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By Regular Mail

September 3, 2026

Dear Mr. Jensen:

Ward Derek Jensen
Reciprocal Order Application
Our File No.: 55662

I am writing this letter on behalf of the Executive Director of the British Columbia Securities Commission (the Executive Director).

This letter notifies you and the British Columbia Securities Commission (the Commission) that the Executive Director is applying for orders against you under sections 161(6)(a) and 161(1) of the *Securities Act*, RSBC 1996, c. 418 (the Act). The Executive Director is not seeking a financial penalty.

The Executive Director is making this application based on your criminal conviction for theft over $5,000.

CRIMINAL CONVICTION

1. On January 29, 2024, you entered a guilty plea and were convicted of one count of theft over $5,000, contrary to section 334(a) of the *Criminal Code*.

   Sentencing Transcript of June 21, 2024, p. 1, lines 40-43; p. 5, lines 16-17
   Restitution Order

2. On August 16, 2024, the Honourable Justice Hinkson of the Provincial Court of British Columbia sentenced you to the following:

   (a) Imprisonment for three years;
   (b) Restitution in the amount of USD 900,534.

   Oral Reasons for Sentence of August 16, 2024, paras. 57 and 65
   Restitution Order

Summary of Findings

3. The following facts are contained in the Agreed Statement of Facts read in within the Sentencing Transcript of June 21, 2024, and the Restitution Order.

   (a) Between September 1, 2012 and May 16, 2017 (Relevant Period), you resided in North Vancouver, British Columbia. During the Relevant Period, you took a total of approximately USD 1.6 million from nine investors to invest in what purported to be an investment fund, administered by you through your company, Kassel Enterprises (Kassel);

Sentencing Transcript of June 21, 2024, p. 5, lines 35-40 and 44-46; p. 10, lines 29-33
Restitution Order, p. 1

(b) You claimed you invested the investors' funds through your trading account in a private investment fund administered by you or your company, in the S&P futures market. In fact, you closed your trading account prior to the investors sending you any money, and fraudulently converted their funds to your own use. Without the investors' knowledge, you transferred their money to brokerage accounts, comingled your own funds with the investors' money, and subsequently lost it in the stock market in bad trades;

Sentencing Transcript of June 21, 2024, p. 6, lines 1-5 and 15-25; p. 10, lines 37-44

(c) You provided monthly statements to the investors on Kassel letterhead, showing their investments growing continuously over time. You provided some of the investors with what purported to be the trading account statements showing a balance of over $5.5 million in 2017. There was no such balance, no such account, and the statements were forgeries;

Sentencing Transcript of June 21, 2024, p. 6, lines 26-33

(d) To forestall repayments, you told the investors that the US Securities and Exchange Commission froze the money for examination. This claim was false, and there was no such examination;

Sentencing Transcript of June 21, 2024, p. 6, lines 36-40

(e) In June 2017, you told one of the investors that the money was all gone, you had no money and no assets to sell, you were sorry you had betrayed the investors and you deserved to live a "painful, lonely life, if at all";

Sentencing Transcript of June 21, 2024, p. 11, lines 2-4 and 15-23

(f) You returned some money to investors, but each of the investors suffered net losses. The total amount of your theft was USD 971,585.83.

Sentencing Transcript of June 21, 2024, p. 6, lines 41-47; p. 7, lines 1-7

THIS APPLICATION

4. With this letter, the Executive Director is applying to the Commission for orders against you under section 161 of the Act. I have enclosed a copy of section 161 of the Act for your reference.

5. In making orders under section 161 of the Act, the Commission must consider what is in the public interest in the context of its mandate to regulate trading in securities.

6. The nature of the purported "investment" as outlined in the Sentencing Transcript required the investors to provide you with funds to invest in what purported to be an investment fund. You then provided investors with what purported to be trading account statements showing the investments growing over time. These steps bear the hallmarks of an investment contract under the Act, and demonstrate that your conviction arose from a course of conduct related to securities.

7. Orders under section 161(1) of the Act are protective, preventative and intended to be exercised to prevent future harm.

Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission), [2001] 2 SCR 132, 2001 SCC 37 (CanLII), paras. 36, 39, and 56

8. In *Re Eron Mortgage Corporation*, [2000] 7 BCSC Weekly Summary 22, and in subsequent decisions, the Commission identified factors to consider when determining orders under section 161(1).

9. The following factors from *Re Eron* are relevant in this proceeding:

(a) the seriousness of the respondent's conduct,
(b) the harm suffered by investors as a result of the respondent's conduct,
(c) the damage done to the integrity of the capital markets in British Columbia by the respondent's conduct;
(d) the extent to which the respondent was enriched;
(e) factors that mitigate the respondent's conduct;
(f) the risk to investors and the capital markets posed by the respondent's continued participation in the capital markets of British Columbia,
(g) the respondent's fitness to be a registrant or to bear the responsibilities associated with being a director, officer or adviser to issuers,
(h) the need to demonstrate the consequences of inappropriate conduct to those who enjoy the benefits of access to the capital markets,
(i) the need to deter those who participate in the capital markets from engaging in inappropriate conduct, and
(j) orders made by the Commission in similar circumstances in the past.

Re Eron Mortgage Corporation, [2000] 7 BCSC Weekly Summary 22

Application of the Factors
Seriousness of the Conduct
10. The Court found that:

(a) you made a conscious choice to risk financially ruining your best man, your "second mom", and their friends and relatives;

Oral Reasons for Sentence of August 16, 2024, para. 55

(b) your conduct was supported by planned, deliberate actions, including forgeries of account statements and government regulator correspondence to hide conduct you must have known was illegal;

Oral Reasons for Sentence of August 16, 2024, para. 52

(c) you were in a role of trust with respect to the victims. You showed callous disregard for the harm that you caused at the time, and offended over an extended period of time. The victims were largely unsophisticated or less sophisticated than you and vulnerable because they trusted you, and you demonstrated yourself to be an unscrupulous character. Trust is a factor that allowed you to carry out the activities that you did;

Oral Reasons for Sentence of August 16, 2024, paras. 36 and 52

(d) given your education, activities and the duration of your activities, you must have known that you were required to be registered under the Act, and you knew that you did not have any such registration;

Oral Reasons for Sentence of August 16, 2024, para. 52

(e) although you accepted responsibility, you continued to lack insight given your reliance on your own losses and the actions of others as an explanation for your conduct.

Oral Reasons for Sentence of August 16, 2024, para. 52

11. Your conduct in contravening s. 334(a) of the *Criminal Code* is analogous to a contravention of s. 57(2)(a) of the Act (fraud).

12. The Commission has repeatedly found that fraud is the most serious misconduct prohibited by the Act. As the panel has stated, “nothing strikes more viciously at the integrity of our capital markets than fraud.”

Re Manna Trading Corp. Ltd., 2009 BCSECCOM 595, para. 18

13. The reason that fraud is the most serious misconduct is owing to the deceit that will have been perpetrated upon investors and the requirement that the respondent have had the requisite mental intent with respect to his misconduct.

Re Bai, 2018 BCSECCOM 156, para. 9

14. Even in cases of fraud there are varying degrees of seriousness. The Commission has previously held that the most serious cases of fraud involve factors such as the falsification of documents or multiple deceitful statements extending over a long period of time which create significant losses, and collecting money from investors and using a significant amount of those funds for their own benefit instead of for purposes which had been described to investors.

Re Bridges, 2024 BCSECCOM 36, para. 15

15. You abused the trust the investors placed in you and fraudulently converted their funds to your own use. You then engaged in an extensive campaign of deceit involving forgeries designed to forestall investors from seeking the return of their funds and from learning of your deceit. These factors place your misconduct at the upper end of seriousness.

Harm suffered by investors

16. Your conduct resulted in significant harm to nine investors. You deceived investors out of approximately USD 971,585, breaking their trust and depleting their savings and their ability to earn money off legitimate investments. There is little prospect of you ever being able to wholly reimburse the victims.

Oral Reasons for Sentence of August 16, 2024, paras. 10-11, 51 and 59

17. The harm you caused extended beyond monetary losses. The investors described the devastation of losing most of their savings and their financial security for retirement, paying income tax on gains they never actually received, and having to work longer than they expected as a result. They described feeling anger, guilt and a sense of betrayal and losing ability to trust others or help their family financially. A number of victims described suffering depression, stress and loss of sleep.

Oral Reasons for Sentence of August 16, 2024, para. 23

Damage done to the integrity of the B.C. capital markets

18. The foundation of the public interest regulatory mandate of this Commission is the protection of investors while promoting and protecting public confidence in the integrity of our capital markets. Fraud impacts British Columbia capital markets by negatively impacting the views of investors towards them. It causes immeasurable harm by deterring investors from relying on the honesty and integrity of BC's capital markets. As such, fraud violates the fundamental investor protection objective of the Act and its impact extends beyond the investors in this matter to the investing public as a whole.

Re White, 2024 BCSECCOM 137, paras. 29-30

19. You were a resident of British Columbia and fraudulently converted almost a million dollars of investors' funds for your own use. Your misconduct caused significant damage to the integrity of the capital markets in British Columbia.

Enrichment

20. Although you may not have made money off your misconduct, you secured a benefit in the form of the ability to supplement you own capital with that of others.

Oral Reasons for Sentence of August 16, 2024, para. 46

21. Therefore, after subtracting the amount repaid to investors, you remain enriched by approximately USD 900,534.

Restitution Order

Mitigating Factors

22. The Commission has previously held that it is a significant mitigating factor when respondents admit liability pre-hearing.

Re Flexfi Inc., 2018 BCSECCOM 166, para. 70

23. You acknowledged your wrongdoing and expressed remorse for your conduct. You admitted that you had "made terrible choices".

Sentencing Transcript of June 21, 2024, p. 69, lines 32-35 and 44-47; p. 70, lines 2-3 and 32-37

24. Your guilty plea and your remorse are mitigating factors.

Re Williams, 2016 BCSECCOM 283, paras. 47 and 85

Risk to investors and the capital markets

25. Those who commit fraud of any kind represent a very serious risk to our capital markets.

Re Braun, 2019 BCSECCOM 65, para. 21

26. Your violations were egregious. Your misconduct was long-lasting, continuing for over four years, and caused significant harm to investors and the markets.

27. Your actions demonstrate that you pose a significant risk of future harm to the capital markets.

Participation in our capital markets and fitness to be a registrant or a director or officer

28. Public confidence in our capital markets is dependent on the honesty and integrity of those who participate in them.

Re Amir Beiklik, 2020 BCSECCOM 261, para. 25

29. Honesty is a critical part of being a registrant or a director or an officer of an issuer. In fact, it is part of the basic duties of those positions.

Re SBC Financial Group Inc., 2018 BCSECCOM 267, para. 34

30. Your conduct involved dishonesty and is completely inconsistent with conduct acceptable for a registrant, director, officer, promoter or advisor to any private or public issuers. Continued participation in the capital markets of British Columbia would pose a significant risk to the investing public and would run counter to the public interest mandate of the Act.

Deterrence

31. The seriousness of your misconduct demonstrates a need to protect the investing public against future harm from you. There is also a need to send a message to others who might be like-minded to emulate such misconduct.

32. Permanent market bans are proportionate to your misconduct and are necessary to ensure that you and others will be deterred from engaging in similar misconduct in the future.

Previous orders

33. As noted, your conduct in contravening s. 334(a) of the *Criminal Code* is analogous to that of fraud under the Act. We refer to the following decisions involving fraud contraventions for guidance on the appropriate sanction. The Commission ordered permanent market bans in each of them.

- *Re Furman*, 2019 BCSECCOM 214
    - The respondent Furman committed fraud in an aggregate amount of $452,000. He falsely represented that he was a successful day trader and induced investors to provide funds for investments in his day trading activities. Furman invested a portion of the funds in trading accounts and lost it, and used the other portion on unrelated expenditures. He exacerbated the deception by providing fraudulent account statements that purported to show the investors' funds performing in a manner consistent with his promises.

- *Re Bai*, 2018 BCSECCOM 156
    - Respondent Bai perpetrated fraud in the aggregate amount of approximately $1.4 million, misappropriating most of the money the investors provided for forex

exchange trading and spending it on payments of purported returns or lavish personal expenses. Bai then carried out an extensive campaign of deceit designed to forestall investors from seeking the return of their funds and from learning of his misappropriation.

- *Re Nickford*, 2018 BCSECCOM 57
    - The respondent Nickford fraudulently misappropriated $318,141 from 13 investors. Those investors included clients, friends and members of her religious community. The panel found Nickford's comingling of funds and failure to maintain or produce credible records with respect to the use of proceeds an aggravating factor.

34. Your conduct in taking investors' money under false pretenses and then using it for other purposes is similar to the conduct of the respondents in the above cases. Like yours, the misconduct in all of these cases was ongoing for a period of years. While none of the above cases involve admissions regarding the misconduct, the fact that you admitted to your misconduct is not sufficient to outweigh the risk you pose to the capital markets given your deceptive conduct. In addition, the amount of money obtained in *Re Furman* and *Re Nickford* is significantly less than the amount of money you took from the investors, yet, permanent market bans were ordered.

35. Based on the similarities between your case and the facts in the precedents, permanent market bans are reasonable.

The Davis Consideration

36. In the Court of Appeal decision in *Davis v. British Columbia (Securities Commission)*, 2018 BCCA 149, the Court identified that it is incumbent upon a tribunal to consider a respondent's individual circumstances when determining whether measures short of a permanent ban would protect the investing public where a person's livelihood is at stake.

37. The Executive Director is unaware of any individual circumstances that would support orders short of a permanent market ban.

ORDERS SOUGHT

38. The Court imposed a sentence of three years imprisonment but it did not restrict your access to the capital markets. The Commission can impose sanctions that are similar to or different to the sanctions imposed by the Provincial Court, but the Commission needs to consider what is reasonable based on the evidence known to it, as well as what is in the public interest.

39. In seeking orders under 161(1) of the Act, the Executive Director has taken the following factors into consideration when applying for orders in this proceeding:

(a) the circumstances of your misconduct;
(b) the documents from the Criminal Conviction;
(c) the factors from *Re Eron* and *Davis*;
(d) the sanctions ordered in previous cases cited above;
(e) the enforcement orders available under the Act;
(f) your individual circumstances; and
(g) the public interest.

40. The Executive Director is seeking the following orders pursuant to section 161(1) of the Act:

(a) you are permanently prohibited:

(i) under section 161(1)(b)(ii), from trading in or purchasing any securities or derivatives;

(ii) under section 161(1)(c), from relying on any of the exemptions set out in this Act, the regulations or a decision;

(iii) under section 161(1)(d)(ii), from becoming or acting as a director or officer of any issuer or registrant;

(iv) under section 161(1)(d)(iii), from becoming or acting as a registrant or promoter;

(v) under section 161(1)(d)(iv), from advising or otherwise acting in a management or consultative capacity in connection with activities in the securities or derivatives markets;

(vi) under section 161(1)(d)(v), from engaging in promotional activities by or on behalf of

A. an issuer, security holder or party to a derivative, or
B. another person that is reasonably expected to benefit from the promotional activity; and

(vii) under section 161(1)(vi), from engaging in promotional activities on your own behalf in respect of circumstances that would reasonably be expected to benefit you.

41. The Executive Director is not seeking any monetary sanctions against you.

SUPPORTING MATERIALS

42. In making this application, the Executive Director relies on the following, copies of which are enclosed:

(a) Sentencing Transcript of June 21, 2024
(b) Oral Reasons for Sentence of August 16, 2024
(c) Restitution Order
(d) *Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, [2001] 2 SCR 132, 2001 SCC 37 (CanLII)
(e) *Re Eron Mortgage Corporation*, [2000] 7 BCSC Weekly Summary 22
(f) *Securities Act*, RSBC 1996, c. 418, section 161; section 57(2)(a)
(g) *Re Manna Trading Corp. Ltd.,* 2009 BCSECCOM 595
(h) *Re Bai,* 2018 BCSECCOM 156
(i) *Re Bridges*, 2024 BCSECCOM 36
(j) *Re White*, 2024 BCSECCOM 137
(k) *Re Flexfi Inc.,* 2018 BCSECCOM 166
(l) *Re Williams*, 2016 BCSECCOM 283
(m) *Re Braun*, 2019 BCSECCOM 65
(n) *Re Amir Beiklik*, 2020 BCSECCOM 261
(o) *Re SBC Financial Group Inc.*, 2018 BCSECCOM 267
(p) *Re Furman*, 2019 BCSECCOM 214
(q) *Re Nickford*, 2018 BCSECCOM 57
(r) *Davis v. British Columbia (Securities Commission)*, 2018 BCCA 149

YOUR RESPONSE

43. You are entitled to respond to this application. To do so, you must deliver your response in writing, together with any supporting materials including any evidence you rely on, to the Commission Hearing Office by **Tuesday, October 13, 2026.** This application will be done in writing, but you can make a request to the Commission for an oral hearing.

44. If you do not respond by October 13, 2026, the Commission will decide this application and may make orders against you without further notice. The Commission will send you a copy of its decision.

45. The contact information for the Commission Hearing Office is:

Commission Hearing Office
British Columbia Securities Commission
PO Box 10142, Pacific Centre
12th Floor, 701 West Georgia Street
Vancouver, BC V7Y 1L2
E-mail: hearingoffice@bcsc.bc.ca
Telephone: 604-899-6500

46. The Commission's Policy BC Policy 15-601 *Hearings* applies to this application, in particular Part 5 Enforcement Orders Under Section 161(6). You should read and consider the entire Policy.

47. If you have any questions regarding this application, please contact Ms. Mila Pivnenko, at 604-899-6610, or mpivnenko@bcsc.bc.ca.

Yours truly,

DocuSigned by:
Doug Muir
2C3CEEE01F714DD...

9/3/2026 | 9:32 AM PDT

Douglas B. Muir
Director, Enforcement

MP/crc
Enclosures

cc: Hearing Office (by email to hearingoffice@bcsc.bc.ca)