CITATION: Helal v. 8340501 Canada Corp, 2026 ONSC 1741
COURT FILE NO.: CV-24-85
DATE: 2026 03 26

SUPERIOR COURT OF JUSTICE - ONTARIO

RE: Bushra Helal, Moving Plaintiff

AND:

8340501 Canada Corp. and Michael Santonato, Responding Defendants

BEFORE: M.T. Doi J.

COUNSEL: Howard Manis, for the Moving Plaintiff

Kenyah Coombs, for the Respondent Defendants

HEARD: October 21, 2025

ENDORSEMENT

Overview

[1] On this motion, the plaintiff, Bushra Helal ("Ms. Helal") seeks summary judgment against the defendants 8340501 Canada Corp. ("834") and Michael Santonato ("Mr. Santonato") to recover funds that she gave for a failed cryptocurrency investment.

[2] 834 does not dispute its indebtedness to Ms. Helal and is prepared to consent to judgment for $152,086.41 (i.e., based on her $171,859.00 claim less $19,772.50 that was repaid to her).[1] For her part, Ms. Helal seeks to recover the principal amount of the funds she invested plus the monthly interest payments owing under the terms of her loan agreement with 834.

[3] The central issue on this summary judgment motion is whether Mr. Santonato, the sole owner and directing mind of 834, should be personally liable for 834's indebtedness to Ms. Helal. To establish his personal liability, Ms. Helal seeks to pierce 834's corporate veil by asserting that he engaged in fraud or improper conduct. Mr. Santonato denies any wrongdoing and submits that this is not a case for piercing 834's corporate veil to hold him personally liable.

[4] For the reasons that follow, I find that summary judgment should be granted against both defendants to allow Ms. Helal to recover the amount of her principal investment.

Background

[5] In or around late 2017, Ms. Helal and Mr. Santonato became acquainted after meeting each other through a personal development leadership course. At the time, Mr. Santonato was a senior financial advisor at Experior Financial Group Inc. ("Experior").[2] He later served as the Executive Director of Experior from April 2018 until November 2023.

[6] Mr. Santonato is the sole shareholder, director, and officer of 834, the defendant company. There is no dispute that 834 is his closely-held company that he solely controls.

[7] Around January 2020, Ms. Helal opened an RRSP through iA Financial Group by acting on advice from Mr. Santonato who was working with Experior as her investment advisor. At the time, Ms. Helal had completed a risk assessment with Experior indicating that she had a "medium to high risk growth" investment profile. The RRSP was a fixed investment in segregated funds that involved no trading and only periodic or annual reviews. Ms. Helal has not moved the RRSP that is part of an inactive portfolio. She has not recently interacted with Mr. Santonato but still considers him to be her agent/advisor for the RRSP even though he no longer works with Experior.

[8] Ms. Helal is a realtor who holds a portfolio of real property investments through her own numbered company. Mr. Santonato states that Ms. Helal told him near the start of their interactions that she wanted to pursue various types of higher-risk investments to realize higher returns. He attests that she clearly understood that pursuing higher returns meant taking higher risks.

[9] Ms. Helal began to invest in opportunities that Mr. Santonato found for her. Among them was a private investment in a film project for which she entered into a loan agreement on July 11, 2019 with iSpeed Productions ("iSpeed") for a $5,000.00 loan over a 5-month term for a 60-80% return on capital. iSpeed collateralized the loan with gold bars. The investment was successful and she achieved a very high 70% return.

[10] Around October 29, 2019, Ms. Helal communicated with Mr. Santonato about investing in cryptocurrency, with one such investment opportunity offering a 40% minimum return. Later that year, they met in person and further discussed investing in cryptocurrency.

[11] After discussing crypto investments, Ms. Helal referred a friend to Mr. Santonato around January 17, 2020 to discuss this kind of investment. Around March 16, 2020, Ms. Helal emailed Mr. Santonato to express a continuing interest in crypto investments and real estate investments. She asked to be kept informed about these types of higher-return investment opportunities.

[12] Around October 28, 2020, Ms. Helal pursued another private investment opportunity with Mr. Santonato and another investor by co-lending funds to 2771029 Ontario Inc. ("277"), for a 6-month term at a rate of 14% interest. Under the arrangement, they loaned funds to 277 that invested with another company on a cottage project. Ms. Helal was fully aware of how the investment was structured. Despite some delay in receiving returns from the borrower, this private investment was successful. Ms. Helal was repaid her principal and realized a high rate of return on this investment.

[13] In early 2021, Mr. Santonato approached Ms. Helal about investing in cryptocurrency. She responded by expressing reservations as she understood that cryptocurrency, including Bitcoin, were volatile assets and risky investment opportunities. On January 18, 2021, she emailed him about the volatility of prevailing Bitcoin prices and asked whether any principal crypto investment funds would be guaranteed or be at risk of loss. On January 19, 2021, he emailed her to advise that stop losses would be used to protect capital or principal funds for crypto investments, writing, "*I guarantee it*." He also gave her an assurance that he would diversify the investment funds by investing in a few stocks to ensure an extra layer of protection and further reduce the risk of loss.

[14] On April 15, 2021, Mr. Santonato emailed Ms. Helal with an opportunity for her to invest in cryptocurrency with a guaranteed 10-12% annual return paid quarterly or monthly. A few hours later, Ms. Helal responded by writing:

> *Crypto sounds ok, as long as you can guarantee the principal*. I do trust in your crypto judgments and know that you know what you're doing very well even though I may still feel very shaky about it.:)
>
> *It'll be for $39,000* USD. I don't need the funds back for a year. So you're anticipating a return of $39K x 10 to 12% = $3900 to $4680/year? So approx. $325-$390/month? Should we have another agreement/MOU for this separate investment?

[15] On April 16, 2021, Mr. Santonato replied to Ms. Helal by thanking her for trusting him, confirming the expected return on investment, and verifying that a new loan agreement for the crypto investment would be made. Over the next two weeks, she confirmed payment arrangements

for her $39,500.00 USD investment in cryptocurrency, negotiated a 12% annual interest rate with quarterly payments, and confirmed various terms for the loan agreement including payouts and conversion fees.

[16] While continuing to discuss the potential for investing in cryptocurrency, Ms. Helal chose to make a non-crypto investment in real estate with 834 by entering into a loan agreement with the company on April 30, 2021 for a $40,000.00 USD loan over a 12-month term with 12% interest. This investment was successful and 834 repaid Ms. Helal both her principal and interest return.

[17] Ms. Helal states that she eventually agreed to invest in cryptocurrency on the condition that the principal investment funds were guaranteed , ostensibly through the use of stop losses, and that some of the funds would be invested in the stock market to diversify her portfolio and lower risk. Around June 7, 2021, it seems that she entered into a written loan agreement to invest in cryptocurrency. This loan agreement was not produced and the outcome of this crypto investment is unclear from the record.

[18] On June 15, 2021, Ms. Helal and 834 entered into another written loan agreement for a $100,000.00 CAD loan for a 6-month term at 8% interest. Like her earlier investment in real estate in April 2021, the investment was successful and 834 paid back her principal and interest returns.

[19] On January 5, 2022, Ms. Helal and 834 entered into another written loan agreement for a $70,000.00 CAD loan over a 12-month term at 17.2% interest. Like the April 2021 and June 2021 investments, this was a successful investment in real estate for which 834 paid both her principal and interest returns.

[20] Mr. Santonato advised Ms. Helal that the only way to potentially achieve the higher returns that she wanted was to invest in opportunities other than real estate, such as cryptocurrency. He understood that she wanted to pursue high investment returns and was prepared to assume the associated risks to achieve them. He attests that she told him she was prepared to invest with 834, his closely-held company, in cryptocurrency to achieve higher rates of return. He advised her that these crypto investments would be made with 834, and not himself in his personal capacity. He argued that Ms. Helal, a licensed realtor with a holding company with her portfolio of properties, knew or ought to have known the distinction between 834 and himself, particularly as she had previously invested funds by making loans to other companies.

[21] On June 20, 2022, Mr. Santonato emailed Ms. Helal about terms for a $171,859.00 CAD loan for the purpose of investing in cryptocurrency. By June 27, 2022, both agreed on terms for this investment after concluding negotiations over several email exchanges.

[22] On July 16, 2022, Ms. Helal and 834 entered into a written loan agreement (the "Loan Agreement") for the $171,859.00 CAD loan over a 6-month period at 12% interest payable in $1,718.00 monthly instalments, with an option to extend 50% of the principal at 16% interest payable at $2,291.00 per month. Ms. Helal advanced funds to 834. But unlike prior investments, this one was unsuccessful as 834 did not pay out its obligations pursuant to the Loan Agreement. Mr. Santonato, who signed the Loan Agreement as 834's CEO, linked the failed investment to the volatility and sudden decline of cryptocurrency. He denies using her crypto investment funds for personal benefit or enrichment.

[23] On November 10, 2022, Mr. Santonato emailed Ms. Helal that he would be unable to make the payment he had intended for that month. He wrote that he took "… full 100% responsibility for this …", was committed to "… making up additional income to pay you back myself …", and that doing so was only "… a matter of time." He gave assurances that he would repay her money and was working on solutions to do so, including but not limited to looking for another job.

[24] Mr. Santonato states that he acted on behalf of 834 to communicate with Ms. Helal and offer to eventually repay her principal and interest on a gratuitous basis, that would take him some time to realize. He denies her allegation that he personally guaranteed 834's return of principal or interest to her when entering into the Loan Agreement or any of the other agreements. His video-message to her states that he did not personally owe the return of funds to her but offered to repay her investment in 834 to preserve their relationship without any admission of personal liability. He expressly denies making any admission of personal liability, taking on any personal liability, or consenting to judgment against himself in relation to the Loan Agreement.

[25] Mr. Santonato attests that Ms. Helal never took issue with the fact that she had entered into the any of the loan agreements with 834 or otherwise advise him that she considered him to be personally liable under these agreements she made with 834. According to Mr. Santonato, his communications with Ms. Helal show that she fully knew and appreciated that 834 would invest

her funds in cryptocurrency as the higher returns she wanted could not be achieved through other investments like the real estate projects she previously invested in.

Principles for Summary Judgment

[26] The court shall grant summary judgment if there are no genuine issue requiring a trial with respect to claim or defence: r. 20.04(2)(a) of the *Rules of Civil Procedure*. The purpose of the rule is to provide timely and affordable justice where it is fair to do so in the particular circumstances of the case: *Hryniak v Mauldin,* 2014 SCC 7 at paras 5, 28.

[27] There will be no genuine issue requiring a trial where the court is able to reach a fair and just determination on the merits of a motion for summary judgment, which will be the case where the process: a) allows the judge to make the necessary findings of fact, b) allows the judge to apply the law to the facts, and c) is a proportionate, more expeditious and less expensive means to achieve a just result: *Hryniak* at para 49.

[28] A summary judgment motion entails a two-step approach. The court must first determine whether there is a genuine issue requiring a trial based only on the evidence in the record without using its fact-finding powers. Summary judgment must be granted if there is no genuine issue requiring a trial. If there seems be a genuine issue for trial, the court must then decide whether a trial may be avoided by having recourse to its fact-finding powers under Rules 20.04 (2.1) and (2.2) to weigh evidence, evaluate credibility, and draw inferences: *Hryniak* at para 66. These fact-finding powers are only used when they lead to, "*a fair process and just adjudication*": *Hryniak* at para 33; *Mason v. Perras Mongenais,* 2018 ONCA 978 at para 44; *Eastwood Square Kitchener Inc. v. Value Village Stores, Inc.*, 2017 ONSC 832 at paras 3-6.

[29] The moving party on a motion for summary judgment has the initial onus of proving that there is no genuine issue for trial, and must file some affidavit evidence to support that position: *Sanzone v. Schechter,* 2016 ONCA 566 at paras 30-32, leave to appeal denied 201 CanLII 8582 (SCC). Once the moving party has discharged its evidentiary burden of proving there is no genuine issue requiring a trial, the burden shifts to the responding party to prove that its claim has a real chance of success: *Ibid*. To defeat a motion for summary judgment, the responding party must refute or counter the moving party's evidence to show a genuine issue for trial or risk a summary judgment. The responding party cannot rest solely on allegations or denials in its

pleadings: *Riha v. A. Wilford Professional Corporation*, 2022 ONSC 1110 at para 5; *Mercedes-Benz v Janosh Chandrakularajah*, 2021 ONSC 296 at para 7.

[30] Each side to a summary judgment motion must put its "*best foot forward*" as to the existence or non-existence of a genuine issue requiring a trial: *Mazza v Ornge Corporate Services Inc.*, 2016 ONCA 753 at para 9; *Chernet v RBC General Insurance Company*, 2017 ONCA 337 at para 12. On a summary judgment motion, the court may presume that the evidentiary record is complete and that no further evidence would be adduced at trial: *Tim Ludwig Professional Corporation v. BDO Canada LLP*, 2017 ONCA 292 at para 54; *Broadgrain Commodities Inc. v. Continental Casualty Company*, 2018 ONCA 438 at para 7; *Carmichael v. GlaxoSmithKline Inc.*, 2020 ONCA 447 at para 141. A party cannot argue that further evidence may be forthcoming to justify the necessity of proceeding to trial: *James v Chedli*, 2021 ONCA 593 at para 31. The record on a summary judgment motion is often sufficient to resolve material issues fairly and justly: *Hyrniak* at para 57.

[31] Rule 20.04 is intended to avoid protracted litigation that is unnecessary to achieve a just result. Rule 1.04 animates the interpretation of r. 20.04 by requiring a liberal construction to secure the just, most expeditious and least expensive determination of a proceeding on its merits in a manner that is proportionate to the complexity of the issues and the amounts involved. This is a contextual assessment. What is fair and just will turn on the nature of the issues, the nature of the evidence required to resolve the issues, and what is a proportionate procedure having regard to the amounts at stake: *Hryniak* at paras 27-29; *Alphera Financial Services Canada (BMW Canada Inc.) v. Ambihaipalan*, 2021 ONSC 3530 at paras 18-20. A documentary record will often suffice to resolve material issues fairly and justly: *Hryniak* at para 57.

Piercing the Corporate Veil

[32] Piercing or lifting the corporate veil is an equitable exception to certain statutory rules that provide for a corporation being a separate legal entity with its own property, rights, and obligations, that are independent of the individuals through whom it acts, and leave a shareholder not liable for any act, default, obligation, or liability of the corporation: *FNF Enterprises Inc. v. Wag and Train Inc.*, 2023 ONCA 92 at para 17; s. 15, 92 of the *Business Corporations Act*, RSO 1990, c B.16.

[33] The court will disregard the separate legal personality of a corporate entity where it is completely dominated and controlled and as a shield for fraudulent or improper conduct: *FNF* at paras 18-20; *Transamerica Life Insurance Co. of Canada v. Canada Life Assurance Co.* (1996), 28 OR (3d) 423 (Gen Div) at 433-34, aff'd [1997] OJ No 3754 (CA), *Yaiguaje v. Chevron Corporation*, 2018 ONCA 472 at paras 36, 65-71. In these circumstances, the corporate veil will be lifted to prevent the person who engaged in the conduct from asserting that the liabilities arising from the fraudulent or improper conduct are those only of the corporation: *FNF* at para 20.

[34] Typically, the corporate veil is pierced when the company is incorporated for an illegal, fraudulent or improper purpose. However, it can also be pierced if when incorporated "those in control expressly direct a wrongful thing to be done": *642947 Ontario Ltd. v. Fleischer*, 2001 CanLII 8623 (ONCA) at para 68; *Shoppers Drug Mart Inc. v. 64730360 Canada Inc. (Energyshop Consulting Inc./Powerhouse Energy Management Inc.)*, 2014 ONCA 85 at paras 43-47, leave to appeal refused [2014] SCCA No 119; *Perks v Hetti Group Inc.*, 2024 ONCA 709 at para 12.

Analysis

[35] From the record on the motion, I am satisfied that there are no genuine issues that require a trial. I find that the evidentiary record is sufficient to fairly adjudicate the disputed issues and that summary judgment is a just and proportionate procedure to apply in determining this case.

[36] On this motion, both sides agree that 834 is indebted to Ms. Helal. The real issue in dispute is whether the court should pierce 834's corporate veil to find Mr. Santonato personally liable for 834's indebtedness to Ms. Helal.

[37] As set out below, I find that 834's corporate veil should be pierced due to Mr. Santonato's fraudulent or wrongful conduct as its controlling mind that led to Ms. Helal's loss for which she is seeking damages in this action.

[38] I am satisfied that the first arm of the *Transamerica* test for piercing 834's corporate veil is met: *FNF* at paras 18-20. On the facts before me, it is clear that 834 is completely dominated by Mr. Santonato who is its sole officer, director, shareholder, and directing mind: *FNF* at para 20. No one else has any directing role for 834, which is clearly his closely-held corporation.

[39] The second arm of the *Transamerica* test requires fraudulent or improper conduct that has given rise to the liabilities a plaintiff is seeking to enforce: *Ibid*.

[40] The tort of civil fraud has four (4) elements that are proven on a balance of probabilities:

i. a false representation by the defendant;

ii. some level of knowledge of the falsehood of the representation on the part of the defendant (whether through knowledge or recklessness);

iii. the false representation caused the plaintiff to act; and

iv. the plaintiff's actions resulted in a loss.

Bruno Appliance and Furniture, Inc. v. Hryniak, 2014 SCC 8 at para 21.

[41] In addition to the *Bruno Appliance* criteria, the Court of Appeal held in *Midland Resources Holding Limited v. Shtaif*, 2017 ONCA 320 at para 162, leave to appeal refused, [2017] SCCA No 246, and in *Paulus v. Fleury*, 2018 ONCA 1072 at para 9, leave to appeal refused, [2019] SCCA No 57, that fraudulent misrepresentation includes a requirement that the defendant intended the plaintiff to act in reliance on the representation: see also *CHU de Québec-Université Laval v. Tree of Knowledge International Corp.*, 2026 ONCA 209 at para 70.

[42] Fraudulent misrepresentations include express statements of fact that are untrue regardless of whether there was an intention to cheat or injure the person to whom the statement was made: see *Bruno Appliance* at para 18, citing *Derry v Peek*, (1889), 14 App Cas 337 (H) at p. 374. The knowledge requirement includes a false representation made knowingly or without a belief in its truth and a false representation that is made "*recklessly, careless whether it be true or false*": *Bruno Appliance* at para 18. The court can find recklessness if the actor who made the false statement did not have an honest belief that the statement was true, in the sense that they were indifferent or did not care whether the statement was true: *Derry* at p 361; *Parna v. G & S Properties Ltd*, [1971] SCR 306 at pp. 316-17; *Hearn v. McLeod Estate*, 2019 ONCA 682 at para 49; *CHU* at para 76. Recklessness may involve a person stating information in an authoritative way without having bothered at all to find out whether the information is accurate: *Precision Drilling Canada Limited Partnership v. Yangarra Resources Ltd*, 2017 ABCA 378 at paras 34-35; *CHU* at para 76.

[43] A non-disclosure of material facts can, in certain circumstances, also constitute a fraudulent misrepresentation as the Court of Appeal explained in *Midland Resources* at paras 163-164:

> A misrepresentation can involve not only an overt statement of fact, but also certain kinds of silence: the half-truth or representation that is practically false, not because of what is said, but because of what is left unsaid; or where the circumstances raise a duty on the representor to state certain matters, if they exist, and where the representee is entitled, as against the representor, to infer their non-existence from the representor's silence as to them: Robert Van Kessel and Paul Rand, *The Law of Fraud in Canada* (Toronto: LexisNexis, 2013), at 2.69 and 2.72.

[44] I am satisfied that Ms. Helal has proven the first arm of the test for civil fraud. From the record on the motion, it is clear that Mr. Santonato made false representations by emailing her on January 19, 2021 to falsely "guarantee" that he would protect the capital and principal of her crypto investment funds by setting up stop losses (i.e., a risk management tool to automatically close a position at a specific price to limit potential investment losses), among other things. He gave this false representation in direct response to her email inquiry a day earlier that specifically asked how any crypto investments could be protected given the crypto market's volatility. To reassure her, and knowing she would act on his representations, he falsely stated that he would use stop losses to manage the volatility risk and protect her capital or principal funds without bothering to check whether this could be done: *Precision* at paras 34-35; *CHU* at para 76. Much later, he conceded under cross-examination that stop losses could not be set due to the nature of the crypto platforms for the chosen crypto investments that precluded this. At the time, however, he recklessly advised her that stop losses would be used without actually knowing whether their use was even possible. Even after learning that stop losses could not be used on the crypto platforms, Mr. Santonato did not bother to inform Ms. Helal of this. In light of this, I am satisfied that his non-disclosure of this important fact to her and silence about it also gave rise to a fraudulent misrepresentation: *Midland Resources* at paras 163-164.

[45] In my view, Mr. Santonato acted recklessly by assuring Ms. Helal in an authoritative way that investment risks from the crypto market's volatility could be mitigated with stop losses even though he had no information or factual basis to believe that he could do so. In my view, there is no question that Mr. Santonato's conduct met the threshold for proving recklessness in the context of Ms. Helal's civil fraud claim. I find that he did not honestly believe the truth of his assurances

as he clearly was indifferent to its truth and did not care about its accuracy: *Derry* at p 361; *Bruno Appliance* at para 18; *Parna* at pp 316-17; *CHU* at para 76. A few hours later, she responded to him by emailing, "[c]rypto sounds ok, as long as you can guarantee the principal. I do trust in your crypto judgment and know that you are doing very well, even though I may still feel very shaky about it.:)" On April 16, 2021, Mr. Santonato replied to Ms. Helal by writing, "[t]hank you for trusting me. It truly means the world :-)".

[46] In my view, Ms. Helal has clearly established that Mr. Santonato had a level of knowledge about his false representations to her to satisfy the second arm of the civil fraud test. As he had no information or factual understanding about whether stop losses could be used to manage risks with crypto investments, and as he did nothing to determine if using them was even a possibility, I am satisfied that he knew of the falsehood of his promise to Ms. Helal to employ stop losses to protect her investment funds. On cross-examination, he conceded that his so-called "guarantee" to protect her investment funds with stop losses was false and not even possible on at least some if not all crypto platforms, as he apparently only came to learn afterwards. He gave no evidence to show that any stop losses were ever placed. He was also clearly aware of his non-disclosure and silence regarding the unavailability of placing stop losses on crypto platforms that constituted a fraudulent misrepresentation: *Midland Resources* at paras 163-164.

[47] I am satisfied that Mr. Santonato's false representations induced Ms. Helal to loan the funds to 834 in order to invest in cryptocurrency, thereby satisfying the third arm of the civil fraud test. Before loaning the investment funds, she expressed concern and some reluctance to invest in cryptocurrency given its volatility. However, he was her financial advisor whom she trusted to set stop losses to manage the volatility risks, as he promised to do. I accept that his promise to use stop losses persuaded her to proceed to invest in cryptocurrency as she believed that her principal funds would be sufficiently protected. In my view, the contemporaneous emails they exchanged clearly establish that his false representations caused her to act.

[48] Relying on Mr. Santonato's false promise to use stop losses, Ms. Helal took action to invest in cryptocurrency that clearly resulted in her incurring a monetary loss that satisfies the fourth arm of the civil fraud test. The fact that 834 was used for a fraudulent purpose is reinforced by his failure to use stop losses or take other meaningful steps to mitigate the risk of loss to her crypto investment funds or otherwise explain the losses beyond giving fairly simplistic or impressionistic

views about the volatility of the cryptocurrency market. Mr. Santonato concedes that Ms. Helal's investment funds were largely lost and not fully repaid.

[49] For the reasons set our above, I am satisfied that Mr. Santonato intended for Ms. Helal to invest in cryptocurrency with 834 by acting in reliance of his fraudulent misrepresentation about setting stop losses: *Midland Resources* at para 162; *Paulus* at para 9; *CHU* at para 70.

[50] I am not persuaded that the defence has established a real credibility issue that validly raises an issue for trial. Not every credibility issue will raise a genuine issue for trial, as the issue of credibility must be genuine and a responding party's evidence must not be disingenuous: *Perks v. Hetti Group Inc.*, 2023 ONSC 5667 at para 32, aff'd 2024 ONCA 709; *Irving Ungerman Ltd. v. Galanis* (1991), 4 OR (3d) 545 (CA) at 552; *Royal Bank v. Feldman* (1995), 23 OR (3d) 798 (Gen Div) at paras 4-5, affirmed (1995), 27 OR (3d) 322 (CA); *Rogers Cable TV Ltd. v. 373041 Ontario Ltd*. (1994), 22 OR (3d) 25 (Gen Div) at paras 4-6. Self-serving affidavits that merely assert defences without providing some detail or supporting evidence are not sufficient to create a genuine issue for trial: *Rozin v. Ilitchev* (2003), 66 OR (3d) 410 (CA) at para 8. In this case, I am satisfied that the record clearly sets out the fraudulent misrepresentations that Mr. Santonato gave about placing stop losses that clearly support Ms. Helal's claim for civil fraud, as explained above.

[51] On the facts of this case, I can find no plausible reason why Mr. Santonato should avoid personal liability. While acting as 834's directing mind, he made fraudulent misrepresentations to induce Ms. Helal into extending a loan to the company by assuring her that her investment funds would be protected by using stop losses despite knowing this to be false or by being recklessly indifferent to its truth or the consequences of not protecting her funds in this way. I am satisfied that he knew that she would rely on his representations to her, and that his promise to use stop losses convinced her to proceed with the loan to invest in cryptocurrency. Taking everything into account, I am satisfied that 834's corporate veil should be pierced and Mr. Santonato should be personally liable for the losses that Ms. Helal incurred due to his fraudulent misrepresentation as an officer or director acting for the company: *CHU* at paras 97-99. His clear and obvious indifference to using stop losses as promised to protect her principal investment funds, knowing that she had relied on his promise to overcome her concerns with investing in cryptocurrency, was flagrant and implicated the kind of improper or wrongful conduct that justifies having 834's

corporate veil pierced to hold him personally liable for his fraudulent misrepresentations: *Perks* at para 12; *Transamerica* at pp. 433-34; *Fleischer* at para 68; *Shoppers* at para 43.

Remedy

[52] As set out below, I find that Ms. Helal's remedy against 834 and Mr. Santonato should be judgment for tort damages for her out-of-pocket loss.

[53] A fraudulent misrepresentation permits the deceived party to avoid the contract and sue in tort for damages based on their out-of-pocket loss including consequential damages but not any expectation or loss of bargain damages: *1018429 Ontario Inc. v. FEA Investments Ltd.*, 1999 CanLII 1741 (ONCA) at paras 50-52. The measure of damages for deceit is to place the injured party in the position they would have been in had the misrepresentation not been made, with damages for deceit not decided by allowing the injured party to enforce the agreement made as a result of the misrepresentation: *Todd Family Holdings Inc. v. Gardiner*, 2017 ONCA 326 at para 25; *McKenzie-Barnswell v. Xpert Credit Control Solutions Inc.*, 2025 ONCA 253 at para 50.

[54] As Ms. Helal was induced by Mr. Santonato's fraudulent misrepresentation to enter into the Loan Agreement that caused the loss of her investment funds, I find that the agreement was tainted by fraud and should be set aside. As the deceived party, she is entitled to rescission of the agreement and to out-of-pocket damages to put her in the position she would have been in had the misrepresentation not been made: *FEA* at paras 50-52; *Gardiner* at para 25; *Expert* at para 50. As she is not entitled to enforce the Loan Agreement, she is not entitled to contractual interest under the terms of that agreement.

[55] Accordingly, I find that Ms. Helal should have $152,086.41 in damages to recover her $171,859.00 crypto investment less the $19,772.59 that was repaid to her.

Outcome

[56] Based on the foregoing, judgment is granted to Ms. Helal against 834 and Mr. Santonato on a joint and several basis in the amount of $152,086.41 along with pre and post judgment interest under the *Courts of Justice Act*.

[57] If the parties are unable resolve the issue of costs, Ms. Helal may deliver costs submissions of up to 3 pages (excluding any costs outline or offer to settle) within 15 days, and the defendants may deliver responding submissions on the same terms with a further 15 days. Reply submissions shall not be delivered without leave.

Date: March 26, 2026

M.T. Doi J.

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M.T. Doi J.

DATE: March 26, 2026

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[1] From July 2022 to May 2023, Ms. Helal received various payments totalling $19,772.59 representing a partial return of the amounts 834 owed her under the loan agreement. 834 could not repay the balance of what was owed to her under the terms of the loan agreement, as discussed further below. Ms. Helal has acknowledged her receipt of this amount in partial repayment of her entitlements under the loan agreement.

[2] Experior was a defendant in the action before reaching a settlement with the plaintiff by minutes of settlement signed on or about October 31, 2024. The plaintiff filed a notice of discontinuance against Experior on or about January 15, 2025.