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## Attorneys for Receiver, R. Wayne Klein

## DISTRICT OF IDAHO

UNITED STATES DISTRICT COURT

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.	RECEIVER'S MOTION FOR APPROVAL OF PROOF OF CLAIM					
DAREN L. PALMER and TRIGON GROUP, INC., a Nevada Corporation,	) FORM AND CLAIM REVIEW PROCESS					
Defendants.	) )					

R. Wayne Klein, the Court-Appointed Receiver (the "Receiver") of Trigon Group, Inc. ("Trigon") and all the assets of Daren L. Palmer (the "Receivership Entities" and/or "Palmer"),

RECEIVER'S MOTION FOR APPROVAL OF PROOF OF CLAIM FORM AND CLAIM REVIEW PROCESS - 1

hereby moves for Court approval of the form to be used for investors and others ("Claimants") to make claims ("Claims") against the assets of the Receivership Entities and for approval of the process to be used by the Receiver in evaluating the Claims.

## 1. Background

The Court appointed the Receiver on February 26, 2009, in connection with governmental enforcement actions filed by the Securities and Exchange Commission and the Commodity Futures Trading Commission the same day. Under the orders appointing a receiver, the Receiver was initially charged with "marshaling and preserving assets" of the Receivership Estate (Order Appointing a Receiver, SEC Action 09-075, Document No. 8 at 1). The Receiver was directed to take control of the "funds, assets and property" of the Receivership Entities (id. at 2) and to "liquidate and convert into money all the assets" of the Receivership Entities (id. at 4), "pending further order of the Court" (id.). See also Order Granting Motion for Statutory Restraining Order, CFTC Action 09-076, Document No. 5 at 2, 7-8.

Since the date the Receiver was appointed, significant progress has been made in recovering assets and converting assets to cash. This progress is described in the three reports to the Court by the Receiver for the periods ending March 31, June 30, and September 30, 2009. Much remains to be accomplished in the recovery of assets. Nevertheless, the Receiver believes it is appropriate at this time to identify those persons who will be asserting Claims against the property of the Receivership Estate and determine the amount of valid Claims.

Accordingly, the Receiver moves for Court approval of the following Claims Review Procedure and the attached Proof of Claim Form.

## 2. Proposed Claims Objection Procedure

- a. Distribution of Proof of Claim Forms: The Receiver will distribute Proof of Claim Forms, in the form attached as Exhibit A (Instructions and Proof of Claim Form), to all investors known to the Receiver and to others who have informed the Receiver of an intent to make Claims against the Receivership Estate. The Proof of Claim Form will also be posted on the website of the Receiver, available for any person to access.
- b. Proof of Claim Deadline: Proof of Claim Forms must be submitted to the Receiver by February 28, 2010 to be accepted. Proof of Claim Forms mailed after that date will be deemed invalid, absent demonstration of compelling circumstances or Court order.
- c. Assignment of Claim Number: When Claims are submitted, the Receiver will assign a Claim number ("Claim Number") to each Claim. To maintain the confidentiality of Claimants, Claims will be referred to by Claim Number in public filings. Information as to the identity of Claimants will be provided to the Court under seal and to the SEC and CFTC.
- d. Review for Completeness: Proof of Claim Forms will be reviewed for completeness when received. If required information is missing, the Claimant will be given an opportunity to submit the missing information within ten days after the Receiver mails notice to Claimant that information is missing.
- e. **Documentation Required**: Claimants will be expected to submit documents supporting the amount of their Claim. If Claimants fail to submit documents supporting the amount of their Claims, the Receiver will have discretion to make a recommendation to the Court of an allowable Claim amount, based on the records of the Receiver. The Receiver may recommend that the Claim be allowed in full, allowed at a reduced Claim amount, or denied.

(Reminder: the amount allowed for the "Claim" does not mean there will be enough money to pay the full Claim.)

- f. Signature and Waiver Required: For a Proof of Claim to be valid, the Claimant must sign the Proof of Claim Form under penalty of perjury and agree to make the Claims process the exclusive means of making a Claim against the Receivership Estate.
- g. Initial Classification of Claims: The Receiver will initially classify Claims as "allowed," "reduced," or "rejected." The Receiver's review will be premised upon the principles set forth in the attached Exhibit B.
  - (1) "Allowed" Claims will be those where the amount of Claim is the same as shown on records of the Receiver or where the Claimant submits documentation demonstrating to the satisfaction of the Receiver that the claimed amount is accurate.
  - (2) "Reduced" Claims will be those where the Receiver believes the Claimant is entitled to a portion, but not all, of the amount claimed. Reductions might be recommended based on i) inadequate evidence that the claimed amount was actually paid to the Receivership Entities, ii) the Claimant failing to offset distributions paid by the Receivership Entities, iii) the Receiver's belief that the Claimant had business affiliations with Palmer or Duane Yost or any of the following entities in which he has an interest: Centurion, LLC, Dual Funding, LLC, Yost Development Company, LLC, Yost Enterprises, and Yost Leasing, Inc. (hereinafter collectively "Yost"), assisted in promoting the investment program, or was on notice of problems with Trigon or Yost such that the claimed amount should be discounted, or iv) the presence of other factors indicating that the Claim amount should be reduced.

- (3) "Rejected" Claims will be those where i) the Receiver believes the Claim knowingly contains false information, ii) the Claimant is an investor who has already received a return of the full principal amount invested, iii) the Claim is by a person who assisted in the investment program challenged by the SEC or CFTC, iv) the Claim is for debts not related to the operation of Trigon Group or other companies owned by Palmer, or v) other situations where it would not be proper to use the assets of the Receivership Estate to pay the Claim.
- h. Notice of Preliminary Allowable Claim Amount: When the Receiver has completed his review of the Proof of Claim Forms and documentation submitted by Claimants, the Receiver will notify each Claimant of the Receiver's determination of the "Preliminary Allowable Claim Amount." For Claims where the Receiver intends to recommend a reduced Claim amount or reject the Claim, a Notice similar to Exhibit C will be mailed to the Claimant. Claimants who disagree with the Receiver's determination of the Preliminary Allowable Claim Amount will be allowed thirty (30) days from the date of mailing to submit additional documentation to support the amount of their Claim or to seek to persuade the Receiver that his determination should be modified. Claimants will be able to indicate acceptance of the Receiver's recommendation.
- i. Review of Supplemental Information: The Receiver will review any documentation and information submitted in response to his notice of the Preliminary Allowable Claim and compile a list of recommended Allowable Claim Amounts.
- j. Recommendation to the Court: The Receiver will file with the Court his recommendation of the Allowable Claim Amounts and send a copy to all Claimants.

- k. Claimant Objections Filed with the Court: Claimants who disagree with the Receiver's recommendation to the Court of the Allowable Claim Amount will have thirty (30) days from the time the Receiver's recommendations are filed with the Court to file an objection to the Receiver's recommendation. Any Claimant who fails to file a timely objection with the Court will be deemed to have consented to the Allowable Claim Amount as determined by the Receiver.
- l. Court Resolution of Objections: When the Receiver submits to the Court his recommendations of the Allowable Claim Amounts, the Receiver will suggest a process the Court might use to resolve the objections, in light of the number and nature of objections expected. Possible options include a hearing at which Claimants can argue their objections, making rulings based on written submissions, or referral to a special master.
- m. Determination of Final Allowable Claim Amounts: When the Court has ruled on the objections, the Receiver will file a Final Claims Summary that will report as to each Claim number the final allowed amount. This Final Claims Summary will also be posted on the Receiver's website. The Final Claims Summary amounts will be used by the Receiver in making pro-rata distributions of assets he has recovered in the Receivership.
- n. Distribution of Funds: The Receiver can begin making payments to investors and other Claimants. It is expected that the Receiver will make distributions in stages, depending on the pace at which remaining properties are sold and litigation is completed.

## 3. Proposed Timetable.

The Claims procedure outlined above involves a number of steps and time periods for each step. It is hoped the Claims procedure can be completed according to the following timetable:

•	February 28, 2010	Deadline for submission of Proof of Claim Forms.
•	March 10, 2010	Receiver will have notified Claimants of any deficiencies in
		their Proof of Claim Forms and give an opportunity to
		supply missing information.
•	March 20, 2010	Deadline for submission of information identified by
		Receiver as missing.
•	April 1, 2010	Completion of initial review of Proof of Claim Forms by
		the Receiver. Receiver will send notice of Preliminary
		Allowable Claim Amounts to each Claimant.
•	May 1, 2010	Deadline for Claimants to submit any additional
		documentation in response to notice by the Receiver that
		the Preliminary Allowable Claim Amount is reduced or
		rejected.
•	June 1, 2010	Receiver will file with the Court a report listing the
		Allowable Claim Amounts recommended by the Receiver.
•	July 1, 2010	Deadline for Claimants to file with the Court any
		objections to the Receiver's list of Allowable Claim
		Amounts.
•	July 15, 2010	Receiver will file with the Court a proposed process for
		resolving the objections and a proposed distribution plan, to
		be implemented when the list of Allowable Claims is
		finalized.

September 1, 2010 Goal for completion of Court review of, and ruling on, objections and on the proposed distribution plan. This will result in a final list of Allowable Claims and permission for the Receiver to begin making distributions.

## 4. Review by the SEC and CFTC

This motion, along with the proposed claim form and claim review process, was previously submitted to the SEC and CFTC for their comments. This proposal reflects some changes suggested by the CFTC. Both the SEC and CFTC have indicated to the Receiver their support for this proposal.

WHEREFORE, the Receiver Wayne Klein asks this Court to approve the foregoing claims procedure and enter the Order attached hereto as Exhibit D.

DATED THIS 19th day of January, 2010.

HAWLEY TROXELL ENNIS & HAWLEY LLP

Rv

John F. Kurtz, Jr., Attorneys for the Receiver,

X. Wayne Klein

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 19<sup>th</sup> day of January, 2010, I electronically filed the foregoing RECEIVER'S MOTION FOR APPROVAL OF PROOF OF CLAIM FORM AND CLAIM REVIEW PROCESS 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
martinezk@sec.gov
himesm@sec.gov

Counsel for Plaintiff Securities and Exchange Commission

Mitchell Barker Barker Law Offices, LLC 3501 West Elder Street, #110 Boise, ID 83705 mitchbarker1492@hotmail.com

Counsel to Defendant Daren L. Palmer

Alison B. Wilson
John W. Dunfee
Division of Enforcement
Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, D.C. 20581
jdunfee@cftc.gov
awilson@cftc.gov

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

John F. Kurtz, Jr.

### **EXHIBIT A**

## INSTRUCTIONS FOR PROOF OF CLAIM FORM

## Trigon Group, Inc., Daren L. Palmer, Yost Entities

## **Instructions**

The attached "Proof of Claim" Form has been approved by the District Court of Idaho. It is the exclusive method for investors and others to assert claims against any of the monies or assets of Trigon Group, Inc. and Daren Palmer which have been or should be delivered to the Court-appointed Receiver. Persons who invested in Trigon through Daren Palmer, Duane Yost, or one of the companies controlled by Palmer or Yost, may complete this claim form and submit it to the Receiver. Persons who have other claims against Trigon or Palmer's assets also may use this form to make claims.

The following guidelines apply to this Proof of Claim Form:

- 1. <u>Documents</u>. The Receiver will make an initial evaluation of the claim based on records deemed to be reliable. Investors are strongly encouraged to submit copies of documents establishing that funds were sent to Trigon or Yost in order to establish the amount invested. Copies of bank documents will be the most persuasive means of demonstrating how much money was invested. Note: because investment account statements sent to investors did not reflect actual profits earned by the company, copies of account statements received from Trigon or Yost will not be deemed reliable indications of monies invested. In the event the documents submitted by investors show different results than bank records reconstructed by the Receiver, the Receiver will base his recommendation to the Court on the records deemed most reliable.
- 2. <u>Signed Under Oath</u>. The Proof of Claim Form must be signed under penalty of perjury. If the amount of a claim is based on false or misleading information, the Receiver may recommend that the entire claim be denied.
- 3. <u>Confidentiality</u>. The Receiver will endeavor to maintain the confidentiality of information submitted by claimants, by assigning a claim number to each claim. Public filings will refer to claims by claim number. The Receiver will provide to the Court and to the SEC and CFTC information allowing them to identify each claimant.
- 4. <u>Types of Claims</u>. Persons whose claims are based on "investments" made with Trigon, Palmer, and Yost should list those investments in Section B of the Proof of Claim Form. Persons whose claims are based on other business dealings with Trigon should complete Section C of the Proof of Claim Form. Claimants may make claims under both sections if they had investment dealings with Trigon and Yost and non-investment claims with Trigon. Unsecured claims arising from non-investment dealings with Trigon are less likely to be deemed valid claims against the assets of Trigon and Palmer.

Exhibit A

- 5. Classes of Claims. The Receiver may recommend to the Court that claims be divided into more than one class, with higher percentages of claims being paid to certain classes. Claims that may be assigned to classes receiving lower percentages of recovery might include claims for non-investment business dealings with Trigon, claims by family members or business associates, claims by persons who may have had knowledge of the true financial condition of Trigon or who otherwise may not have acted in complete good faith, claims based on goods or services, and claims containing false or misleading information.
- 6. Allowable Claims will be Based on the Principal Amount of Investment. The amount of valid claims determined by the Receiver will be based on the amount of funds actually paid to Trigon or Yost, not based on profits reported on account statements prepared by Trigon, Palmer, or Yost. Because it is expected that there will only be enough money to pay a portion of valid claims, no one will be allowed to recover more than the amount of their actual investment unless all investors recover at least the amount of their investment.
- 7. <u>Submission Deadline</u>. The Proof of Claim Form must be sent to the Receiver and delivered or postmarked by February 28, 2009. Claims postmarked or delivered after that date may be denied. If you are aware of other claimants, please encourage them to submit claims before the deadline. Additional copies of this Proof of Claim Form are available on the Receiver's website at <a href="https://www.kleinutah.com">www.kleinutah.com</a>. Proof of Claim Forms and documentation supporting the claim should be mailed, instead of being sent electronically. The Receiver cannot confirm the receipt of claim documents sent electronically. Claim forms should NOT be sent to the court.
- 8. **Keep a Copy!** Claimants should keep a copy of the Proof of Claim Form and supporting documentation. Claimants should keep their original copies of supporting documents and send photocopies to the Receiver. The Receiver will contact you if he needs the original documents for review.
- 9. Steps in the Claim Review Process.
  - a. Proof of Claim Forms will be reviewed for completeness when received. If required information (such as a signature) is missing, the claimant will be contacted and given an opportunity to submit the missing information before the deadline.
  - b. The Receiver will determine the validity of the amount of the claim by reviewing the Proof of Claim Form and supporting documentation and by comparing the claim with the financial records reconstructed by the Receiver. If the records do not match, the Receiver will make his recommendations based on records he deems most accurate whether from the claimant or from the Receiver's analysis.
  - c. The Receiver will make a determination of the Preliminary Allowable Claim Amount. Note: This is the amount that the claimant can validly claim against the amount of assets recovered by the Receiver. It does not mean that that amount

- will be available for payment. The amount actually paid to claimants is expected to be significantly less than the amount of allowable claims because we anticipate that there will be valid claims for more money than will be recovered.
- d. Claimants will be notified of the Receiver's determination of their Preliminary Allowable Claim Amount. Claimants who disagree with the Receiver's determination of the preliminary allowable claim amount will have thirty (30) days to provide additional documentation to support the amount of their claim or to persuade the Receiver that his preliminary determination should be modified.
- e. The Receiver will file with the Court his recommendations of the Allowable Claim Amount for each claimant.
- f. Claimants who disagree with the Receiver's recommendation will have thirty (30) days from the time the Receiver's recommendations are filed with the Court to file with the Court an objection to the Receiver's recommendation.
- g. The Court will establish a process for evaluating and ruling on the objections.
- h. When the Court has ruled on the objections, the list of allowable claim amounts will be deemed final.
- i. Distribution of funds recovered from Trigon, Palmer, and Yost will be made on a pro-rata basis based on the final allowable claim amounts.
- 10. **Timetable**. The following is the expected timetable for determining allowable claims:

Date	Event
February 28, 2010	Deadline for submission of Proof of Claim Forms.
April 1, 2010	Receiver will complete his initial review of claim forms and will send
	notice of Preliminary Allowable Claim Amounts.
May 1, 2010	Deadline for submission of any additional information by claimants
	disagreeing with the Preliminary Allowable Claim determination and
	requesting additional review.
June 1, 2010	Receiver will file a report to the Court listing his recommendations for
	Allowable Claim Amounts. This report will also be mailed to all
	claimants.
July 1, 2010	Deadline for claimants to file with the Court any objections to the
	Receiver's recommendation of allowable claims.
September 1, 2010	Goal for completion of the Court's review of objections, creation of a final
	list of allowable claims, and Court approval of a distribution plan.
	Distributions of funds can begin.

The Proof of Claim Form must be mailed by February 28, 2010 to the Receiver at:

Trigon Claim Form Wayne Klein, Receiver 299 South Main, Suite 1300 Salt Lake City, UT 84111

#### **EXHIBIT A**

## UNITED STATES DISTRICT COURT FOR THE DISTRICT OF IDAHO

Case No. CV-09-075-E-EJL Securities and Exchange Commission, **Commodity Futures Trading Commission** Case No. CV-09-076-E-EJL

Daren L. Palmer and Trigon Group, Inc.

## PROOF OF CLAIM FORM

Trigon Group, Inc., Daren Palmer, Duane Yost

Deadline: All Proof of Claim Forms must be returned to the Receiver by

February 28, 2010.

Mail to: Trigon Claim Form

> Wayne Klein, Receiver 299 South Main, Suite 1300

Salt Lake City, UT 84111

Note: Do not mail the claim form to the court.

Claimant Information Response

- **Contact Information** Claimant Name Joint Holder/Investor Address City, State, Zip Phone Number Mobile Phone
  - E-Mail Address

Tax Identification Number

- Entities: If any of the investments were made by an entity, list all persons who directly or indirectly hold beneficial interests in the entity and their share of ownership.
- Affiliation/Relationship: Attach an explanation for any "yes" answers. Are you related to Daren Palmer or Duane Yost? Have you been a business partner with Palmer or Yost, assisted in the creation of companies they managed, or been a signatory on any bank accounts they held?

	:	Have you ever received financial suppor	t		
	!	from Palmer or Yost, such as salary,	•		
		loans, or gifts of money or property?	•		
	i	!	1		
	4	Falor Askirian Did			
	4.	Sales Activity: Did you solicit others to			
		invest in Trigon or did you receive			
	i	compensation as a result of others			
		investing with Trigon?			
	5.	Type of Claim			
-		Trigon Investor? Did you pay money to	1		
	i	Trigon Group, Inc., Daren Palmer, or a			
	į ,	company controlled by Palmer?			
		2 P. L.			
	i	Yost Investor? Did you pay money to			
		Duane Yost or a company controlled by	i		
	_ i	Yost?	1		
	:	Non-Investor Creditor? Do you claim	1		
		that Trigon Group, Inc. owes you money	· ·		
	1	for something other than an	•		
		investment?			
в.	Inve	estor Claim Information			
	1.	Funds Given to Palmer/Trigon. List the	Amount	Date	What documents are enclosed?
		amount and date of each payment			
		given directly to Trigon or Palmer for			
	*	investment purposes. (Do not include			
	1	monies given to Duane Yost.)			
	ļ	Float in contract			1
	4	First investment			p
		Second investment	<u>+</u> - •	*	
		Third investment		1 -	
	i	Fourth investment	3		
	-	Fifth investment			<u> </u>
		Are additional sheets enclosed with more	investments?		
	İ	Total amount given to Palmer/Trigon			
	`2.	Monies Received from Trigon/Palmer.	Amount	Date	What documents are enclosed?
		List the amount and date of each			
		payment you received from Trigon or			
		payment you received from Trigon or Palmer. This includes interest payments.			
		Palmer. This includes interest payments,			
		Palmer. This includes interest payments, withdrawals, and expenses paid by Palmer to others for you.			
		Palmer. This includes interest payments, withdrawals, and expenses paid by Palmer to others for you.  First payment			1 1 2
		Palmer. This includes interest payments, withdrawals, and expenses paid by Palmer to others for you.  First payment Second payment			1 - - - 40 -
•	· ·	Palmer. This includes interest payments, withdrawals, and expenses paid by Palmer to others for you.  First payment Second payment Third payment			
	• · ·	Palmer. This includes interest payments, withdrawals, and expenses paid by Palmer to others for you.  First payment Second payment			

	3.	Net Investment Results - Palmer			
	17:	What is the net results of your			
		investment with Trigon and Palmer? In	1		
		most cases, this will consist of the total			
		amount of investments minus the total			
		amount you were paid.			
	4.	Funds Given to Yost/Yost Companies.	Amount	Date	What documents are enclosed?
		List the amount and date of each			
		payment given directly to Duane Yost or			
		one of his companies.			
	, .				
	+ -	First payment	· ·		
	1	Second payment			
		Third payment			:
		Fourth payment	-		
		Fifth payment  Are additional sheets enclosed with more	invactmente?		· · · · · · · · · · · · · · · · · ·
		Total amount received from Yost	investmentsr		
		rotar amount received from rost			
	5.	Monies Received from Yost and his	Amount	Date	What documents are enclosed?
		companies. List the amount and date of			
		each payment you received. This			
		includes interest payments, withdrawals,			
:		and expenses paid by Yost to others for			
,		you.	,		
,		First payment	,	4	
		Second payment			·· Ի
;		Third payment			-
‡		Fourth payment		1	······································
;	**	Fifth payment  Are additional sheets enclosed with more	nauments2		-
;		Total amount received from Yost	payments		
		Total amount received from rost			
•	6.	Net Investment Results - Yost			
		What is the net results of your			
		investment with Yost and his			·
		companies? In most cases, this will			
·		consist of the total amount of			
		investments minus the total amount you			
		were paid.			
	Clain	ns for Non-Investor Debts			
•	1.	Vi = 1	Explanation		
•	:	Explain the nature of the claim you have			ĺ
		against Trigon Group. Attach additional			
		pages as necessary.			

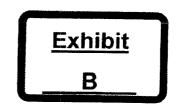
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	Explain the reasons you believe this claim should be paid by the Receivership Estate. Attach additional pages as inecessary.	p			
2.	Claims Against Receivership Estate. List the amounts you claim are owed you by the Receivership Estate, along with the dates of each payment and the documentation supporting your claim.		Date	What document	s are enclosed?
<u>-</u>	First payment/amount claimed.		<u>.</u>		
	Second payment/amount claimed.				
	Third payment/amount claimed.		,		
	Fourth payment/amount claimed.				
	Fifth payment/amount claimed.				
, .	Are additional sheets enclosed with mor	e claims?			
	Total amount claimed for non-investor				
	debts.	1			
D.	Total Amount of Claim (investors and creditors).				
<b>E.</b>	Signatures of Claimant(s): Important: process shall be the exclusive means of of any other claims against the Received	making a claim	against the Receiv		
;	I do hereby declare under penalty of perjury that the above information is correct to the best of my/our knowledge			Date	
:	and belief.				:

## **EXHIBIT B**

## Guidelines for Claims Review, Reductions, and Rejections

- 1. Claims should be supported by documentation. Because the Receiver has determined that the the records of Trigon and Yost are incomplete and inaccurate, they will not be considered a reliable measure of amounts paid to Trigon, Yost, and related entities. Proof of Claim Forms should be accompanied by documents, such as bank records, providing evidence of the amounts paid to Trigon and Yost and received from Trigon and Yost. If Proof of Claim Forms are submitted without supporting documentation, the Receiver will rely on documentation he believes best represents the actual financial transactions that occurred.
- 2. Allowable claims should be based on "principal" amounts invested. The "principal" amounts paid to Trigon will be used to calculate the amount of loss, not the amounts shown on account statements. Withdrawals or distributions will be deemed withdrawals of principal, not payment of profits.
- 3. <u>Investments through Yost and Yost entities</u>. Payments that can be demonstrated to be related to participation in the Trigon investment program will be calculated the same whether the payments were made directly to Trigon or through Duane Yost and entities controlled by Yost. The same will be true for distributions through Yost and his entities.
- 4. Grounds for disallowing claims. Investors who received distributions in amounts greater than the amount of their principal investments will have their claims rejected. Claims that are not signed or are deemed to knowingly include false information will be rejected. Claims postmarked after the submission deadline will be rejected absent compelling justification for the delay.
- 5. <u>Claims by affiliated persons</u>. The Receiver may reject or reduce the recommended amount to be paid on claims submitted by persons who had a role in the operation of Trigon or Yost's businesses, solicited others to make investments, received compensation based on the investments of others, had close business relationships with Trigon, Palmer, or Yost, or are related to Palmer or Yost.
- 6. Receiver's use of business judgment. The Receiver will use his business judgment in making recommendations to the Court regarding: a) whether claims by persons associated with other investors (such as investments by a claimant from personal and business accounts) should be treated separately or aggregated and b) whether claims should be reduced or rejected based on indications of lack of good faith by claimants in their dealings with Trigon, Yost, or with the Receiver.



# EXHIBIT C WAYNE KLEIN, RECEIVER FOR TRIGON GROUP, INC. Case No. CV-09-075-E-EJL; CV-09-076-E-EJL

Name	
Address	
City, State, Zip	

?	N	6	١,	ГΙ	$\sim$	Г	$\cap$	F	p	F	n	ľĬ	~	E.	n	(	I	>	D	F	n	Fi	$C^r$	П	71	`	D	D	$\cap$		١T	7.4	$\cap$	$\mathbf{F}$	C	ľ	Δ	IN	A
1	N	ŧ	,	1 1	ι.	r,	( )	Г	ĸ	Г.	,	ŧ,	ι,	г.	1)	•	"	•	ĸ	г	. 7			1 [	٦, إ	,	۲	ĸ	ŧ,	Κ.	"	٠,		r	٠.	1.,	А	1 1	٧I

Dear:								
Your Proof of Claim Form has been assigned Claim No								
Wayne Klein, the Court-appointed Receiver for Trigon has reviewed your Proof of Claim. The Receiver intends to recommend that your Claim be reduced or rejected for the reason(s) described below. Your Proof of Claim indicated a Claim amount of \$ The Receiver intends to recommend that the Court allow \$ of that Claim and reject any amounts in excess of the allowed amount.								
The reason(s) for the Receiver's decision to recommend that your Claim be reduced or rejected are:								
The Claim form was not signed.								
The Claim form was not postmarked on or before February 28, 2010.								
The documentation you provided does not support the amount you claimed.								
Our records indicate that additional amounts should be deducted for distributions, withdrawals, or payments of profits to you.								
Our records do not show that your payments were made to the Receivership Entities or to others for the Receivership Entities.								
Other:								
<u>CALCULATIONS</u> . The Receiver's records show the following payments relating to your dealings with Trigon and Yost:								
Amount actually paid by Claimant to or for the Receivership Entities:								
DEDUCTION: amounts previously paid to Claimant:								
Allowed amount:								
Claimed amount (on the Proof of Claim Form submitted by Claimant):								
Excess amount of Claim:								

Exhibit C

What if I	disagree	with the	Receiver	's recommendo	ition of a	reduced o	or rejected (	Claim
Amount?								

You may submit additional documentation to the Receiver in response to this Notice by mailing it to the Receiver at the address below. **Note: Your response must be postmarked no later than** \_\_\_\_\_\_(30 days after mailing of Notice).

## What happens next?

Following receipt of your supplemental documentation, the Receiver will review the information you submit and determine whether or not the Receiver changes his recommendation. If the Receiver changes his recommendation, you will be notified by letter indicating the amount of the allowed Claim.

If the Receiver does not change his recommendation, the Receiver will submit a list to the Court of the Allowable Claim Amounts, including his recommendation for your Claim. You will be mailed a copy of the Receiver's recommendation to the Court. You will have thirty (30) days from the time of the Receiver's filing with the Court to file with the Court an objection to the Receiver's recommendation. If you fail to file an objection with the Court, you will be deemed to have consented to the Receiver's recommendation.

How do I accept the Receiver's recommendation of the amount of my allowable Claim? Please sign this form in the space provided below and return it to the Receiver at the address listed below. Upon receipt of this signed form, the Receiver's recommendation will be deemed accepted and your Claim amount will be reduced to the amount recommended by the Receiver.

ALLOWED AMOUNT OF THE CLAIM.	
Signed:	Date:

I AGREE WITH THE RECEIVER'S RECOMMENDATION AND ACCEPT THE

## How much will I be paid under the Receiver's calculations?

The "allowed amount" is <u>not</u> the amount that will actually be paid. At a future date, the Court will approve a distribution plan, which is expected to be based on the amount of money available and the total amount of allowed Claims. The Receiver expects there will only be sufficient funds to pay a portion of the total amount of each allowed Claim.

## When will the allowed amount be paid?

The Receiver hopes to receive approval from the Court to begin paying allowable Claims in September 2010. Because the Receiver does not expect that all the assets will be sold by that time and that not all the litigation will be completed, the Receiver expects that additional payments will be made in stages, as funds are recovered.

## Address of the Receiver:

Wayne Klein, Receiver for Trigon 299 South Main, Suite 1300 Salt Lake City, UT 84111 (801) 534-4455

## UNITED STATES DISTRICT COURT

## FOR THE 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.	ORDER APPROVING PROOF OF CLAIM FORM AND CLAIM REVIEW PROCESS
DAREN L. PALMER and TRIGON GROUP, INC., a Nevada Corporation,	) ) )
Defendants.	) )
	<del>-</del> /

The matter before the Court is the Receiver's Motion for Approval of Proof of Claim

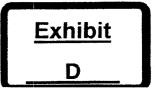
Form and Claim Review Process filed by R. Wayne Klein, the Court-Appointed Receiver of

Trigon Group, Inc. and the assets of Daren L. Palmer. The Court has reviewed the Motion and
the file and based thereon and for good cause shown,

IT IS HEREBY ORDERED that:

- 1. The Motion is APPROVED.
- 2. The Court approves the Proof of Claim Form and Instructions proposed by the Receiver attached as Exhibit A to the Receiver's motion.
- 3. The Court approves the Claim Review Process as set forth in the Motion, including the Guidelines for Claims Review, Reductions, and Rejections attached as Exhibit B

ORDER APPROVING PROOF OF CLAIM FORM AND CLAIM REVIEW PROCESS - 1



44549.0001.1777639

and the form of the Receiver's Notice of Reduced or Rejected Proof of Claim, attached as
Exhibit C to the Receiver's Motion.
//end of text//

Submitted by:

John F. Kurtz, Jr., ISB No. 2396 HAWLEY TROXELL ENNIS & HAWLEY LLP

Attorneys for the Receiver R. Wayne Klein