

ALABAMA SECURITIES COMMISSION

770 Washington Ave., Suite 570

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Tuscaloosa County Man Pleads Guilty to Violations of Alabama Securities Act

MONTGOMERY, ALABAMA (February 9, 2009) Thomas M. Smith, District Attorney for the 6th Judicial Circuit, Tuscaloosa County, Alabama; and, Joseph Borg, Director of the Alabama Securities Commission (ASC), announced that Howard Jackson Cleveland, Jr., also known as “Tiny” Cleveland, a Tuscaloosa resident, has pled guilty in Circuit Court to violations of the Alabama Securities Act. Charges against Cleveland were handed down in a March 2008 indictment issued by a Tuscaloosa County Grand Jury. Cleveland pled guilty on January 28, 2009 to one count each of Securities Fraud and Sale of Unregistered Securities, both Class C felonies under Alabama law. He received a 10-year sentence for each count, to be served concurrently. The court suspended the sentence in lieu of five years of court-ordered probation and the repayment of restitution to victims.

Cleveland, having done business as Compass Trading Enterprises, offered and sold promissory notes to three Alabama investors with assurance of investing their money in an overseas oil venture he purportedly owned. He misled the investors by claiming that substantial returns had been previously realized on the venture and that additional sizable returns could be expected. None of the Alabama investors received returns on their investments. As part of Cleveland’s sentence, he will pay \$31, 750 in restitution to his victims.

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, to report suspected fraud or to obtain consumer information.

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

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