

ALABAMA SECURITIES COMMISSION

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Louisiana and Alabama Men Arrested in Baldwin County for Alleged Violations of Alabama Securities Act

MONTGOMERY, ALABAMA (September 22, 2015) Hallie S. Dixon, District Attorney for the 28th Judicial Circuit, Baldwin County, Alabama; and Joseph P. Borg, Director of the Alabama Securities Commission (ASC) announced that Bruce Alexander Gwyn of Metairie, Louisiana; and James Anthony Ghio, of Fairhope, Alabama, were arrested by the Baldwin County, Alabama Sheriff's Office following an indictment by an August, 2015 session of the Baldwin County Grand Jury in connection with alleged violations of the Alabama Securities Act. Gwyn turned himself in to Baldwin County officials on September 18, 2015 and was released on \$20,000 bond. Ghio was arrested on September 12, 2015 and was released on a \$20,000 bond. Both Gwyn and Ghio were required to surrender their passport.

Gwyn was charged with one count of Sale of Unregistered Securities, and one count of Sale of Securities by an Unregistered Investment Adviser. The securities registration charges are Class C felonies, punishable from one year and a day to 10 years' imprisonment and a \$15,000 fine per charge upon conviction. Additionally, Gwyn is charged with three counts of Fraud in Connection with the Sale of Securities; specifically, making an untrue statement of material fact or omitting to state a material fact and employing a device, scheme or artifice to defraud. The fraud charges are Class B felonies, punishable from two to 20 years' incarceration and a \$30,000 fine per charge upon conviction. Gwyn's co-defendant, Ghio is charged with one count of Sale of Securities by an Unregistered Agent, a Class C felony, carrying a possible maximum sentence from one year and a day to ten years' imprisonment and not more than a \$15,000 fine per count upon conviction.

The Indictment alleges that Gwyn and Ghio offered or sold securities, more specifically described as limited partnership interests in Level III Trading Partners, L.P. to an Alabama resident. The indictment also alleges that Gwyn made an untrue statement of material fact or an omission and employed a scheme or artifice to defraud, in that he failed to use investor funds as represented, and instead used funds to pay other investors, make unauthorized investments, or for unrelated expenses. Further, the indictment alleges that Gwyn made a material misrepresentation or omission by representing that yearly financial statements and monthly progress reports would be provided to investors.

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.

(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 reasonable doubt in court).

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

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