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8 **UNITED STATES DISTRICT COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**

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11  
12 **SECURITIES AND EXCHANGE**  
13 **COMMISSION,**

14 **Plaintiff,**

15 **vs.**

16 **CARL JENSEN and STEPHEN W.**  
17 **GOLD,**

18 **Defendants,**

19 **KERRY MARGOLIS and MICHAEL**  
20 **HOCK,**

21 **Relief Defendants.**

Case No.

**COMPLAINT**

1 Plaintiff Securities and Exchange Commission (“SEC”) alleges:

2 **JURISDICTION AND VENUE**

3 1. The Court has jurisdiction over this action pursuant to Sections 20(b),  
4 20(d)(1) and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§  
5 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27(a) of the  
6 Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1),  
7 78u(d)(3)(A), 78u(e) & 78aa(a).

8 2. Defendants have, directly or indirectly, made use of the means or  
9 instrumentalities of interstate commerce, of the mails, or of the facilities of a national  
10 securities exchange in connection with the transactions, acts, practices and courses of  
11 business alleged in this complaint.

12 3. Venue is proper in this district pursuant to Section 22(a) of the Securities  
13 Act, 15 U.S.C. § 77v(a) and Section 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a),  
14 because certain of the transactions, acts, practices and courses of conduct constituting  
15 violations of the federal securities laws occurred within this district. In addition,  
16 venue is proper in this district because Defendant Gold resides in this district.

17 **SUMMARY**

18 4. This action involves an ongoing offering fraud orchestrated by  
19 Defendant Carl David Jensen (“Jensen”), through the offer and sale of securities in  
20 the form of promissory notes. Since at least 2015, Jensen has raised over \$7 million  
21 from more than 75 investors. Jensen, who resides outside the U.S., claims to own or  
22 have percentage interests in a portfolio of lucrative investments including Chinese  
23 and Mexican bearer bonds, as to which he boasts a special expertise in selling for a  
24 profit. Jensen also describes to investors many other lucrative investments in which  
25 he has or will have significant interests, including “golden gun” bonds, bank  
26 debentures, and a pension fund for the national employees of Thailand.

27 5. Jensen represents to investors that his lucrative investments will provide  
28 them with outsized returns. Targeting practitioners in the fields of alternative

1 medicine and transcendental meditation, including retirees, Jensen lures investors  
2 with enticements of remarkable, rapid-fire returns—between ten to hundreds of times  
3 the investors’ principal, payable in anywhere from a week to thirty days. For years,  
4 however, Jensen’s investors have received few to no returns, and the majority of the  
5 money raised from investors has been spent on defendants’ personal expenses such as  
6 clothing, rent, online retail, and credit card payments, or simply withdrawn in cash.

7         6. Jensen’s offering documents range from thin to non-existent, as his  
8 solicitations are primarily oral. But where he has identified specific investments as  
9 the source of an investor’s return on his or her promissory note, they are on their face  
10 not worth what he represents. For example, Jensen told at least two investors at  
11 different points in time that their investment was secured by the same “Super  
12 Petchili” Chinese pre-World War II railroad bond “No. B150341,” supposedly worth  
13 tens of millions of dollars, which he was on the verge of selling.

14         7. Rather than receiving investor money in his own name, Jensen directs  
15 investors to send their funds to accounts in the names of Defendant Stephen Ward  
16 Gold (“Gold”) (collectively with Jensen, “Defendants”) and Relief Defendants Kerry  
17 Margolis (“Margolis”) and Michael Hock (“Hock”) (collectively, “Relief  
18 Defendants”), who collect and disburse the investor funds. Hock and Gold  
19 transferred a majority of the investor funds they collected to Margolis, who has  
20 withdrawn millions in cash from ATMs overseas. Gold, Hock and Margolis each  
21 spent investors’ funds for their personal use.

22         8. Of the more than \$7 million investor monies raised, the majority has  
23 been spent on purposes unrelated to Jensen’s purported investment portfolio. In  
24 addition to withdrawing over \$2,747,000 in cash, Gold, Margolis and Hock  
25 collectively spent, from the accounts that received investor monies, approximately  
26 \$970,000 on online shopping; \$185,000 on media; \$153,000 on credit card bills;  
27 \$106,000 on health and pharmaceuticals; \$100,000 on rent; \$63,000 on clothing;  
28 \$16,000 on various other retail purchases; \$43,000 on groceries; \$69,000 on travel;

1 \$11,000 on vacation rentals; and \$11,000 on insurance. Approximately 40% of all  
2 funds collected were either withdrawn in cash or transferred through money transfer  
3 platforms, while the remaining 60% was misappropriated for payments to various  
4 retailers or other affiliated individuals.

5 9. Contrary to the promised returns of ten to hundreds of times their  
6 principal in as short as a week or thirty days, investors received repayments from  
7 these accounts of no more than \$100,000 in the entire six-year period. Many  
8 investors have never received any repayments from Jensen, let alone any returns on  
9 their principal. Meanwhile, Jensen, who himself directly received at least \$125,000  
10 of the investor money from Gold, continues to solicit investor money.

11 10. To stave off investors' discontent and continue funding the scheme,  
12 Jensen and Gold regularly lull investors with a variety of excuses for their failure to  
13 pay. Jensen continually tells investors returns are imminent, despite failing to pay  
14 returns over many years, and encourages investors to send him just a bit more money  
15 so he can complete purportedly imminent transactions. Gold substantially assists  
16 Jensen's fraud by attributing the nonpayment of returns to a litany of external  
17 circumstances arising at financial institutions across the globe—from technical  
18 difficulties, paperwork problems, banking protocols, bank holidays, natural disasters,  
19 and political unrest—while continuing to promise payment any day.

20 11. When investors have asked him about regulatory inquiries, Jensen has  
21 asked his investors to vouch that his offering is not a scam, and has falsely claimed to  
22 have settled with the SEC. In fact, Jensen refused to submit to an interview and  
23 resisted the SEC's efforts to obtain documents, as did Margolis. Gold, who resides in  
24 this District, likewise refused to provide testimony.

25 12. By their conduct, Defendant Jensen violated Section 10(b) of the  
26 Exchange Act and Rule 10b-5 thereunder, and Section 17(a) of the Securities Act;  
27 and Defendant Gold aided and abetted Jensen's violations of Section 10(b)/Rule 10b-  
28 5 and Section 17(a), while Relief Defendants Hock and Margolis were unjustly

1 enriched by the receipt of investors' funds to which they had no legitimate claim.

2 13. The SEC seeks findings that Defendants committed these violations;  
3 permanent injunctions; disgorgement with prejudgment interest from Defendants and  
4 Relief Defendants, and civil monetary penalties against Defendants.

5 **THE DEFENDANTS**

6 14. **Carl David Jensen**, 76, is a Canadian citizen currently residing in  
7 Brisbane, Queensland, Australia. During some of the relevant time period, Jensen  
8 resided in Hong Kong. Jensen has never been registered or associated with an SEC-  
9 registered entity registrant in any capacity or held any securities licenses.

10 15. **Stephen Ward Gold**, 62, is a citizen of Great Britain residing in  
11 Tarzana, California. Gold has never been registered or associated with an SEC-  
12 registered entity in any capacity or held any securities licenses. He held California  
13 real estate salesperson and real estate broker licenses from 1989 and 1992,  
14 respectively, until both licenses were revoked following entry of a fraud judgment  
15 against him. Gold has been Jensen's business associate since at least 2015.

16 **THE RELIEF DEFENDANTS**

17 16. **Kerry Margolis**, 61, is an American citizen residing in Herrenberg,  
18 Germany. Margolis has never been registered or associated with an SEC registrant in  
19 any capacity or held any securities licenses. Margolis has been Jensen's business  
20 associate since at least 2001.

21 17. **Michael Hock**, 67, is an American citizen residing in Sausalito,  
22 California. Hock has never been registered or associated with an SEC registrant in  
23 any capacity or held any securities licenses. Hock has been Jensen's business  
24 associate since at least 2019.

25 **THE ALLEGATIONS**

26 **A. The Jensen Notes Offering**

27 18. Jensen solicits investors to invest in promissory notes with purported  
28 returns from what he represents is a portfolio of investments, including Chinese pre-

1 World War II railroad bonds, known as Super Petchili bonds, and Mexican gold  
2 bonds (also pre-World War II era). Jensen tells investors he owns hundreds of such  
3 bonds as well as percentage interests in others.

4 19. In many instances, Jensen did not memorialize the promissory note in  
5 written form, but merely provided wire instructions to investors.

6 20. For other investors, Jensen provided a promissory note in various forms,  
7 which he signed and notarized.

8 21. For example, on August 15, 2016, Jensen, in Hong Kong, signed a  
9 notarized promissory note with one investor, titled “Demand Promissory Note and  
10 Mutual Agreement,” for a \$15,000 investment, to pay \$2,500,000 in 30 days. The  
11 promissory note provided that the investors’ funds would be repaid from “funds in  
12 the process of being released from business and financial activities undertaken by  
13 Jensen.” The note stated that Jensen owned Super Petchili Bearer Bond No.  
14 B150341, and that “it is necessary for Jensen to manage the sale of this asset, as it  
15 would be virtually impossible for [investor] to manage such a sale on his own.”

16 22. Investors understood that Jensen would generate investment profits  
17 through the sale of investments, including the international bearer bonds from his  
18 purported portfolio of investments.

19 23. Investors provided Jensen funds to earn the significant returns that  
20 Jensen promised.

21 24. Jensen represented to investors that Gold, Margolis and Hock are  
22 associates of his who, among other associates of his, assist with his investment  
23 portfolio.

24 25. Gold held himself out as Jensen’s “paymaster,” responsible for ensuring  
25 repayment of investors.

26 26. Jensen directed investors to wire money to Gold, Margolis, and/or Hock.

27 (a) Since 2015, Gold has received at least \$2,600,000 in investor  
28 monies in accounts under his control and over which he has signatory authority.

1 (b) Margolis received Jensen investor money as early as 2001. Since  
2 2015, Margolis has received at least \$3,100,000 in investor monies in accounts under  
3 his control and over which he has signatory authority.

4 (c) Since 2019, Hock has received at least \$1,300,000 in investor  
5 monies in accounts under his control and over which he has signatory authority.

6 (d) Jensen himself received at least \$125,000 in investor money  
7 directly from Gold.

8 27. Jensen also directed investors to send money to Gold and Hock via  
9 PayPal.

10 28. Once received, investors' monies were pooled in accounts in the names  
11 of Gold, Hock and/or Margolis.

12 29. Jensen's investors expected their investments to generate profits by  
13 Jensen's sale of the purported international bearer bonds and other investments in his  
14 portfolio.

15 **B. The Solicitation of Investors**

16 30. Jensen solicits investors by word of mouth and using telephone, text  
17 message, email and Skype.

18 31. Jensen's investors are located in numerous states, including Illinois,  
19 Nevada, Iowa, California, and New Hampshire.

20 32. Certain of Jensen's investors were targeted through the alternative  
21 medicine and/or transcendental meditation fields; certain others were the friends and  
22 family of such investors.

23 33. Jensen uses the email address [primarystorage@hushmail.com](mailto:primarystorage@hushmail.com) in  
24 communicating with investors.

25 34. Jensen uses the Skype Name "cedargrove11" in communicating with  
26 investors.

27 35. Gold communicates with investors by telephone, text message, and  
28 email.

1 36. Gold uses the email address [treegift@yahoo.com](mailto:treegift@yahoo.com) in communicating with  
2 investors.

3 37. Jensen also encouraged investors to solicit other investors, in exchange  
4 for which he promised them a return on any investments they obtained.

5 38. For example, in or about June 2015, Jensen solicited an investor by  
6 telephone (“Investor D”), whom he met through transcendental meditation. Jensen  
7 told Investor D she could earn \$1.1 million on \$10,000 invested by two friends that  
8 Investor D brought to Jensen (in addition to the 100 times her principal she would  
9 receive on her own investment within weeks of her investment). According to an  
10 email from Jensen to Investor D dated June 11, 2015, Investors D’s friends’  
11 ““upside” would likewise be “100 times the amount” of their investment.

12 39. As of at least June 2021, Jensen has never paid Investor D any returns on  
13 her own or her friends’ investments, nor repaid her principal.

### 14 **C. Violations of the Antifraud Provisions**

#### 15 **1. Misrepresentations concerning expected outlandish returns**

16 40. Jensen made false promises to investors regarding the amount of returns  
17 the investors would receive from their investments and when they would receive  
18 them. Jensen had no reasonable basis for these projections, because Defendants  
19 misused the majority of the investor money on cash withdrawals and/or personal  
20 expenses, rather than using the money to facilitate the realization of returns from  
21 Jensen’s alleged investments, such as the international bearer bonds. Indeed, for  
22 years, investors in Jensen’s offering have received no returns or very minimal returns.

23 41. Jensen repeatedly represented to investors that they would receive profits  
24 of between 10 to 100 times their principal in anywhere between a week and thirty  
25 days.

26 42. However, Jensen knew, or was reckless or negligent in not knowing, that  
27 no such returns would be paid to investors in this timeframe, or at all.

28 43. For example, Jensen met one retiree investor (“Investor A”) through a

1 mutual colleague in the alternative medicine field, in or around the first half of 2017.  
2 Jensen initially told Investor A that his returns from Jensen’s investments in Super  
3 Petchili, Mexican gold bonds, and other investments in Jensen’s portfolio, would be  
4 10 times what he invested.

5 44. Jensen subsequently upped the returns to several hundred times Investor  
6 A’s principal, stating that the returns would be available “real soon.”

7 45. As of at least 2021, Investor A had received no returns from Jensen’s  
8 offering nor received back his invested principal.

9 46. As another example, Jensen met a retiree investor (“Investor B”) through  
10 a friend, in August 2016. Jensen represented in a Skype discussion with Investor B  
11 that if he invested \$15,000, he would receive \$150,000 anywhere from two weeks to  
12 thirty days. Shortly after, Jensen emailed Investor B, promising instead a return of  
13 100 times the amount of the investment, or \$2.5 million. When soliciting additional  
14 money from Investor B in early 2018, Jensen promised Investor B returns of \$10  
15 million, more than 100 times the amount he had invested.

16 47. As of at least 2020, Investor B has received no returns from Jensen’s  
17 offering, nor received back his invested principal.

18 48. As another example, Jensen met an investor (“Investor C”) through a  
19 friend, in summer 2017. Jensen represented in a Skype discussion with Investor C  
20 that she would earn \$1 million in a week, by investing \$10,000 in his portfolio of  
21 Mexican gold bonds.

22 49. As of at least 2021, Investor C has received no returns from Jensen’s  
23 offering, nor received back her invested principal.

24 50. Investors would have considered it important to their investment  
25 decisions to know that the returns would be zero or significantly lower than expected.  
26 The returns would be zero or significantly lower than expected, at least in part,  
27 because Jensen, Gold, Margolis and Hock failed to use investor funds as Jensen  
28 described to investors, that is, in a way that would generate profits from the sales of

1 purported investments, including Chinese and Mexican bearer bonds.

2 **2. Misuse of investors' proceeds**

3 51. Approximately 40% of all funds collected were either withdrawn in cash  
4 or transferred through money transfer platforms, while the remaining 60% was  
5 misappropriated for payments to various retailers or other affiliated individuals.

6 52. For example, from the accounts where Jensen directed investors to send  
7 money for the promissory notes offering, in addition to transferring significant  
8 amounts of investor funds to Margolis, Gold withdrew at least \$77,000 from ATMs  
9 as well as spending at least:

- 10 • \$131,000 on his credit card bills;
- 11 • \$100,000 to pay rent;
- 12 • \$20,000 on health and pharmaceuticals;
- 13 • \$11,000 on travel;
- 14 • \$12,000 on groceries; and
- 15 • \$9,000 on insurance.

16 53. For example, from the accounts in which Jensen directed investors to  
17 send money for the promissory notes offering, and to which Gold and Hock  
18 transferred significant amounts of investor funds, Margolis withdrew at least \$2.67  
19 million in cash from ATMs as well as spending at least:

- 20 • \$970,000 on Amazon purchases;
- 21 • \$185,000 at a stock media footage company;
- 22 • \$86,000 on health and pharmaceuticals;
- 23 • \$63,000 on clothing;
- 24 • \$31,000 on groceries;
- 25 • \$58,000 on travel;
- 26 • \$11,000 on a vacation property rental; and
- 27 • \$4,800 on his credit card bills.

28 54. For example, from the accounts in which Jensen directed investors to

1 send money for the promissory notes offering, in addition to transferring most of the  
2 investor funds to Margolis, Hock spent at least:

- 3 • \$17,200 on credit cards;
- 4 • \$16,000 on retail purchases; and
- 5 • \$2,000 on insurance.

6 55. Disbursements from the accounts of Gold, Margolis, and Hock to which  
7 Jensen directed investor funds do not reflect any expenditures relating to the sale of  
8 investments in Jensen's purported portfolio, *e.g.* of Chinese or Mexican bearer bonds.

9 56. Jensen's investors were not aware that investor funds were being used to  
10 pay for personal expenditures or withdrawn in cash. Investors would have considered  
11 it important to their investment decisions to know that funds raised by Jensen were  
12 being used other than for the stated purposes.

13 57. Jensen engaged in a fraudulent offering scheme. Jensen solicited  
14 investors, directing them to send funds to accounts in the name of Gold, Hock and/or  
15 Margolis. From these accounts, over 60% of the investor money that was received  
16 was misappropriated for payments to various retailers or other affiliated individuals,  
17 and approximately 40% of all funds collected were either withdrawn in cash or  
18 transferred through money transfer platforms.

19 58. Investors did not receive returns of ten to hundreds of times their  
20 principal in as short as a week or thirty days. Rather, investors received repayments  
21 from these accounts of no more than \$100,000.

22 59. Relief defendants Margolis and Hock each received money from  
23 Jensen's fraud.

24 60. Relief defendants Margolis and Hock each had no legitimate claim to the  
25 money they received.

26 **3. Lulling of investors and concealment of Jensen's scheme**

27 61. Over a period of years, Jensen and Gold repeatedly told investors their  
28 returns were imminent, or made excuses for nonpayment, with no reasonable basis

1 for these statements.

2 62. For example, in April 2018, Jensen told Investor A by phone that his  
3 investments would pay off “in a matter of a few days” and he would receive his full  
4 return of principal. Subsequently, in May 2018, Jensen assured Investor A would be  
5 paid \$10 million in another two days.

6 63. The next month, Gold told Investor A by phone that Gold expected to  
7 receive funds shortly, and “could immediately disburse” Investor A’s principal,  
8 whereas Jensen would pay Investor A’s returns.

9 64. A week later, Gold told Investor A that he would be able to send  
10 Investor A “at least” \$10 million the next week.

11 65. In dozens of text messages between Gold and Investor A during the time  
12 period September 2018 through October 2019, Gold provided various excuses for  
13 Investor A having not received any returns, nor his invested principal. Gold indicated  
14 that payment, from institutions in Hong Kong, Zurich, London, Singapore, or  
15 Luxembourg, was delayed due to, among other reasons:

- 16 • “banking protocol”
- 17 • a “logistical screw”
- 18 • an “emergency” that arose for the supposed buyer
- 19 • a “super typhoon”
- 20 • a “technical issue” or “glitches”
- 21 • bank “red tape”
- 22 • a “bank holiday”
- 23 • a “federal holiday” and
- 24 • “riots and civil unrest.”

25 66. Gold exchanged a similar series of texts with another Jensen investor  
26 between August 2019 and July 2020. Gold repeatedly indicated that payment was  
27 forthcoming, then described various reasons payment did not come through, such as  
28 the need to notarize documents; bank rules; the clearing process; and closing delays.

1           67. As another example, when Investor C did not receive the returns  
2 promised by Jensen, Jensen told Investor C several times between 2017 and 2020 that  
3 she would shortly receive her investment returns.

4           68. When Investor D did not receive the returns promised by Jensen, Jensen  
5 told Investor D repeatedly in a series of Skype calls and messages between 2015 and  
6 2019 that her investment returns were “about to be paid.”

7           69. As another example, in or about October 2016, Jensen solicited another  
8 retiree investor (“Investor E”), whose family had invested hundreds of thousands with  
9 Jensen over a period of years. Soliciting Investor E to invest more funds, in order to  
10 obtain ten times her returns within one to two weeks, Jensen claimed to the investor  
11 that her additional funds would help him “get over this last weekend” and that “it is  
12 all in finish mode now.”

13           70. In May 2020, Jensen solicited Investor E again for additional short term  
14 funds he claimed were needed, with the promise that she would receive returns from  
15 all of her investments, and ten times her investment in returns, in two weeks.

16           71. As of at least 2021, Investor E has received no returns from Jensen’s  
17 offering, nor received back her invested principal.

18           72. By providing Jensen’s investors with false excuses for the lack of  
19 investment returns, Gold substantially assisted Jensen’s fraud.

20           73. Gold lulled investors with false promises that their money would be  
21 repaid imminently.

22           74. Gold portrayed himself as Jensen’s “paymaster” and “partner.”

23           75. Gold told investors that he was in realtime communication with Jensen  
24 and with the international financial institutions across Europe and Asia with whom  
25 Jensen was purportedly transacting the international bearer bonds.

26           76. When investors received inquiries from financial institutions or  
27 regulators, Jensen attempted to conceal his scheme.

28           77. For example, in or about January 2018, a representative from an adult

1 protective services agency visited one of Jensen's retiree investors, due to a suspicion  
2 of elder fraud by either Gold and/or Margolis.

3 78. When the investor told this to Jensen, Jensen told the investor to contact  
4 the agency and deny that Jensen was engaged in any wrongdoing.

5 79. As another example, in or about spring of 2018, one of Jensen's retiree  
6 investors was asked about possible misconduct by Margolis with respect to his  
7 investments with Jensen, Jensen told the investor to tell the bank that Margolis was  
8 not engaged in any misconduct.

9 80. As another example, in or about July 2020, another of Jensen's retiree-  
10 investors told Jensen he had been contacted by the SEC. Jensen told the investor by  
11 phone that the "SEC situation" was "being settled out."

12 81. In reality, Jensen refused, when asked to provide the SEC with  
13 documents or to be interviewed by SEC staff. Margolis similarly refused to provide  
14 documents or be interviewed, while Gold also refused to appear for testimony.

15 **D. Jensen's Misrepresentations were Material and Made with Scienter**

16 82. Jensen's false and misleading statements were material. A reasonable  
17 investor would have considered it important to know that they would receive no  
18 returns or very small returns, in contrast to the promises of returns of ten to hundreds  
19 of times their investments. In addition, a reasonable investor would have considered  
20 it important to know that Jensen's investor funds would be withdrawn in cash and  
21 used to pay various personal expenses.

22 83. Jensen solicited investors directly with false promises of large returns  
23 payable in short time periods. In addition, Jensen lulled investors with false  
24 information when he could not repay them, and attempted to shield his scheme from  
25 regulatory bodies.

26 84. Jensen and Gold acted with scienter. Jensen and Gold knew, or were  
27 reckless in not knowing, that Jensen's offering did not provide the promised returns.

28 85. Jensen and Gold knew, or were reckless in not knowing, that investors'

1 money was not being spent to facilitate the sale of purported investments from  
2 Jensen's portfolio, such as Chinese or Mexican bearer bonds, as represented to  
3 investors.

4 86. Jensen and Gold knew, or were reckless in not knowing, that the excuses  
5 they provided investors for failing to pay the promised returns were false.

6 87. Jensen knowingly attempted to conceal his scheme by making false  
7 statements about the status of regulatory inquiries.

8 88. In addition, Jensen failed to exercise reasonable care by making material  
9 misrepresentations to investors concerning the anticipated returns, and engaging in  
10 deceptive conduct regarding the use of investors' monies and/or to evade detection by  
11 regulatory authorities, and thus was negligent.

### 12 **FIRST CLAIM FOR RELIEF**

#### 13 **Fraud in the Connection with the Purchase and Sale of Securities**

#### 14 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5**

#### 15 **(against Defendant Jensen)**

16 89. The SEC realleges and incorporates by reference paragraphs 1 through  
17 88 above.

18 90. As set forth above, Defendant Jensen made several material  
19 misrepresentations to investors and omitted material information, including  
20 misrepresenting the nature and timing of the expected returns and the manner in  
21 which investors' monies were spent, as well as making false excuses for the failure to  
22 repay investors as promised.

23 91. In addition, Defendant Jensen engaged in a scheme to defraud whereby  
24 they repeatedly lulled investors with false excuses for failing to repay investors, and  
25 Jensen took steps to conceal his scheme from regulatory authorities.

26 92. By engaging in the conduct described above, Defendant Jensen, directly  
27 or indirectly, in connection with the purchase or sale of a security, and by the use of  
28 means or instrumentalities of interstate commerce, of the mails, or of the facilities of

1 a national securities exchange: (a) employed devices, schemes, or artifices to  
2 defraud; (b) made untrue statements of a material fact or omitted to state a material  
3 fact necessary in order to make the statements made, in the light of the circumstances  
4 under which they were made, not misleading; or (c) engaged in acts, practices, or  
5 courses of business which operated or would operate as a fraud or deceit upon other  
6 persons.

7 93. By engaging in the conduct described above, Defendant Jensen violated,  
8 and unless restrained and enjoined will continue to violate, Section 10(b) of the  
9 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5(b) thereunder, 17 C.F.R. §  
10 240.10b-5(b).

11 **SECOND CLAIM FOR RELIEF**

12 **Fraud in the Offer or Sale of Securities**

13 **Violations of Sections 17(a) of the Securities Act**

14 **(against Defendant Jensen)**

15 94. The SEC realleges and incorporates by reference paragraphs 1 through  
16 88 above.

17 95. As set forth above, Defendant Jensen made several material  
18 misrepresentations to investors and omitted material information, including  
19 misrepresenting the nature and timing of the expected returns and the manner in  
20 which investors' monies were spent, as well as making false excuses for the failure to  
21 repay investors as promised.

22 96. In addition, Defendant Jensen engaged in a scheme to defraud whereby  
23 he repeatedly lulled investors with false excuses for failing to repay investors, and  
24 Jensen took steps to conceal his scheme from regulatory authorities.

25 97. By engaging in the conduct described above, Defendant Jensen, directly  
26 or indirectly, in the offer or sale of securities by the use of means or instruments of  
27 transportation or communication in interstate commerce or by use of the mails (a)  
28 employed devices, schemes, or artifices to defraud; (b) obtained money or property

1 by means of untrue statements of a material fact or by omitting to state a material fact  
2 necessary in order to make the statements made, in light of the circumstances under  
3 which they were made, not misleading; or (c) engaged in transactions, practices, or  
4 courses of business which operated or would operate as a fraud or deceit upon the  
5 purchaser.

6 98. Defendant Jensen, with scienter, employed devices, schemes, or artifices  
7 to defraud; and Defendant Jensen, with scienter or negligence, obtained money or  
8 property by means of untrue statements of material fact or by omitting to state a  
9 material fact necessary in order to make the statements made, in light of the  
10 circumstances under which they were made, not misleading, and engaged in  
11 transactions, practices, or courses of business which operated or would operate as a  
12 fraud or deceit upon the purchaser.

13 99. By engaging in the conduct described above, Defendant Jensen violated,  
14 and unless restrained and enjoined will continue to violate, Section 17(a) of the  
15 Securities Act, 15 U.S.C. § 77q(a).

16 **THIRD CLAIM FOR RELIEF**

17 **Aiding and Abetting Violations of**

18 **Sections 17(a) of the Securities Act and**

19 **Sections 10(b) of the Exchange Act, and Rule 10b-5**

20 **(against Defendant Gold)**

21 100. The SEC realleges and incorporates by reference paragraphs 1 through  
22 88 above.

23 101. By reason of the conduct described above, Defendant Jensen violated  
24 Sections 17(a) of the Securities Act, and Section 10(b) of the Exchange Act, and Rule  
25 10b-5 thereunder, by making materially false representations concerning investors'  
26 anticipated returns and the use of investors' funds. Jensen also engaged in a  
27 fraudulent scheme by lulling investors and attempting to conceal his conduct from  
28 regulators.

1 102. Defendant Gold aided and abetted Jensen by lulling investors with false  
2 excuses for their non-receipt of returns on their investments. Additionally, Gold, who  
3 held himself out as Jensen's paymaster, received investor funds on behalf of Jensen's  
4 fraud, and misused investor funds for personal expenses, as well providing money to  
5 Margolis.

6 103. By reason of the conduct described above, Defendant Gold knowingly or  
7 recklessly provided substantial assistance to, and thereby aided and abetted Jensen in  
8 his violations of Sections 17(a) of the Securities Act, 15 U.S.C. §§ 77q(a)(1), and  
9 77q(a)(3), and Sections 10(b) of the Exchange Act, 15 U.S.C. § 78j(b) and Rule 10b-  
10 5 thereunder, 17 C.F.R. § 240.10b-5, as prohibited by Section 15(b) of the Securities  
11 Act, 15 U.S.C. § 77o(b), and Section 20(e) of the Exchange Act, 15 U.S.C. § 78t.

12  
13 **PRAYER FOR RELIEF**

14 WHEREFORE, the SEC respectfully requests that the Court:

15 **I.**

16 Issue findings of fact and conclusions of law that Defendants committed the  
17 alleged violations.

18 **II.**

19 Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of  
20 Civil Procedure, permanently enjoining Defendants Jensen and Gold, and their  
21 officers, agents, servants, employees and attorneys, and those persons in active  
22 concert or participation with any of them, who receive actual notice of the judgment  
23 by personal service or otherwise, and each of them, from violating Section 10(b) of  
24 the Exchange Act [15 U.S.C. §§ 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §  
25 240.10b-5] and Section 17(a) of the Securities Act [15 U.S.C. §77q(a)].

26 **III.**

27 Order Defendants to disgorge all funds received from their illegal conduct,  
28 together with prejudgment interest thereon, pursuant to Exchange Act Sections

1 21(d)(5) and 21(d)(7) [15 U.S.C. §§ 78u(d)(5) and 78u(d)(7)].

2 **IV.**

3 Order Relief Defendants to disgorge all funds improperly transferred to them  
4 from Jensen's fraud.

5 **V.**

6 Order Defendants to pay civil penalties under Section 21(d)(3) of the Exchange  
7 Act [15 U.S.C. § 78u(d)(3)] and Section 20(d) of the Securities Act [15 U.S.C. §  
8 77t(d)].

9 **VI.**

10 Retain jurisdiction of this action in accordance with the principles of equity and  
11 the Federal Rules of Civil Procedure in order to implement and carry out the terms of  
12 all orders and decrees that may be entered, or to entertain any suitable application or  
13 motion for additional relief within the jurisdiction of this Court.

14 **VII.**

15 Grant such other and further relief as this Court may determine to be just and  
16 necessary.

17 Dated: August 24, 2021

18  
19 */s/ Amy Jane Longo*

20 Amy Jane Longo

21 Todd S. Brilliant

22 Attorneys for Plaintiff

23 Securities and Exchange Commission  
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25  
26  
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