

ALABAMA SECURITIES COMMISSION

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Minnesota Man Indicted in Baldwin County for Alleged “Prime Bank” Investment Scheme

MONTGOMERY, ALABAMA (April 3, 2014) Hallie S. Dixon, District Attorney for the 28th Judicial Circuit, Baldwin County, Alabama; and Joseph Borg, Director of the Alabama Securities Commission (ASC) announced that Scott Anthony Koster, a resident of Milaca, Minnesota, was arrested March 28, 2014 in Mille Lacs County, Minnesota for alleged violations of the Alabama Securities Act. Koster was arrested by Mille Lacs County Sheriff’s deputies with support and assistance from the Minnesota Department of Commerce. He is currently being held in the Mille Lacs County detention facility under a \$1 million bond, awaiting extradition to Baldwin County to face charges.

Koster’s arrest stems from a November, 2013 Baldwin County Grand Jury indictment charging him with one count each of Sale of Unregistered Securities and Sale of Securities by an Unregistered Agent; two counts of Fraud in Connection with the Sale of Securities, more specifically described as making an untrue statement of material fact and employing a device, scheme or artifice to defraud. Koster is also charged with one count of Conspiracy to Commit Securities Fraud. At the time the alleged violations were committed all charges were classified as Class C felonies which carry a maximum punishment of from one to 10 years' imprisonment and not more than a \$15,000 fine per charge, upon conviction..

According to the indictment, Koster was allegedly involved in a “prime bank” investment scheme wherein he fraudulently solicited investor funds through Richard James Tucker of Robertsdale, Alabama, and Tucker’s company, Synergy Finance Group, LLC, formerly headquartered in Baldwin County. The indictment also alleges that Koster used investor funds for non-investment purposes in violation of the Alabama Securities Act.

“The ASC would like to recognize and thank the State of Minnesota’s Department of Commerce for their invaluable assistance with the investigation of this important case,” said ASC Director Borg. “We also extend our gratitude to Sheriff Brent C. Lindgren and the deputies of the Mille Lacs County Sheriff’s Department for their cooperation and support in seeing that this defendant was taken into custody successfully.”

The ASC cautions potential investors to thoroughly scrutinize and research any investment opportunity or offer. Contact the ASC with inquiries concerning securities broker-dealers, agents, investment advisers, investment adviser representatives, financial planners, registration status of securities or debt management programs, to report suspected fraud or to obtain consumer information. The ASC provides free investor education and fraud prevention materials in print, on our website and through educational presentations upon request.

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For more information contact Dan Lord, Education and Public Affairs Manager, 334-353-4858.

(NOTE: An arrest or indictment is not evidence that the defendant committed the crime(s) charged. The defendant is presumed innocent until the government meets its burden of proving guilt beyond reasonable doubt in court).

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