

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF IDAHO**

COMMODITY FUTURES TRADING)
COMMISSION,)

Plaintiff,)

v.)

DAREN L. PALMER and TRIGON Group,)
INC.,)

Defendant.)

CIVIL ACTION NO.: CV-09-76-E- EIL

**CONSENT ORDER
OF CONTEMPT**

On February 26, 2009, the United States Commodity Futures Trading Commission (“Commission”) filed the Complaint in this civil action against Defendants Daren L. Palmer (“Palmer”) and Trigon Group, Inc. (“Trigon”) seeking injunctive and other legal and equitable relief for violations of the antifraud provisions of the Commodity Exchange Act, as amended (“Act”), 7 U.S.C. § 1 *et seq.*, and the Regulations promulgated thereunder, 17 C.F.R. § 1.1 *et seq.* Pursuant to Section 6c of the Commodity Exchange Act, as amended (“Act”), 7 U.S.C. § 13a-1, the Court entered a Statutory Restraining Order (“SRO”) prohibiting the transfer, dissipation, and disposal of Palmer’s and Trigon’s assets and appointing Wayne Klein as Receiver on February 26, 2009. (Docket No. 5). On May 28, 2009, the Court entered a Consent Order of Preliminary Injunction, which, among other things, continued the full force and effect of the SRO pending further order of the Court. (Docket No. 14).

On August 26, 2009, the Commodity Futures Trading Commission ("Commission"), joined by the Receiver, filed a Motion to Show Cause why Daren Palmer should not be held in contempt, alleging that Palmer violated the Court's February 26, 2009 and May 28, 2009 Orders (the "Motion to Show Cause").

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 to Show Cause without a hearing:

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 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.
5. Consents to the continued jurisdiction of this Court for the purpose of enforcing the terms and conditions of this Order.

¹ The parties' proposed consent order of contempt containing the signatures of both parties 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.

II.

FACTUAL FINDINGS

A. As set forth below in this paragraph II. A., Defendant Daren Palmer violated the terms of the SRO prohibiting the Defendants Palmer and Trigon from directly or indirectly:

transferring, selling, alienating, liquidating, encumbering, pledging, leasing, loaning, assigning, concealing, dissipating, converting, withdrawing, or otherwise disposing of any assets, wherever located, including assets held by or on behalf of the defendants within or outside the United States, and including both existing assets and assets acquired after the effective date of this Order.

1. Palmer pursued a refund of unused funds paid out from Trigon Group Inc. to an audio/video design firm, Sight & Sound LLC. Palmer agreed to accept payment from Trigon's debtor in the form of real property located at 2670 South Eagle Road, Meridian, Idaho ("Southstone Property,"). Palmer transferred, or assisted in transferring, the Southstone Property to Resource Solutions, LLC, an entity controlled by a personal friend of Palmer. In order to obtain the assignment of property to Resource Solutions, LLC, Palmer sent two release letters to Sight and Sound LLC, a Trigon debtor, one signed by Palmer dated March 20, 2009 and one with a forged signature of Michelle Palmer dated April 27, 2009

2. Palmer arranged to use the Southstone property as collateral for a \$62,000 loan obtained from Beacon Light Capital, LLC, of which Palmer directed all the proceeds. This assignation of property and the subsequent loan were both concluded after the SRO was issued by the Court and served upon Palmer.

3. Palmer redeemed shares he possessed in a real estate investment trust ("REIT") by forging his wife's name on a redemption form. Palmer obtained a check for \$1,229.26 from Dividend Capital Total Realty Trust, Inc. ("TRT"), the operator of the REIT. Trigon had contributed the funds to purchase the REIT shares. This redemption was subsequent to the issuance by the Court and service upon Palmer of the SRO.

4. Palmer concealed the existence of, and the transference and assignation of assets. At his deposition, Palmer was asked about assets and property transfers. He did not identify the unused funds at Sight & Sound, which were in part paid by Trigon Group, Inc., nor did he identify the REIT that he held in his and his wife's name, or the physical assets he concealed at a friend's shop. Additionally, under oath at his deposition, Palmer denied that he had transferred any property subsequent to February 2008.

B. As set forth below in this paragraph II. B., Defendant Daren Palmer violated the provision of the SRO that mandates that:

within thirty business days following service of the order, defendants are to provide the Commission and the Receiver 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, including, without limitation, the names, addresses and telephone numbers of all persons who transferred funds to the Defendants from January 1, 1997 to the present.

1. Palmer has failed to provide a full accounting of all funds, documents, and assets.
2. Palmer has failed to transfer such funds, documents, and assets to the United States.
3. Palmer has failed to provide the Commission and the Receiver with access to all records of the Defendants held by financial institutions.
4. Palmer has failed to provide the Commission and the Receiver with a complete customer list.

C. As set forth below in this paragraph II. C., Defendant Daren Palmer violated the provision of the SRO that mandates that upon service of the SRO: *the Defendants and any other person or entity served with a copy of the SRO, shall immediately or within such time as permitted by the Receiver in writing, deliver over to the Receiver:*

- a. *Possession and custody of all funds, property, and other assets, owned beneficially or otherwise, wherever situated, of the Defendants, including but not limited to those of Trigon, Inc., Blackrock Limited, LLC, Palmer Trading and Investments, LLC, and Pinnacle Company, LLC;*
- b. *Possession and custody of documents of the Defendants, including but not limited to, all books and records of accounts, all financial and accounting records, balance sheets, income statements, bank records (including monthly statements, canceled checks, records of wire transfers, and check registers), client lists, title documents and other papers;*
- c. *Possession and custody of all precious metals, other commodities, funds, and other assets being held by or on behalf of the Defendants or on behalf of the Defendants' customers, clients, pool participants or investors;*
- d. *All keys, computer passwords, entry codes, and combinations to locks necessary to gain or to secure access to any of the assets or documents of the Defendants, including but not limited to, access to the Defendants' residential and business premises, means of communication, accounts, computer systems, or other property; and*
- e. *Information identifying the accounts, employees, properties or other assets or obligations of the Defendants.*

1. Palmer has not provided any of the above-listed items to the Receiver.

D. As set forth below in this paragraph II. D., Defendant Daren Palmer violated the provision of the SRO that mandates that:

Defendants and all other persons or entities served with a copy of this order shall cooperate fully with and assist the Receiver. This cooperation and assistance shall include, but not be limited to, providing any information to the Receiver that the Receiver deems necessary to exercising the authority.

1. Palmer has not cooperated to the full satisfaction of the Receiver as set forth in Sections II.B. and II.C. above.

III.

IT IS THEREFORE HEREBY ORDERED, ADJUDGED AND DECREED that Defendant take all necessary steps to bring about the transfer of the Southstone property to the Receiver. If Palmer fails to complete the transference of the title of the Southstone property to the Receiver within the next 60 days, 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 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 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, Palmer must make formal requests to all fund recipients for the repayment of those funds. If 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 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 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 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.

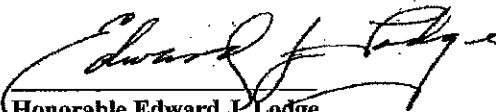
IT IS THEREFORE HEREBY ORDERED, ADJUDGED AND DECREED that Palmer shall sign quit claim deeds to any and all properties the Receiver deems to be assets of the trust in order to transfer the properties to the Receiver.

X.

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



DATED: October 23, 2009


Honorable Edward J. Lodge
U. S. District Judge