COPY
NO. _____
A.M. _____ FILED P.M. _____

DEC 30 2003

J. DAVID NAVARRO, Clerk
By M. BECK
DEPUTY

LAWRENCE G. WASDEN
Attorney General

A. RENÉ MARTIN
Deputy Attorney General
State of Idaho
Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031
Telephone: (208) 332-8092
Facsimile: (208) 332-8099
Idaho State Bar #3188

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. ULTIMATE VENTURES, INC., a Canadian corporation, and CAMERON KUIPERS, president and director, in his official and individual capacities, Defendants.	Case No. CV OC 0309967D **VERIFIED COMPLAINT**

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

DEFENDANTS

3.

In October of 1999, a company known as 593568 B.C. Ltd. was incorporated in British Columbia, Canada. In March of 2000, 593568 B.C. Ltd. was renamed through the Registrar of Companies for the Province of British Columbia, Canada, as Ultimate Ventures, Inc. (Ultimate Ventures). Ultimate Ventures, Defendant herein, purportedly engages and has engaged in the business of purchasing beneficiary rights in life insurance policies. Ultimate Ventures has offered and sold securities to Idaho residents and others in the form of shares of preferred stock in such company. Such securities were not registered with the Department. Ultimate Ventures conducts or has conducted business from Stewart Centre, 280 – 1855 Kirschner Road, Kelowna, British Columbia, Canada, V1Y 4N7.

4.

Defendant Cameron Kuipers (Kuipers) at all times pertinent hereto has served as president and a director of Ultimate Ventures. Kuipers' last known residential address is 750 Varney Court, Kelowna, British Columbia, Canada, V1W 3Z2. Kuipers has never been registered with the Department to offer and sell securities in or from Idaho.

5.

K. Barth Williams (Williams), not named as a Defendant herein, was an Idaho resident at all times pertinent hereto. Williams has been licensed with the Idaho Department of Insurance as an insurance agent since 1994. During various periods of time between 1994 and June of 2001, Williams has been licensed as a securities salesman with the Department. However, at all times pertinent to this Verified Complaint, Williams was not registered with the Department to offer and sell securities in or from Idaho. Williams conducts business under the names Assurance Financial and Assurance Financial, Inc. His last known business address is 5680 E. Franklin Road, Suite 225, Nampa, Idaho 83687.

FACTUAL ALLEGATIONS

6.

Beginning on a date uncertain, but at least since April of 2002 and continuing through approximately March of 2003, Defendants offered and sold, contracted for the offer or sale, or aided and abetted in the offer or sale, to Idaho residents and others of more than $4.4 million in securities in the form of preferred stock in Ultimate Ventures. The Defendants told investors or prospective investors that they could purchase Ultimate Ventures preferred stock either through a

cash investment, or through an exchange of existing insurance-related instruments for such preferred stock. The Defendants also told investors or prospective investors that shares in Ultimate Ventures preferred stock would pay an investment dividend of between 14-16%.

7.

In connection with the offer and sale of preferred stock in Ultimate Ventures as referenced in paragraph 6 above, the Defendants made false representations regarding such investment, and also failed to disclose material information about Ultimate Ventures, Kuipers, and Williams.

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 preferred stock in Ultimate Ventures to Idaho residents. Such securities were not registered with the Department as required by Idaho Code § 30-1416.

10.

The Defendants' failure to register such securities with the Department 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. Therefore, the Defendants have either transacted business in the state of Idaho as broker-dealers or salesmen without having been properly registered under the Act, or have acted as broker-dealers or issuers and employed salesmen who were not properly registered under the Act.

13.

The Defendants' failure to register as broker-dealers, issuers or salesmen under the Act, or employing salesmen not registered by the Department under the Act, constitutes a violation 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 disclose to offerees and/or investors that the securities the Defendants offered and sold were not registered with the Department, as required by the Act;

(B) Failing to disclose to offerees and/or investors that the Defendants were not registered with the Department as broker-dealers, issuers or salesmen, as required by the Act, or that they were acting as broker-dealers or issuers and employing salesmen who were not properly registered under the Act;

(C) Failing to disclose to offerees and/or investors the financial condition of Ultimate Ventures, including specifically that Ultimate Ventures had a short operating history and a history of significant operating losses;

(D) Failing to disclose to offerees and/or investors the amounts and types of compensation that would be paid to Williams for the offer or sale of preferred shares in Ultimate Ventures;

(E) Failing to disclose to offerees and/or investors that Kuipers had been a defendant in at least five (5) civil actions in Canada, and that at least three (3) money judgments had been entered against Kuipers in such actions;

(F) Failing to disclose to offerees and/or investors that during 1999, Kuipers had represented to the British Columbia Supreme Court that he was indigent;

(G) Failing to disclose to offerees and/or investors the business history of Kuipers, including the fact that he owned or controlled, or had formerly owned or controlled, various companies that conducted financial transactions with Ultimate Ventures;

(H) Failing to disclose to offerees and/or investors who exchanged insurance-related instruments for preferred shares in Ultimate Ventures that the valuation placed on such instruments by Defendants was arbitrary, inconsistent as to other investors, and not derived through the application of any consistent formula;

(I) Failing to disclose to offerees and/or investors that a portion of the proceeds of an investment in Ultimate Ventures would be used to fund loans to Kuipers, Williams, or companies controlled by one or both of those individuals;

(J) Failing to disclose to offerees and/or investors that assets purchased with investors' investment monies would not be placed in a trust account, as had been represented by Defendants;

(K) Failing to inform offerees and/or investors of the significant risks associated with an investment in Ultimate Ventures preferred stock;

(L) Failing to inform offerees and/or investors that on December 19, 2002, the British Columbia Securities Commission had issued a securities "Cease Trade Order" against Ultimate Ventures;

(M) Failing to inform offerees and/or investors that on December 18, 2002, the British Columbia Securities Commission had issued a securities "Cease Trade Order" against Trivera Investments, Inc., a company owned and controlled by Kuipers;

(N) Failing to inform offerees and/or investors that Defendants had pledged assets of Ultimate Ventures as security for the business purposes of Trivera, a separate company, for which Kuipers was an officer or director.

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) In offering documents distributed by the Defendants to some offerees and/or investors, the Defendants stated that most investment monies would be used to purchase "American third party life insurance policies," and that such assets would be placed in a trust for the benefit of preferred shareholders in Ultimate Ventures. In reality, no such assets were placed in trust by Defendants.

(B) Many investors were provided no offering documents by the Defendants. Such investors were informed by Defendants that investment proceeds would be used to purchase life insurance investment instruments, and that such instruments would be placed in trust for the benefit of preferred shareholders in Ultimate Ventures. In reality, portions of Idaho investors' proceeds were used to pay sales commissions to Williams, and no insurance-related investment instruments were placed in trust for the benefit of such shareholders;

(C) The Defendants informed offerees and/or investors that an investment in Ultimate Ventures preferred shares was a very low risk investment, due to specific business practices that would be pursued by Ultimate Ventures. In reality, Ultimate Ventures failed to pursue such business practices; one example is Ultimate Ventures' failure to execute any of the documents necessary to complete the transfer of insurance-related investment instruments pledged by certain Idaho investors in exchange for preferred shares in Ultimate Ventures;

(D) The Defendants represented to offerees and/or investors that the monies investors placed in Ultimate Ventures preferred stock would be protected, as would the investors' right to dividends, in that the death benefits included in life insurance policies purchased by Ultimate Ventures would be placed in a trust for the benefit of preferred shareholders and Ultimate Ventures. In reality, the Defendants failed to place any assets in trust for the benefit of investors in Ultimate Ventures preferred stock;

(E) The Defendants represented to some investors that Williams' compensation for the sale of investments in Ultimate Ventures preferred stock would be derived from the proceeds of life insurance policies placed in trust, but only after such assets had satisfied Ultimate Ventures' obligations to its preferred shareholders. In reality, Williams was compensated with monies obtained through the sale of Ultimate Ventures preferred shares.

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 § 26-1403(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 course of business which operated as a fraud or deceit, 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 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 $4,388,605.79, 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 the Department be awarded attorney fees and costs incurred in the preparation and the 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;

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

DATED this 30th day of December, 2003.

STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL

A. René Martin
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 30th day of December, 2003.

Marilyn T Chastain
MARILYN T. CHASTAIN

SUBSCRIBED AND SWORN to before me this 30th day of December, 2003.

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