

ALABAMA SECURITIES COMMISSION

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Synergy Finance Group Co-Conspirator Enters Guilty Plea of Conspiracy to Commit Securities Violations in Baldwin County, Alabama Circuit Court

MONTGOMERY, ALABAMA (April 3, 2015) Hallie 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 Minnesota resident, pled guilty to one count of Securities Fraud, a Class C felony, punishable by a sentence not to exceed 10 years' imprisonment and up to a \$15,000 fine per charge, upon conviction. Koster's plea was followed by the State of Alabama recommending a 10-year sentence to be split for the time served. Koster has been incarcerated in Baldwin County, Alabama since March 28, 2014 and will be jointly and severally liable for the restitution balance of \$1,910,066.79 remaining from the conviction of a Richard James Tucker, of Fairview, Alabama, involving criminal activities associated with Synergy Finance Group, LLC, a Robertsdale, Alabama company. Koster will be transferred to Madison County, Alabama for outstanding indictments charging him with additional alleged violations of the Alabama Securities Act involving a purported gold trading program being operated from Ghana, Africa.

The nature of the Baldwin County scheme involved the fraudulent solicitation of investor funds that were purportedly to be used to obtain bogus bank instruments, commonly associated with "Prime Bank" fraud. High-yield or "Prime Bank" investment schemes lure prospective investors to invest money in illicit "high-yield," bank-issued securities that perpetrators market as being exclusive and unavailable to the general public. In January 2009, Koster, using his company, Minnesota-based Alicorn Capital Management, LLC, conspired with Tucker or Synergy Finance Group, LLC, and several co-conspirators, to convince both national and international victims to invest in their fraudulent funding programs which the men pitched as being risk-free. In each transaction, Koster and co-conspirators would convince investors to place funds into an account that was supposedly "monetized," to be used to obtain bank instruments worth several millions of dollars. Koster and Tucker actively promoted that investors would be able to realize substantial potential profit, based on the use of the "prime bank" instrument as a viable asset and colluded in receiving and fraudulently disbursing investors' funds as undisclosed broker fees to the co-conspirators as well as spending victims' funds for non-investment purposes.

An ASC Enforcement Division investigation also concluded that no investment program pitched by the men ever realized a profit for investors and that Koster's failure to tell prospective investors of the program's failures and the illegality of "prime bank" investments were omissions of material facts, a violation of the Alabama Securities Act. A review of ASC registration records indicated that neither Koster nor his company were registered to conduct securities business within, into or from Alabama, as required by the Alabama Securities Act.

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

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