

**NH Banking Department
Commissioner Peter C. Hildreth**

March 5, 2009

NOBLE TRUST LIQUIDATION UPDATE

Early last year, during a routine examination of Noble Trust Company (Noble), New Hampshire Banking Department Examiners uncovered a scheme to defraud Noble's clients and investors. Acting quickly, with court approval, the Department took possession of the company's assets and later, again with court approval, began the liquidation of Noble. During the last year, the Banking Department was constrained as to what could be said publically due to the criminal investigation. With this announcement by the U.S. Attorney, the Department can now speak publically about the case.

The scheme run by Colin Lindsey initially involved investing client funds in high risk investments called Sierra Factoring (Sierra). The clients' investments in Sierra were recorded as the "Noble Alternative Income Fund" on client account statements. When the Sierra investment failed, Noble did not report it to the clients or the Department. Instead, in a Ponzi-like scheme Mr. Lindsey used new client funds to repay existing Sierra investors. Mr. Lindsey then embarked on another scheme to hide the Sierra losses. This was done through a set of complex arrangements using fraudulently obtained high value life insurance policies.

I would like to thank the US Attorney Thomas Colantuono, NH Attorney General Kelly Ayotte, and the FBI for their support throughout this difficult process.

I would be remiss if I did not recognize the hard work and diligence of Banking Department employees, especially Deputy Commissioner Fleury. All of the Department's employees involved in the initial examination, the subsequent conservatorship, and the liquidation have been exemplary. This scheme would not have been discovered except for our routine on-site trust examination. If there was any question about the effectiveness and necessity of routine on-site examinations, this case validates our examination programs and our state laws.