

Karen L. Martinez (Utah State Bar No. 7914)
martinezk@sec.gov
Thomas M. Melton (Utah State Bar No. 4999)
meltont@sec.gov
Tanya Beard (Utah State Bar No. 9106)
beardt@sec.gov
Attorneys for Plaintiff
Securities & Exchange Commission
15 West South Temple, Suite 1800
Salt Lake City, Utah 84101
Telephone: 801-524-5796
Facsimile: 801-524-5262

Local Counsel

Alan Conilogue (Idaho State Bar No. 3196)
aconilogue@finance.idaho.gov
Deputy Attorney General
State of Idaho
P.O. Box 83720
Boise, Idaho 83720-0031
Telephone: 208-332-8093
Facsimile: 208-332-8016

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF IDAHO

SECURITIES AND EXCHANGE COMMISSION,

PLAINTIFF,

v.

DAREN L. PALMER and TRIGON GROUP, INC., a
Nevada Corporation,

DEFENDANTS.

Civil No. 09-075-E-EJL (dks)

Judge Edward J. Lodge

**MEMORANDUM IN
SUPPORT OF
RECEIVER'S MOTION
FOR APPROVAL OF
SETTLEMENT
AGREEMENTS WITH
OBJECTORS AND OTHER
CLAIMANT**

Plaintiff, Securities and Exchange Commission (the “Commission”), respectfully submits this Memorandum in Support of the Receiver’s Motion for Approval of Settlement Agreements with Objectors and Other Claimant.

The Commission, together with the court-appointed Receiver and Breck Barton, objector and legal counsel to objectors Mark Rudd, Breck Barton, James Cameron, Darryl Harris, Gerald Taylor, David Taylor and Dick Fitzek (collectively, the “Objectors”) participated in a mediation on January 18, 2011 at the Commission’s offices in Salt Lake City, Utah. Pursuant to the mediation, the parties reached a settlement that includes the following conditions: (1) the Receiver shall pay the Objectors \$1 million, (2) the Receiver shall transfer to the Objectors the interest in a Hawaii timeshare owned by Daren and Michelle Palmer; and, (3) the Objectors shall relinquish any and all further claims to any portion of funds held by the Receiver currently and in the future. The Commission believes this settlement to be fair and in the best interest of the Objectors and the non-objecting investors.

Under the Commission’s Plan of Partial Distribution (the “Plan”), the Objectors would not have received any return, because they had already received returns in excess of the 25% benchmark to be returned in the first distribution. The Objectors, however, argued that they should participate in the initial distribution and sought a collective return of \$1,049,301.87. Pursuant to the settlement, the Objectors will receive a single distribution of \$1 million – slightly less than the return they originally sought – and shall not participate in or object to any future distribution of funds from the Receivership Estate. Consequently, any remaining funds together with monies the Receiver might collect in the future will be distributed only to the remaining, non-objecting investors.

In addition to the Objectors, claimant Hal Wright (“Wright”) would not have received any return of funds under the term of the Commission’s Plan of Partial Distribution, because he did file an objection with the Receiver. The Receiver reached an agreement with Wright in which Wright will receive a one-time payment of \$15,105.35 from the Receivership Estate. In turn, Wright shall relinquish any right to participate in or object to any subsequent distribution(s) the Receiver shall make. Again, any remaining funds together with monies the Receiver might collect in the future will be distributed only to the remaining, non-objecting investors.

Based on the forgoing, the Commission respectfully requests this Court to grant the Receiver’s Motion for Approval of Settlement Agreements with Objectors and Other Claimant and simultaneously lift the Stay of the Court’s Order granting the Commissions Plan of Partial Distribution.

Respectfully submitted this 4th day of February 2011.

/s/ Karen L. Martinez

Karen L. Martinez
Thomas M. Melton
Tanya G. Beard
Attorneys for Plaintiff
Securities and Exchange Commission