

**IN THE MATTER OF  
TROY RICHARD JAMES HOGG, CRYPTOBONTIX INC., ARBITRADE  
EXCHANGE INC., ARBITRADE LTD., T.J.L. PROPERTY MANAGEMENT  
INC. and GABLES HOLDINGS INC.**

**NOTICE OF MOTION**

The respondents, Troy Richard James Hogg (“**Hogg**”), Arbitrade Exchange Inc., (“**Arbitrade Exchange**”), Gables Holding Inc. (“**Gables**”) and T.J.L. Property Management (“**TJL Property**” and collectively with Hogg, Arbitrade Exchange and Gables, the “**Respondents**”), will make bring a motion, in writing, pursuant to subsection 152 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the “**Act**”) to the Capital Markets Tribunal (the “**Tribunal**”).

**ORDER SOUGHT:**

- (a) An Order authorizing the Respondents to initiate an application to the Ontario Superior Court of Justice pursuant to section 152 of the Act for an Order:
- (i) appointing the members of the panel assigned to the merits hearing in the abovenamed matter (the “**Hearing Panel**”) to take the evidence of James Goldberg, an individual who resides in Miami, Florida, and Leonard Schutzman, an individual who resides in Bradenton, Florida for use in the merits hearing before the Tribunal;
  - (ii) providing for the issuance of a letter of request directed to the judicial authorities of the State of Florida, requesting the issuing of such process as is necessary to compel Mr. Goldberg and Mr.

Schutzman to attend and give testimony before the Hearing Panel by video link and audio link, on oath or otherwise, in the merits hearing before the Tribunal;

- (iii) providing that the testimony of Mr. Goldberg and Mr. Schutzman shall take place by videoconference at such location(s) as may be advised by the Respondents upon reasonable notice, so that the Hearing Panel, sitting in Toronto, is able to observe and participate by video link and audio link and make any required evidentiary rulings;
- (iv) providing that Mr. Goldberg and Mr. Schutzman shall give their testimony during the merits hearing before the Commission, commencing on November 22, 2023 at 10:00 a.m. Eastern Time or on such other dates and times thereafter as the Respondents may advise upon reasonable notice;
- (v) prescribing that the procedural and evidentiary rules of Ontario will apply to the examinations of Mr. Goldberg and Mr. Schutzman to the extent permissible by the laws of Florida; and
- (vi) providing for the payment by the Respondents of the greater of any witness fees and travel expenses as may be required by the laws of Ontario and by the laws of Florida, as applicable.

(b) An Order authorizing the Respondents to initiate an application to the Ontario Superior Court of Justice pursuant to section 152 of the Act for an Order:

- (i) appointing Hearing Panel to take the evidence of Stephen Braverman, an individual who resides in Newbury Park, California and Lawrence Meyer, an individual who resides in Encino, California for use in the merits hearing before the Tribunal;
- (ii) providing for the issuance of a letter of request directed to the judicial authorities of the State of California, requesting the issuing of such process as is necessary to compel Mr. Braverman and Mr. Meyer to attend and give testimony before the Hearing Panel by video link and audio link, on oath or otherwise, in the merits hearing before the Tribunal;
- (iii) providing that the testimony of Mr. Braverman and Mr. Meyer shall take place by videoconference at such location(s) as may be advised by the Respondents upon reasonable notice, so that the Hearing Panel, sitting in Toronto, is able to observe and participate by video link and audio link and make any required evidentiary rulings;
- (iv) providing that Mr. Braverman and Mr. Meyer shall give their testimony during the merits hearing before the Commission, commencing on November 22, 2023 at 10:00 a.m. Eastern Time or

on such other dates and times thereafter as the Respondents may advise upon reasonable notice;

(v) prescribing that the procedural and evidentiary rules of Ontario will apply to the examinations of Mr. Braverman and Mr. Meyer to the extent permissible by the laws of California; and

(vi) providing for the payment by the Respondents of the greater of any witness fees and travel expenses as may be required by the laws of Ontario and by the laws of California, as applicable.

(c) An Order authorizing the Respondents to initiate an application to the Ontario Superior Court of Justice pursuant to section 152 of the Act for an Order:

(i) appointing the Hearing Panel to take the evidence of Leo Raffin, an individual who resides in Vancouver, British Columbia for use in the merits hearing before the Tribunal;

(ii) providing for the issuance of a letter of request directed to the judicial authorities of the Province of British Columbia, requesting the issuing of such process as is necessary to compel Mr. Raffin to attend and give testimony before the Hearing Panel by video link and audio link, on oath or otherwise, in the merits hearing before the Tribunal;

(iii) providing that the testimony of Mr. Raffin shall take place by videoconference at such location(s) as may be advised by the

Respondents upon reasonable notice, so that the Hearing Panel, sitting in Toronto, is able to observe and participate by video link and audio link and make any required evidentiary rulings;

- (iv) providing that Mr. Raffin shall give his testimony during the merits hearing before the Commission, commencing on November 22, 2023 at 10:00 a.m. Eastern Time or on such other dates and times thereafter as the Respondents may advise upon reasonable notice;
- (v) prescribing that the procedural and evidentiary rules of Ontario will apply to the examinations of Mr. Raffin to the extent permissible by the laws of British Columbia; and
- (vi) providing for the payment by the Respondents of the greater of any witness fees and travel expenses as may be required by the laws of Ontario and by the laws of British Columbia, as applicable.

(d) An Order authorizing the Respondents to initiate an application to the Ontario Superior Court of Justice pursuant to section 152 of the Act for an Order:

- (i) appointing the Hearing Panel to take the evidence of David Sagal, an individual who resides in Henderson, Nevada for use in the merits hearing before the Tribunal;
- (ii) providing for the issuance of a letter of request directed to the judicial authorities of the State of Nevada, requesting the issuing of such process as is necessary to compel Mr. Sagal to attend and

give testimony before the Hearing Panel by video link and audio link, on oath or otherwise, in the merits hearing before the Tribunal;

(iii) providing that the testimony of Mr. Sagal shall take place by videoconference at such location(s) as may be advised by the Respondents upon reasonable notice, so that the Hearing Panel, sitting in Toronto, is able to observe and participate by video link and audio link and make any required evidentiary rulings;

(iv) providing that Mr. Sagal shall give his testimony during the merits hearing before the Commission, commencing on November 22, 2023 at 10:00 a.m. Eastern Time or on such other dates and times thereafter as the Respondents may advise upon reasonable notice;

(v) prescribing that the procedural and evidentiary rules of Ontario will apply to the examinations of Mr. Sagal to the extent permissible by the laws of Nevada; and

(vi) providing for the payment by the Respondents of the greater of any witness fees and travel expenses as may be required by the laws of Ontario and by the laws of Nevada, as applicable.

(e) An Order authorizing the Respondents to initiate an application to the Ontario Superior Court of Justice pursuant to section 152 of the Act for an Order:

- (i) appointing the Hearing Panel to take the evidence of Max Barber, an individual who resides in Salt Lake City, Utah for use in the merits hearing before the Tribunal;
- (ii) providing for the issuance of a letter of request directed to the judicial authorities of the State of Utah, requesting the issuing of such process as is necessary to compel Mr. Barber to attend and give testimony before the Hearing Panel by video link and audio link, on oath or otherwise, in the merits hearing before the Tribunal;
- (iii) providing that the testimony of Mr. Barber shall take place by videoconference at such location(s) as may be advised by the Respondents upon reasonable notice, so that the Hearing Panel, sitting in Toronto, is able to observe and participate by video link and audio link and make any required evidentiary rulings;
- (iv) providing that Mr. Barber shall give his testimony during the merits hearing before the Commission, commencing on November 22, 2023 at 10:00 a.m. Eastern Time or on such other dates and times thereafter as the Respondents may advise upon reasonable notice;

- (v) prescribing that the procedural and evidentiary rules of Ontario will apply to the examinations of Mr. Barber to the extent permissible by the laws of Utah; and
  - (vi) providing for the payment by the Respondents of the greater of any witness fees and travel expenses as may be required by the laws of Ontario and by the laws of Utah, as applicable.
- (f) An Order authorizing the Respondents to initiate an application to the Ontario Superior Court of Justice pursuant to section 152 of the Act for an Order:
- (i) appointing the Hearing Panel to take the evidence of John MacNeil, an individual who resides in New York, New York for use in the merits hearing before the Tribunal;
  - (ii) providing for the issuance of a letter of request directed to the judicial authorities of the State of New York, requesting the issuing of such process as is necessary to compel Mr. MacNeil to attend and give testimony before the Hearing Panel by video link and audio link, on oath or otherwise, in the merits hearing before the Tribunal;
  - (iii) providing that the testimony of Mr. MacNeil shall take place by videoconference at such location(s) as may be advised by the Respondents upon reasonable notice, so that the Hearing Panel,



sitting in Toronto, is able to observe and participate by video link and audio link and make any required evidentiary rulings;

- (iv) providing that Mr. MacNeil shall give his testimony during the merits hearing before the Commission, commencing on November 22, 2023 at 10:00 a.m. Eastern Time or on such other dates and times thereafter as the Respondents may advise upon reasonable notice;
  - (v) prescribing that the procedural and evidentiary rules of Ontario will apply to the examinations of Mr. MacNeil to the extent permissible by the laws of New York; and
  - (vi) providing for the payment by the Respondents of the greater of any witness fees and travel expenses as may be required by the laws of Ontario and by the laws of New York, as applicable.
- (g) An Order authorizing the Respondents to initiate an application to the Ontario Superior Court of Justice pursuant to section 152 of the Act for an Order:
- (i) appointing the Hearing Panel to take the evidence of Jane Walker, an individual who resides in Hamilton, Bermuda for use in the merits hearing before the Tribunal;
  - (ii) providing for the issuance of a letter of request directed to the judicial authorities of Bermuda, requesting the issuing of such process as is necessary to compel Ms. Walker to attend and give

testimony before the Hearing Panel by video link and audio link, on oath or otherwise, in the merits hearing before the Tribunal;

- (iii) providing that the testimony of Ms. Walker shall take place by videoconference at such location(s) as may be advised by the Respondents upon reasonable notice, so that the Hearing Panel, sitting in Toronto, is able to observe and participate by video link and audio link and make any required evidentiary rulings;
- (iv) providing that Ms. Walker shall give her testimony during the merits hearing before the Commission, commencing on November 22, 2023 at 10:00 a.m. Eastern Time or on such other dates and times thereafter as the Respondents may advise upon reasonable notice;
- (v) prescribing that the procedural and evidentiary rules of Ontario will apply to the examinations of Ms. Walker to the extent permissible by the laws of Bermuda; and
- (vi) providing for the payment by the Respondents of the greater of any witness fees and travel expenses as may be required by the laws of Ontario and by the laws of Bermuda, as applicable; and

(h) Such further and other relief as the Tribunal may deem just.

## **FOUNDATIONS:**

### **Leonard Schutzman**

- (a) Mr. Schutzman is a resident of Bradenton, Florida;
- (b) Mr. Schutzman was the CEO and Chairman of Arbitrade Ltd. during the period of May 2017 to June 2019 (the “**Material Time**”);
- (c) Mr. Schutzman has evidence relevant to this proceeding, including, but not limited to:
  - (i) His work on establishing Arbitrade Ltd. in Bermuda;
  - (ii) His interaction with the officers and directors of Arbitrade Ltd.;
  - (iii) His dealings with Mr. Barber of SION Trading FZE, regarding the acquisition of gold;
  - (iv) His interactions with Mr. Hogg; and
  - (v) His interactions with Ms. Walker and Mr. Raffin;
- (d) Mr. Schutzman has been contacted to determine whether he will voluntarily testify. He has not responded to this request;

### **James Goldberg**

- (e) Mr. Goldberg is a resident of Miami, Florida;

- (f) Mr. Goldberg is identified in the statement of allegations as being one of the two individuals who allegedly sold the tokens at issue during the Material Time;
- (g) Mr. Goldberg has evidence relevant to this proceeding, including, but not limited to:
  - (i) His interactions with Mr. Braverman and Mr. Hogg;
  - (ii) His interaction with potential and actual purchasers of the token;
  - (iii) His work on establishing Arbitrade Ltd. in Bermuda and his interactions with the officers and directors;
  - (iv) His dealings with Mr. Barber of SION Trading FZE, regarding the acquisition of gold;
  - (v) His interactions, and subsequent lawsuit, with Ronnie Moas; and
  - (vi) The continuation of the Cryptobontix and Arbitrade Ltd. business by Mr. Braverman following Mr. Hogg's exit;
- (h) Mr. Goldberg has been contacted to determine whether he will voluntarily testify. He has not agreed to appear voluntarily;

**Stephen Braverman**

- (i) Mr. Braverman is a resident of Newbury Park, California;
- (j) Mr. Braverman is identified in the statement of allegations as being one of the two individuals who allegedly sold the tokens at issue during the Material Time;

(k) Mr. Braverman has evidence relevant to this proceeding, including, but not limited to:

- (i) His interactions with Mr. Goldberg and Mr. Hogg;
- (ii) His interaction with potential and actual purchasers of the token;
- (iii) His work on establishing Arbitrade Ltd. in Bermuda and his interactions with the officers and directors;
- (iv) His dealings with Mr. Barber of SION Trading FZE, regarding the acquisition of gold;
- (v) His interactions, and subsequent lawsuit, with Mr. Moas; and
- (vi) The continuation of the Cryptobontix and Arbitrade Ltd. business following Mr. Hogg's exit;

(l) Mr. Braverman has been contacted to determine whether he will voluntarily testify. He has not responded to this request;

**Lawrence Meyer**

(m) Mr. Meyer is a resident of Encino, California;

(n) Mr. Meyer was the CFO of Arbitrade Ltd. during the Material Time;

(o) Mr. Meyer has evidence relevant to this proceeding, including, but not limited to:

- (i) His interactions with Arbitrade Ltd.'s officers and directors;

- (ii) His interaction with the manager of the mining rigs; and
  - (iii) His role as CFO;
- (p) Mr. Meyer has been contacted to determine whether he will voluntarily testify. He has not responded to this request;

**Leo Raffin**

- (q) Mr. Raffin is a resident of Vancouver, British Columbia;
- (r) Mr. Raffin was counsel to Cryptobontix and Arbitrade Ltd.;
- (s) Mr. Raffin has evidence relevant to this proceeding, including, but not limited to:
- (i) His interactions with the board of Arbitrade Ltd.; and
  - (ii) His interaction with Ms. Walker and Mr. Schutzman, including but not limited to the conference calls on November 22, 2018 and January 17, 2019 and related correspondence;
- (t) Mr. Raffin has been contacted to determine whether he will voluntarily testify. He has advised that he will require a summons to attend to testify;

**David Sagal**

- (u) Mr. Sagal is a resident of Henderson, Nevada;
- (v) Mr. Sagal was the controller of Arbitrade Ltd. during the Material Time;
- (w) Mr. Sagal has evidence relevant to this proceeding, including, but not limited to:

- (i) His interactions with Arbitrade Ltd.'s officers and directors;
  - (ii) His interaction with the auditors to verify the gold;
  - (iii) The negotiation of the gold deal with Mr. Barber of SION Trading FZE;
  - (iv) The purchase of mining rigs; and
  - (v) The creation of a tax planning document for Mr. Hogg;
- (x) Mr. Sagal has been contacted to determine whether he will voluntarily testify. He has not agreed to appear voluntarily;

**Max Barber**

- (y) Mr. Barber is a resident of Salt Lake City, Utah;
- (z) Mr. Barber is the CFO of SION Trading FZE;
- (aa) Mr. Barber has evidence relevant to this proceeding, including, but not limited to:
- (i) His interactions with Arbitrade Ltd.'s officers and directors regarding the negotiation of the gold deal;
  - (ii) His interaction with the auditors who were retained to verify the gold;
  - (iii) His offer and subsequent deal to purchase Cryptobontix; and

(iv) His dealings with Mr. Braverman and the continuation of the Cryptobontix and Arbitrade Ltd. business following the sale by Mr. Hogg;

(bb) Mr. Barber has been contacted to determine whether he will voluntarily testify. He has not responded to this request;

**John MacNeil**

(cc) Mr. MacNeil is a resident of New York, New York;

(dd) Mr. MacNeil was a director and the Vice President of Corporate Development of Arbitrade Ltd. during the Material Time;

(ee) Mr. MacNeil has evidence relevant to this proceeding, including, but not limited to:

(i) His interactions with Arbitrade Ltd.'s officers and directors; and

(ii) His interaction with the manager of the mining rigs;

(ff) Mr. MacNeil has been contacted to determine whether he will voluntarily testify. He has not responded to this request;

**Jane Walker**

(gg) Ms. Walker is a resident of Hamilton, Bermuda;

(hh) Ms. Walker was counsel to Arbitrade Ltd. in Bermuda;

(ii) Ms. Walker has evidence relevant to this proceeding, including, but not limited to:



- (i) Her dealings with the Bermuda Monetary Authority on behalf of Arbitrade Ltd.;
  - (ii) Her interactions with Mr. Schutzman and Mr. Hogg;
  - (iii) Her interactions with the board of Arbitrade and her work on advising about the sale of Arbitrade, and then Cryptobontix, to Mr. Barber; and
  - (iv) Her interaction with Mr. Raffin and Mr. Schutzman, including but not limited to the conference calls on November 22, 2018 and January 17, 2019 and related correspondence;
- (jj) Ms. Walker has been contacted to determine whether she will voluntarily testify. She has not responded to this request;
- (kk) Staff of the Ontario Securities Commission does not oppose this motion. Staff reserve all rights to challenge any testimony of these witnesses, including on the basis of relevancy at the merit hearing;
- (ll) Section 152 of the Act;
- (mm) Section 12(1) of the *Statutory Powers and Procedure Act*, R.S.O. 1990, c S.5;
- (nn) Rules 23(6) and 26(2) of the *Capital Market Tribunal Rules of Procedure and Forms*; and
- (oo) Such further and other grounds as the lawyers may advise.

**EVIDENCE** will be used at the hearing of the Application:

- (a) The statement of allegations issued September 30, 2022; and
- (b) Such further and other evidence as the lawyers may advise.

May 26, 2023

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