

for (a) himself, (b) his firm, Klein & Associates, PLLC, and (c) Hawley Troxell Ennis & Hawley LLP, for the period October 1, 2010 through March 31, 2011 (the Fee Application Period).

BACKGROUND

1. This action commenced on February 26, 2009 with the filing of companion enforcement actions by the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) alleging fraud by Trigon and Palmer in violation of federal securities and commodities laws.

2. The same day, the Court entered an “Order Freezing Assets and Prohibiting Destruction of Documents” [Document No. 9 in Case No. 09-075] and orders appointing a receiver [Document No. 8 in Case No. 09-075 and Document No. 5 in Case No. 09-076].

3. The Receiver has filed nine Status Reports with the Court, one for each quarter since March 31, 2009. The most recent report covered the period up through March 31, 2011. Those status reports describe the work performed by the Receiver and the progress made to date in recovering assets. Copies of these reports are also available on the Receiver’s website, www.kleinutah.com.

SERVICES PERFORMED

4. The most significant accomplishment during the Fee Application Period was paying \$3,018,252.33 in distributions to investors. This involved:

- a. Analyzing and responding to objections that were filed by investors opposed to the distribution plan proposed by the SEC;
- b. Preparation for and participation in a November court hearing to hear arguments on the objections;

c. Participation in a successful mediation session with the attorney for the group of investors that objected to the distribution plan and negotiating the terms of a settlement agreement;

d. Negotiating settlements with two additional investors, resulting in the waiver of their claims against any future funds recovered by the Receiver; and

e. Paying \$2,000,000.00 to the investors who were the targets of the SEC's proposed distribution plan, \$1,000,000.00 to the objectors, and \$18,252.33 to investors Hal Wright and Lucille Duke.

5. Pursuant to the orders appointing a Receiver, the Receiver, the Receiver's professionals, and counsel for the Receiver have performed the following services during the Fee Application Period:

a. Lawsuits Filed: The Receiver has filed three additional lawsuits since April 1, 2010. These lawsuits seek funds paid by Trigon to three credit card companies for expenses incurred by Palmer and his wife on their personal credit cards.

b. Real Estate: Counsel for the Receiver succeeded in getting a \$169,000.00 lien removed from two four-plex apartment buildings in Rigby that were under the control of the Receiver. The apartments were sold in December, 2010 for \$225,000.00 each, less commissions and closing costs. Over \$20,000.00 in rental income was received following the sale. After consultation with officials from the SEC, the Receiver determined not to use receivership monies to pay off a \$380,000.00 lien on 19 building lots in the Timberline subdivision.

c. Settlements: During the reporting period, the Receiver received the final \$1,036,041.10 from the Bank of Commerce pursuant to a settlement agreement with the bank. An additional \$35,050.00 was recovered as a result of other settlement agreements.

d. Analysis of Financial Transactions: The Receiver has prepared and refined analyses showing i) the extent to which Trigon operated as a Ponzi scheme and was insolvent since at least 2002 and ii) showing the extent to which persons associated with Trigon lacked good faith in their dealings with Trigon.

e. Ongoing Litigation: Substantial efforts were undertaken during the Fee Application Period to move litigation forward. Significant volumes of documents were provided in discovery. The Receiver responded to numerous motions to dismiss and for summary judgment.

f. Settlement Negotiations, Mediation: In addition to the mediation and settlement agreements with investors and objectors, the Receiver has participated in mediation efforts involving multiple defendants in lawsuits that have been filed by the Receiver. A court-ordered mediation involving the Piano Gallery was not successful, but other negotiations are expected to result in settlement agreements in the near future.

g. Assisting Government Agencies: The Receiver has provided information and assistance to the FBI, U.S. Department of Labor, federal prosecutors, and state government agencies conducting investigations into the activities of Trigon, Palmer, and others affiliated with them. Information has been gathered, analysis has been performed, and documents have been created for those agencies.

h. Financial Activities of the Receivership: As described in detail in the reports to the Court, the Receiver has managed the financial affairs of the Receivership,

including receiving funds and paying expenses related to identifying, preserving, and managing assets of the Receivership.

i. Communications With Investors: The Receiver has responded to inquiries by investors regarding the role of the Receiver, their individual circumstances, and what assistance they can provide to the Receiver and government investigators.

REQUEST FOR COURT APPROVAL OF FEES AND EXPENSES

6. The Order Appointing a Receiver in the SEC action [Document 8, Case No. 09-075] provides:

The costs, fees and expenses of the Receiver incurred in connection with the performance of his duties described herein, including the costs and expenses of those persons who may be engaged or employed by the Receiver to assist him in carrying out his duties and obligations hereunder shall be paid out of the proceeds or other assets of the Companies, or any and all assets under the control of the Receiver pursuant to this Order. All applications for costs, fees and expenses for services rendered in connection with the Receiver shall be made by application setting forth in reasonable detail the nature of the services and shall be heard by the Court. The court-appointed receiver shall submit his fee application to counsel for the Commission for review at least ten (10) days prior to filing the application with this Court.

Appointment Order at p. 5, ¶ h.

7. The Order Appointing a Receiver in the CFTC action [Document 8, Case No. 09-076] provides:

The Receiver and all personnel hired by the Receiver as herein authorized, including counsel to the Receiver, are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, from the assets now held by, or in the possession or control of, or which may be received by the Defendants. The Receiver shall file with the Court and serve on the parties, including Plaintiff Commission, periodic requests for the payment of such reasonable compensation, with the first such request filed no more than sixty (60) days after the date of this Order. Plaintiff

Commission may object to any part of a request within 30 calendar days of service of a request. The Receiver shall not increase the hourly rates used as the bases for such fee applications without prior approval of the Court.

Order Granting Motion for Statutory Restraining Order, ¶ IV.G.

8. This Application is being submitted pursuant to these provisions.

Review by SEC and CFTC:

9. On April 18, 2011, the Receiver submitted detailed invoices for the fees and expenses underlying this Application to the SEC and to the CFTC for review in compliance with ¶h of the Court's Order Appointing Receiver in the SEC action.

10. The SEC advised the Receiver that it had no objections to the fees and expenses contained in this request. The CFTC had the receiver's request and did not express any objections within this time period.

Approval of Prior Applications for Fees and Expenses:

11. The Court approved payment of the Receiver's prior applications for fees and expenses on September 1, 2009 (Document #36), December 3, 2009 (Document #49), May 5, 2010 (Document #68), and December 28, 2010 (Document #118). These fees and expenses have been paid to the Receiver and his counsel.

Application Summary and Billing Methodology:

12. Through this Application, the Receiver, on behalf of himself, Klein & Associates, PLLC, and Hawley Troxell Ennis & Hawley LLP, the Receiver's legal counsel, is requesting approval of compensation for services provided to and reimbursement of expenses incurred by the Receivership Estate between October 1, 2010 and March 31, 2011 in the amounts described below.

13. Summary invoices reflecting the services rendered by the Receiver and Klein & Associates, PLLC and expenses incurred are attached as Exhibit A. Summary invoices reflecting the services rendered by Hawley Troxell Ennis & Hawley LLP, counsel for the Receiver, and expenses incurred are attached as Exhibit B. Detailed invoices describing the work performed by the Receiver, Klein & Associates, and Hawley Troxell on a daily basis, as well as detailed lists of expenses incurred, have been provided to the SEC and CFTC and are being filed with the Court under seal. The detailed invoices are not being made public because they include investment and personal information about investors, describe negotiating stances and legal theories being pursued by the Receiver, identify persons providing assistance to the Receiver, and reference investigative information of governmental agencies.

14. The Applicants' services are billed on an hourly-rate basis.

a. Although the Receiver's standard hourly rate is \$350, by agreement with the SEC and CFTC, the Receiver's hourly rate has been capped in this case at \$250.

b. The standard hourly rates of analysts and other employees of Klein & Associates, PLLC range from \$75 to \$120. The professionals and paraprofessionals who have billed time to this case, and their rates are:

Name	Profession	Hourly Rate Billed
P. Jake Hennessy	Analyst	\$120
James Shupe	CPA	\$120
Keith J. Williams	Analyst	\$75

c. Hawley Troxell has also agreed to discount their standard rates for time spent working on this case. The following Hawley Troxell professionals who have billed

time to this case, and the hourly rates they are billing for this case are summarized as follows:

Name	Position	Hourly Rate Billed
John F. Kurtz	Partner	\$270
Matthew Gordon	Associate	\$150 ¹
Jack McGrady	Associate	\$145
Theresa Howe	Paralegal	\$120
Kyle Millard	Paralegal	\$95
Christian Wamhoff	Paralegal	\$90
Teri French	Paraprofessional	\$80

d. In rendering services and incurring expenses, the Applicants have endeavored to use the most economical means and methods that are available and appropriate under the circumstances.

Specific Requests:

The Receiver:

15. From October 1, 2010 through March 31, 2011, the Receiver, who himself is an attorney, rendered 234.8 hours of administrative, investigative, and legal services to the Receivership Estate, for total fees of \$58,700.00.² The services rendered by the Receiver are described in his invoices with regard to the tasks accomplished. The services rendered are

¹ Gordon's work before 2011 and some of his work in 2011 is being billed at \$140 per hour.

² This does not include an additional 20.1 hours of time that were not billed, valued at \$5,025.00.

summarized above and in Exhibit A, and are fully detailed in the invoices provided to the SEC and CFTC, and to the Court under seal.

Klein & Associates, PLLC:

16. During this Reporting Period, three employees of Klein & Associates, PLLC have assisted with the case, spending 83.3 billable hours assisting the Receiver. Additional time was spent that was not billed to the Receivership.³ The Receiver seeks compensation of \$7,651.50 for this billable time – time billed at an average rate of \$91.85 per hour. The services rendered by Klein & Associates are summarized above and in Exhibit A, and are fully detailed in the invoices submitted to the Court and government plaintiffs.

Hawley Troxell Ennis & Hawley LLP:

17. During this Reporting Period, three attorneys and four paralegals and paraprofessionals at Hawley Troxell have provided legal services on the case, spending 393.2 billable hours providing legal services for the Receiver and the Receivership Entities. Hawley Troxell seeks compensation of \$72,543.50 for this time. The services rendered by Hawley Troxell are among those summarized above and in Exhibit B, and are fully detailed in the invoices submitted to the Court and government plaintiffs.

Expenses:

18. Hawley Troxell has advanced expenses related to litigation in the amount of \$4,317.25. The Receiver has advanced expenses of \$677.75 related to the work of the

³ Another 5.9 hours of work were performed by these employees, but not billed. This work is valued at \$266.50.

receivership.⁴ Exhibits A and B show the details of the expenses for which reimbursement is sought.

Summary:

19. Total fees and expenses requested are as follows:

	Fees	Expenses	Total
a. Receiver and Klein & Associates	\$66,351.50	\$677.75	\$67,029.25
b. Hawley Troxell	<u>\$72,543.50</u>	<u>\$4,317.26</u>	<u>\$76,860.76</u>
c. Total	\$138,895.00	\$4,995.01	\$143,890.01

CONCLUSION

The Receiver respectfully submits this Application Seeking Court Approval of Fees and Expenses related to Trigon Group and Daren Palmer. Based on the description of work performed in this Application and the nine reports to the Court filed to date, the Receiver requests that the Court enter the proposed Order attached hereto as Exhibit C, approving the fees and expenses incurred by the Receiver and his professionals as set forth herein, and authorizing the Receiver to pay such amounts as a cost of administering the Receivership Estate.

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

DATED THIS 20th day of May, 2011.

By Wayne Klein
R. Wayne Klein, Receiver

⁴ The expenses for which reimbursement is requested do not include expenses paid by the Receiver from funds in the Receivership bank account. The expenses paid by the Receiver from funds collected are described in the Eighth and Ninth Reports of the Receiver (for the periods ending December 31, 2010 and March 31, 2010).

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 20th day of May, 2011, I electronically filed the foregoing RECEIVER'S FIFTH APPLICATION SEEKING COURT APPROVAL OF FEES AND EXPENSES 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

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
Local Counsel for Plaintiffs

- U.S. Mail, Postage Prepaid
- Hand Delivered
- Overnight Mail
- E-mail
- Telecopy

Daren L. Palmer
949 N. 12th W.
Rexburg, ID 83440
208-716-3737

- U.S. Mail, Postage Prepaid
- Hand Delivered
- Overnight Mail
- E-mail
- Telecopy

/s/ John F. Kurtz, Jr.
John F. Kurtz, Jr.

EXHIBIT A - INVOICE SUMMARY**Receiver/Klein & Associates**

DATE:	March 31, 2011		
CLIENT:	TRIGON RECEIVERSHIP		
<i>Summary of Services:</i>			
Professional	Hours	Rate	Amount
Wayne Klein	234.80	250.00	58,700.00
Jake Hennessy	26.70	120.00	3,204.00
James Shupe	4.50	120.00	540.00
Keith Williams	52.10	75.00	3,907.50
Total	318.10		66,351.50
Amount Waived			5,291.50
Total Fees Requested			66,351.50
Expenses			677.75
Total Fees and Expenses			67,029.25
Value of Non-Billed Time and Waived Fees			5,291.50

EXPENSES

10/4/2010	24.04	DocuMart	Copy CDs	Copy CDs of bank records - discovery response
10/4/2010	4.65	US Postal Service	Postage	Mail discovery CDs to Kurtz certified mail
11/2/2010	5.58	DocuMart	Copies	Copies of Crandall, Barton depositions for SEC
11/4/2010	29.37	Chevron	Gasoline	Gasoline for rental car
11/4/2010	23.44	Fox Car Rental	Rental Car	Rental car for court hearing in Pocatello
12/3/2010	56.58	DocuMart	Scan Yost Docum	Copies of Yost bank records, Yost files
12/16/2010	25.47	UPS	Shipping	Overnight mail: Stockham closing docs.
1/11/2011	30.38	DocuMart	Document Scanni	Scan copies of Claim Forms, files
1/12/2011	20.32	DocuMart	Document Scanni	Scan copies of brokerage records
1/21/2011	129.40	Delta Airlines	Airline ticket	Travel to Boise for mediations
2/3/2011	87.01	Owyhee Plaza	Hotel	Hotel during Piano Gallery settlement conf.
2/3/2011	39.26	Jackson's Food Stores	Gas for rental car	Gas for rental car at Piano Gallery conf.
2/4/2011	31.03	Shell	Gas for rental car	Gas for rental car for Piano Gallery conf.
2/4/2011	52.90	Fox Car Rental	Rental Car	Rental car for trip to Boise (Piano Gallery)
2/16/2011	92.66	Owyhee Plaza	Hotel	Hotel for settlement talks: Talbot, S&S
2/15/2011	2.00	Airport shuttle	Tip	Tip for shuttle driver
3/24/2011	23.66	Fremont County Clerk	Filing fee	Fee to file lien on Talbot Island Park prop.
Total	677.75			

Exhibit**A**

EXHIBIT B - HAWLEY TROXELL ENNIS & HAWLEY

October 1, 2010 - March 31, 2011

Legal Fees

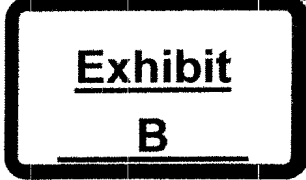
Employee	Position	Rate	Hours	Amount
John Kurtz	Partner	270.00	132.1	35,667.00
Matthew Gordon	Associate*	150.00	228.4	33,453.00
Jack McGrady	Associate	145.00	3.1	449.50
Theresa Howe	Paralegal	120.00	7.3	876.00
Kyle Millard	Paralegal	95.00	20.6	1,957.00
Christian Wamhoff	Paralegal	90.00	0.5	45.00
Teri French	Paraprofessional	80.00	1.2	96.00
Total			393.2	72,543.50

* Gordon's rate is \$150.00, but his time on some of these projects was billed at \$140.00 per hour.

Expenses

Case	Copies	Postage	Computer Research	Subpoena	Filing Fee	Summons	Witness Fee	Total
General	143.82	11.25	345.75	40.05	39			579.87
Dean Palmer	12.42					85		97.42
Stoddard	0.54							0.54
Piano Gallery	24.48	5.54	125.63			320	120	595.65
Mike Beauchamp	8.28							8.28
Brad Beauchamp	16.56							16.56
Elaine Talbot	30.42							30.42
Copper Creek	4.32							4.32
Doyle Beck	19.44							19.44
RoChel Burtenshaw	26.46							26.46
Sight & Sound	102.24		156					258.24
American Express	4.5				350	230		584.50
Diners Club					350	90		440.00
Capital One	11.16		978.2		350	316.2		1,655.56
Total	404.64	16.79	1,605.58	40.05	1,089.00	1,041.20	120.00	4,317.26

GRAND TOTAL 76,860.76



UNITED STATES DISTRICT COURT
 DISTRICT OF IDAHO

SECURITIES AND EXCHANGE)
 COMMISSION,)
)
 Plaintiff,)
)
 and)
)
 COMMODITY FUTURES TRADING)
 COMMISSION,)
)
 Plaintiff,)
)
 vs.)
)
 DAREN L. PALMER and TRIGON GROUP,)
 INC., a Nevada Corporation,)
)
 Defendants.)
)
)
)
)
)

Case No.: CV 09-075-E-EJL

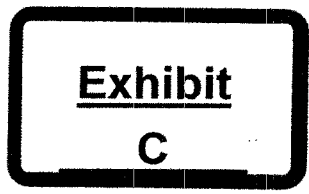
 Case No.: CV 09-076-E-EJL
 The Honorable Edward J. Lodge

 ORDER APPROVING RECEIVER’S
 FIFTH APPLICATION SEEKING
 COURT APPROVAL OF FEES AND
 EXPENSES

The matter before the Court is the Receiver’s Application Seeking Court Approval of Fees and Expenses (Application) [Docket No. ____] 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 Application and the applicable law, and based thereon and for good cause shown,

IT IS HEREBY ORDERED that:

1. The Application is APPROVED.
2. The fees and expenses incurred by the Receiver and his professionals, as set forth in the Application, are reasonable and necessary, and may be paid as an expense of administering the receivership estate.



3. The Receiver is authorized to pay the Receiver, Klein & Associates, PLLC, and Hawley Troxell Ennis & Hawley LLP \$138,895.00 in fees for services rendered for the benefit of the Receivership Estate from October 1, 2010 through March 31, 2011, and \$4,995.01 as reimbursement of expenses paid on behalf of the receivership estate in the manner requested in the application.

//end of text//

Submitted by:

/s/

John F. Kurtz, Jr., ISB No. 2396
HAWLEY TROXELL ENNIS & HAWLEY LLP
Attorneys for the Receiver R. Wayne Klein