

ALABAMA SECURITIES COMMISSION

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Jefferson County Woman, Michigan Man Plead Guilty to Alabama Securities Act Violations

MONTGOMERY, ALABAMA (Feb. 3, 2012) Robert E. Owens, District Attorney for the 18th Judicial Circuit, Shelby County, Alabama; and, Joseph P. Borg, Director of the Alabama Securities Commission (ASC) announced today that Katherine Hope Lane, whose last known address was listed as Jefferson County; and, Michael W. Pahl, Sr., a resident of Jackson, Michigan, entered guilty pleas and were sentenced in Shelby County Circuit Court, Jan. 30, 2012 for violations of the Alabama Securities Act. Lane pled guilty to a single count of Fraud in Connection with the Sale of Securities and was sentenced to 87 months in state prison. The Court ordered her sentence to run concurrently with a federal prison sentence currently being served. She remains incarcerated in the Shelby County jail and will face a restitution hearing on Feb. 27, 2012. Pahl pled guilty to a single count of Conspiracy to Sell Unregistered Securities. He will be sentenced Feb. 27, 2012 at which time he will also face a restitution hearing related to his plea. A third co-defendant, Paul Haskell Lane, Jr., remains free on bond, awaiting an April, 2012 trial date.

Charges against the two stemmed from indictments handed down by a Jan., 2009 Shelby County Grand Jury alleging their involvement in a scheme to solicit investments to fund a non-existent lawsuit. Investor funds, along with an additional percentage, were supposedly to be repaid after the fictitious lawsuit was settled. The illicit scheme was alleged to have garnered approximately \$400,000 from several out-of-state victims. In Jan., 2009, ASC investigators assisted Jefferson County Sheriff's Department deputies with the execution of an arrest warrant issued against Katherine Lane. She was taken into custody and subsequently released under a \$10,000 bond. Pahl was arrested by Jackson, Michigan authorities in Feb., 2009, released on bond and later extradited to Alabama to face charges.

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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