

John F. Kurtz, Jr., ISB No. 2396  
Hawley Troxell Ennis & Hawley LLP  
877 Main Street, Suite 1000  
P.O. Box 1617  
Boise, ID 83701-1617  
Telephone: 208.344.6000  
Facsimile: 208.954.5232  
Email: jkurtz@hawleytroxell.com

Attorneys for Receiver, R. Wayne Klein

UNITED STATES DISTRICT COURT  
DISTRICT OF IDAHO

SECURITIES AND EXCHANGE )  
COMMISSION, )  
Plaintiff, )

and )

COMMODITY FUTURES TRADING )  
COMMISSION, )  
Plaintiff, )

vs. )

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

Case No.: CV 09-075-E-EJL

Case No.: CV 09-076-E-EJL

The Honorable Edward J. Lodge

NOTICE OF SETTLEMENTS

R. Wayne Klein, on behalf of and as the duly appointed Receiver (“Receiver”) for Trigon Group, Inc. (“Trigon”) and the assets of Daren L. Palmer (“Palmer”) hereby provides notice of his intent to finalize settlement agreements pursuant to the terms described below.

### SETTLEMENTS

Elaine Talbot The Receiver filed suit against Talbot on February 18, 2010, alleging that \$200,000 paid to her by Trigon was for a debt owed her by Duane Yost, not Trigon, and that \$25,000 paid her by Yost was paid from funds from an investor that were intended to be invested. Since the filing of the lawsuit, the parties have engaged in discovery and other preparations for trial. The case was set for trial in August.

On February 16, the parties engaged in an all-day mediation in Boise that resulted in a settlement. Under the settlement, Talbot will pay \$90,000 to the Receiver to settle the lawsuit. \$20,000 will be paid now, with the remaining \$70,000 to be paid as soon as property in Island Park can be sold. If that property is not sold by December 31, 2012, the property will be deeded to the Receiver in satisfaction of the remaining amount owed.

Lucille Duke Lucille Duke is a claimant who would have received no payment from the initial distribution proposed by the SEC, but Duke did not file an objection to the initial distribution. The Receiver has reached an agreement with Duke through which the Receiver will pay Duke \$3,146.98 in settlement of claims she asserts and to preclude her from objecting to any future distributions. This settlement was entered into in an effort to promote equality of treatment so Duke would not be disadvantaged for not having filed an objection. This settlement gives Duke the same relative payment on her allowable claim amount that is being paid to the group of six investors who filed objections to the SEC distribution plan. The settlement also ensures that Duke will not be able to object to future distributions by the Receiver.

### REVIEW BY SEC AND CFTC

The Receiver has given notice to the Securities and Exchange Commission and the Commodity Futures Trading Commission of these planned settlements and requested their

comments. The SEC and CFTC have both informed the Receiver that they have no objections to these settlements.

PROCEDURE FOR ADDRESSING ANY OBJECTIONS TO THE  
SETTLEMENTS OR THE PROPERTY TRANACTIONS

Objections, if any, to the settlements must be in writing and filed with this Court within ten (10) days of the date of the filing of this Notice of Settlement. If no objection has been filed within ten (10) days, unless the Court orders otherwise, the Receiver will deem the settlements approved and move forward to implement their terms. In the event that an objection is filed, the Receiver will have the right to: (1) notify in writing the objecting person, the settling party, and the Court that the Receiver believes that the objection lacks merit and seek the approval of the Court notwithstanding such objection, or (2) notify in writing the objecting person, the settling parties, and the Court that the Receiver believes that the objection is valid, whereupon the affected settlement agreement(s) will be deemed to be terminated.

CONCLUSION

The Receiver believes the Talbot settlement will provide substantial benefits to the Receivership by bringing additional funds into the Receivership Estate and avoiding the costs of further litigation. The Receiver believes the Duke settlement will promote equality of treatment and ensure there will be no objections to future distributions of funds.

DATED THIS 1<sup>st</sup> day of March, 2011.

HAWLEY TROXELL ENNIS & HAWLEY LLP

By



John F. Kurtz, Jr., Attorneys for the Receiver,  
R. Wayne Klein

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 1st day of March, 2011, I electronically filed the foregoing NOTICE OF SETTLEMENTS with the Clerk of the Court using the CM/ECF system which sent a Notice of Electronic Filing to the following persons:

Karen L. Martinez  
Thomas M. Melton  
Tanya Beard  
Securities and Exchange Commission  
15 West South Temple, Suite 1800  
Salt Lake City, UT 84101  
martinezk@sec.gov  
himesm@sec.gov  
*Counsel for Plaintiff Securities and Exchange Commission*

Alison B. Wilson  
John W. Dunfee  
Division of Enforcement  
Commodity Futures Trading Commission  
1155 21st Street, N.W.  
Washington, D.C. 20581  
jdunfee@cftc.gov  
awilson@cftc.gov  
*Counsel for Plaintiff Commodity Futures Trading Commission*

Lee Radford  
Julian E. Gabiola  
Moffatt Thomas Barrett Rock & Fields, Chtd  
420 Memorial Drive  
P.O. Box 51505  
Idaho Falls, ID 83405  
klr@moffatt.com / jeg@moffatt.com  
*Counsel for Claimant Elaine Talbot*

Breck Barton  
Marcia Murdoch  
Breck Barton & Associates, P.A.  
70 N. Center, Suite 2  
P.O. Box 100  
Rexburg, ID 83440  
*Counsel for D. Taylor, J. Cameron, M. Rudd, B. Barton, G. Taylor, D. Fitzek, D. Harris*


AND, I HEREBY CERTIFY that I have served the foregoing document to the following non-CM/ECF Registered Participants (list names and addresses):

Alan Conilogue  
Deputy Attorney General  
State of Idaho  
PO Box 83720  
Boise, ID 83720-0031  
*Local Counsel for Plaintiffs*

- U.S. Mail, Postage Prepaid
- Hand Delivered
- Overnight Mail
- E-mail
- Telecopy

Daren L. Palmer  
949 N. 12<sup>th</sup> W.  
Rexburg, ID 83440  
208-716-3737

- U.S. Mail, Postage Prepaid
- Hand Delivered
- Overnight Mail
- E-mail
- Telecopy

  
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John F. Kurtz, Jr.