

Court File No.: CV-20-00653410-00CL

ONTARIO

**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

**ANSON ADVISORS INC., ANSON FUNDS MANAGEMENT LP, ANSON
INVESTMENTS MASTER FUND LP AND MOEZ KASSAM**

Plaintiffs

-and-

**JAMES STAFFORD, ANDREW RUDENSKY, ROBERT LEE DOXTATOR,
JACOB DOXTATOR, AND JOHN DOE 1, JOHN DOE 2, JOHN DOE 3, JOHN
DOE 4 AND OTHER PERSONS UNKNOWN**

Defendants

STATEMENT OF DEFENCE OF JAMES STAFFORD

1. The Defendant, James Stafford (“Stafford”), admits the allegations contained in paragraph 8 and paragraph 15 of the Fresh as Amended Statement of Claim.
2. Stafford either has no knowledge of or denies all other allegations in the Fresh as Amended Statement of Claim, except to the extent expressly admitted herein. Stafford further denies that any of the Plaintiffs are entitled to any of the relief sought in paragraph 1 of the Fresh as Amended Statement of Claim.

James Stafford

3. James Stafford is a publisher and journalist who operates the website www.OilPrice.com (“Website”). The Website is the most popular energy news site in

the world, and the 29th most popular financial news site in the world, with over 3.9 million unique visitors per month, and 18.9 million monthly page views (as of April 2022). It has a corresponding mobile app, as well as a free newsletter and paid subscriptions, with a rapidly expanding global reach.

4. The Website has provided news and analysis to various other reputable financial news outlets, including Time, Fortune, CNN Money, USA Today, Yahoo Finance, Fox Business, and many others. It employs a roster of journalists, editors, and traders to conduct research and write articles of interest to the energy sector.

Other Defendants

5. Stafford has never met, spoken, or otherwise communicated with Jacob Doxtator. Prior to being served with the Claim, Stafford had never even heard of Jacob Doxtator.
6. Stafford was introduced to Andrew Rudensky (“Rudensky”) through a mutual acquaintance many years ago. Rudensky is a trader whom Stafford consults from time to time regarding his knowledge of the capital markets. Stafford has also invested in some of Rudensky’s business dealings over the years, and the two share a casual friendship.
7. Stafford was introduced to Robert Doxtator through a mutual acquaintance in or around July 2020. Prior to then, Stafford had never spoken with, met, or otherwise communicated with Robert Doxtator.
8. Stafford does not know who the unnamed defendants are.

There Was No Conspiracy

9. Stafford denies having any involvement in the making and publication of the Unlawful Statements as defined in the Fresh as Amended Statement of Claim (“Claim”).
10. Stafford denies entering into an agreement with any of the other defendants to make and publicize the Unlawful Statements against the Plaintiffs with the predominant purpose of injuring the Plaintiffs by damaging their business and reputation.
11. Stafford further denies carrying out an alleged conspiracy with the other defendants by any unlawful means with the knowledge that the Unlawful Statements would harm the Plaintiffs.

There Was No False Light

12. Stafford denies giving publicity to false allegations against Anson and Kassam that placed them in a false light.
13. As noted above, Stafford was not involved in making and publishing the Unlawful Statements.
14. In any event, there is no falsity in the Unlawful Statements for Stafford to have knowledge of, or to have reckless disregard for. The Unlawful Statements are, to the best of Stafford’s knowledge, substantially true.

No Intentional Interference with Economic Relations

15. Stafford denies making any false, malicious, defamatory, or unlawful public statements about Anson's principal, Kassam, or other Anson personnel with the intent to harm Anson's business and damage its reputation.
16. There was no deception of third parties by the subject matter of the Unlawful Statements. Any harm to Anson's reputation or business allegedly experienced is a direct result of the Plaintiffs' own conduct, including its involvement in an ongoing criminal investigation by the U.S. Department of Justice.

No Appropriation of Personality

17. Stafford denies purchasing the domain name www.MoezKassam.com or using it to publicize the Unlawful Statements. Stafford also denies acquiring the email address info@moezkassam.com in furtherance of the alleged conspiracy.
18. In any event, Moez Kassam is not a celebrity, and the acquisition of neither the domain name www.MoezKassam.com nor the email info@moezkassam.com constitutes an exploitation or appropriation of a proprietary right by Kassam to market his personality for commercial gain.

No Internet Harassment

19. Stafford denies engaging in a "defamation campaign" or writing, disseminating, and publicizing the Unlawful Statements.

20. In any event, the writing, dissemination, and publication of the Unlawful Statements does not constitute “extreme conduct that is beyond all bounds of decency or tolerance”, and has not caused harm to the Plaintiffs.

No Defamation

21. Stafford denies making the Unlawful Statements, including any and all alleged defamatory statements contained therein.

22. In the alternative, Stafford relies on the defences of fair comment and/or justification. The subject matter of the Unlawful Statements concerns the fairness and integrity of the capital markets, and the damage that is caused to companies and shareholders by the short-selling tactics allegedly employed by the Plaintiffs. This is a matter of public interest.

23. Furthermore, all of the alleged defamatory statements in the Unlawful Statements are either opinions which are generally incapable of proof, or statements of fact that are substantially true. Neither constitute defamation.

This Action is an Abuse of Process, and a Proceeding That Limits Freedom of Expression on Matters of Public Interest

24. Stafford pleads and relies on s. 137 of the *Courts of Justice Act*, and reserves the right to bring a motion under s 137.1 (2) at any time in this proceeding.

25. This proceeding was commenced in bad faith for the purpose of discouraging individuals from expressing themselves on matters of public interest related to the Plaintiffs’ questionable business practices and the corresponding fallout in the capital

markets. If allowed to proceed, it will stifle broad participation in debates on these matters of public interest, and defeat the objectives of s. 137.1 (1) of the *Courts of Justice Act*.

26. The claim against Stafford is also scandalous, frivolous, and vexatious, and an abuse of the process of this court. It is rife with improper pleadings, including the pleading of evidence, and was drafted for a different audience than this court.
27. Furthermore, the claim is substantially the same pleading that was drafted by Anson's former solicitors who were simultaneously representing Stafford on a related matter. It is tainted by the misuse of confidential information obtained by Anson's former solicitors in their capacity as Stafford's former counsel, and should be struck as an abuse of process.
28. Stafford requests that the action be dismissed against him in its entirety, and that he be awarded substantial indemnity costs of the action and costs as provided for in s. 137 of the *Courts of Justice Act*.

June 28, 2022

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ANSON ADVISORS INC. ET AL
Plaintiffs

- and -

JAMES STAFFORD ET AL
Defendants

Court File No.: CV-20-00653410-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)
Proceeding commenced at Toronto

**STATEMENT OF DEFENCE OF JAMES
STAFFORD**

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