

ALABAMA SECURITIES COMMISSION

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Shelby County Man, Daughter and Michigan Man Arrested for Alleged Violations of Alabama Securities Act

MONTGOMERY, ALABAMA (February 18, 2009) Robert E. Owens, District Attorney for the 18th Judicial Circuit, Shelby County, Alabama; and, Joseph Borg, Director of the Alabama Securities Commission (ASC), announce the arrest of Paul Haskell Lane, Jr., a Shelby County resident, for alleged violations of the Alabama Securities Act. Additionally, Lane's daughter, Katherine Hope Lane, a Jefferson County resident; and, Michael Pahl, a Jackson, Michigan resident, were arrested by Jefferson County Sheriff's deputies and Michigan law enforcement authorities respectively, for related violations.

Charges against the trio stemmed from indictments handed down by a January 2009 session of the Shelby County Grand Jury alleging their involvement in a scheme to solicit investments for the purpose of funding a non-existent lawsuit. Investor funds, along with an additional percentage, were supposedly to be repaid after the fictitious lawsuit was settled. The illicit scheme was alleged to have garnered more than \$500,000 from several out-of-state victims.

In January 22, 2009, ASC investigators assisted the Jefferson County Sheriff's office with the execution of an arrest warrant issued against Katherine Lane. She was taken into custody, transported to the Shelby County jail and later released after posting a \$10,000 bond. Paul Lane turned himself in to Shelby County officials on January 23, 2009, was arrested and subsequently released from custody after posting an \$80,000 bond. The Lanes are scheduled to be arraigned at a later date. On February 6, 2009, Michael Pahl was arrested by Jackson, Michigan authorities for his involvement in the Lane scheme. Pahl refused to waive extradition during his Michigan arraignment and was released from jail on a \$2,500 surety bond. The ASC will pursue extradition against Pahl in order to expedite legal proceedings in Alabama.

Paul Lane was charged with one count each, Sale of Unregistered Securities and Sale of Securities by an Unregistered Agent; four counts of Securities Fraud, all Class C felonies under Alabama law; and, two counts, First Degree Theft, Class B felonies. Lane's charges include previous charges brought forth in a November 2007 arrest warrant issued by the ASC against him in Shelby County. Katherine Lane was charged with a single count of Securities Fraud and Pahl was charged with one count each, Sale of Unregistered Securities and Sale of Securities by an Unregistered Agent.

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Potential investors are encouraged 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, the registration status of securities, to report suspected fraud or to obtain consumer information.

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

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