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Attorneys for Receiver, R. Wayne Klein

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-FIRST REPORT OF R.
	)	WAYNE KLEIN, RECEIVER (FOR
DAREN L. PALMER and TRIGON GROUP,	)	PERIOD ENDING MARCH 31, 2014)
INC., a Nevada Corporation,	)	
	)	
Defendants.	)	
	)	

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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-First Report for the period of January 1, 2014 through March 31, 2014 (the “Reporting Period”).

During the quarter, the undeveloped land on Ammon Road in Idaho Falls was sold, a fourth distribution to investors was made, and progress was made on the remaining litigation. The case is now in its last stages with one property remaining to be sold, one appeal to be resolved, and one judgment amount to collect. When these are accomplished, the Receiver will ask the Court to authorize a final distribution of funds and termination of the Receivership Estate.

## **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. Three of those cases required some action during the quarter, and one of those was concluded. Actions during the quarter were:

1. Doyle Beck: The federal district court granted the Receiver judgment against Beck for \$87,524.56 on April 8, 2013. Beck appealed the judgment. The final appeal briefing was completed in January 2014. The Receiver expects the appeals court to rule on this matter during 2014.

2. Capital One: In August, 2013, Capital One filed an appeal of the judgment that the Receiver obtained in the amount of \$42,263.75 plus interest. In February 2014, Capital One paid \$55,500.00 to the Receiver in satisfaction of the judgment and dismissed its appeal. This matter is now closed.

3. Stephan Lawson: The Court granted judgment to the Receiver of \$35,275.99 on June 10, 2013. The Receiver is attempting to collect on this judgment.

### **III. STATUS OF PROPERTY OWNED BY THE RECEIVERSHIP**

In March 2014, the Receivership Estate closed on the sale of the undeveloped land on Ammon Road in Idaho Falls, but still owns one other property it is seeking to sell.

4. Ammon Road: The Receiver accepted an offer of \$120,000.00 for this property. Notice of the planned sale was filed with the Court on February 4, 2014. The sale closed on February 28, 2014. Net proceeds of \$111,711.62 were paid to the Receivership Estate.

5. Southstone Lot: This is a commercial building lot in Eagle, Idaho. There have been several serious inquiries on this property. If no offers are received for this property during the summer selling season, the Receiver expects to sell the property at auction.

**IV.  
FOURTH INTERIM DISTRIBUTION**

6. On January 22, 2014, the Court approved the Receiver's recommendation that a fourth interim distribution be made. On January 23, 2014, \$689,130.04 in distribution payments were mailed out to investors. This amount represented 10% of the outstanding principal investment amount still owed to investors.

**V.  
COMMUNICATIONS WITH INVESTORS**

7. 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 occasional phone calls and emails from investors.

**VI.  
FINANCIAL ACTIVITIES**

8. Funds Recovered and Paid Out. During this Reporting Period, the Receiver received \$178,738.81 which was deposited into the Receivership bank account. These payments were for the following categories:

<b>Funds Paid to Receivership Estate</b>	
<b>Category</b>	<b>Amount</b>
Settlement with Capital One	\$55,500.00
Proceeds from property sale (Ammon Rd)	\$111,711.62
Utility, insurance refunds	\$11,527.19
<b>Total</b>	<b>\$178,738.81</b>

9. The Receiver paid out \$689,130.04 in distributions to investors.
10. On January 7, 2014, \$34,725.21 was paid out to the Receiver and his legal counsel

for work performed during the one-year period from October 2012 through September 2013.

11. Bank Account Balance. The Receivership bank account balance as of March 31, 2014 was \$257,668.35.

**VII.  
CONCLUSION**

The Receiver respectfully submits this Twenty-First Report for the period from January 1, 2014 through March 31, 2014.

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

DATED THIS 9<sup>th</sup> day of April, 2014.

  
\_\_\_\_\_  
R. WAYNE KLEIN, Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 9<sup>th</sup> day of April, 2014, I electronically filed the foregoing TWENTY-FIRST REPORT OF R. WAYNE KLEIN, RECEIVER (FOR PERIOD ENDING MARCH 31, 2014) 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

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 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  
Inmate #13952-023  
Federal Prison Camp  
PO Box 1000  
Duluth, MN 55814

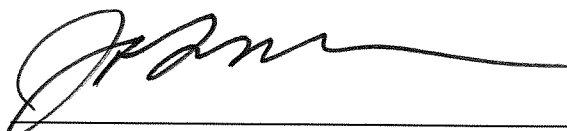
U.S. Mail, Postage Prepaid  
 Hand Delivered  
 Overnight Mail  
 E-mail  
 Telecopy

*Defendant*

Alan Conilogue  
Deputy Attorney General  
State of Idaho  
PO Box 83720  
Boise, ID 83720-0031

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

*Local Counsel for Plaintiffs*

  
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John F. Kurtz, Jr.

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(FOR PERIOD ENDING MARCH 31, 2014) - 6