



NEWS RELEASE

For Immediate Release

January 8, 2009

SANDPOINT INVESTMENT PROMOTER ORDERED TO RETURN MORE THAN \$2 MILLION TO DEFRAUDED VICTIMS

Boise, Idaho . . . First District Judge Steve Verby entered a judgment upon default against former Sandpoint resident Dale E. Lowell and ordered Lowell to pay \$2,038,376 in restitution to investors affected by Lowell's conduct. Lowell also was permanently enjoined from ever selling investment securities in Idaho.

The civil lawsuit, originally filed by the Department of Finance in July, accused Mr. Lowell of selling unregistered investment contracts to at least 23 investors and misrepresenting and omitting material facts about the investment. More specifically, Mr. Lowell was alleged to have raised money for the purpose of stock options trading and that he:

1. misrepresented that the investment was risk free and otherwise backed by other personal assets of Dale Lowell,
2. misrepresented that he had a strong background in successful options trading when, in reality, Lowell lost money trading securities every year since 2002,
3. failed to disclose to investors that their funds might be used to make Ponzi payments to earlier investors and for the personal benefit of Dale Lowell and his family, and
4. later admitted in an email to investors that "99.99% of all representations by me have evolved into being 100% false...I have lied and misrepresented everything."

Judge Verby's order was entered after Lowell failed to defend himself before the court, even though he had appeared for depositions and submitted some documents. In the order, Lowell was adjudged to have violated the registration and anti-fraud provisions of the Idaho Uniform Securities Act. A civil penalty of \$40,000 also was imposed. Lowell was permanently enjoined from engaging in future violations of Idaho securities law and was further enjoined from selling or offering securities in any form in the State of Idaho.

The Department's case continues against defendant Luke Lowell, who was alleged to have benefitted from more than \$300,000 of improper transfers made to him by his father, Dale Lowell.

Department of Finance press releases and a copy of the civil complaint can be found on the Internet via the worldwide web at <http://finance.idaho.gov> and may be obtained by contacting the department at (208) 332-8004 or Idaho toll-free at 1-888-346-3378.

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