

# **NEWS RELEASE**

For Immediate Release

August 5, 2002

## **STATE SUES FLORIDA FIRM FOR SECURITIES VIOLATIONS**

Boise, Idaho... The Idaho Department of Finance today announced the filing of a civil securities lawsuit against Avenue Capital Investment, Inc. (ACI), a Florida corporation, its president, Jeff Granger and its vice-president, Rolf Gleich, both of Vancouver, British Columbia, Canada, and its Chief Executive Officer, Paul Granger of Boca Raton, Florida. The case was filed in Fourth District Court in Boise.

The lawsuit alleges that the defendants offered and sold securities in the form of shares of stock in a company called "Sting Doctor". The securities were not registered in Idaho and the defendants were not licensed to sell securities in Idaho.

The State also alleged that misrepresentations and omissions were made in connection with the securities offer. Among the misrepresentations and omissions are:

- 1) Claiming that ACI successfully took another company, "Net2Phone, Inc.", public, moving from an initial public offering price of \$3.00 to \$90.00. In fact, Net2Phone was not taken public by ACI, and ACI was not incorporated until at least a year after Net2Phone went public; and
- 2) Failing to disclose material information about "Sting Doctor" including financial information and the risks associated with such an investment.

The State seeks a permanent injunction against the defendants prohibiting future violations of the Idaho Securities Act, limitations on future business activities, restitution to investors, civil penalties and attorney fees.

The Idaho Department of Finance cautions Idaho residents to make sure that the investments and investment professionals with whom they deal are registered. Investors can contact the Department at (208) 332-8004 or toll free within Idaho at 888-346-3378.