

ALABAMA SECURITIES COMMISSION

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Talladega County, Alabama Man Pleads Guilty to Securities Fraud

MONTGOMERY, ALABAMA (September 19, 2016) Steven Giddens, District Attorney for the 29th Judicial Circuit, Talladega County, Alabama; and Joseph Borg, Director of the Alabama Securities Commission (ASC), announced that on September 13, 2016, Jason Todd Caudle, of Sylacauga, Alabama pleaded guilty in Talladega County Circuit Court to one count of Securities Fraud for employing a device, scheme, or artifice to defraud two Alabama investors out of \$35,500. The offense is a Class B felony, punishable by not less than two, but no more than 20 years in prison, and a fine not to exceed \$30,000. This is Caudle's first felony conviction.

After the plea was entered, The Honorable Circuit Court Judge William E. Hollingsworth, III sentenced Caudle, according to the terms of his plea agreement. Caudle was sentenced to five years in the custody of the Alabama Department of Corrections. That sentence was split and Caudle was ordered to serve three years, with two years suspended, along with five years of supervised probation. Caudle was released on the probation portion of his sentence, after having served five months in the Talladega County Jail. Caudle must report back to the Court to begin the remainder of the incarceration portion of his sentence before his probation expires. Judge Hollingsworth further ordered Caudle to pay court costs and fees, a \$750 fine, and \$35,500 in restitution to the victims in the case. As part of the plea, Caudle also consented to be permanently barred from the securities industry in Alabama.

Caudle's plea is the result of an indictment by the Talladega County Grand Jury in March 2016. Caudle told two Alabama investors that he operated a business called Hard Rock Properties, LLC, through which Caudle owned, managed, and rented residential real estate in Alexander City, Alabama. Caudle solicited investments by offering investment contracts and/or ownership shares in Hard Rock Properties to the investors in Talladega County. Caudle obtained funds from the investors on more than one occasion, beginning in April 2011. Caudle did not, in fact, own or manage the properties he told investors he did. Caudle produced falsified and/or misleading documents to the investors to further the scheme, and used funds for personal expenses. Neither Caudle nor the investments sold were registered with the ASC, as required by Alabama law.

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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