

ALABAMA SECURITIES COMMISSION

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FOR IMMEDIATE RELEASE

**Carlos Fernandez from Costa Rica Arrested
for Alleged Violations of Alabama Securities Act**

MONTGOMERY, ALABAMA (December 30, 2004) Honorable Leura Garrett Canary, US Attorney, Middle District of Alabama and Honorable Joseph P. Borg, Director, Alabama Securities Commission announced today the arrest of Carlos Fernandez Alfaro, alias, Carlos Fernandez from Costa Rica for alleged violations of the Alabama Securities Act. Fernandez was placed in a Montgomery County detention facility and bond was set at \$750,000.

Carlos Fernandez was arrested by Sheriff D. T. Marshall of Montgomery County, Wednesday afternoon. Fernandez was in the Montgomery area completing a deposition concerning a related case filed by the SEC.

Three warrants were issued by Montgomery County District Court for the arrest of Carlos Fernandez for the offer of securities not registered in the state of Alabama; for acting as an agent without being registered to sell securities to investors in the state of Alabama; for engaging in a scheme to obtain investors' money through a fraudulent offering of high yield offshore trading programs involving "world trading banks." The violation of each associated securities count is considered a Class C felony, punishable by one year and one day to 10 years in prison, and/or a fine of up to \$10,000.00, or any amount double the pecuniary gain to the defendant.

Fernandez allegedly participated as an agent with A.R.M. Trust in an off shore bank debenture Ponzi scheme that defrauded investors across the country of over one million dollars.

Joseph Borg, Director of the Alabama Securities Commission said, "Our strong alliance and cooperative efforts with the US Attorney's Office, Montgomery County District Attorney's office, Montgomery County Sheriff's Department, FBI, US SEC and other Federal and State agencies will continue to protect our Alabama investors."

The investigation of this matter and A.R.M. Trust is ongoing.

The Director of the Alabama Securities Commission (ASC) cautions potential investors to thoroughly check out any investment opportunity. Contact ASC for inquiries regarding securities broker-dealers, agents, investment advisors, investment advisor representatives, financial planners, the registration status of securities, to report suspected fraud, or obtain consumer information:

- more -

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