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Us Securities and Exchange Commission

SEC Wins Judgment Against Former Georgia Legislator Charged with Fraud

Litigation Release No. 25068 / April 8, 2021

Securities and Exchange Commission v. Clarence Dean Alford, No. 1:20-cv-03164-TWT (N.D. Ga. filed July 30, 2020)

On April 2, 2021, the United States District Court for the Northern District of Georgia entered final judgment on the SEC's fraud claims against former Georgia state legislator Clarence Dean Alford.

[▶ Final Judgment](#)

The SEC's [complaint](#) alleged that from 2017 to 2019, Alford, who was the Chief Executive Officer, President, and co-managing member of Allied Energy Services, LLC, fraudulently induced at least 100 investors, most of whom were members of the Indian-American community, to invest at least \$23 million in unregistered, high-yield promissory notes purportedly issued by Allied. The complaint alleged that Alford lied to potential investors about, among other things, Allied's financial condition. For example, Alford emailed at least one investor a purported financial statement that conveyed falsely that Allied had millions in assets and revenues from 2016 through 2018, even though Allied's federal tax returns reflected that, during the same time period, it had less than \$1 million in assets and far less in "gross receipts." The complaint further alleges that the statement conveyed the false impression that it was prepared or reviewed by a particular accounting firm, when in fact that accounting firm never reviewed or prepared any financial statements for Allied. In addition, as alleged in the complaint, Alford falsely told potential investors that Allied would use their funds for various projects, including to support a purported solar energy program, and provided prospective investors a document stating that Allied had "teamed up" and had "partnerships" with several "international solar companies," including two that it named. According to the complaint, however, Alford knew that Allied never had an agreement or partnership with any of the solar companies listed in the document, and Alford actually used the investor funds to pay personal expenses, including construction costs associated with a multi-million dollar home, and to make interest payments to earlier investors.

In its final judgment, the court ordered Alford to disgorge ill-gotten gains of \$8,849,653 with prejudgment interest of \$1,751,085, and to pay a civil penalty of \$192,768. The court also reaffirmed permanent injunctions, to which Alford had previously consented, that prohibit Alford from violating the antifraud provisions of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Section 17(a) of the Securities Act of 1933, and from participating in the issuance, purchase, offer, or sale of any security listed on a national securities exchange, except purchases or sales of securities in personal accounts.

The SEC is represented by M. Graham Loomis and William P. Hicks.

Modified: April 8, 2021

