

Enforcement Alert ***from the ND Securities Commissioner***

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SECURITIES COMMISSIONER CLEARS GRAND FORKS MAN AND IMPLICATES DETROIT LAKES RESIDENT IN PRIME BANK SCHEME

BISMARCK, ND—North Dakota Securities Commissioner Syver Vinje today issued a statement implicating a Detroit Lakes, MN resident and clearing a Grand Forks man of any allegations of involvement in the sale of non-existent securities through a scam known as a Prime Bank Scheme.

According to Vinje, "On Wednesday, April 11, 2001, the Office of the North Dakota Securities Commissioner released the names of 48 people who were ordered to Cease and Desist their activities in a Prime Bank Scheme operated by Frederick Wayne Keiser, Jr., of Minot, North Dakota.

"Among the persons listed in that press release was Keith Pierson of Grand Forks, North Dakota. The name Keith Pierson was obtained from several documents found on Mr. Keiser's computer, which was seized during the execution of a search warrant. These documents and other evidence led investigators to conclude that a Keith Pierson from eastern North Dakota had solicited several people in Mr. Keiser's scheme. A review of driver's license records and other sources of information indicated that Keith Pierson of Grand Forks was the person who fit that description."

Vinje said, "Late in the afternoon of Friday, April 13, Mr. Pierson notified my office that he had no knowledge of Mr. Keiser or the Prime Bank Scheme, and that the press

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release had incorrectly inferred that he was involved. We thereafter conducted a follow-up investigation regarding this matter. During that investigation, we learned that the Keith Pierson responsible for these activities is actually Keith Pierson of Detroit Lakes, Minnesota.”

According to Vinje, “The Cease and Desist Orders were issued based on the best information available to us at the time. Unfortunately, the Order issued on April 10, 2001 was served on the wrong Keith Pierson. The Cease and Desist Order should rightly have been served on a Keith Pierson of Detroit Lakes, Minnesota. We trust that this sets the record straight.”

Vinje noted that the investigation of the Prime Bank Scheme continues.