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## **NEWS RELEASE**

For Immediate Release

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### **CHILDREN'S TV PROGRAMMING COMPANY SUED FOR SECURITIES VIOLATIONS**

Boise, Idaho . . . Gavin M. Gee, Director of the Idaho Department of Finance, announced today the filing of a civil lawsuit in Fourth District Court in Boise against several firms and an individual alleged to have violated the Idaho Securities Act. The defendants are: KidZtime TV, Inc., a Colorado corporation located in Columbus, Ohio; Capital Funding & Financial Group, a Colorado corporation located in Lakewood, Colorado; Tri-State Marketing, Inc., a telemarketing company located in San Diego, California; and Diane Puliafico, a securities salesman who resides in San Diego, California. KidZtime TV is purportedly a television network which distributes children's programming through local affiliates.

The five-count complaint alleges that the defendants solicited Idaho residents to purchase investment interests in broadcast affiliates of KidZtime TV. Investors were told that the investment would pay annual dividends of 21% to 40% of the amount invested, and that the investment would appreciate between 61% and 243% within a 3 to 5 year period. The Department estimates approximately 15 Idaho investors made a total investment of \$150,000 with KidZtime.

The lawsuit alleges that neither the securities nor the selling entities were registered in Idaho, that material misrepresentations and omissions were made in the course of soliciting Idaho investors, and that the defendants engaged in a scheme to avoid the securities registration requirements of the law.

The Department's suit asks the Court to find that the defendants violated the Idaho Securities Act and that they be enjoined from future violations. It further seeks restitution for all Idaho investors and civil penalties.

Before investing, the Department urges Idaho residents to check out investments and investment professionals by contacting the Department toll-free at 1-888-346-3378.

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