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NEWS RELEASE

For Immediate Release

September 18, 2008

Department of Finance Prevails In Court Action Against Iraqi Investment Promoter

Boise, Idaho . . . First District Judge John T. Mitchell issued a summary judgment against Jack Lee Smiley of Coeur d'Alene for allegedly violating Idaho Securities Act and the Idaho Commodity Code, and for failing to comply with a previous order instructing him to stop violating Idaho law.

Among many things, Smiley was alleged to have been promising a return of \$1 million on an investment of \$1,000 in connection with his efforts to purchase and hold Iraqi currency – "Dinars." Smiley is believed to have raised approximately \$1 million from more than 100 investors.

In his decision, Judge Mitchell found that summary judgment was appropriate on each charge alleged by the Idaho Department of Finance, including charges that Smiley made material misrepresentations and omitted important information to private investors. It was noted in the decision that the misrepresentations and omissions "are so obviously important to the investors that reasonable minds could not differ as to materiality." The judge also said the State had put forth uncontroverted evidence that Smiley's investment interests were not registered or otherwise exempt.

The Court also ordered Smiley not to transfer, liquidate or trade the Dinars, and to deliver the currency to the Court or to Smiley's attorney for safekeeping pending a hearing on damages.

"We are pleased by the Court's decision and look forward to presenting our case for appropriate remedies for both investors and the State in this matter," Department of Finance Director Gavin Gee said.

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