

ALABAMA SECURITIES COMMISSION

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Email: asc@asc.alabama.gov Website: www.asc.alabama.gov

Huntsville, Alabama Man Indicted, Arrested for Alleged Violations of Alabama Securities Act

MONTGOMERY, ALABAMA (December 11, 2014) Robert L. Broussard, District Attorney for the 23rd Judicial Circuit, Madison County, Alabama; and Joseph Borg, Director of the Alabama Securities Commission (ASC) announced that on December 10, 2014, James (Jaime) Albert Lawhorne, Jr., also known as Jim Gilley, was arrested in Huntsville by Madison County Sheriff's deputies. Lawhorne, who was previously in the custody of the Rutherford County, Tennessee Sheriff's office on unrelated charges, waived extradition and was transported to Madison County yesterday to face the Alabama charges. Lawhorne is currently being held at the Madison County detention facility under a \$600,000 bond.

Lawhorne's arrest stems from an October, 2014 Madison County, Alabama Grand Jury indictment charging him with 24 counts of alleged violations of the Alabama Securities Act. Charges against Lawhorne include: seven counts of Sale of Unregistered Securities; one count of Sale of Securities by an Unregistered Agent; 13 counts of Fraud in Connection with the Sale of Securities (making untrue statements of material fact or omitting to state a material fact; and engaging in an act, practice or course of business which would operate as a fraud or deceit); and three counts of Theft by Deception, 1st Degree. At the time the offenses were allegedly committed, the securities registration charges were Class C felonies punishable by not more than 10 nor less than 1 year of confinement and a fine not to exceed \$15,000 per count, upon conviction. The alleged securities fraud and theft charges were Class B felonies punishable by not more than 20 nor less than 2 years of confinement and not more than a \$30,000 fine per charge, upon conviction.

The indictment alleged that Lawhorne fraudulently solicited investor funds for Cypress Creek Organic Farms, a company Lawhorne owned. According to the indictment, Cypress Creek Organic Farms would provide all testing, materials, supplies, equipment, training and support for growing organic tomatoes. Lawhorne further represented that Cypress Creek would provide USDA organic certification and a guaranteed buyback of the produce.

Director Borg said, "The ASC would like to recognize and thank both the Rutherford County, Tennessee, District Attorney General's office and the Rutherford County Sheriff's office for their assistance in this matter. The coordinated effort of these departments contributed invaluablely to the detention and transportation of this individual."

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.

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

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(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).53-4858.

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