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5 Attorneys for the Receiver

6
7 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

8 IN AND FOR MARICOPA COUNTY

9 ARIZONA CORPORATION
COMMISSION,

10 Plaintiff,

11 v.

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

14 Defendants.

Cause No. CV 2006-16822

PETITION NO. 8

PETITION FOR ORDER EXPANDING
RECEIVERSHIP TO PLACE THE
TREND GROUP, INC. INTO
RECEIVERSHIP

(Assigned to the Honorable Ruth H.
Hilliard)

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17 Peter S. Davis, the court-appointed receiver, petitions this Court to place the Trend
18 Group, Inc. ("Trend Group") in receivership; amend the *Order Appointing Receiver*; and
19 enjoin Trend Group and others working in concert with Trend Group, Trend Management or
20 Trend Capital from transferring assets and any interests of Trend Group.
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I. Parties

1. Petitioner, Peter S. Davis, was appointed by the Court pursuant to the Order Appointing Receiver of November 14, 2006 (“Receivership Order”) as Receiver of Trend Management Group, Inc. (“Trend Management”), Trend Capital, L.L.C. (“Trend Capital”).

2. The Trend Group, Inc. is a defunct Nevada corporation which was doing business in Arizona at 9100 South Kyrene Road, Suite 112, Tempe, Arizona 85284-2948.

II. Jurisdiction

3. This Court has jurisdiction over Trend Group because the Receivership stems from acts by Trend Management, Trend Capital, and Trend Group which caused various events to occur in Maricopa County, Arizona. Trend Group did business and caused material events to occur in Maricopa County, Arizona. All acts alleged herein either took place in the State of Arizona or had an affect upon residents of the State of Arizona.

4. This Court has exclusive jurisdiction over the Receivership Assets in this matter pursuant to the Receivership Order, through which the Court “takes exclusive jurisdiction and possession of the assets, monies, securities, choses in action, and properties real and personal, tangible and intangible, of whatever kind and description, wherever situated,” of the receivership entities (“Receivership Assets”). Receivership Order, ¶ 1. The Receivership Order (¶ 2) provides that the Receiver is authorized to take possession and control of the Receivership Assets.

1 **III. Venue**

2 5. Venue is proper in this Court because, pursuant to the Receivership Order, this
3 Court took exclusive jurisdiction of all Receivership Assets and authorized the Receiver, as
4 the Court's agent, to take and have possession of the Receivership Assets. Receivership
5 Order, ¶ 2. As shown below, this action involves the Receiver's request to take and have
6 possession of Receivership Assets.

7 **V. Facts**

8 6. Trend Group was originally incorporated in Nevada, but its corporate status was
9 revoked by the Nevada Secretary of State on July 1, 2006. The records of the Nevada
10 Secretary of State list no officers for Trend Group.

11 7. The Receiver has determined that Linda Bryant Jordan is associated with Trend
12 Group as she is the sole signer on Trend Group's banks accounts.

13 8. The Receiver has analyzed the bank accounts and other records of Trend
14 Group, Trend Management and Trend Capital. The analysis details that Trend Group
15 maintained at least 2 separate accounts at US Bank, account numbers 3261 and 3279.

16 9. The Receiver's preliminary investigation details that a total of \$196,407.00 was
17 deposited in Trend Group's U.S. Bank 3261 account. The overwhelming majority of the
18 deposits into the Trend Group's 3261 account originated from other Trend Capital and Trend
19 Management related bank accounts. These funds transferred among Trend Group, Trend
20 Management and Trend Capital constitute Receivership Assets. Additionally, the Receiver
21 has determined that approximately 90 investors received dividend or interest payments

1 directly from the 3261 Trend Group bank account. The Receiver believes that these investors
2 who received dividend payments from Trend Group are Trend Capital investors whose initial
3 investment was with Trend Capital.

4 10. A review of The Trend Group's U.S. bank account ending in 3279 details that
5 \$180,173.00 was deposited from related Trend Management and Trend Group parties,
6 including \$155,000.00 directly from Lori Jordan Herndon. The Receiver has also determined
7 that at least three investors, deposited \$123,000.00 into the Trend Group 3279 account, yet
8 there are no disbursements to these investors from the Trend Group 3279 account. The
9 Receiver believes these investors should be treated as investors in Trend Capital, regardless
10 that investments were deposited into Trend Group accounts.

11 11. The Receiver has concluded that Trend Group participated in the business of
12 the Receivership entities and should be part of the Receivership. Essentially, one Trend
13 Group bank account received investor funds and the other Trend Group account made
14 dividend payments to over ninety (90) Trend Capital investors on their respective Trend
15 Capital investments. Accordingly, adding Trend Group to the Receivership will eliminate
16 any issues relating to the payment of claims from the Receivership assets to Trend Capital
17 investors and consolidate all of the corporations involved in the Receivership.

18 12. The Receiver further requests that ¶ 12 of the Order Approving Receiver be
19 removed from the Amended Order for the reason that the Receiver has already completed and
20 filed his preliminary report with this Court.

21 13. The Receiver proposes that the *Order Appointing Receiver* dated November 14,

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1 2006 be amended and superseded by the proposed Amended Order Appointing Receiver.

2 Wherefore, the Receiver requests that the Court enter an Order placing The Trend
3 Group, Inc. and its assets into this Receivership, pursuant to the terms of the Court's Order
4 Appointing Receiver of November 14, 2006 by amending the Court's Order Appointing
5 Receiver of November 14, 2006 to reflect the inclusion of The Trend Group Inc.

6 Respectfully submitted this 4th day of April, 2007.

7 GUTTILLA MURPHY ANDERSON, P.C.

8 

9 _____
10 Ryan W. Anderson
11 W. Mark Sendrow
Attorneys for the Receiver

12 Original of the foregoing filed
13 this 4th day of April, 2007 with:

14 Clerk of the Court
15 201 West Jefferson, Fourth Floor
16 Phoenix, AZ 85003

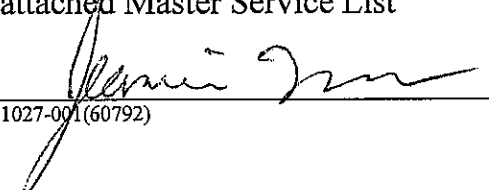
17 Copy of the foregoing delivered
18 this 4th day of April, 2007 to:

19 The Honorable Ruth H. Hilliard
20 Maricopa County Superior Court
21 201 West Jefferson, CCB 4C
Phoenix, Arizona 85003-2243

1 Copy of the foregoing mailed
this 4th day of April, 2007 to:

2 Trend Capital, LLC
3 c/o National Registered Agents, Inc.
4 Statutory Agent
5 638 North 5th Avenue
6 Phoenix, Arizona 85003

7 And all parties listed on the
8 attached Master Service List

9
10 
11 _____
12 1027-001 (60792)

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MASTER SERVICE LIST

Arizona Corporation Commission v. Trend Management Group, Inc.

Maricopa County Superior Court

CV 2006-16822

(Rev. 3/19/07)

Honorable Ruth H. Hilliard
Maricopa County Superior Court
201 West Jefferson
Phoenix, AZ 85003

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1027-001(57246)

DECLARATION OF PETER S. DAVIS

I, Peter S. Davis, make the following declaration:

1. I have personal knowledge of the matters set forth herein, except for those matters stated on information and belief, and as to those matters I believe them to be true and could and would testify thereto under oath if called upon as a witness.

2. I am the Court-Appointed Receiver in the action entitled *Arizona Corporation Commission v. Trend Management Group, Inc.*, now pending before the Arizona Superior Court for Maricopa County, cause number CV 2006-16822.

3. I submit this Declaration in support of Petition No. 8 ("Petition for Order Expanding Receivership to Place The Trend Group, Inc. into Receivership").

4. I was appointed by the Superior Court of Maricopa County pursuant to the Order Appointing Receiver of November 14, 2006 ("Receivership Order") as receiver of Trend Management Group, Inc. ("Trend Management"), Trend Capital, L.L.C. ("Trend Capital").

5. The Trend Group, Inc. was a Nevada corporation doing business in Arizona at 9100 South Kyrene Road, Suite 112, Tempe, Arizona 85284-2948. Trend Group was incorporated in Nevada, but was revoked by the Nevada Secretary of State on July 1, 2006. The records of the Nevada Secretary of State list no officers for Trend Group.

6. My staff has reviewed the bank accounts and other records of Trend Group, Trend Management and Trend Capital.

7. The analysis of the bank accounts and other records of Trend Group, Trend Management and Trend Capital show that Trend Group received at least \$376,580 in funds transferred among Trend Group, Trend Management and Trend Capital and deposited into Trend Group accounts during 2005.

8. The funds that were deposited into Trend Group constitute Receivership Assets.

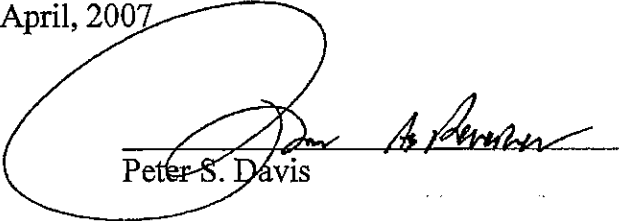
9. I have determined that at least three (3) investors' investments totaling \$123,000 were deposited into Trend Group accounts.

10. I have determined that over ninety (90) Trend Capital investors were paid dividends on Trend Capital investments from Trend Group accounts.

11. Based on my staff's review it appears that Trend Group participated in the business of the Receivership and should be part of the Receivership entities.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 2 day of April, 2007


Peter S. Davis