ALBERTA SECURITIES COMMISSION

DECISION

Citation: Re Skinner, 2025 ABASC 132 **Date: 20250930**

Dane Michael Skinner

Panel:	Kari Horn, K.C. Tom Cotter
Representation:	Ksena Court for Commission Staff
Submissions Completed:	June 4, 2025
Decision:	September 30, 2025

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I. INTRODUCTION

[1] In a notice dated May 26, 2025 (the **Notice**), staff of the Alberta Securities Commission (**Staff** and **ASC**) sought orders under ss. 198(1) and 198.1(2)(a)(i) of the *Securities Act* (Alberta) (the **Act**) that would permanently ban the respondent, Dane Michael Skinner (**Skinner**), from acting in the Alberta capital market in certain capacities.

[2] Section 198.1(2)(a)(i) authorizes an ASC panel to issue orders under ss. 198(1)(a) to (h) against a person who has been convicted of an offence "arising from a transaction, business or course of conduct related to securities or derivatives" when it is in the public interest.

[3] Skinner was indicted in Alberta on May 28, 2019, accused of one count of fraud over $5,000 contrary to s. 380(1)(a) of the *Criminal Code* (Canada) (the **CCC**) and one count of laundering the proceeds of crime contrary to s. 462.31 (the **Indictment**).

[4] The matter went to trial before a jury, and on May 16, 2024, Skinner was found guilty on both counts. He was then sentenced by Alberta Court of King's Bench Justice G.D. Marriott (**Marriott J**) on December 19, 2024.

[5] Marriott J sentenced Skinner to eight years' imprisonment and ordered him to pay $2.37 million in restitution and a fine in lieu of forfeiture in the same amount – in default of which he will have to serve an additional five years in prison. She also imposed an order under s. 380.2 of the CCC permanently prohibiting Skinner from seeking, obtaining, or continuing any employment or becoming or being a volunteer in any capacity that involves having authority over the real property, money, or valuable security of another person unless he discloses his convictions.

[6] Affidavit evidence satisfies us that Skinner was served with the Notice and the affidavit of Staff investigator, Ronke Balogun, which appended as exhibits the Indictment, transcripts of the sentencing proceedings on October 21 and December 19, 2024 (collectively, the **Sentencing Decision**), and a statement issued under s. 218 of the Act certifying that Skinner was not registered with the ASC in any capacity between March 1, 2003 and April 7, 2025. Skinner was also served with Staff's written submissions on the application, dated June 4, 2025.

[7] The Notice advised Skinner that if he wished to have an opportunity to be heard, he had to contact the ASC Registrar within 10 days of service, failing which a panel would consider the application without further notice to him. Since he did not request an opportunity to be heard, we considered Staff's application on the basis of their written materials.

[8] For the reasons that follow, we find that Skinner's criminal offences arose from a transaction, business, or course of conduct related to securities, and that it is in the public interest to make the orders Staff sought.

II. BACKGROUND

A. The Investments

[9] According to the Sentencing Decision, Skinner purported to have developed a product that would "revolutionize" fracking in the oil and gas industry. Skinner encouraged people to invest in two numbered companies, 1366983 Alberta Ltd. and 1367158 Alberta Ltd., through which he was

supposedly developing and testing the product. The two numbered companies became subject to an ASC investigation, and a shareholder had them both placed into receivership.

[10] Consequently, Skinner created two other companies to continue the purported development of the product: 1518869 Alberta Ltd. and N.E.X.T./NEXT Legacy Technologies Ltd. He was the sole director and directing mind of all four companies, and had sole control of their finances and bank accounts.

[11] Skinner was found to have made various misrepresentations to investors, including that the product had been successfully tested, and that there were contracts for royalties and various multi-million dollar offers to purchase the companies, the product, or its associated intellectual property. All investors were to receive shares and share certificates in exchange for their funds, but not all did. It was therefore unclear exactly how many investors there were, although Marriott J noted that Skinner testified that there were over 70 shareholders.

[12] There was evidence that Skinner had a powder that could crack concrete inlets, but there was no objective evidence that it could do more than that or that it had been used or tested on any wells. Nor was there evidence of any contracts for use or offers to purchase. After having the product "recipe" reviewed by a large oil and gas exploration and production company, the receiver concluded that there was no commercial value in the product and did not attempt to sell it. Marriott J therefore noted that the only reasonable inference was that Skinner misrepresented to investors what the product could do to induce people to invest.

[13] In addition, Skinner did not tell investors that the intellectual property for the product (i.e., the recipe) was not an asset owned by the companies in which they invested, but was "a personal asset in his head". Again, Marriott J noted that the only reasonable inference was that Skinner did not give investors this information because he wanted to induce them to invest or to reinvest.

[14] Skinner was found to have fraudulently raised at least $2.97 million from investors between December 5, 2007 and February 28, 2013. Instead of using investor funds for product development, Skinner misappropriated them for personal expenditures, including transfers to his personal bank accounts, transfers to his son's business, and large cash withdrawals for which he was unable to account.

[15] At the sentencing hearing, several victim impact statements were read for the record. Generally, the investors spoke about their significant financial losses and the numerous consequent psychological and emotional impacts that resulted from their investments with Skinner.

B. The Sentencing Decision

[16] In her Sentencing Decision, Marriott J observed that, "[t]he fundamental principle of sentencing is that a sentence must be proportionate to the gravity of the offence and the degree of responsibility of the offender". She outlined the objectives of sentencing (including specific and general deterrence), and the role of any aggravating or mitigating circumstances relating to the offence or the offender.

[17] Marriott J noted the following about Skinner:

- at the time of sentencing, he was 60 years old;
- he claimed that he had a grade 12 education and degrees in construction engineering and explosive engineering, but provided no supporting documentary evidence;
- he claimed that he had been unemployed since 2018 and was, at the time of sentencing, living in a recreational vehicle;
- he claimed that he had several health issues, including a history of cancer;
- he had a criminal record with two entries, one from 1999 for fraud and public mischief in Ontario, and one from September 2024 for failing to comply with his bail conditions (he did not stop soliciting funds for the sale of "his so-called product", in breach of the release order that prohibited him from forming any new corporations, soliciting or attempting to raise money for any investments, or trading in securities); and
- according to the presentence report, he denied responsibility for his actions, minimized his behaviour, showed no remorse, and demonstrated little insight into the impact his actions had had on his victims and the community.

[18] She noted as aggravating factors:

- the "devastating impact" Skinner's fraud had on his many victims, most of whom were his friends and neighbours;
- his abuse of a position of trust;
- the significant degree of deliberate planning involved in orchestrating such a complex fraud, which indicated "a high degree of moral blameworthiness";
- the duration of the fraud and the large amount of money involved;
- the concealment of records related to the fraud and the disbursement of funds; and
- the motive of personal gain.

[19] Marriott J found few, if any, mitigating factors, especially in light of Skinner's failure to appreciate the consequences of his actions or accept responsibility for them. Instead, he blamed others for causing the scheme to fail.

[20] Marriott J noted that Skinner's health could be considered mitigating, but gave it little weight because of the lack of evidence to substantiate his claims. She also gave his age little weight as a mitigating factor because he presented a "material risk to re-offend" and protection of the public was a high priority. That one investor recovered $500,000 was not considered mitigating because it was paid through the receivership, and "not necessarily the result of any help or cooperation" from Skinner.

[21] The Crown sought a sentence of eight to 10 years' incarceration based on a number of precedents. Marriott J agreed that Skinner's fraudulent conduct merited a "lengthy period of incarceration". She imposed eight years for the fraud count and one year for the money laundering count, to be served concurrently.

[22] The Crown also sought monetary orders against Skinner, including $2.37 million in restitution pursuant to s. 738 of the CCC: $2.97 million less the $500,000 recovered by the one

investor, and another $100,000 an investor asked the Crown not to pursue. Marriott J noted that there were several factors to be considered for restitution, including the offender's ability to pay. However, she found that none of the factors operated in Skinner's favour.

[23] Marriott J concluded that it was appropriate to order restitution in the full amount of $2.37 million, and a fine in lieu of forfeiture in the same amount, less any amounts paid toward restitution. Skinner was given six years to pay the fine, and five years' additional imprisonment in default of payment.

[24] Finally, Marriott J imposed the prohibition order under s. 380.2 of the CCC described previously.

III. ANALYSIS

[25] As mentioned, s. 198.1(2)(a)(i) of the Act authorizes an ASC hearing panel to make orders under ss. 198(1)(a) to (h) against a person convicted of an offence "arising from a transaction, business or course of conduct related to securities or derivatives". Section 198(1) states that such orders may be issued if "it is in the public interest to do so".

[26] We consider the two aspects of the test below.

A. Transaction, Business, or Course of Conduct Related to Securities

[27] We agree with Staff that Skinner's conviction was based on fraudulent transactions, business, or a course of conduct involving securities – investors provided their funds and either received or were supposed to receive shares in one of Skinner's companies. Shares are included in the definition of "security" in s. 1(ggg)(v) of the Act.

[28] Skinner perpetrated a criminal fraud in Alberta based on investment in the shares of his companies, and he laundered the proceeds contrary to the CCC. He misrepresented important facts about his purported fracking product to induce investors to advance their funds and remain invested, then misappropriated those funds for his and his family's personal benefit. Almost all of the investors lost their money, and are unlikely to recoup any of it in the future.

B. In the Public Interest

[29] Staff argued that it is in the public interest for us to make the orders they sought against Skinner. They noted that ASC hearing panels recognize that securities fraud is serious misconduct that not only harms victimized investors, but also harms public confidence in the integrity of this province's capital market. They relied on the following passage from the decision in *Re Carruthers*, 2020 ABASC 177 (at para. 32):

> ASC decisions, including [*Re*] *LaFramboise*[, 2020 ABASC 12] (at para. 20), have consistently emphasized the seriousness of fraud. For example, in *Re TransCap Corporation*, 2013 ABASC 201 at para. 155, an ASC panel observed that it is ". . . self-evident that conduct that perpetrates a fraud on Alberta investors is wholly inconsistent with the welfare of investors and the integrity of our capital market". Accordingly, where Staff seeks [sic] reciprocation of a criminal conviction for securities-related fraud, particularly where that fraud was perpetrated on Alberta investors, it is difficult to conceive of a circumstance when orders under section 198(1) would not be considered to be in the public interest.

[30] Moreover, even after Skinner was arrested and released on bail conditions that prohibited him from soliciting and raising more money for investments, he continued to do so. It was therefore Staff's position that we should exercise our discretion and issue permanent orders against him with a view to protecting investors and the Alberta capital market from future harm.

1. Sanction Principles – General

[31] Orders under s. 198(1) of the Act are intended to be protective and preventative, and they must be proportionate, reasonable, and in the public interest. Their aim is to effect specific and general deterrence – i.e., they are meant to deter not only the subject respondent from repeating market-related misconduct, but also to deter anyone else from perpetrating similar misconduct (*Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, 2001 SCC 37 at paras. 42-45; *Re Cartaway Resources Corp.*, 2004 SCC 26 at para. 52). That such orders must also be proportionate and reasonable in light of the circumstances of the case and the respondent was discussed by the Alberta Court of Appeal (**ABCA**) in *Walton v. Alberta (Securities Commission)*, 2014 ABCA 273 (leave to appeal denied [2014] S.C.C.A. No. 476). See, for example, para. 154 of that decision.

[32] In *Re Homerun International Inc.*, 2016 ABASC 95 (at para. 20), the hearing panel set out a number of factors to be applied in determining appropriate sanction orders:

(i) the seriousness of the misconduct;
(ii) the respondent's characteristics and history;
(iii) the benefit sought or obtained by the respondent as a result of the misconduct; and
(iv) any additional mitigating or aggravating considerations.

[33] To ensure proportionality, panels will also consider past sanction decisions with similar circumstances.

[34] As Staff pointed out, Marriott J's approach in the Sentencing Decision was similar to the sanctioning framework in *Homerun*. She weighed similar considerations to arrive at her conclusions.

2. Seriousness of the Misconduct

[35] In *Homerun*, the panel said that the seriousness of securities-related misconduct has three aspects: the nature of the misconduct; the intention behind it (i.e., whether the misconduct was deliberate, reckless, or inadvertent); and the extent of the harm it caused to identifiable investors or to the Alberta capital market in general (see para. 22).

[36] Skinner's misconduct was extremely serious. It was a complex and deliberately orchestrated scheme that was based from the outset on falsehoods and continued for over five years. He fraudulently deprived at least 70 investors – many of whom were friends and neighbours who trusted him – of at least $2.97 million, and most are unlikely to recover their losses. One investor who recovered part of his investment was only able to do so using court processes. Moreover, as discussed in the Sentencing Decision, Skinner made deliberate efforts to conceal his misconduct.

[37] Investors also suffered substantial negative effects on their mental and physical health, and on their personal relationships.

[38] Of course, the harm from Skinner's crimes is not limited to the affected investors. Fraud undermines public confidence in the fairness and integrity of our capital market, which is predicated on truthful disclosure so that participants can make informed investment decisions.

[39] These crimes necessitate sanctions that will have a significant deterrent effect. Securities fraud will not be tolerated, and will result in the offender losing access to the capital market.

3. The Respondent's Characteristics and History

[40] In assessing appropriate sanctions, ASC panels consider all relevant characteristics and history, but four factors are pertinent here: the respondent's education, work history, capital market experience, and disciplinary history (see *Homerun* at para. 28).

[41] Based on the findings in the Sentencing Decision, there was no evidence that Skinner has any formal education or work experience in finance or the capital markets, other than that suggested by his fraud conviction in Ontario in 1999. If he had had such a background and acted as he did despite that knowledge and experience, we may have found an enhanced need for deterrent sanctions. However, the absence of such history is a neutral factor. Moreover, as has been observed in prior decisions, no particular education or experience is needed for someone to know that deceit and misappropriation are wrong.

[42] Skinner has a concerning disciplinary history. His previous convictions for fraud and breach of the bail conditions following his arrest for this fraud (conditions that prohibited him from trading in securities and attempting to raise money from investors) suggest that he is an unrepentant recidivist who poses a significant risk of similar misconduct in the future. This calls for meaningful deterrence.

[43] Skinner was 60 years old when sentenced in December 2024, and apparently suffers from certain health conditions. Regardless, those facts do not suggest that the orders sought by Staff are inappropriate or disproportionate.

4. Benefit Sought and Obtained by the Respondent

[44] It is clear that by orchestrating a deliberate fraud based from the outset on misleading investors and misappropriating their money for personal use, Skinner intended to, and did, obtain a financial benefit for himself. According to the Sentencing Decision, he raised and misappropriated at least $2.97 million, only $500,000 of which was recovered by an investor.

[45] The extent to which a respondent sought and realized a personal benefit "can be a compelling indicator of risk" (*Homerun* at para. 35), as it may motivate Skinner and others to repeat the misconduct. That he was able to raise and divert such a substantial sum with apparent ease adds to that risk and requires sanctions that will have a significant deterrent effect.

5. Additional Mitigating and Aggravating Circumstances

[46] The panel in *Homerun* noted that it is necessary to consider all relevant circumstances of a respondent and the contraventions, even if not addressed under the other three factors (at para. 39). Mitigating circumstances may include any efforts a respondent has made to ameliorate any harm to victims of the misconduct, and any compelling indications that the respondent recognizes the seriousness of the misconduct at issue, is remorseful, and accepts responsibility for it (*ibid.* at paras. 40-42).

[47] That said, the ABCA in *Walton* cautioned that respondents are entitled to defend themselves and deny responsibility (at para. 155). Accordingly, while the foregoing circumstances may be mitigating if present, their absence is neutral rather than aggravating. Based on the Sentencing Decision, they are absent.

[48] Therefore, we discerned no mitigating or aggravating circumstances beyond those identified by Marriott J and discussed under the other *Homerun* factors.

6. Comparable Past Decisions

[49] Staff cited three ASC decisions on recent s. 198.1(2)(a)(i) applications: *Re Del Bianco*, 2024 ABASC 193; *Re McBean*, 2024 ABASC 158; and *Re DeBono*, 2025 ABASC 14. In each case, the respondents were convicted of fraud under the CCC, and in *Del Bianco* and *DeBono*, the respondents were also convicted of laundering the proceeds of crime.

[50] The dollar amounts and the number of victims involved in these crimes varied, as did the circumstances of the fraudulent schemes. In *Del Bianco*, for example, investors lost approximately $523,000, while in *DeBono*, the respondent raised over $40 million and investors lost at least $24 million. Despite these differences, in each case the same permanent market-access bans were ordered as are sought here.

[51] These cases are helpful in satisfying us that the orders sought here are proportionate.

IV. CONCLUSION AND ORDERS

[52] We find that Staff have satisfied both elements of the test for issuing orders under s. 198.1(2)(a)(i): Skinner's criminal convictions arose from transactions, business, or a course of conduct related to securities, and it is in the public interest for the reasons discussed to issue permanent market-access bans.

[53] We base this on the evidence before us – including Marriott J's findings and conclusions in the Sentencing Decision – and on Staff's written submissions and case authorities.

[54] In light of the circumstances of the offences and the offender, we conclude that permanent sanctions are necessary. Skinner presents a serious and ongoing threat, and he must never be permitted the privilege of access to the capital market in any capacity. We agree with the panel in *Del Bianco*, which concluded that, "the public interest demands the strongest message of deterrence that we can deliver – permanent market-access bans" (at para. 55).

[55] We therefore make the following orders against Skinner:

- under s. 198(1)(d) of the Act, he must immediately resign all positions he holds as a director or officer (or both) of any issuer, registrant, investment fund manager, recognized exchange, recognized self-regulatory organization, recognized clearing agency, recognized trade repository, designated rating organization, designated information processor, recognized quotation and trade reporting system, or designated benchmark administrator;

- with permanent effect:
  - under ss. 198(1)(b) and (c), he must cease trading in or purchasing any securities or derivatives, and all of the exemptions contained in Alberta securities laws do not apply to him;

  - under s. 198(1)(e), he is prohibited from becoming or acting as a director or officer (or both) of:
    - any issuer or other person or company that is authorized to issue securities; or
    - a registrant, investment fund manager, recognized exchange, recognized self-regulatory organization, recognized clearing agency, recognized trade repository, designated rating organization, designated information processor, recognized quotation and trade reporting system, or designated benchmark administrator; and

  - under ss. 198(1)(c.1), (e.1), (e.2) and (e.3), he is prohibited from:
    - engaging in investor relations activities;
    - advising in securities or derivatives;
    - becoming or acting as a registrant, investment fund manager, or promoter; and
    - acting in a management or consultative capacity in connection with activities in the securities market.

[56] This proceeding is now concluded.

September 30, 2025

For the Commission:

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

"original signed by"
Tom Cotter