

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLORADO

Civil Action No.: \_\_\_\_\_

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JAMES R. JENSEN,

Defendant.

---

**COMPLAINT**

---

Plaintiff, Securities and Exchange Commission ("Commission"), alleges as follows for its complaint:

**SUMMARY**

1. In or about October 2003, Defendant James R. Jensen ("Defendant" or "Jensen") traded on the basis of material nonpublic information he obtained while working as a consultant for a public company. Jensen purchased stock in advance of a public announcement regarding a business combination, making \$15,265 in illegal profits.
2. On or about October 7, 2003, Crown Resources, Corp. ("Crown") hired Jensen, a self-employed financial consultant, to prepare a registration statement for a subsidiary of Crown in connection with a merger agreement wherein Kinross Gold Corp. ("Kinross") had agreed to acquire Crown. On or about that same day, while meeting with

the principals of Crown, Jensen learned of the impending announcement of the merger agreement and shortly thereafter began purchasing a total of 28,500 shares of Crown stock.

3. On or about October 8, 2003, Crown and Kinross issued a press release announcing their letter of intent to merge.

4. On or about October 9 and 10, 2003, Jensen sold 18,500 shares of Crown stock, making \$10,065 of illegal profits. Based upon the October 9, 2003 closing price for Crown stock of \$2.02 per share, Jensen earned an additional \$5,200 of unrealized illegal profits.

5. The Commission brings this action pursuant to the authority conferred upon it by Sections 21(d), 21(e) and 21A(a) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78u(d), 78u(e) and 78u-1(a)] to permanently restrain and enjoin Defendant Jensen from engaging in the acts, practices and courses of business alleged in this Complaint, for disgorgement of illegal profits by the Defendant, for imposition of civil penalties against the Defendant, and for other relief.

6. Defendant Jensen, directly or indirectly, has engaged, is engaged, or is about to engage in transactions, acts, practices and courses of business which constitute violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

7. Defendant Jensen will, unless restrained and enjoined, continue to engage in acts, practices, and courses of business alleged herein, and in acts, practices and courses of business of similar object and purpose.

## **JURISDICTION AND VENUE**

8. This Court has jurisdiction over this action pursuant to Sections 21(e), 21A(a) and 27 of the Exchange Act [15 U.S.C. §§ 78u(e), 78u-1(a) and 78aa].

9. Defendant Jensen, directly and indirectly, has made use of the means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, in connection with the transactions, acts, practices, and courses of business alleged herein, certain of which have occurred in the District of Colorado.

10. Venue lies in this Court pursuant to Sections 27 and 21A(d)(4) of the Exchange Act [15 U.S.C. §§ 78aa and 78u-1(d)(4)] because Defendant Jensen resides in the District of Colorado, and certain of the acts, transactions, practices, and courses of business constituting the violations of law alleged herein occurred within the District of Colorado.

## **DEFENDANT**

11. James R. Jensen resides in Englewood, Colorado. From 2001 to present, Jensen has been self-employed as a financial consultant.

## **RELEVANT ENTITIES**

12. “Crown” refers to Crown Resources, Corp., a Washington corporation with its principal offices located in Wheat Ridge, Colorado. Crown is a precious metals exploration company operating in the western United States. Crown’s common stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act and is quoted on the OTC Bulletin Board (a service of Nasdaq Stock Market, Inc.).

13. “Kinross” refers to Kinross Gold Corporation, a Canadian corporation with its principal offices located in Toronto, Ontario, Canada. Kinross is the seventh largest

primary gold producer in the world. Its common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is traded on the New York and Toronto Stock Exchanges.

14. “Ameritrade” refers to Ameritrade Holding Corporation, a Delaware corporation with its principal offices located in Omaha, Nebraska. Ameritrade is a provider of securities brokerage services and technology-based financial services to retail investors and business partners, predominately through the Internet. Ameritrade offers electronic brokerage services over the Internet.

### **FACTUAL ALLEGATIONS**

15. At all relevant times, Defendant James R. Jensen was self-employed as a financial consultant.

16. On or about October 6, 2003, Jensen received a telephone call from Crown’s Chief Financial Officer (“CFO”). The CFO asked whether Jensen was available to perform some consulting work for Crown and if so, whether Jensen had time to meet to discuss the work the following day. On or about the morning of October 7, 2003, Jensen traveled to Crown’s offices in Wheat Ridge, Colorado to meet with the CFO. During the meeting, the CFO informed Jensen that Crown had reached a merger agreement with Kinross wherein Kinross would acquire Crown. The CFO informed Jensen that a public announcement regarding the merger agreement was imminent.

17. On or about October 7, 2003, within a few hours after meeting with the CFO for Crown, Jensen began purchasing Crown stock on the basis of the material nonpublic information regarding the impending merger announcement between Crown and Kinross. Jensen purchased the stock through his trading accounts at Ameritrade over

the Internet using a modem connected to his laptop computer. Within a span of about sixteen minutes, Jensen ordered four stock trades in two trading accounts controlled by him, purchasing a total 15,000 shares of Crown stock, as follows:

a. At or about 1:26 p.m. Mountain Time, Jensen ordered the purchase of 2700 shares at \$1.50 per share through Ameritrade account number 872-334-796.

b. At or about 1:38 p.m. Mountain Time, Jensen ordered the purchase of 2300 shares at \$1.50 per share through Ameritrade account number 872-334-796.

c. At or about 1:41 p.m. Mountain Time, Jensen ordered the purchase of 1000 shares at \$1.50 per share through Ameritrade account number 874-404-274.

d. At or about 1:42 p.m. Mountain Time, Jensen ordered the purchase of 9000 shares at \$1.50 per share through Ameritrade account number 874-404-274.

18. In or about the early morning of October 8, 2003, Jensen ordered two more stock trades on the basis of material nonpublic information, purchasing an additional 13,500 shares of Crown stock through two trading accounts controlled by him, as follows:

a. At or about 7:41 a.m. Mountain Time, Jensen ordered the purchase of 12,000 shares at \$1.50 per share through Ameritrade account number 778-016-220.

b. At or about 7:53 a.m. Mountain Time, Jensen ordered the purchase

of 1500 shares at \$1.50 per share through Ameritrade account number 872-334-796.

19. Later in the day on or about October 8, 2003, after the close of the financial markets, Crown and Kinross jointly announced in a press release through Business Wire that the two companies had executed a letter of intent whereby Kinross would acquire Crown and its 100 percent-owned Buckhorn Mountain gold deposit located in north central Washington State.

20. On or about October 9, 2003, the morning following the press release, Jensen ordered two stock trades through accounts controlled by him at Ameritrade selling a total of 16,500 shares of Crown stock and making illegal profits, as follows:

a. At or about 7:46 a.m. Mountain Time, Jensen ordered the sale of 4500 shares at \$2.03 per share through Ameritrade account number 872-334-796.

b. At or about 8:04 a.m. Mountain Time, Jensen ordered the sale of 12,000 shares at \$2.04 per share through Ameritrade account number 778-016-220.

21. On October 9, 2003, the first day of trading following the press release, the last sale price of Crown increased by \$0.52 per share to close at \$2.02 per share.

22. On or about October 10, 2003, at or about 9:07 a.m. Mountain Time, Jensen ordered the sale of an additional 2000 shares of Crown stock at \$2.10 per share through Ameritrade account number 872-334-796 and making additional illegal profits.

23. Through his trading in Crown stock in or about October 2003, on the basis of material nonpublic information, Jensen made total illegal profits of \$15,265.

24. Effective on or about October 7, 2003, Jensen and Crown executed a consulting agreement signed by Jensen and the CFO for Crown. The agreement stated that Jensen would provide “consulting and advisory services” for Crown. It contained a confidentiality provision that, among other things, provided that Jensen agreed to keep confidential the terms and nature of his engagement from third parties and that all data and material collected by him were proprietary to Crown.

**CLAIM FOR RELIEF**  
**Violations of Exchange Act Section 10(b) and Rule 10b-5 Thereunder**

25. Plaintiff realleges and incorporates by reference paragraphs 1 through 24 above.

26. On or about October 7, 2003 and continuing until on or about October 10, 2003, Defendant James R. Jensen, directly or indirectly, by use of the means and instrumentalities of interstate commerce, of the mails or of the facilities of a national securities exchange, in connection with the purchase and sale of Crown securities, with scienter: (1) employed devices, schemes, or artifices to defraud; (2) made untrue statements of material fact, or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, or (3) engaged in acts, practices or courses of business which have operated as a fraud or deceit upon purchasers or sellers of securities or upon other persons.

27. James R. Jensen, through breach of fiduciary duties owed to Crown’s shareholders, or breach of duties arising out of a relationship of trust and confidence, or other wrongful acts, and with scienter, traded on the basis of material nonpublic information concerning Crown, and traded while in possession of, and using, that nonpublic information when he traded in Crown stock.

28. By reason of the foregoing acts, practices, and courses of business, James R. Jensen violated Exchange Act Section 10(b) and Rule 10b-5 thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5], and unless restrained and enjoined will continue to do so.

**PRAYER FOR RELIEF**

WHEREFORE, the Commission respectfully requests that the Court:

**I.**

Find that Defendant James R. Jensen committed the violations alleged.

**II.**

Enter injunctive relief permanently restraining and enjoining the Defendant from, directly or indirectly to the full extent provided by Rule 65(d) of the Federal Rules of Civil Procedure, violating the provisions of law and rules alleged in this Complaint.

**III.**

Order Defendant to disgorge and pay over, as the Court may direct, all ill-gotten gains received, or benefits in any form derived, from the illegal conduct alleged in this Complaint, together with pre-judgment and post-judgment interest as provided by law.

**IV.**

Order Defendant to pay civil money penalties pursuant to Section 21A of the Exchange Act.

V.

Grant other relief as this Court may deem just or appropriate.

Dated this \_\_\_\_ day of September, 2004.

Respectfully submitted,

---

Thomas J. Krysa  
Attorney for the Plaintiff  
Securities and Exchange Commission  
1801 California Street, Suite 1500  
Denver, CO 80202  
(303) 844-1000  
Facsimile (303) 844-1068