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IN THE THIRD JUDICIAL DISTRICT COURT

IN AND FOR THE COUNTY OF SALT LAKE, STATE OF UTAH

THE STATE OF UTAH,)	JOINT MOTION, PLEA AGREEMENT, AND ORDER HOLDING PLEA IN ABEYANCE
Plaintiff,)	
vs.)	
RONALD DEAN UDY,)	
Defendant.)	
)	Case No. 05-1909160
)	Judge William W. Barrett

The State of Utah and Ronald Dean Udy, have entered into the attached Plea Agreement. As part of that Plea Agreement the defendant has pled guilty to certain charges. The parties hereby jointly move this Court pursuant to Utah Code Ann. Sections § 77-2(a)-1, et seq. for an Order holding the defendant's plea in abeyance for a period of thirty-six (36) months, unless terminated earlier under the terms and conditions set forth in the plea agreement. After the thirty-six (36) month abeyance period, and upon full compliance with this agreement, Counts 1 and 2 will be reduced to Class A Misdemeanors and entered on Mr. Udy's record. The parties jointly request

the Court not to enter a sentence in this case unless Mr. Udy fails to comply with the terms of the Abeyance Agreement.

DATED this 3 day of Dec., 2007.

SNOW, CHRISTENSEN & MARTINEAU



Richard A. Van Wagoner,
Attorneys for Defendant

DATED this 3 day of Dec., 2007.

THE STATE OF UTAH
MARK L. SHURTLEFF,
UTAH ATTORNEY GENERAL



Charlene Barlow,
Assistant Attorney General

PLEA IN ABEYANCE AGREEMENT

This Plea Agreement is entered into between the State of Utah and Ronald Dean Udy, and is effective as of this date. The State of Utah is represented by Mark L. Shurtleff, Utah Attorney General, and Charlene Barlow, Assistant Attorney General. Mr. Udy is represented by counsel Richard A. Van Wagoner.

WHEREAS the State has filed a Criminal Information alleging, inter alia, that Mr. Udy has committed two counts of Securities Fraud, each a second degree felony; one count of False Statements, a third degree felony; and one count of Sales by an Unlicensed Broker-Dealer or Agent, a third-degree felony.

WHEREAS Mr. Udy entered a plea of not guilty to the charges;

WHEREAS Mr. Udy has indicated his intention to change his plea to guilty on Count 1, False Statements, a third degree felony; and on Count 2, Securities Fraud, a second degree felony;

WHEREAS the State has determined that this agreement promotes the interests of justice; and

WHEREAS BOTH THE STATE AND MR. UDY RECOGNIZE THAT THIS AGREEMENT MUST BE APPROVED BY THE COURT AND THAT ANY SENTENCING RECOMMENDATIONS CONTAINED HEREIN ARE NOT BINDING UPON THE COURT UNTIL SO APPROVED.

NOW THEREFORE, the State and Ronald Dean Udy voluntarily enter into this Plea Agreement:

1. Mr. Udy agrees to plead guilty to Count One, False Statements Unlawful, a third degree felony; and Count Two, Securities Fraud, a second degree felony. The State agrees to move to dismiss the remaining charges.

2. In exchange for the defendant's guilty plea, the prosecution agrees to move the Court to hold the plea in abeyance for three years or thirty-six (36) months, provided the defendant complies with the conditions imposed by the Court during the period of abeyance. After the abeyance period, and upon full compliance with this agreement, the conviction on both counts shall be entered as Class A misdemeanors on the record.

3. The defendant agrees to pay full restitution to all alleged victims in this case.

4. The defendant will provide the State with a list of the names of those persons currently holding promissory notes. The State agrees that it will not contact these persons until such time as either the defendant notifies the State that all persons have been paid off or after thirty-six (36) months have passed, whichever comes first.

5. The defendant will continue to pay off the noteholders during the abeyance period and will pay them off in full before the end of the abeyance period. If all noteholders are fully paid before the end of the abeyance period and Mr. Udy is otherwise in compliance with the terms of this agreement, the State will not oppose a motion for early termination of the abeyance period.

6. The defendant will fully disclose to the Division of Securities any securities-related transactions which he conducts.

7. The defendant will comply with all State and Federal securities laws.

8. The defendant will be completely truthful in his dealings with the Division of Securities.

9. The State will not affirmatively report this agreement to the licensing division of the Utah Department of Insurance.

~~10. The defendant agrees that in the event total restitution is not paid within the agreed abeyance time, the abeyance period will be extended until total restitution is paid.~~

11. The defendant agrees to abide by all usual and customary terms and conditions of sentence imposed by the Court and/or the Office of Adult Probation and Parole as a result of his plea of guilty.

12. This Plea Agreement is specifically incorporated and made a part of the Statement of Defendant in this case.

13. The parties believe that a plea in abeyance is warranted in this case in the interest of justice.

14. Mr. Udy understands that he has a right to be sentenced within forty-five (45) days pursuant to Rule 22 of the Utah Rules of Criminal Procedure, and he agrees to waive that right as a condition of this plea in abeyance.

DATED this 3 day of Dec., 2007.

SNOW, CHRISTENSEN & MARTINEAU

RS
Richard A. Van Wagoner,
Attorneys for Defendant

DATED this 3 day of Dec., 2007.

THE STATE OF UTAH
MARK L. SHURTLEFF,
UTAH ATTORNEY GENERAL

RS
Charlene Barlow,
Assistant Attorney General

DATED this 3 day of Dec., 2007.

DEFENDANT:

RS

RONALD DEAN UDY

ORDER HOLDING PLEA IN ABEYANCE

The court having reviewed the Joint Motion to Hold Plea in Abeyance, the Plea Agreement for Plea in Abeyance, and the Statement of Defendant in Advance of the Plea in Abeyance, and having had the opportunity to discuss same with all counsel and the defendant, does hereby:

ORDER that the defendant's plea of guilty shall be accepted, but shall be held in abeyance for a period of thirty-six (36) months, unless terminated earlier by the terms of this agreement after which, upon motion by either party, the conviction on both counts shall be entered as Class A misdemeanors.

DATED this 3 day of Dec., 2007.

BY THE COURT:

RS

Honorable William W. Barrett,
Third District Judge

The elements of the crimes to which I am pleading guilty are:

Count 1 - FALSE STATEMENTS UNLAWFUL

That commencing on or about December 2002, I willfully caused to be made, in any document filed with the Division of Securities, or in any proceeding, any statement which was, at that time and in the light of the circumstances under which it was made, false or misleading in any material report, in violation of Utah Code Ann. § 61-1-16 and § 61-1-21.

Count 2 - SECURITIES FRAUD

That commencing on or about November 2003, in Salt Lake County, State of Utah, in connection with the offer or sale of a security, directly or indirectly, to Tyler Garrett, I made untrue statements of a material fact or I omitted to state a material fact necessary in order to make the statements I made, in the light of the circumstances under which they were made, not misleading; or, I engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit upon this person, a violation of Utah Code Ann. § 61-1-16 and § 61-1-21, a second degree felony.

My conduct, for which I am criminally liable, that constitutes the elements of the crime charged is as described above and in the Affidavit of Probable Cause filed in this case which I have read and understand and which is incorporated herein by reference.

Waiver of Constitutional Rights

I am entering this plea voluntarily. I understand that I have the following rights under the constitutions of Utah and the United States. I also understand that if I plead guilty I will give up the following rights:

Counsel: I know I have the right to be represented by an attorney and that if I cannot

afford one, an attorney will be appointed by the court at no cost to me.

I have not waived my right to counsel. I certify that I have read this statement and I understand the nature and elements of the charges and crimes to which I am pleading guilty.

My attorney is Richard A. Van Wagoner and I have had an opportunity to discuss this Statement, my rights and the consequences of my guilty plea with my attorney.

Jury Trial: I know that I have a right to a speedy and public trial before an impartial (unbiased) jury and that I will be giving up that right.

Confrontation and Cross-Examination of Witnesses: I know that if I wish to have a jury trial I have the right to see and observe the witnesses who testified against me and my attorney would have the right to cross-examine all of the witnesses who testified against me.

Right to Compel Witnesses: I know that if I were to have a jury trial, I could call witnesses if I chose to and I would be able to obtain subpoenas requiring the attendance and testimony of those witnesses. If I could not afford to pay for the witnesses to appear, the State would pay those costs.

Right to Testify and Privilege Against Self-Incrimination:

I know that if I were to have a jury trial, I would have a right to testify in my own behalf but if I choose not to do so, I cannot be compelled to testify or give evidence against myself no adverse inferences will be drawn against me if I do not testify.

Presumption of Innocence and Burden of Proof: I know that if I wish to contest the charges against me I need only plead “not guilty” and the matter will be set for trial, at which time the State of Utah will have the burden of proving each element of the charges beyond a reasonable doubt. If the trial is before a jury, the verdict must be unanimous, meaning that each

juror would have to find me guilty.

Appeal: I know that under the Constitution of Utah that if I were tried and convicted by a jury or by the judge that I would have the right to appeal my conviction and sentence to the Utah Court of Appeals or, where allowed, to the Supreme Court of Utah, and that if I could not afford to pay the costs for such appeal, those costs would be paid by the State.

I know and understand that by pleading guilty, I am waiving and giving up all the statutory and constitutional rights as explained above.

Consequences of Entering a Guilty Plea

Potential Penalties: I know the minimum and maximum possible sentences set forth above and also know that the maximum possible sentence may be imposed upon my plea of guilty, and that sentence may be for a prison term, fine or both.

I know that in addition to any fine, an 85 percent surcharge, required by Utah Code Ann. § 63-63(a)-1, et seq., will be imposed. I also know that I may be ordered by the Court to make restitution to any victim or victims of my crimes, and I acknowledge responsibility to pay restitution to the victims.

Consecutive/Concurrent Prison Terms: I know that in addition to the imposition of sentence, that if I am on probation or parole, or am awaiting sentence on another offense for which I have been convicted or to which I have entered a plea of guilty, or anticipate entering a plea in the future in any other case, my plea in the present action may result in consecutive sentences being imposed upon me, meaning the Court could order me to serve any such sentences one after the other rather than at the same time.

I know and understand that by pleading guilty I am waiving my statutory and

constitutional rights set out in the preceding paragraphs. I also know that by entering such plea I am admitting and do so admit that I have committed the conduct alleged, I am guilty of the crime for which my plea is entered, and that my plea of guilty is an admission of all the elements of the crime.

Plea Bargain: My plea of guilty is the result of a plea bargain between myself and the prosecuting attorney. The promises, duties and provisions of this plea bargain, if any, are fully contained in the Plea Agreement attached to this Statement.

Trial Judge Not Bound: I know that any charge or sentencing concession or recommendation of probation or suspended sentence, including a reduction of the charge for sentencing made or sought by either defense counsel or the prosecuting attorney are not binding on the judge. I also know that any opinions they express to me as to what they believe the Court may do are also not binding on the court.

Defendant's Certification of Voluntariness

I am entering this plea of my own free will and choice. No threats, coercion, or unlawful influence of any kind have been made to induce me to plead guilty, and no promises except those contained herein and in the attached Plea Agreement have been made to me.

I have read this Statement and all the attachments hereto, and I understand its provisions. I know that I am free to change or delete anything contained in this Statement and the attachments. I do not wish to make any changes because all of the statements are correct.

I am 68 years of age and I can read and understand the English language. I was not under the influence of any drugs, medication or intoxicants which would impair my judgment when I decided to plead guilty. I am not presently under the influence of any drugs, medication or

intoxicants which impair my judgment.

I believe myself to be of a sound and discerning mind, mentally capable of understanding the proceedings and the consequences of my plea and free of any mental disease, defect or impairment that would prevent me from knowingly, intelligently and voluntarily entering my plea.

I understand that if I want to withdraw my guilty plea, I must file a written motion to withdraw my plea of guilty before sentence is announced. I will only be allowed to withdraw my plea if I show that it was not knowingly and voluntarily made.

DATED this 3 day of Dec, 2007



Ronald Dean Udy, Defendant

CERTIFICATE OF ATTORNEY

I certify that I am the attorney for RONALD DEAN UDY, the defendant above, and that I know he has read this Statement or that I have read it to him and I have discussed it with him and believe that he fully understands the meaning of its contents and is mentally and physically competent.

To the best of my knowledge and belief after an appropriate investigation, the elements of the crime and the factual synopsis of the defendant's criminal conduct are correctly stated and these, along with the other representations and declarations made by the defendant in the foregoing affidavit, are accurate and true.

DATED this 5 day of Dec., 2007.

SNOW, CHRISTENSEN & MARTNEAU



Richard A. Van Wagoner,
Attorney for Defendant

CERTIFICATE OF PROSECUTING ATTORNEY

I certify that I am the attorney for the State of Utah in the case against RONALD DEAN UDY, defendant. I have reviewed this Statement of the defendant and find that the declarations, including the elements of the offense of the charge and the factual synopsis of the defendant's criminal conduct which constitutes the offenses are true and correct. No improper inducements, threats or coercion to encourage a plea have been offered defendant.

The plea negotiations are fully contained in this Statement and in the attached Plea Agreement and as may be supplemented on the record before the court. There is reasonable cause to believe that the evidence would support the conviction of defendant for the offenses for which the plea is entered and acceptance of the plea would serve the public interest.

DATED this 3 day of Dec., 2007

THE STATE OF UTAH
MARK L. SHURTLEFF,
UTAH ATTORNEY GENERAL

14

Charlene Barlow,
Prosecuting Attorney

ORDER

Based upon the facts set forth in the foregoing Statement and the certification of the defendant and counsel, and based upon any oral representations in court, the Court witnesses the signatures and finds that the defendant's plea of guilty is freely, knowingly and voluntarily made.

IT IS HEREBY ORDERED that the defendant's plea of guilty to the crimes set forth in the Statement be accepted and entered.

DATED this 3 day of Dec., 2007.

BY THE COURT:



Honorable William W. Barrett,
Third District Judge