



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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20 Queen Street West
Toronto ON M5H 3S8

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20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF TRAYNOR RIDGE CAPITAL INC.,
TR1 FUND, TR1-I FUND, TR1 FUND LP and TR1 GP LTD.**

**TEMPORARY ORDER
Subsections 127(1) & 127(5.1)**

WHEREAS it appears to the Ontario Securities Commission (the **Commission**) that:

Traynor's Business

1. Traynor Ridge Capital Inc. (**Traynor**) was incorporated under the laws of Canada on July 31, 2019. Christopher P. Callahan (**Callahan**) was the sole director, officer and shareholder of Traynor.
2. Since 2020, Traynor has been registered with the Ontario Securities Commission as an investment fund manager, as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer.
3. Traynor only has two registered individuals, Callahan and another individual who is registered as an Advising Representative and Dealing Representative.
4. Until his recent death, Callahan was Traynor's Ultimate Designated Person (**UDP**), Chief Compliance Officer (**CCO**), Advising Representative and Dealing Representative.
5. Traynor manages three prospectus-exempt funds, TR1 Fund, TR1-I Fund and TR1 Fund LP (together, the **TR1 Funds**).
6. TRI GP Ltd. is the General Partner of TR1 Fund LP.

Traynor's Financial Difficulties

7. During the week of October 23, 2023, three introducing firms executed trades for Traynor and their carrying broker could not recapture the costs of the trades. As a result, the three dealers have potential losses totalling approximately \$85 million to \$95 million.

8. CIBC World Markets Inc., Traynor's prime broker, has terminated its prime brokerage service agreement with Traynor because the firm had become unresponsive to CIBC World Markets.
9. The three introducing firms were executing trades on behalf of Traynor and the TR1 Funds.

Death of Callahan

10. On Saturday, October 28, 2023, Traynor's prior counsel advised the Enforcement Branch that Callahan was dead.
11. Callahan's death leaves Traynor without a UDP and CCO, and without a director or officer in charge of the firm.

AND WHEREAS further investigation of these events is required;

AND WHEREAS the death of Callahan appears to leave Traynor without a UDP and CCO contrary to sections 11.2 and 11.3 of NI 31-103;

AND WHEREAS it appears to the Commission that Traynor is in serious financial difficulty and may be capital deficient contrary to subsection 12.1(2) of NI 31-103;

AND WHEREAS the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in subsection 127(5.1) of the Act;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED pursuant to subsection 127(1) of the Act that the registration of Traynor is subject to the terms and conditions outlined in **Appendix "A"** to this Order;

IT IS FURTHER ORDERED that the trading in any securities by or of Traynor and by or of TR1 GP Ltd, and in the securities of the TR1 Funds shall cease;

IT IS FURTHER ORDERED that a copy of this Temporary Order will be prominently posted by Traynor on the home page of its website at www.traynorridge.com; and

IT IS FURTHER ORDERED that this Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Capital Markets Tribunal.

DATED at Toronto this 30th day of October, 2023.

“Grant Vingoe”

Appendix “A” – Terms and Conditions

The registration of Traynor Ridge Capital Inc. (the **Firm**) under the *Securities Act*, R.S.O. 1990, s. S.5, as amended (the **Act**) is subject to the terms and conditions pursuant to subsections 127(1)1 and 127(5.1) of the Act, effective immediately.

1. The Firm shall not reduce its capital in any manner including by redemption, re-purchase or cancellation of any of its shares;
2. Reduce or repay any indebtedness which has been subordinated; and
3. Directly or indirectly make any payments by way of loan, advance, bonus, dividend, repayment of capital or other distribution of assets to any director, officer, partner, shareholder, related company, or affiliate.