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NEWS RELEASE

For Immediate Release

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IDAHO-BASED COMPANY AND OFFICER PERMANENTLY ENJOINED FOR SECURITIES LAW VIOLATIONS

Boise, Idaho. . . . Gavin M. Gee, Director of the Idaho Department of Finance, today announced that the Honorable D. Duff McKee, District Judge of the Fourth Judicial District Court in Boise, entered a Final Judgment and Permanent Injunction against Biogan Medical International, Inc. and one of its officers, Ronald J. Tolman. Biogan is a Delaware corporation headquartered in Boise. Tolman is the vice-president of Biogan and served as a salesman of Biogan stock. Biogan is allegedly engaged in the development of the Magna Motor, an electromagnetic motor, and is also allegedly in the process of attempting to open foreign markets for the sale of medical supplies.

Biogan is publicly traded in a lower-tier, over the counter market. The Department's complaint states that the trading price for Biogan stock was never above \$.001 per share during 1994 and through the third quarter of 1995. Since October, 1995, Biogan's stock has traded in the public markets for between \$.005 and more than \$1.00 per share. Documents filed by the company with the Securities and Exchange Commission in April 1996 stated that the company had no basis for projecting revenue from its activities and would need to raise additional cash to continue operations. At approximately the same time, Biogan distributed a Business Plan to investors which indicated that it expected to be profitable by the end of 1996, expected profits in excess of \$7.3 million and \$28.9 million for 1997 and 1998 respectively, and expected profits in the hundreds of millions by the year 2000.

The complaint alleges, and the defendants have admitted, that the defendants offered and sold Biogan stock in more than fifty transactions to residents of Idaho and other states at a time when neither the stock nor Mr. Tolman were registered in Idaho. In addition, the defendants distributed written literature including their Business Plan that was used in connection with the offer and sale of Biogan stock which had not been filed with the Department as required.

The Court's Order finds that the defendants violated the securities laws as alleged in the complaint and permanently enjoins them from engaging in such practices in the future. The Order also places limitations on future business activities in Idaho and orders the defendants to offer rescission to all investors who purchased the securities directly from the company.