

BETWEEN:

ONTARIO SECURITIES COMMISSION

(Applicant)

-and-

SHANE COURTNEY WARD

(Respondent)

APPLICATION FOR ENFORCEMENT PROCEEDING

(Subsections 127(1) and 127(4.0.2) of the *Securities Act*, RSO 1990, c S.5)

A. OVERVIEW

1. The Applicant, the Ontario Securities Commission (the **Commission**), requests that the Capital Markets Tribunal (the **Tribunal**) make an order in the public interest against the Respondent, Shane Courtney Ward (**Ward**), reciprocating an order made by the Alberta Securities Commission (the **ASC**), without providing the Respondent an opportunity to be heard.
2. The ASC found that Ward and his investment business, Engineered Wealth (**E-Wealth**), knowingly made misleading statements to investors, perpetuated a fraud on investors, and distributed securities without a prospectus, contrary to Alberta securities law. Namely, the ASC found that Ward made misrepresentations to E-Wealth investors that their principal investments would be protected and that they would receive a set rate of return. Investors advanced funds to E-Wealth with the expectation that he would invest the funds on their behalf and generate profit. Instead, Ward diverted funds for unauthorized uses and to pay other investors their purported returns.
3. The sanctions imposed by the ASC against Ward included permanent trading, director and officer, and other market participation bans.

4. The Tribunal has jurisdictions to make an order in the public interest under ss. 127(1) and 127(4.0.2) of the *Securities Act*, RSO 1990, c S.5 (the **Act**), reciprocating an order made by a securities regulatory authority of another province that imposes sanctions, conditions, restrictions, and requirements on a person or company.
5. The order requested herein is in the public interest. It is necessary to restrain potential future misconduct by the Respondent that exposes Ontario investors to unacceptable risks and to deter others from engaging in illegal distributions and fraudulent conduct.

B. GROUNDS

ASC Proceeding

6. A hearing of allegations occurred before a panel of the ASC (the **ASC Panel**) in 2021. Ward participated in the hearing with counsel.
7. In its merits decision dated October 19, 2022 (the **Merits Decision**), the ASC held that Ward breached the following sections of the *Alberta Securities Act*, RSA 2000, c S-4 (the **Alberta Act**):
 - (a) s. 92(4.1) by making statements to investors that Ward knew or reasonably ought to have known: (i) were, in a material respect, misleading or untrue or did not state facts that were required to be stated or were necessary to make the statements not misleading; and (ii) would reasonably be expected to have a significant effect on the market price or value of a security;
 - (b) s. 93(1)(b) by directly or indirectly engaging or participating in an act, practice, or course of conduct relating to securities that he knew or ought to have known would perpetrate a fraud on investors; and
 - (c) s. 110(1) by distributing securities: (i) without having filed and received a receipt for a preliminary prospectus or prospectus from the Executive Director of the ASC; and (ii) without an exemption from that requirement for some or all of the relevant distributions.
8. On May 8, 2023, the ASC issued its sanctions decision (the **Sanctions Decision**) and an order that imposed the following sanctions on Ward:

- (a) Pursuant to s. 198(1)(b) of the Alberta Act, Ward shall permanently cease trading in or purchasing derivatives, unless purchased through a registrant (who has been provided with a copy of the Sanctions Decision) in registered retirement savings plans, registered retirement income funds, registered education savings plans and tax-free savings accounts (each as defined in the *Income Tax Act* (Canada) and locked-in retirement accounts;
 - (b) Under s. 198(1) (c) of the Alberta Act, all of the exemptions contained in Alberta securities laws do not apply to Ward;
 - (c) Under s. 198(1)(c.1) of the Alberta Act, Ward is prohibited from engaging in investor relations activities;
 - (d) Pursuant to s. 198(1)(d) of the Alberta Act, Ward must resign from all positions he holds as a director and/or officer of any issuer, registrant, investment fund manager, recognized exchange, recognized self-regulatory organization, recognized clearing agency, recognized trade repository, designated rating organization, designated information processor, recognized quotation and trade reporting system, or designated benchmark administrator;
 - (e) Pursuant to s. 198(1)(e) of the Alberta Act, Ward is prohibited from becoming or acting as a director and/or officer of any issuer, registrant, investment fund manager, recognized exchange, recognized self-regulatory organization, recognized clearing agency, recognized trade repository, designated rating organization, designated information processor, recognized quotation and trade reporting system, or designated benchmark administrator; and
 - (f) Pursuant to s. 198(e.1), (e.2), and (e.3) of the Alberta Act, Ward is prohibited from advising in securities or derivatives, becoming or acting as a registrant, investment fund manager, or promotor; and was prohibited from acting in a management or consultative capacity in connection with the securities market.
9. Ward was also ordered to pay an administrative penalty of \$100,000 under s. 99 of the Alberta Act, disgorgement of \$106,610.22 under s. 198(1)(i) of the Alberta Act, and costs of \$98,400 under s. 202(1) of the Alberta Act.

ASC's Findings

10. The Commission relies on the following findings made by the ASC Panel in the Merits Decision and Sanctions Decision:
- (a) During the material time, Ward was a resident of Edmonton.
 - (b) Ward was an engineer who began investing through QTrade.
 - (c) Ward claimed that due to his purported success with investing, he began being approached by others to trade on their behalf, and once he had some success trading for others, he consulted a securities lawyer (**AC**).
 - (d) AC advised Ward that he could operate a non-registered, non-reporting private fund and offer exempt securities to certain qualified investors without having to register under securities laws, if he limited the number of investors to 50. AC then prepared subscription agreements for Ward to use.
 - (e) In February 2011, Ward began selling units in E-Wealth, priced at \$500 per unit (**Units**), using the subscription agreements.
 - (f) Around 2013, AC informed Ward that due to recent changes in securities law, Ward would need to register as a fund manager or portfolio manager to continue running E-Wealth and collecting investments.
 - (g) Instead of registering or ceasing E-Wealth's investment business, Ward and AC amended the subscription agreements so that each Unit consisted of a \$5000 promissory note.
 - (h) Ward then continued raising funds from investors using subscription agreements that incorporated the promissory notes.
 - (i) The new subscription agreements included specified rates of return; in addition, Ward sent emails to investors which included specified rates of return.

- (j) Ward made written and verbal representations to investors that he would protect their principal investment, and several investors testified that they did not think it was possible that they would lose their principal investment.
- (k) During this later promissory note phase, Ward and E-Wealth also entered into two investment loan agreements, a loan agreement, and an undocumented investment (pursuant to an oral agreement) with three investors.
- (l) The ASC Panel found that all investments made in connection with the subscription agreements, the investment loan agreements and loan agreements, and the undocumented investment constituted securities under the Alberta Act.
- (m) Between 2013 and 2017, Ward raised \$555,909.68 from investors.
- (n) Ward used investor fund for unauthorized purposes, including for personal use and to pay other investors their purported returns.
- (o) By late 2017, E-Wealth failed and nearly all the investors lost their principal investment and received no returns.

Jurisdiction

- 11. The Units offered by Ward and E-Wealth are securities under the Act.
- 12. Pursuant to paragraph 2 of subsection 127(4.0.2) of the Act, the Tribunal may make any of the orders described in paragraphs 1 to 8.5 of subsection 127(1) of the Act against the Respondent, without giving the Respondent an opportunity to be heard, where the Respondent is subject to an order made in a securities regulatory authority of another province or territory in Canada, imposing sanctions, conditions, restrictions or requirements.
- 13. The ASC, which is a “securities regulatory authority of another province or territory in Canada”, as defined in subsection 127(10) of the Act, issued an order imposing sanctions against the Respondent within the meaning of s. 127(4.0.2).

14. Section 127(4.0.4) of the Act expressly allows the Tribunal to make an order under s. 127(4.0.2) even though the ASC Decision predates the coming into force of s. 127(4.0.2).
15. It is in the public interest to make the requested order. Ward poses a risk to Ontario investors. The requested order is necessary to protect the investing public and safeguard the integrity of Ontario's capital markets.

C. ORDER SOUGHT

16. The Commission requests that the Tribunal make the following order against Ward:
 - (a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Ward cease permanently, except that this order does not preclude Ward from trading in securities or derivatives in a registered retirement savings plan, registered education savings plan, any registered retirement income funds, and/or tax-free savings account (as defined in the Income Tax Act (Canada)) in which he has a beneficial ownership, provided that he carries out any permitted trading through a registered dealer, which dealer must be given a copy of this order;
 - (b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, Ward is permanently prohibited from acquiring any securities, except that this order does not preclude Ward from acquiring securities or derivatives in a registered retirement savings plan, registered education savings plan, any registered retirement income funds, and/or tax-free savings account (as defined in the Income Tax Act (Canada)) in which he has a beneficial ownership, provided that he carries out any permitted acquisitions through a registered dealer, which dealer must be given a copy of this order;
 - (c) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Ward permanently;

- (d) pursuant to paragraphs 7, 8.1, and 8.3 of subsection 127(1) of the Act, Ward shall resign any positions that he holds as a director or officer of any issuer, registrant or investment fund manager;
- (e) pursuant to paragraph 8, 8.2 and 8.4 of subsection 127(1) of the Act, Ward is permanently prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
- (f) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Ward is permanently prohibited from becoming or acting as a registrant, an investment fund manager or a promoter; and
- (g) such other order or orders as the Tribunal considers appropriate.

March 31, 2026

ONTARIO SECURITIES COMMISSION

20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8

Emma Coffin

Litigation Counsel
Enforcement Division
LSO# 91018N

Tel: (416) 593-2374

Email: ecoffin@osc.ca