



## Commonwealth of Kentucky Public Protection Cabinet

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**FOR IMMEDIATE RELEASE**

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### **Ernest Cadick Enters Alford Plea in Securities Theft Case** *DFI Works with Local and State Authorities to Pursue Convictions*

**LOUISVILLE, Ky. – (July 12, 2011)** – Ernest William Cadick, 60, of Louisville, Monday entered an Alford plea in Jefferson County Circuit Court to three counts of theft by failure to make required disposition of property over \$300. An Alford plea means he did not admit to the act but admits that the prosecution could likely prove the charges, which are punishable between five and 10 years incarceration and between \$1,000 and \$10,000 fine. The Commonwealth is seeking restitution for the victims. Sentencing is set for Sept. 14 at 9 a.m.

The Department of Financial Institutions (DFI) began investigating a complaint against Cadick in 2006, and received additional complaints in 2008. Cadick allegedly stole a total of \$19,500 from three victims in the Louisville area. According to court documents, Cadick convinced his victims that U.S. leadership would be replacing the dollar with a new currency similar to the European euro, and that the value of the dollar would fall to \$0.03. He promised that if they invested with him, he would move their money to a Swiss bank account where their investments would double every month.

“Scam artists often use current headlines to their advantage to prey on the fears of their victims,” said DFI Securities Division Director Shonita Bossier. “Cadick has repeatedly betrayed the trust of others. Operation of scams such as this will not be tolerated in Kentucky.”

The case was investigated by DFI and the Jefferson County Police. It was prosecuted by John Balenovich, Assistant Commonwealth’s Attorney for Jefferson County.

This is one of three cases against Cadick in which DFI has investigated.

On June 20, Cadick pleaded guilty in U.S. District Court in Louisville to 17 counts of wire fraud. According to court records, from 1994 through 2008, Cadick fraudulently solicited over \$718,000 from 17 individuals by representing himself as owner and operator of Kingdom Oil and as a traveling evangelist. He met potential investors at church functions or through contacts with churches and solicited funds under the pretenses of investing in oil and gas ventures and overseas business ventures. Cadick, however, did not invest the money and expended it for his personal benefit. Sentencing in the federal case is set for Sept. 12 at 10 a.m. before Judge John G. Heyburn II. The case was prosecuted by Assistant U.S. Attorney Bryan R. Calhoun and Joe Ansari, and investigated by the FBI and DFI.

Cadick also served 180 days in jail for contempt of court in Franklin County in 2009. DFI brought the contempt motion after Cadick violated a court order, which had enjoined him from selling securities and ordered him to pay restitution. The court's order was based on an agreement entered into by DFI and Cadick in 2006 relating to the sale of unregistered securities in oil and gas exploration projects and private loan agreements.

Before investing in any securities product, investors should contact DFI to check out the license/registration and complaint history of both the product and the person selling it by calling 800-223-2579. For more information and links on investing, visit DFI's Investment Help Web page at [www.kfi.ky.gov/public/invest.htm](http://www.kfi.ky.gov/public/invest.htm). Past DFI orders against Cadick are at [www.kfi.ky.gov/legalresources/enforcementactions/securitiessea.htm](http://www.kfi.ky.gov/legalresources/enforcementactions/securitiessea.htm).

DFI is an agency in the Public Protection Cabinet. It supervises the financial services industry by examining, chartering, licensing and registering various financial institutions, securities firms and professionals operating in Kentucky. DFI's mission is to serve Kentucky residents and protect their financial interests by maintaining a stable financial industry, continuing effective and efficient regulatory oversight, promoting consumer confidence, and encouraging economic opportunities.

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