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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,

11 v.

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

14 Defendants.

Cause No. CV 2006-016822

PETITION NO. 18

PETITION FOR ORDER ESTABLISHING
CLAIMS ADJUDICATION PROCEDURES

(Assigned to Judge A. Craig Blakey, II)

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Phoenix, Arizona 85051
(623) 937-2795

15 Peter S. Davis, as the court appointed Receiver, respectfully petitions the Court
16 as follows:

17 1. On November 14, 2006, this Court entered its *Order Appointing Receiver*,
18 which appointed Peter S. Davis as Receiver of all of the assets of Trend Management Group,
19 Inc. and Trend Capital L.L.C. On May 17, 2007 this Court entered its *Amended Order*
20 *Appointing Receiver*, which appointed Peter S. Davis as Receiver of all of the assets of The
21 Trend Group Inc. ("Receivership Order").

1 2. The Arizona Corporation Commission filed its petition seeking the appointment
2 of a Receiver for Trend Management Group, Inc. (“Trend Management”) and Trend Capital,
3 L.L.C. (“Trend Capital”) based upon allegations that Trend Management and Trend Capital,
4 had sold unregistered securities in violation of A.R.S. §44-1841, through unregistered dealers
5 and salesman in violation of A.R.S. §44-1842, and had committed fraud in the sale or
6 purchase of securities in violation of A.R. S. §44-1991.1. After his appointment the Receiver
7 determined that unregistered securities were also sold by The Trend Group Inc. (“Trend
8 Group”).

9 3. Trend Capital, LLC and The Trend Group, Inc. sold approximately
10 \$8,900,000.00 unregistered securities in Trend Capital to over 300 investors. These
11 unregistered securities, called “Certificates of Participation” were sold by unregistered
12 salespeople. The investors were largely unaccredited and unsophisticated.

13 4. Neither Trend Management nor Trend Capital was registered to sell securities
14 in the State of Arizona. Investors were not told, among other things, that some of the monies
15 they were investing in Trend Management or Trend Capital, were to be used as personal loans
16 to specific persons directly involved in the securities fraud. The Arizona Corporation
17 Commission asked for the appointment of a Receiver “[i]n order to determine all persons
18 having valid claims against the assets of Defendants [Trend Management and Trend Capital]
19 and to protect existing assets for the benefit of such persons.”
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1 5. The Receiver estimates that at the end of this receivership there will be more
2 than \$5.0 million available for distribution to investors with approved claims. This estimate
3 includes the funds currently held by the Receiver and the Receiver's potential litigation
4 against agents of Trend Management, Trend Capital, and others, including insiders of Trend
5 Management, Trend Capital and Trend Group, less the estimated litigation expenses,
6 attorney's fees and receivership expenses.

7 6. Since the investments of Trend were represented to investors as safe and secure
8 investments, many investors have suffered significant financial hardships do to the failure of
9 these investments. In addition, many of the investors are elderly.

10 7. Accordingly, the Receiver recommends that the Court at this time approve a
11 procedure for soliciting and adjudicating claims against the Receivership Assets.- This will
12 enable the Receiver to ascertain the amount claimed against the Receivership Assets, the
13 nature of those claims and to design a fair and equitable plan of distribution.

14 8. In order to accomplish the foregoing, the Receiver recommends that the Court
15 enter the proposed order lodged herewith which will establish a fair and reasonable
16 adjudication procedure. The Court and all persons served with a copy of this Petition are
17 being provided with a copy of the proposed order, and that proposed order best describes the
18 procedures being recommended by the Receiver. As an aid to the Court and the parties, some
19 but not all of the terms and procedures contained in the proposed order are described or
20 explained below.

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1 9. The proposed order establishes the following critical dates which are set forth in
2 the proposed order as part of the claims adjudication procedure:

3 Claims Bar Date	Jan 31, 2008
4 Date for the Receiver to File 5 the Receiver's Claims Report	Not later than March 15, 2008
6 Date for Serving on the 7 Receiver any Objections to the 8 Receiver's Claims Report	Thirty (30) days after mailing the Report
9 Date for the Receiver to file 10 copies of Objections and his 11 Response to Objections	No later than thirty (30) days after date for serving objection on the Receiver
12 Hearing to Adjudicate Claims	To be set by the Court

13 10. The Claims Adjudication process requires all persons asserting claims against
14 the assets of any of the Receivership Entities, the Receiver, or any Receivership Assets or
15 other property in the possession of the Receiver, to file a Proof of Claim on the form provided
16 by the Receiver on or before the Claims Bar Date set forth above. An initial draft of the
17 Proof of Claim form prepared by the Receiver is attached as Exhibit "A" to this Petition. The
18 Receiver anticipates however that this form may be revised and modified further based on
19 input provided by the interested parties.

20 11. The Receiver intends to provide and prepare individualized Proof of Claim
21 forms for the known Trend Investors. This individualized Proof of Claim will contain the

1 Receiver's determination of how much a certain investor has invested in Trend and his
2 outstanding claim amount. By preparing individualized Proof of Claim forms, the Receiver
3 expects that many of the Trend investors will simply ratify the Receiver's determination of
4 their claim. If this petition is approved, the Receiver intends to mail all individualized Proof
5 of Claim forms to known Trend Investors on or before December 3, 2007.

6 12. In addition, the Receiver is required under the proposed procedures to mail a
7 written notice of the right to file a Proof of Claim to all potential claimants whose
8 whereabouts are known. A proposed form of such Notice is attached as Exhibit "B". The
9 Receiver believes he should publish once in a publication with national circulation, and four
10 times over four weeks, in a statewide Arizona publication a notice in the form attached hereto
11 as Exhibit "C".

12 13. The Receiver intends to solicit the Trend Investors to execute a release in favor
13 of Crown Asset Management in order to obtain an approved claim. As the Court is aware, in
14 order to finalize the sale of the Trend Portfolios to Crown Asset Management, the Receiver
15 agreed to indemnify Crown Asset Management from any claims that could be made by the
16 Trend Investors against Crown Asset Management. The Receiver intends to solicit these
17 releases only after each Trend Investor is advised what his potential recovery will be from the
18 Receivership Estate and provided a written explanation of the basis of the Receiver's request
19 for Crown Asset Management's release.

20 14. Once the Proofs of Claim have been received and evaluated, the Receiver is
21 required to file a Report with the Court setting forth his recommendations. Claimants are

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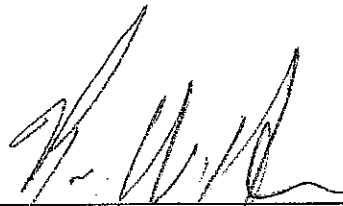
1 then given approximately one month to prepare and serve on the Receiver any objections to
2 the Receiver's recommendations. Those objections are then compiled by the Receiver and
3 filed with the court together with the Receiver's response.

4 15. The Court then holds a hearing, if necessary, on the objections.
5 Once the approved claims have been determined, the Receiver will prepare and file with the
6 Court a proposed distribution plan.

7 WHEREFORE, the Receiver respectfully requests that the Court enter the Order
8 Establishing Procedures for the Adjudication of Claims lodged with the Court.

9 Respectfully submitted this 5th day of November, 2007.

10 GUTTILLA MURPHY ANDERSON, P.C.

11 
12 _____
13 Ryan W. Anderson
14 Attorneys for the Receiver

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16 1027-001(67941)
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PROOF OF CLAIM

Trend Receivership
Case No. CV2006-016822
Peter S. Davis, Receiver

CLAIMANT INFORMATION

This claim is being solicited pursuant to Petition No. 18. A claimant is a person entitled to assert a right of payment or claim against a Receivership Entity or against any Receivership Asset, referred to here as a "Claim". For additional information please access the Receiver's website at www.trendreceivership.com or call (602) 279-7500.

RECEIVERSHIP ENTITIES

Trend Management Group, Inc.
Trend Capital, LLC
The Trend Group, Inc.
(Collectively "Trend")

Check here if this Claim: Replaces
 Amends
 Supplements

a previously filed claim dated: ___ / ___ / ___

Name and Address of Claimant:

**URGENT MATTER - CLAIM FORM
MUST BE PROVIDED TO RECEIVER
BEFORE JANUARY 31, 2008**

Telephone Number: () -

INVESTOR CLAIM

An Investor Claim is a Claim arising from the placement of the Claimant's own funds or property with Trend as part of the purchase of an unregistered security.

Amount of total net investment per Trend's records is as follows:

Claim Amount: \$ _____

Date(s) of Initial Investment: ___ / ___ / ___

Please refer to the enclosed Attachment A for a detailed listing of what the Receiver believes is your investment in Trend less any dividend distributions, interest, IRA custodial fees, banking fees, or return of principal investment. If your records differ from Attachment A, please provide all supporting documentation including personal checks, cashier's checks, wire transfer advices and other documents evidencing your objection.

If you dispute this claim, please check the box below, indicate your claim amount, and provide the required documentation:

I dispute the claim amount indicated above. I have calculated my claim amount to be:

Claim Amount: \$ _____

Date(s) of Initial Investment: ___ / ___ / ___

THIRD PARTY RECOVERIES

I have not recovered monies from a third party.

I recovered part or all of my investment from a third party. Please identify the amount of monies you have recovered from sales agents, stock brokers, investment advisors, litigation, etc. below:

Name of Third Party: _____

Amount Recovered: \$ _____

SECURED AND UNSECURED CLAIMS

A Secured Claim is a Claim to the extent that it is secured by a property perfected lien on Receivership Assets. An Unsecured Claim is a Claim that is against a Receivership Entity or Receivership Asset other than an Investor Claim.

I have a Secured Claim. Claim Amount: \$ _____ (Attach evidence of security)

I have an Unsecured Claim. Claim Amount: \$ _____

I have personal knowledge of the facts set forth above and I declare, under the penalty of perjury, that the above information is true and correct.

Date: _____ Signature: _____

Date: _____ Signature: _____

**PROOF OF CLAIM MUST BE PROVIDED TO THE RECEIVER ON OR BEFORE JANUARY 31, 2008.
PLEASE MAIL TO: PETER S. DAVIS, TREND RECEIVERSHIP, 3200 NORTH CENTRAL AVENUE,
SUITE 850, PHOENIX, ARIZONA 85012.**

PROOF OF CLAIM

Trend Receivership
Case No. CV2006-016822
Peter S. Davis, Receiver

CLAIMANT INFORMATION

This claim is being solicited pursuant to Petition No. 18. A claimant is a person entitled to assert a right of payment or claim against a Receivership Entity or against any Receivership Asset, referred to here as a "Claim". For additional information please access the Receiver's website at www.trendreceivership.com or call (602) 279-7500.

RECEIVERSHIP ENTITIES

Trend Management Group, Inc.
Trend Capital, LLC
The Trend Group, Inc.
(Collectively "Trend")

Check here if this Claim: Replaces Amends Supplements a previously filed claim dated: ___/___/___

Name and Address of Claimant:

URGENT MATTER - CLAIM FORM MUST BE PROVIDED TO RECEIVER BEFORE JANUARY 31, 2008

Telephone Number: () -

BASIS FOR CLAIM:

- Purchase of an unregistered security/Certificate of Participation
- Goods Purchased
- Services Performed from _____ to _____ Nature of Service:
- Money Loaned
- Other Form of Contract
- Wages, salaries, and compensation _____ to _____ Nature of Service:

CLASSIFICATION OF CLAIM:

INVESTOR CLAIM

An Investor Claim is a Claim arising from the placement of the Claimant's own funds or property with Trend as part of the purchase of an unregistered security

Initial Investment(s):

Date:	Amount	Description
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
	(a) \$ _____	Subtotal

Funds Received:

Indicate below the amounts and value of all cash payments that you received from any Receivership Entity as well as the date you received each payment related to your investment in Trend (attach additional sheets if necessary to detail payments).

Date:	Amount	Description
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
	(b) \$ _____	Subtotal

Amount of total net investment = (a) - (b):

Claim Amount: \$ _____

Each Claim shall include as an attachment all documentation supporting the claim. Original documents should not be filed with the Claim. If a supporting document is not available, the Claimant must attach an explanation of why the document is not available. The Receiver will require you to provide copies of personal checks, cashier's checks, wire transfer advices and other documents evidencing the placement of funds with Trend and a chronological accounting of all money received by you from any Receivership Entity, whether such payments are denominated as the return of principal, interest, commissions, finder fee, sponsor payment, annuity payments, or otherwise.

THIRD PARTY RECOVERIES

- I have not recovered monies from a third party.
- I recovered part or all of my investment from a third party. Please identify the amount of monies you have recovered from sales agents, stock brokers, investment advisors, litigation, etc. below:

Name of Third Party: _____ Amount Recovered: \$ _____

SECURED CLAIM OTHER THAN AN INVESTOR CLAIM

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

Claim Amount: \$ _____

Attach evidence of security:

- Real Estate: _____
 Motor Vehicle: _____
 Other: _____

UNSECURED CLAIM OTHER THAN AN INVESTOR CLAIM

An Unsecured Claim is a Claim that is against a Receivership Entity or Receivership Asset that is not an Investor Claim or a Secured Claim.

Claim Amount: \$ _____

I have personal knowledge of the facts set forth above and I declare, under the penalty of perjury, that the above information is true and correct.

Date: _____ Signature: _____

Date: _____ Signature: _____

**PROOF OF CLAIM MUST BE PROVIDED TO THE RECEIVER ON OR BEFORE JANUARY 31, 2008
PLEASE MAIL TO: PETER S DAVIS, TREND RECEIVERSHIP, 3200 NORTH CENTRAL AVENUE, SUITE 850,
PHOENIX, ARIZONA 85012**

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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
COMMISSION,

9 Plaintiff,

10 v.

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

14 Defendants.

Cause No. CV 2006-016822

**NOTICE OF RIGHT TO FILE
PROOF OF CLAIM**

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

15 **TO: All Persons who have claims against Trend Management Inc., Trend Capital**
16 **L.L.C. and The Trend Group Inc. including those who purchased Certificates of**
17 **Participation from Trend Capital, LLC.**

18 Notice is hereby given that any person who has a claim against Trend Management Inc.,
19 Trend Capital L.L.C. or The Trend Group Inc., or against any of the receivership assets or other
20 property in the possession of the Receiver in the above case, including those who purchased
21 Certificates of Participation from Trend Capital L.L.C, shall on or before **January 31, 2008**, file a

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1 Proof of Claim with the court appointed receiver in the above action, Peter S. Davis, on the enclosed
2 Proof of Claim form. Any Proof of Claim not filed by the above date shall be barred forever.

3 Questions regarding the claims procedure, or requests for a Proof of Claim form, you
4 should be directed to the Receiver, by writing to Peter S. Davis, Receiver, Peter S. Davis, Simon
5 Consulting, LLC, The Great American Tower, 3200 North Central, Suite 850, Phoenix, Arizona
6 85012, or by going to the Receiver's website at www.trendreceivership.com.

7 DO NOT CONTACT THE COURT OR THE CLERK OF THE COURT.

8 Dated _____.

9 Honorable A. Craig Blakey,
10 Maricopa County Superior Court Judge

11 **Proofs of Claim Must be Filed With the Receiver Not Later Than January 31, 2008.**

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20 1027-001(67978)

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Arizona Corporation Commission

vs.

Trend Management Group, Inc., et al.

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

Cause No. CV 2006-016822

NOTICE OF RIGHT TO FILE PROOF OF CLAIM

Notice is hereby given that any person who has a claim against Trend Management Group, LLC, Trend Capital, LLC, or The Trend Group, Inc. ("Trend"), or against any of the receivership assets or other property in the possession of the Receiver in the above case, including those who purchased unregistered securities from Trend, shall on or before January 31, 2008, file a Proof of Claim with the court appointed receiver in the above action, Peter S. Davis, on a form provided by the Receiver. Any claim not filed by the above date shall be barred forever. Questions regarding the claims procedure, or requests for a Proof of Claim form, you should be directed to the Receiver, by writing to Peter S. Davis, Simon Consulting, LLC, The Great American Tower, 3200 North Central, Suite 850, Phoenix, Arizona 85012, or by going to the Receiver's website at www.trendreceivership.com. DO NOT CONTACT THE COURT OR THE CLERK OF THE COURT.

Dated _____.

Honorable A. Craig Blakey, II,
Superior Court Judge