

ALABAMA SECURITIES COMMISSION

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**Purported Movie Producer Arrested in Utah on Shelby County, Alabama Indictment
for Alleged Securities Fraud**

MONTGOMERY, ALABAMA (May 10, 2019) Jill Lee, District Attorney for the 18th Judicial Circuit, Shelby County, Alabama, and Joseph Borg, Director of the Alabama Securities Commission (ASC), announced that David Matthew Raney, of Studio City, California, was arrested on Alabama warrants in Utah on February 27, 2019 by agents with the FBI's Salt Lake City field office. The warrants were issued when a November 2016 Shelby County Grand Jury returned a ten-count indictment for multiple alleged violations of the Alabama Securities Act. Raney was held in the Purgatory Correctional Facility in Hurricane, Utah under a \$150,000 bond before turning himself over to Alabama authorities on May 7, 2019.

The indictment charges Raney with seven counts of Fraud in Connection with the Sale of Securities for making untrue statements of, or omitting to state, material facts to an investor; and for engaging in an act, practice, or course of business which operates as a fraud or deceit upon an investor. The securities fraud charges are Class B felonies, carrying a range of punishment of two to 20 years' imprisonment and a fine of up to \$30,000 per charge, upon conviction. Additionally, the indictment charges Raney with one count of Sale of Securities by an Unregistered Agent, one count of Selling Unregistered Securities, and one count of Conspiracy to Commit Securities Fraud; each of which is a Class C felony, carrying a range of punishment of one year and one day to 10 years' imprisonment and a fine of up to \$15,000, upon conviction.

The indictment alleges that Raney claimed to be a movie producer and solicited more than \$1,265,000 through the sale of investment contracts to Alabama investors. Raney told investors that the funds would be used for movie production expenses, however records indicate that Raney used most of the invested funds to pay personal expenses, co-conspirators, and to repay earlier investors. Raney misrepresented the anticipated production dates of the films being funded and the date the investments would mature. Raney further misrepresented to investors that large sums of additional funding had been committed, when in fact no such funding was secured. Raney omitted to tell some Alabama investors that a prior investor was claiming ownership of the movie rights because Raney was in default on a prior loan. Raney also omitted to tell the investors that he had been trying unsuccessfully for years to produce the films for which the investments were made, and that his prior film production company was, at the time of investment, a debtor party in an involuntary bankruptcy. Neither Raney, nor the investments he offered and sold to Alabama investors, were registered with the ASC, as required by the Alabama Securities Act. A trial date has not been scheduled.

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The ASC is grateful for the cooperation and hard work of the FBI field offices in Los Angeles, CA and Salt Lake City, UT and the United States Marshals Service for their aid in locating and apprehending Ranes.

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.

(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 a reasonable doubt in court).

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For further information contact Dan Lord, Education and Public Affairs Manager, 334-353-4858.

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