



**For Immediate Release – August 28, 2009**

Contact: Fred J. Joseph, Securities Commissioner or Gerald Rome,  
Deputy Securities Commissioner at 303-894-2320

### **Former Stockbroker Sentenced to 6 Years for Securities Fraud and Theft**

District Attorney Carol Chambers and Securities Commissioner Fred Joseph announced today that former stockbroker Brian V. Prendergast was sentenced today to 6 years in prison based upon his conviction for securities fraud and theft. Prendergast received the jail sentence for violating the terms of his probation that he received following his conviction.

Following a jury trial in March of 2002, Prendergast was originally found guilty of 12 felony counts of securities fraud and one felony count of theft. Following his conviction, Prendergast was sentenced to 15 years of probation with a number of conditions that prevented Prendergast from participating in the securities business or any business involving securities transactions.

On May 8, 2009, Prendergast admitted violating his conditions of probation. He admitted these violations after the Securities and Exchange Commission (SEC) filed a complaint and obtained a preliminary injunction against Prendergast. The SEC alleged that Prendergast solicited senior citizens to invest in a fraudulent prime bank scheme with others. The SEC alleged that Prendergast promoted this fraudulent scheme by telling investors that this was "once in a lifetime opportunity" to invest in "investment grade securities through international banks." Prendergast promised investors "guaranteed returns of four to 20% per month." Based upon these representations, the SEC alleged as many as 15 investors invested over \$1 million dollars.

Prendergast's conviction in 2002 was based upon his solicitation of 14 individuals in 1998 to invest in his company, Falcon Financial Group USA, Inc. Prendergast was the president of Falcon. Prendergast told investors that he would invest their money into various investment products, including using their funds as start-up capital for Falcon. Prendergast took approximately \$160,000 from the investors.

Arapahoe County District Attorney Carol Chambers said, "Let there be no misunderstanding that those who violate the public's trust for their own profit will be prosecuted to the fullest extent of the law. The victimization of senior citizens is especially deserving of our attention and the public's condemnation, and we will continue to seek out and prosecute those who prey on our seniors. Our Consumer Protection Line, (720-874-8547), is available for anyone having information about a crime against any of our citizens."

Colorado Securities Commissioner Fred Joseph said, "The length of the judge's sentence puts con-artists on notice that ripping off investors is not tolerated in Colorado." Commissioner Joseph also cautioned investors to do their homework before investing. He said, "Investors can always contact the DORA's Division of Securities (303-894-2320) for information about potential investments." He also commended the work of the Arapahoe District Attorney's office on the matter.

*DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.*

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