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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.)	FIFTEENTH REPORT OF R. WAYNE
)	KLEIN, RECEIVER (FOR PERIOD
DAREN L. PALMER and TRIGON GROUP,)	ENDING SEPTEMBER 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 Fifteenth Report for the period of July 1, 2012 through September 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 AND LITIGATION DURING THE REPORTING PERIOD

Substantial litigation-related activities occurred during the last quarter.

1. Sight & Sound by Design. On July 19, 2012, the Receiver signed a settlement agreement with Sight and Sound by Design. The terms of this settlement had been agreed to as part of a Court-supervised mediation effort and was reported earlier.
2. American Express: American Express made payment of \$590,000.00 to the Receiver on July 11, as part of a settlement announced in the prior quarterly report.
3. Doyle Beck: The Receiver went to trial on his lawsuit against Doyle Beck. The trial lasted four days, from July 31 to August 3, 2012. At the end of trial, the jury awarded the

Receivership \$55,000.00 in damages. This was only a small portion of the \$555,000.00 the Receiver had sought in his lawsuit against Beck. The jury found that the payments Beck received from Yost that could be traced as having come from Trigon and that were in excess of the amount Beck loaned to Yost had to be returned to the Receivership. The Receivership will be entitled to pre-judgment interest on this amount. Both the Receiver and Beck have filed post-trial motions, asking the judge to modify the jury's verdict. Both the Receiver and Beck argue that the jury verdict had internal inconsistencies; the Receiver is arguing that the jury's findings show the Receivership should receive all payments traced as having come from Trigon and Beck is arguing he should pay nothing. Briefs supporting these motions have been filed with the Court. At this point, no ruling has been entered and no payment has been received from Beck.

4. Capital One, Mills, Lawson: A litigation scheduling order has been entered with Capital One. This case, along with lawsuits against Stan Mills and Steve Lawson, are the last lawsuits filed by the Receiver that are left to be resolved.

5. Bankruptcy matters: The Receiver also dealt with several bankruptcy matters. This included discussions with Dean Palmer relating to the terms of his settlement with the Receiver and inquiries from a bankruptcy trustee asking about claims filed by a relative of one of the investors.

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

III. THIRD INTERIM DISTRIBUTION OF PROCEEDS

7. On September 21, 2012 the Court issued an order approving the Receiver's request to make a third interim distribution to investors.

8. On September 24, 2012, the Receiver sent \$800,000.00 to the 23 investors entitled to participate in the recovery fund and to one creditor.

9. With this distribution, the amount paid out to investors to date equals 35.12% of the principal amount these investors sent to Trigon.

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

10. On August 7, 2012, the sale of the building lot in the Pheasant Grove subdivision in Idaho Falls closed. The Receiver was paid \$21,193.67 in net proceeds from the sale.

11. A problem with the natural gas being supplied to the Sheffield Circle mansion was resolved. The gas company disconnected the gas line because it was still a temporary connection used during construction. The Receiver hired a contractor to install a permanent gas line and service has been restored to the mansion.

12. After the conclusion of the Beck trial, with the outstanding litigation winding down, the Receiver instructed the real estate agents to reduce the listing prices of the remaining properties owned by the Receivership. The price of the mansion was reduced to \$1,999,000.00. Prices of the other properties were reduced, to improve their prospects for sale. The real estate agent that has listed the mansion has reported some expressions of interest in the home.

13. 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**

14. The painting that Daren Palmer had Trigon purchase for the mansion is at an auction house in Salt Lake City awaiting an appropriate auction.

15. The piano is offered for sale at a music store in Salt Lake City. The electronic “player piano” components of this piano represent older technology, which will reduce the ultimate sales price of the piano.

VI. COMMUNICATIONS WITH INVESTORS

16. 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 phone calls and e-mails from investors and from tax advisors for investors.

VII. PREPARATION OF TAX RETURNS

17. The Receiver has engaged an accounting firm to prepare tax returns for the Receivership Estate. Substantial information has been provided to enable the tax preparer to complete the necessary federal and state tax returns. It is expected that there will be no taxes due on these returns, but there will be expenses associated with their preparation.

VIII. FINANCIAL ACTIVITIES

18. Funds Recovered and Paid Out. During this Reporting Period, the Receiver received \$616,446.17 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
7/9/12	\$590,000.00	American Express	Settlement payment
7/9/12	\$1,650.00	Lender	Payment on loans owed to Duane Yost
8/7/12	\$21,193.67	First American Title	Net proceeds from sale of Idaho Falls lot

8/7/12	\$1,801.59	Lender	Payment on loans owed to Duane Yost
8/28/12	\$500.00	Beacon Light	Partial settlement payment
9/6/12	\$1,100.00	Lender	Payment on loans owed to Duane Yost
9/28/12	\$200.91	Zions Bank	Interest on savings account
Total	\$616,446.17		

19. The Receiver paid out \$1,613.39 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
7/19/12	\$5.56	Intermountain Gas	Natural gas for mansion
7/19/12	\$31.91	City of Idaho Falls	Electricity for mansion
8/3/12	\$2.58	Intermountain Gas	Natural gas for mansion
8/16/12	\$30.48	City of Idaho Falls	Electricity for mansion
9/7/12	\$1,512.32	Bonneville Co. Tax	Property tax on mansion
9/18/12	\$30.54	City of Idaho Falls	Electricity for mansion
Total	\$1,613.39		

20. Distribution Payment. As discussed above, on September 24, 2012, the Receiver mailed \$800,000.00 to investors as interim distribution payments.

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

Bank	Type	Balance
Wells Fargo	Checking	\$59,217.53
Zions Bank	Checking	\$1,140.13
Zions Bank	Savings	\$163,423.27
Total		\$223,780.93

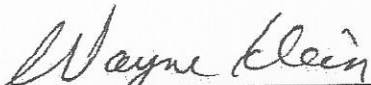
IX. CONCLUSION

The Receiver respectfully submits this Fifteenth Report for the period from July 1, 2012 through September 30, 2012.

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

FIFTEENTH REPORT OF R. WAYNE KLEIN, RECEIVER
(FOR PERIOD ENDING SEPTEMBER 30, 2012) - 6

DATED THIS 30th day of October, 2012.



R. WAYNE KLEIN, Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 14th day of November, 2012, I electronically filed the foregoing FIFTEENTH REPORT OF R. WAYNE KLEIN, RECEIVER (FOR PERIOD ENDING SEPTEMBER 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
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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):

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

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

/s/
John F. Kurtz, Jr.