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NEWS RELEASE

For Immediate Release

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Boise Businessman Ordered To Repay Investors *Court Orders Over \$700,000 In Restitution and Penalties*

BOISE, IDAHO -- Gavin Gee, Director of the Idaho Department of Finance, announced that the Honorable Cheri C. Copsey, District Judge of the Fourth Judicial District, has entered judgment and a permanent injunction against David A. Higginbotham of Boise, Idaho. The Court's Order was entered on December 9, 2004 after the Defendant failed to defend himself in the State's action.

The lawsuit had alleged that Higginbotham sold unregistered promissory notes, acted as an unlicensed broker-dealer, and violated the anti-fraud provisions of the Idaho Securities Act. Additionally, the lawsuit alleged that the Defendant engaged in fraudulent acts, practices or courses of business that operated as a fraud or deceit upon investment clients. In several instances, the Department alleged that Higginbotham misrepresented the safety and security of various promissory note securities by advising investors that the notes were collateralized or otherwise secured by identifiable assets.

The Court's Order finds that the Defendant violated the Idaho Securities Act, enjoins Higginbotham from engaging in misrepresentations or omissions in connection with the offer, sale or purchase of a security, and places restrictions on the future securities activities of the Defendant. The Court also ordered that the Defendant repay over \$426,000 to affected Idaho investors, while also imposing penalties to the State in the amount of \$270,000. Higginbotham was also ordered to pay \$5,000 in attorney's fees and \$2,500 in investigative costs.

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