



U.S. Securities and Exchange Commission

U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 21937 / April 18, 2011

*Securities and Exchange Commission v. Art Intellect, Inc. et al.,
Case No. 2:11-CV-00357 (USDC Utah).*

SEC OBTAINS TEMPORARY RESTRAINING ORDER, ASSET FREEZE AND OTHER RELIEF AGAINST ART INTELLECT, INC., PATRICK MERRILL BRODY, LAURA A. ROSER AND GREGORY D. WOOD

On April 18, 2011, the Securities and Exchange Commission obtained an emergency temporary restraining order and asset freeze in an offering fraud and Ponzi scheme orchestrated by Patrick Merrill Brody (Brody) and Laura A. Roser (Roser) through Art Intellect, Inc. d/b/a Mason Hill and Virtual MG (Mason Hill), a company owned and controlled by Roser. In addition to the temporary restraining order and asset freeze, the court has appointed a receiver to preserve and marshal assets for the benefit of investors. That Receiver is Wayne Klein.

The complaint alleges that, operating through Mason Hill, Brody, Roser, and Gregory D. Wood (Wood) participated in a scheme to sell investment contracts in Mason Hill in unregistered transactions, telling investors that Mason Hill will purchase distressed properties on their behalf, rehabilitate these properties, find renters for the properties and remit a guaranteed profit of 10 to 30 percent to investors on a monthly basis. The complaint further alleges that investor funds were not used to purchase properties on investors' behalf but instead investor funds were used for Mason Hill's operations, payments for Brody and Roser's lavish personal expenses and that later investor funds were used to purchase properties for earlier investors, the hallmark of a classic Ponzi scheme. Mason Hill, Brody, Roser, and Wood have raised more than \$2.5 million from approximately 75 investors.

The Commission's complaint charges Mason Hill, Brody, Roser and Wood with violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder, and charges Brody, Roser and Wood with violations of Section 15(a) of the Exchange Act. The complaint seeks a preliminary and permanent injunction as well as disgorgement, prejudgment interest and civil penalties from Mason Hill, Brody, Roser and Wood.

► [SEC Complaint in this matter](#)

<http://www.sec.gov/litigation/litreleases/2011/lr21937.htm>