

ALABAMA SECURITIES COMMISSION

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FOR IMMEDIATE RELEASE

**Gwaltney, Downen, and Morice, arrested in Tennessee
for alleged violations of the Alabama Securities Act**

MONTGOMERY, ALABAMA (April 18, 2005) Honorable Randall V. Houston, District Attorney, 19th Judicial Circuit and Honorable Joseph P. Borg, Director of the Alabama Securities Commission, announced today that on April 13, 2005, Officers of the Shelby County, Tennessee Fugitive Unit, arrested David Gwaltney, David Downen, and Lawrence Morice, as a result of indictments handed down by the February session of the Autauga County, Alabama Grand Jury for violations of the Alabama Securities Act, for alleged sales of unregistered securities by unregistered agents, and fraud in connection with the sale of securities. These violations of the Securities Act are class C felonies.

Gwaltney, Downen, and Morice, were indicted on claims they induced 85 investors from the states of Alabama, Arkansas, Mississippi, New York, and Tennessee to invest \$9 million in Promissory Notes and \$426,000.00, in joint venture interests issued by their company Allstate Financial Corporation ("AFC"), located in Memphis Tennessee. (There is no association between Allstate Financial Corporation operated by Gwaltney, Downen, and Morice, to Allstate Insurance Company or any of its affiliates.) The indicted individuals led their victims to believe that the money from the sale of the Promissory Notes would be utilized to support a factoring business and also represented that the Joint Venture interests would pay 12% to investors.

The investigation was conducted by the Enforcement Division of the Alabama Securities Commission.

The Director of the Alabama Securities Commission (ASC) cautions potential investors to thoroughly check out any investment opportunity. Contact ASC for inquiries regarding securities broker-dealers, agents, investment advisors, investment advisor representatives, financial planners, the registration status of securities, to report suspected fraud, or obtain consumer information:

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If you have questions or require more information contact:

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