

STATE OF COLORADO



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PRESS RELEASE

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REAL ESTATE PROMOTER SETTLES COLORADO SECURITIES LAW VIOLATIONS

Denver, Colorado – Colorado Securities Commissioner Fred Joseph announced today that he has settled his enforcement action against **Jason J. Sharkey**, of Denver, Colorado, arising from the offer and sale of securities in **Klytie's Developments, Inc.**, and **Klytie's Developments, LLC**, to Colorado investors. There were at least 50 investors who have invested over \$2.25 million with Klytie's Developments.

Under the terms of the settlement, Mr. Sharkey has consented to a permanent injunction entered by Judge Gloria A. Rivera of the Denver District Court barring him from the securities industry in Colorado and permanently enjoining him from further violation of the registration, licensing and anti-fraud provisions of the Colorado Securities Act. In addition, Mr. Sharkey has agreed to the entry of a monetary judgment against him in the amount of \$944,391.00.

On October 23, 2006, Commissioner Joseph filed a complaint in Denver District Court against Mr. Sharkey, and others, alleging they violated the registration and anti-fraud provisions of the Colorado Securities Act. Specifically, that since at least March of 2005, Mr. Sharkey offered and sold investments in the so-called "Global Real Estate Fund." Sharkey represented to investors that they would pool investor monies to finance the

purchase of real estate developments and holdings throughout the world. In turn, those real estate developments would form the assets of the Global Real Estate Fund and the investors would share in the profits and capital gains derived from the assets of the Fund. Sharkey guaranteed a minimum annual return of 10% to investors.

In the complaint, the Commissioner has alleged that in connection with the offer and sale of interests in the Global Real Estate Fund, Mr. Sharkey made misrepresentations to prospective investors which are materially false and misleading, including, but not limited to the following:

- a. Mr. Sharkey represented to investors that Klytie's Developments owned certain properties listed in the Klytie's Prospectus. In truth, some of the properties identified in the Prospectus do not even exist.
- b. Mr. Sharkey represented to investors that investor's funds would be pooled to purchase real estate. But investor funds were used for purposes other than the purchase of real estate, including the personal use by Mr. Sharkey.
- c. Mr. Sharkey represented that the properties were held in trust by TD Canada Trust. But TD Canada Trust has no record of any trust documents filed with them by the Defendants.

Other Defendants named in the civil action, **Klytie's Developments, Hidai Friedman, and Efrat Friedman**, have not settled the civil charges. Hidai Friedman is currently awaiting trial on related criminal charges in Jefferson County District Court. The criminal trial is set to commence on July 8, 2008. The civil case has been stayed pending the outcome of the criminal case.

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.

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