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U.S. Securities and Exchange Commission

U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 20918 / February 27, 2009

SEC v. Daren L. Palmer and Trigon Group, Inc., United States District Court for the District of Idaho (Civil Action No. CV 09-75-S-EJL) (February 26, 2009)

SEC Files Complaint Against Daren L. Palmer and Trigon Group, Inc. for Operating a \$40 million Ponzi Scheme and Obtains Orders Freezing Assets, and Appointing a Receiver

The Securities and Exchange Commission filed a Complaint on February 26, 2009, in the United States District Court for the District of Idaho, alleging that Daren L. Palmer ("Palmer"), a resident of Idaho Falls, Idaho, and his investment business Trigon Group, Inc. ("Trigon"), a Nevada corporation, raised at least \$40 million as part of a Ponzi scheme that has defrauded at least 55 investors. According to the Commission's Complaint, from at least 1996 until October 2008, Palmer and Trigon defrauded investors by representing that invested funds would be used in a riskless trading program that earned annual returns of 20 percent or more. The Complaint alleges that Palmer and Trigon sold securities in the form of promissory notes and investment contracts in unregistered transactions, and told investors that their principal would be invested in indexes, S&P 500 options or futures, currency futures and stocks in a way that would generate high returns with no risk. The Complaint alleges that, instead, Palmer and Trigon were using funds put into the program by later investors to pay fictitious returns to earlier investors in a classic Ponzi scheme. The Commission's Complaint further alleges that Palmer used investor funds to build a partially completed \$12 million home in Idaho Falls, Idaho, to purchase snowmobiles, to pay himself compensation of \$25,000 to \$35,000 a month, and for other personal expenses. The Complaint also alleges that while Palmer told investors he was licensed to sell securities, he has never been licensed to sell securities and that neither Palmer nor Trigon is registered with the Commission in any capacity.

The Commission asked the court to order a preliminary injunction enjoining Palmer and Trigon from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and enjoining Palmer from future violations of Section 15(a) of the Exchange Act. In addition, on February 26, 2009, the court signed an order freezing all assets of Palmer and Trigon and appointing a receiver in the matter.

The Commission acknowledges the assistance of the U.S. Commodities Futures Trading Commission, the Federal Bureau of Investigation, and the Idaho Department of Finance in bringing this action.

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