

ALABAMA SECURITIES COMMISSION

Post Office Box 304700

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Telephone: (334) 242-2984 or 1-800-222-1253 Fax: (334) 242-0240

Email: asc@asc.alabama.gov Website: www.asc.alabama.gov

Troy Man Pleads Guilty to Securities Fraud Charges

MONTGOMERY, ALABAMA (May 27, 2016) Douglas Valeska, District Attorney for the 20th Judicial Circuit, Houston County, Alabama; and Joseph Borg, Director of the Alabama Securities Commission (ASC) announced that on May 12, 2016, Jesse Morgan Hinson, of Troy, Alabama plead guilty in Houston County Circuit Court to one count of Securities Fraud for making misstatements and omissions of material fact to an Alabama investor. The offense is a Class B felony, punishable by not less than two, but no more than 20 years in prison, and a fine not to exceed \$30,000.

After the plea was entered, The Honorable Circuit Court Judge Larry K. Anderson sentenced Hinson, as part of his plea agreement, to five years in the custody of the Alabama Department of Corrections. Hinson filed an application for probation, and a probation hearing is set for July 15, 2016. Judge Anderson further ordered Hinson to pay court costs and fees, a \$500 fine, and \$250,000 in restitution to the victim in the case. As part of the plea, Hinson also consented to be permanently barred from the securities industry in Alabama.

Hinson's plea is the result of an indictment by the Houston County Grand Jury in October 2015. Hinson represented to an Alabama investor that Hinson operated a business that purchased and sold scrap metal for profit. Hinson solicited investments in this scrap metal business by offering investment contracts to the Alabama investor, and obtained \$250,000 from the investor between August 2013 and January 2014. Hinson did not in fact operate a scrap metal business, and that the investors' funds were instead used for personal expenses and to pay prior investors. Hinson also misrepresented that funds would be used to purchase trucks for the business, but no trucks were needed or ever purchased. Neither Hinson, nor the securities he sold, were registered with the ASC, as required by Alabama law.

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.

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

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