

ALABAMA SECURITIES COMMISSION

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Florida Man Arrested for Alleged Alabama Securities Act Violations

MONTGOMERY, ALABAMA (Nov. 18, 2010) Robert L. Broussard, District Attorney for the 23rd Judicial Circuit, Madison County, Alabama; and, Joseph P. Borg, Director of the Alabama Securities Commission (ASC), announce that Patrick Michael Daleiden, 42, whose last known address was Satellite Beach, Florida, turned himself in to the Madison County Sheriff's Department and was arrested on Nov. 1, 2010 for alleged violations of the Alabama Securities Act. Daleiden's was subsequently released under \$70,000 bond.

A seven-count indictment returned by a Dec., 2009 session of the Madison County Grand Jury charged Daleiden with two counts of Sale of Unregistered Securities; one count of Sale of Securities by an Unregistered Agent; and, four counts of Securities Fraud involving Material Misrepresentations or Omissions. The charges were the result of an ASC Enforcement Division investigation into a failed industrial park development deal in Choctaw County, Alabama in which at least three Alabamians invested in excess of \$400,000 with Daleiden's company, Starboard Capital, Inc., headquartered in Satellite Beach, Florida. Alabama investors were allegedly issued promissory notes, investment contracts and other investment instruments by Daleiden in return for their money, which was purportedly to be used for the development of a business and industrial park in Butler, Alabama. The ASC investigation revealed no evidence to support that investor funds were used as represented and that Daleiden allegedly used solicited money for personal benefit unrelated to the stated purpose. ASC Registration Division records indicate that neither Daleiden, Starboard Capital, Inc., nor the securities he allegedly offered and sold were registered with the ASC as required by law. Two individuals associated with Daleiden's company, Matthew Arnold Gibson, a Madison County, Alabama resident; and, Bruce J. Mabey, a resident of Salt Lake City, Utah, were arrested and charged in connection with the same case earlier this year. All three men will face trial in Madison County at a later date.

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).

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

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