

ALABAMA SECURITIES COMMISSION

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California Man, Woman Sentenced for Alabama Securities Act Violations

MONTGOMERY, ALABAMA (May 20, 2010) Steven T. Marshall, District Attorney for the 27th Judicial Circuit, Marshall County, Alabama; and, Joseph Borg, Director of the Alabama Securities Commission (ASC), announced today that Randy Morton and Candice Lynn Lewis, both residents of Orange County, California were sentenced May 18, 2010 in Marshall County Circuit Court.

Morton, who pled guilty in 2009 to a single count of securities fraud, was sentenced to a 10-year prison term, split to serve 12 months and ordered to pay \$125,000 in restitution upon his release from prison. He will serve five years of probation after his release. Morton is presently free on \$100,000 bond and is scheduled to report to the Alabama Department of Corrections on June 15, 2010. Lewis, who also pled guilty to a single count of securities fraud in 2009, was sentenced to five years imprisonment, suspended to serve five years probation and ordered to pay \$125,000 restitution to victims. Since the times of their pleas, Morton and Lewis have cooperated with state and federal authorities in the investigation of this matter.

Morton and Lewis pled guilty in 2009 to one count each of securities fraud stemming from an ASC investigation, with cooperation from the Marshall County District Attorney, into the pair's involvement as unregistered sales agents for Lifeline Imaging Systems, Inc., an Orange County, California company that claimed to operate a number of "body imaging centers" in California, Arizona and Texas. Indictments handed down by a Marshall County Grand Jury in Nov. 2007 alleged that Morton and Lewis attempted to raise capital to fund the business and, together with Daniel Caterino, also a California resident, established a call center to place "cold calls" nationwide, including calls to several Alabama residents, and solicited funds in violation of Alabama securities law. Neither the company nor the individuals were licensed or registered to conduct securities business in Alabama.

An ASC investigation revealed that approximately \$15,000,000 in capital was raised nationwide to fund the company, with some of the money purportedly used by the trio for personal and unrelated business expenses. Daniel Caterino was sentenced in Marshall County Circuit Court in July 2009 to a 15-year prison sentence split to serve 30 months, with remaining time served while on probation. He received a \$5,000 fine, ordered to pay attorney fees and court costs and \$340,000 in restitution to victims. Caterino is currently incarcerated with the Alabama Department of Corrections.

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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