

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

**Lee County Man Arrested in Baldwin County for
Alleged Securities Violations**

MONTGOMERY, ALABAMA (May 18, 2012) Robert T. Treese, III, District Attorney for the 37th Judicial District, Lee County, Alabama; and Joseph P. Borg, Director of the Alabama Securities Commission (ASC) announced that John David Stroud, an Auburn, Alabama resident, was arrested May 15, 2012 in Baldwin County, on warrants issued in Lee County, for alleged violations of the Alabama Securities Act. Stroud was arrested by ASC Enforcement Division agents and deputies of the Baldwin County Sheriff's Department and is currently being held in Baldwin County jail awaiting transport to Lee County.

The May, 2012 session of the Lee County Grand Jury indicted Stroud on 21 total counts involving Sale of Securities by an Unregistered Agent, Fraud in Connection with the Sale of Securities and Theft of Property, 1st Degree. The charges stemmed from Stroud's involvement as owner/operator of Stroud Capital, TS Capital and their affiliated entities: Stroud Development Group; Stroud Capital Management, LLC; Stroud Capital Fund, LP; TS Capital Partners, LLC; TS Capital Fund, LP; and TS Capital General Partners, LLC. The companies operated by Stroud were allegedly hedge funds trading in the commodities market.

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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