



Attorney General Jon Bruning

NEWS RELEASE

FOR IMMEDIATE RELEASE
May 12, 2009, 10:00 a.m.

Contact: Leah Bucco-White
402-471-2067

Leah.bucco-white@nebraska.gov

Attorney General Bruning Charges Otoe County Financial Advisors With Securities Fraud

Note: A sound bite on this topic is available at: <http://www.ago.ne.gov>

(Lincoln, Neb.) Attorney General Jon Bruning charged Rebecca L. Engle and Brian J. Schuster with eight counts of securities fraud. Both Engle, 55, and Schuster, 35, were registered broker-dealer agents with Capital Growth Financial with offices in Nebraska City and Syracuse.

The Nebraska Department of Banking and Finance conducted an investigation which showed that Engle and Schuster sold high-risk securities to around 150 Nebraskans without disclosing key risks or warnings associated with the those securities. The securities were from two Florida-based companies, American Capital Corporation and Royal Palm Capital Group, Inc. The companies were start-up entities with limited operating histories. Both are no longer in business. The total combined loss to Nebraska families investing in the two companies is estimated at more than \$20 million.

“Nebraskans trusted Ms Engle and Mr. Schuster to invest their hard-earned money wisely,” said Bruning. “But the two advisors chose not to share the risky nature of the investments with their clients. That type of behavior is unacceptable.”

Warrants have been issued for Engle and Schuster’s arrest.

Fraudulent Acts/Practices in Connection with Offer, Sale or Purchase of Securities is a class IV felony with a penalty of up to five years in jail, a \$10,000 fine or both.

###