

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF IDAHO

SECURITIES AND EXCHANGE COMMISSION,

Civil No. 09-75-E-EJL

PLAINTIFF,

v.

DAREN L. PALMER and TRIGON GROUP, INC., a
Nevada Corporation,

**CONSENT ORDER OF
CONTEMPT**

DEFENDANTS.

Plaintiff, Securities and Exchange Commission (the "Commission"), filed a Motion for Order to Show Cause why Daren L. Palmer should not be held in Contempt, and a Memorandum and Supplemental Memorandum in support of this Motion. (Dkt. Nos. 25, 26). The matter was set for a hearing on October 23, 2009. Prior to the hearing, the parties advised the Court that they had reached a settlement as to the motion and asked that the hearing be vacated and that this Order be entered. Having reviewed the record and briefing in this matter, the Court finds good cause has been shown to vacate the hearing and enter the following Order as agreed to by the parties.¹

I.

CONSENT AND AGREEMENT

To effect settlement of the Commission's Motion for Order to Show Cause why Daren L. Palmer should not be held in Contempt without a hearing:

¹ The parties' proposed consent order of contempt containing the signatures of both sides will be filed in the Court's docket in this matter in conjunction with this Order. The Court has made minor modifications to the order proposed by the parties that do not substantively change the parties' agreement, in particular to section X.

1. Defendant Palmer consents to the entry of this Consent Order of Contempt (“Order”);
2. Defendant Palmer affirms that he has read and agreed to this Order voluntarily, and that no threat or promise, other than as set forth specifically herein, has been made by the Commission or any member, officer, agent or representative thereof, or by any other person, to induce consent to this Order;
3. Acknowledges service upon him of the Commission’s Motion to Show Cause filed in this action;
4. Neither admits nor denies the allegations of the Motion to Show Cause or the Findings of Fact contained in this Order; and
5. Consents to the continued jurisdiction of this Court for the purpose of enforcing the terms and conditions of this Order.

II. FINDINGS OF FACT

The Court, having considered the documents and arguments in support of and in opposition to Plaintiff’s motion, being fully advised in the premises, and for good cause appearing, makes the following findings of fact:

- A. This Court validly issued an Order Freezing Assets and Prohibiting Destruction of Documents (“Order Freezing Assets”) in this case on February 26, 2009, ordering Palmer to, among other things, “prevent any withdrawal, transfer, pledge, encumbrance, assignment, dissipation, concealment, or other disposal of any assets, funds, or other properties (including money, real or personal property, securities, choses in action or

property of any kind whatsoever).” SEC v. Palmer et al., 09-75-E-EJL, (Dkt. No. 9).

- B. This Court validly issued an Order Appointing a Receiver and Staying Litigation (“Order Appointing a Receiver”) in this case on February 26, 2009, ordering, among other things, that R. Wayne Klein be appointed Receiver of Defendant Trigon Group, Inc. and affiliated entities (“Trigon”) and ordering the Receiver to “marshal and take control of all funds, assets, [and] premises” of Trigon for ultimate distribution to victims in this case. SEC v. Palmer et al., 09-75-E-EJL, Docket No. 8.
- C. Mr. Palmer received proper notice of the Order Freezing Assets and the Order Appointing a Receiver. See Waiver of Service of Summon and Affidavit of Service, attached as Exhibits A and B to Plaintiff’s Memorandum in Support of Order to Show Cause why Daren L. Palmer should not be held in Contempt.
- D. Mr. Palmer transferred, or assisted in transferring, a property belonging to Trigon, located at 2670 South Eagle Road, Meridian, Idaho (“Southstone Property,”) to Resource Solutions, LLC.
- E. Mr. Palmer sent two release letters to Sight and Sound by Design, a Trigon debtor, one signed by Mr. Palmer dated March 20, 2009 and one with the forged signature of Michelle Palmer dated April 27, 2009 (“Release Letters.”) See Release Letters, attached as Ex. C at Exhibit 7:1-2, to Plaintiff’s Memorandum in Support of Order to Show Cause why Daren L. Palmer should not be held in Contempt.

- F. Mr. Palmer encumbered, or assisted in encumbering, the Southstone Property by arranging for and facilitating or obtaining a \$62,000 loan from Beacon Light Capital, LLC ("Beacon Light") in exchange for facilitating Beacon Light's lien on Southstone Property.
- G. Mr. Palmer requested, obtained, and negotiated a check for \$1,229.26 from Dividend Capital Total Realty Trust, Inc. ("TRT"), which funds belonged to Trigon.
- H. Based on the above findings and other evidence presented to the Court, the Court finds Mr. Palmer in contempt of this Court's Order Freezing Assets and the Order Appointing a Receiver.

III.

IT IS THEREFORE HEREBY ORDERED, ADJUDGED AND DECREED

that Mr. Palmer take all necessary steps to bring about the transfer of the Southstone property to the Receiver. If Mr. Palmer fails to complete the transference of the title of the Southstone property to the Receiver within the next 60 days, Mr. Palmer shall repay the Boise County appraised value of the Southstone Property to the Receiver 60 days from this date.

IV.

IT IS THEREFORE HEREBY ORDERED, ADJUDGED AND DECREED

that Mr. Palmer repay to the Receiver, within 30 days, the \$10,000 he obtained with a hard money loan using the Southstone Property as collateral.

V.

IT IS THEREFORE HEREBY ORDERED, ADJUDGED AND DECREED that Mr. Palmer take all necessary steps, within thirty (30) days, to demand repayment to the Receiver of the proceeds from the \$68,000 hard money loan, less the \$10,000 he personally obtained, using the Southstone Property as collateral. Within fifteen (15) days, Mr. Palmer must make formal requests to all fund recipients for the repayment of those funds. If Mr. Palmer has not obtained those funds at the conclusion of thirty (30) days, he must sign over any rights he possesses to recoup those funds to the Receiver.

VI.

IT IS THEREFORE HEREBY ORDERED, ADJUDGED AND DECREED that the Mr. Palmer Release Letters are unenforceable as they violate the Court's Order Freezing Assets and the Order Appointing a Receiver and in light of the Court's finding that Michelle Palmer's signature was forged.

VII.

IT IS THEREFORE HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Mr. Palmer return the \$1,229.26 he received from TRT to the Receiver within ten (10) days of the issuing of this Order.

VIII.

IT IS THEREFORE HEREBY ORDERED, ADJUDGED AND DECREED that Mr. Palmer shall, within fifteen (15) days, provide a full accounting of all funds, documents, and assets both within and outside of the United States that are held by them, for their benefit, or under their direct or indirect control; transfer such funds, documents, and assets to the United States; provide the Commission and the Receiver access to all

records of the Defendants held by financial institutions located both within and outside the United States; and provide the Commission and Receiver with a complete customer list.

IX.

IT IS THEREFORE HEREBY ORDERED, ADJUDGED AND DECREED that Mr. Palmer shall sign quit claim deeds to any and all properties the Receiver deems to be assets of the trust in order to transfer the properties to the Receiver.

X.

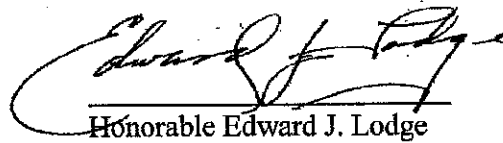
IT IS THEREFORE HEREBY ORDERED, ADJUDGED AND DECREED that Mr. Palmer shall report bi-weekly (every 14 days) to the Receiver regarding the steps he is taking to comply with the Court's Order.

XI.

IT IS THEREFORE HEREBY ORDERED, ADJUDGED AND DECREED that Beacon Light's lien on the Southstone Property is unenforceable as it violates the Court's Order Freezing Assets and the Order Appointing a Receiver.

DATED: **October 23, 2009**





Honorable Edward J. Lodge
U. S. District Judge