

AUG 21 2008

J. DAVID NAVARRO, Clerk
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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

**JUDGMENT AND PERMANENT
INJUNCTION**

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, having agreed to resolve all allegations set forth in the Verified Complaint filed in the above-captioned action by the Stipulation and Consent to Entry of Judgment on file herein,

WHEREFORE, By virtue of the law and by reason of the premises aforesaid, THE COURT HEREBY ADJUDGES, ORDERS, AND DECREES as follows:

I. PERMANENT INJUNCTION

1. Defendants are permanently enjoined from engaging in any act or practice that violates any provision of Idaho's Uniform Securities Act (2004) or any rule promulgated thereunder, pursuant to authority granted this court by Idaho Code § 30-14-603(b)(1).

2. Defendants are specifically permanently enjoined from engaging in any of the following acts or conduct:

A. Selling or offering for sale nonexempt securities in any form in the state of Idaho unless such securities have been duly registered with the Idaho Department of Finance in accordance with Idaho's Uniform Securities Act (2004).

B. Selling or offering for sale nonexempt securities in any form in the state of Idaho unless Defendants have duly registered as a securities broker-dealer or agent for a broker-dealer with the Idaho Department of Finance in accordance with Idaho's Uniform Securities Act (2004).

C. While engaged in or in connection with the offer, sale or purchase of any security:

i. Making false and misleading material misrepresentations to prospective investors in connection with the offer, sale or purchase of securities;

ii. Omitting and failing to disclose material facts to prospective investors in connection with the offer, sale or purchase of securities; and

iii. Engaging in transactions, acts, practices, and courses of business which operated as a fraud or deceit upon investors and prospective investors.

II. MONEY JUDGMENT

Plaintiff is hereby awarded a money judgment against Defendants jointly and severally in the total amount of five million ^{yo = wh} ~~one hundred thousand~~ ^{o yua wh} dollars (\$5,700,000). Plaintiff will pay the money received from Defendants in satisfaction of this Judgment as restitution to persons who invested with Defendants, pursuant to Idaho Code § 30-14-603(b)(2)(C). Interest will accrue on the restitution amount at the rate set by Idaho Code § 28-22-104, beginning the date of entry of judgment.

Defendants will pay Plaintiff penalties in the amount of twenty thousand dollars (\$20,000.00), pursuant to Idaho Code § 30-14-603(b)(2)(C).

Each party will bear its own attorney fees and costs in this action.

DATED this 19 day of August, 2008.

RONALD J. WILPER

Ronald Wilper
District Judge

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 21 day of Aug, 2008, I caused a true and accurate copy of the foregoing JUDGMENT AND PERMANENT INJUNCTION to be served on the following by the designated means:

Alan Conilogue
Deputy Attorney General
PO Box 82720
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- U.S. mail, postage prepaid
- certified mail
- overnight mail
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Philip Broadbent
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