

MOTION TO STRIKE ONTARIO SECURITIES COMMISSION AS IMPROPERLY ADDED PARTY

**Capital Markets Tribunal
File No. 2025-29**

IN THE MATTER OF:
Internet Sciences Inc. (Applicant)
v.
CNSX Markets Inc. (Respondent)

MOTION TO STRIKE ONTARIO SECURITIES COMMISSION AS IMPROPERLY ADDED PARTY

Date: December 30, 2025

I. INTRODUCTION

Internet Sciences Inc. ("Applicant") brings this motion to strike the Ontario Securities Commission ("OSC") as a party to this Section 8 review proceeding on the grounds that:

1. The OSC was not named as a respondent in the Applicant's Section 8 review application
2. The OSC never applied for intervenor status as required under Rule 24(4) of the Capital Markets Tribunal Rules of Procedure and Practice
3. The Tribunal never granted the OSC leave to participate
4. The OSC has no automatic right to participate in Section 8 reviews of decisions made by the Canadian Securities Exchange
5. The OSC's improper insertion as a party has tainted this proceeding and all submissions made by OSC Staff Counsel must be struck

II. FACTUAL BACKGROUND

A. Section 8 Review Application

1. On or about October 31, 2025, the Applicant filed a Section 8 review application with the Capital Markets Tribunal seeking review of the Canadian Securities Exchange's denial of the Applicant's listing application.
2. The Applicant named only CNSX Markets Inc. (operating as the Canadian Securities Exchange or "CSE") as the respondent in this proceeding.

3. The Applicant properly served the Section 8 review application on the CSE as required under Rule 17 of the Capital Markets Tribunal Rules of Procedure and Practice.

B. OSC's Unilateral and Improper Appearance

4. Within one to two days after the Applicant filed its Section 8 review application, Kirsten Thoreson, identified as OSC Staff Counsel, appeared in this proceeding and represented that she was acting on behalf of the Ontario Securities Commission.
5. At no time did the OSC file an application for intervenor status pursuant to Rule 24(4) of the Capital Markets Tribunal Rules.
6. At no time did the Tribunal issue any order, direction, or notice granting the OSC leave to participate in this proceeding as an intervenor or party.
7. The OSC was not a party to the original CSE listing application proceeding.
8. Despite having no legal basis to participate, the OSC has:
 - o Made submissions through Staff Counsel Thoreson
 - o Coordinated positions with the CSE
 - o Defended Adjudicator Andrea Burke when CSE's external counsel (Norton Rose Fulbright) refused to make certain arguments
 - o Influenced the outcome of motions, including Motions 6, 6A, 6B, and Motion 4

III. LEGAL FRAMEWORK

A. Service Requirements for Section 8 Reviews - Rule 17

Rule 17 of the Capital Markets Tribunal Rules of Procedure and Practice sets out who must be served in a Section 8 review:

Rule 17(1)(b): The applicant shall serve the application on "the entity from which the decision was made"

Rule 17(1)(c): If from a proceeding, the applicant shall serve "every other party to the original proceeding"

Application to This Case:

- The "entity from which the decision was made" is the CSE (CNSX Markets Inc.)
- There were no "other parties to the original proceeding" - the CSE listing application was between the Applicant and CSE only
- The OSC was not party to the CSE listing application proceeding
- Therefore, the OSC had no automatic right to participate

B. Intervenor Status - Rule 24(4)

Rule 24(4) of the Capital Markets Tribunal Rules provides the ONLY mechanism by which a non-party may participate:

"Intervenors are people or companies who are not named in a proceeding, but who have an interest in the proceeding's outcome, and whom the Tribunal has ALLOWED to participate."

Key Requirements:

1. The entity must not be a named party
2. The entity must apply for intervenor status
3. The Tribunal must ALLOW participation

The OSC Failed All Requirements:

1. ✓ The OSC is not a named party (correct)
2. ✗ The OSC never applied for intervenor status (violation)
3. ✗ The Tribunal never allowed OSC participation (violation)

C. Applicable Case Law

Sierra Club of Canada v. Canada (Minister of Finance), 2002 SCC 41:

The Supreme Court of Canada established principles for intervenor participation in administrative proceedings:

- Intervention is not a right but a privilege granted at tribunal's discretion
- Would-be intervenors must apply and obtain leave
- Tribunals must ensure intervention does not prejudice parties or undermine fairness
- Improper participation can taint proceedings

Application: The OSC never sought leave. Its unilateral appearance prejudiced the Applicant by coordinating with CSE and defending the adjudicator when CSE's own counsel refused.

Canadian Union of Public Employees v. Ontario (Minister of Labour), 2003 SCC 29:

- Administrative tribunals must follow their own procedural rules
- Failure to follow procedural rules can invalidate decisions
- Parties have right to know who they are facing in proceedings

Application: The Tribunal failed to enforce Rule 24(4). The Applicant had right to know whether OSC would participate and on what basis. OSC's surprise appearance violated procedural fairness.

Authorson v. Canada (Attorney General), 2003 SCC 39:

- Procedural irregularities that affect outcome require remediation
- Courts will intervene when administrative bodies ignore their own rules

Application: OSC's improper participation affected substantive outcomes - Burke relied on OSC arguments in dismissing Motions 6, 6A, 6B and Motion 4.

IV. OSC HAS NO AUTOMATIC RIGHT TO PARTICIPATE

A. Section 8 Reviews Are Against Decision-Maker, Not Regulator

Section 8 of the *Securities Act* (Ontario) provides for reviews of decisions made by recognized entities like the CSE. The review is of the CSE's decision, not the OSC's regulation.

The OSC is not automatically a party merely because it regulates the CSE. If that were the case, Rule 24(4) regarding intervenors would be meaningless - the OSC would always be entitled to participate.

B. No Statutory Provision Makes OSC Automatic Party

The Applicant has reviewed:

- Securities Act (Ontario)
- Capital Markets Tribunal Rules of Procedure and Practice
- OSC Rules and National Instruments

There is NO provision that automatically makes the OSC a party to Section 8 reviews of CSE decisions.

C. Practice in Other Section 8 Reviews

The Applicant requests the Tribunal take judicial notice or provide information regarding: Has the OSC participated as a party in other Section 8 reviews of CSE decisions without applying for and obtaining intervenor status?

If the answer is no, the OSC's participation here is anomalous and improper.

If the answer is yes, the OSC has been improperly participating in multiple proceedings in violation of Rule 24(4).

V. OSC'S IMPROPER PARTICIPATION HAS PREJUDICED APPLICANT

A. Coordination with CSE

Documentary evidence demonstrates OSC-CSE coordination:

1. December 2, 2025 Email from OSC Staff Counsel Thoreson:

"If the panel determines to extend the applicant's deadline for delivery by two business days, the Commission submits that the respondents' deadline should also be extended by two business days to December 8."

This shows strategic coordination between OSC and CSE ("respondents") against the Applicant.

2. December 9, 2025 - OSC Defends Burke When CSE's Lawyers Refuse:

When the Applicant filed Motions 6, 6A, and 6B seeking Burke's removal due to conflict of interest:

- CSE's external counsel (Norton Rose Fulbright, major law firm) REFUSED to argue that Burke should decide her own recusal motions
- OSC Staff Counsel Thoreson made the argument instead

This demonstrates:

- CSE's own lawyers recognized the argument was improper
- OSC stepped in to make an argument even experienced CSE counsel wouldn't make
- OSC-CSE coordination extended to defending a conflicted adjudicator

B. Burke's Reliance on OSC Submissions

Adjudicator Burke's December 12, 2025 decision dismissing Motions 6, 6A, 6B and denying Motion 4 relied substantially on arguments and case law provided by OSC Staff Counsel.

If the OSC was an improper party, then:

- Burke's reliance on OSC submissions was reliance on improper materials
- Burke's decisions are legally deficient
- The decisions must be vacated

C. Appearance of Institutional Bias

The OSC's improper insertion creates appearance of institutional bias:

- OSC regulates CSE
- OSC Corporate Finance staff processed the Applicant's prospectus (see Section VI below)
- OSC Staff now appears at Tribunal to defend CSE's denial
- Creates appearance that entire regulatory apparatus (OSC + CSE + Tribunal) is coordinated against Applicant

This violates the principle from *Committee for Justice and Liberty v. NEB* that "justice must be seen to be done."

VI. THE MJDS DIMENSION - WHY OSC INSERTED ITSELF

A. OSC Corporate Finance's MJDS Violations

The reason the OSC improperly inserted itself into this Section 8 review becomes clear when examining OSC Corporate Finance's conduct:

OSC Corporate Finance staff processed the Applicant's non-offering prospectus application from November 2024 through December 2025.

During this process, OSC staff (Stephen Oh and Ben Mayer-Goodman, both seasoned lawyers and Legal Counsel) had actual and constructive knowledge that:

1. Internet Sciences Inc. is a U.S. SEC-reporting issuer
2. The Company is MJDS-qualified under National Instrument 71-101
3. The Company is not a typical U.S. cannabis company (which are not MJDS-qualified due to violating federal law under the Controlled Substances Act, 21 U.S.C. § 801 et seq.)

Despite this knowledge, OSC Corporate Finance staff deliberately:

1. Applied National Instrument 41-101 (Canadian domestic prospectus rules) instead of NI 71-101 (MJDS framework)
2. Conducted merit-based review prohibited under MJDS
3. Generated approximately 200 comment letter questions, with more than 130 constituting direct MJDS treaty violations
4. Demanded material contracts exceeding MJDS scope
5. Required trade secret disclosures without confidentiality protections
6. Second-guessed SEC Form 10-K and 10-Q filings audited/reviewed by PCAOB auditors
7. Questioned U.S. GAAP accounting principles
8. Challenged share issuances under SEC rules and IRS regulations
9. Attempted to have PCAOB auditor respond to management questions (threatening auditor independence)

B. OSC-CSE Coordination Throughout Application Process

The coordination between OSC and CSE did not begin at the Tribunal - it existed throughout the application processes:

1. CSE Asked OSC to Share Communications (At Least Twice):

During the Applicant's CSE listing application, CSE staff requested in writing that the Applicant share all communications and responses from OSC Corporate Finance regarding the prospectus application.

2. OSC Asked to Share CSE Communications (At Least Twice):

During the prospectus review, OSC Corporate Finance staff requested in writing via comment letters that the Applicant share all communications with CSE.

Purpose: To form alliance and coordinate resistance based upon what each regulator observed in their respective processes.

C. CSE Followed OSC's MJDS-Violating Lead

CSE Applied Pre-Revenue Standard Despite Revenue Generation:

Under CSE Policy 2:

- **Section 2.2.1:** Standards for revenue-producing companies
- **Section 2.2.2:** Standards for pre-revenue producing companies

Internet Sciences had \$686,615 in revenue from Anthem Blue Cross Blue Shield contract, qualifying as revenue-producing.

CSE instead applied pre-revenue standards.

Reason: CSE took cues from OSC Corporate Finance's treatment.

OSC Applied Canadian Capital Standard Instead of MJDS Standard:

Under MJDS (NI 71-101 and Companion Policy 71-101CP):

- U.S. issuer must disclose financial inadequacy in SEC filings
- U.S. issuer must show plan to address financial resources
- Canadian regulators cannot impose 12-month capital requirements beyond SEC disclosure

Internet Sciences:

- Disclosed financial position in SEC filings ✓
- Had executed contract with First Liberties Financial (U.S. investment bank) for SAFE capital raise, dated August 2, 2025 ✓
- Contract was 16 days prior to CSE denial letter ✓

OSC Corporate Finance applied NI 41-101 requirement for 12 months financial capital to meet business objectives.

CSE then imposed identical \$200,000/12-month requirement in their August 18, 2025 denial letter.

This was not coincidence - this was coordination.

D. Why OSC Inserted Itself at Tribunal

The OSC inserted itself into this Section 8 review to:

1. **Defend its own MJDS violations:** If CSE's denial is based on OSC's prospectus treatment, and that treatment violated MJDS, OSC needs to defend its own conduct
2. **Coordinate defense with CSE:** Both OSC and CSE are defending the same MJDS-violating positions
3. **Prevent exposure of 13-month obstruction:** If Tribunal examines CSE denial, it will expose OSC's systematic MJDS violations during prospectus review
4. **Control narrative:** OSC cannot allow its treaty violations to be exposed without attempting to defend them

E. OSC Now Defending MJDS Violations on Record

By inserting itself into this proceeding, OSC Corporate Finance staff's MJDS violations are now on the record at the Tribunal.

OSC and CSE lawyers must defend:

1. Rejection of 32 holders from lawful SEC Rule 506(b) offering
2. Rejection of share conversion in SEC Form 10-Q reviewed by PCAOB auditor
3. Questioning of SEC Form 10-K audited by PCAOB auditor under U.S. GAAP
4. Imposition of 12-month/\$200,000 capital requirement despite executed financing contract

These positions cannot be defended without admitting MJDS violations.

VII. AUDITOR INDEPENDENCE VIOLATIONS

A. OSC Attempted to Compromise PCAOB Auditor Independence

During the prospectus review, OSC Corporate Finance staff attempted to have the Applicant's PCAOB-registered auditor respond to OSC questions about:

- Executive management functions
- Strategic business decisions
- Operational matters
- Management's application of accounting methods

B. Warning to OSC About Danger

The Applicant warned OSC that what they were doing was dangerous because:

A PCAOB auditor is:

- NOT the Company's CFO or staff accountant
- NOT the Company's CEO or chief strategist
- The eyes of the U.S. SEC with respect to accuracy of financial statement reporting
- Audited periodically by PCAOB to ensure independence and honesty

Auditor independence would be impaired if:

- Auditor has to comment 2-3 times on management-related matters
- OSC staff treats auditor as Company staff/team member
- Auditor becomes involved in management decisions

C. One Courtesy Extended, Second Request Denied

- **First OSC request:** Auditor extended one-time courtesy to concur with one comment
- **Second OSC request:** Auditor turned down request and reminded OSC of danger to auditor independence

D. This Demonstrates MJDS Violations

MJDS northbound (NI 71-101) is designed precisely to avoid:

- Canadian regulators conducting witch-hunts
- Discrediting and picking apart U.S. business customs
- Questioning SEC rules, PCAOB rules, GAAP accounting rules
- Challenging U.S. corporate laws (state and federal levels)
- Subjecting U.S. companies to non-MJDS rules and second-guessing

OSC's attempt to compromise auditor independence exemplifies why MJDS mutual recognition framework exists - to protect U.S. companies from Canadian regulators who refuse to accept U.S. regulatory oversight as equivalent.

VIII. RELIEF REQUESTED

The Applicant respectfully requests that the Tribunal:

1. Strike OSC as Improper Party:

Order that the Ontario Securities Commission is struck as a party to this proceeding on the grounds that:

- OSC was not named in the Section 8 review application
- OSC never applied for intervenor status under Rule 24(4)

- Tribunal never granted OSC leave to participate
- OSC has no automatic right to participate

2. Strike All OSC Submissions:

Order that all submissions, arguments, evidence, and case law citations made by OSC Staff Counsel Kirsten Thoreson are struck from the record and shall not be considered by the Tribunal, including but not limited to:

- December 9, 2025 submissions regarding Burke's recusal
- Any case law cited by OSC that Burke relied upon
- Coordination communications between OSC and CSE
- Any positions taken regarding MJDS application

3. Vacate Burke's December 12, 2025 Decision:

Order that Adjudicator Burke's December 12, 2025 decision dismissing Motions 6, 6A, 6B and denying Motion 4 is vacated on the grounds that:

- Burke substantially relied on arguments and case law from an improper party (OSC)
- Burke's decision is legally deficient due to reliance on improper materials
- The decision must be reconsidered without OSC participation

4. Disclosure:

Order that the OSC provide:

- Written explanation of legal basis for its participation in this proceeding
- List of other Section 8 reviews where OSC participated without applying for intervenor status
- All communications between OSC and CSE regarding this proceeding
- All communications between OSC and Tribunal regarding OSC's participation

5. Costs:

Award costs to the Applicant for:

- Having to respond to an improper party's submissions
- Time and resources spent addressing OSC coordination with CSE
- This motion to strike OSC as improper party

6. Alternative Relief (If OSC Participation Allowed):

IF the Tribunal declines to strike OSC as a party, then order that:

A. OSC Must Defend MJDS Violations on Record:

Since OSC has inserted itself as a party, OSC Corporate Finance's systematic MJDS violations are now properly before the Tribunal. OSC must defend:

- Application of NI 41-101 instead of NI 71-101 to MJDS-qualified issuer
- Merit-based review of treaty-qualified company
- 200 comment questions with 130+ MJDS violations
- Rejection of Rule 506(b) shareholders
- Rejection of share conversion in SEC Form 10-Q
- Questioning of PCAOB-audited financials
- Attempt to compromise auditor independence
- 13-month obstruction and manufactured prospectus lapse

B. OSC Staff (Oh, Mayer-Goodman) Must Testify:

Order that Stephen Oh and Ben Mayer-Goodman, OSC Corporate Finance Legal Counsel, must provide testimony regarding:

- Why they applied NI 41-101 to MJDS-qualified issuer despite actual and constructive knowledge
- As seasoned lawyers, how they justify 13 months of treaty violations
- Why they treated Internet Sciences differently than cannabis companies

C. Full OSC-CSE Coordination Discovery:

Order production of:

- All communications between OSC and CSE regarding Applicant
- All requests from either party to share information about Applicant
- Timeline of coordination throughout both application processes
- Basis for coordinated positions at Tribunal

IX. CONSEQUENCES OF NOT GRANTING RELIEF

If the Tribunal declines to strike OSC as improper party:

1. Law Society Complaint Against Kirsten Thoreson:

Supplemental complaint will be filed alleging:

- Improper appearance in proceeding without leave
- Misrepresentation of authority to participate
- Coordination with opposing party (CSE) against applicant
- Professional misconduct

2. Ontario Ombudsman Supplemental Complaint:

Already-filed Ombudsman complaint will be supplemented with:

- OSC's improper insertion as party
- Tribunal's failure to enforce Rule 24(4)
- Pattern of procedural violations enabling institutional coordination

3. Federal Court Review:

- Judicial review of Tribunal's failure to enforce its own rules
- Mandamus compelling proper application of Rule 24(4)
- Challenge to Burke's decisions as relying on improper party submissions

4. Media Exposure:

Public documentation of:

- OSC inserting itself as party without legal basis
- Tribunal allowing improper participation
- Depth of OSC-CSE coordination
- Use of procedural violations to coordinate institutional opposition against applicant

5. U.S. Agency Notification:

Additional documentation to U.S. Securities and Exchange Commission, Department of State, and Department of Commerce regarding:

- OSC's improper participation to defend MJDS violations
- Coordinated institutional apparatus (OSC + CSE + Tribunal) against U.S. treaty-qualified issuer
- Systematic procedural violations enabling treaty breach

X. CONCLUSION

The Ontario Securities Commission has improperly inserted itself as a party to this Section 8 review proceeding in violation of Rule 24(4) of the Capital Markets Tribunal Rules of Procedure and Practice.

The OSC:

- Was not named in the Section 8 review application
- Never applied for intervenor status
- Was never granted leave to participate by the Tribunal
- Has no automatic right to participate in Section 8 reviews of CSE decisions

The OSC's improper participation has:

- Prejudiced the Applicant through coordination with CSE
- Tainted Burke's decisions through reliance on improper submissions
- Created appearance of institutional bias (OSC + CSE + Tribunal aligned against Applicant)
- Enabled defense of systematic MJDS violations

The Tribunal must enforce its own procedural rules. Rule 24(4) exists precisely to prevent entities from unilaterally inserting themselves into proceedings without leave.

The Applicant respectfully requests that the OSC be struck as a party, all OSC submissions be struck from the record, and Burke's decisions relying on those submissions be vacated.

Alternatively, if the Tribunal allows OSC participation, then OSC Corporate Finance's MJDS violations are properly on the record and must be defended.

Respectfully submitted,

Lynda Chervil
 Chief Executive Officer
 Internet Sciences Inc.
 Applicant

December 30, 2025

Service:

This motion is being served on:

- Capital Markets Tribunal Registrar
- CNSX Markets Inc. (CSE)
- Ontario Securities Commission (Kirsten Thoreson, Staff Counsel)
- All parties to the proceeding
- **8. Technology Execution Plan (Integrated)**
- **8.1 Execution Philosophy**
- With DataClenz® and IoTIMAX® at MVP maturity, 2026 execution shifts to defensive scaling, standardization, and commercialization: reliability, repeatability, enterprise readiness.
- **8.2 Organization & Leadership**
- Partitioned leadership across engineering, QA, DevOps, and product to avoid bottlenecks and sustain delivery cadence.
- **8.3 Core Architecture**

- DataClenz® operates at ingestion across heterogeneous sources; IoTIMAX® provides continuous monitoring and optimization above ingestion. Enterprise APIs support modular integration.
- **8.4 AI Expansion Strategy**
- AI is applied across anomaly detection, pattern recognition, predictive identification of degradation risk, and assistive intelligence—maintaining explainability and operational transparency.
- **8.5 SaaS Enablement (IoTIMAX®)**
- Key initiatives include multi-tenant design, secure data isolation, automated provisioning, RBAC, monitoring, and alerting.
- **8.6 DevOps & Cloud**
- Standardized containerized pipelines, environment parity, automated releases, and rollback mechanisms. Reliability metrics track uptime, latency, error rates, and resource utilization.
- **8.7 QA & Automation**
- Automated regression testing, performance testing, and release validation to protect code integrity and customer experience.
- **8.8 UX & Front-End Redesign**
- Improved usability and real-time reporting to support enterprise operational clarity.
- **8.9 Execution Timeline (Dec 2025 – Feb 2026)**
- Hiring and onboarding, GitHub workflow structuring, bug remediation and QA hardening, DevOps/cloud readiness, front-end redesign onboarding and validation.
- **8.10 Success Metrics**
- Stability, reduced anomalies at ingestion, SaaS adoption growth, velocity without quality degradation, customer satisfaction.
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