

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

Former Blount County Man Arrested for Violations of Alabama Securities Act

MONTGOMERY, ALABAMA (May 11, 2010) Tommy Rountree, District Attorney for the 41st Judicial Circuit, Blount County, Alabama; and, Joseph P. Borg, Director of the Alabama Securities Commission (ASC) announced today that David Ray Pinyan, a former resident of Blount County, Alabama, was arrested on May 4, 2010 by Sevierville and Pigeon Forge, Tennessee law enforcement officials and placed in a local detention facility there. Alabama officials will seek extradition of Pinyan to Blount County to face charges that he violated provisions of the Alabama Securities Act.

Pinyan's arrest stems from a 12-count indictment returned by an April 2010 session of the Blount County Grand Jury charging him with one count each of Sale of an Unregistered Security, Sale of a Security by an Unregistered Agent and Scheme to Defraud in Connection with the Offer or Sale of a Security. Pinyan was also charged with three counts of making an Untrue Statement of Material Fact in Connection with the Offer or Sale of a Security. Charges are a Class C felony under Alabama law. Additionally, Pinyan was charged with six counts of Theft of Property by Deception, 1st Degree, a Class B felony.

According to an investigation by the ASC Enforcement Division, beginning in May 2006 and continuing through August 2007, Pinyan allegedly used schemes centered on various land development opportunities and transactions involving the buying and selling of automobiles. Pinyan allegedly used these schemes to defraud several Alabama investors of several thousands of dollars. Pinyan allegedly promised the investors "profit" on their investment principal. The indictment also alleges that Pinyan made untrue statements of material fact during the offer and sale of the investment "deals." The indictment further alleges that Pinyan did obtain by deception the funds of Alabama investors which he converted for his personal use and he failed to divulge pertinent details concerning the business deals. ASC records revealed that neither Pinyan nor the opportunities he allegedly offered and sold were registered with the ASC, as required by law.

The ASC encourages anyone who may have been in contact with Pinyan regarding potential business opportunities to contact the ASC Enforcement Division, 800-222-1253.

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 reasonable doubt in court).

###

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

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