Capital Markets Tribunal
Tribunal des marchés financiers
22nd Floor 20 Queen Street West Toronto ON M5H 3S8
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Citation: *Coinsquare Ltd v Ontario Securities Commission*, 2026 ONCMT 36
Date: 2026-11-23
File No. 2026-35

BETWEEN:

COINSQUARE LTD. and COINSQUARE CAPITAL MARKETS LTD.

(Applicants)

- and -

ONTARIO SECURITIES COMMISSION

(Respondent)

REASONS FOR DECISION

(Section 144.1 of the *Securities Act*, RSO 1990, c S.5)

Adjudicators:	M. Cecilia Williams (chair of the panel) Sandra Blake Alan Stewart	
Hearing:	In writing, final written submissions received on November 10, 2026	
Appearances:	Derek D. Ricci Rui Gao	For Coinsquare Ltd. and Coinsquare Capital Markets Ltd.
	Derek Ferris Alvin Qian	For the Ontario Securities Commission

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REASONS AND DECISION

1. OVERVIEW

[1] In July 2020, the Capital Markets Tribunal approved a settlement between Coinsquare Ltd, Coinsquare Capital Markets Ltd. (together **Coinsquare**), three individual respondents and the Ontario Securities Commission.[1] The settlement agreement contained an undertaking by Coinsquare to establish and maintain certain governance and compliance structures and processes. The undertaking was appended to the Tribunal's order approving the settlement.

[2] Subsequent to the settlement, Coinsquare was acquired by Robinhood Markets Inc. Because of that significant change in circumstances, Coinsquare now seeks to have certain provisions in the undertaking revised.

[3] Coinsquare asks that the undertaking be varied to:

a. remove the requirement for a majority of independent directors on the Boards of the applicants; and

b. amend the requirement to maintain a whistleblower program reporting to an independent committee of the Boards of the applicants to reflect the whistleblower program in place at Robinhood.

[4] Coinsquare filed an application record in support of its application.[2]

[5] On November 19, 2026, we issued an order granting Coinsquare's requested variations.[3] These are our reasons for that order. We begin with Coinsquare's application and then address a procedural issue – service of the application.

2. COINSQUARE'S APPLICATION

[6] Subsection 144.1(1) of the *Securities Act*[4] (the ***Act***) authorizes the Tribunal to revoke or vary an earlier decision on the application of a company affected by

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[1] *Coinsquare Ltd. (Re)*, 2020 ONSEC 19

[2] Exhibit 1, Application Record, November 10, 2026

[3] https://www.capitalmarketstribunal.ca/sites/default/files/2026-11/rad_20261119_coinsquare.pdf

[4] RSO 1990, c S.5

the earlier decision. The Tribunal may do so if, in its opinion, the requested order would not be prejudicial to the public interest.[5]

[7] Coinsquare submits that its requested variation is necessary because of the significant change in circumstances regarding its ownership. It further submits that the requested variation would not be prejudicial to the public interest because:

a. At the time of the settlement agreement and undertaking the applicants were unregulated, private companies. They are now wholly owned subsidiaries of a public company registered with the U.S. Securities and Exchange Commission, whose securities are listed on the NASDAQ stock exchange.

b. Coinsquare and Robinhood are now subject to rigorous governance, compliance and reporting obligations to various regulators, including Canadian securities commissions, the Canadian Investment Regulatory Organisation, the SEC and NASDAQ.

c. The change in ownership of Coinsquare and the resulting regulatory obligations satisfy the purpose of those sections of the undertaking, but changes to the wording of the undertaking are required to reflect the new corporate structure.

    i. First, subparagraph 2(a)(i), which requires a majority independent board of directors under a heightened definition of "independence", should be removed. It is no longer necessary because the individuals whose misconduct prompted the governance protections have not been involved with Coinsquare for approximately six years. Also, the requirement for a majority of independent directors at the wholly-owned subsidiary level is impractical and creates unintended results for Robinhood.

    ii. Second, subparagraph 2(a)(ii) should be amended because the whistleblower process envisaged in that paragraph has been

[5] *Stinson v. Ontario Securities Commission*, 2025 ONCMT 14 at para 12; *Katanga Mining Limited (Re)*, 2021 ONSEC 11 (***Katanga***) at para 5

effectively replaced by the comprehensive existing process at Robinhood. Coinsquare undertakes to notify the Commission of any material change to that program affecting Coinsquare.

d. Coinsquare has otherwise complied with all its obligations under the settlement.

[8] The Commission consents to Coinsquare's application and the requested relief.

[9] We see no reason to disagree, and we place significant weight on the Commission's consent. The Tribunal accorded significant deference to the Commission on the original settlement, as it does on all settlements. That deference should be no less regarding a variation of the original settlement.[6] The Commission had the opportunity to review the application materials and discuss them with Coinsquare before providing its consent to the narrow and logical variation sought.

[10] We find that under the circumstances, varying the original order as requested would not be prejudicial to the public interest.

3. PROCEDURAL ISSUE

3.1 Waiver of service

[11] Rule 18(2) of the *Ontario Capital Markets Rules of Procedure and Forms* (the **Rules**) states that when an application is brought under s. 144.1 of the *Act*, the applicant must serve the Application and Notice of Hearing on every other party to the original proceeding.

[12] In this case, the original proceeding named five respondents – the two Coinsquare companies, and three individuals who were senior management of Coinsquare. If Coinsquare were to comply with the prescribed service requirement on this application, it would have had to serve all those individuals.

[13] Coinsquare asked that we waive the requirement to serve the individuals, as we are authorized to do by Rule 3 of the Rules. The individuals are no longer affiliated with Coinsquare. The proposed variation would not affect them. Coinsquare submits that, in addition to it being unnecessary, it may also lead to

[6] *Katanga* at paras 7-8

significant delay if service cannot be effected, or the individuals are unable to respond promptly.

[14] We agree with Coinsquare that in the exceptional circumstances of this case, it is appropriate for us to waive service on the individual respondents as requested.

4. CONCLUSION

[15] For the reasons set out above, we:

a. waived service of the Application and Notice of Hearing on the three individual respondents; and

b. ordered that the undertaking be amended in accordance with the changes requested in respect of subparagraphs 2(a)(i) and (ii).

Dated at Toronto this 23rd day of November, 2026

"*M. Cecilia Williams*"

M. Cecilia Williams

"*Sandra Blake*"

Sandra Blake

"*Alan Stewart*"

Alan Stewart