

DIRK KEMPTHORNE
GOVERNOR



GAVIN M. GEE
DIRECTOR

STATE OF IDAHO
DEPARTMENT OF FINANCE
700 W. STATE STREET, 2ND FLOOR
P. O. BOX 83720
BOISE ID 83720-0031
Website: <http://finance.state.id.us>

April 25, 2005

Re: No-Action/Exemption Filing Request

Dear

This is in response to your no-action request dated March 28, 2005 and subsequent application submitted on behalf of (the "Company") pursuant to Section 30-14(202)(9) of the Idaho Uniform Securities Act (2004) (the "Act").

It is our understanding that the Company intends to rely upon the exemption set forth in Section 30-14(202)(9) of the Act. According to your letter, in connection with the settlement of a federal class action against the Company, the Company has agreed to pay \$5 million to the members of the plaintiff class (the "Claimants"), consisting of present and/or former stockholders of the Company, and to issue to them 1,200,000 shares of the Company's common stock (the "Settlement Stock"). The terms of the settlement were approved by the United States District Court, District of Utah, Central Division, which found that the terms and conditions of the distribution of the Settlement Stock were fair, reasonable, adequate, in the best interests of the Claimants and that the distribution was exempt from the registration requirements of Section 3(a)(10) of the Securities Act of 1933. Furthermore, Idaho Claimants were given notice of the fairness hearing conducted by the Utah federal district court.

Based on your representations, as well as the supplemental information submitted, our Department affirms the Company's claim of exemption pursuant to Section 30-14-202(9) of the Act. If you have any further questions, please contact the undersigned.

Sincerely,

Ax (file)
Nancy C. Ax
Securities Analyst

Banks and Savings Banks	(208) 332-8005	PHONE:	(208) 332-8000	Supporting Services	(208) 332-8001
Credit Unions	(208) 332-8003	Fax:	(208) 332-8098	Mortgage Companies	(208) 332-8002
Securities	(208) 332-8004	Director's Fax:	(208) 332-8097	Finance Companies	(208) 332-8002
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MAR 04 2005

DEPT. OF FINANCE
STATE OF IDAHO

March 2, 2005

Idaho Department of Finance
PO Box 83720
Boise, ID 83720-0031

Re: **(the "Company")**
Issuance of Shares Further to Settlement of Class Action Lawsuit;
No-Action Request

Dear Sirs:

We are legal counsel to the Company.

In connection with the settlement of a federal class action lawsuit against the Company, the Company agreed to pay \$5 million to the members of the plaintiff class (the "Claimants"), consisting of present and/or former stockholders of the Company, and to issue to them 1,200,000 shares of the Company's common stock (the "Settlement Stock"). The terms of the settlement were approved by the United States District Court, District of Utah, Central Division, which found that the terms and conditions of the distribution of the Settlement Stock as part of the settlement were fair, reasonable, adequate, in the best interests of the Claimants and that the distribution was exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to § 3(a)(10) of the Securities Act. Two copies of the order issued by the District Court are enclosed for your reference.

Lead counsel for the Claimants has now provided the Company with a state-by-state breakdown of the Claimants and the number of shares of Settlement Stock to be received by each Claimant. The Company now proposes to proceed – though it has not yet done so – with the issuance of the Settlement Stock to the Claimants, including the issuance of 2,072 shares of such stock to 12 residents of the State of Idaho.

The Idaho Uniform Securities Act (2004) (the "Act") does not, however, contain an exemption that would exempt the issuance of the Settlement Stock to residents of Idaho. Accordingly, the Company hereby requests a no-action letter from the Department of Finance, Securities Bureau (the "Department") to the effect that the staff of the Department will not recommend enforcement action be taken by the Department if the issuance of the Settlement Stock to Idaho residents is effected without registration under the Act.

March 2, 2005
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While the Act does not contain an exemption that corresponds directly to §3(a)(10) of the Securities Act, § 30-14-202(9) of the Act does provide an exemption for "a transaction in a security, whether or not the security or transaction is otherwise exempt, in exchange for one (1) or more bona fide outstanding securities, claims, or property interests, or partly in such exchange and partly for cash, if the terms and conditions of the issuance and exchange or the delivery and exchange and the fairness of the terms and conditions have been approved by the administrator after a hearing as provided in section 30-14-202A, Idaho Code, or otherwise." In the present case, there is an exchange of securities for outstanding claims that has been approved and ordered by a federal district court as part of a fairness hearing after notice was given to all interested parties, including the Claimants.

We believe registration of the Settlement Stock under the Act would not be necessary or appropriate for the protection of the Claimants for the following reasons: (i) the Claimants were protected by the judicial approval of the settlement following a judicial hearing as to the fairness of the transaction in which notification was provided to all interested parties, including all Claimants; (ii) the issuance of the Settlement Stock is limited to a finite group who are all previous or present owners of the Company's stock; (iii) the Claimants exchanged claims for stock and are not providing any additional consideration; and (iv) no general solicitation was utilized except for the required class notification. Furthermore, the issuance of Settlement Stock in Idaho is limited to 12 persons and involves only 2,072 shares of such stock.

Enclosed herewith is a check for \$50 (payable to Idaho Department of Finance) in respect of the applicable filing fee associated with our request. Also enclosed are two duplicate copies of this letter to facilitate consideration of this request. Should you require any additional information or clarification of the positions asserted in this letter, please do not hesitate to contact the undersigned at _____ Thank you for your consideration of this matter.

Sincerely,

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MAR 30 2005

DEPT. OF FINANCE
STATE OF IDAHO

March 28, 2005

Nancy Ax
Idaho Department of Finance
PO Box 83720
Boise, ID 83720-0031

Re: (the "Company")
**Issuance of Shares Further to Settlement of Class Action Lawsuit;
No-Action Request**

Dear Ms. Ax:

I am writing further to my letter of March 2, 2005 and our telephone conversation of this morning concerning the above referenced matter. We are legal counsel to the Company and are hereby requesting that the Idaho Department of Finance (the "Department") confirm the availability of the exemption contained in § 30-14-202(9) of the Idaho Uniform Securities Act (2004) (the "Act") with respect to the issuance by the Company of the above-referenced shares to certain Idaho residents, as described below.

In connection with the settlement of a federal class action lawsuit against the Company, the Company has agreed to pay \$5 million to the members of the plaintiff class (the "Claimants"), consisting of present and/or former stockholders of the Company, and to issue to them 1,200,000 shares of the Company's common stock (the "Settlement Stock"). The terms of the settlement were approved by the United States District Court, District of Utah, Central Division, which found that the terms and conditions of the distribution of the Settlement Stock as part of the settlement were fair, reasonable, adequate, in the best interests of the Claimants and that the distribution was exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to § 3(a)(10) of the Securities Act. Two copies of the final order issued by the District Court were enclosed with my letter of March 2, 2005.

The Company now proposes to proceed – though it has not yet done so – with the issuance of the Settlement Stock to the Claimants, including the issuance of 2,072 shares of such stock to 12 residents of the State of Idaho. We hereby request that, pursuant to § 30-14-202(9) of the Act, the Administrator of the Department find that the conditions of § 30-14-202(9) have been satisfied and that, accordingly, the Company is entitled to rely on the

March 28, 2005

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exemption contained therein with respect to the issuance of shares of Settlement Stock to Idaho residents.

Please note that a filing fee in the amount of \$50 was enclosed with my letter of March 2, 2005. Should you require any additional information or clarification of the positions asserted in this letter, please do not hesitate to contact the undersigned at

Thank you for your consideration of this matter.