



# Department of Justice

*United States Attorney Jim Letten*

**Eastern District of Louisiana**

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## **EX-BROKER CHARGED WITH CONSPIRACY TO COMMIT SECURITIES FRAUD**

**NEW ORLEANS, LOUISIANA -DAVID LESTER MCFADDEN**, age 62, a resident of Orange Beach, Alabama, formerly in Baton Rouge, Louisiana, was charged yesterday in a one-count Bill of Information with conspiracy to commit securities fraud announced U. S. Attorney Jim Letten.

According to the Bill charges **MCFADDEN** conspired with others to commit a securities fraud scheme by promoting his qualifications and credentials as a CPA and financial planner to obtain clients. **MCFADDEN** failed to disclose to the clients that he was not a licensed CPA and had not been since 1987. It is alleged that **MCFADDEN** represented to his clients in seminars and in correspondence that his company Diversified Financial Services located in Baton Rouge, Louisiana also had other licensed CPAs. The Bill further charges that **MCFADDEN'S** clients relied upon the his false representation when he was purchasing well-diversified investments for them and told them they had enough money to retire.

If convicted **MCFADDEN** faces a maximum term of imprisonment of five (5) years, a fine of up to \$250,000 and three (3) years of supervised release.

Roger Hilburn, Dallas Regional Director of the Department of Labor, Employee Benefits Security Administration said,

" I hope this sends a clear message to all who sponsor or transact business with employee benefit plans that the federal government will aggressively pursue those who commit crimes against employees and retirees of private-sector pension and health plans."

U. S. Attorney Letten reiterated that the indictment/bill of information/complaint) is merely a charge and that the guilt of the defendant must be proven beyond a reasonable doubt.

This case was investigated by the U. S. Department of Labor, Employee Benefits Security Administration, Office of Inspector General, and the Federal Bureau of Investigations and is being prosecuted by Assistant U. S. Attorney Dorothy Manning Taylor.

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