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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. )

DUANE L. YOST, an individual; CENTURION,  
LLC, an Idaho limited liability company; DUAL  
FUNDING, LLC, an Idaho limited liability  
company; YOST DEVELOPMENT  
COMPANY, LLC, an Idaho limited liability  
company; YOST ENTERPRISES, an Idaho  
limited partnership; and YOST LEASING, INC.,  
an Idaho corporation, )

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:

COMPLAINT TO AVOID FRAUDULENT TRANSFERS, FOR  
CONSTRUCTIVE TRUST AND OTHER PROVISIONAL REMEDIES AND  
FOR DAMAGES - 1

**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. At all relevant times, Defendant Duane L. Yost (“Duane Yost”) has been a resident of the State of Idaho.

6. Defendant Centurion, LLC, is an Idaho limited liability company (“Centurion”). At all relevant times, Duane Yost was a member of Centurion.

7. Defendant Dual Funding, LLC, is an Idaho limited liability company (“Dual Funding”). At all relevant times, Duane Yost was a Manager of Dual Funding.

8. Defendant Yost Development Company, LLC, is an Idaho limited liability company (“Yost Development”). At all relevant times, Duane Yost was a manager of Yost Development.

9. Defendant Yost Enterprises is an Idaho limited partnership (“Yost Enterprises”). At all relevant times, Duane Yost was a General Partner of Yost Enterprises.

10. Defendant Yost Leasing, Inc. is an Idaho corporation (“Yost Leasing”). At all relevant times, Duane Yost was the President of Yost Leasing.

### **JURISDICTION AND VENUE**

11. 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.

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

### **THE RECEIVER AND STANDING**

13. On February 26, 2009, the District Court entered an Order in the SEC Action 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 the Defendants.

14. 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 the Defendants and the Companies and is fully authorized to pursue this action against the Defendants.

#### **THE FRAUDULENT PONZI SCHEME**

15. 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.

16. Daren L. Palmer (“Palmer”) is an Idaho resident, who at all relevant times, was living in Idaho Falls, Idaho.

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

18. 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.

19. 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.

20. 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).

21. 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).

22. 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.

23. 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.

24. 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.

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

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

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

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

29. 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.

30. 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.

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

32. 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.

33. 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.

34. 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.

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

36. 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.

37. 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.

38. 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.

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

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

41. Since as early as January of 2003, and thereafter, Duane Yost participated in and engaged in activities that facilitated the Ponzi scheme being conducted by Trigon and Palmer. In particular, Duane Yost, both individually and through and with Centurion, Dual Funding, Yost Development, Yost Enterprises and Yost Leasing, solicited investments in Trigon from innocent investors by making inaccurate representations regarding the investment in Trigon. Duane Yost both individually and through each of the other Defendants inaccurately represented to investors that the investments with Trigon would provide an annual return of 20% per annum, or more, and that the investments were relatively safe. Such representations were made without conducting any reasonable due diligence to determine whether the investments in Trigon would be as represented and with the understanding that Trigon would provide compensation to the Defendants for their role in inducing investors to invest with Trigon. The misrepresentations made to investors induced them to make investments with Trigon in excess of several million dollars.

42. At all times, Duane Yost, Centurion, Dual Funding, Yost Development, Yost Enterprises and Yost Leasing were never registered with either the SEC or the CFTC or any other government agency to engage in the sale of investments in Trigon.

**AMOUNTS RECEIVED BY DEFENDANTS**

43. During the period from June of 2003 through October of 2007, Duane Yost received payments from Trigon in the sum of, at least, \$3,576,700.00. In particular, Duane Yost received payments from Trigon as follows:

- a. On June 11, 2003, check number 1437 in the amount of \$1,500 drawn on the account of Trigon at Bank of America.
- b. On June 24, 2003, check number 1441 in the amount of \$2,000 drawn on the account of Trigon at Bank of America.



- c. On October 17, 2003, check number 1504 in the amount of \$1,000 drawn on the account of Trigon at Bank of America.
- d. On July 14, 2004, check number 1679 in the amount of \$500 drawn on the account of Trigon at Bank of America.
- e. On January 26, 2005, check number 1801 in the amount of \$3,750 drawn on the account of Trigon at Bank of America.
- f. On February 18, 2005, check number 1812 in the amount of \$4,250 drawn on the account of Trigon at Bank of America.
- g. On May 2, 2007, check number 2230 in the amount of \$502,700 drawn on the account of Trigon at Bank of America.
- h. On May 14, 2007, check number 2240 in the amount of \$1,500,000 drawn on the account of Trigon at Bank of America.
- i. On May 14, 2007, check number 2241 in the amount of \$561,000 drawn on the account of Trigon at Bank of America.
- j. On October 16, 2007, a wire transfer in the amount of \$1,000,000 drawn on the account of Trigon at Bank of America.

44. During the period from February of 2002 through January of 2008, Centurion received payments from Trigon in the sum of, at least, \$2,252,454.00. In particular, Centurion received payments from Trigon as follows:

- a. On February 20, 2002, check number 1375 in the amount of \$2,600 drawn on the account of Trigon at Bank of America.
- b. On July 29, 2002, check number 1293 in the amount of \$19,000 drawn on the account of Trigon at Bank of America.

- c. On August 2, 2002, check number 1299 in the amount of \$30,445 drawn on the account of Trigon at Bank of America.
- d. On August 12, 2002, check number 1307 in the amount of \$3,737.53 drawn on the account of Trigon at Bank of America.
- e. On September 3, 2002, check number 1315 in the amount of \$8,000 drawn on the account of Trigon at Bank of America.
- f. On September 20, 2002, check number 1321 in the amount of \$4,000 drawn on the account of Trigon at Bank of America.
- g. On November 6, 2002, check number 1340 in the amount of \$24,500 drawn on the account of Trigon at Bank of America.
- h. On December 2, 2002, check number 1345 in the amount of \$8,600 drawn on the account of Trigon at Bank of America.
- i. On December 17, 2002, check number 1347 in the amount of \$4,500 drawn on the account of Trigon at Bank of America.
- j. On December 19, 2002, check number 1348 in the amount of \$10,000 drawn on the account of Trigon at Bank of America.
- k. On January 13, 2003, check number 1353 in the amount of \$4,000 drawn on the account of Trigon at Bank of America.
- l. On January 15, 2003, check number 1358 in the amount of \$11,000 drawn on the account of Trigon at Bank of America.
- m. On April 22, 2003, check number 1412 in the amount of \$12,000 drawn on the account of Trigon at Bank of America.
- n. On May 7, 2003, check number 1420 in the amount of \$5,200 drawn on the account of Trigon at Bank of America.

- o. On May 14, 2003, check number 1426 in the amount of \$54,000 drawn on the account of Trigon at Bank of America.
- p. On June 24, 2003, check number 1440 in the amount of \$52,000 drawn on the account of Trigon at Bank of America.
- q. On June 30, 2003, check number 1445 in the amount of \$20,000 drawn on the account of Trigon at Bank of America.
- r. On July 8, 2003, check number 1450 in the amount of \$5,400 drawn on the account of Trigon at Bank of America.
- s. On July 18, 2003, check number 1456 in the amount of \$3,740 drawn on the account of Trigon at Bank of America.
- t. On July 29, 2003, check number 1464 in the amount of \$3,000 drawn on the account of Trigon at Bank of America.
- u. On August 19, 2003, check number 1472 in the amount of \$44,500 drawn on the account of Trigon at Bank of America.
- v. On September 4, 2003, check number 1479 in the amount of \$9,000 drawn on the account of Trigon at Bank of America.
- w. On September 11, 2003, check number 1481 in the amount of \$2,800 drawn on the account of Trigon at Bank of America.
- x. On September 15, 2003, check number 1483 in the amount of \$41,750 drawn on the account of Trigon at Bank of America.
- y. On October 17, 2003, check number 1499 in the amount of \$8,900 drawn on the account of Trigon at Bank of America.
- z. On November 5, 2003, check number 1515 in the amount of \$3,600 drawn on the account of Trigon at Bank of America.

- aa. On December 15, 2003, check number 1534 in the amount of \$5,300 drawn on the account of Trigon at Bank of America.
- bb. On December 23, 2003, check number 1541 in the amount of \$4,500 drawn on the account of Trigon at Bank of America.
- cc. On January 13, 2004, check number 1550 in the amount of \$3,300 drawn on the account of Trigon at Bank of America.
- dd. On January 16, 2004, check number 1563 in the amount of \$5,000 drawn on the account of Trigon at Bank of America.
- ee. On January 21, 2004, check number 1565 in the amount of \$54,500 drawn on the account of Trigon at Bank of America.
- ff. On February 2, 2004, check number 1571 in the amount of \$10,500 drawn on the account of Trigon at Bank of America.
- gg. On March 5, 2004, check number 1584 in the amount of \$3,200 drawn on the account of Trigon at Bank of America.
- hh. On March 9, 2004, check number 1586 in the amount of \$3,800 drawn on the account of Trigon at Bank of America.
- ii. On March 10, 2004, check number 1587 in the amount of \$5,000 drawn on the account of Trigon at Bank of America.
- jj. On March 25, 2004, check number 1591 in the amount of \$700 drawn on the account of Trigon at Bank of America.
- kk. On April 15, 2004, check number 1615 in the amount of \$26,939 drawn on the account of Trigon at Bank of America.
- ll. On April 16, 2004, check number 1617 in the amount of \$300,000 drawn on the account of Trigon at Bank of America.

- mm. On April 19, 2004, check number 1618 in the amount of \$2,300 drawn on the account of Trigon at Bank of America.
- nn. On April 26, 2004, check number 1620 in the amount of \$4,500 drawn on the account of Trigon at Bank of America.
- oo. On April 30, 2004, check number 1625 in the amount of \$3,300 drawn on the account of Trigon at Bank of America.
- pp. On May 19, 2004, check number 1639 in the amount of \$25,000 drawn on the account of Trigon at Bank of America.
- qq. On June 9, 2004, check number 1652 in the amount of \$3,300 drawn on the account of Trigon at Bank of America.
- rr. On July 14, 2004, check number 1677 in the amount of \$36,960 drawn on the account of Trigon at Bank of America.
- ss. On August 2, 2004, check number 1688 in the amount of \$6,300 drawn on the account of Trigon at Bank of America.
- tt. On August 25, 2004, check number 1703 in the amount of \$8,500 drawn on the account of Trigon at Bank of America.
- uu. On September 3, 2004, check number 1714 in the amount of \$3,500 drawn on the account of Trigon at Bank of America.
- vv. On September 30, 2004, check number 1725 in the amount of \$4,500 drawn on the account of Trigon at Bank of America.
- ww. On October 11, 2004, check number 1737 in the amount of \$30,000 drawn on the account of Trigon at Bank of America.
- xx. On October 28, 2004, check number 1746 in the amount of \$7,000 drawn on the account of Trigon at Bank of America.

- yy. On November 10, 2004, check number 1751 in the amount of \$4,500 drawn on the account of Trigon at Bank of America.
- zz. On December 6, 2004, check number 1769 in the amount of \$6,000 drawn on the account of Trigon at Bank of America.
- aaa. On December 17, 2004, check number 1776 in the amount of \$4,500 drawn on the account of Trigon at Bank of America.
- bbb. On December 22, 2004, check number 1778 in the amount of \$6,500 drawn on the account of Trigon at Bank of America.
- ccc. On January 5, 2005, check number 1785 in the amount of \$5,950 drawn on the account of Trigon at Bank of America.
- ddd. On January 31, 2005, check number 1803 in the amount of \$7,000 drawn on the account of Trigon at Bank of America.
- eee. On March 28, 2005, check number 1822 in the amount of \$9,000 drawn on the account of Trigon at Bank of America.
- fff. On April 13, 2005, check number 1835 in the amount of \$400,000 drawn on the account of Trigon at Bank of America.
- ggg. On April 29, 2005, check number 1845 in the amount of \$4,500 drawn on the account of Trigon at Bank of America.
- hhh. On May 23, 2005, check number 1856 in the amount of \$4,500 drawn on the account of Trigon at Bank of America.
- iii. On July 13, 2005, check number 1890 in the amount of \$15,000 drawn on the account of Trigon at Bank of America.
- jjj. On October 11, 2005, check number 1929 in the amount of \$6,000 drawn on the account of Trigon at Bank of America.

- kkk. On October 12, 2005, check number 1931 in the amount of \$20,000 drawn on the account of Trigon at Bank of America.
- lll. On October 26, 2005, check number 1943 in the amount of \$8,500 drawn on the account of Trigon at Bank of America.
- mmm. On December 13, 2005, check number 1963 in the amount of \$6,000 drawn on the account of Trigon at Bank of America.
- nnn. On November 14, 2007, check number 2360 in the amount of \$508,333 drawn on the account of Trigon at Bank of America.
- ooo. On December 10, 2007, check number 2378 in the amount of \$15,000 drawn on the account of Trigon at Bank of America.
- ppp. On December 17, 2007, check number 2383 in the amount of \$230,000 drawn on the account of Trigon at Bank of America.
- qqq. On December 20, 2007, check number 2386 in the amount of \$2,000 drawn on the account of Trigon at Bank of America.
- rrr. On January 11, 2008, check number 2406 in the amount of \$35,000 drawn on the account of Trigon at Bank of America.

45. During the period from December of 2003 through May of 2008, Dual Funding received payments from Trigon in the sum of, at least, \$5,005,235.00. In particular, Dual Funding received payments from Trigon as follows:

- a. On December 23, 2003, check number 1540 in the amount of \$5,300 drawn on the account of Trigon at Bank of America.
- b. On January 9, 2004, check number 1548 in the amount of \$9,500 drawn on the account of Trigon at Bank of America.

- c. On February 27, 2004, check number 1580 in the amount of \$10,500 drawn on the account of Trigon at Bank of America.
- d. On March 29, 2004, check number 1595 in the amount of \$10,500 drawn on the account of Trigon at Bank of America.
- e. On April 14, 2004, check number 1605 in the amount of \$200,000 drawn on the account of Trigon at Bank of America.
- f. On April 15, 2004, check number 1609 in the amount of \$100,000 drawn on the account of Trigon at Bank of America.
- g. On April 30, 2004, check number 1626 in the amount of \$10,500 drawn on the account of Trigon at Bank of America.
- h. On May 26, 2004, check number 1646 in the amount of \$530,000 drawn on the account of Trigon at Bank of America.
- i. On May 27, 2004, check number 1648 in the amount of \$10,500 drawn on the account of Trigon at Bank of America.
- j. On June 28, 2004, check number 1661 in the amount of \$8,500 drawn on the account of Trigon at Bank of America.
- k. On July 14, 2004, check number 1678 in the amount of \$19,000 drawn on the account of Trigon at Bank of America.
- l. On July 26, 2004, check number 1686 in the amount of \$8,500 drawn on the account of Trigon at Bank of America.
- m. On August 25, 2004, check number 1704 in the amount of \$8,500 drawn on the account of Trigon at Bank of America.
- n. On September 24, 2004, check number 1720 in the amount of \$9,500 drawn on the account of Trigon at Bank of America.



- o. On October 11, 2004, check number 1733 in the amount of \$21,000 drawn on the account of Trigon at Bank of America.
- p. On October 28, 2004, check number 1745 in the amount of \$8,500 drawn on the account of Trigon at Bank of America.
- q. On November 24, 2004, check number 1760 in the amount of \$8,500 drawn on the account of Trigon at Bank of America.
- r. On December 22, 2004, check number 1779 in the amount of \$8,500 drawn on the account of Trigon at Bank of America.
- s. On January 14, 2005, check number 1793 in the amount of \$29,285 drawn on the account of Trigon at Bank of America.
- t. On January 26, 2005, check number 1800 in the amount of \$9,600 drawn on the account of Trigon at Bank of America.
- u. On February 25, 2005, check number 1815 in the amount of \$10,000 drawn on the account of Trigon at Bank of America.
- v. On March 28, 2005, check number 1820 in the amount of \$11,000 drawn on the account of Trigon at Bank of America.
- w. On April 8, 2005, check number 1830 in the amount of \$15,000 drawn on the account of Trigon at Bank of America.
- x. On April 27, 2005, check number 1843 in the amount of \$11,500 drawn on the account of Trigon at Bank of America.
- y. On May 26, 2005, check number 1857 in the amount of \$11,500 drawn on the account of Trigon at Bank of America.
- z. On June 15, 2005, check number 1867 in the amount of \$11,500 drawn on the account of Trigon at Bank of America.

- aa. On July 13, 2005, check number 1886 in the amount of \$15,000 drawn on the account of Trigon at Bank of America.
- bb. On August 12, 2005, check number 1909 in the amount of \$13,500 drawn on the account of Trigon at Bank of America.
- cc. On September 13, 2005, check number 1922 in the amount of \$13,600 drawn on the account of Trigon at Bank of America, which was returned for Non-Sufficient Funds, but was replaced by a Cashier's check on October 6, 2005.
- dd. On October 11, 2005, check number 1928 in the amount of \$13,600 drawn on the account of Trigon at Bank of America.
- ee. On October 12, 2005, check number 1935 in the amount of \$15,000 drawn on the account of Trigon at Bank of America.
- ff. On November 15, 2005, check number 1952 in the amount of \$14,000 drawn on the account of Trigon at Bank of America.
- gg. On December 13, 2005, check number 1964 in the amount of \$14,500 drawn on the account of Trigon at Bank of America.
- hh. On December 15, 2005, check number 1966 in the amount of \$250,000 drawn on the account of Trigon at Bank of America.
- ii. On January 10, 2006, check number 1985 in the amount of \$140,000 drawn on the account of Trigon at Bank of America.
- jj. On March 7, 2006, check number 2010 in the amount of \$17,000 drawn on the account of Trigon at Bank of America.
- kk. On April 12, 2006, check number 2028 in the amount of \$21,000 drawn on the account of Trigon at Bank of America.

- ll. On May 9, 2006, check number 2039 in the amount of \$9,500 drawn on the account of Trigon at Bank of America.
- mm. On June 15, 2006, check number 2053 in the amount of \$230,000 drawn on the account of Trigon at Bank of America.
- nn. On July 25, 2006, check number 2067 in the amount of \$9,500 drawn on the account of Trigon at Bank of America.
- oo. On December 21, 2006, check number 2143 in the amount of \$14,000 drawn on the account of Trigon at Bank of America.
- pp. On March 20, 2007, check number 2200 in the amount of \$13,000 drawn on the account of Trigon at Bank of America.
- qq. On April 18, 2007, check number 2213 in the amount of \$10,000 drawn on the account of Trigon at Bank of America.
- rr. On May 2, 2007, check number 2229 in the amount of \$502,800 drawn on the account of Trigon at Bank of America.
- ss. On July 6, 2007, check number 2271 in the amount of \$145,000 drawn on the account of Trigon at Bank of America.
- tt. On August 1, 2007, check number 2294 in the amount of \$40,050 drawn on the account of Trigon at Bank of America.
- uu. On October 16, 2007, check number 2333 in the amount of \$55,000 drawn on the account of Trigon at Bank of America.
- vv. On January 11, 2008, check number 2407 in the amount of \$50,000 drawn on the account of Trigon at Bank of America.
- ww. On March 19, 2008, check number 2451 in the amount of \$2,040,000 drawn on the account of Trigon at Bank of America.

- xx. On May 2, 2008, check number 2482 in the amount of \$250,000 drawn on the account of Trigon at Bank of America.
- xx. On September 25, 2008, check number 1011 in amount of \$12,500 drawn on a different Trigon bank account at Bank of America (Acct. 1319).

46. During the period from January of 2005 through November of 2007, Yost Development received payments from Trigon in the sum of, at least, \$2,027,218. In particular, Yost Development received payments from Trigon as follows:

- a. On January 5, 2005, check number 1784 in the amount of \$250,000 drawn on the account of Trigon at Bank of America.
- b. On April 8, 2005, check number 1829 in the amount of \$33,250 drawn on the account of Trigon at Bank of America.
- c. On July 7, 2005, check number 1879 in the amount of \$7,000 drawn on the account of Trigon at Bank of America.
- d. On July 13, 2005, check number 1889 in the amount of \$20,000 drawn on the account of Trigon at Bank of America.
- e. On July 22, 2005, check number 1895 in the amount of \$34,468.14 drawn on the account of Trigon at Bank of America.
- f. On August 1, 2005, check number 1900 in the amount of \$7,500 drawn on the account of Trigon at Bank of America.
- g. October 12, 2005, check number 1932 in the amount of \$30,000 drawn on the account of Trigon at Bank of America.
- h. On January 25, 2006, check number 1993 in the amount of \$12,500 drawn on the account of Trigon at Bank of America.

- i. On May 3, 2006, check number 2038 in the amount of \$509,000 drawn on the account of Trigon at Bank of America.
- j. On May 12, 2006, check number 2041 in the amount of \$9,000 drawn on the account of Trigon at Bank of America.
- k. On October 3, 2006, check number 2090 in the amount of \$8,500 drawn on the account of Trigon at Bank of America.
- l. On October 5, 2006, check number 2094 in the amount of \$10,500 drawn on the account of Trigon at Bank of America.
- m. On March 20, 2007, check number 2199 in the amount of \$37,000 drawn on the account of Trigon at Bank of America.
- n. On July 18, 2007, check number 2279 in the amount of \$14,500 drawn on the account of Trigon at Bank of America.
- o. On September 13, 2007, check number 2318 in the amount of \$20,000 drawn on the account of Trigon at Bank of America.
- p. On November 2, 2007, check number 2351 in the amount of \$1,024,000 drawn on the account of Trigon at Bank of America.

47. During the period from April of 2002 through August of 2008, Yost Enterprises received payments from Trigon in the sum of, at least, \$1,415,340. In particular, Yost Enterprises received payments from Trigon as follows:

- a. On April 19, 2002, check number 1272 in the amount of \$1,000 drawn on the account of Trigon at Bank of America.
- b. On August 2, 2002, check number 1301 in the amount of \$1,500 drawn on the account of Trigon at Bank of America.

- c. On January 15, 2003, check number 1356 in the amount of \$42,125 drawn on the account of Trigon at Bank of America.
- d. On March 3, 2003, check number 1378 in the amount of \$202,915.41 drawn on the account of Trigon at Bank of America.
- e. On April 22, 2003, check number 1410 in the amount of \$10,875 drawn on the account of Trigon at Bank of America.
- f. On July 18, 2003, check number 1454 in the amount of \$3,500 drawn on the account of Trigon at Bank of America.
- g. On October 17, 2003, check number 1495 in the amount of \$12,500 drawn on the account of Trigon at Bank of America.
- h. On January 14, 2004, check number 1556 in the amount of \$10,000 drawn on the account of Trigon at Bank of America.
- i. On April 15, 2004, check number 1613 in the amount of \$10,000 drawn on the account of Trigon at Bank of America.
- j. On July 14, 2004, check number 1673 in the amount of \$2,100 drawn on the account of Trigon at Bank of America.
- k. On July 30, 2005, check number 1891 in the amount of \$30,000 drawn on the account of Trigon at Bank of America.
- l. On October 21, 2005, check number 1942 in the amount of \$200,000 drawn on the account of Trigon at Bank of America.
- m. On January 10, 2006, check number 1984 in the amount of \$140,000 drawn on the account of Trigon at Bank of America.
- n. On February 13, 2006, check number 2002 in the amount of \$8,300 drawn on the account of Trigon at Bank of America.

- o. On April 12, 2006, check number 2029 in the amount of \$135,525 drawn on the account of Trigon at Bank of America.
- p. On July 6, 2007, check number 2270 in the amount of \$200,000 drawn on the account of Trigon at Bank of America.
- q. On August 13, 2007, check number 2301 in the amount of \$30,000 drawn on the account of Trigon at Bank of America.
- r. On October 18, 2007, check number 2343 in the amount of \$250,000 drawn on the account of Trigon at Bank of America.
- s. On July 28, 2008, check number 2523 in the amount of \$50,000 drawn on the account of Trigon at Bank of America.
- t. On August 6, 2008, check number 2529 in the amount of \$75,000 drawn on the account of Trigon at Bank of America.

48. During the period from April of 2002 through November of 2007, Yost Leasing received payments from Trigon in the sum of, at least, \$777,250. In particular, Yost Leasing received payments from Trigon as follows:

- a. On April 19, 2002, check number 1271 in the amount of \$56,414 drawn on the account of Trigon at Bank of America.
- b. On August 2, 2002, check number 1302 in the amount of \$1,000 drawn on the account of Trigon at Bank of America.
- c. On November 4, 2002, check number 1339 in the amount of \$2,000 drawn on the account of Trigon at Bank of America.
- d. On January 15, 2003, check number 1357 in the amount of \$2,000 drawn on the account of Trigon at Bank of America.

- e. On April 22, 2003, check number 1411 in the amount of \$44,000 drawn on the account of Trigon at Bank of America.
- f. On July 18, 2003, check number 1455 in the amount of \$13,000 drawn on the account of Trigon at Bank of America.
- g. On October 8, 2003, check number 1491 in the amount of \$5,000 drawn on the account of Trigon at Bank of America.
- h. On October 17, 2003, check number 1494 in the amount of \$68,236 drawn on the account of Trigon at Bank of America.
- i. On January 14, 2004, check number 1555 in the amount of \$32,100 drawn on the account of Trigon at Bank of America.
- j. On April 15, 2004, check number 1612 in the amount of \$20,000 drawn on the account of Trigon at Bank of America.
- k. On October 11, 2004, check number 1738 in the amount of \$35,000 drawn on the account of Trigon at Bank of America.
- l. On December 6, 2004, check number 1768 in the amount of \$35,000 drawn on the account of Trigon at Bank of America.
- m. On January 14, 2005, check number 1794 in the amount of \$80,000 drawn on the account of Trigon at Bank of America.
- n. On April 8, 2005, check number 1828 in the amount of \$290,000 drawn on the account of Trigon at Bank of America.
- o. On April 13, 2005, check number 1836 in the amount of \$25,000 drawn on the account of Trigon at Bank of America.
- p. On July 13, 2005, check number 1892 in the amount of \$25,000 drawn on the account of Trigon at Bank of America.



- q. On October 12, 2005, check number 1933 in the amount of \$30,000 drawn on the account of Trigon at Bank of America.
- r. On November 12, 2007, check number 2357 in the amount of \$13,500 drawn on the account of Trigon at Bank of America.

49. In addition to the payments described above, the Receiver alleges, based on knowledge and belief, that Defendants received other amounts in excess of those amounts described above.

**FIRST CLAIM FOR RELIEF**  
**(For Avoidance and Recovery of Fraudulent Transfers  
Against Defendants Duane Yost, Centurion, Dual Funding,  
Yost Development, Yost Enterprises and Yost Leasing)**

50. The Receiver restates and incorporates by this reference paragraphs 1 through 49 above, as though set forth herein in full.

51. The payments made by Trigon to Duane Yost, Centurion, Dual Funding, Yost Development, Yost Enterprises and Yost Leasing during the time periods specified above were made by Trigon with actual intent to hinder, delay or defraud its investors. These investors which 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 as a result of such transfers.

52. The payments made by Trigon to Defendants Duane Yost, Centurion, Dual Funding, Yost Development, Yost Enterprises and Yost Leasing are avoidable by the Receiver under applicable law, including Idaho Code §§ 55-913, 55-914 and 55-916.

53. The Receiver is entitled to damages from Duane Yost, both jointly and severally with the other Defendants, for the sum of not less than \$15,054,197.00, with interest as provided

by Idaho law from the date of each payment, plus any additional amounts proven at the trial of this case.

54. The Receiver is entitled to damages from Centurion, both jointly and severally with Duane Yost, for the sum of not less than \$2,252,454.00, with interest as provided by Idaho law from the date of each payment, plus any additional amounts proven at the trial of this case.

55. The Receiver is entitled to damages from Dual Funding, both jointly and severally with Duane Yost, for the sum of not less than \$5,005,235.00, with interest as provided by Idaho law from the date of each payment, plus any additional amounts proven at the trial of this case.

56. The Receiver is entitled to damages from Yost Development, both jointly and severally with Duane Yost, for the sum of not less than \$2,027,218.00, with interest as provided by Idaho law from the date of each payment, plus any additional amounts proven at the trial of this case.

57. The Receiver is entitled to damages from Yost Enterprises, both jointly and severally with Duane Yost, for the sum of not less than \$1,415,340.00, with interest as provided by Idaho law from the date of each payment, plus any additional amounts proven at the trial of this case.

58. The Receiver is entitled to damages from Yost Enterprises, both jointly and severally with Duane Yost, for the sum of not less than \$777,250.00, 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 Defendants Duane Yost, Centurion, Dual Funding,  
Yost Development, Yost Enterprises, and Yost Leasing)**

59. The Receiver restates and incorporates by this reference paragraphs 1 through 58 above, as though set forth herein in full.

60. By reason of the facts set forth above, Defendants Duane Yost, Centurion, Dual Funding, Yost Development, Yost Enterprises and Yost Leasing were the recipients of monies wrongfully and fraudulently obtained by Trigon and Palmer thereby diminishing the amounts available to pay the creditors of Trigon and Palmer.

61. Defendants Duane Yost, Centurion, Dual Funding, Yost Development, Yost Enterprises and Yost Leasing have been unjustly enriched as a result of the wrongful and fraudulent acts to the detriment of the creditors of Trigon and Palmer.

62. Accordingly, in equity, a constructive trust should be impressed upon the assets acquired by Defendants Duane Yost, Centurion, Dual Funding, Yost Development, Yost Enterprises and Yost Leasing with the monies transferred to them by Trigon and Palmer.

63. 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 Defendant Duane Yost for an amount equal to all payments received by Duane Yost and Centurion, Dual Funding, Yost Development, Yost Enterprises, and Yost Leasing from Trigon or Palmer, which total is in excess of \$15,054,197.00, 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. For judgment against Defendant Centurion, jointly and severally with Duane Yost, for an amount equal to all payments received by it from Trigon or Palmer, which total is in excess of \$2,252,454.00, 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.

3. For judgment against Defendant Dual Funding, jointly and severally with Duane Yost, for an amount equal to all payments received by it from Trigon or Palmer, which total is in excess of \$5,005,235.00, 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 Defendant Yost Development, jointly and severally with Duane Yost, for an amount equal to all payments received by it from Trigon or Palmer, which total is in excess of \$2,027,218.00, 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 Defendant Yost Enterprises, jointly and severally with Duane Yost, for an amount equal to all payments received by it from Trigon or Palmer, which total is in excess of \$1,415,340.00, 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. For judgment against Defendant Yost Leasing, jointly and severally with Duane Yost, for an amount equal to all payments received by it from Trigon or Palmer, which total is in excess of \$777,250.00, 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.

7. A judgment imposing a constructive trust in favor of the Receiver over all monies and assets obtained with those monies received from Trigon or Palmer by Defendants Duane Yost, Centurion, Dual Funding, Yost Development, Yost Enterprises, and Yost Leasing.

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

9. For costs of suit, including reasonable attorney fees.
10. For such other and further relief as the Court may deem just and proper.

DATED THIS 27<sup>th</sup> day of January, 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