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Attorneys for Respondents Northern  
Developments, Ltd. and Noah Sifuentes

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BEFORE THE SECURITIES DIVISION  
OF THE DEPARTMENT OF COMMERCE  
OF THE STATE OF UTAH

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IN THE MATTER OF:

NORTHERN DEVELOPMENTS,  
LTD. and NOAH SIFUENTES

RESPONSE TO ORDER TO  
SHOW CAUSE

Docket No. 08-0036  
Docket No. 08-0037

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Respondents Northern Developments Ltd. ("Northern") and Noah Sifuentes ("Sifuentes"), by and through their undersigned counsel, hereby respond to the numbered paragraphs of the order to show cause served upon them by the Division of Securities, as follows:

1. Admit.
2. Respondents admit that Northern was registered in Nevada as alleged and that it was never registered to do business in Utah. Northern, however, was incorporated with Sifuentes as President and Ron D. Lewis ("Lewis") as Secretary and

Treasurer. Respondents deny for lack of knowledge the allegation that Northern's registration was revoked.

3. Admit.

4. Deny. After Northern was incorporated, Lewis was approached by Bob Bellus ("Bellus"), who indicated that he could raise funds for investment in Northern and that he already had a potential investor lined up. Before agreeing to identify this potential investor, Bellus requested a compensation arrangement with Northern. Eventually, Northern "agree[d] to provide Bob Bellis [sic] with a 10% stock bonus on all authorized and confirmed funds raised for Northern Developments, up to \$50,000." Letter dated May 10, 2004 from Sifuentes to Bellus. As a result of this agreement, Bellus was instrumental in securing an investment in Northern from Dr. Jeff Erickson ("Erickson") in the amount of \$50,000.

Respondents believe that, prior to Erickson's investment, no officer or employee of Northern, except for Sifuentes, ever met with or communicated directly with Erickson; Sifuentes did so by telephone on only one occasion. During that conversation, Sifuentes explained the goals that Northern and its co-venturers had for housing construction in Mexico. During that conversation, Sifuentes specifically informed Erickson that the project was contingent upon the investment and funding by the Michigan Regional Council of Carpenters of the construction of a production plant in Mexico that would be used by NOXSO, Inc. ("NOXSO") and Southwest Management, Inc. ("Southwest") as the operational base for the construction of low-income homes. Sifuentes further informed Erickson that Northern's role in the project was to secure

contracts for Southwest and NOXSO (and NOXSO's Mexican builder, Advanced Construction Technology Manufacturing de Mexico, SA ("ACMT")) with the Mexican government for such home construction. This conversation occurred in May 2004 after Erickson was provided a copy of a bio of Northern (a copy of which is attached hereto as Exhibit 1).

Respondents did not inform Erickson that his funds would be used for the specific purpose of buying building materials to construct a production plant in Mexico. Nor did Respondents authorize any other person to make such representations. Indeed, Northern intended and expected to receive such funds from the carpenters' union. At all times, Erickson's funds were intended to be used for general business start-up purposes.

5. Admit.

6. Deny. It appears that Erickson was provided contracts and/or other material related to other projects in which Southwest and NOXSO were involved but that Northern was not involved in. Erickson was aware of these other projects because Wynn Westmoreland, President of Southwest, flew to Mesa, Arizona to meet with Erickson and to discuss all of these projects.

7. Respondents deny that Sifuentes stated that production would begin by August 2004 or that it would reach certain levels by November 2004. Sifuentes did tell Erickson that those were the then-current projections, and Erickson fully understood that such projections were based upon the securing of funding from the carpenters' union.

8. Respondents deny that Sifuentes made the offer referred to. Instead, Respondents' believe that the initial offer was made by Bellus and was later confirmed by Northern.

9. Respondents do not have copies of the documents referred to in paragraph 9, but acknowledge that documents similar to those described were sent as described. These documents were sent prior to there being any actual investment of funds in Northern by Erickson. In addition to Sifuentes, the documents were also signed by Lewis.

10. Admit. Again, these documents were, per Bellus' requirements, provided to Erickson prior to any actual funds being invested by Erickson.

11. Admit.

12. Respondent's admit the allegations in the first sentence of paragraph 12. Sifuentes informed Erickson that the carpenters' union had not authorized funding to NOXSO and Northern for the low-income housing project. Sifuentes further informed Erickson that Southwest and NOXSO were intending to further pursue the project and, in the event that they were ever able to get it moving, Northern would retain its role in the project. Respondents acknowledge that Erickson was informed that his invested funds had been used to underwrite the day-to-day expenses of Northern.

13. Respondents admit that Erickson as not received a return on his investment. Respondents deny that he is owed anything. No physical shares of Northern stock have been issued to any principal of Northern, but Erickson is still recognized as having a 200,000 share interest in Northern.

14. Respondents admit that together Sifuentes and Lewis controlled Northern's bank account (which required two signatures). Lewis and Sifuentes each received \$2,500/month for their work for Northern. Sifuentes ceased receiving any moneys from Northern after August 2004. Lewis continued to represent Northern and to receive his compensation until January 2005. Day-today expenses included office rent, utilities, travel to and from Mexico, and other normal administrative expenses.

In February 2004, Connie Uddo ("Uddo") provided funds to research and investigate the funding potential by the carpenters' union of a Mexican housing production facility. Uddo resided in New Orleans. After Hurricane Katrina hit New Orleans and caused severe damage to its residents, Uddo requested that she have her moneys returned to her. Given the extraordinary circumstances she was then facing, Northern agreed and paid her \$5000, the same amount that she provided in February 2004. There was never any plan or intent at the time that Erickson invested funds with Northern to use them to repay prior investors.

15. Respondents re-assert their answers to paragraphs 1 through 14.

16. Respondents admit that the Northern stock is a security, but deny that Sifuentes sold it to Erickson. Northern is the entity that sold the stock to Erickson.

17. Deny.

- a. Respondents never informed Erickson that his funds would be used to purchase building materials for the construction of a production plant in Mexico.

b. Deny. Erickson is apparently confusing this investment with other projects that Bellus and NOXSO and Southwest (but not Northern) were involved in.

18. Deny.

a. Northern provided all relevant information to Bellus and Erickson, including the fact that the company was a start-up operation with no operating history or past performance or financial statements. Erickson was fully aware of all of this. Moreover, when discussions of an investment first began, Northern was contemplating only a \$25,000 investment from Erickson. Erickson, either on his own or at Bellus' suggestion but not at Northern's request, increased the investment amount to \$50,000.

19. Deny.

WHEREFORE, Based upon the foregoing, Respondents request that the Division dismiss the Order to Show Cause with prejudice and reimburse Respondents for their costs and attorney fees.

DATED this 28<sup>th</sup> day of April, 2008.

FILLMORE SPENCER, LLC

A handwritten signature in black ink that reads "Matthew R. Howell". The signature is written in a cursive style with a horizontal line underneath it.

Matthew R. Howell  
3301 N. University Avenue  
Provo, Utah 84604

Attorneys for Respondents Northern  
Developments, Ltd. and Noah Sifuentes

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing  
RESPONSE TO ORDER TO SHOW CAUSE to be mailed, first-class, postage prepaid,  
this 28<sup>th</sup> day of April, 2008, to the following:

Administrative Court Clerk  
c/o Pam Radzinski  
Division of Securities  
160 East 300 South, Second Floor  
P.O. Box 146760  
Salt Lake City, Utah 84114-6760

Jeff Buckner  
Utah Attorney General's Office  
160 East 300 South, Fifth Floor  
P.O. Box 140872  
Salt Lake City, Utah 84114-0872

A handwritten signature in black ink, reading "Benjamin A. Royce", is written over a horizontal line. The signature is cursive and includes a long horizontal stroke at the end.