

IN THE MATTER OF
TRADERS GLOBAL GROUP INC. and MUHAMMAD MURTUZA KAZMI

APPLICATION OF
STAFF OF THE ONTARIO SECURITIES COMMISSION
(For Extension of a Temporary Order Under Subsections 127(1) and 127(8)
of the *Securities Act*, RSO 1990 c S.5)

A. ORDER SOUGHT

The Applicant, Staff of the Ontario Securities Commission (the **Commission**), requests that the Capital Markets Tribunal (the **Tribunal**) make the following orders:

1. An Order extending the Temporary Order of the Commission dated August 29, 2023 (**Temporary Order**) made with respect to Traders Global Group Inc. (**TGG**) and Muhammad Murtuza Kazmi (**Kazmi**) for such period as it considers necessary pursuant to subsection 127(8) of the *Securities Act*, RSO 1990, c S.5 (the **Act**);
2. If necessary, an Order abridging the time required for service pursuant to Rules 3 and 4(2) of the Tribunal's *Rules of Procedure and Forms*; and
3. Such other Order as the Tribunal considers appropriate in the public interest.

B. GROUNDS

The grounds for the request are:

1. In January 2023, the Enforcement Branch commenced its current investigation into TGG and Kazmi following a Request for Assistance from the United States Commodities Futures Trading Commission (**CFTC**);
2. During the course of the investigation, the Enforcement Branch found evidence of the following:
 - (a) From at least November 1, 2021 and continuing to the present (the **Material Time**), TGG, an Ontario based federal corporation, TGG has operated as "My Forex Funds" on its website myforexfunds.com (the **MFF Website**), and represented itself as a retail foreign exchange and commodities trading firm;

- (b) Kazmi, an Ontario resident, is the principal of TGG;
 - (c) The MFF Website offers retail investors, who pay funds to open accounts, the opportunity to become a “professional trader,” trade foreign exchange and commodities using third-party “liquidity providers” and share in any trading profits;
 - (d) There is virtually no real trading taking place at TGG. For the vast majority of investors, trading is simulated by TGG with various rules in place designed to benefit TGG to the detriment of investors;
 - (e) TGG and Kazmi appear to have raised at least USD 294 million from at least 135,000 investors worldwide;
 - (f) TGG and Kazmi may have used money received from investors to pay simulated “profits” to other investors and for Kazmi’s personal expenses;
 - (g) TGG and Kazmi are continuing to raise funds from investors; and
 - (h) Each of the accounts offered on myforexfunds.com is a security as an “investment contract” under s. 1(1)(n) of the Act or is otherwise a “security” or a “derivative” under s. 1(1) of the Act;
3. During the course of the investigation, the Enforcement Branch found evidence that:
- (a) TGG and Kazmi may have engaged in conduct that perpetrates a fraud in breach of subsection 126.1(1)(b) of the Act;
 - (b) TGG may be engaged in the business of trading securities without registration, contrary to subsection 25(1) of the Act;
 - (c) TGG may have distributed securities without filing a prospectus, contrary to subsection 53(1) of the Act; and
 - (d) TGG and Kazmi may have provided false and misleading information to the Commission, contrary to subsection 122(1)(a) of the Act;
4. On August 28, 2023, the CFTC filed a Complaint for Injunctive Relief, Civil Monetary Penalties and Other Equitable Relief against TGG, Kazmi and a related TGG entity located in

New Jersey, in the United States District Court for the District of New Jersey (the **CFTC Proceeding**);

5. As part of the CFTC Proceeding, the CFTC filed a motion for a Statutory Restraining Order and Preliminary Injunction, which, among other things, sought certain asset freezes, appointment of a temporary receiver over TGG and Kazmi, and a preliminary injunction. The motion was granted by the U.S. District Court on August 29, 2023;

6. On August 29, 2023, the Commission issued the Temporary Order;

7. The Temporary Order provided that:

- (a) all trading in any securities of TGG shall cease;
- (b) all trading in any securities by TGG and Kazmi, or by any person their behalf, including but not limited to any act, advertisement, solicitation, conduct, or negotiation, directly or indirectly in furtherance of a trade, shall cease;
- (c) any exemptions contained in Ontario securities law do not apply to TGG or Kazmi; and
- (d) the Temporary Order shall take effect immediately and shall expire on the 15th day after its making unless extended by order of the Tribunal;

8. The investigation into the conduct described in the Temporary Order and this Application is continuing and is the subject of the CFTC Proceeding;

9. The Order sought by the Commission is necessary to protect investors from serious and ongoing harm and is in the public interest;

10. Subsections 127(1) and 127(8) of the Act; and

11. Such further grounds as counsel may advise and the Tribunal may permit.

C. EVIDENCE

The Applicant intends to rely on the following evidence at the hearing:

1. The Affidavit of Louisa Fiorini, sworn September 6, 2023 and its exhibits;

2. The Affidavit of Matthew Edelstein, sworn September 1, 2023 and its exhibits;
3. The Affidavit of Stephanie Collins, sworn September 5, 2023 and its exhibits; and
4. Such further evidence as counsel may advise and the Tribunal may permit.

Date: September 6, 2023

ONTARIO SECURITIES COMMISSION

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