

## **ALABAMA SECURITIES COMMISSION**

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FOR IMMEDIATE RELEASE

### The Millennium Fund, The Tax Free Guaranteed Rapid Capital Fund for the Privileged Few--Brian Burgdorf Pled Guilty

MONTGOMERY, ALABAMA (May 2, 2003) - Joseph P. Borg, Director of the Alabama Securities Commission, announced that Brian Burgdorf, age 29, of Birmingham, Alabama pled guilty today, to conspiracy to sell unregistered securities, before U.S. District Judge Karon O. Bowdre, in Birmingham, Alabama.

Also involved in this case are James Michael Hanks, age 37, of Hoover, Alabama and R. Stephen Bowden, age 49, of Panama City, Alabama who previously pled guilty to similar charges before Judge Bowdre. Additionally, Hanks pled guilty to tax fraud. A sentencing hearing for all three defendants has been scheduled July 30, 2003.

The guilty pleas arose out of indictments alleging that Hanks; Bowden; Brian Burgdorf; William Earl Amos, Jr., age 49, of Annapolis, Maryland; Richard E. Busch, Jr., age 59, of the Republic of Panama; and Jacques LaTourette, age 55, of the Republic of France, violated Title 18 of the United States Code, Section 371, by conspiring to offer and sell unregistered securities to fourteen residents of Alabama, Florida and Tennessee. The indictment also alleged that James Michael Hanks, committed tax fraud in addition to the securities fraud conspiracy.

The indictment was returned following the completion of a joint investigation conducted by the FBI, the IRS-Criminal Investigation, and the Alabama Securities Commission.

The investigation revealed that between June, 1996 and July, 1998 the co-conspirators produced, or caused to be produced, and distributed to potential investors in the Northern District of Alabama, an offering document or prospectus entitled The Millennium Fund, The Tax Free Guaranteed Rapid Capital Fund for the Privileged Few.

The co-conspirators directed the investors to transfer in excess of \$10 million to Chateau Forte Consortium the alleged manager of The Millennium Fund; Trust

Services, a Panamanian offshore trust firm; and/or Private Asset Management S.A., a Panamanian brokerage firm, in exchange for stock in The Millennium Fund. The co-conspirators used the trust firm and brokerage firm, as conduit entities to perpetrate their crimes.

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The investigation revealed that Amos negotiated an exclusive marketing agreement with Chateau Forte Consortium for the rights to market The Millennium Fund and recruited Hanks to assist him in marketing the fund. In addition, the Indictment alleges that Hanks recruited Bowden and Bergdorf as sub promoters of The Millennium Fund. The indictment alleges that Hanks substantially understated the gross receipts reported on his federal income tax return for 1997 from his efforts in marketing the fund as well as other business activities.

The co-conspirators and their foreign corporations were not registered as agents or broker dealers with the Alabama Securities Commission, as required by the Alabama Securities Act. Additionally, The Millennium Fund stock was neither registered nor exempt from registration with the Alabama Securities Commission or the Securities and Exchange Commission, as required by both federal and state securities laws.

The loss to investors is estimated to be in excess of \$10,000,000.00.

The Director of the Alabama Securities Commission (ASC) cautions potential investors to thoroughly check out any investment opportunity. Investors can contact the ASC 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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