

Court Lifts Temporary Freeze on Assets of PIPE Issuer Alternate Energy

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A federal judge in Boise, Idaho, dropped a temporary freeze on the assets of PIPE issuer Alternate Energy Holdings and two of its executives after a hearing yesterday on allegations of fraud brought by the Securities and Exchange Commission.

The judge's decision to unfreeze the assets came with two stipulations - that Alternate Energy promise to obey all securities laws and that it report all expenses of \$2,500 or more to the SEC. The judge made no comment on the underlying allegations, and the case is scheduled to continue into discovery and a trial.

According to the complaint, Alternate Energy has made multiple misrepresentations, including claims that its executives had such confidence in the company that they had not sold a single share of stock. Records actually show that Chief Executive Officer Don Gillispie and Senior Vice President Jennifer Ransom secretly sold extensive stock holdings and funneled the money to Gillispie, the SEC said. The complaint also alleged that although Alternate Energy told investors

that Gillispie's annual compensation was \$133,000, he actually reaped about six times that amount last year.

Alternate Energy made the statements in the course of raising capital that the company has said will go toward a \$10 billion nuclear power project.

"The court lifted all freezes and restraints on the company," said **Richard Roth**, of the **Roth Law Firm** in New York, who represents Alternate Energy. "The company is back in business." Employees of Alternate Energy haven't been paid since December, he said.

"The judge made no mention of the allegations and merely said it wasn't appropriate to freeze the assets," **Roth** said.

The next step in the case will be discovery and a trial on the merits, he said. "We will make motions to dismiss every claim."

Gillispie and Ransom stepped down from their roles with Alternate Energy after the allegations were made by the SEC. They are now seeking to be reinstated by the

company's board, said company spokesman Dan Hamilton.

Alternate Energy is currently in talks with Roswell about the status of the financing, Hamilton said.

In November, Alternate Energy received a financing commitment for up to \$150 million through an equity line private placement by Roswell Capital Partners' Centurion Private Equity LLC fund. Roswell representatives said at the time that the SEC's actions automatically terminated the equity line financing.

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