



Capital
Markets
Tribunal

Tribunal des
des marchés
financiers

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**IN THE MATTER OF
FIRST CLASS CRYPTO INC., JOHNATHAN HARRIS, MITCHELL CARNIE and NEILL KLOSS**

Adjudicator: M. Cecilia Williams

File No. 2022-11

July 6, 2022

ORDER

(Section 17 of the *Securities Act*, RSO 1990, c S.5)

WHEREAS the Capital Markets Tribunal held a hearing in writing to consider an application by Staff of the Ontario Securities Commission for an order permitting Staff to disclose certain information pursuant to section 17 of the *Securities Act* (the **Act**) to the Ministry of the Attorney General's (**MAG's**) Director of Asset Management – Civil;

ON READING the materials filed by Staff on April 26, 2022 and the supplemental materials filed by Staff on June 17, 2022;

IT IS ORDERED that:

1. pursuant to section 5.1 of the *Statutory Powers and Procedures Act*, RSO 1990, c S.22 and Rule 23 of the Tribunal's *Rules of Procedure and Forms*, this application is heard in writing;
2. pursuant to subsection 17(1) of the Act, Staff is authorized to provide to MAG's Director of Asset Management – Civil, and/or any other person appointed under the *Civil Remedies Act, 2001*, SO 2001, c 28 or employed by MAG for the purpose of carrying out duties relating to the compensation of persons who suffer pecuniary or non-pecuniary losses as a result of unlawful activities:
 - a. The following excerpts of the transcript of the compelled examination of Neill Kloss dated September 4, 2019:
 - i. page 26 at lines 7-15;
 - ii. page 54 at lines 1-22;
 - iii. page 61 at lines 19-25;
 - iv. page 62 at lines 1-8;
 - v. page 97 at lines 21-25; and
 - vi. page 98 at lines 1-12;
 - b. Investor identification and contact information, investor listing, investment contracts and deposit receipts;

- c. FCCI contract termination and promissory note documents;
 - d. E-transfer confirmation, bank account statements, transaction listings, wire forms and other banking documents of Johnathan Harris, Mitchell Carnie and 2582610 Ontario Inc. (operating as CryptoConnect, the cryptocurrency exchange); and
 - e. Text messages and e-mail correspondence between FCCI representatives as well as between investors and FCCI representatives;
3. pursuant to subsection 17(2.1) of the Act, such disclosure is authorized to be made without notice and without and opportunity to be heard;
4. pursuant to subsection 17(4), MAG Staff is permitted to use the information set out in paragraph 2 of this Order for the purpose of notifying any potential victims in this matter of their entitlement to make a claim under the CRA and to assist an adjudicator appointed by the Lieutenant Governor in Council in adjudicating any such claims; and for no other purpose;
5. except as expressly provided in paragraphs 2 and 4 of this Order, the information contained in paragraph 2 of this Order shall continue to be subject to the confidentiality provisions of section 16 of the Act; and
6. pursuant to subsection 2(2) of the *Tribunal Adjudicative Records Act, 2019*, SO 2019, c 7, Sch 60, and Rule 22(4) of the Rules, the supplementary affidavit of Ivy Richmond, sworn June 16, 2022, shall be kept confidential.

"M. Cecilia Williams"

M. Cecilia Williams