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Scott, Jason D.

Attorneys for Plaintiff

**IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA**

CITY OF EAGLE, a municipal corporation of the
State of Idaho,

Plaintiff,

v.

EAGLE SENIOR CITIZENS, INC., an Idaho non-
profit corporation,

Defendant.

Case No.: CV01-23-10374

ANOTHER SUMMONS

TO: Eagle Senior Citizens, Inc., an Idaho nonprofit corporation

NOTICE: YOU HAVE BEEN SUED BY THE ABOVE-NAMED PLAINTIFF. THE COURT MAY ENTER JUDGMENT AGAINST YOU WITHOUT FURHTER NOTICE UNLESS YOU RESPONSE WITHIN **21 DAYS**. READ THE INFORMATION BELOW.

1. You are hereby notified that in order to defend the lawsuit, an appropriate written response must be filed with the above-designated court within 21 days after service of this Summons on you. If you fail to so respond, the Court may enter judgment against you as demanded by the Plaintiff in the Complaint.

2. A copy of the Complaint is served with this Summons. If you wish to seek the advice of or representation by an attorney in this matter, you should do so promptly so that your written response, if any, may be filed in time and other legal rights protected.

3. An appropriate written response requires compliance with Rule 2 and other Idaho Rules of Civil Procedure and shall include:

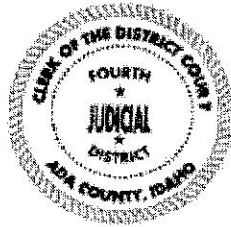
- a. The title and number of this case.
- b. If your response is an Answer to the Complaint, it must contain admissions or denials of the separate allegations of the Complaint and other defenses you may claim.
- c. Your signature, mailing address and telephone number, or the signature, mailing address and telephone number of your attorney.
- d. Proof of mailing or delivery of a copy of your response to Plaintiff's attorney as designated above.

To determine whether you must pay a filing fee with your response, contact the Clerk of the above-named Court at 200 W. Front St., Boise, ID 83702, (208) 287-6900.

7/18/2023 2:58 PM
DATED _____

Trent Tripple

CLERK



Eric Rowell

Deputy Clerk

Victor S. Villegas [ISB No. 5860]
Mitchell D. Coats [ISB No. 11666]
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Plaintiff,

v.

EAGLE SENIOR CITIZENS, INC., an Idaho non-
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Defendant.

Case No.: CV01-23-10374

VERIFIED COMPLAINT

Filing Fee: \$221.00

Fee Category: A.A.

COMES NOW the above-named Plaintiff, by and through their attorney of record Victor S. Villegas of the firm Borton-Lakey Law & Policy, and for a cause of action against the above-named Defendant, complains, alleges and states as follows:

PARTIES JURISDICTION AND VENUE

1. Plaintiff, City of Eagle, ("City") Idaho, is a city located within Ada County, Idaho incorporated under Idaho Constitution, Article XII, § 1, and Idaho Code § 50-101.

2. The Defendant, Eagle Senior Citizens, Inc., (“ESC”) is an Idaho nonprofit corporation doing business in the City of Eagle, Ada County Idaho and that all acts and omissions at issue occurred in Ada County.

3. Jurisdiction and venue are proper before this Court. The amount in controversy exceeds in value \$10,000.00

4. Venue and Jurisdiction is proper under Idaho Code Section § 5-404 and § 5-514

GENERAL ALLEGATIONS

4. In the past City has donated money to the ESC to help fund programs offered to senior citizens.

5. On August 12, 2021 the City held a Special Meeting to discuss budget considerations related to City assistance of certain non-profits.

6. At that August 12, 2021, Special Meeting, ESC’s representative, Tami Galt made a presentation to the Eagle City Council regarding the financial viability of ESC.

6. Ms. Galt, on behalf of ESC submitted ESC’s Profit and Loss Statement from October 2019 to September 2020 (the “2020 P&L”) which painted a grim financial picture for the future of ESC.

7. Specifically, the 2020 P&L (See Exhibit A attached hereto) showed a negative net income in the amount of \$98,857.95.

8. Ms. Galt led the Eagle City Council to believe that if ESC did not receive funding, ESC would have to “close its doors” which in turn would have resulted in immediate interruption to services that senior citizens utilized through the ESC.

9. Based on the negative \$98,857.95 reported by ESC's representative Ms. Galt, the City Council authorized four quarterly payments of \$12,500 per quarter for calendar year 2021 and 2022 totaling \$100,000.

10. After the City paid ESC the \$100,000, the City learned that ESC's representative, Ms. Galt grossly misrepresented exaggerated its financial viability at the August 12, 2021 Special Meeting because ESC did in fact have money.

11. At the time of the August 12, 2021 Special Meeting, ESC held fully matured Certificates of Deposit ("CDs") which, if disclosed, would have revealed substantial monetary reserves in ESC's account.

12. ESC's Chart of Accounts show that ESC owned at least thirteen CDs with Westmark Credit Union showing maturity dates ranging from 2011 to 2018.

13. Based upon information and belief, as of December 31, 2022, ESC's it still holds seven of the thirteen CDs valued at \$76,985.46.

COUNT I

Fraud

14. Plaintiff re-alleges and hereby incorporates by reference, all the foregoing allegations set forth in Paragraphs 1-13 as if fully stated herein.

15. ESC's representative Ms. Galt, by words, and actions submitted the 2020 P&L to Eagle City Council at the August 12, 2021 Special Meeting representing that ESC finances was a negative \$98,857.95. That representation was a statement of fact.

16. The statement of fact showing that ESC was negative \$98,857.95 was false because ESC and Ms. Galt knew that ESC held fully matured CDs in monetary reserves.

17. The representation that ESC was in financial jeopardy by showing a negative \$98,857.95 balance was material having influenced the Eagle City Council to authorize a total of \$100,000 financial aid to the ESC.

18. Ms. Galt and ESC knew that ESC held, at that time of the August 12, 2012 Special Meeting, thirteen CDs with Westmark Credit Union with maturity dates ranging from 2011 to 2018.

19. ESC's and its representative Ms. Galt's, purpose of presenting at the August 12, 2012 Special City Council meeting was to request financial assistance and submitted the false 2020 P&L statement knowing the Eagle City Council would rely on that profit and loss statement in making their decision.

20. The Eagle City Council had no reason to question or otherwise doubt Ms. Galt's representation of ESC's financial status.

21. The Eagle City Council did in fact rely on the false information contained in the 2020 P&L in forming its decision to authorize four quarterly payments of \$12,500 per quarter for calendar year 2021 and 2022 totaling \$100,000 that was given to the ESC.

22. The City had made financial contributions to ESC in the past based on financial statements that ESC would provide to the Eagle City Council. Thus, the City was justified in relying on the 2020 P&L in forming its decision whether to appropriate monies to assist ESC for the 2021 and 2022.

23. As a direct and proximate result of the false information provided in the 2020 P&L, the Eagle City Council authorized four quarterly payments of \$12,500 per quarter for calendar year 2021 and 2022 totaling \$100,000 that was given to the ESC.

24. The City has been damaged in an amount to be proven at trial, but not less than \$100,000.

COUNT II

Unjust Enrichment

25. Plaintiff re-alleges and hereby incorporates by reference, all the foregoing allegations set forth in Paragraphs 1-24 as if fully stated herein.

26. Despite having adequate cash reserves, ESC through its representative Ms. Galt led the Eagle City Council to believe that ESC was in financial jeopardy and needed financial assistance.

27. The Eagle City Council authorized and the City did pay \$100,000 to the ESC thereby ESC conferring a benefit.

28. ESC did in fact receive the four quarterly payments of \$12,500 per quarter for calendar year 2021 and 2022 totaling \$100,000.

29. Based on the false and inaccurate information on to 2020 P&L to the Eagle City Council, it would be inequitable for ESC to retain the benefit of the \$100,000 and said sums of money should be returned to the City of Eagle.

ATTORNEY FEES

Because of the unwarranted and unjustified conduct of ESC in this matter, Plaintiff has been forced to retain the services of attorney Victor Villegas, of the firm Borton-Laakey Law & Policy, in order to prosecute this action. Pursuant to Rule 54 of the Idaho Rules of Civil Procedure, and the laws of the State of Idaho, including but not limited to Idaho Code §§ 12-120 and 12-121, Plaintiff is entitled to recover attorneys' fees and costs in the sum of not less than \$5,000.00 if

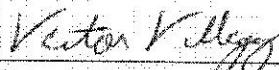
judgment is entered by default, and such other and further sums as the Court may find reasonable if this matter is contested.

WHEREFORE, Plaintiff prays for Judgment, Order and Decree of this Court as follows:

- A. Judgment be entered against Defendant in an amount not less than \$100,000.
- B. For the sum of \$5,000.00 for attorney fees necessitated in this action if the matter is uncontested, or such additional sum as set by the Court if the matter is contested; and
- C. For such other and further relief as the Court may deem proper in this case.

DATED this 27th day of June, 2023.

BORTON LAKEY LAW OFFICES

By 
Victor S. Villegas
Attorneys for Plaintiff

13:15 AM
08/12/21
Accrual Basis

EAGLE SENIOR CITIZENS, INC.
Profit & Loss
January through December 2019

	Jan - Dec 19
Ordinary Income/Expense	
Income	
4700 - Miscellaneous Income	2,706.47
US Bank Credit Card Rewards	750.00
4000 - Contributed Support	
4010 - Indiv/Business Contributions	
4011 - Business	450.00
4012 - Individuals	2,022.00
4010 - Indiv/Business Contributions - Other	50.00
Total 4010 - Indiv/Business Contributions	2,522.00
4030 - Ada County Grants	20,000.00
4000 - Contributed Support - Other	8,568.36
Total 4000 - Contributed Support	31,190.36
4100 - Transportation Service Revenue	
4140 - Valley Regional Transit	155,455.96
4110 - ICOA Transportation Income	28,241.79
4100 - Transportation Service Revenue - Other	259.00
Total 4100 - Transportation Service Revenue	193,966.75
4200 - Membership Dues	743.00
4300 - Interest Income	2,454.39
4400 - Special Events & Activities	
4410 - Activities Income	3,993.00
4420 - Special Events	2,801.00
4400 - Special Events & Activities - Other	8,748.04
Total 4400 - Special Events & Activities	15,542.04
4500 - Rental Revenue	6,955.00
4600 - Boutique Income	2,172.50
Total Income	256,490.51
Gross Profit	256,490.51
Expense	
6000 - Salaries & Wages	173,193.75

11:43 AM
08/12/21
Accrual Basis

EAGLE SENIOR CITIZENS, INC.
Profit & Loss
October 2019 through September 2020

	Oct '19 - Sep 20
Ordinary Income/Expense	
Income	
4700 - Miscellaneous Income	-78,077.44
4000 - Contributed Support	
4010 - Indiv/Business Contributions	
4012 - Individuals	2,305.95
Total 4010 - Indiv/Business Contributions	2,305.95
4030 - Ada County Grants	20,000.00
4000 - Contributed Support - Other	8,400.00
Total 4000 - Contributed Support	30,705.95
4100 - Transportation Service Revenue	
4140 - Valley Regional Transit	135,745.35
4120 - City of Eagle Trans Funding	25,000.00
4100 - Transportation Service Revenue - Other	255.00
Total 4100 - Transportation Service Revenue	161,000.35
4200 - Membership Dues	952.00
4300 - Interest Income	2,464.39
4400 - Special Events & Activities	
4410 - Activities Income	2,319.50
4420 - Special Events	1,054.00
4400 - Special Events & Activities - Other	2,484.00
Total 4400 - Special Events & Activities	5,857.50
4500 - Rental Revenue	7,365.00
4600 - Boutique Income	1,182.00
Total Income	131,449.75
Gross Profit	131,449.75
Expense	
6000 - Salaries & Wages	123,191.25
6200 - Center Expenses	
6225 Water & Coffee	811.16
6210 - Accounting Fees	2,686.95
6215 - Processing & Bank Charges	228.06
6230 - Other Professional Fees	8,325.50
6240 - Building Cleaning & Maintenance	1,117.36
6250 - Utilities	14,885.95
6280 - Office Supplies	1,412.27
6200 - Center Expenses - Other	-15,799.50
Total 6200 - Center Expenses	13,667.75
6500 - Payroll Tax Expense	
6510 - Unemployment Insurance	58.08
6500 - Payroll Tax Expense - Other	19,820.62
Total 6500 - Payroll Tax Expense	19,878.70
8400 - Depreciation & amortization exp	35,382.00
8500 - Insurance	
8520 - Insurance - Commercial Property	906.00
8530 - Insurance - Workers Comp	4,723.00
Total 8500 - Insurance	5,629.00

11:43 AM

08/12/21

Accrual Basis

EAGLE SENIOR CITIZENS, INC.
Profit & Loss
October 2019 through September 2020

	Oct '19 - Sep 20
8600 · Activities & Special Event Exp	14,013.77
8610 · Senior Center Donation	455.00
8630 · Van Fuel & Maintenance	18,064.23
8665 · Proof of Correction-Debit	26.00
Total Expense	230,307.70
Net Ordinary income	-98,857.95
Net Income	<u>-98,857.95</u>