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## **NEWS RELEASE**

For Immediate Release

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### **STATE OBTAINS PERMANENT INJUNCTION AGAINST UTAH SECURITIES PROMOTER**

**“Idaho Investors to be Offered Refunds of Investments Totaling \$230,000”**

Boise, Idaho . . . . Gavin M. Gee, Director of the Idaho Department of Finance, today announced that the Honorable D. Duff McKee, District Judge of the Fourth Judicial District Court in Boise, entered a Final Judgment of Permanent Injunction against Culley Wayne Davis of Draper, Utah. The judgment to which Mr. Davis consented, settles a civil complaint alleging Davis violated the registration and anti-fraud provisions of the Idaho Securities Act. Mr. Davis admitted the allegations in the complaint which centered on the sale of investment interests in Pinnacle Enterprises, Inc. and stock in Dancor, Inc. Approximately \$230,000 was collected by Davis from Idaho investors.

The complaint alleged that during January and February, 1996, Davis held a series of meetings in Rexburg, Idaho, in which he solicited Idaho residents to purchase investment contracts in Pinnacle and shares of stock in Dancor. Dancor owns a metal coating technology and Davis is the chief executive officer. Davis offered to sell shares of Dancor to investors for \$3.00 per share and claimed that the stock would be worth \$10.00 to \$15.00 per share within two years. A \$30,000 minimum investment in Dancor was required.

Davis is also the president and CEO of Pinnacle. Pinnacle has some rights to three companies which produce a toothbrush, a garbage disposal and an automobile pre-lubricant. An investment interest in Pinnacle required a minimum investment of \$40,000 and could only be purchased in conjunction with a \$30,000 investment in Dancor.

Among the misrepresentations admitted by Davis in the offer of Pinnacle and Dancor were:

- Investors were told that a sale of Dancor to another company was imminent and that this would result in an investment return of up to 25% plus stock in the other company at one-half the public offering price.
- Investors were told that Mentadent was the company which owns Rembrandt toothpaste and that Mentadent was interested in purchasing a specialty toothbrush made by one of the Pinnacle companies. In fact, Mentadent is merely a trademark which is owned by

Den-Mat Corporation and has no connection to Rembrandt, a trademark owned by Chesebrough-Ponds. Neither Chesebrough- Ponds nor Den-Mat have had any contact with Davis or his companies.

- Investors were told that Davis held a Series 7 securities license when in fact he holds no securities licenses.

Davis also failed to inform offerees and investors that neither he nor the Dancor and Pinnacle securities were registered for sale in Idaho, in violation of state law.

The Court's order finds that Davis violated the securities laws and permanently enjoins him from engaging in such practices again. Further, Davis was ordered to pay a civil fine of \$50,000 to the Department of Finance for violations of the Idaho Securities Act.

The Department of Finance advises all individuals to invest only with licensed brokerage firms and to exercise caution in making investment decisions.

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