

ALABAMA SECURITIES COMMISSION

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Man Who Fled to Philippines Convicted of Securities Violations in Coffee County

MONTGOMERY, ALABAMA (April 15, 2011) Tom Anderson, District Attorney for the 12th Judicial Circuit, Coffee County, Alabama; and, Joseph P. Borg, Director of the Alabama Securities Commission (ASC), announced that on April 13, 2011, Scott Alan Frye, formerly from Knoxville, TN, was found guilty on 5 counts of the Sale of Unregistered Securities in violation of the Alabama Securities Act. Jury deliberation concerning evidence presented and testimony took only 28 minutes. Frye is currently being held in the Coffee County jail and awaits sentencing; a hearing is scheduled for May 16, 2011. Frye also faces 74 counts of various securities law violations in Jefferson County and will be transported there after sentencing in Coffee County.

An investigation by ASC Enforcement Division agents led to a five-count indictment being returned against Frye from a Coffee County Grand Jury, November 2005. Frye fled to Philippines prior to the indictment being served and was arrested in Manila by Philippine authorities October 5, 2009 on immigration charges and deported to Los Angeles. Frye was extradited on March 19, 2010 to Coffee County, Alabama.

Evidence indicated that Frye got access to deferred compensation accounts of Century 21 agents and obtained \$44,500 through loans taken out against the plan. The money was purportedly used to purchase notes in a land development referred to as Ecclesia Development. The Century 21 agents had no knowledge of the loans and the purchase of this security.

ASC Director Borg said, "Frye, like many, thought he could escape the long and strong arm of Alabama law. In this case he left the country to evade arrest and was later brought back from the Philippines to Alabama. We are proud to strictly enforce and protect our citizens from world-wide securities fraud. A special thank you goes to the many legal authorities involved from California to Coffee County, Alabama that provided the support necessary to convict Frye."

ASC Deputy Director Randy McNeill and chief prosecutor said, "A special thank you goes to the great support provided by DA Anderson, his staff, and Coffee County enforcement professionals for support to prosecute this case. Also, I'd like to thank our Legal Division and Enforcement Division staff for making this conviction possible. Frye sincerely thought he could evade the legal arm of the law, he is a financial predator that was on the move cheating people when the opportunity arose--justice has been served."

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.

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