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Wichita Man Sentenced to 61 Months in Prison for Securities Fraud

WICHITA, Kan., (Mar. 28, 2016) – Kansas Securities Commissioner Josh Ney has announced the conviction of a Wichita, Kan. man who was sentenced today to 61 months in prison and ordered to pay \$875,000 in restitution. In a criminal case brought by Ney’s office in the District Court of Sedgwick County, Dennis D. Bailey, 67, pleaded guilty to one count of felony securities fraud under the Kansas Uniform Securities Act.

Bailey defrauded at least 7 Kansas investors out of hundreds of thousands of dollars between January 2008 and February 2011 by selling unregistered securities in various so-called “investment platforms” through Legacy Capital Fund, LLC. Contrary to his representations to victims, Mr. Bailey used money from his clients to invest in risky enterprises which were ultimately frauds themselves. He also used significant portions of the investments for personal expenses.

“My office is pleased that justice has been served in this case,” said Commissioner Ney. “Mr. Bailey’s victims trusted him to competently invest their money. Instead, Mr. Bailey violated that trust by spending their money on himself and gambling on risky endeavors. 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.