

1 4. Between approximately 2002 and 2004, Anderson also promoted an investment scheme called
2 Frontier Investments, which he held out as a company that invested in businesses, commodities and
3 financial instruments.

4 5. Anderson recruited several individuals as “asset consultants,” in Canada and the United States to
5 help him promote the sale of investments in the Alpha Program and Frontier Assets.

6 6. In April 2007, the British Columbia Securities Commission (“BCSC”) found that Anderson had
7 perpetrated a fraud, made misrepresentations, and distributed securities illegally in his efforts to promote the
8 Alpha Program and Frontier Assets. The BCSC found that the Alpha Program was an investment scheme in
9 which investors purchased units of "desks" that were purportedly part of a new commodity exchange called
10 Flat Electronic Data Interchange. The BCSC found that Anderson used new Frontier Assets investors’ funds
11 to pay interest to previous investors.

12 7. In September 2008, in the federal district court for the Southern District of New York, Anderson
13 pled guilty to wire fraud charges for operating a Ponzi scheme in which a "private loan program" was sold to
14 investors that promised high rates of return in the form of interest payments on the invested principal.
15 Investor losses exceeded \$4,000,000 and many investors lost most, if not all, of their investments. In
16 January 2010, Brian David Anderson was sentenced to 90 months in prison for his role in the scheme.

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18 Nature of Conduct

19 8. Between approximately 2001 and 2004, Moberg, acted as an “asset consultant” and promoted the
20 sale of the Alpha Program and the Frontier Assets “private loan program” on behalf of Anderson. In
21 exchange for promoting the investments, Anderson promised Moberg a percentage of the money invested
22 by those recruited by Moberg. The percentage was two to five per cent of the amounts invested. Moberg
23 solicited at least 22 Alpha Program investors and 39 Frontier Assets investors in face-to-face meetings, by
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1 telephone and email. Some of Moberg's investors were family members, friends, insurance clients, fellow
2 church members, or referrals. Most of Moberg's Alpha Program and Frontier Assets investors were
3 Washington residents. The Alpha Program investors invested approximately \$301,000. The Frontier Assets
4 investors invested approximately \$1,500,000.

5 9. Moberg told prospective Alpha Program investors that he was a "silent Joint Venture Partner" with
6 Anderson, who managed an international trading desk that handled commodities transactions. Moberg told
7 investors that they, in turn, could become a "silent Joint Venture Partner" with Moberg and share in the
8 profits of the Alpha Program. Moberg told some investors that they could receive a 50% monthly return on a
9 \$5,000 investment. Moberg provided investors with a "Joint Venture, Non-Disclosure, Non-Circumvention
10 Agreement" as evidence of their investments.

11 10. Moberg told Frontier Assets investors that Anderson, who was doing business as Frontier Assets,
12 was going to be investing in unspecified overseas financial transactions. The investors were invited to
13 become a member of the "Masters Privacy Club" that enabled them to participate in "private loan
14 agreements." Moberg arranged for investors to enter into "Joint Venture-Private Party Loan Agreements"
15 in which they made loans to Anderson d/b/a Frontier Assets that were "fully secured and guaranteed by an
16 International Foundation."

17 11. Moberg provided Frontier Asset investors with an "Introduction and Overview To The Masters
18 Privacy Club" which stated that the club's purpose was to "provide solid information concerning financial
19 opportunities for members to invest their own funds.." Frontier Asset investors were asked to sign a Masters
20 Privacy Club "Statement of Confidentiality, Non-Disclosure & Non-Solicitation" that prevented them from
21 disclosing their investments to a third party without the permission of the Masters Privacy Club.
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12. Moberg provided Frontier Assets investors with a document that explained to investors that their funds would be placed with several offshore entities that had investments in, among other things, Asian real estate developments; manufacturing plants in Taiwan, Hong Kong and China; worldwide commodities, Forex Exchange-Currency Trading and the buying and selling of “specialized bank paper.” Moberg provided a letter dated January 20, 2002 to investors that explained, “...In the eventuality of a disruption in the program, the principal amount of your loan, plus 10%, is guaranteed returned to you, plus any interest payments you would have received to date.” Moberg told investors that they would receive a share of profits earned by Frontier Assets. Moberg told investors that they could receive the return of their principal at the end the maturity date of their loans or could roll over their principal into a new loan with Frontier Assets. Moberg told at least one investor in a handwritten note that her “payout would be 50% per month.”

13. Moberg provided investors with a document titled “Joint Venture-Private Party Loan Agreement” as evidence of their investment that reflected the date, amount and terms of the loan. Investors typically invested by cashiers checks which were made out to Moberg and deposited into Moberg’s or Anderson’s bank accounts.

14. Investors did not participate in the management of the Alpha Program and Frontier Assets or in any aspects of the respective businesses. Most investors did not receive a return of their principal.

Misrepresentations and Omissions

15. Moberg failed to provide Alpha Program investors with material information regarding the investment, including, but not limited to: financial statements, the use of proceeds, the business background and litigation history of Anderson, and risks of the investments.

16. Moberg failed to provide Frontier Asset investors with material information regarding the investment, including, but not limited to: financial statements, the business background and litigation history

1 of Anderson, the identity of and financial information for the International Foundation that was guaranteeing
2 the investment, and risks of the investments.

3 Registration Status

4 15. There was no registration or notification of exemption on file with the state of Washington for
5 the offer and sale of investments in the Alpha Program and Frontier Asset “private loan programs.”

6 16. Respondent, Gary Moberg, is not currently registered to sell securities in the state of Washington
7 and has not previously been so registered.

8 Based upon the above Findings of Fact, the following Conclusions of Law are made:

9 **CONCLUSIONS OF LAW**

10 **I.**

11 The offer or sale of the investments in the Alpha Program and Frontier Assets private loan
12 programs as described above constitutes the offer and/or sale of a security as defined in
13 RCW 21.20.005(14) and (17).

14 **II.**

15 The offer or sale of said securities was in violation of RCW 21.20.140 because no registration
16 for such offers and/or sales is on file with the Securities Administrator, state of Washington.

17 **III.**

18 The offer and/or sale of said securities were in violation of RCW 21.20.040 because Respondent
19 Gary R. Moberg is not registered as a securities salesperson and broker-dealer in the State of Washington
20 and has not previously been so registered.
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IV.

The offer and/or sale of said securities were in violation of RCW 21.20.010 because, as set forth in the Tentative Findings of Fact, Respondent Gary R. Moberg, made misstatements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

CONSENT ORDER

Based upon the foregoing and finding it in the public interest:

IT IS AGREED AND ORDERED that Respondent, Gary R. Moberg, his agents and employees each shall cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

IT IS AGREED AND ORDERED that Respondent, Gary R. Moberg, his agents and employees each shall cease and desist from violating RCW 21.20.040, the securities salesperson and broker-dealer registration section of the Securities Act of Washington.

IT IS AGREED AND ORDERED that Respondent, Gary R. Moberg, his agents and employees each shall cease and desist from violating RCW 21.20.140, the securities registration section of the Securities Act of Washington.

IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.

IT IS FURTHER AGREED that Respondent, Gary R. Moberg, entered into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

IT IS FURTHER AGREED that in consideration of the foregoing, Respondent, Gary R. Moberg, waives his right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and

