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MAY 15 1997

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**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,  
  
Plaintiff,  
  
vs.  
  
PCO, Inc., a.k.a. Personal Choice Opportunities, David W. Laing, Next Century, Inc., Reparata Mazzola, M.D. Smith & Co., Jay L. Wilcox, and Marlis Kim Harris,  
  
Defendants.

Civil No. CV OC 9702109D

**DEFAULT JUDGMENT AND  
PERMANENT INJUNCTION**

In this action, the Defendants NEXT CENTURY, INC. and REPARATA MAZZOLA (Defendants) having been regularly served with process, and having failed to appear under I.R.C.P. 12(a), plead or otherwise defend in this action, the legal time for answering having expired, the Default of the Defendants was duly entered according to law on May 15<sup>th</sup>, 1997 based upon the Affidavit of Mary E. Hughes, the other pleadings, papers, and records on file herein, and pursuant

to the prayer of said Verified Complaint,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that

1. The Defendants have violated the Idaho Securities Act 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, 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 State of 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 Defendants have 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,
- (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 A, B, or 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 Defendants, within thirty (30) days of the signing of this Judgment, shall restore to each person in interest any consideration which may have been acquired or transferred in violation of the Idaho Securities Act.

5. The Defendants shall each pay a fine to the Idaho Department of Finance in the amount of ten thousand dollars (\$10,000) within thirty (30) days of the signing of this Judgment.

6. The Defendants shall each pay attorney's fees and costs incurred in the preparation and the prosecution of this action in the amount of five hundred dollars (\$500) within thirty (30) days of the signing of the Judgment.

7. This Judgment and Permanent Injunction shall serve as a final resolution of all issues presented in Plaintiff's Verified Complaint as to Defendants Next Century, Inc. and Reparata Mazzola.

DATED this 15<sup>th</sup> day of May, 1997.

/s/ D. DUFF MCKEE  
D. DUFF MCKEE  
District Judge