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6 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

7 IN AND FOR MARICOPA COUNTY

8 ARIZONA CORPORATION)
9 COMMISSION,)

10 Plaintiff,)

11 v.)

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

14 Defendants.)

Cause No. CV 2006-016822

NOTICE OF RECEIVER'S RESPONSE
TO OBJECTIONS TO RECEIVER'S
CLAIMS REPORT

(Assigned to the Honorable A. Craig
Blakey, II)

15 Peter S. Davis, through counsel undersigned, hereby files his *Receiver's Response to*
16 *Objections to Receiver's Claims Report.*

17 Pursuant to the procedures set forth in the Court's *Order Establishing Procedures for*
18 *the Adjudication of Claims Re: Petition No. 18*, a copy of the *Receiver's Response to*
19 *Objections to the Receiver's Claims Report* is being served on all Parties on the Master
20 Service List and all persons who served on the Receiver an objection to his Claims Report. A
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1 copy of the attached report will be posted on the Trend Receivership website at
2 www.trendreceivership.com.

3 Respectfully submitted this 14th day of May, 2008.

4 GUTTILLA MURPHY ANDERSON, P.C.

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7 Ryan W. Anderson
8 Attorneys for the Receiver

9 Original of the foregoing filed
10 this 14 day of May, 2008 with:

11 Clerk of the Court
12 Maricopa County Superior Court
13 201 West Jefferson, Fourth Floor
14 Phoenix, AZ 85003

15 Copies of the foregoing
16 mailed this 14 day of May, 2008 to:

17 All parties listed on the attached
18 Master Service List

19 Loren Molever
20 Yvette D. Ansel
21 Hymson Goldstein & Pantiliat, P.C.
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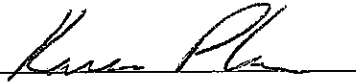
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5 Lucille Turley
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6 Mesa, Arizona 85205

7 By: 
8 1027-001(74972)

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MASTER SERVICE LIST

Arizona Corporation Commission v. Trend Management Group, Inc.

Maricopa County Superior Court

CV 2006-16822

(Rev. 2/28/08)

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Jordan-Van Vranken and Russell
Langdon Van Vranken

Receiver's Response to Objections to Receiver's Claims Report

May 15, 2008

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

A. Introduction

This is the Receiver's Response to Objections to the Receiver's Claims Report, dated May 15, 2008, which were filed with the Receiver in accordance with the Order Establishing Procedures for the Adjudication for Claims Re: Petition No. 18, entered on November 28, 2007, ("Claims Order") by the Arizona Superior Court for Maricopa County 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 Trend Management Group, Inc., Trend Capital, LLC, and the Trend Group, Inc. ("Trend") or to any of the Receivership Assets as defined in the Court's *Order Appointing Receiver*, entered in the case on November 14, 2006.

Pursuant to the Claims Order a copy of my Claims Report was mailed to each of the known claimants. I also published the Trend claims process in newspapers of general circulation in Arizona and the United States.

As of the date of my Claims Report, I had received 307 claims from the known 372 Trend investors and four claims from general (non-investor) creditors. No secured creditors filed any claims. My Claims Report set forth my recommendations as to each of the claims.

B. Objections to Receiver's Claims Report

Only one claimant filed a written objection to the Claims Report. That objection was filed by Armando and Giselle Navas ("The Navases"). The Navases argued: (i) the Receiver is compelled to follow the Court's Order in connection with payment of claims; (ii) The Navases obtained a secured recorded judgment against Trend Management as recognized by this Court prior to the appointment of the Receiver; (iii) the Receiver's citations to A.R.S. §§33-961, 33-964, 33-967, 12-1548 are in opposite and do not support the Receiver's position; (iv) any decision about The Navases' claim should be stayed pending a decision by the Court of Appeals in 1-CA-CV 07-0546.

As it has been well documented, I have appealed a ruling of this Court that sought to pay the Navases in advance of this claims process and in an amount that is not equal to the net investment of The Navases. The appeal is pending in the Arizona Court of Appeals, District One, 1-CA-CV 07-0546. Due to the pendency of the Appeal, The Navases and I have agreed to a stipulation that will stay the adjudication of The Navases claim until the Court of Appeals renders its decision. This proposed stipulation was filed with the Court on May 6, 2008.

C. Late filed Claims

In the Claims Order, the Court set January 31, 2008 as a claims bar date, meaning that any claims to the assets of Trend were required to be mailed to me on or before January 31, 2008. Since March 15, 2008, I have received three late filed claims.

Victor and Clara Weber by Co-Trustee Jodeen Wilmes

Trend investor Victor Weber passed away in 2005 and Trend investor Clara Weber passed away in 2006. Through a change of address with the United States Postal Service, Ms. Jodeen Wilmes, co-trustee of estates of Victor and Clara Weber, received some notifications regarding the Trend Receivership, but apparently did not receive information regarding the Trend claims process.

On April 10, 2008, Ms. Wilmes submitted a Proof of Claim seeking an investor claim in the amount of \$77,163.75. I analyzed the investments of Victor and Clara Weber and determined that the net investment of Victor and Clara Weber equaled \$75,726.94. I advised Ms. Wilmes of my findings and she advised that she would accept my calculations of Victor and Clara Weber's investments as her claim. (Attached as Exhibit A is the correspondence from Ms. Wilmer)

While Ms. Wilmes claim was filed late, I do not believe that she should be prejudiced and accordingly, I recommend that the late filed claim of Victor and Clara Weber will be approved in the amount of \$75,726.94.

Edna Yacks

On April 16, 2008, I received a claim from Trend investor Edna Yacks. Ms. Yacks has explained that she failed to submit a timely claim in the Trend Receivership because she was traveling between Arizona and Michigan and did not receive any correspondence regarding the submission of a Proof of Claim. (Attached as Exhibit B is the correspondence from Ms. Yacks) Ms. Yacks submitted a Proof of Claim in the amount of \$23,685.35. I have reviewed the

Trend records and determined that Ms. Yacks' net investment in Trend was \$23,685.35.

While Ms. Yacks' claim was filed late, I do not believe that she should be prejudiced and accordingly, I recommend that this claim be approved in the amount of \$23,685.35.

Lucille Turley

On April 28, 2008, I received a claim from Trend investor Lucille Turley. Ms. Turley has explained that she failed to submit a timely claim in the Trend Receivership. Ms. Turley identified that she has moved twice during the last half of 2007 and did not receive any correspondence regarding the claims process. (attached as Exhibit C is the correspondence from Ms. Turley) Ms. Turley submitted a Proof of Claim in the amount of \$17,897.12. I have analyzed the Trend records and determined that Ms. Turley's net investment in Trend was \$17,897.12.

While Ms. Turley's claim was filed late, I do not believe that she should be prejudiced and accordingly, I recommend that this claim be approved in the amount of \$17,897.12.

D. Claim of Curt Hansen

In the Receiver's Claims Report I identified that Curt Hansen had filed a Proof of Claim in the amount of \$10,095.13¹. As discussed in the Claims Report, Mr. Hansen claims that he had never received a cashier's check drawn on US Bank made payable to Mr. Hansen in the amount of \$10,119.49, dated April 29, 2004 representing the repayment of his principle investment into Trend. I recommended that Mr. Hansen's claim be investigated further before I make formal recommendation regarding the validity of his claim.

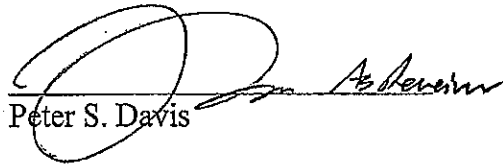
Soon thereafter, I subpoenaed the cashier's check, and discovered it appeared to be negotiated by Curt Hansen. Accordingly, I advised Mr. Hansen that the evidence supported a conclusion that Mr. Hansen received these funds and that I would recommend that his claim be denied. I also advised Mr. Hansen that if he had any objection to my recommendation that I would have to present his objection to the Court at the hearing set for June 9th at 9:15am in the Receivership Court.

¹ See Claim Report, page 13, paragraph 13.

E. Recommendations

Accordingly, I request the Court to affirm my recommendations as set forth in my Claims Report and in this Response to Objections to the Receiver's Claims Report and enter an order reflecting the same.

Dated this 12 of May, 2008


Peter S. Davis