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NEWS RELEASE

For Immediate Release

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COURT ORDERS HALT TO IDAHO FALLS “DAY TRADING” SCHEME IDAHOAN & HIS COMPANIES ORDERED TO REPAY OVER \$1.2 MILLION TO INVESTORS

Boise, Idaho . . . Gavin Gee, Director of the Idaho Department of Finance, announced that the Honorable Gregory S. Anderson, District Judge of the Seventh Judicial District in Idaho Falls, Idaho, has entered judgment and a permanent injunction against Robert McClung and two entities controlled by him, RRLM LP and Spenlee, Inc. in a securities lawsuit brought by the Department. The Court’s Order was entered on February 4, 2003 after the defendants failed to defend themselves in the State’s action.

The complaint alleged that the defendants offered and sold investment interests in RRLM that were purportedly for investment in a securities “day trading” program conducted by McClung. The securities were not registered in Idaho and the defendants were not licensed to sell securities in Idaho or registered to give investment advice.

The State’s lawsuit had also alleged that misrepresentations and omissions were made in connection with the securities offering. More specifically, the complaint alleged that the defendants:

- a) misrepresented that McClung and RRLM had a history of profitably engaging in securities day-trading;
- b) misrepresented that McClung would be compensated on the basis of trading profits when McClung effectively converted funds into an account in the names of Spenlee, Inc. and Robert McClung, although no day-trading profits had been realized;
- c) misrepresented to investors and prospective investors that RRLM investors were realizing profits by producing and distributing false client account statements that reported significant trading profits;

- d) failed to inform investors of the true day-trading results realized by RRLM under the management of McClung and Spenlee, Inc.; and
- e) failed to disclose to offerees and investors that any profits or principle previously distributed to investors were illusory and not based on the actual investment results realized by RRLM.

The Court's order finds that the defendants violated the Idaho Securities Act and enjoins McClung and each entity from offering or selling unregistered securities, offering or selling securities through unregistered salespersons, and engaging in misrepresentations or omissions in connection with the offer, sale or purchase of a security. The Court also ordered that the defendants repay over \$1.2 million to affected Idaho investors and awarded the State \$5,000 in attorney's fees and costs. McClung and his companies allegedly operated from Idaho Falls, Idaho.

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