ALABAMA SECURITIES COMMISSION 770 WASHINGTON AVE., SUITE 570 MONTGOMERY, ALABAMA 36130-4700 Telephone: (334) 242-2984 or 1-800-222-1253 Fax: (334) 242-0240 Email: asc@asc.alabama.gov Website: www.asc.alabama.gov

Hawaii Man Arrested for Alleged Violations of Alabama Securities Act

MONTGOMERY, ALABAMA (October 29, 2008) The Honorable Steven T. Marshall, District Attorney for the 27th Judicial Circuit, Marshall County, Alabama; and, the Honorable Joseph Borg, Director of the Alabama Securities Commission (ASC), announce the arrest of Randle William Villa, 54, a resident of Maui County, Hawaii, for alleged violations of the Alabama Securities Act.

On September 2, 2008, Maui Police Department officers served an arrest warrant, obtained by the ASC in cooperation with the Marshall County, Alabama District Attorney, against Villa for his involvement with Lifeline Imaging Systems, Inc., formerly of Orange County, California, where he was employed as a sales agent. The arrest stemmed from an indictment handed down on March 10, 2008 by the Marshall County Grand Jury. Villa was charged with two counts each of Sale of Unregistered Securities and Sale of Securities by an Unregistered Agent, both Class C felonies under Alabama law. The ASC, with the assistance of the Marshall County Sheriff's Department and Marshall County District Attorney's Office, subsequently extradited Villa on September 16, 2008, and he remains incarcerated under \$200,000 bond.

The following is alleged: Villa was allegedly associated with an Orange County, California trio, Randy Morton, Daniel Caterino and Candice Lynn Lewis, principals in Lifeline Imaging Systems, Inc., who were previously indicted and arrested December 18, 2007 for alleged securities registration and fraud charges in Marshall County. Villa was hired to place "cold calls" to solicit money for investments for a commission. Lifeline Imaging Systems obtained approximately \$400,000 from Alabama victims to invest in a number of "body imaging centers" in California, Arizona and Texas. More than \$15 million in capital was raised nationwide to fund Lifeline Imaging Systems, Inc., and some of the investors' funds were purportedly used for personal or unrelated business expenses.

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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, to report suspected fraud or to obtain consumer information.

(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).

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For further information contact Dan Lord, Education and Public Affairs Manager, (334) 353-4858, or email <u>dan.lord@asc.alabama.gov</u>.

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