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**PRESS RELEASE
FOR IMMEDIATE RELEASE**

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RUSSELL ERXLEBEN SENTENCED IN \$50 MILLION FOREIGN CURRENCY SCAM

AUSTIN, TEXAS -- Denise Voigt Crawford, Texas Securities Commissioner, announced today that Russell Allen Erxleben was sentenced by United States District Court Judge James R. Nowlin to a total of 84 months in federal prison, a \$1 million fine, and \$28 million in restitution in connection with Erxleben's conviction for one count of conspiracy to commit securities fraud, mail fraud, and money laundering, and a second count of securities fraud in connection with his activities as president of Austin Forex International, Inc.

The Information and Plea Agreement filed by the United States Attorney's Office states that Austin Forex and Erxleben misled investors by making false representations concerning the past returns generated by Austin Forex for its investors, the risks involved, and how investor funds would be used. In the document, Erxleben admitted to sending clients account statements that did not depict the true status of the clients' accounts or reflect the trading losses experienced by Austin Forex and Erxleben.

The conviction was the result of an extensive joint investigation conducted by the Texas State Securities Board, and the Austin offices of the Federal Bureau of Investigation, the Criminal Investigation Division of the Internal Revenue Service, and the United States Attorney's Office for the Western District of Texas.

BACKGROUND

Russell Allen Erxleben was the president and majority shareholder of Austin Forex, an Austin-based company that solicited investors for the purpose of investing in foreign currency markets. From approximately October, 1996 until September, 1998, Austin Forex and Erxleben raised in excess of \$50 million from over 800 investors, with the vast majority of the funds collected in 1998. Generally, the investors were solicited directly by Erxleben through an extensive network of contacts, often based on his notoriety as a former University of Texas and professional football player.

In addition to the trading losses Austin Forex incurred, funds invested in Austin Forex were dissipated in a variety of other ways. Sometimes, new investor funds were distributed back to earlier investors as illusory profits, while other funds were spent on luxury office space, luxury cars, entertainment and travel.

The Texas State Securities Board launched its investigation into the activities of Austin Forex and Erxleben following inquiries from investors. Later, the Federal Bureau of Investigation, the Internal Revenue Service's Criminal Investigation Division and the United States Attorney's Office joined the investigation.

On September 14, 1998, Austin Forex ceased operations and closed its doors. On September 18, 1998, the Texas State Securities Board and the Texas Attorney General's Office petitioned a Travis County District Judge to appoint a receiver for Austin Forex and Erxleben. The District Court placed Austin Forex into receivership and appointed Janet Mortenson temporary receiver.

On November 10, 1998, Erxleben filed bankruptcy petitions for Austin Forex International, Inc. and International Foreign Exchange, Inc. ("IFX"). The Receiver and the Texas Attorney General's Office requested dismissal of the bankruptcy petitions on the grounds that they were filed in bad faith. In granting this request, U.S. Bankruptcy Judge Frank Monroe found: (1) \$40 million, perhaps more, were invested in the companies; (2) even up until the day the offices were closed, the two companies continued to accept money from investors and to return money to those who were close to Erxleben; (3) the bankruptcies were filed (a) "so Mr. Erxleben wouldn't have to go to trial" on November 16, 1998, in a Houston lawsuit in which he was the sole defendant; (b) "to deter the receiver's investigation"; (c) in bad faith, "primarily in an attempt to protect the interests of Mr. Erxleben and not with any genuine desire to protect the interests of creditors or investors"; and (4) the state court receivership should not be disturbed, it should be encouraged.

The receiver has, so far, collected over \$30,000,000 from law firms involved in representing Erxleben and his companies.