

## ALABAMA SECURITIES COMMISSION

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### For Immediate Release

MONTGOMERY, ALABAMA (July 29, 2004) Joseph P. Borg, Alabama Securities Commission, Randall V. Houston, District Attorney, 19<sup>th</sup> Judicial Circuit in Alabama, and Elmore County Sheriff Bill Franklin, announced today the indictment and arrest of **Edwin Rick Wood** of Millbrook, Alabama on 21 counts of the sale of unregistered securities, 21 counts of the sale of securities by an unregistered agent, 64 counts of Securities Fraud, and 16 counts of theft of property in the first degree. Circuit Judge Ben A. Fuller set the bond on this case at \$600,000.00.

The indictment alleges that from July 2002 to January 2004, Wood fraudulently induced 34 residents from the states of Alabama, Florida, Louisiana, and Tennessee to invest in excess of \$2.4 million through the sale of oral and written promissory notes. Wood told his investors that their money would be used to further construction projects being performed by his company, Three Hands Construction, LLC.

The indictment further alleges that Wood falsely led his victims to believe that he had exclusive rights to government subsidized construction contracts in the cities of Millbrook and Montgomery, Alabama. Wood told his investors that he would pay them interest on the notes ranging from 20% to 40%.

Wood is also charged with operating a scheme to defraud the investors while selling the promissory notes. The state alleges that Wood never had the financial ability to pay the interest rates represented to investors. As a result, the majority of the checks issued by Wood to investors came from money invested by other investors and not profits derived from construction projects.

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The indictment is the result of a joint investigation conducted by the Alabama Securities Commission, the District Attorney Houston's office, and the Elmore County Sheriff's office. Director Borg complimented and thanked Elmore County Sheriff Bill Franklin and District Attorney Randall Houston for their commitment to the investigation and the prosecution of financial crimes.

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FOR ADDITIONAL INFORMATION CONTACT:

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