



# Department of Justice

United States Attorney's Office  
Middle District of Alabama

FOR IMMEDIATE RELEASE  
Friday, April 19, 2013  
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## **DOTHAN MAN CONVICTED IN SECURITIES FRAUD SCHEME**

### ***Edward Lincoln Forehand Caused \$3 Million in Losses to 87 Investors***

**Montgomery, Alabama** – Edward Lincoln Forehand, age 68, of Dothan, Alabama, was convicted yesterday on charges of securities fraud, mail fraud, wire fraud, and money laundering, announced the U.S. Attorney's Office for the Middle District of Alabama and the Alabama Securities Commission (ASC).

Between 2006 and November 2009, Forehand, used the business name "USA Marketing," to solicit investments from people, mainly in South Alabama and the Florida Panhandle. Forehand told investors that he had a relationship with an individual, Vicky Yeager. Yeager had a business, Elite Marketing ("Elite"), which had agreements with colleges and universities to sell them cookware. Forehand solicited investments in Elite from his victims. He promised the victims extraordinarily high rates of return on their investment in Elite (up to 700%).

Rather than sending the all of the investor's money to Elite, Forehand used large amounts of the money to pay prior investors and to buy property and other items for himself. In particular, during the period from 2006 to November 2009, Forehand received \$6.2 million from investors but only sent \$1,605,790 to Elite. Meanwhile, Forehand promised to pay out to investors over \$19 million.

Forehand also failed to disclose that in August 2009, six checks from Elite to USA Marketing totaling \$600,000 bounced, that Elite never made good on the checks, and that from that point forward, Forehand stopped sending any investor money to Elite. Forehand also concealed Yeager's true identity and the fact that Yeager had two prior criminal convictions for fraudulent conduct.

On November 10, 2009, Yeager died. After Yeager's death, Forehand paid no further funds to investors, and 87 investors lost \$2,991,654 of the monies they had given Forehand to invest in Elite.

"Justice was accomplished," stated Louis V. Franklin, Criminal Chief at the U.S. Attorney's Office. "This conviction sends a message to all scam artists that stealing victim's hard earned money from unsuspecting victims will not be tolerated and will be prosecuted to the full extent of the law."

Alabama Securities Commission Director Borg said, "This Commission is proud to be able to combine our efforts and resources with those of the U.S. Attorney's Office, Middle District of Alabama, and the FBI, to achieve a just and strong conviction against Forehand. Hopefully, this verdict will provide some relief to the hundreds of victims involved in this case and send a strong message to financial scamsters or to anyone thinking of cheating Alabamians out of their hard-earned dollars."

Forehand's sentencing hearing is set for August 2, 3013. Each of the eight mail and wire fraud counts carries a statutory maximum sentence of 20 years imprisonment. Each of the four money laundering counts carries a maximum 10 year sentence, and each of the two securities fraud counts carries a maximum 5 year sentence.

The case was investigated by Special Agents of the Alabama Securities Commission, the FBI and by the Dothan Police Department with special help from the United States Marshal Service. The case was prosecuted by Special Assistant United States Attorneys Steve P. Feaga and Gregory M. Biggs of the Alabama Securities Commission, and Assistant United States Attorneys Jared Morris and Tommie B. Hardwick.