



NEWS RELEASE

For Immediate Release

April 27, 2011

FORMER BOISE BROKER SUED FOR PHONY INVESTMENT SCAM

Rex Dunbar allegedly took over \$130,000 from his established clients

Boise, Idaho . . . The Idaho Department of Finance has filed a civil lawsuit in Ada County District Court against Rex S. Dunbar of Boise, formerly a broker-dealer agent. The complaint alleges violations of the registration and anti-fraud provisions of the Idaho Uniform Securities Act in what appears to be a scheme to defraud.

The department's complaint alleges that Dunbar offered phony investments to longtime clients of his investment advisory business when he needed money for personal expenses. Dunbar allegedly concocted different investments for each of his clients, often approaching them when he was low on money. One investment involved fractional shares of a commercial skyscraper in Texas, while another involved mining stocks, and yet another was for stock in a petroleum company. Dunbar told some of his most trusting clients that he had a great investment for them and gave no other details.

From January 2005 to December 2007, Dunbar's clients invested at least \$130,000 in his phony investments. Dunbar deposited the funds into his personal bank account and spent it on personal expenses. The department is suing Dunbar for the return of the \$130,000 and asking the court to order Dunbar to pay a civil penalty of \$10,000 for each violation. The department is asking that the court permanently prohibit Dunbar from selling securities in Idaho.

Dunbar was registered as a broker-dealer agent for 24 years until his employment was terminated in March 2009. FINRA, the securities industry's self-regulatory organization, permanently barred Dunbar from the securities industry on March 18, 2011.

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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