

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
DEHN BRIDGE ENERGY, INC.)
CORY L. DOSDALL)
WARD J. KONDAS)
DEREK N. YORK)
RESPONDENTS) **ADMINISTRATIVE ORDER**
NO. CD 2017- 0003

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. **DEHN BRIDGE ENERGY, INC. ("DEHN BRIDGE")**, during all times involving the offer and sale of the security relevant to this order, was a Canadian corporation with a business address of 1250, 639 5th Avenue Southwest, Calgary, Alberta T2P 0M9.

2. **CORY L. DOSDALL ("DOSDALL")**, during all times involving the offer and sale of the security relevant to this Order, represented himself as a Director of **DEHN BRIDGE**. **DOSDALL** is a Canadian resident with a residential address of 31 Tusslewood View Northwest, Calgary, Alberta, T3L 2Y3.

3. **WARD J. KONDAS ("KONDAS")**, during all times involving the offer and sale of the security relevant to this Order, was a Canadian resident with a residential address of 217 18th Avenue West, Vancouver, British Columbia, V5Y 2A8.

4. **DEREK N. YORK (“YORK”),** during all times involving the offer and sale of the security relevant to this Order, was an Alabama resident with a residential address of 2205 Chandabrook Drive, Pelham, Alabama, 35124.

STATEMENT OF FACTS

5. On January 23, 2015, the Commission staff received information alleging that **DOSDALL**, while acting on behalf of **DEHN BRIDGE**, employed **YORK** in September 2013 to solicit and sell a promissory note (“note”) to a Texas resident (“Investor”). The Commission staff began an investigation based on the information received.

6. The Commission subsequently interviewed York on December 18, 2015 and September 28, 2016. Through these interviews, the Commission discovered that **YORK** originally met **KONDAS** through a video gaming competition. **YORK** presented himself to **KONDAS** and **DOSDALL** as a financier that had individuals willing to invest in different capital venture projects. **KONDAS** told **YORK** that **DOSDALL** was looking for capital to be used by **DEHN BRIDGE**. Furthermore, **DEHN BRIDGE** and **DOSDALL** were in the business of manufacturing oil and gas machinery that was used in the fracking process of drilling oil wells.

7. **YORK** and the Investor met in Rainbow City, Alabama in the latter part of 2011. Between June and September of 2013, **YORK** and the Investor discussed investment opportunities. **YORK** indicated to the Investor that the Investor could obtain a return of 8% per annum or higher if the Investor entered into a note with **DEHN BRIDGE**. **YORK** was in Rainbow City, Alabama at the time of the solicitation of the **DEHN BRIDGE** note to the Investor.

8. While **YORK** was in Alabama, **YORK**, **DOSDALL**, and **KONDAS** participated in several teleconference calls in which it was explained to the Investor that the manufacturing cost of the oil and gas machinery would be \$30,000.00 and that the machinery could be sold for \$300,000.00.

9. **YORK** instructed the Investor over the telephone to withdraw \$207,000 from an IRA account and wire the funds to a bank account in the name of **DEHN BRIDGE**. The Investor wired the funds to the **DEHN BRIDGE** account on September 30, 2013. The only signatories on the **DEHN BRIDGE** account were **DOSDALL** and Ross Ewaniuk. The note was executed on behalf of **DEHN BRIDGE** by **DOSDALL**, as Director, on September 9, 2013. The note indicates that the Investor would be repaid by June 09, 2014, and would receive the principal amount plus 12% interest per annum. The note also provides for 5% of the principal amount to be available to the investor during the term of the note.

10. According to bank records, **KONDAS** received \$3,000.00 from **YORK** subsequent to the execution of the note. **YORK** did not personally invest in **DEHN BRIDGE** and was paid a commission of \$12,000.00 for the sale of the note. Through the interview held on September 28, 2016, the Commission discovered that **YORK** and **KONDAS** received this money as a commission from the execution of the note.

11. Pursuant to a review of registration files on January 28, 2015, the Commission staff noted that neither **DOSDALL**, **KONDAS** nor **YORK** were registered as agents with the Commission at the time of the transaction. Additionally, the security offered and sold for **DEHN BRIDGE** was not registered nor was there a perfected exemption for registration regarding the security sold by **YORK** to the investor, to wit: the note.

CONCLUSIONS OF LAW

12. Pursuant to Section 8-6-2(10), Code of Alabama 1975, Alabama's statutory definition of a security includes any note, bond, debenture or other evidence of indebtedness. The promissory note offered and sold by **RESPONDENTS** is a security under the Act.

13. Pursuant to Section 8-6-2(5), Code of Alabama 1975, the definition of Issuer includes, "every person who proposes to issue, has issued, or shall hereafter issue any security...". **DEHN BRIDGE** issued a promissory note constituting a security and is an issuer under the Act.

14. Pursuant to Section 8-6-2(2), Code of Alabama 1975, an Agent is an individual other than a dealer who represents a dealer or issuer in effecting or attempting to effect sales of securities. **YORK** effected the solicitation and sale of a security, to wit: the promissory note to the Investor, on behalf of **DEHN BRIDGE** and is an Agent as defined in the Act.

15. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in this state as an agent or dealer for securities unless such person is registered under the Act. **YORK**, by offering and selling a security, to wit: the promissory note, acted as an agent of **DEHN BRIDGE** in Alabama. **YORK** was not registered as an agent with the Commission at the time of the transaction; therefore, **YORK** acted as an unregistered agent, in violation of the Act.

16. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any dealer or issuer to employ an agent to transact business in securities in Alabama unless the agent is registered with the Commission. **RESPONDENTS DEHN BRIDGE, KONDAS, AND DOSDALL** employed **YORK** as an unregistered agent to solicit the sale of a security, to wit: the promissory note of **DEHN BRIDGE**, in violation of the Act.

17. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful for any person to offer or sell any security in this state unless the security: (1) is registered under the Act; (2) the security is exempt from registration under Section 8-6-10; or (3) the transaction is exempt under Section 8-6-11. The security offered by **RESPONDENTS**; to wit: the promissory note issued by **DEHN BRIDGE**, was neither registered nor subject to a perfected exemption from registration in Alabama and was offered and sold in violation of the Act.

This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Alabama Securities Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the **RESPONDENTS** to make a timely request for an informal hearing, or default of the **RESPONDENTS**, it is the intention of the Commission to impose sanctions upon the **RESPONDENTS**. Such sanctions may include, *inter alia*, an administrative assessment imposed on **RESPONDENTS**, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against **RESPONDENTS**, and a permanent order to bar **RESPONDENTS** from participation in any securities related industry in the State of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that **RESPONDENTS** immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the State of Alabama.

Entered at Montgomery, AL, this 06th day of June, 2017.



ALABAMA SECURITIES COMMISSION
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BY:

Joseph P. Borg
Director