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NEWS RELEASE

For Immediate Release

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FINANCE DEPARTMENT SUES FORMER SECURITIES AGENT ALLEGING DECEPTIVE PRACTICES

Boise, Idaho The Idaho Department of Finance today filed a civil lawsuit against former securities broker David Frederick Bahr alleging violations of the Idaho Securities Act. Bahr, currently living in California, was a securities salesman for two different large brokerage firms in Bellevue, Washington between 1987 and 1994. He is not currently registered as a stockbroker in Idaho.

The four-count complaint alleges that Mr. Bahr 1) sold unregistered stock and warrants to Idaho customers, 2) made misrepresentations and omitted to disclose to investors material facts relevant to the investments, 3) engaged in deceptive acts and practices when selling securities to customers, and 4) also violated rules prohibiting undisclosed outside activities and conflicts of interest.

According to the lawsuit, Bahr sold to customers stock in speculative companies which were successors to shell companies. One of them is in bankruptcy reorganization presently. The trading violated the Idaho Securities Act. The improper activities alleged include:

- recommending and transacting stock and warrant trades for customers which were not suitable for the customers;
- conducting transactions in customer accounts without obtaining consent of the customers;
- guaranteeing the customers against losses and seeking to share in the customers' profits;
- misrepresenting information about one of the companies such as its potential for profit, its financial condition, and the success of its business; and
- failing to disclose adequate information to customers about the companies and the risk involved.

The lawsuit was filed on September 13, 1995 in the Fifth District Court in Hailey.

The lawsuit asks the court to find that there were violations of the Idaho Securities Act and it seeks an injunction from the Court prohibiting further violations by the defendant. In addition, the State is asking for \$10,000 in fines per violation. If the Court grants an injunction, the Department can use it to prevent Mr. Bahr from becoming licensed in the securities business in the future.

The Department of Finance cautions all persons, before investing, to obtain and carefully read all disclosure documents. "INVESTIGATE BEFORE YOU INVEST!"

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