

ALABAMA SECURITIES COMMISSION  
770 WASHINGTON AVE, SUITE 570  
MAIL: POST OFFICE BOX 304700  
MONTGOMERY, ALABAMA 36130-4700  
Telephone: (334) 242-2984 or 1-800-222-1253 Fax: (334) 242-0240  
Email: [asc@asc.alabama.gov](mailto:asc@asc.alabama.gov) Website: [www.asc.alabama.gov](http://www.asc.alabama.gov)

## **Elmore County Man Pled Guilty to Violations of Alabama Securities Act**

MONTGOMERY, ALABAMA (March 30, 2009) Ellen I. Brooks, District Attorney for the 15<sup>th</sup> Judicial Circuit, Montgomery County, Alabama; and, Joseph Borg, Director of the Alabama Securities Commission (ASC), announce that Guerry Lamar Reese, a resident of Millbrook, Alabama, pled guilty to violations of the Alabama Securities Act. Reese is scheduled for a sentencing hearing April 23, 2009 and was ordered to pay an Alabama victim \$60,000 in restitution.

Reese pled guilty to one count Sale of a Security by an Unregistered Agent, one count of Sale of Unregistered Securities, and one count of Making an Untrue Statement of Material Fact in Connection with the Sale or Purchase of a Security. All charges are classified as Class C felonies under Alabama law.

As a result of an ASC investigation, a four count indictment was returned against Reese by an October 2008 session of the Montgomery County Grand Jury. Reese was arrested October 24, 2008, by Elmore County Sheriff's deputies and agents of the ASC's Enforcement Division and transported to Montgomery County Detention Facility where he was later released under \$50,000 bond.

Reese, the owner of, and doing business as, Merchants Commerce Solutions (MCS), solicited investments, in the form of shares of his company's stock, from an Alabama investor to fund the manufacture of electronic poker chip counting devices that could be marketed to casinos. Investigation revealed that between July and August 2004, an Alabama victim invested \$60,000 with Reese and was not repaid when the company declared bankruptcy in 2007. Reese misled the victim in that his device did not actually exist and the victim's investment was used for Reese's personal benefit. Reese is not registered by the ASC to conduct securities business in Alabama and there is no record of registration for Merchants Commerce Solutions or for the investment that Reese offered and sold to the Alabama investor.

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, to report suspected fraud or to obtain consumer information.

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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](mailto:dan.lord@asc.alabama.gov).

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