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5 Attorneys for the Receiver

6 IN THE SUPERIOR COURT FOR THE STATE OF ARIZONA

7 IN AND FOR THE COUNTY OF MARICOPA

8 ARIZONA CORPORATION
COMMISSION,

9 Plaintiff,

10 v.

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

13 Defendants.

Cause No. CV 2006-016822

ORDER ESTABLISHING PROCEDURES
FOR THE ADJUDICATION OF CLAIMS

RE: PETITION NO. 18

(Assigned to Judge A. Craig Blakey, II)

14
15 The Receiver having filed Petition No. 18, and served it on the persons appearing on
16 the Master Service List, and the Court having considered same, and it appearing to the Court
17 that the matters requested by Petition No. 18 are reasonable, just and appropriate:

18 NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

19 1. DEFINITIONS

20 Unless the contexts otherwise requires, the following terms shall have the meanings
21 specified below:

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1 1.1 Administrative Claim. Every cost or expense of the Receiver or his attorneys
2 or other agents incurred in the administration of the Receivership, including but
3 not limited to expenses incurred in recovering, accounting for, preserving, or disposing of the
4 Receivership Assets.

5 1.2 Approved Claim. A Claim that has been filed with the Receiver and has been
6 approved by the Court.

7 1.3 Claim.

8 a. Any right to payment, whether or not such right is reduced to judgment,
9 liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed,
10 legal, equitable, secured, or unsecured, which right arose or accrued prior to the
11 Receivership Date; or

12 b. Any right to an equitable remedy for breach of performance if such right
13 gives rise to a right of payment, whether or not such right to an equitable remedy is
14 reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed,
15 where such right arose or accrued prior to the Receivership Date; or

16 c. Any right to payment arising from the rejection by the Receiver of an
17 executory contract or as a result of any Receivership Entity's failure to complete its
18 obligations under a lease.

19 1.4 Claimant. A person entitled to assert a Claim against any Receivership Entity
20 or against any Receivership Assets.

21

1 1.5 Claims Bar Date. January 31, 2008.

2 1.6 Claims Report. The Receiver's report filed with the Court describing the
3 Claims received by the Receiver and setting forth his recommendations concerning those
4 Claims.

5 1.7 Court. The Arizona Superior Court for Maricopa County, in Cause No. CV
6 2006-16822.

7 1.8 Investor Claim. Any Claim arising from the placement of the Claimant's own
8 funds with Trend Management Group, Inc., Trend Capital L.L.C. or The Trend Group Inc. as
9 part of the purchase of a Certificate of Participation.

10 1.9 Proof of Claim. A Proof of Claim form provided by the Receiver in
11 substantially the same form as Exhibit "A" to Petition No. 18.

12 1.10 Receivership Assets. Receivership Assets shall include the following:

13 a. All Receivership Assets as defined by the orders of the Court.

14 b. Proceeds, product, offspring, rents, interest or profits of or from
15 Receivership Assets.

16 c. All interest earned and paid to the Receiver on Receivership Assets.

17 1.11 Receiver. Peter S. Davis.

18 1.12 Receivership Entity. The following:

19 a. Trend Management Group, Inc.;

20 b. Trend Capital LLC.; or

21 c. The Trend Group Inc.

1 1.13 **Secured Claim**. A Claim to the extent that it is secured by a properly perfected
2 lien on Receivership Assets, and does not include an Investor Claim.

3 1.14 **Unsecured Claim**. Any Claim other than an Investor Claim or Secured Claim.

4 2. **NOTICE OF RIGHT TO FILE CLAIMS AND CLAIMS BAR DATE**

5 2.1 **Notice to Claimants**. The Receiver shall notify each Claimant of the Claims
6 Bar Date and of the Claimant's right to file a Claim as provided herein by mailing to the
7 Claimant a Notice to Claimants in a form substantially similar to Exhibit "B" to the
8 Receiver's Petition No. 18. The Notice to Claimants shall be accompanied by a copy of the
9 Proof of Claim form, a copy of this order, and any other information the Receiver deems
10 appropriate and shall be deposited in the United States mail, postage pre-paid, addressed to
11 the Claimant at the most recent address contained in the records of the Receiver by December
12 3, 2007.

13 2.2 **Notice by Publication**. Within sixty days of the entry of this Order the
14 Receiver shall also publish at least once in a publication with national circulation and four
15 times in four weeks in a publication with circulation in Arizona, a copy of the Notice by
16 Publication in a form substantially similar to Exhibit "C" to the Receiver's Petition No. 18.

17 3. **FILING OF CLAIMS**

18 3.1 **Filing a Claim**. Any person asserting a Claim against a Receivership Entity,
19 the Receiver, or the property in the possession of the Receiver, regardless of whether the
20 Claim has been acknowledged by the Receiver, shall complete, sign under oath, and file with
21 the Receiver a Proof of Claim on or before the Claims Bar Date. The Proof of Claim shall be

1 deemed filed on the date it is mailed to the Receiver. The Proof of Claim shall be set forth on
2 the form provided by the Receiver and shall contain all of the information requested in the
3 form.

4 3.2 **Place to File a Claim.** Each Proof of Claim shall be filed with the Receiver by
5 mailing postage prepaid a properly completed Proof of Claim together with all required
6 supporting documentation to the Receiver at the following address:

7 Trend Receivership
8 Peter S. Davis, Receiver
9 Simon Consulting, LLC
10 The Great American Tower
11 3200 North Central, Suite 850
12 Phoenix, Arizona 85012

13 3.3 **Prohibition Against Filing Claim With The Court.** No Claim shall be filed
14 with the Court and any Claim so filed shall not be considered properly filed as required under
15 this Order and may subject the person filing the Claim to being held in contempt of court.

16 3.4 **Supporting Documentation.** Each Claim shall include as an attachment all
17 documentation supporting the claim. Original documents should not be filed with the Claim.
18 If a supporting document is not available, the Claimant must attach an explanation of why the
19 document is not available. The Receiver may require Investor Claimants to provide copies of
20 personal checks, cashiers checks, wire transfer advices and other documents evidencing the
21 placement of funds with Trend Management Group, Inc, Trend Capital, L.L.C. and The
Trend Group Inc. and a chronological accounting of all money received by the Claimant from
any Receivership Entity, whether such payments are denominated as the return of principal,
interest, commissions, finders fee, sponsor payment, annuity payments, or otherwise.

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4. REQUIREMENTS FOR APPROVAL OF CLAIMS OTHER THAN INVESTOR CLAIMS

4.1 A Claimant asserting a Secured Claim shall demonstrate by credible evidence that 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 a Claimant shall be entitled, to the extent of the secured interest, to receive the Receivership Asset in which the secured interest exists, or the proceeds therefrom less the Receiver's costs of liquidating the Receivership Asset.

4.2 A Claimant whose Claim is an Unsecured Claim may not be entitled to the distribution of any property or funds from the Receivership Assets that are determined to be held in constructive trust for the benefit of investors.

5. REQUIREMENTS FOR APPROVAL OF INVESTOR CLAIMS

5.1 An Investor Claim shall not be approved unless the Claimant demonstrates 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, L.L.C. or The Trend Group Inc. for the purpose of purchasing a Certificate of Participation.
- c. Claimant agrees to release any and all claims against Crown Asset Management LLC.

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6. **REDUCTION OF CLAIMS BY AMOUNTS RECEIVED**

6.1 The Receiver shall reduce and offset against any Claim the amount of any funds received by the Claimant or for his benefit from any Receivership Entity or from any funds placed with Trend Management Group, Inc, Trend Capital LLC or The Trend Group Inc., including amounts paid as commissions, interest, or annuity payments, return of principal, IRA custodian fees and bank fees.

6.2 The Receiver shall reduce and offset against any claim, the amount of funds received by the Claimant from any third party arising out of Claimant's investments with Trend.

7. **RECEIVER'S CLAIMS REPORT AND THE COURT'S FINAL ADJUDICATION OF CLAIMS**

7.1 **Receiver's Claims Report.** No later than March 15, 2008, the Receiver shall file with the Court his Claims Report setting forth all Claims, other than Administrative Claims, filed with the Receiver together with the Receiver's recommendations concerning all Claims. The Claims Report will also include a recommendation concerning the classification of Claims and the allocation of assets to be distributed in payment of Claims.

7.2 **Notice to Claimants.** The Receiver shall notify each Claimant of the Receiver's recommendation concerning the Claimant's Claim in writing and deposited in the United States mail, postage pre-paid, addressed to the Claimant at the most recent address contained in the records of the Receiver within ten days of the date for filing the Receiver's Claims Report.

1 objections and shall serve a copy of same on all persons appearing on the Master Service List
2 and on all persons who served the Receiver with objections as provided above.

3 7.7 **Hearing Date.** A hearing will be held by the Court on the Claims Report and
4 the Receiver's recommendations and any objections thereto, at a date and time set by the
5 Court.

6 7.8 **Final Adjudication of Claims.** Following the Court's hearing, the Court shall
7 enter an order approving or disapproving the claims filed with the Receiver.

8 **8. RELEASE OF CROWN ASSET MANAGEMENT**

9 8.1 **Solicitation of Release.** In conjunction with the Notice to Claimants in section 7.2
10 The Receiver shall provide a written request to Claimant to execute a release of any and all
11 claims against Crown Asset Management. This written request shall contain pertinent
12 information related to the requested Crown Asset Management release.

13 8.2 **Effect of Failure to Obtain Release.** Any Claimant who decides to not execute a
14 release in favor of Crown Asset Management will not be permitted an allowed claim.

15 **9. MISCELLANEOUS**

16 9.1 All claims shall be filed on or before the Claims Bar Date, except that:

17 a. Administrative Claims for administrative expenses shall be filed with the
18 Receiver within sixty days from the date incurred;

19 b. Administrative Claims by the Receiver or the Receiver's agents,
20 regardless of the date incurred, shall not be subject to a Claims Bar Date.

21 9.2 The Receiver, or any Claimant or other party in interest may file an objection to

1 any Claim as provided in this Order.

2 9.3 All Administrative Claims shall be paid by the Receiver in accordance with the
3 prior orders of this Court, or where required, by petition and order of the Court. All
4 Approved Claims, other than Administrative Claims, shall be paid as provided by further
5 order of the Court.

6 Dated this 28th day of November, 2007.

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A. CRAIG BLAKEY, II

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Honorable A. Craig Blakely
Superior Court Judge

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1027-001(67940)

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