

In the Matter of
The Securities Act, 1988

and

In the Matter of
Seven Point Investments Ltd.
Daren Werner Kraus
and
Andrew Donald Gardner

NOTICE OF FIRST APPEARANCE

To: Seven Point Investments Ltd.

[REDACTED]

Daren Werner Kraus

[REDACTED]

Andrew Donald Gardner

[REDACTED]

TAKE NOTICE that you or a representative are to attend before a Hearing Panel of the Financial and Consumer Affairs Authority of Saskatchewan (the “**Authority**”) via video conference on **November 10, 2026 at 10:00 a.m. (CST).**

Microsoft Teams video conference information:

Meeting ID: [REDACTED]

Passcode: [REDACTED]

The purpose of the first appearance is to:

- 1) schedule a merits hearing regarding the allegations in the Statement of Allegations dated July 2, 2026, a copy of which is attached to this Notice; and
- 2) discuss any other preliminary matters that the Hearing Panel deems appropriate.

You are entitled to be represented by legal counsel and to make representations at the first appearance. If you do not attend at the time and place noted above, the video conference may proceed in your absence.

The securities laws of some other Canadian jurisdictions may allow orders made by the Hearing Panel in this matter to take effect in other jurisdictions automatically, without further notice to you. If an order is made or a settlement is reached in this matter, you should contact the securities

regulator of any other jurisdiction in which you may intend to engage in securities-related activities.

DATED at Regina, Saskatchewan on July 17, 2026.



Jillian Evans
Registrar

Note: Policy 12-602 – Proceedings Before Hearing Panels Under *The Securities Act, 1988* (the “**Securities Hearings Policy**”) sets out information on the procedures for this hearing. The Securities Hearings Policy is located on the Authority's website at www.fcaa.gov.sk.ca: under the **Regulated Businesses** tab, select **Securities Industry Participants**, then **Enforcement proceedings**, and then **Securities Hearings Policy**.

**In the Matter of
*The Securities Act, 1988***

and

**In the Matter of
SEVEN POINT INVESTMENTS LTD.**

DAREN WERNER KRAUS

and

ANDREW DONALD GARDNER

**STATEMENT OF ALLEGATIONS
OF STAFF OF FINANCIAL AND CONSUMER AFFAIRS
AUTHORITY OF SASKATCHEWAN**

Staff of the Securities Division, Financial and Consumer Affairs Authority of Saskatchewan (SD Staff) make the following allegations:

The Respondents

1. The Respondent Daren Werner Kraus ("Kraus") is an individual who resides in [REDACTED], Saskatchewan.
2. The Respondent Andrew Donald Gardner ("Gardner") is an individual who resides in [REDACTED], Saskatchewan.
3. The Respondent corporation Seven Point Investments Ltd. ("Seven Point") is a Saskatchewan business corporation, incorporated on May 13, 2019, with its registered office located in Regina, Saskatchewan. At all material times, Kraus and Gardner were the sole directors and directing minds of Seven Point.
4. At all material times, the Respondents were not registered in Saskatchewan as a dealer or adviser pursuant to *The Securities Act, 1988*, SS 1988, c S-42.2 (the "Act").

Related Entity

5. Sona Cannacorp Ltd. ("Sona") was an Alberta corporation that was registered extra-provincially in Saskatchewan on October 11, 2018. Sona owned land located at Drinkwater, Saskatchewan. Sona purported to be developing a cannabis production and distribution facility on that land. Sona was struck off the Saskatchewan corporate register as inactive on March 2, 2022.

Investment Product of the Respondents

6. Beginning in 2019, the Respondents promoted and solicited investments in Seven Point by offering shares of Seven Point to prospective investors.
7. The Respondents made different representations to different prospective investors about Seven Point's role and the use of investor funds. Some prospective investors were told that Seven Point would pool funds from multiple investors and use those funds to invest primarily in Sona. Other prospective investors were told that Seven Point would use investor funds to build, equip, fund, or develop a cannabis facility in Drinkwater, Saskatchewan.
8. The Respondents used direct communications, offering materials, subscription documents, community promotion, investor meetings, site visits, and a LinkedIn page associated with Gardner to solicit investment in Seven Point.
9. The Respondents distributed, or purported to distribute, shares of Seven Point to multiple investors. The investigation identified investor payments totalling at least \$249,776.09 in connection with the purchase of Seven Point shares, with individual investments ranging from \$3,276.07 to \$65,000.00.
10. Excluding Kraus and Gardner, the Corporate Profile Report for Seven Point listed 12 shareholders of record as holders of Class E non-voting shares. The investigation identified additional persons who paid funds in connection with the purchase of Class E non-voting shares but were not listed as shareholders of record.
11. At all times material hereto, the Respondents assumed responsibility for all active steps required to generate a return on the investments made in Seven Point. At no time did the investors assume responsibility to take any active steps to generate a return on their investments.
12. The particulars of the activities of the Respondents with respect to the distribution of securities of Seven Point include, but are not limited to, the following:
 - a. The Respondents provided investors with offering materials and related documents promoting an opportunity to invest in Seven Point. Those materials referred to a private placement of non-voting common shares in Seven Point and stated that Seven Point was investing its resources in the cannabis growth and extraction business. The offering materials prepared by Kraus and Gardner represented that Seven Point would invest funds raised from multiple investors primarily in Sona.
 - b. In other investor communications, the Respondents represented to some prospective investors that Seven Point would use investor funds to build and equip, or otherwise fund or develop, a cannabis facility in Drinkwater, Saskatchewan.
 - c. The offering materials and related forms referred to prospectus exemptions under National Instrument 45-106 *Prospectus Exemptions* (NI 45-106), including the accredited investor exemption and the close personal friends and close business associates exemption. The offering materials also referred to limits on the number and type of investors, including

- language stating that the maximum number of investors permitted to participate in the offering was 50.
- d. The documents used in the offering referred to different share prices, different share classes, and different exemption-related forms.
 - e. Several investors had no prior relationship with the Respondents before being solicited to invest. Some investors learned about the offering during a community town hall meeting in Drinkwater, Saskatchewan. Other investors were solicited through direct communications, offering materials, investor meetings, site visits, or introductions by other persons.
 - f. Some investors signed forms referring to the close personal friends and close business associates exemption in NI 45-106. Other investors did not sign exemption forms.
 - g. Before investor funds were accepted, the Respondents did not ask certain investors questions about their income, their net worth, or their financial assets.
 - h. Seven Point is not a reporting issuer in Saskatchewan. No preliminary prospectus or prospectus was filed with the FCAA in relation to the distribution of securities of Seven Point. At no time did the Respondents file any Form 45-106F1 (Report of Exempt Distribution) with the FCAA in relation to the distribution of securities of Seven Point.
13. On or about July 8, 2020, Investor 1 paid \$25,750.00 into a Seven Point bank account in connection with the purchase of shares of Seven Point. The investment was presented to Investor 1 on the basis that the investment funds would be used to build and equip a cannabis growing facility in Drinkwater, Saskatchewan. The name of Investor 1 was not reflected as a shareholder of record in the corporate registry for Seven Point.
14. On or about August 24, 2020, Investors 2 and 3 paid \$5,750.00 into a Seven Point bank account in connection with the purchase of shares of Seven Point. The Respondents represented to Investors 2 and 3, through Kraus, Gardner, and investment documents provided to Investor 3, that Seven Point would use investor funds to invest in Sona's cannabis venture in Drinkwater, Saskatchewan. The purchase was made in the name of Investor 2. The name of Investor 2 was not reflected as a shareholder of record in the corporate registry for Seven Point.
15. Bank records for Seven Point show investor funds being deposited into Seven Point accounts at Conexus Credit Union, including a wire of \$25,750.00 received on or about July 8, 2020, and a combined deposit of \$5,750.00 in August 2020.
16. At no time were Investors 1, 2 and 3 (the Investors) listed as shareholders of record in the corporate registry for Seven Point.
17. The Investors contacted the Respondents on multiple occasions to request information about the status of their investments and the use of their funds. The Respondents did not provide the requested information and documents.

18. The investigation revealed that, after funds from Investors 1, 2, and 3 were deposited into the Seven Point bank account, Seven Point issued cheques to Gardner personally totalling \$11,150.00 and to Kraus personally totalling \$12,750.00. Seven Point also made one unexplained withdrawal in the amount of \$5,000.00. The bank records and documents obtained in the investigation do not show that the funds from Investors 1, 2, and 3 were used to invest in Sona or to fund the construction or development of the Drinkwater cannabis project.
19. At no time did the Drinkwater cannabis facility described in the Respondents' offering materials and investor communications become operational.
20. During the investigation, Kraus and Gardner were each twice served with summonses issued under section 12 of the Act requiring them to attend for examination and to produce documents and information. Kraus and Gardner failed to comply with both summonses.

Alleged Contraventions of subsection 27(2)(a) of the Act

21. When the Respondents carried out the acts indicated in paragraphs 6 through 18 above, they were acting as dealers in Saskatchewan. They promoted and solicited investments in Seven Point, used offering materials and other investor-facing communications, and distributed, or purported to distribute, Seven Point shares to multiple investors. In the offering materials, Seven Point was presented as a vehicle through which investor funds would be pooled and invested primarily in Sona. In other investor communications, some prospective investors were told that Seven Point would use investor funds to build, equip, fund, or develop a cannabis facility in Drinkwater, Saskatchewan.
22. The Respondents were not registered as dealers, as required by subsection 27(2)(a)(i) of the Act, nor registered as representatives of a registered dealer and acting on behalf of that registered dealer, as required by clause 27(2)(a)(ii) of the Act. In so doing, the Respondents contravened subsection 27(2)(a) of the Act.

Alleged Contraventions of section 55.11 of the Act

23. When the Respondents carried out the acts indicated in paragraphs 6 through 19 above, they made statements or representations to investors about the intended use of investor funds. Investor 1 was told that investment funds would be used to build and equip a cannabis growing facility in Drinkwater, Saskatchewan. Investors 2 and 3 were told that Seven Point would use investor funds to invest in Sona's cannabis venture in Drinkwater, Saskatchewan. Those statements or representations were misleading or untrue in a material respect, or omitted facts necessary to make them not misleading. In so doing, the Respondents contravened section 55.11 of the Act.

Alleged Contraventions of subsection 58(1) of the Act

24. When the Respondents carried out the acts indicated in paragraphs 6 through 18 above, they traded in a security on their own behalf or on behalf of another person where the trade was a distribution of the security without filing a preliminary prospectus relating to the distribution of the security with the FCAA and without receiving a receipt for the preliminary prospectus and prospectus in contravention of subsection 58(1) of the Act.

Alleged Contraventions of section 6.1 of National Instrument 45-106 *Prospectus Exemptions* (N.I. 45-106)

25. When the Respondents carried out the acts indicated in paragraphs 6 through 18 above, and to the extent the Respondents are able to prove the availability of exemptions from the requirements of subsection 58(1) of the Act, at no time did the Respondents file any Form 45-106F1 (Report of Exempt Distribution) with the FCAA. In failing to do so, the Respondents contravened section 6.1 of NI 45-106.

Alleged Contraventions of subsection 135.7(1) of the Act

26. When Kraus and Gardner carried out the acts indicated in paragraph 20 above, they failed to comply with summonses issued under section 12 of the Act and thereby withheld information and documents reasonably required for an investigation. In so doing, Kraus and Gardner contravened subsection 135.7(1) of the Act.

Relief Sought

27. Based on the above, Staff of the FCAA asks the hearing panel to consider whether it is in the public interest to make the following orders:

- a. Pursuant to subsection 134(1)(a) of the Act, all exemptions in Saskatchewan securities laws do not apply to the Respondents for a period of seven (7) years;
- b. Pursuant to subsection 134(1)(d) of the Act, the Respondents shall cease trading in securities or derivatives for and on behalf of residents of Saskatchewan for a period of seven (7) years;
- c. Pursuant to subsection 134(1)(d.1) of the Act, the Respondents shall cease acquiring securities or derivatives for and on behalf of residents of Saskatchewan for a period of seven (7) years;
- d. Pursuant to subsection 134(1)(e) of the Act, the Respondents shall cease giving advice respecting securities, trades or derivatives in Saskatchewan for a period of seven (7) years;
- e. Pursuant to subsection 134(1)(h) of the Act, the Respondents shall not be employed by any issuer, registrant or investment fund manager in any capacity that would allow them to trade in securities or derivatives in Saskatchewan, and shall be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager for a period of seven (7) years;
- f. Pursuant to subsection 134(1)(h.1) of the Act, the Respondents shall be prohibited from becoming or acting as a registrant, investment fund manager or promoter for a period of seven (7) years;
- g. Pursuant to subsection 135.1 of the Act, the Respondents shall jointly and severally pay an administrative penalty to the Financial and Consumer Affairs Authority of Saskatchewan in the amount of \$60,000.00;

- h. Pursuant to section 135.6 of the Act, the Respondents shall jointly and severally pay financial compensation to each person or company found to have sustained financial loss caused, in whole or in part, by the Respondents' contraventions of Saskatchewan securities laws, in amounts to be determined; and
- i. Pursuant to section 161 of the Act, the Respondents shall jointly and severally pay the costs of or relating to a hearing in this matter.

DATED at Regina, Saskatchewan, this 2 day of July, 2026.



Dean Murrison
Executive Director, Securities Division
Financial and Consumer Affairs
Authority of Saskatchewan