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

Peter S. Davis, as Receiver of DenSco
Investment Corporation, an Arizona
corporation,

Plaintiff,

v.

Clark Hill PLC, a Michigan limited
liability company; David G. Beauchamp
and Jane Doe Beauchamp, husband and
wife,

Defendants.

No. CV2017-013832

**SECOND SUPPLEMENTAL
ARIZONA RULE OF EVIDENCE
807(b) NOTICE**

(Assigned to the Honorable
Daniel Martin)

Pursuant to Arizona Rule of Evidence 807(b), Plaintiff gives notice that it intends to offer the following particular statements or absence of statements, among others:

I. Denny Chittick's Personal Journal Entries

1. On November 11, 2013, Chittick wrote: "I didn't go to bed until 3 am or after. I discovered I'm in second position on more than ½ the properties I've lent to Scott on. He assured me it was a mistake and we'll fix it." [CH_EstateSDT_0025547.0080]

2. On November 27, 2013, Chittick wrote: "Scott came to meet with me. It's way worse than I thought. He sat here for 2 hours telling me how his wife has cancer, he turned the day to day operations of running to his company over to a

1 cousin. His cousin double liened all the properties and then lost all the money in vegas
2 [sic]. He's upside down about 8.7 million. Of which nearly all of it is on my
3 properties that I believed I was in first position. I was sitting here shaking and nearly
4 throwing up the entire time, his solution is for me to lend him more money to make
5 money to pay off Greg's liens." [CH_Estate_SDT0025547.0081]

6 3. On same date, Chittick also wrote: "I was nearly throwing up ½ the time
7 a night that I was looking forward to for a week, I couldn't wait to get home and sulk
8 and think about this nightmare. I'm probably not going to sleep and I'm not sure what
9 I can fucking do to figure this out." [CH_EstateSDT_025547.0082]

10 4. On November 28, 2013, Chittick wrote: "I slept one hour. I feel like
11 shit and I can't believe I'm back in this position again. it's almost like FACSLIB
12 telling me she wants a divorce all over again. I've thought about a 100 different ways
13 of trying to fix this. I'll have to talk to scott [sic] and see what other options we have."
14 [CH_EstateSDT_025547.0082]

15 5. On December 6, 2013, Chittick wrote: "I came home and talked to Scott
16 more and gave him another plan. Basically I fund this nightmare to get out of the
17 hole." [CH_EstateSDT_025547.0084]

18 6. On December 31, 2013, Chittick wrote: "I hope I can sleep after all this
19 weighing on me. 2013 was turning into a great year, then scott [sic] enlightens me and
20 now I'm looking at the desctuction [sic] of my company and everything I've worked
21 for. It's unsettlting [sic]. It pisses me off and I have to just put my head down and
22 work it out and hope everything falls in to place. Not the way I want to head in to the
23 new year." [CH_EstateSDT_025547.0091]

24 7. On January 6, 2014, Chittick wrote: "Surprisingly, I was able to sleep. I
25 got up and started working. I had a hell of a day. These guys came and told me I need
26 to subordinate or they sue and try to foreclose. I forward it to David; don't know
27 what's going to happen." [CH_EstateSDT_072254.0002]

1 8. On January 9, 2014, Chittick wrote: "We met with David, we have
2 about three plans, and we have to wait to see what David can negotiate with this
3 lawyer. It's the guy that hired him at his hold firm, I hope the relationship works."

4 [CH_EstateSDT_072254.0003]

5 9. On January 10, 2014, Chittick wrote: "mean while [sic], all morning and
6 afternoon I was getting calls from Greg, Scott and I even called the guy Dan that his
7 threatening this whole thing. Dave finally called me back and said he can't get a hold
8 of these guys' attorneys. Greg is scaring me saying they are going to the press, DA etc
9 [sic] on Monday. I'm telling the guy you want to get paid right?! Then work with me.
10 Finally Dave called me back at 5pm saying we have time to work it out we just need a
11 plan together of how fast can we get money together to do it. I had such a sense of
12 relief I about collapsed. I'm the one that has done everything right, I'm the one that's
13 been straight forward and honest I'm the one with ah [sic] gun to my head, I don't
14 get it. I'm in first position on his loans and he's freaking out. I'm going to be in 95%
15 LTV now but I'll be without anyone pushing the issue. Greg keeps saying 'I am in
16 first, I'm unconcerned". So I'm going to raise money and pay off these fucking
17 seconds and remove the legal threat. Then work through selling these houses and
18 hopefully Scott can recover some money and make some on the flips to help pay all
19 this back. I'm scared as hell it's not going to work, but I can't think of another
20 solution...Mean while [sic], Scott's wife is in hospice."

21 [CH_EstateSDT_072254.0003-072254.0004]

22 10. On January 13, 2014, Chittick wrote: "More meeting and docs planned
23 for this nightmare before it gets worked out, hopefully we can get it done this week
24 and start working on paying them off." [CH_EstateSDT_072254.0005]

25 11. On January 15, 2014, Chittick wrote: "I was pressed all day with Scott
26 and David calls, emails and threats from the other side. I'm just sick over this...I
27 came back in the office and worked for several more hours emailing David and Scott
28

1 back and forth. Reading these threatening emails from Bob just makes me sick to my
2 stomach. It's just insane." [CH_EstateSDT_072254.0005]

3 12. On January 16, 2014, Chittick wrote: "I slept maybe 3 hours last night. I
4 am so worked up over this. It's such a roller coaster, first I think we are about to get
5 everything resolved, then it turns 180 degrees around and I fear they are going to file
6 a suit! I don't know what to think. I think I shold [sic] fire david [sic] then I think
7 that's stupid, his knowledge is too deap, yet he can't keep this from suit. His former
8 boss just said to thell [sic] with it and he's sending it to a lidigation [sic] attorney. I'm
9 just so fried, this can't get a suit filed, other wise [sic] I'm 100% fucked...I kept
10 getting phone calls and texts from david [sic] and scott [sic]. This went on all through
11 basketball practice, now at 7pm I find out the first attorney is sending to a lidigtaion
12 [sic] attonry [sic]. Does that mean he's filing a law suit? Does that mean we start
13 over? I don't kow [sic] what it means! I'llprobably [sic] sleep tonight out of
14 exhaustion." [CH_EstateSDT_072254.0006]

15 13. On January 17, 2014, Chittick wrote: "Scott was able to get Debbie to
16 put everything together to pay off three more loans. I thought they would be happy, I
17 sent an email. What did I get but several imtimidating [sic] and threating emails back.
18 I don't get it." [CH_EstateSDT_072254.0006]

19 14. On January 20, 2014, Chittick wrote: "then I went to my room and
20 started reading scott's [sic] emails of his ideas on how to solve our problem. he raised
21 some money, we have a new plan and I spent all night awake thinking about it."
22 [CH_EstateSDT_072254.0007]

23 15. On January 21, 2014, Chittick wrote: "Scott lost it last night and went
24 off on the contact to these assholes. He told him either you do it my way or I file BK
25 and your fucked. They backed off, they agreed to plan and now we have breathing
26 room. I'm going to sleep tonight." [CH_EstateSDT_072254.0007]

27 16. On February 7, 2014, Chittick wrote: "I was super busy today trying to
28 get this fucking agreement worded correctly between scott [sic] and i [sic]. we were

1 on the phone for hours trying to get it done. I have yet another version in email box,
2 but yahoo is down. I'm so stressed over all this. David is saying I now need to tell my
3 investors. In the mean while [sic], we fixed 30% of the problem so far. I'm just going
4 to watch the Olympics and relax this evening. I'm completely spent."
5 [CH_EstateSDT_072254.00011]

6 17. On February 10, 2014, Chittick wrote: "I'm so stressed about getting all
7 this stuff done and bringing in enough money, it's just maddening."
8 [CH_EstateSDT_072254.00012]

9 18. On February 11, 2014, Chittick wrote: "I never slept [sic] last night, I
10 tossed and turned all night thinking about cash, how I'm going to raise it, what am I
11 going to do. I emailed brian [sic], he gave me 500k more, ryan [sic] from UT gave me
12 300k. now my problem is solved, now we just need more closings where I'm netting
13 more money then I'm sending. The stress from this whole deal is just killing me. I
14 went to Dave's to give him my info for taxes, I've got a mid 6 figure tax bill this year
15 too." [CH_EstateSDT_072254.00012]

16 19. On February 15, 2014, Chittick wrote: "I had ben exchanging emails
17 with scott [sic] and David [sic] all day about this agreement and now scott [sic] has
18 more cash problems. I re-did the spreadsheet. He ow's [sic] Gregg 15 million or so.
19 We are upside down about 10 million. Even if I have dan's [sic] group paid off, we
20 still have Gregg. The only solution is him bringing in cash and paying down Gregg. I
21 hope he can do this and unleash equity in the houses that I haven't put on seconds.
22 This is far fromover [sic] and in fact, I'm in worse position on the balance sheet now
23 then [sic] before, I just don't have dans' [sic] group with a gun to my head. Now we
24 have to work down the balances to get things under control. It won't happen much
25 until he brings in cash. I have spent 3 hours on this spreadsheet and I just don't know.
26 I'm stressing out like crazy again." [CH_EstateSDT_072254.00013-00014]

27 20. On February 16, 2014, Chittick wrote: "I woke up at 4:30 going over in
28 my head our problem. I worked on the spreadsheet for an hour. I know

1 exactlyhowmuch [sic] and it all boils down to paying down Gregg and raising cash.”

2 [CH_EstateSDT_072254.00014]

3 21. On February 17, 2014, Chittick wrote: “I might have slept an hour all
4 night. I sent scott [sic] a long email. Partyly [sic] to get things out of my head and
5 partly to ensure he’s still committed.” [CH_EstateSDT_072254.00014]

6 22. On February 20, 2014, Chittick wrote: “I went to meet with scott [sic]
7 and the ttorneye’s [sic] it got ugly but we settled everyting [sic] but one thing. I’m not
8 sure if can be or how it can be settled. I’m more worried about telling my investors
9 about the situation and their reaction. What if there is a run on me. What if they sue
10 me, I am just so stressed about it.” [CH_EstateSDT_072254.00015]

11 23. On February 21, 2014, Chittick wrote: “I might have slept 3 hours the
12 whole night. I couldn’t get this whole issue off my mind...I had two investors there
13 and I feel like I’m lieing [sic] to them because I’m not telling them. I talked to dave
14 [sic] about it. he says I’m doing the right thing. I’m so tired but wired tonight, I don’t
15 know what I’ll do. I hope no one calls me. [CH_EstateSDT_072254.00015]

16 24. On February 27, 2014, Chittick wrote: “I slept last night because I
17 hadn’t in 2 nights. Scott and I worked things out, thelawyers [sic] don’t like it. I don’t
18 care. It’s the right thing to do to protect my investors and get my business running
19 straight. [CH_EstateSDT_072254.00017]

20 25. On April 16, 2014, Chittick wrote: “I met scott [sic], he signed the doc,
21 so did i [sic]. it’s all done now. 5 months later and we are darn near ½ way through
22 the problem!” [CH_EstateSDT_072254.00028]

23 26. On June 10, 2014, Chittick wrote: “I had a quiet day, but I did drive
24 down to auctions to check to make sure everything was legit because I was freaking
25 out he’s screwing me again, scott [sic] aht [sic] is. I couldn’t find anything wrong and
26 came home.” [CH_EstateSDT_072254.00042]

27 27. On July 16, 2014, Chittick wrote: “I couldn’t sleep last night, I was up
28 unitl [sic] 2 am reading, watching tv and then looking at myspreadsheets [sic]. I

1 reviewed everyting [sic] I could and it's in good order, I'm still nervous aboutthis
2 [sic] whole nightmare, but it is looking better every day."
3 [CH_EstateSDT_072254.00050]

4 **II. Denny Chittick's Pre-Suicide Letter to Ranasha Chittick**

5 28. In his pre-suicide letter to ex-wife Ranasha Chittick, Chittick wrote:
6 "The consequences are so harsh that I believe I will end up in jail for a long time,
7 completely financially ruined. [CH_EstateSDT_024426.0003]

8 29. In his pre-suicide letter to ex-wife, Chittick wrote: "Just look what I've
9 done to my parents. Their whole retirement is ruined. How is my mother going to be
10 cared for now?" [CH_EstateSDT_024426.0003]

11 30. In his pre-suicide letter to ex-wife, Chittick wrote: "I don't know if
12 anyone will understand why I did this. I have told everyone the same thing. I found a
13 fraud; it was big, I tried fixing it....I never intended to anything illegal. However,
14 there were decisions that I made that I believed was in the best interest in fixing the
15 problem, that violated laws, despite my intentions. I had legal counsel approving what
16 I was doing in the beginning and he gave bad advice...But I truly tried to fix it and in
17 the end I could not." [CH_EstateSDT_024426.0004]

18 31. In his pre-suicide letter to ex-wife, Chittick wrote: "I have always said
19 I'm the most honest person I know. Now I see that I didn't live up to my own
20 standards. I had a plan and the agreement from a lawyer on how to proceed, I did
21 everything I could to make it work, then it got worse and now there is no saving it. I
22 should have come forward then. It would have been a downward spiral and I wouldn't
23 be facing any criminal charges, just civil." [CH_EstateSDT_024426.0005]

24 32. In his pre-suicide letter to ex-wife, Chittick wrote: "The fraud was done
25 against me; I had no knowledge what so ever! I could have come forward to my
26 investors, they would sue me, the other lenders would sue, everyone would sue and it
27 would implode. I absolutely knew that. See if an investor requests their money back, I
28 say that I'll do my best to return it to them based on their request date. But legally I

1 don't have to redeem it until it's due. However, I have 100's of individual investments
2 from a 100 people. Every other day a note matures, so as they request them to be
3 redeemed I wouldn't be able to redeem them because the money isn't coming back in
4 because all the lenders are suing each other to see who's in first position and that
5 would take months if not a year. So our plan was let's get rid of the disgruntled
6 lenders, take control of the properties, sell them off, keep operating the business, keep
7 paying the investors their interest, redeem money when requested and over time Scott
8 would pay back the loss accumulating from the deficit of the 2nd positions."
9 [CH_EstateSDT_024426.0005]

10 33. In his pre-suicide letter to ex-wife, Chittick wrote: "Dave my lawyer,
11 negotiated the work out agreement, and endorsed the plan. Then when Scott said hey,
12 let me buy some foreclosures, flip them, wholesale them, etc [sic] so I can make
13 money. All the other lenders wouldn't lend to him. I needed him to make money now
14 more than ever before, we went to Dave, and he gave some constraints on how we
15 were to operate. I followed them. I have all the documentation. I received copies of
16 checks made out to trustees, receipts from the trustee's [sic]. I had all my docs signed,
17 I recorded my mortgage, I got insurance, and I did everything. Once he paid me back
18 I received back my principle and interest. He was making money and paying down
19 the workout balance that was accumulating. We were making progress. That's who I
20 was able to look at everyone in the eye, that's how I was able to sleep at night; I was
21 doing the right thing to get things back in the balance...What am I going to get
22 anyone to believe I could lend this man this much money and not be aware?"
23 [CH_EstateSDT_024426.0005]

24 34. In his pre-suicide letter to ex-wife, Chittick ended his letter with: "I'm
25 an idiot, I'm scared, I got bad advice, I was defrauded, any of those are true, but in the
26 end I'm responsible and I have to pay the price... I never did it knowing or
27 purposefully. I was always from the outset of this problem doing my best to fix the
28 problem and get things right. That's all the goal was. It was never to defraud anyone,

lie to anyone, misrepresent to anyone, harm anyone and in the end that's what happened, everyone got harmed." [CH_EstateSDT_024426.0006]

RESPECTFULLY SUBMITTED this 8th day of May, 2019.

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