

Enforcement Alert

from the ND Securities Commissioner

For Immediate Release January 10, 2001

SECURITIES COMMISSIONER TAKES ACTION AGAINST PRIME BANK SCHEME

MINOT, ND— North Dakota Securities Commissioner Syver Vinje announced today that his office has obtained a Temporary Restraining Order against a Minot couple for their alleged involvement in an apparent international fraud scheme.

Vinje said, “Northwest District Judge Nels Olson has signed an order against Fred Keiser, Jr., Etoile Keiser, and three companies apparently under their control, Tactical Investments, Ltd, Nassau Investors Group, Ltd, and F & E Consulting, LLC. The order bars the Keisers and their companies from engaging in the sale of unregistered securities, acting as unregistered salespersons, and acting as unregistered investment advisers.

“Judge Olson’s has also issued an order appointing Harold Kocher, Chief Examiner in the Office of Securities Commissioner, as receiver for client assets that are under the Keisers’ control. This action is to prevent North Dakota investors’ money from being transferred to the account of Preferred Management and Trust, an organization that we have evidence is operating a bogus “high yield trading program”, “bank debenture”, or “blocked funds program” from their location in Grenada. Such programs are collectively known as “Prime Bank Schemes”. It appears that the Keisers have obtained well in excess of \$1,000,000 from investors.

“These scams have been called the “Fraud of the Century” by the International Chamber of Commerce, based in Paris, France. The ICC is an organization that facilitates legitimate foreign trade throughout the world.”

According to Vinje, “This particular variant of a prime bank scheme also involves off-shore trusts that promise sky-high rates of return and bogus tax benefits. This is an apparent hybrid of various international and off-shore scams we have seen over the past few years.”

Vinje praised the cooperation his investigators have received from Ward County States Attorney Doug Mattson, Attorney General Wayne Stenehjem and the North Dakota Bureau of Criminal Investigations, and Chief Dan Draovitch and the Minot Police Department.

Vinje says that his office has made a criminal case referral to Ward County States Attorney Doug Mattson. Their joint investigation will continue. "We ask that anyone who has placed money with the Keisers, any of their companies, or Preferred Trust and Management, immediately contact the Ward County States Attorney's office at 701-857-6480, or the Office of the North Dakota Securities Commissioner's Office at 1-800-297-5124.

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