

ALABAMA SECURITIES COMMISSION

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Arizona Man Indicted for Alleged Securities Fraud in Tuscaloosa County

MONTGOMERY, ALABAMA (June 28, 2016) Lyn Head, District Attorney for the 6th Judicial Circuit, Tuscaloosa County, Alabama; and Joseph Borg, Director of the Alabama Securities Commission (ASC) announced that on June 24, 2016, James Friend Liebes, of Paradise Valley, Arizona was arrested by the Maricopa County Sheriff's Office for alleged violations of the Alabama Securities Act, based on an arrest warrant issued after the April 2016 Tuscaloosa County Grand Jury returned a three-count indictment. Liebes is currently being held in the Maricopa County Jail in Arizona, awaiting extradition to Alabama.

The indictment charges Liebes with one count of Sale of Securities by an Unregistered Agent; which is a Class C felony, punishable by not more than 10 years or less than 1 year and 1 day and a fine of not more than \$15,000 per charge, upon conviction. Additionally, the indictment charges Liebes with two counts of Fraud in Connection with the Sale of Securities for making untrue statements of, or omitting to state, material facts to an investor; and for engaging in an act, practice or course of business which operates as a fraud or deceit upon an investor. Each of the securities fraud charges are Class B felonies, punishable by not more than 20 years or less than 2 years imprisonment and a fine of not more than \$30,000 per charge, upon conviction.

The indictment alleges that Liebes told an Alabama investor that he owned and could sell shares of stock in Careview Communications, Inc. to the investor. Liebes obtained \$39,683.00 from the investor in exchange for 39,683 shares of Careview stock, beginning in June 2011. Liebes never gave the shares of stock to the investor, and, in fact, did not own any Careview stock. Liebes only owned warrants to obtain the stock. Liebes assigned those warrants to another third party instead of tendering them to the investor. Further, Liebes stated that he would transfer to the investor 7,000 shares of stock in Lifelock, Inc. as repayment for the investment, but those shares were never given to the investor. Neither Liebes nor the corporation he used was registered with the ASC as a dealer or agent of securities in Alabama, as required by the Alabama Securities Act. Liebes did not inform the investor that he was not properly registered as a dealer or agent in Alabama. The funds obtained from the investor were not invested, but used by Liebes for personal expenses.

ASC Director, Joseph Borg, said, "The Alabama Securities Commission extends its appreciation to the Sheriff and staff of the Maricopa County, Arizona Sheriff's Office for their valuable assistance in arresting Liebes."

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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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(NOTE: An arrest or indictment is not evidence that the defendant committed the crime(s) charged. The defendant is presumed innocent until the government meets its burden of proving guilt beyond a reasonable doubt in court).

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