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## **NEWS RELEASE**

For Immediate Release

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### **INVESTMENT FRAUD ALLEGED AGAINST MINING PROMOTERS**

#### *Refunds Sought In Sales of Investment Interests*

Boise, Idaho . . . Gavin Gee, Director of the Idaho Department of Finance announced the filing of a civil securities lawsuit against Arizona Idaho Mining, LLC (AZID) and Douglas L. Baker. Baker operated from Idaho and Kansas and is alleged to have raised investment monies for mining projects in Idaho and Arizona under the name of Arizona Idaho Mining, LLC. The case was filed in the Fourth Judicial District Court in Boise, Idaho.

The lawsuit alleges that the defendants violated the antifraud provisions of the Idaho Securities Act. More specifically, the complaint alleges that the defendants made material misrepresentations and omitted material facts in disclosing the details of an investment in AZID to investors and prospective investors including:

- a) misrepresenting the risk of an investment in AZID, in representing that the Idaho portion of the project would generate sufficient revenues to virtually eliminate any risk of loss to the investor, and that the Arizona mining project was the only project that involved significant risk, with no reasonable basis for such representation;
- b) for offers and sales made after May 18, 2001, failure to inform investors that the Idaho Department of Finance had issued a letter specifying deficiencies in the disclosure document;
- c) failure to disclose to investors historical information concerning the operations of the Idaho mine;

- d) failure to disclose to investors that Baker would receive compensation in the amount of at least \$500,000 concerning his activities with AZID; and
- e) failure to accurately disclose to investors how their investment monies would be applied.

The State's lawsuit seeks an order from the court permanently enjoining the defendants from future violations of the securities laws, placing limitations on future business activities, restitution to affected investors, and imposing civil penalties and attorney fees.

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*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://idahofinance.com/> and may be obtained by contacting the Department at (208) 332-8004 or Idaho toll-free at 1-888-346-3378.*