



Susan D. Reed
Criminal District Attorney
Bexar County, Texas

PRESS RELEASE:

Susan Reed announces \$8 million seized and Abba Funding owner Bradley J. Farley charged with Securities Fraud.

San Antonio, Texas: February 22, 2000.

Bexar County District Attorney Susan Reed organized the joint efforts of the District Attorney's Office, the State Securities Board, the San Antonio Police Department and the Attorney General's Financial Litigation Division in seizing more than 8 million dollars in cash and securities from accounts controlled by Abba Funding. Abba principal Bradley J. Farley was charged with securities fraud and has been arrested. The actions stem from a lengthy investigation conducted by the Texas State Securities Board.

Allegations of Abba Funding selling unregistered securities without being licensed to do so form the basis of the charges. Under the alleged scheme, Farley targeted generally the savings of the elderly and retired, enticing them to turn over to him substantial sums of money, usually in \$100,000 increments, by claiming that the money was to be held in federally insured CDs paying above usual market rates. It is alleged that Farley then pledged the CDs against personal loans from various banks and diverted the money to his own use. The collateralized CD's would then be jeopardized when Farley defaulted on the loans. The alleged scheme was kept alive by paying old investors with new investors' money. Texas law provides that it is a felony offense to sell securities without a license. So far, more than 8 million dollars have been identified and seized on behalf of victims. The money was seized from banks throughout Bexar, Travis and Tarrant Counties. While the assets of Abba Funding were being seized, San Antonio Police officers were also executing search warrants at The Dominion and Austin residences of Farley as well as his business offices. Additional charges against Farley and others may be forthcoming.

In conjunction with the efforts of the District Attorney's office, the Attorney General's office obtained a temporary restraining order and had Certified Public Accountant Ed Rishebarger, of the firm of Burnside and Rishebarger, appointed as receiver over Abba Funding and all its assets. The receiver was appointed beginning Tuesday, February 15th.

For more information, please contact Mr. Cliff Herberg, Division Chief of White Collar Crime, Bexar County District Attorney's Office: (210) 335 - 2404.