

ALBERTA SECURITIES COMMISSION

Citation: Re Sweeney, 2025 ABASC 89

File No.: ENF-013316

Date: 20250626

NOTICE OF HEARING

To: Terrance Anthony Sweeney

Notice: The Alberta Securities Commission (the **Commission**) will convene at 1:00 p.m. on Wednesday, August 13, 2025, or as otherwise directed (the **Set Date Hearing**), at Calgary, Alberta, to set a date or dates for the conduct of a hearing regarding the allegations in this Notice (the **Merits Hearing**). At the Merits Hearing, the Commission will consider whether the allegations have been proven. If so, the Commission will subsequently consider whether it is in the public interest to make orders against you under sections 198, 199, and 202 of the *Securities Act*, RSA 2000, c. S-4, as amended (the *Act*).

Location: Alberta Securities Commission, 5th Floor, 250 - 5 Street S.W., Calgary, Alberta.

Procedure:

1. You may obtain disclosure and further information about particulars of the allegations in this Notice from Sakeb Nazim, c/o Alberta Securities Commission, 600, 250 - 5 Street SW, Calgary, Alberta, T2P 0R4, telephone: 403.592.8187, email: sakeb.nazim@asc.ca.
2. You may be represented by legal counsel or represent yourself. You or your legal counsel may make representations at the Set Date Hearing as part of the process for scheduling the Merits Hearing and the hearing management sessions that will take place between the Set Date Hearing and the Merits Hearing. At the Merits Hearing, you or your legal counsel may make representations and introduce relevant evidence regarding the allegations in this Notice.
3. If you or your legal counsel fail to attend the Set Date Hearing, the scheduling of the Merits Hearing and the hearing management sessions may proceed in your absence without further notice, and the Merits Hearing itself may proceed in your absence without further notice, following which orders may be made against you.

See attached sections 29, 93, 198, 199, 202 and 221.1 of the Act, and Commission Rule 15-501 – Rules of Practice and Procedure for Commission Proceedings.

Reciprocation: Take notice that orders or settlements made by the Commission may form the basis for parallel orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to you. If an order is made or a settlement agreement is reached in relation to this Notice, you should contact the securities regulator of any other jurisdiction in which you may intend to engage in any securities related activities.

Allegations

Parties

1. Throughout the period January 1, 2022 to June 30, 2023 (the **Relevant Period**), Terrance Anthony Sweeney (**Sweeney**) resided in Grande Prairie, Alberta.

Capital Raising Purportedly for Forex Trading

2. During the Relevant Period, Sweeney raised approximately \$222,800 from 15 investors. The majority of the investors were Alberta residents.
3. In soliciting funds from investors, Sweeney represented to investors that he would use their funds to engage in foreign exchange (**Forex**) trading to generate profits for investors.
4. Sweeney told some of the investors that the management fee would be 10 per cent of profits and that investors' principal investment would be returned to them along with all profits generated less the management fee.
5. These arrangements with investors were securities within the meaning of section 1(ggg) of the *Act*. In addition, Forex trading involves trades in securities and/or derivatives within the meaning of sections 1(ggg) and (n.01) of the *Act*.
6. Sweeney did not use investor funds for Forex trading as represented. The majority of the funds were used for unauthorized purposes, including payments of Sweeney's personal expenses.
7. Only one of the investors received his principal back. A few investors received payments Sweeney characterized as returns, but the majority of these funds were in fact investment funds provided by later investors.

Fraudulent Course of Conduct

8. During the Relevant Period, Sweeney engaged in a course of conduct that included:
 - 8.1 providing false and misleading information to investors about how their funds would be used, including false representations that their funds would be used to engage in Forex trading on their behalf;

- 8.2 failing to use investor funds to engage in Forex trading as represented to investors;
- 8.3 misappropriating investor funds to make payments falsely characterized as investment returns to earlier investors; and
- 8.4 misappropriating at least \$114,438 of investor funds for his personal use and other unauthorized uses.

(the **Prohibited Acts**).

- 9. In carrying out the Prohibited Acts, Sweeney:
 - 9.1 deceived investors and placed their pecuniary interests at risk;
 - 9.2 had subjective knowledge of the Prohibited Acts and had subjective knowledge that the Prohibited Acts could put the pecuniary interests of investors at risk; and
 - 9.3 engaged or participated directly or indirectly in an act, practice or course of conduct relating to securities that he knew or ought to have known may perpetrate a fraud on investors.

Misleading Statements to Staff

- 10. On November 16, 2023, Commission Staff conducted an interview of Sweeney under oath. During that interview, Sweeney undertook to provide Staff the following information: names and contact information of every person Sweeney traded for, amounts they invested and amounts Sweeney returned to investors.
- 11. On February 2, 2024, Sweeney provided a document (**Client List**) to Staff containing statements purporting to fulfill his undertaking.
- 12. Statements made in the Client List provided by Sweeney included:
 - 12.1 there were only five investors, who invested a total of \$37,000;
 - 12.2 all investment funds were repaid with additional returns, totalling \$90,000; and
 - 12.3 investor names and contact information.
- 13. Staff's investigation subsequently uncovered facts that revealed that the statements in the Client List were untrue or misleading or omitted facts necessary to make the statement not misleading, including that:
 - 13.1 Sweeney had at least 15 investors who invested a total of at least \$222,800;
 - 13.2 Sweeney only paid one investor more than his principal investment amount, but did not repay any portion of principal or any returns to the majority; and

- 13.3 Sweeney had correct investor names and contact information in his possession at the time he provided incorrect information to Staff.
14. The statements in the Client List pertained to material aspects of the matter under investigation and at the time and in light of the circumstances in which they were made, were misleading, untrue or did not state facts which were necessary to make them not misleading.

Breaches

15. As a result of the above, Staff allege that Sweeney:
- 15.1 breached section 93(1)(b) of the *Act* by directly or indirectly engaging or participating in an act, practice or course of conduct relating to a security, a derivative or an underlying interest of a derivative that he knew or reasonably ought to have known may perpetrate a fraud on investors; and
- 15.2 breached section 221.1(2) of the *Act* by making statements in documents, materials, information and evidence provided to the Commission that, in a material respect and at the time and in light of the circumstances in which the statements were made, were misleading or untrue, or omitted a fact required to be stated to make the statements not misleading.

Calgary, Alberta, 26 June, 2025.

) ALBERTA SECURITIES COMMISSION
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) *“Original Signed By”*
) _____
) Samir Sabharwal
) Executive Director