

ALABAMA SECURITIES COMMISSION

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FOR IMMEDIATE RELEASE

MONTGOMERY, ALABAMA (October 11, 2006) The Honorable Robert E. Owens, Jr., District Attorney, 18th Judicial Circuit, Shelby County, Alabama and the Honorable Joseph P. Borg, Director, Alabama Securities Commission announced today that Earnest Paul Lamonica pled guilty to the offenses of selling securities while not registered in violation of *Ala. Code* §8-6-3 (1975), and theft of property in the first degree in violation of *Ala. Code* §13A-8-3 before the Honorable Judge G. Daniel Reeves on October 10, 2006.

Lamonica received a ten year sentence split to serve fourteen months to be followed by three years supervised probation. Lamonica is required to pay restitution to the Alabama victim in the amount of \$95,000.00, pay fines in the amount of \$10,000.00 and reimbursement of investigative expense to the Alabama Securities Commission in the amount of \$8,000.00.

Lamonica was convicted in relation to a scam in which he bilked investors nationwide out of more than \$400,000.00, including \$61,000.00 in Alabama, by selling promissory notes and common stock in Digital Entertainment Corporation (DEC). DEC, owned by Lamonica, claimed to be partial owner of two low power television stations and to hold permits for the construction of two more. In fact, neither DEC nor Lamonica, held any interest in the television stations and the construction permits had expired at the time Lamonica solicited investors. Lamonica then converted the funds to his personal use.

Borg said, "This is a true story that mirrors a modern day detective movie. I commend the great team work between the State Department, U.S. Marshals, Georgia and California authorities, the Shelby County District Attorney's office and Sheriff's Department to apprehend Mr. Lamonica in Amsterdam and bring him back to Alabama to be punished for cheating our citizens."

Lamonica was indicted and arrested in 2004. He posted a cash bond of \$61,000 and was released from custody. Lamonica failed to appear for trial and a fugitive warrant was issued against him. Lamonica was apprehended in Amsterdam traveling on a false passport. The Alabama Securities Commission in conjunction with United States Marshals Service and the State Department arranged for the deportation of Lamonica to Atlanta, Georgia where the U.S. Marshals took him into custody. He was sent to California to serve the balance of a Federal misdemeanor charge. Upon his release from Federal custody, the Shelby County District Attorney's office in conjunction with the Alabama Securities Commission filed warrants for extradition to Alabama on an eighteen count indictment including, theft of property, sale of securities by an unregistered agent, sale of unregistered securities and securities fraud.

Lamonica waived extradition and was returned to Alabama to face trial in August, 2006. Lamonica forfeited his \$61,000 cash bond which Judge Reeves ordered paid to the Alabama victim as partial restitution.

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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