



IDAHO

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NEWS RELEASE

For Immediate Release

October 16, 2006

POST FALLS MINISTER AGREES TO SANCTIONS Michael Shaw Promises To Repay Investors

Boise, Idaho . . . Gavin Gee, Director of the Idaho Department of Finance, today announced that a Consent Order to Cease and Desist has been issued to and with the consent of Michael R. Shaw of Post Falls, Idaho. MSM Ministries, and Michael Shaw Ministries, two DBAs of Shaw, were also included in the Order.

The three-count Order alleges that Shaw violated the anti-fraud provisions of the Idaho Uniform Securities Act, while also ordering Shaw to cease violating the law. While neither admitting nor denying the violations, Shaw consented to the entry of the Order and agreed to a) make a best-efforts undertaking to repay affected investors, b) restrictions on his future securities activities in Idaho, c) pay a \$25,000 civil penalty if he fails to undertake reasonable efforts to repay affected investors, and d) cease violating Idaho securities law.

More specifically, the Order alleges that Shaw used his status as a minister to identify and solicit prospective investors, invoking prayers and blessings upon prospective investors and small business owners in furtherance of his investment scheme. The Order further alleges that since 2003, Shaw has raised more than \$100,000 through more than 20 investors by representing to them that a re-publishing of a book written by him was imminent and that the book would produce significant profits, such that investors were generally promised a return of their investment plus royalty profits of up to 400% in the twelve months following their investments.

Specifically relating to misrepresentations and omission, the Order alleges that Shaw:

SECURITIES BUREAU

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- a) misrepresented the investment as having a high degree of safety due to the imminent nature of the book publication and distribution, when in fact, Shaw had no reasonable basis to believe that the book was to be imminently available or easily sold.
- b) failed to inform investors of his personal financial condition and that the investment proceeds would be used for his own personal benefit or for his “ministry” and not for the printing and distribution of his book.
- c) failed to inform investors that a prior investor had sued him to recover their investment as the investment had not imminently returned profits as promised and that no book had been published as promised.
- d) failed to inform investors that he had been the subject of multiple collection actions since 2003.

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Department of Finance Press Releases and a copy of the Order can be found on the Internet via the worldwide web at finance.idaho.gov and may be obtained by contacting the Department at (208) 332-8004 or Idaho toll-free at 1-888-346-3378.