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NEWS RELEASE

For Immediate Release

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STATE SEEKS INJUNCTION AGAINST TWO IDAHO FALLS COMPANIES AND THEIR OFFICERS AND DIRECTORS

Boise, Idaho . . . Gavin Gee, Director of the Idaho Department of Finance announced the filing of a civil securities lawsuit against two Idaho Falls companies, Systems Integration Corporation (SIC) and U.S. Silicon Corporation (USSC). Also named are the companies= officers and directors who are the Estate of Warren W. Madsen, and Janice Madsen, of Idaho Falls, and Robert C. Wagner, Westlake, Ohio, as well as the companies= attorney, Gordon W. Jenkins, Idaho Falls. The case was filed in Seventh District Court in Idaho Falls.

USSC was purportedly formed to develop a quartz mine near Arco, Idaho. SIC owns a controlling interest in USSC. Among the allegations in the complaint are that there were sales of unregistered stock in SIC and USSC by the late Warren W. Madsen and Robert C. Wagner, and that they were not registered to sell securities. The State=s suit also alleges that misrepresentations and omissions were made in connection with the sales of the securities. These include such claims as the mine would generate over \$10 million in sales by the end of the first year, and that \$6 million had been invested in the mining operation by 1998. It appears that the Defendants raised in excess of \$1.6 million dollars in six years from investors.

The State's lawsuit seeks an order from the court permanently enjoining the defendants from future violations of the securities laws. It also seeks the rescission of all securities transactions that occurred in violation of the securities laws, and restrictions on future business activities in Idaho.

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