



# California Corporate & Securities Law

## Three Moms Alleged To Have “Socked It To” PTA Members

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Several news stories appeared this week about three Southern California mothers who allegedly used their involvement in an elementary school PTA to solicit investors in a Ponzi scheme. According to this [press release](#) issued by the [Los Angeles District Attorney](#), more than 30 people were defrauded out of \$1 million. Move over Mrs. Taylor, widow Jones and Shirley Thompson, I'm sure that Mrs. Johnson would have a few choice words for these three real-life PTA moms.

This story is a good reminder that willful violations of the Corporate Securities Law of 1968 can be prosecuted as felonies.

In fact, the District Attorney filed a 22 count criminal complaint against the three women. The complaint alleges violations of Corporations Code Sections 25401 (offers or sales of securities by false statements or omissions), 25110 (failure to qualify) and 25541 (use of a device, scheme or artifice to defraud).

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