

ALABAMA SECURITIES COMMISSION
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FOR IMMEDIATE RELEASE

Von Kanel Surrenders to Authorities to Begin Sentence for Securities Fraud

MONTGOMERY, ALABAMA (October 5, 2007) The Honorable Troy King, Alabama Attorney General, Honorable Arthur Green, Jr., District Attorney, 10th Judicial Circuit, Bessemer, Alabama, Honorable Gary L. McAliley, 12th Judicial Circuit, and the Honorable Joseph Borg, Director of the Alabama Securities Commission (ASC) today announced that Michael A. Von Kanel, a Hoover, Alabama resident, surrendered to the Coffee County Sheriff's Department on October 1, 2007 to begin serving a ten-year sentence, split to serve three years, in the state penitentiary on convictions and sentences handed down by the Circuit Courts of 10th Judicial Circuit, Bessemer Division, and the 12th Judicial Circuit, Enterprise Division. Von Kanel will be transferred from the Coffee County Jail to the custody of the Alabama Department of Corrections as soon as he can be processed.

A Coffee County Grand Jury returned an indictment in November 2005 alleging that Von Kanel and others illegally sold unregistered securities to Coffee County residents in violation of the Alabama Securities Act. The illegal securities were described as cash flow agreements of World Wide Wall Street (WWW), specifically connected to the implied production and sale of automobiles in Alabama and throughout the United States. The indictment alleged that none of the securities offered for sale by Von Kanel were registered in Alabama and that Von Kanel was not registered as an agent to sell securities in Alabama. Von Kanel was also charged with making false statements and failing to disclose material facts to the investors identified in this matter. Subsequent indictments handed down by a Jefferson County Grand Jury alleged similar illegal acts perpetrated against investors in Jefferson County and surrounding areas. All charges are classified as Class C Felonies under Alabama law.

Von Kanel pled guilty to the specified charges before Circuit Court Judge Thomas E. Head, III, in Coffee County Circuit Court, March 29, 2007 and received the ten-year sentence, split to serve three years, dependent on the resolution of the case against him in Jefferson County. On May 7, 2007, after Von Kanel's guilty plea, Circuit Judge Teresa Petelos in Jefferson County Court, Bessemer Division, sentenced him in conjunction with the original sentence handed down earlier in Coffee County Circuit Court. Von Kanel has also been ordered to repay approximately \$3 million to more than 50 victims of his illegal schemes.

"Justice has been served for those who mistakenly trusted Mr. Von Kanel to help them plan for a more secure financial future," said ASC director, Joseph Borg. "We would like to recognize the teamwork and thank the Alabama Attorney General's Office, the District Attorneys, the ASC's Prosecutor and Enforcement Divisions and the local law enforcement personnel who joined forces and worked tirelessly to bring this case to a successful conclusion."

Attorney General King stated, "It is appropriate and just that Mr. Von Kanel now is serving time in prison, after he repeatedly betrayed those who trusted him to help them plan for a more secure future. He exploited them for his own greed, providing bogus investment schemes in exchange for their savings, and now he is paying the price for his crimes. I want to thank Securities Commission Director Joseph Borg for his commitment to see justice served in this case."

The ASC cautions potential investors to thoroughly examine any investment opportunity prior to handing their money over to possible fraudulent companies or individuals. Contact the ASC with inquiries regarding securities broker-dealers, agents, investment advisors, investment advisor representatives, financial planners, the registration status of securities or to report suspected fraud.

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Further questions should be directed to Dan Lord, Education and Public Affairs Manager, 334-353-4858. Email: dan.lord@asc.alabama.gov.

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