



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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**IN THE MATTER OF  
THE SECURITIES ACT, R.S.O. 1990, c.S.5, AS AMENDED**

**AND**

**IN THE MATTER OF  
CAPTIVA VERDE WELLNESS CORP.**

**ORDER**

**(Section 6.1 of National Instrument 62-104)**

**UPON** the application (the “**Application**”) of Captiva Verde Wellness Corp. (the “**Filer**”) to the Ontario Securities Commission (the “**Commission**”) for an order pursuant to section 6.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (“**NI 62-104**”) exempting the Filer from the requirements applicable to issuer bids in Part 2 of NI 62-104 (the “**Issuer Bid Requirements**”) in respect of the proposed purchase by the Filer of an aggregate of 89,000,000 common shares of the Filer (the “**Subject Shares**”) from the Selling Shareholders (as defined below) pursuant to an unwinding transaction (the “**Unwinding Transaction**”);

**AND UPON** considering the Application and the recommendation of staff of the Commission;

**AND UPON** the Filer having represented to the Commission that:

1. The Filer is a corporation existing under the *Business Corporations Act* (British Columbia) and is in good standing with respect to the filing of annual reports with the Registrar of Companies under the *Business Corporations Act* (British Columbia).
2. The Filer’s head and registered office is located at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7.
3. The Filer is a reporting issuer in the provinces of British Columbia, Alberta and Ontario, and is not in default of any requirements of securities legislation in the jurisdictions in which it is a reporting issuer.
4. The authorized capital of the Filer consists of an unlimited number of common shares of the Filer (the “**Common Shares**”). As of December 30, 2024, there were 358,116,067 Common Shares issued and outstanding.
5. As of December 30, 2024, the Filer also has:

- (a) 117,000,000 Common Share purchase warrants (the “**Warrants**”) outstanding, of which 17,000,000 Warrants are exercisable at \$0.05 per Common Share through to December 23, 2027, 90,000,000 Warrants are exercisable at \$0.05 per Common Share through to August 31, 2028 and 10,000,000 Warrants are exercisable at \$0.05 per Common Share through to November 29, 2027; and
- (b) 10,000,000 options to purchase Common Shares (the “**Options**”) outstanding, which are exercisable at \$0.04 per Common Share through to July 13, 2025.

All Warrants and Options are “out of the money” and have no value.

- 6. The Common Shares are listed for trading on the Canadian Securities Exchange (the “**CSE**”) under the symbol “PWR” and are posted for trading on the OTC Pink Market in the United States under the symbol “CPIVF”. The Warrants and Options are not listed on any stock exchange.
- 7. The Filer is a sustainable real estate company that also invests in sports and wellness opportunities.
- 8. 1435300 B.C. Ltd. (“**Subco**”) is a wholly owned subsidiary of the Filer. Subco holds a 100% interest in the Miami Padel Club (the “**Club**”) of the Pro Padel League (the “**League**”).
- 9. The Filer acquired Subco from Ronnie Strasser (“**Strasser**”), Joel Goodman (“**Goodman**”), and 997494 Ontario Ltd. (“**997494**”) pursuant to a share purchase agreement dated August 31, 2023, for an aggregate of 60,000,000 Common Shares at a deemed price of \$0.032 per Common Share and US\$1,500,000 in cash (the “**Original Transaction**”).
- 10. In connection with the Original Transaction, the Filer completed a non-brokered private placement of 90,000,000 units of the Filer (the “**Units**”, and such private placement, the “**Concurrent Private Placement**”) with 14 subscribers. Each Unit was comprised of one (1) Common Share and one (1) Warrant, with each Warrant entitling the holder thereof to acquire an additional Common Share (a “**Warrant Share**”) at an exercise price of \$0.05 per Warrant Share for a period of 60 months following closing of the Original Transaction.
- 11. Each of Samantha Moses, Jordan Goodman, Alyssa Markowitz and Janet Nicolson (each, a “**Strasser Subscriber**” and collectively, the “**Strasser Subscribers**”) subscribed for Units pursuant to the Concurrent Private Placement. The sole reason that each of the Strasser Subscribers participated in the Concurrent Private Placement was to gain exposure to the Club and their investment in the Filer was premised upon Subco being a part of the Filer’s business.
- 12. The Filer, Subco, Strasser, Goodman and the Strasser Subscribers (the Strasser Subscribers together with Strasser and Goodman, the “**Selling Shareholders**”) entered into a share purchase agreement dated August 30, 2024, as amended October 10, 2024 (the “**Repurchase Agreement**”) in respect of the repurchase of the Subject Shares and 55,000,000 Warrants (the “**Share Repurchase**”). Pursuant to the Repurchase Agreement and certain ancillary agreements entered into in connection therewith, the Filer will complete the unwinding transaction (the “**Unwinding Transaction**”) which consists of:

- (a) the transfer of Subco by the Filer to the Selling Shareholders in exchange for the return of the Subject Shares and the 55,000,000 Warrants held by them;
  - (b) the assumption and settlement of \$858,249.09 of indebtedness owed by Subco to Strasser pursuant to the terms of a consulting agreement dated August 31, 2023 between Subco and Strasser (the “**Strasser Indebtedness**”) in exchange for the transfer of 1,500,000 common shares of Greenbriar Sustainable Living Inc. (the “**Greenbriar Shares**”) held by the Filer to Strasser; and
  - (c) the release by the Filer of Subco and Strasser, and by Strasser of the Filer and the Filer’s Chief Executive Officer Jeffrey J. Ciachurski, in each case of any claims arising out of or reasonably connected with Strasser’s business dealings with the Filer or its related parties.
13. Following the completion of the Unwinding Transaction, all business relationships between the Filer and Strasser and his known associates will have been terminated, and all liabilities among them settled. Other than 3,335,000 Warrants held by Strasser, following the completion of the Unwinding Transaction, the Filer understands that the Selling Shareholders will not have any interests in the Filer.
14. Completion of the Unwinding Transaction will relieve the Filer of the financial burdens created by Subco and the Strasser Indebtedness. The board of directors of the Filer (the “**Board**”) is of the view that if the Unwinding Transaction is not completed in accordance with its terms, Subco will continue to have a significant negative financial impact on the financial condition of the Filer.
15. The Club has a carrying value of \$1,335,000 following an impairment charge of \$2,638,703 recorded by the Filer in respect of the Club during the period ended July 31, 2024. Subco has no assets or liabilities other than its interest in the Club and the Strasser Indebtedness.
16. The terms of the Unwinding Transaction (including the Share Repurchase) were agreed to by the Filer and the Selling Shareholders following arm’s length negotiations between them.
17. The Board has unanimously determined, acting in good faith, that:
- (a) as of the date of the Repurchase Agreement, Subco has a value of \$1,335,000 based on a make-whole valuation methodology. In coming to a determination of the value of Subco, the Board considered, but did not ultimately use, a market approach given the transfer restrictions attached to changes in ownership by the League;
  - (b) Subco does not represent all or substantially all of the Filer’s assets;
  - (c) there is no requirement, corporate or otherwise, to obtain shareholder approval for the Share Repurchase or any aspect of the Unwinding Transaction;
  - (d) the Repurchase Agreement, the Share Repurchase and the Unwinding Transaction are in the best interests of the Filer and its shareholders (other than the Selling Shareholders);

- (e) the terms of the Repurchase Agreement, the Share Repurchase and the Unwinding Transaction are reasonable;
  - (f) the Share Repurchase will not materially affect control of the Filer;
  - (g) the Share Repurchase will not adversely affect the financial position of the Filer and, upon completion, will increase the value of the equity ownership positions of the Filer's other shareholders;
  - (h) the Filer will continue to be in compliance with the CSE's continuous listing requirements following the completion of the Share Repurchase;
  - (i) it is reasonable to conclude that, following the completion of the Share Repurchase, there will be a market for holders of Common Shares that is not materially less liquid than the market that existed at the time the Repurchase Agreement was entered into; and
  - (j) the aggregate value of Subco and the 1,500,000 Greenbriar Shares to be transferred to Strasser in satisfaction of the Strasser Indebtedness is equal to, or less than, the economic value represented by the Subject Shares and the Strasser Indebtedness.
18. Each of the Selling Shareholders is located in, and all of the Subject Shares are held in, the Province of Ontario.
  19. None of the Selling Shareholders is: (a) a "related party" of the Filer (as such term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*); or (b) in possession of material non-public information in respect of the Filer.
  20. The Share Repurchase pursuant to the Unwinding Transaction will constitute an "issuer bid" for the purposes of NI 62-104, to which the Issuer Bid Requirements would apply. The Share Repurchase cannot be made in reliance upon any of the exemptions from the Issuer Bid Requirements contained in Part 4 of NI 62-104.
  21. The Share Repurchase is an integral part of the Unwinding Transaction and none of the Selling Shareholders is receiving any cash in exchange for the Subject Shares or as part of the Unwinding Transaction.
  22. Each of the Selling Shareholders is a party to an agreement pursuant to which they will subscribe for interests in Subco concurrent with the completion of the Unwinding Transaction.
  23. As a result of restrictions on transfer that would apply if the Club was transferred to a third party buyer that did not involve Strasser, and the fact that only the Selling Shareholders have been approved by the League to have interests in Subco following completion of the Unwinding Transaction, it is not possible for the Filer to offer to acquire Common Shares from all holders of Common Shares on the same terms and conditions as those contemplated by the Repurchase Agreement.

24. The purpose of the Share Repurchase is not to give preferential treatment to the Selling Shareholders or to provide a method for the Filer to purchase the Subject Shares, but rather to facilitate the sale of Subco and realize the value of such interest for the benefit of the Filer and its shareholders, and to improve the Filer's financial condition.
25. The Subject Shares are being returned to the Filer for cancellation for consideration of \$0.015 (the "**Purchase Price**"), being consideration not greater in any material respect to the market price of the Common Shares on the CSE on the date the Repurchase Agreement was entered into, when the closing price of the Common Shares on the CSE was \$0.015 per Common Share.
26. The 55,000,000 Warrants are being cancelled for no consideration.
27. Shareholders of the Filer not offered the opportunity to sell their Common Shares to the Filer as part of the Share Repurchase are otherwise entitled to sell their Common Shares into the market for cash proceeds.
28. The Unwinding Transaction is subject to: (a) the acceptance of the Greenbriar Debt Settlement (as described below) by the TSX Venture Exchange (the "**TSXV**"); (b) receipt of this Order; (c) the consent of the League.
29. The Filer entered into debt assumption and settlement amendment agreements, each dated August 30, 2024, with Greenbriar Sustainable Living Inc. ("**Greenbriar**") and Greenbriar Capital (U.S.) LLC., pursuant to which the parties agreed to settle \$1,000,000 of indebtedness owed by Greenbriar to the Filer (the "**Greenbriar Debt Settlement**") in exchange for 2,197,802 Greenbriar Shares. The Greenbriar Debt Settlement was approved by the TSXV on December 30, 2024 and is scheduled to close on December 31, 2024.
30. The Filer understands that the Selling Shareholders have been accepted by the League as owners of the Club following the completion of the Unwinding Transaction.
31. 997494 and the ten (10) subscribers under the Concurrent Private Placement who are not parties to the Share Repurchase or the Unwinding Transaction (collectively, the "**Non-Participants**") have each provided an acknowledgement, consent and waiver (collectively, the "**Acknowledgements, Consents and Waivers**") pursuant to which each of them has represented that they:
  - (a) have no interest in participating in the Unwinding Transaction, being a party to the Repurchase Agreement, or otherwise becoming an owner in Subco; and
  - (b) are seeking to retain the Common Shares and Warrants they acquired in the Original Transaction or Concurrent Private Placement, as applicable.
32. None of the Non-Participants received, or will receive, directly or indirectly, any payment, beneficial enhancement, or inducement of any kind in connection with agreeing to execute the Acknowledgements, Consents and Waivers.

33. Other than the Subject Shares, the Filer has no plans to repurchase any Common Shares, including from the Selling Shareholders or the Non-Participants.
34. Since the announcement of the Unwinding Transaction on August 30, 2024, the Filer has not received any complaints or expressions of concern about the Share Repurchase or the Unwinding Transaction.

**AND UPON** the Commission being satisfied that to do so would not be prejudicial to the public interest;

**IT IS ORDERED** pursuant to section 6.1 of NI 62-104 that the Filer be exempt from the Issuer Bid Requirements in connection with the Share Repurchase, provided that:

- (a) the Filer issues and files a press release on SEDAR+ disclosing that the Filer has been granted exemptive relief from the Issuer Bid Requirements in connection with the Share Repurchase prior to, or concurrent with, the closing of the Share Repurchase;
- (b) none of the Non-Participants has received, or will receive, directly or indirectly, any payment, beneficial enhancement, or inducement of any kind in connection with agreeing to execute the Acknowledgements, Consents and Waivers;
- (c) as at the time of the closing of the Share Repurchase, the Board remains of the view that the Share Repurchase and Unwinding Transaction are in the best interests of the Filer and its shareholders, and that the terms of each of them are reasonable;
- (d) as at the time of the closing of the Share Repurchase, the per share Purchase Price is not greater than the market price (determined in accordance with NI 62-104) of the Common Shares;
- (e) the Greenbriar Debt Settlement has been completed; and
- (f) all approvals and/or consents required in respect of the Unwinding Transaction, including the acceptance of the Selling Shareholders by the League as owners of the Club, have been obtained and not revoked.

**DATED** at Toronto, Ontario this 31<sup>st</sup> day of December, 2024.

*“Jason Koskela”*

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Jason Koskela  
Vice President, Corporate Finance Division  
Ontario Securities Commission