

February 08, 2005

***KFx's new President involved in questionable stock schemes.***

On February 2, 2005 KFx, Inc. (AMEX: KFX, \$14.30) announced that it had appointed Robert I. Hanfling to the positions of President and Chief Operating Officer ("COO"). Yesterday Mr. Hanfling succeeded C. Scott Hobbs who was KFx's President and COO for just one year and 17 days. This is odd in and of itself, particularly at this stage in KFx's stock scheme. More telling is Mr. Hanfling's recent activities.

After a long career in the U.S. government it appears that Mr. Hanfling suddenly became involved with two companies engaged in questionable stock promotions. In July 2004 Mr. Hanfling invested in the stock of Universal Detection Technology (OTCBB: UDTT, \$0.32) alongside Bruce Meyers through the infamous brokerage firm Meyers & Associates, L.P. ("Meyers") formerly known as Janssen-Meyers Associates, L.P. UDTT had no revenues in its most recent quarter and \$2.4 million in total assets. Mr. Hanfling invested in another questionable stock scheme along with Meyers called Hemobiotech, Inc. On January 18, 2005 Hemobiotech filed its Form SB-2 in an apparent attempt to sell stock to the public. According to the filing Hemobiotech had no assets as of September 30, 2004 and no revenues since its inception in 2001.

From 1974 to 1980 Mr. Hanfling worked for the U.S. Department of Energy and its predecessor. Mr. Hanfling appears to have spent the next 24 years on various odds and ends, including another long stint as a bureaucrat before turning to stock schemes.

On November 24, 1980 the Industrial Edition of Business Week reported that Mr. Hanfling was leaving the Department of Energy to work in the private sector for "companies anxious to pay top dollar for energy expertise." Public records show that his Washington, D.C.-based business called Robert I. Hanfling Associates, Ltd. was incorporated for less than four and a half years. KFx reports that Mr. Hanfling was the CEO of two companies but we found no public evidence of those jobs. In the 1990's Mr. Hanfling apparently went back to work for the government. In 2002 Mr. Hanfling was appointed as the Chapter 11 bankruptcy trustee for a radioactive waste disposal company that was ultimately sold in pieces to different investors.

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