

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

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

File No. 2023-21

A. ORDER SOUGHT

The Applicant, the Ontario Securities Commission (the **Commission**), requests with notice 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 5 and 16(4) of the Tribunal's *Rules of Procedure*; and
3. Such other Order as the Tribunal considers appropriate in the public interest.

B. GROUNDS

4. In January 2023, the Commission commenced its current investigation into TGG and Kazmi following a Request for Assistance from the United States Commodities Futures Trading Commission (**CFTC**);
5. During the course of the investigation, the Commission found evidence of the following:
 - (a) From at least November 1, 2021 and continuing to August 29, 2023 (the **Material Time**), TGG was an Ontario based federal corporation that 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, was the principal of TGG during the Material Time;

- (c) The MFF Website offered retail investors, who paid funds to open accounts, the opportunity to become a “professional trader,” trade foreign exchange and commodities against third-party “liquidity providers” and share in any trading profits;
- (d) There was virtually no real trading taking place at TGG. For the vast majority of investors, trading was 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; and
- (g) Each of the accounts offered on the MFF Website was 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;

6. During the course of the investigation, the Commission 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;

7. 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**);

8. As part of the CFTC Proceeding, the CFTC filed an *ex parte* 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;

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

10. 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;

11. Based on the applicable legal regime in the U.S., the U.S. District Court removed the temporary receiver and significantly limited the asset freeze over Kazmi and TGG's assets in a decision dated November 14, 2023. The U.S. District Court's decision was partly influenced by a concern about an error in the CFTC's evidence that had been relied upon to obtain the *ex parte* order, an error that does not exist in the Commission's evidence;

12. On December 21, 2023, the Ontario Superior Court of Justice issued an Endorsement appointing Grant Thornton Limited as receiver, without security, of all of the funds or assets obtained or maintained by each of TGG and Kazmi and certain related entities from the proceeds of TGG operations (in such capacities, the **Receiver**) and issued an Order appointing the Receiver on February 16, 2024;

13. On January 25, 2024, the Tribunal ordered an extension of the Temporary Order until the earlier of: (i) 10 days after the issuance of a Statement of Allegations naming one or both of TGG and Kazmi as a respondent; or (ii) 6 months after the issuance of the Order extending the Temporary Order;

14. The investigation into the conduct described in the Temporary Order is continuing;
15. The Order sought by the Commission is necessary to protect investors from serious and ongoing harm and is in the public interest;
16. Subsections 127(1) and 127(8) of the Act; and
17. 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;
4. The Second Affidavit of Louisa Fiorini, to be sworn, and its exhibits; and
5. Such further evidence as counsel may advise and the Tribunal may permit.

Date: July 5, 2024

ONTARIO SECURITIES COMMISSION

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