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## NEWS RELEASE

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### **DEPARTMENT OF FINANCE CAUTIONS INVESTORS TO BE WARY OF SPECULATIVE ENERGY INVESTMENTS**

[BOISE] – With energy demands and a desire for energy independence increasing globally, investments in traditional and alternative energy resources are being promoted more often and are becoming attractive to investors and con artists alike, the Idaho Department of Finance said today.

In an investor advisory, the Department explains the most common ways energy investment products may be offered, why investors need to be cautious and how investors can protect themselves when considering investments in traditional or alternative energy offerings. The advisory is available on the Department Web site at: <http://finance.idaho.gov/Documents/Energy-Investments-ID.pdf>.

"Many of these investments are highly risky and illiquid and therefore are not appropriate for many investors," Department of Finance Director Gavin Gee said. "It is not unusual for unscrupulous promoters to use the lure of current events or innovative technologies to take advantage of unsuspecting investors by engaging in fraudulent practices."

Gee said promoters sometimes prey on investors interested in socially responsible products by labeling them as "green energy" investment opportunities. The phrase "green energy" implies that the products are ecologically friendly. In some cases, the promoters may be operating a fraudulent shell company and not producing anything.

According to the most recent enforcement survey by the North American Securities Administrators Association, of which the Idaho Department of Finance is a member, oil and gas investments were the fourth most common product at the heart of state securities enforcement cases, with about 40 percent of responding jurisdictions reporting energy-related enforcement cases. Idaho has received some oil and gas related complaints recently, and has done many such cases in the past.

Department of Finance Press Releases and other information can be found on the Internet at <http://finance.idaho.gov> and may be obtained by contacting the department at (208) 332-8000 or Idaho toll-free at 1-888-346-3378.

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