

## **ALABAMA SECURITIES COMMISSION**

Post Office Box 304700

Montgomery, Alabama 36130-4700

Telephone: (334) 242-2984 or 1-800-222-1253 Fax: (334) 242-0240

Email: [asc@asc.alabama.gov](mailto:asc@asc.alabama.gov) Website: [www.asc.alabama.gov](http://www.asc.alabama.gov)

### **Cullman County Man Sentenced for Securities Act Violations**

MONTGOMERY, ALABAMA (Nov. 27, 2013) 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 Nov. 26, 2013, Jerry Gibbs Carter was sentenced by Cullman County Circuit Court Judge Martha Williams to five years' imprisonment, split to serve three years, and ordered to pay approximately \$222,000 restitution for his actions related to violations of the Alabama Securities Act. Carter pled guilty to one count of Securities Fraud, more specifically described as Engaging in a Scheme or Artifice to Defraud. At the time the offense was committed, the charge was classified as a Class C felony, punishable by from one to 10 years incarceration and not more than a \$15,000 fine per charge. The case was prosecuted by ASC Associate Counsel/Assistant Attorney General, Leslie Worrell and was investigated by ASC Special Agent, Mike Wilkerson.

Since Carter had already served more than a year in jail, the Court ordered that his sentence be split, such that he will serve five years on supervised probation, to be followed by three years' imprisonment with the Alabama Department of Corrections. If Carter makes complete restitution to victims, the Court will not require him to serve the three years in prison. Should he fail to make restitution payments on a monthly basis as scheduled by the Court, his period of supervised probation will be revoked and he will immediately begin serving three years in prison.

A January, 2011 Cullman County Grand Jury returned an indictment against Carter, after an ASC Enforcement Division investigation into complaints filed by several Alabama investors that Carter had solicited investments to help fund a chain of car wash and automobile maintenance facilities that were to be located throughout the United States. The investigation revealed that investors' funds were not used as represented and that Carter was not registered with the ASC to be able to legally offer and/or sell securities in Alabama. After his indictment, Carter fled the jurisdiction of the State of Alabama. The ASC's Enforcement Division staff never stopped searching for him until he was located and returned to Alabama to face justice. Carter was arrested on Nov. 13, 2012 in West Palm Beach, Florida by the West Palm Beach Police Department, agents of the U.S. Marshal's Service Florida Regional Fugitive Task Force, Ft. Lauderdale, with assistance from the Gulf Coast Regional Fugitive Task Force and was subsequently transported to Cullman County to await trial.

ASC Director Borg said, "We hope this prosecution and sentence sends a clear message to criminals everywhere that the State of Alabama has zero tolerance for deceitful and fraudulent behavior; it will be punished and full reimbursement to the victims will be extracted. Our ability to partner with District Attorneys, as well as state, local and federal law enforcement is critical to the state's readiness to successfully prosecute fraudsters."

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

## **ALABAMA SECURITIES COMMISSION**

Post Office Box 304700

Montgomery, Alabama 36130-4700

Telephone: (334) 242-2984 or 1-800-222-1253 Fax: (334) 242-0240

Email: [asc@asc.alabama.gov](mailto:asc@asc.alabama.gov) Website: [www.asc.alabama.gov](http://www.asc.alabama.gov)