

ALBERTA SECURITIES COMMISSION

DECISION

Citation: Re Sweeney, 2026 ABASC 128

Date: 20261002

Terrance Anthony Sweeney

Panel:	Kari Horn, K.C. Tom Cotter Doug Mair
Representation:	Justin Dunphy Sunpreet Dhalla for Commission Staff
Submissions Completed:	February 20, 2026
Decision:	October 2, 2026

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I. INTRODUCTION AND PROCEDURAL OVERVIEW

[1] In a Notice of Hearing dated June 26, 2025 (**NOH**), staff of the Alberta Securities Commission (**Staff** and the **ASC**, respectively) alleged that the respondent, Terrance Anthony Sweeney (**Sweeney**), breached s. 93(1)(b) of the *Securities Act* (Alberta) (the **Act**) by perpetrating a fraud on investors. Staff also alleged that Sweeney breached s. 221.1(2) of the Act by making misleading statements to investigative Staff.

[2] Sweeney did not attend the hearing of Staff's allegations (the **Merits Hearing**). However, several Staff affidavits relating to communications and attempted communications with Sweeney were in evidence.

[3] In an Affidavit of Service sworn July 16, 2025, the Staff affiant deposed that on June 27, 2025, she served Sweeney with the NOH and other material by email. She sent it to an email address Staff had previously used to communicate with Sweeney successfully and received an automated confirmation of delivery. She also sent the materials to a second Sweeney email address (collectively, the **Email Addresses**).

[4] In an affidavit sworn July 22, 2025 by Staff investigator Jennifer Stachow (**Stachow**), Stachow deposed that on April 12, 2024, she sent a summons for an interview to Sweeney at the Email Addresses, and Sweeney responded acknowledging receipt.

[5] In the same affidavit, Stachow deposed that she spoke to Sweeney's spouse by telephone on July 14, 2025. Sweeney's spouse said that Sweeney was living in the United States (**U.S.**), but had no fixed address. However, she said she had communicated with him within the past two months using one of the Email Addresses and Sweeney replied. She had also communicated with him the previous month using the **WhatsApp** messaging application.

[6] Stachow deposed that on July 21, 2025, she sent Sweeney a message on WhatsApp advising that the NOH and other documents had been sent to him by email, and that he was required to attend a set date hearing before an ASC panel on August 13, 2025 (the **Set Date Hearing**). Sweeney responded on July 22, 2025 that he had to renew his passport so he could travel.

[7] In an affidavit sworn August 12, 2025, Stachow deposed that on July 31, 2025, she sent Sweeney another message on WhatsApp advising him that he could attend the Set Date Hearing remotely by requesting a Zoom meeting link from the ASC hearing clerk. She also advised him to contact a certain Staff administrative assistant to obtain Staff's disclosure. Stachow pointed out that while Sweeney did not respond to her message, there were electronic check marks under it indicating that it had been delivered and read.

[8] Also on August 12, 2025, the ASC Registrar advised that Sweeney sent an email to Staff earlier that day stating that he was unable to attend the Set Date Hearing. Since he did not request an adjournment and the panel was satisfied that he had notice, it proceeded with the Set Date Hearing in Sweeney's absence.

[9] At the Set Date Hearing, Staff counsel advised the panel that he had sent another email to Sweeney the previous day proposing dates for the Merits Hearing, but Sweeney did not reply. After discussion with Staff, the panel scheduled the Merits Hearing for the first two weeks of December 2025. It also set dates for hearing management sessions and a pre-hearing conference. Sweeney attended none of those sessions, despite having notice.

[10] At the November 19, 2025 pre-hearing conference, Staff advised the panel that they had not heard from Sweeney since August 12, 2025, even though they had contacted him several times to provide him with documents and keep him apprised of scheduling.

[11] When the Merits Hearing commenced on December 1, 2025, Staff counsel advised this panel that they still had not heard from Sweeney. Since we were satisfied that Sweeney had been provided with notice and the means to access Staff's disclosure, the Merits Hearing proceeded in his absence. We heard evidence from Stachow, five investor witnesses, and Staff forensic accountant Danielle Bertrand (**Bertrand**).

[12] At the conclusion of the Merits Hearing on December 4, 2025, we set a schedule for written and oral closing submissions, including submissions from Sweeney. We received Staff's written submissions on January 16, 2026, but received nothing from Sweeney.

[13] Staff also made oral closing submissions on February 20, 2026, but Sweeney did not attend.

[14] After considering the evidence and Staff's submissions, we concluded that the allegations in the NOH were proved. Our reasons for this conclusion follow.

II. PRELIMINARY MATTERS

A. Onus and Standard of Proof

[15] In ASC enforcement proceedings, Staff are required to prove their allegations on a balance of probabilities (*F.H. v. McDougall*, 2008 SCC 53 at paras. 40 and 49).

[16] Accordingly, we must determine whether it is more likely than not that Sweeney contravened Alberta securities laws as alleged in the NOH. Staff must adduce evidence that is "sufficiently clear, convincing and cogent" to meet the balance of probabilities test (*ibid.* at paras. 44 and 46).

B. Other Applicable Evidentiary Principles

[17] Section 29(e) of the Act provides that ASC panels "shall receive that evidence that is relevant to the matter being heard". Section 29(f) provides that "the laws of evidence applicable to judicial proceedings do not apply" to ASC hearings. As a result, subject to our discretion, all relevant evidence is admissible, provided its admission is consistent with natural justice and procedural fairness (*Re Aitkens*, 2018 ABASC 27 at para. 50).

[18] This includes hearsay evidence (*Lavallee v. Alberta (Securities Commission)*, 2009 ABQB 17 (aff'd. 2010 ABCA 48, leave denied [2010] S.C.C.A. No. 119) at para. 205). In this matter, the hearsay evidence was in part comprised of transcripts of interviews or telephone conversations Staff conducted with Sweeney and other individuals who did not testify at the Merits Hearing. In

the interest of hearing efficiency, it is common and permissible in ASC hearings for Staff to call only a sample of investors to testify, and then (i) tender transcripts for others, (ii) ask the panel to draw inferences about others based on other evidence, or (iii) both (*Walton v. Alberta (Securities Commission)*, 2014 ABCA 273 (leave denied [2014] S.C.C.A. No. 476) at para. 39; *Aitkens* at para. 49).

[19] However, as observed in *Re Ward*, 2022 ABASC 139, hearsay evidence has inherent frailties, "including the fact that the individuals involved in the transactions or communications reflected in the subject documents were not before us" (at para. 66). We therefore exercised caution in weighing the evidence, and we did not rely on hearsay evidence exclusively in reaching our conclusions. Instead, we "considered it corroborative of certain points made by the investors who testified and the documents they produced" (*ibid.*).

[20] In assessing the weight to give to the evidence admitted, we looked to "indicators of its reliability, such as corroboration by other evidence" (*Aitkens* at para. 51). The correct approach is as described in *Aitkens* (at para. 52):

... we consider the source of the evidence and whether or not the evidence is consistent with other reliable evidence, such as documents or the testimony of neutral parties with no motivation not to tell the truth. We also consider whether the evidence makes logical sense in the circumstances. A useful statement of the law is from *Faryna v. Chorny*, [1951] B.C.J. No. 152 (BCCA) (at para. 11, also cited in *R. v. Boyle*, 2001 ABPC 152 at para. 107):

The credibility of interested witness[es], particularly in cases of conflict of evidence, cannot be gauged solely by the test of whether the personal demeanour of the particular witness carried conviction of the truth. The test must reasonably subject his story to an examination of its consistency with the probabilities that surround the currently existing conditions. In short, the real test of the truth of the story of a witness in such a case must be its harmony with the preponderance of the probabilities which a practical and informed person would readily recognize as reasonable in that place and in those conditions.

[21] We found the Merits Hearing witnesses credible and reliable. Generally, their testimony was consistent with and supported by other witnesses' testimony and the documentary evidence, including the aforementioned transcripts. We attributed "any gaps in memory, minor inconsistencies or lack of clarity to the passage of time and, in some instances, to the witnesses' relative inexperience with the capital market" (*Re Chmelyk*, 2017 ABASC 13 at para. 7).

[22] Finally, we are entitled to draw inferences from the evidence, including circumstantial evidence (*Aitkens* at para. 49). We remain mindful that inferences must be supported by the evidence and cannot be based on speculation (*Walton* at paras. 26-28).

C. Currency

[23] This matter involved transactions in both Canadian dollars (CAD) and U.S. dollars (USD). All currency mentioned in these reasons is CAD unless stated otherwise.

III. FACTUAL BACKGROUND

A. Sweeney

[24] Sweeney resided in Grande Prairie, Alberta during the **Relevant Period**, January 1, 2022 to June 30, 2023, and he appears to have been in Grande Prairie until at least late October 2023. At one time, he was a registrant under Alberta securities laws and worked for T.D. Investment Services Inc. (**TDIS**). He was dismissed for cause on February 8, 2011 and his registration was suspended. It has not been renewed since.

[25] Investigative Staff interviewed Sweeney on November 16, 2023 and March 14, 2024 (collectively, the **Interview**). References to Sweeney's evidence herein are references to the Interview.

[26] At the beginning of each Interview session, Sweeney was cautioned:

Under section 221.1 of the . . . Act you must tell the truth. You must also provide all information that is needed to ensure your statement is not misleading. Failure to do so would be considered an offence under the . . . Act.

[27] Sweeney attended both sessions without counsel and gave his evidence under affirmation. However, after approximately 10 minutes on March 14, 2024, he said that he wanted an adjournment so he could retain a lawyer. Although the Interview was adjourned for that purpose, Sweeney did not hire counsel and the Interview never resumed, despite Staff's efforts to reschedule it. The evidence included two certificates of non-attendance from a court reporter documenting Sweeney's failure to appear for scheduled interview dates March 28, 2024 and May 15, 2024.

[28] Generally, while we were mindful that Sweeney did not appear before us and was not cross-examined on his Interview evidence, we accepted that evidence where it addressed non-controversial matters, included admissions against Sweeney's interest, or was consistent with other reliable, credible evidence. Where his evidence conflicted with that of other witnesses or the documentary evidence, we preferred the latter because Sweeney's evidence was replete with falsehoods, as will become apparent in these reasons.

[29] Sweeney deposed that he served in the military for approximately five years and also worked as an electrician, an oilfield safety consultant, and a restaurant manager. He completed some courses for a business degree after he graduated high school. Although he acknowledged that he worked for and took mutual fund training courses through TDIS, he denied ever being registered to sell securities. He said that apart from the TDIS training, he has never taken any other securities-related courses, and he has never been sanctioned by a regulator.

[30] Sweeney said that he was involved with an organization he referred to as the "IM Academy" from approximately May or June 2020 through January 2021. He described it as an online academy that teaches people how to trade securities, but he ceased his involvement after concluding that it was a multi-level marketing scheme.

[31] Sweeney further testified that he got into foreign exchange (**Forex**) trading in mid- to late 2020, using a platform called Meta Trader and an online Forex trading brokerage called Tradeview [Ltd.] (**Tradeview**). He said he performed due diligence on Tradeview before he opened an

account by checking reviews, talking to others who had used it, and satisfying himself that it was regulated. He was the only person whose name was on the trading account.

[32] Sweeney said he opened his Tradeview account with \$1,000 USD, which he transferred to Tradeview via "somebody in Calgary . . . who had a bitcoin account". Once the funds were transferred to his Tradeview account, he could trade Forex. Later, he began using the **Shakepay** cryptocurrency trading platform to transfer funds between his trading and bank accounts.

[33] Sweeney deposed that he still had a Tradeview account at the time of his first Interview, but said that he had not looked at it or done any trading in several months. The last time he looked, he said, there was approximately \$2 million in the account, all of which belonged to him (he did not specify whether this was in USD or CAD).

B. The Forex Trading Course

[34] Sweeney told Staff that he helped a few people he knew through IM Academy with trading, as they were unsuccessful on their own. They and some of their friends asked him to teach them what he was doing, and he began teaching Forex trading online. He claimed that he did not offer to teach others – they contacted him and asked him to do so. He said that he charged a "couple hundred dollars" per person for his course, but was not sure of the exact amount.

[35] Each of the five investor witnesses who testified at the Merits Hearing took Sweeney's online Forex trading course in 2022 or 2023. They all stated that they heard about the course from friends or acquaintances who had taken it, and that they contacted Sweeney to inquire about enrolling. The prices they paid for the course varied somewhat, but were approximately \$1,000 USD. Most had not traded Forex previously. They attended classes by online videoconference, and said that the course included approximately a half-dozen sessions followed by opportunities for individual coaching from Sweeney.

[36] In addition to the investor witnesses, Staff contacted a number of others who took the course and gave similar information concerning how they heard of it, what they paid, the time frame, and what the course included. One of Sweeney's prior acquaintances said that he heard about the course directly from Sweeney, as did a Sweeney relative. The latter appears to have taken an earlier version of the course as Sweeney was creating it, so he did not have to pay a fee.

C. The Forex Trading Investment

[37] Sweeney's Forex course is not relevant to the allegations in the NOH except that many of his students became investors – including the five investors who testified at the Merits Hearing.

1. Overview of Staff's Allegations

[38] In the NOH, Staff alleged that during the Relevant Period, Sweeney raised \$222,800 from 15 investors, most of whom resided in Alberta. After they took his Forex trading course, Sweeney solicited money from his students and told them that he would use their funds to trade Forex on their behalf. He would pay them the trading profits and return their capital, after deducting a 10 percent management fee.

[39] Staff alleged that the foregoing arrangements between Sweeney and the investors were securities as defined in the Act. However, Sweeney did not use the investors' funds for Forex trading as represented. Instead, he used most of it for unauthorized purposes, including payments to other investors and his personal expenses.

[40] By doing so, Staff alleged, Sweeney knowingly deceived the investors and put their pecuniary interests at risk, thereby engaging or participating directly or indirectly in an act, practice, or course of conduct relating to a security that he knew or reasonably ought to have known may perpetrate a fraud on the investors.

2. Sweeney's Evidence

[41] According to Sweeney, his sole source of income from 2022 to the date of the first Interview was from trading Forex. He put his profits into a cryptocurrency wallet and then made withdrawals as needed to cover his ordinary expenses.

[42] Sweeney said that he also began accepting funds from and trading Forex on behalf of others some time in 2022. He maintained that he did not offer this service or raise the subject with anyone himself – acquaintances (including students of his Forex trading course) contacted him and asked him to do so. They provided the funds, which he commingled with his own funds in his Tradeview account for Forex trading.

[43] Although no documentation was signed to formalize these arrangements, Sweeney told Staff that he explained the risks involved and made it clear to investors that there was no guarantee he would make a profit. He said he did not hold their money for long, and typically returned it to them after a few weeks. In some instances, people asked Sweeney to hold their money longer and keep trading for them, but he claimed that the longest he ever did so was four or five months. He said he was not paid for providing this service, but he deducted a small percentage from any gains realized to cover taxes.

[44] When asked how many people he had traded Forex for, Sweeney claimed that it was "[n]ot many" – between five and 10 individuals. When asked how much money he received from those individuals and how much he returned to them, he said he could not recall, but estimated that it was somewhere between \$20,000 and \$30,000. Everyone ended up realizing a profit, averaging from 100 to 120 percent. He did not issue formal account statements, but provided verbal updates if someone asked.

[45] Sweeney also told Staff that with one exception, he had paid everyone back by May 2023 and no longer held anyone else's money. The exception – whose name Sweeney said he could not remember – was someone Sweeney had paid some money, but who became "belligerent" with him and threatened to report him to the ASC if Sweeney did not pay him more.

[46] During the Interview, Sweeney asked Staff if he had been wrong to provide this service. He said he did not realize that he had to be registered to trade on behalf of others, because "it wasn't set up official" [sic]. He explained that he considered the arrangement similar to receiving a loan from a friend so he could buy a car – which was why he commingled others' money with his own.

[47] Sweeney gave several undertakings at the Interview, including one that required him "[t]o provide the names and contact information of every person [he] traded for, the amounts those persons gave [him] and the amount that [he] returned to those persons". Though he told Staff that he did not have telephone numbers for everyone because he got a new phone before taking a church mission trip to Africa in July 2023, he eventually provided a one-page list of five first names with telephone numbers (the **Client List**). The Client List indicated that those named provided him with varying amounts between \$1,500 and \$20,000 from July 2022 to June 2023, and that he repaid them in cash or by e-transfer in amounts ranging from \$3,000 to \$60,000 between November 2022 and November 2023.

[48] According to the Client List, the five individuals collectively invested \$37,000, and were repaid \$90,000.

3. Investor Evidence

[49] To preserve their privacy, in these reasons investors and certain others are referred to by their initials.

(a) DB

[50] At the Merits Hearing, DB testified that after she completed the second session of Sweeney's Forex course, he emailed offering to use her money to trade Forex on her behalf until she got comfortable trading on her own. His January 20, 2023 email stated:

I was trading this morning and thought how well we seemed to hit it off right away. Anyways [sic] one thing led to another, and I thought I would send you a message with an offer. If you would like to get a head start on your investments I would be willing to add some of your cash to my account and trade it until you are comfortable with your abilities at which time I would send you the investment plus earnings. If this interests you let me know.

[51] DB understood that she would transfer money to Sweeney that he would deposit in his trading account, trade Forex for her consistent with his own trading, and then return her capital to her with the profits. He did not mention any risks, but told her that he could double her money every month. They did not document the arrangement, and Sweeney did not ask for a fee or a commission.

[52] In January and February 2023, DB transferred \$20,000 to Sweeney for trading Forex. The day after she transferred her first \$5,000 installment, Sweeney texted her to advise that he had already generated a 1.04 percent return. On April 1, 2023, Sweeney texted her to advise that he had grown her \$20,000 to \$43,115.36.

[53] DB was aware that Sweeney was taking a trip to Africa in July 2023, and testified that she expected him to pay her out before he left. She texted him several times in June 2023 inquiring about her investment, but received only a cursory response to one of those messages. She continued to call, text, and email Sweeney in July, including messages that noted his failure to respond. On July 20, 2023, she wrote:

Is there a way that you could etransfer my initial investment of 20,000 back to me asap? I gave the money to you in good faith that I would receive it back by the time you left for Uganda. I have not received it and it has put me in financial hardship.

[54] She sent a similar message on August 8, 2023. She continued to send texts and emails regularly from September through December 2023, asking Sweeney to contact her and pay her back and expressing her increasing distress. On October 5, 2023, she wrote, "[p]lease give me my money back Terrance. I hope you have not been dishonest with me." On October 24, 2023, she wrote:

Terrance, I trusted you. Please give me my money. Not having it has made my life VERY difficult. Did you steal from me? I really thought you were authentic in offering to help me. Why did you do this to me?

[55] DB apparently spoke to Sweeney in late December 2023 and early January 2024. However, by late January 2024, she was still writing him to request her money back and express her distress. On January 26, 2024, she wrote in part:

I am embarrassed that I trusted you. First, in giving you money because you said you could help me save my house. Second, by trusting your story and giving you grace to rectify your wrongdoings.

At this point, I am angry that you took advantage of me.

You are untrustworthy. I think you are a liar. I sadly think you have committed fraud.

Presenting yourself as a man of God is disgusting.

[56] Sweeney replied later the same day:

I am sorry I haven't talked to you. I have no excuse but am going to try and tell you what is going on with me physically and mentally. I am replying this way as I need to be able to focus my thoughts before communicating.

I have been frustrated as I have been unable to successfully get money back into my accounts in Canada to the point where I am now months behind in [sic] my own bills. I am struggling to face each day and I haven't even been able to tell my wife where I am as she had to deal with me in depression years ago after I had the accident where I lost my arm. When I read your email this morning saying that you will take action against me I must admit it almost sounded like a good plan as prison seems better than living in my world right now. My wife telling me to talk to you today helped me see what is important and made me think about how to mitigate the problem and get you the funds you deserve. The only thing I can see is if you opened up a Coinbase account and then sent me the bitcoin address. I will try to send the money straight from my broker to there instead of going through my channels which currently do not seem to work.

I know you don't trust me and I don't blame you but I would like to try this right now. Let me know if this is acceptable to you.

[57] DB responded several times to ask questions about the use of bitcoin. Sweeney answered sporadically, blaming his email provider and his phone for his failure to get back to her sooner. DB emailed him on February 10, 2024 to advise him that she had set up a Coinbase cryptocurrency account, but he had again stopped replying to her emails and texts. They appear to have spoken on February 12, 2024, however, as DB texted Sweeney to thank him for the conversation and indicate that she would give him a few more weeks.

[58] On February 29, 2024, Sweeney told DB that he had asked his broker to withdraw funds and was "just waiting for it to be processed".

[59] DB continued to call, text, and email Sweeney through March and April 2024. She received sporadic replies suggesting that they could arrange another phone call. Sweeney sent DB an email on March 12, 2024 stating in part that, "I noticed this morning that the withdrawal has gone through so you should see it [i.e., the money] this morning." Shortly afterward he sent another email that said in part:

As I stated in my email this morning you should have the first funds this morning as it has now been a week and a half since I asked for the withdrawal which is what I said it could take and if you don't get it by noon to let me know [sic]. I also said I was going to start with a small amount to make sure it worked before I risked losing a large amount of money on the blockchain which cannot be recovered so that is where we are at right now. The withdrawal has been processed and I am waiting to ensure you have it.

[60] DB testified that she never received any of her money back, and last spoke to Sweeney in mid-April 2024. In an email to Stachow, she stated that Sweeney told her that he was having trouble paying people back because the ASC investigation prevented him from accessing his accounts.

[61] It was apparent from DB's texts and emails that the loss of her funds and her attempts to recover them from Sweeney caused her considerable distress. She testified that the loss of her funds prevented her from completing the purchase of a house.

[62] According to Sweeney's Client List, DB provided him with \$20,000 on January 9, 2023, and he paid her \$60,000 by e-transfer on November 5, 2023.

(b) TC

[63] TC also testified at the Merits Hearing. He said that after finishing Sweeney's Forex course, Sweeney sent an email to a group of his students soliciting charitable donations to support his mission trip to Uganda in July 2023. In response, TC contacted Sweeney and told him that if Sweeney would take his money and trade on his behalf, he would donate 25 percent of the profits to the trip.

[64] Sweeney agreed to this, and in four installments sent in June 2023, TC transferred \$50,000 to one of Sweeney's bank accounts. There was no contract in writing, but TC understood that Sweeney was going to trade Forex in a trading account. He and Sweeney did not discuss risk, but TC said that he knew it could be risky.

[65] Shortly after his last funds transfer, Sweeney told TC that he had already generated a profit in the range of \$1,300 to \$1,600. TC spoke to Sweeney just before he left for Uganda in July, but not again until after Sweeney returned in December 2023. At that time, TC asked Sweeney about getting his money. Sweeney told him that he could not pay him because his (Sweeney's) accounts were frozen.

[66] TC testified that he last spoke to Sweeney in early 2024 and asked again about getting his money, but he has never received any returns or repayment of his capital. He was asked how the loss of his \$50,000 impacted him, and said that it had adversely affected his marriage and his standard of living.

[67] TC was not included on Sweeney's Client List.

(c) DC

[68] DC testified at the Merits Hearing that he has been a financial advisor licensed to sell insurance and segregated funds for seven years. After taking Sweeney's Forex course, DC began notionally trading Forex online through a practice account, and once he felt comfortable, he deposited some money to trade. He was not getting the results he wanted, so he contacted Sweeney for advice.

[69] Sweeney told DC that he had been able to generate returns of one to three percent per day, and offered to use DC's money to trade Forex for him. DC understood that on receipt of his funds, Sweeney would transfer it to his trading account, trade, and track the results so he could repay DC's capital and any returns. They did not discuss risk, and there was no written contract. Sweeney did not indicate that he would charge a commission or a fee, but DC recalled him mentioning that he would use some of the funds to pay any necessary taxes.

[70] Between January 20 and April 13, 2023, DC transferred \$62,000 to Sweeney for Forex trading.

[71] After his initial few transfers, DC asked Sweeney how much capital he would need to contribute for Sweeney to be able to realize \$1 million for him by the end of the year. Sweeney told him he would require another \$45,000, and wrote in a text message, "[t]he sooner you find it the better with this compound interest thing I talk about. I gave up on day trades today and switched over to my binary broker. I finished the day up 27% on that account." Given that Sweeney's progress reports suggested that he was achieving the high returns he had projected, DC borrowed \$50,000 and provided Sweeney with \$45,000.

[72] According to a text message from Sweeney on April 14, 2023, DC's balance was \$73,675.13. On May 10, 2023, DC asked for an updated balance and requested a \$5,000 withdrawal. Sweeney advised him that his balance was then \$95,719.50, and that he had "put in the withdrawal request". DC had to follow up on this request, but received a \$5,000 e-transfer from Sweeney on June 6, 2023. DC testified that he asked Sweeney to send him \$5,000 monthly to help pay his loan and other expenses, but despite repeated requests from late June 2023 through February 2024, he never received any further payments. When he finally managed to reach Sweeney by telephone, Sweeney said that his (Sweeney's) accounts were all frozen and he could not get any money out.

[73] The last time DC tried to contact Sweeney was in February 2024. At the Merits Hearing, Staff asked him what impact the loss of his funds had on him, and DC testified that he had experienced "significant financial stress", stress in his family relationships, a loss of trust, and

"imposter syndrome" because he is a financial advisor, but still made the mistake of investing with Sweeney.

[74] DC also testified that his son, JC, took Sweeney's online Forex course and provided Sweeney some money to trade on his behalf.

(d) JC

[75] Staff interviewed JC by telephone, and JC confirmed both that he took the Forex course and that he transferred a few thousand dollars to Sweeney for trading (bank records in evidence showed a \$1,500 e-transfer from JC to Sweeney on April 21, 2023). He said that he understood Sweeney would add the money to his trading account and use it for the sole purpose of trading Forex. He did not recall Sweeney saying that he would charge a commission or a management fee.

[76] According to JC, Sweeney told him he would earn profits of one to three percent per day. Sweeney gave JC updates about his returns for a time, but did not provide any written account statements. At one point, Sweeney told him that his original investment had doubled.

[77] Ultimately, however, Sweeney went silent and JC did not hear from him again. He never received repayment of his capital or any of the purported returns.

[78] Neither DC nor JC was included on Sweeney's Client List.

(e) SD

[79] During a telephone interview, SD told Staff that after he completed Sweeney's Forex course, Sweeney mentioned that he traded on behalf of some of his students by adding their money to his own trading account. He offered to do the same for SD without charging a management fee or commission. In November 2022, SD transferred \$10,000 to Sweeney for that purpose. There was no paperwork documenting the investment. Sweeney did not promise any particular return, but told SD at one point that his investment had grown to \$22,633.92.

[80] Otherwise, Sweeney did not provide regular reports about the status of SD's investment. SD began to suspect that it was a "scam", so he did not invest any additional funds with Sweeney and concluded that his \$10,000 was lost. SD also lost \$2,000 he loaned Sweeney in March 2023, after Sweeney contacted SD to ask for a loan because he had been locked out of his accounts.

[81] SD was not included on Sweeney's Client List.

(f) AG

[82] According to text messages in evidence, Sweeney offered to trade on AG's behalf in late January 2022. AG transferred \$1,000 to Sweeney at around the same time, followed by another \$3,000 in early May 2022. On May 21, 2022, Sweeney sent a text message to AG advising that he just sent a "balance sheet" to AG by email, which he expected AG would be "happy with". AG replied, "[g]osh, I think that's got to be close to a \$5,000 increase in the last 5 days... from where you told me the account was at last week. That does make me happy."

[83] A few days later, AG asked Sweeney about a withdrawal. Although AG's bank records indicated that he received a \$2,000 e-transfer from Sweeney on June 1, 2022, he texted Sweeney on June 3, 2022 and commented that it seemed to be taking a long time. Sweeney replied, "[t]he withdrawal is taking a while longer than expected. This has happened a couple of times when they got too busy on the back end but it will come."

[84] AG continued to inquire about his withdrawal through June 2022. On June 15, 2022, there was an exchange of text messages between the two as Sweeney apparently tried to send bitcoin to AG through Shakeupay. AG's records showed that he received \$1,043.11 in bitcoin in mid-June 2022, and another \$2,000 e-transfer from Sweeney on June 24, 2022. AG pointed out to Stachow in an email that the \$4,000 he received by e-transfer from Sweeney in June 2022 repaid his \$4,000 investment in full.

[85] From July 2022 through March 2024, AG's text messages showed that he continued to ask Sweeney about withdrawals in varying amounts and periodically indicated that he was in a tough financial position and needed the funds. It does not appear as though Sweeney replied to all of the messages (AG's last text on March 21, 2024 simply asked, "[a]re you dead?"), but in messages to Sweeney in June 2023, AG thanked him for transferring money to his account. AG's bank records showed that he received a total of \$6,600 from Sweeney between April 4 and June 21, 2023.

[86] Staff noted that AG was the only Sweeney investor to receive repayment of his principal plus profit. Based on the foregoing evidence, in return for his \$4,000 investment, he received approximately \$11,643.

[87] AG was not included on Sweeney's Client List.

(g) RG

[88] In a telephone interview, RG told Staff that after he took Sweeney's Forex trading course, Sweeney offered to trade on RG's behalf. RG transferred \$2,000 to Sweeney for that purpose on March 27, 2023. Although there was no documentation for the transaction, RG said he understood that Sweeney would deposit the money in his trading account and trade Forex for him. Sweeney did not indicate that RG's funds would be used for any other purpose, and RG did not recall Sweeney saying that he would charge a management fee or commission.

[89] RG acknowledged that he did not do anything to follow up with Sweeney about the status of his money. Since Sweeney did not contact him, either, he considered the funds lost.

[90] RG was not included on Sweeney's Client List.

(h) SH

[91] During a telephone interview with Staff, SH said that he completed Sweeney's Forex course, then received an email from Sweeney offering to trade Forex for him and guaranteeing a profit. Between August 9 and September 23, 2022, SH e-transferred \$25,000 to Sweeney.

[92] At first, SH said he got encouraging reports from Sweeney on how his investment was performing, but after a certain point, he stopped hearing from Sweeney. However, in April 2023, SH received \$15,000 back from Sweeney in several installments.

[93] SH said he was considering hiring a lawyer to recover the rest of his money. He stated that his experience with Sweeney put him off the idea of investing with anyone again.

[94] According to Sweeney's Client List, SH invested \$10,000 on August 9, 2022, and was repaid \$15,000 by e-transfer on April 22, 2023.

(i) EH

[95] After completing Sweeney's Forex course, EH received the following email from Sweeney on October 31, 2022 (while the recipients were not shown on EH's copy, Sweeney addressed the email to "Everyone"):

We are now finished our sessions and coaching is about to begin. To assist anyone who would be interested in this group (not for friends), I would like to offer a bonus. If you would like me to I am willing to add funds from you to my trading account and trade for the next four weeks at which time I will return your deposit and profit. I will keep 10% of the profits and guaranty [sic] no loss. At minimum you will get what you gave me but in reality you will make some money to start your live trading account or whatever else you wish to use it for.

[96] EH replied that he was "in for 3K", and transferred \$3,000 to Sweeney the same day.

[97] In email correspondence with Staff in April 2024, EH said that his money "was never returned as promised" and he considered it a loss. He was no longer in touch with Sweeney.

[98] EH was not included on Sweeney's Client List.

(j) CL

[99] At the Merits Hearing, CL testified that on November 1, 2022, he invested \$25,000 with Sweeney for Forex trading. He received the same October 31, 2022 email EH received. In addition to CL and EH, CL's copy of the email showed that the recipients included SH, ML, and JM. CL noted that Sweeney did not mention risk and there was no written contract, but promised that no principal would be lost. CL believed him because he understood that Sweeney was a successful Forex trader.

[100] CL testified that he neither received any updates from Sweeney about the investment between November 2022 and February 2023, nor did he receive any money back. Text messages between CL and Sweeney showed that CL attempted to follow up with Sweeney in February 2023, and CL testified that they spoke later that spring. During that conversation, Sweeney told CL that he had more than doubled CL's original investment, but he was having trouble getting cash back from his broker.

[101] CL followed up again in June 2023, September 2023, and January 2024 but Sweeney did not reply. CL indicated that he never heard from Sweeney again after the spring of 2023, and gave

up in January 2024. He never received any funds back, and said that he was "pretty devastated" by the loss of so much money, which he had worked hard to save.

[102] CL was not included on Sweeney's Client List.

(k) AL

[103] During his interview by Staff, AL said that he worked primarily as a mechanic and truck driver, but he had sold insurance and was an investment broker with World Financial Group. He said that he has taken numerous finance courses, including the training offered through World Financial Group, and that he has invested in various products. He described having a high risk tolerance and wanting to make money as quickly as possible.

[104] After AL completed Sweeney's Forex course, Sweeney contacted him and his friend, NL, in approximately June 2022 and offered to trade on their behalf. AL and NL combined funds to invest \$3,000. AL said that he later invested another \$2,500 on his own.

[105] There was no paperwork documenting the arrangement, but AL told Staff that he understood Sweeney would place the funds into his account and use them for trading Forex. Sweeney did not tell him that his funds would be used for any purpose other than trading, but he was aware they would be commingled with Sweeney's funds. In addition, he was aware that Sweeney might make withdrawals for his own living expenses as long as the account had enough money in it for the trading he was to do for AL and NL. AL also knew that Sweeney would take a fee of approximately 10 percent of any trading profits. Sweeney did not mention risk, and did not guarantee the safety of their principal.

[106] Sweeney sent AL informal spreadsheets or statements purporting to show the performance of his investment. A November 8, 2022 email from Sweeney to AL included a statement showing a \$2,500 deposit on June 1, 2022 and a reported balance of \$35,922.47. The statement also reflected a \$1,000 USD withdrawal on October 7, 2022 (which AL confirmed he requested from Sweeney and received in a cryptocurrency wallet) and that Sweeney had allotted \$3,170.59 for commissions. A further informal statement Sweeney emailed to AL on November 28, 2022 showed a purported balance of \$85,754.41, net of commissions of \$3,277.77.

[107] AL made additional withdrawal requests in November 2022 and the months following, but he did not get a response from Sweeney. In messages sent in February 2023, AL said that he was out of work, and by March 2023, he was pleading with Sweeney to send him some money because his family was struggling to cover bills. AL said that as his requests continued, Sweeney told him that he was having issues getting funds out, including issues involving Tradeview or Coinbase. Later, there were purported delays because of Sweeney's trip to Africa. At some point, AL also heard that Sweeney's accounts were frozen because of the ASC's investigation.

[108] AL continued to follow up in April and May 2023. He requested an updated balance, and on May 10, 2023, Sweeney reported that the balance was \$121,406.38. AL requested a \$70,000 withdrawal, but there was no record of that amount being transferred from any of Sweeney's accounts. AL said he was last in contact with Sweeney in January 2024; at that time, Sweeney told

him he was still working on getting the funds, and also raised another potential investment opportunity. AL declined. At his interview, AL said he assumed that his money was lost.

[109] According to Sweeney's Client List, AL invested \$2,500 on June 1, 2023, and was repaid \$6,000 in cash on November 8, 2023. AL told Staff that he never received \$6,000 in cash on that or any other date, although he acknowledged that in addition to the \$1,000 USD he received in his crypto wallet in October 2022, he and NL received approximately \$4,000 in November 2022, which they split.

(l) NL

[110] During his interview with Staff, NL said that after Sweeney called him and offered to trade on their behalf, he and AL combined funds and transferred \$3,000 to Sweeney on May 19, 2022. NL understood that Sweeney would use the money for Forex trading and no other purpose. Although he was aware that Sweeney would take a 10 or 20 percent commission, he understood it would only be taken from any profits. The arrangement was undocumented and they did not discuss risk. NL was not sure if Sweeney intended to open up a separate account for his and AL's funds, or if he (Sweeney) would add them to his own account.

[111] Six weeks later, Sweeney called NL to tell him that the account balance was \$9,000. NL instructed Sweeney to keep trading for a few more months. In October 2022 – when he believed that the account balance was approximately \$30,000 – he asked Sweeney for a \$4,000 withdrawal. He received it in his Coinbase account on November 2, 2022 and split it with AL. Despite other withdrawal requests, this was the only sum he received from Sweeney. Sweeney either did not respond, or when he did, he gave different excuses for not being able to send money to NL.

[112] NL advised Staff during his investigative interview that because he had received his principal investment back, he released Sweeney from any obligation to pay him anything further. At some point, Sweeney told him that his bank accounts had been frozen because of the ASC investigation, and NL loaned him a few hundred dollars. When NL was interviewed in May 2024, he said that he had not heard from Sweeney since late February that year.

[113] Sweeney's Client List showed that NL invested \$3,000 on May 19, 2023, and was paid \$6,000 in cash on November 7, 2023. NL denied ever receiving cash from Sweeney.

(m) JM

[114] In a short telephone interview with Staff in April 2024, JM stated that after he completed the Forex course, Sweeney asked him if he wanted Sweeney to trade on his behalf. JM agreed and transferred \$6,000 to Sweeney in early November 2022. Their arrangement was undocumented, but JM said he understood that Sweeney would use his money to trade Forex.

[115] JM did not receive any return on the investment, nor did he receive his principal back. He did not hear from or contact Sweeney for some time, and assumed that his money was lost.

[116] JM was not included on Sweeney's Client List.

(n) SO

[117] At the Merits Hearing, SO testified that after he completed the Forex course, Sweeney offered to use his money, trade on his behalf, and pay him the profits. They did not discuss risk, but Sweeney told him that if he had to, he would repay SO from his own money. Sweeney also told him that he would do this for SO as a friend, and would not charge a fee or commission. SO transferred \$7,500 to Sweeney between approximately May 18 and 23, 2023.

[118] At the end of June 2023, SO asked Sweeney about the status of his investment, as he knew that Sweeney was leaving for Africa in July. Sweeney told him that he had increased SO's \$7,500 to \$12,000. Shortly thereafter, SO asked Sweeney for a \$5,000 withdrawal for his family to live on. Sweeney agreed but left for Africa without sending SO any money. Although Sweeney told him that he would be available by telephone and email while he was in Africa, SO was never able to reach him.

[119] SO testified that he understood Sweeney returned to Canada in November 2023. He contacted Sweeney in December to ask for some money for his family for Christmas, but Sweeney continued to put him off. Eventually, Sweeney told him that he was unable to access any of his money because his bank account had been frozen, ostensibly because Sweeney had been teaching Forex trading illegally. Sweeney was supposed to show him some documents to prove this claim, but SO said Sweeney never did. Sweeney claimed that SO's investment had by then increased to approximately \$15,000 to \$16,000.

[120] For a time, SO saw Sweeney at church, but by the fall of 2024, SO testified that Sweeney had "vanished" and he had not heard from him or seen him since. He never got his principal back, or any returns. Losing his money caused SO significant financial and emotional distress, particularly because he was defrauded by someone he trusted and knew from church. SO said he has found it difficult to trust people ever since.

[121] SO was not included on Sweeney's Client List.

(o) MW

[122] During his telephone interview with Staff, MW said he has known Sweeney for a long time because they are related by marriage. After Sweeney offered to trade Forex on his behalf in early 2023, MW gave him \$1,300 to do so. Sweeney told him he would trade on a no-risk basis, would not charge a commission, and would pay him his principal back even if the trading were unsuccessful. MW knew that Forex trading is risky, so he only put in what he could afford to lose. He also knew that Sweeney said he had had difficulties getting money back from his Forex trading in the past, so he confirmed that Sweeney was able to get money out before he advanced his funds.

[123] According to MW, Sweeney matched the amount MW contributed and increased it to over \$8,000 within just a few weeks. MW said that he was at Sweeney's house once while Sweeney was online trading and saw the \$8,000 balance for himself, after which he saw the account lose value. MW also said that he had never heard of Tradeview, and thought that Sweeney was using a platform called Pocket Option that day.

[124] MW asked Sweeney to take some of his money out, but Sweeney "had issues" doing so. More recently, Sweeney told him that the ASC had frozen his accounts. MW never received any of his money back and now considers it lost.

[125] MW was not included on Sweeney's Client List.

4. Other Evidence

(a) ML

[126] ML told Staff in a telephone interview that he and his classmates from the Forex course received an email from Sweeney offering to trade Forex on their behalf. ML did not respond because he thought that Sweeney was untrustworthy. However, he knew others who had, including SD.

(b) CO

[127] CO spoke to Staff by telephone briefly on April 16, 2024. According to a transcript of the conversation, he said he did not invest with Sweeney, but loaned him approximately \$3,600, which Sweeney repaid.

[128] On Sweeney's Client List, CO was shown as having invested \$1,500 on July 11, 2022. The list also showed that CO was repaid \$3,000 cash on November 8, 2022.

(c) Bertrand Evidence – Source and Use of Funds

[129] As mentioned, Bertrand is a Staff forensic accountant. Her role in the investigation was to review financial records and other evidence, and then create a "Source and Use Analysis" (**S&U Analysis**). An S&U Analysis consists of Excel spreadsheets that record all funds deposited into the subject bank accounts within a certain time frame (the **Financial Review Period** – in this matter, from June 1, 2022 to June 30, 2023) and how those funds were disbursed.

[130] The pertinent bank accounts were two of Sweeney's accounts with the Toronto Dominion Bank (**T.D.**) that we will refer to as **TD603** and **TD836** (collectively, the **TD Accounts**), and an account with Servus Credit Union (**Servus**) that Sweeney held jointly with his spouse (the **Servus Account**). Investor funds received during the Financial Review Period were deposited into either TD603 or TD836, and some were then transferred to the Servus Account.

[131] Bertrand testified that as shown in the S&U Analysis, TD836 was \$612 (this and the other dollar figures in this section are rounded to the nearest dollar) overdrawn at the beginning of the Financial Review Period, June 1, 2022. When TD603 was opened in early November 2022, it had a zero balance until \$80 was deposited on December 8, 2022. At the end of the Financial Review Period, the TD Accounts were both overdrawn.

[132] The Servus Account was overdrawn by \$11 at the beginning of the Financial Review Period, and ended the period with a positive balance of \$193.

(i) TD Accounts – Sources

[133] According to the S&U Analysis, during the Financial Review Period, a total of \$328,455 was deposited to the TD Accounts. The majority of those deposits (\$215,800) came from investors.

Sweeney received another \$7,000 from AG, AL, and NL before the Financial Review Period, for a total of \$222,800 received from investors.

[134] The other sources of deposits to the TD Accounts during the Financial Review period were:

•	PayPal	\$33,471
•	Unknown	\$28,015
•	Unknown individuals	\$21,075
•	Forex trading course fees	\$15,495
•	Loans	\$14,600

[135] Staff could not identify the sources of the funds received from PayPal. The "Unknown" amounts were either: (i) transactions of less than \$1,000 for which Staff did not request backup information from T.D. to determine the source, or (ii) amounts received from named individuals, but Staff could not determine their purpose.

[136] The majority of the loan funds (\$12,600) was provided by one of Sweeney's relatives. To that amount, Staff added the \$2,000 that SD loaned Sweeney in March 2023.

(ii) TD Accounts – Uses

[137] The S&U Analysis showed that \$328,035 was withdrawn or paid out of the TD Accounts during the Financial Review Period. These transactions were broken down as follows:

•	Shakepay	\$98,725
•	Retail payments	\$66,968
•	Transfers to Servus Account	\$37,849
•	Payments to SH, AG, DC	\$30,600
•	Credit card payments	\$23,253
•	Unknown	\$21,755
•	Charities/religious organizations	\$13,254
•	Miscellaneous	\$11,063
•	Transfers to family joint account	\$6,900
•	Loan payments	\$6,000
•	Koho People's Trust	\$5,300
•	Cash	\$3,380
•	Educational institutions	\$2,887
•	Coinbase	\$100

[138] Bertrand testified that she was unable to identify the purpose of the funds transferred to Shakepay, although she knew that it is a cryptocurrency trading platform. Other evidence indicated that after funds were transferred to Shakepay, they were transferred out to approximately 170 different cryptocurrency wallets. We were not directed to any evidence identifying the holder(s) of those wallets.

[139] Concerning the payments to investors SH, AG, and DC, Bertrand ascertained that 93 percent of those funds came from other investors. She could not identify the source of the remaining seven percent; it was comprised of e-transfers in amounts less than \$1,000 for which she did not request the backup documentation.

[140] Payments in the "Retail" category included payments to stores and restaurants, payments for entertainment and travel expenses, and vehicle-related payments, among others.

[141] The "Charities/religious organizations" category included payments to the Christian Fellowship Assembly, Creation Ministries International, Project Lambs International, the Salvation Army, and World Vision.

[142] The "Miscellaneous" category included payments for utilities, telecommunication services, insurance, and bank fees, among others.

[143] The "Transfers to family joint account" category refers to transfers to a second Servus account held jointly by Sweeney, his spouse, and a third family member.

[144] The "Koho People's Trust" category refers to transfers to a Canadian fintech company that operates a digital banking platform.

(iii) Servus Account – Sources

[145] As mentioned, the Servus Account was held jointly by Sweeney and his spouse. At the beginning of the Financial Review Period, it was overdrawn. At the end of the Financial Review Period, its balance was \$193.

[146] The \$37,849 transferred from the TD Accounts to the Servus Account represented the majority (73 percent) of the funds deposited to the Servus Account during the Financial Review Period. The sources of the other deposits to the Servus Account were:

- | | |
|------------------------------|---------|
| • MNP LLP | \$9,200 |
| • Unknown | \$2,640 |
| • Joint accounts with family | \$2,173 |

[147] We were not directed to any evidence to indicate the purpose of the payments from MNP LLP.

[148] Bertrand testified that the "Unknown" category was comprised of individual transactions less than \$1,000 each for which Staff did not request the source documentation.

(iv) Servus Account – Uses

[149] Of the disbursements made from the Servus Account, 56 percent (\$29,152) were paid to Sweeney's home mortgage, and 23 percent (\$11,880) paid down other loans, including a vehicle loan. Credit card payments of \$4,070 were also made from the Servus Account, but Staff did not request the details of the individual charges on the cards.

[150] The remaining funds (approximately \$6,555) were paid to an educational institution, withdrawn in cash, spent on retail purchases (primarily stores and restaurants), or spent on miscellaneous items, including bank fees.

(v) Analyses of Investor Funds Usage

[151] The final part of Bertrand's testimony at the Merits Hearing focused on tracing deposits from individual investors and Sweeney's use of those funds. She prepared three examples.

(A) DC and JC

TD603 Account

[152] At the beginning of April 3, 2023, the TD603 account was overdrawn by \$70.

[153] Between April 3 and May 10, 2023, \$53,608 was deposited to TD603, \$51,500 of which came from DC and JC. Of the remaining \$2,108 in deposits, \$1,208 was received from unknown senders, \$400 was transferred in from TD836, and \$500 was received from PayPal.

[154] Virtually the same amount was disbursed from the TD603 account during the same period:

- \$17,195 was transferred to TD836;
- \$15,000 was paid to investor SH, and \$1,100 was paid to investor AG;
- \$11,964 was transferred to Shakepay;
- \$3,928 was spent on retail purchases and utilities;
- \$2,174 was paid in bank fees or transferred/paid to unknown parties;
- \$2,000 was transferred to Koho People's Trust; and
- \$145 was paid to or via PayPal.

[155] The closing balance in the account on May 10, 2023 was \$32.

TD836 Account

[156] On April 3, 2023, the opening balance in the TD836 account was \$22.

[157] Between April 3 and May 10, 2023, \$28,872 was deposited to TD836, \$17,195 of which came from the TD603 account as referenced above. The remainder was comprised of the following deposits or transfers:

- \$10,073 from PayPal;
- \$814 from the Servus Account;
- \$560 from unknown sources;
- \$220 from a credit card; and
- \$10 in retail returns or credits.

[158] \$29,904 was paid from or transferred out of the TD836 account during the same period:

- \$9,775 was transferred to the Servus Account;
- \$9,228 was spent on retail purchases, utilities, and vehicle-related expenses;
- \$2,900 was transferred to a family joint account;

- \$2,603 was paid to charities and religious organizations;
- \$1,675 was paid to credit cards;
- \$1,300 was transferred to Koho People's Trust;
- \$1,000 was paid on a loan;
- \$703 was paid in bank fees or disbursed to unknown or miscellaneous recipients;
- \$400 was transferred back to TD603;
- \$220 was withdrawn in cash; and
- \$100 was transferred to Coinbase.

[159] At the end of May 10, 2023, the TD836 account was overdrawn by \$1,010.

Servus Account

[160] At the beginning of April 3, 2023, the balance in the Servus Account was \$4. Between April 3 and May 10, 2023, \$9,775 was deposited to the account from the TD836 account as noted above. Another \$115 was transferred in from an account held by Sweeney's spouse.

[161] Virtually all of the funds were spent during that time frame:

- \$4,133 paid down loans, including a vehicle loan;
- \$2,376 was withdrawn in cash;
- \$814 was transferred back to the TD836 account;
- \$350 was paid on credit cards;
- \$176 was spent on retail purchases and insurance; and
- \$118 was spent on miscellaneous items, an e-transfer to an unknown recipient, and bank fees.

[162] The balance in the Servus Account on May 10, 2023 was less than \$1.

(B) DC and DB

TD603 Account

[163] The balance in TD603 on January 19, 2023 was less than \$2.

[164] Between January 20 and January 23, 2023, \$12,000 was deposited to TD603, all of which came from DC and DB.

[165] Virtually the same amount (\$11,994) was disbursed from the TD603 account during the same period:

- \$9,000 was transferred to the TD836 account;
- \$2,490 was transferred to Shakepay; and
- \$504 was paid in bank fees or transferred/paid to an unknown party.

[166] The closing balance in the account on January 23, 2023 was \$8.

TD836 Account

[167] On January 19, 2023, the TD836 account was overdrawn by \$1,483.

[168] The only money deposited to the account between January 20 and January 31, 2023 was the \$9,000 from the TD603 account noted above. The funds were disbursed during the same period as follows:

- \$2,525 was transferred to the Servus Account;
- \$2,209 was spent on retail purchases;
- \$1,200 was disbursed to unknown recipients;
- \$1,124 was transferred to charities and religious organizations;
- \$1,000 was transferred to a family joint account;
- \$668 was paid to an educational institution;
- \$211 was paid for utilities;
- \$82 was paid in bank fees or to miscellaneous recipients; and
- \$40 was withdrawn in cash.

[169] At the end of January 31, 2023, the TD836 account was overdrawn by \$1,541.

Servus Account

[170] Before the \$2,525 referenced above was transferred from the TD836 account to the Servus Account on January 23, 2023, the Servus Account balance was under \$1. Almost the entire amount (\$2,385) was paid on a mortgage loan. Most of the remaining funds were used to make a payment toward a bank loan, and to pay bank fees. The closing balance in the account on January 31, 2023 was \$31.

(C) TCTD603 Account

[171] At the end of June 2, 2023, the balance in the TD603 account was less than \$1. Between June 5 and June 30, 2023, \$50,350 was deposited to the account, \$50,000 of which came from TC. The remaining \$350 was received from an unknown source.

[172] All of the funds were disbursed from the account during the same period:

- \$29,700 was transferred to the TD836 account;
- \$10,500 was paid to investors AG and DC;
- \$8,550 was transferred to Shakepay;
- \$1,450 was transferred to unknown recipients; and
- \$190 was spent on retail purchases, bank fees, and an unknown item.

[173] After the foregoing, the TD603 account was overdrawn by \$39.

TD836 Account

[174] On June 5, 2023, prior to a \$9,900 transfer from the TD603 account, the TD836 account was overdrawn by \$1,387.

[175] Between June 5 and 30, 2023, \$29,931 was deposited to the TD836 account. In addition to the \$29,700 received from TD603, \$200 was received from an unknown source, and \$31 was received from a retail return.

[176] The entire amount was spent during the same time frame:

- \$15,913 was spent on retail purchases, insurance, and utilities;
- \$6,362 was paid on credit cards;
- \$3,412 was transferred to the Servus Account;
- \$1,088 was paid to charities and religious organizations;
- \$1,000 was paid on a loan;
- \$897 was disbursed to unknown recipients; and
- \$25 was paid in bank fees.

[177] Following the final debits from the account on June 30, 2023, it was overdrawn by \$152.

Servus Account

[178] The \$3,412 from the TD836 account referenced above was deposited to the Servus Account on June 5, 2023, before which the balance in the account was \$9.

[179] \$3,213 was paid toward loans between June 5 and June 19, 2023, including a mortgage and a vehicle loan. \$200 was paid on a credit card. After less than \$5 in transfers to other accounts, the balance in the Servus Account at the end of June 19, 2023 was \$3.

IV. LAW, ARGUMENT, AND ANALYSIS

A. Securities

1. Law

[180] "Security" is broadly defined in s. 1(ggg) of the Act. As the Alberta Court of Appeal has explained, the definition is broad because the Act is intended to regulate "virtually every method by which money could be raised from the public" (*R. v. Stevenson*, 2017 ABCA 420 at para. 9; leave to appeal denied [2018] S.C.C.A. No. 54). The definition includes "any investment contract" (see s. 1(ggg)(xiv)).

[181] "Investment contract" is not defined in the Act, but the Supreme Court of Canada (SCC) has held that the term means an investment of money in a common enterprise with the expectation of profits arising significantly from the effort of others (*Pacific Coast Coin Exchange of Canada Ltd. v. Ontario Securities Commission*, [1978] 2 S.C.R. 112 at paras. 46 and 48). The SCC also held that in determining whether something is a security, "[s]ubstance, not form, is the governing factor" (*ibid.* at para. 43).

[182] Accordingly, to establish that the transactions between Sweeney and the investors in this matter were investment contracts, Staff was required to show that:

- there was an investment of money;
- in a common enterprise;

- from which the investors expected to profit; and
- the profit was to come significantly from Sweeney's efforts.

2. Staff's Argument

[183] Staff argued that while Sweeney's agreements with the investors to use their money to trade Forex and generate profits were undocumented, they were securities – specifically, investment contracts.

3. Analysis

[184] We agree with Staff that the totality of the evidence – including the investors' testimony at the Merits Hearing and the documents (including transcripts, emails, and bank records) – proved that the arrangements between Sweeney and the investors constituted investment contracts. Fifteen investors transferred \$222,800 to Sweeney for investment purposes. Sweeney admitted to Staff investigators that he accepted money from others to trade Forex on their behalf, and the investors each confirmed that they sent money to him for that purpose.

[185] In *Pacific Coast*, the SCC explained that a "common enterprise" is "one in which the fortunes of the investor are interwoven with and dependent upon the efforts and success of those seeking the investment" (at para. 48; see also para. 50). The investors in this matter clearly depended on Sweeney's purported skill, experience, and expertise in Forex trading to generate profits.

[186] It was also clear from the evidence that the investors relied on Sweeney's representations about his success trading Forex, and expected to profit from his efforts on their behalf. They were to have no direct role in the trading themselves, only providing the funds and then waiting for the results. In some instances, Sweeney guaranteed investors that they would not lose their principal. Some investors received updates that Sweeney had traded on their behalf and generated significant returns.

[187] We are therefore satisfied that Sweeney's conduct related to securities.

B. Fraud

1. Law

[188] Section 93(1) of the Act states in part:

No person or company shall, directly or indirectly, engage or participate or attempt to engage or participate in any act, practice or course of conduct relating to a security . . . that the person or company knows or reasonably ought to know may

. . .

- (b) perpetrate a fraud on any person or company.

[189] Because the Act does not define "fraud", ASC hearing panels apply the test for fraud set out by the SCC in *R. v. Théroux*, [1993] 2 S.C.R. 5 (at paras. 27 and 40). In accordance with that decision, to prove fraud on a balance of probabilities in this case, Staff were required to show that:

- Sweeney deliberately engaged or attempted to engage in a "prohibited act" relating to securities, and had subjective knowledge of the prohibited act; and
- the prohibited act caused or could have caused the investors deprivation, and Sweeney had subjective knowledge that that was a potential consequence.

[190] According to *Théroux*, "prohibited acts" may include acts of deceit, falsehood, or other "fraudulent means" (*ibid.* at para. 27). While "deceit" and "falsehood" describe situations where the respondent "represented that a situation was of a certain character, when, in reality, it was not", "other fraudulent means" includes other conduct that a reasonable person would see as dishonest (*ibid.* at para. 18). Examples cited by the SCC are "the use of corporate funds for personal purposes, non-disclosure of important facts, exploiting the weakness of another, unauthorized diversion of funds, and unauthorized arrogation of funds or property" (*ibid.*).

[191] "Deprivation" may include actual loss or placing investors' pecuniary interests at risk (*ibid.* at para. 27).

[192] "Subjective knowledge" of prohibited acts and that they did or could cause pecuniary loss may be inferred from the prohibited acts themselves and the surrounding circumstances, unless there is an explanation that casts doubt on this inference (*ibid.* at paras. 23, 27, and 29). It is not necessary for Staff to prove that Sweeney knew that what he was doing was wrong, profited, or intended to cause others to lose money (*ibid.* at paras. 19, 24 and 28). It is sufficient for them to prove that he intentionally committed the prohibited acts and was aware there was a risk of loss (*ibid.* at paras. 24-25, 28, and 39).

[193] The SCC explained as follows (at para. 36):

A person who deprives another person of what the latter has should not escape criminal responsibility merely because, according to his moral or her personal code, he or she was doing nothing wrong or because of a sanguine belief that all will come out right in the end. Many frauds are perpetrated by people who think there is nothing wrong in what they are doing or who sincerely believe that their act of placing other people's property at risk will not ultimately result in actual loss to those persons.

2. Staff's Argument

[194] Staff argued that the evidence showed that during the Relevant Period, 15 investors gave Sweeney \$222,800 to trade Forex on their behalf, but only \$37,015 was repaid. AG was the only investor who was repaid his principal and a return. Four others (DC, SH, NL, and AL) received some money back, but not their entire principal. The remaining 10 investors received nothing.

[195] Staff pointed out that Sweeney told ASC investigators that he put all investor funds into his Tradeview account to trade Forex, but the evidence from Tradeview was that he only had an active Tradeview account well prior to the Relevant Period, from June 17, 2020 to October 2, 2020.

[196] Staff calculated that the non-investor deposits to the TD Accounts and the Servus Account during the Financial Review Period (approximately \$126,668) were insufficient to cover the retail, credit card, loan, and other non-investment-related expenditures from the accounts during the same period (totalling approximately \$212,518).

[197] Concerning the three use of funds examples Bertrand provided, Staff summarized:

- DC and JC provided \$51,500 to Sweeney between April 3 and May 10, 2023, representing 82 percent of all deposits to the TD Accounts and the Servus Account during that timeframe.

25 percent of that total was used to pay SH and AG, 19 percent was paid to Shakepay, and the remaining 56 percent was used for purposes unconnected to DC's and JC's Forex investments.

- DB and DC provided \$12,000 to Sweeney between January 20 and 31, 2023, representing 100 percent of all deposits to the TD Accounts and the Servus Account during that timeframe.

31 percent of that total was paid to Shakepay, and the remaining 69 percent was used for purposes unconnected to DB's and DC's Forex investments.

- TC provided \$50,000 to Sweeney between June 5 and 30, 2023, representing almost 100 percent of all deposits to the TD Accounts and the Servus Account during that timeframe.

17 percent of that total was paid to Shakepay, and the remaining 83 percent was used for purposes unconnected to TC's Forex investment.

[198] Staff further noted that according to Bertrand, of the \$30,600 returned to investors from the TD Accounts and the Servus Account, \$28,600 (93 percent) came directly from other investor funds. The remaining \$2,000 (seven percent) came from an unknown e-transfer to one of the TD Accounts.

[199] Staff acknowledged that \$98,725 of the \$215,800 in investor funds deposited to the TD Accounts during the Financial Review Period was transferred to Shakepay. However, they argued that Sweeney's Shakepay transaction history did not support his assertion that he used Shakepay to transfer cryptocurrency to Tradeview for Forex trading, since Sweeney's Tradeview account was inactive at the time. In Staff's submission, there was no documentary evidence to support Sweeney's claim that he used investor funds to trade Forex.

[200] Staff therefore argued that Sweeney misappropriated all of the \$222,800 he received from investors. Even those investors who received money back simply received money misappropriated from other investors.

[201] Turning to the application of the legal test, Staff submitted that Sweeney engaged in prohibited acts by deceiving his investors and misappropriating their funds – he did not use their money as represented and knew it. His Tradeview account had become inactive several years before he accepted any funds from investors, and once he received investor funds, he deliberately used them for purposes other than Forex trading, including paying other investors and his personal expenses. He continued to deceive some investors by giving them updates that considerable profits had been generated. In reality, most of the investors lost everything they gave to Sweeney.

[202] Moreover, Staff argued, Sweeney's deceit was deliberate and he knew that his conduct could cause the investors financial loss. He was the only person who received their money, told them that he would use their money for Forex trading, and knew how the funds were actually used. Given his failure to use the funds as represented, Staff submitted, he must have known that he would cause his investors financial loss.

[203] Accordingly, Staff argued that Sweeney breached s. 93(1)(b) of the Act by perpetrating a fraud on investors.

3. Analysis

[204] The evidence led at the Merits Hearing showed that over an 18-month period, Sweeney collected \$222,800 from 15 individuals who had taken his Forex trading course. Although he asserted otherwise during his Interview, the investor evidence showed that Sweeney approached and solicited most of these investors, representing that he would use their money to trade Forex on their behalf, generate a profit, then pay back their principal with the profit. He does not appear to have discussed risk with the majority of the investors, but instead told several that their principal was guaranteed.

[205] Despite these representations, we find that Sweeney did not use the funds for Forex trading. Instead, as demonstrated by the banking records (from which the S&U Analysis was derived), funds were used for purposes that were not disclosed to investors, including payments to other investors and personal expenses.

[206] As for the \$98,725 transferred to Shakepay and other smaller amounts for which Staff did not identify a specific use, we are satisfied on a balance of probabilities that Sweeney misappropriated those amounts as well – i.e., they were not used for Forex trading.

[207] Sweeney stated in the Interview that he used Tradeview to trade Forex for himself and on behalf of others. However, we find it implausible that Tradeview used approximately 170 different cryptocurrency wallets to receive client deposits from Sweeney (via Shakepay) to trade Forex on behalf of others, particularly as the evidence was clear that Sweeney's Tradeview account was inactive when those transfers were made. The preponderance of the evidence showed that Sweeney had established a pattern of receiving investor funds and very quickly disbursing those amounts for personal expenses and, in some cases, for other investors in the manner of a Ponzi scheme.

[208] Sweeney also made ongoing representations to investors that he was generating high returns with their funds, which encouraged some to maintain their investments with him or to provide him with more money. However, the evidence did not support those representations,

either. To the contrary, most of the investors said that they could not withdraw the purported gains or get their principal back. Sweeney told some investors he was having technical difficulties retrieving funds or that his accounts were frozen, but there was no evidence to support these explanations.

[209] Concerning Sweeney's use of investor funds for personal expenses, we considered whether he was entitled take some amount of the profits as a fee or commission for his services (as represented to some investors) or to pay associated taxes (as represented to certain other investors and to Staff during the Interview). However:

- the evidence was that at least half of the investors were unaware that Sweeney intended to collect any such amounts;
- we were not persuaded that Sweeney generated any profits from which a fee or commission could have been properly charged or on which taxes could have been payable; and
- there was no evidence that Sweeney's use of funds had any connection to Forex trading conducted on behalf of others. Instead, the banking evidence suggested that he used whatever was in his accounts whenever he needed it, without regard to the source.

[210] Accordingly, we find that Sweeney's misrepresentations to investors and his unauthorized uses of their funds were "prohibited acts" within the meaning of *Thérourx*. Further, we have no doubt that Sweeney was subjectively aware of his prohibited acts. As Staff pointed out, he was the only person who dealt with the investors and the purported trading. He knew what he told them (and what he did not tell them) about the intended use of their money, and he knew the actual use of funds despite those representations.

[211] We are also satisfied that Sweeney's prohibited acts caused a risk of financial harm to investors, and actual financial harm. Most investors lost all of their invested funds. A few recouped a portion of their principal but lost amounts ranging from approximately \$128 to \$57,000. Only one, AG, recouped his investment and a profit, but Sweeney's banking records showed that of the \$11,643 he paid to AG, at least \$8,600 came directly from funds invested by AL, DC, and TC. Similarly, the \$5,000 Sweeney repaid to DC came directly from funds invested by TC, and of the \$15,000 Sweeney repaid to SH, virtually all came directly from funds invested by DC and JC.

[212] Considering the final element of the *Thérourx* test, we are satisfied that Sweeney had subjective knowledge that his prohibited acts could and did cause financial harm to investors. Without any other source of income, it is common sense that dissipating investment funds by paying other investors (in the manner of a Ponzi scheme) and paying personal expenses instead of investing the funds will inevitably lead to losses.

[213] Accordingly, we are satisfied that Sweeney breached s. 93(1)(b) of the Act as alleged by Staff.

C. Misleading Staff During an Investigation

1. Law

[214] Section 221.1 of the Act states:

- (1) In this section, "Commission" includes the Executive Director and any member, officer, employee, appointee or agent of the Commission.
- (2) No person or company shall make a statement, whether oral or written, in any document, material, information or evidence provided to the Commission, . . . that, in a material respect and at the time and in light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement not misleading.

[215] To prove that Sweeney breached this section, Staff must show that (*Aitkens* at para. 143):

- he made a statement in "any document, material, information or evidence" provided to the ASC;
- the statement was misleading or untrue or omitted a required or necessary fact at the time and in light of the circumstances under which it was made; and
- the statement was misleading or untrue or made omissions in a material respect.

[216] Previous ASC decisions considering s. 221.1 have held that "a material respect" in the investigative context requires an assessment of the extent to which the untrue or misleading statement departed from the truth known by the respondent when the statement was made (*Re Kilimanjaro Capital Ltd.*, 2021 ABASC 14 at para. 295, citing the British Columbia Securities Commission in *Re Nuttall*, 2011 BCSECCOM 521). The rationale is that marked departures from the truth make it more likely that investigators will pursue an erroneous line of inquiry. This is detrimental to the public interest because it undermines the efficiency and efficacy of an investigation (*ibid.*).

[217] ASC panels will also consider whether the misstatement portrayed the facts "in a more favourable light than the reality", and whether the misstatement was "clear and significant, on a topic pertinent to the context" in which it was made (*Re Hagerty*, 2014 ABASC 237 at paras. 210-211).

2. Staff's Argument

[218] Staff argued that Sweeney breached s. 221.1(2) of the Act by providing Staff a false document – the Client List – during their investigation.

[219] According to Staff, after they received the Client List from Sweeney on February 2, 2024 in response to an Interview undertaking, they discovered that the information it contained was untrue, misleading, or omitted facts necessary to make it not misleading. Specifically, Staff found that:

- the Client List indicated Sweeney had five investors who invested \$37,000, whereas there were in fact at least 15 investors who invested \$222,800;

- the Client List stated that all five investors were repaid their capital plus returns totalling \$90,000, whereas only a few of Sweeney's 15 investors received any money back, only one was repaid in full plus returns, and the total amount repaid was \$37,015;
- one of the individuals identified by his first name on the Client List (whom Staff concluded was CO) was not an investor, but loaned money to Sweeney;
- another of the individuals identified by her first name on the Client List (whom Staff concluded was DB) was shown to have invested \$20,000 and received \$60,000 in return, whereas in fact DB received no return of capital and no profit;
- the telephone number shown for DB on the Client List was incorrect;
- two other individuals identified by their first names on the Client List (whom Staff concluded were AL and NL) were shown to have invested \$2,500 and \$3,000 respectively and received \$6,000 each in return, whereas together, AL and NL provided \$5,500 to Sweeney and received approximately \$5,312 in return in cryptocurrency;
- the telephone number shown for NL on the Client List was incorrect; and
- the final individual identified by his first name on the Client List (whom Staff concluded was SH) was shown to have invested \$10,000 and received \$15,000 in return, whereas SH actually invested \$25,000 and received \$15,000 in return.

[220] Staff argued that at the time Sweeney provided the Client List to Staff, he – the only person involved – had the correct information about his investors, their contact information, what they invested and when, and what they were repaid and when. Staff also pointed out that although Sweeney confirmed receiving a summons from Staff for a continued interview, he did not attend and did not take any action to correct the information he had provided in the Client List.

[221] Staff therefore argued that the Client List was materially untrue at the time and in light of the circumstances in which it was provided, as it significantly diverged from facts Sweeney knew at the time he provided it to Staff. It related to central aspects of the matter under investigation, and undermined Staff's investigation by impairing their ability to verify investor identities and financial transactions. Accurate information would have saved Staff from spending unnecessary time and resources on tracking down a complete list of investors and the amounts of money involved.

3. Analysis

[222] Sweeney made a clear statement to the ASC (i.e., investigative Staff) in the form of the Client List, a document supplied in purported answer to an undertaking he gave during his Interview. The Client List was significant and pertinent in the context: an investigation that was

trying to determine, *inter alia*, who invested, how many investors there were, how much they invested, and whether they lost their money.

[223] Further, the Client List was materially untrue and misleading at the time it was provided. It identified only four of 15 investors with incomplete names, included a person who was not an investor, gave incorrect contact information for some individuals, misstated some of the investment amounts, misstated the returns that were paid, and significantly underrepresented the scope of Sweeney's activities and the overall financial impact on his investors. This had the potential to misdirect Staff and impede their investigation. For example, without the surnames of the investors (and in two cases, without correct telephone numbers), it would have been more difficult for Staff to locate these individuals and ascertain the truth.

[224] In addition, the misinformation Sweeney gave was clearly intended to portray his activities in a significantly more favourable light than reality. Based on the Client List alone, one would have the impression that the few individuals involved had realized significant profits – up to three times their original investment – and were paid in a timely manner. This would have suggested a successful endeavour and happy investors, when the truth was exactly the opposite.

[225] We have no doubt that Sweeney – the only person involved in soliciting investments, handling funds, purportedly trading Forex, and communicating with investors – knew that he was providing materially misleading information to Staff. The first part of the Interview was conducted only a few months after the end of the Relevant Period, after the last investor (TC) advanced funds to Sweeney, and after Sweeney paid the last portion of the return to AG, the only investor who was paid in full with a profit. Therefore, Sweeney's impugned activities were already complete, but not so far in the past that he might reasonably claim to have forgotten the details. In fact, a number of the investors were still in contact with him during the months before and after the Interview, often pleading for return of their funds. We do not believe that he had forgotten them or that he owed them money.

[226] We conclude that Sweeney deliberately tried to mislead Staff by providing a Client List that was a marked departure from the truth. In our view, this was a continuation of his dishonesty during the Interview, where he told a number of lies that were easily disproved by the investor evidence. This included his assertions that he did not solicit investors (rather, they approached him), he did not hold anyone's money for more than four or five months, he only traded for a few people and took in no more than \$20,000 to \$30,000, and he repaid everyone with profits ranging from 100 to 120 percent of their original investments.

[227] In the result, we conclude that Sweeney breached s. 221.1(2) of the Act by providing Staff a false Client List during their investigation.

V. CONCLUSION AND NEXT STEPS

[228] Having determined that Sweeney breached ss. 93(1)(b) and 221.1(2) of the Act as alleged in the NOH, this proceeding now moves to a second phase to determine what, if any, sanction and cost-recovery orders ought to be made against Sweeney in light of these findings.

[229] By noon on Friday, October 16, 2026, Staff and Sweeney are directed to inform each other and the ASC Registrar in writing:

- (a) whether they intend to adduce new evidence on the sole issue of appropriate sanction and cost-recovery orders; and
- (b) if so, their expected timing for the same and their suggested dates.

[230] After we have received and considered the parties' responses to this direction (or after the date and time specified for such responses has passed), the ASC Registrar will inform the parties of the timing for the next steps in this proceeding.

October 2, 2026

For the Commission:

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

"original signed by"
Tom Cotter

"original signed by"
Doug Mair