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2002 FEB -4 AM 10:28  
DISTRICT COURT  
7TH JUDICIAL DISTRICT  
BONNEVILLE COUNTY ID

**IN THE DISTRICT COURT OF THE SEVENTH JUDICIAL DISTRICT  
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNEVILLE**

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

Plaintiff, )

vs. )

ROBERT O. MCCLUNG, )  
SPENLEE, INC., a Nevada corporation, )  
RRLM, L.P., a Nevada Limited Partnership, )

Defendants. )  
\_\_\_\_\_ )

Case No. CV-02-7169

**DEFAULT JUDGMENT**

IN THIS ACTION, the Defendants Robert O. McClung, Spenlee, Inc., and RRLM, L.P. (the Defendants) were regularly served with this Court's Order Granting Leave To Withdraw as Counsel and Directing Manner in Which Service Thereof Shall Be Made (the Order of Withdrawal) on November 8, 2002. The Defendants have failed, within 20 days as ordered by the Court, to appoint another attorney or attorneys to appear on their behalf or appear in person

*Jan 8, 2003*  
*typo - wrong date*

by filing written notice with the Court stating how the Defendants shall be represented in this matter.

Based on the pleadings, papers, and records on file herein, the Court finds sufficient grounds for entry of this Judgment by Default, and therefore **ORDERS ADJUDGES AND DECREES** that:

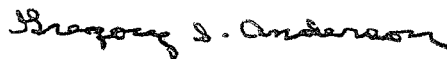
1. The Defendants have violated the Idaho Securities Act and Rules thereunder as alleged in the Verified Complaint.
2. The Defendants are permanently enjoined from engaging in any acts, practices or omissions which would constitute violations of the Idaho Securities Act, Title 30, Chapter 14, Idaho Code, and in particular, 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 nonexempt securities in any form in the State of Idaho until such time as said Defendants 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. While engaged in or in connection with the offer, sale, or purchase of any security:
    - (1) Employing any device, scheme or artifice to defraud any investors in the securities,

- (2) Making any untrue statement of material fact, or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, and
- (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 2(A), 2(B), or 2(C), above.

3. The Defendants are prohibited from claiming the availability of, using, or offering or selling securities, under any exemptions under the Idaho Securities Act without receiving the prior written consent of the Director.
4. The Plaintiff is hereby awarded a money judgment against Defendants Robert O. McClung, Spenlee, Inc., and RRLM, L.P. in the total amount of \$1,266,395.28, which includes \$1,261,395.28 as restitution for the victims of Defendants' violations of the Idaho Securities Act, pursuant to Idaho Code § 30-1442(3)(a), and \$5,000.00 in attorney's fees pursuant to Idaho Code § 30-1442(3)(c).

Dated this 4<sup>th</sup> day of February, 2003.



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Gregory S. Anderson,  
District Judge

**NOTICE OF ENTRY**

I HEREBY CERTIFY that a copy of the foregoing was this day served on every party affected thereby as follows:

**ATTORNEY FOR PLAINTIFF**

Michael Larsen  
Deputy Attorney General  
Department of Finance  
P.O. Box 83720  
Boise, ID 83720-0031

\_\_\_\_ U.S. Mailing Postage prepaid

**DEFENDANTS**

Robert O. McClung  
2107 E. 49<sup>th</sup> S.,  
Idaho Falls, Idaho 83404

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Spenlee, Inc.  
2107 E. 49<sup>th</sup> S.,  
Idaho Falls, Idaho 83404

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RRLM, L.P.  
2107 E. 49<sup>th</sup> S.,  
Idaho Falls, Idaho 83404

\_\_\_\_ U.S. Mailing Postage prepaid



CLERK

DATED: February 4, 2003



Deputy Clerk