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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,

vs.

JASON W. LEE, individually and dba  
ELITE VENTURES LLC,

Defendant.

Case No. CV 11-8888

**STIPULATION AND CONSENT TO ENTRY  
OF JUDGMENT**

Plaintiff, the State of Idaho, Department of Finance (“Department”), and Defendant, Jason W. Lee, an individual and dba Elite Ventures LLC (“Lee”), have agreed to entry of judgment against said Defendant, pursuant to the following stipulation. The Department and Lee request this Court to enter judgment in the form and substance set forth in the Stipulated Judgment and Permanent Injunction (“Judgment”) 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, Lee waives his rights to a hearing and/or trial on the alleged violations in the Verified Complaint.

### **PLAINTIFF'S ALLEGATIONS**

The Department alleges that Lee issued securities in the form of joint venture agreements and investment contracts to six (6) investors, in an aggregate amount of four hundred ninety-eight thousand dollars (\$498,000). Between July 2006 and May 2007, Lee solicited and accepted investor money and sent it to a Utah company named Paragon Investments, Inc. (Paragon), which in turn sent it to a New York company named Overseas Investors, LLC. Paragon was to pay Lee 4% monthly, or 48% annual, interest on the money. Lee in turn was to pay the investors 3% monthly interest (36% annually), keeping the 1% difference for himself.

Lee violated the antifraud sections of Idaho's Uniform Securities act by misrepresenting the investment and by omitting material information from the investor solicitations. Lee failed to register these securities, and Lee failed to register as a securities broker-dealer or agent, as required by law. Although Paragon made its payments for a time to Lee, and Lee also made payments for a time to his investors in the total amount of one hundred fifty-seven thousand four hundred ten dollars (\$157,410), the scheme eventually collapsed. Paragon is not paying Lee, and Lee is not paying his investors. Despite demand, the invested funds have not been returned.

### **STIPULATION**

The Department and Defendant Jason W. Lee, an individual and dba Elite Ventures LLC, hereby stipulate and agree to the facts, conclusions of law, terms and conditions set forth in herein.

1. Pursuant to Idaho Code § 30-14-603, Lee agrees to the following:

a. That Lee issued, sold or offered for sale in Idaho securities in the form of investment contracts. Such securities were not registered with the Department as required by Idaho Code § 30-14-301. Lee's failure to register such securities with the Department violated Idaho Code § 30-14-301.

b. That Lee transacted business in Idaho as an agent of an issuer. Lee was not registered as an agent with the Department as required by Idaho Code § 30-14-402(a). Lee's failure to register as an agent with the Department violated Idaho Code § 30-14-402(a).

c. That Lee will timely and fully cooperate with the Department's reasonable requests for information and documentation to establish full restitution to all Idaho investors.

d. That Lee will pay to the Department the amount of three hundred forty thousand five hundred ninety dollars (\$340,590), which the Department will provide to investors as restitution, plus the amount of forty thousand dollars (\$40,000) constituting penalties for the violations listed in Counts One through Four of the Verified Complaint, for a total judgment in the amount of three hundred eighty thousand five hundred ninety dollars (\$380,590). In satisfaction of this amount, subject to the terms below, Lee will make payments to the Department, as specified next, which the Department will provide to investors as restitution.

e. Beginning on March 1, 2012, and continuing every month for seventy-one (71) months, Lee will pay the amount of three hundred fifty dollars (\$350). On the seventy-second month and final month, Lee will pay the amount of one hundred fifty dollars (\$150).

f. Lee may prepay any payment, but will continue paying until he has paid the total sum of twenty-five thousand dollars (\$25,000), after which his payments will cease.

g. If Lee fails to make any payment on time, Lee shall be immediately liable for the full amount of the restitution and penalties ordered by the court (\$380,590). Time is of the essence for such payments, and the parties specifically agree that failure to make a payment on time is a material breach of this Stipulation and the agreements embodied herein. If Lee fails to make a payment on time, the Department may immediately commence enforcement of the Judgment. Lee is not entitled to notice of breach by the Department. The Department will not waive or extend the payment dates for any reason, unless it chooses to do so in its sole discretion, in which case it will do so only in a writing signed by all parties.

h. Lee will provide the Department with a complete and accurate affidavit of net worth. If Lee fails to completely identify all assets, income, and anticipated income (such as an inheritance), or if Lee overstates expenses or liabilities, the Department shall be entitled to rescind any satisfaction of judgment it may have filed and immediately commence collection under this Stipulation and for the full amount of the related Judgment (\$380,590), less any amounts Lee may have paid to the Department pursuant to the Stipulation.

i. That Lee consents to the Court's entry of the Judgment filed concurrently herewith, permanently barring Lee from any future violations of Idaho's Uniform Securities Act and from selling or offering for sale securities in any form in the state of Idaho.

j. The Department shall not be required to provide Lee notice of, nor shall Lee object to, any request for a renewal of the Judgment, filed concurrently herewith, under Idaho Code § 10-1111.

k. Lee agrees and consents that the Department may obtain credit reports as necessary to assist in collecting amounts owed under this Stipulation and associated Judgment. Lee further agrees that the Department may obtain federal and state tax returns for the purpose of

collecting sums due pursuant to this stipulation, and hereby assigns to the Department on behalf of investors all federal and state tax returns to be applied in satisfaction of sums due hereunder. The rights granted to the Department under this paragraph will cease upon the Department filing a satisfaction of judgments as set forth in paragraph 2.c. below. These rights will reanimate and become operative in aid of paragraph 2.d. below.

1. Lee waives any applicable statutes of limitation.

m. Lee agrees to bear his own attorney fees and costs in this action.

2. The Department agrees to the following:

a. That Counts One through Four of the Verified Complaint and the actions giving rise to Counts One through Four are merged into this Stipulation and the associated Judgment, and the terms of this Stipulation and the associated Judgment shall be the Department's sole remedy for the violations giving rise to the Verified Complaint.

b. The Department will not send to media outlets a press release announcing the settlement or judgment, but it will post one on its web site along with other press releases.

c. That upon receipt of the amount of twenty-five thousand dollars (\$25,000), the Department will file a satisfaction of judgment fully satisfying the judgment amount.

d. Failure to accurately state net worth, income and expenses in the affidavit of net worth, shall entitle the Department to rescind the satisfaction of judgment and immediately commence collection efforts on the full judgment amount.

e. The Department agrees to forgo any claim for costs, attorney fees, and reimbursement for investigative efforts in this action pursuant to Idaho Code § 30-14-603(b)(2)(C).

DATED this 24<sup>TH</sup> day of FEBRUARY, 2012.



Jason W. Lee  
Defendant

SUBSCRIBED AND SWORN to before me this 24<sup>th</sup> day of Feb, 2012.

Notary Public Mariame  
Residing at Canyon  
My Comm. Exp.: 6/4/13



DATED this 5<sup>th</sup> day of March, 2012.



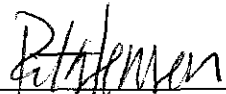
Marilyn T. Chastain  
Securities Bureau Chief  
State of Idaho, Department of Finance

**CERTIFICATE OF SERVICE**

I hereby certify that on the 5 day of March, 2012, I caused to be served an accurate copy of the STIPULATION AND CONSENT TO ENTRY OF JUDGMENT upon all parties of record in the proceeding to the following, in the manner indicated below:

Jason W. Lee  
1277 S. Watermark  
Eagle, ID 83616

- U.S. mail, postage prepaid
- certified mail
- overnight mail
- email: jaymoney311@gmail.com

  
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Paralegal