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4150 West Northern Avenue
3 Phoenix, Arizona 85051
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Attorneys for Receiver

5 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
6 IN AND FOR MARICOPA COUNTY

7 ARIZONA CORPORATION
COMMISSION,

8 Plaintiff,

9 v.

10 TREND MANAGEMENT GROUP, INC.;
11 TREND CAPITAL, L.L.C.,

12 Defendants.

Cause No. CV 2006-016822

NOTICE OF FILING RECEIVER'S CLAIM'S
REPORT

13
14 Peter S. Davis, through counsel undersigned, hereby files his Receiver's *Claim Report*,
15 which is attached as Exhibit "A".

16 Pursuant to the procedures set forth in the Court's order establishing procedures for the
17 adjudication of claims regarding Petition 18 ("Claims Order"), a copy of the Receiver's
18 Claims Report was mailed to all claimants on March 15, 2008. Finally, a copy of the attached
19 Claims Report will be posted on the Trend Receivership website located at
20 www.Trendreceivership.com.

21

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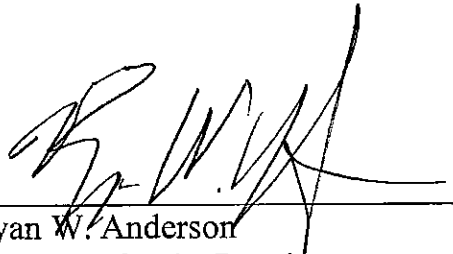
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In accordance with the Claims Order, the attached Claims Report together with a Notice of Hearing for the hearing on the Claims Report set for June 9, 2008 at 9:15a.m. is being mailed to all persons on the Master Service List.

In accordance with the Claims Order any objections must be filed in writing with the Receiver on or before April 15, 2008.

Respectfully submitted this 14 day of March, 2008.

GUTTILLA MURPHY ANDERSON, P.C.



Ryan W. Anderson
Attorneys for the Receiver

Original of the foregoing filed this 14 day of March, 2008 with:

Clerk of the Court
Maricopa County Superior Court
201 West Jefferson, Fourth Floor
Phoenix, AZ 85003

Copy of the foregoing mailed this 14 day of March, 2008 to:

All parties listed on the attached Master Service List

By: Karen Ph...

MASTER SERVICE LIST

Arizona Corporation Commission v. Trend Management Group, Inc.

Maricopa County Superior Court

CV 2006-16822

(Rev. 2/28/08)

Honorable A. Craig Blakey, II
Maricopa County Superior Court
201 W. Jefferson
Phoenix, AZ 85003

Peter S. Davis
Simon Consulting, LLC
The Great American Tower
3200 North Central, Suite 850
Phoenix, Arizona 85012
Receiver

Ryan W. Anderson
Guttilla Murphy Anderson, PC
4150 West Northern Avenue
Phoenix, Arizona 85051
Counsel for Receiver

Stephen M. Dichter
Harper, Christian, Dichter & Graif, P.C.
2700 N. Central Avenue, Suite 1200
Phoenix, AZ 85004

Ashley Adams-Feldman
Ryan Rapp & Underwood, PLC
3101 North Central Avenue, Suite 1500
Phoenix, AZ 85012

Leroy Johnson
Aaron S. Ludwig
Arizona Corporation Commission
Securities Division
1300 W. Washington
Phoenix, AZ 85007

Loren Molever
Hymson Goldstein & Pantiliat, P.C.
14646 N. Kierland Blvd., Suite 255
Scottsdale, AZ 85254
Attorney for Armando Navas, Sr. and
Giselle Navas

Stephen C. Kunkle
Law Offices of Stephen C. Kunkle
7227 N. 16th Street, Suite 224
Phoenix, AZ 85020
Attorney for Lori Herndon

Donald P. Johnsen
Gallagher & Kennedy, P.A.
2575 East Camelback Road
Phoenix, AZ 85016-9225
Attorney for U.S. Bank National
Association

Michael B. Fisco
Faegre & Benson, LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-3901
Attorney for U.S. Bank National
Association

Greg R. Davis
Davis Limited
11111 N. Scottsdale Rd., Ste. 225
Scottsdale, AZ 85254-6732
Attorney for Lori Herndon, Linda
Jordan-Van Vranken and Russell
Langdon Van Vranken

SIMON CONSULTING, LLC

Forensic and Investigative Accountants

March 14, 2008

Re: Trend Management Group, Inc.
Claims Adjudication

Dear Trend Claimant:

Enclosed is a copy of the Receiver's Claim Report ("Report"). Pursuant to the Court's *Order Establishing Procedures for the Adjudication of Claims Re: Petition 19*, you are being provided with a copy of my Report because you filed a claim in the Trend Receivership. If you object to your treatment under the enclosed Report you have 30 days to make your objection known to me. All objections must be set forth in writing and deposited in the U.S. mail on or before April 15, 2008 to the Receiver at:

Trend Receivership
Peter S. Davis, Receiver
Simon Consulting, LLC
The Great American Tower
3200 North Central, Suite 850
Phoenix, Arizona 85012

Objections are not to be filed with the Court. After I have received your objections, I will, within 30 days after the date for objections, file with the Court a copy of all timely objections together with my response. If you file an objection, I will mail to you a copy of this document when it is filed with the Court.

The Court has set a date of June 9, 2008 at 9:15a.m. for a hearing to resolve any claim objections. The hearing will take place at the Court Room at 201 West Jefferson, Fourth Floor, Phoenix, AZ 85003 before the Honorable A. Craig Blakey, II. During this hearing the Court will consider my Report and any objections. This is a public hearing, so you are welcome to attend; however, your attendance is NOT required if you do not dispute my treatment of your claim.

If the Court approves my claim recommendations, I intend to seek immediate authority to make an interim distribution to the creditors, after waiting the required appeal period.

I am also investigating potential litigation against any insurance agent, stock broker or any other facilitator who may have received a commission or other remuneration for placing your investment into Trend. I have been advised that it is possible that you also may have legal or equitable claims against the insurance agent, stock broker or any other facilitator who may have received a commission or other remuneration for placing your

THE GREAT AMERICAN TOWER
3200 NORTH CENTRAL AVENUE • SUITE 850 • PHOENIX, AZ 85012
TEL: 602.279.7500 • FAX: 602.279.7510 • WWW.SIMONCONSULTING.NET

March 14, 2008

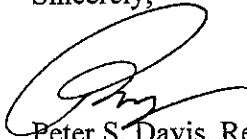
Page 2

investment into Trend. Unless you intend to pursue this type of litigation on your own, I would like to request that you complete the enclosed Assignment which would serve to assign any claims that you may have against any insurance agent, stock broker or any other facilitator to the Receivership Estate. This assignment would enable me to potentially litigate your claims along with the other claims of the Receivership Estate and potentially maximize recoveries for all investors in Trend. If you are interested, please review and execute the enclosed Assignment and return it to me at the address above.

Information regarding the status of the Receivership including all of the documents which have been filed with the Receivership Court are available online at www.trendreceivership.com.

Should you have any questions, please contact my office directly at (602) 279-7500. Thank you for your continued cooperation.

Sincerely,



Peter S. Davis, Receiver

Enclosure

Guttilla M y Anderson, P.C.
4150 Northern Ave.
Phoenix, Arizona 85051
623-937-2795

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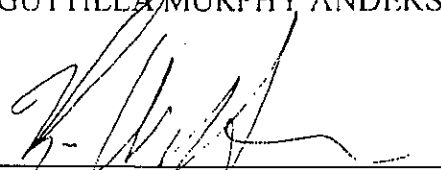
5 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR MARICOPA COUNTY

6 ARIZONA CORPORATION)
7 COMMISSION,) Cause No. CV 2006-016822
8 Plaintiff,)
9 v.) NOTICE OF HEARING
10 TREND MANAGEMENT GROUP,) REGARDING CLAIMS ADJUDICATION
INC.; TREND CAPITAL, L.L.C.,)
11 Defendants.) (Assigned to Judge A. Craig Blakey, II)

12 NOTICE is hereby given that a hearing has been set regarding the Claims Report and
13 any objections thereto will be heard by the Court on Monday, the 9th day of June, 2008, at the
14 hour of 9:15am., before Judge A. Craig Blakey, II in the Courthouse of the Arizona Superior
15 Court for Maricopa County, located at Central Court Building, 4-B, 201 West Jefferson,
16 Phoenix, AZ 85003.

17 Dated this 13th day of March, 2008.

18 GUTTILLA MURPHY ANDERSON, P.C.

19 
20 _____
Ryan W. Anderson
Attorneys for Receiver

ASSIGNMENT OF CLAIMS TO COURT APPOINTED RECEIVER

Assignment made the date set forth below by:

_____ (“Assignor”) to Peter S. Davis, Receiver
(Print your name here)
of Trend Management Group, Inc.; Trend Capital, LLC; and The Trend Group, Inc. at
3200 North Central Avenue, Suite 850, Phoenix, Arizona 85012 (“Assignee”).

For value received Assignor assigns to Assignee and his successors in interest, any and all claims of any kind or nature which the Assignor may have against any person who either (1) received a commission or other payment in connection with my investment into Trend Management Group, Inc.; Trend Capital, LLC; and The Trend Group, Inc. or (2) caused, facilitated or assisted in any way with my investment into Trend Management Group, Inc.; Trend Capital, LLC; and The Trend Group, Inc.

Assignors acknowledge that the Assignee is not required to litigate these assigned claims on my behalf.

I believe that the following individuals may have received a commission or other type of payment and/or caused, facilitated or assisted with my investment into Trend Management Group, Inc.; Trend Capital, LLC; and The Trend Group, Inc.

1. _____
2. _____
3. _____

We/I have executed this assignment at _____, on the _____
(Enter your city, state here)
day of _____, 2008.

Assignor

Assignor

Receiver's Claim Report

March 15, 2008

Arizona Corporation Commission v. Trend Management Group, Inc., Trend Capital, LLC, and The Trend Group, Inc.

A. Introduction.

This report is issued in accordance with the *Order Establishing Procedures for the Adjudication of Claims, Re: Petition No. 18* entered on November 28, 2007, ("Claims Order") by the Maricopa County Superior Court in the above-referenced case ("Receivership Court"). Pursuant to the Claims Order, proofs of claim were solicited from all persons known to have a claim against any of the Defendants or to any other Receivership Assets as defined in the Court's *Order Appointing Receiver* entered in the case on November 14, 2006 ("Receivership Order").

As of the date of this Claims Report, I have received 307 claims from the known 372 Trend investors and 4 claims from general or non-investor creditors. This Report sets forth my recommendations, as the Court's Receiver, as to each of these claims.

In reviewing the records of the Trend Management Group, Inc., Trend Capital, LLC, and The Trend Group, Inc. ("Trend"), I initially determined that Trend had sold 344 certificates of participation to 372 different investors. This report identifies the name of the claimant, the amount claimed, and my recommendation regarding each claim.

B. Notice of Claims Procedure.

In accordance with the Claims Order, on November 30, 2007, I caused to be mailed by first class mail a written notice of the claims process to each potential claimant for whom I had a name and address and some indication the person may be an investor in Trend. This notice included a claim form similar to Exhibit "A" to Petition No. 18 which was approved by the Claims Order together with a copy of a claim form approved by the Court and a copy of the Claims Order. Due to my extensive investigation into Trend, I was able to send to investors a claim form that contained an amount of money which I believed was due and owing to each investor claimant.

In addition, on December 17, 2007, I caused to be published in USA Today, a newspaper of national circulation, a notice of the Trend claims process in a form substantially similar to Exhibit "C" to Petition No. 18 which was approved by the Court in the Claims Order.

In addition on December 7th, 14th, 21st, and 28th, 2007, I caused to be published in the Arizona Republic, a newspaper of general circulation within the State of Arizona, a notice of the Trend claims process in a form substantially similar to Exhibit "C" to Petition No. 18 which was approved by the Court in the Claims Order.

Furthermore, in cooperation with the Arizona Corporation Commission, in December 2007, many investors were personally contacted by representatives of my staff or the Arizona Corporation Commission to ensure the potential claimants had an opportunity to file a claim.

C. Requirements for Approval of Investor Claims

In order for me to recommend approval of an investor claim, the Court's Claim Order (¶ 5.1) requires investor claimants to establish by credible evidence that:

- a. the claimant is a natural person;
- b. the amount claimed was provided by the claimant to Trend Management Group, Inc, Trend Capital, LLC, or The Trend Group, Inc. for the purpose of purchasing a certificate of participation; and
- c. the claimant agrees to release any and all claims against Crown Asset Management, LLC.

The Claims Order (¶ 6) also provides that each claim shall be reduced and offset against any funds received by the claimant for his benefit from any Receivership Entity or from any funds placed with Trend, including amounts paid as commissions, annuities, interest, return of principle, IRA, custodian fees, and bank fees; and any claim amount shall be reduced by the amount of funds received by the amount of funds received by the claimant from any third party arising out of the claimant's investments with Trend.

D. Non-Investors/Secured Claims

In order for me to recommend approval, the Claims Order (¶ 4.1) requires non-investor claims/secured claimants to establish by credible evidence:

- a. in accordance with applicable laws, the claimant possesses a valid and perfected security interest in a Receivership Asset and if approved by the Court, such claimant shall be entitled, to the extent of its secured interest, to the Receivership Asset in which the secured interest exists or the proceeds there from less the cost of liquidating the Receivership Asset; and
- b. a claimant whose claim is an unsecured claim may not be entitled to the distribution of any property or funds in the Receivership that are determined to be held in constructive trust for the benefit of investors.

I have received 4 non-investor claims which will be discussed below.

E. Investor Claims Recommended for Approval.

I recommend for approval, at this time, the following claims filed by investors in the amounts indicated below. In each case, I have determined that the claimant meets the

requirements of ¶ 5.1¹ of the Claims Order and that none of the disqualifying factors set forth in ¶5.2 of the Claims Order appear to be present. In each case, I have also offset and reduced the claim by amounts reported by the claimant as having been received by the claimant from Trend or any other Receivership Entity or recovered from Third Parties such as commissioned sales agents. In all cases, the amount shown by the claimant as having been received by the claimant from Trend is verified by the records of Trend which I have available to me.

1. Claimants proof of Claim agreed with the Receiver's Calculated Claim Amount

From the 307 claims received, 233 claims agreed with my calculated claim amount for a total of \$9,328,479.60 in claims. I recommend the following claimants should be approved in an amount that totals \$9,328,479.60. Specifically, I recommend the following amount for each investor claimant listed below:

	AMOUNT CLAIMED	AMOUNT APPROVED
Abou-Joudi (Jowdy), Hanna & Marcel	\$69,786.23	\$ 69,786.23
Alvarez, Ruben & Josephine	\$18,503.97	\$18,503.97
Andros, Stephen & Jacquelyn	\$12,743.37	\$12,743.37
Asuncion, Norma	\$10,000.00	\$10,000.00
Auster 2004 Family Trust	\$8,483.70	\$8,483.70
Baggett, Leila	\$35,000.00	\$35,000.00
Barnes, Ethel-Louise	\$20,000.00	\$20,000.00
Bartch, Iris	\$25,779.90	\$25,779.90
Bass, Joseph	\$10,000.00	\$10,000.00
Beard, Virginia	\$36,313.42	\$36,313.42
Berg, Charles	\$9,466.35	\$9,466.35
Biederman, Edward & Thelma	\$8,410.77	\$8,410.77
Blalock, Lee	\$12,364.48	\$12,364.48
Blickenstaff, Carey B & Tana	\$125,102.75	\$125,102.75
Bolme, Richard D	\$15,000.00	\$15,000.00
Booth, Doris	\$10,000.00	\$10,000.00
Boothe, Charles D	\$8,058.46	\$8,058.46
Brammer, Gerald & Lorraine	\$84,691.07	\$84,691.07
Brammeyer, Clarence H	\$28,064.10	\$28,064.10
Breese, Arthur	\$10,000.00	\$10,000.00
Brenneman, Maurine P	\$84,585.89	\$84,585.89
Brinkmeyer, Carol & Herman	\$12,639.79	\$12,639.79
Briscoe, Marilyn Cora	\$40,000.00	\$40,000.00
Buckles Family Trust	\$33,276.80	\$33,276.80
Buising, Barbara	\$25,000.00	\$25,000.00
Butler, Ted	\$20,000.00	\$20,000.00
Calderon, Joe A	\$8,120.41	\$8,120.41

¹ I intend to seek the Crown Asset Management release from the Investor Claimants in favor of the Receivership Estate after the Investor Claimants are informed about the amount of an interim distribution of the Receivership Assets as contemplated under ¶ 8.1 of the Claims Order.

Calhoun, Virginia	\$166,159.93	\$166,159.93
Cane, Merle F	\$28,244.89	\$28,244.89
Cardenas, Armando A	\$25,000.00	\$25,000.00
Carr, Gayle	\$12,616.10	\$12,616.10
Caskey, Leon C	\$16,862.71	\$16,862.71
Cervantes, Renee	\$559,139.66	\$559,139.66
Chavez, William M	\$50,220.82	\$50,220.82
Chen, Yu-Yin & Eng, Edward K	\$12,616.25	\$12,616.25
Cheshire, Ruth	\$10,000.00	\$10,000.00
Christensen, Delbert & Hannah	\$9,907.90	\$9,907.90
Clark, Harry E.	\$10,000.00	\$10,000.00
Cliburn Family Trust	\$45,034.17	\$45,034.17
Cobb, George & Elizabeth	\$5,000.00	\$5,000.00
Collins, Maria E	\$8,396.97	\$8,396.97
Cooksey, William & Judith	\$58,795.73	\$58,795.73
Coons, Darrell L	\$263,987.10	\$263,987.10
Cope Trust & William Cope	\$30,000.00	\$30,000.00
Cornwell, Edward	\$20,000.00	\$20,000.00
Corr, David F	\$12,000.00	\$12,000.00
Cosma, Barbara J	\$40,446.92	\$40,446.92
Crotty, James E	\$12,551.25	\$12,551.25
D'amato, Ellen	\$11,200.00	\$11,200.00
Davis, Edda	\$20,000.00	\$20,000.00
Davis Family Trust	\$12,217.53	\$12,217.53
Davis, R Louise	\$20,671.95	\$20,671.95
Deemer, Bernadine	\$34,326.87	\$34,326.87
Derek, Fred	\$17,000.00	\$17,000.00
Desjarlais, Armande	\$268,683.21	\$268,683.21
Devine, Edward & Sally	\$45,182.57	\$45,182.57
Douglas, Edwin & Dorothy	\$8,656.28	\$8,656.28
Dunning, Ernest	\$8,957.09	\$8,957.09
Durst, Richard	\$10,000.00	\$10,000.00
Edwards, Darrell	\$48,492.72	\$48,492.72
Eller, Muriel	\$8,974.25	\$8,974.25
Erickson, Eugene & Donna	\$20,000.00	\$20,000.00
Espinoza, Gloria	\$68,182.50	\$68,182.50
Fagaragan, Ernesto & Flordelina	\$51,631.61	\$51,631.61
Farlow, Jeff L	\$30,000.00	\$30,000.00
Farrell, Thomas	\$85,287.24	\$85,287.24
Fazzino, Stephen & Cleo	\$165,658.56	\$165,658.56
Fedo, William & Lucille	\$ 8,658.61	\$8,658.61
Ferguson, Giselle & Blaine	\$60,000.00	\$60,000.00
Fitzsimmons, Nancy Ann	\$82,060.00	\$82,060.00
Fitzsimmons, Nancy Ann & Dorothy M Hopper	\$219,259.43	\$219,259.43
Forrest-Brown, Sunny	\$10,000.00	\$10,000.00
Foster, Roland	\$43,875.80	\$43,875.80
Fratantoni, Mary Pia	\$42,603.06	\$42,603.06

Frost Family Trust	\$25,000.00	\$25,000.00
Fry, Rhoda Lesley	\$16,799.17	\$16,799.17
Fry, William A & Colleen J	\$10,000.00	\$10,000.00
Gagliano, Debra	\$10,000.00	\$10,000.00
Gerry, Edith B	\$17,094.61	\$17,094.61
Gilb, David Kent	\$80,000.00	\$80,000.00
Gilbreath, George & Georgia	\$67,083.74	\$67,083.74
Gooden, Roberta & Jesse	\$10,000.00	\$10,000.00
Gray, David & Ruth	\$10,000.00	\$10,000.00
Gregor, Kathryn T	\$20,661.00	\$20,661.00
Gregory, Daniel	\$46,869.13	\$46,869.13
Griffith, Raymond & Christine Coleman-Goins	\$20,000.00	\$20,000.00
Gronneberg, Leslie	\$49,562.43	\$49,562.43
Haggenmiller, John	\$10,000.00	\$10,000.00
Halverson Trust	\$42,937.24	\$42,937.24
Hamblin, Theone C	\$48,731.74	\$48,731.74
Hansen, Harald	\$82,413.45	\$82,413.45
Harbeck, Steven	\$10,000.00	\$10,000.00
Hardie, Arthur	\$81,570.01	\$81,570.01
Hardie, Janice	\$65,000.00	\$65,000.00
Harris, Debra L & Robert C	\$20,924.99	\$20,924.99
Harris, Gerald D & Dolores A	\$10,000.00	\$10,000.00
Heckerson Revocable Trust	\$8,884.69	\$8,884.69
Hefner, James V	\$43,871.56	\$43,871.56
Hendricks, Orville L & Deetta L	\$20,597.03	\$20,597.03
Herbold, David & Penny	\$15,000.00	\$15,000.00
Herndon, Amy	\$5,000.00	\$5,000.00
Herndon, Daniel & Margie	\$69,332.66	\$69,332.66
Hilbrant, Kevin	\$20,000.00	\$20,000.00
Hogan, Tim J	\$17,226.41	\$17,226.41
Hohl, Ida Ongaro	\$15,000.00	\$15,000.00
Hollers, Debora & Myrtle Powell	\$34,533.50	\$34,533.50
Hollingsworth, Marshall & Doris	\$24,622.68	\$24,622.68
Holly, Lena	\$8,774.82	\$8,774.82
Holthaus, Raymond	\$24,000.00	\$24,000.00
Howard, Eddie	\$85,234.98	\$85,234.98
Hubler, Mike L	\$20,000.00	\$20,000.00
Hughes, James	\$10,000.00	\$10,000.00
Hulme Family Trust	\$130,670.41	\$130,670.41
Hulme, Gary L	\$41,318.41	\$41,318.41
Huntoon, Ernest & Amy	\$58,801.90	\$58,801.90
Ilicin, Alexander & Shirley	\$8,279.59	\$8,279.59
Isaac, Donald C & Norma	\$18,000.00	\$18,000.00
Jared, Billy	\$20,000.00	\$20,000.00
Johnson, Mildred C	\$58,186.20	\$58,186.20
Jones, Edgar & Robin	\$125,000.00	\$125,000.00
Jones, James J & Mary J	\$20,000.00	\$20,000.00

Jones, Ruth	\$24,116.39	\$24,116.39
Jones, Tana Kay	\$30,000.00	\$30,000.00
Jordan, Georgia	\$35,000.00	\$35,000.00
Jorissen, James	\$20,000.00	\$20,000.00
Jorissen, Robert R	\$24,597.49	\$24,597.49
Kachnic, Joseph & Virginia	\$ 44,133.07	\$44,133.07
Karpi, John R	\$109,915.00	\$109,915.00
Karpi, Kathryn M	\$25,000.00	\$25,000.00
Kasting, Leona M	\$44,162.45	\$44,162.45
Keaster, James C	\$28,124.38	\$28,124.38
Kida, James & Patricia	\$10,000.00	\$10,000.00
King, Lorraine	\$137,265.78	\$ 137,265.78
Kirkland Revocable Family Trust	\$200,000.00	\$200,000.00
Klos, Inge	\$ 8,573.76	\$8,573.76
Krasko, Raymond & Delores	\$27,549.42	\$27,549.42
Lane, Edward J And Marie	\$10,000.00	\$10,000.00
Langenberg, Marilyn S.	\$39,987.50	\$39,987.50
Lautenschlager, Warren & Betty	\$85,802.07	\$85,802.07
Ledet, Robert & Frances	\$10,000.00	\$10,000.00
Legere, Mark R	\$16,947.21	\$16,947.21
Lewin, Walter O	\$9,794.58	\$9,794.58
Lindblom Revocable Trust	\$20,677.30	\$20,677.30
Lindsey, Irma Kathryn	\$50,000.00	\$50,000.00
Little, Joseph E	\$40,000.00	\$40,000.00
Loveland, Monrae	\$40,000.00	\$40,000.00
Luebke, Jacqueline	\$20,330.22	\$20,330.22
Machrol, Hugh	\$21,467.86	\$21,467.86
Maguire, Janice Rae	\$30,000.00	\$30,000.00
Mancuso, Peter	\$20,000.00	\$20,000.00
Maragiolio Living Trust	\$42,265.84	\$42,265.84
Maxwell, George D, Jr.	\$8,557.15	\$8,557.15
Mendel, Dennis	\$21,797.21	\$21,797.21
Mills, Norma	\$15,000.00	\$15,000.00
Morrison Family Trust	\$125,003.07	\$125,003.07
Mulcahy, Stephanie M (Napier)	\$142,777.33	\$ 142,777.33
Mulcahy, Richard & Stephanie M (Napier)	\$10,000.00	\$10,000.00
Muse, John F	\$8,478.90	\$8,478.90
Nash, Natalie J	\$50,000.00	\$50,000.00
Nathan, Dale & Ardis	\$10,000.00	\$10,000.00
Nelson, James & Janette	\$10,000.00	\$10,000.00
Newman, Janis S	\$90,788.38	\$90,788.38
Nielsen, Leslyn	\$10,000.00	\$10,000.00
Nikovics, Vendel & Lucy	\$10,000.00	\$10,000.00
Nopel, John & Phelita	\$43,150.66	\$43,150.66
Nuttall, Lucinda	\$17,012.00	\$17,012.00
Osmanski, Frank & Kathleen	\$100,224.32	\$100,224.32
Owens, Alan & Doris	\$93,500.00	\$93,500.00

Paleny, Joseph	\$8,554.25	\$8,554.25
Parker, Deborah	\$27,000.00	\$27,000.00
Paul, Dorothy & Arnold	\$37,377.34	\$37,377.34
Peterson, Ellen	\$100,000.00	\$100,000.00
Peterson, Richard & Nancy	\$12,688.98	\$12,688.98
Plettenberg, Mary	\$15,000.00	\$15,000.00
Podewell Luna Trust	\$42,088.41	\$42,088.41
Puffer, Verna	\$10,000.00	\$10,000.00
Pyatte, Roy	\$39,102.38	\$39,102.38
Rayment, Joan	\$8,774.22	\$8,774.22
Redfearn, Dan	\$13,800.00	\$13,800.00
Reed, Helen	\$20,000.00	\$20,000.00
Register, Donald Ralph	\$32,913.79	\$32,913.79
Robinson, Willie	\$10,000.00	\$10,000.00
Rozansky, Mary Louise	\$30,000.00	\$30,000.00
Sanders, Jayne J	\$10,000.00	\$10,000.00
Scafoglio, Joseph	\$50,271.09	\$50,271.09
Schabillon, Dan O & Donna Belle J	\$35,000.00	\$35,000.00
Schulz, Ruert & Margaret	\$407.51	\$407.51
Schwebel, Edward G & Fern L	\$30,000.00	\$30,000.00
Scott, Marlene I	\$10,000.00	\$10,000.00
Sell, Beverly	\$20,000.00	\$20,000.00
Shelby, Ralph	\$15,000.00	\$15,000.00
Slater, Rose	\$55,000.00	\$55,000.00
Slowe, Keearn John	\$10,000.00	\$10,000.00
Snoble, Leonard	\$53,931.88	\$53,931.88
Snyder, Brent Vincent	\$53,056.46	\$53,056.46
Sridharan, Sri	\$12,880.71	\$12,880.71
Steen, Patricia Ann	\$14,000.00	\$14,000.00
Stewart, Morris & Sandy	\$262,566.09	\$262,566.09
Stewart, Robert & Lois	\$50,000.00	\$50,000.00
Stone, Arbery D	\$60,000.00	\$60,000.00
Strub, Dennis & Marianne	\$49,730.12	\$49,730.12
Sweeris, Alfred & Jeanne Holwerda	\$40,000.00	\$40,000.00
Thomas, John & Elfryda	\$10,000.00	\$10,000.00
Thompson, Jack L	\$17,000.00	\$17,000.00
Thomson, Paul Thomas	\$30,000.00	\$30,000.00
Thrutchley, Dougal G & Martha R	\$8,415.23	\$8,415.23
Towns, Norman & Sheila	\$15,000.00	\$15,000.00
Trapanotto, John & Carmela	\$17,080.52	\$17,080.52
Trucker, Gail G & Roger L	\$10,000.00	\$10,000.00
Valles, Corina	\$10,000.00	\$10,000.00
Vaske, Virgil L & Dolores M	\$25,017.40	\$25,017.40
Vedenetra, Hermitra	\$8,258.48	\$8,258.48
Volfovsky, Lev & Nina	\$55,703.74	\$55,703.74
Walker, Thomas M & Ruby L	\$136,286.84	\$136,286.84
Wattle, Clay G & Margaret	\$20,127.55	\$20,127.55

Webster, James & Bettie	\$16,093.60	\$16,093.60
Webster, James S & Beverly A	\$10,000.00	\$10,000.00
Wecker, Stuart	\$75,000.00	\$75,000.00
Wegner, Lina	\$83,080.36	\$83,080.36
Wellman, Alan	\$20,000.00	\$20,000.00
Weston, Elaine Harding	\$12,589.31	\$12,589.31
Weyh, Lucille & Floyd	\$27,311.31	\$27,311.31
White, Keith L	\$20,000.00	\$20,000.00
Whitehead, Renate B	\$20,000.00	\$20,000.00
Whitlow, Tim	\$6,883.43	\$6,883.43
Wilhelm, Karl T & Beverly A	\$45,000.00	\$45,000.00
Willis, Mary Jo	\$10,000.00	\$10,000.00
Wilson, Cecila Rose	\$33,732.31	\$33,732.31
Winton, Nina	\$10,000.00	\$10,000.00
Wolflin, Ruth	\$10,000.00	\$10,000.00
Wood, Rosie	\$10,000.00	\$10,000.00
Worley, AT & Lynette	\$42,823.46	\$42,823.46
Yelverton, Melinda	\$45,000.00	\$45,000.00

2. Claimants Proof of Claim represents original investment without any deductions for dividends, interest, or custodial fees paid to or for the benefit of the claimant

Of the 307 claims received, 9 claimants filed claims in amounts that represented their original investment into Trend without any deductions for dividends, interest, or custodial fees paid to or for the benefit of the claimant. I recommend that the following claims be approved for the amount of the claimant's original investment less any dividends, interest, or custodial fees paid to or for the benefit of the investor. Specifically, I recommend the following amount for each investor claimant listed below:

	AMOUNT CLAIMED	AMOUNT APPROVED
Bischof, Richard	\$55,996.46	\$45,568.27
Bliss, Helen	\$10,000.00	\$9,049.32
Martin Craig Living Trust	\$35,000.00	\$29,680.13
Martinson, Allen T	\$11,696.42	\$10,000.00
Gross, Alfred & Christa	\$10,000.00	\$8,538.23
Hagaman Family Trust	\$30,000.00	\$24,669.58
Shipley, Norman	\$17,544.63	\$13,834.43
Sloup, William	\$30,000.00	\$29,022.49
Zielinski, Arnold & Barbara	\$35,000.00	\$29,016.89

3. Claimants Proof of Claim indicated that the claim is Secured but failed to provide any support documentation for the secured interest

Of the 307 claims received, 4 claimants indicated that they believed their claim was a secured claim against Trend but failed to provide any support documentation for the alleged security interest. I determined that these claimants were all investor claimants whose claims should be treated as unsecured claims. My decision to not classify these claims as secured claims had no effect upon the amount of money I have approved for each claim, but eliminated any potential priority related to the payment of these claims. Specifically, I recommend the following amount for each investor claimant listed below:

	AMOUNT CLAIMED	AMOUNT APPROVED
Brunson, Karen	\$10,000.00	\$10,000.00
Clark, Sonja K & Larry W	\$10,000.00	\$10,000.00
Larson, Fred	\$2,875.32	\$2,875.32
Yao, June	\$70,000.00	\$70,000.00

4. Claimants Proof of Claim amount is based upon a Trend statement received prior to Receivership that included fictitious interest

Of the 307 claims received, 6 claimants based their claim amount on a Trend statement the claimant received prior to Receivership that included alleged accrued investment "interest". Since my investigation has revealed that Trend operated as a Ponzi scheme and this "interest" was fictitious, I recommend that the following claims be approved for the claimant's original investment less any dividends, interest, or custodial fees paid to or for the benefit of the investor. Specifically, I recommend the following amount for each investor claimant listed below:

	AMOUNT CLAIMED	AMOUNT APPROVED
Brengel, James & Anne	\$17,544.63	\$14,145.92
Crouch, Chester A	\$32,445.00	\$29,917.00
Dotts, Donald & Florence	\$24,604.00	\$20,000.00
Eiker, Sandra	\$26,696.42	\$22,582.61
Morrow, William & Charlotte	\$11,696.42	\$10,000.00
Schwab, Robert	\$36,907.07	\$30,000.00

5. Claimants Proof of Claim amount is based on amounts prior to Receiver's acquisition of new information after claim was received from claimant

Of the 307 claims received, 27 claims were based on amounts available to me prior to my acquisition of new financial records, specifically a series of previously undetermined electronic withdrawals from one of the Trend accounts. This new documentation revealed additional dividend payments that I had not accounted for previously and therefore, reduced some of the investor's net investment amounts. I have recalculated the net investment amounts of those investors affected and recommend that claims be approved for the amount of the claimants' original investment less any dividends, interest, or

custodial fees paid to or for the benefit of the investor. Specifically, I recommend the following amount for each investor claimant listed below:

	AMOUNT CLAIMED	AMOUNT APPROVED
Acklin, Loyd	\$40,325.18	\$40,017.04
Albert Family Trust	\$8,473.03	\$8,267.61
Baker, Melvin D	\$85,037.40	\$83,812.53
Bean, Milton	\$15,000.00	\$14,797.73
Brooks, J.C. & Nancy	\$17,107.50	\$16,826.16
Canestaro, Peter	\$12,860.60	\$12,307.96
Gosselin, Juliette	\$13,452.71	\$13,250.44
Graham, Robert & Joyce	\$33,964.52	\$33,142.82
Hoffmann, Gerhard & Laurnel	\$292,555.40	\$291,932.42
Hubbell, Beckwith & Maigel	\$628.89	\$12.57
Kocanda, Henry	\$51,620.06	\$50,960.06
Lewis, Robert G	\$32,239.16	\$31,554.33
McAllister, William & Marlene	\$51,092.61	\$50,011.29
McKay-Arbogast, Shelby	\$28,084.19	\$27,467.92
Nute, Robert & Grace	\$58,683.08	\$57,245.11
Phillips, Ruth	\$7,889.33	\$7,867.00
Price, Arthur & Doris Trust	\$65,882.66	\$64,711.24
Price Family Trust	\$85,430.56	\$83,628.37
Proksch, Ralph & Judith	\$33,673.37	\$32,851.67
Radford, Thomas	\$91,777.91	\$83,560.91
Roth, Melvin	\$21,311.55	\$20,797.99
Rozansky, Phyllis	\$130,000.00	\$120,000.00
Towne, Tamera Lane	\$83,973.52	\$81,919.27
Richard & Elsie Turner Family Trust	\$215,724.19	\$211,128.85
Wangler, John & Deborah	\$8,980.14	\$8,942.18
Webster, Elspeth	\$12,823.78	\$12,618.36
Woodard, Harley & June	\$18,251.89	\$17,224.77

6. Claims that Require Additional Discussion

Of the 307 claims received, 28 Investor claims require an individual explanation of the claim filed and my recommendation.

1. Bliss, Linda

Linda Bliss filed a Proof of Claim in the amount of \$14,250.00. However I have determined that Ms. Bliss actually invested \$14,137.21. I have also determined that no dividends were paid to Ms. Bliss by Trend. Under the terms of the Claims Order, I am only allowed to approve claims that represent the amount of money invested into Trend minus any dividends or principal returned; accordingly I recommend that the claim of Linda Bliss be approved in the amount of her principal investment of \$14,137.21.

2. Bollier, Rita

Rita Bollier filed a Proof of Claim in the amount of \$49,085.54. My investigation revealed Ms. Bollier originally invested \$56,009.13 into Trend I also determined that dividends were paid to Ms. Bollier of \$6,923.59, and a Fiserv custodial fee paid on Ms. Bollier's behalf of \$83.00 for a net investment of \$49,002.54. Accordingly, I recommend that the claim of Rita Bollier be approved in the amount of \$49,002.54.

3. Boyle, Robert

Robert Boyle filed a Proof of Claim in the amount of \$10,734.10 and indicated that his claim is secured. However, Mr. Boyle failed to provide any support documentation evidencing his security interest. Since I have determined that Mr. Boyle was an investor in Trend, I believe he does not have any security interest in assets of Trend which would enable him to receive priority payment. Mr. Boyle also provided a Trend Account Activity Report that he received prior to the Receivership that indicates investment "interest". My investigation has revealed that Trend operated as a Ponzi scheme and this investment "interest" was fictitious. My investigation into Mr. Boyle's investment into Trend details that he made an original investment of \$10,215.80 and was not paid any dividends. Therefore, I recommend that the claim of Robert Boyle be approved in the amount of \$10,215.80.

4. Brooks, Mary Jane

Mary Jane Brooks filed a Proof of Claim in the amount of \$12,792.98 along with documentation supporting her claim of receiving more dividends than I had originally identified for this investor. I originally identified a \$15,000.00 initial investment for Ms. Brooks with dividend payments to her totaling \$1,939.63 bringing her total potential claim amount to \$13,060.37. After receiving Ms. Brooks' documentation, I reviewed the Trend bank accounts to locate this additional dividend payment. I was not able to locate this specific payment, but was able to see that one bank account was closed on June 2, 2005 for a closing amount of \$566.56. I have concluded that this account closure amount was sufficient to purchase a cashier's check or money order for the purpose of paying Ms. Brooks her dividend payment of \$267.39 which she received on June 9, 2005. Therefore, I recommend that the claim of Mary Jane Brooks be approved in the amount of her calculated net investment of \$12,792.98.

5. Butts, Geannie Claim

Geannie Butts filed a Proof of Claim in the amount of \$49,000.00. Ms. Butts detailed that the basis of her claim was "Goods Purchased and Other Form of Contract". To support her claim, Ms. Butts provided documents related to an apparent investment in Resort Holdings and North Coast Life Insurance Company. These two investments are not associated with Trend. My investigation revealed on December 13, 2004, Ms. Butts made a principal investment into Trend in the amount of \$48,789.81. Ms. Butts was paid on January 11, 2005, a dividend payment from Trend in the amount of \$655.60. On January 21, 2005, Ms. Butts received a full refund of her Trend investment in the amount of \$48,789.81. Accordingly, I recommend the claim of Geannie Butts be denied.

6. Cheim, Barbara

Barbara Cheim filed a Proof of Claim in the amount of \$25,000.00 and included a copy of her bank statement evidencing a check in the amount of her original investment dated November 4, 2003 payable to TMG Corporation. My investigation revealed that on or about November 7, 2003, Ms. Cheim invested \$25,000.00 into Trend. I have also discovered a Cashier's Check from Trend to Ms. Cheim dated June 16, 2004 in the amount of \$25,382.20. This Check represents the return of Ms Cheim's original investment plus fictitious interest from Trend resulting in an overall 'win' by Ms. Cheim in the amount of \$382.20. Accordingly, I recommend the claim of Barbara Cheim be denied.

7. Clancy, Novella and Herman

Novella and Herman Clancy filed a Proof of Claim in the amount of \$6,588.77. Although Mr. and Mrs. Clancy's indicated that it is a Secured Claim, the Clancy's did not provide any evidence of security. The Clancy's provided me with a copy of a check from Sun Life Financial in the amount of \$43,411.23 dated February 13, 2007. My investigation revealed The Clancy's made a principal investment in the amount of \$50,000.00 into Trend and was paid dividends from Trend equaling \$7,762.49 for a net investment of \$42,237.51. After further investigation into the Sun Life Check of \$43,411.23, I concluded that this check payable to Novella Clancy and Herman Clancy represents a surrender of an annuity contract and is not in anyway related to Trend. Therefore, I recommend that the claim of Novella and Herman Clancy be approved in the amount of \$42,237.51.

8. Denson, Hunter Ed

Hunter Ed Denson filed a Proof of Claim in the amount of \$50,000.00 indicating that he had only received interest payments from Trend. My investigation revealed that Mr. Denson's original \$50,000.00 investment was on July 27, 2004, from a check drawn on his company's account in the name of DBI Marketing, Inc. I was able to locate dividend payments and return of principal payments paid to either DBI, DBI Marketing, Inc, H.E. Denson, or Ed Denson between the dates of August 16, 2004 and April 10, 2006 totaling \$33,692.70. The net investment for Hunter Ed Denson as I have calculated is \$16,307.30. Therefore, I recommend the claim of Hunter Ed Denson be approved in the amount of \$16,307.30.

9. Ellsworth, Gary

Lori Ellsworth filed a claim on behalf of Gary Ellsworth in the amount of \$10,000.00 along with documentation that supports Lori Ellsworth's claim of \$10,000.00 but nothing for Gary Ellsworth. My investigation of Arizona Corporation Commission documents revealed that Gary Ellsworth's investment was rejected by Trend. In a letter dated December 27, 2004, from The Trend Group to Retirement Accounts, Inc. ("RAI") RAI was notified that Trend was not accepting additional investments and all checks provided to Trend from RAI were voided. Furthermore, my investigation into the Trend bank accounts revealed no investment of Gary Ellsworth. Therefore, I recommend the claim of Gary Ellsworth be denied.

10. Ellsworth, Lori Gae

Lori Gae Ellsworth filed a Proof of Claim in the amount of \$10,000.00. Although Lori Ellsworth marked on the claim form that she has a Secured Claim, she failed to provide evidence of that security. Mrs. Ellsworth did provide a copy of her Easy Street Financial Group Member Contribution Receipt, Trend Capital Certificate of Participation, and a copy of her personal check payable to Trend Capital/US Bank. All three documents are in the amount of \$10,000.00, supporting her Proof of Claim. My investigation revealed a principal investment by Lori Ellsworth in the amount of \$10,000.00 with no dividends paid to her. Therefore, I recommend that the claim of Lori Ellsworth be approved in the amount of \$10,000.00.

11. Erps, Thelma

Thelma Erps filed a Proof of Claim in the amount of \$46,833.73 indicating that she has a secured Claim. Ms. Erps failed to provide evidence of security and I contacted Ms. Erps to obtain a corrected claim. I received a second Proof of Claim from Ms. Erps dated January 18, 2008, in the amount of \$38,380.35 which represented the amount of Ms. Erps principal investments, \$45,000.00 minus any dividends paid to her that I located (\$6,619.15). Since that time, I have identified further dividend payments to Ms. Erps for total dividends paid of \$7,024.42. Therefore, the net investment of Ms. Erps is \$37,975.58. Accordingly, I recommend that the claim of Thelma Erps be approved in the amount of \$37,975.58.

12. Freeman, Viola

Viola Freeman filed a Proof of Claim in the amount of \$15,000.00 plus 8.15% interest. My investigation revealed an original investment of \$15,000.00, no dividends paid, and a Fiserv custodial fee paid on Ms. Freeman's behalf of \$83.00 for a net investment of \$14,917.00. I recommend that the claim if Viola Freeman be approved in the amount of \$14,917.00.

13. Hansen, Curt

Curt Hansen filed a Proof of Claim in the amount of \$10,095.13. His claim notes that he recovered part of his investment from a third party (Restitution in the amount of \$870.97) in *People vs. Michael Drozen*, Case No. CC452505. Mr. Hansen's claim also notes that his claim is a secured Claim, secured by an IRA account. I do not believe this is a secured claim and will treat Mr. Hansen's claim as an unsecured investor claim. To establish his claims, Mr. Hansen provided documentation of the \$870.97 discussed above, a statement from Buena Vista Infomercial, Inc. in the amount to \$8,095.13 and a copy of Mr. Hansen's checkbook duplicate of a check written to Buena Vista in the amount of \$2,000.00. Because the documentation provided to the Receiver was not associated with Trend, I contacted Mr. Hansen for further clarification. In response, Mr. Hansen faxed to me copies of correspondence with his Trend agent, Mike Drozen and a letter from Trend indicating that Trend was sending Curt Hansen a cashier's check representing the return of his principal investment. Mr. Hansen claims he has never received the cashier's check. My investigation into the Trend revealed an investment into Trend by Mr. Hansen with a personal check dated March 1, 2004 in the amount of \$10,000.00 with the notation "Retirement Fund". I was also able to locate a copy of a Cashier's Check drawn on US Bank payable to Curt Hansen in the amount of \$10,119.49 dated April 29, 2004 with the

Remitter being Trend Capital Refund 03/01/04-04/30/04. I recommend that this claim be further investigated to determine if the Cashier's Check detailed above was ever negotiated.

14. Houser, Ada

Ada Houser initially filed a Proof of Claim in the amount of \$20,000.00 and later followed with a second claim in the amount of \$16,803.64, indicating that the second claim is the claim amount after subtracting the dividends paid to Ms. Houser by Trend. The Receiver's investigation originally revealed an investment by Ms. Houser into Trend in the amount of \$20,000.00 and dividends paid in the amount of \$3,196.36 for a net investment for Ms. Houser in the amount of \$16,803.64. I later acquired additional banking information indicating that Ms. Houser received additional dividends bringing her total dividends received amount to \$3,607.21 changing her net investment amount to \$16,392.79. Accordingly, I recommend that the claim of Ada Houser be approved for her final calculated net investment amount of \$16,392.79.

15. Juarez, Richard Albert

Richard Albert Juarez filed a Proof of Claim in the amount of \$73,810.05. Although Mr. Juarez indicated that he has a secured Claim, he failed to provide any evidence of security. I do not believe this is a secured claim and will treat Mr. Juarez's claim as an unsecured investor claim. In examining Mr. Juarez's claim, I obtained a copy of a 2006 1099-R issued to Richard Albert Juarez from Fiserve Affinity Inc. in the amount of \$73,810.05. When I contacted Fiserv to obtain a copy of the check issued to Mr. Juarez, Fiserv indicated that no check was issued and that the shares were transferred into Mr. Juarez's name. My investigation revealed an original investment on behalf of Richard Albert Juarez into Trend in the amount of \$62,312.80 and dividends paid to Mr. Juarez in the amount of \$2,495.56 for a total net investment of \$59,817.24. I contacted Mr. Juarez and asked him to provide copies of documentation supporting his investment claim in the amount of \$73,810.05. I have received some information but nothing that contradicts my investigation. Therefore, I recommend that the claim of Richard Albert Juarez be approved in the amount of \$59,817.24.

16. Lo Family Trust

Joan Lo as representative of the Lo Family Trust filed a Proof of Claim in the amount of \$15,713.62 with the indication that she had received part of her investment back from a third party. This was noted in the claim form as "interest" received from Trend agent Bill Landers in the amount of \$1,350.00. The reduction of this amount received by the third party would decrease the Lo Family Trust's claim to a net amount of \$14,363.62. I sent a letter to Joan Lo requesting the supporting documentation and/or cancelled checks of the interest paid by Mr. Bill Landers. Ms. Lo responded with documentation indicating that she received \$1,350.00 from Mr. Bill Landers as interest on her Trend investment. Therefore, I recommend that the claim of Lo Family Trust be approved in the amount of \$14,363.62.

17. Migliano, Laura

Michael Migliano, as beneficiary of Laura Migliano's estate submitted a claim in the amount of \$5,478.92. Mr. Migliano stated that he was the primary beneficiary of Laura

Migliano's estate and provided a Fiserv statement with his claim. My investigation had originally revealed that Laura Migliano invested \$25,000.00 into Trend through her retirement account with Fiserv and disbursements were made to her totaling \$9,058.00. However, Mr. Migliano's submission of the Fiserve statement revealed an additional \$18,000.00 disbursement for which I was able to match to a previously unidentifiable disbursement through Fiserv. Therefore, Laura Migliano is a net investment winner in the amount of \$2,058.00. I recommend that the claim of Laura Migliano's estate be denied.

18. Moran, Karen

As beneficiary of Rose Gulick's estate, Karen Moran filed a Proof of Claim with supporting documents in the amount of a \$10,000.00 investment into Trend. Among the supporting documentation, Ms. Moran included a letter from Trend indicating that the Trend Certificate of Participation in the name of her mother, Rose Gulick was now transferred into the name of Karen Moran. The Receiver's investigation revealed that \$10,000.00 was the amount invested by Rose Gulick and dividends of \$314.83 were paid to Rose Gulick before the investment was transferred into the name of Karen Moran. The net investment of Rose Gulick, later transferred to Karen Moran is \$9,685.17. Accordingly, I recommend that the claim of Karen Moran be approved in the amount of \$9,685.17.

19. Nahorniak, Mechtilde

Mechtilde Nahorniak filed a Proof of Claim in the amount of \$10,000.00. Ms Nahorniak provided documentation indicating that she invested \$10,000.00 into Jackson National Life in July of 2003 with Easy Street Financial and then, Easy Street Financial transferred that \$10,000.00 to Trend on February 1, 2004 with a notation that her interest was to be reinvested. I was able to confirm these claims with documents obtained through the Arizona Corporation Commission. Essentially, Ms. Nahorniak has all the documents which would evidence an investment into Trend, including a Certificate of Participation. While, I have been unable to track the actual funds being transferred from Easy Street Financial to a Trend bank account, I believe that Ms. Nahorniak is a Trend investor victim and recommend that the claim of Mechtilde Nahorniak be approved in the amount of \$10,000.00.

20. Navas, Armando Sr. & Gisell²

Armando and Giselle Navas filed a Proof of Claim in the amount of \$177,353.52 with the notation "plus interest at 10% until paid." The Navas' claim is based upon a garnishment judgment against Trend Management which was obtained prior to this receivership. (The garnishment judgment against Trend Management was obtained subsequent to a default judgment earlier obtained by the Navases against Trend Capital.) The Navases take the position that their garnishment judgment provides them with a secured claim in this receivership in the amount of \$157,210.84 plus post judgment interest at the rate of 10% from January 9, 2008 to the date their claim is paid. My investigation reveals that the Navases made a principal investment into Trend in the amount of \$126,221.23 and total

² Armando and Giselle Navas's Judgment is the subject of *Davis v. Navas*, Ariz Ct Appeals, Cause No. 1 CA-CV 07-0546. I have posted a supercedes bond of \$200,000.00 to stay enforcement of this judgment.

dividends paid to the Navases from Trend equaled \$11,101.53, leaving a net principal investment of \$115,119.70.

It is my position that the claim of the Navases is not a *secured* claim. First, although a review of the Maricopa County Recorders files shows that the Navases recorded their garnishment judgment on October 27, 2006, there is no indication that the Navases filed an information statement required by A.R.S. §33-967. Accordingly, the underlying predicate steps to establishing a lien were not met. In any event, the proper recording of a judgment provides for a lien only upon *real property* of the judgment debtor, pursuant to A.R.S. §§33-961, 33-964. Here, there is no real property owned by Trend Management in any county in Arizona. Second, the Navases failed to show that they *executed* upon the garnishment judgment prior to the appointment of the Receiver. It is only upon the execution of a judgment that a lien is created, as set forth in *Jackson v. Phoenixflight Productions, Inc.*, 145 Ariz. 242, 700, P.2d 1342 (Ariz. 1985). One example of the Navases failure to create a lien is their failure to demonstrate that they complied with A.R.S. §12-1548(C) which states that after obtaining a garnishment judgment the judgment creditor must deliver a copy of the judgment not only to the garnishee (here, Trend Management) but also to the judgment debtor (here, Trend Capital).

Judge Hilliard entered an Order on June 14, 2007 lifting the receivership stay, enforcing the Navas' garnishment judgment against the Receiver, and adding post judgment interest to the original garnishment judgment. The Receiver filed a notice of appeal from this Order. The matter has been briefed by the parties and oral argument has been scheduled for April 22, 2007 before the Arizona Court of Appeals. The outcome of this appeal may effect the treatment of the Navas' claim.

I also recommend that no interest of any type be allowed on the Navas' claim. If the Court allows interest on this claim, then I recommend that the claims of all other claimants be increased to include interest. I have not performed the interest calculations at this time in order to avoid the additional expense to the estate which may be unnecessary.

Therefore, I recommend that the claim of Armando Navas Sr. and Gisell Navas be approved in the amount equal to their net investment of \$115,119.70.

21. Partin, Carl & Jeanne Marie Partin

Jeanne Marie Partin filed a Claim in the amount of \$83,946.76 along with the Death Certificate of her husband, Carl Partin and a copy of a Cashier's Check in the amount of \$100,000.00 dated March 3, 2004 payable to Carl Partin Trust Dtd. 05/10/82. The copy of the back of the check was also provided and was endorsed by Carl Partin payable to Trend Management. My investigation identified a total of \$16,053.24 in dividends paid to Carl and Jeanne Partin, but I was unable to locate the deposit of \$100,000.00 into any of the Trend bank accounts. However, I was able to locate multiple Trend Statements referencing the Partin investments including a Trend Capital Servicing Agreement with the Partin's, and other Trend documents indicating that the \$100,000.00 investment by the Partin's was made on March 10, 2004. Due to the fact I was able to locate such significant documentation which support that the Partin's invested \$100,000.00 into

Trend, I believe it is appropriate to treat the Partin's as Trend Investors. Therefore, I recommend that the claim of Jeanne Marie Partin be approved in the amount equal to their net investment of \$83,946.76.

22. Putnam, John & Maricele

John and Maricele Putnam filed a proof of claim in the amount of \$8,261.88. The Putnam's claim their original investment into Trend was \$10,000.00 and they were paid dividends in the amount of \$1,738.12. My investigation revealed the Putnam's failed to identify additional dividend payments of \$356.03. Accordingly, I have determined that the Putnam's net investment into Trend is \$7,905.85. Accordingly, I recommend that the claim of John and Maricele Putnam be approved in the amount equal to my net investment calculation of \$7,905.85.

23. Sparrow, Joan

Joan Sparrow filed a claim in the amount of \$21,156.71 indicating that a \$25.00 charge to her investment was for a bank charge incurred due to a Trend check that bounced. I researched the \$25.00 charge and determined it should not be assessed against Ms. Sparrow. Accordingly, I recommend that the claim of Joan Sparrow be approved in the amount of \$21,156.71.

24. Topper, Gloria

Gloria Topper filed a claim in the amount of \$60,000.00 with a copy of her personal checks in the amounts of \$45,000.00 and \$15,000.00 made payable to Trend Management / US Bank. Arizona Corporation Commission documents revealed Ms. Topper's investment was made through Easy Street Financial Group. Subsequent discussions with Ms. Topper corroborated this information. Although I am unable to track Ms. Topper's actual funds being transferred from Easy Street Financial to Trend, I recommend that the claim of Gloria Topper be approved in the amount of \$60,000.00.

25. Van Emst, Marvin and Evelyn

Marvin and Evelyn Van Emst filed a Proof of Claim in the amount of \$50,000.00 which represents the Van Emst's original investment into Trend without any deductions for dividends, interest, or custodial fees paid to or for the benefit of the Van Emst's. My investigation has determined that the Van Emst's received a total of \$7,262.99 in dividends from Trend and their net investment amount is \$42,737.01. Accordingly, I recommend that the claim of Marvin and Evelyn Van Emst be approved for the net investment amount of \$42,737.01.

26. Walters, Stephanie L Revocable Living Trust

Stephanie Walters filed a Proof of Claim in the amount of \$14,089.92 as a Secured Claim. She provided a copy of a civil Judgment CC2006-059677 dated August 21, 2006 in the amount of her claim. Although the judgment was granted prior to the receivership order, the judgment includes accrued interest, court costs, and attorney fees which are all in addition to the original Trend investment. My investigation revealed Ms. Walters made an original investment of \$10,000.00 into Trend and received no dividends. Therefore, I recommend that the claim of Stephanie L Walters Revocable Living Trust be approved in the amount of her net investment of \$10,000.00.

27. Wilkinson, Richard

Richard Wilkinson filed a claim in the amount of \$12,720.51 with notation that my calculations of dividends included a cash disbursement of \$305.63 paid to "Robert Wilkinson" not to Richard Wilkinson. My additional investigation revealed Mr. Wilkinson's original investment into Trend was \$15,000.00 and was he paid \$2,585.12 in dividends. Accordingly, I have established Mr. Wilkinson net investment claim to be \$12,414.88. I conducted an additional investigation and determined Mr. Wilkinson's claim of the \$305.63 dividend payable to Robert Wilkinson not Richard Wilkinson was a typographical error. The Trend bank statements clearly identify the dividend was paid to Richard Wilkinson. Furthermore, there is no Trend investor with the name Robert Wilkinson. Therefore, I recommend that the claim of Richard Wilkinson be approved in the amount equal to the net investment calculated by the Receiver of \$12,414.88.

28. Wilhelm, Mary Kathryn

Kathryn Wilhelm filed a claim for \$70,582.25 on February 22, 2008. The claims bar date under the claims order was January 31, 2008. Attached to Ms. Wilhelm's claim form was a letter from Ms. Wilhelm's power of attorney, Louise Newberry. Apparently, Ms. Wilhelm moved from her apartment to the assisted living wing of the Assure Care nursing home and Ms. Wilhelm's mail was not delivered to her until February. I requested and received evidence of this delay from the U.S. Postal Service. I have determined Ms. Wilhelm was a Trend investor whose net claim is \$70,582.58. Accordingly, I recommend the approval of Ms. Wilhelm's claim in the amount of \$70,582.25.

H. NON-INVESTOR CLAIMS.

I received four non-investor claims. My recommendations with respect to these non-investor claims are as follows:

1. Lee Stein Esq. of Perkins Coie Brown & Bain, PC

Mr Stein has filed a claim on behalf Perkins Coie Brown & Bain seeking \$2,125.08 for unpaid legal services provided Trend Capital LLC in 2005. Mr. Stein has provided to the Receiver un-redacted copies of his billing statements and it appears that the worked performed by Mr. Stein was for Trend Capital LLC. Accordingly, I recommend the claim of Perkins Coie Brown & Bain be approved in the amount of \$2,125.08.

2. Internal Revenue Service

The Internal Revenue Service has filed a claim in the amount of \$11,691.61. While the IRS claims this is for a tax lien, the IRS tax claim filed with the Receiver is silent as to the nature of the lien. Further investigation determined that \$1,691.61 represents unpaid taxes for late filed IRS Form 1099's and \$10,000.00 represents a tax penalty for the delinquent filing of the 1099's by Trend in 2004.

I have made every effort to convince the Internal Revenue Service to abate this penalty, but to no avail. I have recently been advised that the Internal Revenue Service is investigating our appeal on behalf of Trend that the penalty of \$10,000.00 be abated to enable more money to be distributed to the creditors of Trend. Sadly, it does not escape

me that pursuant to 31 U.S.C. § 3713(a), the Internal Revenue Service has a priority position in advance of any distribution to creditors. Additionally, pursuant to 31 U.S.C. § 3713(b) a Receiver who fails to pay the claims of the Internal Revenue Service in accordance with its priority may become personally liable for this debt.

Accordingly, due to the federal statutes discussed above, I recommend that the claim of the Internal Revenue Service of \$11,691.61 be paid in full before any other approved claim.

3. NEC Financial Services, Inc.

NEC Financial Services, Inc. ("NEC Financial") has filed a claim with the Receiver seeking \$3,242.50 for an unpaid equipment lease with Trend Management Group, Inc. I have confirmed with Scott Bogue, president of Trend Management Group, Inc. that it entered into a leasing agreement with NEC Financial and NEC Financial was unpaid. Accordingly, I recommend that the claim of NEC Financial be paid in the amount of \$3,242.50.


4. Hunt, Hennessey

Hennessey Hunt filed a Proof of Claim January 25, 2008 in the amount of \$1,736.71 and marked the Basis for Claim as Goods Purchased. Mr. Hunt notes his Investor Claim as 'Used Furniture' in three separate amounts two of which are dated 10/28/02 and 07/11/03 and the third undated on the claim form. Mr. Hunt included three pieces of documentation. All three are titled 'Purchase Receipt' with the Purchaser listed as Hennessey Hunt.

I received a written request for a claim form from Mr. Hunt on January 7, 2008. The hand written request came with a typed note included that read "General Inmate Correspondence, Texas Department of Criminal Justice-Institutional Division". Mr. Hunt provided his return address to send the Proof of Claim form and my investigation revealed this address to be the Clements Unit in the Texas State Prison System.

There is no evidence that Trend had any business or other relationship with Mr. Hunt. Since there is no sufficient evidence to substantiate this claim, I recommend that the claim of Hennessey Hunt be denied.

Dated this 13th day of March, 2008



Peter S. Davis, Receiver