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**IN THE DISTRICT COURT OF THE SEVENTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR BONNEVILLE COUNTY**

STATE OF IDAHO, DEPARTMENT OF
FINANCE, SECURITIES BUREAU,

Plaintiff,

vs.

BART TED TAYLOR, individually and
dba FIRST TETON FINANCIAL, LLC,

Defendants.

Case No. CV-12-5564

**STIPULATION AND CONSENT TO ENTRY
OF JUDGMENT REGARDING
DEFENDANT BART TED TAYLOR**

Plaintiff, the State of Idaho, Department of Finance (“Department”), and Defendant, Bart Ted Taylor, individually and dba First Teton Financial, LLC (“Taylor”), have agreed to entry of judgment against said Defendant, pursuant to the following stipulation. The Department and Taylor request that this Court enter judgment in the form and substance set forth in the Stipulated Judgment and Permanent Injunction Regarding Defendant Bart Ted Taylor (“Judgment”) filed

concurrently herewith. In the event the Judgment is not entered pursuant to this Stipulation, this Stipulation shall be of no effect whatever, and the making of this Stipulation shall be without prejudice to any party in this or any other proceeding. By signing and entering into this Stipulation, Taylor waives his rights to a hearing and/or trial on the alleged violations in the Complaint.

PLAINTIFF'S ALLEGATIONS

The Department alleges that Taylor solicited investors to invest in securities in an approximate aggregate amount of at least six hundred eighty-seven thousand five hundred thirty-four dollars (\$687,534). Investor money was sent to a Utah company named Horizon Auto Funding, LLC (Horizon Auto), which was intended to fund loans to automobile purchasers. Taylor referred some of his insurance clients to Horizon Auto, helped them invest in it, and received compensation for these referrals. Unfortunately, Horizon Auto filed for Chapter 11 bankruptcy protection on October 12, 2011, and investors have been unable to obtain return of their invested monies.

Taylor violated the antifraud sections of Idaho's Uniform Securities Act (2004) by misrepresenting the investment and by omitting material information from the investor solicitations. Taylor was never registered with the State of Idaho or the National Association of Securities Dealers (NASD) (now known as the Financial Industry Regulatory Authority, or FINRA) as a broker-dealer, or as a broker-dealer agent. In addition, Taylor was never registered with the State of Idaho as an investment adviser or as an investment advisor representative.

STIPULATION

The Department and Defendant Bart Ted Taylor, individually and dba First Teton Financial, LLC, hereby stipulate and agree as follows:

1. Pursuant to Idaho Code § 30-14-603, the Department alleges that:

a. Taylor transacted business in Idaho as an agent of a broker-dealer or of an issuer. Taylor was not registered as an agent with the Department as required by Idaho Code § 30-14-402(a). Taylor's failure to register as an agent of a broker-dealer or of an issuer violated Idaho Code § 30-14-402(a);

b. Taylor transacted business in Idaho as an investment advisor. Taylor was not registered as an investment advisor with the Department as required by Idaho Code § 30-14-403(a). Taylor's failure to register as an investment advisor with the Department violated Idaho Code § 30-14-403(a);

c. Taylor made material misrepresentations to Idaho investors and omitted to state material facts to Idaho investors, in violation of the anti-fraud provisions of Idaho Code § 30-14-501(2);

d. Taylor engaged in conduct in connection with the offer, sale and purchase of securities which operated as a fraud or deceit upon investors or prospective investors, in violation of Idaho Code § 30-14-501(3) as to each victim.

2. That Taylor understands and concedes that certain evidence exists which could cause a reasonable juror to agree with the Department's allegations above and concedes and acknowledges the likelihood that the Plaintiff could establish and prove violations of the registration and anti-fraud provisions of Idaho's Uniform Securities Act. Nevertheless, for the purpose of resolving this litigation, Taylor neither admits nor denies the Department's allegations herein.

3. That the Department take judgment against Taylor in the amount of six hundred eighty-seven thousand five hundred thirty-four dollars (\$687,534), plus the amount of four

thousand dollars (\$4,000) constituting penalties for the violations listed in Counts One through Four of the Complaint, for a total judgment in the amount of six hundred ninety-one thousand five hundred thirty-four dollars (\$691,534). In full satisfaction of this amount, Taylor will pay the total sum of twenty-one thousand eight hundred ninety-one dollars and thirty-five cents (\$21,891.35). Of this sum, nineteen thousand eight hundred ninety-one dollars and thirty-five cents (\$19,891.35) constitutes disgorgement of commissions received by Taylor for the unlawful sales, which the Department will provide to investors as restitution. The remaining two thousand dollars (\$2,000) represent penalties. In satisfaction of this amount, subject to the terms below, Taylor will make payments to the Department, as specified next.

4. Beginning on September 1, 2013, and continuing every month for fifty-nine (59) months, Taylor will pay the amount of one hundred (\$100). On the sixtieth and final month, Taylor will pay the amount of fifteen thousand nine hundred ninety-one dollars and thirty-five cents (\$15,991.35).

5. Taylor may prepay any payment, but will continue paying until he has paid the total sum of twenty-one thousand eight hundred ninety-one dollars and thirty-five cents (\$21,891.35), after which his payments will cease.

6. If Taylor fails to make any payment on time, Taylor shall be immediately liable for the full amount of the restitution and penalties ordered by the Court, six hundred ninety-one thousand five hundred thirty-four dollars (\$691,534). Time is of the essence for such payments, and the parties specifically agree that failure to make a payment on time is a material breach of this Stipulation and the agreements embodied herein. If Taylor fails to make a payment on time, the Department may immediately commence enforcement of the Judgment. Taylor is not entitled to notice of breach by the Department. The Department will not waive or extend the

payment dates for any reason, unless it chooses to do so in its sole discretion, in which case it will do so only in a writing signed by all parties.

7. Taylor will provide the Department with a complete and accurate affidavit of net worth. If Taylor fails to completely identify all assets, income, and anticipated income (such as an inheritance), or if Taylor overstates expenses or liabilities, the Department shall be entitled to rescind any satisfaction of judgment it may have filed and immediately commence collection under this Stipulation and for the full amount of the related Judgment of six hundred ninety-one thousand five hundred thirty-four dollars (\$691,534), less any amounts Taylor may have paid to the Department pursuant to the Stipulation.

8. That Taylor consents to the Court's entry of the Judgment filed concurrently herewith, permanently barring Taylor from any future violations of Idaho's Uniform Securities Act and from selling or offering for sale securities in any form in the state of Idaho.

9. The Department shall not be required to provide Taylor notice of, nor shall Taylor object to, any request for a renewal of the Judgment, filed concurrently herewith, under Idaho Code § 10-1111.

10. Taylor agrees and consents that, in the case of his breach of any term of this Stipulation, the Department may obtain credit reports as necessary to assist in collecting amounts owed under this Stipulation and associated Judgment. Taylor further agrees that, in the event of breach, the Department may obtain federal and state tax returns for the purpose of collecting sums due pursuant to this Stipulation, and hereby assigns to the Department on behalf of investors all federal and state tax refunds to be applied in satisfaction of sums due hereunder. The rights granted to the Department under this paragraph will cease upon the Department filing

a satisfaction of judgment as set forth in paragraph 11.b. below. These rights will reanimate and become operative in aid of paragraph 11.d. below.

- a. Taylor waives any applicable statutes of limitation.
- b. Taylor agrees to bear his own attorney fees and costs in this action.

11. The Department agrees to the following:

- a. That Counts One through Four of the Complaint and the actions giving rise to Counts One through Four are merged into this Stipulation and the associated Judgment, and the terms of this Stipulation and the associated Judgment shall be the Department's sole remedy for the violations giving rise to the Complaint.

- b. That upon receipt of the amount of twenty-one thousand eight hundred ninety-one dollars and thirty-five cents (\$21,891.35), the Department will file a satisfaction of judgment fully satisfying the judgment amount.

- c. That so long as Taylor is not in breach of any term of this Stipulation, the Department will not refer Taylor for prosecution for any of the acts, allegations or violations described in the complaint on file in this action. The Department reserves the ability to cooperate with any state or federal agency that asks its cooperation or assistance in this or any other matter.

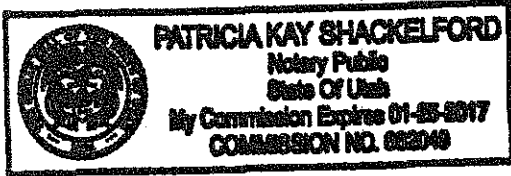
- d. Failure to accurately state net worth, income and expenses in the affidavit of net worth, shall entitle the Department to rescind the satisfaction of judgment and immediately commence collection efforts on the full judgment amount.

- e. The Department agrees to forgo any claim for costs, attorney fees, and reimbursement for investigative efforts in this action pursuant to Idaho Code § 30-14-603(b)(2)(C).

DATED this 16 day of Sept, 2013.

Bart Taylor
Bart Ted Taylor
Defendant

SUBSCRIBED AND SWORN to before me this 16th day of September, 2013.



Patricia K. Shackelford
Notary Public
Residing at: Washington, Utah
My Comm. Exp.: 01/25/2017

APPROVED AS TO FORM AND CONTENT.

DATED this 16 day of September, 2013.

Dennis Wilkinson
Dennis Wilkinson
THOMPSON SMITH WOOLF & ANDERSON,
PLLC
Counsel for Defendant

DATED this 16th day of September, 2013.

Marilyn T. Chastain
Marilyn T. Chastain
Securities Bureau Chief
State of Idaho, Department of Finance

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 17th day of September, 2013, I served a true and correct copy of the foregoing STIPULATION AND CONSENT TO ENTRY OF JUDGMENT REGARDING DEFENDANT BART TED TAYLOR upon the following by the designated means:

Dennis Wilkinson
THOMPSON SMITH WOOLF &
ANDERSON, PLLC
PO Box 50160
Idaho Falls, ID 83405-0160

- U.S. Mail, postage prepaid
- Certified mail
- Facsimile: (208) 525-5266
- Hand delivery



Paralegal