

DISTRICT COURT  
County of Twin Falls - State of Idaho

OCT - 4 2001

By \_\_\_\_\_

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**IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT  
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS**

|  |   |                                    |
|--|---|------------------------------------|
| STATE OF IDAHO, Department               | ) |                                    |
| of Finance,                              | ) |                                    |
|  | ) | Civil No. CV-01-1639               |
| Plaintiff,                               | ) |                                    |
|  | ) | <b>DEFAULT JUDGMENT</b>            |
| vs.                                      | ) |                                    |
|  | ) | <b>PREMIER MARKETING &amp;</b>     |
| PREMIER MARKETING & INVESTMENTS          | ) | <b>INVESTMENTS, INC., NICHOLAS</b> |
| INC., a California corporation, NICHOLAS | ) | <b>RICHMOND, AND MICHAEL DERRO</b> |
| RICHMOND, an individual, MICHAEL         | ) |                                    |
| DERRO, an individual, BONNIE CAPPS,      | ) |                                    |
| an individual, STEVEN W. KEYES           | ) |                                    |
| an individual,                           | ) |                                    |
|  | ) |                                    |
| Defendants.                              | ) |                                    |
|  | ) |                                    |

In this action, Defendants Premier Marketing & Investments, Inc., Nicholas Richmond, and Michael Derro, having been regularly served with process, and having failed to appear under I.R.C.P. 12(a), to 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, based upon the Affidavit of A. René Martin, 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 as follows:

1. Defendants Premier Marketing & Investments, Inc., Nicholas Richmond, and Michael Derro, have violated the Idaho Securities Act and Rules thereunder as alleged in the Verified Complaint.
2. Defendants Premier Marketing & Investments, Inc., Nicholas Richmond, and Michael Derro 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 A, B, or C, above.

3. Defendants Premier Marketing & Investments, Inc., Nicholas Richmond, and Michael Derro 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. Defendants Premier Marketing & Investments, Inc., Nicholas Richmond, and Michael Derro shall restore to each person in interest any consideration which may have been acquired or transferred in violation of the Idaho Securities Act. In particular, and without limiting the foregoing, a money judgment of \$25,000.00 is hereby adjudged against Premier Marketing & Investments, Inc., Nicholas Richmond, and Michael Derro, jointly and severally, as consumer restitution.

5. There is hereby adjudged, as a joint and several obligation, against Defendants Premier Marketing & Investments, Inc., Nicholas Richmond, and Michael Derro, a civil penalty in favor of the Idaho Department of Finance in the amount of ten thousand dollars (\$10,000.00) for violations of the Idaho Securities Act.
6. Defendants Premier Marketing & Investments, Inc., Nicholas Richmond, and Michael Derro, shall pay costs incurred in the preparation and the prosecution of this action, including attorney fees and reimbursement for investigative efforts, in the amount of five thousand dollars (\$5,000.00).
7. Based on the foregoing, the total money judgment hereby entered against Defendants Premier Marketing & Investments, Inc., Nicholas Richmond, and Michael Derro, jointly and severally, is forty thousand dollars (\$40,000.00) with interest accruing thereon from the date of entry of this judgment at the lawful rate of interest on money judgments.

DATED this 4 day of Oct, 2001.

**John C. Hohnhorst**

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Honorable Daniel B. Meehl  
District Judge

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 4 day of <sup>Oct</sup>~~September~~, 2001, I caused a true and correct copy of the foregoing DEFAULT JUDGMENT to be served on the following by the designated means:

Premier Marketing & Investments, Inc. [  ] U.S. mail, postage prepaid  
3580 Wilshire Blvd., Ste 2030  
Los Angeles, CA 90010

Nicholas Richmond [  ] U.S. mail, postage prepaid  
449 S. Kingsley Dr., #327  
Los Angeles, CA 90020

Nicholas Richmond [  ] U.S. mail, postage prepaid  
7985 Santa Monica Blvd., #170  
West Hollywood, CA 90046

Michael Derro [  ] U.S. mail, postage prepaid  
449 S. Kingsley Dr., #327  
Los Angeles, CA 90020

51 Olvera  
Deputy Clerk