

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 63392 / November 30, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-14144

In the Matter of

MILOWE ALLEN BROST,
a/k/a MILO BROST,
a/k/a M.B. GONNE,
a/k/a PHILLIP K. COLLINS,

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 Milowe Allen Brost, a/k/a Milo Brost, a/k/a M.B. Gonne, a/k/a Phillip K. Collins (“Respondent” or “Brost”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From at least 1999 to 2008, Respondent Brost created and controlled several successive marketing organizations, Capital Alternatives Inc., and its successor the Institute For Financial Learning Group of Companies, Inc. to offer and sell the securities of various companies to investors. Brost recruited and trained salespersons whom he called “Structurists” and whose role in the fraudulent scheme underlying the complaint described below, was to bring in new investors under a multi-level marketing model. The Structurists acted under Brost’s direction in offering and selling the securities.

2. At the time in which he engaged in the conduct alleged in the complaint, Respondent was not registered as a broker-dealer or associated with a broker-dealer registered with the Commission.

3. Respondent, age 56, is a Canadian citizen, who resides in Calgary, Alberta, Canada.

B. ENTRY OF THE INJUNCTION

1. On November 12, 2010, a final judgment was entered against Brost by default, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (“Securities Act”), 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. Merendon Mining (Nevada) Inc., et al.*, Civil Action Number C10-955RAJ, in the United States District Court for the Western District of Washington.

2. The Commission’s complaint alleged that, from at least 1999 to 2008, Brost and others perpetrated a \$300 million Ponzi scheme that victimized over 3,000 investors in the United States and Canada. The Commission’s complaint alleged that Brost and others executed the scheme through a multi-level marketing organization and operated through a labyrinth of companies and bank accounts which were designed to hide their misconduct from investors and law enforcement and that the Defendants eventually used more than eighty entities to issue securities to investors, provide “dog and pony” shows to investors, and to disguise the movement of investor funds among more than eighty bank accounts, located in United States, Canada, Honduras, Ecuador, Peru, Venezuela, Panama, the Bahamas, Belize, Bermuda, Malaysia, and Portugal. The Commission’s complaint also alleged that, to further hide his involvement in the scheme, Brost acted under the guise of several personal aliases.

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 hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

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

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Notice of Hearing ("Order"), on the Respondent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
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