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Attorneys for Receiver, R. Wayne Klein

UNITED STATES DISTRICT COURT

DISTRICT OF IDAHO

) Case No.: CV 09-075-E-EJL
)
)
) Case No.: CV 09-076-E-EJL
) The Honorable Edward J. Lodge
,)
) NOTICE OF SETTLEMENTS
))
)))

R. Wayne Klein, on behalf of and as the duly appointed Receiver ("Receiver") for Trigon Group, Inc. ("Trigon") and the assets of Daren L. Palmer ("Palmer") hereby provides notice of his intent to finalize settlement agreements pursuant to the terms described below.

SETTLEMENTS

American Finance, L.P.: American Finance invested \$200,000.00 with Trigon and received distributions totaling \$212,500.00. When American Finance refused to respond to a demand made by the Receiver for a return of the excess funds, the Receiver filed suit. American Finance filed a motion with the court, asking the court to dismiss the Receiver's lawsuit. On July 1, 2010, the Court denied the motion of American Finance. American Finance has now agreed to a settlement in which it has paid \$15,000.00 to the Receiver. In return, the Receiver has agreed to dismiss the lawsuit against the company, if the settlement is approved.

Revolution Mechanical Works, LLC: In June 2008. Daren Palmer invested \$100,000.00 in Revolution Mechanical Works. The company has demonstrated to the Receiver that it has ceased business and its primary assets consist of patent rights. The company will seek to capitalize on its inventions and intellectual property rights in order to repay the amount it received from Trigon. The Receiver and Revolution Mechanical have reached preliminary agreement on a settlement pursuant to which the company will sell the few assets it has and give the proceeds to the Receiver. In addition, if the company recovers any funds relating to its intellectual property rights, it will pay all the proceeds to the Receiver until the Receiver has been repaid the \$100,000.00.

H.K. Holdings, LLC: In his April 16, 2010 Notice of Settlements, the Receiver provided notice of a settlement with H.K. Holdings. That settlement required H.K. Holdings to make an initial payment of \$5,000.00 by April 10, 2010 and another \$17,500.00 by July 31, 2010. The initial payment was made, but H.K. Holdings has notified the Receiver that it is unable to make the second payment required by the settlement agreement. The Receiver has tentatively agreed

to accept a building lot in an Idaho Falls subdivision in satisfaction of the second payment. This building lot is in an area in which other lots have sold for \$25,000.00.

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 requested their comments. The SEC and CFTC have both informed the Receiver that they have no objections to these settlements.

PROCEDURE FOR ADDRESSING ANY OBJECTIONS TO THE SETTLEMENTS OR THE PROPERTY TRANSACTIONS

Objections, if any, to the settlements must be in writing and filed with this Court within ten (10) days of the date of the filing of this Notice of Settlement. If no objection has been filed within ten (10) days, unless the Court orders otherwise, the Receiver will deem the settlements 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 to be terminated.

CONCLUSION

The Receiver believes the settlements will provide substantial benefits to the Receivership by bringing additional funds into the Receivership Estate and avoiding the costs of further litigation.

DATED THIS 4th day of August, 2010.

HAWLEY TROXELL ENNIS & HAWLEY LLP

Ву \iint

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

R. Wayne Klein

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 4th day of August. 2010. I electronically filed the foregoing NOTICE OF SETTLEMENTS 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
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Counsel for D. Taylor, J. Cameron, M. Rudd, B. Barton, G. Taylor, D. Sitzek, D. Harris

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

Maritz, Jr.