

ALABAMA SECURITIES COMMISSION

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MONTGOMERY, ALABAMA 36130-4700

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Email: asc@asc.state.al.us. Website: www.asc.state.al.us

FOR IMMEDIATE RELEASE

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MONTGOMERY, ALABAMA (December 5, 2002) - Honorable Randall Houston, District Attorney for the Nineteenth Judicial Circuit and Honorable Joseph P. Borg, Director of the Alabama Securities Commission, announced today that Michael Eugene Carreca, of Prattville, Alabama appeared today before the Honorable Judge Ben A. Fuller and was sentenced to 15 years in the penitentiary, split to serve 3, and to pay restitution to victims of a securities scam.

Carreca will spend 3 years in the penitentiary and will be placed on probation at the completion of his serving 3 years. He was ordered to pay approximately \$110,000 in restitution to victims; pay \$5,000 to the Alabama Crime Victim's Compensation Fund; a \$5,000 fine; and \$1750 in court costs. After sentencing Carreca was remanded into custody of the Autauga County Sheriff to begin serving his sentence.

Borg said, "Here is an example where white collar crime didn't pay!" Potential investors are encouraged to help protect themselves from this type of crime by contacting the Alabama Securities Commission (ASC) to verify that securities broker-dealers, agents, investment advisors, and investment advisor representatives and the products being offered are registered to sell securities in Alabama. Also, ASC can provide you background information about the person selling the product, such as prior convictions for securities fraud or fines and legal actions for inappropriate business practices.

An investigation by the Alabama Securities Commission disclosed that Carreca, the owner of Southern Diversified Business Enterprises, Inc. (SDBE), illegally sold common stock of his corporation to investors. The

investors were misled to believe that the SDBE was in healthy financial condition, when it was actually in Chapter 11 bankruptcy.

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On February 12, 2001 Carreca was arrested by the Autauga County Sheriff's Department and released on a \$30,000 bond. This was due to a Grand Jury indictment of 8 counts of Fraud in Connection with the Sale of Securities, 2 counts of Theft in the First Degree, 3 counts of Sale of Unregistered Securities, and 3 counts of Sale of Securities by an Unregistered Agent.

On October 25, 2002 Carreca pled guilty to 2 counts of Fraud in Connection with the Sale of Securities before the Honorable Judge Ben A. Fuller.

Visit the Alabama Securities Commission website at www.asc.state.al.us , for detailed information about fraud prevention, to obtain free financial education, and more. Call, write or email:

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If you have questions or require more information contact:

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