

ALABAMA SECURITIES COMMISSION

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Montgomery, Alabama 36130-4700

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Jefferson County Man Convicted for Securities Act Violations

MONTGOMERY, ALABAMA (July 27, 2011) Brandon K. Falls, District Attorney for the 10th Judicial Circuit, Jefferson County, Alabama; and, Joseph P. Borg, Director of the Alabama Securities Commission (ASC) announced today that Cary Alan Burdette a licensed attorney and former FBI agent, of Trussville, pled guilty to three counts of Fraud in Connection with the Sale of Securities in Jefferson County Circuit Court. A sentencing hearing is scheduled for August 26, 2011.

In April, 2009, a Jefferson County Grand Jury indicted Burdette for 13 counts of Securities Fraud and one count each of Sale of an Unregistered Security and Sale of Securities by an Unregistered Agent and four counts of Theft of property 1st Degree. Burdette turned himself in to the Jefferson County Sheriff's Department on April 14, 2009 and was released on \$100,000 bond and ordered to surrender his passport. Burdette had been the subject of an investigation by ASC Enforcement Division agents since 2008.

The ASC investigation revealed that Burdette sold promissory notes/assignment notes to several Alabama investors and promised returns from 8-12 percent. The funds were to be invested in real estate and medical technology ventures, and investors were promised a return on their investment at a specific time. However, financial analysis revealed that Burdette used the bulk of investor funds, over \$4 million, to pay Ponzi returns to previous investors and for his personal expenditures and personal pleasures. Records showed that neither Burdette nor the securities he offered and sold were registered with the Alabama Securities Commission, as required by 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.

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

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