

ALABAMA SECURITIES COMMISSION

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Arizona Man Sentenced for Securities Fraud in Tuscaloosa County

MONTGOMERY, ALABAMA (May 5, 2018) Hays Webb, District Attorney for the 6th Judicial Circuit, Tuscaloosa County, Alabama; and Joseph Borg, Director of the Alabama Securities Commission (ASC) announced that on May 2, 2018, James Friend Liebes, of Paradise Valley, Arizona, pleaded guilty in Tuscaloosa County Circuit Court to one count of Securities Fraud for misstating or omitting to state material facts to an Alabama investor in connection with the sale of securities. 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.

The charges stem from a May 2016 indictment by the Tuscaloosa County Grand Jury. Liebes, operating as Lanesborough Financial, sold stock in Careview Communications, Inc. to an Alabama investor, in exchange for \$39,683.00. The investor was not told, however, that Liebes didn't actually own the stock, nor did he have the rights to sell the stock, but merely owned warrants to obtain the stock and had assigned those warrants to third parties prior to the sale. Further, Liebes diverted the invested funds to personal expenses, but told the investor that he would repay him with 7,000 shares of stock he owned in Lifelock, Inc. Liebes never transferred the purportedly owned shares in Lifelock, Inc., and failed to inform the investor that neither Liebes, nor his company, were registered to sell securities in Alabama as required by the Alabama Securities Act.

Liebes who has been incarcerated in the Maricopa County, Arizona jail since January 17, 2018 for failing to appear for the trial in this case, was transported last week to Tuscaloosa County and agreed to plead guilty to securities fraud. Pursuant to the plea agreement, the Honorable Judge John H. England sentenced Liebes to four years incarceration. During the sentencing phase, the Court credited Liebes with the time he served in jail and suspended the remainder of his sentence. Liebes will remain on probation pending any violation of the conditions of probation, including complete restitution and a permanent bar from the securities industry in Alabama.

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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