CASE ASSIGNED TO
JUDGE L. MARK BUDOCH

ALAN G. LANCE
Attorney General

A. RENÉ MARTIN
Deputy Attorney General
State of Idaho
Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031
Telephone: (208) 332-8092
Facsimile: (208) 332-8099
Idaho State Bar # 3188

IN THE DISTRICT COURT OF THE SEVENTH JUDICIAL DISTRICT

OF THE STATE OF IDAHO, IN AND FOR BONNEVILLE COUNTY

STATE OF IDAHO, DEPARTMENT OF FINANCE, SECURITIES BUREAU, Plaintiff, vs. BEVERLY RAE BOWEN, JOHN ALFRED LOWDEN, KEVIN KRUGER SUTTON, and NGS TRUST, Defendants.	Case No. CV-01-2070 **VERIFIED COMPLAINT** Fee category: Exempt

COMES NOW the State of Idaho, Department of Finance, Securities Bureau, Gavin M. Gee, Director, by and through its counsel, A. René Martin, Deputy Attorney General, and upon information and belief complains and alleges as follows:

1.

This action is brought pursuant to the Idaho Securities Act, Title 30, Chapter 14, Idaho Code (the Act), and in particular Idaho Code § 30-1442, wherein the Director is authorized to bring actions seeking injunctive and other relief against defendants who have either violated or are about to violate provisions of the Idaho Securities Act or any rule promulgated thereunder.

2.

The acts and practices alleged herein comprising violations of law by the above-named defendants occurred in the conduct of trade and commerce in Bonneville County, and elsewhere in the state of Idaho.

DEFENDANTS

3.

Defendant Beverly Rae Bowen (Bowen) is or has been at all times relevant hereto an agent, promoter or representative of an investment scheme known as the "NGS Trust." Bowen has operated as a "referral agent" for the NGS Trust. Bowen solicited Idaho investors or potential investors to invest in the trust, represented the terms of the trust investment scheme, and sold investments in the trust to Idaho investors. Bowen's last known address is 2115 Enell Street, Idaho Falls, Idaho 83402. Bowen uses or has used "International Vistas" or "Beverly Bowen and Associates" as a dba in her activities regarding the NGS Trust.

4.

Defendant NGS Trust purports to be a trust based in Florida, operating an offshore currency trading scheme, through which investors can receive a return by investing in the trust.

5.

Defendant Kevin Kruger Sutton (Sutton) purports to be the executive trustee, authorized signatory, and attorney-in-fact for the NGS Trust. His last known addresses are: NGS Trust, c/o Private Postmaster, 2541 West Dunnellen Road, Dunnellen, Florida 34433 and 11223 N. William Street, Dunnellen, Florida.

6.

Defendant John Alfred Lowden (Lowden) is a licensed Idaho insurance agent. Lowden participated with Bowen in soliciting Idaho residents to invest in the NGS Trust, in representing the terms of the trust, and in selling investments in the NGS Trust investment scheme. His last known address is 1513 Eastridge, Apt. 13, Pocatello, Idaho 83201.

FACTS

7.

Bowen and Lowden solicited investors to invest in the NGS Trust and represented the terms of the investment scheme. Idaho investors or potential investors were told that their investment of $5,000.00 would be pooled with the money of other investors for investment in offshore foreign currency trading through the NGS Trust. Investors were also required to pay an "administrative fee" of $300.00 for the opportunity to invest in the NGS Trust.

8.

Bowen and Lowden offered and sold securities to Idaho residents in the form of promissory notes and investment contracts purportedly through the NGS Trust.

9.

As an inducement to invest in the NGS Trust, Bowen represented to Idaho investors or potential investors that she had invested in the NGS Trust and received substantial returns, in the range of 60%.

10.

As part of the investment scheme, investors were given a promissory note by which the NGS Trust guaranteed a return of at least 8% on the investment. Investors were told that the 8% return was a guaranteed minimum, and that returns of up to 60% were possible.

11.

Investors were told that as a condition of the investment they were required to purchase for $1,250.00 a twelve tape audio-cassette program, which purportedly explained principles underlying the NGS Trust program. Checks for the audio-cassette program were to be made out to "P.I.L.L.," which was represented to be a trust set up to receive proceeds from the returns generated by the NGS Trust, and to provide some sort of tax benefit to the investor(s). Several investors purchased the audio-cassette program.

12.

Bowen and Lowden received a commission or some other type of remuneration for solicitation of Idaho investors to participate in the NGS Trust or related program(s), or sales of investments in the NGS Trust or related program(s) to Idaho investors.

13.

Idaho investors who placed their money in the NGS Trust lost their investment of principal in the total amount of at least $32,750.00.

COUNT ONE: FAILURE TO REGISTER SECURITIES

14.

The allegations set forth in paragraphs 1 through 13 above are fully incorporated herein by this reference.

15.

Beginning on a date uncertain, but at least since August 4, 1999, the Defendants offered for sale, either directly or indirectly, or aided and abetted in the offer, to Idaho residents and others, through printed offering materials and oral solicitations, securities in the form of promissory notes and investment contracts with or through the NGS Trust.

16.

The securities offered by the defendants were not registered with the Department as required by Idaho Code § 30-1416.

17.

Defendants' failure to register such securities constitutes a violation of Idaho Code § 30-1416.

COUNT TWO: FAILURE TO REGISTER AS BROKER-DEALERS OR SALESMEN

18.

The allegations set forth in paragraphs 1 through 17 above are fully incorporated herein by this reference.

19.

At all times relevant to this complaint, the Defendants were not registered by the Department of Finance as broker-dealers or salesmen to offer for sale securities, as required by Idaho Code § 30-1406. Therefore, the Defendants have either transacted business in the state of Idaho as broker-dealers or salesmen without having been properly registered, or have acted as broker-dealers or issuers and employed salesmen who were not properly registered under the Act.

20.

Defendants' failure to register as broker-dealers or salesmen under the Act, or employing salesmen not registered under the Act, constitutes a violation of Idaho Code § 30-1406.

COUNT THREE: VIOLATIONS OF THE ANTI-FRAUD PROVISIONS OF THE ACT / OMISSIONS

21.

The allegations set forth in paragraphs 1 through 20 above are fully incorporated herein by this reference.

22.

Defendants violated Idaho Code § 30-1403(2), an anti-fraud provision of the Act, in that they omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. Defendants' omissions include, but are not limited to, the following:

(A) Failing to disclose to offerees and/or investors that the promissory notes and investment contracts were not registered in Idaho, as required by the Act.

(B) Failing to disclose to offerees and/or investors that Defendants were not registered as broker-dealers or salesmen in Idaho, as required by the Act.

(C) Failing to adequately disclose to offerees and/or investors any financial information concerning the NGS Trust or any related investment.

(D) Failing to disclose to offerees and/or investors the personal or financial histories of Kevin Kruger Sutton or any other principal, promoter or referral agent of the NGS Trust or any related investment.

(E) Failing to disclose to offerees and/or investors the actual use of proceeds received from investors.

(F) Failing to disclose to offerees and/or investors the risk factors associated with the NGS Trust or any related investment.

COUNT FOUR: VIOLATIONS OF THE ANTI-FRAUD PROVISIONS OF THE ACT / MISREPRESENTATIONS

23.

The allegations set forth in paragraphs 1 through 22 above are fully incorporated herein by this reference.

24.

Defendants violated Idaho Code § 30-1403(2), an anti-fraud provision of the Act, in that they made untrue statements of material facts in connection with the offer and sale of securities in Idaho. The misrepresentations of Defendants include, but are not limited to, the following:

(A) Defendants represented to Idaho investors that investors would receive a minimum of 8% on their investment, and likely returns of up to 60%. No reasonable basis was given to support such claim. Investors received no returns.

(B) Defendant Bowen represented to an Idaho investor that the investor would receive $3,000 on his investment of $6,559 within two months and $1,000 from his investment each month thereafter. Bowen provided no reasonable basis for such claim. The investor has not received any return on his investment.

COUNT FIVE: VIOLATIONS OF THE ANTI-FRAUD PROVISIONS OF THE ACT / ACTS, PRACTICES, COURSES OF BUSINESS

25.

The allegations set forth in paragraphs 1 through 24 above are fully incorporated herein by this reference.

26.

Defendants violated Idaho Code § 30-1403(3), an anti-fraud provision of the Act, in that in the course of offering and selling securities in Idaho, they engaged in acts, practices, and courses of business which operated as a fraud or deceit upon other persons. Defendants' acts, practices, and courses of business which operated as a fraud or deceit include, but are not limited to the pattern of omissions and misrepresentations referred to in Counts Three and Four above.

PRAYER FOR RELIEF

Wherefore, Plaintiff prays for a Judgment in favor of Plaintiff and against Defendants as follows:

(1) That Defendants be adjudged to have violated the Idaho Securities Act;

(2) That Defendants be permanently enjoined from engaging in any acts, practices or omissions which would constitute violations of the Idaho Securities Act, Title 30, Chapter 14, Idaho Code, and in particular, that they be permanently enjoined from:

(A) Selling or offering for sale nonexempt securities in any form in the state of Idaho until such time as the securities have been registered with the Idaho Department of Finance in accordance with Title 30, Chapter 14, Idaho Code;

(B) Selling or offering for sale nonexempt securities in any form in the state of Idaho until such time as Defendants have registered as broker-dealers or salesmen 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 any investors or prospective investors;

(2) Making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;

(3) Engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

(4) Aiding, abetting, counseling, inducing or causing any other person to engage in any of the types of conduct described in paragraphs (C)(1),(C)(2), or (C)(3) above.

(3) That Defendants be prohibited from claiming the availability of, using, or offering or selling securities under any exemptions under the Idaho Securities Act without receiving the prior written consent of the Director;

(4) That Defendants be ordered to restore to each person in interest any consideration which may have been acquired or transferred in violation of the Idaho Securities Act, and that the court award a money judgment in the amount of at least $32,750.00, or such amount as is proved at trial, as restitution for the victims of the Defendants' violation(s) of the Idaho Securities Act, pursuant to Idaho Code § 30-1442(3)(a);

(5) That Defendants be ordered to pay a civil penalty to Plaintiff in the amount of $10,000 for each violation of the Idaho Securities Act, pursuant to Idaho Code § 30-1442(3)(b);

(6) That Plaintiff be awarded attorney fees and costs incurred in the preparation and the prosecution of this action and reimbursement for investigative efforts, pursuant to Idaho Code § 30-1442(3)(c). If judgment is taken by default herein, that $5,000 is a reasonable sum for the same;

(7) For such further relief as this Court may deem equitable and just under the circumstances.

DATED this 17th day of April, 2001.

OFFICE OF THE ATTORNEY GENERAL

A. René Martin

A. RENÉ MARTIIN
Deputy Attorney General

VERIFICATION

STATE OF IDAHO)
) ss.
County of Ada)

MARILYN T. CHASTAIN, Bureau Chief of the Securities Bureau of the Department of Finance, State of Idaho, being first duly sworn, deposes and says:

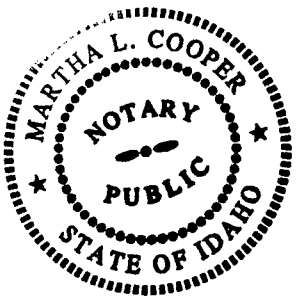
That she has read the foregoing verified complaint, that she knows the contents thereof, and that the same are true to the best of her knowledge and belief.

DATED this 17th day of April, 2001.

Marilyn T. Chastain

MARILYN T. CHASTAIN

SUBSCRIBED AND SWORN to before me this 17TH day of APRIL, 2001.



Martha L. Cooper
Notary Public for Idaho
Residing at: Boise, ID
My Commission Expires: 11-26-02