

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING) Order Number S-04-240-04-SC01
Whether there has been a violation of the)
Securities Act of Washington by:) STATEMENT OF CHARGES AND NOTICE
) OF INTENT TO ENTER ORDER TO CEASE
Douglas Baker;) AND DESIST AND TO IMPOSE FINES
Arizona Idaho Mining, LLC;)
)
Respondents.)

THE STATE OF WASHINGTON TO: Douglas Baker
Arizona Idaho Mining, LLC

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Douglas Baker and Arizona Idaho Mining, LLC have each violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 against each to cease and desist from such violations. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I. RESPONDENTS

1. Douglas Baker (“Baker”) is an attorney licensed in Idaho and Kansas. Baker currently is a Kansas resident and resides at 300 Boulder Street, Lawrence, Kansas 66049. During the time relevant to this action, Baker divided his time between Idaho and Kansas.

1 shorter mining season. Investors were not apprised of the full circumstances and how risks might
2 adversely affect the ability to begin the mining process and the profitability of the mines.

3
4 **V. REGISTRATION STATUS**

5 13. AZID is not currently registered to sell its securities in the state of Washington
6 and has not previously been so registered.

7 14. Baker is not currently registered as a securities salesperson or broker-dealer in the
8 state of Washington and has not previously been so registered.

9
10 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

11 **CONCLUSIONS OF LAW**

12 1. The offer or sale of units in Arizona Idaho Mining LLC described above
13 constitutes the offer or sale of a security as defined in RCW 21.20.005(10) and (12).

14 2. The offer or sale of said securities by Douglas Baker and Arizona Idaho Mining
15 LLC is in violation of RCW 21.20.140 because no registration for such offer or sale is on file
16 with the Securities Administrator.

17 3. Douglas Baker has violated RCW 21.20.040 by offering or selling said securities
18 while not registered as a securities salesperson or broker-dealer in the state of Washington.

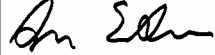
19 4. The offer and/or sale of said securities was made in violation of RCW 21.20.010
20 because, as set forth in the Tentative Findings of Fact, Baker made misstatements of material fact
21 or omitted to state material facts necessary in order to make the statements made, in light of the
22 circumstances under which they were made, not misleading.

1 Dated and Entered this 21st day of March 2005

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3 MICHAEL E. STEVENSON
4 Securities Administrator

5 Approved by:

6 

7 Suzanne Sarason
8 Chief of Compliance &
9 Examinations

Presented by:

10 

11 Kate Reynolds
12 Financial Legal Examiner