

Contact:
Marilyn Scanlan
Bureau Chief
Securities Bureau
(208) 332-8004

NEWS RELEASE

For Immediate Release

August 12, 1996

FINANCE DEPARTMENT OBTAINS JUDGMENT AGAINST FORMER SECURITIES AGENT

Boise, Idaho Gavin M. Gee, Director of the Idaho Department of Finance, today announced that the Honorable James J. May, Fifth District Judge in Blaine County, entered default judgment in a civil lawsuit against former securities broker David Frederick Bahr. The lawsuit alleged violations of the Idaho Securities Act. Bahr, currently living in California, was a securities salesman for two different large brokerage firms in Bellevue, Washington between 1987 and 1994. He is not currently registered as a stockbroker in Idaho.

The four-count complaint alleged that Mr. Bahr 1) sold unregistered stock and warrants to Idaho customers, 2) made misrepresentations and omitted to disclose to investors material facts relevant to the investments, 3) engaged in deceptive acts and practices when selling securities to customers, and 4) violated rules prohibiting undisclosed outside business activities and conflicts of interest.

According to the lawsuit, the improper activities engaged in by Bahr include the following: recommending and transacting stock and warrant trades for customers which were not suitable for the customers;

- conducting transactions in customer accounts without obtaining consent of the customers;
- guaranteeing the customers against losses and seeking to share in the customers' profits;
- misrepresenting information about one of the companies such as its potential for profit, its financial condition, and the success of its business; and
- failing to disclose adequate information to customers about the companies and the risk involved.

Five Idaho investors lost approximately \$680,000 as a result of their dealings with Bahr.

The court's order finds that there were violations of the Idaho Securities Act and permanently enjoins Bahr from further violations of the securities laws. Bahr was also ordered to make full restitution to injured investors. In addition, Bahr was ordered to pay a \$40,000 fine to the State plus its costs and fees.

The Department of Finance cautions all persons, before investing in securities, to obtain and carefully read all disclosure documents. "INVESTIGATE BEFORE YOU INVEST!"

* * * * *