

ALABAMA SECURITIES COMMISSION

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Houston County Man Pleads Guilty, is Sentenced for Securities Act Violations

MONTGOMERY, ALABAMA (October 12, 2010) Douglas Valeska, District Attorney for the 20th Judicial Circuit, Houston County, Alabama; and, Joseph Borg, Director of the Alabama Securities Commission (ASC), announced today that Robert Edmondson, a Dothan resident, pled guilty in Houston County Circuit Court to one count of securities fraud, described as Making Untrue Statements of Material Fact in Connection with the Offer/Sale of a Security, a Class C felony under Alabama law. The plea agreement transpired during testimony in the state's case-in-chief.

Circuit Judge Larry K. Anderson imposed a 10-year sentence on Edmondson, split to serve 12 months in state prison, with nine years suspended and five years supervised probation once he is released from incarceration. Edmondson was also ordered by the Court to pay \$250,000 restitution to his victims and was released until January 14, 2011, with the stipulation that he returns to Court and show evidence that he has made substantial progress in making restitution payments. Edmondson will then surrender to the Alabama Department of Corrections to begin serving his sentence.

According to testimony, Edmondson solicited investor funds money to purportedly develop and market an electric power-saving device. Edmondson misled investors by saying his company was solvent and that the investor money would be solely used to develop the device. To the contrary, evidence revealed that Edmondson used investors' funds to operate his company and for his own personal benefit. Edmondson was not registered with the Commission to conduct securities business in Alabama and there was no record of registration for his company or for the investment that he offered and sold to Alabama investors.

"We wish to thank the Houston County District Attorney's Office and Assistant District Attorney David Atwell and local law enforcement for their hard work and perseverance in assisting our Enforcement Division staff to bring this case to a successful conclusion," said ASC Director Borg. "We hope the sentence imposed by the Court will send a clear message to those that would defraud our citizens that their actions will not be tolerated and we will make every effort to see that justice prevails."

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

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