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NEWS RELEASE

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IDAHO DEPARTMENT OF FINANCE JOINS FTC, OTHER STATES IN WARNING ABOUT NEW HIGH-TECH SCHEMES

State Sues Four in High-Tech Investment Program

BOISE, IDAHO...."The latest in high-tech 'information superhighway' investment scams are making their way to Idaho and the Idaho Department of Finance wants to make sure that consumers are prepared," Acting Director Gavin Gee said today. The warning from the Department is part of a coordinated national crackdown led by the Federal Trade Commission (FTC) and state securities agencies to shut down fraudulent wireless cable, paging license and pay-per-call "900" number schemes. To help educate the public about these high-tech scams, the Department is releasing an "Investor Bulletin" explaining the scams, how to spot them, and what to do to protect yourself.

"Wireless cable is still the most prevalent scheme in Idaho," Gee stated. "However, we anticipate pager licenses and pay-per-call "900" number scams will soon surface here. These investments are extremely risky and investors should be prepared to lose every penny they invest."

Paging licensing scams begin when a promoter offers to secure a license for an investor that covers a paging frequency in a portion of the U.S. The con artist would have you believe that the license will be worth a fortune to major paging operators because the FCC only allows each person or company to obtain one license per frequency per market. The idea that an enormous profit can be made on the re-sale or lease of the license is without foundation. In fact, there is no limit on the amount of licenses one company may have on a certain frequency in a certain market. While a fast-buck telemarketer may say otherwise, market experts will tell you that no company has ever used a paging license owned by someone else in order to build its customer base.

In pay-per-call "900" number investment scams, high-pressure telemarketers encourage you to purchase an interest in an "information provider" partnership. Instead of owning a "900" service outright, investors are pooled in limited partnerships, much like the investment arrangements made regarding oil & gas wells, equipment leases, and real estate. Typically, investors are not

told that information providers are responsible for leasing the special telephone lines, paying for national promotion, and forking over fees to any talent used in "infomercials" or other advertisements.

The "Investor Alert" being made available today by the Idaho Department of Finance spells out specific steps that investors should take to avoid victimization in a paging license or "900" number scam. For a free copy, consumers should write to: "High-Tech Scams," The Idaho Department of Finance, P.O. Box 83720, Boise, ID 83720-0031. Or call: 208/332-8004.

The Department also announced that it has filed suit against an Idaho wireless cable promoter, his company and two out-of-state companies. The complaint, filed in Fourth District Court in Boise, names Gene R. Bell of Rexburg, Idaho, Highland Bell Corporation, a Florida corporation, B.R. Cable Corp., San Diego, California, and Castle Key Communications, Inc., a Nevada corporation.

The four-count complaint alleges that local radio advertisements promoted an investment in a wireless cable system which was to compete with the cable television system in Baton Rouge, Louisiana. Investors who responded to the advertisement were told by Bell that they could make up to 600% on their investment within two years. After the Baton Rouge investment closed, Bell started his own company which sold investment interests in another wireless cable project to Idaho residents. Investors lost more than \$200,000 in these investments.

The complaint alleges that the defendants failed to tell investors material facts about the investments including that neither the securities nor the securities salesmen were registered in Idaho, and that cease and desist orders had been issued by the states of Indiana, Montana and Wisconsin against B.R. Cable and some of its principals.

The Department's lawsuit asks the Court to find that there were violations of the Idaho Securities Act and it seeks an injunction from the Court prohibiting further violations by the defendants. The lawsuit also seeks a court order that the defendants repay investors and pay civil penalties to the Department of \$10,000 per violation.

The Department of Finance cautions all persons, before investing, to obtain and carefully read all disclosure documents.

"INVESTIGATE BEFORE YOU INVEST!"

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