

August 22, 2025

**IN THE MATTER OF:            THE REAL ESTATE SERVICES ACT**

- and -

**IN THE MATTER OF:            THE SECURITIES ACT**

- and -

**IN THE MATTER OF:            TEDDY CZARNECKI and SHAWNA CZARNECKI  
o/a TEAL SIGNS**

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**REASONS FOR DECISION  
OF THE SETTLEMENT HEARING PANEL  
THE MANITOBA SECURITIES COMMISSION**

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**Hearing Date: August 19, 2025**

Panel:

Panel Chair:

Mr. D. Cheop, K.C.

Member:

D.J. Metcalfe

Appearances:

K. Sharma

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Counsel for Staff of The Manitoba  
Securities Commission

L. Feldman

)

Counsel Teddy Czarnecki and Shawna  
Czarnecki

## Background

On August 21, 2024, Staff ("Staff") of The Manitoba Securities Commission ("Commission") issued a Notice of Hearing and Statement of Allegations under *The Securities Act* ("SA") followed by a Notice of Hearing under *The Real Estate Services Act* ("RESA") on May 29, 2025 regarding Teddy Czarnecki and Shawna Czarnecki (the "Respondents") operating as Teal Signs. Taken together, the Notices of Hearing request the Commission to consider whether:

- (a) pursuant to subsection 19(5) of the SA, that the Respondents should not be entitled to use any of the exemptions permitted by the SA and should not be entitled to participate in the exempt markets in the future;
- (b) pursuant to subsection 148.1(1) and/or subsection 148.1(1.1) of the SA, that the Respondents pay an administrative penalty;
- (c) pursuant to subsection 148.2(3) of the SA, that the Respondents pay compensation for financial loss to R.M.;
- (d) that the Respondents pay the costs of the investigation and hearing;
- (e) pursuant to subsection 59(1) of RESA, that the registration of Teddy Czarnecki ("Teddy") under RESA cancelled or suspended; and
- (f) such further and other orders as the Commission may deem appropriate.

Subsequently, a Settlement Agreement was reached between Staff and the Respondents, and this hearing was called to consider whether this Settlement Agreement should be approved. After reviewing the Settlement Agreement and the submissions of Counsel for Staff and the Respondents, this Panel approved the Settlement Agreement and indicated that the reasons for doing so would follow. These are those reasons.

At all material times, Teddy has been registered under RESA as a salesperson with Royal LePage Top Producers Real Estate. Neither he nor Shawna Czarnecki have ever been registered under the SA. In turn, Teal Signs is a sole proprietorship owned by the Respondents. Teal Signs has never been registered under the SA.

In or about 2013 Teddy assisted T.B. in the renovation and the subsequent sale of a property (the "Property") on Aberdeen Avenue in Winnipeg. At this time, Teddy had discussed possible real estate investment opportunities with R.M. This led R.M. to enter into a loan agreement, purportedly with T.B., to enable T.B. to renovate the Property and sell it at a profit. In furtherance of this, R.M. provided Teddy with two bank drafts payable to T.B. one for \$20,000 on August 12, 2014 and a second for \$20,000 on March 24, 2015. These loans were subsequently documented in a personal loan agreement ("Agreement") provided by Teddy to R.M. between T.B. and R.M. (who had never met T.B.). The Agreement stated that the principal of \$40,000 and interest of \$8,000 would be repaid to R.M. by July 27, 2015. T.B., at the direction of Teddy, deposited the bank drafts into her account and provided these funds to Teddy for the purpose of paying the costs of the renovations to the Property. R.M. did not receive any payments of principal or interest as required under the Agreement despite making multiple inquiries of Teddy why this was the case.

Subsequently, in March 2016 Teddy proposed that R.M. provide him with an additional \$30,000, that together with the \$40,000 provided under the Agreement would be converted into an investment in Teal Signs representing a 20% ownership interest. No preliminary prospectus or prospectus had been filed with the Commission for the sales of securities of Teal Signs.

At some point, Teddy paid \$2,000 to R.M. but otherwise none of the investment made by R.M. in Teal Signs has been repaid.

### **The Settlement Agreement**

In the Settlement Agreement the Respondents acknowledge that:

- (a) they acted contrary to the public interest and traded in securities without registration contrary to section 6 of the SA and without a prospectus contrary to section 37 of the SA;
- (b) their conduct was contrary to the public interest.

The Respondents further state in the Settlement Agreement that they will repay to R.M. \$68,000 within seven days of the issuance of the order approving the Agreement. In addition, in the Settlement Agreement the Respondents agree to the issuance of an order that:

- (a) pursuant to subsection 59(1) of RESA, Teddy's registration under RESA be cancelled for a period of five months commencing on the date of the order approving the Settlement Agreement; and
- (b) the Respondents, jointly and severally pay to the Commission costs in the total sum of \$3,000 forthwith.

### **Reasons for the Approval of the Settlement:**

The Settlement Agreement is the product of negotiations between counsel for Staff of the Commission and counsel for the Respondents, both of whom recommended acceptance of it. When considering a Settlement Agreement, a Commission panel must recognize the negotiation process and give significant weight to the agreement reached by the parties. Our role is to determine if the agreed upon sanctions are within the boundaries of what a reasonable person, aware of the circumstances, would consider to be in a range of reasonable outcomes. There is a high threshold to be met in order for a recommended Settlement Agreement to be rejected.

Approval of a Settlement Agreement resolves a matter quickly, efficiently and with certainty. The settlement avoids the time and costs associated with a contested hearing process. In addition, the Settlement Agreement itself becomes public and can serve as a general deterrent to others in the industry against future improper conduct.

In the panel's view, although the five month suspension of Teddy's registration is on the lower end of what would be appropriate in a case such as this, the Settlement Agreement nonetheless falls within the acceptable parameters in the circumstances, and as a whole the resolution is in the public interest. For these reasons, the panel concludes it is in the public interest to approve the Settlement Agreement.

"D. Cheop"

*David Cheop, K.C.*

*Panel Chair*

"D. Metcalfe"

*D. Metcalfe*

*Vice-Chair*