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Utah Department of Commerce
Division of Securities

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IN THE THIRD DISTRICT COURT, SALT LAKE DEPARTMENT

IN AND FOR THE COUNTY OF SALT LAKE, STATE OF UTAH

THE STATE OF UTAH Plaintiff	)	
	)	CASE NO: 111904188 DAO #11010949
Vs.	)	**MOTION TO QUASH INFORMATION/ AFFIDAVIT OF JEFF NIELSEN**
Geoffrey W. Watson **and** Gregory B. Baldwin	)	
Defendants.	)	Judge:

Comes now Defendant, Geoffrey Watson, to motion the court to quash the information affidavit of Jeff Nielsen for misstatement of facts as outlined below. As an agent for the DIVISION OF SECURITIES, Jeff Nielsen (JN) failed to state the facts accurately and has damaged the Defendant, Geoffrey Watson in bringing forth his Information Affidavit for Agency Case # 11-0003. I, Geoffrey Watson did not knowingly make any offer, sale or purchase of a security to anyone. The certificates showing the units of in the ground gold were the subject of collateral for a loan. The reason for the certificates is that the gold had not been mined at that time as the winter snows were too deep to get to the mine. As the weather was changing, the availability of the gold would

change in approximately 180 days from January 15, 2011. Then the certificates could be redeemed for the actual physical gold. My understanding from Jim Barrus of National Gold, Inc. was that the certificates were only issued for that purpose. At that time I was just starting to learn about stocks as a new trainee in a Private Stock Exchange. I was not, at that time informed as to the nature of the gold certificates. In other words, I was a newbie to the stock industry. I had been told that these certificates represented physical gold that was still in the ground. Jeff Nielsen misrepresented that these certificates were being offered for sale. They were not. My intention was clear that I had the certificates and they could be used as collateral if the invoices for the labor on the corvettes would not be sufficient. I have been damaged by the misrepresentations of Jeff Nielsen.

Furthermore, there is no evidence of a fraudulent statement, misstatements or omissions made to Craig Franco or Jeff Nielsen. There is no evidence that the loan would not have produced the desired outcome, had the loan proceeds been forwarded to Interpol via Ann Delvechio. No evidence has been presented by the Securities Department of Utah, Jeff Nielsen, or Craig Franco that the transaction was not what was presented to Craig Franco. Truth sometimes really is stranger than Fiction. I, Geoffrey Watson could not be guilty of Utah Code Annotated 61-1-21(2)(b) as Craig Franco nor Jeff Nielsen ever disclosed the me where their monies would have come from. Therefore, I could not have knowingly committed a crime under Utah Code Annotated 61-1-21(2)(b).

In paragraph 1 of the DECLARATION OF PROBABLE CCAUSE, there was a statement that Geoffrey Watson was present for all of the phone calls made by Greg Baldwin to Craig Franco. I, Geoff Watson was not on all of the calls and cannot speak for

what Greg Baldwin told Craig Franco. I, Geoff Watson, never represented to Craig Franco that I wanted to sell the gold units, but use them as collateral for a loan of $40,000.00, not $38,000.00. The document states that the gold units are worth $1,000.00 for each unit. The certificate they were shown was for 100 units of gold. Also in Paragraph 1, Jeff Nielsen talks about building a road to the gold mine. I never represented it this way at all. The loan of 40 thousand dollars was to free up Ann Delvechio's money so it could be distributed to those that had helped with the project. Ann Delvechio had told us and Craig Franco and Jeff Nielsen that Ann Delvechio knew of the need for the gold mine to build a better road and had promised them she would help them with that project as soon as her money was released to her and her team. Jeff Nielsen misstated the facts of the transaction scenario. I, Geoff Watson, have been damaged by these misstatements of facts. We were talking about obtaining a loan from Craig Franco, not making an investment.

In paragraph 2 of the DECLARATION OF PROBABLE CAUSE, JN misstated the facts. There was no offering to sell stock in a Gold Company. We were attempting to acquire a loan of $40,000.00 with collateral of units of gold from the gold company, which could be redeemed in 6 months. However, I, Geoff Watson had invoices that could be used as collateral. The invoices were for future payment of money to me (Geoff Watson) for service work on 2 Corvettes. The invoices were for $100,000.00 + that I pledged to pay to them in the event the loan to Ann Delvechio failed to be paid on time. Yes, the corvettes are worth $60,000.00 +, but that was not the collateral placed on the table. The collateral was the payments on the invoices for service completed by me

(Geoff Watson). And again the loan being requested was $40,000.00 not $38,000.00. Again the gold units were merely an option for collateral not an offering for sale to Craig Franco and Jeff Nielsen.

In paragraph three of the DECLARATION OF PROBABLE CAUSE, JN states that Franco balked at the offer. I never heard that in any of my conversations with Craig Franco. And I was never told by Greg Baldwin of that situation. JN neglected to report in his Declaration that Ann Delvechio via a telephone conference also told Franco and JN that the loan was needed to obtain a $2.25 Trillion (not $2.5 Trillion) bond to free up her money being detained in Canada by Interpol. At the time of the phone conversation at the library, in anticipation of the loan as Franco had expressed an interest in moving forward, Delvechio had told us that Interpol had arranged for the funds to be transferred to Salt Lake City Airport via helicopter and was waiting, in safe keeping, to be released upon completion of the loan transaction. JN failed to disclose this significant detail in the conversations and failed to investigate the actual existence of the helicopter at the airport. If JN had investigated the helicopter story, he would have been able to confirm the truth of the matter and we would not be wasting our time or the court's time on this. At this point, I, Geoff Watson have no way of confirming this important detail. Delvechio offered an additional one million dollars, (to Franco directly) within 30 days for his prompt assistance. Delvechio told JN and Franco that the funds would be under her humanitarian foundation and would be tax exempt to all of us. Delvechio stated that foundations done properly are exempt from taxes. JN did not properly disclose the facts

in paragraph three and I, Geoff Watson have been damaged by these improper disclosures.

In paragraph 4 of the DECLARATION OF PROBABLE CAUSE, JN misstated the facts as follows: Delvechio (and the Defendants repeated) to Franco that Delvechio had made a "significant amount of money" from private placement trades (not from some investment). Delvechio (and the Defendants repeated) to Franco that it was urgent that the funds for the bond be transferred soon as the Delvechio's money had been transferred from Canada to California and then on to the Salt Lake City Airport. I, Geoff Watson did not ever hear an amount that would be on the helicopter. (JN represented this to be $100,000,000.00). Delvechio said that her money would then be given to Geoff Watson and one other gentleman for disbursement, including the fulfillment of Franco's agreement.

In paragraph 5 of the DECLARATION OF PROBABLE CAUSE, JN MISSTATED THE FACTS AS FOLLOWS: JN failed to disclose that on the 13th of January, 2011, Delvechio was on the phone answering questions and bringing forward the information that JN characterized as coming from Greg Baldwin and Geoff Watson. After the phone conversation, Greg and Geoff only reiterated what Delvechio had told all that was at this meeting at the Salt Lake City library. Delvechio and the Defendants repeated their earlier statements regarding the money transfers and how Delvechio was unable to post the cash bond herself, because the loan funds had to be allocated from the United States. Delvechio and the Defendants explained that this was also why Franco's

loan needed to be in cash. JN's mischaracterizations and misstatements have damaged the Defendants.

In paragraph 6 of the DECLARATION OF PROBABLE CAUSE, JN misstated the facts as follows: Delvechio and the Defendants told Franco that if he gave them $40,000.00 that day in cash, that within the next 48 hours (not next day) then $80,000.00 would be returned to him and that $1 million would be given to Franco within One Month (not 1 week). Geoff actually stated that Delvechio said that she would "give Franco $1 million for sure." What JN failed to disclose here is that Geoff Watson wanted to make sure Franco did not lose the principle, therefore, Watson put up his labor on the Corvette's as collateral to protect Franco from losing his principle. However, the 100 units (ounces of gold) were also put up as collateral since Delvechio had raised the stakes by offering the $1 million. And JN failed to mention that Delvechio was on the phone during the meeting to present the facts of this story as only she could being the principle in this potential loan arrangement.

In paragraph 7 of the DECLARATION OF PROBABLE CAUSE, JN misstated the facts as follows: JN failed to disclose that the issue of collateral was what Franco wanted in order to put up $40,000.00 for a loan. Franco asked for collateralization. Defendants Greg and Geoff responded with what they had to put up in the way of collateral. Delvechio already had collateral CALLED CASH. Therefore, Franco carries some elements of fault here. In this paragraph JN states that Geoff Watson owned a Corvette restoration shop and was willing to use restoration work performed on two Corvettes, worth $60,000.00. This is not a true statement. Geoff had provided invoices

showing that when Geoff completed the work in progress, he would be paid $100,000.00. Geoff was putting up these invoices for collateral. Geoff also had 100 units of in the ground gold represented by certificates, as there was too much snow to mine at that time. The certificates could be cashed out in 180 days. These certificates were entrusted by NATIONAL GOLD, INC. to Geoff Watson. They were intended to help with a collaterization for Delvechio's specific loan needs at Franco's request for collateralization. Greg Baldwin may have said that he thought they were worth more than the then current price of gold, but I did not hear that part if it did indeed happen. However comments were made about its future value. I, Geoff Watson did comment that if inflation keeps going up then within 6 months, gold would probably be closer to $2,000.00. The misstatements of the facts by JN have caused damage to me Geoff Watson.

In paragraph 8 of the DECLARATION OF PROBABLE CAUSE, JN has made misstatements of the facts in the following: JN has characterized this transaction as an investment. It is not. It was an attempt to obtain a hard money loan to complete a payout on funds Delvechio already had. Delvechio and the Defendants did explain that the Delvechio's funds were coming under the Humanitarian Fund that Delvechio is directing. Those funds do come "tax free". If this is not correct then the Rockefellers, Gates and Kennedys should all be in jail for their "tax free" status. Their money has been donated to the Humanitarian Funds they manage.

In paragraph 9 of the DECLARATION OF PROBABLE CAUSE, JN has made misstatements of the facts in the following: JN states that Watson told him he had called

Interpol "quite a bit." That is not true. I, Geoff Watson did not say that I had called Interpol. Delvechio did state that she was working with Interpol on this project. I, Geoff Watson did tell them of my due diligence on the project. 1.) I told them that I had contacted Jack Adams of Midport Logistics concerning Ann Delvechio. They checked her and her project out and found no red flags. 2.) I contacted Troy Powell, a friend who has been associated with Private Placement Trades. He told me that he knew Ann Delvechio. He confirmed to me that Delvechio is real and her money is real. He also said he would not help her because Homeland Security, if they found out, would probably steal his money as well. 3.) I contacted Dave Varga who three wayed me to Arn Ulford. These gentlemen are into major banking projects. They confirmed that they knew who Delvechio is, that she is real and that her money is real. JN misstated facts and omitted facts; therefore, I have been damaged.

In paragraph 10 of the DECLARATION OF PROBABLE CAUSE JN made misstatements and omissions, which have caused damage to Geoff Watson. Those misstatements and omissions are as follows: The "Agreement" stated that the $1 million would be returned in 30 days. (Not 1 week). (See Exhibit A). The collateral talked about in the Agreement was for the invoices of service work on the Corvettes. The invoices actually state that the amount owed on the service work was for $100,000.00 +. As a side note here, I did make a big mistake of not reading the Agreement before signing it. Someone else had prepared it and I had not reviewed it. However, Craig Franco did not intend to complete the transaction. There were minor mistakes in the Agreement, one of which was calling the gold redemption certificates. stock shares. However, it was my

understanding from Gold International, Inc. that these were not stock in the company. They were meant to be redemption certificates for when the gold was actually mined. At the time I did not understand the difference. In addition, I was signing the Agreement as a Power of Attorney for Ann Delvechio. It was disclosed by Delvechio that Geoff had her Power of Attorney because she is in Canada. It turns out that because of the failed transaction that partnership documents for my involvement in HA CORP, INTERNATIONAL LTD. Never arrive. So technically I am not a partner in HA CORPORATION INTERNATIONAL LTD as Delvechio had promised me I was. The paperwork never arrived.

In paragraph 11 of the DECLARATION OF PROBABLE CAUSE, I had not been informed of any of the disclosures made by Greg Baldwin before he disclosed them to Jeff Nielsen.

In paragraph 12 of the DECLARATION OF PROBABLE CAUSE, even though this is about Greg Baldwin, there are some misstatements by JN. JN had been told by Delvechio that the loan proceeds would be paying for the bond needed to release the humanitarian money. Delvechio also disclosed that when the funds were released the loan would be paid back and Greg and Geoff would be taken care of out of the funds that were released. This transaction was not an investment, but a hard money loan. Collateral was requested, in addition to Delvechio's money. Geoff Watson provided collateral. Franco never did transfer funds for the project. However, Franco did steal the 100 Gold Redemption Certificates during a meeting with Geoff, Greg, JN, and Franco. JN's misstatements and omissions have damaged the Defendants.

In paragraph 13 of the DECLARATION OF PROBABLE CAUSE, JN has made misstatements and omissions. I, Geoff Watson, did not believe it was required to disclose my negative financial situation in acquiring a loan for Delvechio's purposes. I was not offering stocks for sale or purchase. I just put out the redemption certificates for Franco to hold until the loan was paid. My understanding that is not an offer for sale or purchase. I did disclose my due diligence on Delvechio and the project as explained in my response to paragraph 9. It was also explained to JN that the loan funds would be wired to agents of Interpol. I reiterated that to JN. It was also disclosed to JN and Franco that Greg and Geoff would be compensated, but not out of the loan proceeds. They would be compensated out of the Humanitarian Fund proceeds. And finally, it was disclosed that there was a risk of losing the money. This was disclosed by JN within his DECLARATION OF PROBABLE CAUSE at paragraph 8.

In addition in the statements it was declared that it was believed that I, Geoffrey Watson would not appear under a summons. There is no evidence of any reason to believe that. I have been damaged in that assumption.

The numerous misstatements and omissions with the DECLARATION OF PROBABLE CAUSE have damaged the Defendants. Specifically, it has damaged me, Geoff Watson. The stress and the time to learn about what the investigation was all about and the misstatements and omissions that have given the judge and courts a misunderstanding of the true nature of the transactions. There was no checking out the story on the part of the investigators. It appears that they were just anxious to get a prosecution. But missing the facts of the case is not the way to do it. This has caused the

transaction to fail. The funding of the bond on the Humanitarian funds has failed as a result of the actions of JN and the Department of Securities. They failed to investigate the true nature of the transaction. If the transaction is false then I was sucked in as well. But I have no way of determining that. I do know that Delvechio has threatened my life and life of my spouse and children because I "allowed" the Department of Securities to threaten me. I had been threatened before when I could not raise the funds to pay the required fees and fines to complete on the project. Even though she promised to help me, she also threatened my life. I guess people with that kind of money feel they have the right to get their own way or do away with anyone who don't get them what they want. I have tried to maintain my integrity in spite of all the threats and pressure involved because I needed to support my family. I have 26 children and stepchildren, so it takes a lot to support that many. Because of the bad economy, I am in trouble financially. I thought if we could complete on this project that the funds promised from Delvechio would help with supporting my family. I gave it my all to complete the project. I never did anything intentionally to hurt anyone. My only goal was to do what would help not only myself, but also others.

Therefore, I respectfully request that the DELCARATION OF PROBABLE CAUSE be quashed for misstatements and omissions of the facts.

I swear under penalty of perjury that the foregoing is true and correct to the best of my belief and knowledge.

Executed on July ___, 2011

_____

Geoffrey W. Watson

State of Utah)
§
County of Salt Lake)

Sworn and subscribed to before me on this 14th day of July, in the year 2011 by Geoffrey W. Watson, who states that the facts stated herein are true and correct to the best of his knowledge.

_____

Notary Public Seal:

EXHIBIT A

AGREEMENT

January 13, 2011

HA Corp. International LTD a Dubai company (Ann Delvechio, Geoff Watson) In exchange for the loan in the amount of $40,000 from Craig Franco, that is made on this 13th of January 2011 hereby agree to return this loan on or before the 18th of January 2011. Loan will also be guaranteed by 46 stock shares provided by Jim Barrus with National Gold, Inc along with an invoice for 2 corvettes of $60,000 from Geoff Watson with Watson Corvette. HA Corp. International LTD promises top pay a return of One Milllion US Dollars for providing loan on or before 30 days from todays date. The One Million US Dollars will be structured as a no interest, self disolving loan which will dissolve itself within 1 year. Return on loan procedes can be negotiated in person.

Geoff Watson Partner with HC Corp & Power of Attorney for Ann Delvechio

Ann Delvechio (President)

Craig Franco

Greg Baldwin