

JOINT REGULATORY COMPLAINT

DATE: March 30, 2026

Undue Influence, Conflicts of Interest, and Recognition Order Breaches

To:

- Ontario Securities Commission - Enforcement Division
- British Columbia Securities Commission - Enforcement Branch

Re: Request for Investigation – Canadian Securities Exchange

1. Introduction

This complaint requests investigation into **potential undue influence, conflicts of interest, governance failures, and breaches of recognition order obligations** involving senior leadership of the Canadian Securities Exchange, including:

- Richard Carleton
- James Black
- Mark Faulkner

2. Source of Information and Confidentiality

This complaint is based on **multiple independent sources** who have requested confidentiality due to **fear of professional and economic reprisals**.

I have personally experienced what I believe to be retaliatory conduct connected to raising concerns involving CSE matters.

3. Summary of Allegations

There are credible indications that senior CSE personnel, including Richard Carleton and James Black, may have accepted **lavish entertainment and hospitality** from:

- Cannabis company CEOs
- Cannabis-sector promoters
- **Stock promoters and investor relations firms**
- Other regulated market participants

Specifically, information suggests that:

- Following a Formula One race weekend in Montreal
- Certain CSE leadership, including the individuals named above, attended **strip club venues**
- Expenses for entertainment, including “private dances”, were **paid for or arranged by promoters, issuer representatives, or associated intermediaries**

4. Undue Influence and Improper Inducements

If substantiated, this raises concerns regarding:

- Improper inducements
- Undue influence over listing and regulatory decisions
- Compromised independence of exchange functions

5. Recognition Order Breaches

Potential breaches include:

- Failure to act in the **public interest**
- Inadequate **conflict of interest controls**
- Failure to maintain **fit and proper leadership**
- Weaknesses in **systems of supervision and governance**

6. Pattern of Conduct

Concerns should be evaluated alongside:

- Delayed disclosure of key documents
- Questions regarding timing/authenticity of materials
- Lack of transparency in decision-making

6A. Market Manipulation Risk and Gatekeeper Failure

The involvement of stock promoters raises risks of:

- Misleading promotional activity
- Artificial price inflation
- Pump-and-dump dynamics

These concerns engage provisions such as Section 126.1 of the Ontario Securities Act and similar provisions under the British Columbia Securities Act.

6B. Investor Harm

- Many cannabis stocks declined **90%+ from peak levels**
- **Billions in investor capital destroyed**

This raises questions about oversight and promotion-driven activity.

6C. Selective Treatment, Prior Regulatory Findings, and Potential Willful Blindness

There are serious concerns regarding **selective enforcement, preferential treatment, and potential willful blindness** in the CSE's oversight of certain stock promoters.

In particular, George Tsiolis has been the subject of regulatory action by the Ontario Securities Commission, which found that his conduct did not comply with Ontario securities law and/or was contrary to the public interest, resulting in sanctions and financial penalties.

Despite this history, there are indications that Mr. Tsiolis has continued to actively promote issuers listed on the Canadian Securities Exchange, including issuers that have subsequently experienced severe and repeated share price collapses—often exceeding 90% from peak levels—resulting in substantial retail investor losses.

There are also indications of **ongoing personal or professional familiarity** between Mr. Tsiolis and certain CSE regulatory personnel, including:

- Mark Faulkner
- Rob Cook

While I am not asserting the existence of improper relationships as a matter of fact, the appearance of such proximity raises concerns regarding:

- Potential preferential treatment
- Conflict of interest safeguards
- Independence of regulatory decisions

Why was enhanced scrutiny not applied to a known promoter with prior regulatory findings operating within a high-risk segment of the public markets.

Director and Officer Suitability

Regulators should consider whether the following remain “fit and proper”:

- Richard Carleton
- James Black
- Mark Faulkner

Including consideration of **removal or replacement if warranted.**

6D. Judgment, Associations, and “Fit and Proper” Considerations

In assessing whether senior leadership of the Canadian Securities Exchange meets the required “**fit and proper**” standard, regulators may also consider issues relating to **judgment, associations, and professional conduct**.

There have been **publicly referenced instances** in which Richard Carleton has been photographed or present in social or professional settings with Peter Nygard, an individual who has been the subject of criminal proceedings and serious allegations.

Public charging documents filed by the U.S. Department of Justice (DOJ) include **allegations** that Mr. Nygard engaged in sex trafficking and, among other things, **provided victims to business associates and friends**. These are allegations contained in an indictment and are not findings of guilt.

While I am not asserting any wrongdoing by any other individual arising from such interactions, the existence of such associations—if verified—may be relevant to:

- The **exercise of judgment expected of senior regulatory leadership**
- The need to maintain **reputational integrity and public confidence**
- Whether leadership demonstrates the **standards required under “fit and proper” obligations**

Regulatory Relevance

Recognition orders require that exchange leadership:

- Act with **integrity and sound judgment**
- Maintain **public confidence in capital markets**
- Avoid circumstances that may reasonably raise concerns regarding **reputation or suitability**
-

In this context, regulators may consider whether:

- Such associations, combined with the other concerns outlined in this complaint,
- Contribute to a broader pattern relevant to **fitness, independence, and judgment**

EXHIBIT A: Photograph of Richard Carleton with Peter Nygard

United States Department of Justice, indictment of Peter Nygard (S.D.N.Y.)

<https://www.justice.gov/usao-sdny/press-release/file/1344961/dl>

6E. Personal Promotion Activity, Conflicts of Interest, and Recognition Order Compliance

There are additional concerns regarding the conduct of Mark Faulkner, Vice President of Regulation at the Canadian Securities Exchange.

It has been observed that Mr. Faulkner has **publicly commented on and/or promoted certain cannabis issuers and other market participants on personal social media accounts**, including Twitter (X). These issuers have subsequently declined more than 95%. Mr. Faulkner also follows the social media of a stock promoter, Chris Parry. Chris Parry is the only stock promoter account followed by Mark Faulkner, and they are personal friends. Mr. Parry has filed complaints with Mark Faulkner about his competitors, which raises conflict of interest concerns. While such activity may be publicly visible, it raises questions regarding:

- The **appearance of partiality** in relation to issuers, and stock promoters subject to exchange oversight
- Whether such communications are consistent with expectations of **regulatory neutrality and independence**
- The adequacy of internal policies governing **public commentary by regulatory personnel**

EXHIBIT B: Mark Faulkner twitter post on cannabis issuer MedMen

Recognition Order Implications

Recognition orders applicable to exchanges require that:

- Regulatory functions be carried out with **independence, integrity, and in the public interest**
- Conflicts of interest be **identified, managed, and disclosed**
- The exchange maintain **effective systems of supervision and control over its personnel**

In this context, public promotion or commentary by a senior regulatory official on issuers under the exchange's oversight may raise concerns regarding:

- **Actual or perceived conflicts of interest**
- Whether regulatory decisions are made **independently of personal views or relationships**
- The sufficiency of internal controls governing **employee conduct and communications**

Forensic Review Request (Conflicts and Trading Activity)

Given the above, it is respectfully requested that the Ontario Securities Commission and British Columbia Securities Commission include within their forensic review:

- **Personal and related-party trading activity** of Mark Faulkner, including accounts held by immediate family members or affiliated entities. At least one relative of Mark Faulkner is engaged in capital markets activities. Adam Faulkner is a stockbroker at RBC in Ontario.
- Compliance with **pre-clearance, disclosure, and blackout requirements** (if applicable)
- **Social media activity and communications** relating to CSE-listed issuers
- Internal records concerning **conflict of interest disclosures and approvals**

Regulatory Significance

While I am not asserting that any improper trading or conduct has occurred, the combination of:

- Public commentary or promotion of issuers
- A senior regulatory role overseeing those issuers
- The absence of transparent disclosure regarding potential conflicts

raises legitimate concerns regarding:

- **Impartiality of regulatory oversight**
- **Integrity of exchange governance**
- Compliance with **recognition order requirements relating to conflicts and supervision**

These issues warrant careful review to ensure that the exchange's regulatory functions are being exercised **independently, consistently, and in the public interest**.

6F. Independent Monitor and Oversight

Regulators should consider:

- Appointment of an **independent monitor**
- Creation of an **oversight committee**
- Enhanced compliance controls and audits

7. Forensic Review Request

Request review of:

- Expense records
- Communications
- Travel and event records
- Compliance disclosures

8. Quasi-Criminal Consideration

If evidence supports:

- Consider quasi-criminal enforcement
- Referral to Royal Canadian Mounted Police

9. Conclusion

These issues raise serious concerns regarding:

- Undue influence
- Conflicts of interest
- Regulatory failure
- Investor harm

I respectfully request prompt investigation.

Sincerely

Jack Marks,

Managing Editor WallStreetReporter.com

jm@WallStreetReporter.com

WallStreetReporter.com

<https://www.youtube.com/@PennyStockDetective>

212-871-2057 ext 7

Exhibit A:
Photograph of Peter Nygard (l) and Canadian Securities Exchange CEO Richard Carleton (r)



Exhibit B: mark Faulkner Twitter account





↻ Mark Faulkner reposted

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