

ALABAMA SECURITIES COMMISSION

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New Alabama Statute of Limitations Bill is Up for Vote in House of Representatives

MONTGOMERY, ALABAMA (February 13, 2014) Alabama State Representative Paul DeMarco (R-Jefferson), Chairman of the House Judiciary Committee announced today that House Bill (HB) 325, which increases the statute of limitations for serious crimes, has moved out of Committee and is ready for a vote by the Alabama House of Representatives.



As the sponsor of the bill, Representative DeMarco stated, "I sincerely believe that this bill will significantly help Alabamians protect their financial investments in the future. We can't afford to let criminals get away with cheating people out of their life savings and this bill will improve the ability of law enforcement officials to prosecute criminals who orchestrate long term financial and investment schemes."

Alabama Securities Commission Director Joseph Borg said, "HB 325 is an important bill that will significantly assist law enforcement in the prosecution of serious crimes that are categorized as felonies in Alabama. The Commission appreciates the strong leadership and backing of this bill from Representative DeMarco and it will positively impact the ability to successfully prosecute the perpetrators of financial and property crimes against Alabamians and especially on behalf of our senior citizens who are particularly targeted by scamsters and con artists."

Currently the State only has three years to investigate and prosecute most felony offenses. Most states and the federal government provide for longer periods of time. The additional time will significantly aide law enforcement in gathering evidence that could lead to charges. Complex economic and financial crimes are difficult to detect and are often not reported to law enforcement until after the present three year statute of limitations has already lapsed. HB 325 will allow for the prosecution of crimes involving securities fraud and other thefts involving deception for a period of five years following the discovery of the deception or fraud, instead of the date of the transaction, thereby limiting a criminal's ability to immunize himself from prosecution by employing schemes which prevent timely discovery.

One example pertains to a fraudster selling an investor a fraudulent Five-Year promissory note, purporting to pay 10% per year, for the purpose of furthering a fictitious enterprise. At the due date, the investor attempts to collect on the note but discovers that the deal was a scam. Under the current statute of limitations, the State may not prosecute the fraudster for theft by deception, and may only prosecute under the Securities Act if the fraudster committed some act in furtherance of the fraud within five years of such event, even if the deception giving rise to the fraud is not discovered until much later.

ASC Director Joseph Borg also said, "We are grateful for Representative DeMarco's strong support and understanding of the importance of this bill to protect Alabamians. The passing of this bill will be a great asset to enhance the prosecution of criminals who victimize Alabama citizens."

HB 325 may be viewed at: <http://www.legislature.state.al.us>.

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