

ALABAMA SECURITIES COMMISSION
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FOR IMMEDIATE RELEASE

Mobile Couple Pled Guilty to Violations of Alabama Securities Act

MONTGOMERY, ALABAMA (February 14, 2006) John Tyson Jr., District Attorney, 13th Judicial Circuit in Alabama and Joseph P. Borg, Director Alabama Securities Commission, announced today that Thomas E. McCray and Inez S. McCray of Mobile, Alabama both pled guilty to felony counts for violation of the Alabama Securities Act before Judge Rick Stout.

Thomas McCray pled guilty to three felony counts and Inez McCray to one felony count. They were sentenced 10 years split to time served (5 months) 5 years formal probation and ordered to pay restitution of approximately \$150,000. The McCrays will jointly be liable for the restitution which will be paid to the victims in the order that they appear on the indictment and not pro rata so that the victims experience some real satisfaction. They were ordered to each pay \$500 per month starting in June 2006.

Thomas and Inez McCray were initially arrested on May 7, 2004 and were charged for selling unregistered securities and selling securities while not registered as a securities agent in the state of Alabama. The charges were brought as a result of a joint investigation conducted by the Mobile County District Attorney's office and the Alabama Securities Commission. The McCrays were released from custody on the same day of the arrest after each posted a \$200,000 bond.

On July 27, 2004, Thomas and Inez McCray appeared in Mobile District Court for a preliminary hearing on the charges. After hearing arguments, District Court Judge Charles McKnight found that probable cause existed to refer the charges to the Mobile County Grand Jury and revoke the bonds of Thomas and Inez McCray because they continued to commit felony securities violations while free on bond. The McCrays were then remanded to the custody of the Mobile County Sheriff for five months.

The McCrays sold unregistered securities in the form of certificates of ownership in an entity known as Health & Wealth Co-op in Sharpsburg, Kentucky. On May 6, 2004, District Attorney Tyson's office began receiving complaints alleging that Thomas and Inez McCray were offering and selling investments issued by Health & Wealth Co-op in Mobile County, Alabama. The Complainants alleged that the McCrays held meetings at their home in Mobile, Alabama, promoting Health & Wealth Co-op. During these meetings the McCrays represented that a deposit or investment, with Health & Wealth Co-op would pay investors monthly interest ranging from 6.25% to 12.5%.

Joseph Borg said, "This was a community scam that was often worked out of the home where acquaintances, friends, and friends of friends lost money. Many of the victims have suffered severe emotional pain and embarrassment from this experience. I would like to thank the Mobile District Attorney's office and the Mobile Police Department for outstanding support and a team effort to end this scam in the Mobile community."

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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.

For more information contact: ALABAMA SECURITIES COMMISSION

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If you have questions or require more information call Dan Lord, Education and Public Affairs.