

AUG 15 2008

J. DAVID NAVARRO, Clerk
By A. GARDEN
DEPUTY

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

STATE OF IDAHO, DEPARTMENT OF
FINANCE, SECURITIES BUREAU,

Plaintiff,

vs.

CAPITAL VENTURES LLC, TODD A.
WATTS, individually and dba Capital
Ventures LLC, and VOHN J. WATTS,
individually and dba Capital Ventures
LLC,

Defendants.

Case No. CV OC 08-02973

**STIPULATION AND CONSENT TO ENTRY
OF JUDGMENT**

Plaintiff the State of Idaho, Department of Finance, and CAPITAL VENTURES LLC,
TODD A. WATTS, individually and dba Capital Ventures LLC, and VOHN J. WATTS,
individually and dba Capital Ventures LLC, ("Defendants"), parties to the above-captioned
action, agreed to entry of judgment against Defendants, pursuant to the following Stipulation.

Plaintiff and Defendants request this Court to enter judgment in the form and substance set forth in the Judgment and Permanent Injunction 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, Defendants waive their rights to a hearing and/or trial on the alleged violations in the Complaint.

STIPULATION

Plaintiff and Defendants Todd Watts, Vohn Watts and Capital Ventures, LLC, hereby stipulate and agree to the facts, conclusions of law, terms and conditions set forth in herein.

Pursuant to Idaho Code § 30-14-603, the parties admit and agree to the following:

A. Defendants admit the allegations in paragraphs 8, 9, 10, 11, 14, 15, 16, 17, 18a, 18b, 18c, 19a, 19b, 19c, 19d, 19e, 19f, 19g, 19h, 19i, 22, 23, 26, 28, 29, 31, 32, 33, and 34 of Plaintiff's Verified Complaint on file in this action.

B. That Defendants made misrepresentations and omissions of material fact relating to the offer and sale of securities, and that such misrepresentations and omissions constituted fraud and violated Idaho Code §§ 30-14-501(1), (2) and (3).

C. That Defendants issued, sold or offered for sale in Idaho securities in the form of joint venture agreements and investment contracts. Such securities were not registered with Plaintiff as required by Idaho Code § 30-14-301. Defendants' failure to register such securities with Plaintiff violated Idaho Code § 30-14-301.

D. That Defendants transacted business in Idaho as broker-dealers. No Defendant was registered as a broker-dealer with the Department as required by Idaho Code § 30-14-401(a).

Defendants' failure to register as broker-dealers with the Department violated Idaho Code § 30-14-401.

E. That Defendants transacted business in Idaho as agents of broker-dealers or of issuers. No Defendant was registered as an agent with the Department as required by Idaho Code § 30-14-402(a). Defendants' failure to register as agents with Plaintiff violated Idaho Code § 30-14-402(a).

F. That Defendants consent to the Court's entry of judgment as follows:

i. To a money judgment in favor of Plaintiff in the amount of \$5,^D~~100~~,000, and that any amounts of this sum recovered from Defendants will be provided to investors of Defendants by the Department as restitution;

ii. To the injunction sought by Plaintiff in paragraph 2 of the Prayer for Relief in the Verified Complaint filed in this action; and

iii. To entry of the amount of \$20,000 as penalties, pursuant to Idaho Code § 30-14-603(b)(2)(C).

2. Plaintiff agrees that entry of judgment in accordance with this stipulation shall constitute a final resolution of all issues presented in Plaintiff's Verified Complaint on file in this action, other than such issues as are necessary to enforce or collect upon the Judgment.

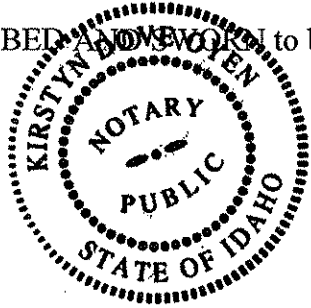
3. All parties agree to bear their own attorney fees and costs in this action.

DATED this 9th day of July, 2008.

Todd Watts

Todd Watts

SUBSCRIBED AND SWORN to before me this 9 day of July, 2008.



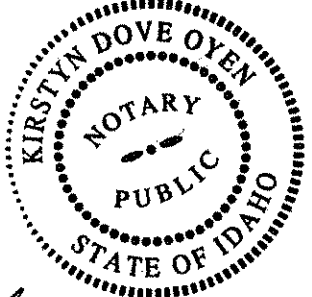
[Signature]

Notary Public for Idaho
Residing at: Boise
My Comm. Exp.: 7-31-13

[Signature]

Vohn Watts

SUBSCRIBED AND SWORN to before me this 9 day of July, 2008.



[Signature]

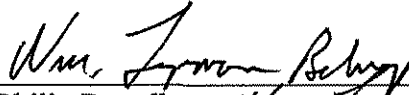
Notary Public for Idaho
Residing at: Boise
My Comm. Exp.: 7-31-13

Todd Watts - manager

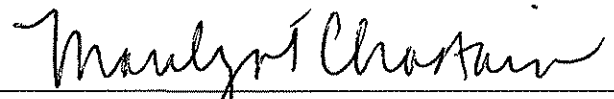
Capital Ventures, LLC

APPROVED AS TO FORM AND CONTENT.

DATED this 9 day of July, 2008.


~~Philip Broadbent~~ *Philip Broadbent*
Counsel for Defendants

DATED this 10th day of July, 2008.


MARILYN T. CHASTAIN
Securities Bureau Chief
Idaho Department of Finance