

**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](mailto:asc@asc.alabama.gov) Website: [www.asc.alabama.gov](http://www.asc.alabama.gov)

## **Winfield Alabama Man Arrested for Alleged Alabama Securities Act Violations**

MONTGOMERY, ALABAMA (April 6, 2015) Jack Bostick, District Attorney for the 25th Judicial Circuit, Marion County, Alabama; and Joseph Borg, Director of the Alabama Securities Commission (ASC) announced that Timothy Lowell Franks, age 56, a resident of Winfield, AL was arrested April 1, 2015 for alleged violations of the Alabama Securities Act.

Franks' arrest stems from an March, 2015 Marion County, Alabama Grand Jury indictment charging him with 6 counts of alleged violations of the Alabama Securities Act. Charges against Franks include: (1) count of Sale of Unregistered Securities; (1) count of Sale of Securities by an Unregistered Agent; (3) counts of Fraud in Connection with the Sale of Securities (making untrue statements of material fact or omitting to state a material fact; and engaging in an act, practice or course of business which would operate as a fraud or deceit); and (1) count of Theft by Deception, 1<sup>st</sup> Degree. Securities registration charges are Class C felonies, punishable by a maximum of 10 years' imprisonment and a fine of \$15,000 for each count, upon conviction. Securities Fraud and Theft by Deception 1<sup>st</sup> are Class B felonies, punishable by a maximum of 20 years imprisonment and a \$30,000 fine for each count, upon conviction.

According to the indictment, Franks offered and sold securities in a coal mining operation. In connection with the securities transactions, Franks represented that he owned the mine and had the mineral rights necessary to operate the mine. The securities allegedly sold were investment contracts or interests in the mining operation. Franks was released after posting a \$15,000 bond. No trial date has been announced.

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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