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FOR IMMEDIATE RELEASE
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ATTORNEY GENERAL MASTO ANNOUNCES SETTLEMENT IN BREACH OF TOBACCO AGREEMENT

Settlement Ends Illegal Distribution of Natural American Spirits Cigarettes Branded Merchandise

Carson City, NV: – Attorney General Catherine Cortez Masto announced today that a coalition of 42 states entered into a settlement with Santa Fe Natural Tobacco Company for violating the tobacco Master Settlement Agreement (“MSA”).

The company had distributed decorative tin signs to consumers featuring its “Natural American Spirit” cigarettes brand name. Distribution of merchandise bearing the brand name of cigarette companies violates the tobacco MSA, the historic 1998 settlement between state Attorneys General and cigarette manufacturers.

“My fellow Attorneys General and I worked together so we could let cigarette manufacturers know any violation of the MSA will be prosecuted,” said Attorney General Masto. “We will not allow any promotion of their product on signs, clothing or other items.”

According to the settlement, Santa Fe Natural Tobacco Company agrees not to distribute the following types of brand name merchandise in the future: decorative tin signs; toys; games; fashion accessories; CDs; DVDs; video games; clothing; athletic equipment; outdoor gear; luggage; stationery items; house wares; and paintings and plaques intended for the home. In addition, Santa Fe agrees to pay a penalty of \$250 for every future violation of the agreement.

The MSA required participating tobacco companies to make substantial annual payments in perpetuity to 52 states and territories, and imposed significant marketing and advertising restrictions on the companies. Since the MSA was signed, American

consumption of cigarettes has declined by over 100 billion cigarettes, based on data from the American Lung Association. According to the Centers for Disease Control, however, tobacco-related disease continues to be the leading preventable cause of death in the United States and results in more than \$190 billion in medical expenses each year.

The states comprising the coalition include: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia, Wyoming and the District of Columbia.



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FOR IMMEDIATE RELEASE
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ATTORNEY GENERAL ANNOUNCES SETTLEMENT OF CONSUMER PROTECTION CLAIMS AGAINST DELL FINANCIAL

Carson City, NV— Nevada Attorney General Catherine Cortez Masto announced today that Nevada and the Attorneys General of 26 other states has agreed to a \$3.35 million settlement with Dell Financial concerning the company's financing promotions, rebate offers, technical support and repair policies.

Under the agreement, Texas-based Dell, Inc., and its subsidiary, Dell Financial Services, LLC, admit no wrongdoing but agree to pay a total of \$1.5 million in restitution to eligible consumers who file claims within 90 days of today's date. Dell will pay an additional \$1.85 million to the states for reimbursement of legal costs and other expenses.

"I am pleased to work with my fellow Attorneys General to pursue these deceptive practices by manufacturers," said Attorney General Masto. "Consumer protection is one of the important initiatives underscoring my activities as Attorney General."

A group of consumer protection divisions in the offices of various Attorneys General conducted an investigation into Dell's sales practices after customers complained about an array of issues. Some consumers applied for zero-percent financing but were charged higher interest rates; others had trouble obtaining warranty service on their Dell computers. Many said they never received promised rebates. Other complaints concerned questions of customer service, technical support and warranty problems. Dell's responses to these complaints were both slow and cumbersome.

Under the settlement, Dell agreed to:

- Disclose in advertisements for promotional credit offers that the majority of consumers who apply won't qualify for the best annual percentage rate (APR), and disclose the range of initial APRs that consumers who are not considered the "most qualified borrowers" are likely to receive.
- Inform consumers considering applying for promotional financing that the application is for a revolving open credit account, that minimum monthly payments are required and that approval of the account does not guarantee that the consumer will also qualify for conditional financing promotions (such as zero-percent interest for 90 days). Explain how finance charges are calculated, disclose any penalties and inform the consumer whether subsequent purchases made using the credit account will be subject to the same or different financing terms.
- At the time of credit acceptance, disclose whether the applicant has qualified for any conditional financing promotion.
- Fulfill its warranty obligations within 30 days from the date of notification or receipt of a defective product.
- Disclose whether phone-based troubleshooting or remote diagnosis is required before Dell will provide on-site repair or warranty-related service.
- If a rebate is available, provide the necessary rebate documentation at the time product is delivered or the service is provided.
- Mail rebates within the specified timeframe or within 30 days if no date is specified.
- Implement written policies to ensure compliance with the settlement, including procedures that address issues such as:
 - Informing consumers of their right to cancel orders made with the Dell Credit Account within three days after receiving final credit approval and the written terms and conditions.
 - Communication between Dell and Dell Financial Services when a consumer returns a product purchased with credit.
 - Removing consumer accounts from collection agencies and providing accurate information to credit-reporting bureaus.
 - Substantiate any claims Dell makes about the quality of its customer service. Dell can use the term "award-winning" to describe its customer service only if the company received such an award within the past 18 months.

The following states participated in the settlement: Arizona, Arkansas, California, Connecticut, Delaware, Florida, Illinois, Kentucky, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Nebraska, Nevada, New Mexico, North Carolina, Oregon, Ohio, Pennsylvania, South Dakota, Tennessee, Washington, West Virginia, Vermont and Wisconsin.

Consumers may be eligible for restitution regarding a Dell purchase made after April 1, 2005, if :1) They file a claim with the Attorney General's Office within 90 days of today's date regarding the conduct addressed by the agreement; and 2) Dell owes them money. The amount of money to be refunded to individual consumers depends on the number of eligible recipients and the total amount claimed. Nevada residents who haven't submitted complaints but believe they are eligible for refunds should make a request by contacting the Nevada Attorney General's Bureau of Consumer Protection at (775) 684-1169 in northern Nevada, or (702) 486-3194 in southern Nevada.



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ATTORNEY GENERAL MASTO CALLS SOCIAL NETWORKING TASK FORCE REPORT 'STEP FORWARD' TO BETTER PROTECT CHILDREN

Carson City, NV: Attorney General Catherine Cortez Masto joined 49 other states in calling the Internet Safety Technical Task Force report a positive step forward and urged social networking websites to implement measures identified in the report to better protect children.

The report was issued by the Berkman Center for Internet and Society at Harvard University. MySpace, at the request of the attorneys general, agreed to create and lead the task force to identify and explore age verification and technologies to improve social networking safety. The attorneys general asked for the task force because of growing worries about sexual predators and inappropriate content.

“As the chief law enforcement officer of Nevada, I call on social networking sites and the Internet community to implement the report’s recommendations to identify and develop on-line safety tools and to work closely with law enforcement to stop predators,” said Attorney General Masto. “My fellow attorneys general and I call on the social networking industry and technology companies that cater to children to implement the most effective available on-line safety technologies.”

The attorneys general expressed concern that the report could be read to downplay the prevalence of sexual predators on social networking sites. They noted, however, that the conclusions appeared to be based on outdated research and called the problem serious and significant. The group otherwise commended the study, especially its identification of 40 technologies and tools to improve social networking site safety.

Attorney General Masto said, “The safety and wellbeing of our children demand no less than instant introduction of protective measures outlined in this report. I applaud the report’s call for a continued and expanded partnership between law enforcement and the social networking industry to fight the scourge of online sexual abuse.”



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ATTORNEY GENERAL CORTEZ MASTO ANNOUNCES \$1.4 BILLION OFF-LABEL DRUG MARKETING PAYOUT BY ELI LILLY

Carson City, NV - Attorney General Catherine Cortez Masto announced today Nevada has joined with other states and the federal government to reach an agreement in principle with Eli Lilly to settle allegations it engaged in off-label marketing improperly promoting the anti-psychotic drug, Zyprexa.

Eli Lilly will pay the states and the federal government a total of \$800 million in damages and penalties to compensate Medicaid and various federal healthcare programs for harm suffered as a result of its conduct. Nevada is expected to receive \$1.9 million.

In addition, the United States Attorney for the Eastern District of Pennsylvania has filed a criminal information in United States District Court charging Eli Lilly with a misdemeanor violation of the Food, Drug and Cosmetic Act. In a plea agreement filed with the Court, Eli Lilly has agreed to pay a \$615 million criminal fine to resolve the charge. To date, this is the largest health care fraud settlement in our nation.

"This settlement will ensure that Nevada's Medicaid program is properly reimbursed for excessive claims that resulted from Eli Lilly's improper marketing," said Attorney General Masto. "This case, plus our continued support of working with other state's Medicaid Fraud Control Units, will send a \$1.4 billion dollar message that no company is too large or too complex to avoid scrutiny."

Zyprexa is one of a newer generation of antipsychotic medications (called atypical antipsychotics) used to treat certain psychological disorders. Between

September 1999 and December 31, 2005, Eli Lilly willfully promoted the sale and use of Zyprexa, primarily through a marketing campaign called “Viva Zyprexa,” for certain uses not approved by the Food and Drug Administration. The promotional activities undertaken by Eli Lilly in the “Viva Zyprexa” campaign promoted Zyprexa not only to psychiatrists, but also to primary care physicians, for such uses as the treatment of depression, anxiety, irritability, disrupted sleep, nausea and gambling addiction.

In implementing the campaign, Eli Lilly also provided remuneration and other items of value to physicians and other health care professionals. As a result of these promotional activities, Eli Lilly caused physicians to prescribe Zyprexa for children and adolescents, dementia patients in long term care facilities, and in unapproved dosage amount. None of these uses were medically accepted indications for which state Medicaid programs would approve reimbursement.

As part of the settlement, Eli Lilly will enter a Corporate Integrity Agreement with the United States Department of Health and Human Services, Office of the Inspector General, which will closely monitor the company’s future marketing and sales practices.

This settlement is based on four *qui tam* cases that were filed or consolidated in the United States District Court for the Eastern District of Pennsylvania by various private parties that filed actions under state and federal false claims statutes.

A team of Medicaid Fraud Control Units participated in the investigation and conducted the settlement negotiations with Eli Lilly on behalf of the settling states.

The criminal information is an accusation; and the company is presumed innocent until proven guilty. In this case, Eli Lilly’s guilty plea and sentence will not be final until accepted by the United States District Court.

The Nevada Attorney General’s Medicaid Fraud Control Unit investigates and prosecutes financial fraud by those providing healthcare services and goods to Medicaid patients. The unit also investigates and prosecutes instances of elder abuse or neglect. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General’s web site: <http://ag.state.nv.us>.



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ATTORNEY GENERAL MASTO ANNOUNCES U.S. SUPREME COURT CERT GRANT

Carson City, NV: Attorney General Catherine Cortez Masto announced today the grant of a petition writ of certiorari filed on behalf of the State of Nevada in the *McDaniel v. Troy Don Brown* case.

"I believe Troy Brown should not have had his conviction overturned by the federal courts," said Attorney General Masto. "The Nevada Attorney General's office is dedicated to assuring that every case will be tried in keeping with the letter of the law. We are prepared to argue to the highest court of the land to keep this commitment."

In the 1997 Elko County case, a jury convicted Troy Don Brown of two counts of sexual assault on a child under 14 and one count of abuse or neglect of a child resulting in substantial bodily harm. Brown was sentenced to life imprisonment with the possibility of parole after 10 years. Brown subsequently filed a petition for a writ of habeas corpus, claiming insufficient evidence to convict, but the Nevada Supreme Court found the record evidence was sufficient to sustain Brown's conviction. In subsequent proceedings in Federal Court, it was held that the evidence was insufficient to sustain the conviction.

At issue before the U.S. Supreme Court is the standard by which a federal habeas court, applying the Anti-Terrorism and Effective Death Penalty Act of 1996 (AEDPA), should assess a sufficiency of the evidence claim under *Jackson v. Virginia*, 443 U.S. 307 (1979), and whether the AEDPA permits a habeas court to expand the record when addressing such a claim. *Jackson v. Virginia* limits consideration of the evidence to that evidence presented at trial.

The hearing date of the case before the U.S. Supreme Court has not been set.



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NEVADA ATTORNEY GENERAL JOINS OTHER STATES TO URGE OCC AND OTS TO PUSH FOR AFFORDABLE MORTGAGE MODIFICATIONS

State AGs and bank regulators say reports by the OCC and OTS “are misleading and likely to lead policymakers and the public to develop misperceptions about the effectiveness of loan modification programs.”

Carson City, NV: Attorney General Catherine Cortez Masto has joined a group of state attorneys general and state banking regulators to urge the Office of the Comptroller of the Currency (OCC) and the Office of Thrift Supervision (OTS) to encourage national banks and federal thrift servicing operations to modify large numbers of mortgage loans that are becoming unaffordable for consumers.

The letter, which was signed by 12 state attorneys general and three state bank regulators, questioned a recent report by the OCC and OTS that indicated 55% of loan modifications made by national banks and federal thrifts were re-defaulting within six months. Other data, including data collected by the states, show a lower re-default rate, the states said.

“My fellow attorneys general and I agree that, in this critical time when policymakers are making decisions on loan modification programs, it is important to have accurate reports guiding those decisions,” said Attorney General Masto. “We must have complete transparency to assure accuracy as we go forward.”

“We have done far too little to modify unaffordable loans, not too much,” the State Foreclosure Prevention Working Group said in a letter today to John C. Dugan, U.S. Comptroller of the Currency, and John M. Reich, Director of the Office of Thrift Supervision.

The states questioned the OCC re-default figure, and pointed out that it could discourage Congress and other policymakers from promoting affordable loan modifications as a crucial response to the nationwide foreclosure crisis.

According to the states, the problem is not modifications, it is the quality, effectiveness and aggressiveness of the modifications. Previous modifications did not actually help borrowers. “There is a growing body of research that suggests the majority of loan modifications in the past year have not led to meaningful payment relief to homeowners,” they said. In fact, many modifications have actually *increased* consumers’ monthly payments.

“We should not be surprised to see a significant re-default rate for these types of loan modifications,” the letter said. “Homeowners struggling to afford their current mortgage are unlikely to be able to afford *higher* monthly payments.”

“We want to convey our deep concern about OCC and OTS efforts to encourage and monitor loan modification efforts,” the letter said. “The data suggests that national banks and federal thrifts are relying on traditional loss mitigation techniques common for prime loans in appreciating markets, rather than applying the techniques and lessons learned by subprime servicing specialists on the need to more aggressively adjust payments and principal balances.”

The re-default rate reported by the OCC and OTS is especially troubling to the states because national bank and federal thrifts service the vast majority of prime, Alt-A, and Option-ARM loans, all of which present immediate challenges in 2009.

States ask for cooperation with the federal regulators:

The State Foreclosure Prevention Working Group told the federal officials it was ready to work cooperatively with them to develop a comprehensive report on the efforts of mortgage servicers to prevent foreclosures. “We do not believe that regulatory turf battles should prevent us from developing a collaborative report on foreclosure prevention results that would provide increased transparency, consistency, and reliability,” the states said.

“We are concerned that either the institutions supervised by the OCC and OTS have thus far failed to offer homeowners sustainable loan modifications, in contravention to guidance issued by the federal banking agencies, or that the data collection has some other limitations not identifiable by your current report,” the letter said.

The state attorneys general and bank officials asked the two federal regulators to “provide to the public a full and transparent report of loan modifications made by national banks and federal thrifts,” including detailed information on types and numbers of loan modifications – and whether the modifications had helpful terms for homeowners, such as lower monthly payments.

“Without a more transparent and robust reporting, we are concerned that the statistics publicized by the OCC/OTS Report are misleading and likely to lead

policymakers and the public to misperceptions about the effectiveness of loan modification programs,” the letter said.

For more than a year, the State Foreclosure Prevention Working Group has worked to urge servicers and lenders to find loan modifications that would benefit both lenders and homeowners. The Group has issued reports on loan modification activity by 13 major non-bank subprime servicers – including a re-default rate of 25.8%, compared to the 55% re-default rate reported for loan modifications made by national banks and federal thrifts for the same period. The OCC has discouraged national banks from cooperating with the States’ effort. “Even adjusting for difference in data reporting, this difference is substantial,” the states said.

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ATTORNEY GENERAL CATHERINE CORTEZ MASTO ADDS NEW TERMS TO 2007 JUDGMENT AGAINST BAYER CORPORATION

Bayer must submit proposed television ads for "Yaz" to FDA for review before airing and must spend \$20M to correct misinformation from prior television advertisements.

Carson City, NV-Attorney General Catherine Cortez Masto joined 26 states to announce the filing of a stipulated supplemental judgment with Bayer Corporation that adds new requirements to a 2007 judgment concerning its product advertising.

The 2007 agreement concerned alleged deceptive advertising of products, including non-disclosure of safety risks associated with its marketing of Baycol. Today's judgment resolves allegations that Bayer's 2008 marketing of the oral contraceptive Yaz violated the earlier agreement.

"This case is a strong example of federal/state collaboration against unlawful marketing of prescription drugs," Attorney General Masto said. "By leveraging state enforcement authority with the FDA's technical expertise, we achieved an excellent result that ensures future Yaz advertisements will be lawful."

The multistate Executive Committee of the National Association of Attorneys General worked closely with the U.S. Food and Drug Administration's Division of Drug Marketing, Advertising, and Communications (DDMAC) to craft the supplemental settlement. The settlement requires Bayer to submit all future television "direct-to-consumers" Yaz advertisements to the FDA for review and comment prior to

dissemination in the marketplace; to comply with all regulatory comments the FDA makes regarding the advertising; and in all Yaz print advertisements, to clearly and conspicuously disclose exactly what the FDA has approved the drug for when referring to treatment of medical conditions and their symptoms.

In addition to changes in its advertising policies, Bayer also must conduct a \$20 million corrective advertising program to remedy misinformation from the misleading YAZ advertisements.

In an earlier warning letter to Bayer, the FDA addressed two misleading direct-to-consumer television advertisements for Yaz where Bayer “broadened” the conditions the drug is approved to treat to include the symptoms of relatively common premenstrual syndrome (PMS) when in fact, Yaz is not approved to treat this condition. The letter also warned Bayer about promoting Yaz for types of acne that it is not approved to treat and for exaggerating the effects Yaz had on acne.

Tom Abrams, director of the FDA’s Division of Drug Marketing, Advertising, and Communications, added, “This is a great example of collaboration between the FDA and state Attorneys General. By working together, we can achieve excellent results and double our efforts to clean up misleading advertising in the marketplace. This significantly benefits the public by ensuring that consumers are not misled about information relating to their health.”



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ATTORNEY GENERAL ANNOUNCES COURT ORDER TO HALT “LEADS GLOBAL” AND OTHER INTERNET PAYDAY LENDERS FOR DISCLOSURE AND DECEPTIVE COLLECTION TACTICS

Carson City, NV—Nevada Attorney General Catherine Cortez Masto and the Federal Trade Commission (FTC) announced today that a federal court order has been issued halting the deceptive trade practices of seven U.S.-based companies and one individual operating as part of an international Internet payday lending operation. Named in the order are Leads Global, Inc.; Waterfront Investments, Inc.; ACH Cash, Inc.; HBS Services, Inc.; Lotus Leads, Inc.; First4Leads, Inc.; Roving International, Inc. and Jim Harris.

The group was charged with failing to disclose key loan terms and using abusive and deceptive collection tactics in violation of federal and state laws. The U.S.-based companies and their principal agreed to the court order, which will remain in effect pending trial. Nevada and the FTC seek to permanently bar the defendants from future violations and force them to surrender the money obtained using the allegedly illegal collection tactics.

“My office worked cooperatively with the federal authorities to put a stop to this deceptive trade activity in Nevada,” said Attorney General Masto. “This cooperative effort has paid dividends for our citizens.”

The companies named in the order offered loans of \$500 or less within 24 hours without requiring a credit check, proof of income, or documentation. Consumers were told they qualified for a loan that had to be repaid by their next payday with a fee ranging from \$35 to \$80, and that if the loan was not repaid by then, it would be extended automatically for an extra fee that would be debited from the consumer’s bank account

until the loan was repaid. These companies frequently continued to debit bank accounts, even after the loan had been fully repaid. To halt this monthly collection, consumers resorted to closing their bank accounts, which often led to harassing and threatening calls from the lenders.

Pending trial, the court order bars the U.S.-based companies and their principal from deceptive debt collection practices such as misrepresenting that consumers can be arrested or imprisoned for failing to pay debts; that consumers are legally obligated to pay the full amount of a debt claimed as owed; and that for nonpayment, consumers may or will be subject to legal action, such as a lawsuit, seizure of property, or garnishment of wages. The preliminary injunction also prohibits unfair collection practices such as continuously and repeatedly calling consumers and third parties at consumers' work places, using obscene or threatening language toward consumers and third parties, and disclosing the existence of consumers' purported debts to third parties.

The U.S.-based companies and their principal also are barred from violating the Truth in Lending Act ("TILA") and Regulation Z, in the extension of closed-end credit, by failing to make the required TILA disclosures as provided by law, and by failing in any other manner to comply with TILA and Regulation Z. They also are prohibited from violating the laws of the State of Nevada by making loans from Nevada or identifying Nevada as the source of a loan or as their principal place of business, unless properly licensed; and by failing to provide notice and disclosure of all material facts as required by state law, including failing to disclose the location, physical address, and non-toll-free telephone number of all of their locations. In addition, the U.S.-based companies and their principal are prohibited from violating any state or federal law regarding the sale or lease of goods or services, including using coercion, duress, or intimidation in any kind of transaction.

Also charged in the complaint but not named in the order are four United Kingdom-based companies operating in the U.S. as Cash Today; Route 66 Funding; Global Financial Services International, Ltd.; Interim Cash, Ltd.; and their principals, Aaron Gershfield and Ivor Gershfield.

For more information on how you can help prevent illegal deceptive trade practices you may contact the Office of the Nevada Attorney General, Bureau of Consumer Protection at (775) 684-1180 in northern Nevada, or (702) 486-3194 in southern Nevada.



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ATTORNEY GENERAL MASTO ANNOUNCES MULTI-STATE SETTLEMENT RESOLVING ENVIGA CLAIMS

Las Vegas, NV - Attorney General Catherine Cortez Masto, with the attorneys general of 27 other states and the District of Columbia, today announced a settlement with Coke, Nestle and Beverage Partnership Worldwide (BPW) resolving questionable claims that Enviga, a green tea beverage, will burn extra calories resulting in weight loss.

The companies have agreed to add disclosures to Enviga, and any similarly-formulated product, to disclaim any weight loss benefits and note that weight loss is only possible through diet and exercise. The companies will also pay \$650,000 to the states.

"I am pleased to join with my fellow attorneys general to assure these false claims by companies will be exposed and punished," said Attorney General Masto. "These marketing claims prey on the unsuspecting consumer, causing them to make purchasing decisions for the wrong reasons."

In 2007, the attorneys general began an investigation into questionable express and implied claims that drinking Enviga will burn more calories than it contains, thereby resulting in weight loss.

Specifically, marketing claims for Enviga purported that consuming three cans in a day would result in increased calorie burning by up to 60 to 100 calories per day. However, the study cited by the companies, known as "Rudelle" ran for only three days and consisted of a small group of normal weight healthy 18-35 year-olds. While a number of study participants did experience some additional calorie burning, they did not experience weight loss. Additionally, Rudelle did not establish that any of the calorie burning effect could be sustained over time.

The limited results of the Rudelle study -- and the absence of any evidence that consuming Enviga results in weight loss -- prompted the attorneys general to question the implication that people in the general population would experience the same calorie burning as those healthy 18-35 year-olds did in a controlled setting.

The settlement reached between the state attorneys general and the companies requires that in any marketing of Enviga, or a similarly-formulated beverage that uses the terms “the calorie burner,” “negative calories,” “drink negative,” or makes any claims explicitly or implicitly that consumers will burn calories by drinking the beverage, there must be a clear and conspicuous disclosure that the product does not produce weight loss without diet and exercise.

States participating in today’s agreement are: Alaska, Arizona, Arkansas, Connecticut, California, Florida, Georgia, Idaho, Illinois, Louisiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nevada, New Jersey, New Mexico, North Carolina, Ohio, Oregon, Pennsylvania, Texas, Washington and the District of Columbia.

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FORMER STATE EMPLOYEE PLEADS GUILTY OF BURGLARY AND COMPUTER THEFT OF GOVERNMENT PROPERTY

Carson City, NV – Nevada Attorney General Catherine Cortez Masto announced today that Brian Hunt of Carson City, entered a guilty plea to one count each of burglary, a Category B Felony and theft, a Category C Felony, in connection with his former employment as a computer technician with the Nevada Department of Information Technology. The felony counts carry a possible sentence of up to 15 years.

“This was a top-level person who took advantage of his position to harass his ex-wife,” said Attorney General Masto. “Employee misconduct will be prosecuted.”

Hunt’s guilty plea follows an extensive investigation conducted by the Attorney General’s Bureau of Criminal Justice. The investigation revealed that Hunt entered the Richard Bryan Building multiple times between July 31, 2008 and September 10, 2008. His intent was to access computer information and files on his ex-wife, Susan Hunt’s, computer. He also accessed computer files or information located within the building to commit larceny of telephone records or logs of Susan Hunt, telephone records or logs located in the building and to illegally install spy software and computer contaminant on a computer in the State of Nevada computer system. Hunt’s entrance into the Richard Bryan Building after hours was recorded on camera.

In addition, Hunt entered his ex-wife, Susan Hunt’s home to commit larceny of computer information and files and to install spy software on that computer.

Hunt also purchased five Dell Computers using State funds without authorization, gave four to family members and sold the fifth computer on E-bay to an unsuspecting buyer.



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ATTORNEY GENERAL MASTO LAUNCHES 11TH ANNUAL NATIONAL CONSUMER PROTECTION WEEK WITH A SERIES OF ADVISORIES

BE AWARE WHEN IT COMES TO CREDIT REPAIR

Carson City, NV—Attorney General Catherine Cortez Masto, in conjunction with the 11th Annual National Consumer Protection Week, March 1-6, 2009, will issue a series of consumer advisories. The theme of Consumer Protection Week is *Nuts and Bolts: Tools for Today's Economy*.

"I am pleased to join federal, state and local government agencies and national consumer advocacy organizations in consumer education efforts in the fight against fraud in communities across the nation," said General Masto. "As part of this program, we will be issuing a daily consumer advisory regarding issues particularly relevant to Nevada consumers."

The first advisory, "**Be Aware When It Comes to Credit Repair**," addresses scam artists and fraudsters who are likely to use the economic downturn to take advantage of those who may be financially distressed.

In the current depressed economy, with the loss of many jobs and tight credit market, many consumers find themselves with mounting debts, unable to make payments on credit cards or other bills, or facing mortgage foreclosure. Late payments or failure to make payments can have a negative effect on the consumer's credit report. Frequently, consumers with negative credit histories become easy targets of unscrupulous promoters. These companies advertise that, for a fee, they can erase bad credit; legally create a new "credit identity;" or remove judgments, liens and bad loans from a consumer's credit file "forever." In fact, many of these companies do nothing for the consumer but take their money and then disappear.

Consumers can take steps – on their own, for free – to repair their credit.

The Federal Fair Credit Reporting Act requires the nationwide consumer reporting companies – Equifax, Experian and TransUnion – to provide upon the consumer’s request, a free copy of their credit report every twelve months. Reviewing a copy of this report will help the consumer identify and dispute any mistakes or inaccuracies that may be affecting their ability to obtain credit, a mortgage, or even a job.

Consumers can order a free credit report on line at **annualcreditreport.com**, by calling 1-800-877-322-8336, or by completing the Annual Credit Report Request Form and mailing it to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. As a caution, if consumers order credit reports on line, they must guard against “imposter” sites. Be sure to correctly spell annualcreditreport.com or link to the site from the FTC’s website directly to avoid being misdirected to other websites that offer supposedly free reports, but only with the purchase of other products.

Consumers who seek counsel and assistance with credit problems should also protect themselves from fraud. They should investigate the company’s reputation and performance, and check whether consumer complaints have been filed against the company. Be wary if a company asks for upfront fees before they perform any services. In Nevada, it is illegal for a credit services company to charge or receive any money before they fully carry out the services they have agreed to perform. They must also be registered with the Nevada Consumer Affairs Division. Consumers should be suspicious if a company advises them to dispute all the information in their credit report or to take any action that seems illegal. No one can legally remove accurate and timely negative information from a person’s credit report.

Reputable credit counseling organizations, many of which are nonprofits, can advise the consumer about managing money and debts, help develop a budget and offer free education materials and workshops. Most credit counselors offer services through local offices. If possible, the consumer should find an organization that offers in-person counseling.

Consumers who would like further information on credit services issues, please call the Attorney General’s Bureau of Consumer Protection in Las Vegas at (702) 486-3420; or in Carson City at (775) 684-1180; the Nevada Consumer Affairs Division in Las Vegas at (702) 486-7355, or in Carson City at (775) 688-1800; Consumer Credit Counseling Services at 364-0344, or access the Federal Trade Commission website at www.ftc.gov.

Consumer protection information can also be found on the Attorney General’s Web site at www.ag.state.nv.us/org/bcp/education.htm.

. More information about NCPW is also available at www.consumer.gov/ncpw.

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FOR IMMEDIATE RELEASE
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ATTORNEY GENERAL ADVISES NEVADANS ON FORECLOSURE CRISIS

Las Vegas —Attorney General Catherine Cortez Masto, in conjunction with the 11th Annual National Consumer Protection Week, is issuing an advisory for Nevadans regarding the foreclosure crisis.

“I am pleased to join federal, state and local government agencies and national consumer advocacy organizations in consumer education efforts in the fight against fraud in communities across the nation,” said General Masto. “It is important to advise Nevadans about their rights pertaining to a pending foreclosure of their home.”

Nevada is at the top of the list in numbers of homeowners facing home foreclosure. The Attorney General’s Bureau of Consumer Protection wants homeowners to have the information they need to avoid becoming a victim of a foreclosure rescue scam.

If you hire a foreclosure consultant, be aware that, according to Nevada Revised Statutes (“NRS”) 645F.400, a foreclosure consultant cannot claim, demand, charge, collect or receive any compensation until after he has fully performed each covered service that he contracted to perform or represented he would perform. Any charge for services must also be fully disclosed to a homeowner. A foreclosure consultant cannot demand compensation for services in the form of any assignment of a homeowner’s wages, a lien on real or personal property, assignment of a homeowner’s equity, or other interest in a residence in foreclosure.

Consumers may contact the Attorney General’s Bureau of Consumer Protection about home “foreclosure “rescue” scams at (702) 486-3194 in Las Vegas or (775) 684-1180 in Carson City. A complaint form, as well as other valuable information on consumer protection, is also available on the Attorney General’s website at www.ag.state.nv.us.

OTHER HELPFUL LINKS:

For foreclosure help in Nevada:

<http://foreclosurehelp.nv.gov/ForeclosureScams.html>

Nevada 2-1-1 offers foreclosure assistance for Nevada consumers. Call 211.

Consumer Credit Counseling Service: 1-800-451-4505

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FOREIGN LOTTERY SCAMS

Las Vegas —Attorney General Catherine Cortez Masto, in conjunction with the 11th Annual National Consumer Protection Week, is issuing a series of consumer advisories.

“I am pleased to join federal, state and local government agencies and national consumer advocacy organizations in consumer education efforts in the fight against fraud in communities across the nation,” said General Masto. “Foreign lottery scams are particularly unconscionable in this time of economic distress, giving false hope to citizens searching for an answer to their economic problems.”

Here is the scenario: You go to the mailbox and you find a letter from a supposed lottery operation telling you your number has been selected from a list of entries and you have won a large sum of money from this lottery. Strange, you don't remember entering any lottery, nor do you remember traveling to that foreign country which is the only legal place one can enter such a lottery. Enclosed with the letter is an authentic looking check which is supposed to be a partial payment so you can pay fees and taxes. All you have to do to get the winnings is to cash the check and wire money to some location via Western Union or MoneyGram. The letter states that time is of the essence so don't delay. Strange, why didn't they just take these fees out of the winnings? Strange, the check is from some company unrelated to any lottery.

Now for a reality check. The check enclosed with the letter is either counterfeit or stolen. The payee is either a victim of theft or the payee is non-existent, and the address for the bank is erroneous. The check will eventually bounce or be dishonored. The reason for the hurry is those criminals operating this scam want the victim to wire the money to them before the victim finds out that the check is bogus. After the victim sends the money to the criminals, the victim learns the check is counterfeit and worthless. Primary targets for this scam are senior citizens and the poor. The victims will be out the money wired to the criminals

and may have to repay the bank if there were not sufficient funds to cover the check in the victim's bank account.

Consumers are warned to never respond to a letter indicating that you won a lottery, sweepstakes or contest that you do not clearly remember entering. In the case of a foreign lottery do you remember traveling to that country recently? It is illegal to enter a foreign lottery from the United States. If it is a foreign lottery, you are required to travel to that country to accept the winnings. Legitimate lotteries, sweepstakes or contests never ask the winner to pay money, fees or taxes in order to get the winning prize. Any such fees are simply taken or withheld from the winnings.

Consumer Advocate Eric Witkoski warns consumers to be aware of any sweepstakes, prize, lotto winnings or contest where the consumer must pay money to receive a prize or award, and to never wire money unless the recipient is a relative or personal friend. Use of Western Union wire transfers is a favorite method used by con artists to steal from Nevada victims. If you would like further information, please call the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3420; or in Carson City at (775) 684-1180. Consumer protection information can also be found on the Attorney General's Web site at ag.state.nv.us, the Nevada Fight Fraud website at www.fightfraud.nv.gov and at the Federal Trade Commission website at www.ftc.gov.



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SHAM VOCATIONAL, TRADE, AND TECHNICAL SCHOOLS AND COMPLICIT PRIVATE STUDENT LENDERS

Las Vegas, NV—Attorney General Catherine Cortez Masto, in conjunction with the 11th Annual National Consumer Protection Week, is issuing series of consumer advisories.

“I am pleased to join federal, state and local government agencies and national consumer advocacy organizations in consumer education efforts in the fight against fraud in communities across the nation,” said General Masto. “These scams prey on citizens who are attempting to improve their lives and their career possibilities through education. They are particularly cynical in their execution.”

History often repeats itself, and this decade is no different when it comes to student loan scams facilitated by private student lenders willing to partner with largely unregulated vocational, trade, and technical schools. Unfortunately, the end result often leaves the student borrower on the hook for costly student loans and, too frequently, with little or no education or training to show for it.

How it works

An underfunded school partners with a “preferred” lender to provide its students with thousands of dollars in private loans to cover the full cost of tuition upfront before training is started or substantially completed. Often, these lenders prey on those with marginal credit and offer loans with sky-high interest rates that can take a \$50,000 loan to well over \$200,000 over the repayment period. Unlike the federally-guaranteed student loans, which mandate that participating schools meet eligibility requirements including proof of financial stability, many private lenders have no such oversight and are willing to provide student loans despite red flags that warn of the trade school’s questionable, long-term viability.

All too frequently, the school fails to utilize the tuition money to provide the training and education for which it was obtained. The school becomes dependent upon a continual flow of new students, much like a *Ponzi* scheme, to keep its doors open.

The private lenders, who failed to ensure that the school was adequately funded, then securitize the loans in order to shift the risk onto investors, similarly to the subprime mortgage market. This is done by pooling the loans and selling them to an investment trust for their full value without disclosing the inherent defects in the loan.

Who it hurts

Unfortunately, everyone pays the cost either directly or indirectly for any type of consumer scam. In this particular scam, the direct costs are often borne by people at both ends of the financial spectrum. Vulnerable, low-income consumers and those recently unemployed or otherwise hit hard by the economic downturn may decide to change vocations or improve their resume by learning new skills. Unscrupulous vocational, trade, and correspondence schools then pressure consumers to sign documents obligating them to repay thousands of dollars at exorbitant interest rates. Many schools promise that students won't have to repay the loans until after they get high-paying jobs, but after making the promises, the schools close their doors, sometimes file for bankruptcy, and leave the students with nothing more than a large debt that is usually not dischargeable in bankruptcy for the student.

In the meantime, with the private lenders having provided the funding to the sham educational entity that the federal student loan program would not, unsuspecting investors, who are not aware of the school's inability to perform because of lack of funding, purchase the loans in good faith, completely unaware of the bad debt. The end result is harmful to the economy, thus indirectly hurting everyone.

What can be done?

As in any transaction, Consumer Advocate Eric Witkoski recommends consumers get informed:

- Ask questions about who licenses and regulates the school before agreeing to enroll.
- Find out whether the school participates in the federal student loan program.
- Find out the interval at which tuition will be dispersed to the school – most reputable programs receive tuition disbursements as the education is provided and completed (i.e. at the beginning of each semester). In this way, if a student decides to quit or the school ceases operations before a

student completes the program, he or she is only responsible to pay for the education received. If, on the other hand, the tuition is disbursed in installments unrelated to the actual training received, the student consumer should beware.

- Ask for graduation rates for prior students, and ask for former and current student references.
- Contact the Nevada Commission of Postsecondary Education (“CPE”) which licenses some educational institutions. However, pursuant to NRS 394.099, the CPE does not license institutions that are licensed by another state or federal agency, providing a loophole for some unscrupulous, private educational institutions licensed by other agencies for some aspect of their business which might only be tangentially related to the educational training aspect.
- For those institutions not licensed by the CPE, consumers should check with the licensing agency responsible for licensing the specific educational institution to ensure that the institution is reputable.
- Most important of all, read both the enrollment and lending contracts.
 - Consumers should ask questions about any provisions they don’t understand and should be fully informed about all costs associated with attending the educational institution and familiarize themselves with the policy on tuition refunds.
 - Consumers should also understand the repayment terms and all costs associated with the loan origination.
 - Finally, as added protection in the event the school breaches the contract, it’s a good idea to ensure that the lending contract provides the same claims and defenses for the borrower against the lender as the borrower has against the school. This should be in the form of a notice in the school’s contract that expressly allows the student to assert against the lender whatever rights the student has against the school. Failure of the school to include this notice is a violation of federal consumer law.

If you would like further information, please call the Attorney General’s Bureau of Consumer Protection in Las Vegas at (702) 486-3420; or in Carson City at (775) 684-1180. Consumer protection information can also be found on the Attorney General’s Web site at www.ag.state.nv.us/org/bcp/education.htm, the Nevada Fight Fraud website at www.fightfraud.nv.gov and at the Federal Trade Commission website at www.ftc.gov.

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ATTORNEY GENERAL WARNS OF UNLICENSED REPOSSESSORS

Carson City, NV - Attorney General Catherine Cortez Masto has announced that the Private Investigators Licensing Board has sent a notification letter to lending institutions and merchants warning of unlicensed persons being hired to repossess personal property.

Throughout the United States, the number of vehicle repossessions is expected to rise 5 percent in 2009. The rate jumped 12 percent in 2008 to 1.67 million and 9 percent in 2007. These repossessions often result in armed confrontations, threats, and, in some cases, death. Federal law says workers cannot "breach the peace" while repossessing items, but does not go further to define the term, leaving definitions up to courts.

"With violence between repossessors and car owners on the rise, all citizens must be aware of the laws covering this area," said Attorney General Masto. "In these unfortunate economic times, there is more opportunity for these encounters to end in tragedy."

In their letter to lending institutions and merchants, the Private Investigators Licensing Board (PILB) advised that a "repossessor" must be licensed by the PILB. A licensed repossessor will have a specific license number assigned to him/her and must include the license number on all advertisements. They point out licensed personnel undergo a thorough background investigation, must pass a written exam and be interviewed by the PILB.

This process is very important considering the client's personal information, such as name, address, social security number, date of birth and credit history may be given to the repossessor, and the personal property repossessed could also contain within it the personal information of the client or others.

Nevada law states "No person may be employed by a licensee unless the person holds a work card issued by the sheriff of the county in which the work is to be performed." It

also states the employee must be at least 18 years of age, a citizen of the United States or lawfully entitled to remain and work in the United States, be of good moral character and temperate habits and not been convicted of a felony or a crime involving moral turpitude or the illegal use or possession of a dangerous weapon. (NRS 648.060)

The PILB has encouraged merchants and lending institutions to access their web site <http://nevadapilb.glsuite.us/> to conduct a search, or call their office (775) 687-3223 to verify licensure of potential repossessioners.



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FOR IMMEDIATE RELEASE
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ATTORNEY GENERAL OFFERS ADVICE ON LOAN MODIFICATIONS

Las Vegas, NV—Attorney General Catherine Cortez Masto, in conjunction with the 11th Annual National Consumer Protection Week, is issuing a series of consumer advisories.

"I am pleased to join federal, state and local government agencies and national consumer advocacy organizations in consumer education efforts in the fight against fraud in communities across the nation," said General Masto. "It is important that citizens be aware of their options for loan modifications when facing a foreclosure situation."

The Attorney General's Bureau of Consumer Protection can provide homeowners with information about the loan modification process. Loan modifications typically involve a reduction in the interest rate on the loan, an extension of the length of the term of the loan, a different type of loan or any combination of the three. A lender might be open to modifying a loan because the cost of doing so is less than the cost of default.

Loan modifications may be made by a lender in response to a homeowner's inability to repay the loan. Unfortunately, several unscrupulous businesses have sprung up making unrealistic promises about their success rates in obtaining loan modifications. In many cases, clients are advised to forego making their monthly mortgage payments, ostensibly to allow the company obtain a better negotiating posture with the lender. In actuality, these companies are more interested in directing their clients' limited resources toward payment of their fees rather than toward paying the mortgage. This is particularly damaging to the homeowner as it does not increase the likelihood of a success, but the homeowner's credit history now reflects a delinquency which will impact negatively on his ability to qualify for a modification.

If you hire a company to assist you in a loan modification and have questions about the services provided contact the Attorney General's Bureau of Consumer Protection at (702) 486-3194 in Las Vegas or (775) 684-1180 in Carson City. A complaint form, as well as other valuable information on consumer protection, is also available on the Attorney General's website at www.ag.state.nv.us



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ATTORNEY GENERAL ANNOUNCES FORMER LAS VEGAS RADIO TALK SHOW HOST ARRESTED IN MORTGAGE RESCUE FRAUD SCHEME

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto announced today that Jack Ferm, a former talk show host in Las Vegas, Nevada, has been arrested on two counts of felony theft and related charges in connection with the operation of U.S. Justice Foundation, a mortgage rescue scam.

“Mr. Ferm’s conduct warrants prosecution to the fullest extent of the law,” said Attorney General Masto. “These schemes will not be tolerated in our state.”

Ferm is the President and owner of U.S. Justice Foundation, a document preparation business which misled customers into believing his service would stop ongoing foreclosures on their homes without the need to retain an attorney. His company web site indicates he has participated in successful litigation against numerous large corporations.

The Attorney General’s office has received numerous complaints about misrepresentations made by Ferm, including several clients who paid thousands of dollars to the U.S. Justice Foundation with no legal documents having been prepared or filed on their behalf. In many cases, Ferm required the victims to pay a monthly charge in addition to the original retainer for the duration of the litigation.

During a hearing in Federal Court last week, Ferm stated that the U.S. Justice Foundation has closed its doors and will not be accepting new clients.

Ferm was moderator of the show “Straight Talk” broadcast on the radio station KKVV 1060 from 1994 through 2003.

Anyone who has information regarding this case should contact the Attorney General's Office at 486-3777 in Las Vegas or 684-1180 in Carson City.

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ATTORNEY GENERAL ANNOUNCES MOTHER OF LONG-TERM ABDUCTED CHILD CONVICTED OF KIDNAPPING

Carson City, NV: Attorney General Catherine Cortez Masto announced today that Paula Michelle Mitchell had been convicted of Second Degree Kidnapping after pleading guilty to the charges in Clark County District Court in connection with the two year long abduction of her son from the father of the child who was the lawful custodial parent.

Mitchell was charged by the Office of the Attorney General with Kidnapping after she disobeyed a court order to surrender the child to the custody of the court which had awarded custody to the father.

"Child abduction cases are among the highest priority of cases for the Attorney General's office because of their inherent danger to the children who are the ultimate victims," said Attorney General Masto.

Nevada law criminalizes parental kidnappings when a parent abducts a child in violation of a court order entered to protect the safety, health, or welfare of the child. Evidence in the case indicated that Mitchell had been living underground for several years and was moving from state to state after abducting her son in an effort to hide the child from his father and to thwart the ability of family courts to obtain jurisdiction over the missing child. The father had spent tens of thousands of dollars trying to locate his son,

When private investigators located the missing child in Oklahoma after a year-long search, his father served Mitchell with court papers which resulted in a day-long hearing before a judge. The evidence at the hearing indicated that Mitchell had lived in at least eight states in two years, including Nevada, Louisiana,

Texas, Oklahoma, Indiana, Iowa, and Missouri in an effort to evade the child's father and the legal process.

At the conclusion of the hearing, Mitchell was ordered to surrender the child, but, prior to the hearing, she had secreted him to an unknown location in Texas out of reach of the Oklahoma judge. When the judge ordered her to surrender the child within seven days, Mitchell fled the jurisdiction and failed to comply with the order, ending up in Las Vegas. The Oklahoma judge then issued a bench warrant for the arrest of Mitchell for violating his order.

Mitchell came to Las Vegas and filed a family court case attempting to terminate the father's parental rights by claiming she did not know his whereabouts and had had no contact with him for an extended period of time. After she obtained the order, it was learned that she had known where the father of the child was living and had misrepresented the facts of the case to the family court judge. She also did not inform the Nevada court that a judge in Oklahoma had entered a custody order granting custody of the child to his father. After the child's father hired an attorney to inform the family court of Mitchell's fraudulent misrepresentations, the court rescinded the order and made findings that Mitchell had engaged in fraud against the family court.

Investigators from the Nevada Attorney General's Office located Mitchell when she appeared at the family court building in Las Vegas to file additional court papers. She was charged with First Degree Kidnapping, and agreed to plea guilty to Second Degree kidnapping in exchange for a reduced potential sentence. At the sentencing hearing, Mitchell was sentenced to a term of imprisonment of 28 months to 120 months in the Nevada State prison. The sentence was suspended and Mitchell was placed on probation under the supervision of the Nevada Division of Parole and Probation for three years, during which time she will have to comply with a lengthy list of conditions including community service and having no contact with the victim of the crime.

"Child abduction cases, whether by non-custodial parents or by strangers, are often associated with other crimes such as domestic violence and extortion, and can result in extreme tragedies like murder-suicides," said Victor-Hugo Schulze, II, Senior Deputy Attorney General and Nevada State Advocate for Missing and Exploited Children. "By the time they become matters for the criminal justice system, they have moved light years beyond the context of simple child custody disputes."

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ATTORNEY GENERAL OFFICE SUPPORTS MEXICAN PROSECUTOR TRAINING

Carson City, NV – Attorney General Catherine Cortez Masto announced today that a member of her staff will assist in the training of Mexican prosecutors on trial advocacy.

The training is part of a collaborative program between the Conference of Western Attorneys General (CWAG), The Council of State Governments (CSG), The National Association of Attorneys General (NAAG), U.S. Agency for International Development (USAID) and others and is aimed at enhancing U.S.-Mexico cooperation. The program includes training and initiatives to assist in modernizing Mexico's legal system.

"I am pleased to participate in this worthwhile program," said Attorney General Masto. "Recently, I signed a Memorandum of Understanding with the Mexican states of Baja California and Chihuahua to share legal and educational knowledge and exchange information on best practices in the area of criminal investigations. I am scheduled to sign a similar agreement with Oaxaca this summer. These programs will be instrumental in the fight against Organized Crime."

The training programs will assist Mexico state attorneys general and law enforcement to implement federal and state judicial reform efforts to strengthen the rule of law in their country. The Mexican states are in the process of transitioning from an inquisitorial, written system to an oral, adversarial one. The law enforcement training seminars will include investigative training in state crime labs, evidence gathering techniques, money laundering workshops and information exchange on criminal and civil court procedures and practices.

Senior Deputy Attorney General, Glade A. Myler, from the Nevada Office of the Attorney General will be one of the bilingual trainers who will assist in the trial advocacy training.



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ATTORNEY GENERAL ANNOUNCES INDICTMENT OF SOUTHWEST EXCHANGE DIRECTOR

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto announced today that Nikki Pomeroy, former officer and director of Southwest Exchange (SWEX) Company Inc., a 1031 Qualified Intermediary Company, was indicted by a Clark County grand jury of 11 Felony counts of Embezzlement, and 11 felony counts of Unlawful Intermediary in a Tax Free Exchange.

An extensive 24 month investigation was done by the Nevada Secretary of State's office into how the exchanger client's funds were used by Southwest. The investigation revealed numerous unauthorized transfers of client funds to third party accounts and companies, which were done without the authority or knowledge of Southwest's clients. At the conclusion of its investigation, the Secretary of State's office referred to the Attorney General for criminal prosecution based on its findings.

"Working in conjunction with the Secretary of State's office has allowed us to bring this scam to light and to prosecute the perpetrator," said Attorney General Masto. "Scam artists must know that Nevada's lead Constitutional offices will work together to prevent criminal activities in this state."

"This is quite possibly the largest case of embezzlement in the history of the state," said Secretary of State Ross Miller. "My investigators spent two years sorting through a very complex series of financial manipulations, and it's gratifying to see that work result in these indictments, which are the first of their kind in Nevada. This is a major step forward in this investigation, but it's far from over. We are going to pursue this case until we're convinced that justice has

been completely served. The message here is that no matter how complex the case, my office and the Attorney General's office will continue to aggressively prosecute fraud."

Southwest Exchange, Inc. was a Nevada corporation operating as a 1031 exchange "Qualified Intermediary." The company facilitated the exchange of property pursuant to IRS Rule 1031, which allows a person to sell investment real property and reinvest that money in new, like-kind property within a limited time period and to defer payment of the 15% capital gains tax on profits realized from the sale of the old property.

The Indictment alleges Nikki Pomeroy, in her capacity as Secretary and Director of South West Exchange, transferred funds out of the Southwest Exchange accounts without the written permission of Southwest's exchanger clients. This permission is required by Nevada law.

The indictment alleges SWEX pooled its exchanger clients' funds into one or more bank accounts. Exchanger money was commonly sent to securities accounts at various broker-dealers. After the exchangers' money was transferred to the brokerage accounts, unauthorized withdrawals were made pursuant to Letters of Authorization signed by Nikki Pomeroy. As a result of the unauthorized withdrawals, SWEX was unable to complete the 1031 exchanges they were hired to perform, resulting in a loss by the client exchangers of the funds they deposited with SWEX. The Secretary of State's investigation revealed that 119 of Southwest Exchange's clients lost in excess of a total of \$97 million dollars as a result of the alleged embezzlement.

A district court arraignment has been scheduled for April 9 at Las Vegas District Court 17.

The indictment is not a determination of guilt or innocence but is just a finding of probable cause that a crime was committed and that the defendant is presumed innocent until proven guilty.

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ATTORNEY GENERAL SUES TO SUSPEND TIRE WORKS TOTAL CAR CARE BUSINESS OPERATIONS

Las Vegas, NV— Nevada Attorney General Catherine Cortez Masto announced today that her office has filed suit this week on behalf of the State of Nevada, Department of Business and Industry, Division of Consumer Affairs to halt the alleged deceptive trade practices and dissolve the corporation, Morpheus Investment Inc. doing business as Tire Works Total Car Care (“Tire Works”).

The lawsuit, which was, in part, the result of an undercover investigation conducted by the Nevada Consumer Affairs Division (“NCAD”), accuses Morpheus Investment Inc. of multiple violations of Nevada’s Deceptive Trade Practices Act occurring at 11 of its 13 Tire Works locations.

“Businesses who use deceptive trade practices to scam the public should be on notice that the State will investigate and prosecute them to the full extent of the law,” said Attorney General Masto. “We will work to suspend their privilege to do business in Nevada.”

The investigation was undertaken after receiving complaints of alleged unfair and deceptive trade practices in Tire Work’s operation of its automotive repair and maintenance businesses, including:

- Misrepresenting a connection or association with a national automotive repair chain
- Misrepresenting that parts and services were of a particular standard, quality, or grade when they were not
- Advertising goods or services with the intent not to sell them as advertised
- Making false or misleading statements of fact concerning the price of goods for sale
- Fraudulently altering a written statement of charges or other document in connection with the sale of goods and services

- Making false representations in sales transactions
- Stating that services, replacement parts, or repairs were needed when they were not
- Failing to make delivery of goods or services within a reasonable time or to provide refunds
- Failing to restore payments made for transactions subsequently rescinded
- Failing to disclose material facts in connection with a sale
- Failing to make repairs in accordance with manufacturer specifications
- Failing to deliver all parts and accessories replaced
- Improperly detaining a motor vehicle to enforce payment
- Adding charges to customer invoices for services that were not authorized or obtained
- Engaging in false and deceptive advertising
- Failing to register with the DMV for authorization to operate a garage
- Failing to post a bond with the DMV

As part of its investigation, NCAD investigators had an automotive repair expert examine their undercover vehicle while they documented any legitimate automotive repair needs. After this expert documentation, a decoy driver was sent to three different Tire Works locations for an overall inspection of the automobile. At each of the locations, it is alleged that unnecessary service repairs were recommended following an inspection which was not in accordance with industry standards required to render a professionally recognized estimate.

The Nevada Consumer Affairs Division is seeking a court order to dissolve the corporation and suspend its privilege to conduct business in Nevada; to pay restitution to injured consumers; and to pay civil penalties up to \$5,000 for each violation, as well as additional penalties of \$12,500 for each violation directed toward an elderly person or a person with a disability.

Consumers who wish to file complaints concerning their transactions with a Tire Works service location may contact the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194 to obtain a complaint form. Consumers with internet access may also obtain a Consumer Complaint Form, as well as other consumer protection and contact information, on the Attorney General's website at www.ag.state.nv.us.

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FOR IMMEDIATE RELEASE

April 6, 2009

WC Sheriff and NV Attorney General Warn of Rise in ID Theft

The Washoe County Sheriff's Office in conjunction with Nevada Attorney General Catherine Cortez Masto is issuing a consumer advisory warning of the rise of Identity Theft in our area.

Suspects are gaining access to personal information and purchasing goods, services, vacations, automobiles, boats and even homes using stolen identities. Often the victim does not realize their identity has been stolen until they are contacted by a collection agency or receive loan papers in the mail.

Washoe County Financial Crimes Detectives are seeing an increase in cases of Identity Theft and the Attorney General's Office has put into place programs to help victims of Identity Theft in Nevada.

"Identity Theft is the fastest growing crime in the world," said Attorney General Masto. "Our citizens must learn how to protect themselves and what to do if they become a victim of this crime."

"It can be very difficult to recover from this type of crime," states Washoe County Sheriff Michael Haley, "being committed to the safety and security of the public, we want residents in our area to be a step ahead of the criminals by being prepared."

Consumers must be aware of the dangers of this crime and take preventative steps to assure they will not fall victim.

Preventive steps all consumers should take include:

- Regularly monitor your credit report from the three national credit reporting agencies
- If you receive suspicious phone calls from a lending institution or other organization about a loan application you did not submit, report it to the law enforcement agency of jurisdiction
- Never give out personal or financial information over the phone
- Thoroughly review all financial/bank statements for any unusual activity and immediately contact the company if an item looks suspicious

- Shred or destroy credit card statements, bills, insurance papers or bank statements before throwing them out and never toss ATM and credit card receipts in a public trash container
- When making a credit card purchase, ask for the carbons if the retailer is not using carbonless forms
- Carry only one or two credit cards in your wallet and do not carry your Social Security Card in your wallet
- Be wary of anyone calling to “confirm” personal or financial information
- Be careful before using a credit card or supplying personal information online
- Keep a list or photocopy all your credit cards and bank account numbers so you can quickly contact your creditors in case your cards are lost or stolen
- Release your Social Security number only when absolutely necessary or when required by law
- When creating passwords and PINS, do not use anything that could be discovered easily by thieves and memorize passwords and PINS

In the event you learn your Identity has been stolen, report the theft to your local law enforcement agency. In addition, Nevada has enacted an Identity Theft program that provides victims a method of demonstrating to law enforcement and creditors that their identity has been stolen and helps in the process of rehabilitating a victim’s credit history and identifying any fraudulent criminal activity done in the victim’s name.

If you are a victim of stolen identity, file a police report with your local law enforcement agency and ask for a Nevada Identity Theft brochure and preliminary application form.

For more information on the Nevada Identity Theft Program, go to www.ag.state.nv.us or call 1-877.213.5227

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FOR IMMEDIATE RELEASE
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ATTORNEY GENERAL WARNS OF MORTGAGE FRAUD AND SCAMS IN NEVADA

Consumer Education Hints Listed in Alert

Carson City, NV: Attorney General Catherine Cortez Masto warns as the mortgage crisis continues to unfold, record-breaking home foreclosures will be experienced and many homeowners will be forced to make tough choices.

Nevada is number one in the nation for foreclosures, with one filing for every 70 households. Foreclosure scams are a statewide problem. Many people who never thought they would be faced with losing their homes now find themselves without resources to maintain their mortgages and are forced to relinquish their property to their bank. It is at this point the homeowner is most vulnerable to mortgage scams.

"I have formed a Mortgage Fraud Strike Force in Nevada to take action against predatory "mortgage rescue" companies and individuals claiming to offer services to stop foreclosures," said Attorney General Masto. "The task force utilizes existing resources within my office, and works closely with other State agencies with regulatory authority over mortgage lending. This task force has successfully investigated and prosecuted a number of cases despite its limited resources."

However, Attorney General Masto warns citizens must take steps to protect themselves from these scams and should become aware of fraudulent foreclosure rescue schemes.

The mortgage crisis has spawned a cottage industry of companies that promise to help troubled homeowners negotiate modifications to their mortgages for a fee. They call themselves "Loan Modification Specialists." While some companies may be legitimate and may perform the services advertised, some are outright scams being perpetuated by con artists. They work because they offer a lifeline to homeowners desperate to

stay in their homes. Often homeowners agree to pay as much as \$3,000 to \$5,000 in upfront fees in exchange for a promise to reduce their monthly payments.

In one recent Nevada case, the con artist offered a 100% money back guarantee, claiming his company would refund the money if the foreclosure could not be stopped. In another case, the victims paid a monthly charge to the scammer in addition to the hefty upfront fee for the duration of the loan modification process. In both these cases, no services were performed and the money back guarantee was a false promise. The Office of the Nevada Attorney General has received hundreds of complaints in this area and more often than not, homeowners have borrowed and charged on their credit cards with hopes of saving their homes

To avoid becoming a victim of a Foreclosure Rescue scam you should be aware of the following warning signs from a company calling itself a “mortgage consultant,” “foreclosure service,” “loan modification specialist” or something similar:

- The company or specialist requests a fee *before* providing services
- The company or specialist tells homeowners to make their home mortgage payments directly to the individual or company and not to the mortgage lender
- The company or specialist tells the homeowner to transfer his property deed or title to the company
- The company promises “guaranteed loan modifications.” No one can “guarantee” a loan modification or can “guarantee” the ability to stop a foreclosure.

Additionally, remember the following:

- Don’t panic. Become informed and talk to your lender
- Don’t sign a contract under pressure
- Don’t sign away ownership of your property, often referred to as a “quit claim deed”
- Don’t pay your mortgage payments to someone other than your lender even if they promise to pass them on to the mortgage company
- Don’t sign anything with blank lines or spaces
- If you seek assistance from a licensed debt credit counselor – be sure they are a HUD approved agency or check with the Nevada Mortgage Lending Division

For further information on “foreclosure rescue” scams or questions about the services provided by a loan modification company, contact the Attorney General’s Bureau of Consumer Protection at 702. 486.3194 in Las Vegas or 775.684.1180 in Carson City. A complaint form, as well as other valuable information on consumer protection is also available on the Attorney General’s web site at www.ag.state.nv.us.



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FOR IMMEDIATE RELEASE
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ATTORNEY GENERAL ANNOUNCES ROAD TRIP TO NORTHERN NEVADA LOCATIONS

“Putting Nevada’s Families First”

Carson City, NV— Nevada Attorney General Catherine Cortez Masto will embark on her fifth Road Trip Wednesday, April 15 through Monday, April 20.

The Attorney General will be accompanied on the trip by staff members with professional expertise to discuss the challenges faced by Nevada’s communities and how the Attorney General’s Office plans to help address those challenges.

“The purpose of these trips is to get out of the office and meet face-to-face with residents, to hear about their concerns and talk about what our office can do to help out,” said General Masto. “Nevadans are dealing with a range of issues including consumer fraud, domestic violence, identity theft, child Internet safety and senior protection. I want to discuss these issues and bring prevention solutions to our communities in both the urban and rural areas of our state.”

The trip will cover Northern Nevada locations including Reno, Sparks, Carson City, Dayton, Silver Springs, Gardnerville, Minden, Incline Village, Virginia City, Fallon and Fernley. The group will visit senior citizen centers, libraries, domestic violence centers, community groups and service clubs.

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ATTORNEY GENERAL MASTO ISSUES IRS REFUND FRAUD ALERT

Carson City, NV: Attorney General Catherine Cortez Masto has issued an IRS tax refund fraud alert for a IRS tax refund scam making its rounds again this year.

"The scam usually takes the form of an e-mail message that purports to be from the Internal Revenue Service (IRS) indicating you have a tax refund," said Attorney General Masto. "Although the tax filing season has come and gone, the tax refund scammers have returned."

The email message, claiming to be from an employee of the IRS, states the recipient is eligible for a tax refund, with a link to a claim form. The recipient is asked to fill out the form on-line to get the refund. The message may or may not have the IRS logo attached. The on-line refund "form" asks the recipient to disclose personal identifying information such as social security number, credit card number (with security code), credit card expiration date, mother's maiden name, driver's license number or other personal information. The scam is aimed at stealing the recipient's personal information.

The IRS never communicates with taxpayers via email. If a taxpayer has a refund, the IRS wouldn't need your social security number in order to make the payment. Refunds are always made by check or direct deposit, never as a credit to your credit card or debit card.

Taxpayers are warned not to believe the e-mail is from the IRS just because the word "irs" is used in the link. If there are any words or letters between irs and .gov, such as "irs.taxrefund.gov," the link does not go to the Internal Revenue Service. It goes to "taxpayer.gov," the scam agency.

Even when "irs.gov" (the real link to the IRS) is used, if you right click on the link and go to "properties" you will see that the real link is to somewhere else. Do not reply in any way to such emails. Any kind of reply will simply let the scammers know that your email address is a valid one and the scammers will sell this to other scammers. Just delete the email message

Should you have questions regarding a tax refund or any other communication by the IRS, simply call the local IRS telephone number in your telephone book. In Reno, the IRS telephone number is (775)

824-2218 and in Las Vegas it is (702) 868-5005. Never provide private identity information in response to an email. Requests for such information are always a scam. Questions regarding this or other consumer issues can be addressed by calling the Nevada Attorney General's Bureau of Consumer Protection at (775) 684-1169 in northern Nevada, or (702) 486-3194 in southern Nevada.



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FOR IMMEDIATE RELEASE
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NEVADA ATTORNEY GENERAL AND SECRETARY OF STATE CHARGE ACORN WITH VOTER REGISTRATION VIOLATIONS

Las Vegas, NV: Attorney General Catherine Cortez Masto and Secretary of State Ross Miller today announced the filing of criminal charges against the Association of Community Organization for Reform Now Inc. (ACORN) and two of its employees for compensating their employees to register voters based upon a corporate mandated quote system.

The complaint includes 26 counts of Compensation for Registration of Voters, a Category E felony in violation of NRS 293.805 and 13 counts of Principle to the Crime of Compensation for Registration of Voters, also a Category E felony, in violation of NRS 293.805 and NRS 195.020.

“By structuring employment and compensation around a quota system, ACORN facilitated voter registration fraud in this state,” said Attorney General Masto. “Nevada will not tolerate violations of the law by individuals nor will it allow corporations to hide behind or place blame on their employees when its training manuals clearly detail, condone and, indeed, require, illegal acts in performing the job for the corporation.”

“It’s important to keep in mind that this was a case of registration fraud, not voter fraud,” said Nevada Secretary of State Ross Miller. “The investigation and subsequent charges that have now been filed demonstrate the effectiveness of the safeguards in our system designed to prevent voter fraud. I’ve been clear from the outset of my administration that we would be aggressive in our pursuit and prosecution of any fraudulent activity that might threaten the integrity of our electoral process. This investigation is the direct result of our aggressive response to those safeguards.”

Throughout 2008, ACORN employed canvassers to register people to vote in Nevada. ACORN paid the canvassers a rate of between \$8.00 and \$9.00 per hour, but made continued employment, and therefore continued compensation, contingent upon the canvasser registering 20 voters per shift. Canvassers who failed to obtain 20 voter registration forms per shift were terminated. This policy was clearly outlined in the training materials the organization used to train new employees and confirmed by former employees of ACORN.

From July 27, 2008 through October 2, 2008, ACORN also provided additional compensation, in the form of a bonus program called “Blackjack” or “21+” that was based upon the total number of voters a person registered. Specifically, a canvasser who brought in 21 or more completed voter registration forms per shift would be paid a bonus of \$5.00.

The Blackjack bonus program was created by employee Christopher Edwards, the Field Director for the Las Vegas office. ACORN timesheets indicate that corporate officers of ACORN were aware of the “Blackjack” bonus program and failed to take immediate action to terminate it. Amy Busefink was ACORN’s Deputy Regional Director who was aware of the “Blackjack” program and aided and abetted the scheme by approving Edwards’ bonus program.

The investigation into the scheme stemmed from a complaint filed with the Secretary of State’s office by Clark County Registrar of Voters, Harvard “Larry” Lomax. Lomax’ office had received a significant number of Voter Registration Application (VRA) forms that appeared to be fraudulent. These forms were identified by serial numbers on the applications as those issued to ACORN for the purpose of registering new voters.

Criminal charges were filed in Justice Court, Las Vegas Township, Clark County, Nevada.



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FOR IMMEDIATE RELEASE
DATE: May 14, 2009

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BILL STRENGTHENING CHILD CUSTODY LAWS SIGNED

Carson City: Attorney General Catherine Cortez Masto announced today that AB 59 was signed into law. The bill was sponsored by the Attorney General and passed the Nevada Assembly 42-0 and the Nevada Senate 20-0.

The new law creates a presumption against an award of child custody or unsupervised visitation for parents or other parties who have abducted a child in the past.

“As always, the focus of our efforts have been on protecting children and encouraging stable and wholesome environments for their nurturance,” said Attorney General Masto. “The hope of the bill is that it will reduce the incidence of parental abductions of children in Nevada, while fostering a promise of reunification of the parent-child relationship for parents who have made this mistake in the past.”

The intent of the new legislation is to protect children from future harm by reducing the risk and potential for future abductions by those with demonstrated histories of such unlawful acts.

Under Nevada law, child custody determinations are made in accordance with the best-interests-of-the-child standard, and under the legal presumption for joint custody. This requires the court to examine questions such as the level of conflict between the parents, the ability of parents to cooperate to meet the child’s needs, the mental and physical health of the parents, and whether the parents will allow the child to have frequent associations with the other parent.

Nevada law already recognizes prior abductions of children as a risk factor for future abductions, but this recognition has not been included in the child custody provisions in the laws regulating the dissolution of marriage. Currently half of the child abduction cases in Nevada involve a prior abduction, attempted abduction, or serious incidents of child custody interference by a parent. In 2008, Nevada had over 100 parental abduction cases filed.



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“Operation False Charity” Law Enforcement Sweep
Nevada Attorney General Catherine Masto joins FTC, Other States
In Charity Scam and Fraud Alert

Las Vegas: Attorney General Catherine Cortez Masto announced today that Nevada has joined the Federal Trade Commission and other Attorneys General in a national effort to fight fundraising fraud.

“Operation False Charity” is a federal-state crackdown on fraudulent charitable solicitors nationwide, particularly those misrepresenting their affiliation with law enforcement and veterans groups. The effort is a joint law enforcement and public education campaign. The sweep has led to the filing of law enforcement actions nationwide, and is being coupled with the release of new educational materials to help consumers recognize and avoid charitable solicitation fraud.

“These are particularly egregious scams because they prey on the people’s generosity and the good will of donors,” said Attorney General Masto. “Charitable contributions

are an important public resource, but the public must be able to trust that their donations will be used as represented.”

The cases announced today include actions against several defendants who tricked consumers into giving by deceptively claiming they were affiliated with law enforcement or veterans groups or misleading consumers about how much of the money would go to those groups. The defendants used names like Coalition of Police and Sheriffs, Inc, Disabled Firefighters Fund, and American Veterans Foundation to give their sham organizations a veneer of credibility. The real goal, however, was to trick consumers into contributing money that they kept for themselves.

While many legitimate charities are soliciting donations, some are operators whose only purpose is to make money for themselves and others are paid fundraisers whose fees take most of the donated money.

Consumers are warned to follow some basic guidelines to ensure their donations go to a legitimate charity.

- Recognize that the words “veterans” or “military families” in an organization’s name don’t necessarily mean that veterans or the families of active-duty personnel will benefit from your donation.

- Donate to charities with a track record and a history. Charities that spring up overnight may disappear just as quickly.

- If you have any doubt about whether you’ve made a pledge or a contribution, check your records. If you don’t remember making the donation or pledge resist the pressure to give.

- Check out an organization before donating. Some phony charities use names, seals and logos that look or sound like those of respected, legitimate organizations.

- Call the office that regulates charitable organizations to see whether the charity or fundraising organization has to be registered in your state.

- Do not send or give cash donations. For security and tax record purposes, it's best to pay by check made payable to the charity.

- Ask for a receipt showing the amount of your contribution.

- Be wary of promises of guaranteed sweepstakes winnings in exchange for a contribution. You never have to give a donation to be eligible to win a sweepstakes.

If you would like further information, please call the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3420; or in Carson City at (775) 684-1180. Consumer protection information can also be found on the Attorney General's Web site at www.ag.state.nv.us, the Nevada Fight Fraud website at www.fightfraud.nv.gov and at the Federal Trade Commission website at www.ftc.gov.



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ATTORNEY GENERAL ANNOUNCES APPLICATIONS AVAILABLE FOR RECOVERY ACT VIOLENCE AGAINST WOMEN GRANT PROGRAM

Carson City, NV -- Attorney General Catherine Cortez Masto announced today the availability of funds under the Recovery Act STOP Violence Against Women Grant program. Nevada has been allocated funds from the American Recovery and Reinvestment Act (ARRA) for qualified programs that meet the specific federal and state objectives of the Violence Against Women Grant Program.

"We are proud to support the partnerships fostered by the STOP Program," said Attorney General Masto.

The STOP Violence Against Women Program encourages the development and implementation of more effective law enforcement, court, and prosecution strategies to combat violent crimes against women such as sexual assault, domestic violence, dating violence, and stalking. It also supports the development and enhancement of victim services in cases involving those crimes.

The STOP Program envisions partnerships among law enforcement, prosecution, courts and victim services organizations to enhance victim safety and hold offenders accountable for their crimes.

Many governmental agencies are making substantial cuts to their budgets and those positions deemed non-essential are being eliminated. Unfortunately, this includes services provided to victims within law enforcement and prosecution agencies. Non-profit victim services providers have also been hit hard by the current economic climate. Revenue from fees that support victim services programs has dropped up to 42% while private funding has declined as much as 50%. Applicants are encouraged to submit proposals not only for current positions that may be cut due

to the budget crisis but also for the development of new programs in agencies where no advocacy or other specialized services currently exist.

The Attorney General's Office will administer the Recovery Act STOP Grant funds on behalf of programs throughout Nevada. Although the notification reached the office too late to be included in the Application Kit, Nevada was recently given a full waiver of the usual 25% match requirement for the STOP Program. This will allow law enforcement, prosecution and court projects much more flexibility in their funding requests.

Subgrant application kits are available on the Attorney General web page (listed under "Upcoming Events"), at <http://ag.state.nv.us>. Applications are due by **June 5, 2009**.

For more information on the grant program, please call Dorene Whitworth, Office of the Attorney General, at (775) 684-1110.



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June 9, 2009

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ATTORNEY GENERAL'S SENIOR MEDICARE PATROL PROGRAM AWARDED GRANT

Las Vegas: Attorney General Catherine Cortez Masto announced the award of a three year federal grant by the U.S. Department of Health and Human Services, Administration on Aging, to administer Nevada's Senior Medicare Patrol Program (NV SMP), a national initiative to help combat the approximate \$27 billion dollars lost nationwide each year to Medicare fraud, waste, and abuse.

The three year federal grant to the Attorney General program is \$540,000 awarded on the condition the program generate an additional \$180,000 of in-kind services during the period.

"Medicare fraud and abuse is a serious problem nationwide," said Attorney General Masto. "The numbers of Medicare funds lost through error, fraud and abuse is staggering. In 2008, approximately \$2.3 billion dollars was paid for health care to almost 140,000 Nevada Medicare beneficiaries. Of that amount, it is estimated that almost \$133 million was lost to fraud, waste or abuse or paid in error in the "fee-for-service" benefit alone."

The NV SMP is a multi-agency collaboration of government, non-profit and private industry partners who provide information on health care fraud prevention and identification of current fraud schemes. The program will recruit and train retired professional seniors to assist staff in providing individual consultation, training, and outreach to Nevada beneficiaries and their caretakers.

The mission is to create an informed Nevada Medicare/Medicaid beneficiary population with the ability to recognize suspicious activity in the delivery of their health care, while providing an in-state mechanism to report allegations of fraud.

Since 1999, staff and volunteers from the Attorney General's office have provided education, presentations and information distribution throughout the state.

Presentations on Medicare fraud prevention have been given to senior or community centers in every county in the state during Attorney General Masto's Rural Road Trips over the past two years.

In addition to creating a more informed health care consumer better capable of detecting suspect or fraudulent activities regarding the delivery of their health care, the project provides the state a system for immediate reporting of suspicious activity. The information received may result in further investigation and could lead to criminal or civil prosecution, administrative sanctions, fines and/or recovery of funds.

SMP staff work closely with the Attorney General's Medicaid Fraud Control Unit, the Bureau of Consumer Protection, the Bureau of Public Affairs, the Health and Human Services Division, and the Investigations Division to coordinate outreach and education regarding health care fraud in addition to consumer and senior protection. These internal collaborations and efforts facilitate the distribution of information in a variety of areas that affect Nevadans and its senior population.

The public education component of the NV SMP project highlights some of the following red flags that would imply abusive or fraudulent activities:

- ❑ Always protect your Medicare number – treat it as you would a credit card or bank access card.
- ❑ Do not give your Medicare number to anyone over the phone.
- ❑ Be careful in accepting Medicare services that are offered as free.
- ❑ Do not accept offers of money or gifts to receive your medical services.
- ❑ Always review your Medicare Summary Notice (MSN) or Explanation of Medicare Benefits (EOMB) for errors.
- ❑ Avoid and report medical professionals who offer items or services that are usually not covered, but tell you they “know how to bill Medicare.”
- ❑ Be suspicious of salespersons who tell you they represent Medicare. Neither the federal government nor Medicare endorses the products or services of any individual provider.
- ❑ Never accept medical supplies or equipment from door-to-door salesmen.
- ❑ Never allow anyone to convince you to contact your physician requesting a service which you do not need.
- ❑ Never allow anyone to review your medical records or your prescription medications without your physician's approval.

- Always keep a record of your health care appointments and the services you receive so you can compare them to your bills and Medicare notices. (NV SMP provides a free Health Care Journal)

For further information regarding the NV SMP project, contact the program toll-free at 1-888-838-7305, in Clark County call 702-486-3403 or staff director Jo Anne Embry and program assistant Sherri Shott at 702-486-3320.



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ATTORNEY GENERAL ANNOUNCES INDICTMENTS IN FORECLOSURE RESCUE SCAM CASE

Las Vegas, NV— Nevada Attorney General Catherine Cortez Masto announced today the indictments of William Vargas and Michael Sinclair, on one (1) felony count of Theft of a Person 60 Years or Older and four (4) felony counts of Theft by Material Misrepresentation, for allegedly operating a foreclosure rescue scam in Las Vegas under the business name of Federal Housing Aid.

“Any individual who believes they can take advantage of the dire foreclosure market in the State of Nevada need to know they will be identified and prosecuted,” said Attorney General Masto. “Victimizing individuals who are desperately seeking a way to keep their property is the height of greed and cruelty.”

The indictment alleges that Vargas and Sinclair operated Federal Housing Aid since February 2007 offering loan modification services to assist victims in avoiding foreclosure on their homes. The Defendants allegedly charged the victims between \$899 to \$1500 in upfront fees and offered a 100% money back guaranty, claiming their company would refund the money if the foreclosure could not be stopped.

The company is alleged to have solicited victims in Nevada from a call center in the Philippines. After paying for services, it is alleged that the Defendants failed to provide the services paid for and failed to provide refunds as promised in their advertisements. Defendant Michael Sinclair is believed to be at large after fleeing to the Philippines.

Collection of fees upfront for services promised for loan modification is in violation of Nevada Revised Statute 645D.400, which makes it unlawful for a mortgage consultant to collect or receive any compensation until after the consultant has fully performed the consulting services that was contracted to

perform or represented that would be performed. The State alleges that the defendants failed to provide the foreclosure rescue services and failed to refund the victim's money as promised.

The case was filed by prosecutors assigned to the Attorney General's Mortgage Fraud Task Force, which was created by Attorney General Masto in early 2008 to address mortgage fraud scams throughout Nevada. The task force works closely with other State agencies, including the Mortgage Lending Division, to investigate and prosecute mortgage fraud crimes in Nevada.

A district court arraignment has been scheduled for William Vargas is set for June 23 at 9:00am in Las Vegas District Court Dept. 17.

The indictment is not a determination of guilt or innocence, but is a finding of probable cause that a crime was committed. The defendants are presumed innocent until proven guilty.

Consumers who wish to report mortgage fraud are asked to contact the Attorney General's Bureau of Consumer Protection in Las Vegas at 702.486.3194 to obtain a complaint form. Consumers with internet access may also obtain a Consumer Complaint Form, as well as other consumer protection and contact information, on the Attorney General's web site at www.ag.state.nv.us.



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FOR IMMEDIATE RELEASE
DATE: June 23, 2009

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ATTORNEY GENERAL CATHERINE CORTEZ MASTO ANNOUNCES MULTI-STATE SETTLEMENT WITH THE TJX COMPANIES, INC.

Carson City, NV – Today, Attorney General Catherine Cortez Masto, together with 40 other State Attorneys General, announced a settlement with TJX Companies, Inc.

The filing is a result of an investigation concerning TJX's data security practices and the protection of customers' financial information. The investigation revealed insufficient safeguards that allowed a massive data breach, placing thousands of consumers' personal data at risk.

"I am pleased that, by working with my fellow Attorneys General, we were able to ensure that TJX will implement safety measures to assure the safety of personal data," said Attorney General Masto. "We must assure the public that their personal data will be protected against criminals who look for weaknesses in our system to capture data for nefarious uses."

TJX, who cooperated fully in the investigation, has agreed to pay \$9.75 million to the states participating in the suit and to implement and maintain a comprehensive information security program to address weaknesses in TJX's computer security systems. Under the terms of the settlement, Nevada will receive \$42,000 to aid consumer protection enforcement.

In 2007, TJX announced that certain persons had obtained unauthorized access to its computer systems, enabling them to seize cardholder data and other personally identifiable information. As a result, the coalition of Attorneys General conducted an extensive investigation into TJX's data security policies and procedures in place when the breach occurred. That investigation uncovered a number of vulnerabilities and flaws in TJX's data security systems that facilitated the unlawful intrusion and allowed it to last undetected for an unacceptable duration.

Today's settlement requires TJX to implement an information security program designed to guard against future intrusions or unauthorized disclosures which includes employment of a comprehensive "Information Security Program" that assesses internal and external risks to consumers' personal information, implements the safeguards that will best protect that consumer information, and regularly monitors and tests the efficacy of those safeguards. TJX also will report regularly to the Attorneys General on the efficacy of its program, after obtaining a third-party assessment of its systems. Among other things, under the Information Security Program, TJX must:

- Upgrade all Wired Equivalency Privacy ("WEP") based wireless systems in TJX retail stores to wired systems or Wi-Fi Protected Access ("WPA") wired systems;
- Not store credit card or debit card data on its network, any longer than necessary for legitimate business purposes;
- Appropriately segment from the rest of the TJX computer system those network-based portions of the TJX computer system that store, process or transmit personal information, by firewalls, access controls, and other appropriate measures; and
- Implement proper security password management for portions of the TJX computer system that store, process or transmit personal information.

Of the \$9.75 million monetary payment under the settlement, \$5.5 million is to be dedicated to data protection and consumer protection efforts by the states, and \$1.75 million is to reimburse the costs and fees of the investigation. The remaining \$2.5 million of the settlement will fund a Data Security Trust Fund to be used by the State Attorneys General to advance enforcement efforts and policy development in the field of data security and protecting consumers' personal information.

The 41 States participating in today's agreement are Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Idaho, Illinois, Iowa, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Vermont, Washington, West Virginia, Wisconsin, and the District of Columbia.

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**FOR IMMEDIATE RELEASE
JUNE 30, 2009**

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ATTORNEY GENERAL ANNOUNCES AWARDS FOR RECOVERY ACT STOP VIOLENCE AGAINST WOMEN GRANTS

Carson City, NV -- Attorney General Catherine Cortez Masto announced today the award of over \$1.2 million dollars in grant money under the Recovery Act STOP Violence Against Women Grant program. The grant money will create and/or retain the equivalent of 17.5 full time positions within 28 agencies throughout the state.

“We are proud to award these grants as part of the STOP program which forges partnerships among law enforcement, prosecution courts and victim services organizations,” said Attorney General Masto. “This effort helps create more jobs along with meeting the goals of the STOP program.”

Nevada has been allocated funds from the American Recovery and Reinvestment Act (ARRA) for qualified programs that meet the specific federal and state objectives of the Violence Against Women Grant Program.

The Attorney General’s Office will administer the Recovery Act STOP Grant funds on behalf of programs throughout Nevada. The award recipients are listed in the attached chart and will also be listed on the Attorney General’s website: www.ag.state.nv.us. Fund disbursement will be tracked on the web site and will be open and transparent.

The STOP Violence Against Women Program encourages the development and implementation of more effective law enforcement, court, and prosecution strategies to combat violent crimes against women such as sexual assault, domestic violence, dating violence, and stalking. It also supports the development and enhancement of victim services in cases involving those crimes.

Many governmental agencies are making substantial cuts to their budgets and those positions deemed non-essential are being eliminated. Unfortunately, this includes services provided to victims within law enforcement and prosecution

agencies. Non-profit victim services providers have also been hit hard by the current economic climate. Revenue from fees that support victim services programs has dropped up to 42% while private funding has declined as much as 50%. These grant fund will assist in bolstering these much needed services at a time when they are needed the most. .



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FOR IMMEDIATE RELEASE
DATE: July 1, 2009

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ATTORNEY GENERAL ANNOUNCES INDICTMENT OF FIRE CAPTAIN

Las Vegas: Attorney General Catherine Cortez Masto announced today North Las Vegas Fire Captain Gary V. Stover has been indicted on the felony charges of Arson, Arson with Intent to Defraud Insurer, Insurance Fraud and two counts of theft.

“Auto arson is an ongoing problem in our community,” said Attorney General Masto. “Perpetrators of this crime must know you will be prosecuted and convicted and still have to pay for the losses as restitution to the insurance carrier or the lienholder. This case is especially surprising because the person charged is someone who is entrusted with protecting the public against the dangers of fire.”

The Attorney General’s office is part of a cooperative effort to fight against “owner give-up” cases involving auto arsons. The task force includes investigators from the Attorney General’s Insurance Fraud Unit, detectives from the Las Vegas Metro Police Department Auto Theft Unit, arson investigators from the various local Fire Departments and includes investigative assistance from the National Insurance Crime Bureau.

Since December 2008, the Attorney General’s Insurance Fraud Unit has received in excess of 40 auto arson cases. The quick response from the taskforce members and the resulting prosecutions has prevented the payments of over \$875,000 in insurance fraud in the last six months.

The indictment announced today arose after Stover reported his vehicle stolen from a local gas station. The vehicle was found on fire the following evening in a desert area west of CR-215. Stover subsequently filed an insurance claim and his insurance carrier paid the lienholder \$35,000, eliminating the debt owed including about \$12,000 of negative equity.

The indictment also charges Francisco J. Robles with two counts of arson for assisting in setting the fire and attempting to provide an alibi for Stover.

Arson with Intent to Defraud Insurer is a category B felony. Third Degree Arson and Insurance Fraud are category D felonies. There are two counts of Theft: one a category B felony and one a category C felony.



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FOR IMMEDIATE RELEASE
DATE: July 1, 2009

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Former Nye County Commissioner Convicted of Bribery and Other Charges

Las Vegas: Nevada Attorney General Catherine Cortez Masto announced today that Peter Liakopoulos, formerly a Nye County Commissioner, has been found guilty in state District Court of the felony offense of Bribery, and for the gross misdemeanor offenses of Offering a Reward for an Appointment and Grafting by a Public Officer.

“Liakopoulos was alleged to have violated his position of trust as a Nye County Commissioner,” said Attorney General Masto. “After hearing all the facts, the jury came back promptly with these guilty verdicts. They sent a clear message that misconduct by elected officials will not be tolerated by our citizens.”

In the criminal information filed by Chief Deputy Attorney General Conrad Hafen, Liakopoulos was alleged to have asked Pahrump Town Board Member Laurayne Murray to vote to appoint and persuade other town board members to vote to appoint his wife, Jenny Liakopoulos, as curator for the Pahrump Veterans Memorial. In return, Liakopoulos promised and/or agreed to vote in favor of the Nye County sales tax increase.

The Pahrump Town Board failed to vote to appoint Mrs. Liakopoulos to the non-paid, volunteer position. In December 2007 when the sales tax issue came before the Nye County Commission, it was defeated by a 3 to 2 vote with Mr. Liakopoulos voting against the measure.

Sentencing for Liakopoulos will be heard by the Fifth Judicial District Court in Pahrump at 9:00am on August 24.



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**FOR IMMEDIATE RELEASE
JULY 3, 2009**

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DOMESTIC VIOLENCE PREVENTION COUNCIL SEEKS NEW MEMBERS

Carson City—Attorney General Catherine Cortez Masto announced today that the Nevada Council for Domestic Violence Prevention is seeking eight new members. The application is brief and submissions will be accepted now through July 31, 2009.

“The mission of the Council includes providing direction to the Nevada Legislature on statewide domestic violence policy and legislation,” said Attorney General Masto. “It also increases public awareness of the magnitude and seriousness of domestic violence and sexual assault; advocating appropriate changes in law enforcement procedure and increasing access to legal and medical services to survivors in need.”

The statewide Council’s goal is to be geographically balanced, culturally diverse, and representative of the various disciplines involved in domestic violence issues.

The Council meets quarterly in either Reno, Las Vegas or a rural jurisdiction and currently consists of a wide spectrum of community members, including educators, business and health care professionals, service providers, law enforcement, judiciary, prosecutors, and advocates, as well as domestic violence victims and survivors.

Travel and per diem reimbursement are provided for official Council functions.

Application for membership on the Council can be found on the Attorney General’s website: www.ag.state.nv.us.

For more information or to receive the application by mail or fax, please contact:

Kareen Prentice
Domestic Violence Ombudsman
(775) 688-1872
kprentice@ag.nv.gov



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FOR IMMEDIATE RELEASE
DATE: July 6, 2009

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ATTORNEY GENERAL ANNOUNCES INDICTMENTS IN THEFT CASE INVOLVING VICTIMS OF CRIME PROGRAM EMPLOYEE

Las Vegas, NV— Nevada Attorney General Catherine Cortez Masto announced today the indictments of Tonya Walker on four (4) felony counts of Theft; her husband Prentice Lamar Walker on one (1) count of Theft; her mother Ernestine Hunter Walker on one (1) count of Theft and her step father Frank Nolton on one (1) count of Theft, for allegedly creating phony victim claims files and submitting them for payment to the Nevada Victims of Crime Program. Walker was employed by the Nevada Victims of Crime Program.

“The Victims of Crime Program is in place to assist legitimate victims in paying their medical and other related bills as a result of being the victim of a crime,” said Attorney General Masto. “Stealing from this program impacts the State’s ability to assist legitimate victims and is particularly reprehensible when the offender is a State employee whose job it is to assist victims recover from these crimes.”

The indictment alleges that Tonya Walker created fake victim claims files for her co-defendant family members from which they embezzled in excess of \$50,000 from the VOC Program. It is alleged that Walker created false claims on the VOC computer program and submitted false documentation to substantiate the claims.

A district court arraignment has been scheduled for July 21, 2009 in Las Vegas District Court Dept. 17.

The indictment is not a determination of guilt or innocence, but is a finding of probable cause that a crime was committed. The defendants are presumed innocent until proven guilty.



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FOR IMMEDIATE RELEASE
DATE: July 8, 2009

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****MEDIA ADVISORY****

NEVADA COUNCIL FOR THE PREVENTION OF DOMESTIC VIOLENCE TO MEET IN HAWTHORNE, NEVADA

Carson City: The Nevada Council for the Prevention of Domestic Violence (NCPDV) will hold its next meeting at 10:30am on July 16, 2009, at the Mineral County Public Library, 110 First Street, Hawthorne, Nevada.

The NCPDV, chaired by Attorney General Catherine Cortez Masto, will be discussing, along with other pertinent issues, the need for improvements in domestic violence assistance and prevention efforts among the underserved and rural populations of Nevada.

The NCPDV's mission is to encourage the elimination of domestic violence and sexual assault in Nevada. The statewide Coordinating Council has been in existence since 1995 and has played an instrumental role in providing guidance and direction to many agencies and groups in the state for domestic violence prevention programming, policies and funding. The Council encourages the implementation of programs that promote domestic violence prevention and the development of coordinated community responses that enhance victim safety and strengthen offender accountability.

The NDVPC consists of 25 individuals from throughout Nevada who represent a variety of disciplines and systems, including law enforcement, the judiciary, prosecution, victim services, health care, education and others. Survivors of domestic violence are also members of the Council.



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FOR IMMEDIATE RELEASE
DATE: July 15, 2009

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ATTORNEY GENERAL MASTO ANNOUNCES MULTI-STATE SETTLEMENT DRUG COMPANIES CONCERNING SLOW DISCLOSURE OF NEGATIVE DRUG STUDY RESULTS

Carson City, NV – Today, Attorney General Catherine Cortez Masto, together with 35 other State Attorneys General, announced a settlement with Merck & Co. Inc., Schering-Plough Corporation, and a joint venture of the two companies, MSP Singapore Company, LLC concerning slow disclosure of negative drug results.

The suit filed in Clark County District Court resolves an investigation into the companies' lengthy delay in releasing negative results from the clinical trial referred to as "ENHANCE." In this study, the cholesterol lowering drug Vytorin® (a combination of the drug Zetia® and simvastatin) was no more effective in reducing the formation of plaque in carotid arteries than the generically available cholesterol lowering drug simvastatin.

"Drug companies must promptly post the results of their studies with the consumer," said Attorney General Masto. "The consumer must be aware of the facts – both negative and positive – of all the prescription drugs they are using."

Although the ENHANCE clinical trial ended May 2006, a partial reporting of negative results did not occur until January 2008 and complete results were not published until the following April. Prior to release of study results, Vytorin had been heavily promoted in direct-to-consumer advertisements.

The Assurance of Voluntary Compliance filed applies the extensive injunctive relief from Merck's 2008 Consent Judgment with the States regarding Vioxx to Zetia and Vytorin. This was carved out of the Vioxx settlement because Zetia and Vytorin are promoted by Merck as a joint venture with Schering-Plough. Among the injunctive terms that now apply to Vytorin and Zetia are requirements to:

- Obtain pre-approval from FDA for all direct-to-consumer television advertisements;
- Comply with FDA suggestions to modify drug advertising;
- Register clinical trials and post their results;
- Prohibit ghost writing of articles;
- Reduce conflicts of interest for Data Safety Monitoring Boards that ensure the safety of participants in clinical trials; and,
- Comply with detailed rules prohibiting the deceptive use of clinical trials.

In addition to agreeing to these injunctive terms, the companies agreed to pay the States' investigation costs of \$5,400,000. For its work on this investigation, Nevada will receive \$100,000. The companies cooperated fully in the States' investigation.

The 36 States participating in today's agreement are Arizona, Arkansas, California, Colorado, Delaware, Florida, Hawaii, Idaho, Illinois, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Vermont, Washington, West Virginia, and Wisconsin and the District of Columbia.

Additional consumer protection information can be found on the Attorney General's web site at <http://ag.state.nv.us> and at (702) 486-3194.

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FOR IMMEDIATE RELEASE
DATE: July 16, 2009

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Attorney General Masto Announces Settlement with DISH Network

Las Vegas, NV - Nevada Attorney General Catherine Cortez Masto announced today that DISH Network, L.L.C. will pay \$5,991,000 to settle consumer protection allegations with Attorneys General in 46 states. Nevada will receive \$125,000 as its share of the settlement.

The states alleged the satellite TV provider and its third-party retailers engaged in deceptive and unfair sales practices. The company denied any wrongdoing.

In addition to the \$5.9 million, DISH Network agreed to pay restitution to some consumers and to enter into an agreement that limits how Dish markets its services in the future.

Attorney General Catherine Cortez Masto stated, "I am pleased to announce the settlement today and to announce the possibility of consumer restitution for eligible consumers."

The settlement to be filed today in Clark County District Court resolves the states' claims and allegations, including allegations that DISH Network:

- Refused to accept responsibility for the misconduct of its third-party retailers and installers;
- Made telemarketing calls to consumers in violation of do-not-call rules;
- Failed to disclose all terms and conditions of their customer agreements, including the availability of rebates, credits and free offers;
- Did not disclose that purchased or leased equipment was previously used and/or refurbished;
- Made reference to competitors' price offers when the goods or services being compared were materially different; and

- Charged customer credit cards and debited bank accounts without providing adequate notice and obtaining appropriate authorization.

The following states participated in the settlement: Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

Unresolved complaints sent to Dish Network or their State Attorney General since January 1, 2004 are eligible for the restitution program. Dish Network will notify consumers that they are eligible for the restitution program by sending a claims notice to those consumers. Additionally, consumers can file a complaint with Dish Network, their state Attorney General, or with the Better Business Bureau (“BBB”) by December 14, 2009 to be considered for the restitution program, as long as the complaint is about activity that took place within the last 2 years. Consumers who are not satisfied with the company’s offer of restitution may choose to file a claim to be decided by a third-party claims administrator.

Questions or complaints regarding the refund process can be addressed to: DISH Network, L.L.C., Dispute Resolution Team, P.O. Box 9040, Littleton, CO 80120 or by e-mail at CEO@dishnetwork.com . Consumers may also contact the Attorney General’s Bureau of Consumer Protection hotline at 702-486-3132 for further information.



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FOR IMMEDIATE RELEASE
July 24, 2009

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ATTORNEY GENERAL MASTO ANNOUNCES PLAN TO PAY \$3 MILLION TO NEVADA COUNTRYWIDE BORROWERS

Carson City: Attorney General Catherine Cortez Masto said “Notice Packets” will be mailed Friday, July 24, 2009 to 3,467 Countrywide Financial borrowers with information on how they can claim a share of \$3,041,882 the company is paying to Nevadans who lost their homes.

“Eligible consumers should expect their notices to arrive in the next few days,” said Attorney General Masto. “The packet will explain the settlement that Nevada entered into with Countrywide and will have all materials needed to file a claim with the Settlement Administrator.”

Eligible consumers must have had a loan for owner-occupied property made by Countrywide. First payment of the loan would have been due between 1-1-04 and 12-31-07. Borrowers must have lost their property through foreclosure, short sale, or a deed in lieu. Rental property is not included in the settlement.

Nevada’s total sum directed for consumers (\$3,041,882) will be divided equally between all eligible Nevada consumers who file a Claim Form and Release from the Notice Packet. The payment amount for each individual will depend upon how many of the 3,467 eligible Nevadans file the Form and Release. Participation in the program is optional. Each participant will receive a minimum of \$877.38 in compensation. The Settlement Administrator plans to begin mailing payments the first quarter 2010.

This settlement amount was part of a multistate settlement that was reached in principle with Countrywide and previously announced by this office on October 6, 2008. States finalized individual agreements earlier this year.

Countrywide borrowers should contact the Settlement Administrator, Rust Consulting, Inc., toll free at 866.411.6987 if they did not receive a packet, if they think they may be eligible or if they are not sure that Countrywide has their current address. Additional information will be posted at: www.countrywidesettlementinfo.com.

In addition to Nevada, Countrywide has entered into Settlement Agreements with the Attorneys General of Alaska, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Iowa, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Maine, Michigan, Mississippi, Montana, Nebraska, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Virginia, Washington, West Virginia, Wisconsin and Wyoming.



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**FOR IMMEDIATE RELEASE:
DATE: August 6, 2009**

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PROPERTY TAX SAVINGS FRAUD ALERT

Carson City, NV- Attorney General Catherine Cortez Masto has issued the following consumer advisory as part of an ongoing effort to educate consumers.

The Nevada Attorney General is warning consumers that letters which look official are being sent out by an organization which calls itself the "Property Tax Review Board." The Board claims that it can lower property taxes for property owners.

The "Property Tax Reduction Form" claims recipients can save hundreds of dollars on their property taxes for a fee of \$189. Carson City Assessor Dave Dawley indicates that the information contained in the letter is based on California law, not Nevada law. In Nevada, property owners do not pay taxes based upon market value. Taxes are calculated on replacement cost new, less depreciation. The Nevada Legislature put a property tax cap into effect in 2005 using the 2004-2005 base year for property taxes. Therefore, the savings the Property Tax Review Board promises are based on faulty data and a Nevada property owner will probably see no savings. If Nevada property owners have questions about the calculation of their property taxes, the local county assessors will provide assistance free of charge. There is no need to pay a third party a \$189 fee for this information.

Property Tax Review Board operates in Arizona, Nevada and California and is headquartered in California. California Attorney General Edmund G. Brown, Jr. filed suit on May 12, 2009 against Michael McConville, his brother Sean McConville, and their businesses, Property Tax Reassessment and Property Tax Adjustment Services, in San Diego County Superior Court. According to that lawsuit, the McConville brothers billed tens of thousands of homeowners throughout California nearly \$200 each for property tax reassessment services that were almost never performed and are available free of charge from local tax assessors. Few, if any, of the assessment appeals were completed, the suit alleges. In addition, the Ventura County District Attorney's Office has charged one of the brothers, Sean McConville, with 20 felony counts for criminal conduct stemming from his property tax reassessment operations.

Attorney General Masto cautions consumers about responding to solicitations offering guaranteed

savings. If consumers have any questions, they should call their local county assessors office. Questions regarding this matter can also be addressed by contacting the Nevada Attorney General's Bureau of Consumer Protection at (775) 684-1169.



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For Immediate Release

August 13, 2009

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ATTORNEY GENERAL ANNOUNCES DO NOT CALL CHARITY FRAUD ALERT

Carson City, NV - Nevada Attorney General Catherine Cortez Masto has issued the following consumer advisory as part of an ongoing effort to educate consumers.

The Attorney General is warning consumers of a new fraudulent activity in Nevada. An elderly Sparks, Nevada resident recently received a telemarketing call from a person who said he was calling on behalf of a nonprofit organization, worked for the "Sparks Fraud Department," and was tasked with calling seniors over 75 years old to help them make sure they did not receive unwanted sales calls. The telemarketer claimed all he needed was a bank account number, which would ensure that the consumer never received solicitation calls again.

This telemarketing call contains a number of fraudulent statements. First, there is no Sparks Fraud Department. Second, the only way to reduce unwanted telemarketing calls is to register your telephone number with the National Do Not Call Registry which is managed by the Federal Trade Commission. Third, joining the National Do Not Call Registry is free. You may sign up for the registry online at www.donotcall.gov or by calling the registry's toll-free number (1-888-382-1222) and following the prompts.

The motive for this telemarketing call was to fraudulently induce the elderly person to disclose his bank account information to enable the caller to steal money from the victim's bank account. The Nevada Attorney General cautions consumers to never provide bank account information or credit card information to any telemarketer. The only time it is appropriate to provide bank account or credit card information over the internet or by telephone is when you initiate the contact and absolutely trust the company you have contacted. Consumers providing bank account or credit card information to a company should always monitor their monthly bank statements and immediately notify their bank or credit card company of any suspicious charges or debits. Thieves often take small amounts of money over long periods of time in hopes the victim will not notice, so extra care is needed to discover and stop such theft.

Registering your telephone number with the National Do Not Call Registry will reduce the number of unwanted calls received; however, it will not totally eliminate them. Political campaigns and calls for charitable contributions are exempt from the National Do Not Call Registry under most circumstances. If you prefer not to be contacted by charities, you can advise them to put your name and telephone number on their internal do not call lists, which prevents them from making further contact. The Constitution protects political speech so there is no way to halt political campaign calls.

Consumers should never wire or otherwise send money to someone who is not well-known to them and should never pay for any service that is available at no cost. Questions regarding this matter can be addressed with the Nevada Attorney General's Bureau of Consumer Protection at (775) 684-1169.



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FOR IMMEDIATE RELEASE
August 26, 2009

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ATTORNEY GENERAL ISSUES ALERT ON DEED SERVICE OFFER

CARSON CITY: Attorney General Catherine Cortez Masto has issued the following Alert as a part of her Bureau of Consumer Protection's ongoing effort to educate consumers.

National Deed Service, Inc., Northbrook, Illinois has recently sent letters to Churchill County homeowners regarding property deeds. National Deed Service, Inc. states it will acquire a copy of the homeowner's deed for a payment of \$59.50. It also states that, due to the large number of transactions, this would be the only notice of their service.

However, Nevada homeowners should be aware that property deeds and supporting documents can be obtained from the local county recorder's office where these documents were originally filed for much less than the service being advertised.

Before sending any money to someone offering services related to dealing with government agencies, consumers should always contact the agency named first. There may be little or no cost dealing with the agency directly. In addition, the Better Business Bureau maintains a website, www.bbb.org which provides information concerning companies doing business around the United States. If a company is not listed with the Better Business Bureau, be careful. In addition, entering the company's name in a Google, Bing or Yahoo search will often reveal information that the company is operating in a fraudulent or dishonest manner. When dealing with a non-local company, it is wise to do your internet search homework first.

While no determination has been made regarding the legitimacy of National Deed Service, Inc., any advertisement that urges quick action raises red flags. Questions regarding this matter can be addressed with the Nevada Attorney General's Bureau of Consumer Protection at (775) 684-1169.



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FOR IMMEDIATE RELEASE
DATE: September 2, 2009

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NEVADA ATTORNEY GENERAL AND 42 OTHER STATES REACH \$33 MILLION SETTLEMENT WITH PFIZER INC.

Las Vegas, NV- Attorney General Catherine Cortez Masto announced today a \$33 million settlement with Pfizer Inc. related to the alleged improper marketing of the antipsychotic drug Geodon. The settlement included Attorneys General from 42 other states.

In a complaint soon to be filed in court along with the settlement agreement, the State alleges that Pfizer engaged in unfair and deceptive practices when it marketed Geodon for off-label uses. Pfizer has agreed to change how it markets Geodon and to cease promoting its "off-label" uses, which are not approved by the U.S. Food and Drug Administration (FDA).

"My fellow Attorneys General and I will continue to monitor the industry for the inappropriate and illegal promotion of off-label products," said Attorney General Masto.

Geodon is the brand name for the prescription drug ziprasidone. The drug has been approved by the FDA for treatment of schizophrenia in adults and for manic or mixed episodes of bipolar disorder in adults. However, Pfizer promoted Geodon for a number of off-label uses, including pediatric use and for use at higher than FDA-approved dosages. While a physician is allowed to prescribe drugs for off-label uses, federal law prohibits pharmaceutical manufacturers from marketing their products for off-label uses.

The settlement mandates that Pfizer shall:

- Not make any false, misleading or deceptive claims regarding Geodon;
- Not promote Geodon for off-label uses;
- Not promote Geodon using selected symptoms of the FDA-approved diagnoses unless certain disclosures are made regarding the approved diagnoses;
- Post on its website a list of physicians and related entities who receive payments from Pfizer until 2014;

- Provide product samples of Geodon only to health care providers who are specialists that customarily treat patients who have diseases for which treatment with Geodon would be consistent with the product's current labeling;
- Register clinical trials and submit results as required by federal law; register Geodon Pfizer-sponsored Phase II, III and IV clinical trials ongoing or initiated after July 1, 2005; and post on a publicly accessible website all Pfizer-sponsored Phase II, III and IV clinical trials completed after October of 2002.
- Require its medical staff be responsible for the identification, selection, approval and dissemination of article reprints containing off-label information regarding Geodon, and that such information not be referred to or used in a promotional manner.

The settlement also mandates that for a nine-year time period, which will thus extend beyond the patent term for Geodon, Pfizer shall:

- Require its medical staff, rather than its marketing staff, to have ultimate responsibility for developing and approving the medical content for all medical letters regarding Geodon, including those that may describe off-label information. This information shall not be distributed unless certain criteria are met.
- Provide specific, accurate, objective and scientifically balanced responses to unsolicited requests for off-label information regarding Geodon.

For a six-year period, Pfizer must:

- Disclose information about grants, including continuing medical education ("CME") grants, on its website, for at least two years and maintain the information for five years
- Not use grants to promote Geodon, or condition CME funding on Pfizer's approval of speakers or program content
- Contractually require continuing medical education providers to disclose Pfizer's financial support of their programs and any financial relationship with faculty and speakers.

The State of Nevada will receive over \$557,000 as a result of this settlement.

The Attorneys General from Delaware and Maryland led the Executive Committee States' negotiation of the settlement of Pfizer's marketing and promotional practices. The Executive Committee States include Arizona, Colorado, Delaware, District of Columbia, Florida, Kentucky, Maryland, Massachusetts, North Carolina, Ohio, and Pennsylvania. The participating states in the settlement are: Alabama, Arkansas, Arizona, California, Colorado, Connecticut, District of Columbia, Florida, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Vermont, Washington, West Virginia, and Wisconsin.

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DATE: September 2, 2009

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PFIZER INC TO PAY \$2.3 BILLION IN HISTORIC SETTLEMENT

Las Vegas - Attorney General Catherine Cortez Masto announced today that Nevada has joined with other states and the federal government and reached agreement with Pfizer Inc to settle civil and criminal allegations that Pfizer and its subsidiaries paid kickbacks and engaged in off-labeling marketing campaigns that improperly promoted numerous drugs that Pfizer manufactures.

This is the largest settlement in history in a health care fraud matter. Pfizer will pay the states and the federal government a total of \$1 billion in civil damages and penalties to compensate Medicaid, Medicare, and various federal healthcare programs for harm suffered as a result of its conduct.

"The federal government and the states will continue to monitor the marketing practices of drug companies to ensure the consumer is protected against misinformation concerning prescription drugs," said Attorney General Masto. "This misinformation is not only unethical, but could be dangerous for patients taking these drugs.

In addition, a Pfizer subsidiary, Pharmacia & Upjohn Company, Inc., has agreed to plead guilty to a felony violation of the Food, Drug, and Cosmetic Act (FDCA) and to pay a criminal fine and forfeiture of \$1.3 billion. The criminal component of the resolution centers on the illegal marketing and promotion of Bextra, an anti-inflammatory drug that Pfizer pulled from the market in 2005. Because of the illegal promotion, Pharmacia & Upjohn Company, Inc. has agreed to plead guilty to a felony violation of the FDCA for misbranding the drug with the intent to defraud or mislead.

The government entities alleged that Pfizer, the largest pharmaceutical manufacturer in the world, engaged in a pattern of unlawful marketing activity to promote multiple drugs for certain uses which the Food and Drug Administration (FDA) had not approved. While it is not illegal for a physician to prescribe a drug for an unapproved use, federal law prohibits a manufacturer from promoting a drug for uses not approved by the FDA. This promotional activity included:

- Marketing Bextra for conditions and dosages other than those for which it was approved;
- Promoting the use of the antipsychotic drug Geodon for a variety of off-label conditions such as attention deficit disorder, autism, dementia and depression for patients that included children and adolescents;
- Selling the pain medication Lyrica for unapproved conditions;
- Making false representations about the safety and efficacy of Zyvox, an antibiotic only approved to treat certain drug resistant infections.

In addition to the improper off-label marketing of these drugs Pfizer is alleged to have paid illegal remuneration to health care professionals to induce them to promote and prescribe Bextra, Geodon, Lyrica, Zyvox, Aricept, Celebrex, Lipitor, Norvasc, Relpax, Viagra, Zithromax, Zoloft and Zyrtec. These payments allegedly took many forms, including entertainment, cash, travel and meals. Federal law prohibits payment of anything of value in exchange for the prescribing of a product paid for by a federal health care program.

As a condition of the settlement, Pfizer will enter into a Corporate Integrity Agreement with the United States Department of Health and Human Services, Office of the Inspector General, which will closely monitor the company's future marketing and sales practices.

This settlement is based on nine *qui tam* cases that were filed in the United States District Court for the District of Massachusetts, the United States District Court for the Eastern District of Pennsylvania and the United States District Court for the Eastern District of Kentucky by private individuals who filed actions under state and federal false claims statutes. As part of the settlement, Nevada will receive \$2,557,444.00 in restitution and other recovery.

"Nevada, though a small state in terms of the volume of claims that were subjected to the fraud scheme, had an integral part in maintaining national based support of all the participating states," said Attorney General Masto.

A National Association of Medicaid Fraud Control Units team participated in the investigation and conducted the settlement negotiations with Pfizer on behalf of the settling states. Team members included representatives from the Offices of the Attorneys General for the states of Massachusetts, Oregon, Ohio, New York, Virginia, Texas and Arkansas.

The Nevada Attorney General's Medicaid Fraud Control Unit investigates and prosecutes instances of financial fraud by those providing healthcare services and goods to Medicaid patients. The unit also investigates and prosecutes elder abuse or neglect. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General's web site: <http://ag.state.nv.us>.

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FOR IMMEDIATE RELEASE
DATE: September 15, 2009

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DEFENDANT TO SERVE MINIMUM OF 1 to 5 YEARS IN RECREATIONAL VEHICLE SCAM

Las Vegas -- Attorney General Catherine Cortez Masto announced today that District Court Judge Donald Mosley sentenced Jerry Davies to serve 1 to 5 years in Nevada State prison, in connection with his plea of guilty to Theft- Obtaining Money in Excess of \$250 by Virtue of a Material Misrepresentation. Davies was also ordered to pay \$22,593 dollars to victims of the scam targeting individuals attempting to sell their Recreational Vehicles through his Las Vegas business, Easy Go Autos.

“Senior exploitation and fraud of any type are areas that my office has targeted as priority crimes needing to be addressed,” said Attorney General Masto. “We intend to aggressively prosecute all types of fraud in Nevada.”

Through Easy Go, Davies contacted the owners of RVs being offered for sale over the internet. He indicated that he had a purchaser for the RV and would charge a non-refundable up front fee, as well as inspection and shipping fees. Once these fees were forwarded to Davies, no further action was taken and the RV owners, several of whom were over the age of 60, were never provided with a bona fide purchaser for their vehicle.

Davies was taken into custody at the conclusion of the sentencing to begin serving his prison term.



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**FOR IMMEDIATE RELEASE
DATE: September 15, 2009**

RETIRED CLARK COUNTY PROSECUTOR JAMES H. TUFTELAND NAMED 2009 WILLIAM J. RAGGIO AWARD RECIPIENT

Carson City, NV -- Attorney General Catherine Cortez Masto, chair of the Nevada Advisory Council for Prosecuting Attorneys, has named former Clark County Chief Deputy District Attorney James H. Tufteland as recipient of the William J. Raggio Award for 2009. This award is presented annually by the Advisory Council to a current or former prosecutor who has contributed significantly to the improvement of the administration of justice in Nevada.

"Mr. Tufteland is being recognized for his years of exemplary service as a dedicated prosecutor at the Clark County District Attorney's Office," said Attorney General Masto. "His achievements as chief appellate deputy, as a mentor to other prosecutors, and his strong commitment to justice for all people makes him an excellent choice for this award."

The award is named in honor of former Washoe County District Attorney and current Senate Minority Leader William J. Raggio. Previous recipients are: Senator Raggio in 1998, Ben Graham in 1999, Thomas L. Leen in 2000, William T. Koot in 2001, Mills B. Lane in 2003, Melvyn T. Harmon in 2004, Howard D. McKibben in 2005, Noel Waters in 2006, Kristin Erickson in 2007, and Richard A. Wagner in 2008. Frankie Sue Del Papa and Stewart Bell were co-recipients of the award in 2002.

Mr. Tufteland retired last year after a 25-year career in the Clark County District Attorney's Office. As the long-time chief of the office's appellate division, his name appears on more cases appealed to the Nevada Supreme Court than any other attorney in Nevada's history. He also served for many years as the initial

training prosecutor mentoring all new deputies in the office, and has been described by his fellow prosecutors as “the rock that prosecutors in Clark County were built upon.”

The Advisory Council is an executive branch state agency created pursuant to NRS chapter 241A with a broad statutory mandate to provide leadership, resources and legislative advocacy on legal and public policy issues related to the duties of Nevada's prosecutors.

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FOR IMMEDIATE RELEASE: September 17, 2009
Contact: Treasury Public Affairs (202) 622-2960

FEDERAL, STATE PARTNERS CONVENE TO DISCUSS ONGOING ANTI-FRAUD EFFORTS IN HOUSING MARKETS

WASHINGTON – This morning, Treasury Secretary Tim Geithner hosted Attorney General Eric Holder, Housing and Urban Development (HUD) Secretary Shaun Donovan, Federal Trade Commission (FTC) Chairman Jon Leibowitz, Financial Crimes Enforcement Network (FinCEN) Director Jim Freis and attorneys general from 12 states to discuss emerging trends and proactive strategies to combat fraud against consumers in the housing markets as well as best practices to bolster coordination across state and federal agencies. This meeting follows up on an announcement by the Obama Administration in April of a multi-agency crackdown on foreclosure rescue scams and loan modification fraud designed to protect homeowners from predatory financial practices.

“A clear lesson of this financial crisis is that American consumers need better protection against fraud,” said Treasury Secretary Tim Geithner. “And while we will prosecute anyone who violated the law, going forward we will not wait for problems to peak before we respond. The Obama Administration is acting preemptively, across federal agencies and alongside state governments, to stop consumer fraud.”

Treasury, FinCEN, and DOJ, HUD, and FTC have committed to taking proactive measures to curb abuse by coordinating information and resources across agencies to maximize targeting and efficiency in fraud investigations. This includes alerting financial institutions to emerging schemes, stepping up enforcement actions and educating consumers to help those in financial trouble avoid becoming the victims of a loan modification or foreclosure rescue scam.

"Our efforts to attack mortgage fraud must be, and are, concerted and coordinated," said Attorney General Holder. "Working together, we can send a clear and straightforward message: Those who prey on vulnerable American homeowners cannot hide from the hand of the law. If you perpetrate mortgage fraud, we will find you and we will bring you to justice."

“At HUD, we firmly believe that the first line of defense is an informed consumer, and that’s why we’re working with our state and local partners on the ground, particularly housing counselors, to increase consumer awareness and give homeowners and homebuyers a trusted place to turn for assistance,” said Secretary Donovan. “HUD has also requested \$37 million in our FY2010 budget to combat fraud by training industry partners and giving FHA access to

state-of-the-art fraud detection tools, as well as to help curb discrimination through increases in HUD's fair housing activities.”

The FTC today announced two new law enforcement actions in a continuing crackdown on mortgage foreclosure rescue and loan modification scams, bringing to 22 the number of these cases the Commission has filed since the housing crisis began. The FTC also announced developments in similar pending mortgage-related actions, several of which have involved coordinated case work from FinCEN.

“Today's challenging economy presents an opportunity for con artists who prey upon financially distressed consumers. The Federal Trade Commission and our state and federal partners will continue to bring law enforcement actions to stop this insidious fraud,” FTC Chairman Leibowitz said. “If you're worried about keeping your home, avoid any company that asks for a large fee in advance, guarantees that they'll stop a foreclosure or modify a loan, or tells you to stop paying your mortgage company and to pay them instead.”

Illegal and predatory practices in the mortgage market are rampant in the wake of the recent financial crisis, including many fraudulent television ads that run on prominent networks promising simple solutions to complex financial problems. Federal and state officials discussed patterns of fraud in today's meeting and best practices for addressing them early, before American families suffer further financial harm.

Participating in today's meeting were attorneys general Dustin McDaniel, Arkansas; Terry Goddard, Arizona; Richard Blumenthal, Connecticut; Lisa Madigan, Illinois; Tom Miller, Iowa; Doug Gansler, Maryland; Chris Koster, Missouri; Catherine Cortez Masto, Nevada; Roy Cooper, North Carolina; Richard Cordray, Ohio (by phone); Patrick Lynch, Rhode Island; Rob McKenna, Washington (by phone). Collectively, these offices have taken action on scores of fraud cases in the housing markets and opened hundreds of investigations to date.

Statements from these attorneys general follow:

“Mortgage rescue schemes are becoming an epidemic -- preying on families facing foreclosure in exploding numbers. These mortgage rescue scams raise false hopes and then cruelly exploit them, which is why my office is fighting them and welcomes the federal government as a strong ally. Connecticut has adopted a landmark ban on upfront fees for mortgage repair schemes -- a model for national action in the battle against exploitation of consumers seeking to save their homes. I proposed and fought for it, and will enforce it vigorously. Today's meeting is an historic step toward a powerful alliance of state and federal law enforcers battling scammers who profit on homeowners facing foreclosure.” - ***Connecticut Attorney General Richard Blumenthal***

“Homeowners should never pay an upfront fee for help with negotiating a loan modification. If you're asked to pay an upfront fee, that's a sure sign you're dealing with a scavenger whose only goal is to con you out of money you can't afford to lose, and who will ultimately rob you of any opportunity to save your home with the help of legitimate organizations.” - ***Illinois Attorney General Lisa Madigan***

"Mortgage foreclosure rescue scams ask consumers to pay hundreds of dollars up-front for so-called rescue from foreclosure, but they just take your money and do nothing to help. The scam puts the homeowner deeper into a financial hole and does nothing to save the home. In fact, the scam often diverts consumers from getting the real help they need such as from the free Iowa Mortgage Help Hotline sponsored by our office." – ***Iowa Attorney General Tom Miller***

"An unfortunate result of the country's current economic situation is the exponential increase in the number of disreputable companies and individuals eager to strip homeowners of their most valuable asset. I am pleased that our federal partners are working with the Attorneys General to help shut these operations down and keep millions of families in their homes." - ***Maryland Attorney General Douglas F. Gansler***

“In Missouri we have zero tolerance for people who prey on those in serious risk of losing their homes. We will continue to aggressively pursue businesses that engage in mortgage-relief scams to stop them from operating in Missouri.” - ***Missouri Attorney General Chris Koster***

"This federal and state partnership is an important continuing effort to bring relief and justice to Nevadans from mortgage fraud." - ***Nevada Attorney General Catherine Cortez Masto***

“Foreclosure scams cost homeowners time and money, two things you can’t afford to lose when you’re fighting to save your home. We’re cracking down on foreclosure scammers who take homeowners’ money but do little or nothing to help them.” – ***North Carolina Attorney General Roy Cooper***

“Consumer education is the new burglar alarm and state-federal cooperative enforcement is the deadbolt that will protect homeowners from today’s crooks – fraudsters who claim to offer mortgage relief.” - ***Washington Attorney General Rob McKenna***

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September 17, 2009

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ATTORNEY GENERAL MASTO CONVENES FIRST NEVADA INTERJURISDICTIONAL LAW ENFORCEMENT COLLOQUIUM

Fallon, NV – On September 14 and 15, Attorney General Catherine Cortez Masto convened the First Nevada Interjurisdictional Law Enforcement Colloquium which focused on joint efforts to fight the drug trade. The Colloquium was co-sponsored by the Attorney General, Churchill County District Attorney's Office, the Fallon Paiute-Shoshone Tribe and the Tribal Chiefs of Police Association.

"This colloquium brought together many key players, relevant agencies, and valuable points of view to address key issues in fighting drug trade in Nevada," said Attorney General Masto. "I have discussed this issue individually with federal, state, local and tribal officials. During those conversations, we quickly realize we need input from other agencies on the issues at hand. This was an opportunity to get everyone together in one room and part of the conversation."

The goal of the meeting was to find ways to provide "no refuge" for drug traffickers in Nevada.

The agenda for the first day included:

- Identify current facts and statistics re drug importation, manufacture, sale and use
- Identify jurisdictional problems impeding drug law enforcement including
 - Complex criminal jurisdiction in Indian country
 - Limited resources
 - Risk of civil liability
 - Developing witnesses in a close community
- Identify solutions to insure there is no refuge in Nevada for drug dealers and manufacturers through

- Memorandums of Understanding
- Cross-deputization
- Information, education and establishing professional relationships
- Identify International factors
 - International Memorandums of Understanding
 - Expedition of international extraditions

The second day session was geared toward discussions among jurisdictions facing juvenile treatment, detention and detection issues as well as other issues involving juveniles.

Results of the initial meeting include agreement to:

- Establish regional intelligence sharing among federal, state, tribal and local law enforcement.
- Establish training on state, tribal and federal jurisdiction and provide it as requested to lawyers, judges and other involved parties
- Develop model memorandum of understanding for use between state, local and tribal law enforcement agencies
- Continue dialogue with the Secretary of the Interior on the subject of tribal juvenile detention

The group will reconvene at a future time to continue its work.

Federal agencies represented at the meeting included:

Bureau of Indian Affairs
 FBI
 Drug Enforcement Agency
 HIDTA
 United States Attorney's office
 Rocky Mountain Information Network (USDOJ)

Local/State Law Enforcement and other agencies

Office of the Attorney General
 Churchill County District Attorney's office
 Las Vegas Metropolitan Police Department
 Churchill County Sheriff's office
 Carson City District Attorney's office
 The Executive Director, Sheriff and Chief's Association
 Office of Parole and Probation
 Nevada Division of Investigation
 Department of Public Safety
 Humboldt County Sheriff's Office
 Nevada Youth Parole Bureau
 Washoe County Juvenile Services
 Mental Health and Developmental Services Division

Washoe Co. Sheriff's Office - SAPTA
Division of Child and Family Services
Churchill Community Coalition
Churchill County Juvenile Probation
Nevada Indian Commission

Tribal Council and Law Enforcement agencies represented:

Tribal Chief of Police
State of Nevada Indian Commission
Western Shoshone Police
Yerington Paiute Tribal Police
Fallon Paiute-Shoshone Tribal Police Department
Nevada Statewide Native American Coalition
Walker River Paiute Tribal Chairman
Duckwater Tribal Police
Western Shoshone Probation Office
Nevada Intertribal Council
Reno-Sparks Indian Colony Juvenile Probation
Yomba Tribal Court
Yomba Alcohol Program
Yerington Paiute Tribe
Education Director/Juvenile Delinquent Counselor
Human Services Director

Others represented:

Partnership Carson City
Churchill Community Coalition



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FOR IMMEDIATE RELEASE
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ATTORNEY GENERAL ANNOUNCES SETTLEMENT REGARDING INTERNATIONAL INTERNET PAYDAY LENDER

Carson City, NV— Nevada Attorney General Catherine Cortez Masto announced today that a settlement has been reached in a case filed by the State of Nevada and the Federal Trade Commission (“FTC”) against an international Internet payday lender operation. The operation will pay \$1 million to settle State of Nevada and FTC charges that it failed to disclose key loan terms and used unlawful debt collection tactics

The defendants operated their payday loan business over the Internet from the United Kingdom targeting only consumers in the United States. The defendants’ websites led consumers to believe that the defendants were physically operating from Nevada when in fact all relevant operations were performed in the United Kingdom.

“We will investigate and prosecute these offshore lending operations,” said Attorney General Masto. “These individuals need to know that we will not allow our citizens to be scammed and harassed via the Internet.”

According to a complaint filed by Nevada and the FTC in U.S. District Court for the District of Nevada in 2008, the defendants told consumers that the loans had to be repaid by consumers’ next payday with a fee of up to \$80, or the loans would be extended automatically for an extra fee debited from consumers’ bank accounts until the loans were repaid. Nevada and the FTC alleged that the defendants falsely threatened consumers with arrest or imprisonment and falsely claimed that consumers were legally obligated to pay the debts, threatened to take legal action defendants could not take, repeatedly called consumers at work using abusive and profane language, and improperly disclosed consumers’ purported debts to third parties, in violation of the FTC Act.

The defendants also allegedly failed to make required written disclosures to consumers before consummating a consumer credit transaction, such as the amount financed, the annual percentage rate, payment schedule, total of payments, and any late payment fees, in violation of the Truth in Lending Act and Regulation Z. The false statements also constituted violations of Nevada's Deceptive Trade Practices Act.

The settlement order requires the defendants to pay \$29,875 to the State of Nevada and \$970,125 to the FTC and prohibits the defendants from falsely claiming that consumers can be arrested or imprisoned for failing to pay debts, they are legally obligated to pay the full amount of a purported debt, and that for nonpayment they are subject to lawsuit, seizure of property, or garnishment of wages. The defendants also are barred from repeatedly calling consumers' work places, using obscene or threatening language toward consumers and third parties, and disclosing the existence of consumers' purported debts to third parties.

The order bars the defendants from violating the Truth in Lending Act and Regulation Z in extending closed-end credit by requiring defendants to make the TILA disclosures mandated by law, and by failing in any other manner to comply with TILA and Regulation Z. The order also requires the defendants to disclose clearly, in writing, in a form consumers can keep and before a transaction is made, the interest rate and other key terms of their loans; a repayment schedule showing dates when consumers' bank accounts will be debited for the loans; payments and fees for late or non-payment of the loans; and a statement that payday loans may be limited or prohibited in some states. The defendants must obtain consumers' written confirmation that consumers have received the required disclosures before making a transaction and, when collecting debts, the defendants must provide consumers, upon request, a written statement of amounts and fees paid and due.

In addition, the order prohibits the defendants from violating Nevada state consumer protection law when conducting business from the State of Nevada or when selling goods or services to Nevada residents, including failing to be properly licensed, failing to provide notice and disclosure of all material facts as state law requires, and failing to comply with any state or federal law in selling goods or services. The order also contains recordkeeping and reporting provisions to allow the FTC to monitor compliance.

The company names involved are Cash Today, Ltd., and The Heathmill Village, Ltd. (both registered in the United Kingdom); The Harris Holdings, Ltd. (registered in Guernsey, an island between England and France); Leads Global, Inc., Waterfront Investments, Inc., ACH Cash, Inc., HBS Services, Inc., Rovinge International, Inc.; and Lotus Leads, Inc., and First4Leads, Inc. (both now dissolved); each doing business as Cash Today, Route 66 Funding, Global Financial Services International, Ltd., Interim Cash, Ltd., and Big-Int, Ltd. The settling individual defendants are Aaron Gershfield and Ivor Gershfield. A separate settlement has been reached with Jim Harris, who managed the Nevada side of the operation.

For more information on how you can help prevent illegal deceptive trade practices you may contact the Nevada Office of the Nevada Attorney General, Bureau of Consumer Protection at (775) 684-1169 in northern Nevada, or (702) 486-3194 in southern Nevada.



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ATTORNEY GENERAL ANNOUNCES INDICTMENTS IN FORECLOSURE RESCUE SCAM INVOLVING FORMER LAS VEGAS RADIO TALK SHOW HOST

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto announced today the indictments of Jack Ferm and Mario Saunders for allegedly operating a foreclosure rescue scam in Las Vegas between September 2008 through 2009 under the business name of US Justice Foundation.

The indictment alleges that Ferm and Saunders operated US Justice Foundation, a document preparation business that charged \$2,500.00 and misled customers that their services would stop ongoing foreclosures on their homes and/or obtain loan modifications.

“These types of crimes target vulnerable people who are already struggling financially and are looking for hope,” said Attorney General Masto. “My office intends to continue to prosecute these crimes and send the message that this type of conduct will not be tolerated in our State.”

Jack Ferm was indicted on one (1) B felony count of Theft – Obtaining Money in Excess of \$2,500 by material misrepresentation from a person sixty years of age or older in violation of NRS 205.832 (1)(c), NRS 205.083 and NRS 193.167; five (5) B felony counts of Theft-Obtaining Money in Excess of \$2,500 by material in violation of NRS 205.0832 (1) (c) and NRS 205.0835; one (1) B felony count of theft-Obtaining money in excess of \$250 by material misrepresentation from a person sixty years of age or older in violation of NRS 205.0832 (1) (c), NRS 205.0835 and NRS 193.167; and three (3) C felony counts of theft-obtaining money in excess of \$250 by material misrepresentation.

An indictment was also entered against Mario Saunders on four (4) B felony Counts of Theft-obtaining money in excess of \$2,500 by material misrepresentation in violation of NRS 205.0832 (1) (c) and NRS 205.0835; and one C felony (1) count of Theft-obtaining money in excess of \$250 by material misrepresentation in violation of NRS 205.0832 (1) (c) and NRS

205.0835.

The case was investigated and is being prosecuted by the Attorney General's Mortgage Fraud Task Force and Bureau of Consumer Protection after the AG's office received numerous complaints about misrepresentations made by Ferm and Saunders. These include several clients who paid thousands of dollars to the US JUSTICE FOUNDATION with no legal documents having been prepared or filed on their behalf. In most cases, Ferm and Saunders required the victims to pay a monthly charge of \$150 for litigation costs in addition to the original retainer of \$2,500 for the duration of the litigation, despite the fact that neither Ferm or Saunders were licensed as attorneys in Nevada.

The indictment is not a determination of guilt or innocence but is just a finding of probable cause that a crime was committed. The defendants are presumed innocent until proven guilty. A District Court arraignment has been scheduled for October 15 in Las Vegas District Court Department 15

Anyone who has information regarding this case should contact the Attorney General's Office at 486-3777 in Las Vegas or 684-1180 in Carson City.



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FOR IMMEDIATE RELEASE
DATE: October 5, 2009

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Domestic Violence Ombudsman
775.688.1872

ATTORNEY GENERAL CATHERINE CORTEZ MASTO DISPLAYS PURPLE FLAGS TO RAISE AWARENESS OF DOMESTIC VIOLENCE

Carson City, NV – Attorney General Catherine Cortez Masto highlights Domestic Violence Awareness Month by displaying several hundred purple flags on the lawn of the Attorney General’s offices in Carson City. Each flag represents approximately 100 of the 35,982 people in Nevada that received services from domestic violence programs during fiscal year 2007-2008, with 954 of these victims reported being pregnant when they sought services.

During this same period, 13,985 children of domestic violence victims also received services from domestic violence programs in Nevada.

“Unfortunately, Nevada ranks #5 in the rate of women murdered by men in the United States this year,” said Attorney General Masto. “For the last two years, Nevada ranked #1 according to the Violence Policy Center. Nevada statistics have improved but being one of the states in the top five of this report needs to change and addressing this issue is one of my priorities as our state’s Attorney General.”

The Attorney General’s Office also distributed 1,500 “Purple Ribbon Pins” to various agencies across the state to raise awareness of domestic violence. The purple ribbon symbolizes life and freedom for those women no longer living with violence.

Domestic Violence Awareness Month was created in 1987 to promote increased rights and services for domestic violence victims; to educate the public about the crisis of domestic violence and the prevalence of this epidemic in all of our

lives; and to encourage involvement and support from our community for domestic violence victims and those who serve them.

More information on domestic violence and resources in Nevada is available on the Attorney General's Office website at: <http://ag.state.nv.us>.

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FOR IMMEDIATE RELEASE
DATE: October 8, 2009

EDIE CARTWRIGHT
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ATTORNEY GENERAL ANNOUNCES ARREST IN CONNECTION WITH MORTGAGE SCAM AGAINST SENIOR CITIZENS

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto announced today that Thomas F. Gentile age 56 and Julio C. Martinez age 61, both of Las Vegas, Nevada, have been arrested on multiple charges of theft, mortgage fraud, identity theft and forgery. An arrest warrant has been issued for a third suspect, Justin M. Sabo age 30, of Huntington Beach, California, whose whereabouts are unknown at this time. The charges stem from the group's involvement in a scheme to fraudulently obtain a mortgage loan against a property owned by Gentile's former employer without the knowledge or consent of the former employer.

"Mortgage fraud continues to be the fastest growing caseload within my office," said Attorney General Masto. "These individuals are charged with obtaining a mortgage on the home of an elderly couple without their consent. The alleged conduct in this case is especially egregious."

Following an investigation by the Attorney General's Mortgage Fraud Task Force, the Attorney General's office alleges that between January 2009 and March of 2009, Sabo, Gentile and Martinez fraudulently obtained and used the identifying personal information of Gentile's former employer, to obtain a \$65,000 mortgage loan against the property owned by the victim. The victim and his wife are senior citizens, who had paid cash for their home and did not hold a mortgage on the property.

The loan was obtained from a group of hard money lenders who were also victimized when they approved the loan without knowledge that the loan application was fraudulent. The victim homeowner and his wife were not aware that the suspects had fraudulently obtained a loan against their home until they received a notice of foreclosure for non payment, at which time they reported it to the Attorney General's office. Several of the counts alleged in the criminal complaint contain sentencing enhancements due to the fact that many of the victims are senior citizens.

The indictment is not a determination of guilt or innocence, but is a finding of probable cause that a crime was committed. The defendants are presumed innocent until proven guilty.

Anyone who has information regarding this case should contact the Attorney General's Office at 486-3221 in Las Vegas or 684-1180 in Carson City.

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**FOR IMMEDIATE RELEASE
DATE: OCTOBER 19, 2009**

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MEDIA ADVISORY

ATTORNEY GENERAL CATHERINE CORTEZ MASTO COMMEMORATES THE 21ST NATIONAL DOMESTIC VIOLENCE AWARENESS MONTH WITH GIRL SCOUT PATCH CEREMONY

Las Vegas, Nevada—October is National Domestic Violence Awareness Month. Attorney General Catherine Cortez Masto will present the “Peace Begins at Home” Girl Scout Domestic Violence Merit Patch at the Girl Scouts of the Frontier Council Headquarters, 2941 Harris Avenue, Las Vegas, Nevada, on **October 24, 2009 at 10 am.**

“Eliminating domestic violence requires collaborative prevention efforts,” said Attorney General Masto. “My office has been involved with the creation of this patch for the last year. Almost 36,000 victims in Nevada contacted agencies in 2008 for assistance. Over 13,000 of these victims were children. Engaging Nevada’s youth to discover the qualities of healthy and respectful relationships will help break the cycle of violence.”

The Peace Begins at Home Domestic Violence Merit Patch Event’s speakers include:

- Catherine Cortez Masto, Nevada Attorney General,
- Sue Meuschke, Nevada Network Against Domestic Violence,
- LaDeana Gamble, Assistant Court Administrator, Las Vegas Justice Court
- Wendy Wilkinson, President of the Southern Nevada Domestic Violence Task Force
- Honorable Frank Sullivan, and
- Kevin Janison , Channel 3 Meteorologist.

Domestic Violence Awareness Month was created in 1987 to promote increased rights and services for domestic violence victims; to educate the public about the crisis of domestic violence and the prevalence of this epidemic in all of our lives; and to encourage involvement and support from our community for domestic violence victims and those who serve them.

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FOR IMMEDIATE RELEASE
DATE: October 22, 2009

CONTACT: Conrad Hafen
Chief Deputy Attorney General
702-486-3420

DISTRICT COURT SENTENCES FORMER NYE COUNTY COMMISSIONER

On Monday, October 19, 2009, Fifth Judicial District Court Judge Robert W. Lane sentenced Peter Gust Liakopoulos, formerly a Nye County commissioner, on one felony charge of Asking or Receiving Bribe by Executive or Administrative Officer and two gross misdemeanor charges of Offering Reward for Appointment and Grafting by Public Officer.

Liakopoulos was sentenced to a term of five years probation on the felony charge and a term of three years probation on each of the gross misdemeanor charges. However, the Court ordered that all three sentences run concurrent to each other.

"The district court has appropriately sentenced Liakopoulos for violating the public's trust," said Attorney General Catherine Cortez Masto.

The Court ordered Liakopoulos to reimburse the Nye County Public Defenders office in the amount of \$500.00; complete 500 hours of community service, disclose these convictions to a current or future employer; and, at Liakopoulos' own expense, enter and complete an ethics class.

The Court also ordered Liakopoulos to serve 60 days in Nye County Detention Center. However, that condition was stayed pending his appeal to the Nevada Supreme Court.

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FOR IMMEDIATE RELEASE
October 22, 2009

CONTACT: JOHN McGLAMERY
Senior Deputy Attorney General
Bureau of Consumer Protection
(775) 684-1169

AG MASTO ANNOUNCES AGREEMENT WITH CVS PHARMACY

Carson City, NV— Nevada Attorney General Catherine Cortez Masto announced today that an agreement has been reached with CVS Pharmacy, Inc. ("CVS") regarding the sale of certain products past their expiration dates.

The State of Nevada has alleged that CVS failed to disclose material facts in connection with the offering for sale of expired products or concealing the date of a product's expiration. In entering into the settlement, CVS denied any wrong-doing as alleged by the State.

As a result of the settlement, CVS will agree not to sell expired products in its Nevada stores and to enforce written expired products policies designed to ensure that no expired products are sold. CVS will implement training sessions to make sure that all of its management personnel and other employees are trained to enforce its expired products policies and to check their inventory on a regular basis to discover expired products on its shelves. CVS will prominently post notices in certain aisles where baby food, infant formula, dairy products, eggs and over-the-counter drugs are offered for sale, reminding customers to check the expiration and "sell by" dates of these products and asking them to notify a CVS employee immediately if they find expired products.

Beginning three months from the date of the settlement, consumers will also be entitled to receive a coupon in the amount of \$2.00 off any future purchase of any item at any of CVS' Nevada stores if they find an expired baby food, infant formula, dairy, egg or over-the-counter drug product offered for sale while shopping at a CVS store, notify a CVS employee or the cashier when checking out and give the expired product to the employee or the cashier. CVS will provide documentation of training to the Office of the Attorney General and be subject to random audits to assure compliance. CVS will also pay a \$5000 fine.

The Attorney General wishes to thank the Southern Nevada Health Authority for its assistance in the investigation of this matter.

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FOR IMMEDIATE RELEASE
DATE: October 23, 2009

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AG MASTO ANNOUNCES COURT ORDER HALTING LONG DISTANCE TELEPHONE SERVICE PROVIDERS FROM BILLING NEVADA RESIDENTS

Carson City, NV— Nevada Attorney General Catherine Cortez Masto announced today that a Carson City district court issued a temporary injunction halting practices by twelve Nevada based long distance telephone companies through a Modesto based company called, The Payment People.

The companies were charged with billing Nevada consumers for unauthorized long distance telephone services; failing to disclose material facts to consumers; providing telephone services in Nevada without permission by the Public Utilities Commission of Nevada; failing to make required mail written notifications to consumers; and making false statements to local telephone companies that consumers had authorized the billing of services.

The companies identified in the injunction include Universal Call Plan, Inc.; Sure Connection LD, Inc.; Long Distance Depot, Inc.; Flat Rate Long Distance, Inc.; Long Distance Mart, Inc. ; Xoom Telecommunications, Inc.; Call Direct, Inc.; Call For Less, Inc.; Connect Direct LD, Inc.; Blue Sky Long Distance, Inc.; Coast to Coast Long Distance, Inc.; First Choice Long Distance, Inc.; Bundled Rate Long Distance Inc.; and Smart Dial, Inc.

“These companies are alleged to be alter egos of The Payment People, which have unlimited powers of attorney to operate these companies as they see fit,” said Attorney General Catherine Cortez Masto. “The temporary injunction will protect Nevadans while the complaint is processed.”

Pending a hearing for a permanent injunction, the court order bars The Payment People, its operators Jeff McKay and Don McNely, and the fourteen other companies from billing Nevada consumers for services until such time as they are certified to provide such services by the Public Utilities Commission of Nevada. In addition, The Payment People are enjoined from billing Nevada consumers for telephone related services which have not been authorized, such as voicemail services.

Attorney General Catherine Cortez Masto warns consumers to check your monthly telephone bill as carefully as your credit card bill. She also warns consumers to be particularly careful if you see a reference to ESBI, USBI, ILD or PaymentOne. These companies are third party billing aggregators and any telephone bill referencing these or other unusually, named companies is a warning that you are being billed for third party services. If you see a reference to one of these companies on your telephone bill check out that section of the billing statement (usually on the last page) and carefully look for the name of the company they are billing for. It will usually be about half way down the page. The company identified next to the amount of the bill is the company billing you for third party services.

If you do not recognize the service for which you are being billed, call the reference number and question whether the bill is legitimate or not. If the company refuses to provide a refund, call your local telephone company about the matter. You can also call the Nevada Office of the Attorney General, Bureau of Consumer Protection at (775) 684-1169 for assistance.

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FOR IMMEDIATE RELEASE
DATE: October 27, 2009

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ATTORNEYS GENERAL REACH SETTLEMENT WITH STUDENT LOAN PROVIDER

Silver Lining for Former Silver State Helicopter Students

Las Vegas, NV- A year after Silver State Helicopters declared bankruptcy –leaving its former students with sky high debt – a group of Attorneys General have negotiated an agreement to partially erase their debt. Under the agreement with 12 states, Student Loan Express will forgive a total of \$112.7 million in debt for students who obtained private education loans to attend the defunct flight school.

The Nevada Attorney General's office served on the executive committee that helped negotiate the agreement, which was reached in conjunction with a national private class action settlement also announced today. Nevada will file its version of the agreement in Clark County District Court. "We can finally see some relief for Silver State Helicopters students who were left in the lurch by the bankruptcy of the company," stated Nevada Attorney General Catherine Cortez Masto.

Silver State Helicopters began operating in 2002 as a small helicopter pilot training school and ultimately operated 34 flight schools throughout the country with a total of 2,700 enrolled students. From 2005 to 2007, Student Loan Xpress served as the preferred student lender for students attending Silver State Helicopters, providing approximately \$174 million to over 2,300 students nationwide. When the school closed abruptly in February 2008, most students were left owing Student Loan Express a substantial debt for training and certifications they never received.

The states' settlement includes a provision that Student Loan Express forgive debt for students who are deemed eligible for relief, and participate in a private, nationwide class action settlement, *Holman et al v. Student Loan Express*, filed in federal court in Florida.

Just over half the students who enrolled never earned a certificate. Under the agreement, Student Loan Xpress will forgive 75 percent of the total amount borrowed by those students. Students who earned one or more certificates will also receive some relief. Students will be required to make payments on the remaining loan balance.

The states' agreement also precludes Student Loan Xpress from reporting negative information to credit reporting agencies about students who failed to make payments on their loans prior to the settlement. Student Loan Xpress must provide written disclosures to each prospective student-borrower whenever it acts as the exclusive private loan provider for students of a private post-secondary, trade or vocational institution not certified or accredited by state or federal authorities.

Those disclosures must state that the loans do not constitute an endorsement of the school, its principals, or the quality of training offered.

Although the Attorneys General negotiated to improve the terms of the forgiveness for students, the class action administrator will be handling the loan forgiveness process. Students who are eligible for the settlement will be receiving documentation from class counsel soon.

States participating in the agreement include California, Florida, Georgia, Idaho, Illinois, Missouri, Montana, Nevada, Oklahoma, Oregon, Utah and Washington.

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**FOR IMMEDIATE RELEASE
DATE: October 28, 2009**

ATTORNEY GENERAL MASTO ANNOUNCES INDICTMENTS IN CONNECTION WITH MORTGAGE SCAM

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto announced today that Wayne Goldenbaum, also known as Robert King, of Las Vegas, Nevada, has been indicted on multiple charges of theft, including theft from an individual over the age of 60.

The charges stem from instances where King fraudulently obtained the proceeds from his victims' mortgage loans or obtained money for the lease of property which he did not own. The case is being prosecuted by the Attorney General's Mortgage Fraud Task Force.

"Unfortunately, unscrupulous individuals continue to take advantage of homeowners who, due to the current economic climate, are experiencing difficulty making their mortgage payments," said Attorney General Masto. "It is a top priority in my office to investigate and prosecute mortgage fraud."

The indictment alleges that King, through his company, King Highway Estates, promised to obtain refinancing for local homeowners who wished to use the proceeds to clear up outstanding debts or make improvements on their homes. After arranging the loans with hard money lenders, King would withhold most of the proceeds under the pretense of using them to pay off the homeowner's bills or authorizing the home improvement projects.

In the case involving a victim over the age of 60, King represented that he had the authority to sell a business, including the right to occupy the location to a group interested in opening a Smoothies for Life franchise. After providing King with a down payment of \$10,000 cash, and expending over \$30,000 on renovations to the site, the group was advised by the actual owner that King had no legal authority to rent the building.

In each case, King is alleged to have continued to mislead the victims into believing that he was providing services well past the time provided for him to perform under the respective contracts. It was not until a search was performed on King's residence that the alleged fraud was discovered.

An indictment is not a determination of guilt or innocence, but is a finding of probable cause that a crime was committed. As with all defendants, King is presumed innocent until proven guilty.

King is currently incarcerated in Federal prison on an unrelated charge.

Anyone who has information regarding this case should contact the Attorney General's Office at 486-3221 in Las Vegas or 684-1180 in Carson City.

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FOR IMMEDIATE RELEASE

DATE: Thursday, October 29, 2009

CONTACT: Dorene Whitworth (775) 684-1110

REVISED APPLICATION DUE DATE FOR 2009 STOP VIOLENCE AGAINST WOMEN GRANT PROGRAM

Carson City, NV -- Attorney General Catherine Cortez Masto has announced the availability of funds under the 2009 STOP Violence Against Women Grant program. Nevada has been allocated funds for qualified programs that meet the specific federal and state objectives of the Violence Against Women Grant Program.

The original deadline for this application was Wednesday, November 11, 2009 by 5:00 PM. The deadline has been extended to November 12, 2009 by 5:00 PM.

The purpose of the STOP Violence Against Women Program is to encourage the development and implementation of more effective law enforcement, court, and prosecution strategies to combat violent crimes against women (sexual assault, domestic violence, dating violence, and stalking), and the development and enhancement of victim services in cases involving those crimes. The STOP Program envisions partnerships among law enforcement, prosecution, courts and victim services organizations to enhance victim safety and hold offenders accountable for their crimes.

Sub-grant application kits are available on the Attorney General web page (listed under "Upcoming Events"), at <http://ag.state.nv.us>. Applications are physically due in the Carson City Office of the Attorney General by **5:00 P.M. Thursday, November 12, 2009**.

The Attorney General's Office will administer the STOP Grant funds on behalf of programs throughout Nevada. For more information on the grant program, please call Dorene Whitworth, Office of the Attorney General, at (775) 684-1110.



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**FOR IMMEDIATE RELEASE
November 3, 2009**

ATTORNEY GENERAL MASTO HOSTS NEVADA-MEXICO PROSECUTOR AND INVESTIGATOR TRAINING, SIGNS MEMORANDUM OF UNDERSTANDING WITH MEXICAN STATE OF OAXACA

Carson City: Attorney General Catherine Cortez Masto hosted more than 50 Mexican prosecutors and investigators for a week-long training session during October in Las Vegas.

The training was sponsored by the Office of the Nevada Attorney General, the National Conference of Attorneys General of Mexico, the Alliance Partnership Program and the Conference on Western Attorneys General (CWAG) to assist Mexican prosecutors and law enforcement personnel as Mexico undertakes judicial reforms in their criminal justice system.

Assisting in the training were the Clark County District Attorney's Office, Clark County Public Defender's Office, Henderson Police Department, Las Vegas Metropolitan Police Department, the Nevada Division of Investigation, the Nevada Highway Patrol and the Commission on Peace Officers' Standards and Training Office (POST.)

"We believe the exchange of training and technical assistance between law enforcement agencies and prosecutors from Mexico and the United States will result in greater security for all citizens in both countries," said Attorney General Masto. "These training sessions are a good first step toward sharing scientific, criminal, forensic, investigative and trial court practices and will help us achieve our shared goal of safe and peaceful neighbors living in harmony and security."

"I was very impressed with the professionalism and dedication of the investigators and prosecutors that I had the pleasure to meet and work with in Las Vegas on this very important project," said Dick Clark, Executive Director, Commission on Peace Officers' Standards and Training (POST.)

“We at Las Vegas Metropolitan Police Department always enjoy working with folks from other states and other countries,” said LVMPD Deputy Chief Jim Owens. “Sharing techniques and information with fellow law enforcement personnel is a win-win situation for all concerned and we were pleased to be part of this worthwhile activity.”

“I found working with the Mexican National Investigators and hearing what they go through every day to be police officers to be one the most gratifying days of my career with the Henderson Police Department,” said Henderson Police Department Lt. Toby Yurek who assisted in the training sessions. “Each day they face extreme danger, but each day they choose to continue to serve their community. Working with them was inspiring. “

In addition to the training, Attorney General Masto signed an Agreement of Understanding with Attorney General Evencio Nicolas Martinez Ramirez of the Mexican State of Oaxaca. Attorney General Masto previously signed agreements with the Attorneys General of the States of Baja California and Chihuahua. In these agreements, the Attorneys General reaffirmed that crimes such as human trafficking, weapons trafficking, money laundering and narcotics smuggling must be wiped out on both sides of the border.

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FOR IMMEDIATE RELEASE
November 25, 2009

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ATTORNEY GENERAL MASTO FILES SUIT ALLEGING PROPOSED ACQUISITION OF PALM MORTUARY BY SERVICE CORPORATION INTERNATIONAL IS ANTICOMPETITIVE

Las Vegas, NV— Nevada Attorney General Catherine Cortez Masto announced today the filing of a lawsuit alleging Service Corporation International's (SCI) proposed purchase of Palm Mortuary, Inc. violates federal and state antitrust laws and reduces competition in the market for cemetery services in the Las Vegas area.

After a formal investigation, the Attorney General is requiring SCI to divest most of its assets in the Las Vegas area in order to proceed with the acquisition. This agreement and other related relief are reflected in two settlement papers: a Stipulated Judgment and an Order to Maintain Assets, also filed as part of the lawsuit.

"Cemeteries involve major purchases, typically at an extremely difficult time when consumers are most vulnerable," said General Masto. "It is critical to preserve competition in the cemetery market for local Las Vegas families."

The acquisition would have created a combined company controlling 76% of the cemetery services market in the Las Vegas area. Palm Mortuary, which operates solely in the Las Vegas area, is the largest seller of cemetery services in the area. SCI, through its Davis Funeral Home and Memorial Park property, is the third largest seller of local cemetery services in Las Vegas and is the nation's largest cemetery provider. There is only one other meaningful cemetery provider in the Las Vegas area.

The lawsuit's complaint alleges that the acquisition, as planned, would eliminate direct competition between SCI and Palm Mortuary for cemetery services in the Las Vegas area. This would leave area cemetery consumers with fewer choices, along with the prospect of higher prices or reduced levels of service. The complaint also alleges that entry into this market from new cemetery providers would not be timely, likely or sufficient to prevent these anticompetitive effects.

The settlement papers, subject to court approval, include the following relief:

- SCI must sell its Davis Funeral Home and Memorial Park property (located near McCarran International Airport), as well as the pre-paid business derived from this property and another SCI-owned Davis funeral home (located near University Medical Center) to a buyer approved by General Masto within 90 days of SCI acquiring Palm Mortuary.
- Prior to SCI selling these Davis assets, SCI must ensure the economic and competitive viability of these Davis assets in accordance with past practices. A series of firewall protections help accomplish this. The Attorney General's staff will monitor SCI's compliance and General Masto can name an independent third party to monitor the company's compliance as well.
- For the next three years, SCI has agreed to provide notice to the Attorney General of future acquisitions that involve cemetery service or funeral service markets where the company already has a presence in Nevada.

Additionally, SCI has agreed to reimburse the Office of the Attorney General for its attorneys' fees and costs resulting from the investigation, as well as any potential future investigations regarding compliance with the settlement papers. If non-compliance occurs, SCI would be subject to monetary penalties, injunctive relief, and other relief the court deems appropriate.

General Masto and her Bureau of Consumer Protection staff worked closely with the Federal Trade Commission on this matter.

"Although my office has always had positive relationships with federal antitrust enforcers on earlier cases and joint training initiatives, the collaboration on this merger review with the Federal Trade Commission has been exceptional," said General Masto. "I look forward to building even stronger relationships with the Commissioners and staff at the Federal Trade Commission so that we can continue to protect consumers and competition in Nevada."

Filed in the United States District Court, District of Nevada, the lawsuit is called The State of Nevada By Its Attorney General Catherine Cortez Masto, v. Service Corporation International, No. 2:09-cv-02248.



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FOR IMMEDIATE RELEASE
DATE: December 1, 2009

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ATTORNEY GENERAL MASTO ANNOUNCES \$25 MILLION SETTLEMENT FOR VITAMINS PRICE FIXING CONSPIRACY

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto announced a \$25.03 million multi-state and class action settlement involving a vitamins price fixing conspiracy in violation of federal and state antitrust laws.

The settlement is on behalf of consumers and businesses that purchased certain vitamins between 1988 and 2000 and reside in Nevada or any other of the 22 settling states. This settlement follows an earlier \$225 million settlement reached in 2000 involving the same vitamins but different vitamin manufacturers.

“Many competing vitamin manufacturers agreed to fix the prices of vitamins they sold, which artificially raised those vitamins’ prices,” said General Masto. “This conduct will not be tolerated, especially when essential health products are involved. I am pleased to work with other states to help secure this settlement.”

The vitamins affected by this alleged price fixing conspiracy are: vitamin A, astaxanthin, vitamin B1 (thiamin), vitamin B2 (riboflavin), vitamin B3 (niacin), vitamin B4 (choline chloride), vitamin B5 (calpan), vitamin B6, vitamin B9 (folic acid), vitamin B12 (cyanocobalamine pharma), beta-carotene, vitamin C, canthaxanthin, vitamin E, and vitamin H (biotin), as well as all blends and forms of these vitamins. Also included is Premix, a product that contains one or more these vitamins in combination with other substances.

The companies that sold these vitamins and subject to the \$25.03 million settlement are: Akzo Nobel Inc.; Bioproducts Incorporated, Mitsui & Co., Ltd. and Mitsui & Co. (U.S.A.), Inc.; Chinook Global Limited and Chinook Group, Inc.; Evonik Degussa GmbH, successor to Degussa AG, and Evonik Degussa Corporation; Lonza AG; Merck KGaA, E. Merck and EM Industries, Inc.; Nepera, Inc.; Sumitomo Chemical America, Inc. and Sumitomo Chemical Co., Ltd.; Mitsubishi Tanabe Pharma Corporation and Tanabe U.S.A., Inc.; UCB Pharma, Inc.; and, Vertellus Specialties Inc. and Vertellus Chemicals SA.

The states, districts, and commonwealths participating in this settlement are: Arizona, District of Columbia, Florida, Hawaii, Idaho, Illinois, Kansas, Maine, Michigan, Minnesota, Nevada, New Mexico, New York, North Carolina, North Dakota, Puerto Rico, Rhode Island, South Dakota, Tennessee, Vermont, Washington, West Virginia and Wisconsin.

Attorneys General in these states secured this settlement in conjunction with a class action lawsuit pending in the U.S. District Court for the District of Columbia. That lawsuit is *Philip Richardson et al. v. Akzo Nobel Inc. et al.*, No. 1:09-cv-02112, which is part of *In re Vitamins Antitrust Litigation*, No. 1:99-mc-00197-TFH. A motion for preliminary approval of the settlement is being filed today. Court approval of the settlement is pending.

Once the settlement is approved, businesses in the settling states that indirectly purchased any of the above vitamins between 1988 and 2000 may make a claim to obtain money from the portion of the settlement allocated to businesses. Given the extraordinary size of affected consumers, each Attorney General will distribute the settlement funds allocated to consumers in their state to government or not-for-profit organizations as approved by the Court.



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FOR IMMEDIATE RELEASE
DATE: December 4, 2009

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ATTORNEY GENERAL CATHERINE CORTEZ MASTO HOLDS CONFERENCE ON SENIOR PROTECTION

Las Vegas: Attorney General Catherine Cortez Masto is holding a conference to promote practices and provide tools to enable professionals to prevent and remedy abuse against senior citizens.

The conference, held at the Renaissance Las Vegas Hotel in Las Vegas, will provide information to senior service providers, senior advocates and law enforcement to help protect elder Nevadans from physical and mental abuse, neglect, isolation and financial exploitation.

“The conference is designed to address issues and problems facing a most important segment of our population – our seniors,” said Attorney General Masto. “Elder abuse is one of the most serious and under-reported crimes in Nevada. National estimates place one in 20 older Americans as victims of abuse each year – more than 2.1 million cases.”

Topics covered during the Conference include Medicare/Medicaid fraud; financial exploitation and fraud against senior citizens; elder abuse in long term care settings and group homes; investigation and prosecution of elder abuse; depression, mental illness and substance abuse; domestic violence and elder abuse; and protecting elders and their assets.

Local, state and national officials participating in panel discussions include representatives from law enforcement, education, the Department of Health and Human Services, the medical community, members of the Legislature and representatives from the Attorney General’s office.

The Attorney General wishes to thank the Area Health Education Center of Southern Nevada and the many local sponsors who worked to make this Conference a success. The conference was funded in part by a grant to the Office of Attorney General’s Senior Medicare Patrol (SMP) unit by the U.S. Administration on Aging.

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FOR IMMEDIATE RELEASE
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ATTORNEY GENERAL MASTO ANNOUNCES NRC ADOPTION OF NEW TRANSPORTATION SECURITY REQUIREMENTS

Move Is Long-Delayed Victory for Nevada

Carson City: Attorney General Catherine Cortez Masto has announced new regulations governing the transportation of spent nuclear fuel shipments.

More than two years before the September 11, 2001 terrorist attacks, the State of Nevada undertook an in-depth evaluation of the potential for terrorist attacks against spent nuclear fuel shipments. Nevada's evaluation documented the vulnerability of spent fuel shipments using information readily available from public sources.

In June 1999, as a result of that evaluation, the Nevada Attorney General's office petitioned the U.S. Nuclear Regulatory Commission (NRC) seeking amendments to regulations governing the safety of SNF shipments and for a comprehensive assessment of the consequences of terrorism and sabotage. The Western Governors Association endorsed the petition on behalf of 18 western states, and five other states (LA, MI, OK, VA, & WV) also endorsed all or part of the petition.

"After more than 10 years, NRC belatedly responded to Nevada's petition and proposed new rules which will adopt most of Nevada's requested actions," stated Nevada Attorney General Catherine Cortez Masto. "Our sensitivity concerning the transportation of nuclear waste has changed dramatically since 9/11 and the public needs adequate protection and a responsive, responsible NRC."

NRC's proposal for rulemaking recommends adopting five of the seven regulatory changes requested by Nevada. These changes would significantly improve security by:

- clarifying and expanding the definition of "radiological sabotage;"
- adopting route approval measures that would minimize movement of SNF through highly populated areas;
- requiring armed escorts for the entire route for truck shipments;

- requiring armed escorts for the entire route for rail shipments; and
- requiring additional planning and scheduling to avoid unnecessary delays and stops and ensure early involvement of affected states in selection of shipping routes.

NRC denied certain parts of Nevada's requests, including a request for a reevaluation of the Design Basis Threat (the threat scenario used in judging whether protective measures are adequate to protect the public); a request for a comprehensive assessment of terrorism consequences; and a request that the use of dedicated trains for spent fuel shipments by rail be made mandatory. Even these denials, however, reflect NRC's acknowledgement of the legitimacy of Nevada's petition.

The denial of Nevada's request for public reexamination of the Design Basis Threat was based on security considerations and does not dispute Nevada's argument that shipping casks are vulnerable to certain types of weapons and attack scenarios.

The denial of Nevada's request for a comprehensive assessment of terrorism consequences was likewise based on procedural and security considerations and is offset by NRC's decision to admit six Nevada contentions (or challenges) dealing with the same transportation terrorism and sabotage issues in the Yucca Mountain licensing proceeding. DOE has acknowledged the vulnerability of shipping casks to sabotage events in the 2008 Yucca Mountain Supplemental Environmental Impact Statement.

NRC's denial of Nevada's request for mandatory dedicated trains for rail shipments of SNF, a major issue in 1999, is less significant now that the utilities and DOE have subsequently (and largely in response to pressure from Nevada, other states and regional groups) declared their intention to use dedicated trains voluntarily.

"Our one major disappointment is that DOE's SNF shipments are exempt from NRC safeguards regulations," said Attorney General Mastro. "Because the Nuclear Waste Policy Act does not specifically require it, NRC has indicated that its safeguards regulations would not apply to shipments to Yucca Mountain or any future federal repository site."



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ATTORNEY GENERAL MASTO ANNOUNCES A SECOND **HOMEOWNERS PROPERTY TAX FRAUD ALERT**

Carson City, NV - Attorney General Catherine Cortez Masto has announced a consumer alert concerning a fraudulent letter sent to homeowners offering to lower property tax.

The official-looking letters are being sent out by "Homeowners Property Tax Review" claiming that the company can lower property taxes for property owners. The form claims recipients can save hundreds of dollars on their property taxes for a fee of \$179. The letter instructs the recipients that they must sign and return the letter within two weeks.

"This letter is very similar to a notice sent out in August by a group calling itself the "Property Tax Review Board" which claimed savings based on faulty assessments," said Attorney General Masto.

In Nevada, property owners do not pay taxes based upon market value. Taxes are calculated on replacement cost, less depreciation. The Nevada Legislature put a property tax cap in place in 2005 using the 2004-2005 base year for property taxes. The promised savings stated in the letter is based on faulty data and the Nevada property owner will probably see no tax savings.

If Nevada property owners have questions about the calculation of their property taxes, the local county assessors will provide assistance free of charge. There is no need for the property owner to pay Homeowners Property Tax Review a fee of \$179 for information on the tax assessment of their property.

The Nevada Attorney General is warning consumers not to be misled, even though the letters they receive may contain personal information such as home value and estimated tax savings. Such information can be obtained as a public record over the internet.

If consumers have any questions, they should call their local county assessors office. Never pay for something you can get for free.

If a consumer has already sent the \$179 fee to Homeowners Property Tax Review and has concerns, please contact the Nevada Attorney General's Bureau of Consumer Protection at (775) 684-1169.