

THIRD JUDICIAL DISTRICT
Third Judicial District

JUN 10 2004
SALT LAKE COUNTY

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IN THE THIRD JUDICIAL DISTRICT COURT IN AND FOR
SALT LAKE COUNTY, STATE OF UTAH

THE STATE OF UTAH,

Plaintiff,

vs.

MICKY COCHRAN

DOB: May 20, 1949

SSN: 547-80-4825

BRUCE OWEN HACKING

DOB: February 18, 1971

SSN: 518-92-1171

ZELL LOU MILLS

DOB: October 13, 1947

SSN: 571-66-1967

Defendants.

CRIMINAL INFORMATION

Case No. 04403059

Case No. 04403060

Case No. 04403061

Judge _____

The undersigned, JUDE ARCHULETA, upon oath, states on information and belief that the defendants have committed the following crimes:

SECURITIES FRAUD, a second degree felony (1 count)
(Cochran, Hacking and Mills)

SECURITIES FRAUD, a third degree felony (1 count)
(Cochran, Hacking and Mills)

THEFT, a third degree felony (1 count)
(Mills)

ABUSE, NEGLECT OR EXPLOITATION OF AN ELDER ADULT,
a third degree felony (1 count)
(Mills)

OFFER OR SALE OF AN UNREGISTERED SECURITY
a third degree felony (1 count)
(Cochran, Hacking and Mills)

SALES BY AN UNLICENSED BROKER-DEALER OR AGENT,
a third degree felony (1 count)
And/or
EMPLOYING AN UNLICENSED AGENT,
a third degree felony (1 count)
(Cochran, Hacking and Mills)

COUNT 1
SECURITIES FRAUD
a third degree felony
(Cochran, Hacking and Mills)

Commencing on or about December 1999, in the State of Utah, County of Salt Lake, the defendants, in connection with the offer or sale of an investment, directly or indirectly, to **Annette Roskelley**, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a third degree felony under Utah Law.

COUNT 2
SECURITIES FRAUD
a second degree felony
(Cochran and Mills)

Commencing on or about December 1997, in the State of Utah, County of Salt Lake, the defendant Cochran and Mills, in connection with the offer or sale of an investment, directly or indirectly, to **Samuel Cox**, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a second degree felony under Utah Law.

COUNT 3
ABUSE, NEGLECT OR EXPLOITATION OF AN ELDER ADULT
a third degree felony
(Mills)

From on or about March 2000, the defendant Mills, in a position of trust and confidence, or in a business relationship, with a vulnerable adult (Samuel Cox), and knowingly, by deception or intimidation, obtained or used, or endeavored to obtain or use, the vulnerable adult's funds, credit, assets, or other property with the intent to temporarily or permanently deprive the vulnerable adult of the use, benefit, or possession of the adult's property, for the benefit of someone other than the vulnerable adult, in violation of Utah Code Ann. § 76-5-111. This violation is a third degree felony.

COUNT 4
THEFT, a third degree felony
(Mills)

From on or about March 2000, the defendant Mills obtained or exercised unauthorized control over the property of **Samuel Cox**, with a purpose to deprive him thereof. The value of the property is or exceeds \$1,000.00 but is less than \$5,000.00. This is a violation of Utah Code Ann. § 76-6-404, a third degree felony.

COUNT 5
SECURITIES FRAUD
a second degree felony
(Hacking and Mills)

Commencing on or about September 2000, in the State of Utah, County of Salt Lake, the defendants Hacking and Mills, in connection with the offer or sale of an investment, directly or indirectly, to **Sandra Cottrell**, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a second degree felony under Utah Law.

COUNT 6
SALE OF AN UNREGISTERED SECURITY
a third degree felony
(Cochran, Hacking and Mills)

Commencing on or about November 1997, in the State of Utah, County of Salt Lake, the defendants willfully engaged in violations of

Utah Code Ann. §§61-1-7 and 61-1-21 in connection with the offer or sale of an unregistered security. This violation is a third degree felony under Utah Law.

COUNT 7
SALES BY AN UNLICENSED BROKER-DEALER OR AGENT
a third degree felony
and/or
EMPLOYING AN UNLICENSED AGENT, a third degree felony
(Cochran, Hacking and Mills)

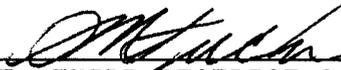
Commencing on or about November 1997, the defendants, in connection with the offer or sale of a security, willfully engaged in the offer or sale of a security without being licensed to transact business in this state. It is unlawful for any person to transact business in this state as an broker-dealer or agent unless the person is licensed. This is a violation of Utah Code Ann. §§61-1-3(1) and 61-1-21, a third degree felony under Utah Law.

DATED this 11 day of June, 2004.



JUDE ARCHULETA, Affiant

SUBSCRIBED AND SWORN to before me on
This 11 day of June, 2004.



JUDGE, THIRD DISTRICT COURT



This CRIMINAL INFORMATION is based upon evidence from the following witnesses:

1. Sandra Cottrell
2. Samuel Cox
3. Annette Roskelley
4. And others.

AUTHORIZED FOR PRESENTMENT AND FILING this 10 day of

E. Neal Gunnarson, 2004

MARK L. SHURTLEFF
Utah Attorney General

By:

E. Neal Gunnarson
E. NEAL GUNNARSON
Assistant Attorney General

I am an investigator for the Utah Division of Securities of the Department of Commerce. I hold a B.S. degree in Psychology, a B.S. degree in Sociology and a Certificate in Criminology and Corrections from the University of Utah. I have been employed by the Division of Securities since 1996.

The Division has an active investigation involving the defendants. I have interviewed or reviewed interview summaries of Sandra Cottrell, Samuel Cox and Annette Roskelley. I have reviewed documents provided by the above-mentioned individuals and others. I have also reviewed the records of the Utah Department of Corporations and Commercial Code, the National Association of Securities Dealers and Utah District Courts.

PARTIES

Zell Mills is an individual with a last known address of 2457 East Granite Hills Circle Sandy, UT 84092.

Mickey Cochran is an individual with a last known address of 743 East 640 North in Orem, Utah 84097.

Bruce Hacking is an individual with a last known address of 4857 South 2500 West in Roy, Utah 84067

OFFERS AND SALES

From November of 1997 through September of 2000, Zell Mills, Mickey Cochran and Bruce Hacking, directly or indirectly, offered and sold an investment to at least three investors in the state of Utah and collected \$160,000. The investors were told they could invest in a trading program that would pay a 100% return within a couple of months. Investors were told there was no risk to the investment or the investment was safe. The investment was described as passive and the only role of the investor was to supply capital to the program.

MISREPRESENTATION/OMISSION

In connection with the offer and sale of the investment programs, Mills, Cochran and Hacking, directly or indirectly, made the following misrepresentations, among others, to some or all of the investors:

1. Hacking and Mills told Annette Roskelley there was no risk to the investment. Mills also told Roskelley the money from investors would be held in escrow and was totally secure. Mills told Samuel Cox the investment was a very aggressive and lucrative account with very little risk. Mills also told Cox the investment was safe. Hacking told Sandra Cottrell no matter what happened in the investment, she would at least get back her original principal. In reality, any investment with a higher rate of return has a corresponding higher degree of risk and investors have been unable to recover any portion of their investment.

2. Hacking told Annette Roskelley she could get her money back at anytime with a written request. In 2001, Roskelley sent a letter to Mills demanding her money back from the investment and Roskelley has been unable to recover any portion of her investment.

3. Mills told Annette Roskelley everything with the investment was completely legal when in fact the investment was an unregistered security and Mills was not licensed to sell securities in the state of Utah.

Mills, Cochran and Hacking, directly or indirectly, made misleading statements, or failed to disclose certain material information upon which investors could make an informed decision. The following omissions, among others, were made to some or all of the investors:

1. Mills' criminal and civil history;
 - a. On May 22, 1980, the State of Alaska issued an Order to Cease

and Desist against Mills for the Sale of Unregistered Securities by Unregistered Agents.

b. On December 19, 1984, Mills was charged with Issuing a Bad Check, Draft or Presumption, a second degree felony in Salt Lake Third District Court. On May 2, 1989, Mills pleaded guilty.

c. On August 21, 1985, Mills filed for a Chapter 7 Bankruptcy in District Court. There was an order discharging Mills on July 17, 1986.

d. In 1988, Mills was indicted in Utah District Court for bank fraud. On March 21, 1989, Mills was sentenced to six months incarceration, 4 ½ years probation and ordered to pay \$25,000 in restitution.

e. On November 9, 1994, Mills filed for a Chapter 7 Bankruptcy in Utah District Court. There was an order discharging Mills on March 7, 1995.

f. From October 30, 1985 through May 9, 2000, there were 44 judgments issued against Mills totaling \$446,641.67.

2. A portion of Cox's investment would never be invested and the funds would be used to pay Mills' personal and living expenses;

3. A portion of a previous investors' funds were never invested and the funds were used for Mills' personal and living expenses;

4. A complete description of the investment;

5. The number of investors;

6. The identity of the individuals related to the investment and their related experience;

7. Mills' relationship to the investment;

8. The amount Mills had invested personally;

9. The track record of the investment;

10. Performance to previous investors;

11. Whether the investment funds could be encumbered or lost;
12. How the investment generated a profit;
13. Liquidity;
14. Whether the investment was registered or exempt from registration;
15. Whether anyone related to the investment was licensed in securities;
16. Who licensed the individual making the loans;
17. What the license authorized;
18. Whether there was a potential conflict of interest;
19. Compensation or commissions paid;
20. How the investment was secured;
21. Where the escrow account was held;
22. The terms of the escrow account;
23. The true degree of risk.

These omissions made the previous statements concerning the investment misleading.

COUNT 1
SECURITIES FRAUD, a third degree felony
Annette Roskelley
(Cochran, Hacking & Mills)

In 1999, Annette Roskelley first learned of an investment opportunity from Bruce Hacking. Roskelley worked in Amway with Hacking and Roskelley also worked with Hacking at USA Casher Services. In December 1999, Hacking told Roskelley of an investment opportunity he thought was good and invited Roskelley to a meeting to learn more about the investment. Hacking told Roskelley she could double her money in a couple of months through the investment. Hacking told Roskelley there was "no risk" to the investment and she could get her money back at anytime with a written request.

Also in December 1999, Roskelley attended a meeting at Hacking's home located at 4857 South 2500 West in Roy, Utah. Roskelley estimated there were approximately eight people in attendance. Zell Mills and Mickey Cochran presented the meeting. However, Mills conducted most of the meeting while Cochran was present. Mills said the investment involved high return loans through a bank. Mills stated he pooled funds from investors into \$50,000 or \$100,000 increments. Mills would then forward the funds to a licensed individual who would loan the funds to banks at interest. Mills said there was a minimum investment of \$5,000 and the investment would double and triple over a period of less than one year. Mills described the investment as passive.

Mills stated investors would create a company name and open an offshore account in order to receive profits from the investment. Mills said there were no taxes offshore therefore it was legal not to pay taxes. Mills stated the funds could be retrieved from the offshore account through a credit card. Mills said the investment was a perfect way to get around taxes and make a big return. Mills said everything was completely legal. Mills said there was "no risk" to the investment. Mills stated the funds from investors would be held in escrow and was totally secure.

Mills said the investment had been going on for some time and had been successful. Mills said he could give names of people who had invested and could provide testimony that the investment worked. Roskelley knew a man by the nickname of Doogie who lived in Layton. Doogie told Roskelley he had invested with Mills and Cochran and he had received a return from the investment. Mills and Cochran said they were teachers in the financial arena for a high school or college.

Mills, Cochran nor Hacking disclosed to Roskelley a complete description of the investment, the number of investors, the identity of all of the individuals involved and their related experience, the track record of the investment, how the investment generated a profit, who licensed the individual making the loans, what the license authorized, whether the investment was registered or exempt from registration, whether there was a potential conflict of interest, compensation or commissions paid, how the investment was secured, where the escrow account was held, terms of the escrow, whether anyone related to the investment was licensed in securities or whether there were any lawsuits, judgments, tax liens, criminal history or action taken by regulatory agencies against anyone directly related to the investment. Roskelley did not receive or review any documents about the investment.

In December 1999, Roskelley's daughter, Tracy Jensen, gave \$500 to Hacking for the investment. The following day, Roskelley gave Hacking a check for \$4,500 payable to Hacking for the investment. Roskelley gave the check to Hacking at the offices of USA Cash Services. A few months after Roskelley invested, Roskelley attended a meeting at a hotel in Salt Lake City. A lawyer presented the meeting and said he was an acquaintance of Mills. The attorney provided information on creating offshore accounts and how to bypass taxes. The attorney said people would be foolish if they didn't invest with Mills.

In mid 2000, after not receiving an update on the investment, Roskelley called Hacking and Mills and asked for her money back. In 2001, Roskelley sent Mills a letter demanded her money back. Mills and Hacking called Roskelley on a conference call. Mills and Hacking offered Roskelley a partnership in a new business as a full partner if

Roskelley would sign a waiver stating she had been paid in full from the investment and would release liability. Mills and Hacking said Roskelley's ownership would be equal to \$10,000 and Roskelley would have 1% of the company. Mills and Hacking said Roskelley, as a partner, would receive a payout within one month. Roskelley refused the offer and faxed a demand letter for Mills to return her \$5,000. As of the date of this summary, Roskelley has been unable to recover any portion of her investment.

COUNT 2
SECURITIES FRAUD, a second degree felony
Samuel Cox
(Cochran & Mills)

Samuel Cox met Zell Mills in 1993 because they were in the same ward. Cox and Mills became home teachers together. In October of 1997, Mills told Cox about an investment opportunity. Mills said the investment involved money trading investments overseas. Mills told Cox that Cox would receive a \$10,000 return within six months if he invested. Mills stated Cox could withdraw the funds or reinvest after the six months. Mills said a woman in Canada by the name of Pam was handling the overseas part of the investment. Mills said he had invested heavily himself and was looking for others to invest. Mills told Cox the investment was "solid gold". On November 8, 1997, Cox gave Mills a check for \$5,000 at Cox's home located at 1325 Westminster Avenue in Salt Lake City, Utah. Mills told Cox the investment had experienced some glitches in the beginning but the investment was ongoing. On January 16, 1998, Cox made a second investment of \$5,000 and gave Mills an investment check at Cox's home in Salt Lake City. Mills had told Cox the investments were doing well and Cox chose to reinvest the funds.

Cox retired in September of 1999 and Cox submitted his mission

application in approximately February 2000. During that time, Cox had approximately three to four conversations with Mills about a second investment opportunity in Salt Lake County. Mills said there was an investment overseas that was a "golden opportunity". Mills said Cox's investment would be pooled to be part of over \$1 million dollars to go into the investment and those funds would be held in escrow to back money trading in Europe. Mills said the investment was a very aggressive and lucrative account with very little risk. Mills said a man by the name of Ben Marcovich in Chicago handled all of the money for the investment. Mills stated Marcovich had been involved in this type of investing, was a professional and handled millions of dollars.

Mills suggested Cox re-finance his home mortgage which was almost paid in full and use the equity in Cox's home to invest since the investment was safe. Mills told Cox the investment would pay the monthly payment associated with re-financing the home, pay Cox's mission expenses and Cox would have up to a quarter of a million dollars in the bank when Cox returned from his mission in 18 months. Mills said he was going to receive 30% of the gross profits from the investment and Marcovich would also take a percentage of the profits. Mills told Cox he had personally invested but did not discuss the amount. Mills described the investment as passive.

Cox also attended a lunch meeting with Mills and someone by the first name of Mickey at a Dees Restaurant in Salt Lake City. Mickey told Cox the investment was going to be a nice return. Cox could not recall the exact wording but Mills assured Cox the investment was legal, the return would be high, Mills would take care of everything and Cox needed to invest before he went on his mission. Cox could not recall what was specifically said but he had the impression Mills and Mickey were working together to raise money for the investment.

Mills did not disclose to Cox a complete description of the investment, the track record of the investment, Mills relationship to the investment, whether the investment funds could be encumbered or lost, liquidity, the number of investors, the amount Mills had invested personally, performance to previous investors, whether the investment was registered or exempt from registration in securities, whether Mills or others were licensed, whether there was a potential conflict of interest, risk factors or whether there were any lawsuits, judgments, tax liens, bankruptcy, a criminal history or action taken by regulatory agencies against Mills or others directly related to the investment. Mills told Cox he had been to prison because of a domestic incident. Mills did not tell Cox he had been incarcerated related to investments or securities. Cox told me if there were those issues, it would have definitely made a difference in his decision to invest. Cox did not receive or review any documents prior to investing.

Cox told me he owned approximately \$17,000 left on his home and his home was appraised to be worth approximately \$240,000. Zell made arrangements with a mortgage company for Cox to take out the equity from his home and Cox closed on the loan. On March 13, 2000, Cox gave a check payable to Zell Mills for \$105,000 to Mills at Brighton Bank in Salt Lake County. Cox did not authorize his investment funds to be used for anything other than the investment described above. Cox was 68 years old at the time of his investment.

Cox left on his mission in the latter part of April 2000. The first payment on the re-finance was due in May 2000. While Cox was on his mission, he called a toll free number to see if the payment had been made. When Cox discovered the funds had not been deposited from the investment, he transferred money from savings to cover the

automatic withdrawal for the mortgage payment. Cox continued to transfer funds from savings to pay the \$1,200 monthly payments.

In the summer of 2000, Mills told Cox the investment had not yet made a trade and that was why the funds were not being deposited into Cox's account. Mills said once the trade started, everything would go forward as planned. Mills told Cox the trade was going to happen and it was just a matter of time. Mills later told Cox the investment had matured but gave various explanations on why the funds were delayed.

In December of 2002, Mills told Cox things were fine with the investment, the money from the investment was in the country and the money was coming. Mills said Cox would have \$30,000 to \$40,000 in his pocket in five to ten days. Also in December 2002, Cox sent Mills a certified letter demanding his money back. The letter came back to Cox unclaimed. Cox tried to contact Mills but his phone had been disconnected and there was a bank repossession sign posted at Mills' home. Cox had to sell his house in order to get relief from the large mortgage payment.

COUNT 3
ABUSE, NEGLECT OR EXPLOITATION OF AN ELDER ADULT, a third degree
felony

COUNT 4
THEFT, a third degree felony
(Mills)

On March 13, 2000, Cox gave a check payable to Zell Mills for \$105,000 to Mills at Brighton Bank in Salt Lake County. Cox did not authorize his investment funds to be used for anything other than the investment described above. Cox was 68 years old at the time of his investment. The back of the check revealed Mills deposited the check into account number 184268 at TransWest Credit Union. The bank records from TransWest Credit Union identified a \$105,000 deposit into

a bank account under Mills' control. Before Cox's investment was deposited, the account balance was \$50.00. The bank records revealed Mills withdrew \$3,000 on March 13, 2000 and wired \$100,100 to Chase Manhattan on March 15, 2000. There was a \$10.00 wire fee deducted from the account. The remaining \$1,890 was then transferred to Mills' checking account. The following transactions occurred after Cox's funds were transferred:

| Date | Number | Transaction | Payment | Deposit | Balance | Memo |
|-----------|--------|---|-----------|-------------|-------------|------|
| 3/14/2000 | | | | | \$ 47.54 | |
| 3/15/2000 | Txfr | Transfer from 18426-89 | | \$ 74.05 | \$ 121.59 | |
| 3/15/2000 | | Deluxe Check | \$ 64.87 | | \$ 56.72 | |
| 3/15/2000 | | Loan Transfer Fee | \$ 1.50 | | \$ 55.22 | |
| 3/15/2000 | Txfr | Transfer from 18426-89 | | \$ 1,890.00 | \$ 1,945.22 | |
| 3/15/2000 | | Loan Transfer Fee | \$ 1.50 | | \$ 1,943.72 | |
| 3/15/2000 | 3156 | Linda Woolfe | \$ 30.00 | | \$ 1,913.72 | |
| 3/15/2000 | 3170 | Deborah Varner | \$ 85.00 | | \$ 1,828.72 | |
| 3/15/2000 | 3199 | Illegible Check | \$ 100.00 | | \$ 1,728.72 | |
| 3/15/2000 | 3160 | Albertson's | \$ 108.00 | | \$ 1,620.72 | |
| 3/16/2000 | | Bed Bath Beyond | \$ 330.64 | | \$ 1,290.08 | |
| 3/16/2000 | 3162 | Enterprise Rentacar | \$ 74.97 | | \$ 1,215.11 | |
| 3/16/2000 | 3166 | Monarch Door Arcadia Green Apartments | \$ 750.00 | | \$ 350.11 | |
| 3/17/2000 | | Chili's Bar & Grill | \$ 34.55 | | \$ 315.56 | |
| 3/17/2000 | Txfr | Transfer from 18426-89 | | \$ 300.00 | \$ 615.56 | |
| 3/17/2000 | 3164 | Illegible Check | \$ 42.54 | | \$ 573.02 | |
| 3/17/2000 | 3161 | Dave's Body Shop | \$ 134.91 | | \$ 438.11 | |
| 3/17/2000 | 3163 | SLC Corp | \$ 167.00 | | \$ 271.11 | |
| 3/18/2000 | | Gnr/Ldge Adj | \$ 10.00 | | \$ 261.11 | |
| 3/20/2000 | | The Clog Corner | \$ 196.74 | | \$ 64.37 | |
| 3/20/2000 | | Loan Transfer Fee | \$ 1.50 | | \$ 62.87 | |
| 3/20/2000 | | Return Chk Chrg | \$ 10.00 | | \$ 52.87 | |
| 3/21/2000 | | Kmart | \$ 33.15 | | \$ 19.72 | |

Part of
Samuel
Cox's
\$105,000
investment

COUNT 5
SECURITIES FRAUD, a second degree felony
Sandra Cottrell
(Hacking & Mills)

In the first part of September 2000, Sandra Cottrell learned of an investment from Bruce Hacking who was a co-worker at USA Cash Service. Cottrell had approximately six telephone, email or in person conversations with Hacking about the investment in Davis County. Hacking said the investment involved banking and said banks had to balance their funds at the end of the day. Hacking stated if the bank's funds did not balance, then the bank had to borrow funds on an overnight basis at interest. Hacking said investors' funds were pooled to ½ million dollar or one million dollar blocks. The blocks of money would then be provided to an individual named Ben Marcovich who would facilitate the loan of funds to banks.

Hacking told Cottrell an investment of \$10,000 paid 5% per week for 40 weeks. Hacking told Cottrell the investment had been made earlier and the investment was going to pay out at the end of September 2000. Hacking said the funds were being traded with Bank of America in England. Hacking told Cottrell she could buy out a position owned by Zell Mills and Cottrell would receive a return at the end of the month. Hacking told Cottrell no matter what happened in the investment, she would at least get back her original principal. Hacking said there were others who had invested and received their money from the investment. Hacking described the investment as passive.

Hacking said Zell Mills and Mickey Cochran were partners, had an office and ran the investment program. Hacking told Cottrell she would be part of Group CM in the investment. Hacking stated "C" stood for Cochran while "M" stood for Mills. Hacking said he had personally

invested and was considering working with Mills keeping record of the different investor accounts. Hacking said Mills had dealt in exotic securities in the past. Hacking said Mills had been licensed in the past but did not need a license for the current investment program. Hacking told Cottrell he and Mills would split a percentage of profits generated from the investment. Cottrell asked Hacking several questions in which Hacking said he would have to ask Mills. Hacking would then later provide responses to Cottrell's questions.

Approximately one week later, Cottrell and her husband, Lanny met with Zell Mills at Cottrell's work located at 30 South Main in Clearfield, Utah. Mills stated banks would rather borrow money than pay a penalty to the government when their books were out of balance at the end of the day. Mills stated the investment group would supply the funds to the banks and the banks would pay a high rate of interest. Mills said the investment was something he did quite often. Mills said he just finished a similar program where everyone got paid. Mills said the investment was done with banks overseas to keep the US government from interrupting the process.

Mills told Cottrell a company called Wells & Wells, which was the holding company the bank would contact to borrow the money, was holding the money in a Bahamas account. Mills said the investment was a good investment that paid 5% per week. Mills said the LDS Church did this kind of investing and that was how the Church made their money. Mills said a member of the general authority was involved but he could not disclose the name. Mills told Cottrell he had personally invested in the program.

Mills nor Hacking disclosed to Cottrell a complete description of the investment, the identity of the individuals related to the investment, the education, experience and expertise of the individuals

related to the investment, the track record of the investment, the number of investors, whether the investment was registered or exempt from registration, whether individuals related to the investment were licensed, whether there was a potential conflict of interest, risk factors or whether there were any lawsuits, judgments, tax liens, bankruptcies, criminal history or action taken by regulatory agencies against anyone directly related to the investment.

Cottrell told me because Mills said the principal was guaranteed, she felt comfortable in borrowing money to invest. On September 6, 2000, Cottrell invested \$10,000. Cottrell gave a check payable to Bruce Hacking to Hacking's wife Diane at Cottrell's work. Hacking told Cottrell to make the check payable to him and he would give the funds to Mills for the investment. On September 22, 2000, Lanny Cottrell deposited \$15,000 into Mills' account, number 0670487800 at Wells Fargo Bank in Centerville at Mills' instruction. In September, Cottrell gave a check to Hacking for \$5,000 at office. Cottrell did not authorize her funds to be used for anything other than the investment described above.

Prior to making the first investment Cottrell received a due-diligence report but the report was not about the investment. Cottrell received a type of unsigned note between the first and second investment. The note stated, in part, "This document is your guarantee of all funds received through the office of Group CM, LLC. Your principal is guaranteed. Refunds will be paid after the completion of a 120 cycle. Any request for refund prior to the completion of a cycle will begin after a notarized receipt is received in our office."

In October 2000, Hacking told Cottrell the money was being traded. In December 2000, Cottrell asked Hacking and Mills for her

investment of \$30,000 back. In December 2000, Mickey Cochran told Cottrell he could not get back the \$30,000 or else it would void the whole trading transaction. Cottrell has spoken with Mills and Cochran on several occasions. Mills and Cochran provided various explanations about the delay of funds such as the money was still being traded, the government was auditing the trade and the money was out of Bank of America and waiting for disbursement. On February 1, 2001, Cottrell sent an email to Mills requesting their funds be returned. As of the date of this summary, Cottrell has been unable to recover any portion of her investment. In the summer or fall of 2001, Hacking told Lanny Cottrell that Mills had paid him \$1,300 for getting investors into the investment program. Cottrell had to file for a bankruptcy because of the investments.

COUNT 6
OFFER OR SALE OF AN UNREGISTERED SECURITY, a third degree felony
(Cochran, Hacking & Mills)

The investments offered by Mills, Cochran and Hacking are securities under UCA §61-1-13. A search of the records of the Utah Division of Securities revealed the securities were not registered nor was the investment a federal-covered security for which a notice filing had been made. Michael E. Hines, the Director of Enforcement opined the investments are a security and not qualify for an exemption from registration. Mills, Cochran and Hacking are required to be registered by Utah Code Ann. §61-1-7 and are in violation of Utah Code Ann. §61-1-21.

COUNT 7
SALES BY AN UNLICENSED BROKER-DEALER, AGENT
OR INVESTMENT ADVISER, a third degree felony

AND/OR
EMPLOYING AN UNLICENSED AGENT
a third degree felony
(Cochran, Hacking and Mills)

The records of the Division revealed Mills, Cochran and Hacking have never been licensed to transact business in the state of Utah as a securities broker-dealer or agent as required by §61-1-7, in violation of Utah Code Ann. §61-1-21.

SUMMARY

1) Based on the information, there is probable cause to believe the defendant **MICKEY COCHRAN** committed the offenses of:

SECURITIES FRAUD, a second degree felony (1 count)

SECURITIES FRAUD, a third degree felony (1 count)

OFFER OR SALE OF AN UNREGISTERED SECURITY,
a third degree felony

SALES BY AN UNLICENSED BROKER-DEALER, AGENT
OR INVESTMENT ADVISOR
and/or

EMPLOYING AN UNLICENSED BROKER-DEALER, AGENT
OR INVESTMENT ADVISOR, a third degree felony (1 count)

2) Based on the information, there is probable cause to believe the defendant **BRUCE HACKING** committed the offenses of:

SECURITIES FRAUD, a second degree felony (1 count)

SECURITIES FRAUD, a third degree felony (1 count)

OFFER OR SALE OF AN UNREGISTERED SECURITY,
a third degree felony

SALES BY AN UNLICENSED BROKER-DEALER, AGENT
OR INVESTMENT ADVISOR
and/or
EMPLOYING AN UNLICENSED BROKER-DEALER, AGENT
OR INVESTMENT ADVISOR, a third degree felony (1 count)

3) Based on the information, there is probable cause to believe
the defendant **ZELL MILLS** committed the offenses of:

SECURITIES FRAUD, a second degree felony (2 counts)

SECURITIES FRAUD, a third degree felony (1 count)

ABUSE, NEGLECT OR EXPLOITATION OF AN ELDER ADULT,
a third degree felony (1 count)

THEFT, a third degree felony (1 count)

OFFER OR SALE OF AN UNREGISTERED SECURITY,
a third degree felony

SALES BY AN UNLICENSED BROKER-DEALER, AGENT
OR INVESTMENT ADVISOR
and/or
EMPLOYING AN UNLICENSED BROKER-DEALER, AGENT
OR INVESTMENT ADVISOR, a third degree felony (1 count)

DATED this 11th day of June, 2004.



JUDE ARCHULETA, Affiant

SUBSCRIBED AND SWORN to before me this 11
day of June, 2004.



JUDGE, THIRD DISTRICT COURT



FILED DISTRICT COURT
Third Judicial District

JUN 10 2004

SALT LAKE COUNTY

By _____
Deputy Clerk

E. NEAL GUNNARSON, #1273
Assistant Attorney General
MARK L. SHURTLEFF, #4666
Utah Attorney General
5272 South College Drive, #200
Murray, Utah 84123
Telephone: (801) 281-1221
Facsimile: (801) 281-1224
Attorneys for Plaintiff

IN THE THIRD JUDICIAL DISTRICT COURT IN AND FOR
SALT LAKE COUNTY, STATE OF UTAH

THE STATE OF UTAH, : Bail \$ _____
 :
Plaintiff, :
 : **WARRANT OF ARREST**
vs. :
 :
MICKEY COCHRAN : Case No. 0419030501
DOB: May 20, 1949 :
SSN: 547-80-4825 : Judge _____
 :
Defendant. :

THE STATE OF UTAH TO ANY PEACE OFFICER IN THE STATE OF UTAH,
G R E E T I N G S:

An Information, upon oath, having been this day made
before me by Investigator Jude Archuleta, and it appearing from the
Information, or affidavit filed with the Information, that there is
probable cause to believe that the public offense(s) of: **Securities
Fraud, a second degree felony, 1 count; Securities Fraud, a third
degree felony, 1 count; Offer or Sale of an Unregistered Security, a
third degree felony, 1 count; and, Sales by an Unlicensed Broker-**

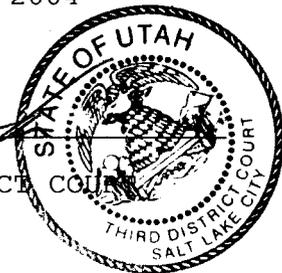
Dealer or Agent, a third degree felony, 1 count, has been committed, and that the defendant, MICKEY COCHRAN, has committed these offenses,

YOU ARE THEREFORE COMMANDED to arrest the above named defendant forthwith and bring the defendant before this court, or before the nearest or most accessible magistrate for setting bail. If the defendant has fled justice, you shall pursue the defendant into any other county of this state and there arrest the defendant. The offenses listed above are felonies.

Bail is set in the amount of \$ 50,000.

DATED this 11 day of June, 2004

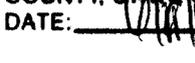

HONORABLE,
JUDGE, THIRD DISTRICT COURT



Defendant's Address:

743 East 640 North
Orem, UT

I CERTIFY THAT THIS IS A TRUE COPY OF AN ORIGINAL DOCUMENT ON FILE IN THE THIRD DISTRICT COURT SALT LAKE COUNTY, STATE OF UTAH
DATE: 6/11/04


DEPUTY COURT CLERK



FILED DISTRICT COURT
Third Judicial District

JUN 10 2004

SALT LAKE COUNTY

By _____ Deputy Clerk

E. NEAL GUNNARSON, #1273
Assistant Attorney General
MARK L. SHURTLEFF, #4666
Utah Attorney General
5272 South College Drive, #200
Murray, Utah 84123
Telephone: (801) 281-1221
Facsimile: (801) 281-1224
Attorneys for Plaintiff

IN THE THIRD JUDICIAL DISTRICT COURT IN AND FOR
SALT LAKE COUNTY, STATE OF UTAH

THE STATE OF UTAH, : Bail \$ _____
Plaintiff, :
vs. : **WARRANT OF ARREST**
BRUCE OWEN HACKING, : Case No. 041903800
DOB: February 18, 1971 :
SSN: 518-92-1171 : Judge _____
Defendant. :

THE STATE OF UTAH TO ANY PEACE OFFICER IN THE STATE OF UTAH,
G R E E T I N G S:

An Information, upon oath, having been this day made
before me by Investigator Jude Archuleta, and it appearing from the
Information, or affidavit filed with the Information, that there is
probable cause to believe that the public offense(s) of: **Securities
Fraud, a second degree felony, 1 count; Securities Fraud, a third
degree felony, 1 count; Offer or Sale of an Unregistered Security, a
third degree felony, 1 count; and, Sales by an Unlicensed Broker-**

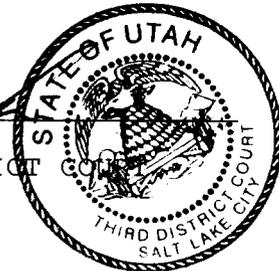
Dealer or Agent, a third degree felony, 1 count, has been committed, and that the defendant, BRUCE OWEN HACKING, has committed these offenses,

YOU ARE THEREFORE COMMANDED to arrest the above named defendant forthwith and bring the defendant before this court, or before the nearest or most accessible magistrate for setting bail. If the defendant has fled justice, you shall pursue the defendant into any other county of this state and there arrest the defendant. The offenses listed above are felonies.

Bail is set in the amount of \$ 50,000.

DATED this 11 day of June, 2004


HONORABLE,
JUDGE, THIRD DISTRICT COURT

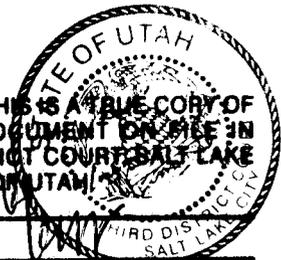


Defendant's Address:

4857 South 2500 West
Roy, UT 84067

I CERTIFY THAT THIS IS A TRUE COPY OF AN ORIGINAL DOCUMENT ON FILE IN THE THIRD DISTRICT COURT, SALT LAKE COUNTY, STATE OF UTAH.
DATE: June 11, 2004


DEPUTY COURT CLERK



**FILED DISTRICT COURT
Third Judicial District**

JUN 10 2004

SALT LAKE COUNTY

By _____
Deputy Clerk

E. NEAL GUNNARSON, #1273
Assistant Attorney General
MARK L. SHURTLEFF, #4666
Utah Attorney General
5272 South College Drive, #200
Murray, Utah 84123
Telephone: (801) 281-1221
Facsimile: (801) 281-1224
Attorneys for Plaintiff

IN THE THIRD JUDICIAL DISTRICT COURT IN AND FOR
SALT LAKE COUNTY, STATE OF UTAH

THE STATE OF UTAH, : Bail \$ _____
Plaintiff, :
vs. : **WARRANT OF ARREST**
ZELL LOU MILLS, : Case No. 041903221
DOB: October 13, 1947 :
SSN: 571-66-1967 : Judge _____
Defendant. :

THE STATE OF UTAH TO ANY PEACE OFFICER IN THE STATE OF UTAH,
G R E E T I N G S:

An Information, upon oath, having been this day made before me by Investigator Jude Archuleta, and it appearing from the Information, or affidavit filed with the Information, that there is probable cause to believe that the public offense(s) of: **Securities Fraud, a second degree felony, 1 count; Securities Fraud, a third degree felony, 1 count; Offer or Sale of an Unregistered Security, a third degree felony, 1 count; and, Sales by an Unlicensed Broker-**

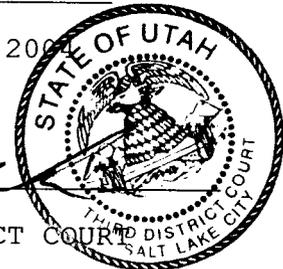
Dealer or Agent, a third degree felony, 1 count; Abuse, Neglect or Exploitation of an Elder Adult, a third degree felony, 1 count; and, Theft, a third degree felony, 1 count; has been committed, and that the defendant, ZELL LOU MILLS, has committed these offenses,

YOU ARE THEREFORE COMMANDED to arrest the above named defendant forthwith and bring the defendant before this court, or before the nearest or most accessible magistrate for setting bail. If the defendant has fled justice, you shall pursue the defendant into any other county of this state and there arrest the defendant. The offenses listed above are felonies.

Bail is set in the amount of \$ 50,000

DATED this 11 day of June, 2004


HONORABLE,
JUDGE, THIRD DISTRICT COURT



Defendant's Address:

2457 East Granite Hills Circle
Sandy, UT

I CERTIFY THAT THIS IS A TRUE COPY OF AN ORIGINAL DOCUMENT ON FILE IN THE THIRD DISTRICT COURT, SALT LAKE COUNTY, STATE OF UTAH.
DATE: June 11, 2004


DEPUTY COURT CLERK

