



# IDAHO

DEPARTMENT OF FINANCE

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## NEWS RELEASE

For Immediate Release

April 23, 2007

### STATE FINANCE DEPARTMENT FILES FRAUD COMPLAINT AGAINST COEUR D'ALENE PROMOTER OF IRAQI CURRENCY INVESTMENT PROGRAM

Boise, Idaho . . . The Idaho Department of Finance has filed a complaint in First District Court against Jack Lee Smiley of Coeur d'Alene, Idaho. The complaint alleges violations of the fraud provisions of the Idaho Commodity Code and violations of a previous Order issued by the Department ordering Mr. Smiley to cease his activities involving the offer and sale of Iraqi currency.

The Department's complaint alleges that Mr. Smiley has continued to offer and sell interests in foreign currency investments in violation of the Idaho Commodities Act. According to the complaint, Mr. Smiley has solicited investors to invest in a joint venture program that allegedly purchases Iraqi dinars. The Idaho Commodity Code defines currency as a commodity and regulates the offer and sale of commodities in Idaho.

The complaint alleges that Mr. Smiley represented to investors that he could purchase Iraqi dinars for them and that the investors would realize at least 33 times their investment amount when the currency hit the world markets. Mr. Smiley allegedly told investors that he guaranteed that they would not lose any of their money, and that he would handle all aspects of the deal including storage of the currency at a bank in Coeur d'Alene. Mr. Smiley purportedly failed to make adequate disclosures regarding the risks associated with investing in foreign currencies, failed to disclose the financial condition of the program, and failed to disclose to investors that he was not qualified under the Idaho Commodity Code to offer or sell any commodity under any commodity contract or option. The Department alleges that Mr. Smiley received investments in excess of \$628,000.00.

The Department has asked the Court to find that Mr. Smiley has violated the Idaho Commodity Code and the Cease and Desist Order issued by the Department in June of 2005. The Department seeks the return of the investor's money and penalties for each violation of the Code.

The Department warns investors to be aware of the serious risks involved with investments in foreign currencies particularly when it involves unstable countries. Risks include volatile exchange rates, thin or non-existent markets, financial instability, and uncontrolled government monetary policy, as well as more typical fraud issues like counterfeit currency, sham deals and misuse of investment proceeds.

The Idaho Department of Finance cautions all investors to investigate before investing.

*Department of Finance press releases and other information are available on the Internet via the world wide web at <http://finance.state.id.us> and may be obtained by contacting the Department at (208) 332-8000, or toll-free in Idaho at 1-888-346-3378.*

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