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## **NEWS RELEASE**

For Immediate Release

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### **STATE FINANCE DEPARTMENT OBTAINS PERMANENT INJUNCTION AGAINST INTERNATIONAL INVESTMENT SCHEME AND ITS BOISE PROMOTER**

Department Warns Investors About International "Prime Bank" Investment or Similar Schemes

Boise, Idaho . . . Gavin Gee, Director of the Idaho Department of Finance announced that the Honorable Ronald J. Wilper, District Judge of the Fourth Judicial Court in Boise, Idaho, has entered judgments against an Idaho limited liability company and its manager in connection with the offer and sale of an international debenture trading scheme offered to Idaho investors.

Judgments and permanent injunctions were entered against German American Investments L.L.C. (GAI) and Reimar Stuckenbrock, both of Boise, Idaho. The judgments were entered after Stuckenbrock ceased to defend himself in the State's action. The Court's Order a) contains findings that the defendants violated the Idaho Securities Act as alleged in the complaint, b) requires that all Idaho investors be refunded their investment monies, c) restricts the future business practices of the defendants, and d) imposes a fine of \$10,000 to be paid to the State and the payment of \$5,000 in attorney's fees.

The complaint alleged that the defendants offered securities in an "international bank debenture trading program" involving "prime bank debentures," "prime bank guarantees," or "prime bank standby letters of credit." Defendants claimed that trading banks had "offered between 50 and 400% return" and that the transactions would be conducted in a manner that "investors' collateral is not at risk."

The complaint stated that the securities offered by defendants share many of the characteristics of the bogus securities that were the subject of a joint advisory of the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, National Credit Union Administration, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision. That advisory warned financial institutions and the public about "prime bank"-type financial instruments and indicated that the staffs of these agencies "are not aware of any

legitimate use of any financial instruments called a 'prime bank' note, guarantee, letter of credit, debenture, or similar type of financial instrument."The complaint further alleged that the defendants violated the anti-fraud and registration provisions of the Idaho Securities Act. Gee cautioned investors to be wary of "Prime Bank" or similar investments with an international flavor that offer exorbitant returns with the promise of little or no risk. "Investors must look through the hype of the promoter and understand the mechanics of how and why the investment is low risk and highly profitable; these two investment characteristics are generally incompatible with one another", Gee stated.

The State's investigation revealed that more than \$225,000 was raised from this scheme and the Department of Finance asks that persons who have invested in this or similar programs contact the Department at (208) 332-8004 or toll free within Idaho at 1-888-346-3378.