

COPY

NO _____ FILED _____
 A.M. _____ P.M. _____

AUG 18 1997

↓ DAVID NAVARRO, Clerk
 BY DIANE M. OATMAN
 DEPUTY

ALAN G. LANCE
ATTORNEY GENERAL
STATE OF IDAHO

MARY E. HUGHES
 Deputy Attorney General
 State of Idaho
 Department of Finance
 P.O. Box 83720
 Boise, Idaho 83720-0031
 Telephone: (208) 332-8092
 Facsimile: (208) 332-8098

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 9702700D
Plaintiff,)	
)	STIPULATION FOR JUDGMENT
vs.)	AND PERMANENT INJUNCTION
)	
KidZtime TV, Inc., Capital Funding & Financial Group, Inc., Tri-State Marketing, Inc., and Diane Puliafico,)	
)	
Defendants.)	
)	

COMES NOW the Plaintiff, by and through counsel, and Defendants KidZtime TV, Inc., Capital Funding & Financial Group, Inc., Tri-State Marketing, Inc., and Diane Puliafico (Defendants), by and through counsel, in order to avoid prolonged litigation, to stipulate and agree as follows:

1. The Defendants enter their appearance in this action and submit themselves to the

jurisdiction of the above entitled Court.

2. The Plaintiff has authority to bring this action; this Court has jurisdiction over the subject matter of this action and over the parties hereto; and, the complaint on file herein states a cause of action for injunctive relief against the Defendants.

3. The Defendants neither admit nor deny that they violated the Idaho Securities Act as alleged in the complaint herein.

4. The Defendants agree to no longer sell or offer for sale investment interests in KidZtime TV or KidZtime TV Affiliates in the State of Idaho or to residents of Idaho, or to direct offers of sale of KidZtime TV or KidZtime TV Affiliates into the State of Idaho.

5. The Defendants agree that the Judgment and Permanent Injunction attached hereto may be entered against them and they hereby consent to the entry thereof.

6. Said Judgment and Permanent Injunction shall constitute a final resolution of all issues presented in Plaintiff's complaint as to the Defendants, and may be presented to the Court immediately or at any time convenient to the Court, without the necessity of findings of fact or conclusions of law or further pleadings or proceedings in this matter.

7. All stipulating parties shall bear their own attorney's fees and costs of litigation.

DONE this ^{August} ~~14th~~ day of June, 1997.

KIDZTIME TV, INC.

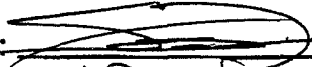
Mary E. Hughes
MARY E. HUGHES
Deputy Attorney General
Counsel for Plaintiff

By: Kenneth W. King
Title: Secretary

**CAPITAL FUNDING & FINANCIAL
GROUP, INC.**

By: *Scott A. Severson*
Title: *President*

TRI-STATE MARKETING, INC.

By: 
Title: *VP of Marketing*

Diane E. Pullafico
DIANE PULLAFICO

William D. Peterson
WILLIAM D. PETERSON
Counsel for Defendants