

ALABAMA SECURITIES COMMISSION

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Alabama Securities Commission Halts Another COVID-19 Scheme Aiming to Defraud Alabama Investors

MONTGOMERY, ALABAMA (MAY 22, 2020) - The Alabama Securities Commission (ASC) issued an emergency Cease and Desist Order against Johnnie Dancy for attempting to defraud Alabama investors and exploit the global Coronavirus (COVID-19) pandemic for his own profit. Dancy advertised his investment scheme through the popular advertisement and social media platform called Craigslist. Dancy used the email address TIGGERTHORN3@GMAIL.COM to communicate with potential investors and post advertisements targeted at Alabamians. Dancy also advertised his scheme across at least 22 states. The advertisements claimed that prospective clients could exploit the current Coronavirus (COVID-19) crisis for a weekly profit of \$5,000.00 by trading penny stocks from the pharmaceutical and biotechnology industry whose stocks are experiencing significant price fluctuations due to the pandemic. Dancy also promised that he could consistently produce 400% to 1000% investment returns, a claim investment professionals know is blatantly absurd.

These types of schemes cherry pick specific instances where a penny stock skyrockets without revealing that the vast majority of penny stock investments become complete losses. During this national emergency, the use of the deadly disease to legitimize blatantly false claims makes these types of fraudsters the worst of the worst.

ASC Director Joseph P. Borg said, "The worldwide internet is teeming with claims of grandiose profits to be made by capitalizing on public fear about the coronavirus (COVID-19). There is nothing about the pandemic that changes the risk always present when making investment decisions. If anything, claims by individuals that they can predict the future of this disease and how it will impact markets should cause potential investors to run, not walk, away from these types of advertisements and offers."

"It is heart wrenching to learn, when it is too late, that our fellow Alabamians have been financially devastated by investment scammers. People claiming they can guarantee great returns because of a national tragedy are villains and should be avoided at all costs," said ASC Chief Deputy Director Amanda Senn.

As a participant in an international task force created to protect U.S., Canadian, and Alabama residents, the ASC discovered the advertisements and ordered the businesses to cease and desist operations. ASC Director Joseph P. Borg indicated that the Commission has taken this proactive measure for the protection of Alabama investors. Dancy has been ordered to immediately cease and desist from soliciting

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sales of any securities in the State of Alabama. The ASC issued a Cease and Desist order (CD-2020-0009) to halt transactions involving Alabama residents because the investments are not registered, are fraudulent, and Dancy is not registered to engage in the transactions as required by the Alabama Securities Act. Dancy's failure to register himself and his security is another indicator that his offering is fraudulent. Investors can check out an investment and the person offering the product or report suspected fraud by calling the ASC at 1-800-222-1253. To view this and any other administrative actions taken by the ASC, please visit the "Administrative Actions" Section of the ASC's website at https://asc.alabama.gov/admin_action.aspx. For further information on this action and other actions, click on the flashing CONWATCH icon on the main page of our website.

To assist in protecting investors from COVID-19 investment scams, the ASC has launched a new email address to encourage public reporting of fraudulent COVID-19 scams. Investors who see or suspect that they fell victim to COVID-19 related investment scams can directly report them by email to COVIDCONS@asc.alabama.gov.

The ASC cautions citizen investors of all ages and experience to thoroughly scrutinize and research any investment opportunity or offer. Contact the ASC at 1-800-222-1253 to check out any person or financial professional offering an investment opportunity or investment advice for a fee, and the products they offer for proper registration. Contact the ASC to report suspected fraud, inappropriate securities business practices 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.

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