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NEWS RELEASE

For Immediate Release

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IDAHO DEPARTMENT OF FINANCE SEEKS INJUNCTION & REFUNDS IN HIGH YIELD NOTE SCHEME

Boise, Idaho... The Idaho Department of Finance today announced the filing of a civil securities lawsuit against Galaxy Financial Services, Inc., Silver State Mobile Homes, Inc., V.J. Enterprises, Inc., Robert Swick and Mark V. Johnson. Silver State, Galaxy Financial and Swick all operate from Las Vegas, Nevada. Mark Johnson and V.J. Enterprises operate from Garden City, Utah. The case was filed in Sixth District Court in Franklin County.

The lawsuit alleges that the defendants offered and sold securities in the form of high yield promissory notes. The securities were not registered in Idaho and the defendants were not licensed to sell securities in Idaho. The State also alleged that misrepresentations and omissions were made in connection with the securities offering. Among the misrepresentations and omissions are:

- 1) Misrepresenting the notes as being very safe and fully secured against loss,
 - 2) Misrepresenting that the notes and the collateral supporting the notes were “excluded from any legal action, including Chapters 13, 7 and 11”,
 - 3) Failing to disclose the risks associated with the investment,
 - 4) Failing to disclose that investment collateral might be promised to more than one investor,
 - 5) Failing to disclose that Swick might use corporate funds to pay personal “gaming markers”,
- and

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- 6) Failing to disclose material information about the defendants including outstanding litigation against some or all of the defendants.

The State seeks a permanent injunction against the defendants prohibiting future violations of the Idaho Securities Act, limitations on future business activities, restitution to investors, civil penalties and attorney fees. Losses in Idaho are estimated at \$200,000.

The Idaho Department of Finance cautions Idaho residents to make sure that the investments and investment professionals with whom they deal are registered. Department of Finance Press Releases and other information can be found on the Internet via the worldwide web at <http://finance.state.id.us> and may be obtained by contacting the Department at (208) 332-8004 or Idaho toll-free at 1-888-346-3378.

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