

ALABAMA SECURITIES COMMISSION

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Email: asc@asc.alabama.gov Website: www.asc.alabama.gov

Hoover Man Pleads Guilty to Securities Fraud

MONTGOMERY, ALABAMA (January 11, 2019) Danny Carr, District Attorney for the 10th Judicial Circuit, Jefferson County, Alabama; and Joseph Borg, Director of the Alabama Securities Commission (ASC) announced that on January 9, 2019, Kenneth Fitzgerald Lewis, of Hoover, Alabama, pleaded guilty in Jefferson County Circuit Court to one count of Securities Fraud for engaging in an act, practice, or course of business which operated as a fraud on an investor. The offense is a Class B felony, punishable by not less than two, but no more than 20 years in prison, and a fine not to exceed \$30,000.

After the plea was entered, the Honorable Circuit Judge Laura Petro sentenced Lewis to three years in the custody of the Alabama Department of Corrections. That sentence was suspended, and Lewis was ordered to pay \$47,380 in restitution to the victim in the case. The Court ordered Lewis to serve two years on probation, to make monthly restitution payments, and informed him he would be subject to criminal contempt by the Court until all restitution is paid in full.

Lewis' plea is the result of a November 2017 indictment by the Jefferson County Grand Jury. From December 2013 through June 2014, Lewis offered and sold investments through his company Paradigm Real Estate Group, LLC to finance "flipping" three residential real estate properties. Lewis never purchased one of the properties and instead used the invested funds for personal expenses. One of the properties was purchased and sold, but Lewis kept the proceeds and never repaid the investor. Neither Lewis nor the investments he sold were registered with the ASC, as required by the Act.

The ASC cautions potential investors to thoroughly scrutinize and research any investment opportunity or offer. Contact the ASC with inquiries concerning securities broker-dealers, agents, investment advisers, investment adviser representatives, financial planners, registration status of securities or debt management programs, to report suspected fraud or to obtain consumer information. The ASC provides free investor education and fraud prevention materials in print, on our website and through educational presentations upon request.

For further information contact Dan Lord, Education and Public Affairs Manager, 334-353-4858.

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