

NEWS RELEASE  
October 30, 2001

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## **NEWS RELEASE**

For Immediate Release

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### **STATE SEEKS INJUNCTION AGAINST CALIFORNIA STOCK PROMOTERS Stock offered in conjunction with Internet mall promotion**

Boise, Idaho . . . Gavin Gee, Director of the Idaho Department of Finance announced the filing of a civil securities lawsuit against Primebuy Network.com, Inc., and two officers for the company, Charles H. Michel and Charles Culver, both of California. Primebuy Network.com is an Oklahoma corporation operating from Irvine, California.

The complaint alleges that the defendants offered and sold unregistered securities to Idaho residents and that the defendants violated the registration and anti-fraud provisions of the Idaho Securities Act. The stock was offered in connection with a network marketing program that allowed participants the opportunity to create and own an internet mall. Losses in Idaho are estimated to be in excess of \$50,000.

More specifically, the complaint alleges that the defendants:

- a) misrepresented to certain investors that Primebuy Network.com was a publicly traded company and that it's stock was registered in every state.
- b) misrepresented to certain investors, without a reasonable basis, that the stock would go public in the fall of 2000.
- c) misrepresented without a reasonable basis that the investors could reasonably expect to achieve a 500% to 600% return on the stock.

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d) failed to provide adequate disclosures of the risks associated with an investment in the stock.

e) failed to disclose the financial condition of the company or the use of the proceeds of the offering.

d) failed to inform investors that they were not registered with the Idaho Department of Finance as required under the Idaho Securities Act.

The State's lawsuit seeks an order from the court permanently enjoining the defendants from future violations of the securities laws. It also seeks restitution, civil penalties, and restrictions on future business activities in Idaho.

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