

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
January 12, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13331

In the Matter of

LAURENCE G. YOUNG,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND NOTICE OF HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Laurence G. Young (“Respondent” or “Young”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Young, age 48, is a former resident of Centennial, Colorado. Between at least July 2007 and November 2007, Young offered and sold securities in unregistered transactions in the form of investment contracts, which were interests in advertising programs offered through the Internet in the names of American Investors Network (“AIN”) and Fairweather Management (collectively here “AIN/Fairweather”). Young was not registered with the Commission as a broker or dealer and was not associated with a broker-dealer registered with the Commission.

B. ENTRY OF THE INJUNCTION

1. On December 19, 2008, and December 22, 2008, respectively, an Order and a Default Judgment were entered against Young. Both the Order and the Judgment permanently enjoined Young from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (“Securities Act”), and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Jarrod W. McMillin, et al., Civil Action Number 07-cv-2636-REB-MEH, in the United States District Court for the District of Colorado. The Judgment also ordered Young to disgorge \$282,102.66 in ill-gotten gains from the fraudulent and unregistered sales of securities and to pay prejudgment interest of \$16,698.13 and a civil penalty of \$282,102 pursuant to Section 20(d)(2)(C) of the Securities Act and Section 21(d)(3)(B)(iii) of the Exchange Act.

2. According to the Commission’s complaint, Young participated in a scheme to defraud investors by soliciting investors to finance a purported advertising program with the promise of monthly profits of \$10,000 to \$20,000 on an individual’s investment of \$2,000. The AIN website and written agreements with investors represented that AIN would use investors’ funds to pay for a toll-free telephone number and to purchase advertising for the products AIN sold. In exchange, the investment partner was supposed to receive “50% of all profit earned” from product sales tied to the investor’s specific toll-free number and advertising the investor financed. From at least July through November 2007, Young used the United States mails, the Internet, the telephone, and commercial carriers to sell advertising program interests to new and existing investors around the country. The investments were completely passive, investors’ funds were pooled, and the purported advertising program interests were investment contracts, which were securities. However, as Young knew, the endeavor was a Ponzi scheme from its inception. There was no advertising program and the AIN/Fairweather business was a sham. Investors who received profit payments were paid with funds solicited from other investors. Having learned that the Commission was investigating AIN, around September 2007, Young created new entities called Fairweather Management (“Fairweather”) and Access Funding to receive investors’ funds and continued the scheme through November 2007. Young received transaction-based compensation in the form of a 10% commission based on the amount of funds that he raised from investors. Young also misappropriated more than \$230,000 of the funds that investors sent to Access Funding.

3. By engaging in the conduct described in paragraph two above, the Commission’s complaint alleged that Young employed a scheme and artifice to defraud investors in the offer and sale of the AIN/Fairweather advertising program interests. Second, the Commission alleged that Young obtained money and property by means of materially false and misleading statements in the offer and sale of the AIN/Fairweather advertising program interests, and engaged in transactions, practices, and courses of business that operated as a fraud and deceit upon purchasers. Third, the Commission alleged that Young employed a scheme to defraud investors, made untrue statements of material fact about the AIN/Fairweather advertising programs to potential and existing investors, and engaged in practices that operated as a fraud upon investors in connection with the purchase and sale of the AIN/Fairweather advertising program interests. Fourth, the Commission alleged that Young participated in the offer and sale

of the AIN/Fairweather advertising program interests when no registration statement was in effect and no exemption from registration applied. In addition, the Commission alleged that Young acted as an unregistered broker-dealer in connection with the offer and sale of the AIN/Fairweather advertising program interests.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act;

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not “rule making” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary