JUN 0 1 2000

ALAN G. LANCE ATTORNEY GENERAL STATE OF IDAHO

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IN THE DISTRICT COURT OF THE SEVENTH JUDICIAL DISTRICT

OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNEVILLE

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)
) Civil No. CV00-1592
)
) STIPULATION FOR
) JUDGMENT AND
) PERMANENT INJUNCTION
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COMES NOW the Plaintiff, by and through counsel, and Defendant Janice Madsen, individually, and on behalf of Warren W. Madsen, deceased, in order to avoid prolonged litigation, to stipulate and agree as follows:

- Warren W. Madsen died on August 9, 1999. Pursuant to Idaho Code §15-3-1205, a summary administration proceeding was commenced in Bonneville County, Idaho. The case number is SP-99-1177.
- On October 14, 1999, an Order was issued vesting in and distributing to Janice Madsen all property owned by Warren W. Madsen, subject only to claims of proper creditors. The Order indicates there shall be no administration of the estate of Warren W. Madsen.
- 3. The Complaint on file herein states a cause of action for injunctive relief against Defendants Janice Madsen and Warren W. Madsen, deceased.
- 4. Defendant Janice Madsen admits she was an officer of Systems Integration Corporation (SIC) and a director of U.S. Silicon Corporation (USSC) and that she had constructive knowledge of the violations of the Idaho Securities Act by SIC and USSC, alleged in Counts One and Two of the Complaint.
- Defendant Janice Madsen admits the violations alleged in Counts One and Two of the Complaint against Warren W. Madsen, deceased.
- Defendant Janice Madsen, individually, and on behalf of Warren W. Madsen, deceased, neither admits nor denies Counts Three, Four, Five, Six, Seven, and Eight of the Complaint.
- 7. Defendants Estate of Warren W. Madsen, deceased and Janice Madsen agree that the Judgment and Permanent Injunction attached hereto as "Exhibit A" may be entered against them, and they hereby consent to the entry thereof.
- 8. Said Judgment and Permanent Injunction shall constitute a final resolution of all issues presented in Plaintiff's Complaint as to Defendants Estate of Warren

W. Madsen, deceased and Janice Madsen, and may be presented to the Court immediately or at any time convenient to the Court, without the necessity of findings of fact or conclusions of law or further pleadings or proceedings in this matter.

9. All stipulating parties shall bear their own attorney's fees and costs of litigation.

or B. Muiz

Scott B. Muir Deputy Attorney General Counsel for Plaintiff State of Idaho, Department of Finance

<u>6-2-2000</u> Date

Janice Madsen, individually and on behalf of

Warren W. Madsen, deceased

ALAN G. LANCE ATTORNEY GENERAL STATE OF IDAHO DISTRICT COURT TTH JUNICIAL CISCHICT

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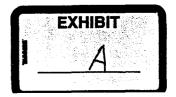
IN THE DISTRICT COURT OF THE SEVENTH JUDICIAL DISTRICT

OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNEVILLE

STATE OF IDAHO, Department of Finance,)
) Civil No. CV00-1592
Plaintiff,)) JUDGMENT AND
VS.) PERMANENT INJUNCTION
SYSTEMS INTEGRATION CORPORATION, an Idaho corporation; U.S. SILICON CORPORATION, an Idaho corporation; ESTATE OF WARREN W. MADSEN, DECEASED; ROBERT C. WAGNER;))))
JANICE MADSEN, and GORDON W. JENKINS,)
Defendants.)))

It appearing to the Court that Defendant Janice Madsen, individually, and on behalf of Warren W. Madsen, deceased, in the Stipulation for Judgment and Permanent Injunction filed with the Court, has admitted that the Complaint states a cause of action for injunctive relief under the Idaho Securities Act, and further it appearing that Janice





Madsen admits to certain violations of the Idaho Securities Act as set forth in the Stipulation for Judgment and Permanent Injunction, and has agreed and consented to the entry of judgment granting a permanent injunction against her, and has waived the necessity of findings of fact and conclusions of law with respect thereto, and the Court being fully advised in the premises:

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

- Defendant Janice Madsen is permanently enjoined from engaging in any acts, practices or omissions which would constitute violations of the Idaho Securities Act, and in particular, is 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. Transacting securities business in the State of Idaho until such time as Defendant Janice Madsen has become registered as a broker-dealer, or salesman 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,
- (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, and C above.
- Defendant Janice Madsen is prohibited from claiming the availability of, using, or offering to sell securities under, any exemptions under the Idaho Securities Act without receiving the prior written consent of the Director.
- 3. Defendant Janice Madsen shall restore to each person in interest any consideration which may have been acquired or transferred in violation of the Idaho Securities Act. Enforcement of this requirement will not be pursued on the basis of the Affidavit of Janice Madsen representing her current financial condition.
- This Judgment and Permanent Injunction shall serve as a final resolution of all issues presented in Plaintiff's Complaint as to Defendants Estate of Warren W. Madsen, deceased and Janice Madsen.

DATED this 22 day of June, 2000.

/S/ TED V. WOOD

Honorable Ted V. Wood District Judge