinking they're just letting me do my thing until I retire.
Interesting - glad you have something on them!

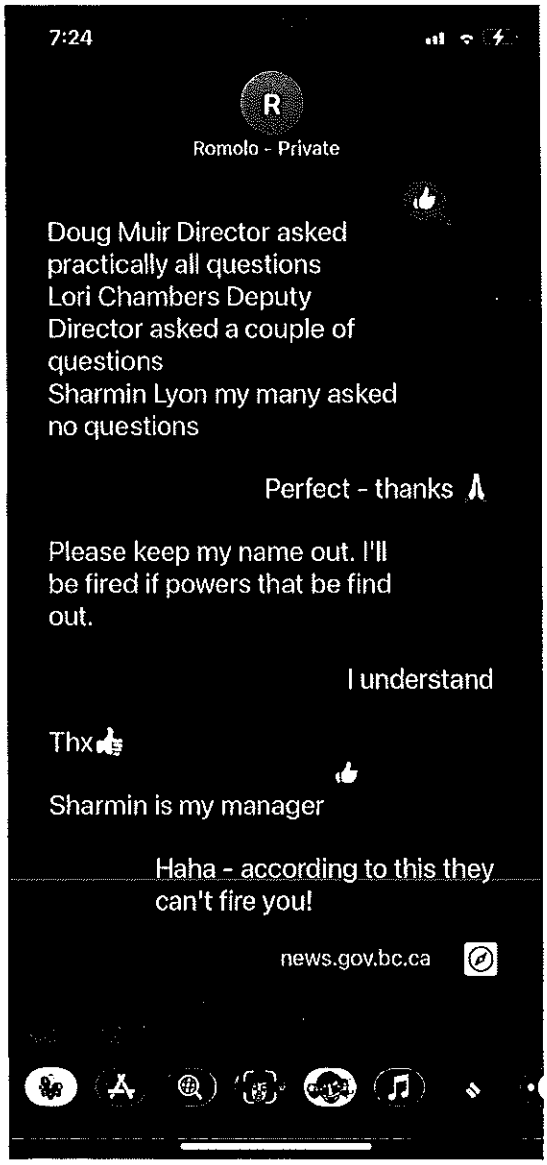

7:12
Romolo
When case assessment was dissolved Karen went to the trading team and I went to the major case team. Karen had no say where she was transferred to nor did I. She hated it - it wasn't for her - and that caused her great anxiety to the point where she had to go on medical leave. When she came back she decided to retire. Karen is a great colleague and a fantastic investigator with her inquisitive mind. I miss not having her to bounce things off. She left last September.
If you need a character witness for your action, I'm willing to testify.
If that would help.
Thanks for the explanation -

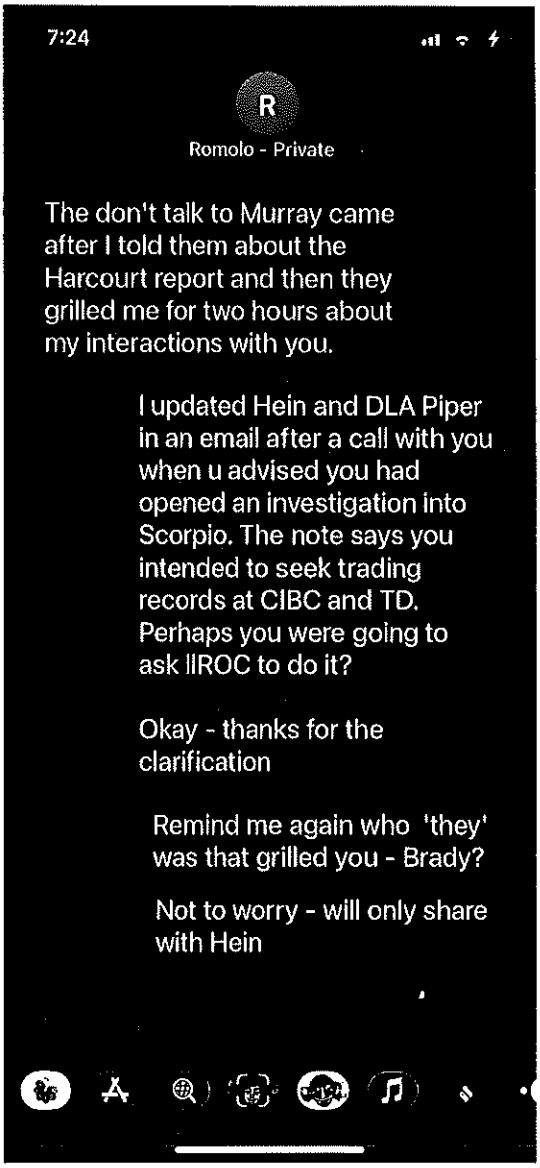

7:23
R
Romolo - Private
Can I clarify something? When you opened the Scorpio investigation you advised you would be seeking the trading records from CIBC and TD. Did you make those requests and/or did the powers above know you would be?
I wonder if that news sparked the 're-assignment' and the 'don't talk to Murray' threat?
I don't recall if getting trading records was the plan for the Scorpio matter because the main issue was corporate disclosure. Was the trading record issue related to something else? Because IIROC would be responsible for any preliminary trading review.

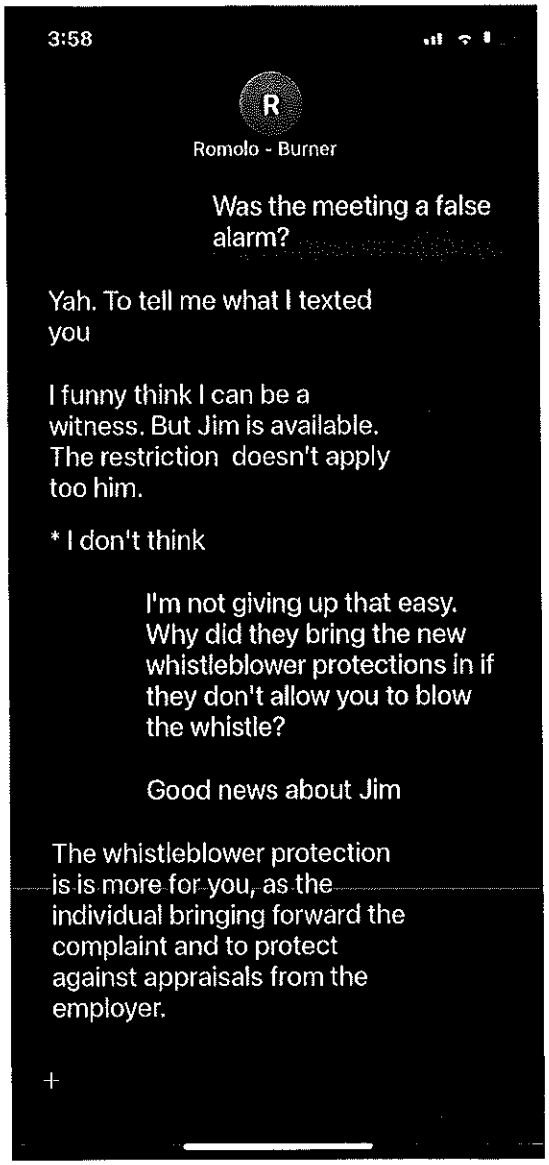

3:57
R
Romolo - Burner
170.1 A member, officer, employee or agent of the commission must not be required to testify or produce evidence in any proceeding, other than a criminal proceeding or a proceeding under this Act, respecting information or a record or thing obtained in the exercise or intended exercise of a power or the performance or intended performance of a duty under this Act.
Reply to this tmrw.
Was the meeting a false alarm?
Yah. To tell me what I texted you
I funny think I can be a witness. But Jim is available. The restriction doesn't apply

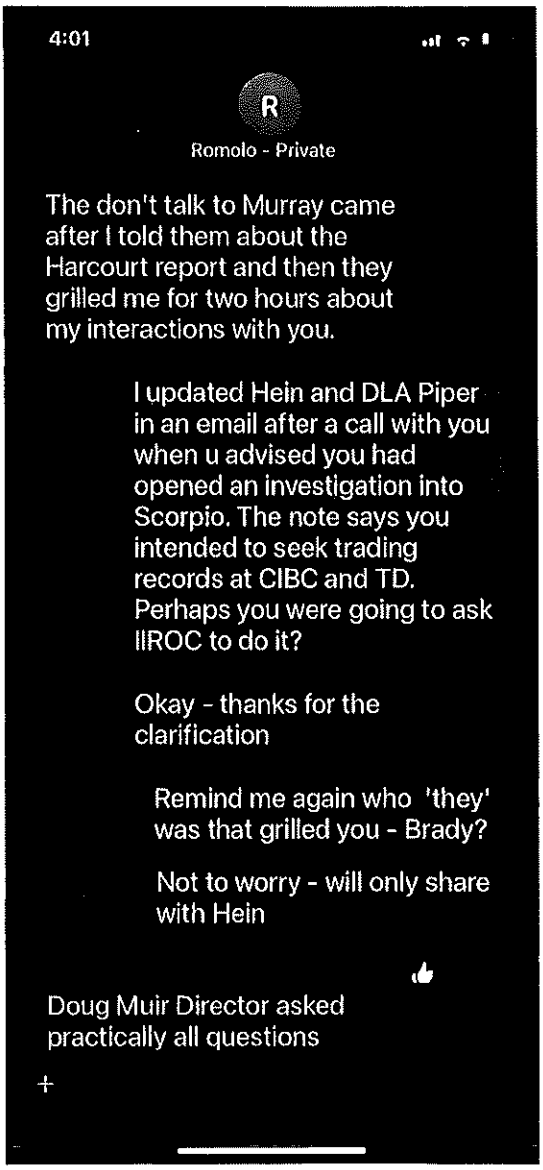

3:57
R
Romolo - Burner
Sorry - one more
6) you are aware that IIROC has exposure here too -- Rule 42 is very specific and CIBC's Code of Conduct is clearly in breach of IIROC's own rules as is their neglect to fulfill their duty under Rule 42
FYI - out of pocket until 10am
I sent you a text from my old number. Please reply to that text message if you got it.
I think the Commission may prevent me from testifying due to section 170.1
170.1 A member, officer,


3:57
R
Romolo - Burner
I'm not going do anything with the whole email. I don't need to be questioned about it if I send it onl, 'll let you know. Can you respond to this text with another text saying that you received it. Thx.
Copy that. Have a couple thoughts - I'm tied up for 20 mins. Will sent u a txt ASAP
I agree - less is more in this situation. Better to listen --- having said that we can assume they will be trying to pry info from you about the strength of our evidence. Specifically, what do u know that supports my allegatio...
Sorry - one more


7:24
R
Romolo - Private
Doug Muir Director asked practically all questions
Lori Chambers Deputy Director asked a couple of questions
Sharmin Lyon my many asked no questions
Perfect - thanks
Please keep my name out. I'll be fired if powers that be find out.
I understand
Thx
Sharmin is my manager
Haha - according to this they can't fire you!
news.gov.bc.ca


7:24
R
Romolo - Private
The don't talk to Murray came after I told them about the Harcourt report and then they grilled me for two hours about my interactions with you.
I updated Hein and DLA Piper in an email after a call with you when u advised you had opened an investigation into Scorpio. The note says you intended to seek trading records at CIBC and TD. Perhaps you were going to ask IIROC to do it?
Okay - thanks for the clarification
Remind me again who 'they' was that grilled you - Brady?
Not to worry - will only share with Hein


3:58
R
Romolo - Burner
Was the meeting a false alarm?
Yah. To tell me what I texted you
I funny think I can be a witness. But Jim is available. The restriction doesn't apply too him.
* I don't think
I'm not giving up that easy. Why did they bring the new whistleblower protections in if they don't allow you to blow the whistle?
Good news about Jim
The whistleblower protection is is more for you, as the individual bringing forward the complaint and to protect against appraisals from the employer.
+


4:01
R
Romolo - Private
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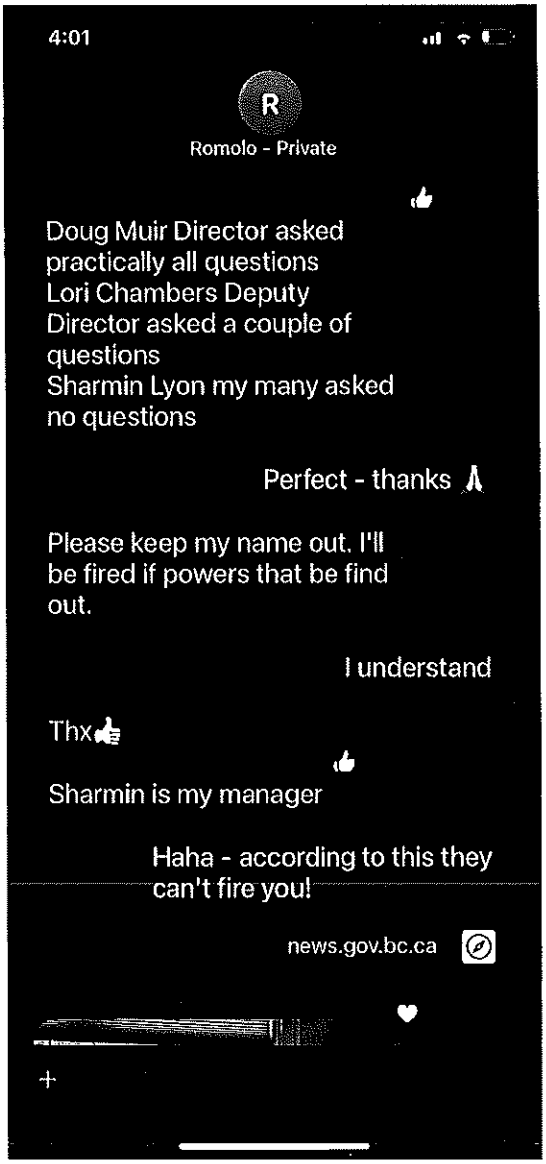
4:01
R
Romolo - Private
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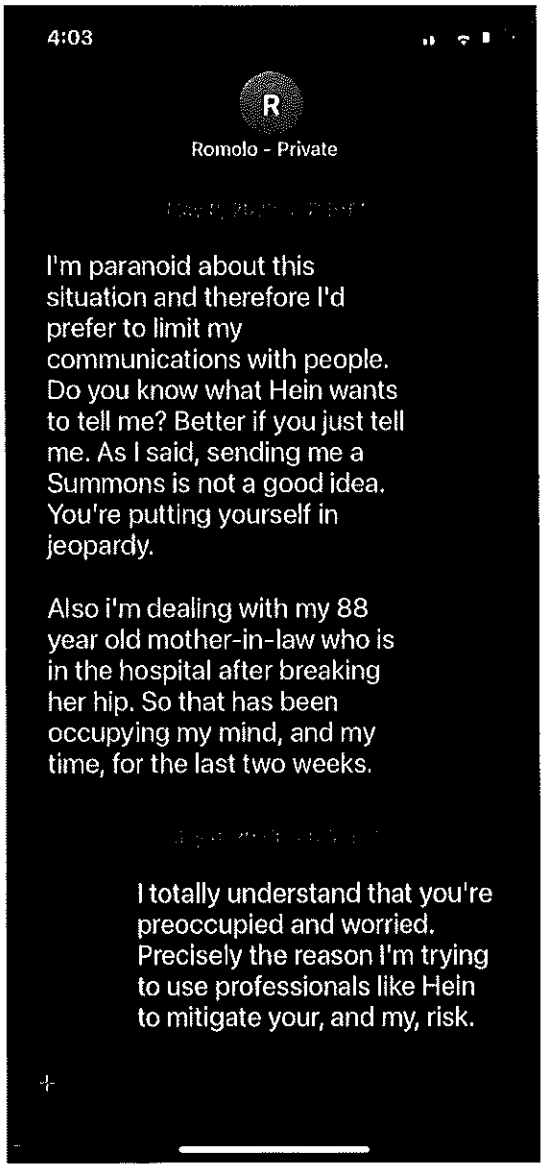
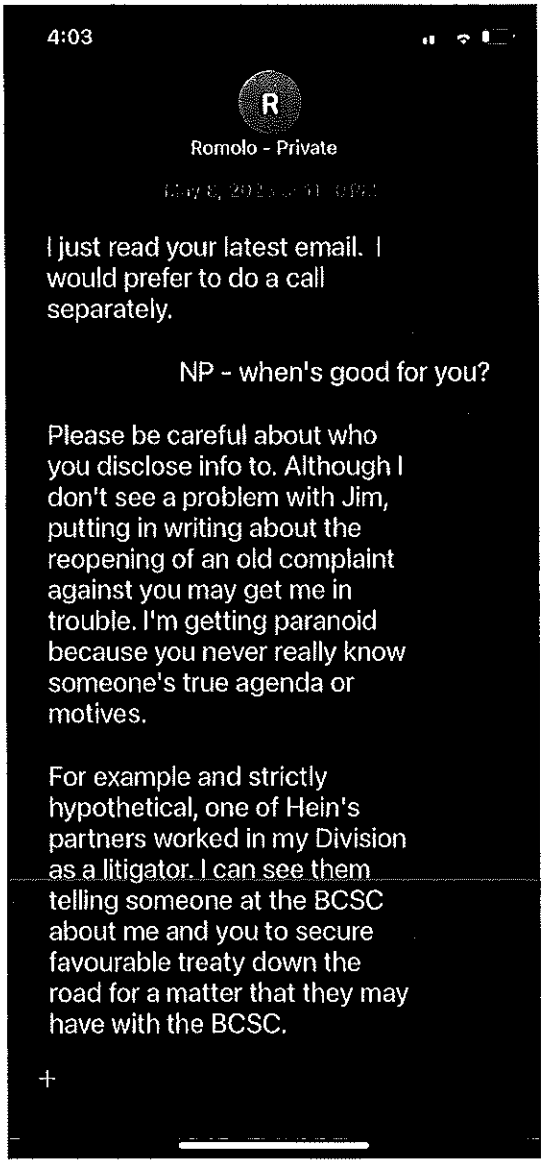
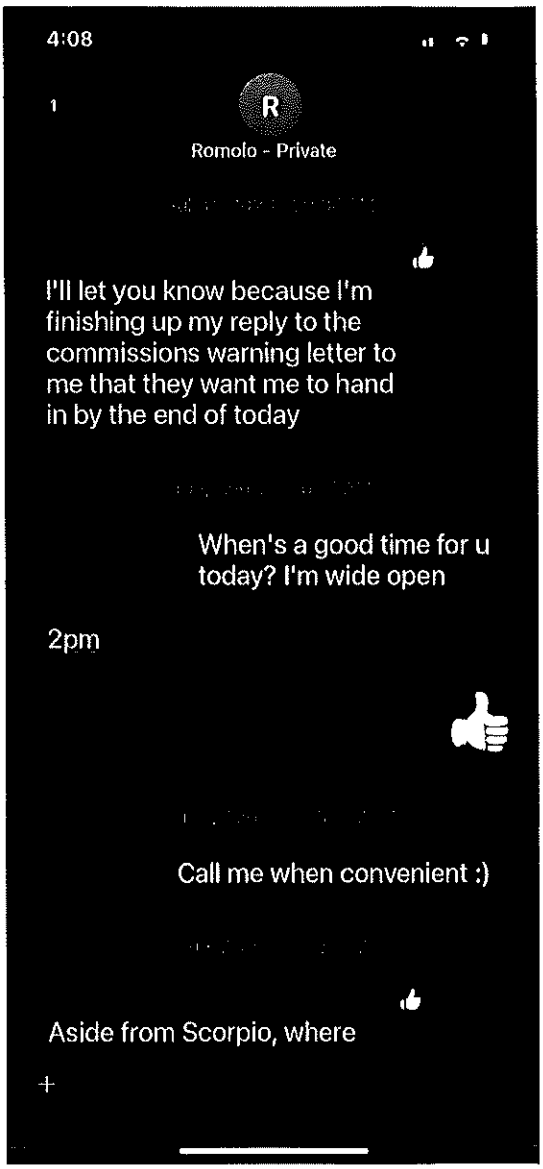
Lori Chambers Deputy Director asked a couple of questions
Sharmin Lyon my many asked no questions
Perfect - thanks
Please keep my name out. I'll be fired if powers that be find out.
I understand
Thx
Sharmin is my manager
Haha - according to this they can't fire you!
news.gov.bc.ca


4:03
R
Romolo - Private
I'm paranoid about this situation and therefore I'd prefer to limit my communications with people. Do you know what Hein wants to tell me? Better if you just tell me. As I said, sending me a Summons is not a good idea. You're putting yourself in jeopardy.
Also i'm dealing with my 88 year old mother-in-law who is in the hospital after breaking her hip. So that has been occupying my mind, and my time, for the last two weeks.
I totally understand that you're preoccupied and worried. Precisely the reason I'm trying to use professionals like Hein to mitigate your, and my, risk.


4:03
R
Romolo - Private
I just read your latest email. I would prefer to do a call separately.
NP - when's good for you?
Please be careful about who you disclose info to. Although I don't see a problem with Jim, putting in writing about the reopening of an old complaint against you may get me in trouble. I'm getting paranoid because you never really know someone's true agenda or motives.
For example and strictly hypothetical, one of Hein's partners worked in my Division as a litigator. I can see them telling someone at the BCSC about me and you to secure favourable treaty down the road for a matter that they may have with the BCSC.
+


4:08
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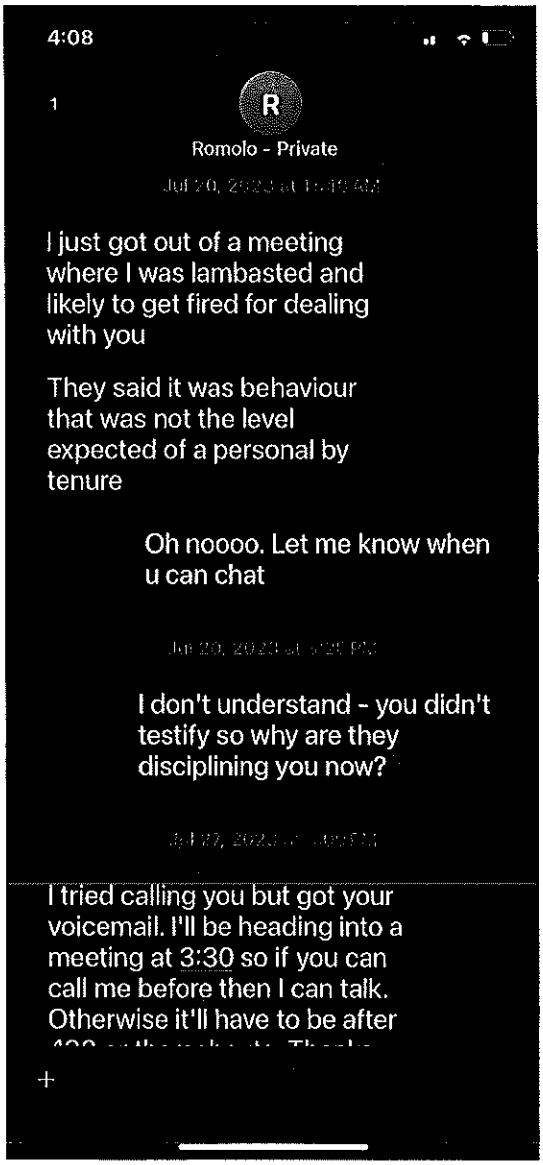
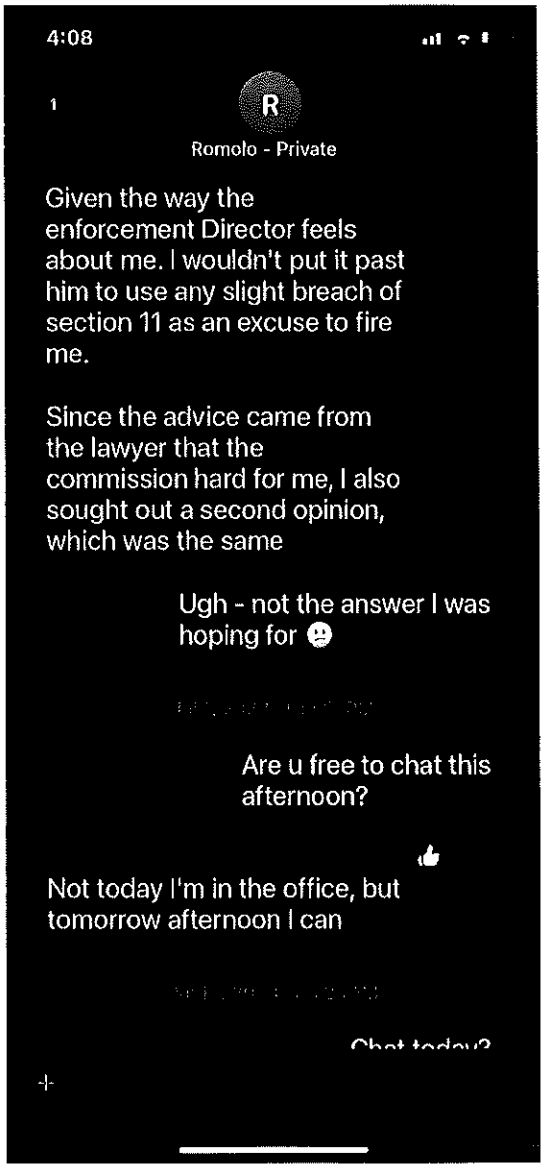
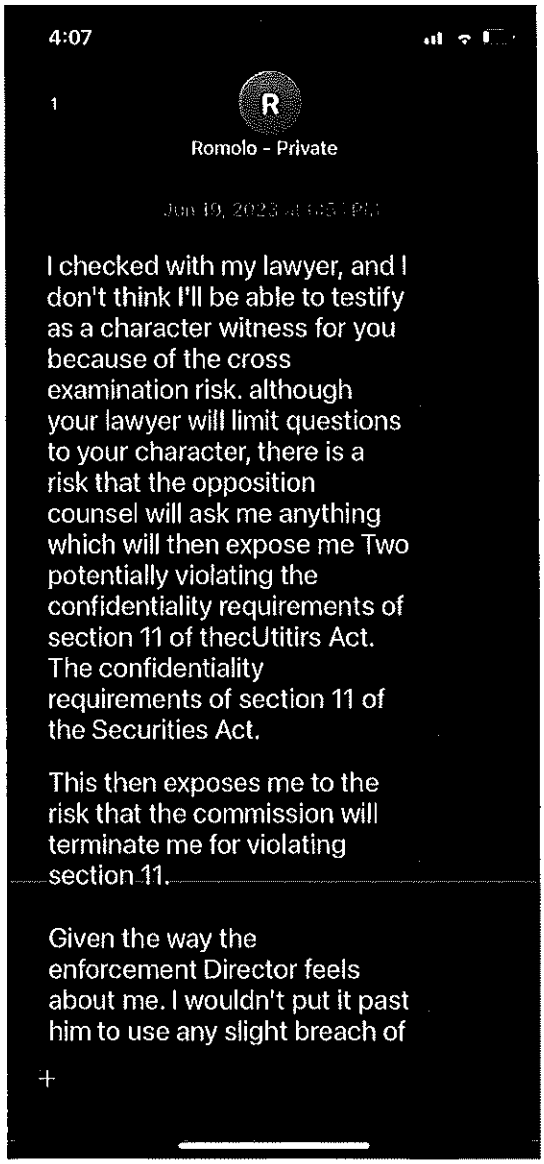
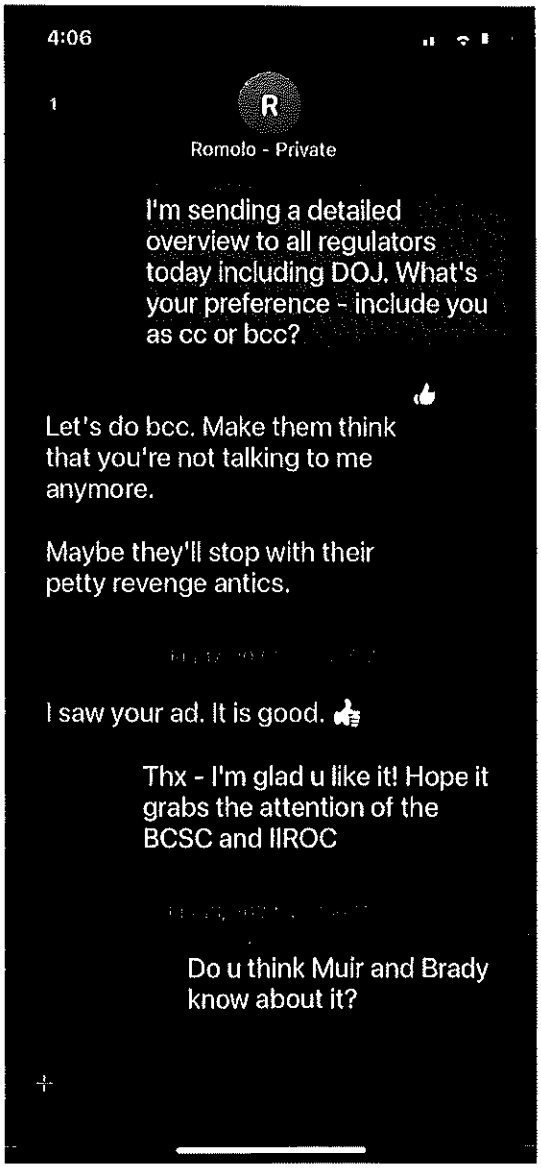
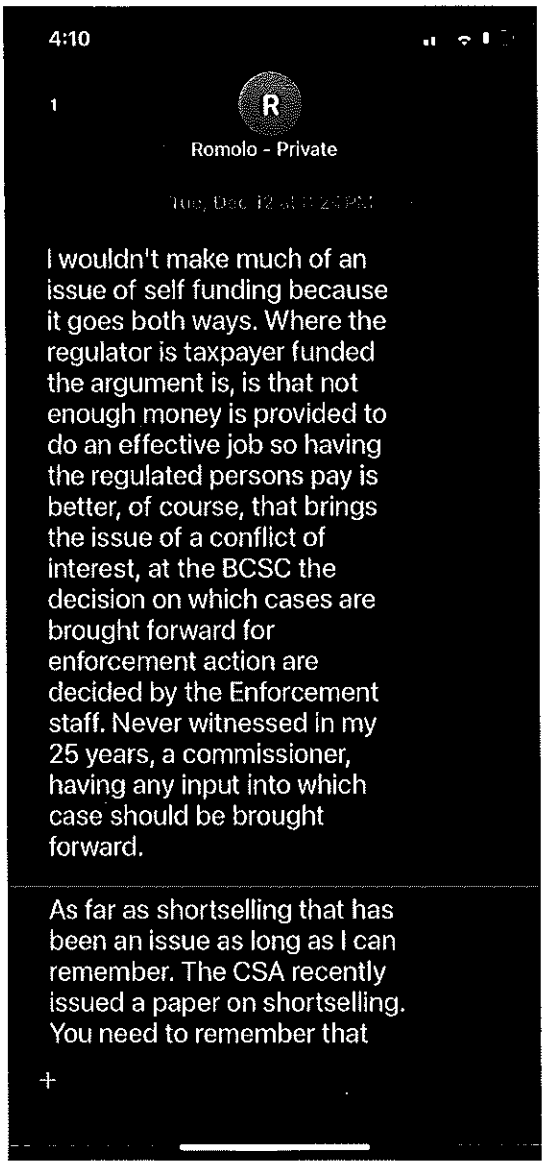
R
Romolo - Private
I'll let you know because I'm finishing up my reply to the commissions warning letter to me that they want me to hand in by the end of today
When's a good time for u today? I'm wide open
2pm
Call me when convenient ;)
Aside from Scorpio, where

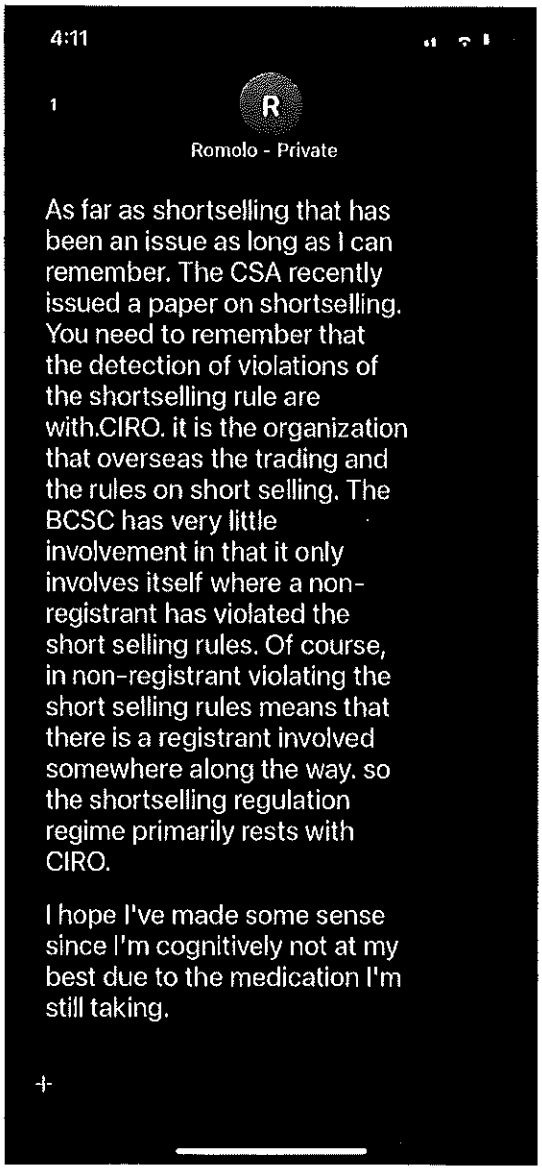

4:08
1
R
Romolo - Private
I just got out of a meeting where I was lambasted and likely to get fired for dealing with you
They said it was behaviour that was not the level expected of a personal by tenure
Oh noooo. Let me know when u can chat
I don't understand - you didn't testify so why are they disciplining you now?
I tried calling you but got your voicemail. I'll be heading into a meeting at 3:30 so if you can call me before then I can talk. Otherwise it'll have to be after

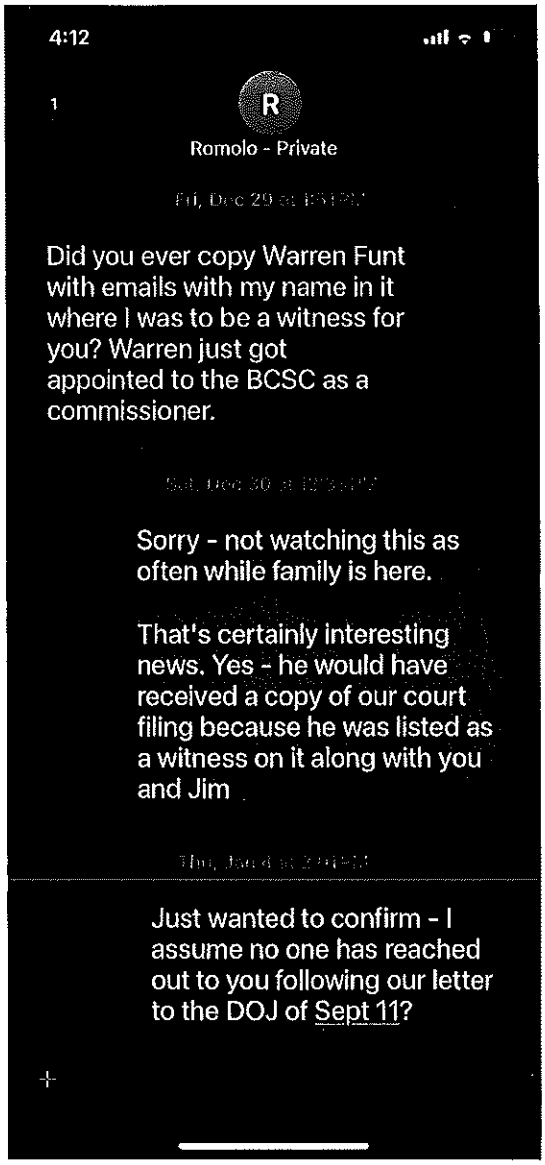

4:08
1
R
Romolo - Private
Given the way the enforcement Director feels about me. I wouldn't put it past him to use any slight breach of section 11 as an excuse to fire me.
Since the advice came from the lawyer that the commission hard for me, I also sought out a second opinion, which was the same
Ugh - not the answer I was hoping for
Are u free to chat this afternoon?
Not today I'm in the office, but tomorrow afternoon I can


4:07
1
R
Romolo - Private
I checked with my lawyer, and I don't think I'll be able to testify as a character witness for you because of the cross examination risk. although your lawyer will limit questions to your character, there is a risk that the opposition counsel will ask me anything which will then expose me Two potentially violating the confidentiality requirements of section 11 of thecUtitirs Act. The confidentiality requirements of section 11 of the Securities Act.
This then exposes me to the risk that the commission will terminate me for violating section 11.
Given the way the enforcement Director feels about me. I wouldn't put it past him to use any slight breach of


4:06
1
R
Romolo - Private
I'm sending a detailed overview to all regulators today including DOJ. What's your preference - include you as cc or bcc?
Let's do bcc. Make them think that you're not talking to me anymore.
Maybe they'll stop with their petty revenge antics.
I saw your ad. It is good.
Thx - I'm glad u like it! Hope it grabs the attention of the BCSC and IIROC
Do u think Muir and Brady know about it?


4:10
1
R
Romolo - Private
I wouldn't make much of an issue of self funding because it goes both ways. Where the regulator is taxpayer funded the argument is, is that not enough money is provided to do an effective job so having the regulated persons pay is better, of course, that brings the issue of a conflict of interest, at the BCSC the decision on which cases are brought forward for enforcement action are decided by the Enforcement staff. Never witnessed in my 25 years, a commissioner, having any input into which case should be brought forward.
As far as shortselling that has been an issue as long as I can remember. The CSA recently issued a paper on shortselling. You need to remember that


4:11
1
R
Romolo - Private
As far as shortselling that has been an issue as long as I can remember. The CSA recently issued a paper on shortselling. You need to remember that the detection of violations of the shortselling rule are with.CIRO. it is the organization that overseas the trading and the rules on short selling. The BCSC has very little involvement in that it only involves itself where a non-registrant has violated the short selling rules. Of course, in non-registrant violating the short selling rules means that there is a registrant involved somewhere along the way. so the shortselling regulation regime primarily rests with CIRO.
I hope I've made some sense since I'm cognitively not at my best due to the medication I'm still taking.


4:12
1
R
Romolo - Private
Fri, Dec 29 at 8:51 PM
Did you ever copy Warren Funt with emails with my name in it where I was to be a witness for you? Warren just got appointed to the BCSC as a commissioner.
Sat, Dec 30 at 12:54 PM
Sorry - not watching this as often while family is here.
That's certainly interesting news. Yes - he would have received a copy of our court filing because he was listed as a witness on it along with you and Jim
Thu, Jan 4 at 2:41 PM
Just wanted to confirm - I assume no one has reached out to you following our letter to the DOJ of Sept 11?