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NEWS RELEASE

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JUDGMENT ENTERED AGAINST UTAHN FOR SECURITIES VIOLATIONS

Boise, Idaho Gavin M. Gee, Director of the Idaho Department of Finance, announced today that the Honorable D. Duff McKee, District Judge of the Fourth Judicial District Court in Boise entered default judgment against Anton Leon Smith of Lindon, Utah. Smith conducted business in Madison County, Idaho, under the names of Integra Recycled Rubber Products and Integra Tire Recycle.

The court's action stems from a civil injunctive complaint filed on December 7, 1995. The complaint charged that Smith violated the anti-fraud and registration provision of the Idaho Securities Act by selling securities in the form of stock, profit sharing agreements and investment contract securities to Idaho residents and others. At least two Idahoans invested more than \$10,000 with Smith.

The Department alleged that beginning in late 1993, Smith engaged in various securities transactions. Smith told investors that he and his wife were the sole owners and operators of the Integra companies. He told investors that the business would produce a recycled rubber product known as "crumb rubber" that could be used in highway asphalt and other applications. Smith indicated to investors that he already had road contractors lined- up to buy any crumb rubber produced by the Integra companies. Smith also provided investors with financial projections that showed the handsome profits that might be expected from the business.

The complaint alleged that Smith violated the anti-fraud laws in several ways, among them the following:

- Smith worked at a similar business which was owned and controlled by other persons. He represented this business and its equipment as his own when offering and selling securities.
- Smith misrepresented the profitability of the Integra companies.

- Smith failed to disclose to investors that the investment proceeds would be used to fund his personal expenses.
- None of the securities, nor Smith, were registered with the Department as required by the Idaho Securities Act.

The court's order finds that Smith violated the securities laws and permanently enjoins him from engaging in such practices in the future. Further, Smith was ordered to make full restitution to investors and pay a civil penalty to the Department in the amount of \$10,000.

The Department of Finance advises all individuals to invest only with licensed securities dealers and to exercise caution in making investment decisions. "INVESTIGATE BEFORE YOU INVEST!"

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