

BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO

STATE OF IDAHO, Department of Finance,
Securities Bureau,
Complainant,

vs.

David B. Henderson, and
Independent Funding, Inc.
Respondents

Docket No. 1999-7-49

AGREEMENT AND ORDER

The Director of the Department of Finance has instituted an investigation into the conduct of David B. Henderson, Independent Funding, Inc. and others. Pursuant to said investigation, it appears to the Director that violations of the Idaho Securities Act, Idaho Code §30-1401 et seq., have occurred. The Director and the named Respondents have agreed to resolve this matter without a public hearing or court proceedings. Therefore, the Director deems it appropriate and in the public interest that this Agreement and Order be entered. Respondents consent to the entry of this Agreement and Order.

Respondents

1. Respondent Independent Funding, Inc. is a Utah corporation conducting business from 4885 South 900 East, Salt Lake City, Utah.

2. Respondent David B. Henderson (Henderson) is a Utah resident and a securities salesperson registered to conduct a regular securities business in Utah. Henderson is not licensed to conduct securities business in the State of Idaho. Henderson is the CEO and president of

Independent Funding, Inc. Henderson resides at 1045 East 5000 South, Salt Lake City, Utah.

Background

3. Beginning on a date uncertain, but at least since December 1998, Respondents have recruited individuals in Idaho to act as sales agents for notes to be issued by Respondents. Since at least February 1999, Respondents have, through the aforementioned sales agents, offered and sold investments in the form of promissory notes issued by Independent Funding, Inc.

4. The notes offered and sold in Idaho by Respondents and their agents were never registered or otherwise qualified for sale under the Idaho Securities Act.

5. The offering materials used, and the oral solicitations made, failed to provide complete disclosures regarding the investment program, including a description of all material risks associated with such a program.

Findings of Violations

6. The notes offered are securities as defined under Idaho Code §30-1402(12).

7. The offering documents distributed to investors contained inadequate disclosure such that omissions of material fact occurred in violation of Idaho Code §30-1403(2). Respondents have violated Idaho Code §30-1403(2).

8. The offering was conducted in violation of the salesperson and securities registration provisions of the Idaho Securities Act. Respondents have violated Idaho Code §§30-1406 and 30-1416.

Remedies

Complainant and Respondents hereby agree as follows:

1. Respondents represent that the information provided to Complainant in its investigation

of this matter is accurate and complete.

2. Respondents acknowledge the Complainant's interpretation that the notes offered by Independent Funding, Inc. are securities under the Idaho Securities Act.

3. While Complainant has alleged violations of the Idaho Securities Act, Respondents neither admit nor deny that any violations have occurred.

4. Respondents agree to provide rescission to all Idaho investors that have invested in the notes offering. Respondents also agree to submit their proposed rescission offering documents to the Director within thirty (30) days of the date of this Order for his review and approval in advance of the offer of rescission to Idaho investors. Said rescission offer shall be made to Idaho residents not later than sixty (60) days from the date of this Order. All persons who accept the offer of rescission shall be paid within forty-five (45) days of the date of acceptance of the rescission offer.

5. Respondents agree to not solicit any further investments in Idaho unless and until the notes and the sales agents are properly qualified pursuant to the Idaho Securities Act.

6. Respondents agree to not claim the availability of, use, or offer or sell securities under, any exemptions under the Idaho Securities Act without first providing written notice of the proposed activity to the Director. Said written notice shall be provided at least thirty (30) days in advance of the Respondents' proposed activities in Idaho.

7. Respondents agree to abide by the Idaho Securities Act. In the event that Respondents commit violations of the Idaho Securities Act within three (3) years of the date of this Order, Respondents acknowledge that Complainant can incorporate the allegations giving rise to this Order in any future proceeding.

8. Respondents agree to pay to Complainant a fine in the amount of two thousand five

hundred dollars (\$2,500.00). Said fine will be paid within thirty (30) days of the date of this Order.

9. This Agreement and Order is in lieu of civil litigation or other proceedings.

DONE AND DATED at Boise, Idaho, this 13TH day of ~~July~~ AUGUST 1999.

INDEPENDENT FUNDING, INC.

BY: David B. Henderson

NAME: DAVID B. HENDERSON

Title: PRESIDENT

David B. Henderson

DAVID B. HENDERSON

Marilyn T. Scanlan

MARILYN T. SCANLAN

Bureau Chief, Securities Bureau

Department of Finance

State of Idaho

IT IS SO ORDERED This 16TH day of AUGUST, 1999.



Gavin M. GEE

GAVIN M. GEE

Director of Finance