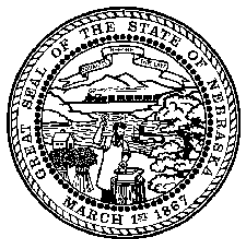


# STATE OF NEBRASKA

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Dave Heineman  
Governor

## **FOR IMMEDIATE RELEASE**

**DATE:** November 14, 2007      **CONTACT:** Patricia A. Saldana-Neumann, Public Information Officer  
Nebraska Department of Banking & Finance

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### **Kearney-Based Company Ordered to Stop Soliciting Investors**

Lincoln, Neb., Nov. 14, 2007 – The Nebraska Department of Banking and Finance, in carrying out its regulatory authority under the Securities Act of Nebraska, has issued a Cease and Desist Order against Country Depot, Inc., 3810 Avenue A, Suite G, Kearney, Neb., and to Dennis Pace, its President, its officers and employees. Country Depot sells shares of stock and solicits investors for proposed retail stores specializing in tractor and farming supplies. The company allegedly planned to operate multiple stores, with the first store to be located in Kearney. The company solicited potential investors in Nebraska and other states.

Between Jan. 25, 2006 and July 29, 2007, Country Depot sold stock to at least 33 investors, including 12 investors who live in Nebraska. During that time, Country Depot's stock was not registered for sale in Nebraska. The company had claimed an exemption with the United States Securities and Exchange Commission; however, it had not filed a claim of exemption with the Department. Furthermore, none of the company's officers or employees registered as broker-dealers, or as agents of broker-dealers, which is required under the Securities Act of Nebraska. The sale of unregistered stocks and the solicitation of investments by unlicensed investment broker-dealers are illegal under Nebraska law.

An NDBF investigation found that Country Depot failed to disclose material information about the company, including the risks associated with the investment, the company's current financial information, the names and backgrounds of principal officers, and information about the number of shares of stock to be sold or how the proceeds from the stock were to be used. A request by the Department for a list of potential investors and disclosure documents revealed that the company had provided investors with a one-page financial analysis promising annual investment return rates of 17%, 19%, 20%, 22% and 25%

DEPARTMENT OF BANKING AND FINANCE

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for each of the next five years. The basis for the projections was not explained. In addition, potential investors were given Articles of Organization for Country Depot, LLC, reputedly a Nebraska limited liability company, which cannot be found through a search of records of the Office of the Nebraska Secretary of State.

Sheila Cahill and Mike Cameron, Department attorneys handling the case, issued a warning to persons who seek quick ways to earn high returns for investment opportunities.

“Sadly, this is a difficult lesson for those who invested before doing their due diligence,” said Cahill. “There is always some risk in investing, however, if you receive a pitch for something that sounds too good to true, it usually is,” she said

“These types of investigations demonstrate a betrayal of trust that hurt all investors,” said Cameron. “Our office cannot protect investors from deals that don’t live up to their expectations, but we can warn about investing in unregistered securities,” he said. “Before you invest, always get written financial information and check with our Department to see if the securities have been registered.”

More information about the laws governing the securities industry in Nebraska can be found on the Department’s Web site at [www.ndbf.org](http://www.ndbf.org). If you have questions about any investing or banking matters, call the NDBF Consumer Hotline toll free at 877-471-3445.

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