



News Release

JSOT CRIMINALLY CHARGES KATHLEEN DEBRA KELLEY WITH FRAUD AND MONEY LAUNDERING

May 01, 2024

CALGARY – May 1, 2024 – The Alberta Securities Commission (ASC) and the Alberta RCMP Federal Policing Integrated Market Enforcement Team (IMET) announce that Kathleen (also known as Kathy) Debra Kelley of Calgary, Alberta, has been criminally charged, following an investigation by the Joint Serious Offences Team (JSOT).

Kelley has been charged with one count of fraud over \$5,000 contrary to section 380(1)(a) and one count of laundering the proceeds of crime contrary to section 462.31(1)(a) of the Criminal Code. Through her company Lonestar Services Inc., it is alleged that Kelley raised over \$2.4 million from investors to invest on their behalf – primarily in the stock market – but in fact did not invest those funds.

Kelley's first appearance in court is scheduled for May 28, 2024 in the Alberta Court of Justice, Calgary Court Center, 601 5 Street S.W., Calgary, Alberta.

JSOT gratefully acknowledges the assistance of the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) in this matter. JSOT is an enforcement partnership between the ASC and IMET. JSOT investigates and prosecutes quasi-criminal cases under the *Securities Act* (Alberta) and certain securities-related criminal offences under the Criminal Code. In particular, JSOT targets repeat offenders, serious frauds and breaches of ASC or court orders and bans. The primary objective is to protect investors and further enhance confidence in the Alberta capital market through collaborative investigations and prosecutions of serious violations of the law using the provisions of the *Securities Act* (Alberta) or the Criminal Code.

The ASC is the regulatory agency responsible for administering the province's securities laws. It is entrusted with fostering a fair and efficient capital market in Alberta and with protecting investors. As a member of

the Canadian Securities Administrators, the ASC works to improve, coordinate and harmonize the regulation of Canada's capital markets.

The IMET is a specialized unit under the RCMP Federal Policing program that detects, investigates, and deters market fraud. The IMET unit works closely with the ASC to protect investors and further enhance confidence in Canada's capital markets.

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