

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 TWELVE ✓

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 engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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 THIRTEEN ✓

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 Shreveport Radio Association 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 Sunrise 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 FOURTEEN ✓

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 Shreveport Radio Association to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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, Sunrise 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 Robert L. Groat. The statements that were false and misleading were, that Sunrise 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. 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 Sunrise 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 Sunrise 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 FIFTEEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 9th day of February, 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 Brunswick Radio Associates to Robert L. Groat, did directly and indirectly make untrue statements of material fact, to wit: that Sunrise Management Services, Inc. would handle all matters concerning the application for an FM radio construction permit; and further, that if they obtained a construction

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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 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 SIXTEEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 9th day of February, 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 Brunswick Radio Associates to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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 SEVENTEEN

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 9th day of February, 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 Twin City Radio Partnership 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 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 EIGHTEEN

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 9th day of February, 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 Twin City Radio Partnership to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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

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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 NINETEEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 25th day of February, 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 Swanton 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 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 TWENTY ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 25th day of February, 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 Swanton Radio Associates to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. The

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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 TWENTY-ONE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 2nd day of April, 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 Sedona FM Broadcast 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 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 TWENTY-TWO ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 2nd day of April, 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 Sedona FM Broadcast Associates to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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

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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 Robert L. Groat. 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 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. 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 TWENTY-THREE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11st 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 Florida FM Partnership 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 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 TWENTY-FOUR ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11st 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 Florida FM Partnership to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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. Harlebaus, 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 Robert L. Groat. 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 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. 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 TWENTY-FIVE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 2nd day of April, 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 Crawford FM Broadcast 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 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

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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 TWENTY-SIX ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 2nd day of April, 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 Crawford FM Broadcast Associates to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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 TWENTY-SEVEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11st day of April, 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 Holy Hands FM Partnership 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

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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 TWENTY-EIGHT ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11st day of April, 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 Holy Hands FM Partnership to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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 TWENTY-NINE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11st day of May, 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 Canal Association 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 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 THIRTY ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11st day of May, 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 Canal Association to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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 THIRTY-ONE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 27th day of May, 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 East Carolina Radio Association 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 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 THIRTY-TWO ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 27th day of May, 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 East Carolina Radio Association to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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 THIRTY-THREE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 29th 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 Biltmore Broadcast 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 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 THIRTY-FOUR ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 29th 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 Biltmore Broadcast Associates to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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 THIRTY-FIVE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 21st day of July, 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 West Tennessee Broadcast Partnership 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 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 THIRTY-SIX ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 21st day of July, 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 West Tennessee Broadcast Partnership to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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 THIRTY-SEVEN ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 21st day of July, 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 Southwest Texas FM Partnership 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 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 THIRTY-EIGHT ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 21st day of July, 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 Southwest Texas FM Partnership to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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 THIRTY-NINE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11st day of August, 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 Plains FM Partnership 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 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 FORTY ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 11st day of August, 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 Plains FM Partnership to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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 FORTY-ONE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 26th day of August, 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 Gulf Shore 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 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 FORTY-TWO ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 26th day of August, 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 Gulf Shore Radio Associates to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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 FORTY-THREE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 16th day of September, 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 Citrus 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 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 FORTY-FOUR ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 16th day of September, 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 Citrus Radio Associates to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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 FORTY-FIVE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 22nd day of October, 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 Missouri Broadcast Partners 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 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 FORTY-SIX ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 22nd day of October, 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 Missouri Broadcast Partners to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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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90-30-1674

ONE HUNDRED AND FORTY-SEVEN

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 22nd day of October, 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 Lake Maumelle FM 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 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 FORTY-EIGHT 90-CK-9160

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 22nd day of October, 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 Lake Maumelle FM Associates to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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 FORTY-NINE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 27th day of October, 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 Greater Memphis Broadcast Partnership 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 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 FIFTY ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 27th day of October, 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 Greater Memphis Broadcast Partnership to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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 FIFTY-ONE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 27th day of October, 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 Crystal Lake FM Partnership 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 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 FIFTY-TWO ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 27th day of October, 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 Crystal Lake FM Partnership to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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 FIFTY-THREE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 30th day of November, 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 Jemez Mountain Broadcasters 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 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 FIFTY-FOUR

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 30th day of November, 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 Jemez Mountain Broadcasters to Robert L. Groat, did directly and indirectly engage in an act, practice, and course of business which operated as a fraud and deceit upon Robert L. Groat, 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 Robert L. Groat. 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 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. 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 FIFTY-FIVE ✓

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or about the 30th day of November, 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 Northwest 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 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