Amended pursuant to the Order of the Hon. Madam Justice Wilkinson made on November 10, 2025

No. S-197731
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

Between

MICHAEL TIETZ, DUANE LOEWEN, ROBIN LEE, MIKE DOTTO, GRANT GREENWOOD, MALCOLM RUNKEE, AMERICO MORLANI, GREG LOMNES AND STACEY DIONNE

PLAINTIFFS

and

~~LUKOR CAPITAL CORP., JUSTIN EDGAR LIU,~~ ROCKSHORE ADVISORS LTD. (FORMERLY KNOWN AS CAM PADDOCK ENTERPRISES INC.), CAMERON ROBERT PADDOCK, SIMRAN SINGH GILL, JCN CAPITAL CORP., JOHN BEVILACQUA, ESSOS CORPORATE SERVICES INC., SWAY CAPITAL CORP., VON ROWELL TORRES, DETONA CAPITAL CORP., DANILEN VILLANUEVA, NATASHA JON EMAMI, ~~PLATINUM CAPITAL CORP., 658111 B.C. LTD., JASON CHRISTOPHER SHULL, TAVISTOCK CAPITAL CORP., ROBERT JOHN LAWRENCE,~~ JARMAN CAPITAL INC., SCOTT JASON JARMAN, NORTHWEST MARKETING AND MANAGEMENT INC., RUFIZA ESMAIL, DENISE TRAINOR, ALY BABU MAWJI, ESCHER INVEST SA, HUNTON ADVISORY LTD., RANDY WHITE, KENDL CAPITAL LIMITED, 1153307 B.C. LTD., RUSSELL GRANT VAN SKIVER, BERTHO HOLDINGS LTD., ROBERT WILLIAM BOSWELL, HAIGHT-ASHBURY MEDIA CONSULTANTS LTD., ASHKAN SHAHROKHI, KEIR PAUL MACPHERSON, 727 CAPITAL, DAVID RAYMOND DUGGAN, VIRAL STOCKS INC., 10X CAPITAL, CRYPTOBLOC TECHNOLOGIES CORP., NEIL WILLIAM STEVENSON-MOORE, KENNETH CLIFFORD PHILLIPPE, BRIAN BILES, GREEN 2 BLUE ENERGY CORP., SLAWOMIR SMULEWICZ, MICHAEL YOUNG, GLENN LITTLE, CITATION GROWTH CORP. (FORMERLY KNOWN AS LIHT CANNABIS CORP. AND MARAPHARM VENTURES INC.), DAVID ALEXANDER, ~~YARI ALEXANDER NIEKEN~~, BLOK TECHNOLOGIES INC., ROBERT DAWSON, JAMES HYLAND, SPEAKEASY CANNABIS CLUB LTD., MARC GEEN, MERVYN GEEN, JEREMY ROSS, ALEXANDER KAULINS, KOPR POINT VENTURES INC. (FORMERLY KNOWN AS NEW POINT EXPLORATION CORP.), BRYN GARDENER-EVANS, INTERNATIONAL CANYON HOLDINGS LTD., JATINDER SINGH BAL, ASAHI CAPITAL CORP., WILSON SU, 1053345 B.C. LTD., ROBERT ABENANTE, ~~ASIATIC MANAGEMENT CONSULTANTS LTD. (NEV.), ASIATIC MANAGEMENT CONSULTANTS LTD. (B.C.)~~, 1140258 B.C. LTD., ARLENE VICTORIA ALEXANDER, ~~1113300 B.C. LTD.~~, ~~DAVID GREENWAY~~, 1002349 B.C. LTD., HANSPAUL PANNU, SAMAN ESKARANDI, GRANT FARKES, AMBER PAPOU, AIDA REED, ISODORO ALONSO, ~~TIFFANY SWEENEY, ROBERT BARBER, RESEARCH CAPITAL CORPORATION~~, DAVID MATTHEW SCHMIDT, PRENTICE VENTURES INC., DALE PRENTICE, AND KAITLYN HILL.

DEFENDANTS

Brought under the *Class Proceedings Act*, R.S.B.C. 1996, c. 50

THIRD FURTHER AMENDED NOTICE OF CIVIL CLAIM
(Original Filed on July 11, 2019)

This action has been started by the plaintiffs for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

(a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
(b) serve a copy of the filed response to civil claim on the plaintiffs.

If you intend to make a counterclaim, you or your lawyer must

(a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
(b) serve a copy of the filed response to civil claim and counterclaim on the plaintiffs and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

Time for response to civil claim

A response to civil claim must be filed and served on the plaintiffs,

(a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,
(b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,
(c) if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or
(d) if the time for response to civil claim has been set by order of the court, within that time.

CLAIM OF THE PLAINTIFFS

Part 1: STATEMENT OF FACTS

1. The Plaintiff, Michael Tietz ("Plaintiff Tietz"), is a resident of Saskatchewan and in June 2018, acquired shares in the Defendant, Cryptobloc Technologies Corp., subsequently known as Global Elsimate Capital Corp, then Extreme Battery Technology Corp, and then Cryptoblox Technologies Inc, ("Cryptobloc").

2. The Plaintiff, Duane Loewen ("Plaintiff Loewen"), is a resident of British Columbia, and in August 2018, acquired shares in the Defendant, KOPR Point Ventures Inc. then known as New Point Exploration Inc, and subsequently known as Bam Bam Resources Corp. and then Majuba Hill Copper Corp. and now Giant Mining Corp. ("New Point").

2A. The Plaintiff, Robin Lee ("Plaintiff Lee"), is a resident of Hawaii, USA, and acquired shares in the Defendant, Kootenay Zinc Corp. ("Kootenay Corp."), in February and April 2018.

2B. The Plaintiff, Mike Dotto ("Plaintiff Dotto"), is a resident of British Columbia and acquired shares in the Defendant, Affinor Growers Inc. ("Affinor Inc."), between March and November 2018.

2C. The Plaintiff, Grant Greenwood ("Plaintiff Greenwood"), is a resident of Saskatchewan and acquired shares in the Defendant, BLOK Technologies Inc. ("BLOK"), in August 2018.

2D. The Plaintiff, Malcolm Runkee ("Plaintiff Runkee"), is a resident of Quebec and acquired shares in the Defendant, Green 2 Blue Energy Corp, subsequently known as G2 Technologies Corp, and then G2 Energy Corp, ("Green Corp."), in April 2018.

2E. The Plaintiff, Americo Morlani ("Plaintiff Morlani"), is a resident of Ontario and acquired shares in Beleave Inc. ("Beleave"), between September and October 2018.

2F. The Plaintiff, Greg Lomnes ("Plaintiff Lomnes"), is a resident of British Columbia and in May and July 2018, acquired shares in the Defendant, , then known as Marapharm Ventures Inc, and subsequently known as Liht Cannabis Corp and now known as Fiore Cannabis Ltd ("Marapharm").

2G. The Plaintiff, Stacy Dionne ("Plaintiff Dionne"), is a resident of New Brunswick and acquired shares in PreveCeutical Medical Inc. ("PreveCeutical"), between September and October 2018.

3. This action concerns the acquisition of shares by certain of the Defendants, referred to below as the "Purported Consultants", in Cryptobloc, New Point, Kootenay Corp., Affinor Inc., Green Corp., Beleave, Marapharm, BLOK, PreveCeutical and the Defendant, Speakeasy Cannabis Club Ltd. ("Speakeasy Ltd."), referred to collectively below as the "Issuers", which shares were acquired in 2018 through false pretence and by deception upon the capital markets, resulting in loss and damage to the Plaintiffs and others like them who acquired shares in the Issuers subsequent to the deception.

The Purported Consultants

4. BridgeMark Financial Corp. ("BridgeMark Corp."), is a British Columbia company incorporated on September 16, 2009.

5. Jackson & Company Professional Corp. ("Jackson & Company"), is a British Columbia company incorporated on June 27, 2012.

6. Anthony Jackson ("Jackson"), is a resident of Vancouver, British Columbia, and is the sole director of both BridgeMark Corp. and Jackson & Company.

7. Jackson also was the Chief Financial Officer and a director of the Defendant, Kootenay Corp., throughout 2018, and was also the Chief Financial Officer and a director of the Defendant, Speakeasy Ltd., throughout 2018 until September 10, 2018.

8. The Defendant, Lukor Capital Corp. ("Lukor Corp."), was a British Columbia company incorporated on May 23, 2014 and then dissolved for failing to file on April 25, 2017, and

~~had a registered and records office at #704 – 595 Howe Street, Vancouver, British Columbia.~~

9. ~~The Defendant,~~ Justin Edgar Liu ("Liu"), is a resident of West Vancouver, British Columbia. Liu was a director of Lukor Corp~~. with an address for delivery at 1066 Groveland Road, West Vancouver, British Columbia~~, and after Lukor Corp. was dissolved, carried on business in his personal capacity as Lukor Corp.

10. The Defendant, Rockshore Advisors Ltd. ("Paddock Inc."), was formerly known as Cam Paddock Enterprises Inc. and changed its name to Rockshore Advisors Ltd. on August 8, 2018. Paddock Inc.~~.~~ is a British Columbia company incorporated on November 9, 2017 and has a registered and records office at 1053 Calverhall Street, North Vancouver, British Columbia.

11. The Defendant, Cameron Robert Paddock ("Paddock"), is a resident of North Vancouver, British Columbia, and is the sole director of Paddock Inc., with an address for delivery at 1053 Calverhall Street, North Vancouver, British Columbia. Paddock is a self-employed consultant with an office listed at #800 – 1199 West Hastings Street, Vancouver, British Columbia.

12. Paddock also was a director of the Defendant, Cryptobloc, from July 3, 2018 to November 22, 2018.

13. [Paragraph intentionally left blank]

14. The Defendant, Simran Singh Gill ("Gill"), is a resident of Burnaby, British Columbia. Gill is the sole director of a company called BridgeMark Management Ltd., which has a registered and records office at #800 – 1199 West Hastings Street, Vancouver, British Columbia. Gill is employed by BridgeMark Corp.

15. The Defendant, JCN Capital Corp. ("JCN Corp."), is a British Columbia company incorporated on February 20, 2018 and has a registered and records office at #800 - 1199 West Hastings Street, Vancouver, British Columbia.

16. The Defendant, John Bevilacqua ("Bevilacqua"), is a resident of Vancouver, British Columbia and is the sole director of JCN Corp., with an address for delivery at #800 – 1199 West Hastings Street, Vancouver, British Columbia.

17. The Defendant, Essos Corporate Services Inc. ("Essos Inc."), is a British Columbia company incorporated on November 9, 2017 and has a registered and records office at 1021 West Hastings Street, 9th Floor, Vancouver, British Columbia.

18. The Defendant, Sway Capital Corp. ("Sway Corp."), is a British Columbia company incorporated on December 21, 2015 and has a registered and records office at #800 - 1199 West Hastings Street, Vancouver, British Columbia.

19. The Defendant, Von Rowell Torres ("Torres"), is a resident of Vancouver, British Columbia and is the sole director of Essos Inc. and was, at all material times, the sole director of Sway Corp., with an address for delivery for both at #800 – 1199 West Hastings Street, Vancouver, British Columbia.

20. [Paragraph 20 intentionally left blank].

20A The Defendant, David Matthew Schmidt ("Schmidt"), is a resident of British Columbia and is, and was at all material times, the sole shareholder of Sway Corp and, since January 23, 2019, has been its sole officer and director, with an address for delivery at 13240 17A Avenue, Surrey, British Columbia. In serving as a director of Sway, Torres acted under the direction of Schmidt, who was at all material times in effective control of Sway.

21. The Defendant, Detona Capital Corp. ("Detona Corp."), is a British Columbia company incorporated on November 10, 2017 and has a registered and records office at Suite 170, 422 Richards Street, Vancouver, British Columbia.

22. The Defendant, Danilen Villanueva ("Villanueva"), is a resident of British Columbia and the sole director, president and beneficial owner of Detona Corp., with an address for delivery at #800 – 1199 West Hastings Street, Vancouver, British Columbia.

23. The Defendant, Natasha Jon Emami ("Emami"), is a resident of North Vancouver, British Columbia. Emami is employed by Jackson & Company.

24. Altitude Marketing Corp. ("Altitude Corp."), is a British Columbia company incorporated on April 24, 2017

25. [Paragraph 25 intentionally left blank]

26. The Defendant, Platinum Capital Corp. ("Platinum Corp."), was created on October 1, 2014 as a result of an amalgamation between 0709845 B.C. Ltd. and Platinum Corp. and has a registered and records office at #101 – 123 Martin Street, Penticton, British Columbia.

27. The Defendant, 658111 B.C. Ltd. ("658111 Ltd."), is a British Columbia company incorporated on November 6, 2002 and has a registered and records address at #101 – 123 Martin Street, Penticton, British Columbia.

28. The Defendant, Jason Christopher Shull ("Shull"), is a resident of West Vancouver, British Columbia and is the sole director of Platinum Corp. and 658111 Ltd., with an address for delivery at 3601 Mathers Avenue, West Vancouver, British Columbia. [Paragraph 28 intentionally left blank]

29. Tryton Financial Corp. ("Tryton Corp."), is a British Columbia company incorporated on June 11, 2009.

30. [Paragraph 30 intentionally left blank]

31. The Defendant, Tavistock Capital Corp. ("Tavistock Corp."), is a British Columbia company incorporated on October 8, 2013

32. The Defendant, Robert John Lawrence ("Lawrence"), is a resident of Vancouver, British Columbia and is the sole director of Tavistock Corp., with an address for delivery at #2301 – 1188 West Pender Street, Vancouver, British Columbia. [Paragraph 32 intentionally left blank]

33. The Defendant, Jarman Capital Inc. ("Jarman Inc."), is a British Columbia company incorporated on January 24, 2018 and has a registered and records office at #700 – 1199 West Hastings, Vancouver, British Columbia.

34. The Defendant, Scott Jason Jarman ("Jarman"), is a resident of Vancouver, British Columbia and is the sole director of Jarman Inc., with an address for delivery at #4204 – 1011 West Cordova Street, Vancouver, British Columbia.

35. The Defendant, Northwest Marketing and Management Inc. ("Northwest Inc."), is a British Columbia company incorporated on August 7, 2015 and has a registered and records office at #409 – 221 West Esplanade, North Vancouver, British Columbia.

36. The Defendant, Rufiza Esmail ("Esmail"), is a resident of Coquitlam, British Columbia and was the sole director of Northwest Inc. from February 20, 2018, with an address for delivery at 624 Chapman Avenue, Coquitlam, British Columbia.

37. The Defendant, Denise Trainor ("Trainor"), is a resident of West Vancouver, British Columbia and is the President and Chief Executive Officer of Northwest Inc., and was a director of Northwest Inc. until February 20, 2018, with an address for delivery at 950 3rd Street, West Vancouver, British Columbia.

38. The Defendant, Aly Babu Mawji ("Mawji"), is a resident of Coquitlam, British Columbia and is Esmail's brother and Trainor's husband. Mawji manages and controls Northwest Inc., and effectively acts as an officer of Northwest Inc.

39. The Defendant, Escher Invest SA~~'s~~ ("Escher SA"), is a company having an office at Falkenstrasse 28, Zurich, Switzerland, 8008.

40. The Defendant, Hunton Advisory Ltd. ("Hunton Ltd."), was incorporated in the Republic of the Marshall Islands on January 19, 2015.

41. The Defendant, Randy White ("White"), resides in the Czech Republic and is a director and beneficial owner of both Escher SA and Hunton Ltd.

42. The Defendant, Kendl Capital Limited ("Kendl Ltd."), was, at all material times, a Hong Kong incorporated company and having an office at 1104 Crawford House, 70 Queen's Road, Central, Hong Kong. The Defendant, White, was the sole director of Kendl Ltd.

43. The Defendant, 1153307 B.C. Ltd. ("1153307 Ltd."), is a British Columbia company incorporated on February 19, 2018 and has a registered and records office at 209 West Keith Road, North Vancouver, British Columbia.

44. The Defendant, Russell Grant Van Skiver ("Van Skiver"), is a resident of North Vancouver, British Columbia and is the sole director of 1153307 Ltd., with an address for delivery at 209 West Keith Road, North Vancouver, British Columbia.

45. The Defendant, Bertho Holdings Ltd. ("Bertho Ltd."), is a British Columbia company incorporated on September 14, 2011 and has a registered and records office at #350 – 1111 Melville Street, Vancouver, British Columbia.

46. The Defendant, Robert William Boswell ("Boswell"), is a resident of Vancouver, British Columbia and is the sole director and officer of Bertho Ltd., with an address for delivery at #3004 – 1077 Cordova Street, Vancouver, British Columbia.

47. The Defendant, Haight-Ashbury Media Consultants Ltd. ("Haight-Ashbury Ltd."), is a British Columbia company incorporated on September 6, 2017 and has a registered and records office at #620 – 1033 Davie Street, Vancouver, British Columbia.

48. The Defendant, Ashkan Shahrokhi ("Shahrokhi"), is a resident of Richmond, British Columbia and is the sole director of Haight-Ashbury Ltd., with an address for delivery at #201 – 5631 No. 3 Road, Richmond, British Columbia.

49. Saiya Capital Corporation ("Saiya Corp."), is a British Columbia company incorporated on April 13, 2018.

50. [Paragraph 50 intentionally left blank]

51. The Defendant, Keir Paul MacPherson ("MacPherson"), is a resident of Sechelt, British Columbia.

52. Tollstam & Company Chartered Accountants ("Tollstam & Company"), is a sole proprietorship registered on October 24, 2011.

53. Albert Kenneth Tollstam ("Tollstam"), is a resident of North Vancouver, British Columbia and is the sole proprietor of Tollstam & Company,

54. The Defendant, 727 Capital became registered in the Cayman Islands on September 30, 2016.

55. The Defendant, David Raymond Duggan ("Duggan"), is a resident of North Vancouver, British Columbia and is an officer of 727 Capital.

56. The Defendant, Viral Stocks Inc. ("Viral Inc.") became registered in the Cayman Islands on September 30, 2016.

57. The Defendant, 10X Capital became registered in the Cayman Islands on September 30, 2016.

57A. The Defendant, International Canyon Holding Ltd ("International Canyon"), is a British Columbia company incorporated on March 18, 2015, and has a registered and records office at 11084 Upper Canyon Road, Delta, British Columbia.

57B. The Defendant, Jatinder Singh Bal ("Bal"), is a resident of Delta, British Columbia, and is the sole officer and director of International Canyon with an address for delivery at 11084 Upper Canyon Road, Delta, British Columbia.

57C. The Defendant, Asahi Capital Corp ("Asahi Corp"), is a British Columbia Company that was incorporated on June 05, 2018, and has a registered and records office at 8270 Lakeland Drive, Burnaby, British Columbia

57D. The Defendant, Wilson Su ("Su"), is a resident of Burnaby, British Columbia and is the sole officer and director of Asahi Corp with an address for delivery at 8270 Lakeland Drive, Burnaby, British Columbia. Su has also been the Chief Financial Officer and a director of BLOK since October 31, 2019.

57E. The Defendant, 1053345 B.C. Ltd ("1053345 Ltd"), is a British Columbia company incorporated on October 26, 2015, and has an address for delivery at P.O. Box 10045, 700 West Georgia St., Vancouver, British Columbia.

57F. The Defendant, Robert Abenante ("Abenante"), is a resident of Port Coquitlam, British Columbia, and is the sole officer and director of 1053345 Ltd with an address for delivery at 2615 Pioneer Way, Port Coquitlam, British Columbia.

57G. ~~The Defendant~~ Asiatic Management Consultants Ltd (Nev.) ("Asiatic Nev.") is a Nevada company incorporated on March 25, 2015~~, and was registered extra-provincially in British Columbia, with an address for delivery at #805-1288 Alberni Street, Vancouver, British Columbia~~.

57H. ~~The Defendant~~ Asiatic Management Consultants Ltd (B.C.) ("Asiatic B.C.") is a British Columbia company that was incorporated on October 11, 2021~~, and has registered and records office at #805-1288 Alberni Street, the same address as the address for delivery for Asiatic Nev.~~

57I. Asiatic B.C. is the successor company to Asiatic Nev. ~~Both companies are owned and controlled by Liu, who is the sole officer and director of Asiatic Nev~~.

57J. The Defendant, 1140258 B.C. Ltd ("1140258 Ltd"), is a British Columbia company incorporated on November 5, 2017, and has a registered and records office at Unit #38, 1001 Northlands Drive, North Vancouver, British Columbia.

57K. The Defendant, Arlene Victoria Alexander ("A. Alexander"), is a resident of North Vancouver and is the sole officer and director of 1140258 Ltd, and has an address for delivery at Unit #1, 550 Browning Place, North Vancouver, British Columbia.

57L. ~~The Defendant~~ 1113300 B.C. Ltd. ("1113300 Ltd.") is a British Columbia company incorporated on March 30, 2017 ~~and has a registered and records office at 201-3053 Edgemont Boulevard, North Vancouver, British Columbia~~.

57M. ~~The Defendant, David Greenway ("Greenway"), is an officer and director of 1113300 Ltd., and has been since its incorporation, and has an address for delivery at 758 Tudor Avenue, North Vancouver, British Columbia~~ [Paragraph 57M – O intentionally left blank]

57N. ~~The Defendant Yari Alexander Nieken ("Nieken") is an officer and director of 1113300 Ltd., and has been since its incorporation, and has an address for delivery at 2141 Grand~~

~~Boulevard, North Vancouver, British Columbia. Nieken and Greenway own and control 1113300 Ltd.~~

~~57O. Nieken also was a director of the Defendant Marapharm through 2018 until July 31, 2018 and was a director of the Defendant BLOK from September 17, 2018, and also served as its Chief Financial Officer from December 13, 2018, until October 31, 2019.~~

57P. The Defendant 1002349 B.C. Ltd ("1002349") is a British Columbia company incorporated on May 14, 2014 and has an address for delivery at 2307-999 Seymour Street, Vancouver, British Columbia.

57Q. The Defendant Hanspaul Pannu is the sole officer and director of 1002349, and has the same address for delivery as 1002349. Pannu was also the Chief Financial Officer of the Defendant Marapharm from March 5, 2018, until April 2019.

57R. The Defendants Saman Eskarandi ("Eskarandi"), Grant Farkes ("Farkes"), Amber Papou ("Papou"), Aida Reed ("Reed") and Isodoro Alonso ("Alonso") are all residents of the Greater Vancouver area in British Columbia, whose addresses are unknown to the Plaintiffs.

57S. The Defendant, Prentice Ventures Inc. ("Prentice Ventures") is a British Columbia company incorporated on March 12, 2013 and has a registered and records office address at 67 East 5th Avenue, Vancouver, British Columbia.

57T. The Defendant Dale Prentice ("Prentice") is a resident of Vancouver is the sole director and officer of Prentice Ventures, with an address at 103 – 1221 Homer Street, Vancouver, British Columbia and at 515 – 1489 Marine Drive, Vancouver, British Columbia.

57U. The Defendant Kaitlyn Hill ("Hill") is a resident of Nanaimo, British Columbia.

58. BridgeMark Corp., Jackson & Company, Jackson, Lukor Corp., Liu, Paddock Inc., Paddock, Gill, JCN Corp., Essos Inc., Sway Corp., Detona Corp., Villanueva, Emami, Altitude Corp., Platinum Corp., 658111 Ltd., Tryton Corp., Tavistock Corp., Jarman Inc., Northwest Inc., Escher SA, Hunton Ltd., Kendl Ltd., 1153307 Ltd., Bertho Ltd., Haight-Ashbury Ltd., Saiya Corp., MacPherson, Tollstam & Company, Tollstam, 727 Capital,

Viral Inc., 10X Capital, International Canyon, Asahi Corp, 1053345 Ltd, Asiatic Nev., 1140258 Ltd, 1113300 Ltd., 1002349 Ltd., Eskarandi, Farkes, Papou, Reed, ~~and~~ Alonso, Prentice Ventures, and Hill shall be referred to collectively as the "Purported Consultants".

58A. The term "Defendant Purported Consultants" refers to those Purported Consultants who are currently named as Defendants in this action, and for greater clarity, does not include BridgeMark Corp., Jackson & Company, Jackson, Lukor Corp., Liu, Altitude Corp., Tryton Corp., Platinum Corp., 658111 Ltd, Tavistock Corp, Saiya Corp., Tollstam & Company ~~and~~ Tollstam, Asiatic Nev., and 1113300 Ltd.

59. ~~Liu,~~ Paddock, Bevilacqua, Torres, Schmidt, Villanueva, ~~Shull~~, ~~Lawrence~~, Jarman, Esmail, Trainor, Mawji, White, Van Skiver, Boswell, Shahrokhi, Duggan, Bal, Su, Abenante, A. Alexander, ~~Greenway, Nieken~~, Pannu, and Prentice shall be referred to collectively as the "Purported Consultant Officers and Directors".

The Issuers

60. The Defendant, Cryptobloc, has a registered office at #400-725 Granville Street, Vancouver, British Columbia and was incorporated in British Columbia on January 16, 2015. On January 31, 2020, Cryptobloc changed its name to Global Elsimate Capital Corp, and changed its name again on September 23, 2030 to Extreme Vehicle Battery Technologies Corp, and again on March 4, 2022 to Cryptoblox Technologies Inc. Cryptobloc is a reporting issuer in British Columbia and is listed on the Canadian Stock Exchange ("CSE"), the Frankfurt Stock Exchange ("FSE") and quoted on the OTC Markets Group ("OTC") in the United States.

61. The Defendant, Neil William Stevenson-Moore ("Stevenson-Moore"), is a resident of North Vancouver, British Columbia and was the Chief Executive Officer of Cryptobloc throughout 2018 until June 28, 2018, with an address for delivery at 1152 Hilary Place, North Vancouver, British Columbia.

62. The Defendant, Kenneth Clifford Phillippe ("Phillippe"), is a resident of West Vancouver, British Columbia and was the Chief Financial Officer and a director of Cryptobloc

throughout 2018 until July 4, 2018, with an address for delivery at 4564 Woodgreen Drive, West Vancouver, British Columbia.

63. The Defendant, Brian Biles ("Biles"), is a resident of Vancouver, British Columbia and was a director of Cryptobloc throughout 2018 until November 22, 2018, with an address for delivery at Suite 1204-1228 West Hastings Street, Vancouver, British Columbia.

64. The Defendant, New Point changed its name to KOPR Point Ventures Inc. on February 20, 2019 and changed its name again to Bam Bam Resources Ltd. effective December 5, 2019, and again on May 27, 2022 to Majuba Hill Copper Corp. and again on April 4, 2024 to Giant Mining Corp. New Point has a registered office at 1055 West Georgia Street, 1500 Royal Centre, Vancouver, British Columbia and was incorporated in British Columbia on March 10, 2017. New Point is a reporting issuer in British Columbia and is listed on the CSE, the FSE and quoted on the OTC.

65. The Defendant, Bryn Gardener-Evans ("Gardener-Evans"), is a resident of Calgary, British Columbia and was, at all material times in 2018, the Chief Executive Officer and a director of New Point, with an address for delivery at 78 Tuscany Glen Way NW, Calgary, Alberta.

66. Kootenay Corp was incorporated on March 23, 2015. As a result of a business combination, Kootenay Corp became Peakbirch Logic Inc. on September 8, 2020, and changed its name to Peakbirch Commerce Inc. on February 22, 2022. Kootenay Corp. is a reporting issuer in British Columbia and is listed on the CSE, the FSE and quoted on the OTC.

67. [Paragraph 67 intentionally left blank]

68. Affinor Inc. was incorporated federally on August 27, 1996 and was continued into British Columbia on February 1, 2016. Affinor Inc. is a reporting issuer in British Columbia and is listed on the CSE, the FSE and quoted on the OTC.

69. [Paragraph 69 to 70 intentionally left blank]

70.

71. The Defendant, Green Corp., has a registered office at Suite 1080, 789 West Pender Street, Vancouver, British Columbia and was amalgamated on March 3, 2017, pursuant to the *Business Corporations Act* of British Columbia. Green Corp. changed its name to G2 Technologies Corp. effective October 26, 2020 and then to G2 Energy Corp. on June 10, 2022. Green Corp. is a reporting issuer in British Columbia and is listed on the CSE, the FSE and quoted on the OTC.

72. The Defendant, Slawomir Smulewicz ("Smulewicz"), is a resident of Vancouver, British Columbia and was, at all material times in 2018, the Chief Executive Officer of Green Corp., with an address for delivery at #1518 – 800 West Pender Street, Vancouver, British Columbia.

73. The Defendant, Michael Young ("Young"), is a resident of Vancouver, British Columbia and was the Chief Financial Officer and a director of Green Corp. throughout 2018 until December 19, 2018, with an address for delivery at #1518-800 West Pender Street, Vancouver, British Columbia.

74. The Defendant, Glenn Little ("Little"), is a resident of Vancouver, British Columbia and was a director of Green Corp. throughout 2018 until December 19, 2018, with an address for delivery at 6907 208A Street, Langley, British Columbia.

75. Beleave was amalgamated on May 26, 2000 pursuant to the provisions of the *Business Corporations Act* of Ontario. Beleave was a reporting issuer in British Columbia and was listed on the CSE and quoted on the OTC. Beleave obtained creditor protection under the *Companies' Creditors Arrangement Act* on June 5, 2020 and was subsequently assigned into bankruptcy in January 2021.

76. [Paragraph 76 to 77 intentionally left blank]

77.

78. The Defendant, Marapharm, changed its name to Liht Cannabis Corp. on October 24, 2018 and then changed its name from Liht Cannabis Corp. to Citation Growth Corp. on June 10, 2019, and then changed its name again to Fiore Cannabis Ltd. effective November 10,

2020. Marapharm has a registered office at 2300 Bentall 5, 550 Burrard Street, British Columbia and was incorporated on April 24, 2007. Marapharm is a reporting issuer in British Columbia and is listed on the CSE, the FSE, and quoted on the OTC.

79. [Paragraph 79 intentionally left blank]

80. The Defendant, David Alexander ("D. Alexander"), is a resident of North Vancouver, British Columbia and was a director of Marapharm throughout 2018 until August 8, 2018, with an address for delivery at Unit #1, 550 Browning Place, North Vancouver, British Columbia.

81. D. Alexander also was the Chief Financial Officer of BLOK throughout 2018 until December 13, 2018, with the same address for delivery as paragraph 80 above. D. Alexander is also the spouse of A. Alexander.

82. [Paragraph 82 to 83 intentionally left blank]

83.

84. The Defendant, BLOK, has a registered office at #502 – 815 Hornby Street, Vancouver, British Columbia and was incorporated on September 19, 2013. BLOK is a reporting issuer in British Columbia and is listed on the CSE, the FSE and quoted on the OTC.

85. The Defendant, Robert Dawson ("Dawson"), is a resident of the greater Vancouver area, British Columbia and was, at all material times in 2018, the President and Chief Executive Officer of BLOK.

86. The Defendant, James Hyland ("Hyland"), is a resident of Vancouver, British Columbia and was, at all material times in 2018, a Vice-President and a director of BLOK with an address for delivery at Suite 2000 – 1177 West Hastings Street, Vancouver, British Columbia. Hyland also became a director of the Defendant, New Point, on August 8, 2018, with the same address for delivery, and then ceased to be a director on August 22, 2018.

87. PreveCeutical was amalgamated on July 31, 2017 pursuant to *Business Corporations Act* of British Columbia. PreveCeutical Inc. is a reporting issuer in British Columbia and is listed on the CSE, the FSE and quoted on the OTC.

88. [Paragraphs 88 to 92 intentionally left blank]

89.

90.

91.

92. [Paragraphs 88 to 92 intentionally left blank]

93. The Defendant, Speakeasy Ltd., has a registered office at #301-1665 Ellis Street, Kelowna, British Columbia, and was incorporated on March 26, 2010 in Ontario and continued into British Columbia on October 9, 2018. Speakeasy Ltd. is a reporting issuer in British Columbia and is listed on the CSE and the FSE.

94. The Defendant, Marc Geen, is resident of Rock Creek, British Columbia and was, at all material times in 2018, the Chief Executive Officer and a director of Speakeasy Ltd., with an address for delivery at 1515 Meyers Creek Road West, Rock Creek, British Columbia.

95. The Defendant, Mervyn Geen, is resident of Rock Creek, British Columbia and was, at all material times in 2018, a director of Speakeasy Ltd., with an address for delivery at 1515 Meyers Creek Road West, Rock Creek, British Columbia.

96. The Defendant, Jeremy Ross ("Ross"), is a resident of the greater Vancouver area, British Columbia and was, at all material times in 2018, a director of Speakeasy Ltd., with an address for delivery at #800 – 1199 West Hastings Street, Vancouver, British Columbia.

97. The Defendant, Alexander Kaulins ("Kaulins"), is a resident of the greater Vancouver area, British Columbia and was, at all material times in 2018, a director of Speakeasy Ltd., with an address for delivery at #800 – 1199 West Hastings Street, Vancouver, British Columbia.

98. Cryptobloc, New Point, Kootenay Corp., Affinor Inc., Green Corp., Beleave, Marapharm, BLOK, PreveCeutical, and Speakeasy Ltd. shall collectively be referred to as the "Issuers", and Cryptobloc, New Point, Green Corp, Marapharm, BLOK, and Speakeasy Ltd shall be collectively referred to as the "Defendant Issuers."

99. Stevenson-Moore, Phillippe, Biles, Gardener-Evans, Smulewicz, Young, Little, D. Alexander, ~~Nieken,~~ Dawson, Hyland, Marc Geen, Mervyn Geen, Ross, and Kaulins shall collectively be referred to as the "Issuer Officers and Directors".

~~**The Brokers**~~

~~99A. The Defendant, Tiffany Sweeney ("Sweeney"), is a stockbroker with the Defendant Research Capital Corporation, formerly known as Mackie Research Capital Corporation ("Research Capital"). She has an address for delivery care of Suite 1920, 1075 West Georgia Street, Vancouver, British Columbia. At all material times since March 9, 2018, Sweeney was a stockbroker and Registered Representative (as defined by the Canadian Investment Regulatory Organization or "CIRO") with Research Capital. At material times before March 9, 2018, she was a stockbroker and a Registered Representative with PI Financial Corp, now known as Ventum Financial Corp.~~

~~99B. The Defendant, Robert Barber ("Barber"), is a stockbroker with Research Capital. He has an address for delivery care of Suite 1920, 1075 West Georgia Street, Vancouver, British Columbia. At all material times, Barber was a stockbroker and Registered Representative with the Defendant Research Capital.~~

~~99C. CIRO approved Sweeney and Barber to trade in securities with the public in Canada on Research Capital's behalf. Sweeney and Barber shall be referred to collectively as the "Brokers".~~

~~99D. The Defendant, Research Capital, is an investment dealer specializing in small-capitalization companies in emerging industries. It is amalgamated under the *Business Corporations Act*, R.S.O. 1990, c. B.16, with its head office in Toronto, Ontario, and business locations across Canada, including one in Vancouver, British Columbia. Its registered and records office is at 199 Bay Street, Commerce Court West, Suite 4500,~~

~~Toronto, Ontario. Research Capital is, and was at all material times, a Dealer Member, defined by CIRO, licensed to conduct securities business in Canada.~~

The Class

100. The representative Plaintiffs bring this action on their own behalf and on behalf of all persons, wherever they may reside or be domiciled, other than the Defendants and any other Excluded Persons as that term is defined below, who acquired securities in the Issuers in the following periods (collectively, the "Class Periods"):

a. in Kootenay Corp. between January 30, 2018 and November 26, 2018;

b. in Affinor Inc. between March 5, 2018 and November 26, 2018;

c. in Green Corp. between April 12, 2018 and November 26, 2018;

d. in Beleave between April 24, 2018 and November 26, 2018;

e. in Marapharm. between May 17, 2018 and November 26, 2018;

f. in Cryptobloc between May 18, 2018 and November 26, 2018;

g. in BLOK between June 1, 2018 and November 26, 2018;

h. in PreveCeutical between April 9, 2018 and November 26, 2018;

i. [intentionally left blank]

j. in Speakeasy Ltd. between June 29, 2018 and November 26, 2018; and

k. in New Point between July 25, 2018 and November 26, 2018.

101. In addition to the Defendants, other persons excluded from the Class (the "Excluded Persons") are:

a. any other persons or entities who entered into consulting agreements with any of the Issuers in the time periods set out in paragraphs 100(a) through 100(k) above (the "Unnamed Consultants");

b. the past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns of the Defendants or any Unnamed Consultants; ~~and~~

c. any family members of any of the individual Defendants, or of any individual person who otherwise falls within (a) and (b) above~~.~~; and

d. any entities which are controlled by, or are under common control with, an individual defendant, or any family member of either an individual defendant or any individual person who falls within (a) and (b) above.

The Scheme

102. Between January 2018 to August 2018, each of the Purported Consultants agreed to and did participate in a scheme whereby certain of the Purported Consultants subscribed to shares in the Issuers in 12 different private placements, two in each of Beleave and Marapharm, and one of each of the other eight Issuers, as set out in further detail in paragraphs 121 to 296 below (the "Private Placements") on the following terms (the "Scheme"):

a. shortly before or contemporaneously with the Private Placement, the Issuer would enter into consulting agreements with the Purported Consultants who were acquiring shares under the Private Placement as a condition of them doing so, and also with certain other Purported Consultants who were not acquiring shares under the Private Placement, as a further condition of the participation in the Private Placement of the Purported Consultants who were acquiring shares;

b. the consulting agreements entered into with the Issuers would provide for payment of lump sum consultant fees to the Purported Consultants who entered in the consulting agreements, and it was a further condition of the participation in the

Private Placement of the Purported Consultants who were acquiring shares that all the fees payable under all the consulting agreements would be paid from the proceeds of the Private Placement upon their receipt or on the closing of the Private Placement of shortly thereafter;

c. on or before the closing of the Private Placement, the Purported Consultants who were acquiring shares under the Private Placement would pay an amount to the Issuer for those shares at the price per share publicly disclosed by the Issuer to be the purchase price for shares issued under the Private Placement (the "Disclosed Share Price");

d. the Issuers distributed the shares to Purported Consultants who were acquiring them under the Private Placement pursuant to the consultant exemption to the prospectus requirement in s. 2.24 of the Canadian Securities Administrators' (the "CSA") National Instrument 45-106 Prospectus Exemption (the "Consultant Exemption");

e. on or before Private Placement closed, or shortly thereafter, the Issuer paid the lump sum consultant fees payable under the consulting agreement to the Purported Consultants who entered into those agreements from the proceeds of the Private Placement; and

f. the total amount paid to the Purported Consultants under the consulting agreements consisted of a significant portion, and in some cases, substantially all of the proceeds of the Private Placement.

103. The Scheme was conceived by Jackson, Liu, Paddock, and Mawji in or around January 2018, and then implemented with respect to a Private Placement in Kootenay Corp., for which Jackson then acted as both a director and Chief Financial Officer, which was carried out in early February 2018, as further detailed in paragraphs 121 through 136 below~~,~~.

104. Jackson, Liu, Paddock, and Mawji then promoted the Scheme to the other Purported Consultants, and, acting in concert with some of them, arranged for the Private Placements in the remaining Issuers to be carried out, as further detailed in paragraphs 137 through 296 below.

105. Each of the other Purported Consultants agreed to join and participated in the Scheme when they either both entered into a consulting agreement with an Issuer and obtained shares in that Issuer as part of a Private Placement, or when they entered into a consulting agreement with an Issuer as part of the Private Placement transaction but did not acquire shares in the Issuer.

106. As detailed further below, all of the Purported Consultants acquired shares in at least one of the Issuers pursuant to the Private Placements carried out in the Scheme, except for Jackson & Company, Emami, Tryton Corp., 10X Capital, Viral Inc., 727 Capital, Tollstam & Company, International Cayon, Asahi Corp, 1053345 Ltd, and Asiatic (Nev.) and Prentice Ventures and Hill. These latter Purported Consultants, who did not acquire shares directly in any Issuer under the Private Placements, participated in the Scheme by entering into a consulting agreement with an Issuer as part of at least one of the Private Placement transactions, as further detailed in paragraphs 139, 155, 168, 176, 197, 210, 227, 244 and 286 below, and receiving payment of a lump sum consulting fee from the proceeds of the Private Placement.

107. The consulting agreements entered into between the Issuers and the Purported Consultants and concluded as part of the Private Placements were a sham and a false pretence. Neither the Purported Consultants nor the Issuers had any bona-fide expectation that services of any real value would be provided under the consultant agreements, and no such services were provided.

108. The consulting agreements were entered into in order to provide a pretence for:

a. the Issuers to use the Consultant Exemption to distribute shares to the Purported Consultants who were acquiring shares under the Private Placements;

b. the repayment to the Purported Consultants who acquired shares under the Private Placement of part of the purchase price they had paid for those shares; and

c. the Issuer to state that it had received and used the full proceeds of the Private Placement, when it always understood and intended by each of the Issuers, and the Purported Consultants who were acquiring shares under the Private Placements,

that part of the purchase amounts paid for those shares by those Purported Consultants would be returned to them and would never be available to the Issuer for any other purpose.

109. For the reasons set out in paragraphs 107 and 108 above, the consulting agreements were not good faith, bona-fide consulting agreements, and the Issuers were not entitled to rely on the Consultant Exemption to distribute shares to the Purported Consultant under the Private Placements, and the Purported Consultants who received those shares were not entitled to receive them on that basis and received them under false pretence.

110. The overall effect of the Scheme was that as a result of the payment of the lump sum consulting fees from the proceeds of the Private Placement:

a. the Purported Consultants who subscribed for shares under the Private Placements paid an effective purchase price for those shares that was substantially less than both the Disclosed Share Price and the price at which the Issuer's shares were trading, in the secondary market when the Private Placement was closed; and

b. the Issuers were left with only a small portion of the proceeds of the Private Placement for use as working capital.

111. None of the facts set out in paragraphs 102 through 110 above were disclosed by the Issuers when the Private Placements were disclosed to the investing public. These failures to disclose were known by, the Issuers, Issuer Officers and Directors, and Purported Consultants who participated in the Private Placements and the Brokers. As further set out in paragraphs 121 through 296 below, through news releases issued and other public filings made by the Issuers concerning the Private Placements, each of the Issuers represented that the Purported Consultants had acquired the shares under the Private Placement at the Disclosed Share Price and that the proceeds of the Private Placement resulting from the purchase of the shares at the Disclosed Share Price were available to the Issuers as general working capital.

112. These representations were false, and were known to be so by the Issuers who made them, by the Issuer Officers and Directors who authorized the representations on behalf of the Issuers, ~~and~~ by the Purported Consultants who participated in the Private Placement which were the subject of the representations, and the Brokers.

113. The effect of the distribution of shares by the Issuers to the Purported Consultants under the Private Placements pursuant to the Consultant Exemption was that those shares were not subject to a restricted trading period and, therefore, the Purported Consultants received free trading shares in accordance-with s. 2.4 and Appendix E of CSA National Instrument 45 102-Resale of Securities.

~~113A. As further set out below, in paragraphs 129A, 145A, 162A, 183A, 204A, 217A, 234A, 252A, 294A, 308(f), 311A, 313A, 314(f), 315, and 317, the Brokers agreed to and did participate in the selling part of the Scheme as financial intermediaries and facilitators for certain of the Purported Consultants who acquired large quantities of shares under the Private Placements and were prolific liquidators of them. Sweeney, and Barber liquidated Purported Consultants' Private Placement shares en masse, executing hundreds of secondary market short sale and sale orders, generating over 45% of the total trading proceeds of and resulting profits from the Scheme~~.

114. In the days and weeks that followed the Private Placements, most of the Purported Consultants who acquired shares under the Private Placements, operating in concert ~~and facilitated by stockbrokers, including the Brokers,~~ sold most or all of their subscription shares in the secondary market, or transferred their subscription shares to another Purported Consultant who sold the subscription shares, at a price that was, in most cases, both:

a. significantly discounted from the Disclosed Share Price represented by the Issuers to have been paid by the Purported Consultants for the shares; and

b. significantly in excess of the effective price paid by the Purported Consultants.

114A. Further or in the alternative, shortly after agreeing to subscribe in Private Placements, some of the Purported Consultants, ~~facilitated by stockbrokers, including the Brokers,~~ sold short

the Issuer's shares in the secondary market. Later, when the Purported Consultants received the Private Placement shares in their investment accounts, they used them to cover (settle) the short positions. This strategy, effectively short selling some or all of their Private Placement allocations ahead of the receipt of the subscription shares, permitted Purported Consultants to lock-in profits when their short sales were executed because:

a. the short sales occurred at prices significantly in excess of the effective prices paid by the Purported Consultants to acquire the Private Placement shares used to cover the short positions; and

b. the effective price (i.e. the cost of buying to cover) was significantly discounted from the Disclosed Share Price represented by the Issuers to have been paid by the Purported Consultants for the shares.

115. The sale or short sale by the Purported Consultants of the shares acquired under the Private Placements resulted in a significant profit to the Purported Consultants who sold or short sold the shares. Further, the volume of the shares sold or short sold by the Purported Consultants over a short period of time, and the price at which those shares were sold or short sold, caused the trading price for the shares in the Issuers to fall significantly. ~~One or both Brokers understood and knew that their facilitation of the mass liquidation of Private Placement shares through short sales and sales would and did have a direct impact on secondary market trading for the Issuers' shares by injecting false and misleading pricing signals into the limited secondary market for the Issuers' shares and driving the price of the Issuers' shares down.~~

116. Despite the volume of trading in the Issuers' shares resulting from the sale by the Purported Consultants of the shares they acquired under the Private Placements, and the impact of these sales upon the trading price of the Issuers' shares, none of the Issuers made any public disclosures in the weeks or months following the Private Placements which fully and fairly disclosed to the investing public the nature of the Scheme and the transactions underlying the Private Placement.

117. There was no public disclosure of the general nature of the Scheme until November 26, 2018, when the BC Securities Commission (the "BCSC") issued a news release (the

"BCSC News Release") announcing its investigation of the Scheme and issued a Temporary Order and Notice of Hearing (the "Temporary Order") against the Issuers, prohibiting the Issuers from using the Consultant Exemption to distribute further shares, and against the Purported Consultants, prohibiting them from trading in the Issuers' shares and prohibiting the distribution to them of any shares of any other issuers listed on the CSE under the Consultants Exemption.

118. Many details of the Scheme still have not been publicly disclosed and are unknown to the Plaintiffs. In particular, the Plaintiffs are unaware of all the parties who entered into consulting agreements with Kootenay Corp., Affinor Inc., and Speakeasy Ltd. as part of the Private Placements in those Issuers, other than the Purported Consultants who acquired securities under the Private Placements, or the amounts payable under any of those consulting agreements. These details are known to the respective Issuers and to the Purported Consultants.

119. The Plaintiffs are also unaware of the arrangements between the Purported Consultants who both entered into a consulting agreement as a part of a Private Placement transaction and acquired shares under that Private Placement, and those Purported Consultants who just entered into a consulting agreement as a part of the Private Placement transaction and did not acquire any shares under the Private Placement, concerning the amounts paid under the consulting agreements to those latter Purported Consultants, the proceeds used by the Purported Consultants who acquired shares under the Private Placement to purchase those shares, and the distribution of those shares or any proceeds of disposition from those shares. The details of any such arrangements are known to the Purported Consultants who participated in each Private Placement.

120. The Scheme has resulted in damage to the Plaintiffs and the Class as follows:

a. the Plaintiffs and Class members either acquired shares in the Issuers which they would have never purchased, or acquired their shares at a price that was higher than they would have paid, had the Scheme never been implemented or had been fully and fairly disclosed;

b. the secondary market trading price of each Issuer's shares, including the shares acquired by the Plaintiffs and the Class members, was eroded by the conduct of the Purported Consultants in selling or short selling the shares they had acquired in the Private Placements at prices discounted to the trading price of the Issuer's shares but at a substantial profit to the Purported Consultants; and

c. the secondary market trading price of the Issuer's shares, in the 10 days after the public disclosure of the Scheme in the BCSC News Release on November 26, 2018, was substantially less than the price paid by the Plaintiffs and the Class members for the shares in the Issuers they acquired during Class Periods.

The Private Placements

A. Kootenay Corp.

121. As stated in paragraph 103 above, the first Private Placement carried out under the Scheme was in Kootenay Corp. and completed on February 2, 2018. The Private Placement was announced by Kootenay Corp. in a news release issued on January 30, 2018, which was authorized on behalf of Kootenay Corp. by Tindall. The news release stated that the purchase price of the shares to be acquired under the Private Placement was $0.27 per unit (the "Kootenay Disclosed Share Price") resulting in gross proceeds of $2,000,000 and stated that these proceeds "will be used for the Company's exploration activities and general working capital."

122. The Purported Consultants who acquired shares in Kootenay Corp. in the Private Placement (the "Kootenay Subscribers"), and the number of the shares they acquired and the value of those shares at the Kootenay Disclosed Share Price, are as follows:

Consultant	Number of Shares	Value
Liu	900,000	$243,000
Jackson	900,000	$243,000
Detona Corp.	900,000	$243,000
Paddock	900,000	$243,000
Northwest Inc.	880,000	$237,600
Total	4,480,000	1,209,600

123. Contemporaneously with or shortly before this Private Placement, and as condition of the Kootenay Subscribers participating in the Private Placement, Kootenay Corp. entered into consulting agreements with the Kootenay Subscribers, which all were dated the same date, were in substantially the same form, and provided for lump sum payments. It was a further condition of the Kootenay Subscriber's participation in the Private Placement that the payments pursuant to these consulting agreements would be paid from the proceeds of the Private Placement, and those payments were so paid by Kootenay in the following amounts, and on the following dates:

Consultant	Consultant Fee	Date
Liu	$100,000	May 7, 2018
Jackson	$1.00	Unknown
Detona	$65,000	March 20, 2018
Paddock	$52,500	March 20, 2018
Northwest Inc.	$241,500	March 8, 2018
Total	$459,001	N/A

123A. In addition, and as further condition of the participation of the Kootenay Subscribers in the Private Placement, Kootenay entered into the same form of consulting agreements with several other Purported Consultants with the same condition that the payments pursuant to these consulting agreements would be paid from the proceeds of the Private Placement, and those payments were so paid by Kootenay. The identities of these other Purported Consultants, and the amounts payable under those consulting agreements, and when those amounts were paid, are not known to the Plaintiffs but these details are known to the Kootenay Subscribers and to Kootenay Corp. Based on the amount of consulting fees reported in Kootenay Corp.'s audited financial statements for its fiscal year ending February 28, 2019, the Plaintiffs believe that the total consulting fees paid to these other Purported Consultants were at least $274,957 and may have been as much as $671,919.

123B. As stated in paragraph 119 above, the arrangements between the Kootenay Corp. Subscribers, and the other Purported Consultants referred to in paragraph 123A above, who did not acquire shares under the Private Placement but entered into consulting agreements

with Kootenay Corp. as a condition of the Kootenay Corp. Subscribers participating in the Private Placement, concerning those consulting agreements and the amounts paid under them, the proceeds used by the Kootenay Corp. Subscribers to purchase their shares under the Private Placement, and the distribution of those shares or any proceeds from their disposition, are not known to the Plaintiffs but are known to the Kootenay Corp. Subscribers and those other Purported Consultants.

124. These consulting agreements were a sham and a false pretence, as set out in paragraph 107 above, entered into for the purposes set out in paragraph 108 above, and for those reasons, as set out in paragraph 109, the consulting agreements did not support the use of the Consultant Exemption by Kootenay Corp. to distribute shares to the Kootenay Subscribers, who received those shares under false pretence.

125. On February 2, 2018, Kootenay Corp. issued a news release announcing the closing of the first tranche of the Private Placement and subsequently on March 19, 2018 filed a Form 9 – Notice of Proposed Issuance of Listed Securities ("Form 9") dated February 2, 2018 concerning the Private Placement with the CSE. Both the news release and the Form 9 stated that the shares issued under the first tranche of the Private Placement were purchased at the Kootenay Disclosed Share Price resulting in gross proceeds of up to $1,215,000. The news release stated that these proceeds will be used for Kootenay Corp.'s "exploration activities and general working capital", and the Form 9 stated that the proceeds would be used for "general working capital".

126. These statements in the news releases issued and the Form 9 filed by Kootenay Corp., set out in paragraphs 121 and 125 above, were statements of material facts concerning the Private Placement, within the meaning of s. 1 of the *Securities Act*, R.S.B.C. 1996, c. 48, as amended (the "*Securities Act*"). These statements were untrue, and constituted misrepresentations within the meaning of s. 1 of the *Securities Act.*

127. Taking into account the monies paid by Kootenay Corp. under the consulting agreements entered into contemporaneously with the Private Placement, which were a condition of and an integral part of the Private Placement transaction:

a. the effective purchase price paid by the Kootenay Subscribers for the shares they acquired under the Private Placement was at least 60.67% less than the Kootenay Disclosed Share Price; and

b. there was only, at the most, $481,042 in proceeds of the Private Placement available for Kootenay Corp. to use for its exploration activities and general working capital.

128. The conclusion by Kootenay Corp. of the consulting agreements with the Kootenay Subscribers and the other Purported Consultants, and the lump sum payments to be made to them pursuant to those agreements from the proceeds, of the Private Placement, as set out in paragraphs 123 and 123A above, and the impact of the payments made under those consulting agreements from the proceeds of the Private Placement, as set out in paragraph 127 above, were material facts concerning the Private Placement within the meaning of s. 1 of the *Securities Act*. These facts were omitted from the news releases issued and the Form 9 filed by Kootenay Corp. concerning the Private Placement, as set out in paragraphs 121 and 125 above, and the omission of these facts from those news releases and the Form 9 made those documents misleading, and each such omission constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act.*

129. In the days preceding and following the Private Placement, some or all of the Kootenay Subscribers, or other Purported Consultants who were transferred their shares, began to dispose of the shares acquired under the Private Placement, by short selling or selling them in the secondary market at sale prices that, in some cases, were less than the Kootenay Disclosed Share Price but in all cases were significantly in excess of the effective purchase price paid by the Kootenay Subscribers.

~~129A. Sweeney facilitated Detona Corp.'s total liquidation of its Private Placement allocation by sale. Barber facilitated Northwest Inc.'s near-total liquidation of its Private Placement allocation.~~

130. On February 8, 2018, five days after the closing of the Private Placement, Kootenay Corp. issued a news release to provide a market activity update. The news release noted that the trading volumes of Kootenay Corp. shares on the OTCQB had increased following the

news releases referred to above and stated that "the Company attributes the majority of any increased trading volumes on the OTCQB to the contents of its January 31, 2018 and February 2, 2018 news releases and the Company's change in management and ability to finance the company".

131. The statements in the February 8, 2018 news release, attributing the increased trading volumes in Kootenay Corp. shares to the news releases concerning the Private Placement, and to the consequent ability to finance the company, were statements of a material fact, within the meaning of s. 1 of the *Securities Act*. These statements were false, in that the increased trading volumes in Kootenay Corp. shares were a result of the short sale or sale of the shares the Kootenay Subscribers had acquired under the Private Placement, at prices that were discounted from the Kootenay Disclosed Share Price but higher than the effective price paid for the shares by Kootenay Subscribers, and the statements constituted misrepresentations the meaning of s. 1 of the *Securities Act*.

132. The fact that the increased trading volumes of Kootenay Corp. shares were a result of the short sale or sale of the shares the Kootenay Subscribers acquired under the Private Placement, at prices, in some cases, that were discounted from the Kootenay Disclosed Share Price but, in all cases, significantly higher than the effective price paid for the shares by Kootenay Subscribers, was a material fact within the meaning of s. 1 of the *Securities Act*, and the omission of that fact from the February 8, 2018 news release constitutes a misrepresentation, within the meaning of s. 1 of the *Securities Act*.

133. Each of the Kootenay Subscribers, knew that the statements made in the news releases and the Form 9 announcing the Private Placements, and the statements made in the news release concerning the trading activity in Kootenay Corp. shares, were false, as set out in paragraphs 126 and 131 above, when those news release were issued and the Form 9 was filed by Kootenay Corp., and also knew at that time that the news releases and the Form 9 omitted to state material facts concerning the Private Placement and the subsequent trading activity in Kootenay Corp. shares, as set out in paragraph 128 and 132 above, and that the omission of these facts made the news releases and the Form 9 misleading.

134. In the weeks following the February 8, 2018 news release, the Kootenay Subscribers continued to dispose of the shares acquired under the Private Placement. As a result of the mass liquidation of shares referred to in paragraph~~s~~ 129 ~~and 129A~~ and in the weeks following the February 8, 2018 news release, the trading price of the Kootenay Corp. shares on the CSE fell from $0.44, when the Private Placement closed on February 2, 2018, to $0.15 two months later on April 6, 2018.

135. No full and fair disclosure of the transactions underlying the Private Placement was made by Kootenay Corp. in any of its news releases or public filings before the BCSC investigation of the Scheme was announced in the BCSC News Release on November 26, 2018.

136. In the ten trading days after public disclosure of the Scheme in the BCSC News Release, the shares of Kootenay Corp. traded on the CSE between $0.05 and $0.06.

136A. Effective June 4, 2024, the Plaintiffs and the Class entered into a Settlement Agreement with the former Defendants, Kootenay Corp. and Robert Tindall ("Tindall"), and the Defendant Torres (collectively, "Kootenay Settling Defendants"). The Settlement Agreement was approved by the Supreme Court of British Columbia by order made August 29, 2024.

136B. Pursuant to the Settlement Agreement, the Plaintiffs and the Class waive all rights to recover from the Kootenay Settling Defendants, their current and former officers, directors, managers, employees, and insurers of Kootenay, and, as applicable, their Affiliates, any portion of their damages which are attributable to any fault of Kootenay, its Affiliates and its past and present employees, directors, officers, managers, insurers, Tindall, in all capacities, and Torres and Schmidt but only in their capacities as former officers and directors of Kootenay, and for which any of the Non-Settling Defendants could claim for contribution, indemnity and/or other relief pursuant to the *Negligence Act*, R.S.B.C. 1996, c. 333, any successor legislation, or otherwise.

B. Affinor Inc.

137. The second Private Placement carried out in the Scheme was in Affinor Inc. on March 8, 2018. The Private Placement was announced by Affinor Inc. The news release stated that the purchase price for the shares acquired under the Private Placement would be $0.16 per unit (the "Affinor Disclosed Share Price") resulting in gross proceeds of $4 million, and that these proceeds "will be used to fund Affinor's operations, corporate development and for general working capital purposes".

138. The Purported Consultants who acquired shares of Affinor Inc. in the Private Placement (the "Affinor Subscribers"), and the number of shares they acquired and the value of those shares at the Affinor Disclosed Share Price, are as follows:

Consultant	Number of Shares	Value
Northwest Inc.	8,333,333	$1,333,333.28
Paddock Inc.	8,333,333	$1,333,333.28
Detona Corp.	4,268,750	$683,000
JCN Corp.	4,062,500	$650,000
Total	24,997,916	$3,999,666.56

139. Contemporaneously with or shortly before this Private Placement, and as a condition of the Affinor Subscribers participating in the Private Placement, Affinor Inc entered into consulting agreements with the Affinor Subscribers and each of BridgeMark Corp., Lukor Corp., Liu, Gill, Essos Inc., Macpherson, International Canyon, Prentice Ventures, Hill and Chaudhry U Consulting Inc. ("Chaudhry Inc.") These 14 consulting agreements were all dated effective March 1, 2018 except for the International Canyon agreement which was dated effective February 16, 2018, were in substantially the same form, and collectively provided for lump sum payments in the total amount of $3,500,000. It was a further condition of the Affinor Subscribers participation in the Private Placement that the payments pursuant to these consulting agreements would be paid from the proceeds of the Private Placement immediately upon their receipt by Affinor, and those payments were so paid by Affinor as follows:

a. $400,000 to each of Liu, Paddock, North West Inc. and Prentice Venures;

b. $350,000 to each of BridgeMark Corp., Lukor Corp., and JCN Corp.;

c. $300,000 to International Canyon;

d. $100,000 to each of Gill, Detona Corp., Macpherson, Hill, and Chaudhry Inc.; and

e. $50,000 to Essos Inc.

139A. As stated in paragraph 119 above, the arrangements between the Affinor Subscribers, and the 10 other Purported or Unnamed Consultants referred to in paragraph 139 above, who did not acquire shares under the Private Placement but entered into consulting agreements with Affinor Inc. as a condition of the Affinor Inc. Subscribers participating in the Private Placement, concerning those consulting agreements and the amounts paid under them, the proceeds used by the Affinor Inc. Subscribers to purchase their shares under the Private Placement, and the distribution of those shares or any proceeds from their disposition, are not known to the Plaintiffs but are known to the Affinor Inc. Subscribers and these Purported Consultants.

140. These consulting agreements were a sham and a false pretence, as set out in paragraph 107 above, entered into for the purposes set out in paragraph 108 above, and for those reasons, as set out in paragraph 109, the consulting agreements did not support the use of the Consultant Exemption by Affinor Inc. to distribute shares to the Affinor Subscribers, who received those shares under false pretence.

141. On March 8, 2018, Affinor Inc. issued a further news release announcing the closing of the Private Placement and also filed a Form 9 concerning the Private Placement with the CSE. Both the news releases and the Form 9 stated that the shares issued under the Private Placement were purchased at the Affinor Disclosed Share Price resulting in gross proceeds of $3,999,666. The news release stated that these proceeds of the operating "will be used to finance Affinor's operations, corporate developments and for general working capital purposes" and the Form 9 stated that the proceeds would be used for "working capital advancing the vertical growing technology".

142. These statements in the news releases issued and the Form 9 filed by Affinor Inc., set out in paragraphs 137 and 141 above, were material facts concerning the Private Placement, within the meaning of s. 1 of the *Securities Act*. The statements were untrue and constituted misrepresentations within the meaning of s. 1 of the *Securities Act*.

143. Taking into account the monies paid by Affinor Inc. under the consulting agreements entered into contemporaneously with the Private Placement, which were a condition of an integral part of the Private Placement transaction:

a. the effective purchase price paid by the Affinor Subscribers for the shares they acquired under the Private Placement was 87.5% less than the Affinor Disclosed Share Price; and

b. there was only $500,000 in proceeds of the Private Placement available to Affinor Inc. to use for general working capital.

144. The conclusion by Affinor Inc. of the consulting agreements with the Affinor Subscribers and the 10 other Purported or Unnamed Consultants, and the lump sum payments to be made to them pursuant to those agreements from the proceeds of the Private Placement, as set out in paragraph 139 above, and the impact of the payments made under those consulting agreements from the proceeds of the Private Placement, as set out in paragraph 143 above, were material facts concerning the Private Placement within the meaning of s. 1 of the *Securities Act*. These facts were omitted from the news releases issued and the Form 9 filed by Affinor Inc. concerning the Private Placement, as set out in paragraphs 137 and 141 above, and the omission of these facts from those news releases and the Form 9 made those documents misleading, and each such omission constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act.*

145. In the days preceding and following the Private Placement, some or all of the Affinor Subscribers, or the Purported Consultants who were transferred their shares, began to dispose of the shares acquired under the Private Placement by short selling or selling them in the secondary market, at prices that were, in some cases, less than the Affinor Disclosed

Share Price but, in all cases, were significantly in excess of the effective purchase price paid by the Affinor Subscribers.

~~145A. Barber facilitated Northwest Inc.'s total liquidation of its Private Placement allocation by short sale and sale. Sweeney facilitated Detona Corp.'s total liquidation of its Private Placement allocation by sale and the liquidation of approximately 3,000,000 shares by Liu.~~

146. On March 16, 2018, a week after the closing of the Private Placement, Affinor Inc. issued a news release to provide a market activity update The news release noted that the trading volumes of Affinor Inc. common shares on the OTCQB had increased and attributed the increased trading volumes to the contents of its March news releases and "the continued positive advancement of the company's business."

147. The statement in the March 16, 2018 news release attributing the increase in trading volumes in Affinor Inc. common shares to the news releases concerning the Private Placement was a material fact, within the meaning of s. 1 of the *Securities Act*. This statement was false, in that the increases in trading volumes were a result of the short sale or sale of the shares the Affinor Subscribers had acquired under the Private Placement, at sale prices that were discounted from the Affinor Disclosed Share Price but higher than the effective price paid for the shares by the Affinor Subscribers, and the statement constituted misrepresentations the meaning of s. 1 of the *Securities Act*.

148. The fact that the increased trading volumes of Affinor Inc. shares was a result of the short sale or sale the of shares the Affinor Subscribers acquired under the Private Placement, at prices that were discounted from the Affinor Disclosed Share Price but higher than the effective price paid for the shares by Affinor Subscribers, was a material fact within the meaning of s. 1 of the *Securities Act*, and the omission of that fact from the May 16, 2018 news release constitutes a misrepresentation, within the meaning of s. 1 of the *Securities Act*.

149. Each of the Affinor Subscribers~~,~~ knew that the statements made in the news releases and the Form 9 concerning the Private Placement, and the statement made in the news release concerning the trading activity in Affinor Inc. shares subsequent to the Private Placement,

were false, as set out in paragraphs 142 and 147 above, when those news releases were issued and the Form 9 was filed by Affinor Inc., and each of them also knew at that time that the news release and the Form 9 omitted to state material facts concerning the Private Placement and the subsequent trading activity in Affinor Inc. shares, as set out in paragraphs 144 and 148 above, and that the omission of these facts made the news releases and the Form 9 misleading.

150. In the weeks following the March 16, 2018 news release, the Affinor Subscribers continued to dispose of the shares they acquired under the Private Placements. As a result of the mass liquidation of shares referred to in paragraph~~s~~ 145 ~~and 145A~~ and in the weeks following the March 16, 2018 news release, the trade price of the Affinor Inc. shares on the CSE fell from $0.165 when the Private Placement closed on March 8, 2018 to $0.10 two months later on May 8, 2018.

151. No full and fair disclosure of the transactions underlying the Private Placement was made by Affinor Inc. in any of its news releases or public filings before the BCSC investigation of the Scheme was announced in the BCSC News Release on November 26, 2018.

152. In the ten trading days after public disclosure of the Scheme in the BCSC News Release, the shares of Affinor Inc. traded on the CSE between $0.045 and $0.055.

152A. Effective November 21, 2021, the Plaintiffs and the Class entered into a Settlement Agreement with the former Defendants, Affinor Inc., Nicholas Brusatore, and Sam Chaudhry (collectively, the "Affinor Settling Defendants") and Chaudhry Inc. The Settlement Agreement was approved the Supreme Court of British Columbia by order made October 6, 2023.

152B. Pursuant to the Settlement Agreement, the Plaintiffs and the Class waive all rights to recover from the Affinor Settling Defendants, their current and former officers, directors, managers, employees, and insurers of Affinor Inc., and, as applicable, their Affiliates, any portion of their damages which are attributable to any fault of the Affinor Settling Defendants, any of their Affiliates, Chaudhry Inc., and, as applicable, their past and present employees, directors, officers, managers, insurers, and for which any of the Non-Settling

Defendants could claim for contribution, indemnity and/or other relief pursuant to the *Negligence Act*, R.S.B.C. 1996, c. 333, any successor legislation or otherwise.

C. Green Corp.

153. The third Private Placement carried out in the Scheme was in Green Corp. on April 16, 2018. The Private Placement was announced by Green Corp. in a news release dated April 12, 2018, which was authorized on behalf of Green Corp. by Smulewicz. The news release stated that the purchase price for the shares acquired under the Private Placement would be $0.30 per unit the "Green Disclosed Share Price") resulting in gross proceeds of $4,280,000 and that these proceeds "will be used to complete facility upgrades, equipment purchases and general working capital of the Company".

154. The Purported Consultants who acquired shares of Green Corp. in the Private Placement (the "Green Subscribers"), and the number of shares they acquired and the value of those shares at the Green Disclosed Share Price, are as follows:

Consultant	Number of shares	Value
Detona Corp.	5,000,000	$1,500,000
Paddock Inc.	5,000,000	$1,500,000
Tollstam	1,666,666	$499,999.80
Hunton Ltd.	1,666,666	$499,999.80
Kendl Ltd.	933,333	$279,999.90
Total	14,266,665	$4,279,999.50

155. Contemporaneously with or shortly before this Private Placement, and as a condition of the Green Subscribers participating in the Private Placement, Green Corp. entered into consulting agreements with the Green Subscribers (except that Tollstam entered into his consulting agreement through his accounting firm, Tollstam & Company) and with each of BridgeMark Corp., Jackson & Company, JCN Corp., Lukor Corp., Saiya Corp., and Emami. All 11 consulting agreements were dated April 12, 2018, were in substantially the same form, and collectively provided for lump sum payments in the total amount of $3,540,500. It was a further condition of the Green Corp. Subscribers participation in the Private Placement that the payments pursuant to these consulting agreements be paid from the

proceeds of the Private Placement, immediately upon their receipt by Green Corp., and these payments were so paid by Green Corp. between April 16, 2018 and April 23, 2018 as follows:

a. $500,000 to each of BridgeMark Corp., Hunton Ltd and Lukor Corp.;

b. $405,000 to Kendl Ltd.;

c. $378,000 to Saiya Corp.;

d. $360,000 to each of Rockshore Ltd. and Tollstam & Company;

e. $220,500 to Detona Corp.;

f. $220,000 to JCN Corp.;

g. $75,000 to Jackson & Company~~,~~; and

h. $22,000 to Emami.

155A. As stated in paragraph 119 above, the arrangements between the Green Corp. Subscribers and the other Purported Consultants set out in paragraph 155 above, who did not acquire shares under the Private Placement but entered into consulting agreements with Green Corp. as a condition of the Green Corp. Subscribers participating in the Private Placement, concerning those consulting agreements and the amounts paid under them, the proceeds used by the Green Corp. Subscribers to purchase their shares under the Private Placement, and the distribution of those shares or any proceeds from their disposition, are not known to the Plaintiffs but are known to the Green Corp. Subscribers and these Purported Consultants.

156. These consulting agreements were a sham and a false pretence, as set out in paragraph 107 above, entered into for the purposes set out in paragraph 108 above, and for those reasons, as set out in paragraph 109, the consulting agreements did not support the use of the Consultant Exemption by Green Corp. to distribute shares to the Green Subscribers, who received those shares under false pretence.

157. On April 16, 2018, Green Corp. filed a Form 9 concerning the Private Placement with the CSE, which was certified on behalf of Green Corp. by Young, and was subsequently amended by him on October 2, 2018, and on April 17, 2018. Green Corp. issued a further news release announcing the closing of the Private Placement, which was authorized on behalf of Green Corp. by Smulewicz, and filed a Material Change Report concerning the Private Placement, which attached and incorporated the April 17, 2018 news release as a full description of the material change. Each of the news release, the Material Change Report and the Form 9 stated that the shares issued under the Private Placement were purchased at the Green Disclosed Share Price resulting in gross proceeds of $4,280,000. The news release, and the Material Change Report which incorporated it, stated that the proceeds "will be used to complete facility upgrades, equipment purchases and for general working capital of the Company" and the Form 9 similarly stated that the proceeds will be used for "facility upgrades, equipment purchases and general working capital".

158. These statements in the news releases issued and the Material Change Report and the Form 9 filed by Green Corp., set out in paragraphs 153 and 157 above, were material facts concerning the Private Placement, within the meaning of s. 1 of the *Securities Act*. The statements were untrue and constituted misrepresentations within the meaning of s. 1 of the *Securities Act*.

159. Taking into account the monies paid by Green Corp. under the consulting agreements entered into contemporaneously with the Private Placement, which were a condition of and an integral part of the Private Placement transaction:

a. the effective purchase price paid by the Green Subscribers for the shares they acquired under the Private Placement was 82.72% less than the Green Disclosed Share Price; and

b. there was only $740,000 in proceeds of the Private Placement available to Green Corp. to use for general working capital.

160. The conclusion by Green Corp. of the consulting agreements with the Green Subscribers and the other Purported Consultant, and the lump sum payments to be made to them

pursuant to these agreements from the proceeds of the Private Placement, as set out in paragraph 155 above, and the impact of the payments made under those consulting agreements from the proceeds of the Private Placement, as set out in paragraph 159 above, were material facts concerning the Private Placement within the meaning of s. 1 of the *Securities Act*. These facts were omitted from the news releases issued and the Material Change Report and the Form 9 filed by Green Corp. concerning the Private Placement, as set out in paragraphs 153 and 157 above, and the omission of these facts from the news releases, the Material Change Report and the Form 9 made those documents misleading, and each such omission constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act.*

161. Both Smulewicz and Young, and each of the Green Subscribers, knew that the statements made in the news releases, the Material Change Report and the Form 9 concerning the Private Placement were false, as set in paragraph 158 above, when those new releases were issued and the Material Change Report and the Form 9 were filed by Green Corp., and each of the them also knew at that time that the news releases, the Material Change Report and the Form 9 omitted to state material facts concerning the Private Placement, as set out in paragraphs 160 above, and that the omission of the facts made the news releases, the Material Change Report and the Form 9 misleading, all of which was also known to, or ought to have been known to, Little, as a director of Green Corp.

162. In the days preceding and days and weeks following the Private Placement, some or all of the Green Subscribers, or other Purported Consultants who were transferred their shares, began to dispose of the shares acquired under the Private Placement, by selling or short selling them in the secondary market at prices that were less than the Green Disclosed Share Price but were significantly in excess of the effective purchase price paid by the Green Subscribers.

~~162A. Sweeney facilitated Detona Corp.'s total liquidation of its Private Placement allocation by short sale and sale and the liquidation by short sale and sale of approximately 1,250,000 Private Placement shares transferred to Liu from one or more Green Subscribers~~.

163. As a result of the mass liquidation of shares referred to in paragraphs 162 ~~and 162A~~, the trading price of the Green Corp. shares on the CSE fell from $0.295 when the Private Placement closed on April 17, 2018 to $0.14 two months later on June 15, 2018.

163A. On May 30, 2018, Green Corp. released and filed Interim Financial Statements for the 9 month period ending March 31, 2018, which stated that the Private Placement had closed for 14,266,665 shares issued at the Green Disclosed Share Price resulting in gross proceeds of $4,280,000. The Interim Financial Statements were signed by Smulewicz and Young and both of them certified, in Certifications of Interim Filings filed May 30, 2018, that the Interim Financial Statements "do not contain any untrue statement of material fact or omit to state a material fact required to be stated".

163B. At stated in paragraph 158 above, the statement in the Interim Financial Statements that the shares issued under the Private Placements were purchased at the Green Disclosed Share Price resulting in gross proceeds of $4,280,000, as set out in paragraph 163A above, was a statement of material fact, within the meaning of s. 1 of the *Securities Act*, which statement was untrue and constituted a misrepresentation, within the meaning of s. 1 of the *Securities Act*. Further, as stated in paragraph 160 above, the conclusion of the consulting agreements with the Green Subscribers and any other of the Purported Consultants, and the impact of the payments made under those consulting agreements from the proceeds of the Private Placement, were material facts concerning the Private Placement, within the meaning of s. 1 of the *Securities Act*, and the omission of those facts from the Interim Financial Statements made that document misleading, and constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act*.

163C. Both Smulewicz and Young knew when they signed and approved the Interim Financial Statements, and when they certified that those Interim Financial Statements contained no misrepresentations, as set out in paragraph 163A above, that the statement in the Interim Financial Statements concerning the Private Placement was false, and also knew that the Interim Financial Statements omitted to state material facts concerning the Private Placement and that the omission of those facts made the Interim Financial Statements

misleading, all of which was also known to, or ought to have been known to, Little as a director of Green Corp.

164. No full and fair disclosure of the transactions underlying the Private Placement was made by Green Corp. in any of its news releases or public filings before the BCSC investigation of the Scheme was announced in the BCSC News Release on November 26, 2018.

165. In the ten trading days after public disclosure of the Scheme in the BCSC News Release, the shares of Green Corp. traded on the CSE between $0.055 and $0.065.

D. Beleave

166. The fourth Private Placement carried out in the Scheme was in Beleave on April 27, 2018, which was the first of two Private Placements in Beleave carried out in the Scheme. This first Private Placement was announced by Beleave in a news release dated April 24, 2018. The news releases stated that the purchase price for the shares acquired under the Private Placement would be $1.75 per unit (the "First Beleave Disclosed Share Price") resulting in gross proceeds of $5 million and stated: "The capital will be used for G&A purposes and be available as we continue to evaluate a multitude of industry opportunities".

167. The Purported Consultants who acquired shares of Beleave in this Private Placement (the "First Beleave Subscribers"), and the number of shares they acquired and the value of those shares at the First Beleave Disclosed Share Price, are as follows:

Consultant	Number of Shares	Value
Saiya Corp.	197,143	$345,000.25
Paddock Inc.	571,429	$1,000,000.75
Tollstam	374,286	$655,000.50
BridgeMark Corp.	1,142,858	$2,000,001.50
Detona Corp.	571,429	$1,000,000.75
Total	2,857,145	$5,000,003.75

168. Shortly before this Private Placement, and as a condition of the First Beleave Subscribers participating in the Private Placement, Beleave entered into consulting agreements with the First Beleave Subscribers (except that Tollstam entered into his consulting agreement

though his accounting firm Tollstam & Company) and with Northwest Inc., JCN Corp., Lukor Corp., Sway Corp., International Canyon, Gill, and Emami. All 12 consulting agreements were dated April 23, 2018, were in substantially the same form, and provided for lump sum payments in the total amount of $3,750,000. It was a further condition of the First Beleave Subscribers participation in the Private Placement that the payments pursuant to these consulting agreements be paid from the Private Placement proceeds immediately upon their receipt by Beleave, and the payments were so paid by bank draft purchased by Beleave on April 25, 2018, just before the closing of the Private Placement, as follows:

a. $500,000 each to Bridge Mark Corp., Paddock Inc., Northwest Inc., Lukor Corp., and Sway Corp.;

b. $360,000 each to JCN Corp. and International Canyon;

c. $300,000 to Saiya Corp.;

d. $100,000 to Detona Corp.;

e. $60,000 to Tollstam Corp.;

f. $50,000 to Gill~~,~~; and

g. $20,000 to Emami.

168A. As stated in paragraph 119 above, the arrangements between the Beleave Subscribers, and the other Purported Consultants set out in paragraph 168 above who did not acquire shares under the Private Placement but entered into consulting agreements with Beleave as a condition of the Beleave Subscribers participating in the Private Placement, concerning those consulting agreements and the amounts paid under them, the proceeds used by the Beleave Subscribers to purchase their shares under the Private Placement, and the distribution of those shares or any proceeds from their disposition, are not known to the Plaintiffs but are known to the Beleave Subscribers and these Purported Consultants.

169. These consulting agreements were a sham and a false pretence, as set out in paragraph 107 above, entered into for the purposes set out in paragraph 108 above, and for those reasons,

as set out in paragraph 109, the consulting agreements did not support the use of the Consultant Exemption by Beleave to distribute shares to the First Beleave Subscribers, who received those shares under false pretence.

170. On April 26, 2018, Beleave issued a further news release announcing the closing of the Private Placement and on April 30, 2018, also filed a Form 9 dated April 27, 2018 concerning the Private Placement with the CSE. Both the news releases and the Form 9 stated that the shares issued under the Private Placement were purchased at the First Beleave Disclosed Share Price resulting in gross proceeds of $5 million, and the Form 9 stated that these proceeds "will be used for general and administrative expenses and will be available as the Company continues to evaluate a number of industry opportunities".

171. These statements in the news releases issued and the Form 9 filed by Beleave, set out in paragraphs 166 and 170 above, were material facts concerning the Private Placement, within the meaning of s. 1 of the *Securities Act*. The statements were untrue and constituted misrepresentations within the meaning of s. 1 of the *Securities Act*.

172. Taking into account the monies paid by Beleave under the consulting agreements entered into contemporaneously with the Private Placement, which were a condition of and an integral part of the Private Placement transaction:

a. the effective purchase price paid by the First Beleave Subscribers for the shares they acquired under the Private Placement was 75% less than the First Beleave Disclosed Share Price; and

b. there was only $1,275,000 in proceeds of the Private Placement available to Beleave to use for general working capital.

173. The conclusion by Beleave of the consulting agreements with the First Beleave Subscribers and the other Purported Consultants, and the lump sum payments to be made to them pursuant to those agreements from the proceeds of the Private Placement, as set out in paragraph 168 above, and the impact of the payments made under those consulting agreements from the proceeds of the Private Placement, as set out in paragraph 172 above, were material facts concerning the Private Placement within the meaning of s. 1 of the

Securities Act. These facts were omitted from the news releases issued and the Form 9 filed by Beleave concerning the Private Placement, as set out in paragraphs 166 and 170 above, and the omission of these facts from those news releases and the Form 9 made those documents misleading, and each such omission constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act.*

174. The second Private Placement in the Scheme carried out by Beleave was on June 12, 2018. The Private Placement was announced by Beleave in a news release dated June 8, 2018. The news release stated that the purchase price for the shares acquired under the Private Placement would be $2.00 per unit (the "Second Beleave Disclosed Share Price") resulting in gross proceeds of $5 million and stated: "The capital will be used for G&A purposes and be available as we continue to evaluate a multitude of industry opportunities."

175. The Purported Consultants who acquired shares in Beleave in this second Private Placement (the "Second Beleave Subscribers"), and the number of shares they acquired and the value of those shares at the Second Beleave Disclosed Share Price, are as follows:

Consultant	Number of Shares	Value
Paddock Inc.	1,000,000	$2,000,000
Detona Corp.	250,000	$500,000
MacPherson	250,000	$500,000
Northwest Inc.	250,000	$500,000
Sway Corp.	750,000	$1,500,000
Total	2,500,000	$5,000,000

176. Contemporaneously with or shortly before this Private Placement, and as a condition of the Second Beleave Subscribers participating in the Private Placement, Beleave entered into consulting agreements with the Second Beleave Subscribers and with Hunton Ltd., Escher SA, 10x Capital, 727 Capital, Viral Inc., Asahi Corp., Kendel Ltd., and 1053345 Ltd. All 13 consulting agreements were dated May 1, 2018, were in substantially the same form, and collectively provided for lump sum payments in the total amount of $3,750000. It was a further condition of the Second Beleave Subscribers participation in the Private Placement that the payments pursuant to these consulting agreements be paid from the Private Placement proceeds immediately upon their receipt by Beleave, and the payments

were so paid by bank drafts purchased by Beleave on June 1, 2018, a week before the Private Placement was announced, as follows:

a. $500,000 to each of Northwest Inc., Paddock Inc., and Sway Corp.;

b. $350,000 to each of Hunton Ltd. ~~A~~and Escher SA;

c. $250,000 to each of 10X Capital, 727 Capital, ~~v~~Viral Inc, and Asahi Corp.;

d. $150,000 to each of Detona Corp, 1053345 Ltd. ~~A~~and Kendl Ltd; and

e. $100,000 to Macpherson.

176A. As stated in paragraph 119 above, the arrangements between the Beleave Subscribers and the other Purported Consultants set out in paragraph 176, above who did not acquire shares under the Private Placement but entered into consulting agreements with Beleave as a condition of the Beleave Subscribers participating in the Private Placement, concerning those consulting agreements and the amounts paid under them, the proceeds used by the Beleave Subscribers to purchase their shares under the Private Placement, and the distribution of those shares or any proceeds from their disposition, are not known to the Plaintiffs but are known to the Beleave Subscribers and these Purported Consultants.

177. These consulting agreements were a sham and a false pretence, as set out in paragraph 107 above, entered into for the purposes set out in paragraph 108 above, and for those reasons, as set out in paragraph 109, the consulting agreements did not support the use of the Consultant Exemption by Beleave to distribute shares to the Second Beleave Subscribers, who received those shares under false pretence.

178. On June 11, 2018, Beleave issued a further news release announcing the closing of the Private Placement and subsequently filed on September 26, 2018, a Form 9 dated June 12, 2018 concerning the Private Placement with the CSE. Both the news releases and the Form 9 stated that the shares issued under the Private Placement were purchased at the Second Beleave Disclosed Share Price resulting in gross proceeds of $5 million, and the Form 9 stated that these proceeds "will be used for general and administrative expenses and will be available as the company continues to evaluate a number of industry opportunities".

179. These statements in the news releases issued and the Form 9 filed by Beleave, set out in paragraphs 174 and 178 above, were material facts concerning the Private Placement, within the meaning of s. 1 of the *Securities Act*. The statements were untrue and constituted misrepresentations within the meaning of s. 1 of the *Securities Act*.

180. Taking into account the monies paid by Beleave under the consulting agreements entered into contemporaneously with the Private Placement, which were a condition of and an integral part of the Private Placement transaction:

a. the effective purchase price paid by the Second Beleave Subscribers for the shares they acquired under the Private Placement was 75 % less than the Second Beleave Disclosed Share Price; and

b. there was only $1,250,000 in the proceeds of the Private Placement available to Beleave to use for general working capital.

181. The conclusion by Beleave of the consulting agreements with the Second Beleave Subscribers and the other Purported Consultants, and the lump sum payment to be made to them pursuant to those consulting agreements from the proceeds of the Private Placement, as set out in paragraph 176 above, and the impact of the payments made under those consulting agreements from the proceeds of the Private Placement, as set out in paragraph 180 above, were material facts concerning the Private Placement within the meaning of s. 1 of the *Securities Act*. These facts were omitted from the news releases issued and the Form 9 filed by Beleave concerning the Private Placement, as set out in paragraphs 174 and 178 above, and the omission of these facts from those news releases and the Form 9 made those documents misleading, and each such omission constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act.*

182. Each of the First and Second Beleave Subscribers knew that the statements made in the news releases and the Form 9s concerning the Private Placements were false, as set out in paragraphs 171 and 179 above, when these news releases were issued and the Form 9s were filed by Beleave, and each of them also knew at that time that the news releases and the Form 9s omitted to state material facts concerning the Private Placement, as set out in

paragraphs 173 and 181 above, and that the omission of these facts made the news releases and the Form 9s misleading.

183. In the days preceding and in the days and weeks following the first and second Private Placement, some or all of the First and Second Beleave Subscribers, or other Purported Consultants who were transferred their shares, began to dispose of the shares acquired under the Private Placement, by selling or short selling them in the secondary market at prices that were less than, as applicable, the First and Second Beleave Disclosed Share Prices but were significantly in excess of the effective purchase price paid by the First and Second Beleave Subscribers.

~~183A. With respect to the shares acquired by:~~

~~(a) the First Beleave Subscribers: Sweeney facilitated Detona Corp.'s total liquidation of its Private Placement allocations by short sale and sale, Liu's total liquidation of the Saiya Corp. allocation by short sale and sale, and the total liquidation by BridgeMark Corp. of its Private Placement Allocation; and~~

(b) ~~the Second Beleave Subscribers: Sweeney facilitated the total liquidation of Detona Corp.'s, Sway Corp.'s, and MacPherson's Private Placement allocations by short sale and sale. Barber facilitated Northwest Inc.'s total liquidation of its Private Placement allocation by short sale and sale~~.

184. As a result of the mass liquidation of shares referred to in paragraphs 183 ~~and 183A,~~ the trading price of the Beleave shares on the CSE fell from $1.43 when the first Private Placement closed on April 27, 2018, and from $1.62 when the second Private Placement closed on June 11, 2018, to $1.16 by the end of July 2018.

185. No full and fair disclosure of the transactions underlying the Private Placement was made by Beleave in any of its news releases or public filings before the BCSC investigation of the Scheme was announced in the BCSC News Release on November 26, 2018.

186. In November 2018, the shares of Beleave's split seven for one. In the ten trading days after public disclosure of the Scheme in the BCSC News Release, the split shares of Beleave

traded on the CSE between $0.08 and $0.14, which was equivalent to $0.56 and $0.98 for the pre-split shares.

186A. Effective July 31, 2020, the Plaintiffs Tietz and Loewen and the Class entered into a Settlement Agreement with the former Defendants, Beleave ~~Inc.~~, Andrew Wnek, and Bojan Krasic (together, the "Beleave Settling Defendants"). The Settlement Agreement was approved by the Supreme Court of British Columbia by order made December 14, 2020.

186B. Pursuant to the Settlement Agreement, the Plaintiffs and the Class waive all rights to recover from the Beleave Settling Defendants and, as applicable, their Affiliates, any portion of their damages which are attributable to any fault of the Beleave Settling Defendants, any of their Affiliates and, as applicable, their past and present employees, directors, officers, managers, insurers, and for which any of the Non-Settling Defendants could claim for contribution, indemnity and/or relief pursuant to the *Negligence Act,* R.S.B.C. 1996, c. 333, any successor legislation, or otherwise.

E. Marapharm

187. The fifth Private Placement carried out in the Scheme was in Marapharm on May 18, 2018, which was the first of two Private Placements in Marapharm carried out in the Scheme. This first Private Placement was announced by Marapharm in a news release dated May 17, 2018. The news release stated that the purchase price for the shares acquired under the Private Placement would be $0.60 per unit (the "First Marapharm Disclosed Share Price") resulting in gross proceeds of $4 million, and stated that these proceeds would be used for "(i) further development of the Company's Las Vegas project (ii) further development of the Company's project in Washington State (iii) further development of the Company's projects in the California and general corporate purposes." The news release also stated that the shares would be subject to a four month hold period.

188. The Purported Consultants who acquired shares of Marapharm in this first Private Placement (the "First Marapharm Subscribers"), and the number of the shares they acquired and the value of those shares at the First Marapharm Disclosed Share Price, was as follows:

Consultant	Number of Shares	Value
Tavistock Corp.	833,334	$500,000.40
Sway Corp.	1,666,667	$1,000,000.20
Northwest Inc.	1,666,667	$1,000,000.20
Villanueva	500,000	$300,000
Paddock	2,041,667	$1,225,000.20
Detona Corp.	708,334	$425,000.40
Gill	83,334	$50,000.40
Total	7,500,003	$4,500,001.80

189. Contemporaneously with or shortly before this Private Placement, and as a condition of the First Marapharm Subscribers participating in the Private Placement, Marapharm entered into consulting agreements with the First Marapharm Subscribers (except Paddock, who entered into his consulting agreement through his company, Paddock Inc., and Villanueva and her company Detona Corp., who together entered into one agreement), and each of Kendl Ltd., Lukor Corp., BridgeMark Corp., JCN Corp., Altitude Corp., Tollstam & Company, Tryton Corp., and Saiya Corp. All consulting agreements were dated the same day, were in substantially the same form, and collectively provided for lump sum payments in the total amount of $3,647,000. It was a further condition of the First Marapharm Subscribers participation in the Private Placement that the payments pursuant to these consulting agreements would be paid from the Private Placement proceeds immediately upon their receipt by Marapharm, and the payments were so paid by Marapharm.~~, and .~~ The amount payable under each of these consulting agreements are not known to the Plaintiffs but these details are known to the First Marapharm Subscribers and to Marapharm.

189A. As stated in paragraph 119 above, the arrangements between the Marapharm Subscribers and the other Purported Consultants set out in paragraph 189 above, who did not acquire shares under the Private Placement but entered into consulting agreements with Marapharm as a condition of the Marapharm Subscribers participating in the Private Placement, concerning those consulting agreements and the amounts paid under them, the proceeds used by the Marapharm Subscribers to purchase their shares under the Private Placement, and the distribution of those shares or any proceeds from their disposition, are not known

to the Plaintiffs but are known to the Marapharm Subscribers and these Purported Consultants.

190. These consulting agreements were a sham and a false pretence, as set out in paragraph 107 above, entered into for the purposes set out in paragraph 108 above, and for those reasons, as set out in paragraph 109, the consulting agreements did not support the use of the Consultant Exemption by Marapharm to distribute shares to the Marapharm Subscribers, who received those shares under false pretence.

191. On May 21, 2018, Marapharm issued a further news release announcing that the Private Placement had closed over-subscribed and subsequently filed a Form 9 concerning the Private Placement with the CSE on June 1, 2018. Both the news releases and the Form 9 stated that the shares issued under the Private Placement were purchased at the First Marapharm Disclosed Share Price resulting in gross proceeds of $4.5 million. The news release stated that these proceeds "are intended to be used for (i) further development of the Company's Las Vegas project (ii) further development of the Company's project in Washington State (iii) further development of the Company's projects in the California and general corporate purposes" and the Form 9 similarly stated that the proceeds "will be used for the development of the Nevada, Washington and California projects and for general corporate purposes."

192. These statements in the news releases issued and the Form 9 filed by Marapharm, set out in paragraphs 187 and 191 above, were material facts concerning the Private Placement, within the meaning of s. 1 of the *Securities Act*. The statements were untrue and constituted misrepresentations within the meaning of s. 1 of the *Securities Act*.

193. Taking into account the monies paid by Marapharm under the consulting agreements entered into contemporaneously with the Private Placement, which were a condition of and an integral part of the Private Placement transaction:

    a. the effective purchase price paid by the First Marapharm Subscribers for the shares they acquired under the Private Placement was 81.04% less than the First Marapharm Disclosed Share Price; and

b. there was only $853,000 in proceeds of the Private Placement available to Marapharm to use for general working capital.

194. The conclusion by Marapharm of the consulting agreements with the First Marapharm Subscribers and the other Purported Consultants, and the lump sum payments to be made to them pursuant to those consulting agreements from the proceeds of the Private Placement, as set out in paragraph 189 above, and the impact of the payments made under those consulting agreements from the proceeds of the Private Placement, as set out in paragraph 193 above, were material facts concerning the Private Placement within the meaning of s. 1 of the *Securities Act*. These facts were omitted from the news releases issued and the Form 9 filed by Marapharm concerning the Private Placement, as set out in paragraphs 187 and 191 above, and the omission of these facts from those news releases and the Form 9 made those documents misleading, and each such omission constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act.*

195. The second Private Placement carried out by Marapharm in the Scheme was on June 11, 2018. The Private Placement was announced by Marapharm in a news release dated June 4, 2018. The news release stated that the purchase price for the shares acquired under the Private Placement would be $0.50 per unit (the "Second Marapharm Disclosed Share Price") resulting in gross proceeds of $4.5 million and stated that these proceeds "are intended to be used for (i) further development of the Company's Las Vegas project (ii) further development of the Company's project in Washington State (iii) further development of the Company's projects in the California and general corporate purposes." The news release also stated that the shares issued under the Private Placement would be subject to a four month hold period.

196. The Purported Consultants who acquired shares in Marapharm in this second Private Placement (the "Second Marapharm Subscribers"), and the number of shares they acquired and the value of those shares at the Second Marapharm Disclosed Share Price, are as follows:

Consultant	Number of Shares	Value
Escher SA	1,150,000	$575,000

Hunton Ltd.	2,000,000	$1,000,000
JCN Corp.	300,000	$150,000
Kendl Ltd.	1,000,000	$500,000
Northwest Inc.	1,600,000	$800,000
Sway Corp.	2,000,000	$1,000,000
Tavistock Corp.	1,100,000	$550,000
1140258 Ltd	200,000	$100,000
Total	9,150,000	$4,575,000

197. Contemporaneously with or shortly before this Private Placement, and as a condition of the Second Marapharm Subscribers participating in the Private Placement. Marapharm entered into consulting agreements with the Second Marapharm Subscribers (except for Tavistock Corp., Kendl Ltd, and Northwest Inc., each of which had already entered into a consulting agreement with Marapharm as part of the first Private Placement) and with Asahi Corp., 10x Capital, 727 Capital, Viral Inc, International Canyon, 1053345 Ltd., Essos Inc. All 14 consulting agreements were dated June 1, 2018, were in substantially the same form and collectively provided for lump sum payments in the total amount of $4,055,750. It was a further condition of the Second Marapharm Subscribers participation in the Private Placement that the payments pursuant to these consulting agreements would be paid from the proceeds of the Private Placement immediately upon their receipt by Marapharm, and the payments were so paid by bank draft purchased by Marapharm on June 5, 2018 and in one instance, by bank transfer of June 25, 2018, as follows:~~.~~

a. $500,000 each to Hunton Ltd. and Escher SA;

b. $420,000 to International Canyon;

c. $409,500 to Asiatic Ltd.;

d. $341,250 to each of 10x Capital, 727 Capital, and Viral Inc.,

e. $262,500 to each of Asahi Corp and 1053345 Ltd.;

f. $157,500 to JCN Corp.;~~, and~~

g. $131,250 to Essos Inc.;~~,~~

h. $100,000 to 1140258 Ltd. on June 25, 2018;~~,~~

i. $105,000 to Keir Macpherson;

j. $78,750 to Lukor Corp.;

k. $52,500 to each of BridgeMark Corp., and Sway Corp.

197A. As stated in paragraph 197 above, the arrangements between the Marapharm Subscribers, and the other Purported Consultants set out in paragraph 197 above, who did not acquire shares under the Private Placement but entered into consulting agreements with Marapharm as a condition of the Marapharm Subscribers participating in the Private Placement, concerning those consulting agreements and the amounts paid under them, the proceeds used by the Marapharm Subscribers to purchase their shares under the Private Placement, and the distribution of those shares or any proceeds from their disposition, are not known to the Plaintiffs but are known to the Marapharm Subscribers and these Purported Consultants.

198. These consulting agreements were a sham and a false pretence, as set out in paragraph 107 above, entered into for the purposes set out in paragraph 108 above, and for those reasons, as set out in paragraph 109, the consulting agreements did not support the use of the Consultant Exemption by Marapharm to distribute shares to the Second Marapharm Subscribers, who received those shares under false pretence.

199. On June 11, 2018, Marapharm issued a further news release announcing the closing of the Private Placement and on June 12, 2018 filed a Form 9 concerning Private Placement with the CSE. Both the news releases and the Form 9 stated that the shares issued under the Private Placement were purchased at the Second Marapharm Disclosed Share Price resulting in gross proceeds of $4,675,000. The news release stated that these proceeds "are intended to be used (i) further development of the Company's Las Vegas project (ii) further development of the Company's project in Washington State (iii) further development of the Company's projects in the California and general corporate purposes" and the Form 9 similarly stated that "the proceeds from the private placement will be used for the

development of the Nevada, Washington and California projects and for general corporate purposes."

200. These statements in the news releases issued and the Form 9 filed by Marapharm, set out in paragraphs 195 and 199 above, were statements of material facts concerning the Private Placement, within the meaning of s. 1 of the *Securities Act*. The statements were untrue and constituted misrepresentations within the meaning of s. 1 of the *Securities Act*.

201. Taking into account the monies paid by Marapharm under the consulting agreements entered into contemporaneously with the Private Placement, which were an integral part of the Private Placement transaction:

a. the effective purchase price paid by the Second Marapharm Subscribers for the shares they acquired under the Private Placement was 86.5% less than the Second Marapharm Disclosed Share Price; and

b. there was only $519,250 in proceeds of the Private Placement available to~~—~~. Marapharm to use for general working capital.

202. The conclusion by Marapharm of the consulting agreements with the Second Marapharm Subscribers and the other Purported Consultants, and the lump sum payments to be made to them pursuant to those consulting agreements from the proceeds of the Private Placement, as set out in paragraph 197 above, and the impact of the payments made under those consulting agreements from the proceeds of the Private Placement, as set out in paragraph 201 above, were material facts concerning the Private Placement within the meaning of s. 1 of the *Securities Act*. These facts were omitted from the news releases issued and the Form 9 filed by Marapharm~~.~~ concerning the Private Placement, as set out in paragraphs 195 and 199 above, and the omission of these facts from those news releases and the Form 9 made those documents misleading, and each such omission constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act.*

203. Each of the First and Second Marapharm Subscribers knew that the statements made in the news releases and the Form 9s concerning the Private Placements were false, as set out in paragraphs 192 and 200 above, when the news releases were issued and the Form 9s were

filed by Marapharm, and also knew at that time that the news releases and the Form 9s omitted to state material facts concerning the Private Placement, as set out in paragraphs 194 and 202 above, and that the omission of these facts made the news releases and the Form 9s misleading, all of which was also known to, or ought to have been known to, Alexander and Neiken, as directors of Marapharm.

204. In the days preceding and the days and weeks following the first and second Private Placement, some or all of the First and Second Marapharm Subscribers, or other Purported Consultants who were transferred their shares, began to dispose of the shares acquired under the Private Placement, by selling or short selling them in the secondary market at prices that were less than the First and Second Marapharm Disclosed Share Prices but were significantly in excess of the effective purchase price paid by the First and Second Marapharm Subscribers.

~~204A. With respect to the shares acquired by:~~

~~(a) the First Marapharm Subscribers: Sweeney facilitated Detona Corp.'s, Villanueva's and Sway Corp.'s total liquidation of their Private Placement allocations by short sale and sale; and~~

~~(b) the Second Marapharm Subscribers: Sweeney facilitated Sway Corp.'s liquidation of its private placement allocation by short sale and sale, as well as short selling and selling by Detona Corp. of approximately 1,200,000 Marapharm shares.~~

205. As a result of the mass liquidation of shares referred to in paragraphs 204 ~~and 204A~~, the trading price of the Marapharm shares on the CSE fell from $0.59 on May 22, 2018, just after the first Private Placement closed, to $0.43 when the second Private Placement closed on June 12, 2018, and to $0.25 by the end of July 2018.

205A. On July 30, 2018, Marapharm released and filed Audited Financial Statements for the year ended March 31, 2018, which stated the first Private Placement had closed in May 2018 for 7,500,000 shares issued at the First Marapharm Disclosed Share Price resulting in gross proceeds of $4,500,000, and that the second Private Placement had closed in June 2018 for

9,000,000 shares issued at the Second Marapharm Disclosed Share Price resulting in gross proceeds of $4,500,000. The Audited Financial Statements were signed by D. Alexander.

205B. At stated in paragraphs 192 and 200 above, the statements in the Audited Financial Statements that the shares issued under the Private Placements were purchased at the First Marapharm Disclosed Share Price resulting in gross proceeds of $4,500,000 and at the Second Marapharm Disclosed Share Price resulting in further gross proceeds of $4,500,000, as set out in paragraph 250A above, were statements of material fact, within the meaning of s. 1 of the *Securities Act*, which statements were untrue and constituted misrepresentations, within the meaning of s. 1 of the *Securities Act*. Further, as stated in paragraphs 194 and 202 above, the conclusion of the consulting agreements with the Marapharm Subscribers and any other of the Purported Consultants, and the impact of the payments made under those consulting agreements from the proceeds of the Private Placements, were material facts concerning the Private Placements, within the meaning of s. 1 of the *Securities Act*, and the omission of those facts from the Audited Financial Statements made that document misleading and constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act*.

205C. D. Alexander knew when he signed and approved the Audited Financial Statements, that the statements in the Audited Financial Statements concerning the Private Placements was false, and also knew that the Audited Financial Statements omitted to state material facts concerning the Private Placements and that the omission of those facts made the Audited Financial Statements misleading~~, all of which was also known to, or ought to have been known to, Nieken as a director of Marapharm~~.

206. No full and fair disclosure of the transactions underlying the Private Placement was made by Marapharm in any of its news releases or public filings before the BCSC investigation of the Scheme was announced in the BCSC News Release on November 26, 2018.

207. In the ten trading days after disclosure of the Scheme in the BCSC News Release, the shares of Marapharm traded on the CSE between $0.185 and $0.23.

F. Cryptobloc

208. The sixth Private Placement carried out in the Scheme was in Cryptobloc on June 5, 2018. The Private Placement was announced by Cryptobloc in a news release dated May 18, 2018, which was authorized on behalf of Cryptobloc by Stevenson-Moore. The news release stated that the purchase price for the shares acquired under the Private Placement would be $0.15 per unit (the "Cryptobloc Disclosed Share Price") resulting in gross proceeds of $4.5 million and that these proceeds would be used for "general working capital and towards new acquisitions."

209. The Purported Consultants who acquired shares of Cryptobloc in the Private Placement (the "Cryptobloc Subscribers"), and the amount of shares they acquired and the value of those shares at the Cryptobloc Disclosed Share Price, are as follows:

Consultant	Number of Shares	Value
Paddock Inc.	3,166,667	$475,000.05
Gill	300,000	$45,000
JCN Corp.	1,733,333	$265,999.95
Essos Corp.	7,066,667	$1,060,000.05
Detona Corp.	6,666,667	$1,000,000.05
658111 Ltd.	1,666,667	$250,000.05
Altitude Corp.	1,026,667	$154,000.05
Platinum Corp.	1,666,667	$250,000.05
Sway Corp.	6,666,667	$1,000,000.05
Total	30,000,002	$4,500,000.30

210. Contemporaneously with or shortly before this Private Placement, and as a condition of the Cryptobloc Subscribers participating in the Private Placement, Cryptobloc entered into consulting agreements with the Cryptobloc Subscribers and with Lukor Corp., Tryton Corp., and Hunton Ltd. All 12 consulting agreements were dated May 1, 2018, were in substantially the same form, and provided for lump sum payments, except for the consulting agreement with Paddock Inc., which provided for a monthly amount for its one year term. It was a further condition of the Cryptobloc Subscribers participation in the Private Placement that all payments pursuant to the consulting agreements would be paid from the proceeds of the Private Placement immediately upon their receipt by Cryptobloc,

and the payments were so paid by Cryptobloc between May 24, 2018 and June 8, 2018. The total amount paid under these 12 consulting agreements was $3,909,500, of which $2,170,000 was paid as follows

a. $500,000 to Sway Corp;

b. $380,000 to Altitude Corp;

c. $250,000 to each of Platinum Corp, 658111 Ltd., and Gill;

d. $150,000 to each of Detona Corp. and Essos Inc; and

e. $60,000 to JCN Corp.

The remaining $1,739, 500 was paid to Lukorn corp., Tryton Corp, and Hunton Ltd, but the amounts paid to them are not known to the Plaintiffs but these details are known to these Purported Consultants and to Cryptobloc.

210A. As stated in paragraph 119 above, the arrangements between the Cryptobloc Subscribers and the other Purported Consultants set out in paragraph 210 above, who did not acquire shares under the Private Placement but entered into consulting agreements with Cryptobloc as a condition of the Cryptobloc Subscribers participating in the Private Placement, concerning those consulting agreements and the amounts paid under them, the proceeds used by the Cryptobloc Subscribers to purchase their shares under the Private Placement, and the distribution of those shares or any proceeds from their disposition, are not known to the Plaintiffs but are known to the Cryptobloc Subscribers and these Purported Consultants.

211. These consulting agreements were a sham and a false pretence, as set out in paragraph 107 above, entered into for the purposes set out in paragraph 108 above, and for those reasons, as set out in paragraph 109, the consulting agreements did not support the use of the Consultant Exemption by Cryptobloc to distribute shares to the Cryptobloc Subscribers, who received those shares under false pretence.

212. On June 5, 2018, Cryptobloc filed a Form 9 concerning the Private Placement with the CSE, and on June 6, 2018, Cryptobloc issued a further news release announcing the closing of the Private Placement, both of which were certified and authorized, respectively on behalf of Cryptobloc by Stevenson-Moore. On June 8, 2018, Cryptobloc filed a Material Change Report concerning the Private Placement, which attached and incorporated the June 6, 2018 news release as a full description of the material change. Each of the news releases, the Material Change Report and the Form 9 stated that the shares issued under the Private Placement were purchased at the Cryptobloc Disclosed Share Price resulting in gross proceeds of $4.5 million and that these proceeds would be used "for general working capital and towards new acquisitions."

213. These statements in the news releases issued and the Material Change Report and the Form 9 filed by Cryptobloc, set out in paragraphs 208 and 212 above, were material facts concerning the Private Placement, within the meaning of s. 1 of the *Securities Act*. The statements were untrue and constituted misrepresentations within the meaning of s. 1 of the *Securities Act*.

214. Taking into account the monies paid by Cryptobloc under the consulting agreements entered into contemporaneously with Private Placement, which were a condition of and an integral part of the Private Placement transaction:

    a. the effective purchase price paid by the Cryptobloc Subscribers above for the shares they acquired under the Private Placement was 86.87% less than the Cryptobloc Disclosed Share Price; and

    b. there was only $590,500 in proceeds of the Private Placement available to Cryptobloc use for general working capital.

215. The conclusion by Cryptobloc of the consulting agreements with the Cryptobloc Subscribers and the other Purported Consultants, and the payments made pursuant to those agreements from the proceeds of the Private Placement, as set out in paragraph 210 above, and the impact of the payments made under those consulting agreements from the proceeds of the Private Placement, as set out in paragraph 214 above, were material facts concerning

the Private Placement within the meaning of s. 1 of the *Securities Act*. These facts were omitted from the news releases issued and the Material Change Report and the Form 9 filed by Cryptobloc concerning the Private Placement, as set out in paragraphs 208 and 212 above, and the omission of these facts from those news releases, the Material Change Report and the Form 9 made those documents misleading, and each such omission constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act.*

216. Stevenson-Moore, and each of the Cryptobloc Subscribers, knew that the statements made in the news releases, the Material Change Report and the Form 9 about the Private Placements were false, as set out in paragraph~~s~~ 213 above, when the news releases were issued and the Material Change Report and the Form 9 were filed by Cryptobloc, and knew at that time that the news releases, the Material Change Report and the Form 9 omitted to state material facts concerning the Private Placement, as set out in paragraph 215 above, and that the omission of these facts made the news releases, the Material Change Report and the Form 9 misleading, all of which was also known to, or ought to have been known to, Phillippe, as the Chief Financial Officer and a director of Cryptobloc, and Biles, as the only other director of Cryptobloc.

217. In the days preceding and following the Private Placement, some or all of the Cryptobloc Subscribers, or other Purported Consultants who were transferred their shares, began to dispose of the shares acquired under the Private Placement, by selling or short selling them in the secondary market at prices that were often less than the Cryptobloc Disclosed Share Price but were significantly in excess of the effective purchase price paid by the Cryptobloc Subscribers.

~~217A. Sweeney facilitated the total liquidation of Sway Corp.'s Private Placement allocation by sale, most of Detona Corp.'s Private Placement allocation by sale, and approximately 2,225,000 Cryptobloc shares sold by Liu.~~

218. On June 14, 2018, Cryptobloc issued a news release, authorized on behalf of Cryptobloc by Stevenson-Moore, stating that at the request of the Investment Industry Regulatory Organization of Canada ("IIROC"), Cryptobloc "wishes to confirm that management is

unaware of any material change in the company's operations that would account for the recent increase in market activity."

219. This statement was untrue, as the material change from the disclosures by Cryptobloc concerning the Private Placement, which would account for the increase in market activity and which was known to Cryptobloc, is that Cryptobloc had issued free trading shares under the Private Placement to the Cryptobloc Subscribers at an effective price that was significantly discounted from the Cryptobloc Disclosed Share Price, and which permitted the Cryptobloc Subscribers to dispose of those shares for significant profit at prices below the trading price for Cryptobloc shares. This was a material fact within the meaning of s. 1 of the *Securities Act*, and the omission of this fact from the June 14, 2018 news release and the false statement in that news release concerning the market activity in Cryptobloc shares, constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act*, all of which was known to Stevenson-Moore when he authorized the June 14, 2018 news release, and was also known to, or ought to have been known to, Phillippe, as the Chief Financial Officer and a director of Cryptobloc, and Biles, as the only other director of Cryptobloc.

220. On June 28, 2018, IIROC and the CSE halted trading in the shares of Cryptobloc pending the clarification of news.

221. As a result of the disposal of the shares the Cryptobloc Subscribers acquired under the Private Placement as set out in paragraphs 217 ~~and 217A~~, the trading price in Cryptobloc shares fell from $0.21 on June 7, 2018, the day after the Private Placement closed, to $0.06 on June 28, 2018, when the trading in the shares of Cryptobloc was halted.

222. No full and fair disclosure of the transactions underlying the Private Placement was made by Cryptobloc in any of its news releases or public filings before the BCSC investigation of the Scheme was announced in the BCSC News Release on November 26, 2018.

223. Trading in the shares of Cryptobloc did not resume until December 11, 2018, after public disclosure of the Scheme in the BCSC News Release. At that time, the shares in Cryptobloc were trading at $0.01.

G. BLOK

224. The seventh Private Placement carried out in the Scheme was in BLOK on June 7, 2018. The Private Placement was announced by BLOK in a news release dated June 1, 2018, authorized on behalf of BLOK by Hyland. The news release stated that "due to investor demand," BLOK was increasing the size of a Private Placement previously announced on May 1, 2018, which had closed on May 17, 2018 raising proceeds of $545,884 from the purchase of units at $0.20 per unit. The news release stated that the second tranche of the Private Placement would also be for $0.20 per unit (the "BLOK Disclosed Share Price"), resulting in total gross proceeds of $5 million, and that these proceeds would be used for "the development of emerging blockchain technology, investment in strategic opportunities as well as for general working capital purposes." The news release also stated that the shares issued under the second tranche of the Private Placement would be subject to a four month and one day resale restriction.

225. BLOK also filed a Form 9 concerning the expanded Private Placement with the CSE on June 1, 2018, which was certified on behalf of BLOK by Dawson. The Form 9 also stated that the purchase price of the shares under the expanded Private Placement would be the BLOK Disclosed Share Price resulting in total gross proceeds under the Private Placement of up to $5 million, and stated that those proceeds would be used for: "Development of BLOK chain technology, consulting fees for market awareness investment in potential opportunities, as well as for general working capital purposes."

226. The Purported Consultants who acquired shares of BLOK in the Private Placement (the "BLOK Subscribers"), and the number of the shares they acquired and the value of those shares at the BLOK Disclosed Share Price, are as follows:

Consultant	Number of Shares	Value
Detona Corp.	2,500,000	$500,000
Hunton Ltd.	5,000,000	$1,000,000
JCN Corp.	2,500,000	$500,000
MacPherson	2,500,000	$500,000
Kendl Ltd.	5,000,000	1,000,000

Tavistock Corp.	5,000,000	$1,000,000
1113300 Ltd.	375,000	$75,000
1140258 Ltd.	187,500	$37,5000
1002349 Ltd.	187,500	$37,5000
Eskandari	187,500	$37,5000
Farkes	187,500	$37,5000
Papou	187,500	$37,5000
Reed	187,500	$37,5000
Alonso	187,500	$37,5000
Total	24,187,500	$4,837,500

227. Contemporaneously with or shortly before this Private Placement, and as a condition of BLOK Subscribers participating in the Private Placement, BLOK entered into consulting agreements with the BLOK Subscribers and with BridgeMark Corp., Paddock Inc., Lukor Corp., Sway Corp., 727 Capital, 10x Capital, Viral Inc., and Essos Inc.. All 22 of these consulting agreements were dated either May 1, 2018, or June 1, 2018, were in substantially the same form, and provided for lump sum payments in the total amount of $4,107,500. It was a further condition of the BLOK Subscribers participation in the Private Placement that the payments pursuant to these consulting agreements would be paid from the proceeds of the Private Placement immediately upon their receipt by BLOK and the payments were so paid on June 4, 2018, or June 15, 2018 as follows:

a. $500,000 to each of Hunton Ltd., Kendl Ltd., and Tavistock Corp.;

b. $360,000 to each of Paddock Inc., Lukor Corp., and Sway Corp.;

c. $275,000 to BridgeMark Corp.;

d. $200,000 to each of 10x Capital, 727 Capital, and Viral Inc.;

e. $150,000 to JCN Corp.;

f. $75,000 to 1113300 Ltd.;

g. $65,000 to Detona Corp.;

h. $50,000 to each of Essos Inc. and Macpherson; and

i. $37,500 to each of 1140258 Ltd, 1002349 Ltd, Eskandari, Farkes, Papou, Reed, and Alonso.

227A. As stated in paragraph 119 above, the arrangements between the BLOK Subscribers and the other Purported Consultants set out in paragraph 227 above, who did not acquire shares under the Private Placement but entered into consulting agreements with BLOK as a condition of the BLOK Subscribers participating in the Private Placement, concerning those consulting agreements and the amounts paid under them, the proceeds used by the BLOK Subscribers to purchase their shares under the Private Placement, and the distribution of those shares or any proceeds from their disposition, are not known to the Plaintiffs but are known to the BLOK Subscribers and these Purported Consultants.

228. These consulting agreements were a sham and a false pretence, as set out in paragraph 107 above, entered into for the purposes set out in paragraph 108 above, and for those reasons, as set out in paragraph 109, the consulting agreements did not support the use of the Consultant Exemption by BLOK to distribute shares to the BLOK Subscribers, who received those shares under false pretence.

229. On June 8, 2018, BLOK issued a further news release announcing the closing of the Private Placement, authorized on behalf of BLOK by Dawson and Hyland. The news release stated that the shares issued under the second tranche of the Private Placement had been purchased at the BLOK Disclosed Share Price resulting in gross proceeds of $4,857,500 and that these proceeds would be used "for the advancement of the Company's blockchain investment projects that are currently in the pipeline, evaluating new blockchain opportunities as part of its business model and for working capital purposes." The news release also stated that the shares purchased under the second tranche of the Private Placement were subject to a four month and one day resale restriction.

230. These statements in the news releases issued and the Form 9 filed by BLOK, set out in paragraphs 224, 225 and 229 above, were material facts concerning the Private Placement, within the meaning of s. 1 of the *Securities Act*. The statements were untrue and constituted misrepresentations within the meaning of s. 1 of the *Securities Act*.

231. Taking into account monies paid by BLOK under the consulting agreements entered into contemporaneously with Private Placements, which were a condition of and an integral part of the Private Placement transaction:

a. the effective purchase price paid by the BLOK Subscribers for the shares they acquired under the Private Placement was 86.3% less than the BLOK Disclosed Share Price; and

b. there was only $730,000 in proceeds resulting from the BLOK Subscribers participation in the Private Placement available to BLOK use for general working capital.

232. The conclusion by BLOK of the consulting agreements with the BLOK Subscribers and the other Purported Consultants and the lump sum payment to be made to them pursuant to those agreements from the proceeds of the Private Placement, as set out in paragraph 227 above, and the impact of the payments made under those consulting agreements from the proceeds of the Private Placement, as set out in paragraph 231 above, were material facts concerning the Private Placement within the meaning of s. 1 of the *Securities Act*. These facts were omitted from the news releases issued and the Form 9 filed by BLOK concerning the Private Placement, as set out in paragraphs 224, 225 and 229 above, and the omission of these facts from those news releases and the Form 9 made those documents misleading, and each such omission constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act.*

233. Both Dawson and Hyland, and each of the BLOK Subscribers, knew that the statements made in the news releases and the Form 9 concerning the Private Placements were false, as set out in paragraph 230 above, when the news releases were issued and the Form 9 was filed by BLOK, and each of them also knew that the news releases and the Form 9 omitted to state material facts concerning the Private Placement, as set out in paragraph 232 above, and that the omission of those facts made the news releases and the Form 9 misleading, all of which was also known to, or ought to have been known to, Alexander, as the Chief Financial Officer of BLOK.

234. In the days preceding and the days and weeks following the Private Placement, some or all of the BLOK Subscribers, or other Purported Consultants who were transferred their shares, began to dispose of the shares acquired under the Private Placement, by selling or short selling them in the secondary market at prices that were less than the BLOK Disclosed Share Price but were significantly in excess of the effective purchase price paid by the BLOK Subscribers.

~~234A. Sweeney facilitated Detona Corp.'s and MacPherson's total liquidation of their Private Placement allocations by short sale and sale~~.

235. As a result of the mass liquidation of shares referred to in paragraphs 234 ~~and 234A~~, the trade price of the BLOK shares on the CSE fell from $0.18 when the Private Placement closed on June 8, 2018 to $0.075 by the end of July 2018.

235A. On August 29. 2018, BLOK released and filed Interim Financial Statements for the 6 months ended June 30, 2018, which stated that on June 8, 2018, BLOK had issued 24,487,500 shares at the BLOK Disclosed Share Price for gross proceeds of $4,857,500. The Interim Financial Statements were signed by Hyland, as a director of BKOK, and both Dawson and D. Alexander certified, in Certifications of Interim Filings filed August 29, 2018, that the Interim Financial Statements "do not contain any untrue statement of a material fact or omit to state a material fact required to be stated".

235B. At stated in paragraph 230 above, the statement in the Interim Financial Statements that the shares issued under the Private Placements were purchased at BLOK Disclosed Share Price resulting in gross proceeds of $4,857,500, as set out in paragraph 235A above, was a statement of material fact, within the meaning of s. 1 of the *Securities Act*, which statement was untrue and constituted a misrepresentation, within the meaning of s. 1 of the *Securities Act*. Further, as stated in paragraph 232 above, the conclusion of the consulting agreements with the BLOK Subscribers and any other of the Purported Consultants, and the impact of the payments made under those consulting agreements from the proceeds of the Private Placement, were material facts concerning the Private Placement, within the meaning of s. 1 of the *Securities Act*, and the omission of those facts from the Interim Financial

Statements made that document misleading and constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act*.

235C. Hyland knew when he signed the Interim Financial Statements, and both Dawson and D. Alexander knew when they certified that the Interim Financial Statements contained no misrepresentations, as set out in paragraph 235A above, that the statement in the Interim Financial Statements concerning the Private Placement was false, and also that the Interim Financial Statements omitted to state material facts concerning the Private Placement and that the omission of those facts made the Interim Financial Statements misleading.

236. On September 26, 2018, BLOK filed a Form 9 dated June 30, 2018 concerning the completion of the Private Placement which was certified on behalf of BLOK by D. Alexander. This Form 9 did state: "The majority of the second tranche was used for payment of consulting fees." The Form 9 did not state to whom, when and in what amount the consulting fees were paid, or describe the relationship of the consulting agreements pursuant to which those fees were paid to the acquisition of shares under the second tranche of the Private Placement.

237. These were material facts concerning the Private Placement, within the meaning of s. 1 of the *Securities Act*, and the omission of them from the Form 9 made the Form 9 misleading and constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act*. D. Alexander knew when the Form 9 was certified by him that the omission of these facts from the Form 9 made it misleading, which was also known to, or ought to have been known to, Dawson, as the President and Chief Executive Officer of BLOK, and Hyland, as a Vice President and director of BLOK.

238. No full and fair disclosure of the transactions underlying the Private Placement was made by BLOK in any of its news releases or public filings before the BCSC investigation of the Scheme was announced in the BCSC News Release on November 26, 2018.

239. In the ten trading days after public disclosure of the Scheme in the BCSC News Release, the shares of BLOK traded on the CSE between $0.035 and $0.02.

H. PreveCeutical

240. The tenth Private Placement carried out in the Scheme, after the second Private Placements in each of Beleave and Marapharm, was in PreveCeutical on June 29, 2018. The Private Placement was announced by PreveCeutical in a news release dated April 9, 2018.~~.~~ The news release stated that the purchase price for the shares acquired would be $0.25 per unit resulting in gross proceeds of $4 million, and stated that these proceeds would be "used to fund the Company's research and development programs and for general working capital purposes."

241. On May 23, 2018, PreveCeutical announced a forward stock split of the company's common shares on the basis of five new shares for each one existing.

242. In a news release issued by PreveCeutical on June 25, 2018, ~~,~~PreveCeutical announced that it expected the Private Placement announced on April 9, 2018 would be over-subscribed at the new price per unit $0.05, reflecting the forward stock split (the "PreveCeutical Disclosed Share Price"). The news release again stated the proceeds of the Private Placement "are intended to be used to fund the Company's research and development programs and for general working capital purposes."

243. The Purported Consultants who acquired shares of PreveCeutical in the Private Placement (the "PreveCeutical Subscribers"), and the number of the shares they acquired and the value of those shares at the PreveCeutical Disclosed Share Price, are as follows:

Consultant	Number of Shares	Value
Paddock	20,000,000	$1,000,000
Detona Corp.	20,000,000	$1,000,000
Jarman Corp.	10,000,000	$500,000
Northwest Inc.	30,000,000	$1,500,000
Total	80,000,000	$4,000,000

244. On June 26, 2018, shortly before the closing of this Private Placement, and as a condition of the PreveCeutical Subscribers participating in the Private Placement, PreveCeutical entered into consulting agreements with the PreveCeutical Subscribers, and with each of

Lukor Corp., Kendl Ltd., BridgeMark Corp., Sway Corp., Escher SA, Tryton Corp., Essos Inc. and JCN Corp. All 12 of these consulting agreements were dated effective June 1, 2018, were in substantially the same form and provided for lump sum payments. It was a further condition of the PreveCeutical Subscribers participation in the Private Placement that the payments pursuant to these consulting agreements would be paid from the proceeds of the Private Placement immediately upon their receipt by PreveCeutical, and the payments were so paid on June 26, 2018. The total amount paid under these consulting agreements was $2,775,000 paid as follows:

a. $425,000 to Northwest Inc.;

b. $350,000 to each of Jarman Corp., Lukor Corp., and Kendl Ltd.;

c. $250,000 to each of BridgeMark Corp. and Sway Corp.;

d. $200,000 to each of Paddock, Escher SA, and Tryton Corp.;

e. $100,000 to Detona Corp.; and

f. $50,000 to each of Essos Inc. and JCN Corp.

245. As stated in paragraph 119 above, the arrangements between the PreveCeutical Subscribers, and the other Purported Consultants set out in paragraph 244 above who did not acquire shares under the Private Placement but entered into consulting agreements with PreveCeutical as a condition of the PreveCeutical Subscribers participating in the Private Placement, concerning those consulting agreements and the amounts paid under them, the proceeds used by the PreveCeutical Subscribers to purchase their shares under the Private Placement, and the distribution of those shares or any proceeds from their disposition, are not known to the Plaintiffs but are known to the PreveCeutical Subscribers and these Purported Consultants.

246. These consulting agreements were a sham and a false pretence, as set out in paragraph 107 above, entered into for the purposes set out in paragraph 108 above, and for those reasons, as set out in paragraph 109, the consulting agreements did not support the use of the

Consultant Exemption by PreveCeutical to distribute shares to the PreveCeutical Subscribers, who received those shares under false pretence.

247. On June 29, 2018, PreveCeutical issued a further news release announcing the closing of the over-subscribed Private Placement, ~~,~~and also filed a Form 9 concerning the Private Placement with the CSE, and a Material Change Report concerning the Private Placement, which attached and incorporated the news release issued that day as a full description of the material change. Each of the news release, the Material Change Report and the Form 9 stated that the shares issued under the Private Placement were purchased at the PreveCeutical Disclosed Share Price resulting in gross proceeds of $6,539,987.50, and each stated that these proceeds "are intended to fund the Company's research and development programs and for general working capital purposes." The news release also stated that the shares issued under the Private Placement will have a four month and one day hold period in Canada.

248. These statements in the news releases issued and the Material Change Report and the Form 9 filed by PreveCeutical, set out in paragraphs 240, 242 and 247 above, were material facts concerning the Private Placement, within the meaning of s. 1 of the *Securities Act*. The statements were untrue and constituted misrepresentations within the meaning of s. 1 of the *Securities Act*.

249. Taking into account the monies paid by PreveCeutical under the consulting agreements entered into contemporaneously with Private Placement, as set out in paragraph 244 above, which were a condition of and an integral part of the Private Placement transaction:

a. the effective purchase price paid by the PreveCeutical Subscribers for the shares they acquired under the Private Placement was approximately 70% less than the PreveCeutical Disclosed Share Price; and

b. there was only a small portion of the proceeds of the Private Placement available to PreveCeutical use for general working capital.

250. The conclusion by PreveCeutical of the consulting agreements with the PreveCeutical Subscribers and other Purported Consultants, set out in paragraph 244 above, and the

payments to be made to them pursuant to these agreements from the proceeds of the Private Placement, as set out in paragraph 244 above, and the impact of the payments made under those consulting agreements from the proceeds of the Private Placement, as set out in paragraph 249 above, were material facts concerning the Private Placement within the meaning of s. 1 of the *Securities Act*. These facts were omitted from the news releases issued and the Material Change Report and the Form 9 filed by PreveCeutical concerning the Private Placement, as set out in paragraphs 240, 242 and 247 above, and the omission of these facts from those news releases, the Material Change Report and the Form 9 made those documents misleading, and each such omission constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act.*

251. Each of the PreveCeutical Subscribers knew that the statements made in the news releases, the Material Change Report and the Form 9 concerning the Private Placements were false, as set out in paragraph~~s~~ 248 above, when the news releases were issued and the Material Change Report and the Form 9 was filed by PreveCeutical, and each of them also knew that the news releases, the Material Change Report and the Form 9 omitted to state material facts concerning the Private Placement, as set out in paragraph 250 above, and that the omission of those facts made the news releases, the Material Change Report and the Form 9 misleading.

252. In the days preceding and the days and weeks following the Private Placement, some or all of the PreveCeutical Subscribers, or other Purported Consultants who were transferred their shares, began to dispose of the shares acquired under the Private Placement, by selling or short selling them in the secondary market at prices that were often less than the PreveCeutical Disclosed Share Price but in all cases were significantly in excess of the effective purchase price paid by the PreveCeutical Subscribers.

~~252A. Sweeney facilitated Detona Corp.'s near-total liquidation of its Private Placement allocation by short sale and sale. Barber facilitated Northwest Inc.'s partial liquidation of its Private Placement allocation by short sale~~.

253. On September 18, 2018, PreveCeutical issued a news release, which stated that at the request of IIROC, PreveCeutical "confirms that its management is not aware of any

undisclosed corporate development material change to the company or its operations that would account for the recent increase in market activity."

254. This statement was untrue, as the undisclosed corporate development or material change that would account for the increase in market activity in PreveCeutical shares, and which was known to the PreveCeutical Subscribers, is that PreveCeutical had issued free trading shares under the Private Placement to the PreveCeutical Subscribers at an effective price that was significantly discounted from the PreveCeutical Disclosed Share Price, and which permitted the PreveCeutical Subscribers to dispose of those shares for significant profit at prices below the trading price for PreveCeutical shares. This was a material fact within the meaning of s. 1 of the *Securities Act*, and the omission of this fact from September 18, 2018 news release made the news release misleading, and this omission and the false statement in that news release concerning the market activity in PreveCeutical shares, constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act*.

255. As a result of the mass liquidation of shares referred to in paragraphs 252 ~~and 252A~~, the trading price of PreveCeutical shares on the CSE fell from $0.08 when the Private Placement closed on June 29, 2018 to $0.04 two months later on August 29, 2018.

256. No full and fair disclosure of the transactions underlying the Private Placement was made by PreveCeutical in any of its news releases or public filings before the BCSC investigation of the Scheme was announced in the BCSC News Release on November 26, 2018.

257. In the ten trading days after public disclosure of the Scheme in the BCSC News release, the shares of PreveCeutical traded on the CSE between $0.055 and $0.07.

257A. Effective November 21, 2021, the Plaintiffs, Tietz, Loewen and ~~Stacy~~ Dionne and the Class entered into a Settlement Agreement with the ~~F~~former Defendants, PreveCeutical ~~Medical Inc.~~, Stephen Van Deventer, and Shabira Rajan (together, the "PreveCeutical Settling Defendants".) The Settlement Agreement was approved by the Supreme Court of British Columbia by order made April 4, 2022.

257B. Pursuant to the Settlement Agreement, the Plaintiffs, ~~Stacy Dionne~~ and the Class waive all rights to recover from the PreveCeutical Settling Defendants, their current and former,

officers, directors, managers, employees, consultants and insurers of PreveCeutical and, as applicable, their Affiliates, any portion of their damages which are attributable to any fault of the PreveCeutical Settling Defendants, any of their Affiliates and, as applicable, their past and present employees, and for which any of the Non-Settling Defendants could claim for contribution, indemnity and/or relief pursuant to the *Negligence Act,* R.S.B.C. 1996, c. 333, any successor legislation, or otherwise.

258. [Paragraphs 258 to 270 intentionally left blank]

259. [Paragraphs 258 to 270 intentionally left blank]

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270. [Paragraphs 258 to 270 intentionally left blank]

I. Speakeasy Ltd.

271. The twelfth Private Placement carried out in the Scheme was in Speakeasy Ltd. on July 23, 2018. The Private Placement was announced by Speakeasy Ltd. in a news release dated

June 29, 2018, which was authorized on behalf of Speakeasy Ltd. by Marc Geen. The news release stated that the purchase price for the shares acquired under the Private Placement would be $0.70 per unit (the "Speakeasy Disclosed Share Price") resulting in gross proceeds of $3 million and that these proceeds would be used "for the Company's general working capital and development of it's Rock Creek Facility."

272. The Purported Consultants who acquired shares of Speakeasy Ltd. in the Private Placement (the "Speakeasy Subscribers"), and the number of shares they acquired and the value of those shares at the Speakeasy Disclosed Share Price, are as follows:

Consultant	Number of Shares	Value
Liu	1,571,429	$1,100,000.03
Paddock Inc.	1,714,266	$1,200,000.20
Northwest Inc.	167,143	$117,000.10
Total	3,452,838	$2,417,000.60

273. Contemporaneously with or shortly before this Private Placement, and as a condition of the Speakeasy Subscribers participating in the Private Placement, Speakeasy Ltd. entered into consulting agreements with the Speakeasy Subscribers which provided for lump sum payments to them upon the closing of the Private Placements, or shortly thereafter, from the proceeds of the Private Placement. The amounts paid under these consulting agreements, who executed the agreements on behalf of Speakeasy Ltd., and whether any of the other Purported Consultants or any Unnamed Consultants entered into consulting agreements contemporaneously with the Private Placements as a further condition of the Speakeasy Subscribers participating in the Private Placement, and if so, the amount payable under those consulting agreements, are not known to the Plaintiffs but these details are known to the Speakeasy Subscribers and to Speakeasy Ltd.

274. These consulting agreements were a sham and a false pretence, as set out in paragraph 107 above, entered into for the purposes set out in paragraph 108 above, and for those reasons, as set out in paragraph 109, the consulting agreements did not support the use of the Consultant Exemption by Speakeasy Ltd. to distribute shares to the Speakeasy Subscribers, who received those shares under false pretence

275. On July 23, 2018, Speakeasy Ltd. filed a Form 9 concerning the Private Placement with the CSE, and on July 24, 2018, Speakeasy Ltd. issued a further news release announcing the closing of the Private Placement, which was authorized on behalf of Speakeasy Ltd. by Marc Geen. Both the news release and the Form 9 stated that the shares issued under the Private Placement were purchased at the Speakeasy Disclosed Share Price resulting in gross proceeds of $3 million. The news release stated that these proceeds "are for the Company's general working capital" and the Form 9 similarly stated that the proceeds "will be used for general working capital purposes."

276. These statements in the news releases issued and the Form 9 filed by Speakeasy Ltd., set out in paragraphs 271 and 275 above, were material facts concerning the Private Placement, within the meaning of s. 1 of the *Securities Act*. The statements were untrue and constituted misrepresentations within the meaning of s. 1 of the *Securities Act*.

277. Taking into account the monies paid by Speakeasy Ltd. under the consulting agreements entered into contemporaneously with Private Placement, which were a condition of and an integral part of the Private Placement transaction:

a. the effective purchase price paid by the Speakeasy Subscriber Purported Consultants for the shares they acquired under the Private Placement was far less than the Speakeasy Disclosed Share Price; and

b. there was only a small portion of the proceeds of the Private Placement available to Speakeasy Ltd. use for general working capital.

278. The conclusion by Speakeasy Ltd. of the consulting agreements with the Speakeasy Subscribers and any of the other Purported Consultants, if any, which provided for a lump sum payment to them contemporaneously with or shortly after the closing of the Private Placement, as set out in paragraph 273 above, and the impact of the payments made under those consulting agreements from the proceeds of the Private Placement, as set out in paragraph 277 above, were material facts concerning the Private Placement within the meaning of s. 1 of the *Securities Act*. These facts were omitted from the news releases issued and the Form 9 filed by Speakeasy Ltd. concerning the Private Placement, as set out

in paragraphs 271 and 275 above, and the omission of these facts from those news releases and the Form 9 made those documents misleading, and each such omission constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act.*

279. Both Marc Geen and Jackson, as the Chief Financial Officer of Speakeasy Ltd. and an architect of the Scheme, and each of the Speakeasy Subscribers, knew that the statements made in the news releases and the Form 9 concerning the Private Placements were false, as set out in paragraph 276 above, when the news releases were issued and the Form 9 was filed by Speakeasy Ltd., and each of them knew at that time that the news releases and the Form 9 omitted to state material facts concerning the Private Placement, as set out in paragraph 278, and that the omission of these facts made the news release and the Form 9 misleading, all of which was also known to, or ought to have been known to, Mervyn Geen, Ross and Kaulins, as directors of Speakeasy Ltd.

280. In the days following the Private Placement, some or all of the Speakeasy Subscribers began to dispose of the shares they acquired under the Private Placement, at sale prices that were less than the Speakeasy Disclosed Share Price but were significantly in excess of the effective purchase price paid by the Speakeasy Subscribers.

281. As a result, the trading price of Speakeasy Ltd. shares on the CSE fell from $0.61 when the Private Placement closed on July 23, 2018 to $0.465 three days later on July 26, 2018.

282. No full and fair disclosure of the transactions underlying the Private Placement was made by Speakeasy Ltd. in any of its news releases or public filings before the BCSC investigation of the Scheme was announced in the BCSC News Release on November 26, 2018.

283. In the ten trading days after disclosure of the Scheme in the BCSC News Release, the shares of Speakeasy Ltd. traded on the CSE between $0.49 and $0.21.

J. New Point.

284. The thirteenth and final Private Placement carried out in the Scheme was in New Point on August 8, 2018. The Private Placement was announced by New Point in a news release dated July 25, 2018, which was authorized on behalf of New Point by Gardener-Evans. The news release stated that the purchase price for the shares acquired under the Private Placement would be $0.125 per unit (the "New Point Disclosed Share Price") resulting gross in proceeds of $5 million and that these proceeds would "be used for general corporate purposes, including G&A and exploration on the Company's projects."

285. The Purported Consultants who acquired shares of New Point in the Private Placement (the "New Point Subscribers"), and the number of shares they acquired and the value of those shares at the Disclosed Share Price, are as follows:

Consultant	Number of Shares	Value
Tavistock Corp.	5,000,000	$625,000
Jarman Inc.	5,000,000	$625,000
Northwest Inc.	5,000,000	$625,000
Lukor Corp.	5,000,000	$625,000
Escher SA	5,000,000	$625,000
Haight-Ashbury Ltd.	2,000,000	$250,000
Hunton Ltd.	5,000,000	$625,000
1153307 Ltd.	4,000,000	$500,000
Bertho Ltd.	1,208,000	$151,000
Total	37,208,000	$4,651,000

286. As a condition of the participation of the New Point Subscribers participating in the Private Placement, New Point entered into consulting agreements with each of the New Point Subscribers, and with Detona Corp., 10X Capital, Viral Inc., 727 Capital and Kendl Ltd.. The consulting agreements with the New Point Subscribers, except for 1153307 Ltd. and Bertho Ltd., were entered into in June 2018, before the Private Placement was announced, and the remaining consulting agreements were entered into between June 30 and July 31, 2018, shortly before the closing of the Private Placement. All 14 of these consulting agreements were in substantially the same form and provided for lump sum payments. It was a further condition of the New Point Subscribers participation in the Private Placement

that the payments pursuant to these consulting agreements would be paid from the proceeds of the Private Placement, and the fees were so paid by New Point on July 31, 2018, except that the fees to Haight-Ashbury Ltd. and 1153307 Ltd. were paid on August 1 and August 16, 2018, respectively. The total amount paid under these consulting agreements was $3,972,500, which was paid as follows:

a. $490,000 to 1153307 Ltd.;

b. $420,000 to Tavistock Corp.;

c. $400,000 to Kendl Ltd.;

d. $315,000 to Viral Inc.;

e. $300,000 to each of Escher SA, Hunton Ltd., 10X Capital, and 727 Capital;

f. $262,500 to Northwest Inc.;

g. $210,000 to each of Jarman Inc., Lukor Corp., and Haight-Ashbury Ltd.;

h. $150,000 to Bertho Ltd.; and

i. $105,000 to Detona Corp.

287. As stated in paragraph 119 above the arrangements between the New Point Subscribers, and the other Purported Consultants set out in paragraph 286 above who did not acquire shares under the Private Placement but entered into consulting agreements with New Point as a condition of the New Point Subscribers participating in the Private Placement, concerning those consulting agreements and the amounts paid under them, the proceeds used by the New Point Subscribers to purchase their shares under the Private Placement, and the distribution of those shares or any proceeds from their disposition, are not known to the Plaintiffs but are known to the New Point Subscribers and these Purported Consultants.

288. These consulting agreements were a sham and a false pretence, as set out in paragraph 107 above, entered into for the purposes set out in paragraph 108 above, and for those reasons,

as set out in paragraph 109, the consulting agreements did not support the use of the Consultant Exemption by New Point to distribute shares to the New Point Subscribers, who received those shares under false pretence.

289. On August 8, 2019, New Point filed a Form 9 concerning the Private Placement with the CSE and on August 9, 2018, New Point issued a further news release announcing the closing of the Private Placement, both of which were certified and authorized, respectively, on behalf of New Point by Gardener-Evans, and also filed a Material Change report, which attached and incorporated the August 9, 2018 news release as a full description of the material change. Each of the news release, the Material Change Report and the Form 9 stated that the shares issued under the Private Placement were purchased at the New Point Disclosed Share Price resulting in gross proceeds of $4,651,000. The news release, and the Material Change Report which incorporated it, stated that these proceeds "will be used for the general corporate purposes including G&A and exploration on the Company's projects" and the Form 9 similarly stated that the proceeds will be used for "general corporate purposes, including G&A and exploration on the Issuer's projects."

290. These statements in the news releases issued and the Material Change Report and the Form 9 filed by New Point, set out in paragraphs 284 and 289 above, were material facts concerning the Private Placement, within the meaning of s. 1 of the *Securities Act*. The statements were untrue and constituted misrepresentations within the meaning of s. 1 of the *Securities Act*.

291. Taking into account the monies paid by New Point under the consulting agreements entered into contemporaneously with Private Placement, which were a condition of and an integral part of the Private Placement transaction:

a. the effective purchase price paid by the New Point Subscribers for the shares they acquired under the Private Placement was 85% less than the New Point Disclosed Share Price; and

b. there was only $678,500 in proceeds of the Private Placement available to New Point use for general working capital.

292. The conclusion by New Point of the consulting agreements with the New Point Subscribers and the other Purported Consultants, set out in paragraph 286 above, and the lump sum payments to be made to them pursuant from the agreements from the proceeds of the Private Placement, as set out in paragraph 286 above, and the impact of the payments made under those consulting agreements from the proceeds of the Private Placement, as set out in paragraph 291 above, were material facts concerning the Private Placement within the meaning of s. 1 of the *Securities Act*. These facts were omitted from the news releases issued and the Material Change Report and the Form 9 filed by New Point concerning the Private Placement, as set out in paragraphs 284 and 289 above, and the omission of these facts from those news releases, the Material Change Report and the Form 9 made those documents misleading, and each such omission constitutes a misrepresentation within the meaning of s. 1 of the *Securities Act.*

293. Gardener-Evans, and each of the New Point Subscribers, knew that the statements made in the news releases, the Material Change Report and the Form 9 concerning the Private Placements were false, as set out in paragraphs 290 above, when the news releases were issued and the Material Change Report and the Form 9 was filed by~~,~~ New Point and each of them also knew that the news releases, the Material Change Report, and the Form 9 omitted to state material facts concerning the Private Placement, as set out in paragraph 292 above, and that the omission of those facts made the news releases, the Material Change Report and the Form 9 misleading.

294. On August 20, 2018, IIROC halted trading in the shares of New Point pending clarification of company affairs. By that time, as a result of the sale or short sale by the New Point Subscribers of the shares they had acquired under the Private Placement, or by other Purported Consultants who were transferred those shares, at sales prices that were less than the New Point Disclosed Share Price but significantly in excess of the effective price paid by the New Point Subscribers, the trading price of the New Point shares on the CSE had fallen from $0.08 when the closing of the Private Placement was announced August 9, 2018 to $0.055 on August 20, 2018 when trading was halted.

~~294A. Before August 20, 2018, Sweeney facilitated Lukor Corp.'s and Escher S.A.'s total liquidation of their Private Placement allocations by short sale and sale. Barber facilitated the same for Northwest Inc~~.

295. No full and fair disclosure of the transactions underlying the Private Placement was made by New Point in any of its news releases or public filings before the BCSC investigation of the Scheme was announced in the BCSC News Release on November 26, 2018.

296. The shares of New Point did not resume trading until January 10, 2019, well after the public disclosure of the Scheme in the BCSC News Release, and traded at prices between $0.025 and lower between then and January 21, 2019.

The Plaintiffs' Share Purchases

297. The Plaintiff Tietz began acquiring and selling shares in Cryptobloc at the end of April 2018. When the Private Placement in Cryptobloc announced on May 18, 2018, the Plaintiff Tietz held 53,600 shares in Cryptobloc, acquired at a net cost (total purchase cost less sales proceeds) of $13,347.42.

298. After the closing of the Private Placement was announced by Cryptobloc on June 6, 2018, the Plaintiff Tietz acquired a further 20,000 shares in Cryptobloc on June 12, 2018 at a price of $0.185. After the news release was issued by Cryptobloc on June 14, 2008 concerning the increase in market activity in Cryptobloc shares, the Plaintiff Tietz continued to purchase Cryptobloc shares. He acquired an additional 480,000 shares in Cryptobloc between June 15, 2018 and June 21, 2018, at prices ranging between $0.16 and $0.07. The total cost to the Plaintiff Tietz of the 500,000 shares he purchased in Cryptobloc in June 2018 was $44,519.19.

299. In this same period in June, the Plaintiff Tietz disposed of 63,000 shares Cryptobloc for proceeds of $13,845.02.

300. The Plaintiff Loewen acquired 50,000 shares of New Point on August 9, 2018 at a price of $0.08 for a cost of $4,000.

301. The Plaintiff Loewen sold those shares when New Point resumed trading on January 10, 2019 at a price of $0.025 for proceeds of $1,250.

301A. The Plaintiff Lee purchased 21,270 shares in Kootenay Corp. between February 6 and April 30, 2018, at prices ranging from $0.63 USD to $0.104 USD per share for a total cost before commission.

301B. The Plaintiff Lee sold 1,270 shares of the Kootenay Corp. on February 13, 2018 for total proceeds before commission of $501.04 USD, sold an additional 10,075 shares in Kootenay Corp. in series of transactions in May 2018 for total proceeds before commissions of $1,368.69 USD, and then on September 17, 2019 sold an additional 1,100 shares in Kootenay for proceeds before commissions of $113.92 USD.

301C. The Plaintiff Lee still holds 8,825 of the shares in Kootenay Corp. she purchased between February 6 and April 30, 2018. During the first ten trading days in the shares of Kootenay Corp. after the issuance by the B.C. Securities Commission of the BCSC News Release and the Temporary Order on November 26, 2018, those shares had a value of $503.03 at the average share price of $0.057 at which the shares in Kootenay Corp. were trading during those ten trading days.

301D. The Plaintiff Dotto held 2,586,500 shares in Affinor Inc. as of March 5, 2018. Between that date and November 26, 2018, Plaintiff Dotto purchased an additional 374,000 shares in Affinor Inc. at prices ranging from $0.085 to $0.175 per share for a total cost of $44,370. During that same period, Plaintiff Dotto sold 28,000 shares in Affinor Inc. and subsequent to November 26, 2018, Plaintiff Dotto sold an additional 420,000 shares of Affinor Inc.

301E. During the first ten trading days in the shares of Affinor Inc. after the issuance by the B.C. Securities Commission of the BCSC News Release and the Temporary Order on November 26, 2018, the 374,000 shares in Affinor Inc. acquired by the Plaintiff Dotto between March 5, 2018 and November 26, 2018, which he then held and still holds, had a value of $18,326 at the average share price of $0.049 at which the shares in Affinor Inc. were trading during those ten trading days.

301F. The Plaintiff Runkee purchased 12,500 shares in Green Corp. on April 17, 2018 at a price of $0.3278 per share for a total cost of $4,097.40.

301G. The Plaintiff Runkee still holds those 12,500 shares in Green Corp. During the first ten trading days in the shares of Green Corp. after the issuance by the B.C. Securities Commission of the BCSC News Release and the Temporary Order on November 26, 2018, those shares had a value of $800 at the average share price of $0.064 at which the shares in Green Corp. were trading during those ten trading days.

301H. The Plaintiff Morlani purchased 60,000 shares in Beleave between September 17, 2018 and October 23, 2018 at prices ranging from $1.22 to $1.55 per share for a total cost before commission of $83,221.

301I. The Plaintiff Morlani still holds those 60,000 shares in Beleave, which shares were split 7 to 1 in early November 2018. During the first ten trading days in the shares of Beleave after the issuance by the B.C. Securities Commission of the BCSC News Release and the Temporary Order on November 26, 2018, those shares, which totalled 420,000 after the split, had a value of $43,260 at the average share price (post-split) of $0.103 at which the shares in Beleave were trading during those ten trading days.

301J. The Plaintiff Lomnes held 7,175 shares in Marapharm as of May 17, 2018. Between July 20 and 27, 2018, Plaintiff Lomnes purchased an additional 1,250 shares in Marapharm at prices ranging from $0.215 to $0.28 per share for a total cost of $321.15.

301K. The Plaintiff Lomnes still holds the 1,250 shares in Marapharm he acquired in July 2018. During the first ten trading days in the shares of Marapharm after the issuance by the B.C. Securities Commission of the BCSC News Release and the Temporary Order on November 26, 2018, those shares had a value of $245 at the average share price of $0.196 at which the shares in Marapharm were trading during those ten trading days.

301L. The Plaintiff Greenwood purchased 15,000 shares in BLOK on August 10, 2018 at a price of $0.09 per share for a total cost before commission of $1,350.

301M. The Plaintiff Greenwood still holds those shares in BLOK. During the first ten trading days in the shares of BLOK after the issuance by the B.C. Securities Commission of the BCSC News Release and the Temporary Order on November 26, 2018, those shares had a value of $390 at the average share price of $0.026 at which the shares in BLOK were trading during those ten trading days.

301N. The Plaintiff Dionne purchased 240,070 shares in PreveCeutical between September 28. 2018 and October 8, 2018 at prices ranging from $0.135 to $0.155 per share for a total cost before commission of $37,011.95. The Plaintiff Dionne sold 62,550 of those shares in PreveCeutical since November 26, 2018 at prices ranging from $0.025 to $0.065 per share for total proceeds of $1,013.75.

301O. The Plaintiff Dionne still holds 177,520 of the shares in PreveCeutical she acquired in September and October 2018. During the first ten trading days in the shares of PreveCeutical after the issuance by the B.C. Securities Commission of the BCSC News Release and the Temporary Order on November 26, 2018, those shares had a value of $12,248.88 at the average share price of $0.069 at which the shares in PreveCeutical were trading during those ten trading days.

Part 2: RELIEF SOUGHT

302. Damages for unlawful conspiracy against the Defendant Purported Consultants~~,~~ and the Defendant Issuers ~~and the Brokers.~~

303. In the alternative, as against the Defendant Purported Consultants or some of them, disgorgement of the benefit they obtained as a result of their unlawful tortious conduct.

304. A declaration that Purported Consultant Officers and Directors are personally liable for any damages for unlawful conspiracy or disgorgement of benefit awarded against the Defendant Purported Consultant for which they acted as an officer or director.

305. A declaration that Issuer Officer and Directors are personally liable for any damages for unlawful conspiracy awarded against the Defendant Issuer for which they acted as an officer or director.

~~305A. A declaration that Research Capital is vicariously liable for the Brokers' acts.~~

306. Statutory damages for secondary market misrepresentations, pursuant to s. 140.3 and s. 140.5 of the *Securities Act* against the Defendant Issuers and the Issuer Officers and Directors.

307. Damages for fraudulent misrepresentation, or in the alternative, negligent misrepresentation, against the Defendant Issuers and the Issuer Officers and Directors.

307A. Effective March 19, 2024, the Plaintiffs and the Class entered into a Settlement Agreement with the former Defendants, Jackson, BridgeMark Corp., and Jackson & Company (collectively, the "Jackson Group Settling Defendants"), and effective March 21, 2024, the Plaintiffs and the Class entered into a Settlement Agreement with the former Defendants, Tollstam, Tollstam & Company, Ryan Peter Venier, Altitude Corp., Tara Haddad, Saiya Corp., Abeir Haddad, and Tryton Corp. (collectively, the Jackson Family Settling Defendants"). The Settlement Agreements were approved by the Supreme Court of British Columbia by order made May 15, 2024.

307B. Pursuant to the Settlement Agreements, the Plaintiffs and the Class waive all rights to recover from the Non-Settling Defendants any portion of their damages which are attributable to any fault of the Jackson Group Settling Defendants or the Jackson Family Settling Defendants and for which any of the Non-Settling Defendants could claim for contribution, indemnity and/or other relief pursuant to the *Negligence Act*, R.S.B.C. 1996, c. 333, any successor legislation, or otherwise.

307C. Effective September 25, 2024, the Plaintiffs and the Class entered into a Settlement Agreement with the former Defendants, Tavistock Capital Corp ("Tavistock"), and Robert Lawrence ("Lawrence"), (collectively the "Tavistock Group Settling Defendants") and effective October 18, 2024, the Plaintiffs and the Class entered into a Settlement Agreement with the former Defendants, Jason Christopher Shull, Platinum Capital Corp., and 658111 B.C. Ltd. (the 'Shull Group Settling Defendants"). The Settlement Agreements were approved by the Supreme Court of British Columbia by order made November 6, 2024.

307D. Pursuant to the Settlement Agreements, the Plaintiffs and the Class waive all rights to recover from the Tavistock Group Settling Defendants and from the Shull Group Settling Defendants any portion of their damages which are attributable to any fault of the Tavistock Group Settling Defendants and the Shull Group Settling Defendants and for which any of the Non-Settling Defendants could claim for contribution, indemnity and/or other relief pursuant to the *Negligence Act*, R.S.B.C. 1996, c. 333, any successor legislation, or otherwise.

307E. Effective January 29, 2025, the Plaintiffs and the Class entered into a Settlement Agreement with the former Defendants Liu, Lukor Corp., Asiatic Nev., Asiatic B.C., Nieken, Greenway, and 1113300 Ltd. ("Liu Group Settling Defendants"). The Settlement Agreement was approved by the Supreme Court of British Columbia by order made February 20, 2024.

307F. Pursuant to the Settlement Agreement, the Plaintiffs and the Class waive all rights to recover from the Non-Settling Defendants any portion of their damages which are attributable to any fault of the Liu Group Settling Defendants and for which any of the Non-Settling Defendants could claim for contribution, indemnity and/or other relief pursuant to the *Negligence Act*, R.S.B.C. 1996, c. 333, any successor legislation, or otherwise.

Part 3: LEGAL BASIS

Unlawful Conspiracy

308. The Scheme was dishonest, deceitful and deceptive, and constituted a fraud on the market for the Issuers' shares affecting the public market price of those shares, contrary to s. 380(1)(a) and s. 380(2) of the *Criminal Code*, R.S.C. 1985, c-46, as amended (the "*Criminal Code*"), and conduct resulting in or contributing to a misleading appearance of trading activity in the Issuers' shares, contrary to s. 57 of the *Securities Act*, in that:

a. the consulting agreements entered into between the Issuers and the Purported Consultants as a condition of the Private Placements were a sham and a false pretence;

b. the Issuers distributed, and the Purported Consultants received, shares under the Private Placements pursuant to the Consultant Exemption when they were not lawfully entitled to do so and under false pretence;

c. the price paid by the Purported Consultants for the Issuers' shares they acquired in the Private Placements was far less than the Disclosed Share Price represented to the public market to have been paid for those shares;

d. the proceeds of the Private Placements available to the Issuers for use for general working capital was far less than the amounts represented to the public market to be available; and

e. the Purported Consultants who acquired shares under the Private Placements were in a special relationship with the Issuer in which the shares were acquired, within the meaning of s. 3 of the *Securities Act*, and sold or short sold all or most of those shares for a significant profit to Class members, including the Plaintiffs, knowing that material facts of the Private Placements had not been disclosed to the market and that the Plaintiffs and the Class members would not have purchased those shares, or would have purchased them for a significantly lesser price, had the Scheme and the Private Placements never been carried out or had the true circumstances of the Private Placements been disclosed to the market when the Private Placements proceeded~~; and~~.

f. ~~one or both Brokers facilitated Purported Consultants' liquidations of shares knowing that they were violating or evading Research Capital's relevant policies and procedures concerning business communications and violating their gatekeep responsibilities under IIROC Rule 1400, and they knew or reasonably should have known that material facts about the Private Placements had not been disclosed to the market and that liquidating the Private Placement shares in the manner they did~~

~~and in those circumstances was facilitating fraudulent activity that would result in or contribute to a misleading appearance of trading activity in, or artificial prices for secondary market shares in the Issuers, which shares, as applicable, the Brokers knew would be purchased by the Plaintiffs and Class Members who would not have bought those shares or would have purchased them for a significantly lesser price, had the Scheme and the Private Placements never been carried out or had the true circumstances of the Private Placements been disclosed to the market when the Private Placements proceeded.~~

309. As set out in paragraphs 103 and 120 above, the Scheme was conceived and agreed to by Jackson, Liu, Paddock, and Mawji in or around January 2018 and implemented by them with respect to a Private Placement carried out in Kootenay Corp. in February 2018. In so doing, each of Jackson, Liu, Paddock and Mawji became parties to an agreement to commit fraud contrary to s. 380(1)(a) and s. 380(2) of the *Criminal Code* and to engage in conduct resulting or contributing to a misleading appearance of trading activity contrary to s. 57 of the *Securities Act* (the "Unlawful Conspiracy").

310. The other Purported Consultants became parties to the Unlawful Conspiracy when they agreed to and did participate in the Scheme, as set out in paragraph 105 above.

311. Each of the Issuers became a party to the Unlawful Conspiracy when each Issuer agreed to undertake their respective Private Placements in accordance with terms of the Scheme.

~~311A. Each Broker became a party to the Unlawful Conspiracy when they agreed to use their professional knowledge and expertise in the selling part of the Scheme by depositing Purported Consultants' share certificates quickly, where applicable, and carrying out the liquidation of large quantities of their shares by secondary market short sale and sale while taking steps to avoid the creation of records that could trigger serious scrutiny of the business basis or lawful purpose of Purported Consultants' liquidations~~.

312. The predominant purpose of the Unlawful Conspiracy for each Issuer was to maintain the share price of, and investor confidence in, the Issuer through the deception that the Private Placement of the Issuer carried out as part of the Scheme had resulted in significant capital

financing for the Issuer which could be used for specific and general working capital purposes.

313. The predominant purpose of the Unlawful Conspiracy for the Purported Consultants was to profit from that deception, at the expense of the Plaintiffs and the Class members, through the sale to them of the Issuers' shares acquired by the Purported Consultants in the Private Placements, which shares either would not have been purchased by the Plaintiffs and the Class members, or would have been purchased by them for significantly lesser price, had the conspiracy and Private Placements never been carried out or had the true circumstances of the Private Placements been disclosed.

~~313A. The predominant purpose of the Unlawful Conspiracy for each Broker was to benefit in trade commissions or other forms and generate new business by facilitating Purported Consultants' quick total or near-total liquidation of shares acquired as part of the Scheme, which the Brokers knew or reasonably should have known would contribute to the fraud on the market being perpetrated by the Purported Consultants, and knew or reasonably should have known was resulting in or contributing to a misleading appearance of trading activity or artificial prices in the shares of Issuers.~~

314. In furtherance of the Unlawful Conspiracy, the Purported Consultants, and the Issuers ~~and the Brokers~~ committed the following unlawful and overt acts:

a. each of the Purported Consultants and the Issuers entered in the false pretence of the consulting agreements as a condition of the Private Placements;

b. the Issuers distributed, and the Purported Consultants who participated in the Private Placements received, shares under the Consultant Exemption when they were not lawfully entitled to do so and under false pretence;

c. the Issuers issued shares to the Purported Consultants who subscribed for shares under the Private Placements when the shares were not fully paid, contrary to s. 64(2) and (3) of the *Business Corporations Act* S.B.C 2002, c. 57 and s. 25(3) of the *Canada Business Corporation Act* R.S.C. 1985, c. 44, as applicable and the

Purported Consultants knew that they had been issued shares that had not been fully paid, contrary to these provisions, as appliable.;

d. the Issuers made misrepresentations concerning the Private Placements, and in some instances, the trading activity in their shares subsequent to the Private Placements, to the knowledge and with the agreement and acquiescence of the Purported Consultants participating in the Private Placement; and

e. the Purported Consultants who acquired shares under the Private Placements were in a special relationship with the Issuer in which the shares were acquired, within the meaning of s. 3 of the *Securities Act*, and sold or short sold all or most of those shares for a significant profit to Class members, including the Plaintiffs, knowing that material facts of the Private Placements had not been disclosed to the market and that the Plaintiffs and Class members would not have purchased those shares, or would have paid a substantially lower price for those shares, had the conspiracy and Private Placements not been undertaken or had the true nature of the Private Placements been disclosed; and.

f. the brokers deposited the Purported Consultants' share certificates quickly, where applicable, carried out the prolific liquidation of large quantities of Private Placement shares by secondary market short sale and sale, and knowingly violated or evaded Research Capital's relevant policies and procedures concerning sales and business communications, including by using instant messaging applications that Research Capital could not monitor, to avoid the creation of records and serious scrutiny of the business basis or lawful purpose of Purported Consultants' trading;

which acts, individually and collectively, were dishonest, deceitful and were contrary to s. 380(1)(a) and s. 380(2) of the *Criminal Code* and s. 57 and s. 57.2(2) of the *Securities Act*.

315. The Unlawful Conspiracy was directed at the Plaintiffs and Class members, as purchasers of the shares in the Issuers subsequent to the Private Placements which were carried out as part of the Unlawful Conspiracy, in that each of the Purported Consultants, and Issuers and

~~Brokers~~ knew that subsequent to the Private Placements in each Issuer, shares in that Issuer would be purchased by Class members which either never would have been purchased, or would have been purchased at substantially lower prices, had the conspiracy and the Private Placements never been carried out or had the true nature of the Private Placements been disclosed to the market.

316. The Unlawful Conspiracy has caused loss and damage to the Plaintiffs and Class members through:

a. the purchase by them of shares or additional shares in the Issuers which either never would have been purchased, or would have been purchased by them at a lower price, had the Unlawful Conspiracy and the Private Placements never been carried out or had the true nature of the Private Placements been disclosed; and

b. the erosion in the trading price of the shares in an Issuer acquired by the Plaintiffs and the Class members, resulting from the sale or short sale by the Purported Consultants of shares of that Issuer they acquired under the Private Placements at prices discounted to the trading price of the shares but at a substantial profit to the Purported Consultants.

317. Each of the Defendant Purported Consultants~~,~~ and each of the Defendant Issuers ~~and the Brokers~~ are jointly and severally liable to the Plaintiffs and each Class member for the loss suffered by the Plaintiffs and each Class member as a result of the Unlawful Conspiracy.

Disgorgement of Unlawful Gain

318. In the alternative, the Plaintiffs and Class members are entitled to elect the remedy of disgorgement for the tort of Unlawful Conspiracy against those Defendant Purported Consultants who sold some or all of the shares they acquired under the Private Placements, and to recover the benefit accrued to those Defendant Purported Consultants as a result of their tortious and unlawful conduct.

319. Each of these Defendant Purported Consultants accrued a benefit in the form of profit from the sale of the shares they acquired under the Private Placements, which profit they would

not have received but for their unlawful conduct and which profit they received at the expense of the Class members. The unlawful conduct of these Defendant Purported Consultants was deceitful and intentional, and the Defendant Purported Consultants knew they would be inflicting harm on Class members to earn a profit from their unlawful conduct. The Plaintiffs and Class members are entitled to a disgorgement of this benefit so obtained by these Defendant Purported Consultants.

Personal Liability

320. Each of the Defendant Purported Consultant Officers and Directors are personally liable for the acts carried out in the Unlawful Conspiracy by the Defendant Purported Consultant for which they acted as an officer and director, or both, because:

a. those acts were committed by that Defendant Purported Consultant under their direction and control; and

b. each of them knew that, or were reckless or willfully blind as to whether, those acts were dishonest, deceitful and deceptive, and constituted a fraud on the public market for the Issuers' shares contrary to the s. 380(1)(a) and s. 380(2) of the *Criminal Code,* and conduct resulting in or contributing to a misleading appearance of trading activity in the Issuers' shares, or insider trading, contrary to s. 57 and s. 57.2(2) of the *Securities Act.*

321. Each of the Issuer Officers and Directors are vicariously liable for the acts carried out in the Unlawful Conspiracy by of the Defendant Issuer for which they acted as an officer or director, or both, because:

a. those acts were committed by that Defendant Issuer under their direction and control; and

b. each of them knew that, or were reckless or willfully blind as to whether those acts were dishonest, deceitful and deceptive, constituted a fraud on the public market for the shares of that Issuer contrary to the s. 380(1)(a) and s. 380(2) of the *Criminal Code*, and conduct resulting in or contributing to misleading appearance of trading

activity in the Issuers' shares or insider trading, contrary to s. 57 and s. 57.2(2) of the *Securities Act*.

Statutory Secondary Market Liability

322. By Order of the B.C. Supreme Court made November 22, 2021 in BCSC No. S-2022110 (the "Leave Proceedings"), as varied by the Order of the B.C. Court of Appeal in Appeal No. CA47974 made September 13, 2022, leave was granted to bring the claims for secondary market misrepresentation under s. 140.3 of the *Securities Act* set out in paragraphs 321 to 329A below against certain of the Defendant Issuers and the Issuer Officers and Directors, *nunc pro tunc* to July 11, 2019, as follows:

a. to the Plaintiff Tietz, to bring those claims against Cryptobloc, Stevenson-Moore, Phillippe, and Biles;

b. to the Plaintiff Loewen, to bring those claims against New Point and Gardener-Evans; and

c. to the Plaintiff Greenwood, to bring those claims against BLOK, Dawson, D. Alexander, and Hyland.

323. By further Order made March 30, 2023 in the Leave Proceedings, leave was granted to bring the claims for secondary market misrepresentation under s.140.3 of the *Securities Act* set out in paragraph 324 to 329A below against certain of the Defendant Issuers and the Issuer Officers and Directors, *nunc pro tunc* to July 11, 2019, as follows:

a. to the Plaintiff Runkee, to bring those claims against Green Corp, Smulewicz, Young and Little; and

b. the Plaintiff Lomnes, to bring those claims against Marapham and D. Alexander~~, and Nieken.~~

324. Each of the Defendant Issuers is a "Responsible Issuer" within the meaning of s. 140.1 of the *Securities Act*.

325. Each of:

a. the news releases released by the Defendant Issuers in respect of the Private Placements, as set out in paragraphs153, 157, 187, 191, 195, 199, 208, 212, 224, 225, 229, 271, 275, 284, and 289 above (collectively, the "Private Placement News Releases");

b. the Form 9s filed by Defendant Issuers in respect of the Private Placements, as set out in paragraphs 157, 191, 199, 212, 225, 236, 275 and 289 above (collectively, the "Form 9s"); and

c. the news release released by Cryptobloc in respect of the increased trading activity subsequent to its Private Placement, as set out in paragraph 218 above (the "Trading News Release"),

were "documents" within the meaning of s. 140.1 of the *Securities Act*.

325A. Each of the Form 9s, and each of the Material Change Reports set out in paragraphs 157, 212, and 289 above (collectively, the "Material Change Reports") was a disclosure required under s. 85(b) of the *Securities Act* and constitutes a "core document" within the meaning of s. 140.1 of the *Securities Act* in relation to the Defendant Issuer who filed Form 9 or Material Change Report and to each of the Issuer Officer and Directors who was an officer or director of that Defendant Issuer at the time the Form 9 or Material Change Report was filed.

325B. Each of the MD&As and Financial Statements released and filed by certain of the Defendant Issuers, as set out in paragraphs 163A, 205A, and 235A above (collectively, the "MD&As and Financial Statements") constitutes a core document within the meaning of s. 140.1 of the *Securities Act* in relation to the Issuer who released and filed the MD&A or the Financial Statements and to each of the Issuer Officers and Directors who was an officer of director or both of that Defendant Issuer at the time the MD&A or the Financial Statement was released and filed.

326. Each of the Private Placement News Releases the Form 9s, the Material Change Reports, the Trading News Release and the MD&As and Financial Statements contained misrepresentations within the meaning of s. 1 of the *Securities Act*, as set out in paragraphs:

a. 158, 160, 192, 194, 200, 202, 213, 215, 230, 232, 237~~,~~ 276, 278, 290, and 292 above for the Private Placement News Releases and the Form 9s;

b. 158, 160, 213, 215, 290, and 292 for the Material Change Reports;

c. 219 for the Trading News Release; and

d. 163B, 205B, and 235B for the MD&As and Financial Statements;

(collectively, the "Misrepresentations").

327. Each of the Issuer Officers and Directors was either an officer or director, or both, of one of the Defendant Issuers at the time one or more of the News Releases, the Material Change Reports, the Form 9s, the Trading News Release~~s~~, and the MD&As and Financial Statements containing the Misrepresentations were released or filed by that Issuer, and each of them either authorized the release or filing of those Private Placement News Releases, the Material Change Reports, and the Trading News Release~~s~~ on behalf of that Defendant Issuer, or certified the Form 9s or the MD&A and Financial Statements on behalf of that Defendant Issuer, as set out in paragraphs:

a. 153, 157, 187, 191, 195, 199, 208, 212, 224, 229, 271, 275, 284, and 289 above for the Private Placement News Releases;

b. 157, 191, 199, 212, 225, 236, 275 and 289 above for the Form 9s;

c. 157, 212, and 289 above for the Material Change Reports;

d. 218 above for the Trading News Release; and

e. 163A, 205A, and 235A above for the MD&As and Financial Statements;

or permitted or acquiesced in their release or filing.

328. Each of the Defendant Issuer Officers and Directors, at the time the Private Placement News Releases and the Trading News Releases were issued, or the Material Change Reports, the Form 9s, and the MD&As and Financial Reports were filed, by the Defendant Issuer for which they then acted as an officer or director or both, knew that those Private Placement News Releases, the Trading News Release, the Material Change Reports, Form 9s, and the MD&As and Financial Reports contained the Misrepresentations, as set out in paragraphs:

a. 161, 203, 216, 233, 237, 279, and 293 for the Private Placement News Releases and the Form 9s;

b. 161, 216, and 293 for the Material Change Reports;

c. 219 for the Trading News Releases; and

d. 163C, 205C, and 235C for the MD&As and Financial Statements.

329. In the alternative, if any one or more of the Issuer Officers and Directors, at the time one or more of those documents referred to in paragraph 328 above was released by the Defendant Issuer for which then they acted as an officer or director or both, did not know that the documents contained a Misrepresentation, then if the document was not a core document within the meaning of s. 140.1 of the *Securities Act*, each of those Issuer Officers and Directors either:

a. deliberately avoided acquiring knowledge, before those documents were released by the Defendant Issuer, that those documents contained the Misrepresentations; or

b. was guilty of gross misconduct in connection with those documents, as even the most minimal inquiry concerning the terms of the Private Placements which was the subject of each such document would have revealed that the document contained the Misrepresentations;

or, if the document was a core document within the meaning of s. 140.1 of the *Securities Act*, then each of the Issuer Officers and Directors either:

c. failed to conduct or cause to be conducted a reasonable investigation before the release or filing of the core document; or

d. had reasonable grounds to believe that the core document contained the misrepresentation, at the time the core document was released or filed;

and if the core document was released but not filed, knew or had reasonable grounds to believe the document would be released.

329A. Each of the Misrepresentations was publicly corrected on November 26, 2018 by the BCSC News Release and the Temporary Order.

330. The Plaintiff Tietz has a right of action for damages in respect of his shares purchases in Cryptobloc, as set out in paragraphs 297 through 299, against Cryptobloc, Stevenson-Moore, Phillippe and Biles, and the Plaintiff Loewen has a right of action in respect of his shares purchases in , New Point as set out in paragraphs 300 and 301 above, against New Point and Gardener-Evans, pursuant to s. 140.3(1) of the *Securities Act*, and both claim damages in respect of their shares purchases assessed in accordance with s. 140.5 of the *Securities Act*.

330A. The Plaintiff Runkee has a right of action for damages in respect of his share purchases in Green Corp., as set out in paragraphs 301F to 301G above, against Green Corp., Smulewicz, Young, and Little, pursuant to s. 140.3(1) of the *Securities Act* and claims damages in respect of his share purchases assessed in accordance with s. 140.5 of the *Securities Act*.

330B. The Plaintiff Lomnes has a right of action for damages in respect of his share purchases in Marapharm as set out in paragraphs 301J to 301K above, against Marapharm, Sampson, Alexander, ~~Neiken~~, and Pannu pursuant to s. 140.3(1) of the *Securities Act* and claims damages in respect of his share purchases assessed in accordance with s. 140.5 of the *Securities Act*.

330C. The Plaintiff Greenwood has a right of action for damages in respect of his share purchases in BLOK, as set out in paragraphs 301L to 301M above, against BLOK, Dawson, Hyland,

and Alexander pursuant to s. 140.3(1) of the *Securities Act* and claims damages in respect of his share purchases assessed in accordance with s. 140.5 of the *Securities Act*.

331. Each Class member who acquired shares in one of the Defendant Issuers, during the applicable Class Period for that Defendant Issuer as set out in paragraph 100 above, other than Speakeasy Ltd., has a right of action for damages in respect of those share purchases against that Defendant Issuer, and against the Issuer Officers and Directors who served as officers or directors or both of that Defendant Issuer when the Private Placement News Releases and the Trading News Releases were released and when the Material Change Reports, the Form 9s, and the MD&As and Financial Statements were filed, pursuant to s. 140.3(1) of the *Securities Act*, and each claims damages against them for those share purchases assessed in accordance with s. 140.5(1) of the *Securities Act.*

Fraudulent or Negligent Misrepresentation

332. The Private Placement News Releases and the Form 9s were released or filed by each Defendant Issuer, and were authorized or permitted or acquiesced in by each of the Issuer Officers and Directors who acted as officers and directors for each Defendant Issuer when the Private Placement News Releases and Form 9s were released or filed, knowing that the Misrepresentations in the Private Placement News Releases and Form 9s, as set out in paragraphs 326(a) above, were false or with reckless disregard to whether to the Misrepresentations were true.

333. The Misrepresentations in the Private Placement News Releases and the Form 9s were made by each Defendant Issuer, and were authorized or permitted or acquiesced in by the Issuer Officers and Directors who were officers and directors of each Defendant Issuer when the Private Placement News Releases and the Form 9s were released or filed, with the intention that the Plaintiffs and the Class members would rely on the Misrepresentations in determining whether to purchase shares of the Defendant Issuer and to induce the Plaintiffs and the Class members to purchase those shares.

334. In the alternative, each of the Issuer Officers and Directors, at the time the Private Placement News Releases and the Form 9s were released or filed by the Defendant Issuer for which they then acted as officers and directors or both, knew and understood that:

a. those Private Placement News Releases and the Form 9s were released or filed to fulfill, comply with and discharge the Defendant Issuer's disclosure obligations and requirements under the *Securities Act*, the CSA National Policy 51-201 and the CSE's Policy 5;

b. those Private Placement News Releases and the Form 9s were prepared, and released or filed, for the purpose of providing material information concerning the Defendant Issuer which was intended to be, and which would reasonably be, relied upon by the Class members, including the Plaintiffs, in making their decision to purchase shares or further shares in the Defendant Issuer; and

c. the information contained in those Private Placement News Releases and the Form 9s would be incorporated into the price of the Defendant Issuer's publicly traded shares such that the trading price of those shares would at all times reflect the information contained in those Private Placement News Releases and the Forms 9s, and that information was so incorporated into the price of the Defendant Issuer's publicly traded shares;

and in these circumstances, each of the Issuer Officers and Directors had a duty of care at common law, informed by the Defendant Issuer's disclosure obligations and requirements referenced in paragraph (a) above, to the Class members to exercise reasonable care and due diligence to ensure that the information set out in the Private Placement News Releases and the Form 9s, released or filed by the Defendant Issuer for which they then acted as an officer or director or both, was fair and accurate and fully and fairly disclosed all material information concerning the Private Placement which was the subject of those Private Placement News Releases and the Form 9s.

335. Each of the Issuer Officers and Directors breached their duty of care, set out in paragraph 334 above, by failing to take reasonable steps to ensure that the material information in the

Private Placement News Release and the Form 9s, released or filed by the Defendant Issuer for which they then acted as an officer or director or both, was fair and accurate, which included:

a. failing to review the consulting agreements used to purportedly justify the use of the Consultants Exemption to distribute shares under the Private Placement which was the subject of the Private Placement News Releases and the Form 9s; and

b. failing to require that those News Releases and Form 9s disclose:

i. the consulting agreements with the Purported Consultants entered into contemporaneously with and as a condition of the Private Placement which was the subject of the News Releases and Form 9s;

ii. the amount of the proceeds of that Private Placement which would be immediately used to pay lump sum consulting fees under the consulting agreements;

iii. the impact of these payments under the effective share price paid by those Purported Consultants who acquired shares under that Private Placement; and

iv. the true amount of the proceeds of that Private Placement available to the Defendant Issuer to use as working capital.

336. Had the Issuer Officers and Directors not breached their duty of care to the Plaintiffs and the Class members, as set out in paragraph 335 above, then the Private Placement which was the subject of the Private Placement News Release and the Form 9s, released or filed by the Defendant Issuer for which they then acted as officers and directors or both, would not have been carried out, or the Misrepresentations in those News Releases and Form 9s would not have been made.

337. The Plaintiffs and the Class members relied, directly or indirectly, on the Misrepresentations in the Private Placement News Releases and the Form 9s released or

filed by each Defendant Issuer, and did so reasonably, in making the decision to acquire shares or further shares in that Issuer, subsequent to the release of the Private Placement News Releases and the Form 9s.

338. The Plaintiffs and the Class members suffered a loss as a result of the Misrepresentations and their reliance on them, and as result of the breaches of duty by the Issuer Officers and Directors, set out in paragraph 335 above, though the purchase of shares in the Defendant Issuers, and in the case of the Plaintiff Tietz, through the purchase of shares in the Cryptobloc, and in the case of the Plaintiff Loewen, through the purchase of shares in New Point, and in the case of the Plaintiff Greenwood, through the purchase of shares in BLOK, and in the case of the Plaintiff Runkee, through the purchase of shares in Green Corp., and in the case of the Plaintiff Lomnes, through the purchase of shares in Marapharm, which shares would not have been purchased or would have been purchased for a significantly lesser price, had the Private Placements in those Defendant Issuers never occurred, or had the Misrepresentations in the Private Placement News Releases and the Forms 9s never been made and the true circumstances of the Private Placements had instead been disclosed in those Private Placement News Releases and the Form 9s.

~~**Vicarious Liability of Research Capital**~~

~~338A. Research Capital is vicariously liable for the acts of the Brokers because their acts with respect to the Scheme were carried out within their general scope of employment and while they were engaged in the business affairs of Research Capital~~.

Jurisdiction

339. There is a real and substantial connection between British Columbia and the facts alleged in this proceeding. The Plaintiffs and the other Class members plead and rely upon the *Court Jurisdiction and Proceedings Transfer Act*, RSBC 2003, c 28 ("*CJPTA*") in respect of the Defendants. Without limiting the foregoing, a real and substantial connection between British Columbia and the facts alleged in this proceeding exists pursuant to sections 10(f) through 10(h) of the *CJPTA* because this proceeding:

(f) concerns restitutionary obligations that, to a substantial extent, arose in British Columbia;

(g) concerns a tort committed in British Columbia; and

(h) concerns a business carried on in British Columbia.

Plaintiffs' address for service:

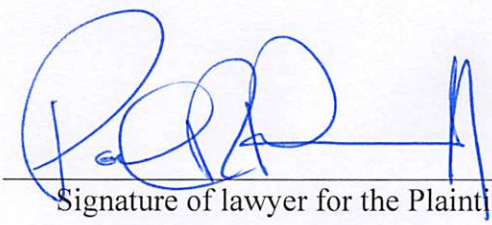
Bennett Mounteer LLP
#400 - 856 Homer Street
Vancouver, British Columbia, V6B 2W5
pb@hbmlaw.com

Place of trial: Vancouver, British Columbia

The address of the registry is:

800 Smithe Street
Vancouver, BC V6Z 2E1

Date: 14/NOV/2025



Signature of lawyer for the Plaintiffs

Paul R. Bennett
Mark W. Mounteer
Co-Counsel for the Plaintiffs
Bennett Mounteer LLP

Reidar Mogerman
Naomi Kovak
Co-Counsel for the Plaintiffs
CFM Lawyers LLP

ENDORSEMENT ON ORIGINATING PLEADING OR PETITION FOR SERVICE OUTSIDE OF BRITISH COLUMBIA

The Plaintiffs, Michael Tietz and Duane Loewen, claim the right to serve this pleading on the Defendants outside of British Columbia on the ground that there is a real and substantial connection between British Columbia and the facts alleged in this proceeding and the Plaintiffs and other Class members plead rely upon the *Court Jurisdiction and Proceedings Transfer Act*, RSBC 2003, c 28 ("*CJPTA*") in respect of the Defendants. Without limiting the foregoing, a real and substantial connection between British Columbia and the facts alleged in this proceeding exists pursuant to sections 10(f) through 10(h) of the *CJPTA* because this proceeding:

(f) concerns restitutionary obligations that, to a substantial extent, arose in British Columbia;

(g) concerns a tort committed in British Columbia; and

(h) concerns a business carried on in British Columbia.

Rule 7-1 (1) of the Supreme Court Civil Rules states:

(1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,

(a) prepare a list of documents in Form 22 that lists

(i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and

(ii) all other documents to which the party intends to refer at trial, and

(b) serve the list on all parties of record.

Appendix

[*The following information is provided for data collection purposes only and is of no legal effect.*]

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

This is a claim for damages for conspiracy, statutory damages for secondary market misrepresentation, and damages for fraudulent and negligent misrepresentation, concerning shares issued under private placements of certain defendants which were acquired through false pretence and deception.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

A personal injury arising out of:

[ ] a motor vehicle accident

[ ] medical malpractice

[ ] another cause

A dispute concerning:

[ ] contaminated sites

[ ] construction defects

[ ] real property (real estate)

[ ] personal property

[ ] the provision of goods or services or other general commercial matters

[x] investment losses

[ ] the lending of money

[ ] an employment relationship

[ ] a will or other issues concerning the probate of an estate

[ ] a matter not listed here

Part 3: THIS CLAIM INVOLVES:

[x] a class action

[ ] maritime law

[ ] aboriginal law

[ ] constitutional law

[ ] conflict of laws

[ ] none of the above

[ ] do not know

Part 4:

Class Proceedings Act, R.S.B.C. 1996, c. 50

Criminal Code, R.S.C. 1985, c-46

Securities Act, R.S.B.C. 1996, c. 48