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MICHAEL K. JEANES, CLERK
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1 Guttilla & Murphy, PC
Firm No. 00133300
2 Ryan W. Anderson (No. 020974)
4150 West Northern Ave.
3 Phoenix, Arizona 85051
(623) 937-2795
4 Attorneys for the Receiver

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

6 ARIZONA CORPORATION)
7 COMMISSION,)

8 Plaintiff,)

9 v.)

10 TREND MANAGEMENT GROUP,)
11 INC.; TREND CAPITAL, L.L.C.,)

12 Defendants.)

Cause No. CV 2006-16822

PETITION NO. 1

PETITION TO SET RECEIVER'S FEES
AND APPROVE THE ENGAGEMENT
OF SIMON CONSULTING, LLC, AND
GUTTILLA & MURPHY, P.C.

(Assigned to Judge Ruth H. Hilliard)

13 Peter S. Davis, as the court appointed Receiver, respectfully petitions the Court as
14 follows

15 1. On November 20, 2006, this Court entered its *Order Appointing Receiver*,
16 which appointed Peter S. Davis as Receiver of Trend Management Group, Inc. and Trend
17 Capital, L.L.C. ("Receivership Order").

18 2. The Receivership Order did not set the Receiver's compensation rate.

19 3. The Receiver requests that the hourly compensation for the Receiver be set at
20 the rate of \$200.00 per hour.
21

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Phoenix, Arizona 85051
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1 4. The Receivership Order further authorized the Receiver to employ such
2 employees, accountants and attorneys as are necessary in the performance of the Receiver's
3 duties.

4 5. The Receiver requests that the Court approve the Receiver's use of the
5 Receiver's accounting firm, Simon Consulting, LLC, to provide accounting and other
6 professional support services to the Court for the benefit of the receivership estate. The
7 Receiver requests that Simon Consulting, LLC be reimbursed for all reasonable costs and
8 expenses incurred on behalf of the Receiver and that Simon Consulting, LLC be compensated
9 as provided in the Engagement Agreement, a copy of which is attached as Exhibit "A" to this
10 Petition.

11 6. The compensation rate requested above for the Receiver and the rates set forth
12 in Exhibit "A" for services provided by the staff of Simon Consulting, LLC are reasonable in
13 light of the substantial experience of the Receiver and his company. Simon Consulting, LLC
14 is a full service accounting firm which specializes in litigation support, trustee and
15 receivership services. Peter S. Davis is a Certified Public Accountant licensed in the State of
16 Arizona.

17 7. The Receiver has, subject to this Court's approval, entered into an Engagement
18 Agreement with Guttilla & Murphy, P.C. ("Guttilla & Murphy"), a copy of which is attached
19 as Exhibit "B" to this Petition. The Receiver requests that Guttilla & Murphy, P.C. be
20 appointed as general counsel to the Receiver and that it be compensated as provided in
21 Exhibit "B".

SIMON CONSULTING, LLC

Forensic and Investigative Accountants

November 14, 2006

Mr. Peter S. Davis, Receiver
3200 North Central Avenue, Suite 850
Phoenix, AZ 85012

Re: Arizona Corporation Commission v. Trend Management Group, Inc.; Trend Capital, LLC

Dear Mr. Davis:

This engagement letter confirms that you have retained Simon Consulting, L.L.C. ("Simon") to provide professional services in connection with the above referenced matter. It is our understanding that we are to assist you by performing analysis and other services which may be required. We will perform the services requested or otherwise required unless we advise you to the contrary. Our services will be under the direction of Peter S. Davis CPA/ABV, CIRA, CFE.

You acknowledge the obligation to pay our Firm for services rendered and expenses incurred, whether arising from your request or whether otherwise necessary as a result of our efforts in this engagement at our hourly billing rates for personnel utilized. Our hourly billing rates will not exceed:

Peter Davis	\$200
Roger Mueller	\$195
Nathaniel Curtis	\$180
Nicole Manos	\$170
Richard Garbarino	\$150
Scott Di Salvo	\$150
Sara Beretta	\$ 90
Associates	\$100 - 200

Our billing rates increase periodically. We will advise you of any such increases before providing additional services at increased rates.

Bills will include a summary of time spent by consultant under the following task descriptions:

- Discuss case with client/counsel
- Research information
- Inspect site(s)
- Analyze documents
- Interview knowledgeable parties
- Draft documents
- Prepare testimony binder
- Respond to discovery requests
- Assist in the preparation of report
- Prepare report

EXHIBIT "A"

THE GREAT AMERICAN TOWER
3200 NORTH CENTRAL AVENUE • SUITE 850 • PHOENIX, AZ 85012
TEL: 602.279.7500 • FAX: 602.279.7510 • WWW.SIMONCONSULTING.NET

Mr. Peter S. Davis, Receiver

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- Develop data/financial model
- Develop data/financial statements
- Review other reports
- Prepare for deposition or Trial
- Provide testimony

We will bill you periodically for services rendered and expenses incurred. You agree to pay bills immediately upon receipt and will pay interest at a monthly rate of 1% on bills outstanding for more than 30 days. We reserve the right to stop all work if any bill goes unpaid for 14 days, without regard to the status of our services or any related proceedings. It is our practice that all bills will be paid prior to providing testimony or the delivery of a written report.

Should you wish to terminate the relationship with Simon for any reason, you may do so at any time simply by providing written notice. You agree to pay all accrued fees and expenses up to the termination date plus a reasonable amount for closing costs.

As consultants, we will communicate directly to you or your designated representative regarding the services you ask us to perform. We have performed an initial internal search for potential conflicts based on the names you provided and we have not become aware of any conflicts with respect to those names. We will also communicate to you any conflict of interest that we may become aware of.

Simon does not provide any assurances regarding its opinion in this matter. Professional fees are payable notwithstanding the outcome of this matter. You agree that Simon will be given an opportunity to review any information about its role or its conclusions in this engagement, prior to the dissemination of such information to any third party.

We treat as confidential any documents or information made available to us in connection with this engagement and will notify you immediately if a legal request to disclose information is received. You may resist efforts by parties to obtain information that is confidential to you.

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential to you. While we will use reasonable efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these electronic devices during this engagement.

If a dispute arises out of or relates to the engagement described herein, and if the dispute cannot be settled through negotiations, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Mediation Rules before resorting to arbitration.

If mediation is unsuccessful in resolving the dispute, it shall be settled by arbitration administered by the American Arbitration Association under its Arbitration Rules for Professional Accounting and Related Services Disputes and judgment on the award rendered by the arbitrator(s) may be

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entered in any court having jurisdiction thereof. The arbitration shall take place in Phoenix, Arizona and the prevailing party will be entitled to attorney fees and costs incurred in connection with such dispute.

You agree to hold our firm, its shareholders and employees harmless from all liabilities, costs and expenses relating to this engagement, as well as expenses (and those of our legal counsel) incurred by reason of any action taken or committed to be taken by us in good faith. In no event will Simon be liable for incidental or consequential damages. In any dispute, Simon's total liability will be limited to the fees actually paid under this agreement.

Any written reports or other documents which we prepare are to be used only for the purposes set out in this engagement letter and may not be published or used for any other purpose without our written consent. You also agree that all of the materials, information and work product gathered or created during the course of this engagement will be Simon's property.

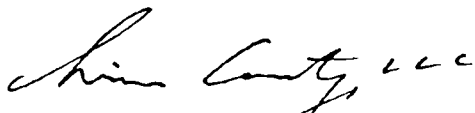
Simon has been engaged from time to time by a number of clients. It is possible that the opposing parties or their law firms have engaged Simon in other situations unrelated to this matter. Your engagement of Simon is expressly conditioned on your agreement not to use the fact of our current or previous engagement by opposing counsel or their clients in other matters as a means of enhancing or diminishing our credibility in conjunction with any appearance before a trier of fact, except as may be reasonably necessary should an opposing party raise an issue concerning such current or previous engagement.

At the close of this engagement, you should furnish us with instructions regarding the disposition of documents we have accumulated. Our firm does not retain engagement files more than five years. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the retention period.

In the event that any portion of this engagement letter is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this engagement letter.

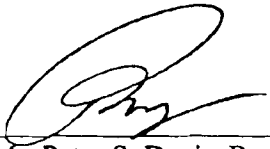
If the arrangements described in this letter are acceptable to you and the services outlined are in accordance with your requirements, please fax the enclosed copy to (602) 279-7510, signed by you. If you have any questions regarding this engagement letter, please contact Peter Davis at (602) 279-7503.

Very truly yours,


Simon Consulting, LLC

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This engagement letter is acceptable and sets forth a satisfactory basis on which to proceed:

By: 

Mr. Peter S. Davis, Receiver

Date: 11/14/06

ENGAGEMENT AGREEMENT

This Engagement Agreement, made and entered into effective 11/17/06, by and between Peter S. Davis, Receiver ("Receiver"), and the law firm of Guttilla & Murphy, a Professional Corporation located in Phoenix, Arizona ("Law Firm").

WITNESSETH

WHEREAS, the Receiver was appointed the receiver of Trend Management Group, Inc. and Trend Capital, L.L.C. ("Receivership Assets") by Order of the Maricopa County Superior Court, on, in the case entitled *Arizona Corporation Commission v. Trend Management Group, Inc.*, Cause No. CV 2006-16822, ("Receivership Court") and the Receivership Order, among other things, provides that the Receiver is authorized to engage and employ employees, accountants, attorneys and agents as he deems necessary and proper for the collection, preservation, maintenance and operation of the Receivership Assets; and

WHEREAS, the Receiver is in need of the services of legal counsel for receivership matters and to represent the Receiver before the Receivership Court and other courts; and

WHEREAS, the Law Firm is willing to serve as legal counsel for the Receiver for the purposes stated above.

NOW, THEREFORE, it is mutually agreed that:

1. The Receiver does hereby engage of the Law Firm and the Law Firm does hereby accept said engagement to act as legal counsel for the purpose stated above.
2. In consideration of the services to be rendered hereunder, it is agreed that the Law Firm shall be compensated at rates not to exceed the following:

<u>Professional Staff:</u>	<u>Maximum Hourly Rate</u>
Shareholders/Sr. Assoc.	\$ 250.00 per hour
Associate	\$ 200.00 per hour
Law Clerk	\$ 95.00 per hour
Paralegal	\$ 95.00 per hour
Paralegal Assistant	\$ 55.00 per hour

3. Compensation to the Law Firm under this Agreement, together with all reasonable costs and expenses incurred relating to these services, shall be payable out of Receivership Assets.

4. Reasonable and necessary expenses incurred by the Law Firm in providing services under this Agreement will be compensated at the rate of \$.50 per page for outgoing facsimile copies and \$.20 per page for photocopies. Incoming facsimile copies will be compensated solely at the photocopy rate of \$.20 per page. In the case of travel and other expenses only the actual charges, costs and expenses incurred and paid by the Law Firm will be reimbursed. All travel must be pre-approved by the Receiver. Overtime for support staff, word processing charges and administrative charges or other add-on expenses will not be paid.

5. Payments under this Agreement are subject to review by the Receiver and then Petition to and approval by the Receivership Court. All billing statements shall be detailed and all expenses shall be itemized and supported by attached receipts and other documentation, and shall be submitted to the Receiver within three months of the date the service is provided. Failure to submit a timely billing statement shall be a basis for the Receiver to decline to submit the statement for approval by the Receivership Court or for the Receivership Court to deny payment for such services.

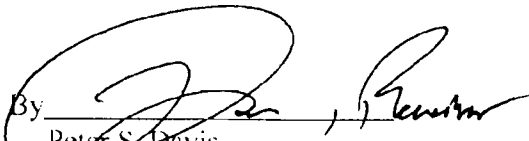
6. The Law Firm is retained by the Receiver for the purposes set forth in this Agreement. The Law Firm is free to dispose of such portion of its time, energy and skill, as is

not required to be devoted to the Receiver, in such manner and to such persons as it deems appropriate.

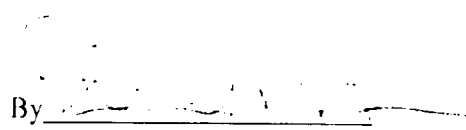
7. This Engagement Agreement is subject to the approval of the Receivership Court and may be terminated by either party upon written notice.

IN WITNESS WHEREOF, we have hereunto set our hands on the day, month and year above written.

Peter S. Davis
Receiver

By 
Peter S. Davis

GUTTILLA & MURPHY, P.C.

By 
Patrick M. Murphy

1027-001(57344)