

ALABAMA SECURITIES COMMISSION

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Florida Man Pleads Guilty to Securities Fraud in Cullman County

MONTGOMERY, ALABAMA (Aug. 15, 2012) C. Wilson Blaylock, District Attorney for the 32nd Judicial Circuit, Cullman County, Alabama; and Joseph Borg, Director of the Alabama Securities Commission (ASC) announced that on Aug. 13, 2012, before Circuit Judge Gregory A. Nicholas, James Leonard Craft of Century, Florida pled guilty to a single count of engaging in a Scheme or Artifice to Defraud in connection with the Sale of Securities, a class C felony punishable by not less than one nor more than ten years in prison, and a fine of not more than twice the loss to the victims. Craft made an application for probation and was allowed to remain free on bond while the Court deferred sentencing until a pre-sentence investigation is completed to assist the Court in determining Craft's ultimate sentence and ability to pay \$185,000 in restitution to his victims.

An investigation by ASC Enforcement Division agents disclosed that Craft solicited funds from investors to purportedly purchase wood products from South America to be resold to U.S. distributors for the production of railroad crossties and other products. In 2010, the ASC issued Craft and his company, Century Lumber & Land, LLC, headquartered in Century, Florida, a Cease and Desist Order after an attempt was made to solicit money from Alabama investors in at least three counties, including Cullman, Etowah and Shelby Counties. In his testimony to the Court, Craft readily admitted to Judge Nicholas that he intended on using the money for personal reasons while simultaneously making a fraudulent pitch that the investors' funds were to be used to purchase wood products. ASC records revealed that neither Craft nor his business was registered to conduct securities business in Alabama as required by law.

In Sept., 2011, Craft was arrested by Santa Rosa County, Florida authorities and extradited to Etowah County, Alabama to face charges. Craft's arrest stemmed from a Fall 2011 term of the Etowah County Grand jury which indicted him for alleged illegal securities activities associated with his company. Indictments against Craft were also returned in Cullman and Shelby Counties and all charges were subsequently combined and adjudicated in Cullman County.

Greg Biggs, who prosecuted the case for the ASC said, "I hope the conviction of Mr. Craft sends a clear message to other fraudsters out there that the State of Alabama will not tolerate criminals preying on the citizens of 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.

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

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