

ALABAMA SECURITIES COMMISSION

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FOR IMMEDIATE RELEASE

MONTGOMERY, ALABAMA (August 3, 2001) Honorable John Pilati, District Attorney, 34th Alabama Judicial Circuit, Franklin County, Alabama and Honorable Joseph P. Borg, Director, Alabama Securities Commission announced today the arrest of Leonard James, who claims to reside in Owensboro, Kentucky. James appeared before the Honorable Judge Sharon Hester, August 2, 2001 and his bond was set at \$100,000.

James was accompanied by his attorney, yesterday afternoon, when he surrendered at the Franklin County Sheriff's office, in Russellville, Alabama. The warrant for James arrest was based on evidence presented by the Franklin County, District Attorney and the Alabama Securities Commission to a Franklin County Grand Jury in May. James is charged on one count of Theft of Property 1st Degree and six counts of Felony Securities Violations.

D.A. John Pilati said, "This is the next step in an unfolding story involving alleged criminal activity by James. As I previously stated, this probe did not target Senator Bedford and Mr. Blount."

Securities Commission Director Borg said, "The added efforts of the Alabama Attorney General Office, Senator Roger Bedford of Russellville, and cooperation from the bond underwriters assisted in providing the evidence which led to this arrest."

Evidence alleges that James misused proceeds of an Industrial Development Bond issued by the City of Russellville, Alabama and failed to make required disclosures. Also, after James took control of the funds produced by the sale of the bonds to

unsuspecting investors, he used those funds for purposes not approved by the bond issue.

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:

Call: 1-800-222-1253.

Fax: 1-334-242-0240.

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

Write:

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The internet is a great source of free investment information. A good starting point is the NASAA website at: <http://www.nasaa.org/>).

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FOR ADDITIONAL INFORMATION CONTACT:

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