

B 5 (Official Form 5) (12/07)

UNITED STATES BANKRUPTCY COURT DISTRICT OF SOUTH CAROLINA	INVOLUNTARY PETITION
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IN RE (Name of Debtor – If Individual: Last, First, Middle) <p style="text-align: center;">Trendset, Inc.</p>	ALL OTHER NAMES used by debtor in the last 8 years (Include married, maiden, and trade names.) <p style="text-align: center;">Unknown</p>
Last four digits of Social-Security or other Individual’s Tax-I.D. No./Complete EIN (If more than one, state all.): 57-0795344	

STREET ADDRESS OF DEBTOR (No. and street, city, state, and zip code) <p style="text-align: center;">4 Interchange Blvd. Greenville, SC 29607</p>	MAILING ADDRESS OF DEBTOR (If different from street address)
COUNTY OF RESIDENCE OR PRINCIPAL PLACE OF BUSINESS <p style="text-align: center;">Greenville County</p>	ZIP CODE <p style="text-align: center;">29607</p>

LOCATION OF PRINCIPAL ASSETS OF BUSINESS DEBTOR (If different from previously listed addresses)

CHAPTER OF BANKRUPTCY CODE UNDER WHICH PETITION IS FILED

Chapter 7 Chapter 11

INFORMATION REGARDING DEBTOR (Check applicable boxes)

Nature of Debts (Check one box.) Petitioners believe: <input type="checkbox"/> Debts are primarily consumer debts <input checked="" type="checkbox"/> Debts are primarily business debts	Type of Debtor (Form of Organization) <input type="checkbox"/> Individual (Includes Joint Debtor) <input checked="" type="checkbox"/> Corporation (Includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.) <hr style="border: 0; border-top: 1px solid black; width: 100%;"/>	Nature of Business (Check one box.) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51)(B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other
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VENUE <input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in the District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District. <input type="checkbox"/> A bankruptcy case concerning debtor’s affiliate, general partner or partnership is pending in this District.	FILING FEE (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Petitioner is a child support creditor or its representative, and the form specified in § 304(g) of the Bankruptcy Reform Act of 1994 is attached. <i>[If a child support creditor or its representative is a petitioner, and if the petitioner files the form specified in § 304(g) of the Bankruptcy Reform Act of 1994, no fee is required.]</i>
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PENDING BANKRUPTCY CASE FILED BY OR AGAINST ANY PARTNER OR AFFILIATE OF THIS DEBTOR (Report information for any additional cases on attached sheets.)

Name of Debtor	Case Number	Date
Relationship	District	Judge

<p style="text-align: center;">ALLEGATIONS (Check applicable boxes)</p> <p>1. <input checked="" type="checkbox"/> Petitioner (s) are eligible to file this petition pursuant to 11 U.S.C. § 303 (b).</p> <p>2. <input checked="" type="checkbox"/> The debtor is a person against whom an order for relief may be entered under title 11 of the United States Code.</p> <p>3.a. <input checked="" type="checkbox"/> The debtor is generally not paying such debtor’s debts as they become due, unless such debts are the subject of a bona fide dispute as to liability or amount; or b. <input type="checkbox"/> Within 120 days preceding the filing of this petition, a custodian, other than a trustee receiver, or agent appointed or authorized to take charge of less than substantially all of the property of the debtor for the purpose of enforcing a lien against such property, was appointed or took possession.</p>	COURT USE ONLY
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Name of Debtor Trendset, Inc.

Case No. 13-

TRANSFER OF CLAIM

Check this box if there has been a transfer of any claim against the debtor by or to any petitioner. Attach all documents that evidence the transfer and any statements that are required under Bankruptcy Rule 1003(a).

REQUEST FOR RELIEF

Petitioner(s) request that an order for relief be entered against the debtor under the chapter of title 11, United States Code, specified in this petition. If any petitioner is a foreign representative appointed in a foreign proceeding, a certified copy of the order of the court granting recognition is attached.

Petitioner(s) declare under penalty of perjury that the foregoing is true and correct according to the best of their knowledge, information, and belief.

/s/ Jill D. Jacobson Sr. Counsel
 Signature of Petitioner or Representative (State title)
Husqvarna Professional Products, Inc. 04/15/13

Name of Petitioner _____ Date Signed _____

Name & Mailing
 Address of Individual Jill D. Jacobson
 Signing in Representative 9335 Harris Corners Parkway, #500
 Capacity Charlotte, NC 28269

/s/ Rory D. Whelehan 04/15/13
 Signature of Attorney
Womble Carlyle Sandridge & Rice, LLP Date

Name of Attorney Firm (If any)
P. O. Box 10208, Greenville, SC 29603

Address
(864) 255-5400
 Telephone No.

/s/ Hoyt K. Webb VP & General Counsel
 Signature of Petitioner or Representative (State title)
Legrand North America, Inc. 04/15/13

Name of Petitioner _____ Date Signed _____

Name & Mailing
 Address of Individual Hoyt K. Webb
 Signing in Representative 60 Woodlawn Street
 Capacity West Hartford, CT 06110

/s/ Rory D. Whelehan 04/15/13
 Signature of Attorney
Womble Carlyle Sandridge & Rice, LLP Date

Name of Attorney Firm (If any)
P. O. Box 10208, Greenville, SC 29603

Address
(864) 255-5400
 Telephone No.

/s/ James F. O'Reilly VP - Secretary
 Signature of Petitioner or Representative (State title)
DH Business Services, LLC 04/15/13

Name of Petitioner _____ Date Signed _____

Name & Mailing
 Address of Individual James F. O'Reilly
 Signing in Representative 2200 Pennsylvania Avenue, NW, #800W
 Capacity Washington DC 20037

/s/ Rory D. Whelehan 04/15/13
 Signature of Attorney
 Date

Name of Attorney Firm (If any)
Womble Carlyle Sandridge & Rice, LLP

Address
P. O. Box 10208, Greenville, SC 29603
 Telephone No.
(864) 255-5400

PETITIONING CREDITORS

Name and Address of Petitioner	Nature of Claim	Amount of Claim
Husqvarna Professional Products, Inc. 9335 Harris Corners Parkway, #500, Charlotte, NC 28269	See Addendum	See Addendum
Legrand North America, Inc. 60 Woodlawn Street, West Hartford, CT 06110	See Addendum	See Addendum
DH Business Services, LLC 2200 Pennsylvania Ave., NW, Suite 800 W, Washington DC 20037	See Addendum	See Addendum

Note: If there are more than three petitioners, attach additional sheets with the statement under penalty of perjury, each petitioner's signature under the statement and the name of attorney and petitioning creditor information in the format above. Total Amount of Petitioners' Claims See Addendum

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

IN RE:)	
)	CASE NO. 13-_____
TRENDSET, INC.)	
)	CHAPTER 11
Debtor.)	(Involuntary)
_____)	

ADDENDUM TO INVOLUNTARY PETITION

Husqvarna Professional Products, Inc. (“Husqvarna”), Legrand North America, Inc. (“Legrand”), and DH Business Services LLC (“DH Business Services”) (collectively, “Petitioning Creditors”) respectfully submit this addendum in support of the annexed involuntary petition, and declare under penalty of perjury, to the best of their knowledge, information and belief, as follows:

1. Trendset, Inc. (“Debtor”) offers manufacturers and distributors pre-audit and freight payment services. Petitioning Creditors, among others, contracted with Debtor for such services, which generally entail (1) reviewing and auditing invoices submitted by carriers for transport of Petitioning Creditors’ freight, (2) advising Petitioning Creditors of the amounts required to pay their carriers’ invoices, (3) holding such amounts wired by Petitioning Creditors in trust, and (4) paying such amounts to the appropriate carriers for payment of the corresponding invoices.

2. Petitioning Creditors’ claims arise from Debtor’s loss or misapplication of funds entrusted to Debtor for the purpose of being passed-through to their carriers. As a result, Petitioning Creditors have been forced to seek return of the lost or misapplied funds from Debtor due to the breach by Debtor of its contractual obligations to Petitioning Creditors.

3. On March 25, 2013, Petitioning Creditors received an email from Debtor's President and Chief Executive Officer (the "March 25th Email"). The March 25th Email notified Petitioning Creditors that Debtor would "not be able to pay all of the freight bills in our system which have been processed and are ready for payment" because of a "significant" deficiency in the bank accounts used to pay carriers for many of Debtor's customers, including Petitioning Creditors. These accounts were admittedly "not subjected to the rigorous financial controls which should have been in place." A copy of the March 25th Email is attached hereto as Exhibit "A."

4. The claim amounts listed below are neither contingent nor subject to *bona fide* dispute as to liability or amount. Such amounts, which Debtor has admitted are due, are derived directly from information given by Debtor to Petitioning Creditors. While these amounts are derived from information that Debtor admits forms the loss to Petitioning Creditors, these amounts may not be final and are subject to modification as information is obtained by Petitioning Creditors. Accordingly, Petitioning Creditors expressly reserve the right to amend, modify, or supplement their respective claims accordingly.

- A. Petitioning creditor Husqvarna currently has an unsecured claim in the amount of not less than \$5,782,523.75 against Debtor.

HUSQVARNA PROFESSIONAL
PRODUCTS, INC.

By: /s/ Jill D. Jacobson, Esq.

Name: Jill D. Jacobson

Title: Sr. Counsel

- B. Petitioning creditor Legrand currently has an unsecured claim in the amount of not less than \$4,642,653.09 against Debtor.

LEGRAND NORTH AMERICA, INC.

By: /s/ Hoyt K. Webb, Esq.
Name: Hoyt K. Webb, Esq.
Title: VP and General Counsel

- C. Petitioning creditor DH Business Services currently has an unsecured claim in the amount of not less than \$3,883,360.00 against Debtor.

DH BUSINESS SERVICES, LLC

By: /s/ James F. O'Reilly
Name: James F. O'Reilly
Title: VP – Secretary

EXHIBIT "A"

The information in this email may be confidential and/or legally privileged. It has been sent for the sole use of the intended recipient (s). If you are not an intended recipient, you are strictly prohibited from reading, disclosing, distributing, copying or using this email or any of its contents, in any way whatsoever. If you have received this email in error, please contact the sender by reply email and destroy all copies of the original message. Please also be advised that emails are not a secure form for communication, and may contain errors.

----- Forwarded by Jill Jacobson/USA/Husqvarna on 04/07/2013 07:23 AM -----

From: "Gary L. Selvaggio" <Gary.Selvaggio@trendset.com>
To: ""charles.stancil@husqvarna.com"" <charles.stancil@husqvarna.com>, "Al Fortunato (al.fortunato@husqvarna.com)" <al.fortunato@husqvarna.com>
Date: 03/25/2013 02:30 PM
Subject: Trendset Payment Accounts

I am writing to communicate with you about an important event which affects you, some of our other customers and Trendset, Inc. We will be speaking with you directly soon, but I want to communicate with all of our affected customers simultaneously and get information into your hands as quickly as possible.

We strive to deliver the best service possible in order to provide value to your company. Our goal is to process your freight invoices with absolute accuracy and timeliness.

I am writing to inform you that in some respects, we have failed to live up to that promise. You are one of Trendset's customers for whom we provide the payment of invoices after we have audited and reviewed them. I regret to inform you that we have had a failure of our system for processing and making those payments.

One of our trusted employees engaged in a fraud and embezzled funds from our Company's bank accounts- the accounts from which we pay your freight invoices. The fraud was discovered through a review of suspect transactions first noted by our bank. Federal authorities, including the FBI, were alerted and a forensic review was conducted. The employee was indicted and plead guilty to certain charges.

Unfortunately, the damage was not limited to the embezzlement. This person had access to and authority over certain accounts and transactions through which we make payments to freight carriers on behalf of our customers. These accounts and transactions were not subjected to the rigorous financial controls which should have been in place.

As a result, we believe there is a deficiency in two of the bank accounts which we use to make payments to freight carriers on your behalf. These two accounts are used to pay freight bills for several of our customers. Because of the deficiency, we will not be able to pay all of the freight bills in our system which have been processed and are ready for payment.

We do not yet fully understand the specific cause(s) of this deficiency. The money may have been embezzled, some of it was; it is also possible that we made payments to freight carriers without collecting the corresponding funds from some customers. We may have made duplicate payments for legitimate and approved freight bills. We are still working to determine how long that these errors have occurred, but they may have gone undetected for several years.

We are actively working to pinpoint the precise causes of this error, but deficiencies in the internal controls are constraining our ability to reconcile the accounts. As we answers these questions, we will share them with you.

I will be contacting you very soon to share with you the specific information we have related to bills for your shipments and carriers. We will be working with you to resolve this matter.

The amount of the deficiency represents a tiny percentage of the volume of transactions which we process annually on behalf of our customers, but the volume of transactions we handle is large. Consequently, the total amount of the deficiency is significant and is a sum larger than the Company can pay from its current funds.

On Monday, March 25, 2013, we ceased accepting cash remittances from the affected customers and stopped making payments out of the affected accounts in order not to aggravate this situation. We will work with you

to refund your pro-rata portion of funds in the two affected accounts.

In addition, we are immediately ceasing the bill payment portion of our service offering. We do not wish to compound the problem which has occurred. We have started to contact banks which can provide this service to handle the unpaid items in our system. We will work with you and whomever you wish to effect whatever transition you wish.

We are committed to ensuring that your company does not incur a financial loss as a result of this situation. We plan to reimburse your company for any financial loss you might be exposed to as a result of any errors in the processing and payment of freight bills on your behalf.

We propose to do this in two ways:

Firstly, Trendset has two very valuable tools which have saved our customers substantial amounts of money on their transportation costs. We have a contract optimization program which analyzes your current freight configuration and identifies opportunities to reduce, in some cases dramatically, your annual transportation and logistics costs. We also have a system for handling Overages, Shortages and Damages claims. It has reduced costs and increased the collections from carriers for errors and damages for many of our customers.

Customarily, we sell these services to clients and then earn our fees through a gain sharing arrangement. We will offer these services at no charge to you and will not collect any share of the gain for ourselves; however the verified savings from these tools will be applied to any deficiency in your account. The advantage to this method is that these tools may yield significant savings for your Company and begin to offset the deficiency almost immediately.

Secondly, we are conducting our own forensic review of the accounts and will be filing an insurance claim for the missing funds.

Finally, to the extent that these solutions do not fully cure any deficiency, Trendset will make periodic payments to you to be applied against your deficiency. As I mentioned above, if Trendset had the cash available to immediately pay off these deficiencies, the company would. We hope that your free use of our freight management tools will significantly offset your deficiency. To the extent that there is still a deficiency, the only path to recovery is for Trendset to distribute its cash earnings to its affected customers over time.

I have decided that I will not take a salary from Trendset until all deficiencies are fully remedied.

Because we recognize that we had weaknesses in the internal controls in certain financial systems, we have retained The Finley Group, Inc., a respected turnaround and financial advisory firm, to help us remedy our financial controls and provide needed financial management experience to supplement our internal resources.

I have set up a conference call for tomorrow (Tuesday) where I will speak to you and other affected customers. You will be receiving an invitation via Webex with specific information about how to join the call. I won't be able to take questions on the call, but if you send me an e-mail with any general questions, I will attempt to answer as many of them as possible on the call. You can e-mail your questions to me at gary.selvaggio@trendset.com.

I appreciate how distressing it is to receive this news. Everyone here at Trendset is committed to working as hard as we can to ensure that you are protected from ultimate financial exposure as a result of these events. I look forward to speaking with you tomorrow.

Sincerely,

Gary Selvaggio
CEO
Trendset, Inc.

Gary L. Selvaggio
Trendset, Inc.
4 Interchange Blvd.
Greenville, SC 29607

v: (864) 527-4300

f: (864) 297-9288

e: gary.selvaggio@trendsetinc.com

w: www.trendsetinc.com

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

IN RE:)	
)	CASE NO. 13-_____
TRENDSET, INC.)	
)	CHAPTER 11
Debtor.)	(Involuntary)
_____)	

STATEMENT OF CORPORATE OWNERSHIP

Pursuant to Federal Rules of Bankruptcy Procedure 1010(b) and 7007.1, the undersigned, counsel for Husqvarna Professional Products, Inc., certifies that:

Following is a complete list of all corporations, other than governmental units, that directly or indirectly own 10% or more of any class of its equity interest:

- Husqvarna Professional Products, Inc. is a wholly owned subsidiary of Husqvarna U.S. Holding, Inc., an Ohio corporation.
- Husqvarna U.S. Holding, Inc. is a wholly owned subsidiary of Husqvarna AB.
- Husqvarna AB, an entity formed under the laws of the Kingdom of Sweden, is a public company whose stock is traded on the Stockhom Stock Exchange.

There are no corporations, other than governmental units, that directly or indirectly own 10% or more of any class of its equity interests.

The undersigned further certifies that a supplemental statement shall be promptly filed upon any change in circumstances that renders this Statement of Corporate Ownership inaccurate.

Date: April 15, 2013

/s/ Rory D. Whelehan
Rory D. Whelehan (Federal I.D. No. 7657)
North Carolina State Bar No. 16882
South Carolina Bar No. 012915
WOMBLE CARLYLE SANDRIDGE & RICE, LLP
P.O. Box 10208
Greenville, SC 29603-0208
Tel: (864) 255-5404/Fax: (864) 255-5484
Attorneys for Husqvarna Professional Products,
Inc.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

IN RE:)	
)	CASE NO. 13-_____
TRENDSET, INC.)	
)	CHAPTER 11
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STATEMENT OF CORPORATE OWNERSHIP

Pursuant to Federal Rules of Bankruptcy Procedure 1010(b) and 7007.1, the undersigned, counsel for Legrand North America, Inc. (“Legrand”), certifies that:

Following is a complete list of all corporations, other than governmental units, that directly or indirectly own 10% or more of any class of its equity interest:

Legrand is indirectly a wholly owned subsidiary of Legrand S.A.

There are no corporations, other than governmental units, that directly or indirectly own 10% or more of any class of its equity interests.

The undersigned further certifies that a supplemental statement shall be promptly filed upon any change in circumstances that renders this Statement of Corporate Ownership inaccurate.

Date: April 15, 2013

/s/ Rory D. Whelehan
Rory D. Whelehan (Federal I.D. No. 7657)
North Carolina State Bar No. 16882
South Carolina Bar No. 012915
WOMBLE CARLYLE SANDRIDGE & RICE, LLP
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Tel: (864) 255-5404/Fax: (864) 255-5484
Attorneys for Legrand North America, Inc.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

IN RE:)	
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TRENDSET, INC.)	
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STATEMENT OF CORPORATE OWNERSHIP

Pursuant to Federal Rules of Bankruptcy Procedure 1010(b) and 7007.1, the undersigned, counsel for DH Business Services, LLC, certifies that:

Following is a complete list of all corporations, other than governmental units, that directly or indirectly own 10% or more of any class of its equity interest:

Danaher Corporation is the 100% owner of DH Business Services LLC. Upon information and belief, T. Rowe Price Associates, Inc. owns approximately 10.1% of Danaher Corporation's outstanding shares.

There are no corporations, other than governmental units, that directly or indirectly own 10% or more of any class of its equity interests.

The undersigned further certifies that a supplemental statement shall be promptly filed upon any change in circumstances that renders this Statement of Corporate Ownership inaccurate.

Date: April 15, 2013

/s/ Rory D. Whelehan
Rory D. Whelehan (Federal I.D. No. 7657)
North Carolina State Bar No. 16882
South Carolina Bar No. 012915
WOMBLE CARLYLE SANDRIDGE & RICE, LLP
P.O. Box 10208
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Attorneys for DH Business Services, LLC