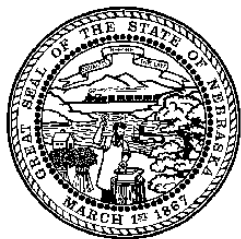


STATE OF NEBRASKA



Dave Heineman
Governor

FOR IMMEDIATE RELEASE

DATE: November 17, 2009
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DEPARTMENT OF BANKING AND FINANCE

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Omaha-Based Company Ordered to Stop Soliciting Investors

Lincoln, Neb., Nov. 17, 2009 – The Nebraska Department of Banking and Finance has issued a Cease and Desist Order against Citywide Financial Service Corp. and K&R Development LLC, 16350 Crestfield Drive, Omaha, NE and Dewayne Long, their president/manager, officers and employees. The companies solicited investors in several states.

Beginning in 2005 and in 2006, both companies sold promissory notes to at least four investors. During that time, the companies' notes were not registered for sale with the Department. Furthermore, neither company's officers nor employees were registered as broker-dealers, or as agents of broker-dealers, which is required under the Securities Act of Nebraska. The sale of unregistered securities and the solicitation of investments by unlicensed broker-dealers are illegal under Nebraska law.

An NDBF investigation found that Citywide Financial and K&R Development failed to disclose material information about the companies, including the risks associated with the investment, each company's current financial information, the names and backgrounds of principal officers, and information about the number of promissory notes to be sold or how the proceeds from the notes were to be used. A review of the companies' documents revealed investors had been provided with agreements promising annual investment return rates of up to 1,000% for periods ranging from three to twelve months. The basis for the rates of return was not explained.

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Karen Reynolds, a securities analyst handling the case, issued a warning to persons who seek quick ways to earn high returns for investment opportunities.

“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. “If you invested with either company, you should contact the Department as soon as possible.”

More information about the laws governing the securities industry in Nebraska can be found on the Department's Web site at www.ndbf.ne.gov. If you have questions about any investment matters, call the NDBF Consumer Hotline toll free at 877-471-3445.

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