

ALABAMA SECURITIES COMMISSION

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 Website: www.asc.alabama.gov

Russell County Couple Indicted For Alleged Securities Act Violations

MONTGOMERY, ALABAMA (March 7, 2014) Kenneth E. Davis, District Attorney for the 26th Judicial Circuit, Russell County, Alabama; and Joseph Borg, Director of the Alabama Securities Commission (ASC) announced that Jose Roberto Torres and Tammy Torres, both residents of Phenix City, Alabama, were arrested March 5, 2014 by deputies with the Russell County Sheriff's Department. The Torres' arrests stemmed from a February, 2014 Russell County Grand Jury indictment, alleging violations of the Alabama Securities Act. Both defendants were transported to The Russell County jail where Jose Torres' bond was set at \$750,000 and Tammy Torres' bond was set at \$50,000.

Jose Torres is charged with 19 total counts including: one count of sale of securities by an unregistered agent; five counts of sale of unregistered securities; nine counts of making an untrue statement of material fact or omitting to state a material fact; two counts of employing a scheme or artifice to defraud; one count of engaging in an act, practice or course of business which operates as a fraud or deceit upon any person; and one count of theft of property, 1st degree. Tammy Torres was charged with one count of engaging in an act, practice or course of business which operates as a fraud or deceit upon any person. At the time the alleged offenses were committed, the securities registration charges were classified as Class C felonies, punishable by a maximum of 10 years in prison and a \$15,000 fine per count, upon conviction. The securities fraud and theft charges are Class B felonies, punishable by a maximum of 20 years in prison and a \$25,000 fine per count, upon conviction.

The indictment alleges that Jose Torres offered and sold unregistered investment contracts for ATM/EPS, Inc., to Alabama investors. Both Mr. and Mrs. Torres allegedly represented that investors' funds would be placed in automatic teller machine terminals, to be used as vault cash, and that investors would receive monthly returns on their funds placed in the ATM terminals. Also, the investment contracts allegedly stated that investor funds were secured through the FDIC. The indictments allege that investor funds were used by the Torres's to pay other investors and for unrelated personal expenses.

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, 334-353-4858.

(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 reasonable doubt in court).

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