

ALABAMA SECURITIES COMMISSION

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Mobile County Man Arrested for Alleged Violations of Alabama Securities Act

MONTGOMERY, ALABAMA (February 25, 2009) John M. Tyson, Jr., District Attorney for the 13th Judicial Circuit, Mobile County, Alabama; and, Joseph Borg, Director of the Alabama Securities Commission (ASC), announce the arrest of Scott A. Harwell, a Mobile County resident, for alleged violations of the Alabama Securities Act. Harwell was arrested by Mobile County Sheriff's officials on February 12, 2009 after turning himself in to authorities. He was released the same day after posting a \$50,400 bond.

As a result of an ASC investigation, a 14-count indictment was returned against Harwell by a January 2009 session of the Mobile County Grand Jury, alleging eight counts of Securities Fraud, which included four counts of Misrepresentation/Making Untrue Statements of Material Facts and four counts of engaging in an Act, Practice or Course of Business Which Operates as a Fraud; one count, Sale of Unregistered Securities; and, five counts of Theft of Property 1st Degree, four counts of which were alleged Theft by Deception. Fraud charges are Class C felonies under Alabama law. Theft of Property 1st Degree is classified as a Class B felony under Alabama law.

The indictment alleges that Harwell, doing business as Bull or Bear Trading, Inc., a Mobile, Alabama-based enterprise, offered for sale shares of stock in the company to at least four Alabama investors. Harwell allegedly represented to investors that they would earn a return on their investments in an online system for executing trades in stocks, bonds, mutual funds and other financial instruments. However, the ASC investigation revealed that Harwell failed to inform investors that his company was not prepared to, nor capable of, executing online trades. ASC records also revealed that Harwell allegedly had not registered, nor received exemption from registration, of his offering and sale of company stock shares. The indictment further alleges that Alabama investors lost approximately \$142,000 when their funds were not used to purchase stock shares, but instead, used by Harwell for his personal benefit and other unrelated expenses.

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The ASC strongly encourages 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, to report suspected fraud or to obtain consumer information.

(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 a reasonable doubt in court).

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For further information contact Dan Lord, Education and Public Affairs Manager, (334) 353-4858 or email: dan.lord@asc.alabama.gov.

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