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IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT

OF THE STATE OF IDAHO, IN AND FOR BONNER COUNTY

STATE OF IDAHO, Department of Finance, Plaintiff, vs. AMERICAN INVESTMENT WATCH, INC., a California corporation, JAMES BENJAMIN, MIKE ROBERTSON, and RANDY CARSON WARNER a/k/a BRIAN WETZEL, Defendants.	No. CIV-95-00202 DEFAULT JUDGMENT AND PERMANENT INJUNCTION RANDY CARSON WARNER

Defendant Randy Carson Warner (Warner) has been regularly served with a Summons and Verified Complaint and has failed to plead or otherwise defend within the time required. The Plaintiff, State of Idaho, has made application for entry of default judgment supported by the Affidavit of Mary E. Hughes.

Now, therefore, it is hereby Ordered, Adjudged and Decreed,

as follows:

1. Defendant Warner has violated the Idaho Securities Act as set forth in the Verified Complaint.

2. The Defendant Warner and any of his agents, servants, employees, directors, subsidiaries, successors, affiliates, and any other persons in active concert or participation with him who receive actual notice of this judgment by personal service or otherwise, is permanently enjoined from engaging in any acts, practices or omissions which would constitute violations of Chapter 14, Title 30, Idaho Code, commonly known as the Idaho Securities Act, and in particular, that he is permanently enjoined from:

A. Selling or offering for sale nonexempt securities in any form in the State of Idaho until such time as the securities have been registered with the Idaho Department of Finance in accordance with Title 30, Chapter 14, Idaho Code;

B. Selling or offering for sale nonexempt securities in any form in the State of Idaho until such time as Defendant Warner has registered as a broker-dealer or salesman for a broker-dealer or issuer with the State of Idaho, Department of Finance, in accordance with Title 30, Chapter 14, Idaho Code;

C. While engaged in or in connection with the offer, sale or purchase of any security issued by Defendant Warner, or any other issuer:

(1) Employing any device, scheme or artifice to defraud any

investors in the securities;

(2) Making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(3) Engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

D. Aiding, abetting, counseling, inducing or causing any other person to engage in any of the types of conduct described in paragraphs 2(A), 2(B), or 2(C), above.

E. Claiming the availability of, using, or offering or selling securities, under any exemptions under the Idaho Securities Act without receiving the prior written consent of the Director of the Idaho Department of Finance.

3. The Defendant Warner shall make restitution to all Idaho consumers of any money or property which was acquired by means of any act or practice alleged int he Verified Complaint to be in violation of the Idaho Securities Act in such amounts as may be deemed proper by the Court. The Defendant Warner shall also pay all expenses associated with implementing such restitution.

4. Plaintiff, State of Idaho, shall have and recover judgment against the Defendant as civil penalties for violations of the Idaho Securities Act, the sum of $35,000.00 plus attorney's fees and costs in an amount to be reduced to a separate judgment as determined by the Court upon a sufficient showing by the

Plaintiff. Post-judgment interest shall accrue on the judgment(s) as provided by law.

Dated this 16 day of May, 1995

J.R. MICHAUD

J. R. MICHAUD
District Judge

Rule 54(b) Certificate

With respect to the issues determined by the above judgment or order it is hereby certified in accordance with Rule 54(b), I.R.C.P., that the court has determined that there is no just reason for delay of the entry of a final judgment and that the Court has and does hereby direct that the above judgment or order shall be a final judgment upon which execution may issue and an appeal may be taken as provided by the Idaho Appellate Rules.

Dated this 16 day of May, 1995.

J.R. MICHAUD

J.R. MICHAUD
District Judge