

ALABAMA SECURITIES COMMISSION

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

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HENRY COUNTY, ALABAMA RESIDENT ARRESTED FOR ALLEGED VIOLATION OF ALABAMA SECURITIES ACT

MONTGOMERY, ALABAMA (April 18, 2007) District Attorney Randall Houston, 19th Judicial Circuit, Elmore County, Alabama, and Joseph. P. Borg, Director of the Alabama Securities Commission (ASC), announce the arrest of Keith Trawick, a resident of Newville, Alabama for alleged violations of the Alabama Securities Act. Trawick surrendered to the Henry County Sheriff's Office in Abbeville on April 9, 2007 and was released on \$30,000 bond.

Trawick was indicted by an Elmore County Grand Jury on August 3, 2006 and charged with sale of Unregistered Securities and Sale of Securities by an Unregistered Agent; both charges are Class C Felonies under Alabama law.

Trawick allegedly offered and sold unregistered securities of Jacksonville, Florida-based Learn Waterhouse, Inc., to Elmore County investors through an investment seminar attended by approximately 35 individuals at the Millbrook, Alabama Civic Center on June 2, 2004. The officers of Learn Waterhouse allegedly operated a classic Ponzi scheme wherein investors were paid a return on their investment with funds obtained from new investors. The unregistered securities offered by Trawick were investment contracts representing venture capital funding, purportedly to help finance new start-up businesses.

In Alabama, 187 investors lost more than \$4 million in this fraudulent scheme. Nationwide, Learn Waterhouse is alleged to have received in excess of \$82 million from more than 1700 investors. Trawick faces a May 2, 2007 arraignment date in Elmore County Circuit Court. Additional arrests in this case are anticipated.

The Director of the ASC cautions potential investors to thoroughly scrutinize and research any investment opportunity. Contact the ASC with inquiries concerning securities broker-dealers, agents, investment advisors, investment advisor representatives, financial planners, registration status of securities, to report suspected fraud or obtain consumer information.

(Note: An indictment itself is not evidence that the defendants committed the crimes charged. The defendants are presumed innocent until the government meets its burden of proving guilt beyond a reasonable doubt in court).

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

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