BETWEEN:

COINSQUARE LTD. and COINSQUARE CAPITAL MARKETS LTD.

(Applicants)

– and –

ONTARIO SECURITIES COMMISSION

(Respondent)

APPLICATION FOR VARIATION OF A DECISION OF COINSQUARE LTD. AND COINSQUARE CAPITAL MARKETS LTD.

(Rules 1, 3, 9(6) and 18 of the *Capital Markets Tribunal Rules of Procedure*, Sections 2.1 and 144.1 of the *Securities Act*, R.S.O. 1990, c. S.5, and Section 25.01 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22)

A. ORDER SOUGHT:

The Applicants, Coinsquare Ltd. ("**Coinsquare**") and Coinsquare Capital Markets Ltd. ("**CCML**"), request that the Capital Markets Tribunal (the "**Tribunal**") make the following orders, with notice to and on consent of the Respondent, the Ontario Securities Commission (the "**Commission**"):

(a) An Order varying the order of the Commission dated July 21, 2020 in File No. 2020-21 (the "**Settlement Approval Order**"), which approved the settlement agreement dated July 16, 2020 (the "**Settlement Agreement**") between Coinsquare, Cole Diamond ("**Diamond**"), Virgile Rostand ("**Rostand**"), Felix Mazer ("**Mazer**", and together with Diamond and

Rostand, the "**Individual Respondents**") and Staff of the Enforcement Branch of the Commission ("**Enforcement Staff**"), such that:

(i) paragraph 2(a)(i) of the undertaking given by the Applicants, appended as Annex I to the Settlement Agreement (the "**Undertaking**"), shall no longer apply to the Applicants; and

(ii) paragraph 2(a)(ii) of the Undertaking shall be amended such that it states as follows: "follow and remain subject to the whistleblower program maintained by Robinhood Markets, Inc., as such program may be amended from time to time"; and

(b) An Order waiving, pursuant to Rules 3 and 5 of the *Capital Markets Tribunal Rules of Procedure* (2025) (the "**Rules**"), the requirement of Rule 18(2) of the *Rules* to serve on the Individual Respondents the within Application and Notice of Hearing.

(c) Such further relief as counsel may advise and the Tribunal may grant.

B. GROUNDS

The grounds for the Application are:

(i) The Applicants

1. The Applicant, Coinsquare, operates a crypto asset trading platform based in Toronto.

2. The Applicant, CCML, is a wholly-owned subsidiary of Coinsquare.

3. As described in more detail below, as a result of a transaction completed on June 1, 2026, Coinsquare and CCML became indirect, wholly-owned subsidiaries of Robinhood Markets, Inc. ("**Robinhood**"). Robinhood is a multinational financial services company operating, among other things, electronic trading platforms that facilitate trading of stocks, exchange-traded funds, options, index options, futures contracts, outcomes on prediction markets, and cryptocurrency. Robinhood's Class A common stock is listed on the NASDAQ stock exchange under the symbol "HOOD" and registered with the U.S. Securities and Exchange Commission.

(ii) The Settlement Agreement

4. In late 2019, Enforcement Staff of the Ontario Securities Commission commenced an investigation into certain activities of Coinsquare.

5. On July 16, 2020, Enforcement Staff issued a Statement of Allegations against Coinsquare and the Individual Respondents. On the same day, Enforcement Staff, Coinsquare, and the Individual Respondents entered into the Settlement Agreement.

6. In the Settlement Agreement, Coinsquare and the Individual Respondents admitted to breaches of Ontario securities laws and/or conduct contrary to the public interest. During the relevant period of time, neither Coinsquare nor CCML was registered with the Commission. They were led and operated by the Individual Respondents, who held the following roles:

(a) Rostand founded Coinsquare and developed Coinsquare's trading platform. Rostand was Coinsquare's President and acted as Chief Technology Officer until January 2019, but continued to be in charge of the technological

aspects of the Coinsquare Platform at the time the Settlement Agreement was concluded;

(b) Diamond was Coinsquare's Chief Executive Officer (CEO) and had been its de facto Chief Financial Officer since approximately January 2019; and

(c) Mazer held the title of Chief Compliance Officer (CCO) at Coinsquare from May 2018 to June 2020. In this role, Mazer reported directly to Diamond.

7. As set out in the Settlement Agreement, Diamond directed that Coinsquare inflate its trading volumes between July 2018 and December 2019 by reporting fake or "wash" trades representing over 90% of its reported trading volume. While Diamond directed that Coinsquare engage in this activity, Rostand developed and implemented the algorithm that facilitated the wash trading. Coinsquare misled clients about its trading volumes including when questioned about the suspicious trading activity. This took place while Coinsquare and the Individual Respondents were engaging with the Commission for the purpose of registering CCML and was concealed from the Commission.

8. In addition, Coinsquare took a reprisal against an internal whistleblower, including by terminating the internal whistleblower, for raising concerns regarding the inflated trading volumes to Coinsquare's senior management. Diamond authorized, permitted and/or acquiesced in the reprisal.

9. Pursuant to the Settlement Agreement, Coinsquare and the Individual Respondents agreed to various sanctions and prohibitions. Among other things, Diamond and Rostand agreed to resign from Coinsquare and were prohibited from becoming (or

performing any functions similar to those normally performed by) an officer or director of an issuer or registrant for a certain period of time. Mazer had recently resigned from Coinsquare at the time the Settlement Agreement was entered into, and the Settlement Agreement similarly prohibited him from becoming (or performing any functions similar to those normally performed by) an officer or director of a registrant for a certain period of time.

10. The Settlement Agreement also included at Annex I the Undertaking, pursuant to which Coinsquare and CCML undertook to, among other things:

(a) create and permanently maintain a majority independent board of directors under a heightened definition of independence (paragraph 2(a)(i)); and

(b) establish and permanently maintain a whistleblower program reporting to an independent committee of the boards of directors of Coinsquare and CCML (paragraph 2(a)(ii)).

11. On July 21, 2020, the Commission granted the Settlement Approval Order, approving the Settlement Agreement, including the Undertaking. From that point onward, the Individual Respondents no longer held any position with Coinsquare or CCML, and have not been involved in the business of Coinsquare or CCML.

(iii) Registration of CCML

12. In October 2022—more than two years following the Settlement Agreement and the Settlement Approval Order—CCML became registered as an investment dealer with the securities regulatory authorities in each of the provinces and territories of Canada and

was approved as a dealer and marketplace member of the Investment Industry Regulatory Organization of Canada (IIROC), now known as the Canadian Investment Regulatory Organization ("**CIRO**"). As a result, CCML became subject to CIRO's Dealer Member Rules, which govern the business, financial and operational conduct of registrants and CIRO's Universal Market Integrity Rules, which establish market integrity standards for all participant and marketplace members.

(iv) Acquisition of Coinsquare by WonderFi in July 2023

13. In July 2023—three years after the Commission granted the Settlement Approval Order—WonderFi Technologies Inc. ("**WonderFi**") acquired all of the issued and outstanding shares of Coinsquare pursuant to a business combination transaction.

14. Following this acquisition, in November 2023, CCML wrote to Enforcement Staff to request clarification regarding the Undertaking given the material changes to Coinsquare and CCML as a result of the WonderFi acquisition. CCML sought clarification in two respects, among other things.

15. First, CCML requested clarification that paragraph 2(a)(i)—which required Coinsquare and CCML to create and permanently maintain a majority independent board of directors under a heightened definition of independence—no longer applied. In CCML's letter, it noted that the initial purpose for the requirements in section 2(a)(i) was to ensure that Coinsquare had appropriate internal controls and governance and that certain individuals would no longer be associated with the business. This purpose was fulfilled because, among other things, WonderFi was listed on the Toronto Stock Exchange and subject to applicable securities laws and exchange requirements, and CCML was now a

CIRO member firm that was subject to CIRO's Dealer Member Rules. Moreover, since the closing of the WonderFi transaction, any WonderFi director sitting on the Coinsquare or CCML board would not be considered independent by virtue of WonderFi owning 100% of the Coinsquare shares. CCML submitted to Enforcement Staff that the intended purpose of paragraph 2(a)(i) of the Undertaking was not to capture such a scenario.

16. Second, CCML requested in its letter to Enforcement Staff that the requirement to have a whistleblower program report to an independent board committee at the Coinsquare and CCML board level, as set out in paragraph 2(a)(ii), be removed. CCML submitted that WonderFi was required by virtue of National Instrument 52-110 to have an audit committee that is independent, and that CCML's internal whistleblower program should report directly to the audit committee of the WonderFi board. The audit committee would provide oversight of the program and perform the other duties of the independent board committee described in paragraph 2(a)(ii) of the Undertaking.

17. On December 21, 2023, Enforcement Staff confirmed that should Coinsquare and CCML commence an Application under section 144.1 of the *Securities Act* (Ontario) (the "**Act**") to vary the Undertaking, Enforcement Staff would consent to varying the Undertaking as follows:

(a) Paragraph 2(a)(i) would no longer apply to Coinsquare and CCML; and

(b) Paragraph 2(a)(ii) would be amended by replacing the reference to "an independent committee of the Board" with "the independent audit committee of the board of directors of WonderFi Technologies Inc."

18. No application was filed by CCML or WonderFi at that time.

(v) Acquisition of WonderFi by Robinhood in June 2026

19. On June 1, 2026, Robinhood completed an indirect acquisition of all of the issued and outstanding common shares of WonderFi pursuant to a statutory plan of arrangement under the *Business Corporations Act* (British Columbia) (the "**Robinhood Transaction**"). As a result, Robinhood is now the ultimate parent company of Coinsquare and CCML.

20. Prior to closing, the Robinhood Transaction received all required court and regulatory approvals, including from the Supreme Court of British Columbia, the Canadian Competition Bureau, the Canadian Investment Regulatory Organization and the Canadian Securities Administrators.

(vi) Request for Variation

21. Having now completed the Robinhood Transaction, Coinsquare and CCML seek to vary certain limited aspects of the Undertaking included in the Settlement Approval Order, as described below, in a manner that is substantially similar to what CCML previously proposed to Enforcement Staff and that Enforcement Staff considered acceptable.

(a) Paragraph 2(a)(i) Should Be Removed

22. As noted above, paragraph 2(a)(i) of the Undertaking requires Coinsquare and CCML to establish and permanently maintain a majority independent board of directors and chair, applying a heightened definition of independence. Among other things, under this provision, any shareholder, officer, director, or employee of any company holding

directly or indirectly more than 5% of the shares of Coinsquare or CCML would not be considered independent.

23. At the time the Undertaking was given, Coinsquare and CCML were unregulated, private companies. The purpose of paragraph 2(a)(i) of the Undertaking was to help ensure appropriate internal controls and governance at Coinsquare and CCML, and to ensure that the Individual Respondents would no longer be associated with the business.

24. This purpose is now satisfied by multiple changes in the ultimate ownership of Coinsquare and CCML, as well as the regulatory requirements applicable to Coinsquare and CCML, and their new owner, Robinhood. As explained above, CCML became registered with the securities regulatory authorities in each of the provinces and territories of Canada and was approved as a member of what is now CIRO in October 2022. Moreover, Robinhood is a public company whose securities are registered with the U.S. Securities and Exchange Commission and listed on the NASDAQ stock exchange. As a result, Robinhood and its subsidiaries are subject to rigorous governance, compliance, and reporting obligations under U.S. federal securities laws and NASDAQ listing rules.

25. NASDAQ requires listed companies to maintain a board of directors where a majority are independent, and to have their Audit, Compensation, and Nominating Committees composed entirely of independent directors. These requirements effectively obviate the need for the additional independence requirements outlined in the Undertaking.

26. As a practical matter, compliance with the heightened independence requirements in paragraph 2(a)(i) of the Undertaking is now highly impractical because Coinsquare and

CCML are wholly-owned indirect subsidiaries of Robinhood. Under the definition of independence set out in paragraph 2(a)(i) of the Undertaking, any shareholder, officer, director, or employee of any company holding directly or indirectly more than 5% of the shares of Coinsquare or CCML would not be considered independent. Because Robinhood is a publicly traded company with no control over who acquires its shares in the public market, virtually any qualified director candidate could be disqualified as an independent candidate simply by virtue of holding Robinhood shares.

27. Further, CCML is registered as an investment dealer with the securities regulatory authorities in each of the provinces and territories of Canada and is a member of the CIRO. CCML is subject to CIRO's Investment Dealer Rules, which require that 40% of its board of directors be actively involved in the business or be a director or officer of an affiliated firm registered with a securities regulatory authority. Such individuals would not satisfy the independence requirements under paragraph 2(a)(i) of the Undertaking, making it impractical to satisfy both the CIRO requirements and the Undertaking simultaneously.

(b) Paragraph 2(a)(ii) Should Be Amended

28. As noted above, paragraph 2(a)(ii) requires Coinsquare and CCML to establish and permanently maintain a whistleblower program reporting to an independent committee of the respective boards of directors of Coinsquare and CCML.

29. The purpose of this requirement is no longer extant in light of the multiple changes of ownership of Coinsquare and CCML, as described above.

30. Moreover, as wholly-owned, indirect subsidiaries of Robinhood, Coinsquare and CCML are now subject to Robinhood's enterprise-wide whistleblower program, established in accordance with Robinhood's obligations under applicable NASDAQ rules and SEC regulations.

31. The whistleblower program and processes at Robinhood are designed to ensure broad access, protections from reprisal, mechanisms for anonymous reporting (unless prohibited by law), and appropriate independent oversight and accountability, all of which fulfills the purpose of paragraph 2(a)(ii) of the Undertaking.

32. Among other things, Robinhood utilizes a specialized third-party whistleblower platform that provides an automated, secure portal for the submission of reports, featuring encrypted two-way anonymous messaging and immediate integration into a centralized case management system. Matters are escalated as appropriate to the Safety, Risk & Regulatory Committee of Robinhood's board of directors, which is composed entirely of independent directors and is responsible for regularly reviewing whistleblower complaints (other than with respect to accounting, internal accounting controls, and auditing matters, which are reviewed by the Audit Committee).

(vii) Summary of Grounds for Variation

33. This Application to vary aspects of the Undertaking flows from Robinhood's indirect acquisition of Coinsquare and CCML.

34. The requested variation is justified and would not be prejudicial to the public interest, as: (a) there have been material changes in the circumstances underlying the

aspects of the Undertaking in question; and (b) the terms that Coinsquare and CCML seek to vary are no longer necessary.

35. The requested variation is also consistent with the basis on which the Commission previously agreed to provide its consent, following the acquisition of Coinsquare and CCML by WonderFi.

36. The Commission has had an opportunity to review draft materials for this Application and consents to the relief sought.

(viii) Miscellaneous

37. Given the nature of the relief sought on the within Application, service of the Application on parties other than the Commission is unnecessary. The variation sought affects only Coinsquare and CCML. None of the Individual Respondents is affected or prejudiced by the relief sought herein. The relief sought on this Application will not impact the sanctions imposed by the Commission on the Individual Respondents pursuant to the Settlement Agreement and Settlement Approval Order.

38. Further, the Individual Respondents have not been affiliated with the business of Coinsquare of CCML since July 2020. In addition to being unnecessary, service on the Individual Respondents may also lead to significant delay if service cannot be effected or the Individual Respondents are unable to respond promptly to this Application. Accordingly, this is an appropriate case for the Tribunal to exercise its discretion to waive the requirements of service and notice pursuant to Rules 3 and 5 of the *Rules*.

39. Coinsquare and CCML seek a hearing of the Application in writing pursuant to Rule 9(6) of the *Rules*, subject to any questions the Tribunal may have regarding the Application or any further directions of the Tribunal.

40. Rules 1, 3, 9(6) and 18 of the *Rules*.

41. Sections 2.1 and 144.1 of the *Securities Act*, R.S.O. 1990, c. S.5.

42. Section 25.01 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22.

43. Such further and other grounds as the lawyers may advise and the Tribunal may permit.

C. EVIDENCE

The Applicants intend to rely on the following evidence at the hearing:

44. Affidavit of Allessandra Miller sworn November 9, 2026 and the Exhibits thereto.

45. Such further materials as counsel may advise.

November 9, 2026

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