

Contact:
Marilyn Scanlan
Bureau Chief
Securities
Bureau
(208) 332-8004

NEWS RELEASE

For Immediate Release

April 3, 2000

IDAHO DEPARTMENT OF FINANCE ANNOUNCES COMPLETION OF D.H. BLAIR SETTLEMENT AGREEMENT

Boise – D.H. Blair & Co., Inc., a New York-based brokerage firm with a lengthy regulatory history, has funded a \$2.25 million escrow account to be used for consumer refunds, Gavin Gee, Director of the Idaho Department of Finance, announced today.

Under the settlement agreement, D.H. Blair investors in all 50 states and the District of Columbia may be entitled to a portion of the \$2.25 million. Idaho customers who had invested with D.H. Blair will be contacted by the firm shortly and told how and when to file a claim. Claimants will then have 90 days from the date of the notice to file their claims. The Department is also contacting all known Idaho investors.

In order to be eligible for a pro-rata share of the fund, investors must make a complaint based on trades executed between January 1, 1996 and June 30, 1998 that they believe were somehow inappropriate.

Under the terms of the agreement, the claims will be submitted to an expedited mediation/arbitration process run by the regulatory arm of the National Association of Securities Dealers (NASD).

The settlement with D.H. Blair was reached by a multi-state task force of securities regulators who had investigated sales practice abuses allegedly committed by the firm. D.H. Blair specialized in the sale of high-risk microcap stocks.

“This settlement will give investors the opportunity to get back at least some of the money they lost because of D.H. Blair’s conduct,” said Gee. “All too often in cases like this, investors receive nothing, so we think this settlement is positive for the investors involved. The NASD mediation/arbitration forum should provide investors with the opportunity for a speedy and fair resolution of their claims.”

D. H. Blair has a lengthy regulatory history. In August 1997, Blair was censured and fined \$2 million by NASD. As part of its agreement with the NASD, the firm agreed to pay restitution to retail customers of \$2.3 million for alleged excessive markups in connection with several public offerings. In February 1997, Blair was censured by the New York Stock Exchange (NYSE) and fined \$250,000. In April of last year, the firm ceased retail operations. The restitution fund established under the agreement with state securities regulators is unrelated to the NASD and NYSE actions.

Department of Finance Press Releases and other information can be found on the Internet via the worldwide web at <http://www2.state.id.us/finance/dof.htm> and may be obtained by contacting the Department at (208) 332-8080 or Idaho toll-free at 1-888-346-3378