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

STATE OF IDAHO, DEPARTMENT OF
FINANCE, SECURITIES BUREAU,

Plaintiff,

vs.

TONY SCOTT SELLERS,

Defendant.

Case No. CV 14-1074

**STIPULATION AND CONSENT TO ENTRY
OF JUDGMENT**

Plaintiff, the State of Idaho, Department of Finance ("Department"), and Defendant, Tony Scott Sellers ("Sellers"), have agreed to entry of judgment against said Defendant, pursuant to the following stipulation. The Department and Sellers 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, Sellers waives his rights to a hearing and/or trial on the alleged violations in the Complaint.

PLAINTIFF'S ALLEGATIONS

The Department alleges that defendant Tony Scott Sellers (Sellers) offered or sold securities in the form of charitable gift annuities from We the People, Inc. of the United States. These charitable gift annuities were sold to around twenty-four (24) Idaho investors in an aggregate amount of about four million dollars (\$4,000,000). Sellers received two hundred thirty-one thousand, four hundred ninety-one dollars (\$231,491) in commissions from the sale of these charitable gift annuities.

Sellers failed to register these securities, he failed to register as an issuer agent, and he failed to register as an investment adviser, all as required by law.

Sellers has been permanently enjoined from selling unregistered securities and from selling securities while he is not registered as a sales agent. His acts constitute the second time he has violated Idaho security law, and constitute a violation of a permanent injunction.

DEFENDANT'S RESPONSE TO PLAINTIFF'S ALLEGATIONS

Defendant admits the above allegations of Plaintiff, however, denies that the charitable gift annuities in question fall within Idaho's statutory definition of a security, and therefore, no violation of law occurred. Notwithstanding, to resolve the matter and to avoid the expense and an uncertain outcome of further litigation, Defendant is willing to admit, for the limited purpose of settling this matter, and for no other purpose, that the charitable gift annuity was a regulated security which was not registered.

STIPULATION

The Department and Defendant Tony Scott Sellers 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, Sellers agrees to the following:

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

b. In the case of the securities that were offered to Idaho residents, Sellers admits that he transacted business in Idaho as an agent of a broker-dealer or of an issuer and that he failed to register as an agent with the Department as required by Idaho Code § 30-14-402(a), both in violation of Idaho Code § 30-14-402(a).

c. Sellers admits the following allegations of the Department: that Sellers transacted business in Idaho as an investment advisor, and that he failed to register as an investment advisor with the Department as required by Idaho Code § 30-14-403(a), both in violation of Idaho Code § 30-14-403(a); that Sellers made material misrepresentations to Idaho investors and omitted to state material facts to Idaho investors, in violation of the anti-fraud provisions of Idaho Code § 30-14-501(2); and that Sellers engaged in conduct in connection with the offer, sale and purchase of securities which operated as a fraud or deceit upon investors or prospective investors, in violation of Idaho Code § 30-14-501(3) as to each victim, as more fully described in Plaintiff's complaint on file in this action.

d. That Sellers will pay the amount of twenty thousand dollars (\$20,000) constituting penalties for the violations listed in the Complaint. Sellers will make payments to the Department, as specified next.

e. Beginning on August 1, 2014, and continuing every month for 8 months, Sellers will pay the amount of two hundred dollars (\$200).

f. Beginning on April 1, 2015, and continuing every month for 36 months, Sellers will pay the amount of five hundred dollars (\$500).

g. On May 1, 2018, Sellers will pay the amount of four hundred dollars (\$400).

h. Sellers may prepay any payment, but will continue paying until he has paid the total sum of twenty thousand dollars (\$20,000), after which his payments will cease. Interest will not accrue so long as payments are current. Interest will begin to accrue upon breach of any term of this agreement.

i. 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 Sellers fails to make a payment on time, the Department may immediately commence enforcement of the money judgment. Sellers 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.

j. Sellers agrees that he will not offer or sell any financial product other than life, health or disability insurance offered by an insurance company registered or licensed with the Idaho Department of Insurance. Sellers may offer and sell an insurance or endowment policy or annuity contract under which an Idaho licensed or registered insurance company promises to pay money either in a lump sum or periodically for life or other specified period.

k. Sellers agrees that if at any time he is adjudicated to be in breach of paragraph 1.j. above, an appropriate remedy for the Department is that Sellers be permanently enjoined from working in the financial services industry in Idaho, including offering or selling insurance products.

l. That Sellers consents to the Court's entry of the Judgment filed concurrently herewith, enjoining Sellers from future violations of Idaho's Uniform Securities Act, from offering or selling securities in Idaho, and enjoining Sellers from offering or selling any financial product other than life, health or disability insurance offered by an insurance company registered or licensed with the Idaho Department of Insurance.

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

n. Sellers agrees and consents that the Department may obtain credit reports as necessary to assist in collecting amounts owed under this Stipulation and associated Judgment. Sellers 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 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.b. below. These rights will reanimate and become operative in the event of a breach of any term of this agreement.

o. Sellers waives any applicable statutes of limitation.

p. Sellers agrees to bear his own attorney fees and costs in this action.

2. The Department agrees to the following:

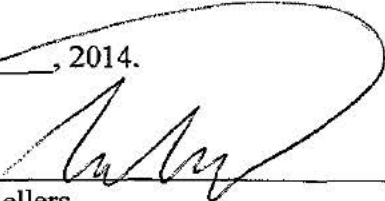
a. That Counts One through Five of the Complaint and the actions giving rise to Counts One through Five are merged into this Stipulation and the associated Judgment, and the terms of this Stipulation and the associated Judgment shall be the Department's sole remedy for the violations giving rise to the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

b. That upon receipt of the amount twenty thousand dollars (\$20,000) under the payment schedule set forth above, the Department will file a satisfaction of judgment fully satisfying the money judgment amount. The permanent injunctions will continue in effect.

c. During the pendency of the payment plan, as long as Sellers is in full compliance with the plan, including frequency and timing of payments, the Department will take no action to collect on the judgment, other than to record the judgment.

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).

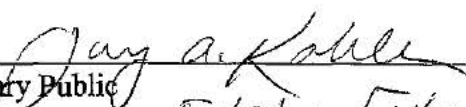
DATED this 18 day of July, 2014.



Tony Scott Sellers
Defendant

SUBSCRIBED AND SWORN to before me this 18 day of July, 2014.






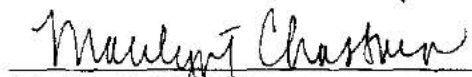
Notary Public
Residing at: Idaho Falls
My Comm. Exp.: 6-18-2015

APPROVED AS TO FORM AND CONTENT.

DATED this 18 day of July, 2014.


Jay A. Kohler
Counsel for Defendant

DATED this 22ND day of July, 2014.


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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 23rd day of July, 2014, I served a true and correct copy of the foregoing STIPULATION AND CONSENT TO ENTRY OF JUDGMENT AND PERMANENT INJUNCTION upon the following by the designated means:

Jay A. Kohler
Attorney at Law
482 Constitution Way, Suite 313
Idaho Falls, ID 83402

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


Paralegal