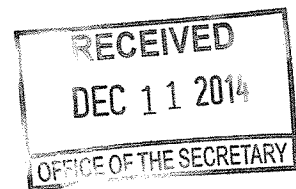


UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-15858



In the Matter of

STANLEY JONATHAN FORTENBERRY,


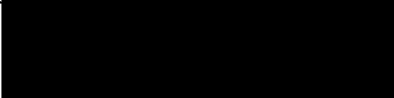
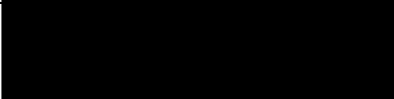
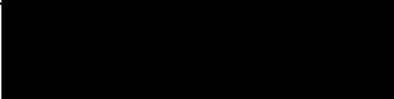
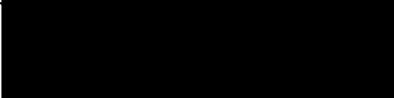

Respondent.

**DIVISION OF ENFORCEMENT'S MEMORANDUM
REGARDING DR. ALLEN ANDERSON'S INVESTMENT**

As required by the Court's December 9, 2014 order, the Division of Enforcement ("Division") provides the following "explana[tion of] the exact amount of Dr. Anderson's investment" in Premier Investment Fund, L.P. ("Premier").

Unfortunately, because of Respondent Fortenberry's abysmal record-keeping and unwillingness to cooperate with the Division's investigation, as well as Dr. Anderson's poor health and memory, it is not entirely clear.

As acknowledged by the Court's order, the evidence introduced at the October 20, 2014 hearing establishes that Dr. Anderson made at least the following purchases of Premier "units":

Date	Amount	Payee	Evidentiary Support
8/3/2010	\$35,000	"John Fortenberry"	
9/10/2010	\$10,000	"Premier Investment Fund"	
10/26/2010	\$7,800	"Premier Investment Fund L.P."	
11/22/2010	\$10,000	"Premier Investment Fund LP"	
12/10/2010	\$10,000	"Premier Investment Fund LLP"	
1/10/2011	\$10,000	"Premier Investment Fund LP"	
2/14/2011	\$10,000	"Premier Investment Fund"	
3/8/2011	\$5,000	"Premier Investment Fund"	
TOTAL	\$97,800		

Dr. Anderson testified that he also contributed another \$200 to Premier in two \$100 increments, one on February 14, 2011 and one on March 13, 2011. [See ENF-46 at BOA-0003008, BOA-0003012; Am. Tr. 367:17-369:6, 370:12-371:6; 701:24-703:3.] Dr. Anderson made these disbursements to Premier to pay directly one of the fund's expenses – compensation for Dr. Anderson's granddaughter Dani, who was working

¹ "Am. Tr. refers to the amended transcript of the October 20-22, 2014 hearing. "ENF" refers to the exhibits offered by the Division at the hearing.

for Premier at the time. [Am. Tr. 368:19-25; 701:24-703:3.]² Thus, the Division submits that Dr. Anderson's testimony and the banking records recovered in this matter establish that Dr. Anderson contributed at least \$98,000 to Premier.

In its brief, the Division used the phrase "approximately \$100,000" because Fortenberry's own documentation and testimony support a higher number than can be discerned from the limited documentary evidence the Division obtained during its investigation. Specifically, the financial compilation submitted by Fortenberry with his Wells submission states that Anderson's contribution to Premier was actually \$100,900. [See ENF-135 at SEC-SJF-0000148; Am. Tr. 476:20-478:25.] And, during the investigation, Fortenberry provided testimony consistent with an over-\$100,000 investment by Dr. Anderson:

Q How much did Dr. Anderson invest in Premier Investment Fund?

A Well, it came in a couple of phases. One, he loaned me some money on the building there that I have in San Angelo, and just kind of as a friend, and that totaled -- it started out as a small amount, and then it totaled being about 170,000, and then he went ahead and came onboard for another 100,000 that was actually directed towards the Halseys and so forth, because there was an intermediate stage that the Halseys were not part of anything. I had not met the Halseys yet when Allen was working with me, and he and I, to this day, are very good friends. So, the initial money, even though you could say that it was an investment with me, was not actually in

² Mr. Pierce included only the February 14, 2011 payment in his calculations because it was comingled upon deposit by Fortenberry with another, larger investment by Anderson. [See ENF-46 at BOA-0003006 and BOA-0003010; ENF-149 at Exhibit C.]

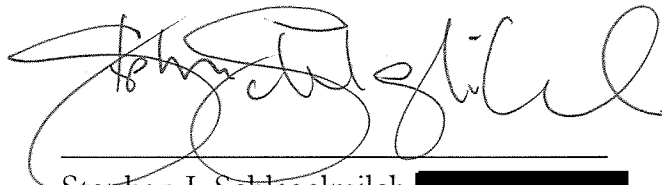
Premier Investment Fund. He invested 100,000 that's officially in documentation for Premier Investment Fund, if I remember correctly. Leave me a little room to be mistaken there, but I think that's what it was, 100,000, and then Mr. Nasti invested 200,000.

[ENF-3 at 135:8-136:3.]

Consequently, the Division submits that, for purposes of any remedy with respect to Dr. Anderson's investment, the Court should order Fortenberry to disgorge \$100,900, the amount set forth in Fortenberry's own records. *SEC v. Calvo*, 378 F.3d 1211, 1217 (11th Cir. 2004) (Division need only show a "reasonable approximation of a defendant's ill-gotten gains"); *SEC v. Universal Express, Inc.*, 646 F. Supp. 2d 552, 563 (S.D.N.Y. 2009) ("Where this assessment cannot be made with precision, 'the risk of uncertainty ... should fall on the wrongdoer whose illegal conduct created that uncertainty.'").

Dated: December 11, 2014

Respectfully submitted,



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