

BEFORE THE  
STATE OF WISCONSIN  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF SECURITIES

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In the Matter of  
IMPERIA INVEST IBC,  
STEVE BAKER, and  
WERNER JAHNSEN,

Respondents,

PETITION FOR ORDER

File No. S-210036 (EX)

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The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities, has conducted an investigation in this matter pursuant to § 551.56, Wis. Stats.,<sup>1</sup> and as a result thereof alleges as follows:

1. Imperia Invest IBC (“Imperia”) is an unregistered foreign business which most recently represented on its website that it is located at the International Trade Building, PO Box 1460, Port Highway, Vanuatu.
2. According to information obtained by the Maine Office of Securities from Vanuatu officials, Imperia has not been registered in Vanuatu, and the address provided on the website appears to be fictitious.
3. Upon information and belief, an individual identified on the website as Steve Baker (“Baker”) was at all material times an owner, officer and/or controlling person in Imperia, with no known address apart from that of Imperia.
4. Upon information and belief, an individual identified on the website as Werner Jahnsen (“Jahnsen”) was at all material times an owner, officer and/or controlling person in Imperia, with no known address apart from that of Imperia.
5. Prior to using the Vanuatu address, Imperia represented on its website that it was an “IBC”, or Bahamas “international business company,” and listed its address as 53 Sandypoint Drive, Nassau, Bahamas.
6. On April 20, 2009, the Securities Commission of the Bahamas issued a Public Notice stating that “neither Imperia Invest IBC (Imperia), its agents nor its consultants” are registrants of the Securities Commission, and that holding itself out as such is a criminal offense. The notice also advised the public that “not only is there no company named Imperia operating from that address, but also, there is no company named Imperia appearing on the Register of Companies Registry.”
7. According to the United States Securities and Exchange Commission (“SEC”), Imperia is not registered with the SEC or with any state securities regulator.

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<sup>1</sup> Unless otherwise noted, the statutory references are to the Wisconsin Statutes (2005-06), which were in effect at the time of the violations alleged herein and apply pursuant to § 551.703, Wis. Stats. (2007-08).

8. Imperia's primary presence has been through an Internet website located at [www.imperiainvest.net](http://www.imperiainvest.net) and hosted by an anonymous browser in Malaysia. The only registrant contact information available was Katz Global Domain Trust, Privacy Protected Domain Name Domain Proxy Center, c/o imperiainvest.net, 32 Maxwell Road #03-07 White House, Singapore, 069115, P: +65.67228356 F:+65.67258021.
9. According to information obtained by the SEC, the only way in which Imperia corresponded with investors was through the internet email address of [info@imperiainvest.net](mailto:info@imperiainvest.net).
10. Upon information and belief, during 2007 Respondents sold to at least one person in Wisconsin through [www.imperiainvest.net](http://www.imperiainvest.net) investment interests of Imperia in which the investors were to receive repayment of principal at a certain high rate of interest in a short period of time.
11. According to the Imperia Invest IBC website, the strategy is described as follows:

#### **IMPERIA Invest IBC – STRATEGY**

“In conclusion it is to say that a TEP investor can receive a loan of \$80,000 US\$ with a one-time investment of 50. Plain and simple. This loan should be used for trading on the financial markets emphatically. We have the proper platform for that issue to give you daily profits of 1.2%, which are guaranteed by money market arbitrage situations. . . . After approval of your TEP policy, which is as [sic] online form, your loan of \$80,000 US\$ in your account will be working immediately – without any doubts – as soon as your policy form is being filled in and sent back to us in good order by E-mail. After this step your profits run smoothly with 1.2% daily on your account. These yields will be compounded for six months.”

12. According to the findings of the Maine Office of Securities, Imperia represented on its website that it could not disclose the names of the banks involved or other third parties because it was bound by non-disclosure agreements, but that one coordinating bank which would be the team leader was a European 100 top premium bank with first class ranking.
13. According to evidence obtained by the SEC in support of their motion for preliminary injunction, asset freeze and other relief filed on October 6, 2010 in the federal district court for the District of Utah (“SEC evidence”), the Imperia website represented that Imperia invested investor money in TEPs, the British term for viatical settlements which generate guaranteed returns of 1.2% per day.
14. According to SEC evidence, Imperia's website represented that investors are required to invest their money for at least six months before withdrawing earnings. Investors are to receive 40% of the profit from their investment, Imperia is to receive 30%, and the remaining 30% is to be allocated for bank fees, trustee fees, investment costs and commissions.

15. According to SEC evidence, the Imperia website showed an example of such earnings in which a \$50 investment will return \$134,000 to the investor in six months, which investors relied upon in investing in Imperia.
16. According to SEC evidence, the majority of investor monies paid to Imperia appear to have been sent to three PayPal-type entities: Liberty Reserve, located in Costa Rica; Perfect Money, located in Panama; and Procurrex, located in the British Virgin Islands. Once Imperia received funds from Investors, it appears that Imperia then transferred amounts from these accounts to foreign bank accounts, including but not limited to accounts located in Cyprus and New Zealand.
17. According to SEC evidence, Imperia represented to investors that they must purchase a Visa debit card through Imperia at a cost between \$145 and \$450 in order to access their investment proceeds.
18. According to SEC evidence, Visa had no relationship with Imperia and never authorized Imperia to use its name or logo, leading Visa to send a cease and desist letter to Imperia via its domain host.
19. According to SEC evidence and the Wisconsin investors, no investor who purchased a Visa debit card has received the debit card, nor have they been able to access their purported account in any other manner.
20. According to SEC evidence, investors could access their purported account statements via Imperia's website. After an investor made the \$50 initial investment into Imperia, Imperia allowed customers to log into the Imperia website to view their account statements, which showed outrageous and unrealistic returns.
21. According to SEC evidence, despite providing account statements to investors, Imperia has not paid investors any proceeds from their investments to date.
22. According to SEC evidence and the Wisconsin investor, Imperia, either via its website or through email, has made numerous excuses about why returns have not been paid. As early as 2007, Imperia claimed it needed a minimum number of investors, with later excuses such as computer server problems from the relocation, its computer server being overloaded, hacked into, or not working properly, a delay in obtaining a trustee agreement for its partners, the need for additional time to verify the identities of investors.
23. According to the SEC evidence and Wisconsin investors, while not appearing to directly target it, Imperia's activities in the United States appear to have taken their greatest toll among the Deaf community. There are at least 14,000 investors worldwide with a total investment exceeding \$7 million. In the United States, there appear to be approximately 6,000 investors, most of whom belong to the hearing impaired community, who have invested in excess of \$4 million with Imperia.
24. Based on SEC evidence, on October 6, 2010 in Case No. 2:10-cv-00986, U.S. District Court, D. Utah, Judge Dee Benson granted the SEC motion to use alternative means of service of process by publication in the *USA*

*Today* and the *International Herald Tribune* and by email, and granted the SEC motion for an order freezing the assets of Imperia enjoining the destruction of records, and to disclose the identities of all aliases and addresses used by Imperia.

25. Based on the SEC evidence, on October 27, 2010 in Case No. 2:10-cv-00986, U.S. District Court, D. Utah, Judge Dee Benson granted the SEC's request for a preliminary injunction, and enjoined Respondents from engaging in the transactions, acts, practices, and courses of business described in the SEC's motion, and from violating the federal antifraud securities laws.
26. On December 23, 2010, the Clerk of Court for the U.S. District Court, D. Utah entered a Default Certificate against Imperia Invest IBC.
27. The Imperia investments were investment contracts as defined in § DFI-Sec. 1.02(6), Wis. Admin. Code, and are therefore securities as defined by § 551.02(13), Wis. Stats.
28. The Imperia investments have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
29. All Respondents have violated § 551.21, Wis. Stats., by offering and selling unregistered securities to at least one person in Wisconsin.
30. By engaging in the conduct described above, the Respondents, in connection with the offer and sale of securities to at least one Wisconsin investor, have violated § 551.41(3), Wis. Stats., by engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person.
31. By engaging in the conduct described above, the Respondents, in connection with the offer and sale of a security to at least one Wisconsin investor, have violated § 551.41(2), Wis. Stats., by making an untrue statement of material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
32. Division staff requested specific information and documents from the Respondents about their securities-related transactions, but to date have received no response, despite the due date for the response having passed.
33. Therefore, the staff of the Division petitions the Administrator of the Division of Securities for the issuance of the attached Orders pursuant to Ch. 551, Wis. Stats.

Dated this 17<sup>th</sup> date of February, 2011.



Mark E. Dorman  
Examiner



Leslie M. Van Buskirk  
Attorney Supervisor