

ALABAMA SECURITIES COMMISSION

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FOR IMMEDIATE RELEASE

MONTGOMERY, ALABAMA (June 13, 2003) - The Honorable Randall Houston, District Attorney for the 19th Judicial Circuit, and Honorable Joseph P. Borg, Director of the Alabama Securities Commission, announced today that Francis Clark, Sr, formally of Montgomery, Alabama, and who recently resided in South Carolina, appeared before the Honorable Judge John B. Bush and was sentenced to 12 years and to pay restitution of \$1,603,117.04 for two counts of Securities Fraud and two counts of Theft of Property I.

Francis, Clark had been free on bond and was immediately detained to begin his sentence. Payments of restitution will go to four business entities and four individuals who were victims.

Houston said, "The cooperation of enforcement agencies in this area has proven that crime doesn't pay in Alabama and that we will seek strict penalties against people who commit white collar crimes."

Borg said, "The outcome of this case is wide reaching because victims included important local and international people and industry. Mr. Clark is proof that enforcement agencies throughout this great state will work together to punish people who commit white collar crime against the people."

On December 22, 2000, the Alabama Securities Commission's Enforcement Division opened an investigation on Francis Clark Sr. ("Clark"), based on a complaint that Clark approached an Alabama investor in late 1995, concerning an investment. Clark allegedly stated that he was creating a manufacturing company called US Fabtec, L.L.C., which was to be a joint venture with Mitsubishi Aluminum Fabtec Holding, Inc. a subsidiary of Mitsubishi International Corporation. Complaints alleged that Clark spent corporate funds on personal items such as country club dues and his hobby of stock car racing.

Clark was arrested by Deputies of the Elmore County Sheriff's Office, in Wetumpka on Friday, July 26, 2002. The arrest was a result of a 61 count indictment returned by the July 2002 Session of the Elmore County Grand Jury. Clark was indicted on 25 counts of Theft of Property in the 1st degree; 26 counts of Fraud in Connection with the Sale of Securities; 5 counts of Selling Unregistered Securities; and 5 counts of

Selling Securities Without Benefit of Registration as a Securities Agent. It is alleged that Clark took in approximately \$2.7 million from local and foreign investors and a portion of the funds was diverted for his personal use.

From September 24, 1996 through August 14, 2000, Francis Clark Sr. solicited seven (7) domestic investors for \$1,407,676.50 and two (2) Japanese Companies to invest \$1,287,553.74 for a total of \$2,629,553.

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A review of the bank records revealed that Clark made numerous withdrawals from the accounts, categorizing them as expenses, repayment of loans, and investments, and then utilized these funds for his personal benefit. All the transactions in question involving these accounts were conducted without the knowledge or consent of the investors, and in direct violation of the Corporate Operating Agreements. It was determined that Clark thereafter continued to solicit additional investments and embezzled money from the company.

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