DOW JONES Newswires℠

IN THE MONEY: It's a Bird, It's A Plane, It's A Flying Stk
13 August 2004

By Carol S. Remond
A Dow Jones Newswires Column

NEW YORK (Dow Jones)--The fleet may have been grounded in England and France, but there is a Concorde that's been supersonic recently - at least in trading in the unregulated stock world.

Concorde America Inc. (CNDD) has become one of those little marvels that you've never heard of but likely will learn more about. It's a company that offers no information about its finances - and isn't required to - and it has been around on the public market, the Pink Sheets, for only about six weeks.

Yet the market has placed an unbelievable value on the company - it has a market capitalization of more than $1 billion.

The stock closed Friday at $5 on volume of about 5.8 million shares. A company official said the company has 212 million shares outstanding.

Concorde America says it is in the business of recruiting unskilled immigrant workers from Latin America for work in European countries.

The fact that the business isn't sexy and that Concorde America has no financial history makes this one of those companies that many wouldn't notice.

But that all changed near the end of July.

Trading volume in Concorde America's shares soared late last month after a press release, purportedly from the company and widely distributed by PR Newswire, heralded a new agreement with the Spanish government. Concorde America's stock skyrocketed to a high of $8.90 a share on August 11 after a second press release detailed how the company planned to bank on a shortage of qualified workers in Europe. In this second release, Concorde America had allegedly entered into an agreement with Spain's largest agricultural firms.

There is only one problem. Concorde America's president Hartley Lord says that he never authorized either release.

"I have no idea who paid for the releases," Lord said, explaining that he was traveling in Europe at the time. Lord said he contacted Paul Spreadbury from WallSt2MainSt Inc., the man who was behind getting the releases distributed by PR Newswire.

"I asked him who he was and he said he was paid to put out the releases," Lord said. He added that Spreadbury refused to tell him who paid for the releases. Lord also said he never hired Spreadbury or WallSt2MainSt.

Spreadbury didn't return several calls for comment left at WallSt2MainSt. In a recorded message on the voicemail of one of the telephone numbers listed at the bottom of the releases he authorized, Spreadbury informs callers looking for information about Concorde America that he is a freelance public relation person and that he doesn't work for the company. "The only information that I can give you would be to direct you to USPennyStocks.com where you can find information about Concord America there." Meanwhile, the telephone number listed on the other release authorized by Spreadbury has been changed to a nonpublished number.

PR Newswire's managing director of Targeting Services Ken Dowell said in an email message that "PR Newswire transmitted the original release as it was submitted to us. Upon being advised by Concorde America that the release made incorrect statements about the company, we transmitted Concorde America's release on August 11th. PR Newswire is continuing to investigate this situation."

The Plot Thickens ....

Investors looking to make sense of Concorde America's recent price jump shouldn't look for information from USPennyStocks.com or Winningstockpicks.net.

Although both websites heavily promote Concorde America's stock, both lack the typically required information about how they were compensated for the promotion.

Lord said he spoke once to Tom Heysek, an editor of both online newsletters, 8 or 9 weeks ago. "He called once even before we had completed the reverse merger," Lord said. "He had gotten an early copy of our business plan ... and was trying to make projections." Lord said he never hired Heysek. Lord said he didn't ask Spreadbury whether Heysek hired him.

Lord said that that neither Heysek, nor Spreadbury were original shareholders who got some of the 203 million restricted shares issued when Concorde America became public through a reverse merger with MBC Foods Inc. Lord said he doesn't know whether either Heysek or Spreadbury got any of the 10 million free trading shares issued at the time of the merger.

Heysek was quoted on the original PR Newswire release authorized by Spreadbury. Calling Concorde America a "tremendous buying opportunity", Heysek gives the company a $38 six-month price target on Winningstockpicks.net. Inexplicably, Heysek puts a $30 "projected value" on the company on USPennyStocks.com.

Neither of the websites includes a telephone number. Heysek didn't reply to an email seeking information. The Florida-based wireless telephone number listed on USPennyStocks.com's registration information is "not available". Meanwhile, Winningstockpicks.net's Internet registration shows a Nassau, Bahamas address. A message left at the telephone number listed on that registration wasn't immediately answered to.

IN THE MONEY: SEC Opens Concorde America Investigation
20 August 2004

By Carol S. Remond
A Dow Jones Newswires Column

NEW YORK (Dow Jones)--The Securities and Exchange Commission has begun an investigation into the issuance of promotional press releases about Concorde America Inc. (CNDD) and a sharp jump in the company's stock price.

Concorde America President Hartley Lord said the SEC has subpoenaed various records of the company, including incorporation papers and stock transfer sheets. Lord said he would meet with the SEC in Miami on Monday.

Meanwhile, Tom Heysek, a newsletter writer who penned a glowing report about Concorde America, said he also has talked to securities regulators and provided them with information.

Concorde America has been the subject of two recent "In The Money" columns that explored unusual trading in the company's stock and the odd circumstances surrounding the issuance of two promotional press releases over the past month. One column also noted how some investors who bought 10 million shares of the company for 10 cents a share this summer could have made millions of dollars if they sold their shares. The company, which has no real business yet so to speak, has a market capitalization of about $1 billion.

The two press releases touted the company's business prospects and appeared to have been issued by Concorde America. The releases were distributed nationally by PRNewswire. Concorde's Lord said he did not authorize the release of the press releases. But promoters who received shares of the company continue to aggressively tout the stock online and through faxes.

The company was created about seven weeks ago through a merger with a shell corporation called MBC Foods Corp. Concorde America's business plan is to hire people in Latin America to send to Europe as migrant workers.

"The SEC is doing a full-scale investigation here," Lord said. "They want to know who put out these bogus press releases, who paid for them," he said.

Lord and Heysek have somewhat different versions of discussions that took place between the two of them prior to the company going public.

Lord said he talked to Heysek once "8 or 9 weeks ago."

In an interview, Heysek first said he had spoken with Lord a couple of dozen times. He later amended that to say it was too many calls to have an accurate number but that it was certainly more than one.

Heysek's bullish report on Concorde America's business prospects appears on USPennyStocks.com and WinningStockPicks.net, with a $30 and a $38 target stock price. But he said that the research report he sent to subscribers in mid-July contained a target price of $6.

Heysek said he had provided the information and “confirmation of all material that went into the research report” to the SEC.

“The issue is whether management was less than truthful in June and July (when talking) to our people or less than truthful on Aug. 11,” Heysek said, referring to a Aug. 11 press release in which Concorde America said that two previous releases were not authorized by the company and that neither the company, nor any company official provided any of the information contained in the two first releases.

Heysek said he provides write-ups about companies to subscribers weekly or biweekly. He said he received no Concorde America stock for his research and has no idea why the two promotional websites picked up his report. While he said he had no relationship with the websites and has no control over their content, the two sites do carry similar biographical information about Heysek as well as his photo. “They publish our stuff and get the membership going,” Heysek said.

There are some 213 million shares of Concorde America stock outstanding, but 203 million of those are restricted, which means that they have little immediate value since they cannot easily be sold or transferred.

Lord said that 10 million free trading shares were issued to a group of investors in late July at 10 cents a share. Lord declined to provide information about the identity of the stockholders other than to say that they are corporations.

Lord said that a consultant named Donald Oehmke introduced him to a lawyer named Jeremy Ross who “had the (due) diligence file” on MBC Foods, the public company into which Concorde America was reverse merged in late June.

Heysek said he doesn’t know Oehmke, who did not return phone calls.
Concorde America’s stock was trading at $4.70, up 41 cents or 9.56% on volume of 317,507 shares.

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Concorde America Receives Wells Notice From SEC
By Carol S. Remond
31 December 2004

NEW YORK (Dow Jones)--Once high-flying Pink Sheets company Concorde America Inc. (CNDD) has received a Wells notice from the Securities and Exchange Commission.

A financial report posted on Concorde America's web site shows that the SEC in early November told the company that it's looking to bring "a civil injunctive action" against it, its president Hartley Lord and a major shareholder named Mauricio J. Madero O'Brien.

Wells notices warn that regulators may file civil charges and give recipients a chance to defend themselves.

Dow Jones Newswires reported in August that the SEC had opened an investigation into Concorde America following the issuance of promotional press releases about the company and a sharp jump in its stock price.

According to Concorde America's report, the SEC is looking into filing charges relating to the sale of securities without proper registration and to the use of "manipulative and deceptive devices in connection with the sale of a security."

The financial report also shows that the SEC notified Concorde America that it "might seek against each a permanent injunction, civil penalties, and an accounting and disgorgement of proceeds, and an officer and director bar against Mr. Lord." According to the filing, Lord and O'Brien were "invited to make a voluntary response, generally known as a Wells Submission, to these proposed recommendations, which will be submitted to the Commission with the staff's recommendations."

Lord told Dow Jones Friday that this response had been made and that the company is "up to date with" the SEC. Lord declined to further comment on the SEC probe.

Concorde America's financial report shows that the company, Lord and O'Brien "believe that each acted in compliance with applicable law and that factual and legal reasons exist to cause the Commission not to act upon the staff's expected recommendations."

Lord told Dow Jones in August that the SEC had subpoenaed various records of the company, including incorporation papers and stock transfer sheets. The commission also interviewed Thomas Heysek, a financial newsletter writer who had penned a glowing report about Concorde America.

Concorde America was the subject of two "In The Money" columns in August that explored unusual trading in the company's stock and the odd circumstances surrounding the issuance of two promotional press releases. One column showed how some investors who bought 10 million shares of the company for 10 cents each this summer could have made millions of dollars if they sold their shares. The company, which has no real business yet to speak of, had a market capitalization of about $1 billion at one point.

The shares of Concorde America were recently trading at 19 cents. The company's stock topped at $8.90 on Aug. 11, just before the company disavowed two earlier press releases that touted its business prospects. The two releases issued in late July and early August appeared to have been issued by Concorde America and were distributed nationally by PRNewswire. But the company later said it did not authorize the issuance of the press releases.

The company was created in late June through a merger with a shell corporation called MBC Foods Corp. Concorde America's business plan is to hire people in Latin America to send to Europe as migrant workers.

According to the company's financial report, there are now about 114.3 million shares outstanding.

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IN THE MONEY: A Look At The Fitness Of Absolute Health
9 December 2004

By Carol S. Remond
A Dow Jones Newswires Column

NEW YORK (Dow Jones)--Here's an example of how to feel better by not going to the gym.

Earlier this month, investors bid up the stock of a company called Absolute Health and Fitness Inc. (AHFI), making it worth about $300 million. That's a pretty healthy valuation for a company that is said to be the owner/operator of a handful of gyms in North Carolina.

We say "said to be" because no one seems to be able to say with certainty what Absolute Health does. And that's because there is almost no trace or trail of information about the company, its principals, its financials or its shareholders.

Most of what is known about Absolute Health comes from two promotional online newsletters, www.pennystockpro.com and www.hotstockfinder.com. But it's impossible to find out who is behind those publications and who paid for the promotion.

In addition, the man who is believed to be the president of Absolute Health, Randall Rohm, was recently sued by a health club business partner who claims Rohm embezzled money from the business they own together.

That business partner, Jeremy Jaynes, was convicted in November by a Virginia jury on felony charges for violating that state's tough e-mail spam law. Some of the spam e-mails were about penny-stock schemes and other financial offers that contained fraudulent information and which netted Jaynes up to $750,000 a month, one prosecutor said.

Even the unregulated Pink Sheets financial market, where Absolute Health's shares trade, has questions about the company. Pink Sheets placed a warning on its website to potential investors that the recent promotion of Absolute Health's stock through faxes and e-mail may have violated federal securities laws.

Pink Sheets also warns that it hasn't been able to locate or contact the company. It doesn't know who runs it. It doesn't even have a current phone number although it does know the last known address was in Cary, NC. That address is a post office box in a store called Pegasus Postal Center.

It's hard to even say where this story begins because so little information is available. Absolute Health came into being on the Pink Sheets earlier this year after its most recent name change. Up until May, it was called Ornate Holdings. Absolute Health's stock started trading in early June.

It's unclear under what name Absolute Health's gyms may be doing business. But Rohm, the company's president is identified in news articles as one of the owners of some gyms in the Raleigh, NC area doing business under the name Beyond Fitness. A phone number once listed on the Pink Sheets as that of Absolute Health's is in fact the number of Beyond Fitness.

According to the online promotional reports, Absolute Health owns and operate three fitness centers in the Southeast. Yet, elsewhere in the reports it lists eight fitness centers, all of which appear to be in North Carolina. A number of the gyms listed in the reports seem to correspond to gyms doing business under the Beyond Fitness name. The undated reports suggest that Absolute Health is looking to add more gyms to its roster and it could have revenues of more than $23 million if it merges with another unnamed fitness center operator.

Neither of the websites tells investors how much they were paid for the reports, which list a six-month price target of $10 a share.

The promotional reports list two officers for Absolute Health, a president named Roland Rohm and vice president of sales and marketing named Thomas Flynn. The reports also note that some of the gyms in their portfolio are connected to "Kapital Eng," which is presumably Kapital Engine Investments, which is run by Randall Rohm, who, as we noted above, is being sued by his business partner. It's impossible to know if the promotional reports meant Randall when they said Roland.

An earlier version of the reports can be found on a cached Internet page for a now defunct website called www.UsPennyStocks.com. That version includes a link to a video interview with Brian Morris, a man identified as Absolute Health's chief executive officer, and Flynn.

In the undated interview, promotional newsletter editor Thomas Heysek can be seen chatting with Morris and Flynn about Absolute Health's great potentials.

Neither Rohm, nor Flynn returned several telephone calls seeking comment. Heysek first told Dow Jones Newswires that he didn't know Absolute Health. When asked about the interview, Heysek said he did half a dozen interviews a week and couldn't remember the company. In a follow up phone call, Heysek said he's no longer involved with stocks.

Absolute Health was incorporated in Nevada in Aug. 1999. According to Nevada corporate records, the company's incorporation was reinstated earlier this week. It had been revoked in September for failing to provide a list of officers.

Interwest Transfer Co., Absolute Health's transfer agent, told Dow Jones that the company had 64 million shares outstanding as of Dec. 3. A recent price of $2.08 a share now gives Absolute Health a market capitalization of $133 million.

There is no information about Absolute Health's shareholders. But a lawsuit filed last month by Jeremy Jaynes against Absolute Health's president Rohm and Kapital Engine Investments Inc. purports the existence of a partnership controlling a number of gyms, some of which may or may not be owned by Absolute Health.

In that complaint filed in the District Court of Wake County, NC, Jaynes accuses Rohm of having mismanaged eight health clubs owned by Kapital Engine. According to the filing, Jaynes owns 47.5% of Kapital Engine, Rohm owns another 47.5% and Flynn, Absolute's vice president of sales and marketing, the other 5%.

Jaynes was convicted Nov. 3 in the country's first felony prosecution of e-mail spam distributors. Jaynes and his sister Jessica DeGroot were convicted in the Loudoun County Circuit Court on three counts of sending emails about penny-stock schemes and other financial offers containing fraudulent information. A third defendant Richard Rutkowski was acquitted. Jaynes is out on bail awaiting sentencing. The jury recommended that he served nine years. A lawyer for Jaynes wasn't available to comment. According to evidence presented in court, Jaynes had obtained more than 750 million e-mail addresses, as well as a stolen database of some 84 million AOL members.

In his complaint against Rohm and Kapital Engine, Jaynes (who Virginia prosecutors said also used the names Jeremy James and Gaven Stubberfield) alleged that Rohm's mismanagement of the gyms caused the facilities to "fall into un-cleanliness and disrepair" causing loss of revenues. Jaynes also accused Rohm of "embezzling cash" from Kapital Engine.

Rohm and Kapital Engine have yet to respond to Jaynes' complaint. A lawyer representing Rohm and Kapital Engine was unable to comment.

Nevada corporate records shows that Kapital Engine was incorporated in Nov. 2002. Rohm is listed as president of the company.

It's not certain how Rohm and Jaynes got into the gym business. A North Carolina business publication called The Triangle Business Journal reported in May 2003 that a man named Ted Sampson who franchised a handful of Gold's Gyms was no longer working with Gold's and had renamed his fitness centers "Beyond Fitness." In that same article, Sampson said he had taken on a new business partner, Jeremy Jaynes.

Meanwhile, the Better Business Bureau of Eastern North Carolina also seems to have some issues with gyms owned by Beyond Fitness, some of which may or may not be owned and managed by Absolute Health. A December report shows that the bureau processed 107 complaints about Beyond Fitness over the last two years, 86 of which were not addressed by the company. The Better Business Bureau said in the report that Beyond Fitness has an unsatisfactory record due to unanswered complaints concerning advertising issues.

SEC Suspends Trading In Absolute Health & Fitness Stock
By Carol S. Remond
Of DOW JONES NEWSWIRES
15 December 2004

NEW YORK (Dow Jones)--U.S. Securities and Exchange Commission on Wednesday suspended trading in Absolute Health and Fitness (AHFI) and raised questions about the accuracy of information publicly available about the company.

The SEC said in a press release that the temporary trading suspension would end on Dec. 29 and trading would resume on Dec. 30.

An "In The Money" column on Dec. 9 detailed Absolute Health and Fitness and the complete lack of information about the company, its business, its insiders or its shareholders. The column highlighted, among others things, that Randall Rohm, a man identified in promotional online newsletters as president of Absolute Health and Fitness, is being sued by a business partners alleging that Rohm mismanaged gyms they own together.

That man, Jeremy Jaynes, was recently convicted in November by a Virginia jury on felony charges for violating that state's tough e-mail spam law. Jaynes is out on bail awaiting sentencing.

The SEC said in its suspension order Wednesday that it appears "that there is a lack of current and accurate information concerning the securities of Absolute Health and Fitness, Inc. because of questions regarding the accuracy of assertions by Absolute Health, and by others, in public statements to investors concerning, among other things, its corporate status and its ownership of certain health and fitness facilities."

The SEC said that in its opinion "the public interest and the protection of investors require a suspension of trading in the securities" of Absolute Health and Fitness.