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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.	)	THIRTEENTH REPORT OF R.
	)	WAYNE KLEIN, RECEIVER (FOR
DAREN L. PALMER and TRIGON GROUP,	)	PERIOD ENDING MARCH 31, 2012)
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 Thirteenth Report for the period of January 1, 2012 through March 31, 2012

(the "Reporting Period").

## **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. SETTLEMENTS DURING THE REPORTING PERIOD**

The Receiver entered into three new settlements during the last quarter.

1. On February 2, 2012, the Receiver settled his lawsuit against Michael and Marcia Beauchamp. Beauchamp paid \$5,000.00 to the Receiver and agreed to pay the Receiver half of any net profits he receives from the sale of two properties he owns. The Receiver agreed to accept less than the full amount owed based on Beauchamp's demonstrated inability to pay the amount sought in the lawsuit.

2. The Receiver reached a settlement with Kyle and Lexie Kunz on February 16, 2012 as their trial date neared. The Kunzes provided verified statements to the Receiver

demonstrating that they had lost their home and lacked assets to repay the monies they were given by Palmer. The Receiver agreed to settle for payment of \$1,000.00, thereby avoiding the expenses of trial when even a victory at trial would not have resulted in a higher recovery.

3. On March 12, 2012, the Receiver reached a settlement with RoChel Burtenshaw to avoid trial. Burtenshaw provided information demonstrating that her business is struggling and that she lacks the ability to pay any amount. The Receiver settled for a payment of \$4,000.00, which was paid for her by friends. The lawsuit against her was dismissed.

4. During the Reporting Period the Receiver was paid additional amounts from people who had entered into previous settlement agreements with the Receiver.

### **III. ONGOING LITIGATION BY THE RECEIVER**

5. Several lawsuits are still being pursued by the Receiver. Significant efforts relating to these lawsuits during the prior quarter have included:

a. American Express The Receiver is in the discovery stage of this litigation and provided information about his case in preparation for trial. The litigation is ongoing.

b. Capital One Substantial discovery was provided to Capital One in preparation for trial.

c. Doyle Beck The Court issued its ruling on the two summary judgment motions that had been filed by Beck and the Receiver. The Court denied both summary judgment motions, saying that it will be up to the jury to decide whether Beck's money actually went to Trigon. The Court provided guidance on how the trial will proceed and set a trial date for late July.

d. Diners Club Citibank has appeared in the litigation on behalf of Diners Club. The Receiver is providing information and engaged in discussions with Citibank.

**IV.  
STATUS OF PROPERTY OWNED BY THE RECEIVERSHIP**

6. In March, the Receiver sold the residential building lot he held in St. George, Utah. The sale of the property netted \$44,758.00 to the Receivership after paying closing costs and real estate commissions.

7. Inquiries were received on one of the vacant lots in Idaho Falls, but no offer was received.

8. The Receiver continues to maintain all the properties under the control of the Receivership by paying utility and insurance expenses for the mansion and property taxes.

9. In March, the company that had been providing insurance for the Idaho Falls mansion notified the Receiver that it would not renew its insurance policy. The insurer declined to renew coverage because construction had ceased. The Receiver has secured replacement insurance coverage from another carrier but at a substantially higher price, \$40,000.00 a year. The higher premium is a result of the insurer insisting on insuring the home for the full replacement cost instead of the current offering price.

**V.  
ASSISTANCE TO REGULATORS, GOVERNMENT AGENCIES**

10. During the quarter, the Receiver worked with the CFTC to assist the CFTC in structuring a final judgment against Trigon while ensuring that funds that are recovered would go to investors rather than paid to the government in fines.

**VI.  
SECOND DISTRIBUTION PAYMENT**

11. On March 5, 2012, the Court approved payment of a second distribution to investors. Checks totaling \$300,000.00 were sent to the 23 investors who are entitled to participate in recoveries.

**VII.  
COMMUNICATIONS WITH INVESTORS**

12. The Receiver attempts to keep the investors informed of his activities by posting on the Receivership Website summaries of significant developments and 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. During the prior quarter, this assistance included furnishing tax information and providing documentation to assist in an investor's efforts to obtain interim funding in anticipation of the second distribution.

**VIII.  
FINANCIAL ACTIVITIES**

13. Funds Recovered and Paid Out. During this Reporting Period, the Receiver received \$70,728.60, which was deposited into bank accounts controlled by the Receiver. The funds received are listed in the table below:

<b>FUNDS PAID TO THE RECEIVER</b>			
<b>Date</b>	<b>Amount</b>	<b>Source</b>	<b>Purpose</b>
1/6/12	\$2,150.00	Borrower	Payment on promissory note owed to D. Yost
2/3/12	\$1,050.00	Borrower	Payment on promissory note owed to D. Yost
2/7/12	\$1,100.00	Borrower	Payment on promissory note owed to D. Yost
2/27/12	\$1,000.00	Kyle & Lexie Kunz	Settlement payment
3/5/12	\$1,050.00	Borrower	Payment on promissory note owed to D. Yost
3/14/12	\$1,100.00	Borrower	Payment on promissory note owed to D. Yost
3/14/12	\$8,742.16	Jeff Struchen	Final settlement payment

3/16/12	\$44,758.04	Sun West Title	Net proceeds from sale of St. George lot
3/16/12	\$4,000.00	RoChel Burtenshaw	Settlement payment
3/26/12	\$5,000.00	Michael Beauchamp	Settlement payment
3/26/12	\$500.00	David Eldredge	Partial settlement payment
3/30/12	\$278.40	Zions Bank	Interest earned on savings account
<b>Total</b>	<b>\$70,728.60</b>		

14. The Receiver paid out \$3,506.87 from these accounts for operating expenses of the Receivership. These are shown in the following table.

<b>FUNDS PAID OUT BY THE RECEIVER</b>			
<b>Date</b>	<b>Amount</b>	<b>Recipient</b>	<b>Purpose</b>
1/2/12	\$60.00	Sand Hollow HOA	Homeowners dues for St. George property
1/6/12	\$462.00	Onmi Security Syst.	Security monitoring
1/19/12	\$598.88	Intermountain Gas	Natural gas for mansion
1/20/12	\$80.52	City of Idaho Falls	Electricity for mansion
1/26/12	\$1,569.93	Ada County Treas.	Property tax, Meridian property
2/1/12	\$60.00	Sand Hollow HOA	Homeowners dues for St. George property
2/16/12	\$478.29	Intermountain Gas	Natural gas for mansion
2/16/12	\$69.16	City of Idaho Falls	Electricity for mansion
3/1/12	\$60.00	Sand Hollow HOA	Homeowner dues for St. George property
3/15/12	\$68.09	City of Idaho Falls	Electricity for mansion
<b>Total</b>	<b>\$3,506.78</b>		

15. Bank Account Balances. Bank accounts maintained by the Receiver had the following balances as of March 31, 2012:

<b>Bank</b>	<b>Type</b>	<b>Balance</b>
Wells Fargo	Checking	\$106,579.78
Zions Bank	Checking	\$1,140.13
Zions Bank	Savings	\$208,005.12
<b>Total</b>		<b>\$315,725.03</b>

## IX. CONCLUSION

The Receiver respectfully submits this Thirteenth Report for the period from January 1, 2012 through March 31, 2012.

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

DATED THIS 30<sup>th</sup> day of April, 2012.

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 30<sup>th</sup> day of April, 2012, I electronically filed the foregoing THIRTEENTH REPORT OF R. WAYNE KLEIN, RECEIVER (FOR PERIOD ENDING MARCH 31, 2012) 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  
Register # 13952-023  
Mini-Cassia Justice Center Jail  
1415 Albion Avenue  
Burley, ID 83318  
*Defendant*

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

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.