

ALBERTA SECURITIES COMMISSION

VARIATION ORDER

Citation: Re CatalX CTS Ltd., 2024 ABASC 178

Date: 20241119

CatalX CTS Ltd. (operating as Catalyx) and Jae Ho Lee

Background

1. On December 21, 2023, the Alberta Securities Commission (the **Commission**) issued an order (the **Interim Order**, cited as *Re CatalX CTS Ltd.*, 2023 ABASC 167) pursuant to ss. 33 and 198(1) of the *Securities Act* (Alberta) (the **Act**) that, among other things, CatalX CTS Ltd. (**Catalyx**) and Jae Ho Lee (**Lee**) cease trading in or purchasing any securities or derivatives.
2. On January 5, 2024, the Commission extended the Interim Order for a period of 12 months (*Re CatalX CTS Ltd.*, 2024 ABASC 5).
3. On November 15, 2024, Staff (**Staff**) of the Commission issued a Notice of Application (*Re CatalX CTS Ltd.*, 2024 ABASC 177) seeking to vary the Interim Order to permit Lee to convert certain cryptocurrency into Canadian currency for distribution to Deloitte Restructuring Inc. (the **Receiver**) pursuant to the Receivership Order (defined below) (the **Variation Application**).
4. The Variation Application has been made on the following grounds:
 - (a) the Court of King's Bench of Alberta made an order on January 19, 2024 placing the assets of Catalyx into receivership (the **Receivership Order**);
 - (b) pursuant to the terms of the Receivership Order, Lee is required to deliver Catalyx assets to the Receiver;
 - (c) the Interim Order prevents Lee from converting cryptocurrency into Canadian currency for distribution to the Receiver; and
 - (d) Catalyx, Lee, and the Receiver have consented to the variation sought.
5. The Commission has determined that it is not prejudicial to the public interest to grant the Variation Application, having considered the parties' consent to the terms of the order sought and that the Interim Order will otherwise continue in effect.

Order

6. Pursuant to s. 214(1) of the Act, paragraph 8(a) of the Interim Order is varied to permit Lee to convert the cryptocurrency Tether (USDT), that is the property of Catalyx, into Canadian currency, for the sole purpose of distributing the proceeds to the Receiver.

November 19, 2024

For the Commission:

"original signed by"
Tom Cotter

"original signed by"
Kari Horn, K.C.