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Court-Appointed Receiver of Trigon Group, Inc.
and for the assets of Daren L. Palmer

UNITED STATES DISTRICT COURT
DISTRICT OF IDAHO

R. WAYNE KLEIN, the Court-Appointed Receiver)
of Trigon Group, Inc. and for the assets of Daren L.)
Palmer,)

Plaintiff,)

vs.)

SIGHT & SOUND, INC. d/b/a SIGHT & SOUND)
BY DESIGN, an Idaho Corporation; LEWIS)
FAMILY PROPERTIES, LLC, an Idaho limited)
liability company; SHARI S. LEWIS, and)
WILLIAM J. LEWIS II, husband and wife;)
RESOURCE SOLUTIONS, LLC, an Idaho limited)
liability company; STAN W. MILLS , an individual;)
BEACON LIGHT CAPITAL, LLC an Idaho limited)
liability company; DAVID C. ELDREDGE, JR., an)
individual; KENNETH H. SMITH, JR., and JULIE)
A. SMITH, husband and wife,)

Defendants.)

Case No. _____

COMPLAINT TO AVOID
FRAUDULENT TRANSFERS,
FOR CONSTRUCTIVE TRUST
AND OTHER PROVISIONAL
REMEDIES AND FOR
DAMAGES

Plaintiff R. Wayne Klein, the Court-Appointed Receiver (the "Receiver") of Trigon

Group, Inc. ("Trigon") and all of the assets of Daren L. Palmer (the "Receivership Entities")

and/or “Palmer”), by and through his undersigned counsel, for his Complaint states and alleges as follows:

NATURE OF THE PROCEEDING

1. On February 26, 2009, the Securities and Exchange Commission (the “SEC”) filed a Complaint against Trigon and Palmer in United States District Court for the District of Idaho (“District Court”), Case No. Civ. No. 09-075-S-EJL (“SEC Action”) and the Commodity Futures Trading Commission (the “CFTC”) filed a Complaint against Trigon and Palmer in the District Court, Case No. Civ. No. 09-075-S-EJL (“CFTC Action”). These suits allege, among other things, that Trigon and Palmer operated an investment program in violation of the registration, licensing and anti-fraud requirements of federal securities and commodities laws. In essence, the SEC and the CFTC allege that Trigon and Palmer engaged in a Ponzi scheme whereby millions of dollars were fraudulently taken from investors.

2. On February 26, 2009, the Receiver was appointed by the District Court to act as receiver in connection with the SEC Action and the CFTC Action.

3. Since at least 1997, Palmer and Trigon operated a classic Ponzi scheme by using funds obtained from investors through violations of the securities laws and/or commodity laws and using the funds from new investors to pay bogus returns to earlier investors. Palmer and Trigon recruited investors through material misrepresentations and omissions. By engaging in this conduct, Palmer and Trigon violated the securities registration, antifraud, and broker-dealer registration provisions of the Securities Act of 1933 (the “Securities Act”) and the Securities Exchange Act of 1934 (the “Exchange Act”) and violated the anti-fraud provisions of the Commodity Exchange Act (“CEA”) and the requirement under the CEA to register as a commodity pool operator.

4. This action is brought by the Receiver as part of his continuing duty to recapture and return funds invested in Trigon that were diverted by Trigon and Palmer in the course of their massive Ponzi scheme and to avoid fraudulent transfers, for constructive trust and other provisional remedies and for damages.

THE PARTIES

5. Defendant Sight & Sound, Inc., d/b/a Sight & Sound by Design (“Sight & Sound”) is an Idaho corporation.

6. Defendant Lewis Family Properties, LLC (“Lewis Family Properties”) is an Idaho limited liability company.

7. Defendants Shari S. Lewis (“Shari Lewis”) and William J. Lewis II (“William Lewis”), husband and wife, are residents of the State of Idaho, and are the officers and directors of Sight & Sound and the members of Lewis Family Properties.

8. Defendant Resource Solutions, LLC (“Resource Solutions”) is an Idaho limited liability company.

9. Defendant Stan W. Mills (“Stan Mills”) is a resident of the State of Idaho and a member of Resource Solutions.

10. Defendant Beacon Light Capital, LLC (“Beacon Light Capital”) is an Idaho limited liability company.

11. Defendant David C. Eldredge, Jr. (“David Eldredge”) is a resident of the State of Idaho and a member of Beacon Light Capital.

12. Defendants Kenneth H. Smith, Jr., and Julie A. Smith (collectively, the “Smiths”), husband and wife, are residents of the State of Idaho.

JURISDICTION AND VENUE

13. This Court has jurisdiction over the subject matter of this lawsuit because this lawsuit is ancillary to the SEC Action and the CFTC Action and the appointment of the Receiver by this Court.

14. Venue is proper in this Court under 28 U.S.C. § 1391.

THE RECEIVER AND STANDING

15. On February 26, 2009, the District Court entered in the SEC Action an Order Appointing a Receiver and Staying Litigation pursuant to which the Receiver was appointed as receiver of Trigon, together with any and all subsidiaries and affiliated entities, including but not limited to Palmer Trading & Investments LLC; Blackrock Limited, LLC; Pinnacle Company LLC; and Canterbury Court Properties, LLC (collectively, the "Companies"). Pursuant to that Order, the Receiver was to take control of the Companies' funds, assets and property wherever situated, and is fully authorized to pursue this action against Defendant.

16. On February 26, 2009, the District Court entered an Order in the CFTC Action appointing the Receiver as temporary receiver for all of the assets of Palmer and Trigon and the assets of their affiliates and subsidiaries with the full power of an equity receiver. Pursuant to that Order, the Receiver was to assume full custody, control, and possession of all the funds, property, mail and other assets of, in the possession of, or under the control of Defendant and the Companies and is fully authorized to pursue this action against Defendant.

THE FRAUDULENT PONZI SCHEME

17. Trigon was a Nevada corporation headquartered in Idaho Falls, Idaho. Trigon claimed to be an investment business that specialized in helping clients generate high annual returns of approximately 20% to 25% per year.

18. Daren L. Palmer is an Idaho resident, who at all relevant times, was living in Idaho Falls, Idaho.

19. Trigon never registered any offering of its securities under the Securities Act or the Exchange Act.

20. Neither Trigon nor Palmer has ever been registered with the Securities and Exchange Commission ("SEC") in any capacity and neither of them has ever been licensed to sell securities.

21. Beginning in 1997 and continuing through at least October 2008, Trigon and Palmer sold securities in the form of promissory notes and investment contracts to over 55 investors in unregistered, non-exempt transactions amounting to over \$60 million. More particularly, Trigon and Palmer violated: (i) Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1) by employment of a device, scheme or artifice to defraud; (ii) Section 17(a)(2) and (c) of the Securities Act, 15 U.S.C. § 77q(a)(2) by committing fraud in the offer and sale of securities; (iii) Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5 by committing fraud in connection with the purchase and sale of securities; (iv) Section 5(a) and (c) of the Securities Act, 15 U.S.C. § 77(a) and (c) by offering the sale of unregistered securities; and (v) Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a) by offering and selling securities by an unregistered broker or dealer.

22. Beginning in 1997 and continuing through at least October 2008, Palmer engaged in acts and practices in violation of the Commodity Exchange Act. In particular, Palmer violated the anti-fraud provisions of Sections 4b(a)(2) and 4o(1) of the Commodity Exchange Act, 7 U.S.C. §§ 6(b)(a)(2) and 6o(1) (2006), and Section 4b(a)(1) of the CEA as amended by the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC Reauthorization Act, § 13102, 122 Stat. 1651 (effective June 18, 2008) to be codified at 7 U.S.C.

§ 6(b)(a)(1)). Palmer also acted as a commodity pool operator of a commodity pool without being registered as such in violation of Section 4m(l) of the CEA, 7 U.S.C. § 6m(l) (2006).

23. At all relevant times, Palmer was an agent of Trigon and acted within the scope of his employment. As a result, Trigon is liable for Palmer's conduct pursuant to Section 2(a)(1)(B) of the CEA, 7 U.S.C. § 2(a)(1)(B).

24. Palmer marketed himself and Trigon by representing that he used a complex trading strategy through which he invested in indexes, S&P 500 options or futures, currency futures, and stocks in a way that generated consistent annual returns of 20% or better.

25. Palmer touted his reputation in the Idaho Falls community as an honest family man with a long record of producing high returns for investors. Palmer told some investors that he had been generating annual returns of 20% or greater for more than 12 years.

26. Palmer described his trading program as difficult to understand but one that operated like a hedge fund. Palmer explained that the investor's principal would be combined with those of other investors and traded as a single fund.

27. Palmer told some investors that he was licensed to sell securities when in fact he was never registered or licensed to do so.

28. Palmer guaranteed high returns using his strategy, regardless of market conditions, with no risk to investors' principal investments.

29. Palmer evidenced most of the investment monies he received with promissory notes that he signed as either an individual or as President of Trigon.

30. Palmer also entered into verbal investment contracts, which promised payments of 20% returns or greater.

31. Palmer told investors that he would retain a portion of the generated profits but actually paid himself a set amount of \$25,000 to \$35,000 per month.

32. Approximately \$6.8 million was deposited into trading accounts, representing only 10.07% of the total amount Palmer and Trigon received from investors. However, Palmer often withdrew portions of the amounts deposited with no trading ever taking place and the amounts withdrawn by Trigon from such trading activity exceeded the amounts obtained from trading activity.

33. Of the investor money deposited in Trigon accounts, Palmer spent more than \$6 million on his personal home expenses and construction costs.

34. Palmer also spent over \$6 million paying himself a salary and paying for personal expenses including credit cards, art, jewelry, vehicles, trailers, snowmobiles and for community donations. Palmer also used investor monies to charter private airplanes and for business expenses.

35. Despite attempts to maintain an image of success to attract additional investors, on December 15, 2008, Palmer told a group of concerned Idaho Falls investors that, through his trading program, he had lost virtually all of the invested funds.

36. In or around January of 2009, Palmer admitted to investors that he had extinguished all funds and had been running a Ponzi scheme for many years.

37. Although Palmer provided investors with statements showing trading profits, the payments made to investors actually came from the principal investments of later investors.

38. Later investors were not informed that Palmer would use their principal investment to pay returns to earlier investors and no investors were told Palmer would use their principal investments to make payments to himself or for real estate purchases and construction.

39. Palmer has admitted to using investor funds to pay his salary, personal credit cards and for the payment of his personal residence construction costs and to purchase snowmobiles.

40. Although Palmer collected at least \$68 million in investor funds, he used only a fraction of those amounts for trading purposes and used the vast majority to pay personal expenses and to pay phony returns to earlier investors.

41. Participants in the investment program invested over \$68 million with Palmer, more than \$46 million of which was used to pay phony returns.

42. The Ponzi scheme operated by Trigon and Palmer was conducted by Trigon and Palmer with the actual intent to defraud numerous investors.

FACTUAL BACKGROUND AND PAYMENTS TO DEFENDANTS

43. On or about October 30, 2006, Palmer entered into an agreement with Defendant Sight & Sound to install technology into the Palmer residence being constructed in Idaho Falls, Idaho.

44. During the period from January of 2007 through February of 2008, Defendant Sight & Sound received payments from Palmer and Trigon in the sum of \$447,295. In particular, Defendant Sight & Sound received payments from Trigon and/or Palmer as follows:

- a) On January 18, 2007, a payment in the amount of \$47,295 by a check drawn on the account of Daren Palmer Construction at Citizens' Community Bank as Check No. 101.
- b) On June 28, 2007, a payment in the amount of \$50,000 by a check drawn on the account of Daren Palmer Construction at Citizens' Community Bank as Check No. 108.
- c) On July 6, 2007, a payment in the amount of \$50,000 by a check drawn on the account of Trigon at Bank of America as Check No. 2268.
- d) On August 27, 2007, a payment in the amount of \$50,000.
- e) On December 27, 2007, a payment in the amount of \$75,000 by a check drawn on the account of Trigon at Bank of America as Check No. 2394.
- f) On January 24, 2008, a payment in the amount of \$75,000 by a check drawn on the account of Trigon at Bank of America as Check No. 2426.
- g) On February 12, 2008, a payment in the amount of \$100,000 by a check drawn on the account of Trigon at Bank of America as Check No. 2436.

45. In October or November of 2008, Defendant Stan Mills loaned Palmer approximately \$68,000. The loan proceeds were paid out in a series of cash payments to Palmer and a wire transfer to a third party in Dubai, United Arab Emirates pursuant to instruction from Palmer.

46. Near the end of December, 2008, Defendant Shari Lewis became aware of Palmer's financial troubles, and Sight & Sound stopped work on the technology installation in the Palmer residence.

47. On or about January 19, 2009, Defendant Shari Lewis communicated with Daren and/or Michelle Palmer regarding the return of excess money paid to Sight & Sound in connection with the installation of technology into the Palmer residence.

48. On or about January 20, 2009, Shari Lewis paid \$75,000 to Michelle Palmer in partial satisfaction of monies owed.

49. On or about February 26, 2009, the United States District Court for the District of Idaho issued an Order Freezing Assets and Prohibiting Destruction of Documents ("Order Freezing Assets") regarding Daren Palmer and Trigon. Among other things, the Order Freezing Assets expressly ordered Palmer to "prevent any ... transfer, pledge, encumbrance, assignment ... or other disposal of any assets, funds or other properties (including money, real or personal property ...)."

50. Sometime in March, 2009, Daren Palmer approached Defendant Stan Mills and informed Stan Mills that he would convey a certain parcel of land to him to hold as collateral for the repayment of the \$68,000 loan.

51. On or about March 12, 2009, at the request of Daren Palmer, Defendant Stan Mills e-mailed Sight & Sound to arrange for the transfer of a certain parcel of real property

identified as Lot 3 in Block 1 of Southstone Subdivision, Ada County, Idaho (hereinafter, “Property”) from Sight & Sound to Stan Mills.

52. On or about March 19, 2009, Shari Lewis e-mailed Stan Mills and indicated that she needed to have written instructions from and communication with Daren Palmer regarding the transfer of property to Stan Mills.

53. In a letter written on or about March 20, 2009, Daren Palmer stated that he would accept a quitclaim deed of the Property from Sight & Sound in satisfaction of amounts owed to Daren and Michelle Palmer and indicated that the quitclaim deed should convey the Property to Defendant Resource Solutions.

54. Sometime in April, 2009, Shari and William Lewis determined and acknowledged that Sight & Sound owed an additional \$230,000 to Daren Palmer.

55. On or about April 16, 2009, Southstone, LLC, an entity in which William Lewis and Shari Lewis had an interest, conveyed the Property to Lewis Family Properties by quitclaim deed.

56. On or about April 27, 2009, Daren Palmer e-mailed Shari Lewis requesting that she inform him when the transfer of property was recorded so that he “can begin working on obtaining some funding from it.” Daren Palmer attached to the e-mail a letter from Michelle Palmer purporting to authorize the transfer of the Property to Resource Solutions and releasing claims against Sight & Sound and Resource Solutions. Upon information and belief, Michelle Palmer’s signature on the letter was forged.

57. On or about May 4, 2009, Lewis Family Properties conveyed the Property to Resource Solutions via quitclaim deed. On or about that same date, Lewis Family Properties sent the quitclaim deed for the Property to Daren Palmer.

58. On or about May 21, 2009, Ada County records show the Property's assessed value at \$137,700.

59. In early June, 2009, Defendant David Eldredge engaged in several telephone conversations with Daren Palmer regarding a hard money loan (the "Loan") to Palmer, using the Property as collateral.

60. On or about June 3, 2009, David Eldredge prepared a good faith estimate for the Loan.

61. On or about June 5, 2009, Resource Solutions, at the request of Palmer, borrowed \$62,000 from Beacon Light Capital and executed a deed of trust encumbering the Property in favor of Beacon Light Capital. According to the Loan Terms, the Property had an appraised value of \$126,300, and the Loan had an Annual Percentage Rate of 41.085%.

62. The proceeds from the Loan were distributed by Resource Solutions and Stan Mills as follows:

- a. \$7,691 in closing costs to Beacon Light Capital, Alliance Title & Escrow Corp., and Beacon Light Lending, LLC;
- b. \$24,000 to Southern Cross Partners on behalf of Daren Palmer;
- c. \$6,900 to SAC Financial Group on behalf of Daren Palmer;
- d. \$23,408 to Resource Solutions.

Resource Solutions sent \$10,000 of the Loan Proceeds to Daren Palmer.

63. On or about June 8, 2009, Defendants Smiths purchased the Loan from Beacon Light Capital.

64. On October 23, 2009, the United States District Court for the District of Idaho entered a Consent Order of Contempt ("Contempt Order") against Daren Palmer. Among other things, the Contempt Order (1) ordered Palmer to arrange for the transfer of the Property to the

Receiver or pay the Receiver the value of the property and (2) invalidated Beacon Light Capital's lien on the Property.

65. During February and early March, 2010, David Eldredge communicated with Stan Mills via e-mail, suggesting that the Property would be foreclosed upon unless Stan Mills conveyed the Property to Defendants Smiths.

66. On or about March 4, 2010, Resource Solutions attempted to convey the Property to Defendants Smiths by a deed in lieu of foreclosure.

FIRST CLAIM FOR RELIEF
**(For Avoidance and Recovery of Fraudulent Transfers
Against Defendants Sight & Sound, Shari Lewis, and William Lewis)**

67. The Receiver restates and incorporates by this reference paragraphs 1 through 66 above, as though set forth herein in full.

68. The payments made by Trigon and Palmer to Sight and Sound during the period from January 2007 through February 2008, which are more particularly described in Paragraph 44 above, were made by Trigon with actual intent to hinder, delay or defraud its investors. These investors mostly consist of innocent investors who gave money to Trigon and Palmer believing the money was being invested profitably on their behalf. Those transfers were made without receiving reasonably equivalent value in exchange, when Trigon was either insolvent or had become insolvent are a result of such transfers.

69. The payments made by Trigon to Defendant Sight & Sound are avoidable by the Receiver under applicable law, including Idaho Code §§ 55-913, 55-914 and 55-916.

70. The Receiver is entitled to damages from Defendant Sight & Sound, Shari Lewis, and William Lewis in the sum of not less than \$230,000 with interest as provided by Idaho law from the date of each payment, plus any additional amounts proven at the trial of this case.

SECOND CLAIM FOR RELIEF
**(For Constructive Trust and Other Provisional Remedies
Against Defendant Sight & Sound)**

71. The Receiver restates and incorporates by this reference paragraphs 1 through 70 above, as though set forth herein in full.

72. By reason of the facts set forth above, Defendant Sight & Sound was the recipient of monies wrongfully and fraudulently obtained by Trigon and Palmer thereby diminishing the amounts available to pay the creditors of Trigon and Palmer.

73. Defendant Sight & Sound has been unjustly enriched as a result of the wrongful and fraudulent acts to the detriment of the creditors of Trigon and Palmer.

74. Accordingly, in equity, a constructive trust should be impressed upon the assets acquired by Defendant Sight & Sound with the monies transferred to it by Trigon and Palmer.

75. The Receiver is also entitled to one or more of the additional remedies provided for pursuant to Idaho § 55-916 (b) and (c).

THIRD CLAIM FOR RELIEF
**(For Avoidance and Recovery of Fraudulent Transfers
Against Defendants Resource Solutions and Stan W. Mills)**

76. The Receiver restates and incorporates by this reference paragraphs 1 through 75 above, as though set forth herein in full.

77. The transfer of the Property made at the direction of Daren Palmer to Resource Solutions and/or Stan Mills, was made with actual intent to hinder, delay or defraud Trigon's investors. These investors mostly consist of innocent investors who gave money to Trigon and Palmer believing the money was being invested profitably on their behalf. Those transfers were made without receiving reasonably equivalent value in exchange, when Trigon was either insolvent or had become insolvent are a result of such transfers.

78. The transfer of the Property made at Daren Palmer's direction to Resource Solutions and/or Stan Mills is avoidable by the Receiver under applicable law, including Idaho Code §§ 55-913, 55-914 and 55-916.

79. The Receiver is entitled to damages from Defendants Resource Solutions and Stan Mills in the sum of not less than \$150,000, with interest as provided by Idaho law from the date of the payment, plus any additional amounts proven at the trial of this case.

FOURTH CLAIM FOR RELIEF
**(For Avoidance and Recovery of Fraudulent Transfers
Against Defendants Beacon Light Capital and David Eldredge)**

80. The Receiver restates and incorporates by this reference paragraphs 1 through 79 above, as though set forth herein in full.

81. The granting of a deed of trust against the Property in favor of Defendants Beacon Light Capital and/or David Eldredge made at the direction of Daren Palmer, was made with actual intent to hinder, delay or defraud Trigon's investors. These investors mostly consist of innocent investors who gave money to Trigon and Palmer believing the money was being invested profitably on their behalf. Those transfers were made without receiving reasonably equivalent value in exchange, when Trigon was either insolvent or had become insolvent are a result of such transfers.

82. The granting of the deed of trust against the Property in favor of Defendants Beacon Light Capital and/or David Eldredge made at Daren Palmer's is avoidable by the Receiver under applicable law, including Idaho Code §§ 55-913, 55-914 and 55-916.

83. The Receiver is entitled to damages from Defendants Beacon Light Capital and/or David Eldredge in the sum of not less than \$150,000, with interest as provided by Idaho law from the date of the payment, plus any additional amounts proven at the trial of this case.

FIFTH CLAIM FOR RELIEF
**(For Avoidance and Recovery of Fraudulent Transfers
Against Defendants Kenneth H. Smith, Jr. and Julie A. Smith)**

84. The Receiver restates and incorporates by this reference paragraphs 1 through 83 above, as though set forth herein in full.

85. The transfer of the deed of trust against the Property in favor of Defendants Beacon Light Capital and/or David Eldredge to Defendants Smiths was made with actual intent to hinder, delay or defraud Trigon's investors. These investors mostly consist of innocent investors who gave money to Trigon and Palmer believing the money was being invested profitably on their behalf. Those transfers were made without receiving reasonably equivalent value in exchange, when Trigon was either insolvent or had become insolvent are a result of such transfers.

86. The transfer of the deed of trust against the Property to Defendants Smiths is avoidable by the Receiver under applicable law, including Idaho Code §§ 55-913, 55-914 and 55-916.

87. The Receiver is entitled to damages from Defendants Smiths in the sum of not less than \$150,000, with interest as provided by Idaho law from the date of the payment, plus any additional amounts proven at the trial of this case.

SIXTH CLAIM FOR RELIEF
**(For Constructive Trust and Other Provisional Remedies
Against Defendants Kenneth H. Smith, Jr. and Julie A. Smith)**

88. The Receiver restates and incorporates by this reference paragraphs 1 through 87 above, as though set forth herein in full.

89. By reason of the facts set forth above, Defendants Smiths were the recipient of monies wrongfully and fraudulently obtained by Trigon and Palmer thereby diminishing the amounts available to pay the creditors of Trigon and Palmer.

90. Defendants Smiths have been unjustly enriched as a result of the wrongful and fraudulent acts to the detriment of the creditors of Trigon and Palmer.

91. Accordingly, in equity, a constructive trust should be impressed upon the deed of trust and the Property acquired by Defendants Smiths.

92. The Receiver is also entitled to one or more of the additional remedies provided for pursuant to Idaho § 55-916 (b) and (c).

PRAYER FOR RELIEF

WHEREFORE, the Receiver prays for judgment against Defendants as follows:

1. For judgment against Defendants Sight & Sound, Lewis Family Properties, Shari Lewis, and William Lewis for an amount equal to all payments received by each from Trigon or Palmer, which total in excess of \$230,000, plus interest on each payment at the rate of 12% per annum pursuant to Idaho Code §28-22-104(1) from the date of such payment until judgment is entered.
2. A judgment imposing a constructive trust in favor of the Receiver over all monies and assets obtained with those monies that Defendants Sight & Sound received from Trigon or Palmer.
3. For judgment against Defendants Resource Solutions and Stan Mills for an amount equal to at least \$130,000, plus interest on each payment at the rate of 12% per annum pursuant to Idaho Code §28-22-104(1) from the date of such payment until judgment is entered.
4. For judgment against Defendants Beacon Light Capital and David Eldredge for an amount equal to at least \$130,000, plus interest on each payment at the rate of 12% per annum pursuant to Idaho Code §28-22-104(1) from the date of such payment until judgment is entered.

5. For judgment against Defendants Kenneth Smith and Julie Smith for an amount equal to at least \$130,000, plus interest on each payment at the rate of 12% per annum pursuant to Idaho Code §28-22-104(1) from the date of such payment until judgment is entered.

6. A judgment imposing a constructive trust in favor of the Receiver over the Property and all proceeds from the Property obtained by Defendants Smiths.

7. For post judgment interest as allowed by Idaho law.

8. For costs of suit, including reasonable attorney fees.

9. For such other and further relief as the Court may deem just and proper.

DATED THIS 12th day of May, 2010.

HAWLEY TROXELL ENNIS & HAWLEY LLP

By /s/ John F. Kurtz, Jr.
John F. Kurtz, Jr.
Attorneys for Plaintiff R. WAYNE KLEIN, the
Court-Appointed Receiver of Trigon Group,
Inc. and for the assets of Daren L. Palmer