

**ALABAMA SECURITIES COMMISSION**  
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### **Madison County Man Indicted for Alleged Violations of Alabama Securities Law**

**MONTGOMERY, ALABAMA (June 9, 2008)** The Honorable Tim W. Morgan, District Attorney for the 23<sup>rd</sup> Judicial Circuit, Madison County, Alabama; Honorable Walter A. Bell, Commissioner of the Alabama Department of Insurance (DOI); and, Honorable Joseph Borg, Director of the Alabama Securities Commission (ASC), announce the indictment of Hunter Brown Daniel, Jr., a resident of Huntsville, Alabama for alleged violations of the Alabama Securities Act. Charges against Daniel were handed down in an indictment from a May 2008 session of the Madison County Grand Jury. The indictment resulted from a cooperative investigation conducted by the ASC, the Alabama Department of Insurance and the Madison County District Attorney.

The 36-count indictment alleges that Daniel, acting as an agent for National Foundation of America (NFOA), an unregistered Tennessee corporation, offered and sold unregistered securities in the form of Installment Plan Contracts valued at more than \$534,000 to 13 Alabama investors. The indictment further alleges that NFOA, describing itself as a non-profit organization, intentionally misled investors by promising unrealistic returns on the contracts in exchange for investors' "donation" of their current legitimate annuities investments.

Neither Daniel nor NFOA are registered by the ASC to conduct securities business in Alabama and the company allegedly has not been granted non-profit status by the U.S. Internal Revenue Service. Daniel has been charged with 13 counts of Sale of Unregistered Securities and 18 counts of Securities Fraud Through Omission or Misrepresentation During the Sale of Securities, both Class C felonies under Alabama law. Charges against Daniel also included five counts of Theft by Deception, 1<sup>st</sup> Degree, a Class B felony.

Daniel was taken into custody by Madison County authorities on May 13, 2008, incarcerated in the Madison County Detention Facility under a \$148,000 bond and subsequently released from custody on May 23, 2008 after posting bond.

The ASC and DOI caution potential investors to thoroughly scrutinize and research any investment opportunity or offer. Contact the ASC with inquiries concerning securities broker-dealers, agents, investment advisors, investment advisor representatives, financial planners, registration status of securities, to report suspected fraud or to obtain consumer information.

(NOTE: An indictment is not evidence that the defendant committed the crime(s) charged. The defendant is presumed innocent until the government meets its burden of proving guilt beyond a reasonable doubt in court).

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