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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 COMMISSION,)	Case No.: CV 09-076-E-EJL
)	
Plaintiff,)	The Honorable Edward J. Lodge
)	
vs.)	NINETEENTH REPORT OF R.
)	WAYNE KLEIN, RECEIVER (FOR
DAREN L. PALMER and TRIGON GROUP, INC., a Nevada Corporation,)	PERIOD ENDING SEPTEMBER 30,
)	2013)
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 Nineteenth Report for the period of July 1, 2013 through September 30, 2013 (the "Reporting Period").

During the quarter, substantial progress was made on one of the remaining lawsuits. Additional funds were collected from prior settlements and one property was sold during the quarter.

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

The Receiver filed 24 lawsuits as part of his efforts to recover funds for investors. All but one of those lawsuits have been resolved with settlements, winning summary judgment, or at trial. Four of these cases still require ongoing action by the Receiver. The status of these four

cases is described below:

1. Stan Mills: Mills is the only defendant remaining in a lawsuit filed against ten defendants. Mills filed for bankruptcy in November 2012 and the lawsuit against him is stayed under the bankruptcy laws.

2. Doyle Beck: On April 8, 2013, the Court issued an amended judgment in favor of the Receivership and against Beck for \$55,000.00 plus \$32,524.56 in prejudgment interest. On April 19, 2013, Beck filed an appeal to the Ninth Circuit Court of Appeals. Beck has not paid any amounts required by the judgment. A decision from the Ninth Circuit is not expected until late 2014.

3. Stephan Lawson: The Court granted judgment to the Receiver on June 10, 2013 for \$31,388.49. On June 24, the Receiver filed a motion seeking attorneys' fees. The Court has not yet ruled on our motion. Lawson has not yet paid the judgment amount.

4. Capital One: On July 12, 2013, the court entered a judgment for the Receivership and against Capital One for \$42,263.75 plus \$29,942.65 in prejudgment interest. Capital One filed an appeal to the Ninth Circuit Court of Appeals on August 1. The Court has stayed execution of the judgment pending the results of the appeal. A decision from the Ninth Circuit is not expected until 2015.

III. STATUS OF PROPERTY OWNED BY THE RECEIVERSHIP

The Receivership Estate sold one property during the quarter, but still owns three other properties it is seeking to sell. In light of the improving economy, the low carrying costs of most of these properties, and the two appeals by Beck and Capital One (which will delay any closure

of the case), the Receiver has decided against reducing prices further on two of the properties.

5. Timberline Lot: On July 25, 2013, the Receiver accepted an offer to sell this single lot in a partially-completed subdivision for \$19,500.00. The lot is not zoned for a home, but to have a well that will serve the subdivision. On July 26, 2013, the Receiver filed with the Court notice of the proposed property sale. No objections to the sale were filed. On September 24, 2013, the sale closed. The net proceeds of the sale were \$17,244.65.

6. Sheffield Circle (Mansion): The home is listed for sale at \$1,990,000.00. There have been no offers on this home during the quarter. In consultation with experts in selling properties such as this, the Receiver has decided against any further reductions in the listing price of the home. The Receiver intends to contract with a company skilled in selling high-value property to conduct an auction or find another means of disposing of this property. The Receiver expects this will result in a disposition of this property in the next six months. Ongoing maintenance has been required including weed removal and treatment for pests.

7. Ammon Road: No offers have been received for this vacant commercial lot. The listing broker has identified certain likely buyers. An issue has been discovered regarding the location of utility lines that may need to be relocated to increase the value of the lot.

8. Southstone Lot: This is a commercial building lot in Eagle, Idaho. No offers have been received.

IV. COMMUNICATIONS WITH INVESTORS

9. 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.

V. TAX FILINGS

10. The Receiver filed the 2012 tax returns for the Receivership Estate. No taxes were due, although \$120.00 in filing fees were paid.

VI. FINANCIAL ACTIVITIES

11. Funds Recovered and Paid Out. During this Reporting Period, the Receiver received \$37,295.75, which was deposited into the Receivership bank account. These payments were for the following categories:

Funds Paid to Receivership Estate	
Category	Amount
Payments on loans owed to Yost ¹	\$3,551.10
Payments on prior settlement agreements ²	\$16,500.00
Proceeds from property sale	\$17,244.65
Total	\$37,295.75

12. The Receiver paid out \$219.32 for operating expenses of the Receivership. These were for the following categories of expenses:

EXPENDITURES OF RECEIVERSHIP FUNDS	
Category	Amount
Utilities for mansion	\$99.32

¹ The last payment owed on the Yost notes was paid September 3, 2013. No other payments are due on these notes.

² \$500.00 of this amount came from David Eldredge and \$16,000.00 came from Dean Palmer. Both of these payments reflect completion of the settlement obligations by these defendants. The Receiver has released his judgment against Dean Palmer.

Tax return filing fees	\$120.00
Total	\$219.32

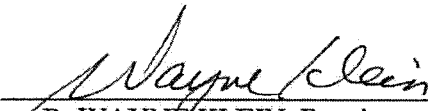
13. Bank Account Balance. The Receivership bank account balance as of September 30, 2013 was \$107,757.42.

**VII.
CONCLUSION**

The Receiver respectfully submits this Nineteenth Report for the period from July 1, 2013 through September 30, 2013.

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

DATED THIS 22nd day of October, 2013.



R. WAYNE KLEIN, Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this ²²22 day of October, 2013, I electronically filed the foregoing NINETEENTH REPORT OF R. WAYNE KLEIN, RECEIVER (FOR PERIOD ENDING SEPTEMBER 30, 2013) 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
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himesm@sec.gov

Alison B. Wilson
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Division of Enforcement
Commodity Futures Trading Commission
1155 21st Street, N.W.
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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
[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]



Matthew Gordon