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UNITED STATES DISTRICT COURT
DISTRICT OF IDAHO

SECURITIES AND EXCHANGE)	Case No.: CV 09-075-E-EJL
COMMISSION,)	
)	
Plaintiff,)	
)	
and)	
)	
COMMODITY FUTURES TRADING)	Case No.: CV 09-076-E-EJL
COMMISSION,)	
)	The Honorable Edward J. Lodge
Plaintiff,)	
)	
vs.)	TWENTY-FIFTH REPORT OF R.
)	WAYNE KLEIN, RECEIVER (FOR
DAREN L. PALMER and TRIGON GROUP,)	PERIOD ENDING MARCH 31, 2015)
INC., a Nevada Corporation,)	
)	
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 Twenty-Fifth Report for the period of January 1, 2015 through March 31,

TWENTY-FIFTH REPORT OF R. WAYNE KLEIN, RECEIVER
(FOR PERIOD ENDING MARCH 31, 2015) - 1

2015 (the "Reporting Period").

Substantial progress was made during the Reporting Period in concluding the matters necessary for termination of the Receivership. At the beginning of the quarter, four matters remained to be accomplished: i) conclusion of the Receiver's litigation against Doyle Beck, ii) sale of the Eagle Road property, iii) collection of the settlement amount owed by Sight & Sound, and iv) collection of the judgment against Stephan Lawson. As described below, two of these were accomplished during the quarter and the Receiver expects the remaining two matters to be concluded by the end of the current quarter.

The Receiver expects to make a motion by the end of June 2015 to terminate the Receivership Estate and make a final distribution payment to investors.

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

All 24 of the lawsuits filed by the Receiver in an effort to recover funds for investors resulted in settlements or judgments. As of January 1, 2015, three of those cases remained unresolved. One was concluded during the quarter:

Doyle Beck: On January 2, 2015 the Ninth Circuit Court of Appeals affirmed the judgment entered by the trial court. On January 26, 2015, Beck paid the \$87,889.47 amount of the judgment. This matter is now concluded.

Sight and Sound, Inc.: In November 2011, the Defendants entered into a settlement agreement requiring them to pay \$40,000.00 to the Receiver in November 2013. When the Receiver initiated steps to execute on the promissory note and pledge agreement given as part of the settlement, Sight & Sound arranged to pay the settlement amount. An initial payment of \$5,000.00 was received on April 3, 2015. Another \$5,000.00 will be paid by May 1, and the remaining \$30,000.00 will be paid by June 1, 2015.

Stephan Lawson: The Receiver is in the process of trying to sell the \$35,275.99 judgment that has been granted in favor of the Receiver. The Receiver expects that the judgment will have to be sold at a discount, but hopes to have it sold by the end of the current quarter.

III. STATUS OF PROPERTY OWNED BY THE RECEIVERSHIP

Southstone Lot: The Receivership Estate sold the final property that was in the Receivership Estate—a commercial building lot in Eagle, Idaho. On February 15, 2015, the Receiver filed “*Receiver’s Motion Seeking Authorization to Sell Meridian, Idaho Commercial*

Building Lot at Auction and Memorandum in Support."¹ The Court granted the motion on February 11, 2015.² An auction was conducted on March 3, 2015 at which five bidders participated. The high bid was \$60,750.00. The Receiver filed a "*Notice of Property Sale*" on March 6, 2015.³ No objections were filed and the property sale closed on April 3, 2015 (just after the close of the Reporting Period). The net sales proceeds to the Receivership was \$56,423.93.

IV. FINANCIAL ACTIVITIES

Funds Recovered and Paid Out. During this Reporting Period, \$87,889.47 was received for the Receivership bank account from Doyle Beck. Additional amounts from the sale of the Eagle Road property and the Sight & Sound settlement were received in early January. There were two expenditures during the quarter: \$2,200.00 in marketing fees to Corbett Bottles Real Estate Auctions for expenses in advertising the auction of the Eagle Road property and \$12.00 for the cost of a lien identified in the title report for the Eagle Road property.

Bank Account Balance. The Receivership bank account balance as of March 31, 2015 was \$338,151.02.

V. PLANS FOR TERMINATION OF THE RECEIVERSHIP ESTATE

During the next three months, the Receiver expects to be paid the net sales proceeds from

¹ Docket No. 180.

² Docket No. 181

³ Docket No. 183.

the sale of the Eagle Road property, receive full payment of the settlement amount from Sight and Sound, Inc., and sell the Lawson judgment.

When these tasks are accomplished, the Receivership Estate can be closed. At that time, the Receiver will file a closing status report and a motion asking the Court to: i) approve the payment of the final fees and expenses of the Receiver and his counsel, ii) approve a distribution of the remaining funds to persons with verified claims, and iii) enter an order terminating the Receivership and discharging the Receiver.

**VI.
CONCLUSION**

The Receiver respectfully submits this Twenty-Fifth Report for the period from January 1, 2015 through March 31, 2015

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

DATED THIS 23rd day of April, 2015.



R. WAYNE KLEIN, Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 23rd day of April, 2015, I electronically filed the foregoing TWENTY-FIFTH REPORT OF R. WAYNE KLEIN, RECEIVER (FOR PERIOD ENDING MARCH 31, 2015) 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 Commodity Futures
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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
Inmate #13952-023
Taft Correctional Institution
PO Box 7001
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Defendant

U.S. Mail, Postage Prepaid
 Hand Delivered
 Overnight Mail
 E-mail
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Local Counsel for Plaintiffs



John F. Kurtz, Jr.

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(FOR PERIOD ENDING MARCH 31, 2015) - 6