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IN THE DISTRICT COURT OF THE THIRD JUDICIAL DISTRICT

OF THE STATE OF IDAHO, IN AND FOR CANYON COUNTY

STATE OF IDAHO, DEPARTMENT OF FINANCE, SECURITIES BUREAU, Plaintiff, vs. DONALD E. SAVAGE AND KARLEEN SAVAGE, Defendants.	Civil No. CV 04-12020 **STIPULATION AND CONSENT TO ENTRY OF JUDGMENT**

The Plaintiff, by and through its attorney of record, and the Defendants do hereby agree and consent to the entry of judgment in this case as follows.

COPY

A. Plaintiff filed its complaint in this case, alleging that Defendants committed violations of the Idaho Securities Act and in particular, that Defendants violated Idaho Code §§ 30-1403(1), (2), and (3); Idaho Code § 30-1402(1), and (2), and Idaho Code § 30-1406(2).

B. The Defendants neither admit nor deny the allegations in Plaintiff's Complaint.

C. The parties desire to resolve the issues pending in this lawsuit by means of the entry of a consent judgment by the court.

D. The parties request and agree to the entry of a consent judgment by the court adjudicating and decreeing as follows:

1) That Defendants be permanently enjoined from engaging in any acts, practices, courses of business, omissions, and misrepresentations which would constitute violations of the Idaho Securities Act, Title 30, Chapter 14, Idaho Code, or the Uniform Securities Act, Title 30, Chapter 14, Idaho Code.

2) That Defendants be permanently enjoined from engaging in the following acts and conduct:

While engaged in or in connection with the offer, sale or purchase of any security:

a) Employing any device, scheme or artifice to defraud any investors or prospective investors;

b) 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 are made, not misleading.

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

3) That Defendants be prohibited from claiming the availability of, using, or offering or selling securities under any exemptions under the Idaho Securities Act or the Uniform Securities Act without receiving the prior written consent of the Director of the Idaho Department of Finance.

4) That Defendants shall pay restitution to the Plaintiff for the benefit of Ricardo Aranda in the amount of $16,000, in accordance with the following terms:

a) Defendants shall pay the sum of $8,000 to the Plaintiff on or before May 1, 2005.

b) Defendants shall pay the remaining amount of $8,000 to the Plaintiff in 36 monthly payments of $222.22 per month, commencing on June 1, 2005, and continuing monthly thereafter until this sum is fully paid and satisfied.

c) The foregoing restitution amounts shall not bear interest.

d) So long as Defendants fully perform the foregoing payment terms, Plaintiff shall not record or execute upon the judgment.

e) In the event Defendants become delinquent on or default on the above payment terms, the Plaintiff may record the judgment and execute upon it, without prior notice to the Defendants.

f) The restitution portion of the judgment containing the foregoing terms may be assigned by the Plaintiff to Ricardo Aranda.

5) That the Plaintiff shall waive its claim for civil penalties against the Defendants.

6) That the parties shall bear their own costs and attorneys fees incurred in this case.

DATED this 8th day of June, 2005.

Donald E. Savage, Defendant

Karleen Savage, Defendant

APPROVED AS TO FORM AND CONTENT:

Dennis M. Charney, Attorney for Defendants

DATED this 24 day of ~~March~~ May, 2005.

Joseph B. Jones, Attorney for Plaintiff

e) In the event Defendants become delinquent on or default on the above payment terms, the Plaintiff may record the judgment and execute upon it, without prior notice to the Defendants.

f) The restitution portion of the judgment containing the foregoing terms may be assigned by the Plaintiff to Ricardo Aranda.

5) That the Plaintiff shall waive its claim for civil penalties against the Defendants.

6) That the parties shall bear their own costs and attorneys fees incurred in this case.

DATED this_____ day of _____, 2005.

_____
Donald E. Savage, Defendant

_____
Karleen Savage, Defendant

APPROVED AS TO FORM AND CONTENT:

_____
Dennis M. Charney, Attorney for Defendants

DATED this 24 day of ~~March,~~ May 2005.

_____
Joseph B. Jones, Attorney for Plaintiff