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## **NEWS RELEASE**

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### **FORMER IDAHO STOCKBROKER SUED FOR SECURITIES FRAUD:**

#### **After Dismissal, Broker Alleged To Have Defrauded Prior Clients**

Boise, Idaho . . . Gavin Gee, Director of the Idaho Department of Finance announced the filing of a civil securities lawsuit against a former Idaho resident and stockbroker. The five count complaint alleges that Steven James Cook, formerly of Soda Springs, Idaho, violated state securities registration requirements, and that he also engaged in fraudulent courses of business while offering and selling various securities. Worldwide Financial LLC, a Utah entity formed by Cook, was also named in the lawsuit. The complaint alleges that Cook was terminated by his brokerage firm during July 1996, but that Cook continued to hold himself out to Idaho residents as being regularly engaged in the securities business. Cook is alleged to have subsequently offered the bonds or debentures of his own company, Worldwide Financial LLC, and to have done so in a fraudulent manner.

More specifically, the complaint alleges that the defendants:

- a) misrepresented that the Worldwide Financial bonds or debentures were FDIC insured, when in fact, the FDIC does not generally insure bonds or debentures,
- b) failed to provide investors with information about Worldwide Financial, such as the fact that the company was newly formed and that Cook was the company's sole manager.
- c) failed to disclose that Cook had been the subject of multiple customer complaints and brokerage settlement payments to former customers, and
- d) failed to inform investors that Cook and the Worldwide Financial securities were not registered with the Idaho Department of Finance as required under the Idaho Securities Act.

The State's lawsuit seeks an order from the court permanently enjoining the defendants from future violations of the securities laws. It also seeks the rescission of all securities transactions that occurred in violation of the securities laws and restrictions on future business activities in Idaho. The State's investigation continues and losses are expected to reach more than \$2 million dollars for investors in Idaho and other states.