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UNITED STATES DISTRICT COURT
DISTRICT OF IDAHO

SECURITIES AND EXCHANGE COMMISSION,)	Case No.: CV 09-075-E-EJL
)	
Plaintiff,)	
)	
and)	
)	
COMMODITY FUTURES TRADING COMMISSION,)	Case No.: CV 09-076-E-EJL
)	
Plaintiff,)	The Honorable Edward J. Lodge
)	
vs.)	SEVENTEENTH REPORT OF R.
)	WAYNE KLEIN, RECEIVER (FOR
DAREN L. PALMER and TRIGON GROUP, INC., a Nevada Corporation,)	PERIOD ENDING MARCH 31, 2013)
)	
Defendants.)	
)	

R. Wayne Klein, the Court-Appointed Receiver (the "Receiver") of Trigon Group, Inc. ("Trigon") and the assets of Daren L. Palmer (the "Receivership Entities" and/or "Palmer"), hereby submits this Seventeenth Report for the period of January 1, 2013 through March 31,

2013 (the “Reporting Period”).

During the quarter, some progress was made towards closing this case, but several tasks remain. There are a few lawsuits still not resolved and some real estate still to sell.

I. PROCEDURAL HISTORY

The regulatory enforcement actions by the Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC) were commenced on February 26, 2009. That same day, the Court entered orders imposing an asset freeze and appointing Wayne Klein as Receiver. On October 23, 2009 the Court entered an order finding Mr. Palmer in contempt of previous orders of the Court. On July 19, 2010, the Court entered final judgment against Mr. Palmer and Trigon in the SEC matter, based on the consent of the defendants. On October 4, 2010, the Court granted final summary judgment against Palmer in the CFTC action. On May 18, 2011, Palmer was charged with two criminal counts: wire fraud and money laundering. Palmer pleaded guilty to the two criminal counts on May 24, 2011 and was sentenced on September 20, 2011. Copies of these orders and judgments are posted on the Receiver’s website.

II. LITIGATION STATUS

The Receiver filed 24 lawsuits as part of his efforts to recover funds for investors. All but four of those lawsuits have been resolved with settlements or at trial. The status of these four cases is described below:

1. Stan Mills: Mills is the only defendant remaining in a lawsuit filed against ten defendants. Mills filed for bankruptcy in November 2012 so the Receiver plans to dismiss this suit.

2. Doyle Beck: In August 2012 the Receiver won a \$55,000.00 judgment against Beck. Both Beck and the Receiver filed motions asking the Court to alter the jury's verdict. On March 22, 2012 the Court issued its decision. The Court affirmed the \$55,000.00 judgment for the Receiver and ordered Beck to also pay pre-judgment interest on the judgment amount. The Court entered an amended judgment in favor of the Receiver in the amount of \$87,524.56 on April 8, 2013. Beck has not yet paid the Receiver any money from the judgment.

3. Stephan Lawson: On December 7, 2012, the Receiver filed a motion for summary judgment in his lawsuit against Lawson. The Receiver hopes this case will be resolved through this motion and that judgment will be entered against Lawson. The Court has not yet ruled on the Receiver's motion.

4. Capital One: The Receiver participated in a court-sponsored settlement conference with Capital One on January 11, 2012. The case did not settle at that conference. Both the Receiver and Capital One have filed motions for summary judgment. Briefing on those motions is complete, and they are awaiting a decision by the Court.

III. STATUS OF PROPERTY OWNED BY THE RECEIVERSHIP

The Receivership Estate still owns four properties it is seeking to sell. The listing prices for these properties have been reduced further, to increase interest among potential buyers.

5. Sheffield Circle (Mansion): The home is listed for sale at \$1,990,000.00. There have been no offers on this home during the quarter. The annual insurance premium of \$38,787.10 was paid on April 1, just after the end of the reporting period. It is hoped that the improving economy will generate interest in the home in the next few months. If not, the Receiver will reduce the listing price again.

6. Ammon Road: No offers have been received for this vacant commercial lot.

7. Timberline Lot: This is a single lot in a partially-completed subdivision. The lot is not zoned for a home, but to have a well that will serve the subdivision. There have been no offers for this lot.

8. Southstone Lot: This is a commercial building lot in Eagle, Idaho. The Receiver has moved the listing on this property to a large commercial broker in the hope it will generate offers. Some other lots in this development have sold recently, giving cause for some optimism.

IV. COMMUNICATIONS WITH INVESTORS

9. The Receiver posts information on the Receivership website as part of his effort to keep the investors informed of Receivership developments. The website also contains copies of the associated documents. The quarterly status reports are another means of updating investors. The Receiver continues to respond to phone calls and e-mails from investors.

V. TAX FILINGS

10. Receiverships are required to file tax returns even though, in most cases, no taxes will be due. The Receiver engaged Rocky Mountain Advisors, an accounting firm that also does receivership work itself, to prepare receivership tax returns for 2009 through 2011. Returns were filed with the IRS and the state tax commissions of Utah and Idaho.

11. Rocky Mountain Advisors also submitted filings with the IRS to designate the receivership estate as a "Qualified Settlement Fund" under IRS regulations. This allows the receivership to qualify for favorable tax treatment.

12. The tax returns were complex, requiring the accounting firm to create a valuation

for each real estate property and other assets, then compare the initial valuation against the final sales prices.

13. Both the Utah and Idaho taxing authorities required payment of a filing fee. For Utah, the fee was \$100.00 per year, for a total of \$300.00. A late fee of \$133.21 was also assessed, even though no taxes were due. The Idaho filing fee was \$20.00 per year, for a total of \$60.00.

14. A request for “prompt assessment” was also filed with the IRS—and granted. As a result, the IRS will accelerate its review of the returns to determine whether any assessments will be imposed. This will allow the receivership to be closed down more quickly, as the receivership will not have to be held open to await the longer time the IRS ordinarily can take to review returns.

15. The Receiver paid \$15,681.47 to Rocky Mountain for its work. This payment reflects a reduction of more than \$5,000.00 by Rocky Mountain. The Receiver will have his staff prepare much or all of the returns for 2012 and future years in order to reduce the costs of preparing tax returns.

VI. FINANCIAL ACTIVITIES

16. Funds Recovered and Paid Out. During this Reporting Period, the Receiver received \$2,237.17 which was deposited into bank accounts controlled by the Receiver:

FUNDS PAID TO THE RECEIVER			
Date	Amount	Source	Purpose
1/31/13	\$1,100.00	Lender	Payment on loans owed to Duane Yost
3/12/13	\$1,100.00	Lender	Payment on loans owed to Duane Yost
3/31/13	\$37.17	Zions Bank	Interest on savings account
Total	\$2,237.17		

17. The Receiver paid out \$18,328.62 from these accounts for operating expenses of the Receivership. These are shown in the following table.

FUNDS PAID OUT BY THE RECEIVER			
Date	Amount	Recipient	Purpose
1/8/13	\$462.00	Omni Security Systems	Mansion security system contract
1/8/13	\$300.00	Utah Tax Commission	Tax Filing Fee (2009-2011)
1/8/13	\$60.00	Idaho Tax Commission	Tax Filing Fee (2009-2011)
1/15/13	\$470.27	Intermountain Gas	Natural gas for mansion
1/23/13	\$72.25	City of Idaho Falls	Electricity for mansion
2/15/13	\$577.04	Intermountain Gas	Natural gas for mansion
2/20/13	\$79.86	City of Idaho Falls	Electricity for mansion
2/27/13	\$15,681.47	Rocky Mountain Adv.	Tax preparation
3/7/13	\$133.21	Utah Tax Commission	Tax late penalty
3/19/13	\$430.31	Intermountain Gas	Natural gas for mansion
3/19/13	\$62.21	City of Idaho Falls	Electricity for mansion
Total	\$18,328.62		

18. Bank Account Balances. Bank accounts maintained by the Receiver had the following balances as of March 31, 2013:

Bank	Type	Balance
Wells Fargo	Checking	\$3,450.29
Zions Bank	Checking	\$1,140.13
Zions Bank	Savings	\$100,520.14
Total		\$105,110.56

19. Subsequent Events. On April 1, 2013, after the end of the Reporting Period, the Receiver closed the savings and checking accounts at Zions Bank, consolidating all receivership funds in the single Wells Fargo account. In addition, the Receiver paid the mansion annual insurance premium of \$38,787.10 on April 1, 2013. This reduced the bank balance to \$66,323.46.

VII. CONCLUSION

The Receiver respectfully submits this Seventeenth Report for the period from January 1,

2013 through March 31, 2013.

The Receiver verifies under penalty of perjury that the foregoing is true and correct.

DATED THIS 23rd day of April, 2013.



R. WAYNE KLEIN, Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 30th day of April, 2013, I electronically filed the foregoing SEVENTEENTH REPORT OF R. WAYNE KLEIN, RECEIVER (FOR PERIOD ENDING MARCH 31, 2013) 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
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Counsel for Plaintiff Securities and Exchange Commission

Counsel for Plaintiff Commodity Futures Trading Commission

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

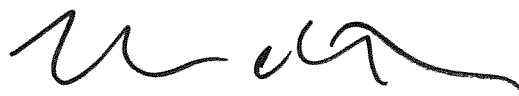
Daren L. Palmer
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PO Box 1000
Duluth, MN 55814
Defendant

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Local Counsel for Plaintiffs



Matthew Gordon