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NEWS RELEASE

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MONTGOMERY PLEADS GUILTY, PROMISES \$850,000 IN RESTITUTION

(Boise) - Lon Montgomery of Buhl pleaded guilty Wednesday to one count of racketeering, Attorney General Al Lance and Department of Finance Director Gavin Gee announced today. Montgomery agreed to pay more than \$850,000 in restitution to approximately 45 elderly victims statewide.

In entering his plea, the 33-year-old Montgomery admitted to 44 felony acts involving securities fraud or selling securities without a license. Montgomery entered the guilty plea three days into his trial, after the state had rested its case.

The Attorney General alleged in his complaint that Montgomery had bilked 13 North Idaho victims out of more than \$100,000. The victims are residents of Bonners Ferry, Sandpoint, Coeur d'Alene, Wallace, St. Maries and Lewiston.

Montgomery also agreed to pay restitution of \$750,000 to approximately 32 other victims in Grangeville, Twin Falls, Jerome, Gooding, Caldwell, Emmett, Burley and Rupert. "Montgomery's crimes are particularly egregious because he preyed on vulnerable senior citizens," Attorney General Lance said. "All but one of his victims were between 76 and 91 years old."

"I would caution all investors to thoroughly research any investment opportunities," Department of Finance Director Gavin Gee said. "Investors are encouraged to contact the Department of Finance to check out whether an investment is properly registered and the person offering the investment is properly licensed. The old rule applies. If it sounds too good to be true, it probably is."

The Attorney General alleged that, over a six year period, Montgomery sold investments in his businesses, promising unrealistically high rates of return. The businesses were in default on numerous obligations and taxes to the state and federal governments. Montgomery did not have a license to sell securities in Idaho.

"Restitution for the victims was essential in the plea agreement," Lance said. "It serves both the needs of the victims and society's need for justice."

Deputy Attorney General Dennis Charney, of the Attorney General's Complex Crimes Unit, prosecuted Montgomery after an investigation led by Coleen Sedivec of the Idaho Department of Finance.

Montgomery entered his plea in First District Court in Sandpoint. Judge James Michaud will schedule a sentencing hearing for January.

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