CLERK DISTRICT COURT
97 FEB 20 PM 1:21
BY DEPUTY

ALAN G. LANCE
ATTORNEY GENERAL
STATE OF IDAHO

MARY E. HUGHES
Deputy Attorney General
State of Idaho
Department of Finance
PO Box 83720
Boise ID 83720-0031
Telephone: (208) 332-8092
Facsimile: (208) 332-8098

Attorneys for the State of Idaho

IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT

OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BANNOCK

STATE OF IDAHO, Department Of Finance, Plaintiff, vs. Z3 CAPITAL CORPORATION, STELLA BELLA CORPORATION, and VENABLE DANCE, an individual, Defendants.	Civil No. CV OC 96-00788B **JUDGMENT AND PERMANENT INJUNCTION**

It appearing to the Court that the Defendant Z3 Capital Corporation (Defendant) in its Stipulation for Judgment and Permanent Injunction filed with the Court, has admitted the jurisdiction of this Court over the subject matter of this proceeding and over the parties hereto,

and that the complaint states a cause of action for injunctive relief under the Idaho Securities Act, and has admitted that it violated the Idaho Securities Act, as alleged in the complaint, and has agreed and consented to the entry of judgment granting a permanent injunction against it, and has waived the necessity of findings of fact and conclusions of law with respect thereto, and the Court being fully advised in the premises:

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. The Defendant has violated the Idaho Securities Act as alleged in the complaint.

2. The Defendant is permanently enjoined from engaging in any acts, practices or omissions which would constitute violations of the Idaho Securities Act, and in particular, is permanently enjoined from:

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

B. Transacting securities business in the State of Idaho until such time as Defendant has become registered as a broker-dealer, or salesman for a broker-dealer or issuer, with the 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:

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

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

(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 A, B, and C above.

3. The Defendant is prohibited from claiming the availability of, using, or offering to sell securities under, any exemptions under the Idaho Securities Act without receiving the prior written consent of the Director.

4. The Defendant shall, within thirty (30) days of the signing of this Judgment, offer rescission to all persons who were residents of Idaho at the time of an offer or sale of Stella Bella Corporation securities. The offer of rescission shall be made by way of letter, the contents of which shall be submitted for approval to the Department of Finance prior to its dissemination, and within twenty-one (21) days of the signing of this Judgment. The rescission offer shall not be made until the Department of Finance approves the contents of the letter. All persons who accept the offer of rescission shall be paid pursuant to the terms of the rescission offer.

5. This Judgment and Permanent Injunction shall serve as a final resolution of all issues presented in Plaintiff's complaint as to Defendant Z3 Capital Corporation.

DATED this 18th day of February, 1997.

DOCKET-24 2-24-97 MJ

N. RANDY SMITH
District Judge