



## ALABAMA SECURITIES COMMISSION

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### **FOR IMMEDIATE RELEASE**

The Alabama Securities Commission has issued Cease and Desist Orders against multiple Alabama individuals, in a coordinated effort with the United States Securities and Exchange Commission and other regulatory and law enforcement agencies, to halt a 24.5 million dollar "Prime Bank" Ponzi scheme.

As the Securities and Exchange Commission filed emergency action to halt an ongoing fraudulent Securities Ponzi scheme operated by Learn Waterhouse, Inc., a Texas corporation based in Jacksonville, Florida and Tyler, Texas, the Alabama Securities Commission simultaneously issued its Cease and Desist Order and multiple subpoenas to ten respondents believed to be connected with or operating as representatives of Learn Waterhouse, Inc.

The Alabama Securities Commission Cease and Desist Order names Faye Chancey, of Chancellor, Alabama, Jeffery Chapman and Randall L. Wells, both of Prattville, Alabama, Billy Hall, II, of Newton, Alabama, Brian Heath Hughes, Jody Hughes, Stacy Hughes, Charles McVay and Laurie McVay, all of Ozark, Alabama and Patricia Trawick, of Newville, Alabama.

The investigation of Learn Waterhouse conducted by the Alabama Securities Commission, United States Attorney's Office, Federal Bureau of Investigation, Florida Department of Financial Services, Texas State Securities Board, Arizona Corporation Commission, and the Iowa Insurance Division's Securities Bureau, determined that from December, 2003 through August, 2004, Learn Waterhouse, Inc, Randall Treadwell, Rick Sluder, Larry Saturday and Arnulfo Acosta, through a multi-level series of representatives and agents, raised at least 24.5 million dollars from 1700 investors nationwide by conducting a fraudulent Prime Bank scheme. The allegations are that Learn Waterhouse pooled investor funds to engage in "buy/sell" transactions in "secret" "invitation only" bank trading program that promised investor returns ranging from 5 to 50% per month.

The coordinated state and federal actions have resulted in search warrants, freezing of assets, employment of a temporary receiver, and other actions designed to prevent removal of assets and destruction of documents.

Alabama Securities Commission Director, Joseph Borg, stated, "By combining our resources with other state and federal agencies, we multiplied the effectiveness of our

resources against those who would swindle the hard earned money from our citizens.” The Alabama Securities Commission advised that in addition to Cease and Desist Orders against individuals, a separate Cease and Desist Order had previously been issued against Learn Waterhouse, as well as multiple subpoenas were simultaneously delivered to protect documents and records of transactions with Alabama citizens.

For further information, contact the Alabama Securities Commission at 1-800-222-1253. Copies of the Cease and Desist Orders and Show Cause Orders can be found on the Alabama Securities Commission website at [www.asc.state.al.us](http://www.asc.state.al.us).