



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22^e étage
20, rue queen ouest
Toronto ON M5H 3S8

ONTARIO SECURITIES COMMISSION

Applicant

– and –

CLAIRE AMANDA DRAGE

Respondent

SETTLEMENT AGREEMENT BETWEEN THE COMMISSION AND THE RESPONDENT

PART I. INTRODUCTION

1. This matter concerns a fraud in the real estate sector involving Claire Drage (**Drage**) and two companies under her ownership and control: The Lion's Share Group Inc. (**Lion's Share Group**) and The Windrose Group Inc. (**Windrose Group**). Prior to their bankruptcy in 2024, Lion's Share Group and Windrose Group's operations consisted principally of raising funds for Ontario real estate developers through the issuance or brokering of unsecured promissory notes, which are securities. However, in the promotion of these promissory notes, Drage and her two companies made statements to investors which they knew or ought to have known were false and misleading.

2. By no later than 2021, Drage, Lion's Share Group and Windrose Group knew or ought to have known about the borrowers' significant liquidity issues and overleveraging. Despite this knowledge, they did not disclose these issues or the corresponding risks to investors. On the

contrary, Drage and her companies continued to solicit investments until February 2024 with misrepresentations about the financial health and success of the different borrowers.

3. Between 2021 and 2024, Drage, Lion's Share Group and Windrose Group raised over \$285 million through the issuance and brokering of promissory notes. By the time Drage, Lion's Share Group and Windrose Group were declared bankrupt in 2024, nearly \$90 million remained owing to nearly 450 investors.

4. Drage, Lion's Share Group, and Windrose Group also sold and facilitated the sale of promissory notes without complying with the prospectus and registration requirements, thus depriving investors of important safeguards to protect them from unscrupulous and fraudulent conduct.

PART II. JOINT SETTLEMENT RECOMMENDATION

5. The Commission recommends settlement of this matter, in accordance with the terms and conditions set out in Part VI of the Settlement Agreement. Drage consents to the making of an order (the **Order**) substantially in the form attached as **Schedule "A"** to this Settlement Agreement based on the facts set out herein.

6. For the purposes of this matter and any regulatory proceeding commenced by a securities regulatory authority only, Drage agrees with the facts set out in Part III of this Settlement Agreement and the conclusions set out in Part V of this Settlement Agreement.

PART III. AGREED FACTS

A. Overview

7. Prior to their bankruptcy in early 2024, Drage and Lion's Share (described and defined below) were in the business of securing private debt for real estate developments by way of private

mortgages and promissory notes. Beginning fiscal 2019, Drage and Lion's Share generated most of their cash by issuing or brokering unsecured promissory notes to Ontario investors.

8. The promissory notes were securities under the *Securities Act*, RSO 1990, c S.5 (the **Act**). Drage, Lion's Share Group, and Windrose Group sold and/or facilitated the sale of these securities in breach of the registration and prospectus requirements under ss. 25(1), 25(3), and 53(1) of the Act.

9. Between 2021 and 2024, Drage and her two companies also perpetrated a fraud on Ontario investors, contrary to s. 126(1)(b) of the Act, by misleading investors as to the financial circumstances of the borrowers of their funds. In particular, Drage and Lion's Share falsely portrayed the borrowers of the promissory notes as financially successful, not overleveraged and likely to repay their debts. Contrary to these representations, by no later than 2021, Drage and Lion's Share were aware of severe liquidity issues that they and the other borrowers were facing.

10. Drage, Lion's Share Group, and Windrose Group continued to issue or broker promissory notes from Ontario investors up to February 2024 when they knew or ought to have known there was no reasonable expectation that the investors would be repaid. In total, at least an estimated \$285.8 million was raised from investors between 2021 and 2024.

11. Drage owned and controlled Lion's Share Group and Windrose Group, and is therefore also liable under s. 129.2 for their breaches of Ontario securities law.

B. Overview of the Lion's Share Business

12. Lion's Share Group was incorporated under the Ontario *Business Corporations Act* on October 21, 2014 with its head office in Freelton, Ontario. Drage was the sole director and officer

of Lion's Share Group at all material times. Between June 2018 and June 2023, Lion's Share Group also operated under the registered business name "The Windrose Group".

13. Windrose Group was incorporated under the Ontario *Business Corporations Act* on November 1, 2021, with the same head office in Freelon, Ontario as Lion's Share Group. Drage was the sole director and officer of Windrose Group. Windrose Group carried out no separate operations and had no sources of revenue distinct from Lion's Share Group. At all times after its incorporation, Windrose Group operated together with Lion's Share Group as, effectively, one consolidated business referred to herein as "**Lion's Share**".

14. Lion's Share's operations consisted principally of the issuance of unsecured promissory notes (the **Lion Share Notes**) to individuals and corporations (the **Lion Share Lenders**), including Ontario investors. With the funds raised from issuing the Lion Share Notes, Lion's Share then advanced loans to other corporations and individuals (the **Lion Share Borrowers**), primarily by way of unsecured promissory notes issued by the Lion Share Borrowers.

15. Lion's Share also brokered unsecured promissory notes (the **Brokered Notes**) issued directly by borrowers (the **Brokered Notes Borrowers**) to lenders (the **Brokered Notes Lenders**), for which Lion's Share earned a fee.

16. There was overlap between Lion Share Lenders and Brokered Notes Lenders, as well as between Lion Share Borrowers and Brokered Notes Borrowers. Lion Share Lenders and Brokered Notes Lenders are hereinafter collectively referred to as "**Investors**". Lion Share Borrowers and Brokered Notes Borrowers are hereinafter collectively referred to as "**Borrowers**".

17. The Borrowers had little to no communication with the Investors. Communication between the Borrowers and Investors was made primarily through Drage and Lion's Share.

18. Lion's Share also created the promotional materials used to solicit Investors. In particular, Lion's Share created and distributed documents called "Promissory Note Loan Opportunity for Review" (the **Loan Opportunity Sheets**). The Loan Opportunity Sheets were informational documents about the borrower of the funds (whether Lion's Share or another Borrower), the anticipated use of the money raised through the promissory notes, key terms of the loans, and other information conveying likelihood of repayment of the loan. As described in greater detail below, the Loan Opportunity Sheets contained several false and misleading statements.

19. The funds obtained from the Lion Share Notes and the Brokered Notes were to be used to cover the costs of various real estate projects undertaken by the Borrowers across Ontario. The notes were intended to be short term loans, no more than a year, and offered annual interest rates between 15% and 17%, compounding monthly.

20. The majority of Borrowers were pursuing "quick cash" strategies promoted by Drage and Lion's Share for Borrowers to purchase and renovate properties, with an ultimate goal of either "Flipping" (i.e., reselling) the renovated properties or pursuing a "BRRR" strategy (buy, rehabilitate, rent and refinance) to refinance the renovated properties in short order. The proceeds of sale or refinance could then be used to pay back promissory note lenders.

21. Drage owned and controlled Lion's Share Group and Windrose Group. Drage also took an active role in Lion's Share's operations, including in the solicitation and onboarding of Investors as well as the evaluation, approval and ongoing monitoring of the Borrowers. Among other things, Drage:

- i. Prepared or oversaw the preparation of promotional materials, including Loan Opportunity Sheets;

- ii. Engaged in discussions with prospective investors about their investment goals and risk tolerance;
- iii. Held herself out as the borrower for the Lion Share Notes;
- iv. Assessed and approved new Borrowers and the projects for which Lion's Share solicited investments;
- v. Advised Borrowers on financing strategies and developed real estate investment financing plans for the Borrowers;
- vi. Attended periodic meetings with Borrowers to discuss their finances and operations; and
- vii. Prepared and maintained records to track, among other things, the various properties under development by the Borrowers and the amount of debt incurred for each.

22. Between 2018 and February 2024, Lion's Share issued or brokered an estimated 8,049 promissory notes with a total estimated value of approximately \$583.5 million. These figures include initial loans and renewals.

23. Five Borrowers (or groups of Borrowers, as applicable) received the vast majority of Investor funds (the **Top Five Borrowers**). Together, the Top Five Borrowers received over 80% of funded amounts loaned from or brokered by Lion's Share.

C. Events Leading to Bankruptcy

24. Following COVID, Drage and Lion's Share became aware of various challenges the Borrowers were facing. Borrowers were struggling with increased renovation costs and delays, higher tenancy vacancy rates, reduced rental incomes, and difficulties obtaining refinancing on a

timely basis (or at all). Despite these challenges, the Borrowers continued to grow their portfolios throughout 2020-2023. In accordance with the financing strategies that Drage and Lion's Share promoted, the majority of Borrowers were making the purchases with little to no capital of their own. Rather, the property acquisitions were financed through private mortgages, often brokered by Drage and Lion's Share.

25. The combination of these factors led to liquidity issues which, to Drage and Lion's Share's knowledge, worsened between 2021 and 2024:

- i. By the end of 2021, Lion's Share was forced to establish a separate renewals department to track the increasing number of renewals from Borrowers who were unable to meet their loan obligations at the end of the promissory notes' terms.
- ii. In 2021-2023, all of the Top Five Borrowers had numerous missed, deferred, late, or not-sufficient funds (NSF) payments. Lion's Share continued renewing loans to these Borrowers notwithstanding their histories of failing to meet their loan obligations when they became due.
- iii. By 2022, Lion's Share had been covering one or more payments for at least four of the Top Five Borrowers.
- iv. In or around November 2021, the largest of the Top Five Borrowers (**Borrower 1**) had entered into an agreement to sell a large portion of its portfolio, representing a fundamental shift in the original BRRR strategy. When the sale closed in May 2022, certain entities comprising Borrower 1 requested, and Drage permitted, to keep a holdback (i.e., not pay off the

outstanding debt to Lion's Share) so that those entities would have more assets to help pursue refinancing. Even with the holdback, those entities were unable to secure necessary refinancing and, by September/fall 2022, had to stop purchasing new properties as a result.

- v. In December 2021, another of the Top Five Borrowers (**Borrower 2**) advised Lion's Share of its intention to file a proposal under the BIA as a result of its severe liquidity issues.
- vi. By 2022, Drage had become concerned about another Top Five Borrower's (**Borrower 3**) portfolio because, among other things, it was having difficulties obtaining necessary refinancing related to its projects being overleveraged.
- vii. By late 2022 or early 2023, Drage became aware that another of the Top Five Borrowers (**Borrower 4**) was selling properties for less than the cost of the debt incurred to acquire and renovate them. Drage later became concerned that Borrower 4 did not maintain proper records and could not account for its use of all Investor funds received.
- viii. In 2023, Drage and Lion's Share were beginning to have more frequent calls with the Borrowers to discuss the liquidity issues they were facing.
- ix. By 2023, Drage and Lion's Share had advised at least four of the Top Five Borrowers to stop purchasing new properties and/or liquidate portions of their portfolio.

- x. In December 2023, Drage called an internal Lion's Share meeting to discuss potential ways for Lion's Share to "regroup" and respond to the "troubling" situation. At the meeting, Drage advised of the acute need to cut costs and stop onboarding new borrowers.
- xi. In 2024, many of the Borrowers ceased making payments.
- xii. On January 23, 2024, the Ontario Superior Court of Justice made an Order granting Borrower 1 protection pursuant to the *Companies' Creditors Arrangement Act* and appointing a monitor. In subsequent reports, the monitor noted concerns of, among other things, Borrower 1's failure to maintain proper records and account for uses of Investor funds raised through Lion's Share.

26. Mirroring the Borrowers' liquidity issues, Lion's Share itself faced growing liquidity issues. Lion's Share had been operating, on a cash basis, at a loss each year beginning 2017. As at year-ended June 30, 2020, Lion's Share had negative and declining retained earnings of over \$1.5 million. Retained earnings remained negative with the deficit increasing throughout 2021-2023, and by March 22, 2024, Lion's Share's negative retained earnings had accumulated to approximately \$8.6 million.

27. Despite these issues, it was not until February 2024 that Drage made the decision for Lion's Share to stop borrowing additional funds from Investors. The last Brokered Note was issued on January 24, 2024, and the last Lion Share Note was issued on February 8, 2024.

D. Drage and Lion's Share Bankruptcy

28. By Orders of the Ontario Superior Court of Justice Commercial List on April 3, 2024, Lion's Share Group was deemed bankrupt and The Fuller Landau Group Inc. (**Fuller Landau**) was appointed as Receiver over the property, assets and undertakings of Lion's Share Group. Also on April 3, 2024, Fuller Landau was appointed as trustee in bankruptcy of the estate of Lion's Share Group.

29. On June 12, 2024, the Court issued an order expanding the Fuller Landau's appointment to apply to the property, assets and undertakings of Windrose Group.

30. According to Fuller Landau's Receiver Reports, as at February 29, 2024, Lion's Share owed approximately \$89.5 million to 447 Lion's Share Lenders.

31. On April 8, 2024, Drage filed an assignment in bankruptcy and a trustee in bankruptcy was appointed over Drage's estate.

32. On June 13, 2024, Fuller Landau replaced the initial trustee as trustee in bankruptcy of Drage's estate.

33. Drage remains undischarged from bankruptcy as at the date of this Agreement.

E. Unregistered Dealing and Advising & Illegal Distribution

34. None of Drage, Lion's Share Group or Windrose Group was registered with the Commission in any capacity under the Act with respect to the above-described conduct. No exemptions from the registration requires were sought or granted to any of Drage, Lion's Share Group or Windrose Group, and none were available under Ontario securities law.

35. Through their conduct described above, Drage, Lion's Share Group and Windrose Group have engaged in, or held themselves out as engaging in, the business of trading in securities and

advising with respect to investing in securities without the necessary registration or an applicable exemption from the registration requirement, contrary to ss. 25(1) and (3) of the Act.

36. The sale of Lion Share Notes are trades in securities not previously issued and are, therefore, distributions. No preliminary prospectus or prospectus was filed for the distribution of the promissory notes, contrary to s. 53(1) of the Act. The investments did not qualify for any exemption from the prospectus requirements, and no reports of exempt distribution were filed with the Commission.

F. Drage and Lion's Share's False and Misleading Statements to Investors

37. By no later than 2021, Drage and Lion's Share knew or ought to have known about the Borrowers' liquidity issues, and the corresponding risk to Lion's Share and the Borrowers' ability to meet their loan obligations to Investors. Despite this, Drage and Lion's Share made no disclosure to Investors or prospective investors of these financial concerns. On the contrary and as described in greater detail below, until February 2024, Drage and Lion's Share continued to solicit new investments contrary to s 126.1(1)(b) of the Act.

38. Between 2021 and 2024, Lion's Share raised over \$140 million through the issuance of new and renewed Lion Share Notes to Lion Share Lenders, and a further approximately \$125 million through new and renewed Brokered Notes.

i. Misrepresentations Regarding Financial Health

39. Between 2021 and 2024, Drage and Lion's Share solicited new Investors and/or renewals with a number of statements touting Lion Share's and the Borrowers' financial health and success. Those statements were false and misleading. In particular,

- i. The Loan Opportunity Sheets for Brokered Notes made representations as to the purported successes and portfolio strengths of the Borrowers (e.g., by

noting things like the number of properties owned, the purchase price, the current value and anticipated monthly rental income). They made no disclosure of the significant liabilities of the Borrowers or, as applicable, their past failures to meet their loan obligations.

- ii. The Loan Opportunity Sheets for Lion Share Notes held out Lion's Share and Drage as financial successes and represented that their ability to repay the loans was near guaranteed and "extremely likely". They made no disclosure of Lion's Share's years of operating consistently at a loss or its millions in negative retained earnings, as described above.
- iii. Further to item (ii) above, Lion's Share represented that it made most of its money through its mortgage brokering business. Contrary to these representations, beginning fiscal 2020, most of Drage and Lion's Share's cash was earned from the promissory notes.
- iv. In soliciting renewals of Lion Share Notes, Lion's Share told Investors it was able to offer the loan renewal or extension "as a result of the continued success of our borrowers". Lion's Share did not disclose the liquidity issues Lion's Share and its Borrowers were facing.

ii. False and Misleading Assurances Against Overleveraging

40. Between 2021 and 2024, Drage and Lion's Share also solicited investments with representations and assurances to the effect that it and the Borrowers were not and would not become overleveraged. Those statements and assurances were false and misleading. In particular:

- i. Lion's Share represented in the Loan Opportunity Sheets that it had more assets than liabilities, which it stated was "key information" because "[e]nsuring that you are borrowing less than you are loaning out ensure [sic] that the business is not over leveraged and that there are always financial resources to ensure repayment can occur." Contrary to these representations, since fiscal 2020, Lion's Share had significantly more liabilities than assets.
- ii. The Loan Opportunity Sheets further represented that Drage and Lion's Share would "ensure" that the Borrowers were controlling their borrowing and not overleveraging on any properties. Contrary to these representations, Drage and Lion's Share knew of numerous properties being developed by each of the Top Five Borrowers with undisclosed debt levels that far exceeded the properties' estimated values.
- iii. The Loan Opportunity Sheets for the Brokered Notes included representations of the "Loan to Value" ratio for the underlying property (i.e., the percentage of the property value that would be funded by debt, including any mortgages on the property, should the solicited loans be provided). Numerous of the represented "Loan to Value" ratios were false and failed to disclose the significantly overleveraged properties described in item (ii) above.

G. Authorizing, Permitting, or Acquiescing in Breaches of Ontario Securities Law

41. Drage, as director and officer of Lion's Share Group and Windrose Group, authorized, permitted or acquiesced in the conduct by the companies described above. As a result, Drage is deemed not to have complied with Ontario securities law pursuant to s. 129.2 of the Act.

H. Related Proceedings

42. As described in paragraphs 28 through 32 above, Fuller Landau has been appointed as Receiver over the assets, undertakings and property of Lion's Share Group and Windrose Group. Fuller Landau has also been appointed as trustee in bankruptcy of the estate of Lion's Share Group and Drage's personal estate.

43. In these capacities, Fuller Landau's mandate is to secure and recover assets from Lion's Share and Drage for the benefit of their creditors – namely, the Investors. Fuller Landau's Receiver Reports published to date do not identify any other potential Lion's Share creditors, apart from the Investors.

44. According to records from Drage's bankruptcy proceedings, all available personal assets have been disposed of, and net proceeds have been rendered to the trustee in bankruptcy. Among other assets, Drage has sold her house and liquidated her Registered Retirement Saving Plan accounts, and her entire interest in the net proceeds of those sales were provided to the trustee in bankruptcy.

45. Also according to records from Drage's bankruptcy proceedings, Drage has been required to make monthly payments of surplus income pursuant to s. 68 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (**BIA**). Drage has complied with this requirement.

46. But for the appointments of the Receiver/trustees in bankruptcy, who have overseen the disposition of all available assets and collection of all available Drage surplus income, the Commission would be seeking significant monetary sanctions, including costs and disgorgement, as against Drage for the conduct set out herein.

47. Drage is a defendant in civil proceedings commenced by at least 179 Investors, including:

- i. CV-24-00001447-0000, *Arviko et al. v. Drage et al.* (two plaintiffs);
- ii. CV-24-00726324-00CL, *M3 Beloved Development Inc. et al. v. Drage et al.* (175 plaintiffs); and
- iii. CV-24-00717697-0000, *McLaughlin et al. v. Drage et al.* (two plaintiffs).

48. By order dated August 21, 2025, the Court lifted the stay of proceedings under s. 69.3(1) of the BIA in the *M3 Beloved Development Inc.* case (CV-24-00726324-00CL).

49. In October 2025, counsel to Fuller Landau consented to an order lifting the stay of proceedings under s. 69.3(1) of the BIA in the *Arviko* case (CV-24-00001447-0000).

PART IV. MITIGATING FACTORS AND THE RESPONDENT'S POSITION

50. The Respondent requests, and the Commission does not object, that the panel at the Settlement Hearing consider the following mitigating circumstances:

- i. Drage is 59 years old.
- ii. Apart from some temporary support work for Fuller Landau in its capacity as Receiver, according to representations by Drage to the Commission, Drage has ceased engaging in any securities-related work following the Lion's Share bankruptcy and receivership.
- iii. Drage is the primary income earner in her household. She is supporting her 61-year-old husband who has been unable to work due to medical reasons.
- iv. Drage has not secured full-time employment since Lion's Share's bankruptcy and receivership. She is currently working three jobs, all either part-time or casual roles. As described above, Drage is making payments of any surplus

income she earns, as calculated under s. 68 of the BIA, to the trustee in bankruptcy.

- v. Drage has not previously been found to have breached the Act.
- vi. Drage is remorseful for her actions and the harm to Investors.
- vii. Drage cooperated during the Commission's investigation and has voluntarily agreed to enter into this Settlement Agreement. Drage has accepted responsibility for her actions through admissions without the need for protracted proceedings.

51. In addition to the above, the Respondent requests that the Settlement Hearing panel consider her position that she did not fully understand her obligations under Ontario securities law.

PART V. BREACHES OF ONTARIO SECURITIES LAW

52. Drage acknowledges and admits that, during the time of the conduct referred to above:

- i. Drage, Lion's Share Group and Windrose Group engaged or participated in conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud, contrary to s. 126.1(1)(b) of the Act;
- ii. Drage, Lion's Share Group and Windrose Group engaged in, and held themselves out as engaging in, the business of trading and advising in securities without being registered to do so and without an applicable exemption from the registration requirements, contrary to ss. 25(1) and (3) of the Act;
- iii. Drage, Lion's Share Group and Windrose Group engaged in distributions of securities without filing a preliminary prospectus or prospectus and without

an applicable exemption from the prospectus requirement, contrary to s. 53(1) of the Act; and

- iv. Drage, as a director and officer of Lion's Share Group and Windrose Group, authorized, permitted or acquiesced in Lion's Share Group and Windrose Group's breaches of the obligations and duties described above and is therefore liable for these breaches pursuant to s. 129.2 of the Act.

PART VI. TERMS OF SETTLEMENT

53. Drage agrees to the terms of the settlement set forth below.

54. Drage consents to the Order substantially in the form attached as Schedule "A", that:

- i. this Settlement Agreement is approved;
- ii. Drage be permanently prohibited from trading in any securities or derivatives, or acquiring any securities, pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, except that she may trade
 - a. mutual funds, exchange-traded funds, government bonds and/or guaranteed investment certificates (**GICs**) for the account of any registered retirement savings plan (**RRSP**), registered education savings plan (**RESP**), registered retirement income fund (**RRIF**) and Tax Free Savings Account (**TFSA**), as defined in the *Income Tax Act*, RSC 1985, c 1 as amended (the ***Income Tax Act***), in which Drage has sole legal and beneficial ownership; and
 - b. solely through a registered dealer in Ontario, to whom Drage must have given a copy of the Order.

- iii. Drage immediately resigns any position she may hold as director or officer of any reporting or non-reporting issuer, and she be permanently prohibited from becoming or acting as a director or officer of any issuer, pursuant to paragraphs 7 and 8 of subsection 127(1) of the Act;
- iv. Drage immediately resigns any position she may hold as director or officer of any registrant or investment fund manager, pursuant to paragraphs 8.1 and 8.3 of subsection 127(1) of the Act;
- v. Drage be permanently prohibited from becoming or acting as director or officer of any registrant or investment fund manager, pursuant to paragraphs 8.2 and 8.4 of subsection 127(1) of the Act;
- vi. Drage be permanently prohibited from becoming or acting as a registrant, including as an investment fund manager, or as a promoter, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
- vii. Any exemptions contained in Ontario securities law do not apply to Drage permanently, pursuant to paragraph 3 of subsection 127(1) of the Act; and
- viii. Drage shall be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act.

A. Reciprocal Orders

55. Drage consents to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in paragraph 57. These sanctions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

56. Drage acknowledges that this Settlement Agreement and the Order may form the basis for orders of parallel effect in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to Drage. Drage should contact the securities regulator of any other jurisdiction in which she intends to engage in any securities – or derivatives – related activities, prior to undertaking such activities.

PART VII. FURTHER PROCEEDINGS

57. If the Capital Markets Tribunal (the **Tribunal**) approves this Settlement Agreement, no enforcement proceeding will be commenced or continued against Drage under Ontario securities law based on be commenced or continued against Drage under Ontario securities law based on the misconduct described in Part III of this Settlement Agreement the misconduct described in Part III of this Settlement Agreement, unless Drage fails to comply with a term in this Settlement Agreement, in which case enforcement proceedings may be brought under Ontario securities law against Drage that may be based on, among other things, the facts set out in Part III of this Settlement Agreement as well as the breach of this Settlement Agreement.

58. Drage waives any defences to a proceeding referenced in paragraph 60 that are based on the limitation period in the Act, provided that no such proceeding shall be commenced later than six years from the date of the occurrence of the last failure to comply with this Settlement Agreement.

PART VIII. PROCEDURE FOR APPROVAL OF SETTLEMENT

59. The parties will seek approval of this Settlement Agreement at the Settlement Hearing before the Tribunal, which shall be held on a date determined by the Tribunal's Governance and

Tribunal Secretariat in accordance with this Settlement Agreement and the Tribunal's *Rules of Procedure* (as of July 5, 2024).

60. Drage will attend the Settlement Hearing.

61. The parties confirm that this Settlement Agreement sets forth all of the agreed facts that will be submitted at the Settlement Hearing, unless the parties agree that additional facts should be submitted at the Settlement Hearing.

62. If the Tribunal approves this Settlement Agreement:

- i. Drage irrevocably waives all rights to a full hearing, judicial review or appeal of this matter under the Act; and
- ii. no party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the Settlement Hearing.

63. Whether or not the Tribunal approves this Settlement Agreement, Drage will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission or the Tribunal's jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may be available.

PART IX. DISCLOSURE OF SETTLEMENT AGREEMENT

64. If the Tribunal does not approve this Settlement Agreement or does not make an order substantially in the form of the Order attached as Schedule "A" to this Settlement Agreement:

- i. this Settlement Agreement and all discussions and negotiations between the parties before the Settlement Hearing will be without prejudice to any party; and

- ii. the parties will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations contained in the Application for Enforcement Proceeding in respect of a Proceeding. Any such proceedings, remedies and challenges will not be affected by this Settlement, or by any discussions or negotiations relating to this Settlement Agreement.

65. The parties will keep the terms of this Settlement Agreement confidential until the Tribunal approves the Settlement Agreement, except as is necessary to make submissions at the Settlement Hearing. If, for whatever reason, the Tribunal does not approve the Settlement Agreement, the terms of the Settlement Agreement shall remain confidential indefinitely, unless the parties otherwise agree in writing or if required by law.

PART X. EXECUTION OF SETTLEMENT AGREEMENT

66. This Settlement Agreement may be signed in one or more counterparts which together constitute a binding agreement.

67. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

DATED at Toronto, Ontario this 16th day of December, 2025.

"Marcus Drage"

"Claire Amanda Drage"

Witness:

CLAIRE AMANDA DRAGE

DATED at Toronto, Ontario, this 16th day of December, 2025

ONTARIO SECURITIES COMMISSION

By: *"Bonnie Lysyk"*

Name: Bonnie Lysyk

Title: Executive Vice President, Enforcement Division



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22^e étage
20, rue queen ouest
Toronto ON M5H 3S8

Schedule “A” – Form of Order

ONTARIO SECURITIES COMMISSION

Applicant

– and –

CLAIRE AMANDA DRAGE

Respondent

File No.

Adjudicators: []

[Date Order made]

ORDER

(Subsection 127(1) of the
Securities Act, RSO 1990, c S.5)

WHEREAS on [DATE] the Capital Markets Tribunal held a hearing **by videoconference**, to consider the Joint Request for a Settlement Hearing filed by Claire Amanda Drage (**Drage**) and the Enforcement Division of the Ontario Securities Commission for approval of a settlement agreement dated [date], 2025 (the **Settlement Agreement**);

ON READING the Application for Enforcement Proceeding dated [date], Joint Request for a Settlement Hearing dated [date], including the Settlement Agreement dated X, 2025, the written submissions of the Commission, and on hearing the submissions of the representatives for each of the parties;

IT IS ORDERED THAT:

1. The Settlement Agreement is approved;
2. Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Drage cease permanently, except that she may trade:

- (a) mutual funds, exchange-traded funds, government bonds and/or guaranteed investment certificates (**GICs**) for the account of any registered retirement savings plan (**RRSP**), registered education savings plan (**RESP**), registered retirement income fund (**RRIF**) and Tax Free Savings Account (**TFSA**), as defined in the *Income Tax Act*, RSC 1985, c 1 as amended (the ***Income Tax Act***), in which Drage has sole legal and beneficial ownership; and
 - (b) solely through a registered dealer in Ontario, to whom Drage must have given a copy of this Order.
- 3. Pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities or derivatives by Drage be permanently prohibited, except that she may acquire:
 - (a) mutual funds, exchange-traded funds, government bonds and/or GICs for the account of any RRSP, RESP, RRIF and TFSA, as defined in the *Income Tax Act*, in which Drage has sole legal and beneficial ownership; and
 - (b) solely through a registered dealer in Ontario, to whom Drage must have given a copy of this Order.
- 4. Pursuant to paragraph 7 of subsection 127(1) of the Act, Drage immediately resign any position that she holds as a director or officer of an issuer;
- 5. Pursuant to paragraph 8 of subsection 127(1) of the Act, Drage be permanently prohibited from becoming or acting as a director or officer of any issuer;
- 6. Pursuant to paragraph 8.1 of subsection 127(1) of the Act, Drage immediately resign any position that she holds as a director or officer of an registrant;
- 7. Pursuant to paragraph 8.2 of subsection 127(1) of the Act, Drage be permanently prohibited from becoming or acting as a director or officer of any registrant;
- 8. Pursuant to paragraph 8.3 of subsection 127(1) of the Act, Drage immediately resign any position that she holds as a director or officer of an investment fund manager;
- 9. Pursuant to paragraph 8.4 of subsection 127(1) of the Act, Drage be permanently prohibited from becoming or acting as a director or officer of any investment fund manager;
- 10. Pursuant to paragraph 8.5 of subsection 127(1) of the Act, Drage be permanently prohibited from becoming or acting as a registrant, including as an investment fund manager, or as a promoter;
- 11. Pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Drage permanently; and

12. Pursuant to paragraph 6 of subsection 127(1) of the Act, Drage is reprimanded.

Adjudicator

Adjudicator

Adjudicator