



(the "Bank"), Robert Lindberg, Kathryn McGregor, Brett Wright, Allan Wright, John Goddard, and SHR Investments, LLC/JS Geldt, LLC ("Settling Parties") pursuant to the terms described below. In addition, the Receiver is providing notice of his intent to sell a timeshare interest previously owned by Palmer.

### SETTLEMENTS

1. The Bank of Commerce. At the direction of two Trigon investors, Trigon made three payments to the Bank to pay off unrelated business loans the Bank had made to the investors. Even though the Bank did not engage in any wrongful or improper conduct, the Receiver notified the Bank of his intent to seek recovery of the payments because the payments were for the debts of others, rather than the debts of Trigon. The Receiver and the Bank have agreed to a settlement pursuant to which the Bank will pay to the Receiver \$2,072,082.19 in four equal quarterly installments during 2010 to settle all present and future claims that the Receiver has or may have against the Bank. Neither Trigon nor Palmer has ever been a borrower, depositor, or customer of the Bank. The Bank has cooperated with and provided significant assistance to the Receiver in connection with his investigation and efforts to recover funds for the benefit of Trigon investors.

2. Robert Lindberg. Lindberg invested in the Trigon investment program through companies controlled by Duane Yost. He withdrew his investment in 2005 and 2007, earning approximately \$8,000 in net returns. Lindberg has agreed to repay the \$8,000 he received in overpayments. This will be paid on an installment basis, with payments to be completed by December 31, 2010.

3. Kathryn McGregor. McGregor participated in a group that made short-term loans to Trigon in December 2006 and April 2007, earning \$30,753.42 in interest. She also received

approximately \$32,326.00 in distributions on a \$250,000.00 investment made through one of Duane Yost's companies. In lieu of being required to pay the receiver the interest received on the first set of loans, McGregor will waive any claims against the Receivership Estate for return of the investment made through the Yost entity – reducing claims against the Receivership Estate by \$217,674.00.

4. Brett Wright. Wright invested \$700,000.00 of borrowed funds with the Trigon investment program in 2005 and 2006, investing through a Yost company. Wright was repaid directly by Trigon and received payments totaling \$733,548.00, earning a profit of \$33,548.00. Wright has repaid this profit to the Receiver.

5. Allan Wright/Kris Wright/Bud Wright. The Receiver determined that Allan Wright invested \$1,650,000.00 with Trigon and Blackrock, another company controlled by Palmer. Wright received \$2,250,960.18 in distributions from Trigon and two companies controlled by Duane Yost: Dual Funding and Dual Investments, resulting in payment of \$600,960.18 more than he invested. As part of his settlement with the Receiver, Wright acknowledged being overpaid, but showed how most of the funds he received as distributions were lost in other business ventures. Wright has demonstrated an inability to repay the full amount he was overpaid. The Receiver has agreed to settle his claims against Wright by Wright's delivery of funds and property worth as much as \$220,000.00 and waivers of claims by others of as much as \$1,125,500.00. The settlement includes the following:

a. Allan Wright has been liquidating assets and setting aside money to pay the Receiver. Wright will pay to the Receiver the balances of his bank accounts, which total approximately \$47,000.00.

b. Allan Wright will liquidate his individual retirement account, valued at approximately \$25,000.00, and pay the net proceeds to the Receiver, after deduction of the amount needed to pay taxes and penalties due on the liquidation of the retirement account.

c. Allan Wright will arrange for transfer to the Receiver of clear title to a building lot located in the Sand Hollow development near St. George, Utah originally purchased by Wright for \$160,000.00 and which had subsequently been transferred to a family member in satisfaction of monies borrowed from the family member to repay bank loans used for his Trigon investments.

d. Kris Wright will waive any claim against the Receivership Estate. These claims could have totaled \$805,000.00.

e. Bud Wright will waive any claim against the Receivership Estate. These claims could have totaled \$320,500.00.

6. John Goddard. Goddard invested in the Trigon program through Yost Enterprises and withdrew his funds, along with \$27,629.00 in profits, to pay medical expenses. On February 18, 2010, the Receiver filed suit against Goddard, seeking recovery of funds he was paid. Goddard has agreed to pay the Receiver \$25,000.00 in settlement of the Receiver's lawsuit.

7. SHR Investments/JS Geldt. The Receiver determined that JS Geldt, LLC invested \$305,000 of its own funds in Trigon. These investments were made directly with Trigon and through Dual Funding. JS Geldt received \$96,000 in investment returns. In addition, JS Geldt participated in a short term loan to Trigon, loaning \$300,000 and receiving \$303,452.05 in repayment and interest. JS Geldt was paid an additional \$187,500 as compensation for

arranging loans to Trigon by others. Of this amount, \$136,923 was retained by JS Geldt, while the remaining \$50,577 was paid to others as commissions and fees. Finally, SHR Investments and JS Geldt forwarded \$330,500 invested by others to Yost Enterprises. In exchange for the Receiver not seeking recovery of the \$187,500 paid to JS Geldt as compensation for arranging other loans and investments, JS Geldt agrees as follows:

a. JS Geldt will waive any claims against the Receivership Estate for investment losses it may have suffered in the Trigon investment program, which claim might have totaled \$205,547.95.

b. JS Geldt will pay to the Receiver 62.9%<sup>1</sup> of the approximately \$65,000.00 in funds in its bank account. This represents the entire balance of its bank accounts and reflects funds it has been gathering for payment to the Receiver.

c. JS Geldt will waive any claims against the Receivership Estate that it might have made for the \$250,000.00 invested into Trigon with funds from McGregor (described above).

d. SHR Investments will waive any claims against the Receivership Estate for \$80,500.00 invested by two other investors through SHR Investments. The Receiver will treat the claim filed on behalf of these two investors as separate claims for them individually.

#### Resolution of a Conflict of Interest Relating to the JS Geldt Transactions

The Receiver notes for the Court that he is also acting as Receiver in a state court proceeding in Third District Court in Utah (*Barnes v. FFCF Investors, LLC, et. al.*, Civil No.

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<sup>1</sup> See discussion of conflict of interest in the next section.

080922273 (Order Appointing Receiver, Mar. 18, 2009) (Third Dist. Utah)). JS Geldt, LLC loaned money to one of the promoters of FFCF and was repaid by Receivership Entities in that other case. In that action, the Receiver filed suit against JS Geldt, seeking the payment of \$1,010,527.31 in funds paid to JS Geldt by the FFCF Receivership Entities.

JS Geldt seeks to settle claims by the Receiver in both those cases, tendering to the Receiver all of its funds and non-cash claims related to those two cases. This creates a conflict of interest for the Receiver in determining how to allocate settlement funds and other assets between the two Receiverships. The Receiver has determined to allocate cash to be paid by JS Geldt on a pro-rata basis, based on the size of the likely recovery by the Receiver in each case. The Receiver calculated his most likely recovery from JS Geldt in the Trigon case to be the \$187,500.00 JS Geldt received as compensation for arranging loans to and investments in Trigon. The Receiver calculated his most likely recovery from JS Geldt in the FFCF case as \$110,527.31, the amount of interest paid to JS Geldt on the loans made to affiliates of FFCF. This results in 62.9% of JS Geldt's cash being allocated to Trigon and 37.1% being allocated to FFCF Investors. Non-cash claims being waived or delivered to the Receiver will be allocated to the particular case to which the claims relate.<sup>2</sup>

### **PROPERTY SALE**

Daren Palmer owned a timeshare interest in Hawaii. The timeshare interest had originally been purchased for \$36,900.00, but the resale value is significantly lower due to the

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<sup>2</sup> Accordingly, the claims that JS Geldt and SHR are waiving against the Trigon Receivership will be allocated solely to the Trigon case. A real estate security interest that JS Geldt obtained to secure loans made to persons affiliated with FFCF Investors will be allocated to the FFCF Receivership. To do otherwise would result in assets that exist solely as a result of one receivership affecting the amount to be recovered by an unrelated receivership.

nature of timeshare resales and the current state of the economy. In July 2009, the Receiver listed the timeshare interest for sale at \$24,000. On February 24, 2010, the Receiver accepted an offer of \$23,000 for the interest. Brokerage commissions and unpaid maintenance fees will be deducted from the sales proceeds.

### **REVIEW BY SEC AND CFTC**

The Receiver has given notice to the Securities and Exchange Commission and the Commodity Futures Trading Commission of these planned settlements and asked for their comments. The SEC has informed the Receiver that it supports the settlements described above and believes the resolution of the conflict of interest is reasonable. The CFTC has indicated it has no objections to the settlements.

### **PROCEDURE FOR ADDRESSING ANY OBJECTIONS TO THE SETTLEMENTS**


Objections, if any, to any of the foregoing settlements or the property sale must be in writing and filed with this Court within ten (10) days of the date of the filing of this Notice of Settlements. Unless the Court orders otherwise, if no objection has been filed within ten (10) days, the Receiver will deem the settlements and property sale approved and move forward to implement their terms. In the event that an objection is filed, the Receiver will have the right to: (1) notify in writing the objecting person, the settling party, and the Court that the Receiver believes the objection lacks merit and seek the approval of the Court notwithstanding such objection, or (2) notify in writing the objecting person, the settling parties, and the Court that the Receiver believes that the objection is valid, whereupon the affected settlement agreement(s) will be deemed terminated.

**CONCLUSION**

The Receiver believes these settlements and property sale will provide substantial benefits to the Receivership by bringing additional funds into the Receivership Estate, avoiding the costs of litigation against these parties, and eliminating significant claims against the Receivership Estate. The Receiver believes that the reduction in the number and size of claims made against the Receivership Estate will have a direct, positive impact on the amount of funds available to pay other investor claims that are deemed valid.

DATED THIS 11<sup>th</sup> day of March, 2010.

HAWLEY TROXELL ENNIS & HAWLEY LLP

By   
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John F. Kurtz, Jr., Attorneys for the Receiver,  
K. Wayne Klein



CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 11<sup>th</sup> day of March, 2010, I electronically filed the foregoing NOTICE OF SETTLEMENTS AND PROPERTY SALE 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  
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*Counsel for Plaintiff Securities and Exchange Commission*

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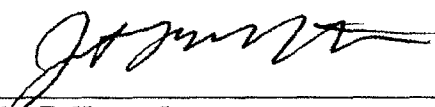
*Counsel to Defendant Daren L. Palmer*

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*

  
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John F. Kurtz, Jr.