



## **NEWS RELEASE**

For Immediate Release

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### **CALIFORNIA MINING PROMOTERS SANCTIONED**

Refunds Ordered In High Tech Mining Investment

Boise, Idaho . . . Gavin Gee, Director of the Idaho Department of Finance, today announced that the honorable Michael McLaughlin, District Judge of the Fourth Judicial District Court in Boise, entered a judgment and permanent injunction against two California-based mining promoters. Howard Hucks and Paul Croxton Delzell (doing business as Landmark Technology & Development, Inc.) were found to have violated Idaho securities laws and were ordered pay more than \$57,000 in refunds, civil penalties and costs. As alleged in the complaint, Hucks and Delzell had sought to engage in the business of developing and using a new "vortex pump" technology that would extract gold by reprocessing old mine tailings.

The Court's Order found that the Defendants violated the securities and agent/broker-dealer registration provisions of the Idaho Securities Act; and that the Defendants committed securities fraud by misrepresenting material facts and omitting material facts in connection with the offer and sale of securities.

More specifically, The State's lawsuit had alleged that the defendants:

- a) engaged in fraudulent acts, practices or courses of business, which operated as a fraud or deceit upon Idaho investors;
- b) misrepresented that investor funds were very safe due to a "firm commitment" of further funding that would provide a source of repayment to investors;

**SECURITIES BUREAU**

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- c) misrepresented that the Idaho investors' funds would be used to develop and implement mining operations, when in reality, a significant portion of the invested funds were paid directly to Hucks and Delzell and used for the personal and business expenses of Hucks;
- d) failed to inform investors of the specific financial condition and operating results of Landmark Technology and Development, Inc.;
- e) failed to inform investors that Hucks had filed a Chapter 13 Bankruptcy in or about 1998 and that Hucks had been subject to a California state tax lien in or about 1997; and
- f) failed to inform investors of the amounts and types of compensation that the defendants would receive in connection with an investment in Landmark Technology and Development, Inc.

The Idaho Department of Finance cautions Idaho residents to make sure that the investments and investment professionals with whom they deal are registered.

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Department of Finance press releases and other information are available on the Internet via the world wide web at <http://finance.idaho.gov> and may be obtained by contacting the Department at (208) 332-8000, or toll-free in Idaho at 1-888-346-3378.