

ALABAMA SECURITIES COMMISSION

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Mississippi Man Pleads Guilty to Securities Fraud in Baldwin County

MONTGOMERY, ALABAMA (Feb. 28, 2012) Hallie Dixon, District Attorney for the 28th Judicial Circuit, Baldwin County, Alabama; and, Joseph P. Borg, Director of the Alabama Securities Commission (ASC) announced today that George Louis McCaw, a Diamond Head, Mississippi resident, pled guilty to a single count of Fraud in Connection with the Sale of Securities and two counts of Conspiracy to Commit Theft by Deception, 1st Degree in Baldwin County Circuit Court.

The Court sentenced McCaw to 15 years on the fraud count and 10 and 5 years on the separate Conspiracy counts . The 10 and 5 years were run consecutively for a total of 15 years and run concurrent with the other 15 years for a total of 15 year sentence. The restitution hearing will determine the amount of monies lost through the securities fraud and theft by deception. The conspiracy counts involve the unlawful agreement between McCaw and Michael Kieffer [who had previously pled guilty] to use bogus invoices and shell corporations to defraud an investor and Colonial Bank out of more than \$100,000.00 for a non-existent building. Both the investor and Colonial Bank paid MG Specialists Inc. for the fictitious building and MG Specialist paid most of the money back to McCaw by using his shell corporation, Tricky Enterprises LLC.

An investigation launched by ASC Enforcement Division agents centered on McCaw's actions as principle and agent for McCaw Construction & Services, L.L.C. A Sep. 2010 Baldwin County Grand Jury indicted McCaw for alleged fraudulent activities that took place between Feb. 2007 and May 2008, involving the offer and sale of promissory notes, investment contracts and other investment instruments, valued at more than \$2.3 million, to Alabama investors. The funds were allegedly to be used in connection with a proposed development of a commercial enterprise in Baldwin County, known as the Highway 59 Project. Investigation revealed no evidence to support that investor funds were used as represented and that McCaw allegedly used investor money for personal benefit. ASC records also revealed that neither McCaw, his company nor the securities he allegedly offered and sold were registered with the ASC as required by the Alabama Securities Act. McCaw was arrested Dec. 16, 2010 at his home by agents of the Gulf Coast Regional Fugitive Task Force. After waiving extradition, McCaw was transported to Baldwin County Jail and placed under a \$100,000 bond.

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, 334-35-4858.

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