

OCT 13 2005

J. DAVID NAVARRO, Clerk
By **MELANIE ANDERSON**
DEPUTY

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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.)

ARIZONA IDAHO MINING, LLC,)
an administratively dissolved Idaho)
limited liability company, and DOUGLAS)
L. BAKER, as managing member and as)
an individual,)

Defendants.)

Case No. CV OC 0406423D

JUDGMENT AGAINST
DEFENDANT ARIZONA
IDAHO MINING LLC

Defendant ARIZONA IDAHO MINING, LLC, having been duly served with process and having failed to appear and plead to or answer Plaintiff's Verified Complaint filed herein in the manner required by law, and the legal time for answering having expired;

NOW, THEREFORE, THE COURT HEREBY FINDS that Defendant ARIZONA IDAHO MINING, LLC has violated the Idaho Securities Act, and ORDERS, ADJUDGES AND DECREES as follows:

INJUNCTIVE RELIEF:

Defendant ARIZONA IDAHO MINING, LLC is permanently enjoined from engaging in any acts, practices, courses of business, omissions and misrepresentations that would constitute violations of the Idaho Securities Act, Idaho Code § 30-1401, *et seq.*, and its successor Act, the Uniform Securities Act (2004), Idaho Code § 30-14-102, *et seq.*, and in particular, they are 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 Idaho Department of Finance in accordance with the Idaho Securities Act;
- B. Selling or offering for sale nonexempt securities in any form in the state of Idaho until such time as they have registered with the Idaho Department of Finance as a broker-dealer or salesman for a broker-dealer or issuer, in accordance with the Idaho Securities 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 statements made, in light of the circumstances under which they are made, not misleading;

- (3) 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 (C)(1), (C)(2), or (C)(3) above.

Defendant ARIZONA IDAHO MINING, LLC is further prohibited from claiming the availability of, using, or offering or selling securities under any exemptions under the Idaho Securities Act without receiving the prior written consent of the Director of the Idaho Department of Finance.

MONEY JUDGMENT:

The State of Idaho, Department of Finance, Securities Bureau, Plaintiff herein, is hereby awarded a money judgment against Defendant ARIZONA IDAHO MINING, LLC in the total amount of \$1,730,000, which includes \$1,730,000.00 in restitution for the benefit of victims of said Defendant's violations of the Idaho Securities Act, pursuant to Idaho Code § 30-1442(3)(a), and \$5,000 in attorney fees and costs incurred in the preparation and prosecution of this action and reimbursement for the Department's investigative efforts, pursuant to Idaho Code § 30-1142(3)(c).

DATED this 12th day of Oct., 2005.

CHERI C. COPSEY

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Hon. Cheri Copsey
District Judge

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 13th day of Oct, 2005, I served a true and correct copy of the foregoing JUDGMENT AGAINST ARIZONA IDAHO MINING, LLC upon the following by placing the same in the United States mail, postage prepaid addressed to:

A. René Martin
Deputy Attorney General
Idaho Department of Finance
P.O. Box 83720
Boise, ID 83720-0031

Arizona Idaho Mining, LLC
c/o Douglas L. Baker, Managing Member
P.O. Box 1524
Lawrence, Kansas 66044

YES
MELANIE ANDERSON

Deputy Clerk