



**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division**

DCCA News Release

**LINDA LINGLE
GOVERNOR**

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FOR IMMEDIATE RELEASE: July 8, 2008

**STATE ORDERS TEXAS-BASED JAIC RETIREMENT SERVICES, INC. AND
ANDREW O. STEGER TO CEASE AND DESIST SALE OF
UNREGISTERED SECURITIES**

HONOLULU – Hawai`i Commissioner of Securities Tung Chan issued a preliminary order to cease and desist against a Texas-based company and its president and CEO. JAIC Retirement Services, Inc. and Andrew O. Steger are accused of defrauding Hawai`i investors in a "prime bank" scheme that netted at least \$630,000.

The preliminary order alleges the company and Steger solicited investors in Hawai`i stating that they would place the monies in a "top" bank. Investors were promised a 37 percent to 45 percent profit in 370 days.

The defendants are accused of violating the state's securities registration and antifraud provisions. The preliminary order seeks permanent injunctions against future violations, rescission and restitution and administrative penalties of \$160,000 for each respondent.

The Securities and Exchange Commission (SEC) warns that prime bank programs often claim investors' funds will be used to purchase and trade "prime bank" financial instruments on clandestine overseas markets in order to generate huge returns that investors will share. However, neither these instruments, nor the markets they allegedly trade with exist.

To legitimize the scheme, the promoters distribute documents that appear complex, sophisticated and official. The sellers often tell potential investors that they have special access to programs that otherwise would be reserved for top financiers on Wall Street, London, Geneva or other world financial centers. Investors are led to believe that high profits, often as much as 100 percent or more, are possible with little risk.

Warning signs of a prime bank scheme are:

1. Excessive guaranteed returns
2. Fictitious financial instruments
3. Extreme secrecy
4. Exclusive opportunity
5. Claims of inordinate complexity

Anyone who has been solicited by or transacted business with any of the above named parties is urged to contact the state's Securities Enforcement Branch.

Securities Enforcement Branch:

O`ahu	586-2740
Kaua`i:	274-3141, followed by 62744 and the # sign
Maui:	984-2400, followed by 62744 and the # sign
Hawai`i:	974-4000, followed by 62744 and the # sign
Lana`i & Moloka`i:	1-800-468-4644 (toll free)
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