

ALABAMA SECURITIES COMMISSION

770 WASHINGTON AVE, SUITE 570

MONTGOMERY, ALABAMA 36130-4700

Telephone: (334) 242-2984 or 1-800-222-1253. Fax: (334) 242-0240

Email: asc@asc.state.al.us. Website: www.asc.state.al.us

FOR IMMEDIATE RELEASE

Tuscaloosa Broker Sentenced For Securities Fraud

MONTGOMERY, ALABAMA (June 27, 2002) Honorable Joseph P. Borg, Director, Alabama Securities Commission announced today that James C. Hulsey, III of Tuscaloosa, Alabama pled guilty to charges of Fraud in Connection with the Sale of Securities.

Hulsey, who was previously employed by Hulsey & Associates/Walnut Securities in Tuscaloosa, was sentenced to three (3) years in the state penitentiary, which was suspended, and placed on three (3) years probation, ordered to pay the costs of court and any restitution that may be determined by the 6th Judicial Court, Tuscaloosa County, Alabama. Also, Hulsey has been permanently barred from selling securities in the state of Alabama.

An investigation by the Enforcement Division of the Alabama Securities Commission indicated Hulsey made over 1,000 unauthorized trades totaling approximately \$19 million, using client's assets. Borg said, "In this case the client's stock assets were bought and sold into high risk investments often termed as Penny Stocks. Penny Stocks are highly speculative shares that are priced for as little as \$1 per share. As a result of these unauthorized trades clients lost millions of dollars."

Borg recommends that investors take notes when they make trades and compare them with their investment account statements. An educational brochure called *Understanding Your Brokerage Account Statements* is posted on the Alabama Securities Commission Site in addition to documents which enable investors to take

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notes when they conduct trades.

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, and investment advisor representatives, 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:

Daniel G. Lord
Education and Public Affairs Manager