BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE

OF THE STATE OF IDAHO

STATE OF IDAHO, Department of Finance, Securities Bureau, Complainant, vs. Daren L. Palmer and Trigon Group, Inc. Respondents	Docket No.: 2009-7-02 **CONSENT ORDER TO CEASE AND DESIST AND ACKNOWLEDGEMENT**

The Director of the Department of Finance ("Director") has instituted an investigation into the conduct of DAREN L. PALMER ("Palmer") and TRIGON GROUP, INC. ("Trigon"), (collectively "Respondents"). Pursuant to the investigation it appears to the Director that violations of the Idaho Uniform Securities Act (2004) (the "Act"), Idaho Code 30-14-101 *et seq.* have occurred. The Director and Respondent have agreed to this Consent Order to Cease and Desist ("Consent Order") as an interim measure while Complainant continues its investigation. Therefore, the Director deems it appropriate and in the public interest that this Consent Order be entered. Respondents admit the jurisdiction of the Director; neither admit nor deny the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Consent Order.

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I.

FINDINGS OF FACT

1. Palmer is, and has been at all relevant times, a resident of Idaho and the owner and president of Trigon.

2. Neither Palmer nor Trigon is registered or exempt from registration in Idaho as a broker-dealer, broker-dealer agent, investment advisor, or investment advisor representative pursuant to Sections 30-14-401, 30-14-402, 30-14-403, and 30-14-404 of the Idaho Uniform Securities Act (2004).

3. Since at least January 3, 2007, Palmer solicited and accepted funds from Idaho residents to purportedly be used by Palmer to invest on behalf of investors. Palmer told some investors that the funds would be used to buy and sell large futures contracts involving commodities or securities, including, but not limited to, the S&P 500 Index, when in fact, their funds were used for other purposes, including, but not limited to, paying fictitious returns to other investors and personal expenses, including the construction of a new home.

4. Palmer told some investors that investors' funds were pooled in a hedge fund and that he directed the hedge fund's investments to create profits for investors, when in fact, their funds were used for other purposes, including, but not limited to, paying fictitious returns to other investors and personal expenses, including the construction of a new home.

5. The amount of funds received by Palmer from investors between January 3, 2007 and December 31, 2008, is at least $20 million dollars. The total amount of funds received by Palmer has not been established as of the date of this Consent Order.

6. Although some funds may have been pooled and invested in futures contracts, a substantial amount of investors' funds were used for other purposes not disclosed to or authorized by investors, including, but not limited to, personal expenditures by Palmer.

7. Respondents acted as a broker-dealer by engaging in the business of effecting transactions in securities for the account of others, including selling interests in a hedge fund or a pooled investment to buy and sell futures contracts.

8. Respondents acted as an investment advisor by engaging in the business of advising investors, for compensation, as to the advisability of investing in, purchasing or selling, interests in a hedge fund or a pooled investment to buy and sell futures contracts.

II

CONCLUSIONS OF LAW

1. The Director has jurisdiction over this matter pursuant to the Idaho Uniform Securities Act (2004).

2. Respondents violated I.C. § 30-14-401 by transacting business in the state of Idaho as a broker-dealer without registering pursuant to the Act or being exempt from registration.

3. Respondents violated I.C. § 30-14-403 by transacting business in Idaho as an investment adviser without registering pursuant to the Act or being exempt from registration.

4. Respondents violated I.C. § 30-14-501 by, in connection with the offer or sale of investment contracts, investments in futures contracts or investments in a hedge fund, making untrue statements of material facts or omitting to state material facts necessary in order to make the statements made, in light of the circumstances made, not misleading.

5. Respondents violated I.C. § 30-14-502 by, in connection with providing investment advice, engaging in acts, practices or a course of business that operated as a fraud or deceit.

IV

AGREEMENT AND ACKNOWLEDGEMENT

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondent's agreement to the entry of this Consent Order, the Director finds that the following remedies are appropriate and in the public interest:

1. Respondents agree to permanently cease and desist from violating the Idaho Uniform Securities Act (2004), including the immediate cessation of selling or accepting funds for any of the investments described above or any other investment.

2. Respondents agree to not, now or in the future, provide any investment advice or sell securities in or from Idaho unless registered as a securities broker-dealer, agent, investment adviser, or investment adviser representative with the state of Idaho.

3. Respondents agree and acknowledge that this Consent Order is intended primarily to cease the activities described above that violate the Act and to preserve investor assets and mitigate investor losses. Respondents also acknowledge that the Department may issue additional orders in the future to establish restitution, civil penalties, other violations, or for any other purpose authorized by the Act related to this investigation.

4. Respondents waive notice and opportunity for a hearing under I.C. § 30-14-604(b) and (c), and under the contested case provisions of the Idaho Administrative Procedures Act, I.C. § 67-5240 et. seq.

AGREED TO and ACKNOWLEDGED this 27 day of JANUARY, 2009

Daren L. Palmer
DAREN L. PALMER

TRIGON GROUP, INC. by
DAREN L. PALMER

MARILYN T. CHASTAIN
Bureau Chief, Securities Bureau
Department of Finance
State of Idaho

IT IS SO ORDERED

DATED this 27th Day of January, 2009.

STATE OF IDAHO
DEPARTMENT OF FINANCE

GAVIN M. GEE, Director

DEPARTMENT OF FINANCE DIRECTOR SEAL STATE OF IDAHO

PROOF OF SERVICE

I HEREBY certify that I have this day served the foregoing Consent Order to Cease and Desist and Acknowledgement, Docket 2009-7-02 upon all parties of record in this proceeding, by mailing a copy thereof, properly addressed, with postage prepaid to:

Mitchell R. Barker
1000 South Roosevelt Street
Boise ID 83705

and

Wade J. Skalsky
LibertyBell Law Group
245 E. Olive Ave 4th Flr
Burbank, CA 91502

DATED At Boise, Idaho, this 27th day of January, 2009.

Katherine M. Witt
KATHERINE M. WITT