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Attorneys for Receiver, R. Wayne Klein

#### UNITED STATES DISTRICT COURT

#### DISTRICT OF IDAHO

SECURITIES AND EXCHANGE COMMISSION,	) Case No.: CV 09-075-E-EJL )
Plaintiff,	)
and	)
COMMODITY FUTURES TRADING	) Case No.: CV 09-076-E-EJL
COMMISSION,	) The Honorable Edward J. Lodge
Plaintiff,	)
VS.	TWENTY-SECOND REPORT OF R. WAYNE KLEIN, RECEIVER (FOR
DAREN L. PALMER and TRIGON GROUP, INC., a Nevada Corporation,	) PERIOD ENDING JUNE 30, 2014)
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-Second Report for the period of April 1, 2014 through June 30, 2014

(the "Reporting Period").

In light of the few matters remaining to be accomplished before the Receivership Estate can be concluded, the Receiver is attempting to minimize the time he and his counsel spend working on the Receivership. During the quarter, the briefing was completed for the appeal of the single litigation matter still pending, the Receiver pursued collection efforts on the sole remaining uncollected judgment, and the Receiver met with the listing agent to discuss how to sell the single property remaining in the Receivership Estate. When these are completed, 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. Two of those cases had activity during the quarter:

<u>Doyle Beck</u>: Beck appealed an \$87,524.56 judgment entered by the federal district court in favor of the Receivership. The appeal briefing is completed. The Ninth Circuit appeals court set a hearing on this appeal for late August. However, Beck has requested a postponement due to a scheduling conflict by his attorney. A new hearing date has not been set. The Receiver still hopes the appeals court will issue its ruling on this matter before the end of 2014.

Stephan Lawson: The Receiver has filed liens on real estate owned by Lawson, seeking to collect the \$35,275.99 judgment in favor of the Receiver.

## III. STATUS OF PROPERTY OWNED BY THE RECEIVERSHIP

Southstone Lot: The Receivership Estate has sold all of the properties that were in the Receivership Estate except this lot. This is a commercial building lot in Eagle, Idaho. On June 26, 2014, the Receiver met with the real estate agent who has listed the property for sale. The Receiver and the agent discussed ways to increase interest in this property in light of the large number of other commercial properties for sale in the area and the less favorable location for this property. If no offers are received for this property by the time the appeals court issues its ruling in the Beck litigation, the Receiver expects to sell the property at auction.

## IV. FINANCIAL ACTIVITIES

<u>Funds Recovered and Paid Out</u>. During this Reporting Period, no funds were received for the Receivership bank account. A total of \$394.48 was paid out for tax compliance, including preparation of Form 1099 notices and filing fees for 2013 taxes (no taxes were due).

Bank Account Balance. The Receivership bank account balance as of June 30, 2014 was \$257,273.87.

# V. CONCLUSION

The Receiver respectfully submits this Twenty-Second Report for the period from April 1, 2014 through June 30, 2014.

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

DATED THIS 2 th day of July, 2014.

R. WAYNE KLEIN, Receiver

## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this **28** day of July, 2014, I electronically filed the foregoing TWENTY-SECOND REPORT OF R. WAYNE KLEIN, RECEIVER (FOR PERIOD ENDING JUNE 30, 2014) with the Clerk of the Court using the CM/ECF system which sent a Notice of Electronic Filing to the following persons:

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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

Hand Delivered
Overnight Mail
E-mail
Telecopy

U.S. Mail, Postage Prepaid

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John F. Kurtz, Jr.