

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

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

Plaintiffs

- and -

ROBERT LEE DOXTATOR, JACOB DOXTATOR, JOHN DOE 1, JOHN
DOE 2, JOHN DOE 3, JOHN DOE 4 and OTHER PERSONS UNKNOWN

Defendants

AND B E T W E E N:

ROBERT LEE DOXTATOR

Plaintiff by Counterclaim

- and -

ANSON ADVISORS INC., ANSON FUNDS MANAGEMENT LP, ANSON
INVESTMENTS MASTER FUND LP, MOEZ KASSAM and
ALLEN SPEKTOR

Defendants by Counterclaim

**AMENDED REPLY AND DEFENCE OF ANSON ADVISORS INC., ANSON FUNDS
MANAGEMENT LP, ANSON INVESTMENTS MASTER FUND LP AND MOEZ
KASSAM TO COUNTERCLAIM OF ROBERT LEE DOXTATOR**

1. The Plaintiffs and Defendants by Counterclaim, Anson Advisors Inc., Anson Funds Management LP, Anson Investments Master Fund LP (together, "**Anson**") and Moez Kassam ("**Kassam**"), repeat and rely on the facts pleaded in the Statement of Claim. All terms defined in the Statement of Claim bear the same meaning in this Reply and Defence to Counterclaim.

2. Anson and Kassam deny all of the allegations contained in Robert's Amended Statement of Defence and Counterclaim, except as otherwise expressly admitted below or in the Statement of Claim.

3. Contrary to Robert's assertion at paragraph 9 of his Amended Statement of Defence and Counterclaim that he "does not know who the unnamed defendants are", on September 28, 2020, Robert texted Allen Spektor that he "knew [the Defamatory Manifesto] was coming" and that he "know[s] who wrote" it.

4. Moreover, contrary to the allegation at paragraph 3 of Robert's Amended Statement of Defence and Counterclaim, the Plaintiffs' claim is not frivolous, vexatious or an abuse of process. It is not intended to, and will not, discourage or prevent participation in debates on matters of public interest. Rather, the claim seeks to hold accountable Robert, together with the other Defendants, for their sophisticated and systematic conspiracy to damage the business and reputations of the Plaintiffs. Robert purports to use the language of "jest" and "satire" to clothe abusive, harassing, homophobic, misogynistic and even overtly racist statements as "expression in the public interest". It is nothing of the sort. The Plaintiffs have been forced to defend their business and reputations and are entitled to a remedy.

DEFENCE TO COUNTERCLAIM

5. Anson and Kassam specifically deny that Robert is entitled to the relief claimed at paragraph 12 of the Amended Statement of Defence and Counterclaim.

6. As set out in the Statement of Claim, Anson and Kassam first met Robert in August 2018, when they discussed the prospect of Robert providing consulting services to Anson via the company he founded, Harvest Moon Cannabis Company. Contrary to paragraph 14 of Robert's Amended Statement of Defence and Counterclaim, Allen Spektor was never an employee of Anson.

7. There was no overarching or ongoing relationship between Robert and Anson or Kassam. Rather, they worked together on only two occasions. As set out in paragraph 10 below, Anson traded on due diligence provided by Robert only once, in connection with General Electric (the "**GE Diligence**").

8. Contrary to the allegation in paragraph 15 of the Amended Statement of Defence and Counterclaim, there was no "oral agreement" between Robert and Kassam. Rather, the arrangement with respect to particular due diligence was set out in WhatsApp messages exchanged between Kassam, on behalf of Anson, and Robert, on a case by case basis (two times). With respect to the GE Diligence, as set out further below, the only term of the arrangement was that Robert provided due diligence to Anson and, if Anson chose to trade based on that due diligence, Anson would pay Robert 15% of any profits that it made on the trade.

9. On the two occasions referenced above, the only term agreed upon was that Anson would pay Robert 15% of any profits that it made on trades using diligence provided by Robert. There was no requirement that Anson trade on any due diligence provided by Robert or trade in any particular amount. In all cases, Anson and Kassam

retained absolute and sole discretion to trade or not trade, as they see fit. There was never any other explicit or implicit agreement between Anson and Robert.

10. In August 2019, Robert provided Anson with the GE Diligence. In or around August 15, 2019, Anson purchased approximately 5,000 put options in GE, which allow for the right to short sell the equivalent of 500,000 shares. Anson also sold short approximately 430,000 common shares of GE. Anson subsequently closed both positions. Kassam updated Robert with information about the GE trades in real time, via WhatsApp messages, in order to be completely transparent about how Anson was using the GE Diligence. In the aggregate, Anson's GE trade yielded a profit of US\$121,073.70. Anson was prepared to pay Robert 15% of its profit, or US\$18,161.06, for the GE Diligence in accordance with its arrangement with Robert. Information about Anson's profit in respect of its GE trade is being provided to Robert concurrently with delivery of this Reply and Defence to Counterclaim.

11. Despite this transparency, Robert refused to accept the amount he was owed for the GE Diligence because he falsely claimed, without any basis or insight into Anson's trading records, that Anson had "made millions" using it. On August 21, 2019, when Kassam advised Robert how much he would be paid for the GE Diligence in accordance with his arrangement with Anson, Robert told Kassam via WhatsApp message:

Robert: ...No way you didn't make over million on GE mad [sic] I wanna move on to the next thing...

Kassam: Make a million ? I sent u the trades in real time. I had 5k options at 9c, 3k u saw were sold in the am rat [sic] .52, then sold 1k .65 in the aft and held 1k through exercise. I'm going to sell that 1k today which is roughly .55 equivalent sale price. PNL roughly 125k usd. 15% is roughly 18.5 usd...

Robert: I'm out

Robert: Keep the money Moez...

Robert You should [have] put millions on it

Kassam: I showed it all in real time to avoid these discussions now...

Kassam: Anyways u want to end things that's fine. I'd like to send you a cheque either way. It's ur fee, take it

Kassam: I'll send u the excel and u can fill out ur invoice

Robert: No Moez you send me 6 figure cheque what I deserve

Robert: Or I'm out

Robert: You made millions...

Robert: You fucked me and now I'm moving on [emphasis added].

12. Robert then immediately began to threaten legal action against Anson and Kassam as well as other retribution. As set out in the Statement of Claim, on August 21 and 22, 2019, Robert sent Kassam threatening messages that he was working on a report "called the biggest predatory fund in Potstocks", that he was "going to talk to my lawyer also cause I'm sick [of] people like trying [to] fuck me over" and that Kassam had "fucked over wrong person for last time" [sic]. A few days later, Robert took to his "Betting Bruiser" Twitter pulpit to unleash a stream of false and defamatory Unlawful Statements about the Plaintiffs and was subsequently part of the Conspiracy regarding the Defamatory Manifesto.

13. Contrary to the allegation at paragraph 19 in the Amended Statement of Defence and Counterclaim, Kassam did not enlist Nate Anderson to inform Robert that Kassam wished to keep working with him.

14. Contrary to the allegations at paragraphs 20 and 21 of the Amended Statement of Defence and Counterclaim, Kassam did not offer Robert payment on September 20 or October 1, 2020 in exchange for “taking the fall” for the Defamatory Manifesto. This is complete fiction. Kassam did not speak to Robert on September 20, 2020. The Defamatory Manifesto was published on or around September 27, 2020. In late September or early October 2020, Kassam approached Robert for information about who was behind the Defamatory Manifesto.

15. In response, Robert sought \$75,000 from Anson in exchange for the GE Diligence – nearly four times what he was owed – and later even sent Kassam an invoice in that amount. He also aggressively suggested that far more would be needed for information regarding the Unknown Defendants. As pleaded in the Statement of Claim, he also sought blanket immunity, indemnification and a release from Anson before he would provide assistance, clearly attempting to use purported leverage against Anson and Kassam and shield himself from liability. In particular, Robert alleged that the Unknown Defendants had promised to pay him \$250,000 to assist them, insinuating that a similar or greater amount would be needed for Robert to provide assistance to Anson, and seemingly playing “both sides”. On October 9, 2020, Kassam informed Robert via Whatsapp chat that Anson would no longer negotiate with him given his involvement in the Conspiracy.

16. Shortly after the message exchange on October 9, Robert used his “Betting Bruiser” Twitter account to unleash another series of false, defamatory, malicious and harassing allegations about the Plaintiffs and others associated with Anson. Among other things, these tweets were in retaliation for Anson and Kassam refusing to accede to

Robert's aggressive demands, as set out in the Statement of Claim. Contrary to the allegation at paragraph 22 of the Amended Statement of Defence and Counterclaim, Kassam did not speak to Robert by telephone on October 9, 2020. Rather, Robert attempted to call Kassam on October 9, 2020, but Kassam advised by WhatsApp chat that in the circumstances, he could not speak to him any longer. Moreover, Kassam did not threaten Robert's family on October 9, 2020 or otherwise. Kassam is unaware of who Robert's family members are, except for the Defendant Jacob Doxtator, Robert's cousin.

17. In addition to claiming for breach of contract, without foundation, Robert attempts to dress up his claim with vague, unparticularized assertions of conspiracy and fraudulent misrepresentation. Robert pleads no material facts or other details to support these baseless allegations. Contrary to the allegations at paragraphs 24 and 25 of the Amended Statement of Defence and Counterclaim, Anson and Kassam were never party to any alleged "conspiracy" to take Robert's due diligence without paying for his services, nor did they make any misrepresentation to Robert, fraudulent or otherwise. Rather, as set out above, on the two occasions on which Anson worked with Robert, the agreed upon terms of their arrangement were clear: Anson would pay Robert 15% of any profits that it made on trades using diligence provided by Robert.

18. Anson agrees that Robert is entitled to be paid US\$18,161.06 in respect of the GE Diligence, which he has previously refused to accept. Anson does not owe Robert any compensation for any other due diligence aside from the GE Diligence. However, Anson is entitled to set off that amount against the amounts that Robert owes Anson and Kassam for conspiracy, publicity that places the plaintiffs in a false light, intentional interference

with economic relations, appropriation of personality and defamation, as set out in the Statement of Claim.

19. Anson and Kassam deny that Robert is entitled to any other amounts in respect of the GE Diligence or any other due diligence, or that Robert has suffered any damages or loss as a result of any breach of contract or otherwise. In any event, the damages claimed by Robert are excessive, inflated and remote and Robert has failed to mitigate them. Anson and Kassam specifically deny that Robert is entitled to any aggravated or punitive damages.

20. The Plaintiffs ask that the Counterclaim be dismissed with costs.

April 9, 2021
Amended April 19, 2021

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ANSON ADVISORS INC. et al. -and- ROBERT LEE DOXTATOR et al.
Plaintiffs Defendants

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

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Proceeding commenced at Toronto

REPLY AND DEFENCE TO COUNTERCLAIM

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