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FOR IMMEDIATE RELEASE:
April 4, 2016

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Kansas Man Pleads Guilty in Investment Fraud Scheme

WICHITA, Kan., (Apr. 4, 2016) – Kansas Securities Commissioner Josh Ney has announced the conviction of a Wichita, Kan. man who was given an underlying sentence of 54 months in prison and ordered to pay \$55,150 in restitution. In a criminal case brought by Ney’s office in the District Court of Sedgwick County, Jeffrey K. Williams, 44, pleaded guilty to one count of felony securities fraud and one count of selling an unregistered security under the Kansas Uniform Securities Act. In addition, Williams also pleaded guilty to one count of making a false information. In issuing its ruling, the Court gave Williams 5 years of probation and ordered that Mr. Williams was not to deal in securities, financially advise clients, or otherwise handle client assets.

Williams defrauded at least 3 Kansas investors out of thousands of dollars between mid-2011 and mid-2012 by selling what purported to be interests in third-party life insurance contracts, commonly referred to as viatical settlement contracts. Mr. Williams sold purported interests in these policies under the name Hybrid Asset Management. However, contrary to his representations to his victims, Mr. Williams did not own the interests in the policies he sold to them.

“My office is pleased that Mr. Williams will no longer be a threat to Kansas investors,” said Commissioner Ney. “Mr. Williams used sophisticated financial products as a means to defraud his victims. I am glad that we were able to catch this scheme early before more financial damage was done. I appreciate the hard work of our dedicated investigation and legal teams as well as the assistance of the Sedgwick County District Attorney’s Office.”

Commissioner Ney encourages Kansans to contact his office if they suspect investment fraud or have a question about whether an investment professional or security is properly registered.

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The mission of the Office of the Kansas Securities Commissioner (KSC) is to protect and inform Kansas investors; to promote integrity, fairness, and full disclosure in financial services; and to foster capital formation.