



# Department of Justice



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Northern District of Texas

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**OWNER OF AMERIFIRST COMPANIES CONVICTED  
IN SECURITIES FRAUD SCHEME THAT VICTIMIZED RETIRED INVESTORS**

*Defendant Deceived Investors About Supposed  
Fraud Scheme That Involved More Than 500 Victims and More Than \$50 Million*

**DALLAS** — This morning, following a one-week trial before U.S. District Judge Barbara M. G. Lynn, a federal jury convicted Dennis Woods Bowden, 58, of Farmers Branch, Texas, on four counts of securities fraud and five counts of mail fraud related to his role in defrauding investors in connection with the sales of securities. Bowden was the owner, and chief operating officer of the now-defunct Dallas-based AmeriFirst Funding Corp. and AmeriFirst Acceptance Corp. (AmeriFirst). Both companies have been under control of a court-appointed receiver since the Securities and Exchange Commission (SEC) brought an emergency action to halt the fraud in July 2007. Today's announcement was made by U.S. Attorney Sarah R. Saldaña of the Northern District of Texas.

In connection with the same scheme, Jeffrey Charles Bruteyn, 41, of Dallas, was convicted at trial last year on nine counts of securities fraud and is currently serving a 25-year federal prison sentence. Bruteyn is the former managing director of AmeriFirst.

With today's conviction, Bowden faces a maximum statutory sentence of 20 years in prison for *each* securities fraud count and 20 years in prison for *each* mail fraud count. Each count also carries a fine of up to \$250,000. Sentencing is set for April 2012 before Judge Lynn, who remanded Bowden into custody this afternoon.

Bowden was also a manager and owner of American Eagle Acceptance Corp., a Dallas-based company that bought and sold used automobiles, financed purchases of used automobiles, and bought and serviced used car notes.

According to evidence presented at trial, Bowden and Bruteyn orchestrated offerings of promissory notes called Secured Debt Obligations (SDOs) that raised more than \$50 million from more than 500 investors living in Texas and Florida, many of whom were retired and all of whom were looking for safe and secure investments.

Bowden paid Bruteyn and brokers working under Bruteyn's direction to sell the securities, but Bowden also signed documents that went directly to investors. Through the brokers and through documents that he signed, Bowden misled, deceived and defrauded investors by misrepresenting, and by failing to disclose, material facts concerning the safety of the securities. Among other things, Bowden falsely represented to investors that their investments were guaranteed by a commercial bank, that the investors' principal was secured by an interest in certain types of collateral, that insurance purchased by AmeriFirst companies insured the investors against loss of their money and that the issuers of the SDOs were acting as the investors' fiduciaries. However, none of these representations was true. Rather, Bowden, acting as the investors' fiduciary, spent investors' money on things investors did not approve or even know about, including an airplane, sports cars, a condominium, real estate for used car lots and his own personal living expenses.

Another defendant charged in the scheme, Vincent John Bazemore, Jr., 36, of Denton, Texas, a broker who sold SDOs, pleaded guilty in October 2007 and is currently serving a 60-month federal prison sentence. Bazemore was also ordered to pay nearly \$16 million in restitution.

In other related cases prosecuted in the Northern District of Texas:

- Gerald Kingston, of Dallas, pleaded guilty in December 2007 to one count of conspiracy to commit securities fraud, stemming from his role in helping Bruteyn to manipulate the stock price of Interfinancial Holdings Corporation (ticker: IFCH). Acting at the direction of Bruteyn, Kingston bought and sold hundreds of thousands of shares of IFCH and effected matched trades to create the false impression of widespread interest in the stock. Kingston admitted that he derived more than \$1.6 million in proceeds from his fraudulent sales of IFCH in the course of the conspiracy.

· Eric Hall, of Fort Myers, Florida, pleaded guilty in June 2008 to one count of securities fraud, based on his role in a scheme to defraud investors in an entity called Secured Capital Trust. He faces a maximum statutory sentence of five years in prison and a \$250,000 fine; his sentencing is set for March 7, 2012, before Judge Lynn.

· John Porter Priest, of Ocala, Florida, pleaded guilty in September 2010 to one count of securities fraud based on his role in the Secured Capital Trust scheme. His sentencing date has not yet been set.

· Fred Howard, also of Florida, is currently under indictment in the Northern District of Texas for his role in the Secured Capital Trust scheme.

Securities fraud is a major focus of President Barack Obama's Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

U.S. Attorney Saldaña praised the investigative work of the FBI, the Federal Deposit Insurance Corporation - Office of Inspector General, the Texas State Securities Board and the SEC.

Assistant U.S. Attorney Alan Buie and Special Assistant U.S. Attorney Stephanie Tourk are prosecuting.

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