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OPEN MEETING AGENDA ITEM

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

In the matter of:
Trend Management Group, Inc., a Nevada corporation
8601 Six Forks Road, Suite 400
Raleigh, NC 27615
Scott Renny Bogue, Sr. (CRD# 1588216) and
Arlene Jane Bogue, husband and wife
12308 Camberwell Court
Raleigh, NC 27614
Ryan James Herndon and Lori Darlene Herndon
(a.k.a. Lori J. Herndon a.k.a. Lori Jordan),
husband and wife
609 East Silverwood Drive
Phoenix, AZ 85048
Trend Capital, LLC, an Arizona limited liability
company
4025 East Chandler Blvd. Suite 70F15
Phoenix, AZ 85048
Linda Bryant Jordan (a.k.a. Linda Van Vranken
a.k.a. Linda Jordan-Van Vranken), a married
person, individually and doing business as
The Trend Group, Inc.
3641 East Park Avenue
Phoenix, AZ 85044
Russell Langdon Van Vranken, husband of Linda
Bryant Jordan
3641 East Park Avenue
Phoenix, AZ 85044
Easy Street Financial Group, Inc., an Arizona
corporation
9949 West Bell Road #202

DOCKET NO. S-20476A-06-0557

ARIZONA CORPORATION COMMISSION
DOCUMENT CONTROL

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**SECURITIES DIVISION SEPARATE
STATEMENT OF FACTS**

Arizona Corporation Commission
DOCKETED
APR 24 2007

DOCKETED BY *NR*

1 Sun City, AZ 85371)
)
 2 Christopher Ellis Marx (CRD# 2186523) and Jane)
 Doe Marx, husband and wife,)
 3 6623 West Desert Hollow Drive)
 Glendale, AZ 85310)
)
 4 Scot Alan Oglesby and Lori Ann Oglesby,)
 husband and wife,)
 5 36322 North 12th Avenue)
 Desert Hills, AZ 85086)
 6)
 Respondents.)
 7)

8
 9 The Securities Division ("Division") of the Arizona Corporation Commission
 10 ("Commission") hereby files this Separate Statement of Facts in support of its Response to Mrs.
 11 Bogue's Motion for Summary Judgment.

12 **Facts**

- 13 1. Scott Renny Bogue, Sr. ("Mr. Bogue") and Arlene Jane Bogue ("Mrs. Bogue") have a joint
 14 bank account at Bank of America reflecting a North Carolina address. See ¶ 9 of Affidavit of Gary E.
 15 Mengel ("Mengel Affidavit"), attached hereto as Exhibit "A".
- 16 2. Funds were transferred from bank accounts in the name of Trend Management Group, Inc.
 17 and Trend Capital, L.L.C. into the joint account of Mr. Bogue and Mrs. Bogue at Bank of America.
 18 Mengel Affidavit ¶¶ 9a and 9b.

19
 20 RESPECTFULLY SUBMITTED this 24th day of April, 2006.

21 ARIZONA CORPORATION COMMISSION

22
 23 

24
 25 By: LeRoy Johnson
 Attorney for the Arizona Corporation Commission

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Exhibit "A"

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Ryan James Herndon and Lori Darlene Herndon)
(a.k.a. Lori J. Herndon a.k.a. Lori Jordan),)
husband and wife)
609 East Silverwood Drive)
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Trend Capital, LLC, an Arizona limited liability)
company)
4025 East Chandler Blvd. Suite 70F15)
Phoenix, AZ 85048)
Linda Bryant Jordan (a.k.a. Linda Van Vranken)
a.k.a. Linda Jordan-Van Vranken), a married)
person, individually and doing business as)
The Trend Group, Inc.)
3641 East Park Avenue)
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Bryant Jordan)
3641 East Park Avenue)
Phoenix, AZ 85044)
Easy Street Financial Group, Inc., an Arizona)
corporation)
9949 West Bell Road #202)

DOCKET NO. S-20476A-06-0557

AFFIDAVIT OF GARY E. MENGEL

1 Sun City, AZ 85371)
)
 2 Christopher Ellis Marx (CRD# 2186523) and Jane)
 Doe Marx, husband and wife,)
 3 6623 West Desert Hollow Drive)
 Glendale, AZ 85310)
)
 4 Scot Alan Oglesby and Lori Ann Oglesby,)
 husband and wife,)
 5 36322 North 12th Avenue)
 Desert Hills, AZ 85086)
)
 6 Respondents.)
 7)

8
 9 I, Gary E. Mengel, hereby make this affidavit based on my own personal knowledge of the
 10 records I have examined.

- 11 1. I am a citizen of the United States of America. I am over 18 years old.
 12
 13 2. I am a Certified Public Accountant, licensed in the state of Arizona. I am also a Certified
 14 Fraud Examiner. I am a member of the Association of Certified Fraud Examiners.
 15
 16 3. I earned a Bachelor of Science Degree, Business Administration, Accounting in 1977 from
 17 the California State University at Northridge.
 18
 19 4. I am employed by the Arizona Corporation Commission, Securities Division ("Securities
 20 Division"). My work address is 1300 W. Washington, 3rd floor, Phoenix, AZ 85007. I was hired
 21 by the Securities Division in May 1996. I am a forensic accountant responsible for investigating
 22 alleged violations of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* I analyze financial
 23 statements, bank and business records, prospectuses and other records as required in the
 performance of my duties.
 24
 25 5. From about August 2, 2005, to the present, I have participated in the investigation of Trend
 26 Management Group, Inc, Trend Capital, LLC, and related individuals and business entities. My

1 participation in the investigation has included an analysis of the source and use of investor funds.

2 The analysis is continuing.

3
4 6. A segment of the analysis consisted of analyzing the following bank statements:

5 Bogue Sr., Scott R & Arlene J – Bank of America account 000689919444

6 Trend Management Group, Inc – US Bank account 95910750

7 Trend Management Group, Inc – US Bank account 95910751

8 Trend Management Group, Inc – JP Morgan Chase account 644002537

9 Trend Capital, LLC - JP Morgan Chase account 652272899

10
11 7. I was asked to determine if investor funds were transferred to the personal account of Scott
12 R & Arlene J. Bogue (“Bogues”). After analyzing the available records, I was able to determine
13 funds were transferred from Trend Management Group, Inc (“Trend Mgmt”), and Trend Capital,
14 LLC (“Trend Capital”) to the personal bank account of the Bogues.

15 8. While the analysis is not complete, the records reviewed to-date indicates that the majority
16 of funds in the Trend Mgmt and Trend Capital accounts originated from investor funds.

17
18 9. Scott R & Arlene J Bogue are both authorized signors on account number 00689919444
19 located at Bank of America with an address for the Bogues indicated as 12308 Camberwell Ct.,
20 Raleigh, North Carolina 27614-8932 (signature card attached hereto as Exhibit “1”).

21 a. Trend Mgmt’s trust account at US Bank #95910750 reflects transfers, by wire, of over
22 \$100,000 into the Bogues’ account.

23
24 b. Trend Capital’s JPMorganChase account #652272899 reflects transfers, by wire, of at least
25 \$144,000 into the Bogues’ account.

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Raymond
(Signature)

SUBSCRIBED AND SWORN TO BEFORE me this 24 day of
April, 2007.

James

NOTARY PUBLIC

My Commission Expires:



Notary Public State of Arizona
Maricopa County
Ronald R. Clark
Expires May 05, 2007

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Exhibit "1"

BANK OF AMERICA, N.A. (THE "BANK")

Account Number 0006 8991 9444
Account Type INTEREST CHECKING
Account Title SCOTT R BOGUE SR
ARLENE J BOGUE

Temporary Signature Card (deposit accounts only)

By signing below, I/we acknowledge and agree that this account is and shall be governed by the terms and conditions set forth in the following documents, as amended from time to time: (1) if this account is a deposit account, the Deposit Agreement and Disclosure, the Personal Schedule of Fees and the Miscellaneous Fees for Personal Accounts, and (2) if this account is a Line of Credit, the Line of Credit Agreement and Disclosure.

Substitute Form W-9. (Required only for Deposit Accounts) Certification. Under penalties of perjury, I certify that: (1) The number shown on this form is the correct taxpayer identification number (or I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding because: (A) I am exempt from backup withholding, or (B) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (C) The IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. person (including a U.S. resident alien).

Confirmation Instructions: You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return. (See also IRS instructions for Form W-9).

Individual Trust/POD* (G.S. 53-146.2) Joint with Survivorship (100%)* (G.S. 53-146.1)

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Table with 4 columns: Tax Identification Number, Report Interest On, Signature, ATM/Check Card Requested? (Deposit Accounts Only). Includes handwritten entries for tax IDs and a signature.

* By checking the box marked "ATM/Check Card Requested?", I/we hereby request an Automatic Teller Machine Card and/or a Check Card.

IMPORTANT: FOR TRUST/POD ACCOUNTS, DEPOSITOR MUST ALSO READ AND COMPLETE THE CORRECT SECTION OF THE CARD BELOW. IMPORTANT: FOR JOINT WITH SURVIVORSHIP ACCOUNTS, DEPOSITOR MUST ALSO READ AND COMPLETE THE CORRECT SECTION OF THE CARD ON THE REVERSE SIDE OF THIS DOCUMENT.

Bank Trust/Payable on Death (POD) Account (G.S. 53-146.2)

I understand that by establishing a trust (POD) account under the provisions of North Carolina General Statute 53-146.2: 1. During my lifetime, I may withdraw the money in the account; and 2. By written direction to the Bank, I may change the beneficiary at any time; and 3. Upon my death, the money remaining in the account will belong to the beneficiary, and will not be inherited by my heirs or controlled by my will.

I name the following person as beneficiary of this account, superseding any prior designations: Beneficiary's Name, Beneficiary's Social Security Number, Beneficiary's Present Telephone Number, Beneficiary's Present Address

(Please notify the Bank of any subsequent changes of beneficiary's address or telephone.)

Account Number Date Account Owner's Signature (Required)

If owner wishes the Bank to omit "POD" designation from account title, initial here: Owner acknowledges that, per federal regulations, this omission means the account will be insured by the FDIC collectively with any other individual accounts of owner at to the maximum amount permitted by law, and separate insurance as a "POD" account shall NOT be provided.

Joint Account with Right of Survivorship (G.S. 53-146.1)

We understand that by establishing a joint account under the provisions of North Carolina General Statute 53-146.1:

1. The Bank may pay the money in the account to, or on the order of, any person named on the account, unless we have agreed with the Bank that withdrawals require more than one signature; and
2. Upon the death of one joint owner, the money remaining in the account will belong to the surviving joint owner(s), and will not be inherited by the heirs of the deceased joint owner or be controlled by the deceased owner's will.

We **DO** elect to create the right of survivorship in this account.

X [Signature] _____ X _____
 X [Signature] _____ X _____
 X _____ X _____

Iss. By BGA Type: CKed
 ID# _____ photo 8101
 Iss. Date _____
 Expiration Date 7/08
 Secondary ID TYPE VIAA
3/07
-8191

Iss. By NC Type: DL
 ID# _____
 Iss. Date 2/4/03
 Expiration Date 1/31/03
 Secondary ID TYPE 11/24/08
SAMS CARD

Bank Information

Customer 1

Name _____

Review Information _____

Customer 2

Name _____

Review Information _____

Customer 3

Name _____

Review Information _____

Customer 4

Name _____

Review Information _____

Customer 5

Name _____

Review Information _____

Date 11/12/2004 Banking Center Name WAKEFIELD

Associate's Phone Number 919-568-2505 Associate's Name CYNTHIA C BECKETT

1 Original and thirteen copies
2 of the foregoing hand-delivered this
3 24th day of April, 2007

4 Docket Control
5 Arizona Corporation Commission
6 1200 W. Washington
7 Phoenix, Arizona 85007

8 Copies of the foregoing mailed
9 this 24th day of April, 2007 to:

10 Stephen M. Dichter
11 Nathan D. Meyer
12 Harper, Christian, Dichter & Graif, P.C.
13 2700 North Central Avenue, Suite 1200
14 Phoenix, Arizona 85004
15 Attorneys for Scott and Arlene Bogue and
16 Trend Management Group, Inc.

17 Ashley Adams-Feldman
18 The Phoenix Law Group
19 8765 E. Bell Road, Suite 100
20 Scottsdale, AZ 85260-001
21 Attorney for Ryan Herndon and Trend Capital, L.L.C.

22 Charles R. Berry
23 Titus, Brueckner & Berry, P.C.
24 8377 E. Hartford Drive, Suite 110
25 Scottsdale, Arizona 85255
26 Attorneys for Linda Jordan and Russell Van Vranken

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Attorneys for Chris Marx and Easy Street

1 Frank R. Mead
2 Tiffany & Bosco, P.A.
3 Third Floor Camelback Esplanade II
4 2525 East Camelback Road
5 Phoenix, Arizona 85016-4237
6 Attorneys for Scot and Lori Oglesby

7 Ryan W. Anderson
8 Guttilla, Murphy, Anderson P.C.
9 4150 W. Northern Avenue
10 Phoenix, Arizona 85051
11 Attorney for Receiver

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