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

<p>THE STATE OF UTAH Plaintiff, vs. GEOFFREY W WATSON DOB: 03/18/1959, AKA: 12186 S Jerema Ct. Draper, UT 84020 D.L.# 11755480 OTN SO# GREGORY B. BLADWIN DOB: 03/18/1959 Defendants.</p>	<p>Screened by: BRADFORD COOLEY Assigned to: <u>BRADFORD COOLEY</u> (TUESDAY) DAO # 11010947 ECR Status: Non-ECR Initial Appearance: Bail: \$5000.00 Warrant/Release: Not Booked INFORMATION Case No. 111904188 DAO# 11010949</p>
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The undersigned Jeff Nielsen - UTAH DIVISION OF SECURITIES, Agency Case No. 11-0003, upon a written Declaration states on information and belief that the defendant, GEOFFREY W WATSON, committed the crime of:

COUNT 1
SECURITIES FRAUD, 61-1-1 UCA and 61-1-21 UCA, a Second Degree Felony, as follows:
That on or about January 11, 2011 at 200 East 400 South, in Salt Lake County, State of Utah the defendant, GEOFFREY W. WATSON, a party to the offense did willfully, in connection with the offer, sale, or purchase of a security, directly or indirectly, (1)(a) employ a device, scheme, or artifice to defraud; (b) make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (c) engage in an act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; and (2)(a) at the time the crime was committed, the property, money, or thing unlawfully obtained or sought to be obtained was worth \$10,000 or more; or (b)(i) at the time the crime was committed, the property, money, or

thing unlawfully obtained or sought to be obtained was worth less than \$10,000; and (ii) in connection with that violation, the violator knowingly accepted any money representing: (A) equity in a person's primary residence; (B) a withdrawal from any individual retirement account; or (C) a withdrawal from any qualified retirement plan as defined in the Internal Revenue Code.

THIS INFORMATION IS BASED ON EVIDENCE OBTAINED FROM THE FOLLOWING WITNESSES:

Jeff Nielsen, Craig Franco, and Michael Hines.

DECLARATION OF PROBABLE CAUSE:

Your declarant bases this Information upon the following:

The Statement of Craig Franco that, on or about January 11, 2011, he had four telephone conversations with defendants GREGORY B. BALDWIN and GEOFFREY W. WATSON, while he was in Salt Lake County, Utah. BALDWIN initially offered to sell Franco 46 gold certificates, each worth \$1,400.00, for \$38,000.00. BALDWIN told Franco the money was needed to build a road to a Peruvian gold mine. Franco expressed interest in the investment, but wanted more information.

During the next conversation, the defendants told Franco that they were actually offering stock in a local company, National Gold, Inc. They told Franco that in return for a \$38,000.00 investment, they would pay Franco 100% interest within 48 hours. As collateral for the \$38,000.00, the defendants offered Franco 46 shares of National Gold stock, as well as two Corvettes which the defendants claimed were worth \$60,000.

When Franco balked at the offer, the defendants stated that the money was needed to free up \$250 million which was being detained in Canada by Interpol and the Department of Homeland Security (DHS). The defendants told Franco that the money would complete the cash portion of a \$2.5 trillion bond. The defendants told Franco that, once the bond was paid, the money would be brought to the United States as "humanitarian aid." The defendants offered Franco an additional \$1 million profit within 30 days if he provided the \$38,000.00 investment.

During the subsequent calls, the defendants introduced Franco to Ann Schmidt Delvechio, the woman whose funds were to be transferred from Canada. The defendants told Franco that Delvechio had made a "significant amount of money" from investments. The defendants expressed to Franco that it was urgent that the funds for the bond be transferred soon, and told Franco that a helicopter was waiting to bring the \$250 million from Canada to California. Once the money arrived, the defendants claimed, \$100 million would be flown to the Salt Lake City Airport, and Franco's would receive \$1 million of this portion.

The statement of Utah Division of Securities Investigator Jeff Nielsen, that on January 13, 2011, he and Franco met with the defendants. During the meeting, the defendants repeated their earlier statements regarding the money transfers, telling Franco and Nielsen that Delvechio was unable to post the cash bond herself, because the funds had to be allocated from the United States. The defendants explained that this was also why Franco's investment needed to be in cash.

The defendants promised that, if Franco gave them \$40,000, they would pay Franco \$80,000 the next day, and \$1 million within one week. WATSON stated, "We will give you a million for sure."

The defendants again offered collateral to secure the loans. BALDWIN told Nielsen and Franco that WATSON owned a Corvette restoration shop, and was willing to use restoration work performed on two Corvettes, worth \$60,000.00, as collateral. BALDWIN said he and WATSON were also willing to provide 100 shares of National Gold stock. BALDWIN said each share was worth one ounce of gold, and each ounce of gold was worth \$1,400.00. Later in the conversation, BALDWIN said gold was \$2,000.00 per ounce. When Franco pointed out that gold was trading at \$1,383.00, WATSON said, "we have reason to believe that... by 180 days from now, that it's going to be somewhere closer to \$2,000."

The defendants told Franco and Nielsen that the investment returns would be "tax free" because the money was being transferred for humanitarian purposes. When asked about the risk involved, WATSON stated, "[Homeland Security] can squash you like a bug," and added that there was always risk in everything, everything could fail.

When Nielsen asked BALDWIN what due diligence he had done, BALDWIN told Nielsen he had done his "own checking on it." BALDWIN claimed, "we've called Interpol and checked these guys out." When asked directly whether he had called Interpol, BALDWIN stated that WATSON had. WATSON stated that he had called Interpol "quite a bit."

The defendants provided Franco and Nielsen with a document entitled "Agreement," which stated that HA Corp. International, LTD, a Dubai company affiliated with Delvechio and Watson, promised to repay the funds within one week, along with the additional \$1 million. The "Agreement" stated that the funds were "guaranteed" with collateral, including an "invoice for two corvettes of \$60,000 from Geoff Watson with Watson Corvette," as well as 100 shares of National Gold stock. Both BALDWIN and WATSON signed the "Agreement" at the meeting.

When asked about his background, BALDWIN told Franco and Nielsen that he had "some securities violations." BALDWIN claimed that he had raised \$250,000 for another individual, but because of Utah laws, BALDWIN was responsible to repay the money to the investors. BALDWIN said he had paid back about \$150,000, but still owed \$100,000. BALDWIN further stated, "You're asking questions . . . I'm giving a straight answer." BALDWIN said, "that's just a glitch. . . I've never had any- a couple of speeding tickets, but as far as run-ins with the law, I haven't."

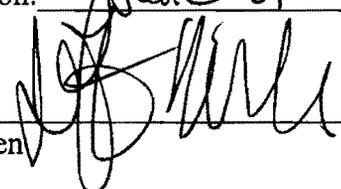
On February 9, 2004, BALDWIN was convicted of one count of Securities Fraud as a Second Degree Felony, and two counts of Securities Fraud as Third Degree Felonies, in Third District Court case 031907809, and was on probation for this offense at the time of the offering. BALDWIN was also charged with federal customs violations in 1985 and Grand Larceny Auto in 1986. An action brought by the National Association of Securities Dealers against BALDWIN in 1982 resulted in a \$5,000 fine. Between 1983 and 2010, numerous civil suits were filed against BALDWIN by investors from whom BALDWIN had collected funds. In 2010, judgments totaling over \$3,700 were entered against BALDWIN, and BALDWIN filed for Chapter 7 bankruptcy in 1986 and 2005. BALDWIN did not disclose any of these facts to Franco or Nielsen, nor did he describe any due diligence he had done on the investment, or any specific risk factors associated with the investment, including the risk of losing money. BALDWIN did not disclose to Franco or Nielsen whether he would be compensated for offering the investment opportunity.

In 2009, a judgment in the amount of \$248,213.31 was entered against WATSON, and WATSON filed for Chapter 13 bankruptcy in October, 2010. A federal tax lien for \$167,879.21 was recorded against WATSON's home in November, 2010. WATSON did not disclose any of this information to Franco or Nielsen. WATSON did not disclose any due diligence he had done on Delvechio, whom the funds would be wired to, whether WATSON would be compensated for offering the investment opportunity, or any specific risk factors related to the investment, including the risk of losing money.

Pursuant to Utah Code Annotated § 78B-5-705 (2008) I declare under criminal penalty of the State of Utah that the foregoing is true and correct to the best of my belief and knowledge.

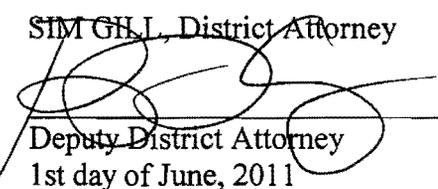
Executed on:

June 6, 2011



Jeff Nielsen
Declarant

Authorized for presentment and filing



SIM GILL, District Attorney

Deputy District Attorney
1st day of June, 2011
JC / DAO # 11010947

SO # OTN
DAO # 11010947

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

THE STATE OF UTAH,

Plaintiff,

vs.

GEOFFREY W WATSON
DOB: 03/18/1959,
12186 S Jerema Ct.
Draper, UT 84020
AKA:
SS# 528085895

Defendant.

Before: _____
Magistrate

WARRANT OF ARREST

Case No. _____

THE STATE OF UTAH;

To any Peace Officer in the State of Utah, Greetings:

An Information, based upon a written affidavit having been declared by Jeff Nielsen - UTAH DIVISION OF SECURITIES, Agency Case No. 11-0003, and it appears from the Information or Affidavit filed with the Information, that there is probable cause to believe that the public offense of;

SECURITIES FRAUD, a Second Degree Felony, has been committed, and that GEOFFREY W WATSON has committed it.

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 Court finds reasonable grounds to believe defendant will not appear upon a summons.

Bail is set in the amount of \$5000.00.

Dated this _____ day of June A.D. 2011.

This Warrant may be served day or night.

MAGISTRATE

SERVED: DATE: _____ BY: _____

STATE vs GEOFFREY W WATSON
DAO # 11010947
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OTHER PENDING CASES FOR DEFENDANT

<u>Court</u>	<u>Court Case #</u>	<u>Trial Judge</u>	<u>DAO #</u>	<u>Charge</u>
		NONE		