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**IN THE DISTRICT COURT OF THE THIRD JUDICIAL DISTRICT  
OF THE STATE OF IDAHO, IN AND FOR CANYON COUNTY**

STATE OF IDAHO, DEPARTMENT OF )  
FINANCE, SECURITIES BUREAU, )  
 )  
Plaintiff, )

Case No. CV07-5939

vs. )

**STIPULATION FOR  
ENTRY OF JUDGMENT**

THE BABCO GROUP, LLC, an )  
administratively dissolved Idaho limited )  
liability company, and ROBERT )  
FISCHER, JR., managing member, and )  
as an individual, )  
 )  
Defendants. )

The State of Idaho, Department of Finance, Securities Bureau (Department) and Defendants THE BABCO GROUP, LLC and ROBERT FISCHER, JR. have agreed to resolve all matters arising from the above-captioned action, pursuant to the following Stipulation. The Department and the Defendants hereby stipulate and agree to the following terms and conditions:

(1) The Defendants admit that they violated § 30-1403 of the Idaho Securities Act, Idaho Code § 30-1401 *et seq.* and § 30-14-501(2) of its successor act, the Uniform Securities Act (2004), Idaho Code § 30-14-101 *et seq.*, by making material misrepresentations of fact and omitting material facts in connection with the offer or sale of a security.

(2) The Defendants consent to the Court's entry against them of the injunction sought by the Department in paragraph (2) of the Prayer for Relief section of the Verified Complaint filed in this action.

(3) The Defendants consent to the Court's entry of a money judgment in favor of the Department in the total sum of \$17,876.82, which amount reflects \$13,500 in restitution for the victims of the Defendants' securities law violations, plus interest at the statutory rate from the date of the violations to the present date. Defendant Fischer agrees to pay to the Department \$3,000 of such sum by no later than August 15, 2007, and payments of \$1,000 due on the 27<sup>th</sup> of each month thereafter until the total sum of \$17,876.82 is paid in full.

(4) The Department covenants not to execute on the money judgment entered against the Defendants as long as Defendant Fischer is current with payments on the money judgment as set forth in paragraph (3) above.

(5) Should Defendant Fischer become delinquent or in default on the payments on said money judgment, as reflected in paragraph (3) above, the Department may record the judgment and execute upon it, without prior notice to the Defendants.

(6) The Department agrees to forgo any claim for costs, attorney fees, and reimbursement for investigative efforts in this action, and also agrees to forgo penalties against the Defendants related to this action.

(7) The Defendants and the Department agree to bear their own attorney fees and costs in this action.

X DATED this 12 day of August, 2007.

THE BABCO GROUP, LLC

X Robert Fischer Jr  
ROBERT FISCHER, JR.  
As Managing Member

X DATED this 12 day of August, 2007.

X Robert Fischer Jr  
ROBERT FISCHER, JR.  
As an Individual

DATED this 13 day of August, 2007.

IDAHO DEPARTMENT OF FINANCE  
SECURITIES BUREAU

Marilyn T. Chastain  
MARILYN T. CHASTAIN  
Bureau Chief