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J. DAVID NAVARRO, CLERK
BY: *[Signature]*
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,)
)
Plaintiff)
)
vs.)
)
EARTH SEARCH SCIENCES, INC.,)
and LARRY F. VANCE, an individual)
)
Defendants.)
_____)

Civil No. **CV 00 9700155D**
COMPLAINT
Fee Category: Exempt

Comes now the State of Idaho, Department of Finance, Gavin M. Gee,
Director, by and through counsel, to complain and allege as follows:

JURISDICTION

1. This action is brought under the provisions of the Idaho Securities
Act, Title 30, Chapter 14, Idaho Code, and in particular Idaho Code § 30-1442
wherein the Director of the Idaho Department of Finance ("Department") is
empowered to bring actions seeking injunctive and other relief against

defendants who have either violated or are about to violate provisions of the Idaho Securities Act or any Rule thereunder.

VENUE

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, and elsewhere in the State of Idaho.

DEFENDANTS

3. In this Complaint, when reference is made to any act of "Defendant" or "Defendants," such reference shall be deemed to mean that each Defendant acted individually, jointly and severally, and participated, engaged in, directed, and/or aided and abetted in a material way such act unless specifically indicated otherwise.

4. Defendant Earth Search Sciences, Inc. ("ESSI") is a Utah corporation, with its main business office at 502 North 3rd Street, #8, McCall, Idaho 83638. The stock of ESSI has never been registered with the Idaho Department of Finance.

5. Defendant Larry F. Vance ("Vance") is Chairman and Chief Financial Officer of ESSI. His last known address is 1871 Warren Wagon Road, McCall, Idaho 83638. Vance has never been licensed by the Idaho Department of Finance as a securities salesman.

BACKGROUND

6. ESSI is a Utah corporation involved in developing remote sensing technology. The company is a publicly traded company trading on the over-the-

counter bulletin board system, but stock of the company has never been registered with the Idaho Department of Finance. ESSI is the surviving corporation of a 1985 merger with Turnabout Corporation, a shell corporation. Turnabout Corporation was formed for the purpose of creating a vehicle to obtain capital to seek out, investigate, finance the development of and/or acquire interests in products, properties and businesses which may have potential for profit.

7. Vance, as an Idaho issuer and salesman, and ESSI, as an Idaho issuer, have issued, offered and sold unregistered stock, promissory notes convertible into stock, and investment contracts to Idaho residents and non-Idaho residents. Vance and ESSI have issued numerous press releases and made numerous statements publicly and to individual investors regarding ESSI's involvement in the remote sensing business. Many of these press releases and statements contained misrepresentations of material fact and omissions of material fact.

COUNT ONE

The allegations contained in paragraphs 1 through 7 are hereby realleged as if fully set forth.

8. Beginning on a date uncertain but at least since April 1995 Defendants offered for sale and sold, either directly or indirectly, or aided and abetted in the offer and sale, to Idaho residents and non-Idaho residents through printed offering material and oral solicitations, securities in the form of ESSI stock, promissory notes convertible into ESSI stock, and investment contracts.

9. The securities offered and sold by Defendants were not registered with the Department as required by Idaho Code § 30-1416.

10. Defendants have violated Idaho Code § 30-1416.

COUNT TWO

The allegations contained in paragraphs 1 through 10 are hereby realleged as if fully set forth.

11. At no time have any of the Defendants been licensed by the Department of Finance as broker-dealers or salesmen to offer for sale securities as required by Idaho Code § 30-1406. Therefore, Defendants have either transacted business in this state as a broker-dealer or salesman without having been registered, or have acted as broker-dealers or issuers, and employed a salesman who was not registered under the Act.

12. Defendants have violated Idaho Code § 30-1406.

COUNT THREE

The allegations contained in paragraphs 1 through 12 are hereby realleged as if fully set forth.

13. Defendants offered and sold securities to individuals in this state and other states in violation of an antifraud provision of the Idaho Securities Act, Idaho Code § 30-1403(2), in that they made untrue statements of material facts. The untrue statements of material facts by Defendants include, but are not limited to, the following:

A. Defendants represented to offerees and/or investors that principal corporate officers did not receive compensation for services rendered, when in fact, compensation was received by principal corporate officers.

B. Defendants represented to certain offerees and/or investors that ESSI owned certain remote sensing equipment, when in fact, ESSI owned no such equipment.

C. Defendants represented to offerees and/or investors that they had contracts with major well-known corporations and suggested that such contracts would be revenue producing, when in fact, such contracts were not revenue producing.

D. Defendants represented to offerees and/or investors that they would have the right to convert promissory notes into stock, when in fact, promissory notes were automatically converted to stock without the prior consent or knowledge of investors.

E. Defendants represented to offerees and/or investors that ESSI owned subsidiary companies, however, no disclosures regarding said companies were in financial documents or SEC filings.

F. Defendants represented to offerees and/or investors that ESSI "holds a majority equity interest in the mineral concession in a region of Kazakstan" where Defendants claim there is a "remarkable concentration of potentially viable precious and base metals properties," when in fact, ESSI does not have any binding agreement giving it a majority equity interest in a mineral concession in Kazakstan.

G. Defendants represented to offerees and/or investors that ESSI acquired Lamb Associates Inc., an engineering and technical services firm, when in fact, ESSI did not acquire Lamb Associates Inc.

14. Defendants have violated Idaho Code § 30-1403(2).

COUNT FOUR

The allegations contained in paragraphs 1 through 14 are hereby realleged as if fully set forth.

15. Defendants offered and sold securities to persons in this State in violation of an antifraud provision of the Idaho Securities Act, Idaho Code § 30-1403(3), in that they engaged in acts, practices, and courses of business which operated as a fraud or deceit upon persons. The Defendants' acts, practices and courses of business which operated as a fraud or deceit include, but are not limited to, the following:

A. The pattern of misrepresentations and omissions referred to in paragraph 13, above. Misrepresentations and omissions of material fact constitute a deceptive and manipulative practice, and hence, a practice which operates as a deceit upon persons, as defined in Rules 110 and 111.02 of the rules pursuant to the Idaho Securities Act (IDAPA 12.01.08.110; 111.02).

16. Defendants have violated Idaho Code § 30-1403(3).

COUNT FIVE

The allegations contained in paragraphs 1 through 16 are hereby realleged as if fully set forth.

17. Defendants distributed press releases and other written literature that was used directly or indirectly in connection with the offer, sale, or advisability of purchasing ESSI securities in Idaho.

18. The written materials distributed by Defendants were not filed with the Director as required by Rule 010.02 of the rules pursuant to the Idaho Securities Act (IDAPA 12.01.08.010.2).

19. Defendants have violated IDAPA 12.01.08.010.2.

PRAYER FOR RELIEF

Wherefore, Plaintiff prays for a Judgment in favor of Plaintiff and against Defendants as follows:

A. That Defendants be adjudged to have violated the Idaho Securities Act and Rules thereunder.

B. That Defendants be permanently enjoined from engaging in any acts, practices or omissions which would constitute violations of the Idaho Securities Act, Title 30, Chapter 14, Idaho Code, and Rules thereunder, and in particular, that they be permanently enjoined from:

1. 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 Title 30, Chapter 14, Idaho Code;
2. Selling or offering for sale nonexempt securities in any form in the State of Idaho until such time as Defendants have registered as a broker-dealer or

salesmen for a broker-dealer or issuer with the Idaho Department of Finance, in accordance with Title 30, Chapter 14, Idaho Code;

3. 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 in the securities;
 - 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. Distributing written literature to be used directly or indirectly in connection with the offer, sale, or advisability of purchasing or selling securities in Idaho without filing the literature with the Director at least three business days prior to its use.
 5. Aiding, abetting, counseling, inducing or causing any other person to engage in any of the types of conduct described in paragraph 1, 2, 3 or 4, above.
- C. That Defendants be 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.


D. That 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.

E. That Defendants be ordered to pay a civil penalty to Plaintiff in an amount of \$10,000 for each violation of the Idaho Securities Act.

F. That Plaintiff be awarded attorney's fees and costs incurred in the preparation and the prosecution of this action, and if judgment is taken by default herein, that \$5,000 is a reasonable attorney's fee.

G. Such other and further relief as this Court may deem equitable and just.

DATED this 10th day of January, 1997.

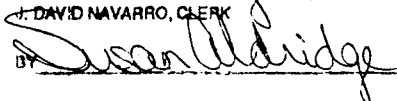

Scott B. Muir
Deputy Attorney General

STATE OF IDAHO
COUNTY OF ADA
SS

I, J. DAVID NAVARRO, CLERK OF THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA, DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE IN THIS OFFICE.

IN WITNESS WHEREOF, I HAVE HERETO SET MY HAND AND AFFIXED MY OFFICIAL SEAL THIS 27 DAY OF Jan, 1997.

J. DAVID NAVARRO, CLERK


BY Susan Aldridge DEPUTY