



***United States Attorney
Southern District of New York***

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**CANADIAN MAN SENTENCED IN MANHATTAN FEDERAL COURT TO
90 MONTHS IN PRISON FOR \$4 MILLION PONZI SCHEME**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that BRIAN DAVID ANDERSON was sentenced today to 90 months in prison for operating a \$4 million investment fraud and Ponzi scheme. ANDERSON pleaded guilty to wire fraud charges on August 28, 2008. United States District Judge ALVIN K. HELLERSTEIN imposed the sentence today in Manhattan federal court.

According to the Superseding Indictment, ANDERSON's plea allocation, and statements made during today's sentencing proceeding:

ANDERSON devised and ran a program called "Frontier Assets," in which ANDERSON made a series of false representations to investors, including the promise of high rates of return, in order to induce them to provide millions of dollars in investment money. Contrary to his representations, however, ANDERSON never made any significant investments with the money he solicited, and instead used money provided by new investors to pay off prior ones.

ANDERSON touted Frontier Assets as an exclusive "private loan program" that promised high rates of return in the form of interest payments on the invested principal. For example, in a document titled "How Does Frontier Assets Make Their Income," Frontier Assets boasted that it had been appointed a "Program Manager" to a "major International Business Corporation" that participates at the "private banking level of several significant European and Asian banks."

Frontier Assets claimed the ability to place investors with offshore entities, including "Private Placement Investment Programs," "Real Estate development in Asia and the United States," "Manufacturing plants," "Commodities worldwide," "Forex

Exchange," and "Buying and Selling of specialized bank paper, i.e. CD's and Bank guarantees." The Frontier Assets literature offered the further assurance that all investor loans were "fully secured and guaranteed by an International Foundation. In the eventuality of a disruption in the program, the principal amount of your loan is guaranteed to be returned to you within 60 days."

Contrary to the representations about how the money would be invested, Frontier Assets did not invest customer funds in the exclusive programs to which it claimed to have access. Rather, the only funds paid into the Frontier Assets accounts were monies that had been provided by investors in the program, and the only payments out were payments of interest to investors, and transfers to ANDERSON and other co-conspirators. Like many other Ponzi schemes, more recent investors in Frontier Assets ultimately lost a substantial portion, if not all, of their invested principal. In total, at least 50 investors were defrauded of at least \$4 million in funds.

ANDERSON, 64, resides in Vancouver, British Columbia, Canada.

In addition to the prison term, Judge HELLERSTEIN indicated that restitution would be ordered to the victims, in an exact amount to be determined in the next 90 days. In sentencing ANDERSON, Judge HELLERSTEIN stressed the impact of this very serious crime on the victims, noting that ANDERSON not only ripped off the victims' pocketbooks, but "ripped out their hearts" as well.

Mr. BHARARA praised the Federal Bureau of Investigation's Joint Terrorism Task Force for their work in this case.

Assistant United States Attorneys JONATHAN S. KOLODNER, JENNIFER G. RODGERS, and ANJAN SAHNI are in charge of the prosecution.

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