

ALABAMA SECURITIES COMMISSION

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Russell County, Alabama Man Pleads Guilty to Violations of Alabama Securities Act

MONTGOMERY, ALABAMA (July 2, 2014) Kenneth E. Davis, District Attorney for the 26th Judicial Circuit, Russell County, Alabama; and Joseph Borg, Director of the Alabama Securities Commission (ASC) announced that on July 2, 2014, Jose Roberto Torres, of Phenix City, Alabama, pled guilty to three felony counts related to violations of the Alabama Securities Act before Russell County District Judge, Michael J. Bellamy. Torres pled guilty to one count of Sale of Unregistered Securities; one count of Fraud in Connection with the Sale of Securities (engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person); and one count of Theft of Property, 1st Degree. The Court sentenced Torres to 10 years imprisonment and ordered the defendant to pay \$565,552 restitution. He will be remanded to state custody and processed by the Alabama Department of Corrections.

Torres was arrested March 5, 2014 by deputies of the Russell County Sheriff's Department, based on a February, 2014 Russell County Grand Jury indictment. The indictment alleged that, according to an ASC Enforcement Division investigation, Torres offered and sold unregistered investment contracts for ATM/EPS, Inc., to Alabama investors. Torres falsely represented that investors' funds would be placed in automatic teller machine terminals, to be used as vault cash, and that investors would receive monthly returns on their funds placed in the terminals. The investigation also revealed that the investment contracts represented that investor funds were secured through the FDIC. The indictment alleged that investor funds were used by Torres to pay other investors and for unrelated personal expenditures.

Alabama Securities Commission Director Joseph Borg said, "This investigation and conviction, as well as the resulting sentence in this case imposed by Judge Bellamy, should send a strong message to fraudsters across the Southeast that they need to stay out of Alabama. We are proud to have associated with District Attorney Davis and the Russell County Sheriff in bringing Mr. Torres to justice."

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.

For further information contact Dan Lord, Education and Public Affairs Manager, 334-353-4858.

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