

ALABAMA SECURITIES COMMISSION

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FOR IMMEDIATE RELEASE

MONTGOMERY, ALABAMA (September 27, 2001) The Honorable Van Davis, District Attorney, 30th Judicial Circuit, St. Clair County, Alabama and the Honorable Joseph P. Borg, Director, Alabama Securities Commission announced today that William Bryan Kash pled guilty to the offense of selling unregistered securities in violation of *Ala. Code* §8-6-4 (1975), before the Honorable Judge William E. Hereford on September 26, 2001.

Kash received a three year sentence suspended. His requirement of probation is to pay restitution to all victims, not just those on the indictment. A hearing has been set to determine the amount of restitution and the manner of payment before Judge Hereford on December 10, 2001.

Borg said, "This case confirms that viatical settlement contracts and related promissory notes based on viatical settlement contracts are indeed securities as defined by the Alabama Securities Act and the Court."

Kash, a former stockbroker from Pell City, was accused of selling about \$1.75 million from 55 people. He was previously indicted by a St. Clair County Grand Jury for misrepresentation, failure to register to sell securities and for selling unregistered securities in Alabama. Kash collected money from investors seeking a profit in the investment of viaticals. The viatical business makes money by purchasing life insurance policies from people who have a terminal illness at a substantial discount from the face amount of the policy-

Borg said, "Buying interests in viatical contracts can be risky. With advances in medicine and medical technology people who were once diagnosed with

short life spans may live much longer. Also, the premiums on life insurance policies supporting investments must be paid so the policies will remain in effect until the insured person dies. Promises of 'guaranteed' returns or a description as a 'no risk' investment are false."

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

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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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