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NEWS RELEASE

For Immediate Release

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JUDGMENT ENTERED AGAINST NEW YORK PROMOTER
Alleged Ponzi Promoter Agrees To Repay More Than \$100,000

Boise, Idaho . . . The Ada County District Court has entered a final judgment and permanent injunction against New York resident, Louis C. Nardone III, after Nardone agreed to settle a securities fraud lawsuit brought by the Idaho Department of Finance.

Mr. Nardone stipulated to a money judgment in the amount of \$177,446.22 and agreed to make regular payments toward this judgment for the benefit of about two dozen Idaho investors. A civil penalty of \$40,000 was imposed in the event that Nardone fails to make restitution payments as required. While neither admitting nor denying the state's allegations, Nardone was permanently barred from selling securities in Idaho.

The department's lawsuit was filed against Louis C. Nardone III, dba Precision Marketing Group, in May 2011 and alleged that Mr. Nardone obtained approximately \$300,000 from Idaho investors by promising rates of return of 115 percent to 175 percent annually. The lawsuit had alleged that Nardone:

1. Misrepresented that the investment was risk free or virtually risk free;
2. Misrepresented to some investors that funds would be invested in real estate transactions;
3. Failed to inform investors that some of the funds raised would be used to pay Nardone's personal expenses and to make ponzi payments to earlier investors; and
4. Failed to provide any financial disclosures about his business operations.

"There is a well-established tradeoff between risk and reward – higher returns necessarily require an investor to accept higher levels of risk," said Finance Director Gavin Gee. *"Certainly, potential returns in excess of 100 percent annually should be viewed with skepticism by any investor."*

The restitution order credits Nardone with payments previously made to Idaho investors.

Investors are reminded to contact the Department of Finance to check whether promoters and their investment offerings are properly qualified in Idaho. The lawsuit and settlement in this matter can be found on the department's website (<http://finance.idaho.gov/Securities/CivilActions.aspx>) or may be obtained by contacting the department at (208) 332-8004 or Idaho toll-free at 1-888-346-3378.

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