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**NEWS RELEASE**

For Immediate Release

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**State Recovery Operation Nets \$1 Million (USD) in Iraqi Currency**

Boise, Idaho . . . Gavin Gee, director of the Idaho Department of Finance, announced the recovery of Iraqi dinars hidden by jailed investment promoter, Jack Lee Smiley. Smiley was jailed in October 2008 after failing to follow a court order that the dinars be turned over to the Department of Finance. The present value of the 1.2 billion dinars that were seized is about \$1 million U.S. dollars based on published exchange rates. This money will be returned to investors as restitution.

Smiley allegedly promoted an Iraqi dinar investment scheme beginning in 2004 that promised an imminent return of \$1 million on an investment of \$1,000. The department alleged violations of Idaho law and issued a cease-and-desist order in June 2005. Smiley allegedly continued his fund-raising and the department filed a civil lawsuit in April 2007. The department estimates approximately 130 investors – half of them from Idaho – invested \$1 million in the scheme.

In August 2008, Kootenai County District Judge John T. Mitchell entered a summary judgment in the state's favor, including findings that Smiley made material misrepresentations and omissions of important information. In his decision, the judge stated that the misrepresentations and omissions "are so obviously important to the investors that reasonable minds could not differ as to materiality." The judge also noted that the State had put forth uncontroverted evidence that Smiley's investment interests were not registered or otherwise exempt. Smiley was jailed in October 2008 after his refusal to comply with Judge Mitchell's order that the dinars be turned over to the receiver.

"While the Iraqi dinar has appreciated only a fraction of the amount promised by Mr. Smiley, recovery of the dinars should provide investors with an opportunity for substantial recovery," Gee said.

The department expresses its appreciation to the U.S. Secret Service for its assistance in verifying the authenticity and count of the dinars.

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*Department of Finance Press Releases and a copy of the civil complaint can be found on the Internet at <http://finance.idaho.gov> 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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