

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

STATE OF IDAHO, DEPARTMENT OF
FINANCE, SECURITIES BUREAU,

Complainant,

vs.

THE FAMILY SOLUTION, INC., d/b/a
NUTRIFUN INTERNATIONAL AND
R. WAYNE THOMPSON,

Respondents.

Docket No. 2002-7-28

**AGREEMENT AND
ORDER**

The Director of the Idaho Department of Finance has instituted an investigation into the conduct of The Family Solution, Inc. dba NutriFun International, R. Wayne Thompson and their agents and representatives. 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 "The Family Solution, Inc." (Family Solution) was organized in Nevada on August 14, 1998 and was re-incorporated in Idaho on July 13, 1999. On June 8, 2001, Family Solution filed a "Certificate of Assumed Business Name" with the Idaho Secretary of State to operate as NutriFun International.

2. Respondent R. Wayne Thompson (Thompson) is an Idaho resident and is a founder, director and the Chief Operations Officer of Family Solution.

BACKGROUND

3. According to documents produced by the Respondents, Family Solution is involved in the sale and distribution of alternative health related and homeopathic products on a wholesale and retail basis through network, multi-level marketing.

4. Beginning on a date uncertain, but at least since October of 1998, the Respondents and their agents or representatives offered and sold securities in the form of stock in Family Solution to residents of Idaho and other states.

5. In July of 1999 the Respondents were informed by their securities attorney that the offer and sale of Family Solution stock was likely in violation of state and federal securities laws. With the assistance of counsel, the Respondents drafted a rescission offering document for those sales but failed to make any offer of rescission to investors.

6. The Respondents represented to the Department that they ceased all offers and sales of securities in July of 1999.

7. The securities offered and sold by the Respondents were not registered with the Idaho Department of Finance.

8. The Respondents were not licensed to sell securities in the State of Idaho.

FINDINGS OF VIOLATIONS

COUNT ONE

9. The stocks offered and sold to Idaho investors are securities as defined under Idaho Code § 30-1402(12).

10. The securities offered and sold to Idaho investors were not registered for sale in Idaho as required by the Idaho Securities Act.

11. The Respondents have violated Idaho Code § 30-1416.

COUNT TWO

12. The Respondents were not licensed to offer or sell securities in Idaho.

13. The Respondents have violated Idaho Code §30-1406.

COUNT THREE

14. The disclosures provided to investors were inadequate such that the omission of material facts occurred. The disclosure documents produced by the Respondents and provided to certain investors were unfinished and contained incomplete information regarding, among other things, the use of proceeds, share pricing, dilution and director compensation.

15. The Respondents have violated Idaho Code § 30-1403(2).

COUNT FOUR

16. The Respondents made misrepresentations of material fact regarding the exemption status of the securities offered and sold to Idaho investors. The Respondents represented in offering documents provided to certain investors that the offering was exempt from securities registration based on Regulation D, Rules 504 and 506 of the Securities Act of 1933. The Respondents did not file for any exemption under Regulation D.

17. The Respondents have violated Idaho Code § 30-1403(2).

REMEDIES

Complainant and Respondents hereby agree as follows:

18. The Respondents represent that the information provided to Complainant in its investigation of this matter is accurate and complete.

19. The Respondents represent that they have made no offers or sales of securities since July of 1999.

20. The Respondents admit to the findings of violations as alleged herein.

21. The Respondents agree not to solicit any investments from Idaho residents or conduct solicitations from Idaho to out of state residents unless and until the offerings and the sales agents are in compliance with of the Idaho Securities Act.

22. The Respondents agree to not claim the availability of, use, or offer or sell securities under any exemptions under the Idaho Securities Act without giving written notice to the Director. Said written notice shall be provided at least ten (10) days in advance of the Respondents' proposed activities in Idaho.

23. The Respondents agree to abide by the Idaho Securities Act in the future. In the event that the Respondents commit future violations of the Idaho Securities Act or fail to adhere to the terms of this Order, the Respondents acknowledge that Complainant can incorporate the allegations giving rise to this Order in any future proceeding.

24. The Respondents agree to pay to Complainant a fine in the amount of one thousand dollars (\$1,000.00). Said fine will be paid to the Idaho Department of Finance within thirty (30) days of the date of this Order.

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

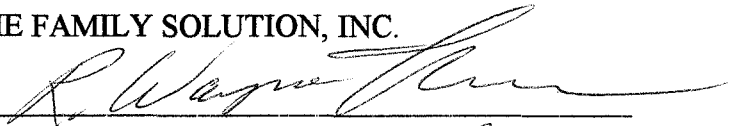
DATED this 15 day of OCTO, 2003.

THE FAMILY SOLUTION, INC.

BY:

NAME:

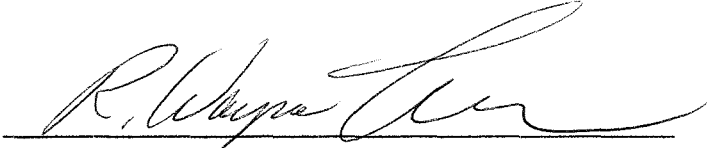
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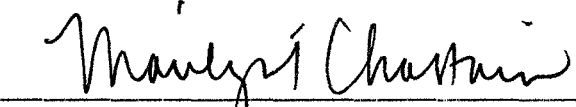
R. Wayne Thompson

COO

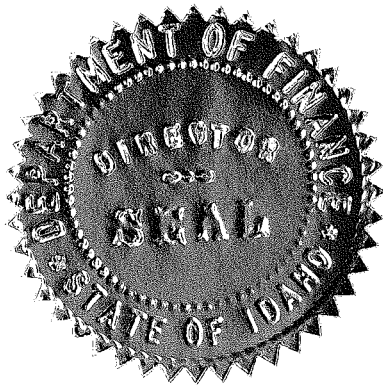
DATED this 15 day of October, 2003.



R. WAYNE THOMPSON

DATED this 16th day of October, 2003.


MARILYN T. CHASTAIN
Bureau Chief, Securities Bureau
Idaho Department of Finance

IT IS SO ORDERED this 16th day of OCTOBER, 2003.



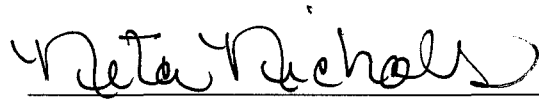

GAVIN M. GEE, Director
Idaho Department of Finance

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 16th day of October, 2003, I served the foregoing AGREEMENT AND ORDER, on the following by the designated means:

John R. Hansen, Jr.
Attorney at Law
1595 South Lakemoor Way
Eagle, Idaho 83616-6357

[xxx] U.S. mail, postage prepaid
 [] certified mail
 [] overnight mail
 [] hand delivery



Neta Nichols
Neta Nichols