

ST. LOUIS POST-DISPATCH

Man denies misleading customers

October 27, 2006

By ROBERT PATRICK / St. Louis Post-Dispatch

A man at the center of a federal investigation of alleged "business opportunity fraud" denied Thursday that customers were misled and said that he was careful to comply with the terms of a 1997 court order that followed similar fraud claims.

Richard C. Neiswonger, president of APG Marketing, testified in a hearing in federal court in St. Louis called over Federal Trade Commission allegations that the Asset Protection Group took millions from customers. It says they were promised six-figure incomes selling Nevada corporations to people who wanted to protect their assets from the Internal Revenue Service, law enforcement and federal judges.

Since July, FTC lawyers have filed legal papers that blocked most of Neiswonger's business, froze company assets and seek to get him permanently barred from marketing or selling business opportunities.

The FTC says that APG and business partners Neiswonger and William Reed never told customers that Neiswonger faced criminal and civil charges over fraud allegations and served 12 months of an 18-month prison term. They also didn't tell potential clients that Neiswonger had to pay the government almost \$4 million, court documents show, and signed an agreement in 1997 that barred him from certain marketing practices.

Neiswonger said that regardless of the hearing's outcome, he would shut APG Marketing down.

Reed did not testify, and his lawyer did not introduce any evidence. In court documents and an Oct. 12 deposition, he said he never saw a copy of the 1997 injunction that limited Neiswonger's business conduct.

Reach reporter Robert Patrick at (314) 621-5154 or rpatrick@post-dispatch.com.

Copyright 2006 St. Louis Post-Dispatch