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IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT

OF THE STATE OF IDAHO, IN AND FOR ADA COUNTY

STATE OF IDAHO, DEPARTMENT OF FINANCE, SECURITIES BUREAU, Plaintiff, vs. HOWARD HASKELL HUCKS, and PAUL CROXTON DELZELL, d/b/a LANDMARK TECHNOLOGY & DEVELOPMENT, INC., Defendants.	CV OC 0404516D Case No. _____ **VERIFIED COMPLAINT** Fee category: Exempt

COMES NOW the State of Idaho, Department of Finance, Securities Bureau, Gavin M. Gee, Director (Department), by and through its counsel, A. René Martin, Deputy Attorney General, and upon information and belief, complains and alleges as follows:

1.

This action is brought pursuant to the Idaho Securities Act, Idaho Code § 30-1401, *et seq.* (the Act), and in particular Idaho Code § 30-1442, wherein the Director is authorized to bring actions seeking injunctive and other relief against persons who have either violated or are about to violate provisions of the Act or any rule promulgated thereunder.

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 Owyhee County, Idaho, and elsewhere in the state of Idaho.

DEFENDANTS

3.

Defendant Howard Haskell Hucks (Hucks) at all times pertinent hereto was a resident of California. During such time period, Hucks conducted business as Landmark Technology & Development, Inc. (Landmark), representing himself to be the president and chairman of the board of directors of that purported corporation. Hucks' last known address is 419 Main Street #234, Huntington Beach, CA 92648. During the time period between 1978 and 2002, Hucks was an officer and/or resident agent of at least eleven other (11) California or Nevada companies. Hucks has never been registered with the Department to offer and sell securities in or from Idaho.

4.

Defendant Paul Croxton Delzell (Delzell) at all times pertinent hereto was a resident of California. Delzell has been known to use the names Paul Delcell, Paul Croxton and Paul Mounts. Delzell's last known address is 2850 Montrose Avenue, Apt. 20, La Crescenta, California 91214. During the time period pertinent hereto, Delzell conducted business as Landmark Technology & Development Inc., representing himself to be the secretary, compliance officer, and a director of that purported corporation. Delzell has represented that he has held various securities licenses in the past. However, Department records do not reflect that Delzell has ever been registered with the Department to offer and sell securities in or from Idaho.

5.

Landmark was purportedly engaged in the business of developing and using a new "vortex pump" technology that would extract gold by reprocessing old mine tailings. Landmark securities were not registered with the Department for offer or sale in or from Idaho.

FACTUAL ALLEGATIONS

6.

In or about the spring or summer of 2001, Defendants Hucks and Delzell offered and sold, contracted for the offer or sale, or aided and abetted in the offer or sale, to at least two Idaho residents, approximately $10,000 in securities in the form of an investment contract in Landmark. The Defendants told the Idaho investors that they had a "firm commitment" from another investor to invest $3,000,000 within four weeks to fund Landmark's business plan. The Defendants told the Idaho investors or prospective investors that by investing $5,000 each in

Landmark, the Idaho investors would facilitate development of Landmark's "vortex pump" technology for extracting gold from reprocessing old mine tailings. The Defendants also told the Idaho investors that within approximately sixty (60) days after making their $5,000 investment, the investors would receive the return of their $5,000 investment, and on a quarterly basis thereafter would receive a percentage of Landmark's net revenues. The two Idaho investors each invested $5,000 in Landmark.

7.

Defendants Hucks and Delzell were not registered with the Department to sell or offer to sell securities in or from Idaho, and no securities of Defendant Landmark were registered with the Department. Further, in connection with the offer and sale of securities in Landmark as referenced in paragraph 6 above, the Defendants made false representations regarding such investment, and also failed to disclose material information about Landmark, Hucks, and Delzell.

COUNT ONE: FAILURE TO REGISTER SECURITIES

8.

The allegations set forth in paragraphs 1 through 7 above are fully incorporated herein by this reference.

9.

Defendants sold or offered for sale, directly or indirectly, or aided and abetted in the offer or sale, of securities in the form of an investment contract in Landmark to Idaho residents. Such securities were not registered with the Department as required by Idaho Code § 30-1416.

10.

The Defendants' offer and sale of unregistered securities constitutes a violation of Idaho Code § 30-1416.

COUNT TWO: FAILURE TO REGISTER AS BROKER DEALERS OR SALESMEN

11.

The allegations set forth in paragraphs 1 through 10 above are fully incorporated herein by this reference.

12.

At all times relevant hereto, the Defendants were not registered with the Department as broker-dealers or salesmen to offer for sale securities, as required by Idaho Code § 30-1406.

13.

The Defendants' acts of transacting securities business in the state of Idaho as broker-dealers or salesmen when not properly registered, or acting as broker-dealers or issuers and employing salesmen not properly registered under the Act, constitute violations of Idaho Code § 30-1406.

COUNT THREE: VIOLATIONS OF THE ANTI-FRAUD PROVISIONS OF THE ACT / OMISSIONS

14.

The allegations set forth in paragraphs 1 through 13 above are fully incorporated herein by this reference.

15.

The Defendants violated Idaho Code § 30-1403(2), an anti-fraud provision of the Act, in that in connection with the offer, sale or purchase of a security, directly or indirectly, they omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. The Defendants' omissions included but were not limited to, the following:

(A) Failing to accurately inform investors of the Defendants' history of raising and investing funds on behalf of investors;

(B) Failing to inform investors of the specific financial condition and operating results of Landmark Technology and Development, Inc.;

(C) Failing to disclose the amounts and types of compensation that would accrue to the Defendants in connection with an investment in Landmark Technology and Development, Inc.;

(D) Failing to disclose pertinent information concerning Hucks' financial history, including:

(1) The financial condition and operating history of other businesses owned, controlled or operated by Hucks;

(2) Hucks' Chapter 13 bankruptcy filed in or about 1998;

(3) A California state tax lien filed against Hucks in or about 1997.

(E) Failing to disclose other business interests and commitments of Hucks and/or Delzell that might affect their efforts to develop and implement Landmark's business plan;

(F) Failing to disclose the fact that a significant portion of investor monies in Landmark would be used by Hucks to pay for his personal expenses and business expenses unrelated to Landmark's business purposes;

(G) Failing to adequately disclose all the risks associated with an investment in Landmark;

(H) Failing to adequately disclose the risk associated with obtaining the $3,000,000 investment needed to develop and implement Landmark's business plan.

COUNT FOUR: VIOLATIONS OF THE ANTI-FRAUD PROVISIONS OF THE ACT / MISREPRESENTATIONS

16.

The allegations set forth in paragraphs 1 through 15 above are fully incorporated herein by this reference.

17.

The Defendants violated Idaho Code § 30-1403(2), an anti-fraud provision of the Act, in that they made untrue statements of material fact in connection with the offer and sale of securities in Idaho. The Defendants' misrepresentations included, but were not limited to, the following:

(A) That the Defendants had a "firm commitment" for a $3,000,000 investment to be made "in four weeks;"

(B) That the Idaho investors' investment monies would be used to development and implement Landmark's mining operations, when in reality, a significant portion of such investment monies were paid directly to Hucks and Delzell and used for the personal and unrelated business expenses of Hucks;

(C) That the Idaho investors' investment in Landmark was very safe due to a firm commitment for further funding that would provide a source of repayment to the investors within approximately sixty (60) days of their investments; in reality, Defendants had no such commitment, such further funding was not received, and Landmark investors did not receive repayment of any of their investment monies.

COUNT FIVE: VIOLATIONS OF THE ANTI-FRAUD PROVISIONS OF THE ACT / ACTS, PRACTICES, COURSES OF BUSINESS

18.

The allegations set forth in paragraphs 1 through 17 above are fully incorporated herein by this reference.

19.

The Defendants violated Idaho Code § 30-1403(3), an anti-fraud provision of the Act, in that in the course of offering and selling securities in Idaho, they engaged in acts, practices, and courses of business that operated as a fraud or deceit upon other persons. The Defendants' acts, practices and courses of business which operated as a fraud or deceit upon other persons include,

but are not limited to, the omissions and misrepresentations referenced in Counts Three and Four above.

PRAYER FOR RELIEF

WHEREFORE, the Department prays that the Court enter Judgment against the Defendants as follows:

(1) That the Defendants be adjudged to have violated the Idaho Securities Act as alleged in Counts One through Five above;

(2) That the Defendants be permanently enjoined from engaging in any acts, practices, courses of business, omissions and misrepresentations that would constitute violations of the Act, and in particular, that they be permanently enjoined from:

(A) 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 Department in accordance with the Act;

(B) Selling or offering for sale nonexempt securities in any form in the state of Idaho until such time as the Defendants have registered as broker-dealers or salesmen for a broker-dealer or issuer with the Department, in accordance with the Act;

(C) While engaged in or in connection with the offer, sale or purchase of any security:

(1) Employing any device, scheme or artifice to defraud any investors or prospective investors;

(2) 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 were made, not misleading;

(3) Engaging in any act, practice or course of business that 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 (C)(1), (C)(2), or (C)(3) above.

(3) That the Defendants be prohibited from claiming the availability of, using, or offering or selling securities under any exemptions under the Act without receiving the prior written consent of the Director;

(4) That the 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, and that the Court award the Department a money judgment in the amount of at least $10,000, or such amount as determined by the proof, as restitution for the victims of the Defendants' violations of the Act pursuant to Idaho Code § 30-1442(3)(a);

(5) That the Defendants be ordered to pay a civil penalty to the Department in the amount of $10,000 for each violation of the Act, pursuant to Idaho Code § 30-1442(3)(b);

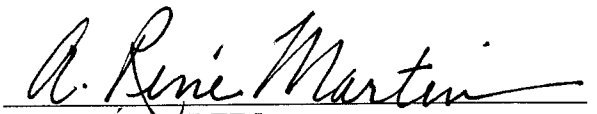
(6) That a receiver or conservator be appointed for the Defendants' assets, pursuant to Idaho Code § 30-1442(3);

(7) That the Department be awarded attorney fees and costs incurred in the preparation and prosecution of this action and reimbursement for investigative efforts, pursuant to Idaho Code § 30-1442(3)(c). If judgment is taken by default herein, that $5,000 is a reasonable sum for the same;

(8) For such further relief as this Court may deem equitable and just under the circumstances.

DATED this 10th day of June, 2004.

STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL



A. RENÉ MARTIN
Deputy Attorney General

VERIFICATION

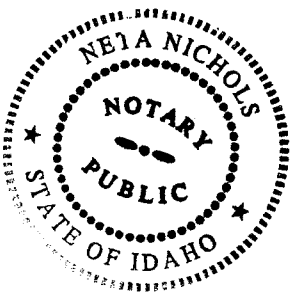
STATE OF IDAHO)
)ss.
County of Ada)

MARILYN T. CHASTAIN, Bureau Chief of the Securities Bureau of the Department of Finance, State of Idaho, being first duly sworn, deposes and says:

I have read the foregoing Verified Complaint and know the contents thereof, and the same are true to the best of my knowledge and belief.

DATED this 9th day of June, 2004.

Marilyn T Chastain
MARILYN T. CHASTAIN

SUBSCRIBED AND SWORN to before me this 9th day of June, 2004.

Neta Nichols
Notary Public for Idaho
Residing at: Boise
My Commission Expires: 10-25-2006