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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.)	FOURTEENTH REPORT OF R.
)	WAYNE KLEIN, RECEIVER (FOR
DAREN L. PALMER and TRIGON GROUP,)	PERIOD ENDING JUNE 30, 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 Fourteenth Report for the period of April 1, 2012 through June 30, 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 two new settlements during the last quarter.

1. On May 24, 2012, the Receiver settled his lawsuit against Brad and Gloria Beauchamp. The Beauchamps provided sworn financial information demonstrating an inability to repay the full \$25,000.00 they received as a gift from Palmer. Pursuant to the settlement agreement, Beauchamp borrowed \$3,000.00 from relatives and paid it to the Receiver as part of the settlement. In return, the Receiver has agreed to dismiss the lawsuit against the Beauchamps.

2. The Receiver reached a settlement with American Express Company on May 25, 2012. Under the settlement, American Express has paid to the receiver \$590,000.00. This is the

amount that Trigon paid to American Express within the four years before the Receiver filed suit for personal expenses of Palmer. In return, the Receiver has dismissed the lawsuit against American Express.

3. 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

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

- a. Capital One A trial schedule has been established for litigation against Capital One.
- b. Doyle Beck In response to the Court order denying the two summary judgment motions that had been filed by Beck and the Receiver, Beck filed a motion for reconsideration of the court's ruling and the Receiver responded. Trial will begin on July 31 on this lawsuit.
- c. Duane Yost The Receiver plans to ask the Court to enter a default judgment against Yost as he has failed to respond to the lawsuit filed by the Receiver.
- d. Stan Mills The Receiver will ask the Court to enter a default judgment against Mills based on his failure to file an answer to the complaint against him.
- e. Steve Lawson A trial schedule has been established for the Receiver's lawsuit against Lawson.

IV. STATUS OF PROPERTY OWNED BY THE RECEIVERSHIP

5. In April, the Receiver renewed the annual insurance property on the mansion. He had to find a new insurance company to insure the property and the new premium was over twice the price paid in prior years. As part of the underwriting process, the Receiver had to provide proof of fire and security systems in the building. There have been no offers on the mansion.

6. The Receiver engaged new real estate agents to list three of the properties in Idaho Falls and the commercial property in Meridian, Idaho. In the process, a defect was discovered in the title for one of the properties. That defect has now been resolved.

7. An offer was received for the building lot in the Pheasant Grove subdivision in Idaho Falls. The Receiver countered and reached agreement to sell the property for \$24,000.00. This represents 96% of the asking price and 93% of the 2012 assessed valuation for the property. The property sale will close in July 2012.

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.

V. OTHER RECEIVERSHIP ASSETS

9. All efforts to sell the horse owned by the Palmers have failed because of medical problems with its leg. In light of the monthly maintenance costs for the horse, the Receiver has abandoned claims to the horse, giving it to the boarding facility for unpaid boarding fees.

10. The painting that Daren Palmer had Trigon purchase for the mansion was recovered from Elegance in Art. The painting has been delivered to an auction house in Salt Lake City and will be offered at an auction in August.

11. In May, the Receiver received the proceeds of an auction at which the remaining jewelry owned by the Palmers was sold. \$17,505.00 was recovered from the auction sale.

**VI.
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.

**VII.
FINANCIAL ACTIVITIES**

13. Funds Recovered and Paid Out. During this Reporting Period, the Receiver received \$186,468.09 which was deposited into bank accounts controlled by the Receiver. The funds received are listed in the table below:

FUNDS PAID TO THE RECEIVER			
Date	Amount	Source	Purpose
4/3/12	\$2,445.86	Lender	Payment on loans owed to Duane Yost
4/5/12	\$155,000.00	Citibank	Payment on settlement agreement
4/10/12	\$5,000.00	Dean Palmer	Partial payment of settlement agreement
4/27/12	\$1,650.00	Lender	Payment on loans owed to Duane Yost
5/18/12	\$17,505.00	Olsen Auctioneer	Proceeds from sale of Palmer jewelry
5/25/12	\$3,000.00	Brad Beauchamp	Payment on settlement agreement
6/1/12	\$1,650.00	Lender	Payment on loans owed to Duane Yost
6/29/12	\$217.23	Zions Bank	Interest on savings account
Total	\$186,468.09		

14. The \$590,000.00 settlement payment from American Express was received on July 9, 2012.

15. The Receiver paid out \$45,055.10 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
4/6/12	\$40,552.47	Risk Placement Serv.	Mansion annual insurance premium

4/17/12	\$50.89	City of Idaho Falls	Electricity for mansion
4/17/12	\$221.70	Intermountain Gas	Natural gas for mansion
5/7/12	\$1,389.66	Bonneville Co. Tax	Property tax
5/14/12	\$104.29	Intermountain Gas	Natural gas for mansion
5/17/12	\$37.39	City of Idaho Falls	Electricity for mansion
5/18/12	\$2,388.64	Bonneville Co. Tax	Property tax on Ammon Property
5/24/12	\$240.00	Piano Tek	Shipping fee for painting
5/25/12	\$15.00	Wells Fargo Bank	Wire transfer fee (incoming)
6/15/12	\$22.02	Intermountain Gas	Natural gas for mansion
6/18/12	\$33.04	City of Idaho Falls	Electricity for mansion
Total	\$45,055.10		

16. Fee Payments On June 11, 2012, payments were made to the Receiver and his counsel for services performed during the six-month period from October 1, 2011 to March 31, 2012. This included \$19,701.89 paid to the Receiver and \$26,914.13 paid to the law firm of Hawley Troxell.

17. Bank Account Balances. Bank accounts maintained by the Receiver had the following balances as of June 30, 2012:

Bank	Type	Balance
Wells Fargo	Checking	\$44,585.66
Zions Bank	Checking	\$1,140.13
Zions Bank	Savings	\$363,222.36
Total		\$408,948.15

VIII. ADDITIONAL INTERIM DISTRIBUTION

18. Additional Distribution. In light of the recoveries obtained and the balances in the receivership bank accounts, the Receiver expects to recommend that the Court authorize payment of a third interim distribution in the amount of \$800,000.00. This amount represents 10.4% of the remaining total allowable claim amount for these claimants.

IX.

CONCLUSION

The Receiver respectfully submits this Fourteenth Report for the period from April 1, 2012 through June 30, 2012.

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

DATED THIS 6th day of August, 2012.



R. WAYNE KLEIN, Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 15th day of November, 2012, I electronically filed the foregoing FOURTEENTH REPORT OF R. WAYNE KLEIN, RECEIVER (FOR PERIOD ENDING JUNE 30, 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
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Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, D.C. 20581
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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

/s/ _____
John F. Kurtz, Jr.