



Nuclear Power Company

Fights SEC Fraud Accusations

by Jamie Grey - Idaho's NewsChannel 7

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BOISE -- A nuclear energy company with its sights set on building a plant in Idaho is now fighting a complaint filed against it last month.

In December, the Security and Exchange Commission accused Alternate Energy Holdings Incorporated (AEHI) of fraudulently raising funds to build a \$10 billion nuclear power plant in Payette County. As a result, AEHI's funds have been frozen.

The SEC accused the company of creating a "pumping and dumping" scheme, allegations the company now calls 'misleading' and 'blatantly false'.

"They're wrong about the pump. They're wrong about the dump," said AEHI's attorney **Richard Roth** of **The Roth Law Firm** located in New York City. "And it's not even... this is not a close call. It's not as if they're right about something. There are no allegations that I've seen in the complaint

or the motion that are accurate."

In court documents the Commission says, among other things, AEHI fraudulently inflated the price and volume of its stock using false press releases and stock promoters in order to attract investors. Additionally, the Commission says AEHI employees secretly sold off company stock and funneled the money back to the CEO.

Now AEHI's attorney and CEO have filed documents and evidence they say disprove all of these claims.

The company says its stock prices did not go up because of any company press releases. Rather, it says prices went up as a result of independent articles featuring the company and new federal legislation allocating billions in loan guarantees for new nuclear power plants in the U.S.

As for the alleged stock dumping, AEHI's attorneys say the two people in question did

give the CEO money they got from selling stocks, but it wasn't a funneling scheme. **Roth**, representing AEHI, said one of the people sold off stock to buy a car from Gillispie. **Roth** said the other person, AEHI's Vice President of Administration, sold off her stock to repay Gillispie for buying a home for her sister, whose home had burned down.

As a result of the lawsuit, the company's CEO told the court it hasn't been able to pay any employees, contractors or creditors since November. Also, negotiations with Payette County for the new plant have been put on hold.

Roth said AEHI stock prices have plummeted since the assets have been frozen but trading has been allowed. He said before the complaint was filed, the stock was worth 58 cents per share. Currently, he

said the stock is worth around 8 cents per share.

"What happened to the company is: (A) the company cannot operate; (B) the company has a horrific public image now because when the SEC comes in, people believe it; and (C) the shareholders have been affected," **Roth** said.

AEHI is asking the asset freeze be lifted entirely. If they will not lift the entire freeze, the company wants the judge to allow the company to use money to pay ordinary business expenses, including legal fees.

Roth believes the judge will reject the SEC's complaint. He said the company could recover if that happens.

Attorneys for the SEC were unavailable for comment Saturday.

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