



## NEWS RELEASE

For Immediate Release

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### **Idaho Promoters Sued for Securities Law Violations \$6.2 Million Raised In Alleged High Yield Investment Program**

Boise, Idaho . . . The Idaho Department of Finance filed a civil lawsuit in Fourth District Court against Capital Ventures, LLC, Todd Watts and Vohn Watts. The defendants allegedly raised more than \$6.2 million and offered rates of return in excess of 30 percent annually, with the proceeds being forwarded to other out-of-state enterprises. Capital Ventures operates from Meridian, Idaho, while Todd Watts and Vohn Watts live in Nampa and Star, respectively.

The defendants allegedly offered and sold unregistered, high-yield securities to Idaho investors and misrepresentations and omissions of material facts occurred in connection with the offer and sale of these investments. More specifically, the defendants allegedly:

1. misrepresented to some investors that the investment was risk free or low risk and that the invested principal was safe.
2. misrepresented that investors could withdraw all or a part of their invested funds upon 30 days written notice.
3. failed to inform some investors that their invested funds might be used to repay existing investors who wanted to liquidate their investments.

The State seeks a return of investors' money, penalties for each violation and an order permanently enjoining the defendants from further violations of the Idaho Uniform Securities Act.

"This case demonstrates the disconnect that occurs when high rates of return are promised in conjunction with a representation that the investment is safe or otherwise risk free," Gee said. "Nearly every investment has some component of risk. High rates of return are almost always accompanied by greater risks to the investor."

Department of Finance Press Releases and a copy of the civil complaint can be found on the Internet via the worldwide web at <http://www.idahofinance.com> and may be obtained by contacting the department at (208) 332-8004 or Idaho toll-free at 1-888-346-3378.

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