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Attorneys for the Receiver

IN THE SUPERIOR COURT OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

ARIZONA CORPORATION  
COMMISSION,

Plaintiff,

v.

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

Defendants.

Cause No. CV 2006-16822

PETITION NO. 3  
PETITION FOR ORDER ESTABLISHING  
DOCUMENT DEPOSITORY

(Assigned to Judge Ruth H. Hilliard)

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

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

2. The Receivership Order directed the Receiver to take custody and control and possession of all books and records of any kind pertaining or belonging to defendants Trend Management Group Inc. and Trend Capital LLC. ("Receivership Records").

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1           3.       The Receiver has taken possession of approximately five (5) boxes of  
2 Receivership Records and anticipates acquiring additional records in the future. In addition,  
3 the Receiver is aware of the following additional documents related or pertaining to the  
4 matters alleged in the Administrative Action, which documents have or may come into the  
5 possession of the Receiver:

6           a.       Bank records and other documents obtained by the Receiver as a result  
7 of a voluntary production or in response to a subpoena issued by the Receiver.

8           b.       Documents obtained by the Securities Division of the Arizona  
9 Corporation Commission (“Arizona Securities Division”) in response to a subpoena  
10 issued by it.

11          4.       The Receivership Records and other documents described above are referred to  
12 hereafter and in the proposed Order Establishing Document Depository as “Related  
13 Documents.”

14          5.       The Receiver has also learned of the existence of other proceedings which may  
15 result in requests for access to information or access to the Related Documents, including  
16 lawsuits by investors in Trend Capital or Trend Management.

17          6.       In addition to the above, based on his experience in these matters, the Receiver  
18 anticipates that there will be additional investigations and lawsuits arising out of the same  
19 matters alleged in the Administrative Action and that those proceedings will result in requests  
20 to the Receiver for access to Related Documents in his possession.

21          7.       The Receiver requests that the Court enter an order establishing a document

1 depository for Related Documents, which order is intended to serve the following purposes:

- 2           a.     Establish fair and cost efficient procedures for the deposit, care and  
3 management, and access to the Related Documents.
- 4           b.     Preserve the Related Documents and ensure their availability to the  
5 Receiver and all authorized persons with a need for access to those documents  
6 (“Designated Parties”).
- 7           c.     Reduce the aggregate cost of producing, copying, and maintaining the  
8 Related Documents.
- 9           d.     Minimize duplication and production efforts and expenses of Designated  
10 Parties.
- 11          e.     To the extent funds are made available, establish a uniform method of  
12 identifying documents for use in this action and in related civil and criminal actions  
13 relating to the matters alleged in the Complaint.

14          8.     The Receiver believes that an Order Establishing Document Depository is in  
15 the best interests of the defrauded investors and will result in cost savings and efficiency for  
16 the benefit of all persons who need access to the Related Documents.

17          9.     Counsel for the Corporation Commission Securities Division, the Plaintiff in  
18 this action, and Counsel for the Defendants Trend Management and Trend Capital have  
19 indicated to counsel for the Receiver that the Commission has no objection to the relief  
20 requested herein.

21

1           WHEREFORE the Receiver respectfully requests that the Court enter an Order  
2 Establishing Document Depository in the form of the proposed order lodged with the Court  
3 this date, which order would:

4           1.     Establish the duties and responsibilities of the Receiver as the Depository  
5 Administrator who shall maintain supervision and control of the Related Documents at a  
6 facility in Phoenix, Arizona.

7           2.     Establish the duties and responsibilities of a Document Custodian who shall  
8 maintain custody of the Related Documents and insure the safety and integrity of such  
9 documents.

10          3.     Specify the sources of documents to be delivered and maintained in the  
11 depository.

12          4.     Prohibit the alteration, defacement, or destruction of the documents.

13          5.     Establish procedures for access to the documents, including a prohibition  
14 against the service of subpoenas on the Receiver, except a subpoena issued by a government  
15 agency.

16          6.     Establish procedures for the removal of the documents and limit the identity of  
17 persons entitled to remove such documents.

18          7.     Establish procedures for the scanning and indexing the documents provided  
19 funds are available to pay same.

20          8.     Establish the procedures for providing a box inventory and, if available,  
21 electronic copies of scanned images and the document index to Designated Parties.

