

Contact:
Marilyn Scanlan
Bureau Chief
Securities Bureau
(208) 332-8004

NEWS RELEASE

For Immediate Release

July 3, 1996

JUDGMENT ENTERED AGAINST IDAHO CORPORATION

Post Falls Company Consents to Permanent Injunction

Boise, Idaho Gavin M. Gee, Director of the Idaho Department of Finance, today announced that the Honorable Robert G. Newhouse, District Judge of the Fourth Judicial District Court in Boise, entered a final judgment of permanent injunction today against OZ Technology, Inc. OZ Technology is an Idaho corporation based in Post Falls, Idaho.

The judgment, to which OZ Technology consented, settles a civil complaint filed against the company alleging OZ violated the registration and anti-fraud provisions of the Idaho Securities Act. OZ admitted the allegations in the complaint which centered on the sale of the company's stock. OZ is in the business of developing and promoting refrigerants which do not contain chlorofluorocarbons (CFCs), to serve as a replacement product for Freon.

The complaint alleges that beginning in November 1992, OZ president, Gary Lindgren, sent letters soliciting investments in OZ. The letters described an OZ product called "OZ-12". OZ-12 was promoted as a replacement for Freon 12 and required no re-designing or retrofitting of an existing refrigeration system to use. The solicitation letters indicated that there was a "virtually guaranteed national market for sales of OZ-12." However, Lindgren was aware as early as May 1993, of concerns by the State of Washington because of the product's flammability. In March 1994, OZ-12 was placed on the U.S. Environmental Protection Agency's list of proposed "nonapproved" CFC substitutes due to concerns about the product's flammability.

Among the false statements admitted by the company were that despite the company's claims that there were no restrictions on the sale or use of OZ-12, in fact, thirteen states, including Idaho and Washington, had banned the use of flammable products such as OZ-12 in automobile air conditioning units. The defendant also failed to disclose that the company would employ members of Lindgren's family and rent office space in a building owned by Lindgren.

The defendant also failed to inform offerees and investors that neither the stock or those selling the stock were registered in Idaho as required by the Idaho Securities Act.

The Court's Order finds that OZ Technology violated the securities laws and permanently enjoins it from engaging in such practices again. Further, OZ is required to offer to refund all investments received from investors. Lindgren and another company officer, Michael B. McFarland, although not named in the complaint, agreed to be personally liable for repayment to investors along with the company.

The Department of Finance cautions all persons, before investing in securities, to obtain and carefully read all disclosure documents. "INVESTIGATE BEFORE YOU INVEST!"

* * *