

ALABAMA SECURITIES COMMISSION

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Insurance Agent Pleads Guilty to Securities and Insurance Fraud in Colbert County

MONTGOMERY, ALABAMA (December 11, 2018) - Ronald Warren Powell pleaded guilty in the Colbert County Circuit Court on Monday to one count of Securities Fraud for engaging in an act, practice, or course of business which operated as a fraud or deceit upon investors and one count of Insurance Fraud.

The plea was announced by Joseph Borg, Director of the Alabama Securities Commission (ASC) and Jim Ridling, Insurance Commissioner for the State of Alabama.

The offenses are Class B felonies, punishable by up to 20 years in prison and up to a \$30,000 fine per charge. Powell received a seven-year sentence for securities fraud and a five-year sentence for insurance fraud, to run concurrently. The court will hold a probation hearing on Feb. 25, 2019.

Powell's plea is the result of a March 2018 indictment by the Colbert County Grand Jury. Powell accepted more than \$800,000 of investor funds and misappropriated those funds for his personal benefit instead of investing the money as represented to investors. Powell also received money from two victims paying life insurance premiums, but he failed to remit those premiums to the appropriate insurance companies in a timely manner. The policies were subsequently cancelled by the companies for non-payment of premium. Powell was notified of the cancellations, but kept the funds and did not refund them to the victims. The total amount exceeded \$30,000. Powell remains out on bond pending a probation determination.

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

(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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