



Manitoba
Financial Services
Agency

IN THE MATTER OF: THE SECURITIES ACT

-and-

IN THE MATTER OF: TEDDY CZARNECKI, SHAWNA CZARNECKI, and
TEAL SIGNS

**STATEMENT OF ALLEGATIONS OF STAFF OF
THE MANITOBA SECURITIES COMMISSION**

**STAFF OF THE MANITOBA SECURITIES COMMISSION (the "Commission")
ALLEGE THAT:**

A. REGISTRATION

1. At all material times, Teddy Czarnecki ("Teddy") was registered as a salesperson under *The Real Estate Brokers Act* ("REBA") with Royal LePage Top Producers Real Estate ("Royal LePage") as his employing real estate broker.
2. Teddy is currently registered as a real estate salesperson under *The Real Estate Services Act* ("RESA"),
3. Teddy has never been registered under *The Securities Act* (the "Act").
4. Teal Signs was a sole proprietorship, registered with the Manitoba Companies Office on November 18, 2016, and which registration indicates Teal Signs is engaged in "MISC. RENTALS."
5. Teal Signs has never been registered under the Act.
6. At all material times, Shawna Czarnecki ("Shawna") was the spouse of Teddy, and the owner and sole proprietor of Teal Signs.
7. Shawna has never been registered under the Act.
8. At all material times, T.B. was an individual who resident of the City of Beausejour, in the Province of Manitoba.
9. At all material times, R.M. was a resident of the City of Winnipeg, in the Province of Manitoba.

B. DETAILS

10. While working as receptionist at RE/MAX Associates, T.B. met Teddy, who was a salesperson at RE/MAX Associates at the time.
11. In or about 2013, Teddy assisted T.B. with the renovation and subsequent sale of T.B.'s property located at 383 Aberdeen Ave., Winnipeg, MB ("Aberdeen Property").
12. In or about 2013, R.M., had discussed possible investment opportunities in real estate with Teddy.
13. Upon receiving direction from Teddy to do so, and relying upon Teddy's representations, R.M. entered into a loan agreement, purportedly with T.B., so that T.B. could renovate the Aberdeen Property and sell it at a profit.
14. More specifically, with respect to the loan agreement, on or about August 12, 2014, upon Teddy's direction, R.M. provided to Teddy, a bank draft, payable to T.B., in the amount of \$20,000.00 ("bank draft #1").
15. On or about March 24, 2015, upon Teddy's direction, R.M. provided to Teddy, another bank draft, payable to T.B., in the amount of \$20,000.00 ("bank draft #2", and together with "bank draft #1", the "T.B. bank drafts").
16. On or about March 27, 2015, having never met T.B., R.M. signed a personal loan agreement ("PLA"), provided by Teddy, wherein, purportedly, T.B. signed the PLA and promised to pay R.M., \$40,000.00 of principal, and \$8,000.00 of interest by July 27, 2015.
17. T.B. denies signing the PLA, denies that the signature on the PLA was hers, and denies any knowledge as to the source of the T.B. bank drafts.
18. T.B., upon direction from Teddy, deposited the T.B. bank drafts into her account, and made cash withdrawals amounting to the total of the T.B. bank drafts, and provided these monies to Teddy, for the purposes of Teddy paying the renovators of the Aberdeen Property.
19. R.M. did not receive any of promised amounts as per the PLA despite multiple inquiries to Teddy, beginning on July 27, 2015.
20. In March, Teddy then proposed to R.M. that R.M. provide Teddy with an additional \$30,000.00 of funds, that together with the \$40,000 owed by T.B. to R.M., would constitute an investment of \$70,000.00 by R.M. into Teal Signs representing a 20% ownership of Teal Signs (the "Offering").
21. On or about March 17, 2016, and May 12, 2016, upon Teddy's direction, and relying upon Teddy's representations, R.M. provided to Teddy, bank drafts payable to Shawna, for \$20,000.00 and \$10,000.00, respectively, constituting the additional \$30,000.00 requested by Teddy, for the total \$70,000.00 investment by R.M. into Teal Signs.
22. No preliminary prospectus or prospectus was filed with the Commission in connection with the Offering.

23. Other than a single cash payment of \$2,000.00, from Teddy to R.M., Teddy and or Shawna have failed to return R.M.'s investment in Teal Signs to him.
24. Teal Signs is no longer a registered sole proprietorship in Manitoba.

B. COMPENSATION FOR FINANCIAL LOSS

1. The Director ("Director") of the Commission has received an application for a claim against Teddy, Shawna and Teal Signs for compensation for financial loss in favour of R.M. The Director requests that the Commission order financial loss compensation to the claimant, R.M., in the amount of \$68,000.00.

C. ALLEGATIONS

1. Staff of the Commission allege that:
 - a) T.B.'s signature was forged on the PLA, without T.B.'s knowledge and consent.
 - b) Teddy contravened subsections 6(1) and 37(1) of the Act by trading in securities without having been registered and without a prospectus, and that due to these allegations:
 - i. pursuant to subsection 19(5) of the Act, Teddy should not be entitled to use of any of the exemptions permitted by the Act and should not be entitled to participate in the exempt markets in the future
 - ii. pursuant to subsection 148.1(1) of the Act, Teddy pay an administrative penalty;
 - iii. pursuant to section 148.2 of the Act, Teddy pay compensation for financial loss to R.M.; and
 - iv. Teddy pay costs of the investigation and hearing.
 - c) Teddy acted in a manner contrary to public interest.
2. Staff of the Commission allege that:
 - a) Shawna and Teal Signs contravened subsection 37(1) of the Act by trading in securities without a prospectus, and that due to these allegations:
 - i. pursuant to subsection 19(5) of the Act, Shawna and Teal Signs should not be entitled to use of any of the exemptions permitted by the Act and should not be entitled to participate in the exempt markets in the future;
 - ii. pursuant to subsection 148.1(1.1) of the Act, Shawna and Teal Signs pay an administrative penalty;
 - iii. pursuant to section 148.2 of the Act, Shawna and Teal Signs. pay compensation for financial loss to R.M in the amount of \$68,000.00; and
 - iv. Shawna and Teal Signs., pay costs of the investigation and hearing.

- b) Shawna and Teal Signs acted in a manner contrary to the public interest.
3. Such further and other matters as counsel may advise and that the Commission may permit.

DATED at the City of Winnipeg, in Manitoba this 21st day of August, 2024.



Director

**TO: TEDDY CZARNECKI
SHAWNA CZARNECKI
and TEAL SIGNS**