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NEWS RELEASE

TREASURE VALLEY MEN ADMIT TO SECURITIES VIOLATIONS IN INVESTMENT SCHEME
\$5 MILLION JUDGMENT ENTERED AS RESTITUTION FOR INJURED INVESTORS

Boise, Idaho . . . Fourth District Judge Ronald Wilper entered a \$5 million civil judgment and issued a permanent injunction against Treasure Valley residents Todd A. Watts, Vohn J. Watts and Capital Ventures LLC. The Idaho Department of Finance sued on February 13, 2008, alleging they failed to register securities, and misrepresented and omitted material facts in the offer and sale of securities.

Todd A. Watts, a former drywaller and painter, and his brother Vohn Watts, a former mortgage loan originator, started Capital Ventures in 2006 and began raising money locally to invest with a New York-based investor, who was to invest the funds in international investments such as letters of credit and certificates of deposit. Capital Ventures was to receive 4-percent monthly interest, and was to pay 3-percent monthly interest to its investors.

From April 2006 through May 2007, the Watts brothers raised about \$7 million from more than 50 Idaho individuals and entities. They told some investors that the investment was risk free or low risk, and told others that it was moderately or very risky. The scheme eventually collapsed. The Wattses were able to repay about \$2 million to investors, but more than 40 unpaid investors remain, representing \$5 million in lost investor money.

The defendants consented to the entry of the judgment and permanent injunction, admitting that they had made false and misleading representations to prospective investors, failed to disclose material facts to prospective investors, failed to register as securities broker-dealers, and sold unregistered securities in violation of Idaho law.

Additionally, the Court permanently enjoined the defendants from engaging in future violations of the Idaho Uniform Securities Act, established limitations on future securities activities and ordered the defendants to pay \$20,000 in penalties.

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Department of Finance Press Releases and a copy of the civil complaint, stipulation and judgment can be found on the Internet at <http://finance.idaho.gov> and may be obtained by contacting the Department at (208) 332-8004 or 1-888-346-3378.

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