



FRANKLINSQUIRES COMPANIES, LLC

85 EASTBAY BLVD. PROVO, UT 84606 801-375-4474 INFO@FRANKLINSQUIRES.COM FRANKLINSQUIRES.COM

Claud R. Koerber
Executive Director, Founder

Directors/Partners
Claud R. Koerber

Gabriel S. Joseph
Mark A. Craner

Stephen A. Freestone
Sonny L. Jensen

Michael J. Ballard
Jason K. Vaughn

Clavell T. Anderson
E. Peter Hansen

Lindsey Dayton

FOR IMMEDIATE RELEASE

RECORDINGS & DOCUMENTS RELATED TO THE UTAH DEPARTMENT OF COMMERCE TO BE PUBLISHED

ALPINE, UT January 5, 2009 – FranklinSquires Companies, LLC President C. Rick Koerber announces the release of more than 50 audio recordings and several pages of documentation related to the Utah Department of Commerce.

REMARKS BY MR. KOERBER

Beginning January 9, 2009 I intend to begin disseminating a substantial number of audio recordings, recorded telephone conversations and documents that reveal detailed behavior by Department employees such as Utah Securities Division Enforcement Director Michael Hines, Enforcement Analyst Jennifer Korb, Licensing examiner A. Gary Bowen, former Division Director Wayne Klien and former Division of Real Estate officer John Brown.

Its no secret in Utah that the Utah Department of Commerce has been harassing me, FranklinSquires partners, FranklinSquires executives, and several other Utah businessmen and entrepreneurs over the last several years. Today, I've decided that the evidence in my possession could better help reign in the rogue elements inside this agency. I also believe this information could be valuable to other citizens who might be the target of these Department employees, members of the interested public, members of the legislature, and other government employees who might have been misled or misinformed by individuals such as those listed above.

My first introduction to the Department was several years ago, when after introducing himself and his colleagues to me and assuring me that everyone in the room was a "capitalist", a declaration I thought rather odd—especially considering the source, Mr. John Brown from the Department's Division of Real Estate proceeded to inform me and all others present:

"Mr. Koerber, we haven't yet identified any illegal or fraudulent activity on your part, but we do not like the way you are doing business and we have serious reservations and concerns. We will keep looking, and for the time being let me put you on notice - We cannot touch you, because you are not one of our licensees, however I will use the full power of this office to come down with both of my feet squarely in the chest of any Utah licensee who does business with you or FranklinSquires."

From that day to this I have been continually dealing with government bureaucrats like this who seem to be threatened by those free citizens who are unwilling to play by their rules of intimidation and coercion. Rules which, by the way, are not the rules of the State or the rule of law.



FRANKLINSQUIRES COMPANIES, LLC

85 EASTBAY BLVD. PROVO, UT 84606 801-375-4474 INFO@FRANKLINSQUIRES.COM FRANKLINSQUIRES.COM

Claud R. Koerber
Executive Director, Founder

Directors/Partners
Claud R. Koerber

Gabriel S. Joseph
Mark A. Craner

Stephen A. Freestone
Sonny L. Jensen

Michael J. Ballard
Jason K. Vaughn

Clavell T. Anderson
E. Peter Hansen

Lindsey Dayton

It was several years later when, in February of 2007, I first met with another representative of the Department, Mr. Michael Hines, the Enforcement Director in the Securities Division. Mr. Hines began the conversation by calmly explaining:

The Department has been investigating you and your companies over the last two years and at this time has no evidence that you've broken any laws, and I personally do not believe that you have been involved in wrong doing...but Mr. Bouchard [of Hunters Capital] is in a lot of trouble and could be going to jail...So, it's in the best interest of his investors and the Division of Securities if you help him out by paying him back...

The surprise came at the end of this statement when Mr. Hines smugly asserted,

If you are not willing to help out in this situation I can put both him and you in jail!

I had attended the 'off the record' meeting with two of my attorneys and we were, of course, all shocked by his out of context attempt at intimidation. One of my attorneys quickly inquired how Mr. Hines believed he could put me in jail if he had just admitted that his department had not discovered anything in my behavior that was against the law. Mr. Hines smugly responded,

I could have your client in jail by dinner time tonight by swearing out a warrant for suspicion of securities fraud...it's not hard to do.

While this kind of arrogance might be hard to believe, and the gravity of this kind of intimidation being employed by a government employee might escape the average readers notice, but too any businessman who has been in any serious discussions with Mr. Hines or any one of his several colleagues in the Department—the shock, frustration and disbelief such a remark triggers, will easily be recognized with its disgusting odor of familiarity related to both his attitude and the practical consequence of this kind of treatment.

For the last two years, my associates and I at FranklinSquires have had no shortage of hardship or difficulty, which has seriously affected the lives of several of our partners, clients, former employees and creditors. All of us have felt the very serious consequences of our financial short falls and long term uncertainty especially as the credit and real estate markets affect our businesses. We have however, never given up in the face of the serious and challenging circumstances we face.

For the record, prior to Mr. Hines' threat and a number of malicious and illegal actions subsequently taken by the Department of Commerce, not one of our creditors ever went unpaid, nor had one of our several hundred real estate investments or our real estate related creditors ever experienced a default for lack of payment from us.



FRANKLINSQUIRES COMPANIES, LLC

85 EASTBAY BLVD. PROVO, UT 84606 801-375-4474 INFO@FRANKLINSQUIRES.COM FRANKLINSQUIRES.COM

Claud R. Koerber
Executive Director, Founder

Directors/Partners
Claud R. Koerber

Gabriel S. Joseph
Mark A. Craner

Stephen A. Freestone
Sonny L. Jensen

Michael J. Ballard
Jason K. Vaughn

Clavell T. Anderson
E. Peter Hansen

Lindsey Dayton

Nevertheless, while much work remains to be done, given all of the economic difficulty and the Department's overzealous and egregious acts against us, since these difficulties began, FranklinSquires has successfully repaid creditors and investors, through cash payments, asset transfers, real estate transfers and business equity, more than \$67,430,000. This number would, of course, be larger if the monies used to fund attorneys, accountants and other related expenses consumed by the government's unfounded accusations could have been directed towards our repayment efforts. Also, the amount repaid so far does not take into consideration the successes we had prior to the government's activities or what additional success we might have had without the lost revenues, lawsuits, and soured relationships directly caused by government employees on an unholy mission.

Over the course of several years, when the Department didn't find evidence that either FranklinSquires or I was responsible for any wrongdoing, and given that there were not complaints filed against us by those who had actually invested and/or loaned money to us, the Department concocted a strategy to systematically spread rumors and make misrepresentations to other supposed victims—though not actual FranklinSquires clients or investors—to convince them that they were indeed victims of some imagined Ponzi-scheme. Wayne Klein even had a pet project, keeping a large poster-sized diagram of a pyramid structure where he would add, subtract, and rearrange names of businesses and businessmen who the Department wanted to summarily punish, often with Klein performing the roles (as cooberrated by the official audit findings) of lead investigator, judge, jury and executive.

Of course, part of the reason the Department takes the course of action that it does, is because it knows the consequences of a business or a businessman being systematically discredited by a government agency, facts be damned.

All their rumors, allegations of schemes, and years of intimidation through endless investigations aside—they know they are the ones who have delivered the most serious blow to our business.

When the Department found out that my partners and I had begun collecting documentation that verified their agenda, their cover up, and their illegal activity they responded in force. For example, in one document soon to be released as part of my announcement today, you'll see that the now resigned Division of Securities Director actually demanded that I sign a personal affidavit stating in unequivocal terms that I will not "publicly or in court," criticize the Division as having impeded my company's efforts.



FRANKLINSQUIRES COMPANIES, LLC

85 EASTBAY BLVD. PROVO, UT 84606 801-375-4474 INFO@FRANKLINSQUIRES.COM FRANKLINSQUIRES.COM

Claud R. Koerber
Executive Director, Founder

Directors/Partners
Claud R. Koerber

Gabriel S. Joseph
Mark A. Craner

Stephen A. Freestone
Sonny L. Jensen

Michael J. Ballard
Jason K. Vaughn

Clavell T. Anderson
E. Peter Hansen

Lindsey Dayton

In addition, in the recordings that will be released this Friday, everyone will be able to hear, from Department of Commerce employees themselves that:

1. They intentionally set out to spread discrediting rumors about FranklinSquires.
2. They lied about what their investigations had uncovered and about financial disclosures we made to them related to assets and financial statements.
3. They chose their course of action because of my criticisms of their Department on the Radio and the legislative scrutiny they attributed to my political activities.
4. They were willing to compromise their activities against us if I signed a personal affidavit to state, among other things, that I would not criticize the division (in public or in any court) for the harm they were causing my businesses.
5. They were aiming at me and FranklinSquires from the beginning, even when they confessed they had no evidence of wrong doing.
6. They illegally distributed confidential information they obtained as a part of their investigation to private citizens, attorneys, and others.
7. They did not have all the facts before they had decided to make me and several others, prominent targets of the investigation.
8. They did not understand the “nuance” of securities law and believed most private sector attorneys didn’t understand the law well enough to protect their clients.
9. They consider private sector attorneys part of their law enforcement efforts.
10. They consider themselves (not a judge or a jury) the ones who decide in advance, who goes to jail and who gets special treatment—prior to making any charges or taking any action to prove their allegations.

Over the last several years, I have shared some of this information over my radio broadcasts and I have shared selected pieces with legislators and with the Utah Attorney General’s office. Some of the information, I believe, also helped to encourage the State Audit of the Department which confirmed this past July that much of what I and other businessmen had been complaining about was actually taking place.



FRANKLINSQUIRES COMPANIES, LLC

85 EASTBAY BLVD. PROVO, UT 84606 801-375-4474 INFO@FRANKLINSQUIRES.COM FRANKLINSQUIRES.COM

Claud R. Koerber
Executive Director, Founder

Directors/Partners
Claud R. Koerber

Gabriel S. Joseph
Mark A. Craner

Stephen A. Freestone
Sonny L. Jensen

Michael J. Ballard
Jason K. Vaughn

Clavell T. Anderson
E. Peter Hansen

Lindsey Dayton

Consider the following findings from the independent legislative audit, which looked at less than two dozen of the Division's several hundred cases:

- "...In at least three of the twenty cases we reviewed, the division issued the same charges in an administrative action that had been dismissed or resolved in a civil and/or criminal hearing in district court... Successful defense in one venue can result in having to face charges in a second or third venue."
- "The division's use of intimidation to obtain information has been cited by both those being investigated and others involved with the division... In another case, investigators seized personal information by copying all information from the business owner's computer without distinguishing business and personal information. The owner said that he complied with the investigator's demands only because they threatened to immediately close him down if he refused."
- "The division has, at times, violated the terms of its settlement agreements...[and in one case] the division planned to renege on its agreement..." ,
- "Many of those who talked with us requested confidentiality because they feared retaliatory action by the division if they were identified."
- "Since the division director [Wayne Klein]'s resignation, staff believe that little has changed. Some employees have retained legal counsel to represent them because they distrust management, feel threatened, and fear reprisal for speaking up."

This, for me, has never been about FranklinSquires or me, alone. It is about a rogue government agency, led by prominent bureaucrats who seem to think that failing to treat small businessmen and entrepreneurs within the bounds of civil rules and laws, is acceptable in Utah.

I'm convinced that a large part of the reason people might believe that Utah is a "fraud center" has to do with systematic, abusive tactics perpetrated by bureaucrats who have literally built a career finding fraud and persecuting honest citizens where there was no fraud to be found. Unfortunately, all of his other attributes aside, it appears that Utah's governor doesn't seem interested in leading the reform of this agency under his oversight, or righting the wrongs regularly being uncovered, when it might involve controversy or tough decisions.

I recognize that my perspective and my claims against the Department are hard to swallow for some. This is why, although it further singles me out as a target for the likes of Giani, Hines and others, I have decided that it is in everyone's best interest for the evidence in my possession to be laid on the table—so to speak—regarding the Department of Commerce, so interested parties can then judge the information for themselves.

My intention is to release a large amount of material in a series of individual information releases to the public, via the Internet, with downloadable audio clips and .pdf documents. I anticipate making a new release every couple of days and that the total volume of releases will include at least ten separate releases, organized by category.



FRANKLINSQUIRES COMPANIES, LLC

85 EASTBAY BLVD. PROVO, UT 84606 801-375-4474 INFO@FRANKLINSQUIRES.COM FRANKLINSQUIRES.COM

Claud R. Koerber
Executive Director, Founder

Directors/Partners
Claud R. Koerber

Gabriel S. Joseph
Mark A. Craner

Stephen A. Freestone
Sonny L. Jensen

Michael J. Ballard
Jason K. Vaughn

Clavell T. Anderson
E. Peter Hansen

Lindsey Dayton

Some of the Department of Commerce insiders (*who first heard about my conflict with the Department via my radio show broadcast on August 31 2007, and have offered to help because they “know what’s really going on”*) have warned me that the media will not be on my side and that the Department somehow has connections in the local media outlets. I am choosing to release the information anyway.

Others have suggested to me that since the legitimacy of their own investigation has been called into question, the Department has enlisted the help of the US Attorney’s office to pick up where they left off. Nevertheless, I am choosing to release the information anyway.

In spite of these warnings, and in spite of the fact that employees of the Department have already begun a process of intimidating my close associates, and have threatened to use my releasing evidence of government wrong doing as a pretext for arresting me or finally indicting me on some trumped up charges—as Mr. Hines has repeatedly bragged about to his colleagues—I still believe it is important to release the material.

In the mean time, I will continue to work with my best efforts to do all I can to help FranklinSquires and its related entities recover from the current market conditions affecting it, from the malfeasance of the Department, and the normal challenges of every day business.

My number one goal continues to be to ensure that all FranklinSquires creditors and investors (including all related FranklinSquires Companies) ultimately receive a full payment of what is owed to them, as previously agreed. Given even the best of circumstances, this will take much effort and a significant stretch of time.

I believe my reputation and the reputation of those with whom I am associate, shows that persistence is one of our virtues. Regarding the challenges both present and future, related to the allegations persistently advanced by the Department of Commerce and those who are influenced by them, I can only say that I have a firm trust and reliance on the basic principle that time is on the side of truth.

- END

For Information Contact:
C. Rick Koerber
FranklinSquires Companies, LLC
rkoerber@franklinsquires.com
<http://www.franklinsquires.com>

###