

REPLY TO:

Zaid A. Sayeed

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By Regular Mail

November 5, 2025

Dear Mr. Bajic:

Steve Marko Bajic

Reciprocal Order Application

Our File No: 55534

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 conspiracy to commit securities fraud.

BACKGROUND

Criminal Conviction

1. On November 28, 2023, the U.S. Government filed an Information in the United States District Court in the District of Massachusetts (US Court) in which it charged you with the crime of “Conspiracy to Commit Securities Fraud” (Conspiracy).¹
2. On December 21, 2023, you entered a plea of guilty to Conspiracy (Guilty Plea) which the US Court accepted.²
3. On September 16, 2025, based on the Guilty Plea, the US Court sentenced you to the following:
 - (a) Forfeiture of US\$837,734;
 - (b) 1 day time served; and
 - (c) A criminal monetary penalty of US\$100;³

Summary of Findings

4. In your Guilty Plea, you agreed that the facts alleged in the Information were accurate. The Information establishes the following:
 - (a) Between in or about January 2014 to in or about January 2019, you conspired with others to commit securities fraud by facilitating illegal “pump-and-dump” schemes (the

¹ Information, filed November 28, 2023, p. 1 and 13

² Criminal Docket, as of September 17, 2025

³ Judgment, imposed September 16, 2025

Schemes) involving your concealed control of the stock of multiple “microcap”⁴ companies.⁵

(b) The objective of the Schemes was to commit securities fraud, profiting from the sale of large quantities of microcap companies’ shares in more liquid markets and/or at artificially inflated prices while concealing the Schemes from investors, regulators, and law enforcement.⁶

(c) To effect the Scheme, together with your co-conspirators, you⁷:

- (i) Acquired and distributed free-trading shares of microcap companies among at least seven nominee companies to disguise the fact that the shares were controlled by control persons acting alone or as part of a group;
- (ii) Concealed from transfer agents and the investing public that the shares held by the nominees were secretly controlled by control persons;
- (iii) Falsely represented to banks and brokerage firms that corporate nominees were personal investment vehicles, in order to conceal their true purpose and the identities of the true beneficial owners of the securities and proceeds held by the nominees;
- (iv) During promotional campaigns organized by the control persons, sold shares held under common control in contravention of local securities laws and regulations governing the sale of stock by affiliates; and
- (v) Distributed the proceeds of the stock sales for the benefit of the control persons.

(d) In total, the Schemes facilitated the sale of the securities of dozens of microcap companies and produced illicit trading proceeds in the tens of millions.⁸

5. The U.S. Government chose not to pursue restitution in this case due to the large number of identifiable victims, which would have complicated and prolonged the sentencing process. However, as part of the Guilty Plea, you agreed to forfeit the proceeds you received from your crime, which were estimated to be US\$837,734.⁹

6. The Sentencing Memorandum indicates you are a Canadian citizen.¹⁰ At all times relevant to the Information, you were a resident of Canada, specifically British Columbia.¹¹ You still reside in British Columbia.¹²

⁴ Publicly traded companies with low market capitalization, also known as “penny” stocks; Information, para.13

⁵ Information, para. 21

⁶ Information, para. 22

⁷ Information, paras. 21, 23 and 25

⁸ Information, para. 21

⁹ Sentencing Memorandum, filed September 10, 2025, pp. 3, 11; Guilty Plea, p. 4

¹⁰ Sentencing Memorandum, pp. 2, 6

¹¹ Information, para. 1 and p.16

¹² Affidavit #1 of David Inglis, para. 2

THIS APPLICATION

7. 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 reference¹³.
8. It is apparent from the findings of the US Court that your misconduct falls within the scope of section 161(6)(a) of the Act as you have “been convicted in Canada or elsewhere of an offence (i) arising from a transaction, business, or course of conduct relating to securities or derivatives, or (ii) under the laws of the jurisdiction respecting trading in securities or derivatives.” Accordingly, the Commission may issue orders against you under section 161(1) of the Act.
9. Orders under section 161(1) of the Act are protective, preventative, and intended to be exercised to prevent future harm.¹⁴
10. In making orders under section 161(1) of the Act, the Commission must consider what is in the public interest in the context of its mandate to regulate trading in securities. In *Re Eron Mortgage Corporation*¹⁵ (*Re Eron*), and in subsequent decisions, the Commission identified factors to consider when making orders under section 161(1).
11. 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 extent to which the respondent was enriched;
 - (d) factors that mitigate the respondent's conduct;
 - (e) the risk to investors and the capital markets posed by the respondent's continued participation in the capital markets of British Columbia,
 - (f) the respondent's fitness to be a registrant or to bear the responsibilities associated with being a director, officer or adviser to issuers,
 - (g) the need to demonstrate the consequences of inappropriate conduct to those who enjoy the benefits of access to the capital markets,
 - (h) the need to deter those who participate in the capital markets from engaging in inappropriate conduct, and
 - (i) orders made by the Commission in similar circumstances in the past.¹⁶

Application of the Factors**Seriousness of the Conduct**

12. The US Court accepted and entered your plea of guilty to conspiracy to commit securities fraud. The Scheme involved conduct relating to a security, and you knew that your conduct would result in or contribute to a misleading appearance of trading activity in and an artificial price for the stock of multiple microcap companies and the corresponding deprivation of misled shareholders. Had your conduct taken place in British Columbia, it would have contravened subsections 57(a) and (b) of the Act, as they were written at the time of the misconduct, which prohibit market manipulation and the perpetration of fraud, respectively.
13. Fraud is the most serious misconduct under the Act owing to the deceit that will have been perpetrated upon investors and a finding of fraud requires that the respondent had the requisite mental intent (*or mens rea*) with respect to his or her misconduct.¹⁷

¹³ [Securities Act](#), RSBC 1996, c. 418, s. 161

¹⁴ [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.

¹⁵ [Re Eron Mortgage Corporation](#), [2000] 7 BCSC Weekly Summary 22

¹⁶ [Re Eron Mortgage Corporation](#), [2000] 7 BCSC Weekly Summary 22

¹⁷ [Re Baj](#), 2018 BCSECCOM 156, para. 9.

14. Market manipulations share two significant similarities with fraudulent misconduct. Like fraud, they require a finding of intent on the part of the respondent and some element of deceit (i.e. creating a misleading appearance of trading activity in, or an artificial price for, a security). As a consequence, Commission panels have consistently found that market manipulation is one of the most serious misconducts contemplated by the Act.¹⁸
15. You conspired to implement a coordinated and sophisticated scheme to defraud investors. The Scheme involved misleading various capital markets participants, launching deceptive promotional campaigns, and transferring shares in a manner designed to evade regulatory scrutiny. Your conduct ranks among the most serious violations contemplated under the Act.

Harm suffered by investors

16. In cases where the misconduct involves illegal distribution, fraud, market manipulation, illegal insider trading, or other market misconduct, panels have consistently held that harm to investors can be inferred in the absence of evidence.¹⁹
17. Here the Information describes illicit proceeds in the millions. In its Sentencing Memorandum, the U.S. Government described reviewing trading records for your market manipulation of just one of the subject microcap companies. Those records reflected that at least 1,000 individuals appeared to have purchased shares and lost money during the relevant period²⁰. The entire amount of investor losses is unknown, however it can be inferred that you and your co-conspirators caused substantial harm to any investors who were trading based on the false information the Schemes produced.²¹
18. Additionally, market manipulation causes direct harm to markets. Per *Poonian (Re)*:

Market manipulation compromises the integrity of the entire market. Its impact extends beyond the victims who lost money to the investing public as a whole. In *De Gouveia, Re*, 2013 ABASC 249 the Alberta Securities Commission concluded that manipulative trading “undermines the integrity of the capital market. It is unfair to investors, and jeopardizes the confidence in the capital market on which legitimate investor interest and capital formation depend”.²²
19. Therefore, your conduct caused reputational harm to capital markets which in turn affected the public. Reputational harm, however, is not constrained by national borders. Given the increasing integration of capital markets across North America and the fact that Canadian investors may purchase securities offered in the United States, damage to the reputation of U.S. securities markets may jeopardize Canadian investor confidence in the integrity of capital markets generally.

Enrichment

20. You benefitted from your misconduct, wrongfully obtaining approximately US\$837,734 from the investors you defrauded.

¹⁸ [Re Hable](#), 2017, BCSECCOM 340, para. 8

¹⁹ [Nuttall \(Re\)](#), 2012 BCSECCOM 97, para. 17

²⁰ Sentencing Memorandum, pp. 10-11.

²¹ [Re Hable](#), 2017, BCSECCOM 340, para. 13

²² [Poonian \(Re\)](#), 2015 BCSECCOM 96, para. 15

Aggravating/Mitigating Factors

21. The Commission has previously held that admitting liability pre-hearing is a significant mitigating factor as it allows the Commission and investors to avoid potentially lengthy hearings to determine liability.²³
22. You pled guilty in the criminal proceedings and accepted responsibility for your conduct. This is a mitigating factor.

Risk to investors and the capital markets

23. Market manipulation and fraud, by their very nature, involve deceit. In light of your deceitful conduct, your participation in British Columbia's capital markets would pose a significant ongoing risk to investors and to the integrity of the capital markets of British Columbia.

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

24. Participants who engage in the securities industry do so voluntarily and for their own profit. In exchange for the privilege of participating, individuals and companies must comply with securities laws. Compliance is paramount, ensuring the protection of the public and the integrity of the capital markets.
25. You have shown flagrant disregard for securities laws, and your misconduct was knowing and repeated. As you pose a significant ongoing risk to investors and the capital markets of British Columbia, your participation in our markets in any capacity would raise grave concerns for the protection of the investing public.
26. You are ill-suited to act as a registrant, director, officer, or promoter, or to act as an advisor to any private or public issuers going forward.

Deterrence

27. Prohibitions from the capital markets are required for general deterrence. Such sanctions will serve to deter others from committing market manipulation.
28. Furthermore, allowing those found to have committed serious misconduct in foreign jurisdictions to operate in British Columbia's capital markets without lengthy or impactful bans could broadcast that British Columbia is a safe haven for those unable or unwilling to comply with securities regulations and a potential target for further misconduct.
29. With respect to specific deterrence, a permanent ban will hinder you from engaging in similar misconduct here.
30. Through the orders sought, the Executive Director intends to demonstrate the consequences of your conduct, deter you from future misconduct, and create an appropriate general deterrent. 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

31. We refer to a number of decisions where market manipulation was found for guidance on the appropriate sanction:

a) Re Dean²⁴

Dean engaged in a fraudulent scheme with others to manipulate the price and effect illegal sales of a US issuer's shares. The scheme involved the falsification of transaction documents, foreign

²³ [Re Flexfi Inc](#), 2018 BCSECCOM 166, para. 70

²⁴ [Re Dean](#), 2023 BCSECCOM 141

nominees, and complex measures to conceal illicit activities. The scheme generated approximately \$34M in illicit proceeds and Dean was enriched in the amount of \$120,000. He was an experienced securities lawyer who used specialized skills to enable his securities fraud. The panel issued a reciprocal order imposing permanent bans.

b) *Re Hable*²⁵

Hable, the ostensible director of a company, caused it to issue a false take-over bid of a target issuer, of which he was a senior officer and former director. He also fabricated a document and provided it to the Commission. His scheme caused at least \$157,000 in investor losses and enriched him by the same amount. He used his relationship with the target to make his scheme appear more credible. The panel issued an order imposing permanent bans and requiring an administrative penalty and disgorgement to be paid.

c) *Re Deyrmenjian*²⁶

Craven, the managing director of a corporation, either himself or through the corporation, authorized accounts to be set up to funnel funding for a tout sheet marketing campaign and payments to be made towards that campaign. The corporation knew or ought reasonably to have known that the campaign would result in an artificial price for an issuer's shares and Craven had actual knowledge of the corporation's contravention of section 57(a) of the Act, as it then was, and the ability to influence its actions. The scheme raised approximately USD\$18.1 million from sales of shares which were essentially worthless before and after the misconduct. There was no evidence that Craven was enriched by the misconduct. The SEC had previously obtained judgment against Craven for carrying out a fraudulent "pump and dump" scheme. The panel issued an order imposing permanent bans against Craven and an administrative penalty.

32. The methods used to manipulate the markets in *Dean*, *Hable*, and *Deyrmenjian* were different but, in all three cases, permanent bans were deemed appropriate. Respondents who engage in schemes of market manipulation almost invariably attract permanent bans.
33. In this case, you deliberately created a scheme of market manipulation with your collaborators, and prior cases suggest that nothing less than permanent market bans will be sufficient to protect the public interest.

The Davis Consideration

34. In the Court of Appeal decision of *Davis v. British Columbia (Securities Commission)*²⁷, the Court identified that it is incumbent upon a tribunal to consider a respondent's individual circumstances when determining whether measures short of permanent prohibitions would protect the investing public where a person's livelihood is at stake.
35. The Executive Director is unaware of any individual circumstances that would support orders short of permanent market prohibitions in your case.

ORDERS SOUGHT

36. Although the Act does not set guidelines as to what sanctions are appropriate in each case, the Commission must consider what sanctions are available, what is reasonable based on the evidence known to it, and what is in the public interest.
37. 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:

²⁵ [Re Hable](#), 2017 BCSECCOM 340

²⁶ [Re Deyrmenjian](#), 2019 BCSECCOM 93

²⁷ [Davis v. British Columbia \(Securities Commission\)](#), 2018 BCCA 149

- (a) the circumstances of your misconduct including the Guilty Plea;
 - (b) the factors from *Eron* and *Davis*;
 - (c) the sanctions ordered in previous cases cited above; and
 - (d) the public interest.
38. Based on the factors above, the Executive Director is seeking the following orders pursuant to section 161(1) of the Act:
- (a) under section 161(1)(d)(i), you resign any position you hold as a director or officer of an issuer or registrant;
 - (b) 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 the person's own behalf in respect of circumstances that would reasonably be expected to benefit the person.
39. The Executive Director is not seeking any monetary sanctions against you.

SUPPORTING MATERIALS

40. In making this application, the Executive Director relies on the following, copies of which are enclosed:
- (a) Information
 - (b) Criminal Docket
 - (c) Judgment
 - (d) Sentencing Memorandum
 - (e) Affidavit #1 of David Inglis
 - (f) [Securities Act](#), RSBC 1996, c. 418, s. 161
 - (g) [Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario \(Securities Commission\)](#), [2001] 2 SCR 132, 2001 SCC 37 (CanLII)

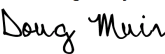
- (h) [Re Eron Mortgage Corporation](#), [2000] 7 BCSC Weekly Summary 22
- (i) [Re Bai](#), 2018 BCSECCOM 156
- (j) [Re Hable](#), 2017, BCSECCOM 340
- (k) [Nuttall \(Re\)](#), 2012 BCSECCOM 97
- (l) [Poonian \(Re\)](#), 2015 BCSECCOM 96
- (m) [Re Flexfi Inc.](#), 2018 BCSECCOM 166
- (n) [Re Dean](#), 2023 BCSECCOM 141
- (o) [Re Deyrmenjian](#), 2019 BCSECCOM 93
- (p) [Davis v. British Columbia \(Securities Commission\)](#), 2018 BCCA 149

YOUR RESPONSE

- 41. You are entitled to respond to this application. To do so, you must deliver any response in writing, together with any supporting materials, to the Commission Hearing Office by **Friday, December 12, 2025**.
- 42. The contact information for the Commission Hearing Office is:

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
- 43. If you do not respond within the time set out above, the Commission will decide this application and may make orders against you without further notice.
- 44. The Commission will send you a copy of its decision.
- 45. **If you have any questions regarding this application, please contact Mr. Zaid A. Sayeed, at 604-899-6842, or zsayeed@bcsc.bc.ca**

Yours truly,

DocuSigned by:

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11/5/2025 | 12:46 PM PST

Douglas B. Muir
Director, Enforcement
ZS/crc
Enclosures

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