

ALABAMA SECURITIES COMMISSION

Issue VII

Special Legislative Edition

March 2006

**THE ASC MISSION
IS TO
PROTECT
INVESTORS
FROM
SECURITIES FRAUD
AND PRESERVE
LEGITIMATE
CAPITAL
MARKETS
IN ALABAMA.**

Directors Update to Legislators

- **State Securities Cops at Home**
- **Result of National and Global Involvement**
- **SEC Commissioner visits ASC**

Dear Legislators,

The Alabama Securities Commission was proud to serve citizens of Alabama during the past year. The Commission protected citizens through enforcement, registration, and by providing wise saving and investor education.



Joseph P. Borg

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Addendum: Excerpts from ASC Website

ASC Statistics for Fiscal Year 2005

- Restitution & Rescissions to victims of securities fraud: **\$ 6,866,841.00**
- Orders issued: Suspensions, Cease & Desist, Bars, etc: **169 Respondents and 50 orders**
- Criminal Felony Convictions Obtained: **8**
- Public Warnings Issued: **22**
- Individuals awaiting grand jury action, arrest or trial **47**
- Cases under review or investigation **388**
- Registration Division issued **106,480** licenses/registrations
- Contributions to the General Fund after agency expense: **\$15,891,144.00**
- **41** employees (includes: 4 attorneys; 11 special agents; 8 analysts)

State Securities Cops at Home

ASC continues to aggressively prosecute anyone who breaks the laws that regulate the securities industry. The Commission has been lauded in local and national publications for its conviction rates and on national news for management practices.

ASC media coverage last year included ABC Primetime TV, PBS television, APTV, The Wall Street Journal, ^{On}WALLSTREET, USA Today, and most Alabama major television and newspaper media.

In 2005, ASC provided fraud prevention education to more Senior citizens than ever before by partnering in major events with the Attorney General's office and Department of Senior Services.

The Commission is proud to maintain active board representation with the **Jump\$tart Coalition** to conduct major events and provide personal financial education to teachers and the youth of Alabama. In July of 2005 ASC, the Department of Education and other Jump\$tart members partnered to provide free personal finance curriculum and education to over **450** business teachers. The Commission further assisted these agencies to receive over \$12,000 in Investor Protection Trust grants to provide free curriculum materials and training seminars to our teachers. ASC is proud to fight the battle against financial illiteracy in Alabama. In the future these efforts will hopefully lower our rates of bankruptcy and stimulate Alabama's economy as students mature and prosper.

ASC National Involvement - Director to serve second term as NASAA¹ president. This event was a highpoint in Director Borg's career and for ASC, when the North American Securities Administrators Association elected Borg to be their president for the fiscal year of 2007. Borg is the second person in the 84 year history of NASAA to have the privilege to serve as president for the second time. In NASAA, the practice is to actively serve during the pre and post election year. This Commission and the Citizens of Alabama have benefited remarkably by membership with NASAA. The Wall Street settlements and initiatives were driven by cooperative efforts between NASAA, the SEC and other regulatory agencies. The real result is that we are now seeing the restoration of investor confidence in the securities industry and our national markets. The national settlements and Alabama's \$5.2 million dollar share, which went into the General Fund, represent a small part of the often overlooked achievements at the state and national levels. ASC's leadership and participation lead to the ability of Alabamians to build wealth in a healthy investment market. Major changes include legislation that will insure that Wall Street analysts are no longer in conflict with the companies they recommend to investors. Also, NASAA played a major role to knock down preemption legislation which would severely reduce this Commission's ability to remain the securities cop on the beat at home.

NASAA significantly promotes this Commission's ability to network resources with other States and North American regulatory agencies to prosecute and stop financial and investment scams that typically target more than one state at a time.

¹The North American Securities Administrators Association (NASAA) was established in 1909 and is the oldest international organization devoted to investor protection. NASAA is a voluntary association whose membership consists of 67 state, provincial, and territorial securities administrators in the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Canada, and Mexico.

Global Involvement: The Commission has received worldwide recognition for Director Borg's participation and contributions to a United Nations Panel that is working to promote emerging markets and to work with other countries around the world to prevent securities fraud and crimes such as money laundering and identity theft. The United States stock exchange system and market may not be perfect, but is revered as the best in the world. By working with other countries ASC promotes the ability of citizens in Alabama as well as other US citizens to better participate and invest in growth opportunities and newly emerging markets.

COSRA: Director Borg, once again was invited to represent the 50 states in the recent Council of Securities Regulators of the Americas (COSRA), August, 2005 in Cartagena, Columbia, South America. The Alabama Securities Commission challenge has reached global proportions as the world becomes smaller technologically and financially.



A few years back the Commission closed down an international scam and returned over \$5 million dollars to investors. This Alabama based international scam reached over 20,000 internet and word-of-mouth customers in the US and 16 foreign countries. The COSRA program offers a twofold advantage to Alabamians and other citizenships represented by members; it allows the Americas to unite and work together to fight international securities fraud and helps develop infrastructures to promote investment opportunities in emerging markets. Recent legislation to control and fight white collar crime has established regulatory practices for financial institutions to help control offshore money laundering. ASC is involved in numerous cases concerning offshore investment schemes and frequently receives calls, emails and correspondence for assistance from people all over the world.

SEC Commissioner visits ASC: In July 2005 ASC hosted US SEC Commissioner Paul Atkins, at ASC's invitation. Commissioner Atkins is one of five SEC Commissioners. Commissioner Atkins was first appointed to the SEC by President Bush in July of 2002. The purpose of his visit was to continue and foster the relationship between the SEC and state regulatory agencies to better share resources in service to our citizens. Commissioner Atkins and the ASC Director appeared live on Alabama Public Television "For the Record" to discuss how federal and state regulators increasingly work together.

SUMMARY OF ASC IN-THE-NEWS (2005- Present)

TO READ THE ENTIRE ARTICLES GO TO: www.asc.state.al.us

Birmingham Businessman (January 27, 2005)

Wealth Builders International (WBI) Founder Pleads Guilty

The Alabama Securities Commission announced today that Terry Harris, a resident of Birmingham, Alabama pled guilty for acting as an Investment Advisor representative without a license. After 3 days of trial and prior to closing argument, Terry Harris pled guilty to a 1 count felony for selling securities as an Investment Advisor representative without a license. Mr. Harris will be required to pay restitution of approximately \$1.5 million for losses sustained by over 1700 WBI Investors.

Montgomery Area (February 2, 2005)

Frank Ray Johnson and Milton Vaughn of Montgomery, Alabama Arrested for Alleged Participation in a Prime Bank Scheme

MONTGOMERY, ALABAMA (February 2, 2005) Joseph P. Borg, Director, Alabama Securities Commission announced today the arrest of Frank Ray Johnson and Milton Vaughn, on January 27, 2005, both of Montgomery, Alabama for alleged participation in a Prime Bank Scheme. Johnson and Vaughn turned themselves in to the Montgomery County Sheriff's department and later released on \$50,000 bond each.

Alabama Citizen Alert (February 8, 2005)

Warning and Request for Information about a Securities Investment Scam

The Alabama Securities Commission warns Alabama citizens to be on alert for investment offerings from Premium Income Corp, Tri-Forex International, LTD and suspected key associates listed below. Alabama is working closely with our counterparts in Texas and with the Commodities Future Trading Commission (CFTC) to prevent investment losses from spreading further.

Birmingham Area (February 25, 2005)

Jameka Whatley Pled Guilty to Fraud and Theft in Stock Options Trading Scam

The Alabama Securities Commission and the Birmingham office of the Federal Bureau of Investigation announced today that Jameka Whatley pled guilty to one (1) count of fraud in connection with the sale of securities, and one (1) count of Theft of Property in the First Degree, before Circuit Judge Hard in Jefferson County. This case was a result of a joint investigation by the Enforcement Division of the Alabama Securities Commission, and the Birmingham office of the Federal Bureau of Investigation. Whatley posed as a stock options trader and solicited and obtained monies totaling approximately \$100,000.00 from thirty (30) investors. Whatley promised investors large returns and utilized the investor funds for her own personal use.

Former Tuscaloosa Resident Arrested in Clarke County (March 1, 2005)

Creighton arrested for alleged IRA securities scam

Honorable Tommy Smith, District Attorney for the Sixth Judicial Circuit and Honorable Joseph P. Borg, Director of the Alabama Securities Commission, announced today the arrest of Allison Hunt Creighton, formerly of Tuscaloosa, Alabama by Deputy Sheriffs of the Clarke County Sheriff's Department. It is alleged that Creighton, while acting in the capacity as a securities agent convinced an Alabama investor to establish a self-directed IRA, and then by filing false documents, gained control of \$95,000.00 of investor funds and diverted the money to her own personal checking account, where she utilized the money for her own personal use.

Millbrook Resident/Contractor (March 1, 2005)

Edwin Rick Wood of Millbrook, Alabama pled guilty to securities fraud and theft of property

Honorable Randall V. Houston, District Attorney, 19th Judicial Circuit and Honorable Joseph P. Borg, Director of the Alabama Securities Commission, announced today that Edwin Rick Wood of Millbrook, Alabama pled guilty in Elmore County before Circuit Judge John Bush to 1 count of securities fraud and 16 counts of Theft of Property 1. Wood falsely led investors to believe that he had exclusive rights to government subsidized construction contracts in the cities of Millbrook and Montgomery, Alabama. Wood told his investors that he would pay them interest on the notes ranging from 20% to 40%.

Alabama Citizen Alert (March 4, 2005) - Possible Illegal Offer and/or Sale of Securities

Joseph P. Borg, Director of the Alabama Securities Commission warns Alabama citizens to be on alert for investment offerings from CARUBA INTERNATIONAL, LLC ("CARUBA"), TRADEWIND HOLDING COMPANY ("TRADEWIND") and suspected key associates.

(Continued on next page)

Borg said, "CARUBA AND TRADEWIND have allegedly been posing as investment advisors and broker dealers without being registered with the Alabama Securities Commission, and the products being offered are not registered with the Commission. Failure to have a license and/or failure to register the investment products are violations of the Alabama Securities Act. The Commission is aware that public presentations have been made by CAURBA AND TRADEWIND in Dothan and Montgomery, Alabama."

Alabama Securities Commission Director named as member of United Nations Panel – UN Eleventh Congress on Crime Prevention and Criminal Justice (March 8, 2005)

Joseph P. Borg, Director of the Alabama Securities Commission has accepted an invitation to participate in an Intergovernmental panel as part of the UN Eleventh Congress on Crime Prevention and Criminal Justice. The respective US delegation has approved Mr. Borg to attend and participate. Borg will participate in a study now being commenced by the United Nations Office on Drugs and Crime (UNODC) in conjunction with United Nations Commission on International Trade Law (UNCITRAL). Mr. Borg and other attendees will convene as an Intergovernmental Expert Group to prepare a study on International Fraud and the Criminal Misuse and Falsification of Identity in Vienna, March 17-18, 2005.

Millbrook Resident/Contractor (March 28, 2005)

Edwin Rick Wood of Millbrook, Alabama sentenced for securities fraud and theft of property

Honorable Randall V. Houston, District Attorney, 19th Judicial Circuit and Honorable Joseph P. Borg, Director of the Alabama Securities Commission, announced today that Edwin Rick Wood of Millbrook, Alabama was sentenced by Circuit Judge John Bush, in Elmore County, to 15 years to serve 3 years of confinement with the Alabama Department of Corrections, followed by 5 years of probation and is required to pay restitution to victims of \$941,295.

Autauga County Area (April 18, 2005) Gwaltney, Downen, and Morice, arrested in Tennessee for alleged violations of the Alabama Securities Act

Honorable Randall V. Houston, District Attorney, 19th Judicial Circuit and Honorable Joseph P. Borg, Director of the Alabama Securities Commission, announced today that on April 13, 2005, Officers of the Shelby County, Tennessee Fugitive Unit, arrested David Gwaltney, David Downen, and Lawrence Morice, as a result of indictments handed down by the February session of the Autauga County, Alabama Grand Jury for violations of the Alabama Securities Act, for alleged sales of unregistered securities by unregistered agents, and fraud in connection with the sale of securities. Gwaltney, Downen, and Morice, were indicted on claims they induced 85 investors from the states of Alabama, Arkansas, Mississippi, New York, and Tennessee to invest \$9 million in Promissory Notes and \$426,000.00, in joint venture interests issued by their company.

Birmingham Resident/Businessman (April 29, 2005)

Terry Harris of Birmingham, Alabama Sentenced for violations of the Alabama Securities Act

Honorable Troy King, Alabama Attorney General and Honorable Joseph P. Borg, Director of the Alabama Securities Commission, announced today that on April 28, 2005, Terry Harris, a resident of Birmingham, Alabama appeared before Judge Johnny Hardwick in Montgomery County and was sentenced to 5 years in the penitentiary which was suspended, and placed on 5 years supervised probation for acting as an Investment Advisor representative without a license.

Harris was further ordered to: To pay restitution in the amount of \$1,603,608.09 to the WBI investors; Pay Court's costs of \$10,000 to the Alabama Crime Victims' Compensation Fund; Pay a \$2,500 fine; Cease and desist all conduct which gave rise to this criminal prosecution; Not leave the State of Alabama to conduct any business which gave rise to the charges; To perform 500 hours of community service. The Defendant's motion to withdraw his guilty plea was denied.

Alabama Citizen Alert (May 19, 2005) - Angel Construction, Inc., Angel Homes, and Angel Investments have been ordered to Cease and Desist business

The Alabama Securities Commission warns Alabama citizens to be on alert for investment offerings from Angel Construction, Inc., Angel Homes, or Angel Investments an Alabama company with a business address of 33 Vonora Avenue, Montgomery, Alabama, 36107. Evidence indicates that Angel Construction, Inc., Angel Homes, and Angel Investments ("Angel, Inc."), have allegedly issued promissory notes to raise capital for real estate ventures and are not registered to sell securities in Alabama, nor is the opportunity or product offered registered in Alabama as required by the Alabama Securities Act.

Warning to Alabama Investors (July 28, 2005) - Investors to Beware of Phony Regulators

Foreign investors getting a bad deal, in any language

Want to check out a hot stock tip before you invest? Make sure you aren't getting bad advice from con artists posing as regulators, warns Joseph Borg, Director of the Alabama Securities Commission. Borg identified a number of imitation "regulators," including: the Regulatory Compliance Commission, the International Regulatory Commission, the International Compliance Commission, the International Shareholder Protection Division and the International Exchange Regulatory Commission. Each of these entities had websites and listed addresses and telephone numbers in the United States and none have any relation to real regulatory agencies or organizations.

(Continued on next page)

Birmingham Resident/Businessman(August 5, 2005)**Terry Harris placed in the Montgomery County Detention Center**

MONTGOMERY, ALABAMA Honorable Joseph P. Borg, Director of the Alabama Securities Commission, announced today that Terry Harris, a resident of Birmingham, Alabama appeared before Judge Johnny Hardwick in Montgomery County and was placed in the Montgomery County Detention Facility as a result of being declared delinquent because of alleged violations of his probation. A probation revocation hearing is scheduled for Mr. Harris on August 31, 2005, 9:00A.M. Harris was previously sentenced to 5 years in the penitentiary which was suspended, and placed on 5 years supervised probation for acting as an Investment Advisor representative without a license.

Warning to Alabama Citizens (August 11, 2005)**PIPS, PURE, and PIC have been ordered to Cease and Desist business in Alabama**

The Alabama Securities Commission warns Alabama citizens to be on alert for investment offerings from the following entities/agents: Evidence indicates that PIPS, PURE and PIC have allegedly offered loan investment programs such as "The 2% Plan" and the "5 Year Trust Plan" to citizens of Alabama. Borg said, "These companies show characteristics of a "Ponzi" loan type of scheme, where the funds collected for initial investments are used to pay off earlier contracts. Alabama citizens have already invested an estimated \$250,000."

Colbert County Area (August 16, 2005)**Dale and Shirley Graybill sentenced for involvement in securities scheme**

The Honorable Bryce Graham Jr., District Attorney, 31st Judicial Circuit, Colbert County and the Honorable Joseph P. Borg, Director, Alabama Securities Commission announced that Dale and Shirley Graybill appeared before Judge Jacqueline M. Hatcher in the Circuit Court of Colbert County on August 11 for their involvement in an investment scheme known as Memlock Systems, an offshore international business corporation located in the Turks and Caicos Islands.

Alabama Securities Commission Spans the Globe (August 24, 2005)

The securities regulatory business has expanded from Alabama to networking with other agencies on a worldwide basis. Joseph P. Borg, Director, Alabama Securities Commission will represent the North American Securities Administrators Association (NASAA)¹ at the Council of Securities Regulators of the Americas (COSRA) from August 31 – September 3, 2005 in Cartagena, Columbia, South America. The Alabama Securities Commission challenge has reached global proportion. Borg said, "The world is getting smaller and we are reaching out farther; a few years back the Commission closed down a scam and returned over \$5 million dollars to investors. The Alabama based international scam reached over 20,000 internet and word-of-mouth customers in the US and 16 foreign countries. The COSRA program offers a twofold advantage to Alabamians and other citizenships represented by members; it allows the Americas to unite and work together to fight international securities fraud and helps develop infrastructures to promote investment opportunities in emerging markets. Recent legislation to control and fight white collar crime has established regulatory practices for financial institutions to help control offshore money laundering. We have had numerous cases recently involving offshore investment schemes and frequently receive calls, emails and correspondence from people all over the world."

Alabama Citizens Alert (September 2, 2005) - Investors to Beware of Hurricane-Related Scams

In the wake of widespread devastation caused by Hurricane Katrina in Louisiana, Mississippi, Alabama, and Florida, the Alabama Securities Commission today warned investors to beware of opportunistic investment scams. "In the aftermath of this week's tragedies, investors should be patient and cautious when making decisions about their investments or finances," Borg said, noting that cold-calling telephone salespeople, advertisements, or Internet postings that tout investment pools or bonds to help hurricane victims, or supposed water-removal or purification technologies and electricity-generating devices should be a red flag for investors."

Alabama Investors (September 7, 2005) - Securities and Insurance Regulators from Alabama Join Multi-state settlement against a Kansas City, MO Brokerage and Insurance Firm for an Unsuitable Variable Annuity Exchange Program

Honorable Walter A. Bell, Alabama Commissioner of Insurance and Honorable Joseph P. Borg, Director of the Alabama Securities Commission, announced today a multi-state settlement with the brokerage firm Waddell & Reed, Inc. a Kansas City Brokerage and Insurance Firm. Investors from Alabama who were affected by Waddell & Reed's actions will be contacted and should receive appropriate restitution for losses incurred. The Alabama Securities Commission and the Alabama Department of Insurance participated in a multi-state investigation into Waddell & Reed's sales practices. The investigation found that many of the customers who paid surrender charges were likely to lose money or receive reduced benefits when they were encouraged to switch to a new product.

(Continued on next page)

Excerpt of press release from Office of the United States Attorney, Southern District of California - ASC participant in investigation (September 8, 2005)

United States Attorney Carol C. Lam announced today that a federal grand jury sitting in San Diego handed up a five-count indictment charging Randall T. TREADWELL, Arnulfo M. ACOSTA, Ricky D. SLUDER, and Larry C. SATURDAY with wire fraud and conspiracy. "This investigation is a perfect example of federal and state law enforcement agencies working together to address a prolific fraud scheme that was national in scope," said FBI Special Agent in Charge Dan Dzwilewski. "I would like to specifically note the contributions of the Securities and Exchange Commission, the Alabama Securities Commission, the Florida Bureau of Financial Investigations, and the Texas State Securities Board."

EMERGENCY ORDER Due To Hurricane Katrina (September 9, 2005)

The Alabama Securities Commission has determined that it is appropriate and in the public interest to issue an Emergency Order concerning securities transactions which may take place between investors or financial professionals displaced as a result of Hurricane Katrina. **The Exemption provided in this Order is subject to the condition that the securities transactions or investment advice is with pre-existing clients who are temporarily located in this state as a result of Hurricane Katrina, OR, subject to the condition that the broker-dealer, agent, investment adviser, and investment adviser representative, or federal covered investment adviser has a temporary place of business in this state as a result of Hurricane Katrina, doing business only with pre-existing clients.**

Joseph P. Borg elected to head international securities organization (September 16, 2005)

Joseph P. Borg, Director of the Alabama Securities Commission, has been elected to the position of President-elect for the North American Securities Administrators Association (NASAA) and will serve as President beginning September 2006. This is the second time that Borg will hold this prestigious position. Only one person has ever served two terms as president in the 87 year history of NASAA. Organized in 1919, the North American Securities Administrators Association (NASAA) is the oldest international organization devoted to investor protection. NASAA is a voluntary association whose membership consists of 67 state, provincial, and territorial securities administrators in the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Canada, and Mexico.

Since becoming Director of the Alabama Securities Commission in 1994, Borg and his team have gained national prominence in closing down unscrupulous microcap stock brokerage firms and criminally prosecuting investment crooks. Recently, Director Borg was a key leader in the implementation of the Wall Street settlements of \$1.2 billion. His agency managed the Lehman Brothers investigation in the multi state probe concerning research analyst conflicts at large Wall Street firms. The state of Alabama's General Fund received \$5.1 million of Wall Street settlement fines.

Mobile Area (September 16, 2005) Anthony Darrell Harris surrenders to the Mobile County Authorities for alleged involvement in an illegal securities scheme

Honorable John M. Tyson, Jr., District Attorney Mobile County and Honorable Joseph P. Borg, Director of the Alabama Securities Commission announced today that Anthony Darrell Harris, from Dog River, was indicted by a Mobile County Grand Jury last month and surrendered to authorities September 12, 2005. Harris called his company "Positive News Increase, Inc." Evidence alleges that relatives of Harris and citizens from Alabama and Mississippi invested in Positive News Increase, Inc. Some citizens invested over \$100,000.

Tuscaloosa Area (November 4, 2005)

Dendrick Atkins arrested for alleged violations of the Alabama Securities Act

Honorable Tommy Smith, District Attorney for the 6th Judicial Circuit and Honorable Joseph P. Borg, Director of the Alabama Securities Commission (ASC) announced today the arrest of Dendrick Atkins, a resident of Tuscaloosa County. **It is alleged that:** Atkins sold notes and investment contracts to investors involving real estate development projects in and around the Tuscaloosa, Alabama area. He solicited investments for his company called Atkins & Associates, a company that purchased and refurbished old homes then sold them for a profit. He issued real estate investment contracts to citizens of Alabama which collected investment dollars and promised to pay a profit on the principal investment after a period of time.

Alabama Citizens (November 18, 2005) Securities Commission Reaches Agreement with Morgan Stanley to Compensate Birmingham Investors

The Alabama Securities Commission raised concerns earlier this year with Morgan Stanley DW concerning certain mutual fund B share sales to a number of clients in Morgan Stanley's Birmingham, Alabama branch office. Upon notification of the Securities Commission's concerns, Morgan Stanley, in conjunction with Commission personnel, analyzed the accounts to determine if certain clients in Morgan Stanley's Birmingham office would benefit from a conversion of mutual fund B shares to A shares. Based on the results of the analysis, Morgan Stanley has agreed to offer some clients a conversion from higher cost B shares to lower cost A shares and compensate said clients for the difference between the value of the B and A shares at the time of redemption and/or refunds.

(Continued on next page)

Tuscaloosa Area (December 9, 2005) Allison Creighton pled guilty to Securities Fraud

Honorable Tommie Smith, District Attorney for the 6th Judicial Circuit and Honorable Joseph P. Borg the Director of the Alabama Securities Commission announce today that on December 6, 2005, Allison Hunt Creighton a resident of Tuscaloosa, Alabama pled guilty to Fraud in Connection with the Sale of Securities before Judge Scott Donaldson at the Tuscaloosa County Circuit Court and was sentenced to the maximum sentence of ten years in prison and to pay \$95,000 in restitution. Creighton was an agent of the Primerica Securities Company and registered to sell securities in Alabama. While an agent of the firm Creighton convinced an Alabama investor to place her retirement funds in a self directed IRA, then gained control of the funds and utilized them for her own personal use. Upon notification of the investigation by ASC and in cooperation with the Commission, Primerica Securities Company reimbursed the customer for all losses and interest.

Senior Alabamians (December 12, 2005) Alabama Securities Commission Urges Investors to Carefully Check Credentials of ‘Senior Specialists’

The Alabama Securities Commission today urged seniors to carefully check the credentials of individuals holding themselves out as “senior specialists.” Borg said that the North American Securities Administrators Association (NASAA) has observed a significant increase in designations claiming to provide the holder with expertise in providing services to investors 55 years and older. Borg, who is president-elect of NASAA, said securities regulators have opened 26 cases in the past year involving “senior specialists” in the eastern half of the United States alone.

Coffee County and Hoover Area (December 14, 2005) Hoover Residents Arrested as Part of International Securities Scheme

District Attorney Gary L McAliley, 12th Judicial Circuit in Alabama and Director Joseph P. Borg, Alabama Securities Commission announced the indictment and arrest of Hoover, Alabama area residents, Michael L. Von Kanel, Teresa H. Von Kanel and Douglas Handley on multiple counts for the sale of unregistered securities, the sale of securities by an unregistered agent, and securities fraud. The defendants were arrested on December 9th and held in the Hoover City jail and later transported to Coffee County jail pending a bond hearing. The defendants are allegedly involved in complex international securities schemes and fraudulent actions, which also involves use of the internet. The indictment resulted from a November 2005 session of the Coffee County Grand Jury and alleged that from December 2000 to January 2002, Michael Von Kanel, Teresa Von Kanel and Douglas Handley offered and sold securities to residents of Coffee County, Alabama described as Cash Flow Agreements of World Wide Wall Street (WWW) for a real estate development in Nassau, Bahamas.

Citizens of Alabama (December 22, 2005) ASC Reminds Investors to Do Their Homework before Investing in 529 College Savings Plans

As the year draws to a close, many investors are making decisions for their long-term financial goals, including saving for college through Section 529 College Savings plans. With increasing numbers of investors turning to these plans to help finance higher education costs, ASC is concerned that they may not always have all the facts needed to make appropriate investment decisions. College Savings Plan assets and choices are growing at a fast pace, Borg said, noting that the most recent statistics from the College Savings Plan Network, an affiliate of the National Association of State Treasurers, show that state-sponsored 529 College Savings Plans have attracted more than \$72.4 billion in assets.

Alabamians Beware of Tax Related Investment Opportunities (January 10, 2006)

With the tax season fast approaching, Joseph Borg, Director of the Alabama Securities Commission, warns investors to be cautious when attending investment seminars offering tax-saving and tax sheltered investment strategies. This warning focuses on seminars that may offer investors an opportunity to ‘move their money’, ‘maximize tax flow’ or ‘pay less taxes’. This type of marketing tactic could be used to attract investors to a seminar where they will learn about a specific investment product or strategy that’s connected to a promised tax break. In some cases, investors are audited years later only to find that they could be assessed for additional taxes, interest, or penalties by the Internal Revenue Service.

Bessemer Area (January 23, 2006) Mervish and Pier Arrested in Miami, will be Extradited to Alabama for Alleged Securities Fraud

District Attorney Arthur Green, 10th Judicial Circuit (Bessemer Cutoff) in Alabama, Director Joseph P. Borg, Alabama Securities Commission, and Jesus Torres, Special Agent-In-Charge, U.S. Immigration and Customs Enforcement (ICE) in Miami announce the arrest of Jules Pier, at his place of business called SmartZ USA, and Mike Mervish at his place of employment. Both men will be extradited to Bessemer, Alabama where they face state charges for securities fraud. The Alabama Securities Commission, U.S. Immigration and Customs Enforcement (ICE), District Attorneys Office Bessemer Cutoff, and other regulatory agencies are working together in an ongoing investigation to prosecute other international schemes that may be linked to this case.

(Continued on next page)

Hoover Resident Arrested Again for Alleged Involvement in an International Securities Scheme

(January 25, 2006). District Attorney Arthur Green, 10th Judicial Circuit (Bessemer Cutoff) in Alabama, Director Joseph P. Borg, Alabama Securities Commission and Attorney General Troy King announce the arrest of Hoover, Alabama resident Michael L. Von Kanel on January 24, 2006, for six indictments comprised of 90 counts in violation of the Alabama Securities Act. Von Kanel turned himself in at the Bessemer County Sheriff's Department and was bonded out for \$130,000.

Pell City man sentenced to 10 years for violation of Alabama Securities Act (January 30, 2006)

District Attorney Richard J. Minor, 30th Judicial Circuit in Alabama and Director Joseph P. Borg, Alabama Securities Commission announce that Donald Eugene Watts pled guilty before Judge Charles Robinson in Pell City Circuit Court last Thursday, to one count of the Sale of Securities by an Unregistered Agent. Watts was sentenced to 10 years and ordered to pay \$350,000 in restitution. A hearing to address Watt's application for probation and to determine a restitution payment plan is set for March 30, 2006. Watts is out on a \$250,000 bond. Previously, on April 5, 2004, the Securities and Exchange Commission with the assistance of ASC, filed a Motion for a Temporary Restraining Order seeking an asset freeze and other emergency relief in the United States District Court for the Northern District of Alabama to halt an ongoing \$10 million Ponzi scheme conducted by Timothy R. Heyman ("Heyman"), and Heyman International, Inc. ("Heyman International"). The court has since frozen Heyman's assets and issued a permanent injunction to stop the investments.

Campaign for Wise and Safe Investing targets citizens of Alabama ages 50-65 (February 10, 2006)

The Alabama Securities Commission announced today a partnership between ASC, AARP and the Alabama Cooperative Extension System (ACES) to promote personal finance education to adult citizens throughout Alabama. Most of the funding for community events in Alabama and materials produced for citizens will come from a grant awarded by the Investor's Protection Trust (IPT) at the request of the Alabama Securities Commission. The first event will take place at the Botanical Gardens in Birmingham, Alabama. The target audience is working adults ages 50-65. Borg said, "This is the hardest group to reach and in many aspects a very vulnerable group of citizens who earn income, need to invest, and have something to lose. This audience has a hard time breaking away from a busy work schedule. We want the working citizens of Alabama to know that we have some excellent educational materials and make available seminars to citizen groups upon request to help people learn about making wise investment decisions and how to protect themselves from securities fraud."

Mobile Couple Pled Guilty to Violations of Alabama Securities Act (February 14, 2006)

John Tyson Jr., District Attorney, 13th Judicial Circuit in Alabama and Joseph P. Borg, Director Alabama Securities Commission, announced today that Thomas E. McCray and Inez S. McCray of Mobile, Alabama both pled guilty to felony counts for violation of the Alabama Securities Act before Judge Rick Stout. Thomas McCray pled guilty to three felony counts and Inez McCray to one felony count. They were sentenced 10 years split to time served (5 months) 5 years formal probation and ordered to pay restitution of approximately \$150,000. The McCrays will jointly be liable for the restitution which will be paid to the victims in the order that they appear on the indictment and not pro rata so that the victims experience some real satisfaction. They were ordered to each pay \$500 per month starting in June 2006.

All Alabamians (February 16, 2006)**ASC Releases "Unlucky 13" List of Investor Traps for 2006**

The Alabama Securities Commission today outlined a forecast of the 13 most common ways investors are likely to be trapped in 2006. "This list is anything but lucky," Joseph P. Borg, Director of the Alabama Securities Commission said. "Investment scams can be devastating for the investor who falls victim, both financially and emotionally. Scams come in many disguises, but they all share a common goal of separating victims from their money. As regulators, we are especially concerned that as the first of the Baby Boomers turn 60 this year they not become trapped in bad investments as their retirement nears."

END: SUMMARY OF ASC IN-THE-NEWS (2005 - Present)

TO READ THE ENTIRE ARTICLES GO TO: www.asc.state.al.us

Education and Public Affairs Corner

Personal financial education and fraud prevention program activities once again exceed prior year initiatives. The Commission assisted in bringing over \$60,000 in grant funds in support of financial education activities from the Investor Protection Trust (IPT). Most of the grant funds have provided personal financial education training to Alabama public school teachers along with free education materials and curriculum that directly benefits students throughout Alabama. The Commission strongly believes that personal financial education is a key element for wealth accumulation, fraud prevention and to help more Alabamians reach their dreams.



Daniel G. Lord,
Education & Public Affairs Manager

Securities Commission financial education manager receives national award

Daniel G. Lord, manager of Public Affairs and Education, received the Distinguished Service Award from the North American Securities Administrators Association (NASAA) for his development and implementation of an outstanding education program that promotes investor education and securities fraud prevention to citizens of Alabama.

Director Borg said, “We are delighted that Dan received this prestigious award. Dan was challenged to build a state-wide investor education and public affairs program when he was hired five years ago--today the Commission has an outstanding program in these areas. Once again, Alabama has been recognized as a leader in the securities field--at the recent NASAA annual investor education conference, only one award was given and eligible competition included membership throughout the United States, Canada, Mexico, Puerto Rico and the Virgin Islands.”

An excerpt from the award read: “You have built an outstanding investor education program to serve the citizens of Alabama and have made invaluable contributions to investor education throughout North America.”

ABC Primetime television show highlights ASC case

Christopher Cuomo visits the Commission to film story.



Christopher Cuomo
Senior Legal Correspondent
ABC News

ASC investigated and joined with District Attorney Randall Houston (Elmore County, Alabama) in the prosecution of the now famous Daystar Church scandal, which took place in Prattville, Al.

The case resulted in sentencing of 9 people who participated in the scandal which led to the loss of \$3 million stolen from members and the foreclosure of a beautiful building to worship in.

Deputy Director McNeill said, “It was an exciting experience to be interviewed on a national television show. For the first time Steve Cooper, the kingpin of this crime who was sentenced to 31 years of confinement, expressed guilt and apologized to victims. This Commission is proud of its ability to work with Alabama law officials to punish people who steal from the residents of Alabama.”



J. Randall McNeill appointed as new Deputy Director for ASC

In October 2005 ASC approved the promotion of Mr. McNeill to Deputy Director. Prior to this promotion McNeill was Deputy Attorney General and Chief Prosecutor for the Commission. Director Borg said, "This was a highly competitive vacancy and McNeill was the most talented and qualified applicant for this position. Mr. McNeill will continue as Chief Prosecutor for the Commission and retain his designation as Deputy Attorney General and Special Assistant U.S. Attorney. I have no doubt he will enhance the daily operation of this outstanding Commission as Deputy Director and maintain our reputation as one of the most noted enforcement agencies in North America."

Jump\$tart Coalition conducts Personal Finance day for over 450 Business/Marketing Education teachers.

ASC is proud to be an active partner/member of the Alabama Jump\$tart Coalition to promote personal financial education in K-12 public and private schools throughout Alabama. On July 26th business marketing teachers were treated to a special day, which included information and free curriculum from numerous agencies to help promote personal finance education in existing courses taught at high schools throughout Alabama. Director Borg assisted Jump\$tart to apply for an IPT grant to fund a portion of the contributions from business that exceeded \$20,000 to support this event. Activities included a Café type of environment where teachers could examine different curriculum materials and talk to personal finance experts from a wide-array of state, government and business agencies. A luncheon was provided for the teachers and entertainment included a play from a nationwide theatrical company design to motivate high school students to develop personal finance skills.

¹The Investor Protection Trust exists to promote non-commercial investor education. The Trust supports pluralism and equal opportunity in its grant making and in its internal policies. The opportunities that prospective grantee organizations provide for minorities and women are considered in evaluating proposals. Activities supported by grants and program-related investments must be charitable, educational or scientific, as defined under the appropriate provisions of the U.S. Internal Revenue Code and Treasury

2006 is the Year for Alabamians ages 50 and over!

In an effort to reach out to middle age and older Alabamians ASC will participate in the following activities throughout 2006.

- Partner with AARP and the Alabama Extension Systems to put on "Investor University" events in cities and rural areas.
- Partner with the Alabama Attorney General's office and the Alabama Department of Senior Services (for the 3rd consecutive year) to put on fraud prevention activities throughout the state of Alabama in April 2006.
- ASC will attend and exhibit at the Alabama Gerontological Society conference in Birmingham, AL, in March 2006.
- ASC will display and provide materials to over 10,000 attendees at the Senior Expo conference in Huntsville, AL in May 2006.
- Participate on annual Medicare Van Tour (3rd consecutive year) prior to Thanksgiving to reach citizens throughout rural areas of Alabama and provide securities fraud prevention training and materials.

Investor Education & Fraud Prevention

The information below is provided to educate and protect investors.



NEW INVESTOR EDUCATION BROCHURES

by Editors of Kiplinger's Personal Finance Magazine.

Click on title below to view:

- [Five Keys to Investing Success](#)
- [Getting Help With Your Investments](#)
- [Mutual Funds: Maybe all You'll Ever Need](#)
- [The Basics for Investing in Stocks](#)
- [A Primer for Investing in Bonds](#)
- [Maximize Your Retirement Investments](#)
- [Where to Invest Your College Money](#)

These brochures are provided courtesy of the Investor Protection Trust www.investorprotection.org.

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- [ASC-Services-Information](#)
- [Investor Alert](#) -"Top 10" threats to investors
- [ASC Reminds Investors to Do Their Homework Before Investing in 529 College Savings Plans](#)
- [Seniors Take Control and Protect Yourself](#)
- [Red Flag Phrases for Investment Fraud](#)
- [Just a Cost of Doing Business](#)
- Take a Quiz and Check Out Your [Fraud Prevention IQ!](#)
- [Ten Tips to Avoid Investment Fraud](#)
- [Beware of Oil and Gas Schemes](#)
- [Holiday Season Investor Alert](#) - Telemarketing Fraud
- [Investor Alert](#) - International-Related E-Mail Solicitations
- [A Great Service for Alabamians](#)
- [The Investor Bill of Rights](#)
- [10 Do's and Don'ts for Investors](#)
- [Affinity Fraud:](#) Beware of Swindlers Who Claim Loyalty to Your Group
- [Cold Calling Alert](#)
- [How Older Americans Can Avoid Investment Fraud and Abuse](#)
- [How to Spot a Con Artist](#)
- [Some CD's Aren't What They Seem](#)
- ["Top Five" investments to be wary about!](#)
- For an example of an internet scam go to www.mcwhortle.com and click the ready to invest or buy area.
- [How to Remove Your Name from Mailing, Telemarketing, and Email Lists](#)
- [Understanding Your Brokerage Account Statements](#)
- [IBFT -- A PONZI Scheme](#)

NOTE:

In order to access and print some of the PDF file links, you must have [Acrobat Reader](#) installed on your machine. You may download the program free from Acrobat by clicking on the "Get Acrobat Reader" Icon to the right.



FINANCIAL LITERACY (FL): The Alabama Securities Commission (ASC) actively participates in the FL2010 program described at: <http://www.fl2010.org>. Qualified ASC staff members are available to present the free FL2010 curriculum opportunities to groups of teachers or educators in public or private schools. Also, ASC promotes Financial Literacy through presentations and materials. For more information or to request a presentation contact our Education and Public Affairs Manager.

For information, comments and/or suggestions contact Dan Lord, Education and Public Affairs Manager.

Call: 1-800-222-1253 or 1-334-353-4858. Fax: 1-334-353-4690. Email: dan.lord@asc.alabama.gov

Write: Alabama Securities Commission,
770 Washington Ave., Suite 570,
Montgomery, Alabama 36130-4700

News Releases for 2005

- [12/22/2005](#) - ASC Reminds Investors to Do Their Homework Before Investing in 529 College Savings Plans.
- [12/12/2005](#) - HOOVER RESIDENTS ARRESTED AS PART OF INTERNATIONAL SECURITIES SCHEME.
- [12/12/2005](#) - Alabama Securities Commission Urges Investors to Carefully Check Credentials of 'Senior Specialists'
- [12/08/2005](#) - Allison Creighton pled guilty to Securities Fraud.
- [11/17/2005](#) - Securities Commission Reaches Agreement with Morgan Stanley to Compensate Birmingham Investors.
- [11/10/2005](#) - Securities Commission Financial Education Manager receives national award for service to the Investing Public.
- [11/02/2005](#) - Dendrick Atkins charged with 16 counts of Fraud.
- [10/07/2005](#) - Alabama Securities Commission Announces System Fee Waiver & Reduction for Investment Advisers.
- [10/06/2005](#) - ASC announces promotions and new personnel in the Legal Division.
- [09/16/2005](#) - Alabama Securities Commission works with US Attorney office - results in 5 count indictment against Randall T. Treadwell, Arnulfo M. Acosta, Ricky D. Sluder, and Larry C. Saturday with wire fraud and conspiracy (Learn Waterhouse, Inc., Wealth Builders Club, Inc., and Qwest International, Inc)
- [09/16/2005](#) - Anthony Darrell Harris surrenders to the Mobile County Authorities for alleged involvement in an illegal securities scheme.
- [09/09/2005](#) - **EMERGENCY ORDER** Due To **Hurricane Katrina**
- [09/07/2005](#) - Securities and Insurance Regulators from Alabama Join Multi-State Settlement Against a Kansas City, MO Brokerage and Insurance Firm (Waddell & Reed) for an Unsuitable Variable Annuity Exchange Program.
- [08/22/2005](#) - **Investment Alert** - Alabama Securities Commission Advises Investors to Beware of Hurricane-Related Scams.
- [08/22/2005](#) - Alabama Securities Commission Spans the Globe
- [08/15/2005](#) - Dale and Shirley Graybill sentenced for involvement in securities scheme.
- [08/09/2005](#) - Joseph P. Borg, Director of the Alabama Securities Commission, has been elected to the position of President-elect for the North American Securities Administrators Association (NASAA).
- [08/05/2005](#) - **Investment Alert** - Warning to Citizens: PIPS, PURE, and PIC have been ordered to Cease and Desist business in Alabama.
- [08/05/2005](#) - Terry Harris placed in the Montgomery County Detention Facility.
- [07/28/2005](#) - **Investment Alert** - Commission Warns Investors to Beware of Phony Regulators - *Foreign investors getting a bad deal, in any language.*
- [05/13/2005](#) - **Investment Alert** - Warning to Alabama Citizens: Angel Construction, Inc., Angel Homes, and Angel Investments have been ordered to Cease and Desist Business.
- [04/28/2005](#) - Terry Harris of Birmingham, Alabama Sentenced for violations of the Alabama Securities Act.
- [04/13/2005](#) - Gwaltney, Downen, and Morice, arrested in Tennessee for alleged violations of the Alabama Securities Act.
- [04/06/2005](#) - Alabama Joins in National Investor Education Initiative.
- [03/08/2005](#) - Edwin Rick Wood of Millbrook, Alabama Sentenced for Securities Fraud and Theft of Property.
- [03/04/2005](#) - **Investment Alert** - Warning to Alabama Citizens About Possible Illegal Offer and/or Sale of Securities by CARUBA INTERNATIONAL, LLC. and TRADEWIND HOLDING COMPANY
- [03/01/2005](#) - Edwin Rick Wood of Millbrook, Alabama Pled Guilty to Securities Fraud and Theft of Property.
- [02/28/2005](#) - Allison Hunt Creighton Arrested for Alleged IRA Securities Scam.
- [02/25/2005](#) - Jameka Whatley of Birmingham, Alabama Pled Guilty to Fraud and Theft in Stock Options Trading Scam.
- [02/08/2005](#) - **Investment Alert** - Be on Alert for Investment Offerings from Premium Income Corp, Tri-Forex International, LTD and Suspected Key Associates Listed Below.
- [02/02/2005](#) - Frank Ray Johnson and Milton Vaughn of Montgomery, Alabama Arrested for Alleged Participation in Prime Bank Scheme.
- [01/27/2005](#) - Wealth Builders International (WBI) Founder, Terry Harris, Pleads Guilty

News Releases for 2006

- [02/16/2006](#) - ASC Releases "Unlucky 13" List of Investor Traps for 2006.
- [02/13/2006](#) - Mobile Couple (Thomas and Inez McCray) Pled Guilty to Violations of Alabama Securities Act.
- [01/24/2006](#) - Hoover Resident Arrested Again For Alleged Involvement in an International Securities Scheme.
- [01/23/2006](#) - Mervish and Pier Arrested in Miami, will be Extradited to Alabama for Alleged Securities Fraud.
- [01/10/2006](#) - Alabamians Beware of Tax Related Investment Opportunities

Administrative Actions -2005

Order #	Date Issued	Respondents	Action	Contact	Case Number
CD-2005-0001	01/04/2005	Alan Scott Daniels Daniels Capital Corporation	Cease & Desist	Reuben Redd	S04-0245
CO-2005-0001	05/31/2005	Alan Scott Daniels Daniels Capital Corporation	Consent Order	Reuben Redd	S04-0245
SC-2005-0002	01/04/2005	Brian Alan Blackmon	Show Cause	Chris Young	S04-0125
CD-2005-0003	01/24/2005	Grove Financial Group, INC	Cease & Desist	Chris Young	S05-0021
CD-2005-0004	02/02/2005	Lifeline Imaging, LLC Richard E. King Jr. Gerald L Friede A. Charles Harris Candice Lewis Randy Morton	Cease & Desist	David Williams	S04-0261
CD-2005-0005	03/04/2005	Caruba International, LLC Tradewind Holding Company Tradewinds Investments, INC. Ivan F. Shew-A-Tjon (AKA Ivan F. Shew) Stanley Shew-A-Tjon Darryl Reason Luther Carson Rudolph Robles Joel Williford Shelly Fearson Gwendolyn Long Geraldine Smith Mike Nowell	Cease & Desist	Anita Smith	S04-0422
CO-2005-0005	10/18/2005	Caruba International, LLC. Ivan F. Shew-a-tjon	Consent Order	Anita Smith	S04-0422
CD-2005-0007	03/07/2005	Riggabella Professional Services, INC. Handleton Management Services M. Kevin Mullen	Cease & Desist	Steve Brantley	S03-0081
CO-2005-0008	03/15/2005	Thomas Weisel Partners, LLC	Consent Order	Ricky Locklar	S04-0431
CD-2005-0009	03/17/2005	Premium Income Corp. A/K/A Supply Premium Income Corp. Complete Estate Services LLC. Gerald Leo Rogers A/K/A Jay Rogers Alexander Igor Shevchenko Fredrick O. Delin A/K/A Fred O. Delin	Cease & Desist	Steve Brantley	S04-0434
OR-2005-0010	03/28/2005	L. H. Ross & Company, INC. Franklyn Ross Michelin	Order of Revocation	Anita Smith	S05-0080
CO-2005-0011	03/31/2005	Deutsche Bank Securities, INC.	Consent Order	Ricky Locklar	S04-0430
Addendum A					
CD-2005-0012	04/07/2005	Southern Heritage, INC. Freedom Quest USA The Cookie Jar, L.L.P. GITAM, L.L.C.	Cease & Desist	Anita Smith	S05-0067

EXERPTS FROM ASC WEBSITE: www.asc.state.al.us

		Blessing Center Eagles Club International Money Tree System SSR, L.L.C. W. A. Cochran (AKA William A. Cochran) Bob Glass Mark E. Glass Fredrick Steven Orleans Alan Wright Terry W. Bryant William E. Frazier Teresa Roberson Lonnie E. Honeycutt Jeffery Morrison Terry J. Buck David Easterbrooks Guy W. Foster Ike McCollum Eddie Wood John Pershing Smith H. J. "Red" Tiner			
CD-2005-0013	04/07/2005	Phymed Partners, INC. James Lamar McMichael Nancy Wise McMichael	Cease & Desist	Kim Lewis	S03-0063 SC-2005-0014 OB-2005-0015
SC-2005-0014	04/07/2005	Franklin Financial Services Corp.	Show Cause	Kim Lewis	S03-0063 CD-2005-0013 OB-2005-0015
OB-2005-0015	04/07/2005	Robert Michael Seahorn John Colvin Colin Prest	Order to Bar	Kim Lewis	S03-0063 CD-2005-0013 SC-2005-0014
CD-2005-0016	04/08/2005	Alden Lee Company, INC. Richard Joseph Lee	Cease & Desist	Chip Harrison	S04-0377
CD-2005-0017	04/11/2005	T. D. & Associates Dennis Timpe Michael Spradley	Cease & Desist	Chip Harrison	S05-0091
CD-2005-0018	04/11/2005	Fortress Foundation INC. G. T. Funds INC. (AKA: Gods Trust Funds, INC.) Leroy Hoback Thomas Edward Crawford O. Bruce Mikell William E. Schwerdtfeger Gloria N. Streig Ra'nic Streig Schwerdtfeger Raymond M. Streig	Cease & Desist	Rossi Peters	S05-0035

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CO-2005-0018	01/23/2006	O. Bruce Mikell	Consent Order	Rossi Peters	S05-0035
CO-2005-0019	04/21/2005	The Meta Company, LLC Gary A. Mitchell	Consent Order	Rena Davis	I05-0136
CO-2005-0020	04/22/2005	Prudential Securities INC.	Consent Order	Ricky Locklar	S01-0024
CD-2005-0021	05/03/2005	Angel Construction, INC. AKA: Angel Homes AKA: Angel Investments Brian Jeffrey Heller Angela Marie Gustin	Cease & Desist	Chip Harrison	S04-0322
CD-2005-0022	05/05/2005	Ronald Dover Holland Curtis M Green Revod Foundation INC.	Cease & Desist	Reuben Redd	S03-0154
CD-2005-0023	08/1/2005	People in Profit Systems, INC. PUREINVESTOR.COM, INC. PIC Trust Limited Bryan Marsden	Cease & Desist	Chip Harrison	S05-0095
OB-2005-0024	08/19/2005	Back Bay Capital, INC. Capital Access Partners, LLC Albert Tommie Carazolez	Order to Bar	Mike Wilkerson	S04-0243
CD-2005-0025	08/25/2005	OceanFront Equity Holdings, INC. IGS Capital Management Corp. Bradley Pridemore	Cease & Desist	Chip Harrison	S05-0163
CD-2005-0026	08/25/2005	Freedom Online, INC. Theodore Mahoney Paul Rangel	Cease & Desist	Chip Harrison	S05-0217
CD-2005-0027	08/25/2005	Alpine Petroleum, LLC Jim Morrisett	Cease & Desist	Chip Harrison	S05-0153
CD-2005-0028	09/07/2005	Quadra Pay Land, LLC Eavenson Family LP Michael Eavenson Lorenzo Williams	Cease & Desist	Mike Wilkerson	S05-0090
CD-2005-0029	09/06/2005	Mobile Billboards of America, Inc. Tommy White	Cease & Desist	Mike Wilkerson	S02-0378
Addendum A	01/04/2006	Mobile Billboards of America, Inc. Tommy White Jackie P. Adams Tim Bradshaw J. Wendell Brigance James E. Lush Sandra Lush	Cease & Desist	Mile Wilkerson	S04-0378
CD-2005-0030	09/06/2005	TLC Investments LLC. David Lynn Goss	Cease & Desist	Mike Wilkerson	S03-0128
CD-2005-0031	09/07/2005	Universal Luxury Coaches, LLC. Tommy White James P. Hollis John Lang Scott Spur	Cease & Desist	Mike Wilkerson	S04-0379
SC-2005-0032	09/26/2005	Morgan Keegan & Company Woodley Harnnon Bagwell John Allen Jones IV Hampton F Hook Robert Shawn Ellison	Show Cause	Randy McNeil	S00-0093

EXERPTS FROM ASC WEBSITE: www.asc.state.al.us

CO-2005-0032	10/05/2005	Morgan Keegan & Company	Consent Order	Randy McNeill	S00-0093
OB-2005-0033	09/26/2005	Robert Shawn Ellison	Order of Bar	Randy McNeil	S00-0093
OB-2005-0034	09/26/2005	Hampton F. Hook	Order of Bar	Randy McNeil	S00-0093
OB-2005-0035	09/26/2005	John Allen Jones IV	Order of Bar	Randy McNeil	S00-0093
LR-2005-0036	09/26/2005	George Earl Bagwell	Order of Limited Reinstatement	Randy McNeil	S00-0093
RC-2005-0037	09/26/2005	Order of Limited Registration & Censor	Order of Limited Registration & Censor	Randy McNeil	S00-0093
CD-2005-0038	09/12/2005	Biotelligent, Inc.	Cease & Desist	Chip Harrison	S05-0218
CD-2005-0039	09/12/2005	Womans Wall Street, Inc.	Cease & Desist	Chip Harrison	S05-0216
CD-2005-0040	09/23/2005	Christopher Kyle Croft CK Capital Trading	Cease & Desist	Steve Brantley	S05-0264
CO-2005-0041	09/15/2005	Waddell & Reed, Inc. W & R Insurance Agency, Inc.	Consent Order	Kim Lewis	S05-0099
SC-2005-0042	09/05/2005	Aura Financial Services Timothy M. Gautney Laura Gautney Black Loyd Gilford King	Show Cause	Ricky Locklar	S03-0008
CD-2005-0044	10/12/2005	NJ Affordable Homes Corp. Wayne Puff	Cease & Desist	Mike Wilkerson	S05-0220
CD-2005-0046	10/18/2005	Eagle Storage & Development, LLC Michael J. Bowen Tony Smalling Scott Williams	Cease & Desist	Mike Wilkerson	S05-0219
CD-2005-0047	10/19/2005	Christopher Reyes Nexidis Platinum Wealth Building Systems	Cease & Desist	Reuben Redd	S05-0001
CD-2005-0048	11/02/2005	Jayel Accounting Consultants, Inc W. Joe Phillips Linda D. Phillips	Cease & Desist	Mike Wilkerson	S05-0028
CD-2005-0049	11/09/2005	Celecast Inc. Heath F. Hyneman Kimberly Gallops Anthony	Cease & Desist	Rossi Peters	S05-0141
CD-2005-0050	11/09/2005	Horizon Medical Group, Inc. Martin J Kern Barry Sternberg	Cease & Desist	Chip Harrison	S03-0039
CD-2005-0051	11/29/2005	Gravity Entertainment, Inc. Entertainment Holdings, Inc. Steven F. Gagnon Marshall F. Carson	Cease & Desist	Mike Wilkerson	S05-0234
Addendum A	12/16/2005	Gravity Entertainment, Inc. Entertainment Holdings, Inc. Steven F. Gagnon Marshall F. Carson	Amended Cease & Desist	Mike Wilkerson	S05-0234
OV-2005-0051	12/16/2005	Marshall F. Carson	Order to Vacage	Mike Wilkerson	S05-0234
CD-2005-0052	12/13/2005	Conecuh Brands LLC Kenny May	Cease & Desist	Steve Brantley	S05-0139
CD-2005-0053	12/14/2005	Northstar Energy, Inc. Larry M. Koonce Paul M. Esposito	Cease & Desist	Steve Brantley	S05-0415

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		Texas Securities Partners, Inc. Brian Alan Guinn Tony Eugene Morrison James Gregory Rice Christopher R. Madrid			
SC-2005-0054	12/14/2005	Texas Securities Partners, Inc. Brian Alan Guinn Tony Eugene Morrison James Gregory Rice Christopher R. Madrid	Show Cause	Steve Brantley	S05-0415

Administrative Actions -2006

Order #	Date Issued	Respondents	Action	Contact	Case Number
CD-2006-0001	01/04/2006	Key Real Estate Services LLC. Jeffrey Wayne Brown	Cease & Desist	Rossi Peters	S05-0338
CD-2006-0002	01/18/2006	New World Ventures Investment Inc Blue Dog/Blue Dog Casino Caribbean Internet Investment LTD Lennox Paton Morton Piasetski	Cease & Desist	David Williams	S05-0311
CD-2006-0003	01/18/2006	Pro Systems Marketing Inc Joel Duncan	Cease & Desist	David Williams	S05-0309



**THE ASC MISSION
IS TO
PROTECT
INVESTORS
FROM
SECURITIES FRAUD
AND PRESERVE
LEGITIMATE CAPITAL
MARKETS
IN ALABAMA.**

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TYRONE C. MEANS
Attorney at Law

DANIEL C. HARDMAN
Certified Public Accountant

**In memory of Susan Blalock Anderson (1953-2005),
Deputy Director and General Counsel to the
Alabama Securities Commission.**

**A dedicated public servant whose outstanding services,
vision, and loyalty will truly be missed.**

- 1979: Juris Doctorate from Sanford University, Birmingham, AL (Summa Cum Laude with a class ranking of number one)
- 1979: She began her legal career with the Birmingham law firm of Sirote & Permutt, P.C. representing corporate clients in litigation matters.
- 1982: She became a partner of Sirote & Permutt, P.C. and received Martindale-Hubbell's AV rating - the highest rating in the legal profession.
- 1983-1985: She was an Adjunct Professor at Cumberland School of Law, teaching legal writing and research.
- 1994: She became General Counsel and Deputy Attorney General to the Alabama Securities Commission. In 1998, she was appointed to the position of Deputy Director in addition to her position as General Counsel of the Commission.
- She was admitted to practice law in Alabama, the Ninth and the Fifth Circuit Courts of Appeal, and the United States Supreme Court. She was also an active member of the American Bar Association, the Alabama Bar Association, the Birmingham Bar Association, and the Montgomery County Bar Association.
- She was actively involved in the First United Methodist Church of Montgomery and served on the Alabama Eye & Tissue Bank, Board of Directors, 1986-1988.
- She is survived by her husband James Anderson of Montgomery, Alabama and her three children.