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## **NEWS RELEASE**

For Immediate Release

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### **BONNER COUNTY JUDGE ORDERS CALIFORNIA MAN TO HALT INVESTMENT FRAUD**

Boise, Idaho . . . . A Sandpoint judge has found that a salesman for a California company engaged in securities fraud by soliciting money from Idaho residents.

Gavin M. Gee, Acting Director of the Idaho Department of Finance, announced that a judgment and permanent injunction was entered on May 16, 1995 by the Honorable J.R. Michaud, First District Judge in Sandpoint. The judgment is against Randy Carson Warner, also known as Brian Wetzel, of Los Angeles. The judgment was entered by default after Mr. Warner failed to appear or defend himself in the State's lawsuit. Mr. Warner was served with the lawsuit while in jail in California on unrelated criminal charges.

The judgment is in a lawsuit originally filed by the State on February 8, 1995. The lawsuit alleged that Mr. Warner, American Investment Watch (AIW), and two officers of the company engaged in a fraudulent and deceptive telemarketing scheme involving the offer and sale of stock to potential investors in Idaho.

Today's judgment includes:

- a court imposed injunction halting the scheme and prohibiting future violations;
- a finding that the defendant engaged in fraud and other violations of the Idaho Securities Act;
- a requirement that the defendant make restitution of over \$15,000 to Idaho investors;
- a \$35,000 fine; and
- an order to pay attorneys fees and costs to the State.

The lawsuit alleged that the defendants used high-pressure telephone pitches and false promises to bait potential investors. At least one Idaho victim was 76 years old at the time of the sale. According to the State, in addition to the fraudulent practices, the securities sold were not registered, and neither the salesman nor the firm were properly licensed.

Some of the fraudulent practices alleged in the Complaint include:

- failing to inform investors of prior criminal convictions of some of the defendants;
- falsely claiming that AIW stock would be a high-yielding, low-risk investment;
- attempting to get the victim to send additional money by falsely claiming that stock purchased earlier had been sold at a significant profit; and
- failing to provide a prospectus or any of the information necessary to enable an investor to make an informed decision.

Judgments were obtained on April 5 against American Investment Watch and James Benjamin (President of AIW) and on March 30 against Mike Robertson (CEO of AIW). With today's judgment, the case is concluded.

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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