

# ***Enforcement Alert***

## ***from the ND Securities Commissioner***

**For Immediate Release**  
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### **SECURITIES COMMISSIONER ISSUES 44 ORDERS IN MINOT-BASED PRIME BANK SCHEME**

**MINOT, ND**—North Dakota Securities Commissioner Syver Vinje announced today that his office has issued 44 Cease and Desist Orders against solicitors and promoters in the alleged “Prime Bank Scheme” operated by Frederick Wayne Keiser, Jr. of Minot.

Commissioner Vinje alleges that Keiser has bilked millions of dollars from North Dakota investors through the sales of non-existent securities.

According to Vinje, “On January 4, officers from the Bureau of Criminal Investigation, the Minot Police Department, and investigators from our office seized a computer from Fred Keiser, while executing a search warrant at his place of business.

“Although Mr. Keiser has been totally uncooperative with our office, our forensic examination of the computer’s hard drive has penetrated the security devices protecting Keiser’s supposedly secret files. We have uncovered a wealth of information regarding his activities, as well as the activities of at least 48 other individuals who acted as solicitors and promoters of Mr. Keiser scheme, all in apparent violation of the law.”

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Vinje stated, "Based on the computerized records, and other information obtained by the Bureau of Criminal Investigation and our office, we learned that the individuals named today, as well as others who are yet to be firmly identified, acted as a sales force for Keiser. They helped gather investor funds in excess of \$2,000,000.

"Other records obtained from Keiser's computer show that of the \$2,000,000 collected, Keiser personally received in excess of \$1,000,000 in commissions and other payments between March, 2000 and January, 2001. Although other participants in the scheme apparently received money for their efforts, it was only a small fraction of what Keiser personally received."

Vinje noted, "In addition to the Cease and Desist Order issued against Keiser by our office in January, Fred and Etoile Keiser are also subject to a court ordered receivership. We have also made a criminal referral of Fred Keiser to Ward County States Attorney Doug Mattson, who is also aware of the new developments in this case, and the additional orders we have just issued."

"It appears that Fred Keiser solicited participants through three main sources, including his former clients at Investment Futures, fellow members of his church, and friends and family members. It is unfortunate that Mr. Keiser has abused a position of trust with these folks in order to induce them to participate in this apparently illegal scheme," said Vinje.

"Fred Keiser had been an apparently legitimate commodity sales agent through Investment Futures, a commodity trading office in Minot. Besides former clients, Keiser enlisted his former business associates, Mike Morey and Eric Maaske. Mr. Morey is the current owner of Investment Futures, and Mr. Maaske works as a commodity broker with Highland Financial Group in Nebraska. Copies of the Cease and Desist Orders against Morey and Maaske will be provided to the Commodity Futures Trading Commission and the National Futures Association, the regulatory agencies that oversee the commodity trading business at the national level."

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Vinje continued, “Fred Keiser solicited many participants and investors through the church where he was an active member. He also recruited a local pastor, Larry Borud, of the Shiloh Christian Fellowship in Minot, to promote the scheme. Keiser also involved his son Mitchell Keiser, his daughter and son-in-law Kris and Tana Thorfinnson, his son-in-law Kyle Wurgler, and many people who are apparently his personal friends.”

Vinje added, “The abuse of trust we’ve seen in this case is tragic. Greed and gullibility are a bad enough combination. When you combine those factors with the sort of trusting relationship these folks no doubt had with Keiser, a fraud scheme like this can really do a lot of financial and emotional damage. It’s problems like this, across the entire country, that have prompted state securities regulators to name “affinity fraud” as the number one scam in America for the past 4 years.”

“In an effort to stop this kind of activity, we are releasing a list of the names, cities, and amounts collected by each of the persons against whom we have issued this most recent batch of Cease and Desist Orders. We will aggressively seek the cooperation of the people named today in bringing this matter to a fair and equitable conclusion.

“In addition, people who have been taken in by any of these folks should contact our office at 1-800-297-5124. To the extent we can, we fully intend to keep confidential the names of people who have only invested in the scheme and not induced others to participate.”

Vinje concluded, “People need to understand that there is absolutely no such thing as a low risk, high return investment. If someone approaches you to participate in such a plan, recognize that no matter how well you know the person, and no matter how sincere they seem, it is a scam to take you money.”

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*Table of Participants follows--*

Following is a list of individuals who are subject to the recent Cease & Desist Orders:

Name	City	State	# People "Sponsored"	Total \$ Amount Collected
Mark Dostert	Berthold	ND	15	\$114,000.00
Larry Borud	Berthold	ND	18	\$68,684.00
Troy Borud	Berthold	ND	1	\$1,000.00
Randy Bryans	Carpio	ND	3	\$30,000.00
Leon Borud	Des Lacs	ND	1	\$10,000.00
Larry Skiftun	Fessenden	ND	4	\$5,000.00
Kris & Tana Thorfinnson	Grand Forks	ND	8	\$87,000.00
Keith Pierson	Grand Forks	ND	4	\$60,000.00
Eugene Zaderaka	Max	ND	2	\$17,707.00
Todd Haskins	Minot	ND	11	\$138,980.00
Gerald Haskins	Minot	ND	3	\$46,100.00
Mitchell Keiser	Minot	ND	5	\$46,000.00
Kevin Martin	Minot	ND	11	\$42,000.00
Gary Bryans	Minot	ND	5	\$39,980.00
Galen Marsh	Minot	ND	4	\$27,000.00
Richard L. Solberg	Minot	ND	2	\$25,000.00
Scott Renfandt	Minot	ND	2	\$12,000.00
Michael & Marlene Hupka	Minot	ND	1	\$10,000.00
Jackie Schatz	Minot	ND	5	\$7,000.00
Ron Stafford	Minot	ND	1	\$3,000.00
Bev Elberg	Minot	ND	1	\$2,000.00
Janene Haugen	Minot	ND	1	\$1,000.00
Steve Tengesdal	Minot	ND	1	\$1,000.00
Donald Marsh	Newburg	ND	2	\$50,000.00
Jess Welstad	Newburg	ND	2	\$2,000.00
Tony Kautt	Parshall	ND	3	\$27,000.00
Mark Peterson	Sawyer	ND	2	\$10,000.00
Dennis Skarphol	Souris	ND	4	\$33,000.00
Mike Morey	Velva	ND	4	\$45,000.00
Gerald Henry	Westhope	ND	8	\$68,960.00
Brian Henry	Westhope	ND	1	\$2,000.00
Tracy Velazques	Homestead	FL	1	\$1,000.00
Gene & Pat Armstrong	Belvidere	IL	1	\$10,000.00
Ken Howe	Rockford	IL	3	\$40,000.00
Mark Couper	Rockford	IL	1	\$10,000.00
David & Kay Martin	Delphi	IN	3	\$12,000.00
James I. Miller Jr.	Elkhart	IN	4	\$35,100.00
Kyle Wurgler	Rochester	MN	3	\$12,000.00
Soren Sorenson	Waite Park	MN	1	\$2,000.00
Eric Maaske	Kearney	NE	2	\$12,000.00
Raymond Van Bockel	Highmore	SD	4	\$27,000.00
Brian Snowden	Harper	TX	1	\$100,000.00
Kenneth Ryer	Walworth	WI	1	\$2,000.00
Rodney J. Duncklee	Walworth	WI	1	\$1,000.00