

ALABAMA SECURITIES COMMISSION

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FOR IMMEDIATE RELEASE

Dale and Shirley Graybill sentenced for involvement in securities scheme

MONTGOMERY, ALABAMA (August 16, 2005) - 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.

Dale Graybill pled guilty to one count of Securities Fraud, a class C felony and was sentenced to 48 Months in prison to be served concurrent with his Federal Sentence which will be imposed in December, 2005. Dale Graybill was ordered to pay restitution of \$150,000 to two Alabama victims, a Victim's Compensation Assessment of \$50.00, and court costs. Additionally, he was instructed to assist in the recovery of victims' funds from a receiver in a related case. His restitution will be reduced by the amount recovered from the receiver.

Shirley Graybill pled guilty to one count of Conspiracy to commit Securities Fraud, a class A misdemeanor. The Judge sentenced her to 1 year in prison to be served concurrent with her Federal Sentence which will be imposed in January, 2006. Shirley Graybill was ordered to pay restitution of \$150,000 to two Alabama victims, a Victim's Compensation Assessment of \$50.00, and court costs. Additionally, she was instructed to assist in the recovery of victims' funds from a receiver in a related case. Her restitution will be reduced by the amount recovered from the receiver.

Borg said, "Thanks to the cooperation of state and federal authorities, justice has been served in this case. Citizens of Alabama need to realize that all investment opportunities, especially those involving anything off shore, should be checked out by contacting this Commission and checking out the person offering an investment opportunity and the product being offered to "Make Sure" both are registered or (exempt from registration). Anything, "Offshore" should raise a "Red Flag" of added concern!"

Dale and Shirley Graybill were arrested March 22, 2004 on two, 3 count indictments returned against them by the Grand Jury of Colbert County for Securities Fraud involving a company known as Memlock Systems. Evidence for the indictments was a result of an investigation conducted by the Alabama Securities Commission, based on a complaint from a resident of Muscle Shoals, Alabama about a company known as Memlock Systems.

Memlock Systems was represented to be an offshore international business corporation located in the Turks and Caicos Islands. The investment funds from the Alabama residents and several other investors outside of Alabama were wire transferred to the Memlock Systems bank account located offshore. Alabama investors in the program did not receive any returns as represented.

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Potential investors can contact the Alabama Securities Commission for inquiries regarding securities broker-dealers, agents, investment advisors, investment advisor representatives, financial planners, the registration status of securities, to report suspected fraud, or obtain consumer information:

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If you have questions or require more information contact:

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