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A.M. _____ P.M. _____
JUN 24 2004
J. DAVID NAVARRO, Clerk
By M. COLE
DEPUTY

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT

OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

STATE OF IDAHO, DEPARTMENT OF FINANCE, SECURITIES BUREAU, Plaintiff, vs. IDAHO BIG SKY TELECOM, A PARTNERSHIP, BIG WEST TELECOM CORPORATION, NICHOLAS F. CUNEO, JR., BRANDON CLAREY, JAMES BRAMBLE, AND THEODORE LEVITT, Defendants.	Case No. CV OC 0404832D **VERIFIED COMPLAINT** Fee Category: Exempt

The State of Idaho, Department of Finance, Gavin M. Gee, Director, by and through its counsel, complains and alleges as follows, on its information and belief:

1) This action is brought pursuant to the Idaho Securities Act, Title 30, Chapter 14, Idaho Code (hereinafter referred to as the "Act"), and in particular, Idaho Code § 30-1442, wherein the Director is authorized to bring actions seeking injunctive and other relief against

Defendants who have either violated or are about to violate the provisions of the Act or any rule promulgated thereunder.

I

THE DEFENDANTS

2) Defendant, Idaho Big Sky Telecom, A Partnership (hereinafter referred to as "Idaho Big Sky") is purportedly a general partnership organized under the laws of the state of Florida. At all times relevant hereto, Idaho Big Sky was doing business in the state of Idaho. Idaho Big Sky maintains its principal place of business in Hallendale, Florida.

3) Big West Telecom Corporation (hereinafter referred to as "Big West"), is a corporation chartered in the state of Florida. At all times relevant hereto, Big West was doing business in the state of Idaho. Big West maintains its principal place of business in Hallendale, Florida.

4) Defendant Nicholas F. Cuneo, Jr. (hereinafter referred to as "Cuneo") is, and at all times relevant hereto was, the Managing General Partner of Idaho Big Sky. Cuneo is, and at all times relevant hereto was, the President of Big West. To the best of Plaintiff's knowledge and belief, Cuneo is a resident of the state of Florida.

5) Defendant Brandon Clarey (hereinafter referred to as "Clarey") is, and at all times relevant hereto was, a partner in and salesman for Idaho Big Sky. To the best of Plaintiff's knowledge and belief, Clarey is a resident of the state of Florida.

6) Defendant Theodore Levitt (hereinafter referred to as "Levitt") is, and at all times relevant hereto was, a partner in and salesman for Idaho Big Sky. To the best of Plaintiff's knowledge and belief, Levitt is a resident of the state of Florida.

7) Defendant James Bramble (hereinafter referred to as "Bramble") is, and at all times relevant hereto was, the corporate secretary for Big West. Bramble has represented that he is an attorney and in-house legal counsel for Idaho Big Sky and/or Big West. To the best of Plaintiff's knowledge and belief, Bramble is a resident of the state of Florida.

II

THE IDAHO INVESTORS

8) The investors identified below are, and at all times pertinent hereto were, residents of the state of Idaho.

III

JURISDICTION

9) This court has jurisdiction in this matter, pursuant to Idaho Code §§30-1442(4) and 5-514(a).

IV

REGISTRATION

10) None of the above-named individual defendants are registered with the Plaintiff as a broker-dealer, salesman, or investment adviser, pursuant to Idaho Code § 30-1406, nor were they at the time of the unlawful acts complained of below.

11) Neither the partnership units of Idaho Big Sky, nor the stock shares of Big West, are registered with the Plaintiff, pursuant to Idaho Code § 30-1416, nor were they at the time of the unlawful acts complained of below.

V

UNTRUE STATEMENTS AND OMISSIONS OF MATERIAL FACTS

12) In all of the investment transactions set forth below, the Defendants, either

directly, or by aiding and abetting the people who committed such acts, made the following untrue statements of material facts to the investors and omitted to state the following material facts to the investors which were necessary in order to make the statements made to the investors, in the light of the circumstances under which they were made, not misleading.

A. **Untrue statements of material facts**

13) In each of the investment transactions discussed below, the Defendants stated to the investors that Idaho Big Sky "is a Public Utility registered in the States of Idaho and Wyoming..." This was a statement of a material fact and it was untrue. Idaho Big Sky has applied to the Idaho Public Utilities Commission for a license to engage in telecommunications services in Idaho but that application has not been approved.

14) In each of the investment transactions discussed below, the Defendants stated to the investors that Idaho Big Sky and Big West could make profits resulting in a 233% per year return on investment and a 700% return on investment in three years. Specifically, the Defendants represented to the Idaho investors discussed below that a $20,000 investment in Idaho Big Sky could return $15,312.00, the first year, $48,935.00 the second year, and $142,302.00 the third year. These profit projections would require unattainable sales of telecommunications services in Idaho to be realized and they were therefore without bases. These were statements of material facts and they were untrue.

15) In each of the investment transactions discussed below, the Defendants stated to the investors that Idaho Big Sky would be up and running by December of 2003. There was no basis for such a claim. As stated above, Idaho Big Sky has not been issued a license to engage in telecommunications services in Idaho by the Idaho Public Utilities Commission. These were statements of material facts and they were untrue.

B. Omissions Of Material Facts

16) In each of the investment transactions discussed below, the Defendants failed to disclose their professional backgrounds and qualifications to operate a telecommunications business. This lack of disclosure constituted omitting 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.

17) In each of the investment transactions discussed below, the Defendants failed to disclose the risk factors associated with an investment in either Idaho Big Sky or Big West. Those risk factors include, but are not limited to, the experience of the managers and promoters of Idaho Big Sky and Big West, the competition in the telecommunications industry, dilution of the proposed investments, the ability to sell telephone services in a controlled market, and the ability of Idaho Big Sky and Big West to meet governing regulatory requirements for such businesses. This lack of disclosure constituted omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

18) In each of the investment transactions discussed below, the Defendants failed to state or provide to the investors, any financial information pertaining to Idaho Big Sky or Big West. This lack of disclosure constituted omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

19) In each of the investment transactions discussed below, the Defendants failed to state that the partnership interests in Idaho Big Sky and the stock shares of Big West were not registered as a security with the Plaintiff, as required by Idaho law. This lack of disclosure

constituted omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

20) In each of the investment transactions discussed below, the Defendants failed to state that they were not licensed to sell securities in Idaho as required by the Idaho Securities Act. This lack of disclosure constituted omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

VI

THE INVESTMENT TRANSACTIONS

A. Investor B.S.

21) In or about the summer of 2003, B. S., a resident of Twin Falls County, Idaho, received a telephone call from Defendant Theodore Levitt (hereinafter referred to as "Levitt"). Levitt told B. S. that Levitt represented Defendant Idaho Big Sky.

22) In the above-referenced phone conversation, Levitt offered to sell to B. S. a 1/80th general partnership unit in Idaho Big Sky for the purchase price of $20,000.

23) In the above-referenced phone conversation, B. S. told Levitt that he didn't have $20,000 to invest in a full unit of Idaho Big Sky. Levitt then offered to sell B. S. one-hundred shares of stock in Big West for the price of $10,000. Levitt stated to B. S. that an investment in Big West would offer the same profit opportunities as an investment in Idaho Big Sky.

24) Subsequent to the phone call he received from Levitt, B. S. paid the sum of $10,000 to Defendants in July of 2003. In August of 2003, B. S. received a stock certificate for one-hundred shares of Big West. The stock certificate was signed by Nick Cuneo as president of Big West and James Bramble as secretary of Big West.

B. Investor R.B.

25) In or about the summer of 2003, R. B., a resident of Elmore County, Idaho, received a telephone call from Defendant Brandon Clarey (hereinafter referred to as "Clarey"). Clarey told R. B. that Clarey represented Defendant Idaho Big Sky.

26) In the above-referenced telephone conversation, Clarey offered to sell R. B. a 1/80th general partnership unit in Idaho Big Sky for the price of $20,000. Prior to purchasing an interest in Idaho Big Sky, R.B. also discussed the prospective investment with Defendant Cuneo by telephone.

27) Subsequent to the above-referenced telephone conversations, in August of 2003, R. B. paid the sum of $20,000 to Defendants, for the purchase of a 1/80th general partnership unit in Idaho Big Sky.

C. Investor D.B.

28) In or about June of 2003, D. B., a resident of Jefferson County, Idaho, received a telephone call from Levitt. Levitt told D. B. that Levitt represented Idaho Big Sky.

29) In the above-referenced telephone conversation, Levitt offered to sell D. B. a 1/80th general partnership unit in Idaho Big Sky for the price of $20,000.

30) As an alternative to purchasing a general partnership unit in Idaho Big Sky, Levitt offered D. B. the opportunity to purchase stock shares in Big West.

31) Subsequent to the above-referenced telephone conversation, in July of 2003, D. B. and his brother paid the Defendants $10,000 for shares of stock in Big West.

D. Investor T.T.

32) In or about the summer of 2003, T. T., a resident of Teton County, Idaho, received a telephone call from Levitt. In that telephone conversation, Levitt offered to sell T. T. general partnership interests in Idaho Big Sky.

33) In the above-referenced telephone conversation, Levitt stated to T. T. that Idaho Big Sky would make big profits by purchasing telephone service from Qwest and reselling it to customers.

34) Subsequent to the above-referenced telephone conversation, in the summer of 2003, T. T. and a business partner paid the Defendants $40,000 for the purchase of general partnership interests in Idaho Big Sky.

E. <u>Investor K.Q.</u>

35) In or about October of 2003, K. Q., a resident of Bannock County, Idaho, received a telephone call from Clarey. In that telephone conversation, Clarey offered to sell K. Q. a 1/80th general partnership unit in Idaho Big Sky for the price of $20,000.

36) In the above-referenced telephone conversation, Clarey stated to K. Q. that Idaho Big Sky was a partnership operated out of Florida. Clarey stated that the principals of the firm were Steve DeLeo, Nicholas Cuneo Jr., James Bramble, Daniel Donohue, Carmine Russo, Jim Carlson, and Tom O'Stasik.

37) Following the initial telephone call from Clarey, K. Q. received subsequent phone calls from Clarey, as well as correspondences and/or written solicitations from Idaho Big Sky. K. Q. ultimately elected not to invest in Idaho Big Sky.

F. <u>Investor C.B.</u>

38) In June of 2003, C. B., a resident of Jefferson County, Idaho, after receiving

phone calls and solicitations from one or more of the above-named defendants, purchased a 1/80th general partnership unit of Idaho Big Sky from the Defendants for the sum of $20,000.

VII

OTHER COMMON FACTS

39) During the period of June of 2003 through October of 2003, correspondences and/or written solicitations for investments were sent by Idaho Big Sky to the above-named investors. Those pieces of correspondence and/or solicitations were signed by Defendants Cuneo, Levitt, and Clarey. Those pieces of correspondence and/or solicitations contained untrue statements of material facts regarding Idaho Big Sky.

40) None of the investors identified in paragraphs 14 through 38 above have been asked by Defendants to assume or perform any managerial or operational duties or tasks for either Idaho Big Sky or Big West, nor have any of the investors done such.

41) Partnership units of Idaho Big Sky and fractions thereof, and stock shares of Big West, each constitute a "security" as defined by the Idaho Securities Act and Idaho Code § 30-1402(12) in particular, as well as the administrative rules promulgated pursuant thereto.

COUNT ONE – OFFER AND SALE OF UNREGISTERED SECURITIES – IDAHO BIG SKY

42) Plaintiff hereby alleges and incorporates by reference paragraphs 1 through 41 above.

43) As set forth above, neither the partnership units of Idaho Big Sky nor fractions thereof, nor the stock shares of Big West, have been registered with the Plaintiff, as required by Idaho Code § 30-1416

44) On at least six occasions, Defendant Idaho Big Sky has offered to sell and has

sold unregistered securities to Idaho residents, in violation of the Idaho Securities Act.

45) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against Defendant Idaho Big Sky, awarding it a permanent injunction; prohibiting further violations of the Idaho Securities Act by Defendants; a penalty of $10,000 for each violation of the Idaho Securities Act proved in this suit, said penalties totaling the sum of $60,000; ordering that any consideration paid by the investors identified herein be restored to them by the Defendant Idaho Big Sky, said sums totaling $70,000; reasonable attorneys fees incurred; reimbursement for the Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of this Defendant's unlawful acts constituting the offer and sale of unregistered securities.

COUNT TWO – OFFER AND SALE OF UNREGISTERED SECURITIES – BIG WEST

46) Plaintiff hereby alleges and incorporates by reference paragraphs 1 through 45 above.

47) As set forth above, the stock shares of Big West, have not been registered with the Plaintiff, as required by Idaho Code § 30-1416, nor were they at the time of the unlawful acts complained of herein.

48) On at least two occasions, Defendant Big West has offered to sell and has sold unregistered securities to Idaho residents, in violation of the Idaho Securities Act.

49) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against Defendant Big West, awarding it a permanent injunction; prohibiting further violations of the Idaho Securities Act by Defendants; a penalty of $10,000 for each violation of the Idaho Securities Act proved in this suit, said penalties totaling the sum of $20,000; ordering that any

consideration paid by the investors identified herein be restored to them by the Defendant Big West, said consideration totaling the sum of $30,000; reasonable attorneys fees incurred; reimbursement for the Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendant's unlawful acts constituting the offer and sale of unregistered securities.

COUNT THREE – OFFER AND SALE OF UNREGISTERED SECURITIES – LEVITT

50) Plaintiff hereby alleges and incorporates by reference paragraphs 1 through 49 above.

51) As set forth above, the stock shares of Idaho Big Sky and Big West, have not been registered with the Plaintiff, as required by Idaho Code § 30-1416.

52) On at least three occasions, Defendant Levitt has offered to sell and has sold unregistered securities to Idaho residents, in violation of the Idaho Securities Act. Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendant Levitt, awarding it a permanent injunction; prohibiting further violations of the Idaho Securities Act by Levitt; a penalty of $10,000 for each violation of the Idaho Securities Act proved in this suit, said penalties totaling the sum of $30,000; ordering that any consideration paid by the investors identified herein be restored to them by the Defendant Levitt, said consideration totaling $70,000; reasonable attorneys fees incurred; reimbursement for the Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Levitt's unlawful acts constituting the offer and sale of unregistered securities.

COUNT FOUR – OFFER AND SALE OF UNREGISTERED SECURITIES – CLAREY

53) Plaintiff hereby alleges and incorporates by reference paragraphs 1 through 52 above.

54) As set forth above, the stock shares of Idaho Big Sky and Big West, have not been registered with the Plaintiff, as required by Idaho Code § 30-1416.

55) On at least two occasions, Defendant Clarey has offered to sell and has sold unregistered securities to Idaho residents, in violation of the Idaho Securities Act. Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against Defendant Clarey, awarding it a permanent injunction; prohibiting further violations of the Idaho Securities Act by Clarey; a penalty of $10,000 for each violation of the Idaho Securities Act proved in this suit, said penalties totaling the sum of $20,000; ordering that any consideration paid by the investors identified herein be restored to them by the Defendant Clarey, said consideration totaling the sum of $20,000; reasonable attorneys fees incurred; reimbursement for the Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Clarey's unlawful acts constituting the offer and sale of unregistered securities.

COUNT FIVE – OFFER AND SALE OF UNREGISTERED SECURITIES – CUNEO

56) Plaintiff hereby alleges and incorporates by reference paragraphs 1 through 55 above.

57) As set forth above, the stock shares of Idaho Big Sky and Big West, have not been registered with the Plaintiff, as required by Idaho Code § 30-1416.

58) On at least one occasion, Defendant Cuneo has offered to sell and has sold

unregistered securities to Idaho residents, in violation of the Idaho Securities Act. Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against Defendant Cuneo, awarding it a permanent injunction prohibiting further violations of the Idaho Securities Act by Cuneo; a penalty of $10,000 for each violation of the Idaho Securities Act proved in this suit, said penalties totaling the sum of $10,000; ordering that any consideration paid by the investors identified herein be restored to them by the Defendant Cuneo, said sum totaling $10,000; reasonable attorneys fees incurred; reimbursement for the Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Cuneo's unlawful acts constituting the offer and sale of unregistered securities.

COUNT SIX – SALE OF UNREGISTERED SECURITIES – BRAMBLE

59) Plaintiff hereby realleges and reincorporates by reference paragraphs 1 through 58 as though fully set forth. By virtue of his participation in the sale of shares of Big West to Idaho residents on at least one occasion, Bramble has sold unregistered securities in violation of the Idaho Securities Act.

60) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against Defendant Bramble, awarding it a permanent injunction prohibiting further violations of the Idaho Securities Act by Bramble; a penalty of $10,000 against Bramble for each violation of the Idaho Securities Act proved in this suit, said penalties totaling $10,000; ordering that any consideration paid by the investors herein be restored to them by Bramble, said sum totaling $10,000; reasonable attorneys fees incurred; reimbursement for Plaintiff's costs of investigation incurred in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-

1442 and other provisions of the Idaho Securities Act; and any other law affording relief to the Plaintiff for Bramble's unlawful conduct in selling unregistered securities to Idaho residents.

COUNT SEVEN – FAILURE TO REGISTER SALESMEN - IDAHO BIG SKY

61) Plaintiff hereby realleges and reincorporates by reference paragraphs 1 through 60 as though fully set forth.

62) Big Sky is an issuer of securities, within the meaning of the Idaho Securities Act.

63) Big Sky has employed securities salesmen, namely Levitt, Clarey, and Cuneo, who have not registered with the Plaintiff as required by Idaho Code § 30-1406, prior to transacting business in this state. By virtue of the foregoing, Defendant Big Sky has violated the Idaho Securities Act on six occasions by failing to register its securities salesman who have transacted business in Idaho with the Plaintiff.

64) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against Defendant Idaho Big Sky, awarding it a permanent injunction; prohibiting further violations of the Idaho Securities Act by Defendant Idaho Big Sky and Defendants Levitt, Clarey, and Cuneo; a penalty of $10,000 for each violation of the Idaho Securities Act by these Defendants, said penalty amount totaling the sum of $60,000; ordering that any consideration paid by the investors identified herein be restored to them by Idaho Big Sky, said sum totaling $70,000; reasonable attorneys fees incurred; reimbursement for the Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provision of the Idaho Securities Act, or any other law affording any remedies or relief to Plaintiff as a result of these Defendants' unlawful acts.

COUNT EIGHT – FAILURE TO REGISTER SALESMEN – BIG WEST

65) Plaintiff hereby realleges and reincorporates by reference paragraphs 1 through 64

as though fully set forth.

66) On at least two occasions, Big West has employed securities salesmen who have not registered with the Plaintiff as required by Idaho Code § 30-1406, prior to transacting business in this state.

67) By virtue of the foregoing, Big West has violated the Idaho Securities Act.

68) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against Defendant Big West, awarding it a permanent injunction; prohibiting further violations of the Idaho Securities Act by Big West; a penalty of $10,000 for each violation of the Idaho Securities Act proved in this suit, said sum totaling the amount of $20,000; ordering that any consideration paid by the investors identified herein be restored to them by Big West, said sum totaling $30,000; reasonable attorneys fees incurred; reimbursement for the Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provision of the Idaho Securities Act, or any other law affording any remedies or relief to Plaintiff as a result of Big West's unlawful acts.

COUNT NINE – FAILURE TO REGISTER AS SALESMAN – LEVITT

69) Plaintiff hereby realleges and reincorporates by reference paragraphs 1 through 68 above as though fully set forth.

70) By virtue of the facts set forth above, Defendant Levitt has transacted business in this state as a securities salesman, without first registering with the Plaintiff, on at least three occasions.

71) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against Defendant Levitt, awarding it a permanent injunction; prohibiting further violations of the Idaho Securities Act by Defendant Levitt; a penalty of $10,000 for each violation of the Idaho

Securities Act proved in this suit, said penalties totaling the sum of $30,000; ordering that any consideration paid by the investors identified herein to Defendants as a result of Levitt's unlawful actions be restored to them by the Defendant Levitt, said consideration totaling $60,000; reasonable attorneys fees incurred; reimbursement for the Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendant's unlawful acts constituting the transaction of business in this state without first registering as a securities salesman, in violation of the Idaho Securities Act.

COUNT TEN – FAILURE TO REGISTER AS SALESMAN – CLAREY

72) Plaintiff hereby realleges and reincorporates by reference paragraphs 1 through 71 above as though fully set forth.

73) By virtue of the facts set forth above, Defendant Clarey has transacted business in this state as a securities salesman, without first registering with the Plaintiff, on at least two occasions.

74) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against Defendant Clarey, awarding it a permanent injunction; prohibiting further violations of the Idaho Securities Act by Defendant Clarey; a penalty of $10,000 for each violation of the Idaho Securities Act proved in this suit, said penalties totaling the sum of $20,000; ordering that any consideration paid by the investors identified herein to Defendant Clarey as a result of Clarey's unlawful actions be restored to them by the Defendant Clarey, said sum totaling $20,000; reasonable attorneys fees incurred; reimbursement for the Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and

other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendant's unlawful acts constituting the transaction of business in this state without first registering as a securities salesman, in violation of the Idaho Securities Act.

COUNT ELEVEN – FAILURE TO REGISTER AS SALESMAN – CUNEO

75) Plaintiff hereby realleges and reincorporates by reference paragraphs 1 through 74 above as though fully set forth.

76) On at least one occasion, Defendant Cuneo signed a letter and/or solicitation sent by Defendants to an Idaho resident offering an Idaho resident the opportunity to purchase a share of Idaho By Sky and/or Big West. Additionally, Cuneo spoke by telephone with an Idaho resident on at least one occasion, for the purpose of selling that person an unregistered security.

77) By virtue of the facts set forth above, Defendant Cuneo has transacted business in this state as a securities salesman, without first registering with the Plaintiff, on at least one occasion.

78) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against Defendant Cuneo, awarding it a permanent injunction; prohibiting further violations of the Idaho Securities Act by Defendant Cuneo; a penalty of $10,000 for each violation of the Idaho Securities Act proved in this suit, said penalties totaling the sum of $10,000; ordering that any consideration paid by the investors identified herein to Defendants as a result of Cuneo's unlawful actions be restored to them by Defendant Cuneo, said consideration totaling the sum of $10,000; reasonable attorneys fees incurred; reimbursement for the Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendant's unlawful acts constituting the transaction of

business in this state without first registering as a securities salesman, in violation of the Idaho Securities Act.

COUNT TWELVE – UNLAWFUL SALES, OFFERS, AND PURCHASES – ALL NAMED DEFENDANTS

79) Plaintiff hereby realleges and reincorporates by reference paragraphs 1 through 78 above as though fully set forth.

80) By virtue of the facts set forth above, all of the named defendants, either themselves, or through aiding and abetting others, have employed a device, scheme, or artifice to defraud in their dealings with residents of this state, within the meaning of Idaho Code § 30-1403(1), and/or they have engaged in an act, practice, or course of business which operates or would operate as a fraud or deceit upon persons residing in this state, within the meaning of Idaho Code § 30-1403(3). Further, the named Defendants have committed these acts on at least six occasions.

81) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants awarding it a permanent injunction; prohibiting further violations of the Idaho Securities Act by Defendants; a penalty of $10,000 for each violation of the Idaho Securities Act proved in this suit, said penalties totaling the sum of $60,000; ordering that any consideration paid by the investors identified herein to Defendants as a result of Defendant's unlawful actions be restored to them by the Defendants, said such consideration totaling the sum of $100,000; reasonable attorneys fees incurred; reimbursement for the Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the

Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code §§ 30-1403(1) and 30-1403(2).

COUNT THIRTEEN – MATERIAL FACTS – ALL NAMED DEFENDANTS

82) Plaintiff hereby realleges and reincorporates by reference paragraphs 1 through 81 above as though fully set forth.

83) By virtue of the facts set forth above, Defendants, either directly, or as aiders and abetters of persons who have done so, have made untrue statements of material facts, or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, within the meaning of Idaho Code § 30-1403(2). In each of the investment transactions discussed above, Defendants have made untrue statements of material facts at least three times and they have 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, at least five times.

84) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against each of the named Defendants, awarding it a permanent injunction; prohibiting further violations of the Idaho Securities Act by the Defendants; a penalty of $10,000 for each violation of the Idaho Securities Act proved in this suit, said penalties totaling $60,000 in each investment transaction, to be assessed against each of the Defendants; ordering that any consideration paid by individuals as a result of Defendants' unlawful actions be restored to them by the Defendants, said consideration totaling the sum of $100,000; reasonable attorneys fees incurred; reimbursement for the Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho

Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of these three Defendant's unlawful acts constituting the violation of Idaho Code § 30-1403(2).

WHEREFORE, Plaintiff prays for a Judgment against Defendants as follows:

(1) That Defendants be adjudged to have violated the Idaho Securities Act;

(2) That Defendants be permanently enjoined from engaging in any acts, practices, courses of business, omissions, and misrepresentations which would constitute violations of the Idaho Securities Act, Title 30, Chapter 14, Idaho Code.

(3) That Defendants be permanently enjoined from engaging in the following acts and conduct:

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 or prospective investors;

(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) That 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.

(5) That Defendants be ordered to pay a civil penalty to the Plaintiff in the amount of

$10,000 for each violation of the Idaho Securities Act, as may be proved or established herein. More specifically, pursuant to Idaho Code § 30-1442(3)(b), for penalties in the following amounts against each Defendant as follows:

a) $240,000 penalty against Idaho Big Sky, based on Counts One, Seven, Twelve, and Thirteen above;

b) $160,000 penalty against Big West, based on Counts Two, Eight, Twelve, and Thirteen above;

c) $140,000 penalty against Defendant Cuneo, based on Counts Five, Eleven, Twelve, and Thirteen above;

d) $140,000 penalty against Defendant Clarey, based on Counts Four, Ten, Twelve, and Thirteen above;

e) $180,000 against Defendant Levitt based on Counts Three, Ten, Twelve, and Thirteen above; and

f) $130,000 against Defendant Bramble based on Counts Six, Twelve, and Thirteen above.

(6) For an award of the sum of $100,000 against all of the Defendants, jointly and severally, representing restitution to the above-named investors for their losses incurred as a result of Defendants' unlawful conduct.

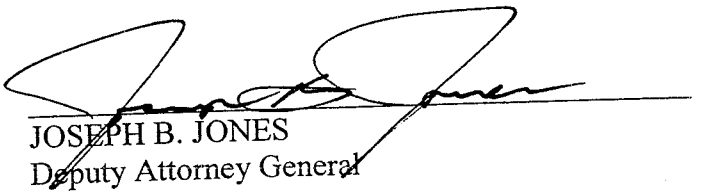
(7) For the appointment of a receiver for a Defendant's or the Defendants' assets.

(8) For an award of Plaintiff's costs incurred herein, including Plaintiff's attorneys fees and the reasonable costs of the investigative efforts expended by Plaintiff.

(9) For such other and further relief as this Court may deem just and equitable.

DATED this 23d day of June, 2004.

STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL



JOSEPH B. JONES
Deputy Attorney General

VERIFICATION

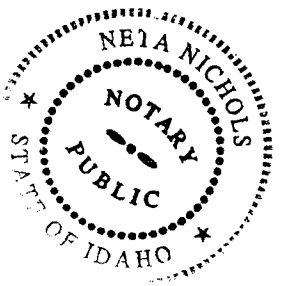
STATE OF IDAHO)
) ss.
County of Ada)

MARILYN CHASTAIN, Bureau Chief of the Securities Bureau of the Idaho Department of Finance, being first duly sworn, deposes and states:

That she has read the foregoing verified complaint, that she knows the contents thereof, and that the same are true and correct to the best of her knowledge and belief.

DATED this 23d day of June, 2004.

MARILYN CHASTAIN

SUBSCRIBED AND SWORN to before me this 23rd day of June, 2004.

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