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NEWS RELEASE

For Immediate Release

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BOISE BUSINESSMAN ENJOINED FOR SECURITIES VIOLATIONS

Refunds and Penalties Ordered by the Court

Boise, Idaho . . . Gavin Gee, Director of the Idaho Department of Finance, announced that the Honorable Darla Williamson, District Judge of the Fourth Judicial District Court in Boise, Idaho, has entered judgment and a permanent injunction against Theodore Sebastian Hauk. The lawsuit revolved around the defendant's offer and sale of investment interests in a furniture/carpentry business that he was allegedly starting. The Court's Order was entered on February 24, 2005 after the defendant failed to defend himself in the State's action. Hauk apparently also has a legal identity under the name Scott Thomas Allen and purported to conduct business under the assumed business names of Scotland Construction and Restoration, as well as Hauk Professional Carpentry.

In connection with his fund raising efforts, the lawsuit alleged that Hauk violated the antifraud provisions of the Idaho Securities Act and that his fraudulent acts resulted in the total loss of investor funds. More specifically, the complaint alleged that the defendant:

- a) engaged in fraudulent acts, practices or a course of business, which operated as a fraud or deceit upon the investors;
- b) failed to inform the investors that their investment funds would not be invested in any business enterprise, but would be used by Hauk to pay for his own personal obligations and entertainment;
- c) failed to inform the investors of his alternate legal identity, and
- d) misrepresented to investors that they were investing in a legitimate enterprise and that invested monies would be used to purchase equipment and supplies for the business.

The Court's order finds that the defendant violated the Idaho Securities Act, and placed restrictions on any future securities activities in the state. The Court also ordered that the defendant repay affected Idaho investors, and imposed penalties and costs in excess of \$40,000.

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