

## **ALABAMA SECURITIES COMMISSION**

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### **Mississippi Man Arrested for Violations of Alabama Securities Act**

MONTGOMERY, ALABAMA (Jan. 24, 2011) Hallie Dixon, District Attorney for the 28<sup>th</sup> Judicial Circuit, Baldwin County, Alabama; and, Joseph P. Borg, Director of the Alabama Securities Commission (ASC) announce the arrest of George Louis McCaw, a resident of Diamond Head, Mississippi, for violations of the Alabama Securities Act. McCaw was arrested Dec. 16, 2010 at his home by agents of The Gulf Coast Regional Fugitive Task Force. McCaw waived extradition, was transported to Baldwin County jail to await trial at a later date; bond has been set at \$100,000.

As a result of an investigation by ASC Enforcement Division agents, a 54-count indictment was handed down by a Sept. 2010 Baldwin County Grand Jury alleging 11 counts each of Sale of Unregistered Securities, Sale of Securities by an Unregistered Agent, Fraud and/or Omission in Connection with the Sale of Securities; and, Fraud and/or Misrepresentation in the Sale of Securities. The indictment also alleges nine counts of Theft of Property by Deception, 1<sup>st</sup> Degree; and, a single count of Securities Fraud with Scheme/Artifice to Defraud.

The indictment alleges that McCaw, acting as principal and agent for McCaw Construction & Services, L.L.C., during a period between Feb. 2007 and May 2008, offered and sold promissory notes, investment contracts and other investment instruments valued at more than \$2.3 million to nine Alabama investors in return for their investment in a proposed development of a commercial enterprise in Baldwin County. The ASC investigation revealed no evidence to support that investor funds were used as represented and that McCaw allegedly used solicited money for personal benefit unrelated to the stated purpose. ASC records indicate that neither McCaw, his company nor the securities he allegedly offered and sold were registered with the ASC as required by law.

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.

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(NOTE: An arrest or indictment is not evidence that the defendant committed the crime(s) charged. The defendant is presumed innocent until the government meets its burden of proving guilt beyond reasonable doubt in court).

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

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