

ALABAMA SECURITIES COMMISSION

Post Office Box 304700

Montgomery, Alabama 36130-4700

Telephone: (334) 242-2984 or 1-800-222-1253 Fax: (334) 242-0240

Email: asc@asc.alabama.gov Website: www.asc.alabama.gov

Michigan Man Arrested for Alleged Violations of Alabama Securities Act

MONTGOMERY, ALABAMA (Mar. 2, 2017) Danny Carr, District Attorney Pro Tem for the 10th Judicial Circuit, Jefferson County, Alabama; and Joseph Borg, Director of the Alabama Securities Commission (ASC) announced that Robert Craig Rudder of Warren, Michigan, was arrested on Feb. 28, 2017 by the Special Operations Unit of the Warren, Michigan Police Department, under the direction of Deputy Commissioner, Matthew Nichols. Rudder's arrest stems from an October, 2016 Jefferson County, Alabama Grand Jury indictment charging him with multiple violations of the Alabama Securities Act. Rudder is currently in custody in Michigan, under a \$130,000 bond, pending extradition to Jefferson County.

The Grand Jury indictment charged Rudder with eleven total counts, including one count of Conspiracy in the Fraudulent Sale of Securities; six counts of Sale of Securities by an Unregistered Agent and the Sale of Unregistered Securities; and three counts of Fraud in Connection with the Sale of Securities (making untrue statements of material fact or omitting to state a material fact), and one count of employing a device, scheme or artifice to defraud investors. The securities registration charges are Class C felonies, punishable by possible imprisonment from one year and one day to 10 years and not more than a \$15,000 fine per charge upon conviction. The remaining charges are Class B felonies, punishable by possible imprisonment of from two to 20 years and up to a \$30,000 fine per charge upon conviction.

The indictment and arrest of Rudder alleged illegal securities transactions involving shares of stock in Omega Pharmaceutical, Inc. ASC records indicated that Rudder was not registered with the Commission to lawfully offer and/or sell securities within, into or from Alabama; and that stock shares of Omega Pharmaceutical, Inc. were not registered with the Commission as required by 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.

###

(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).

ALABAMA SECURITIES COMMISSION

Post Office Box 304700

Montgomery, Alabama 36130-4700

Telephone: (334) 242-2984 or 1-800-222-1253 Fax: (334) 242-0240

Email: asc@asc.alabama.gov Website: www.asc.alabama.gov