

STATE OF IDAHO
COUNTY OF BONNER
FIRST JUDICIAL DIST.

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HAROLD J. ...
CLERK DISTRICT

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**IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR BONNER COUNTY**

STATE OF IDAHO, DEPARTMENT OF
FINANCE, SECURITIES BUREAU,

Plaintiff,

vs.

DALE E. LOWELL, an individual, and
LUKE D. LOWELL and JOHN DOES 1
through 10, Relief Defendants,

Defendants.

Case No. CV OC 09 1232

**STIPULATION AND CONSENT TO ENTRY
OF JUDGMENT REGARDING
DEFENDANT LUKE LOWELL**

Plaintiff, the State of Idaho, Department of Finance, ("Department") and Defendant Luke Lowell above have agreed to entry of judgment against said Defendant, pursuant to the following Stipulation. The Department and Defendant Lowell request this Court to enter judgment in the form and substance set forth in the Judgment regarding Defendant Luke Lowell 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, Defendant Lowell waives his rights to a hearing and/or trial on the alleged violations in the Amended Verified Complaint.

PLAINTIFF'S ALLEGATIONS

Plaintiff alleges that between at least 2005 and 2009, Defendant Dale Lowell issued securities in the form of investment contracts for the purpose of stock options trading to at least twenty-three (23) investors in an aggregate amount of over two million dollars (\$2,000,000).

Lowell defrauded investors by misrepresenting the investment and by omitting material information from the investor solicitations. Lowell failed to register these securities and failed to register as a securities broker-dealer or agent, as required by law. Despite demand, the invested funds have not been returned to investors.

Defendant Luke Lowell received funds from Lowell while the investment scheme was active, but such funds and property were obtained through the illegal scheme and properly belong to the investors. Therefore, such funds must be surrendered.

STIPULATION

The Department and Defendant Luke Lowell hereby stipulate and agree to the facts, conclusions of law, and terms and conditions set forth in herein.

1. Defendant Luke Lowell agrees to the following:
 - a. While perpetuating the illegal scheme, Dale Lowell obtained funds allegedly for investment and transferred them to transferees with the intent to hinder, delay or defraud the investors.

b. Individuals who thought they were investing with Dale Lowell actually received nothing of value in return, because he placed the funds into an illegal scheme.

c. Lowell transferred funds or property obtained through the unlawful and fraudulent transactions described in the Verified Complaint on file in this action to Luke D. Lowell.

d. In addition to other transfers occurring regularly and frequently from January 2005 through January 2009, on June 2, 2008 Lowell transferred \$194,849.83 to Sandpoint Title to enable Luke Lowell to purchase certain real property. The total of these transfers is \$313,686.83, including the real estate transfer.

e. Dale Lowell transferred these funds with the actual intent to hinder, delay or defraud the tort creditors. Such transfer violated Idaho Code § 55-913(1)(a).

f. Dale Lowell also transferred the funds without receiving a reasonable equivalent value in exchange, at a time when he was incurring debts beyond his ability to pay the debts as they became due. He had no legitimate source of income and obtained all his money through the illegal scheme. Such transfer violated Idaho Code § 55-913(1)(b).

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

h. That Defendant Luke Lowell will pay to the Department the amount of three hundred thirteen thousand six hundred eighty-six dollars and eighty-three cents (\$313,686.83), which the Department will provide to investors as restitution.

i. That Defendant Luke Lowell will use his best efforts to sell his personal residence and real property at 50 Jeffres Lane, Sandpoint, Idaho as soon as possible, consistent with obtaining the highest value upon sale. That 90% of the proceeds of sale (equity), after

accounting for closing costs, will be paid to the State of Idaho in satisfaction of the judgment consented hereto. Defendant Luke Lowell will retain 10% as an incentive to maximize the value of the sale.

j. That Defendant Luke Lowell will use his best efforts to obtain the highest value upon sale of his personal residence and property.

k. That Defendant Luke Lowell consents to the Court's entry of the Judgment filed concurrently herewith.

l. The Department shall not be required to provide Defendant Lowell notice of, nor shall Defendant Lowell object to, any request for a renewal of this Judgment under Idaho Code §10-1111.

m. Defendant Lowell agrees and consents that the Department may obtain credit reports as necessary to assist in collecting amounts owed under this Stipulation and associated Judgment.

n. Defendant Lowell waives any applicable statutes of limitation.

o. Defendant Lowell agrees to bear his own attorney fees and costs in this action.

p. Defendant Lowell represents that his personal residence and real property is his only significant asset, and agrees that if the Department later finds this representation to be false, the Department may undertake collection of the entire amount of this judgment.

2. The Department agrees to the following:

a. That Counts Five and Six of the Verified Complaint as they apply to Luke Lowell 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. That it will forego collecting on the judgment, other than recording it, for a period of 18 months from the date of the judgment. If during this time, Defendant Luke Lowell sells personal residence and real property at a reasonable price for the market at the time of sale, and if he uses his best efforts to maximize the selling price, and if he turns over to the State 90% of the equity in the sale, after accounting for closing costs, the Department will consider the judgment fully satisfied and will record a satisfaction of judgment upon receipt of the proceeds of the sale.

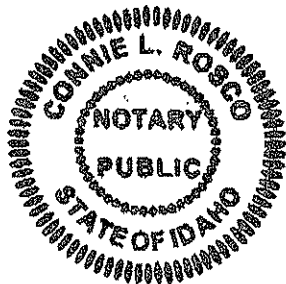
c. That any amounts collected from Defendant Luke Lowell in this action will be applied to reduce the total judgment amount owed by Defendant Dale Lowell.

d. 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). The Department may seek costs and fees as provided by rule or statute for enforcement of the Judgment.

DATED this 22nd day of March, 2010.

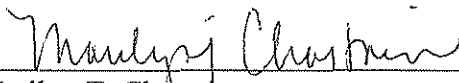
Luke Lowell
 Luke Lowell
 Defendant

SUBSCRIBED AND SWORN to before me this 22nd day of March, 2010.



Connie L. Rosco
 Notary Public for: IDAHO
 Residing at: Kootenai ID
 My Comm. Exp.: 05/14/15

DATED this 25th day of March, 2010.



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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 26 day of March, 2010, I served a true and correct copy of the foregoing STIPULATION AND CONSENT TO ENTRY OF JUDGMENT REGARDING DEFENDANT LUKE LOWELL upon the following by the designated means:

Luke Lowell
50 Jeffres Lane
Sandpoint, ID 83864

- U.S. Mail, postage prepaid
- Certified mail
- Facsimile
- Hand delivery

