

Guttilla Murphy Anderson, P.C.  
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(623) 937-2795

1 **Guttilla Murphy Anderson, P.C.**  
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5 Attorneys for the Receiver

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

MOTION FOR ORDER APPROVING  
REVISED PROFESSIONAL FEES OF  
GUTTILLA MURPHY ANDERSON,  
P.C., THE RECEIVER, AND  
ANDERSON & NOWAK, PLC RE:  
PETITION NO. 53

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

15  
16 On January 16, 2009, the Receiver filed with this Court his Petition No. 53 seeking an  
17 order approving fees and costs incurred by the Receiver, Guttilla Murphy Anderson, P.C.,  
18 Jennings Strouss & Salmon, PLC, and Anderson & Nowak, PLC.<sup>1</sup> Petition No. 53 sought the  
19 approval of the professional fees of the Receiver and his attorneys for the month of October  
20 2008. No objections were filed to Petition No. 53. At the hearing held regarding Petition No.

21  
<sup>1</sup> On January 16, 2009, the Receiver mailed all persons on the Master Service List notice of the hearing re: Petition No. 53 and noted the hearing on Petition No. 53 would be conducted on February 9, 2009.

1 53, the Court requested the Receiver and his counsel revise their billings. The Court requested  
2 the Receiver to revise his billings to eliminate any charges that appear to be related to  
3 “overhead” of the Receivership Estate. The Court requested Anderson & Nowak, PLC to  
4 eliminate charges related to meetings among professionals at Anderson & Nowak, PLC. The  
5 Court expressed concern about the volume of bills of Guttilla Murphy Anderson, P.C. and  
6 questioned some specific time entries. The Court asked that the professional fees be reviewed  
7 and resubmitted in light of the Court’s directives.

8 **I. Revised Fees and Costs of the Receiver and Simon Consulting.**

9 Pursuant to the recommendations of the Court, the Receiver has “no charged” a  
10 significant amount of time related to the administration of the Trend Receivership Estate in  
11 his October 2008 invoice. While the Receiver has decided to “no charge” the time entries set  
12 forth below, he believes the time spent by Ms. Beretta at her reduced rate provides a benefit  
13 to the Receivership estate. The Receiver will continue to have Ms. Beretta work on the  
14 administrative matters of the Estate. In the future, Ms. Beretta’s administrative time on  
15 similar matters will not be billed to the Estate.

16 The Receiver believes that Ms. Beretta must continue to answer telephonic and written  
17 requests of the investor-victims of Trend. While the Court may view this as an administrative  
18 expense, the Receiver believes it is imperative that Ms. Beretta continue to communicate with  
19 the victims of Trend. As the Court is aware, the Trend investor-victims remain active and  
20 informed in the Receivership case and routinely call the Receiver for specific information  
21

1 regarding Trend. The specific time entries that the Receiver has eliminated from his October  
2 2008 invoice are set forth below, a cost savings to the Estate of \$1,374.45:

3	10/08/08	S. Beretta	Analyzed email from Ryan Anderson regarding Herndon assignments of interest in Mexico property; researched
4			signed affidavits and analyze memo from Juan Hernandez
5			regarding same; provided affidavits and drafted email
			response to Ryan Anderson. (.5)
6	10/10/08	S. Beretta	Drafted email to Ryan Anderson and John Haggerty
7			regarding termination of listing agreement letter sent to
			Richard Miranda. (.1)
8	10/15/08	S. Beretta	Analyzed email from Bill Herrera regarding Tony Cordova
9			and companies in which he is involved, printed and filed
			information in asset binder. (.1)
10	10/02/08	S. Beretta	Drafted notice to investors for posting on website
11			regarding resignation of Fiserv as custodian of investor
			IRA accounts. (.1)
12	10/22/08	S. Beretta	Drafted email to Kathryn Friend regarding address of Lori
13			Jordan home and all known mortgage companies and loan
			numbers. (.1)
14	10/24/08	S. Beretta	Analyzed revised analysis of Herndon mortgage payments
15			including sources of income prepared by Kathryn Friend,
			briefly discussed with Peter Davis; drafted email to
			Kathryn Friend regarding same. (.2)
16			
17	10/13/08	S. Beretta	Analyzed letter from IRS regarding resolution of Trend
			Capital tax form 941 issue, briefly discussed with Peter
			Davis. (.1)
18			
19	10/02/08	S. Beretta	Analyzed consent order received from Illinois Secretary of
			State, updated receivership claims spreadsheet; provided to
			Ryan Anderson. (.1)
20			
21	10/08/08	S. Beretta	Analyzed email from Ryan Anderson regarding details of
			Ponzi winner Otis Greene's investment; researched amount

1 of Ponzi win and responded to Ryan Anderson via email (.2)

2

3 10/09/08 S. Beretta Analyzed email from Steve Napoles regarding potential  
4 settlement with commission recipient Loren Denton;  
5 analyzed attached tax return and statement of financial  
6 condition; drafted email response to Peter Davis (.3)

7

8 10/10/08 S. Beretta Analyzed email from Ryan Anderson regarding details of  
9 disbursement paid to Fiserv on behalf of Ponzi winner Otis  
10 Greene, corresponded with Nicole Manos regarding same,  
11 researched related information, and drafted response email  
12 to Ryan Anderson (.4)

13 10/13/08 S. Beretta Analyzed email from Ryan Anderson regarding Loren  
14 Denton and IL securities issues (.1)

15 10/13/08 S. Beretta Analyzed letters from Ryan Anderson to Ponzi winners  
16 Laurie Spence Morentin, Phillip Watters, and attorney  
17 Michael Curran regarding settlement proposal. (.2)

18 10/14/08 S. Beretta Analyzed and responded to email from Ryan Anderson  
19 regarding Ponzi winner Otis Greene. (.1)

20 10/14/08 S. Beretta Analyzed email correspondence between Peter David and  
21 Ryan Anderson regarding proposed settlement with Ponzi  
winner Sara Godleski, draft email to Peter Davis regarding  
same. (.1)

10/15/08 S. Beretta Analyzed email correspondence from Ryan Anderson  
regarding Ponzi winner Sara Godleski (.1)

10/16/08 S. Beretta Analyzed email from Chris Schmidt regarding commission  
recipient Loie Johnson of Innovative Asset Management;  
researched both individual and company including  
possible phone numbers and addresses researched articles  
and court filings for previous litigation in which Loie  
Johnson was involved; drafted email to Chris Schmidt  
regarding findings. (1.6)

10/17/08 S. Beretta Analyzed documents received from investor Kathryn Karpi  
regarding agent Timothy Stohs; researched other agents'

1 affiliations with Fixed Return Assets; drafted email to  
2 Ryan Anderson and Steve Napoles regarding same. (.5)

3 10/17/08 S. Beretta Analyzed various court documents received including  
4 request for Rule 16 conference, minute entries transferred  
5 Davis v. Denson and Davis v. Advantage to Judge Blakey,  
6 and minute entry regarding withdrawal of counsel for  
7 Herndon; filed accordingly. (.3)

8 10/21/08 S. Beretta Updated receivership claims and litigation spreadsheets,  
9 provided to Peter Davis. (.2)

10 10/22/08 S. Beretta Corresponded with Robert Pierce at OR Real Estate  
11 Agency regarding commission recipient Larry Beard. (.1)

12 10/24/08 S. Beretta Analyzed email from Ryan Anderson regarding status of  
13 judgment against Ponzi winner Rebecca Harter and her  
14 intentions to begin making payments; updated receivership  
15 claims spreadsheet accordingly. (.1)

16 10/24/08 S. Beretta Read, researched, and responded to email from Marty  
17 Murphy at Guttilla Murphy Anderson, PC regarding Easy  
18 Street Agent Scott Miller. (.2)

19 10/30/08 S. Beretta Corresponded with Jeanie Knaack regarding Ponzi winners  
20 Laurie Spence and Philip Watters; researched investment  
21 details including transaction reversals; analyzed related  
bank account and Fiserv statements. (.4)

10/31/08 S. Beretta Discussed Ed Denson analysis with Peter Davis. (.2)

10/02/08 S. Beretta Analyzed assignment and release forms received from  
investors Beckwith & Maigel Elaine Hubble, recorded on  
receiver's schedule of recommended distributions,  
prepared check for payment of first interim distribution.

10/06/08 S. Beretta Analyzed affidavit received from Nora Washington,  
beneficiary of deceased investor Harry Clark, provided to  
Pat Murphy for approval. (.1)

10/08/08 S. Beretta Analyzed release form received from investor Natalie  
Nash; prepared first interim distribution checks to Natalie  
Nash and Nora Washington and prepared for mailing;

1 updated Quickbooks and first interim distribution  
2 spreadsheet accordingly. (.3)

3 10/09/08 S. Beretta Analyzed affidavit for distribution to heir received from  
4 Arlene Mancuso; prepared new affidavit for distribution to  
5 personal representative; draft letter to Arlene Mancuso  
6 regarding instructions for completing same. (.4)

7 10/24/08 S. Beretta Analyzed release forms received from investors Jayne  
8 Sanders and Shelby McKay Arbogast, prepared interim  
9 distribution checks and prepared for mailing; updated  
10 QuickBooks and first interim distribution spreadsheet  
11 accordingly. (.3)

12 10/24/08 S. Beretta Drafted email to Pat Murphy regarding updated status of  
13 claimants who have not yet been paid their first interim  
14 distribution including receipt of release forms from  
15 investors Jayne Sanders and Shelby McKay-Arbogast and  
16 details of discussion with Linda Lewin; provided copy of  
17 letter received from Linda Lewin. (.2)

18 10/27/08 S. Beretta Analyzed email from Pat Murphy including attached  
19 approval of motion to modify order regarding petitions 18  
20 and 32; updated distribution spreadsheet to include  
21 separate claims of James Webster and Bankruptcy Trustee  
for Bettie Webster; researched receipt of release form from  
James Webster, corresponded with Pat Murphy regarding  
same, drafted letter to James Webster regarding request for  
release form and approval of first interim distribution. (.5)

10/27/08 S. Beretta Analyzed email from Ryan Anderson regarding  
recommendations concerning claimants who have not yet  
been paid their first distribution, drafted response email.  
(.5)

10/27/08 S. Beretta Analyzed petition 47 and corresponding order approving  
settlement with Larry and Virginia Beard; researched  
receipt of release form from Virginia Beard; drafted fax  
coversheet and provided release form to Virginia Beard c/o  
Larry Beard. (.3)

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1	10/27/08	S. Beretta	Corresponded with Pat Murphy regarding phone message from agent Larry Beard concerning his wife's claim; corresponded further regarding investor Lee Blalock. (.2)
2			
3	10/29/08	S. Beretta	Analyzed release forms received from investor Patricia Thomas and Bankruptcy Trustee for Bettie Webster, prepared interim distribution checks and prepared for mailing; updated QuickBooks and first interim distribution spreadsheet accordingly. (.3)
4			
5			
6	10/30/08	S. Beretta	Analyzed release form received from investor Lee Blalock, prepared interim distribution check and prepared for mailing; updated Quickbooks and first interim distribution spreadsheet accordingly. (.2)
7			
8			
9	10/02/08	S. Beretta	Deposited check received from commission recipient Carson Shepard and restitution check from Ryan Herndon; updated receivership claims spreadsheet and settlement binder. (.3)
10			
11	10/03/08	S. Beretta	Deposited check received from Ponzi winner Sharon Jankunas Sanders; updated receivership claims spreadsheet and settlement binder. (.2)
12			
13	10/08/08	S. Beretta	prepared check to Cunningham & Associates, Inc. for payment of auction fees, updated Quickbooks accordingly. (.2)
14			
15	10/09/08	S. Beretta	Researched previous quarter's recoveries and drafted letter to Rosalinda Avila regarding details of same. (.3)
16			
17	10/10/08	S. Beretta	Drafted email to Ryan Anderson regarding quarterly collections. (.1)
18			
19	10/16/08	S. Beretta	Compiled September time detail, verified consistency and accuracy of receivership bill time descriptions; categorized time entries by category, and completed preparation of September receivership bill. (1.3)
20			
21	10/17/08	S. Beretta	Deposited checks received from commission recipients Christopher Marx and Michelle Evans; update receivership claims spreadsheet and settlement binder. (.4)



1           **II. Revised Fees and Costs of Guttilla Murphy Anderson P.C.**

2           After a review of the October 2008 invoice, Guttilla Murphy Anderson, P.C. decided  
3 to eliminate from it's billing statements any time that had been previously "no charged" to the  
4 Trend Receivership Estate. The elimination of the "no charged" time from the bill  
5 significantly reduced the length of Guttilla Murphy Anderson, P.C. bill. Additionally, Guttilla  
6 Murphy Anderson, P.C. decided to "no charge" and eliminate from the invoice the following  
7 time entries at an additional savings to the estate of \$1,325.00:

8	10/15/08 JK	Draft Petition No. 50- Petition for Approval of Settlement Agreement with Michele Evans; Draft Order; Proof of Mailing and Notice of Hearing (.5)
9		
10		
11	10/21/08 RWA	Review status of all litigation matters in Trend; prepare correspondence to Peter Davis regarding status of each litigation in preparation for teleconference with client (2.8)
12		
13	10/21/08 JK	Finalize all documents relating to Petition Nos. 48, 49, and 50; draft instructions to the Court runner; draft letter to Peter S. Davis; draft note to Judicial Assistant; prepare and file Petitions with the Court; copies to all parties; update chronology and docket Court date. (4.)
14		
15		
16	10/01/08 JK	Prepare Second Settlement Agreement with Michelle Evans. (.3)
17		
18	10/14/08 JK	Review check and Settlement Agreement signed by Michelle Evans; draft letter to Peter S. Davis with enclosed check and Settlement Agreement; draft letter to Michelle Evans acknowledging payment; review payment from Christopher Marx; draft letter to Peter Davis and Alan Baskin Marx regarding payment; update chronology and spreadsheets.
19		
20		
21		

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1	10/23/08 JK	Review file; review docket for answer filed by Kendall Botellio; conference with Ryan Anderson; draft application for default against Kendall and Richard Botellio; file application with Court.
2		
3	10/24/08 MM	Research document depository for Agent Scott Miller related documents; identify all investors associated with Miller; create spreadsheet with results; e-mail results to Steve Napoles; e-mail Sara Beretta regarding Scott Miller information.
4		
5		
6	10/27/08 JK	Draft letter to Peter S. Davis with enclosed payment from Carson Shepard; draft letter to Carson Shepard acknowledging payment; update chronology and spreadsheet.
7		
8		
9	10/08/08 KHP	Prepare draft of Application for Entry of Default Against Defendant Jay Rudi Branch Jordan. (.2)
10	10/09/08 KHP	Prepare draft of Motion for Default Judgment Against Jay Rudi Branch Jordan; prepare draft of Declaration for Peter Davis; prepare draft of Statement of Costs. (.9)
11		
12	10/09/08 KHP	Prepare draft of Default Judgment against Jay Rudi Branch Jordan. (.2)
13		
14	10/14/08 KHP	Prepare draft of Notice of Withdrawal of Application for Default Against Jay Rudi Branch Jordan.
15		
16	10/14/08 KHP	Prepare draft of Acceptance of Service.
17	10/23/08 KHP	Prepare draft of Notice of Filing Acceptance of Service.
18	10/2/08 JK	Reviewed files; review Chris Schmidt memorandum regarding location of several agents; updated spreadsheets; Notices of Lawsuit and Waivers of Service; review progress notes and affidavits of service on services of Arizona agents; sent summons and complaints for service upon Bret and Jane Doe Davidson and Pamela and John Doe Woods. (1.2)
19		
20		
21		

1 10/2/08 JK Draft letter to Hon. Brian Tully regarding his dismissal  
from lawsuit. (.2)

2

3 10/10/08 JK Prepare letters to Laurie Spence Morentine; Phillip  
Watters; and Michael Curran with offers of settlement;  
draft order setting Rule 16 scheduling conference. (.8)

4

5 10/21/08 MM Locate documents for Ryan Anderson of the following  
Trend investors; Otis Greene, Ruby and Cecil Collier for  
Receiver's 26.1 disclosure. (1.0)

6

7 10/22/08 MM Locate all documents for Ryan Anderson of the following  
investors: Phillip Watters, Laurie Spence, Sara and Ray  
Godleski. (2.3)

8

9 10/27/08 JK Draft letter to Peter S. Davis with enclosed payment from  
Patrick Marshall; draft letter to Patrick Marshall  
acknowledging payment; update chronology and  
spreadsheet. (.2)

10

11 10/29/08 JK Draft Notice of Dismissal of Patrick Marshall and Mackin  
Community Trust. (.5)

12

13 10/3/08 JK Prepare Settlement Agreement between the Receiver and  
John Harris. (.7)

14

15 10/7/08 JK Review file; draft stipulated judgment with Jon Harris. (.5)

16

17 10/14/08 CS Conference with Pat Murphy; draft letter to Cynthia  
Norman-Simmons regarding her claim to the estate of  
Lorraine King. (.4)

17 Initially, Guttilla Murphy Anderson, P.C. sought payment of \$21,298.79 for  
18 professional fees incurred in October 2008. After the revisions set forth above, the Receiver  
19 seeks approval of fees and costs of Guttilla Murphy Anderson, P.C. in the amount of  
20 \$19,973.79, a reduction of \$1,325.00. A revised copy of Guttilla Murphy Anderson, P.C.'s  
21

Guttilla Murphy Anderson, P.C.  
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1 October 2008 invoice is being provided to the Court for *in camera* viewing in connection  
2 with this motion.

3 **III. Fees and Costs of Anderson & Nowak PLC.**

4 Pursuant to the instructions of the Court, the Anderson & Nowak, PLC has “no  
5 charged” time entries:

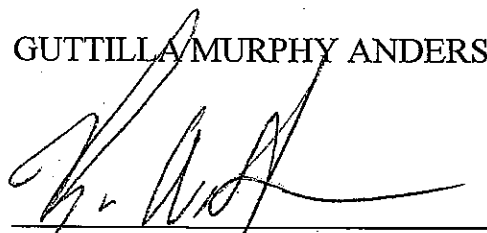
6 Oct-29-08 Asset Analysis and Recovery. Meet and confer with TAN regarding  
7 Motion for Sanctions against debtor for failure to appear at 2004 exam.  
(.2)

8 Initially, Anderson & Nowak, PLC sought payment of \$551.84. After the revision set  
9 forth above, the Receiver seeks approval of fees and costs in the amount of \$526.84. A  
10 revised copy of Anderson & Nowak, PLC’s October 2008 invoice is being provided to the  
11 Court for *in camera* viewing in connection with this motion.

12 The Receiver moves the Court to enter an Order approving the revised October 2008  
13 fees and costs of the Receiver and his legal counsel.

14 Respectfully submitted this 27<sup>th</sup> day of February, 2009.

15 GUTTILLA MURPHY ANDERSON, P.C.

16 

17 Ryan W. Anderson  
18 Attorneys for the Receiver

19 Original of the foregoing filed  
this 27<sup>th</sup> day of February, 2009 with:

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

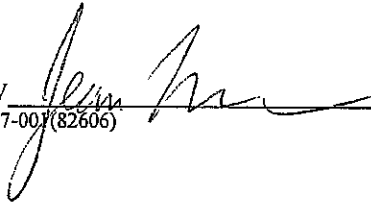
Gutilla Murphy Anderson, P.C.  
4150 West Northern Ave.  
Phoenix, Arizona 85051  
(623) 937-2795

1 Copy of the foregoing delivered  
this 27<sup>th</sup> day of February, 2009 to:

2  
3 Honorable A. Craig Blakey, II  
4 Maricopa County Superior Court  
201 W. Jefferson  
Phoenix, AZ 85003

5 Copy of the foregoing mailed  
this 27<sup>th</sup> day of February, 2009 to:

6  
7 All parties listed on the attached  
Master Service List

8  
9 By   
10 1027-007(82606)

11  
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15  
16  
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21

## MASTER SERVICE LIST

*Arizona Corporation Commission v. Trend Management Group, Inc.*

Maricopa County Superior Court

CV 2006-16822

(Rev. 10/16/08)

Honorable A. Craig Blakey, II  
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201 W. Jefferson  
Phoenix, AZ 85003

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Jordan-Van Vranken and Russell  
Langdon Van Vranken

1027-001(57246)