



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

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“TAG-TEAM” FRAUDSTERS NET PRISON TIME FOR SECURITIES FRAUD

PHOENIX – In two recent court proceedings, international fugitives 68-year-old William David Grammer and 57-year-old Sue Ellen Allen, were each sentenced to 10 years in prison after being convicted on multiple counts of securities fraud. The pair was sentenced in Maricopa County Superior Court.

According to media accounts, the couple was dubbed the “tag-team” fraudsters by the FBI because of the cold and calculating way they worked together to defraud investors in various business schemes that spanned two countries.

Their scams in Arizona began when Grammer and Allen operated a jewelry business from 1991 to 1993 and persuaded investors to invest by providing them with false financial information about the profitability of the new company. The Commission’s Securities Division contributed the financial analysis and provided an expert witness in the case. The Arizona Attorney General’s office prosecuted the case. Analysis revealed that the couple bilked \$1.1 million dollars from 22 Arizona investors.

After being indicted in 1994, the couple fled to Portugal where they continued their fraudulent ways. While in Portugal, Grammer and Allen were convicted of fraud and securities violations here in Arizona at a trial held in their absence.

After their physical release from prison, Grammer and Allen must each serve seven years of white-collar probation which stipulates that they cannot be self-employed, cannot solicit funds directly from investors and cannot be employed by a company that allows them to solicit investors. They must also submit regular financial

records to the courts. With good behavior, actual jail time for Grammer and Allen could be reduced to five years.

In order to pay back the money owed to Arizona investors, the state can seize a percentage of Grammer and Allen's income earned while they are incarcerated. After serving the prison sentence, Grammer must also begin paying back investors in the amount of \$200 per month.

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