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Investors fell for scam, indictment says

Raleigh man, six others charged

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A Raleigh man is among seven people federal investigators have charged with bilking investors of \$70 million.

According to the 18-count indictment filed this month in the U.S. District Court, Eastern District of North Carolina, Arthur J. Anderson Jr. acted as a salesman for Mobile Billboards of America, Inc. He also sometimes operated as Arthur Anderson Retirement Planning, Inc. and Legacy Estate Concepts LLC.

Mobile Billboards asked investors for seven-year investments of \$20,000 and promised an annual return of 13.49 percent. That return was supposed to be generated by advertising mounted on the sides of trucks.

Also named in the indictment, which was unsealed by authorities Tuesday: Michael A. Lomas of Pasadena, Calif.; Michael L. Young, residing abroad; Barry C. Maloney of Bethesda, Md.; Laurinda Holohan of Concord, Ohio; Susan Knight of Eastlake, Ohio; and Scott B. Hollenbeck of Orlando, Fla.

Mobile Billboards operated from 2001 to 2004, taking in \$4 million a month at its peak in 2004, according to the court filing.

Triangle residents might have been targeted. The indictment details a note that Anderson sent to Young on July 2, 2003, about the solicitation of investments at the Capitol [sic] City Club in Raleigh.

In that note, Anderson described the target audience as "age 60+ with an income between \$25,000 and \$60,000."

Calls to Anderson were not returned Wednesday.

Bobby Higdon, chief of the criminal division of the U.S. Attorney's Office in Raleigh, said he could not disclose the number of people who lost money.

Officials are also going after property owned by the seven defendants, listing in the indictment sums of cash, a property in Kernersville owned by Hollenbeck and two cars, a Lexus RX300 and a Lincoln Navigator.

Several of the defendants are scheduled for an Aug. 6 arraignment, Higdon said.

The FBI was part of the investigation. FBI spokesman Stephen Kodak said that the number of fraud cases has grown as the Internet provides wider reach.

Consumers should do some research before agreeing to invest with a company, Kodak said.

"Get up with advocacy groups or the Better Business Bureau to see if there have been complaints," he said. "Or check to see if the company is even registered."

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