DISTRICT COURT
TWIN FALLS CO. IDAHO
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IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT

OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

STATE OF IDAHO, Department of Finance, Plaintiff, vs. GECKO HOLDINGS, INC., JOHN BOWMAN, and PENNY PARKER, Defendants.	Civil No. CV-99-590 **COMPLAINT** Fee Category: Exempt

Comes now the State of Idaho, Department of Finance, Gavin M. Gee, Director, by and through counsel, to complain and allege as follows:

JURISDICTION

1. This action is brought under the provisions of the Idaho Securities Act, Title 30, Chapter 14, Idaho Code, and in particular Idaho Code § 30-1442 wherein the Director of the Idaho

Department of Finance (Department) is empowered to bring actions seeking injunctive and other relief against defendants who have either violated or are about to violate provisions of the Idaho Securities Act or any rule or order thereunder.

VENUE

2. The acts and practices alleged herein comprising violations of law by the above-named Defendants occurred in the conduct of trade and commerce in Twin Falls County, and elsewhere in the State of Idaho.

DEFENDANTS

3. Defendant Gecko Holdings, Inc. (Gecko), is purportedly in the business of developing "on-line gaming". Gecko is the issuer of stock offered and sold to Idaho residents. The last known address for Gecko is 270 S. Bristol, Bldg. 101, Suite 239, Costa Mesa, California 92626.

4. Defendant John Bowman (Bowman) is the president and Chief Executive Officer of Gecko. He also served as a salesman of Gecko stock to Idaho residents. His last known address is 270 S. Bristol, Bldg. 101, Suite 239, Costa Mesa, California 92626.

5. Defendant Penny Parker (Parker) served as a salesperson of Gecko stock to Idaho residents. Her last known address is 270 S. Bristol, Bldg. 101, Suite 239, Costa Mesa, California 92626.

BACKGROUND

6. Beginning on a date uncertain, but at least since February1999, Defendants offered and sold Gecko stock to Idaho residents. Solicitations were made by way of "cold calls" and printed offering materials. Idaho residents were informed that Gecko was in the process of developing "on-line gaming". The Defendants represented to Idaho residents during the solicitations that they had the opportunity to purchase Gecko stock at $2.00 per share before an initial public offering of the

stock, that the IPO price would be $6.00 to $7.00 per share, and that eventually the stock would be worth $60.00 per share.

COUNT ONE

The allegations contained in paragraphs 1 through 6 are hereby realleged as if fully set forth.

7. Beginning on a date uncertain but at least since February 1999, Defendants sold or offered for sale, or caused to be sold, either directly or indirectly, or aided and abetted in the offer or sale of securities in the form of stock.

8. The securities offered and sold by Defendants were not registered with the Department as required by Idaho Code § 30-1416.

9. Defendants have violated Idaho Code § 30-1416.

COUNT TWO

The allegations contained in paragraphs 1 through 9 are hereby realleged as if fully set forth.

10. At no time have the Defendants been licensed by the Department of Finance as broker-dealers or salesmen to sell or offer for sale securities as required by Idaho Code § 30-1406.

11. Defendants have violated Idaho Code § 30-1406.

COUNT THREE

The allegations contained in paragraphs 1 through 11 are hereby realleged as if fully set forth.

12. In connection with the offer and sale of securities, Defendants made misrepresentations of material fact in violation of the antifraud provision of the Idaho Securities Act. These misrepresentations include, but are not limited to, the following:

A. Representing that investors would receive a $500,000 return on a $10,000 investment in Gecko stock, without a reasonable basis for such claim.

B. Representing that Gecko stock was about to go public at a price of $6.00 to $7.00 per share.

C. Representing that Gecko stock would eventually be worth $60.00 per share, without a reasonable basis for such claim.

13. Defendants have violated Idaho Code § 30-1403(2).

COUNT FOUR

The allegations contained in paragraphs 1 through 13 are hereby realleged as if fully set forth.

14. In connection with the offer or sale of securities, Defendants omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading in violation of the antifraud provision of the Idaho Securities Act. The omissions of the Defendants include, but are not limited to, the following:

A. Defendants failed to inform offerees and/or investors of the financial condition of Gecko.

B. Defendants failed to disclose that they was not licensed with the Idaho Department of Finance as required under Idaho Code § 30-1406.

C. Defendants failed to disclose that Gecko, its officers, and employees were the subjects of a Cease and Desist Order issued by the State of South Dakota, Division of Securities, finding that those parties had offered unregistered securities, i.e. Gecko stock, through unlicensed salesmen, in violation of the South Dakota securities law.

15. Defendants have violated Idaho Code § 30-1403(2).

COUNT FIVE

The allegations contained in paragraphs 1 through 15 are hereby realleged as if fully set forth.

16. In connection with the offer or sale of securities, Defendants engaged in acts, practices or courses of business which operated as a fraud or deceit upon persons in violation of the antifraud provision of the Idaho Securities Act. The Defendants' acts, practices and courses of business that operated as a fraud or deceit include, but are not limited to, the following:

A. The manner, timing, and means used in making the misrepresentations and omissions described above.

B. By representing to offerees that their stock would be purchased ahead of the initial public offering, at $2.00 per share, and that the IPO price would be $6.00 to $7.00 per share, Defendants deceived offerees by implying that a return on the investment was guaranteed by the IPO.

17. Defendants have violated Idaho Code § 30-1403(3).

PRAYER FOR RELIEF

Wherefore, Plaintiff prays for a Judgment in favor of Plaintiff and against Defendants as follows:

A. That Defendants be adjudged to have violated the Idaho Securities Act.

B. That Defendants be permanently enjoined from engaging in any acts, practices or omissions which would constitute violations of the Idaho Securities Act, Title 30, Chapter 14, Idaho Code, or any rule or order thereunder, and in particular, that they be permanently enjoined from:

1. Selling or offering for sale nonexempt securities in any form in the State of Idaho until such time as the securities have been registered with the Idaho Department of Finance in accordance with Title 30, Chapter 14, Idaho Code;

2. Selling or offering for sale nonexempt securities in any form in the State of Idaho until such time as Defendants have registered as broker-dealers or salesmen for a broker-dealer or issuer with the Idaho Department of Finance, in accordance with Title 30, Chapter 14, Idaho Code;

3. While engaged in or in connection with the offer, sale or purchase of any security:

   (a) Employing any device, scheme or artifice to defraud any investors in the securities;

   (b) Making any untrue statement of a material fact or omitting to state a material fact

necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;

(c) Engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

4. Aiding, abetting, counseling, inducing or causing any other person to engage in any of the types of conduct described in paragraphs 1, 2, or 3, above.

C. That Defendants be prohibited from claiming the availability of, using, or offering or selling securities under, any exemption under the Idaho Securities Act without receiving the prior written consent of the Director.

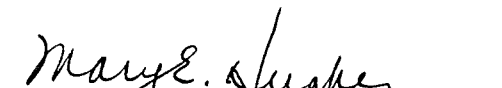
D. That Defendants be ordered to restore to each person in interest any consideration which may have been acquired or transferred in violation of the Idaho Securities Act.

E. That Defendants, and each of them, be ordered to pay a civil penalty to Plaintiff in an amount of $10,000 for each violation of the Idaho Securities Act.

F. That Plaintiff be awarded attorney's fees and costs incurred in the preparation and the prosecution of this action, and if judgment is taken by default herein, that $5,000 is a reasonable attorney's fee.

G. Such other and further relief as this Court may deem equitable and just.

DATED this 18th day of February, 1999.



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