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NEWS RELEASE

For Immediate Release

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JUDGMENT OBTAINED AGAINST MERIDIAN REAL ESTATE FUND MANAGER

--Sheila Jones ordered to pay restitution of \$1.2 million--

Boise, Idaho . . . The Idaho Department of Finance announced today that Ada County District Judge Greenwood has entered a civil money judgment and a permanent injunction against Sheila Jones, aka Sheila Kilborn, aka Sheila Johnson. The Department of Finance sued her in October 2009, alleging that Jones violated the anti-fraud provisions of the Idaho Uniform Securities Act.

Jones, owner of Vitruvian Investment Group, solicited investors to pool their money for investment into a real estate fund she managed. The fund purportedly invested in short-term construction and development loans, as well as conventional real estate transactions including both commercial and residential loans. Among other things, the complaint alleged that Jones:

- misrepresented to investors that their investment proceeds would be secured by real estate loans
- misrepresented to investors that not less than 75% of the fund portfolio balance would be invested in first lien position real estate loans
- misrepresented to investors that a CPA would perform an annual audit of the fund
- failed to advise investors that some investor money would be used for Jones' personal benefit
- failed to advise investors that the only way the fund could be successful would be to continue to bring new investor money into the fund

When the real estate market faltered, Jones was unable to find new investors and on behalf of Vitruvian Investment Group filed for Chapter 7 bankruptcy protection.

Jones conceded that sufficient evidence existed for the State to prove its case and consented to the entry of the judgment and permanent injunction, and is ordered to pay restitution in the amount of \$1,200,000.00. Additionally, Jones was permanently enjoined from ever selling securities in Idaho and agreed to cooperate in another matter being investigated by the Department.

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The Idaho Department of Finance cautions all investors to investigate before you invest. Department of Finance press releases and a copy of the civil complaint can be found on the Internet at <http://finance.idaho.gov> and may be obtained by contacting the Department at (208) 332-8004 or toll-free at (888) 346-3378.

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