



NEWS RELEASE

For Immediate Release

June 12, 2007

REAL ESTATE RELATED INVESTMENT FRAUD ALLEGED AGAINST CANYON COUNTY MAN *Refunds Sought For Injured Idaho Investors*

Boise, Idaho . . . Gavin Gee, Director of the Idaho Department of Finance, announced the filing of a civil securities lawsuit against Robert Fischer and The Babco Group, LLC. The complaint alleges that Fischer and The Babco Group violated the anti-fraud provisions of Idaho's securities laws. The State's suit seeks a Court Order permanently enjoining the defendants from further violations of the Idaho Uniform Securities Act, placing restrictions on their future business activities and imposing civil penalties.

The Department's complaint alleges that the defendants offered and sold securities in the form of investment contracts represented as paying an annual return of 15%. According to the complaint, the defendants represented to investors that their investment proceeds would be used to purchase residential real estate and that the investors would be repaid when the property was sold. In part, the complaint alleges that Fischer violated the antifraud provisions of the Idaho's securities laws by:

- falsely representing to investors that their investment funds would be used to buy a home that Fischer would improve and sell for a profit ;
- falsely representing to investors that they would receive a return of their principal investment plus a 15% profit when the properties were sold; and
- failing to disclose to the investors that a portion of their investment proceeds would be used to play Internet poker.

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The Department warns that some real estate investments are securities subject to full regulation under the state and federal securities laws, including registration requirements and antifraud rules. Remember: Just because an investment involves real estate – or pay phones or worm farms – it still may be a security, so check with the Idaho Department of Finance before you invest.

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The Idaho Department of Finance cautions all investors to investigate before investing.

Department of Finance press releases and other information are available on the Internet via the world wide web at <http://finance.state.id.us> and may be obtained by contacting the Department at (208) 332-8000, or toll-free in Idaho at 1-888-346-3378.