

ALABAMA SECURITIES COMMISSION

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Alabama Securities Commission Legal Staff Help Intercept Felon's Assets, Reroute Money to his Victims

MONTGOMERY, ALABAMA (May 7, 2015) Alabama Securities Commission (ASC) Director Joseph Borg announced that the ASC has intercepted \$16,000 of redeemed stock owned by Harry H. "Woody" Duncan of Huntsville, Alabama and successfully rerouted the funds to help pay restitution to victims of an illegal investment scheme perpetrated by Duncan in 2011. In August, 2012, Madison County, Alabama Circuit Court Judge James P. Smith sentenced Duncan to 20 years' imprisonment, split to serve five years, for violations of the Alabama Securities Act. The 15-year remainder of Duncan's sentence was suspended with the stipulation that he make full restitution to all victims and file sworn quarterly financial statements accounting for the sources of funds used to pay restitution. An ASC investigation revealed that, although Duncan remains in the custody of the Alabama Department of Corrections, he received stock dividends that the Court considered personal assets/income that should be used to pay victim restitution, as stipulated in his sentencing hearing.

In January, 2015, ASC's legal Division received notification that a Florida-based corporation was attempting to notify all shareholders that it was planning to "redeem all shares of stock" to its shareholders. Duncan was identified as a shareholder and the company was seeking to give notice that he would receive a \$16,000 dividend for shares of stock he held. The ASC filed a motion for hearing with the Madison County, Alabama Circuit Court seeking to enforce the restitution order outlined in Duncan's sentencing hearing, and asked the Court to order that the proceeds of the redemption of Duncan's stock shares, while he remains imprisoned, be used toward payment of victim restitution. On April 23, 2015, the Court ordered Duncan to endorse the stock proceed check, made payable to the State of Alabama, to be applied to restitution to his victims.

In August, 2012, Duncan pleaded guilty to one count of Scheme or Artifice to Defraud in connection with the Sale of Securities, a Class B felony; and to Theft of Property, 1st Degree, also a Class B felony, for which the Madison County District Attorney's Office recommended, and the Court ordered, Duncan to serve an additional 15-year sentence to run concurrent with the securities fraud charge. The Court ordered Duncan to pay \$512,063 restitution to seven investors named in the original indictment, and pay \$179,000 to an additional victim identified in an ASC investigation.

"I want to make it clear to scam artists that, even after financial criminals are prosecuted, our legal and investigative professionals will continue to watch out for the interests of our state's main street investors by doing everything we can to strip assets from criminals anytime we can, and for no matter how long it takes," Borg said. This matter was handled by ASC attorney Greg Biggs and ASC paralegal, Kim Booher.

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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