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DEC 2 3 1997

J. DAVID NAVARRO, Clerk By CAROL LUEDTKA 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,	) Case No.: CV OC 9700155D
Plaintiff,	)
	) JUDGMENT AND PERMANENT
<b>v</b> .	) INJUNCTION
	)
EARTH SEARCH SCIENCES, INC. and	)
LARRY F. VANCE, an individual,	)
	)
Defendants.	)

It appearing to the Court that Earth Search Sciences, Inc. (the "Company"), and Larry F. Vance (collectively, the "Defendants") in the Stipulation for Judgment and Permanent Injunction filed with the Court, have admitted that the Complaint states a cause of action for injunctive relief under the Idaho Securities Act. The Defendants have admitted that they violated the Idaho Securities Act, as alleged in the Complaint, only to the extent of Count One and Count Two, and neither admit nor deny Count Three, Count Four, or Count Five, and have agreed and consented to the entry of judgment granting a permanent injunction against them, and have waived the necessity of findings of fact and conclusions of law with respect thereto, and the Court being fully advised in the premises:

IT IS HEREBY ORDERED, ADJUDICATED, AND DECREED that:

- The Defendants have violated the Idaho Securities Act as alleged in Count One and Count Two of the Complaint.
- 2. The Defendants are 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 non-exempt securities in any form in the
    State of Idaho until such time as they are registered as broker-dealers,
    or salesmen for a broker-dealer or issuer, with the Idaho Department of
    Finance, in accordance with Title 30, Chapter 14, Idaho Code;
  - C. In connection with the offer, sale, or purchase of any security in the State of Idaho;
    - (1) Employing any device, scheme or artifice to defraud,
    - (2) Making any untrue statement of material fact, or omitting to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading; or
    - (3) Engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

- D. Aiding, abetting, counseling, inducing or causing any other person to engage in any of the types of conduct described in paragraphs A, B, or C above.
- 3. Defendants are prohibited, for a period of five (5) years, from claiming the availability of, using, or offering to sell securities under any exemption provided for in the Idaho Securities Act without receiving the prior, written consent of the Director.
- 4. Defendants shall make an offer of rescission to persons who purchased stock directly from the Company between the dates of November 1, 1992, to December 15, 1997, and who were Idaho residents, according to the records of the Company, at the time of purchase. Prior to extending the offer of rescission, Defendants will provide the Plaintiff with a proposed offer of rescission for the Plaintiff's review. Plaintiff agrees to issue a no action letter with respect to the making and/or acceptance of the rescission offer.
- This Judgment and Permanent Injunction shall serve as a final resolution of all issues presented in or which could have been presented in Plaintiff's Complaint.
- 6. The Plaintiff agrees not to seek further remedies.

7. Each party to this action shall bear its own costs and attorneys' fees. DATED this  $\frac{126}{100}$  day of December, 1997.

/s/ D. DUFF MCKEE

D. Duff McKee District Judge

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this  $\cancel{33}$  day of December, 1997, I caused to be

served a true copy of the foregoing by the method indicated below, and addressed to each of

the following:

Mr. Scott Muir STATE OF IDAHO DEPARTMENT OF FINANCE 700 West State St., 3rd Floor Post Office Box 83720 Boise, Idaho 83720-0031

William G. Dryden ELAM & BURKE, P.A. 702 W. Idaho, 10th Floor P.O. Box 1539 Boise, ID 83701-1539

Erik F. Stidham STOEL RIVES LLP 101 S. Capitol Blvd., Suite 1900 Boise, ID 83702 [X] U. S. Mail, Postage Prepaid
[] Messenger Delivered
[] Facsimile
[] Hand Delivery

[X] U. S. Mail, Postage Prepaid
[] Messenger Delivered
[] Facsimile
[] Hand Delivered

[] Hand Delivery

[X] U. S. Mail, Postage Prepaid

AS A

[ ] Messenger Delivered

[] Facsimile

[ ] Hand Delivery J. DAVID NAVARRO

CAROL LUEDTKA

Clerk of Court