

Guttilla Murphy Anderson, P.C.

City North
5415 E. High Street, Suite 200
Phoenix, AZ 85054
(480) 304-8300

Guttilla Murphy Anderson

Ryan W. Anderson (Ariz. No. 020974)

5415 E. High St., Suite 200

Phoenix, Arizona 85054

Email: randerson@gamlaw.com

Phone: (480) 304-8300

Fax: (480) 304-8301

Attorneys for the Receiver

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR MARICOPA COUNTY

ARIZONA CORPORATION
COMMISSION,

Plaintiff,

v.

DENSCO INVESTMENT
CORPORATION, an Arizona
corporation,

Defendant.

Cause No.CV 2016-014142

ORDER RE: PETITION NO.19

ORDER ESTABLISHING PROCEDURES
FOR THE ADJUDICATION OF CLAIMS

(Assigned to Judge Lori Horn Bustamante)

The Receiver having filed Petition No. 19 *Petition for Order Establishing Claims Procedures*, and served it on the persons appearing on the Master Service List and all known creditors of DenSco Investment Corporation (“DenSco”), and the Court having considered same, and it appearing to the Court that the matters requested by Petition No. 19 are reasonable, just and appropriate:

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

1. DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings specified below:

1 1.1 **Administrative Claim.** Every cost or expense incurred on or after August 18,
2 2016 on behalf of the Receiver or DenSco.

3 1.2 **Approved Claim.** A Claim that has been filed with the Receiver and has been
4 approved by the Court.

5 1.3 **Claim.** A Claim is any of the following, regardless of whether or not it is the
6 subject of pending litigation or has been reduced to judgment:

7 a. Any right to payment, liquidated, unliquidated, fixed, contingent,
8 matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured,
9 which right arose or accrued prior to the Receivership Date; or

10 b. Any right to an equitable remedy for breach of performance if such right
11 gives rise to a right of payment, whether or not such right to an equitable remedy is
12 reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed,
13 where such right arose or accrued prior to the Receivership Date; or

14 c. Any right to payment arising from the rejection by the Receiver of an
15 executory contract or as a result of DenSco's failure to complete its obligations under a
16 contract.

17 1.4 **Claimant.** A person entitled to assert a Claim against DenSco or against any
18 Receivership Assets or any other property in the possession or control of the Receiver.

19 1.5 **Claims Bar Date.** June 30, 2017

20 1.6 **Claims Report.** A written report of the Receiver filed with the Court
21 describing the Claims received by the Receiver and setting forth his recommendations

1 concerning those Claims.

2 1.7 **Court.** The Superior Court of the State of Arizona for Maricopa County, in
3 *Arizona Corporation Commission v DenSco Investment Corporation*, Cause No. CV2016-
4 014142.

5 1.8 **Proof of Claim.** A Proof of Claim form provided by the Receiver in
6 substantially the same form as Exhibit “A-1” or “A-2” as attached the Receiver’s Petition No.
7 19.

8 1.9 **Receivership Assets.** Receivership Assets means the assets of the DenSco
9 including the following:

10 a. All Receivership Assets as defined by the orders of the Court, including
11 without limitation the cash, loans and real estate owned, controlled or managed by
12 DenSco on August 18, 2016.

13 b. Proceeds, product, offspring, rents, interest or profits of or from
14 Receivership Assets.

15 c. All interest earned and paid to the Receiver on Receivership Assets.

16 1.10 **Receiver.** Peter S. Davis.

17 1.11 **Receivership Date.** August 18, 2016.

18 1.12 **Receivership Entity.** DenSco Investment Corporation.

19 1.13 **Secured Claim.** A Claim to the extent that it is secured by a properly perfected
20 lien on Receivership Assets.

21

2. **NOTICE OF RIGHT TO FILE CLAIMS AND CLAIMS BAR DATE**

2.1 **Notice to Claimants.** The Receiver shall notify each Claimant of the Claims Bar Date and of the Claimant's right to file a Claim as provided herein by mailing to the Claimant a Notice to Claimants in a form substantially similar to Exhibit "B-1" to the Receiver's Petition No. 19. The Notice to Claimants shall be accompanied by a copy of the applicable Proof of Claim form, and any other information the Receiver deems appropriate and shall be deposited in the United States mail, postage pre-paid, addressed to the Claimant at the most recent address contained in the records of the Receiver within ten days of the entry of this Order.

2.2 **Notice by Publication.** The Receiver shall also publish a copy of the Notice by Publication in a form substantially similar to Exhibit "B-2" to the Receiver's Petition No. 19.

a. At least once, for four consecutive weeks, in a publication with statewide circulation within the State of Arizona with the first of such publications appearing within sixty days of the entry of this Order; and

b. At least once in a publication with national circulation within thirty days of the entry of this Order.

3. **FILING OF CLAIMS**

3.1 **Filing a Claim.** Any person asserting a Claim against a Receivership Entity, the Receiver, or the Receivership Assets or any other property in the possession of the Receiver, regardless of whether the Claim has been acknowledged by the Receiver or is the subject of pending litigation, shall complete, sign under oath, and file with the Receiver a

1 Proof of Claim on or before the Claims Bar Date. The Proof of Claim shall be set forth on
2 the form provided by the Receiver and shall contain all of the information requested in the
3 form.

4 3.2 **Deadline for Filing a Claim.** Except as provided below, all Proofs of Claim
5 shall be delivered to the Receiver on or before the Claims Bar Date and any claim against a
6 Receivership Entity, the Receiver, or the Receivership Assets or any other property in the
7 possession or control of the Receiver, not set forth in a timely filed Proof of Claim shall be
8 forever barred. A Proof of Claim shall be deemed filed on the date it is received by the
9 Receiver.

10 3.3 **Place to File a Claim.** Each Proof of Claim shall be filed with the Receiver by
11 mailing postage prepaid a properly completed Proof of Claim together with all required
12 supporting documentation to the Receiver at the following address:

13 DenSco Receivership
14 Simon Consulting, LLC
3200 North Central, Suite 2460
15 Phoenix, Arizona 85012

16 3.4 **Prohibition Against Filing a Claim With The Court.** No Claim shall be filed
17 with the Court and any Claim so filed shall not be considered properly filed as required under
18 this Order and may subject the person filing the Claim to being held in contempt of court.

19 3.5 **Supporting Documentation.** Each Claim shall include copies of all
20 documentation supporting the claim as may be required by the Receiver. Original documents
21 should not be filed with the Claim unless expressly requested by the Receiver. If a
supporting document is not available, the Claimant must attach an explanation of why the

document is not available.

4. SECURED CLAIMS

4.1 A Claimant asserting a Secured Claim shall demonstrate by credible evidence that in accordance with applicable laws, the Claimant possesses a valid and perfected security interest in a Receivership Asset. If a Secured Claim is approved by the Court, the Claimant making that claim shall be entitled, to the extent of the secured interest, to receive the asset in which the secured interest exists or the proceeds therefrom, after reimbursement to the Receiver of such costs or expenses as the Court may determine.

5. POST RECEIVERSHIP INTEREST

No claim for interest owed to the Claimant by a Receivership Entity on or after the Receivership Date shall be allowed by the Court.

6. REDUCTION OF CLAIMS BY AMOUNTS RECEIVED

As part of his recommendation on each claim, the Receiver shall identify the amounts, if any, that should be offset or deducted from the claim or paid to the Receiver and the reasons for such recommendations. The Receiver shall reduce and offset against any claim, the amount of funds received by the Claimant from any third party arising out of Claimant's investments with DenSco.

7. RECEIVER'S CLAIMS REPORT AND THE COURT'S FINAL ADJUDICATION OF CLAIMS

7.1 **Claims List.** Within thirty (30) days of the Claims Bar Date, the Receiver shall file with the Court and make available on the Receivership Website a list setting forth all Claims, other than Administrative Claims of the Receiver or the Receiver's agents, filed with

1 the Receiver with the name of the claimant, the claim number, and the amount of the claim.

2 7.2 **Claims Reports.** Within thirty (30) days of the Claims Bar Date, the Receiver
3 shall file with the Court and make available on the Receivership Website one or more reports
4 setting forth the Receiver's recommendations concerning each of the timely filed Claims
5 ("Claims Report"). The Receiver may file separate Claims Reports for each type of claims
6 such as claims by DenSco Investors and General Unsecured Creditors.

7 7.3 **Notice to Claimants.** The Receiver shall notify each Claimant of the
8 Receiver's recommendation concerning the Claimant's Claim in writing and deposited in the
9 United States mail, postage pre-paid, addressed to the Claimant at the most recent address
10 contained in the records of the Receiver within ten (10) days of the date the Receiver files
11 with the Court his Claims Report setting forth his recommendation on the Claimant's Claim
12 ("Notice"). This Notice may be made by serving a copy of the Claims Report or by a written
13 document describing the Receiver's recommendation on the Claimant's Claim and if the copy
14 of the entire Claims Report is not included in the Notice, The Notice shall indicate that the
15 Claims Report is available for inspection on the Receivership Website or is available from the
16 Receiver upon written request.

17 7.4 **Service of the Claims Report.** Each Claims Report shall be served on all
18 persons appearing on the Master Service List in the same manner as for service of petitions
19 filed by the Receiver.

20 7.5 **Copy of Claims Listing and Claims Reports.** A copy of the Claims List and
21 each Claims Report shall be made available on the Receivership Website. In addition, every

1 Claimant shall have the right to obtain a paper copy of the Claims List and each Claims
2 Report.

3 7.6 **Objections.** All objections to any part of the Claims Report may be filed by
4 any Claimant and shall be filed with the Receiver and not with the Court. The objections
5 shall be set forth in writing, include all documents in support of the objection, and be
6 deposited in the United States mail on or before the thirtieth (30th) day following the date of
7 the Claim Report to which the objection is directed, postage pre-paid, addressed to the
8 Receiver at:

9 DenSco Receivership
10 Simon Consulting, LLC
11 3200 North Central, Suite 2460
 Phoenix, Arizona 85012

12 7.7 **Filing of Final Recommendations and Response to Objections by the**
13 **Receiver.** The Receiver shall file with the Court no later than thirty (30) days following the
14 date the objections to a Claims Report are due, a petition setting forth the Receiver's final
15 recommendation on the Claims covered by the Claims Report together with a copy of all
16 timely objections received by the Receiver relating to the claims covered by the Claims
17 Report and the Receiver's response to those objections, and shall serve a copy of same
18 together with a notice of hearing for the Court's hearing on the petition on all persons
19 appearing on the Master Service List and on all persons who served the Receiver with
20 objections to the claims covered by the Claims Report and all Claimants whose Claims were
21 objected to.

 7.8 **Final Adjudication of Claims.** The Court may hold a hearing on objections to

1 the Claims Report upon at least fifteen (15) days written notice to each person filing an
2 objection to the Claims Report and each Claimant whose claim is objected to. Following the
3 Court's hearing regarding a Claims Report, the Court shall enter an order approving or
4 disapproving the claims that are the subject of the report.

5 8. **MISCELLANEOUS**

6 8.1 All Claims shall be filed on or before the Claims Bar Date, except:

7 a. Any Administrative Claims that are filed within sixty (60) days from the
8 date incurred or the Claims Bar Date whenever is later.

9 b. All Administrative Claims of the Receiver or the Receiver's agents,
10 regardless of the date incurred, shall not be subject to the provisions of this Order or
11 the Claims Bar Date.

12 8.2 All Administrative Claims of the Receiver or the Receiver's agents shall be paid
13 by the Receiver in accordance with the prior orders of this Court, or where required, by
14 petition and order of the Court.

15 8.3 All Administrative Claims, not by the Receiver or the Receiver's agents, which
16 have already been incurred, shall be filed on or before the Claims Bar Date and subject to the
17 provisions of this Order.

18 8.4 All Approved Claims, other than Administrative Claims of the Receiver or the
19 Receiver's agents, shall be paid as provided by further order of the Court.

20 8.5 This Order does not apply to claims against Furniture King, LLC, Scott's Fine
21 Furniture, LLC, Furniture and Electronic King, LLC or their respective assets, which were

1 placed into receivership on September 19, 2016. When appropriate, the Receiver shall
2 petition this Court for approval of a separate and distinct claims process against the liquidated
3 assets of Furniture King, LLC, Scott's Fine Furniture, LLC and Furniture and Electronic
4 King, LLC.

5 Dated this ____ day of _____, 2017.

6
7 _____
Judge of the Superior Court

8
9 2359-001 (276949)

eSignature Page 1 of 1

Filing ID: 8205775 Case Number: CV2016-014142
Original Filing ID: 8109128

Granted as Submitted



/S/ Lori Bustamante Date: 3/28/2017
Judicial Officer of Superior Court

ENDORSEMENT PAGE

CASE NUMBER: CV2016-014142

SIGNATURE DATE: 3/28/2017

E-FILING ID #: 8205775

FILED DATE: 3/29/2017 8:00:00 AM

CARLOS M ARBOLEDA

CHRISTOPHER L HERING

CODY J JESS

ELIZABETH S FELLA

RYAN W ANDERSON

SANFORD J GERMAINE

STEVEN D NEMECEK

WENDY L COY

DENSCO INVESTMENT CORPORATION
NO ADDRESS ON RECORD