

that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY SIXTY-FIVE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 10th day of November, 1986, in Wilson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Holmes Beach FM Partnership to Edward A. Fulford, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, the defendant did directly and indirectly omit to state material facts which caused said Edward A. Fulford to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT SIXTY-SIX ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 10th day of November, 1986, in Wilson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Holmes Beach FM Partnership to Edward A. Fulford, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Edward A. Fulford, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlbaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false,

misleading and that omitted material facts that misled Edward A. Fulford. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY SIXTY-SEVEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11th day of March, 1988, in Wilson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Barco FM Partnership to Howard Jones, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that there was very little risk in this investment; and further, the defendant did directly and indirectly omit to state material facts which caused said Howard Jones to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT SIXTY-EIGHT ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11th day of March, 1988, in Wilson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Barco FM Partnership to Howard Jones, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Howard Jones, in violation of N.C.G.S. 78A-8(3). Said act, practice, or

course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlbaas, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Howard Jones. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that there was very little risk in this investment. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY SIXTY-NINE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 12th day of September, 1987, in Wilson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Cibola Radio Partnership to Lucinda B. Rackley, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that there was very little risk in this investment; and further, the defendant did directly and indirectly omit to state material facts which caused said Lucinda B. Rackley to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT SEVENTY ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 12th day of September, 1987, in Wilson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain

security, to wit: a partnership interest in Cibola Radio Partnership to Lucinda B. Rackley, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Lucinda B. Rackley, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlbaas, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Lucinda B. Rackley. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that there was very little risk in this investment. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY SEVENTY-ONE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 22nd day of June, 1987, in Wilson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Southern Radio Partnership to Lucinda B. Rackley, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that there was very little risk in this investment; and further, the defendant did directly and indirectly omit to state material facts which caused said Lucinda B. Rackley to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT SEVENTY-TWO ✓

**THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 22nd day of June, 1987, in Wilson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Southern Radio Partnership to Lucinda B. Rackley, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Lucinda B. Rackley, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Lucinda B. Rackley. The statements that were false and misleading were, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that there was very little risk in this investment. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.**

✓ COUNTY SEVENTY-THREE ✓

**THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 1st day of December, 1986, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Louisburg FM Radio Associates to John R. Buchanan, did directly and indirectly omit to state material facts which caused said John R. Buchanan to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).**

COUNT SEVENTY-FOUR ✓

**THE JURORS FOR THE STATE UPON THEIR OATH PRESENT** that on or about the 1st day of December, 1986, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Louisburg FM Radio Associates to John R. Buchanan, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon John R. Buchanan, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlbaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that omitted material facts that misled John R. Buchanan. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY SEVENTY-FIVE ✓

**THE JURORS FOR THE STATE UPON THEIR OATH PRESENT** that on or about the 22nd day of December, 1986, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Honolulu FM Associates to Alfred L. Wester, did directly and indirectly omit to state material facts which caused said Alfred L. Wester to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

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✓ COUNT SEVENTY-SIX ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 22nd day of December, 1986, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Honolulu FM Associates to Alfred L. Wester, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Alfred L. Wester, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlbaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that omitted material facts that misled Alfred L. Wester. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY SEVENTY-SEVEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 26th day of June, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Biltmore Broadcast Associates to Curtis and Williams Enterprises, did directly and indirectly make an untrue statement of material fact, to wit: that he would receive a very large return on his investment; and further, the defendant did directly and indirectly omit to state material facts which caused said Curtis and Williams Enterprises to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

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✓ COUNT SEVENTY-EIGHT ✓

**THE JURORS FOR THE STATE UPON THEIR OATH PRESENT** that on or about the 26th day of June, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Biltmore Broadcast Associates to Curtis and Williams Enterprises, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Curtis and Williams Enterprises, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlbaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Curtis and Williams Enterprises. The statement that was false and misleading was, that he would receive a very large return on his investment. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY SEVENTY-NINE ✓

**THE JURORS FOR THE STATE UPON THEIR OATH PRESENT** that on or about the 13rd day of March, 1987, in Guilford County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Belle Chase Radio Partnership to William E. Beasley, did directly and indirectly make an untrue statement of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, the defendant did directly and indirectly omit to state material facts which caused said William E. Beasley to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the

North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT EIGHTY ✓

**THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 13rd day of March, 1987, in Guilford County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Belle Chase Radio Partnership to William E. Beasley, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon William E. Beasley, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled William E. Beasley. The statement that was false and misleading was, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.**

✓ COUNT EIGHTY-ONE ✓

**THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 9th day of June, 1987, in Guilford County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Radio Franklin Partnership to William E. Beasley, did directly and indirectly make an untrue statement of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, the defendant did directly and indirectly omit to state material facts which caused said William E. Beasley to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that**

the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT EIGHTY-TWO ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 9th day of June, 1987, in Guilford County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Radio Franklin Partnership to William E. Beasley, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon William E. Beasley, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled William E. Beasley. The statement that was false and misleading was, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY EIGHTY-THREE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 27th day of November, 1986, in Lenoir County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Lookout Mountain Regional Partnership to William B. Darden, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further that there was very little risk in this investment; and further, the defendant did directly and indirectly omit to state material facts which caused said William B. Darden to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and

professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT EIGHTY-FOUR ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 27th day of November, 1986, in Lenoir County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Lookout Mountain Regional Partnership to William B. Darden, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon William B. Darden, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled William B. Darden. The statements that were false and misleading were, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further that there was very little risk in this investment. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT EIGHTY-FIVE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 3rd day of June, 1987, in Craven County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in East Carolina Radio Association to Mack L. Freeze, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further that there was very little risk in this investment; and further, the defendant did directly and indirectly omit to state material facts which caused said Mack L. Freeze to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the

true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT EIGHTY-SIX ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 3rd day of June, 1987, in Craven County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in East Carolina Radio Association to Mack L. Freeze, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Mack L. Freeze, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Mack L. Freeze. The statements that were false and misleading were, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further that there was very little risk in this investment. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY EIGHTY-SEVEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 1st day of November, 1986, in Sampson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Trinity FM Partnership to Frank O. Puryear, did directly and indirectly make an untrue statement of material fact, to wit: that he would receive a very large return on his investment; and further, the defendant did directly and indirectly omit to state material facts which caused said Frank O. Puryear

to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT EIGHTY-EIGHT ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 1st day of November, 1986, in Sampson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Trinity FM Partnership to Frank O. Puryear, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Frank O. Puryear, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Frank O. Puryear. The statement that was false and misleading was, that he would receive a very large return on his investment. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY EIGHTY-NINE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 14th day of July, 1986, in Sampson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Timothy FM Partnership to James W. Weeks, did directly and indirectly make untrue statements of material fact, to wit: that he would receive a very large return on his investment; and further, that they had a ninety percent chance

of obtaining this construction permit; and further, the defendant did directly and indirectly omit to state material facts which caused said James W. Weeks to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT NINETY ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 14th day of July, 1986, in Sampson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Timothy FM Partnership to James W. Weeks, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon James W. Weeks, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled James W. Weeks. The statements that were false and misleading were, that he would receive a very large return on his investment; and further, that they had a ninety percent chance of obtaining this construction permit. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY NINETY-ONE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 7th day of November, 1987, in McDowell County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain

security, to wit: a partnership interest in Tennessee Radio Partnership to John B. Walker, Jr., did directly and indirectly make an untrue statement of material fact, to wit: that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, the defendant did directly and indirectly omit to state material facts which caused said John B. Walker, Jr. to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT NINETY-TWO ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 7th day of November, 1987, in McDowell County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Tennessee Radio Partnership to John B. Walker, Jr., did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon John B. Walker, Jr., in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled John B. Walker, Jr.. The statement that was false and misleading was, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

COUNTY NINETY-THREE ✓

**THE JURORS FOR THE STATE UPON THEIR OATH PRESENT** that on or about the 24th day of June, 1987, in McDowell County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Southern Radio Partnership to John B. Walker, Jr., did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, the defendant did directly and indirectly omit to state material facts which caused said John B. Walker, Jr. to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT NINETY-FOUR ✓

**THE JURORS FOR THE STATE UPON THEIR OATH PRESENT** that on or about the 24th day of June, 1987, in McDowell County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Southern Radio Partnership to John B. Walker, Jr., did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon John B. Walker, Jr., in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled John B. Walker, Jr.. The statement that was false and misleading was, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not

disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY NINETY-FIVE ✓

**THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 27th day of June, 1987, in McDowell County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Panhandle Radio Associates to John B. Walker, Jr., did directly and indirectly make an untrue statement of material fact, to wit: that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, the defendant did directly and indirectly omit to state material facts which caused said John B. Walker, Jr. to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).**

✓ COUNT NINETY-SIX ✓

**THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 27th day of June, 1987, in McDowell County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Panhandle Radio Associates to John B. Walker, Jr., did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon John B. Walker, Jr., in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled John B. Walker, Jr.. The statement that was false and misleading was, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not**

disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT NINETY-SEVEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 6th day of October, 1986, in McDowell County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Murrell's Inlet Radio Partnership to John B. Walker, Jr., did directly and indirectly make an untrue statement of material fact, to wit: that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, the defendant did directly and indirectly omit to state material facts which caused said John B. Walker, Jr. to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT NINETY-EIGHT ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 6th day of October, 1986, in McDowell County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Murrell's Inlet Radio Partnership to John B. Walker, Jr., did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon John B. Walker, Jr., in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled John B. Walker, Jr.. The statement that was false and misleading was, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal

background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

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✓ COUNT NINETY-NINE 90-CRS-9159

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 22th day of October, 1986, in Sampson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Albuquerque Broadcast Associates to Millard T. Owen, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, the defendant did directly and indirectly omit to state material facts which caused said Millard T. Owen to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT ONE HUNDRED ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 22nd day of October, 1986, in Sampson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Albuquerque Broadcast Associates to Millard T. Owen, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Millard T. Owen, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Millard T. Owen. The statements that were false and misleading were, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction

permits; and further, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT ONE HUNDRED AND ONE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 28th day of July, 1986, in Sampson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Timothy FM Partnership to Millard T. Owen, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, the defendant did directly and indirectly omit to state material facts which caused said Millard T. Owen to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT ONE HUNDRED AND TWO ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 28th day of July, 1986, in Sampson County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Timothy FM Partnership to Millard T. Owen, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Millard T. Owen, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise

Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Millard T. Owen. The statements that were false and misleading were, that Sonrise Management Services, Inc. had a very successful track record in making applications for FM radio construction permits; and further, that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT ONE HUNDRED AND THREE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 12nd day of December, 1986, in Forsyth County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Ringgold FM Partnership to Charles L. James, did directly and indirectly make untrue statements of material fact, to wit: that there was very little risk in this investment; and further, that he could not possibly lose his money; and further, the defendant did directly and indirectly omit to state material facts which caused said Charles L. James to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT ONE HUNDRED AND FOUR ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 12nd day of December, 1986, in Forsyth County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Ringgold FM Partnership to Charles L. James, did directly and indirectly engage in an act, practice, and course of business which

operated as a fraud and deceit upon Charles L. James, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Charles L. James. The statements that were false and misleading were, that there was very little risk in this investment; and further, that he could not possibly lose his money. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT ONE HUNDRED AND FIVE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 2nd day of February, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Ocean Pines FM Partnership to Charles L. James, did directly and indirectly make untrue statements of material fact, to wit: that there was very little risk in this investment; and further, that he could not possibly lose his money; and further, the defendant did directly and indirectly omit to state material facts which caused said Charles L. James to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT ONE HUNDRED AND SIX ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 2nd day of February, 1987, in Nash County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Ocean Pines FM Partnership to Charles L. James, did

directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Charles L. James, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlbaas, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Charles L. James. The statements that were false and misleading were, that there was very little risk in this investment; and further, that he could not possibly lose his money. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY ONE HUNDRED AND SEVEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 24th day of February, 1987, in Forsyth County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Twin City Radio Partnership to Charles L. James, did directly and indirectly make untrue statements of material fact, to wit: that there was very little risk in this investment; and further, that he could not possibly lose his money; and further, the defendant did directly and indirectly omit to state material facts which caused said Charles L. James to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT ONE HUNDRED AND EIGHT ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 24th day of February, 1987, in Forsyth County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain

security, to wit: a partnership interest in Twin City Radio Partnership to Charles L. James, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Charles L. James, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Charles L. James. The statements that were false and misleading were, that there was very little risk in this investment; and further, that he could not possibly lose his money. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNTY ONE HUNDRED AND NINE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 5th day of June, 1987, in Forsyth County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Sun Coast Communications to Charles L. James, did directly and indirectly make untrue statements of material fact, to wit: that there was very little risk in this investment; and further, that he could not possibly lose his money; and further, the defendant did directly and indirectly omit to state material facts which caused said Charles L. James to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina Secretary of State's Office; and, the defendant further failed to disclose that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office; said untrue statements and omissions being in violation of N.C.G.S. 78A-8(2).

✓ COUNT ONE HUNDRED AND TEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 5th day of June, 1987, in Forsyth County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Sun Coast Communications to Charles L. James, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Charles L. James, in violation of N.C.G.S. 78A-8(3). Said act, practice, or course of business which operated as a fraud and deceit was as follows: The defendant acting with Eugene B. White, Carl W. Hurlebaus, Ralph M. Savage, Sonrise Management Services, Inc., Telemedia, Inc. and various others known and unknown to the State on the date alleged above did offer and sell the security alleged described above through the use of statements that were false, misleading and that omitted material facts that misled Charles L. James. The statements that were false and misleading were, that there was very little risk in this investment; and further, that he could not possibly lose his money. The statements that omitted material facts were; that the true risks of this investment were not disclosed; and further, that the true use of the proceeds of the offering of the security was not disclosed; and further, that the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits was not disclosed; and further, that the true personal, professional and criminal background of Ralph M. Savage was not disclosed; and further, the true personal and professional background of Eugene B. White was not disclosed; and further, that the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications was not disclosed; and further, that the true chances of getting an FM radio construction permit were not disclosed; and further, the fact that the security described above was not properly registered with the North Carolina Secretary of State's Office was not disclosed; and further, that the salespeople selling the security described above were not properly registered with the North Carolina Secretary of State's Office was not disclosed.

✓ COUNT ONE HUNDRED AND ELEVEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 20th day of January, 1987, in Guilford County, Thomas L. Root, unlawfully, willfully and feloniously, in connection with the offer and sale of a certain security, to wit: a partnership interest in Louisburg FM Radio Associates to Robert L. Groat, did directly and indirectly make untrue statements of material fact, to wit: that Sonrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that if they obtained a construction permit, it could be sold for a profit; and further, that the financing necessary to build a radio station would be very easy to obtain; and further, the defendant did directly and indirectly omit to state material facts which caused said Robert L. Groat to be misled, to wit: the defendant failed to disclose the true risks of the investment; the defendant further failed to disclose the true use of the proceeds of the offering of the security; the defendant further failed to disclose the true record of success by Sonrise Management Services, Inc. in the area of obtaining FM radio construction permits; the defendant further failed to disclose the true personal, professional and criminal background of Ralph M. Savage; the defendant further failed to disclose the true personal and professional background of Eugene B. White; the defendant further failed to disclose the lack of expertise of the agents of Sonrise Management Services, Inc. in the area of FM radio applications; the defendant further failed to disclose the true chances of getting an FM radio construction permit; the defendant further failed to disclose that the security described above was not properly registered with the North Carolina

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