

ORIGINAL

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MICHAEL K. JEANES, Clerk  
By *[Signature]*  
Gilbert, Deputy

6 Attorneys for the Receiver

7 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

8 IN AND FOR MARICOPA COUNTY

9 ARIZONA CORPORATION  
COMMISSION,

10 Plaintiff,

11 v.

12 TREND MANAGEMENT GROUP,  
13 INC., TREND CAPITAL, L.L.C.,

14 Defendants.  
15

Cause No. CV 2006-16822

**AMENDED ORDER APPOINTING  
RECEIVER**

(Assigned to the Honorable Ruth H.  
Hilliard)

16 On November 2, 2006, Plaintiff, the Arizona Corporation Commission ("ACC"), filed  
17 a Verified Petition for Appointment of a Receiver ("Petition") and on November 8, 2006,  
18 Defendants Trend Management Group, Inc. ("TREND MANAGEMENT"), Trend Capital,  
19 L.L.C. ("TREND CAPITAL") and the ACC filed a Consent to the Appointment of Receiver  
20 ("Consent") wherein TREND MANAGEMENT, TREND CAPITAL and the ACC agreed to  
21 the entry of the original Order Appointing Receiver; on November 14, 2006, this Court  
entered the original order in which it found, based upon the papers filed by the ACC, TREND

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1 MANAGEMENT and TREND CAPITAL, that this original Order Appointing Receiver was  
2 both necessary and appropriate in order to prevent waste and dissipation of the assets of  
3 TREND MANAGEMENT and TREND CAPITAL to the detriment of investors. The Court  
4 reaffirms its finding of November 14, 2006 that the Order Appointing Receiver was both  
5 necessary and appropriate in order to prevent waste and dissipation of the assets of TREND  
6 MANAGEMENT and TREND CAPITAL to the detriment of investors and approves the  
7 actions of the Court-Appointed Receiver, Peter S. Davis, heretofore taken in connection with  
8 this Receivership.

9 On April 4, 2007, the Court-Appointed Receiver, Peter S. Davis, filed Petition No. 8  
10 and a supporting declaration requesting that the Receivership be expanded to include The  
11 Trend Group, Inc. ("TREND GROUP") because it may have obtained assets that belong to  
12 the Receivership Estate. Having reviewed Petition No. 8 and the supporting declaration, the  
13 Court finds that this Amended Order Appointing Receiver is both necessary and appropriate  
14 in order to prevent waste and dissipation of the assets of TREND MANAGEMENT, TREND  
15 CAPITAL and TREND GROUP to the detriment of investors.

14 IT IS THEREFORE ORDERED:

15 1. This Court hereby takes exclusive jurisdiction and possession of the assets,  
16 monies, securities, choses in action, and properties, real and personal, tangible and intangible,  
17 of whatever kind and description, wherever situated, of Trend Management Group, Inc.  
18 ("TREND MANAGEMENT"), Trend Capital, L.L.C. ("TREND CAPITAL") (hereinafter,  
19 "Receivership Assets"), and The Trend Group, Inc. ("TREND GROUP").

20 2. Peter S. Davis, Simon Consulting, LLC, located at 3200 North Central Avenue,  
21 Suite 850, Phoenix, Arizona 85012, with the phone number of 602-279-7500, facsimile  
number 602-279-7510, is appointed Receiver for the Receivership Assets. The Receiver shall  
file with the Clerk of this Court a bond in the sum of \$100,000, without need for sureties

1 approved by the Court, to assure his conscientious performance of the duties and  
2 responsibilities imposed by this Order. The Receiver is hereby authorized to take and have  
3 possession and control of the Receivership Assets. Until further order of this Court, and with  
4 the exception of those exceptions provided for hereinunder, the Receiver shall have complete  
5 and exclusive control, possession, and custody of all Receivership Assets. The Receiver shall  
6 be the agent of the court and shall be accountable directly to this Court.

6 3. All persons, including, but not limited to, TREND MANAGEMENT, TREND  
7 CAPITAL and TREND GROUP their officers, agents, servants, employees, attorneys, and all  
8 persons in active concert or participation with them who receive actual notice of this Order by  
9 personal service or otherwise, and specifically including any bank or other financial or  
10 depository institution holding accounts for or on behalf of TREND MANAGEMENT,  
11 TREND CAPITAL and TREND GROUP, shall promptly deliver to the Receiver all  
12 Receivership Assets in the possession or under the control of any one or more of them and  
13 shall promptly surrender all books and records of any kind pertaining or belonging to the  
14 TREND MANAGEMENT, TREND CAPITAL and TREND GROUP. Nothing in this  
15 paragraph to the contrary, the obligations of the State of Arizona, or any of its subdivisions or  
16 agencies to turn over documents, is contained in paragraph 14 of this Order only.

16 4. TREND MANAGEMENT, TREND CAPITAL and TREND GROUP and their  
17 officers, agents, servants, employees, attorneys, and all persons in active concert or  
18 participation with them who receive actual notice of this Order by personal service or  
19 otherwise shall, to the extent not inconsistent with their Constitutional rights and rights of  
20 such respondents in the afore described administrative proceedings, fully cooperate with and  
21 assist the Receiver, which shall include, but not be limited to, providing information to the  
Receiver that the Receiver deems necessary to exercising the authority and discharging the  
responsibilities of the Receiver under this Order; providing any password required to access

1 any computer, electronic file, or telephonic data in any medium; advising all persons who  
2 owe money to the TREND MANAGEMENT, TREND CAPITAL and TREND GROUP that  
3 all debts should be paid directly to the Receiver; and provide to the Receiver all keys and  
4 codes necessary to gain or to secure access to any Receivership Assets or Receivership  
5 Records.

6 5. All persons, including, but not limited to, TREND MANAGEMENT, TREND  
7 CAPITAL and TREND GROUP and their officers, agents, servants, employees, attorneys,  
8 and all persons in active concert or participation with them, who receive actual notice of this  
9 Order by personal service or otherwise, are enjoined from in any way interfering with the  
10 operation of the Receivership or in any way disturbing the Receivership Assets and from  
11 filing or prosecuting any actions or proceedings which involve the Receiver or which affect  
12 the Receivership Assets, specifically including any proceeding initiated pursuant to the  
13 United States Bankruptcy Code, except with the prior permission of this Court, with the  
14 exception that nothing herein shall preclude the filing of a Petition for Relief under the  
15 Bankruptcy Code by Scott Renny Bogue, Sr. and/or his spouse or Ryan James Herndon  
16 and/or his spouse without first obtaining leave of this Court and provided, further that in the  
17 event of such filing, nothing contained therein shall interfere with or restrain this Court from  
18 continuing its jurisdiction over the Receivership Assets. Any actions so authorized to  
19 determine disputes relating to Receivership Assets shall be filed in this Court. Nothing in this  
20 paragraph to the contrary will prohibit the Securities Division of the ACC (the "Division")  
21 from prosecuting its action against TREND MANAGEMENT, TREND CAPITAL and  
TREND GROUP, Docket No. S-20476A-06-0557.

6. TREND MANAGEMENT, TREND CAPITAL and TREND GROUP and their  
officers, agents, servants, employees, attorneys, and all persons in active concert or  
participation with them, who receive actual notice of this Order by personal service or

1 otherwise are hereby restrained and enjoined from directly or indirectly destroying, secreting,  
2 defacing, transferring or otherwise altering or disposing of any documents of TREND  
3 MANAGEMENT, TREND CAPITAL and TREND GROUP, including, but not limited to,  
4 books, records, accounts, writings, drawings, graphs, charts, photographs, audio and video  
5 recordings, computer records and other data compilations, electronically stored records, or  
6 any other papers of any kind or nature. Such persons are also restrained and enjoined from  
7 excusing debts owed to TREND MANAGEMENT, TREND CAPITAL and TREND GROUP  
8 or transferring, receiving, altering, selling, encumbering, pledging, assigning, liquidating, or  
9 otherwise disposing of any assets owned, controlled, or in the possession or custody of, or in  
10 which an interest is held or claimed by, TREND MANAGEMENT, TREND CAPITAL,  
11 TREND GROUP or the Receiver.

12 7. All banks, broker-dealers, savings and loans, escrow agents, title companies,  
13 commodity trading companies, or other financial institutions, including specifically, U.S.  
14 Bank and Crown Asset Management, shall cooperate with all reasonable requests of the  
15 Receiver relating to implementation of this Order, including transferring funds at his direction  
16 and producing records related to the assets of TREND MANAGEMENT, TREND CAPITAL  
17 and TREND GROUP.

18 8. The Receiver is hereby authorized to make appropriate notification to the  
19 United States Postal Service to forward delivery of any mail addressed to the TREND  
20 MANAGEMENT, TREND CAPITAL and TREND GROUP, any company or entity under  
21 the direction or control of TREND MANAGEMENT, TREND CAPITAL or TREND  
GROUP, to any Post Office box or other mail depository, to himself. Further, the Receiver is  
hereby authorized to open and inspect all such mail, to determine the location or identity of  
assets or the existence and amount of claims.

1           9.     The Receiver is hereby authorized to open one or more bank accounts with  
2 financial institutions insured by an agency of the United States. The Receiver shall Deposit  
3 all Receivership Assets in such designated accounts and shall make all payments and  
4 disbursements from the Receivership Assets from such accounts. The Receiver shall be  
5 responsible, to the best of his ability, to collect and allocate the loan proceeds, both principal  
6 and interest, and to make land payments to the lenders.

7           10.    The Receiver is hereby authorized to make such ordinary and necessary  
8 payments, distributions, and disbursements as he deems advisable or proper for the  
9 marshaling, maintenance or preservation of the Receivership Assets. The Receiver shall have  
10 the authority to contact and negotiate with any creditors of the TREND MANAGEMENT,  
11 TREND CAPITAL and TREND GROUP, for the purpose of compromising or settling any  
12 claim. The Receiver is authorized to renew, cancel, terminate, or otherwise adjust any  
13 pending lease agreements to which TREND MANAGEMENT, TREND CAPITAL or  
14 TREND GROUP is a party.

15           11.    The Receiver is hereby directed to prevent the inequitable distribution of assets  
16 and determine, adjust, and protect the interests of persons with an interest in or claim against  
17 the Receivership Assets.

18           12.    Except by leave of this Court, during pendency of the Receivership ordered  
19 herein, all persons and entities be and hereby are stayed from taking any action to establish or  
20 enforce any claim, right, or interest for, against, on behalf of, in, or in the name of, TREND  
21 MANAGEMENT, TREND CAPITAL or TREND GROUP, any of its subsidiaries, affiliates,  
partnerships, assets, documents, or the Receiver or the Receiver's duly authorized agents  
acting in their capacities as such, including, but not limited to, the following actions:

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- a. Commencing, prosecuting, continuing, entering, or enforcing any suit or proceeding, except that such actions may be filed to toll any applicable statute of limitations;
- b. Accelerating the due date of any obligation or claimed obligation; filing or enforcing any lien; taking or attempting to take possession, custody, or control of any asset; attempting to foreclose, forfeit, alter, or terminate any interest in any asset, whether such acts are part of a judicial proceeding, are acts of self-help, or otherwise;
- c. Executing, issuing, serving, or causing the execution, issuance or service of, any legal process, including, but not limited to, attachments, garnishments, subpoenas, writs of replevin, writs of execution, or any other form of process whether specified in this Order or not; or
- d. Doing any act or thing whatsoever to interfere with the Receiver taking custody, control, possession, or management of the assets or documents subject to this receivership, or to harass or interfere with the Receiver in any way, or to interfere in any manner with the exclusive jurisdiction of this Court over the assets or documents of the Receivership Defendants.

Nothing in this paragraph to the contrary limits the Division from prosecuting and continuing the administrative complaint filed by the Division on September 26, 2006, Docket No. S-20476A-06-0557, against TREND MANAGEMENT, TREND CAPITAL and certain other individuals and entities in which the ACC alleged multiple violations of the Securities Act. The Receiver is to defend such action on behalf of TREND MANAGEMENT, TREND CAPITAL and TREND GROUP, absent further order of this Court, is not authorized to settle or compromise any aspect of the case. Further, absent further order of this Court, the

1 Receiver shall not file any action in any jurisdiction against Scott Renny Bogue, Sr. or Ryan  
2 James Herndon.

3 13. Within 15 days after the entry of this Order, the Division shall make available  
4 for review and copying, at the Receiver's expense, any and all documents, records, and  
5 papers of every kind and description whether in electronic or paper form, obtained via search  
6 warrants served by the Arizona Attorney General's Office pertaining to TREND  
7 MANAGEMENT, TREND CAPITAL and/or TREND GROUP. Further, the Division shall  
8 make available for review and copying at the Receiver's expense, any other records that form  
9 the core of documents pertinent to the investigation underlying the administrative complaint  
10 in Docket No. S-20476A-06-0557 that will assist the Receiver in determining the amount of  
11 funds raised from investors, the number and identity of investors, and how the proceeds from  
12 the investments were used; the determination of what documents that shall be produced to the  
13 Receiver, other than the documents obtained by search warrant, shall be made at the sole  
14 discretion of the Division, provided, however, that the records so made available to the  
15 Receiver shall also be made reasonably available to the Respondents in the ongoing  
16 administrative action and they shall have the right, at their own expense, to copy any and all  
17 records that the Receiver could have copied, had the Receiver elected to do so, but which the  
18 Receiver declined to copy. Nothing contained in this paragraph shall require that any work  
19 product or attorney-client privilege documents prepared by the ACC or their counsel need be  
20 delivered to the receiver.  
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14. The Receiver shall establish a document depository at a location reasonably  
convenient to the Division, TREND MANAGEMENT, TREND CAPITAL and TREND  
GROUP which location shall contain a copying machine and all records in possession of the  
receiver shall be held there and, upon reasonable request shall be made available to the

1 Division and counsel for TREND MANAGEMENT, TREND CAPITAL and TREND  
2 GROUP.

3 15. In the event the Receiver fails to provide access to the records in his possession  
4 within 15 days of the request, the party requesting access to the records may thereafter seek  
5 order of this Court with regard to relief requested.

6 16. Except as otherwise provided in this Order, all persons and entities in need of  
7 documentation from the Receiver shall in all instances first attempt to secure such  
8 information by submitting a formal written request to the Receiver, and, if such request has  
9 not been responded to within fifteen (15) days of receipt by the Receiver, any such person or  
10 entity may thereafter seek an Order of this Court with regard to the relief requested.

11 17. The Receiver is hereby authorized to employ such employees, accountants, and  
12 attorneys as are necessary and proper for the collection, preservation and maintenance of the  
13 Receivership Assets.

14 18. The Receiver is hereby authorized and directed to receive and collect any and  
15 all sums of money due or owing to the TREND MANAGEMENT, TREND CAPITAL or  
16 TREND GROUP, whether the same are now due or shall hereafter become due and payable,  
17 and is authorized to incur such reasonable expenses and make such disbursements as are  
18 necessary and proper for the collection, preservation, maintenance and operation of the  
19 Receivership Assets, provided however, that the Receiver shall not be permitted to file any  
20 action or suit against any Respondent named in the administrative complaint in Docket No. S-  
21 20476A-06-0557 except upon order of this Court, which said order must be preceded by  
notice to potential parties, and upon their objection, to be filed within 15 days, a hearing held  
before this Court. The Receiver shall be authorized to compromise or adjust obligations  
which may be owed to the Receivership. The Receiver shall seek and obtain the approval of

1 the Court for any proposed compromise or settlement. Court approval may be sought on an  
2 expedited basis.

3 19. The Receiver is authorized to liquidate Receivership Assets, as may in his  
4 discretion be advisable. The Receiver shall first seek and obtain the approval of this Court for  
5 the proposed sale. Court approval may be sought on an expedited basis. Nothing in this  
6 paragraph to the contrary, the Receiver, acting in the best interest of persons holding claims  
7 against the Receivership Assets, without further order of the court, may manage, service or  
8 sell any or all of the distressed consumer receivables turned over to the Receiver by TREND  
9 MANAGEMENT, provided however, that in the event the Receiver elects to not liquidate the  
10 Receivership Assets, but to manage and service the distressed consumer receivables, once all  
11 the expenses of the Receivership have been paid and the properly adjudicated claims of all  
12 claimants to the Receivership Assets have been paid (including expected returns/profits  
13 expected by investors), any and all Receivership Assets still existing shall be subject to the  
14 claims of the owners of TREND MANAGEMENT for distribution to said owners in  
15 accordance with their respective ownership interests.

16 20. The Receiver is hereby authorized to institute, defend, compromise or adjust  
17 such actions or proceedings in state or federal courts now pending and hereafter instituted, as  
18 may in his discretion be advisable or proper for the protection of the Receivership Assets or  
19 proceeds there from, and to institute, prosecute, compromise or adjust such actions or  
20 proceedings in state or federal court as may in his judgment be necessary or proper for the  
21 collection, preservation and maintenance of the Receivership Assets. Nothing in this  
paragraph to the contrary will permit the Receiver from settling or compromising the  
administrative complaint filed by the Division on September 26, 2006, Docket No. S-  
20476A-06-0557, against TREND MANAGEMENT, TREND CAPITAL and TREND  
GROUP and Scott Renny Bogue, Sr. shall, if he so desires, be entitled to defend the actions

1 of TREND MANAGEMENT against the claims made by the Division in the above-  
2 mentioned administrative complaint as if the Receivership did not exist and further that Ryan  
3 J. Herndon shall be entitled to defend the actions of TREND CAPITAL against the claims  
4 made by the Division in the above mentioned administrative complaint as if the Receivership  
5 did not exist and provided further that Scott Renny Bogue, Sr. shall be permitted to defend  
6 the actions of TREND MANAGEMENT against the claims brought in No. CV2006-051253  
7 pending in Maricopa County Superior Court (Armando Navas, Sr. and Giselle Navas v. Ryan  
8 J. Hendon, et al.) ("NAVAS' ACTION"), in the event the Receiver elects not to personally  
9 defend TREND MANAGEMENT in that action and, until the Receiver makes a  
10 determination as to whether to assume the duties of defending the NAVAS' ACTION, Scott  
11 Renny Bogue, Sr. and his counsel shall be privileged to continue to defend the  
12 NAVAS' ACTION.

11 21. Nothing contained in this Order, nor the fact that TREND MANAGEMENT  
12 and TREND CAPITAL has consented to the appointment of the Receiver shall act as, or be  
13 construed as, an admission by TREND MANAGEMENT or TREND CAPITAL that they  
14 engaged in any of the activities charged in the afore-mentioned administrative complaint.

15 22. The Receiver is hereby authorized to institute such actions or proceedings to  
16 impose a constructive trust, obtain possession and/or recover judgment with respect to  
17 persons or entities who received assets or funds traceable to investor monies, provided,  
18 however, that nothing contained herein shall permit the Receiver to recover from any attorney  
19 for TREND MANAGEMENT or TREND CAPITAL any funds paid prior to the effective  
20 date of this Order to said attorney for the defense of TREND MANAGEMENT or TREND  
21 CAPITAL or any person subject to indemnification by TREND MANAGEMENT or TREND  
CAPITAL, according to their respective corporate documents, including without limitation,  
Stephen M. Dichter, Ashley-Adams-Feldman, and Deborah Fletcher. Nothing contained

1 herein will preclude attorneys for TREND MANAGEMENT or TREND CAPITAL, Scott  
2 Renny Bogue, Sr. and/or Ryan James Herndon from requesting that the Receiver pay legal  
3 fees and costs associated with the administrative action, Docket No. S-20476A-06-0557, any  
4 other legal proceeding in which Scott Renny Bogue, Sr. and/or Ryan James Herndon become  
5 involved arising out of the facts alleged in the administrative action and that, in the event the  
6 Receiver declines to do so, Bogue and/or Herndon may bring the matter before this Court for  
a final determination. All such actions shall be filed in this Court.

7 23. The Receiver shall be authorized, after notice and hearing, to seek Court  
8 approval for the amendment of the Receivership Order to include additional parties in the  
9 Receivership.

10 24. The Receiver shall keep the Division, and counsel for Scott Renny Bogue, Sr.  
11 and Ryan James Herndon apprised at reasonable intervals of developments concerning the  
12 operation of the receivership, and shall provide to the Division and counsel for Scott Renny  
13 Bogue, Sr. and Ryan James Herndon upon request copies of any documents under the control  
of the Receiver.


14 25. The Receiver shall seek and obtain the approval of this Court prior to  
15 disbursement of professional fees and expenses to himself or counsel, by presentation of a  
16 written application therefore and after consultation with the ACC or in accordance with  
17 further order of the Court. All costs incurred by the Receiver shall be paid from the  
Receivership Assets.

18 IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this action for  
19 all purposes. The Receiver is hereby authorized, empowered and directed to apply to this  
20 Court, with notice to the ACC and Defendants in administrative Docket No. S-20476A-06-  
21 0557, for issuance of such other orders as may be necessary and appropriate in order to carry  
out the mandate of this Court.

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IT IS FURTHER ORDERED that this Order will remain in effect until modified by further order of this Court.

DATED this 17<sup>th</sup> day of May, 2007.

  
\_\_\_\_\_  
Honorable Ruth H. Hilliard  
Judge of the Superior Court

1027-001(60836)

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The foregoing instrument is a full, true and correct copy of the original on file in this office.

Attest May 29 2007  
MICHAEL K. JEANES, Clerk of the Superior Court of the State of Arizona, in and for the County of Maricopa.

By Maria Padua Deputy