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DEC 08 1999

J. DAVID NAVARRO, Clerk  
By INGA JOHNSON  
DEPUTY

**IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT  
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA**

STATE OF IDAHO, Department )  
of Finance, )  
 ) Civil No. CV OC 9905305D  
Plaintiff, )  
 )  
vs. ) **DEFAULT JUDGMENT**  
 )  
Jeffrey S. Brendel, an individual, )  
 )  
Defendant. )  
\_\_\_\_\_ )

In this action, the Defendant Jeffrey S. Brendel having been regularly served with process, and having failed to appear under I.R.C.P. 12(a), plead or otherwise defend in this action, the legal time for answering having expired, the Default of the Defendant was duly entered according to law on 12-3-99 based upon the Affidavit of Scott B. Muir, the other pleadings, papers, and records on file herein, and pursuant to the prayer of said Complaint, and based upon the affidavits submitted in support of the application for default judgment,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. Defendant has violated the Idaho Securities Act, the Idaho Commodity Code, and Rules thereunder as alleged in the Complaint.
2. Defendant is permanently enjoined from engaging in any acts, practices or omissions which would constitute violations of the Idaho Securities Act, Title 30, Chapter 14, Idaho Code, the Idaho Commodity Code, Title 30, Chapter 15, Idaho Code, 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. Selling or offering for sale nonexempt securities in any form in the State of Idaho until such time as Defendant has 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. Selling or offering for sale nonexempt commodities in the State of Idaho;
  - D. While engaged in or in connection with the offer, sale, or purchase of any security or commodity:
    - (1) Employing any device, scheme or artifice to defraud any investors in the securities or commodities,
    - (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.
- E. Aiding, abetting, counseling, inducing or causing any other person to engage in any of the types of conduct described in paragraphs A, B, C, or D, above.
3. Defendant is prohibited from claiming the availability of, using, or offering or selling securities or commodities, under any exemptions under the Idaho Securities Act or the Idaho Commodity Code without receiving the prior written consent of the Director.
4. Defendant shall, within thirty (30) days of the entry of this Judgment, restore to the following persons in interest the specified consideration which was acquired in violation of the Idaho Securities Act and the Idaho Commodity Code:

John P. Howard	\$20,000
Judi Verge	<u>\$20,000</u>
	\$40,000

5. This Judgment and Permanent Injunction shall serve as a final resolution of all issues presented in Plaintiff's Complaint.

DATED this 8 day of December, 1999.

RONALD J. WILPER

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Honorable Ronald J. Wilper  
District Judge