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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

**PLAINTIFF'S FIFTH
DISCLOSURE STATEMENT**

Pursuant to Rule 26.1(a), Plaintiff Peter S. Davis, as the court-appointed receiver of DenSco Investment Corporation (the "Receiver"), makes the following disclosures. Changes from the Receiver's Fourth Disclosure Statement are identified in the mark-up attached as **Appendix F**.

On August 18, 2016, the Receiver was appointed to serve as the Receiver for DenSco Investment Corporation ("DenSco") under an order entered by the Maricopa County Superior Court in *Arizona Corporation Commission v. DenSco Investment Corporation*, CV2016-014142 (the "Receivership Court"). After the Receiver and his staff had reviewed DenSco's books and records and files maintained by DenSco's

1 former legal counsel, Clark Hill PLC and Clark Hill partner David Beauchamp, the
2 Receiver concluded that DenSco might have claims against Clark Hill and Beauchamp.
3 On March 31, 2017, the Receiver filed a petition with the Receivership Court seeking
4 permission to retain special counsel to investigate those potential claims. The petition
5 was granted on April 27, 2017. After special counsel completed its investigation, the
6 Receiver filed a petition asking the Receivership Court to authorize the Receiver to file,
7 through special counsel, a complaint against Clark Hill and Beauchamp. That petition
8 was granted on October 9, 2017. The Receiver, through special counsel, initiated this
9 lawsuit on October 16, 2017 by filing a complaint which asserted claims against Clark
10 Hill and Beauchamp for legal malpractice and aiding and abetting breach of fiduciary
11 duty.

12 The Receiver has relied on special counsel to pursue those claims against Clark
13 Hill and Beauchamp and to prepare this and previous disclosure statements.

14 **I. FACTUAL BASIS OF CLAIMS**

15 The following numbered paragraphs disclose the primary facts on which the
16 Receiver's claims against Clark Hill and Beauchamp are based. At trial, the Receiver
17 may also rely on facts disclosed through depositions that have been taken in this action,
18 the defendants' disclosure statements and discovery responses, and facts contained in
19 the documents that have been identified in Sections VIII (anticipated trial exhibits) and
20 IX (documents that may be relevant) of this disclosure statement.

21 **A. Background Facts for the Period April 2001 to September 2011**

22 **1. DenSco's Formation and Operations Through 2003**

- 23 1. DenSco was established in April 2001 as an Arizona corporation.
- 24 2. Denny Chittick formed DenSco to make short-term loans to companies
25 buying or investing in real estate. DenSco used money raised from investors to make
26 those loans.
- 27
- 28

1 3. Chittick was DenSco's sole shareholder, president and director, and its
2 only employee.

3 **2. Beauchamp Was DenSco's Securities Lawyer**

4 **a. DenSco First Hired Beauchamp in 2003 to Advise the**
5 **Company on Securities Law Issues.**

6 4. David Beauchamp is an attorney. He describes himself as practicing
7 primarily in the areas of corporate law, securities, venture capital and private equity
8 transactions.

9 5. Beauchamp began representing DenSco in 2003, when he was a partner of
10 the law firm Quarles & Brady LLP.

11 6. In 2004, Beauchamp left Quarles & Brady to join the law firm Gammage
12 & Burnham, PLLC, where he continued to represent DenSco.

13 7. In 2008, Beauchamp left Gammage & Burnham to join the law firm
14 Bryan Cave LLP, where he continued to represent DenSco.

15 8. Beauchamp has testified that DenSco relied on him to prepare private
16 offering memoranda for distribution "to investors of DenSco in compliance with
17 Arizona and federal security [sic] laws" and to provide DenSco with "recommendations
18 for amended or additional [private offering memoranda] in keeping with the
19 investments being made or contemplated by DenSco."

20 **b. Beauchamp Prepared Private Offering Memoranda that**
21 **DenSco Issued to Investors in 2003, 2005, 2007, 2009,**
 and 2011 to Sell Promissory Notes.

22 9. DenSco issued private offering memoranda in 2003, 2005, 2009, and
23 2011, which DenSco used to sell promissory notes to investors.

24 10. Beauchamp prepared each private offering memorandum ("POM"),
25 sometimes working with other attorneys.

26 a. The 2009 POM was prepared by Beauchamp with assistance from
27 Bryan Cave attorneys Ray Burgan, Logan Miller, and Nancy Pohl.
28

1 b. The 2011 POM was prepared by Beauchamp with assistance from
2 Bryan Cave attorneys Gus Schneider and Jonathan E. Stern.

3 11. The process of preparing POMs in 2007, 2009 and 2011 took between
4 one and three months.

5 a. Beauchamp began working on a POM in early May 2007, after a
6 May 3, 2007 meeting with Chittick, and completed his work in approximately
7 thirty days.

8 b. Beauchamp began working on a POM in April 2009, after an
9 April 9, 2009 meeting with Chittick, and completed his work in approximately
10 ninety days.

11 c. Beauchamp began working on a POM in April 2011, after an April
12 13, 2011 meeting with Chittick, and completed his work in approximately ninety
13 days.

14 12. Beauchamp knew that Chittick told his investors that he had retained legal
15 counsel to prepare DenSco's POMs, and that Chittick had identified him as the
16 Company's securities attorney who helped prepare those POMs. For example, Chittick
17 distributed a POM in 2011 to DenSco's investors through a July 19, 2011 email. The
18 email was sent to all of DenSco's investors and Beauchamp. Chittick's transmittal
19 email stated, in part: "I update this memorandum every two years. I work with David
20 Beauchamp (securities attorney) to review all the statues [sic] and laws in Arizona as it
21 pertains to my business and all the states that I have investors in. This is to ensure that
22 I'm filing all the forms and following all the rules"

23 **c. The Terms of the POMs Beauchamp Prepared**

24 **(1) DenSco Sold Promissory Notes**

25 13. In the POMs it issued in 2007, 2009 and 2011, DenSco offered to sell
26 investors promissory notes of \$50,000 or more with the following durations and interest
27 rates: six months at 8%; one year at 10%; and two to five years at 12%. The notes
28

1 were “paid ‘interest only’ during the terms, with principal payable only at maturity.”
2 Investors had the ability to “have interest paid monthly, quarterly, or at maturity.”

3 14. Each POM stated that “[a]lthough the Company intends to use its good
4 faith efforts to accommodate written requests from an investor to prepay any Note prior
5 to maturity and the Company has in fact been able to satisfy such requests in a timely
6 manner with interest paid in full, the Company has no obligation to do so and the
7 investor has no right to require the Company to redeem the Note prior to maturity.”

8 15. By completing and signing a Subscription Agreement, investors specified
9 the amount of the promissory note they wished to purchase, the term of the note, and
10 how they wished to be paid interest.

11 16. The files that Beauchamp maintained, and the billing statements Bryan
12 Cave issued to DenSco, reflect that Beauchamp prepared a form of Subscription
13 Agreement in 2007 and 2009, but did not do so when he prepared a POM for DenSco in
14 2011. There is no reference in those files and billing statements to any actions that
15 Beauchamp took when DenSco issued a POM in 2011, or at any time thereafter, to
16 ensure that DenSco was using an appropriate Subscription Agreement for the
17 promissory notes DenSco sold during and after July 2011.

18 17. DenSco’s investor files reflect that during the two years the 2011 POM
19 was in effect, Chittick used a Subscription Agreement that Beauchamp had prepared in
20 2009 and which referenced the 2009 POM. Those files also reflect that Chittick
21 continued to use the 2009 Subscription Agreement to sell promissory notes after the
22 2011 POM expired in July 2013.

23 18. Beauchamp knew that the vast majority of DenSco’s investors purchased
24 two-year promissory notes. For example, Beauchamp’s notes reflect that Chittick told
25 him during a May 3, 2007 meeting that 90% of the promissory notes DenSco had issued
26 to investors were two-year notes.

27 19. Beauchamp also knew that the vast majority of DenSco’s investors did
28 not redeem their promissory notes when those notes matured, and instead “rolled over”

1 their investments by executing a subscription agreement and buying a new promissory
2 note when a previous promissory note matured. As Beauchamp wrote in a June 15,
3 2007 e-mail to Richard Carney, who was then doing “Blue Sky” work for DenSco,
4 “DenSco has regular sales of roll-over investments” and an “ongoing roll-over of the
5 existing investors every 6 months or so.”

6 **(2) The Promissory Notes Were Represented to Be**
7 **Safe, Secure Investments**

8 20. In the POMs it issued in 2007, 2009 and 2011, DenSco made a number of
9 representations about its business practices that were intended to give existing and
10 potential investors the impression that the promissory notes sold by DenSco were safe,
11 secure investments.

12 21. For example, the POM that DenSco issued in 2011 stated that:

13 a. DenSco had sold promissory notes worth \$25.9 million to
14 new and existing investors since 2001, and “ha[d] never defaulted on either
15 interest or principal” on any of those notes.

16 b. “All real estate loans funded by [DenSco] have been and are
17 intended to be secured through first position trust deeds.”

18 c. DenSco would “attempt to maintain a diverse [loan]
19 portfolio . . . by seeking a large borrowing base” and by “attempting to ensure
20 that one borrower will not comprise more than 10 to 15 percent of the total
21 portfolio.”

22 d. DenSco “intend[ed] to maintain general loan-to-value
23 guidelines that currently range from 50 percent to 65 percent, (but it is not
24 intended to exceed 70%), to help protect the Company’s portfolio of loans.”

25 e. “Because of these varying degrees of diversification, the
26 relatively short duration of each of the loans, and management’s knowledge of
27 the Phoenix metropolitan market, [DenSco’s] management anticipates that it will
28 not experience a significant amount of losses.”

1 f. DenSco's "objective is to have sufficient cash coming in
2 from Trust Deed payoffs to be able to redeem all Notes as they come due and
3 maintain reserves without any need to sell assets or issue new Notes to repay the
4 earlier maturing Notes."

5 22. The POMs DenSco issued to existing and potential investors in 2007,
6 2009 and 2011 each included a "Prior Performance" section which summarized the
7 dollar value of promissory notes sold in preceding years, the number of loans made in
8 each year, the value of those loans, the value of the property securing those loans, and
9 losses incurred in each of those years.

10 23. The Prior Performance section in each POM concluded with a statement
11 that was intended to give existing and potential investors the impression that the
12 promissory notes sold by DenSco were safe, secure investments: "Each and every
13 Noteholder has been paid the interest and principle due to that Noteholder in
14 accordance with the respective terms of the Noteholder's Notes. Despite any losses
15 incurred by the Company from its borrowers, no Noteholder has sustained any
16 diminished return or loss on their investment in a Note from [DenSco]."

17 **(3) The 2007, 2009 and 2011 POMs Were Each in**
18 **Effect for Two Years, But Were Never Updated**
19 **by DenSco, And Beauchamp Did Not Advise**
DenSco To Do So.

20 24. Each POM that DenSco issued to existing and potential investors in 2007,
21 2009 and 2011 stated that DenSco "intends to offer [promissory notes for sale] on a
22 continuous basis until the earlier of (a) the sale of the maximum offering," which was
23 \$50 million, "or (b) two years from the date of this memorandum." They went on to
24 state that DenSco "reserves the right to amend, modify and/or terminate this offering."

25 25. DenSco's records do not reflect that it ever told existing and potential
26 investors that "the maximum offering proceeds" offered through the 2007, 2009 and
27 2011 POMs had been raised, or that it had terminated any of those offerings.
28

1 26. As a result, the POM that was dated June 1, 2007 expired on June 1,
2 2009; the POM that was dated July 1, 2009 expired on July 1, 2011; and the POM that
3 was dated July 1, 2011 expired on July 1, 2013.

4 27. The POMs DenSco issued to existing and potential investors in 2007,
5 2009 and 2011 each stated that “[i]n order to continue offering the Notes during this
6 [two-year] period, [DenSco] will need to update this Memorandum from time to time.”
7 Each POM went on to state that

8 Keeping the information in the Memorandum current will cause the
9 Company to incur additional costs. ***A failure to update this Memorandum***
10 ***as required could result in the Company being subject to a claim under***
11 ***Section 10b-5 of the Security Act for employing a manipulative or deceptive***
12 ***practice in the sale of securities, subjecting [DenSco], and possibly the***
13 ***management of [DenSco], to claims from regulators and investors.*** In
14 addition, an investor might seek to have the sale of the Notes hereunder
15 rescinded which would have a serious adverse effect on [DenSco’s]
16 operations. (Emphasis added.)

17 28. DenSco’s records do not reflect that DenSco ever took steps to “[k]eep[]
18 the information in the [POMs DenSco issued in 2007, 2009 and 2011] current” by
19 issuing updates to those POMs during the two-year period each of those POMs was in
20 effect.

21 29. The files that Beauchamp maintained, and the billing statements issued to
22 DenSco by his respective law firms, do not reflect that Beauchamp ever advised
23 DenSco to “[k]eep[] the information in the [POMs DenSco issued in 2007, 2009 and
24 2011] current” by issuing updates to those POMs during the two-year period each of
25 those POMs was in effect.

26 30. Each POM that DenSco issued in 2007, 2009 and 2011 prominently
27 warned potential purchasers of DenSco’s promissory notes that “NO PERSON HAS
28 BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY
REPRESENTATIONS CONCERNING THE COMPANY OTHER THAN AS
CONTAINED IN THIS CONFIDENTIAL PRIVATE OFFERING MEMORANDUM,
AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR
REPRESENTATIONS MUST NOT BE RELIED UPON.”

(4) In Preparing the 2011 POM, Beauchamp Failed to Investigate a “Red Flag” About DenSco’s Lending Practices.

31. The Prior Performance section of the POM DenSco issued in 2011 concluded with the same positive statement about DenSco’s lending activities and the absence of losses on promissory notes that was made in earlier POMs:

Since inception through June 30, 2011, [DenSco] has participated in 2622 loans, with an average amount of \$116,000, with the highest loan being \$800,000 and lowest being \$12,000. The aggregate amount of loans funded is \$306,786,893 with property valued totaling \$470,411,170. . . These loans have borne interest rates of 18% per annum. The interest rate paid to noteholders has ranged from 8% to 12% per annum through such date. Each and every Noteholder has been paid the interest and principle due to that Noteholder in accordance with the respective terms of the Noteholder’s Notes. Despite any losses incurred by the Company from its borrowers, no Noteholder has sustained any diminished return or loss on their investment in a Note from [DenSco].”

32. But the information disclosed in the 2011 POM’s Prior Performance section clearly raised a “red flag” about DenSco’s lending activities. Among the information disclosed in that section was the following.

<i>Year</i>	<i>Notes Sold</i>	<i>Loans Made</i>	<i>Yearly Loan Amount</i>
2001	\$500,000	37	\$8,378,000
2002	\$930,000	69	\$5,685,000
2003	\$1,550,000	124	\$11,673,000
2004	\$2,450,000	185	\$19,907,000
2005	\$2,670,000	236	\$34,955,700
2006	\$2,800,000	215	\$34,468,100
2007	\$2,400,000	272	\$42,579,634
2008	\$3,000,000	304	\$38,864,660
2009	\$2,100,000	412	\$41,114,707
2010	\$2,800,000	390	\$37,973,097
2011 (to 6/30/11)	\$4,700,000	378	\$36,187,995

33. This information raised a red flag because Chittick was DenSco’s sole employee. In addition to selling promissory notes, making interest payments, and issuing statements to investors, Chittick was the only person who was conducting due diligence and underwriting and documenting DenSco’s loans. He was also responsible for collecting loan payments and ensuring compliance with loan agreements.

1 34. Since 2009, when the previous POM had been issued, Chittick made more
2 than one loan a day: 412 in 2009; 390 in 2010; and 378 in just the first six months of
3 2011.

4 35. A reasonable securities lawyer would have questioned whether Chittick
5 could humanly make so many loans, and whether he was competently managing
6 DenSco's lending activities.

7 36. A reasonable securities lawyer would have conducted a due diligence
8 inquiry about DenSco's lending practices and the 2011 POM's representations that
9 "[a]ll real estate loans funded by [DenSco] have been and are intended to be secured
10 through first position trust deeds," and that DenSco was, in fact, "attempting to ensure
11 that one borrower will not comprise more than 10 to 15 percent of the total portfolio,"
12 among other representations.

13 37. Any concerns about DenSco's lending practices would have been
14 heightened by the increased amount of money Chittick had raised in the first half of
15 2011 (\$1.9 million more than the \$2.8 million that had been raised in all of 2010), and
16 the overall amount of money DenSco had raised since 2001 through the sale of
17 promissory notes (\$26.9 million as of June 30, 2011).

18 38. Bryan Cave had a mandatory due diligence procedure in place at the time
19 Beauchamp was working on the 2011 POM. As Beauchamp told Chittick in a June 11,
20 2011 email, he was required by Bryan Cave's "internal compliance procedures to
21 comply with the new regulations and requirements" to "set up a due diligence file" that
22 would "support each of the statements in the POM."

23 39. But the files that Beauchamp maintained, and the billing statements Bryan
24 Cave issued to DenSco, do not reflect that Beauchamp ever conducted any due
25 diligence on DenSco's lending practices in 2011.

26 40. Beauchamp overlooked this red flag and would later overlook other red
27 flags.
28

1 **3. Beauchamp Also Advised DenSco About Its Lending Practices.**

2 41. In addition to preparing DenSco's POMs and advising DenSco on
3 securities law matters, Beauchamp advised DenSco about its lending practices.

4 42. As Beauchamp wrote in a June 15, 2007 email to Richard Carney, he and
5 others at Gammage & Burnham had "updated DenSco's . . . loan documents to be used
6 with borrowers."

7 43. The files that Beauchamp maintained from his time at Gammage &
8 Burnham reflect that he had a meeting with Chittick on May 3, 2007, during which
9 Chittick asked Beauchamp to review and revise the documents DenSco used to make
10 and secure its loans.

11 44. At Beauchamp's request, Gammage & Burnham attorney Kevin Merritt
12 took the lead in making those revisions, but Beauchamp remained involved in
13 reviewing the revisions and discussing them with Chittick.

14 45. Chittick told Beauchamp and Merritt that DenSco used a Receipt and
15 Mortgage, which only the borrower signed, to serve as evidence that DenSco had paid
16 directly to a Trustee the proceeds of a loan a borrower had obtained from DenSco to
17 buy property from the Trustee at a Trustee's sale.

18 46. Chittick told Beauchamp and Merritt that because there was often a delay
19 in a Trustee recording a Trustee's deed after a trustee's sale, DenSco recorded its
20 Receipt and Mortgage immediately after a Trustee's sale had been completed to
21 establish its lien rights. Once a Trustee's deed was recorded, DenSco would record its
22 Deed of Trust and Assignment of Rents.

23 47. In May and June 2007, Merritt prepared for DenSco's use revised forms
24 of a Receipt and Mortgage, Note Secured by Deed of Trust, Deed of Trust and
25 Assignment of Rents, and a Continuing Personal Guaranty, which Beauchamp received.

26 48. The revised Receipt and Mortgage, like the previous form, was to be
27 signed by the borrower only, and not the Trustee. The operative language included the
28 following terms:

1 The undersigned borrower ("Borrower") acknowledges receipt of the proceeds
2 of a loan from DenSco Investment Corporation ("Lender") in the sum of \$____,
3 **as evidenced by check payable to _____ ("Trustee").** The loan was made to
4 Borrower to purchase the Real Property legally described as: Lot____,
5 Subdivision____, according to Book____ of Maps, Page____, in the plat record
6 in the Recorder's Office of Maricopa County. Address: _____. **At a**
7 **trustee's sale conducted by Trustee, which took place on____, 200____, Borrower**
8 **became the successful purchaser with the highest bid,** and the loan is intended to
9 fund all or a part of the purchase price bid by Borrower at such trustee's sale.
10 (Emphasis added.)

11 49. As revised by Merritt, the Receipt and Mortgage contemplated that
12 DenSco would: (1) issue a check payable to the Trustee; and (2) employ some means to
13 confirm that the check had been used by the borrower to purchase the property from the
14 Trustee at a Trustee's sale.

15 50. Beauchamp has testified in an interrogatory answer that he "prepared all
16 of DenSco's offering documents" and "reviewed and commented on" DenSco's loan
17 documents, including the Receipt and Mortgage."

18 51. Beauchamp also testified that he "set out the proper method and
19 procedures for funding a loan" in the POMs, which he said were "disclosed to
20 DenSco's investors [as] the processes and procedures DenSco used to protect the
21 investments made in the company." He identified two specific representations made in
22 the POMs that DenSco issued in 2007, 2009 and 2011. According to Beauchamp, those
23 POMs

24 a. "describe that DenSco 'intends to directly . . . or indirectly . . .
25 perform due diligence to verify certain information in connection with funding a
26 Trust Deed'" and

27 b. "explain that '[p]rior to purchasing a Trust Deed or funding a
28 direct loan, the Company intends to have an officer, employee or an authorized
representative conduct a due diligence review by interviewing its owners,
verifying the documentation and performing limited credit investigations as are
deemed appropriate by the Company and visiting the subject property in a timely
manner.'"

1 52. After identifying those representations, Beauchamp linked them to the
2 Receipt and Mortgage, testifying: “Further, every mortgage evidencing a property
3 purchase made with a DenSco loan stated that the check purchasing the property was
4 made to the Trustee.”

5 **4. In 2009 and 2010, Beauchamp Advised DenSco About Whether**
6 **DenSco Should be Regulated by the Arizona Department of**
7 **Financial Institutions, and in 2010 and 2011 Worked to**
8 **Prevent the Department from Regulating DenSco.**

9 53. Beauchamp also advised DenSco about whether it was subject to
10 regulation by the Arizona Department of Financial Institutions (“ADFI”); such
11 regulation would have included periodic audits of DenSco’s lending practices. He then
12 represented DenSco in fending off the ADFI’s efforts to regulate DenSco.

13 54. During April 2009, when Beauchamp was a partner of Bryan Cave,
14 Beauchamp and Bryan Cave attorney Ray Burgan reviewed DenSco’s lending
15 procedures and advised DenSco as to whether DenSco was subject to ADFI supervision
16 and required to be licensed.

17 55. Beauchamp and Burgan advised Chittick by email that “DenSco’s
18 operations as we understand them can be shown to exclude DenSco and you from being
19 subject to [the ADFI’s] current licensing requirements.”

20 56. Chittick accepted their advice and followed it.

21 57. In May 2010, Beauchamp reviewed and analyzed proposed new licensing
22 regulations and conferred with Chittick about them.

23 58. In June 2010, Beauchamp and Bryan Cave attorneys Logan Miller and
24 Michael Dvoren further analyzed those proposed regulations.

25 59. Chittick stated by email that he was prepared to have DenSco and himself
26 subject to regulation by the ADFI.

27 60. But based on Beauchamp’s advice, Chittick did not cause DenSco to be
28 regulated by the ADFI and took active steps to resist such regulation.

1 61. At Beauchamp's direction, in June 2010, Dvoren presented arguments to
2 a representative of the ADFI as to why DenSco was not subject to the Department's
3 regulation and oversight. Those arguments were memorialized in emails that Dvoren
4 sent to representatives of the ADFI and the Arizona Attorney General's Office.

5 62. Beauchamp's and Dvoren's arguments were apparently successful, as the
6 ADFI did not take further steps in 2010 to regulate DenSco.

7 63. On August 12, 2011, Chittick sent Beauchamp a letter DenSco had
8 received from the ADFI regarding an investigation by the Department as to whether
9 DenSco was subject to mortgage broker regulations and required to be licensed and
10 supervised by the Department.

11 64. On August 22, 2011, Beauchamp sent a letter to the Department which
12 asserted that DenSco was not subject to regulation by the ADFI.

13 65. Those arguments were apparently successful, as the ADFI did not take
14 further steps in 2011 to regulate DenSco.

15 **5. Beauchamp Consistently Identified DenSco As His Client**

16 66. Files maintained by DenSco, Gammage & Burnham and Bryan Cave
17 reflect that while Beauchamp was affiliated with Gammage & Burnham and Bryan
18 Cave he consistently identified DenSco as his client, and never stated in an engagement
19 letter that he represented Chittick individually.

20 67. For example, on May 7, 2007, Beauchamp sent Chittick a letter to
21 confirm that DenSco had retained Gammage & Burnham to prepare the 2007 POM
22 which stated, in part, "As we have previously done, DenSco Investment Corporation
23 ("DenSco") will continue to be the client for this matter. If that is not consistent with
24 your understanding, please advise me immediately."

25 68. On April 10, 2008, Beauchamp sent Chittick a letter to confirm that
26 Bryan Cave had been retained "to provide legal services to DenSco Investment
27
28

1 Corporation in connection with [its] general business matters and such future matters
2 that we mutually agree to undertake.”

3 69. On April 14, 2009, Beauchamp sent Chittick a letter to confirm that
4 Bryan Cave had been retained “to provide legal services to DenSco Investment
5 Corporation in connection with updating [its] Confidential Private Offering
6 Memorandum for 2009.”

7 70. During 2010, Beauchamp caused a “Blue Sky Issues” matter to be
8 established in Bryan Cave’s accounting and filing system which identified DenSco as
9 the firm’s client.

10 71. On May 3, 2011, Beauchamp sent Chittick a letter to confirm that Bryan
11 Cave had been retained “to provide legal services to DenSco Investment Corporation in
12 connection with the updating of [its] Confidential Private Offering Memorandum for
13 2011.”

14 72. In May and June 2011, Beauchamp discussed with Chittick his or
15 DenSco’s possible participation in a to-be-formed title insurance company. Beauchamp
16 established a new matter in Bryan Cave’s accounting and filing systems for DenSco,
17 described as “Formation of affiliate entity with partners.” DenSco was identified as
18 Bryan Cave’s client.

19 73. In August 2011, Beauchamp caused a new matter in Bryan Cave’s
20 accounting and filing systems to be opened, captioned AZ Practice Review, which
21 identified DenSco as the firm’s client.

22 **B. Events That Occurred in the Four Months Before Beauchamp Joined**
23 **Clark Hill in September 2013.**

24 74. The POM that DenSco issued in July 2011 expired on July 1, 2013.
25 DenSco did not issue a POM in July 2013, or at any time after July 2013, to replace the
26 POM that expired on July 1, 2013.

27 75. Between May 9 and July 1, 2013, Beauchamp took some preliminary
28 steps to prepare a new POM but did not begin drafting a new POM. He also failed to

1 conduct the due diligence that a reasonable securities lawyer would have undertaken.
2 He failed to investigate red flags about DenSco's lending practices when they were
3 brought to his attention.

4 **1. Beauchamp Was Asked to Leave Bryan Cave in June 2013**
5 **and Left the Firm in August 2013.**

6 76. One apparent reason for Beauchamp's inattention to DenSco's need for a
7 new POM was that he spent the summer months looking for a new job.

8 77. Information the Receiver has received in response to a subpoena served
9 on Bryan Cave suggests that on or shortly after June 4, 2013, Beauchamp was informed
10 by Bryan Cave's management committee that the firm wanted to end its relationship
11 with Beauchamp and that he would need to find a new law firm where he could practice
12 law.

13 78. Bryan Cave's decision understandably was not well received by
14 Beauchamp. As he wrote in a January 15, 2014 email to his former partner Bob Miller
15 explaining why he did not wish to attend a meeting at Bryan Cave's offices, "[m]y last
16 few months [at Bryan Cave] were more than a little difficult and I do not want to go
17 back to that."

18 79. Beauchamp finalized the terms of his employment by Clark Hill by mid-
19 to late-August 2013.

20 80. Beauchamp's notes reflect that he spoke to Chittick on August 26, 2013
21 and told him that "BC will be sending a letter to Denny & letting Denny decide if he
22 wants files kept at BC or moved to CH."

23 81. On August 30, 2013, Beauchamp sent Chittick by email a letter that he
24 and Jay Zweig, the managing partner of Bryan Cave's Phoenix office, both signed,
25 informing DenSco that Beauchamp would be leaving Bryan Cave effective August 31,
26 2013, and that Beauchamp would be joining Clark Hill.

1 **2. During the Month of May 2013, Beauchamp Performed**
2 **Minimal Work to Prepare a New POM.**

3 82. The files that Beauchamp maintained at Bryan Cave and Bryan Cave's
4 billing statements reflect that Chittick had to prompt Beauchamp to start working on a
5 new POM in 2013.

6 a. On March 17, 2013, Chittick sent Beauchamp an email proposing
7 to meet in April to begin working on an updated private offering memorandum.

8 b. On May 1, 2013, Chittick sent another email to Beauchamp which
9 stated: "it's the year we have to do the update on the memorandum, when do you
10 want to start?"

11 c. Beauchamp responded by email that day and scheduled a meeting
12 for May 9, 2013.

13 83. Despite those documents, Beauchamp claims in Defendants' initial
14 disclosure statement (at 5) that he, rather than Chittick, was the one who started the
15 process of preparing a new POM in 2013 when he "advised DenSco that it needed to
16 update its 2011 POM given the passage of time and changes in the scope of DenSco's
17 fund raising."

18 84. Beauchamp caused a new matter to be established in Bryan Cave's
19 accounting and filing systems for the preparation of a 2013 POM which identified
20 DenSco as Bryan Cave's client.

21 85. When the matter was opened, Bryan Cave established a "due diligence"
22 file for a 2013 POM.

23 86. Before the May 9, 2013 meeting, Beauchamp prepared or caused to be
24 prepared a draft private offering memorandum dated "May __, 2013" (the "draft 2013
25 POM").

26 87. With the exception of the title page, the draft 2013 POM was a duplicate
27 of a preliminary draft of the 2011 POM, which Bryan Cave attorney Gus Schneider had
28

1 sent to Chittick on June 15, 2011 at Beauchamp's direction, when Schneider and
2 Beauchamp were working on the 2011 POM.

3 88. During the May 9 meeting, Beauchamp took a few notes and apparently
4 underlined or circled a few passages in the draft 2013 POM.

5 89. Beauchamp's notes reflect that Chittick told him during the meeting that
6 DenSco had as of that date raised over \$50 million from 75 to 80 investors who
7 collectively held 114 accounts.

8 90. Beauchamp stopped working on the draft 2013 POM after learning how
9 much money DenSco had raised since the 2011 POM. As he would later tell Bryan
10 Cave partner Elizabeth Sipes through a June 25, 2013 email: "We stopped the updating
11 when we were told that the investments from the investors had jumped to
12 approximately \$47.5 million. Given that significant increase, I have been asking for
13 help to determine what other federal or state laws might be applicable."

14 91. According to Bryan Cave's billing statement, the only work Beauchamp
15 performed during May 2013 on the draft 2013 POM was for less than thirty minutes of
16 "[w]ork on issues and follow-up" on May 10 and less than thirty minutes of "[w]ork on
17 issues and information for Private Offering Memorandum" on May 31, 2013.

18 **3. During June 2013, Beauchamp Learned From Another Bryan**
19 **Cave Lawyer That DenSco's Website Violated Federal**
20 **Securities Laws.**

21 92. Although Beauchamp learned on May 9, 2013 that DenSco had nearly
22 \$50 million of investor loans and told his Bryan Cave colleagues that he stopped
23 working on the draft 2013 POM when he learned of that fact so that he could
24 investigate what federal or state laws were implicated by the substantial increase in
25 DenSco's sales of promissory notes, Beauchamp waited until June 10, 2013 before
26 seeking assistance from other Bryan Cave attorneys.
27
28

1 a. On June 10, 2013, Beauchamp sent an email to Ken Henderson, an
2 attorney in Bryan Cave's New York City office, copied to William Seabaugh, an
3 attorney in Bryan Cave's St. Louis office.

4 b. His email stated, in part: DenSco "is a client which makes high
5 interest loans (18% with no other fees) secured by first lien position against real
6 estate. . . . DenSco has previously had aggregate investor loans outstanding at
7 approximately \$16 to \$18 million from its investors. We are starting the process
8 to update and renew DenSco's private offering memo (renew it every two years)
9 and we have now been advised that DenSco now has almost \$47 million in
10 aggregate investor loans outstanding."

11 c. Beauchamp said he was seeking "guidance or direction" as to
12 whether DenSco, with close to \$50 million of investor funds, was subject to
13 certain federal securities acts and regulations.

14 d. Henderson suggested by email that Beauchamp confer with Robert
15 Pedersen, an attorney in Bryan Cave's New York City office, and Elizabeth
16 Sipes, an attorney in Bryan Cave's Denver office.

17 93. On June 11, 2013, Beauchamp sent an email to Chittick which stated:
18 "How many investors hold notes from DenSco? We are trying to determine what
19 exclusions DenSco could qualify for with respect to the other applicable federal
20 statutes. I do not have that number in my notes."

21 94. Chittick responded by email that day, telling Beauchamp DenSco had 114
22 individual accounts, held by approximately 80 families.

23 95. On June 17, 2013, Beauchamp received an email from Pedersen.
24 Pedersen noted that he had reviewed DenSco's website, and had asked Randy Wang, an
25 attorney in Bryan Cave's St. Louis office, whether DenSco was in compliance with the
26 Securities Act of 1933. Pedersen wrote: "Randy questioned whether in the DenSco
27 Investment Corp. case, the existence of, and/or statements made on, the DenSco
28

1 [website] which I had brought to his attention, made the transaction exemption
2 unavailable to DenSco. In any event you may wish to discuss further with Randy.”

3 96. Beauchamp then printed information from DenSco’s website, which
4 included a section captioned “Investor Requirements” that purported to provide an
5 “abbreviated description” of “legal definitions” found in the 2011 POM and related
6 subscription agreement, including a definition of accredited investor.

7 97. Although Beauchamp had been representing DenSco since 2003, and his
8 files reflect that he regularly reviewed DenSco’s website, it was another Bryan Cave
9 lawyer, with no prior involvement in Bryan Cave’s representation, who immediately
10 identified this significant issue.

11 98. Beauchamp wrote an email to Wang on June 17, 2013, which stated:
12 “With respect to the client’s statements on its website, I was not aware that the client
13 had added his personal description of what is an eligible ‘accredited investor’ to the
14 DenSco website. I will have him take it down. I also have a call into him to ask when
15 he added that language. Previously, his website was just for potential borrowers and for
16 existing investors. It included his view of the real estate lending market and explained
17 the status of the properties that DenSco had commenced or might have to commence a
18 Trustee Sale to take ownership of the security for a loan. Given his ‘layman’s
19 description of an accredited investor’ on the website, does that constitute general
20 solicitation, which will cause the offering to no longer qualify under Regulation D? If
21 so, can we discuss what we need to tell him that he needs to do to resolve the loss of his
22 exempt security status?”

23 99. Beauchamp’s notes reflect that he spoke to Wang on June 17, 2013.

24 100. Beauchamp’s notes also reflect that he spoke to Chittick on June 17,
25 2013.

26 101. After talking to Chittick, Beauchamp sent an email to Wang on June 17,
27 2013, which stated, in part: “I talked to Denny Chittick, the owner of DenSco. Denny
28 has already had the website modified. Denny also reviewed the list of his investors

1 (there are only 114 individual investors from approx 80 families). All of his investors
2 were either family or friends (or verified referrals from family or friends). . . .
3 According to his note schedule, Denny has approximately 60 investor notes that are
4 scheduled to expire in the next six months, so he would prefer to not be shut down and
5 have to return all of that investment money to his investors until he could commence
6 operations again.”

7 102. Beauchamp received an email from Chittick late in the day on June 17,
8 2013, through which Chittick forwarded his email exchange with a vendor confirming
9 that information regarding interest rates offered for promissory notes and the entire
10 “Investor Requirements” section had been removed from DenSco’s website.

11 103. Beauchamp spoke to Wang on June 18, 2013. His notes reflect that Wang
12 “does not have a clean path for the private placement” and that he and Beauchamp
13 discussed a number of “judgment calls” which were described in Beauchamp’s notes as
14 follows: (i) “whether website constitutes ‘General Solicitation’ – probably yes”; (ii)
15 “would a waiver of Right of Rescission be helpful – probably not → that just resolves
16 the individual claim + not the offering itself”; (iii) “would starting a new company be
17 helpful – probably not – still would be integrated offering.” Beauchamp’s notes
18 concluded by stating “Randy does not have a solution” and a list of the names of other
19 Bryan Cave attorneys Beauchamp should contact.

20 104. On June 20, 2013, Beauchamp sent an email to Bryan Cave attorneys
21 Henderson, Wang, Robert Endicott in the firm’s St. Louis office, and Garth Jensen in
22 the firm’s Denver office. Beauchamp’s email stated, in part:

23 DenSco “is a client which makes high interest loans (18% with no other fees)
24 secured by first lien position against Arizona real estate. . . . As part of our due
25 diligence for this offering, we reviewed the client’s website. On its website, the
26 client lists several pieces of information concerning Arizona real estate, but the
27 client has also added Denny Chittick’s personal description of who or what is an
28 eligible ‘accredited investor.’ In addition, the website also referenced the
interest rate paid by DenSco to its investors. ***After we advised the client that
this could be deemed to be “general solicitation” in violation of Regulation D,
the client immediately took down these references from its website.*** . . . Randy
and I are concerned that if this information on the website is deemed to
constitute ‘general solicitation’ then the offering will no longer qualify under

1 Regulation D. . . . *According to his note schedule, Denny has approximately 60*
2 *investor notes that are scheduled to expire in the next 6 months (and to*
3 *probably be rolled over into new notes), so he would prefer to not be shut down*
4 *and to have to return all of that investment money to his investors until he*
5 *could commence operations again.* Issue: Does anyone have any suggestion or
thoughts that we can advise the client (short of closing down its business for six
months) that he needs to do to resolve the loss of his exempt security status?"
(Emphasis added.)

6 105. Henderson and Wang responded to Beauchamp's email on June 20, 2013,
7 discussing when the "JOBS Act' requirement that the SEC eliminate the general
8 solicitation requirement for all accredited investors offerings [would] become
9 effective[.]"

10 106. On June 25, 2013, Beauchamp sent an email to Sipes which stated, in
11 part: "Attached is the previous POM for the client which has only had the date
12 changed. We stopped the updating when we were told that the investments from the
13 investors had jumped to approximately \$47.5 million. Given that significant increase, I
14 have been asking for help to determine what other federal or state laws might be
15 applicable. Bob Pederson of NY has said that the Trust Indenture Act will not be
16 applicable so long as the client is under the Regulation D, Rule 506 exemption. The
17 other big issues [that] have waited for your help to discern [is] if we need to comply
18 with the Investment Advisors Act of 1940 and the Registered Investment Advisors
19 requirements."

20 107. Beauchamp spoke to Sipes on June 27, 2013. Beauchamp's notes reflect
21 that Sipes told him the 2011 POM had incorrectly referenced an exemption under the
22 Investment Company Act, that she was considering other issues, and that she would
23 follow up by email.

24 108. Beauchamp spoke to Chittick on June 27, 2013. Beauchamp's notes
25 reflect that he shared with Chittick the information he had received from Sipes.

26 109. Chittick sent Beauchamp an email on June 27, 2013 to again confirm that
27 the requested changes to the website had been completed. He added, "Oh ya I just took
28 in another 1.1 million yesterday."

1 4. **During June 2013, Beauchamp Learned That Representations**
2 **Made In the 2011 POM About DenSco's Lending Practices**
3 **Were Materially Misleading But Failed to Conduct any**
4 **Investigation Of DenSco's Lending Practices.**

5 110. Beauchamp received an email from Chittick on June 14, 2013.

6 111. Chittick's email, which was copied to Yomtov "Scott" Menaged, said, in
7 part: "I have a borrower, to which I've done a ton of business with, million[s] in loans
8 and hundreds of loans for several years[.] [H]e's getting sued along with me. . . . Easy
9 Investments[] has his attorney working on it[.] [I]'m okay to piggy back with his
10 attorney to fight it[.] Easy Investments [is] willing to pay the legal fees to fight it. I
11 just wanted you to be aware of it, and talk to his attorney, [whose] contact info is
12 below."

13 112. Chittick's email included a forwarded email from Menaged which
14 provided contact information for his attorney, Jeffrey J. Goulder.

15 113. Copies of a summons, the first four pages of a complaint, a certificate of
16 compulsory arbitration, and a lis pendens were attached to the email.

17 114. Menaged responded to the email by telling Beauchamp in an email to
18 "bill me for your services and utilize my attorney for anything you may need."

19 115. The complaint and other documents Beauchamp received identified by
20 street address and legal description of the foreclosed home at issue in the lawsuit; they
21 also identified the names of the former owners.

22 116. After reviewing these documents, Beauchamp sent an email to Chittick on
23 June 14, 2013 which said "***We will need to disclose this in POM.***" (Emphasis added.)

24 117. Bryan Cave's billing records reflect that Beauchamp billed DenSco for 30
25 minutes of time on June 14, 2013 devoted to "[e]mail to D. Chittick regarding need to
26 disclose pending litigation in Private Offering Memorandum; review email from D.
27 Chittick; review requirements."
28

1 118. The complaint had been filed in Maricopa County Superior Court by Freo
2 Arizona, LLC against DenSco; Easy Investments, LLC; Active Funding Group, LLC;
3 Ocwen Loan Servicing, LLC; and another defendant.

4 119. According to the excerpt of the complaint that Beauchamp received,

5 a. A home in Peoria, Arizona was to be sold at a trustee's sale.

6 b. Freo claimed to have purchased the home on March 18, 2013,
7 before the date of the scheduled trustee's sale, by paying Ocwen Loan Servicing
8 the payoff amount for the mortgage, and that the sale was documented in a
9 warranty deed that had been recorded with the Maricopa County Recorder's
10 Office.

11 c. Ocwen failed to timely instruct the trustee to cancel the trustee's
12 sale.

13 d. On March 22, 2013, *Easy Investments* acquired the property at a
14 trustee's sale, and then "*attempted to encumber the property with deeds of trust*
15 *to Active [Funding Group] and DenSco.*" (Emphasis added.)

16 e. Freo filed its lawsuit to establish that it owned the property free
17 and clear of liens asserted by Active Funding Group and DenSco.

18 120. The *Freo* complaint put Beauchamp on notice that DenSco's 's 2011
19 POM was materially misleading because DenSco was not following the "proper method
20 and procedures for funding a loan" which, according to Beauchamp's interrogatory
21 answers, were described in the 2011 POM as including "'due diligence to verify certain
22 information in connection with funding a Trust Deed'" and "'conduct[ing] a due
23 diligence review by . . . verifying the documentation.'"

24 121. It was apparent from the *Freo* complaint that Chittick had not conducted
25 any due diligence before loaning money to Easy Investments to acquire this particular
26 home, since the property had been sold, according to public records, five days before a
27 trustee's sale. Under such circumstances, the loan funded by DenSco could not have
28

1 been a loan “intended to be secured through [a] first position trust deed[,],” as DenSco
2 had represented in the 2011 POM.

3 122. It was also apparent from the *Freo* complaint that Chittick had not
4 exercised appropriate care in loaning money to Easy Investments, since Freo alleged
5 that Easy Investments had “attempted to encumber the property with deeds of trust to
6 Active [Funding Group] and DenSco.” That allegation called into question both the
7 due diligence Chittick had employed in selecting Easy Investments as a borrower and
8 the practices Chittick followed in funding loans made by DenSco.

9 123. Although the files Beauchamp maintained and Bryan Cave’s billing
10 records reflect that the only actions Beauchamp took after receiving Chittick’s June 14,
11 2013 email were to spend 30 minutes to “review email from D. Chittick” and to send
12 “[e]mail to D. Chittick regarding need to disclose pending litigation in Private Offering
13 Memorandum,” Beauchamp claims in Defendants’ initial disclosure statement (at 6-7)
14 that he did more than that.

15 124. Beauchamp claims that after reviewing the *Freo* complaint, he “advised
16 Mr. Chittick . . . that Mr. Chittick needed to fund DenSco’s loans directly to the trustee
17 or escrow company conducting the sale, rather than provide loan funds directly to the
18 borrower, to ensure that DenSco’s deed of trust was protected.” This is an admission
19 by Beauchamp that he knew in June 2013 that the 2011 POM was materially
20 misleading.

21 125. Beauchamp goes on to say in Defendants’ initial disclosure statement that
22 “Mr. Chittick explained to Mr. Beauchamp that this was an isolated incident with a
23 borrower, Menaged, whom Mr. Chittick described in his email as someone he had
24 ‘done a ton of business with . . . hundreds of loans for several years’”

25 126. If a jury believes that Beauchamp actually had this discussion with
26 Chittick, despite the absence of any email, note or billing record to support
27 Beauchamp’s claim, it should conclude that Beauchamp decided not to take any steps to
28

1 investigate Chittick's admission that DenSco had lax lending practices, or was
2 preoccupied with his efforts to find a new law firm and did not take the time to do so.

3 127. An investigation into DenSco's lending practices was needed because:

4 a. the volume of DenSco's lending that Chittick was managing by
5 himself (a missed red flag when the 2011 POM was prepared), had significantly
6 increased, with the total amount of funds DenSco had received from investors
7 approaching \$50 million;

8 b. the allegations in the *Freo* lawsuit evidenced a lack of due
9 diligence on DenSco's part in deciding to fund the loan in question;

10 c. the allegations in the *Freo* lawsuit called into question whether
11 Menaged, whom Chittick described as one of DenSco's major borrowers, was a
12 reliable and trustworthy person.

13 d. Chittick's admission that he had given funds directly to Easy
14 Investments necessarily meant DenSco was not complying with the terms of the
15 Receipt and Mortgage which, as Beauchamp has noted in his interrogatory
16 answers, "stated that the check purchasing the property was made to the
17 Trustee."

18 e. Beauchamp knew on June 17, 2013, when he downloaded and
19 reviewed DenSco's website, that DenSco was representing to existing and
20 potential investors that it followed "Lending Guidelines" under which it would
21 be in "First Position ONLY!"

22 f. Beauchamp knew that DenSco would be actively selling
23 promissory notes in the latter half of 2013, since he knew, and told his Bryan
24 Cave colleagues on June 20, 2013, that "[a]ccording to [Chittick's] note
25 schedule, [DenSco] has approximately 60 investor notes that are scheduled to
26 expire in the next 6 months (and to probably be rolled over into new notes)."
27
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1 g. Beauchamp knew that DenSco was actively selling promissory
2 notes based on the 2011 POM. On June 27, 2013, for example, Chittick told him
3 by email "Oh ya I just took in another 1.1 million yesterday."

4 128. Beauchamp did not conduct an investigation of the allegations in the *Freo*
5 lawsuit regarding DenSco's lending practices, or of DenSco's lending practices
6 generally, in June 2013 (before the 2011 POM expired on July 1, 2013) or at any time
7 thereafter.

8 129. If Beauchamp had investigated the allegations in the *Freo* complaint, he
9 would have found within minutes, by reviewing records available through the Maricopa
10 County Recorder's website relating to the property described in the *Freo* lawsuit: (i) a
11 Deed of Trust and Security Agreement With Assignment of Rents given by Easy
12 Investments in favor of Active Funding Group, that Menaged had signed on March 25,
13 2013; and (ii) a Deed of Trust and Assignment of Rents given by Easy Investments in
14 favor of DenSco, that Menaged had signed on April 2, 2013. Both signatures were
15 witnessed by the same notary public.

16 130. Those documents confirmed the allegation in the *Freo* complaint that
17 DenSco was not in first position on a loan it had made to Easy Investments.

18 131. Those documents also showed that Menaged had purposefully borrowed
19 money, first from Active Funding and then from DenSco, using the same property as
20 security, since he had personally signed both the Active Funding deed of trust and the
21 DenSco deed of trust before a notary.

22 **5. During July and August 2013, Beauchamp Took Minimal**
23 **Steps to Prepare a New POM.**

24 132. After failing to do any investigation of the allegations in the *Freo* lawsuit
25 or of DenSco's lending practices generally, an apparently distracted Beauchamp took
26 minimal steps in July and August 2013 to prepare a new POM.

27 133. On July 1, 2013, Beauchamp received an email from Sipes which stated,
28 in part, that she didn't believe DenSco would be considered an investment advisor

1 under the Investment Company Act or the Investment Advisers Act and did not believe
2 DenSco needed to limit the number of accredited investors to whom it offered
3 promissory notes.

4 134. On July 10, 2013, Beauchamp forwarded to Chittick a news report that
5 the SEC had just decided to end the ban on general solicitation.

6 135. Bryan Cave's billing statements reflect that between July 12, 2013 and
7 July 31, 2013, Beauchamp recorded time to "revise disclosure in Private Offering
8 Memorandum" and "[w]ork on and revise Private Offering Memorandum" and had
9 additional time entries to "[w]ork on revisions to Private Offering Memorandum" or
10 "[w]ork on issues for Private Offering Memorandum."

11 136. But the only document in Bryan Cave's file that reflects any revisions
12 Beauchamp made to the draft of a 2013 POM is a draft containing several of his
13 handwritten edits. They included a note on the cover of the draft to "revise to new
14 version for B/L purposes," but no blacklined draft of a 2013 POM exists in Bryan
15 Cave's file.

16 137. Bryan Cave's billing records reflect that the only work Beauchamp
17 performed on the draft 2013 POM during August 2013 was to exchange emails on
18 August 6, 2013 with Jensen asking for a form subscription agreement to comply with
19 changes to Rule 506.

20 138. When Beauchamp left Bryan Cave in August 2013, the "due diligence"
21 file for the draft 2013 POM contained only three documents: (1) a June 18, 2013 article
22 captioned "Determining whether a company is an investment company"; (2) a printout
23 from DenSco's website dated June 17, 2013; and (3) a July 28, 2010 article captioned
24 "Private Fund Investors Advisors Registration Act of 2010: New Law Changes
25 Regulatory Framework for Alternative Investment Advisors."

26 139. Beauchamp's notes reflect that he left a voicemail message for Chittick
27 on August 26, 2013 regarding "need to work on the latest version of POM that Denny
28 has w/ the prior experience charts. Need to discuss timing and update."

1 140. His notes go on to reflect that he spoke to Chittick on August 26, 2013
2 and that he “explained delay w/ POM,” discussed the “need to get copy of Denny’s
3 latest POM & make changes to it,” and discussed that “BC will be sending a letter to
4 Denny & letting Denny decide if he wants files kept at BC or moved to CH.”

5 **6. Beauchamp Now Claims That Chittick Was Responsible for**
6 **His Failure to Prepare a New POM Before He Left Bryan**
7 **Cave, But His Claim is at Odds With the Documentary Record.**

8 141. In Defendants’ initial disclosure statement (at 5), Beauchamp claims that
9 he “was never able to finalize the 2013 POM” because of Chittick. He says that
10 “[a]lthough [he] asked for updated investment, loan and financial information regarding
11 DenSco, Mr. Chittick stalled on providing the information, preferring to wait until after
12 he scaled down the amount outstanding to investors.”

13 142. But Beauchamp’s claim has absolutely no support in the documentary
14 record, and is at odds with that record. Not only is there nothing in Bryan Cave’s files
15 reflecting that Beauchamp asked Chittick for information that was not provided or that
16 Chittick engaged in “stalling” tactics by Chittick, but the files reflect that Chittick
17 promptly gave Beauchamp the information he requested, and followed Beauchamp’s
18 advice, such as when Chittick promptly changed DenSco’s website after Beauchamp
19 told him to do so.

20 143. Moreover, the corporate journal Chittick maintained for 2013 (the “2013
21 Corporate Journal”) does not reflect any entries by Chittick about requests from
22 Beauchamp for information or his declination to provide that information.

23 144. The only reference in the 2013 Corporate Journal to the preparation of the
24 2013 POM is a June 17, 2013 entry which stated: “I am going back and forth with
25 David about how to circumvent this 50 million issue on size.” That entry is consistent
26 with Beauchamp’s communications of the same date as to whether DenSco had
27 engaged in general solicitation, an issue which, as noted above, was resolved on
28 July 10, 2013.

1 7. **A Distracted Beauchamp, After Failing to Prepare a**
2 **New POM by July 1, 2013, Did Not Advise DenSco to**
3 **Stop Selling Promissory Notes Until a New POM Was**
4 **Issued.**

5 145. By its terms, the 2011 POM expired on July 1, 2013.

6 146. There is no evidence in the documentary record that Beauchamp, with one
7 foot out Bryan Cave's door, ever advised DenSco that it could not sell any new
8 promissory notes after July 1, 2013 until it issued a new POM, and Beauchamp does not
9 claim that he did so.

10 147. Beauchamp, preoccupied with finding a new law firm where he could
11 continue to practice law, failed to give that advice, even though he knew, as he told his
12 Bryan Cave colleagues in a June 20, 2013 email, that DenSco had "approximately 60
13 investor notes that are scheduled to expire in the next 6 months (and to probably be
14 rolled over into new notes)."

15 148. And while Beauchamp claims in Defendants' initial disclosure statement
16 (at 7) that "[p]rior to his departure" from Bryan Cave, he "repeatedly made clear to
17 DenSco and Mr. Chittick that they needed to update DenSco's POM," there is no
18 documentary support for that claim.

19 149. Even if a jury believes that Beauchamp actually gave that advice, despite
20 the absence of any supporting documents, the advice fell short of an explicit instruction
21 that no sales could be made until a new POM was prepared. Without that instruction,
22 Chittick was effectively told that DenSco could indefinitely delay "updating" its POM
23 while continuing to sell promissory notes.

24 8. **Because of Beauchamp's Inattention, Chittick Caused DenSco**
25 **to Sell Approximately \$3.3 Million of Promissory Notes Before**
26 **Beauchamp Left Bryan Cave.**

27 150. Because Beauchamp failed to prepare a new POM by July 1, 2013 and
28 failed to tell Chittick that DenSco could not sell promissory notes until a new POM was
issued, Chittick caused DenSco, during July and August 2013, to sell promissory notes
to some of the "approximately 60 investor[s]" whose notes Beauchamp knew were

1 “scheduled to expire in the next 6 months (and to probably be rolled over into new
2 notes).”

3 151. In each case, an investor who had purchased a two-year promissory note
4 in 2011, which expired in July or August 2013, purchased a new two-year promissory
5 note. Those sales, which total \$2,337,653.47, are summarized in the following chart.

Investor	Amount	Date
Jeff Phalen	\$100,000	7/1/13
Gary Thompson	\$250,000	7/3/13
Kaylene Moss	\$10,000	7/12/13
Branson & Sandra Smith	\$250,000	7/13/13
Ralph Kaiser IRA	\$170,653.47	7/17/13
Jimmy Trainor	\$122,000	7/22/13
Russ Grisswold IRA	\$50,000	7/24/13
William Alber	\$60,000	7/28/13
Carol Wellman	\$50,000	7/28/13
Tom Smith	\$400,000	8/2/13
GE Seigford	\$70,000	8/2/13
GE Seigford	\$40,000	8/2/13
Carysn Smith	\$10,000	8/2/13
McKenna Smith	\$10,000	8/3/13
Gary Thompson	\$145,000	8/3/13
Carol & Mike Wellman	\$25,000	8/5/13
Stacy Grant IRA	\$75,000	8/8/15
GE Seigford	\$50,000	8/18/15
Tom Smith	\$400,000	8/24/15
Dale Hickman	\$50,000	8/30/15

1 152. In addition to these “rollover” promissory note sales, Chittick caused
2 DenSco to sell \$926,567 of new promissory notes to existing and new investors during
3 July and August 2013. Those sales are summarized in the following chart.

4

Investor	Amount	Date	Maturity
Laurie Weiskopf	\$100,000	7/10/13	7/10/15
Carol McDowell	\$100,000	7/3/13	7/3/15
Kevin Potempa	\$100,000	7/29/13	1/26/16
Wayne Ledet	\$30,567	8/23/13	8/23/15
Tom Smith	\$500,000	8/26/13	2/26/15
Kirk Fischer	\$70,000	8/26/13	8/26/18
Carsyn Smith	\$8,000	8/26/13	8/26/15
McKenna Smith	\$8,000	8/26/13	8/26/15
Averill Cate	\$10,000	8/29/13	8/29/14

15 **C. Facts Regarding Clark Hill’s Representation of DenSco in 2013**

16 **1. In September 2013, Beauchamp Brought DenSco to Clark Hill**
17 **as a New Client and Clark Hill Agreed to Prepare a New POM.**

18 153. On September 11 and 12, 2013, Beauchamp exchanged emails with
19 Chittick about taking steps to have certain DenSco files transferred from Bryan Cave to
20 Clark Hill: “AZ Practice Review”; “Blue Sky Issues”; “Garnishments”; “General
21 Corporate”; and “2011 and 2013 Private Offering.”

22 154. On September 12, 2013, Beauchamp sent Chittick an engagement letter,
23 which Chittick signed and returned that day.

24 155. The letter, which was captioned “Representation of DenSco Investment
25 Corporation,” stated that it would “serve[] to record the terms of [Clark Hill’s]
26 engagement to represent DenSco Investment Corporation (the ‘Client’), with regard to
27 the legal matters transferred to Clark Hill PLC from Bryan Cave LLP.”
28

1 156. Clark Hill's engagement letter, like those Beauchamp had sent DenSco
2 when he was at Gammage & Burnham and Bryan Cave, identified DenSco as Clark
3 Hill's client.

4 157. But Clark Hill's engagement letter went further, and expressly stated that
5 Clark Hill was representing only DenSco, and was not representing Chittick in any
6 capacity.

7 a. The letter stated that it was "supplemented by our Standard Terms
8 of Engagement for Legal Services, attached, which are incorporated in this letter
9 and apply to this matter and the other matter(s) for which you engage us."

10 b. The "Standard Terms of Engagement for Legal Services" included
11 a section called "Whom We Represent." That section stated: "The . . . entity
12 whom we represent is the . . . entity identified in our engagement letter and does
13 not include any . . . employees, officers, directors, shareholders of a corporation
14 . . . unless our engagement letter expressly provides otherwise."

15 158. Even though this engagement letter clearly and expressly stated that Clark
16 Hill represented only DenSco and was not also representing Chittick, Clark Hill and
17 Beauchamp say in their initial disclosure statement (at 3) that "Chittick understood that
18 Mr. Beauchamp, as an incident to Mr. Beauchamp's representation of DenSco, was also
19 representing Mr. Chittick in his capacity as president of DenSco."

20 159. On September 13, 2013, Beauchamp took steps to open a new matter for
21 DenSco in Clark Hill's accounting and filing systems that was mis-identified as "2003
22 Private Offering Memorandum." Beauchamp's notes stated that the file was being
23 opened to "[f]inish 2013 POM for client. Started POM update at Bryan Cave."

24 160. Beauchamp opened this file, obligating Clark Hill to provide securities
25 advice to DenSco and to diligently and promptly "finish [the] 2013 POM," knowing
26 that the 2011 POM had expired on July 1, 2013, no new POM had been issued, and that
27 as of June 20, 2013, "[a]ccording to [Chittick's] note schedule, [DenSco] ha[d]
28

1 approximately 60 investor notes that are scheduled to expire in the next 6 months (and
2 to probably be rolled over into new notes).”

3 **2. According to Clark Hill’s Records the Firm Did No Work**
4 **Whatsoever on a New POM During the Months of September,**
5 **October, November and December 2013.**

6 161. Clark Hill’s records show that neither Beauchamp nor any other Clark
7 Hill attorney performed *any* work on a new POM during September, October, or
8 November 2013.

9 162. The records also show that neither Beauchamp nor any other Clark Hill
10 attorney even attempted to contact Chittick about the new POM.

11 **a. On December 18, 2013, Chittick Asked Beauchamp By**
12 **Email Why the New POM Had Not Been Finished.**

13 163. The first time entry in Clark Hill’s billing records relating to a new POM
14 is a twelve-minute entry by Beauchamp on December 18, 2013 to “review email;
15 telephone conversation with D. Chittick; review POM.”

16 164. The email referenced in that time entry is an email that Chittick sent to
17 Beauchamp on December 18, 2013, saying “since you’ve moved, we’ve never finished
18 the update on the memorandum. Warren is asking where it is.”¹

19 165. Beauchamp did not send Chittick a response to that email.

20 166. There are not any notes in Clark Hill’s files made by Beauchamp that
21 summarized his December 18, 2013 call with Chittick.

22 167. Beauchamp apparently asked Chittick during that call to send him a copy
23 of the 2011 POM, since Chittick emailed Beauchamp an electronic copy of the final
24 2011 POM during the late morning of December 18, 2013. Beauchamp promptly
25 responded, saying simply “[t]hank you. Have a wonderful holiday season.”

26
27 ¹ Chittick was apparently referring to Warren Bush, an investor who had reviewed
28 and commented on a draft of the 2011 POM, and had communicated with Beauchamp
about that draft.

1 168. Beauchamp forward Chittick's e-mail to his secretary that afternoon,
2 asking her to "put this on our system for DenSco Investment Corporation/2013 POM."

3 **b. Clark Hill Claims That Beauchamp Learned During the**
4 **December 18, 2018 Call With Chittick About Problems**
5 **in DenSco' Loan Portfolio but Clark Hill Did Nothing to**
6 **Investigate Those Problems Nor Did It Begin Preparing**
7 **a New POM.**

8 169. In their initial disclosure statement (at 7), Clark Hill and Beauchamp
9 make claims about Beauchamp's December 18, 2013 telephone call with Chittick that
10 are at odds with Clark Hill's file, including its billing statement. They allege that
11 Chittick told Beauchamp "he had run into an issue with some of his loans with
12 Menaged, and specifically, that properties securing a few DenSco loans were each
13 subject to a second deed of trust competing for priority with DenSco's deed of trust."

14 170. Clark Hill and Beauchamp claim that, "[a]fter briefly discussing the
15 allegedly limited double lien issue, Mr. Chittick emphasized to Mr. Beauchamp that
16 Mr. Chittick wanted to avoid litigation with other lenders. Mr. Chittick, however, did
17 not request any advice or help. Accordingly, Mr. Beauchamp suggested that Mr.
18 Chittick develop and document a plan to resolve the double liens, and nothing more
19 came of the conversation."

20 171. Lastly, Clark Hill and Beauchamp claim that during the telephone
21 conversation "Mr. Beauchamp reminded Mr. Chittick that he still needed to update
22 DenSco's private offering memorandum."

23 172. No document in Clark Hill's file, such as the handwritten notes that
24 Beauchamp consistently and regularly kept to record his telephone conversations and
25 meetings with Chittick, exists.

26 173. The 2013 Corporate Journal does not have any entries by Chittick
27 reflecting that he had such a conversation with Beauchamp in December 2013.
28

1 174. If a jury were to believe Beauchamp's claim that he had such a
2 conversation with Chittick on December 18, 2013, despite the lack of evidence, it could
3 only conclude that Clark Hill and Beauchamp were negligent by:

4 a. Failing to immediately investigate the information Beauchamp
5 received about the Menaged loan problem, since Clark Hill had an affirmative
6 duty to diligently and timely prepare a new POM, having agreed to do so in
7 September 2013; and

8 b. Failing to expressly instruct Chittick that DenSco could not sell
9 *any* promissory notes, since the 2011 POM had expired and a new POM had not
10 yet been issued.

11 i. By merely "reminding" Chittick that DenSco needed to
12 "update" the 2011 POM, knowing that one-half of its investors would be
13 "rolling over" promissory notes during the last six months of 2013,
14 Beauchamp effectively advised Chittick that DenSco could indefinitely
15 delay "updating" the 2011 POM while continuing to sell promissory
16 notes.

17 **3. Although Clark Hill Did Nothing in December 2013 to Prepare**
18 **a New POM and Investigate Problems in DenSco's Loan**
19 **Portfolio, It Devoted Time That Month to Advising DenSco**
About Possibly Expanding its Business to Florida.

20 175. In Chittick's December 18, 2013 email to Beauchamp, Chittick wrote,
21 after asking about the status of Clark Hill's work on a new POM, about his plans to
22 expand DenSco's business to Florida. He wrote: "[I]'ve got two of my best borrowers
23 moving to F[L][.] [T]hey are begging me to look at lending in FL. [I] don't know
24 anything about the market there, but [I] trust these guys. [I]'ve done 20 million with
25 them over the past 5 yrs. [I]s it easy to find out the challenges, issues, etc with me
26 lending there?"

27 176. While Beauchamp did nothing in response to Chittick's question about
28 the status of a new POM, he immediately forwarded Chittick's e-mail to Clark Hill

1 attorney Daniel Schenck, asking “[w]ill you have time to do the research for Florida or
2 should I find someone else?”

3 177. Beauchamp also made an 18-minute time entry on December 18, 2013 to
4 “[r]eview email and outline Florida research.”

5 178. Between December 20, 2013 and December 23, 2013, both Beauchamp
6 and Schenck recorded time to conducting research and analysis on “Florida broker
7 issues,” “hard money regulatory lender requirements in Florida,” and “Florida lending
8 licenses.”

9 179. On December 23, 2013, Beauchamp recorded 42 minutes of time to
10 “[r]eview Florida research from D. Schenck; discuss research and follow up with D.
11 Schenck; email to D. Chittick.”

12 180. On Christmas Eve, December 24, 2013, Beauchamp sent Chittick an
13 email which stated: “Happy Holidays! Quick Status: Based on a review of the Florida
14 statutes, you would be considered a ‘Mortgage Lender’ which requires a license in
15 Florida. The Florida government office that regulates ‘Mortgage Lender’ [sic] has been
16 difficult to reach, but we will try again on Thursday. I want to confirm if you might be
17 able to qualify for a limited license to operate in Florida and check a few other
18 questions.”

19 181. On December 26 and 30, 2013, Beauchamp and Schenck recorded time to
20 obtaining information from the Florida Office of Financial Regulation and other
21 information relevant to Chittick’s December 18, 2013 inquiry about expanding
22 DenSco’s lending operations to Florida.

23 **4. Clark Hill Blames Chittick for Its Failure to Prepare a New**
24 **POM in 2013.**

25 182. In their initial disclosure statement (at 7), Clark Hill and Beauchamp
26 blame Chittick for their failure to do anything to prepare a new POM, which Clark Hill
27 agreed to undertake in early September 2013. They say that after Chittick signed Clark
28 Hill’s engagement letter on September 12, 2013 and directed Bryan Cave to transfer

1 certain files to Clark Hill, “Mr. Beauchamp never heard from Mr. Chittick regarding the
2 unfinished 2013 POM, or any other matter, until December 2013.”

3 183. When he was deposed, Beauchamp offered a new excuse for Clark Hill’s
4 failure to do any work on a new POM. He testified that Clark Hill did nothing to
5 prepare a new POM for DenSco because Chittick instructed him, as a condition of
6 signing Clark Hill’s engagement letter, that Clark Hill not do any work on a new POM
7 ““until I’m ready to go,”” and Beauchamp agreed.

8 184. Beauchamp did not include this material limitation on Clark Hill’s
9 representation in the engagement letter he asked DenSco to sign.

10 185. When Clark Hill agreed to abide by Chittick’s request, neither
11 Beauchamp nor any other Clark Hill attorney separately advised Chittick that DenSco
12 could not sell any promissory notes until it authorized Clark Hill to prepare a new POM
13 and DenSco had issued the POM.

14 **5. Clark Hill Was Negligent By Failing to Instruct DenSco That it**
15 **Could Not Sell Any Promissory Notes Until a New POM Was**
16 **Issued, and Aided and Abetted Chittick to Breach Fiduciary**
17 **Duties He Owed DenSco by Following Chittick’s Instructions**
to Not Prepare a New POM for DenSco, Knowing DenSco Was
Continuing its Business Operations and Selling Rollover
Promissory Notes.

18 186. Clark Hill was negligent by never advising Chittick that DenSco could
19 not sell any promissory notes until it had issued a new POM.

20 187. The evidence that will be presented to a jury will establish that if Clark
21 Hill had done so, DenSco would have followed that advice and worked diligently with
22 Clark Hill to prepare a new POM so that it could resume selling promissory notes.

23 a. Among other evidence is Clark Hill and Beauchamp’s admission
24 in their initial disclosure statement (at 4), that “[o]ver the years, Mr. Chittick
25 showed himself to be a trustworthy and savvy businessman, and a good client.
26 . . . Despite complaining about the cost of legal services, Mr. Chittick appeared
27 to follow Mr. Beauchamp’s advice and provided information when asked for it.”
28

1 b. Moreover, approximately six weeks before Clark Hill was retained,
2 DenSco had immediately followed Bryan Cave's advice to modify its website,
3 and Bryan Cave's files reflect that Chittick was prepared to cause DenSco to
4 refund all investor loans if that was necessary to correct the "general
5 solicitation" problem Bryan Cave had identified.

6 188. Beauchamp, by testifying that Clark Hill did not work on a new POM in
7 2013 because Chittick conditioned DenSco's execution of the firm's engagement letter
8 on Clark Hill's agreement to not perform any work on a new POM until Chittick was
9 "ready to go" -- when he and Clark Hill knew that one-half of DenSco's investors
10 would "roll over" their investments and purchase new promissory notes during the last
11 six months of 2013 --has admitted that from the moment DenSco retained Clark Hill in
12 September 2013, Clark Hill aided and abetted Chittick in breaching fiduciary duties
13 Chittick owed DenSco.

14 189. Between September and December 2013, Clark Hill substantially assisted
15 Chittick in breaching his fiduciary duties to DenSco by:

16 a. accepting DenSco as a client for purposes of preparing a new
17 POM, and then abiding by Chittick's instruction to not do any work on that
18 POM, knowing DenSco was continuing its business operations, including the
19 sale of promissory notes;

20 b. failing to appropriately advise DenSco about, and investigate facts
21 regarding, DenSco's loan portfolio because Chittick was allegedly "dealing"
22 with those problems; and

23 c. advising Chittick that DenSco could indefinitely delay the issuance
24 of an "update" to the 2011 POM,

25 190. The ongoing sale of "roll over" and new promissory notes was necessary
26 for DenSco to continue its business operations, and Clark Hill enabled DenSco to
27 obtain investor funds for a four-month period without making adequate disclosures to
28 those investors, exposing DenSco to substantial liability to its investors.

1 **6. During the First Four Months of Clark Hill's Representation**
2 **of DenSco, the Firm Aided and Abetted Chittick's Breach of**
3 **Fiduciary Duty to DenSco When He Caused DenSco to Sell**
 Approximately \$8.5. Million of Promissory Notes in Violation
 of the Securities Laws

4 191. As a result of Clark Hill's and Beauchamp's conduct, Chittick caused
5 DenSco between September and December 2013 to sell promissory notes to some of the
6 "approximately 60 investor[s]" whose promissory notes Beauchamp knew were
7 "scheduled to expire [during the last six months of 2013] (and to probably be rolled
8 over into new notes)."

9 192. In each case, an investor who had purchased a two-year promissory note
10 in 2011, which expired in September, October, November or December 2013,
11 purchased a new two-year promissory note. Those sales, which total \$4,148,162.79, are
12 summarized in the following chart.

13

Investor	Amount	Date
Van Butler	\$50,000	9/1/13
Arden & Nina Chittick	\$100,000	9/1/13
Carysn Smith	\$10,000	9/2/13
Michael & Diana Gumbert	\$100,000	9/8/13
Kaylene Moss	\$10,000	9/8/13
McKenna Smith	\$10,000	9/8/13
Glen Davis	\$20,000	9/12/13
Averill Cate, Jr.	\$10,000	9/13/13
Craig Brown	\$25,000	9/20/13
Judy & Gary Siegford	\$40,000	9/20/13
Bill & Jean Locke	\$15,000	9/25/13
Bill & Jean Locke	\$30,000	9/25/13
Ralph Hey	\$60,000	9/29/13
Michael & Diana Gumbert	\$100,000	9/30/13

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Mary Kent	\$100,000	10/1/13
Jim McArdle	\$100,000	10/3/13
Caro McDowell	\$100,000	10/7/13
Jeff Phalen	\$20,000	10/14/13
Jeff Phalen	\$20,000	10/14/13
Jeff Phalen – IRA	\$200,000	10/18/13
Brian Imdieke	\$250,000	10/19/13
Bill Hughes – IRA	\$314,700	10/24/13
Judy Hughes – IRA	\$14,300	10/24/13
Manual A. Lent – IRA	\$40,000	10/25/13
Dave Preston	\$60,000	10/26/13
Michael & Diana Gumbert	\$100,000	11/1/13
Jolene Page	\$50,000	11/1/13
Stanley Scholz – IRA	\$50,000	11/5/13
Wade Underwood	\$50,000	11/5/13
Paul A. Kent	\$112,161.79	11/9/13
Scott D. Detota	\$50,000	11/14/13
Tom Smith	\$800,000	11/21/13
Mary Kent	\$100,000	11/21/13
Les Jones	\$100,000	11/21/13
Vince & Sharry Muscat	\$200,000	11/23/13
Lillian Lent – IRA	\$17,000	11/25/13
Jolene Page	\$50,000	12/1/13
Gary Thompson	\$20,000	12/4/13
Kennen Burkhart	\$150,000	12/15/13
Mo & Sam Chittick	\$50,000	12/20/13
Jolene Page	\$200,000	12/22/13

Brian Imdieke	\$250,000	12/23/13
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193. In addition to these “rollover” promissory note sales, Chittick caused DenSco to sell \$4,029,066.71 of new promissory notes to existing and new investors during September, October, November and December 2013. Those sales are summarized in the following chart.²

Investor	Amount	Date
Ralph Hey	\$15,000	9/6/13
Marvin & Pat Miller	\$900,000	9/9/13
Marvin & Pat Miller	\$100,000	9/9/13
Marvin & Pat Miller	\$706,000	9/10/13
Ross Dupper	\$800,000	9/13/13
Jeff Phalen – IRA	\$150,000	9/17/13
Michael Zones	\$500,000	9/24/13
Erin Carrick – Trust	\$200,066.71	9/27/13
Averill Cate	\$10,000	10/15/13
Jemma Kopel	\$100,000	11/14/13
Averill Cate	\$10,000	11/15/13*
Brian Odenthal – IRA	\$8,000	12/1/13
Averill Cate	\$10,000	12/15/13*
Brian & Janice Odenthal	\$20,000	12/19/13
Steven Bunger	\$500,000	12/20/13**

D. Facts Regarding Clark Hill’s Representation of DenSco During 2014

1. Clark Hill Learned During the First Week of January 2014 That DenSco Had Suffered a Substantial Loan Loss Because of

² Each note was a two-year note, except those marked with an *, which were one-year notes, and the note marked with **, which matured on 3/31/14.

1 **Chittick's Mismanagement and Failure to Follow the Lending**
2 **Procedures DenSco Had Told Its Investors It Would Follow.**

3 194. On Sunday, January 5, 2014, Beauchamp received an email from Chittick
4 asking if he had time to meet with him during the coming week.

5 a. **On January 6, 2014, Beauchamp Received a Demand**
6 **Letter That Called into Question 52 Loans DenSco Had**
7 **Made to Menaged.**

8 195. On Monday, January 6, 2014, Beauchamp received an email from
9 Chittick which stated: "read the first two pages, then give me a call." Attached to the
10 email was a three-page demand letter from Bryan Cave attorney Robert J. Miller;
11 Exhibit A, a list of 52 properties; and two subordination agreements.

12 196. The letter was written on behalf of Azben Limited, LLC; Geared Equity,
13 LLC; and 50780, LLC (the "Lienholders"). It asserted that Geared Equity, 50780, and
14 Sell Wholesale Funding, LLC (the "Lenders") had each loaned money to Arizona
15 Home Foreclosures, LLC and Easy Investments, LLC, and that the loans Sell
16 Wholesale Funding had made were subsequently assigned to Azben.

17 197. Exhibit A to the letter identified, with reference to specific loan numbers
18 and street addresses, 52 loans that the Lenders had made to Easy Investments and
19 Arizona Home Foreclosures to acquire 52 homes at trustee sales.

20 198. The letter asserted that the Lenders' loans had been made by "certified
21 funds delivered directly to the trustee" and secured by "promptly recorded deeds of
22 trust confirming a senior lien position on each of the Properties."

23 199. The letter went on to assert that DenSco had "engaged in a practice of
24 recording a 'mortgage' on each of the [52 properties] on around the same time as the
25 Lenders were recording their senior deeds of trust" and that *each such mortgage falsely*
26 *stated that DenSco had "provided purchase money funding" and that its "loans are*
27 *'evidenced by a check payable' to the trustee for each of the Properties.*" (Emphasis
28 added.)

1 200. The letter asserted that DenSco could not claim to be in a senior lien
2 position on those properties “since in each and every instance, only the Lenders
3 provided the applicable trustee with certified funds supporting the Borrower’s purchase
4 money acquisition for each of the Properties.”

5 201. The letter demanded that DenSco sign subordination agreements
6 acknowledging that it did not have a first position lien on any of the 52 properties, and
7 said that if DenSco refused to do so, the Lienholders would assert claims against
8 DenSco for fraud and conspiracy to defraud; negligent misrepresentation; and wrongful
9 recordation pursuant to A.R.S. § 33-420.

10 202. The letter included “two forms of subordination agreement – one form
11 document applies to the Azben loans and the other form applies to the loans of Geared
12 Equity, LLC and 50780, LLC.” A footnote stated that “[p]roperty addresses and other
13 ‘form’ information will need to be included in each subordination agreement. My firm
14 will only commence preparing a subordination agreement for each loan when written
15 confirmation is provided that DenSco has unconditionally agreed to execute each
16 subordination agreement in the form enclosed herein.”

17 **b. On January 6, 2014, Beauchamp Reviewed the Demand**
18 **Letter, Which Provided Clear Evidence That Chittick**
19 **Had Breached His Fiduciary Duties to DenSco and**
20 **Exposed DenSco to Substantial Financial Loss.**

21 203. Beauchamp spoke to Chittick by telephone that day, after receiving the
22 letter. Beauchamp’s notes from that call state that Chittick told him DenSco’s “largest
23 borrower” – who Beauchamp knew or should have known from the *Freo* lawsuit he had
24 received in June 2013 was Menaged – “had a guy working in his office and was getting
25 2 loans on each property,” and that Chittick and Menaged “had already fixed about 6
26 loans.” The notes reflect that Beauchamp planned to meet with Chittick on Thursday,
27 January 9, 2014.

28 204. Clark Hill’s billing records reflect that Beauchamp billed 2.4 hours on
January 6, 2014 to “[r]eview, work on and respond to several emails; review statutory

1 references; telephone conversation with office of D. Chittick [a reference to having left
2 a voice-mail message for Chittick, since he worked alone from his home office];
3 telephone conversation with D. Chittick regarding demand letter, issues, background
4 information and requirements; review notes and statute requirements; review
5 documents.”

6 205. From the demand letter alone, Beauchamp knew that:

7 a. Chittick had failed to follow the lending procedures called for by
8 the Receipt and Mortgage document Beauchamp had approved in 2007. That
9 document called for DenSco’s borrower to present a “check payable to _____
10 (‘Trustee’)” to the Trustee. It was evident from the demand letter that DenSco
11 had not done so. DenSco could not have issued 52 checks payable to Trustees,
12 since the letter asserted that the Lenders had issued checks to the Trustees when
13 they acquired those 52 properties.

14 b. DenSco’s borrowers, Arizona Home Foreclosures and Easy
15 Investments – which were both owned by Menaged – had obtained 52 loans
16 from the Lenders and 52 loans from DenSco, that were to be secured by the
17 same 52 properties. If, as the Lenders claimed, they had actually paid a Trustee
18 for each property, DenSco had effectively made 52 unsecured loans and the
19 disposition of those monies was unknown.

20 c. The potential financial impact on DenSco was substantial.
21 Beauchamp knew from the 2011 POM that DenSco’s average loan amount was
22 \$116,000, so that DenSco’s potential losses from the 52 loans, if the loan
23 proceeds could not be traced and recovered, was \$6 million or more, or
24 approximately 13% of the \$47 million that Beauchamp understood DenSco had
25 raised from investors as of June 2013.

26 206. Beauchamp could have easily conducted a limited investigation to
27 evaluate the claims in the demand letter that the Lenders were in first position on each
28 of the 52 properties, or to assess the information he had received during his telephone

1 call with Chittick that “a guy working in [Menaged’s] office . . . was getting 2 loans on
2 each property.”

3 207. Beauchamp could have done so by searching for publicly recorded
4 documents that were identified in the two subordination agreements attached to the
5 demand letter.

6 a. The first of those subordination agreements identified, by reference
7 to the instrument number assigned by the Maricopa County Recorder (2013-
8 0832534), the Mortgage DenSco had recorded on September 16, 2013 on the
9 property at issue. The subordination agreement also identified, by reference to a
10 recorded instrument number (2013-0833010), the deed of trust that Sell
11 Wholesale Funding, LLC had recorded on September 16, 2013 for the same
12 property.

13 b. In January 2014, the Maricopa County Recorder’s Office had a
14 free “Recorded Document Search” function. The same tool is available today.

15 c. If Beauchamp had used that tool, two brief searches would have
16 shown that the DenSco Mortgage (2013-0832534) was signed by Menaged
17 before a notary on September 16, 2013, and that Menaged also signed the Sell
18 Wholesale Funding deed of trust (2013-0833010) before a notary on
19 September 16, 2013. Those searches would also have identified the property in
20 question as 977 S. Colonial Drive in Gilbert, Arizona.

21 d. Those two documents show that Menaged, not “a guy in his
22 office,” had secured both loans.

23 e. The second of the subordination agreements attached to the
24 demand letter identified, by reference to a recorded instrument number (2013-
25 0717135), the Mortgage DenSco had recorded on August 6, 2013 on the
26 property at issue. The subordination agreement also identified, by reference to a
27 recorded instrument number (2013-0721399), the deed of trust that Geared
28 Equity, LLC had recorded on August 7, 2013 for the same property.

1 f. If Beauchamp had used the Recorded Document Search tool, two
2 brief searches would have shown that the DenSco Mortgage (2013-0717135)
3 was signed by Menaged before a notary on August 6, 2013, and that Menaged
4 also signed the Sell Wholesale Funding deed of trust (2013-0721399) before a
5 notary on August 6, 2013. Those searches would have identified the property in
6 question as 39817 Messner Way in Anthem, Arizona.

7 g. Those two documents show that Menaged, not “a guy in his
8 office,” had secured both loans.

9 208. As for the remaining 49 properties on Exhibit A to the demand letter,
10 Beauchamp could have, either by himself, or through a paralegal, quickly discovered
11 that in each case, Menaged, and not “a guy in his office,” had signed the documents at
12 issue.

13 a. This could have been done by using a free search function on the
14 Maricopa County Assessor’s Office website that allows anyone to search for
15 property records using a street address (such as those given in Exhibit A to the
16 demand letter), or other means of customary due diligence. The Assessor’s
17 website provides a link to a recorded instrument on the Maricopa County
18 Recorder’s Office website for each property, and that information could have in
19 turn been used to quickly locate both the deed of trust recorded by the Lenders
20 and DenSco’s competing Mortgage by using the Recorded Document Search
21 tool.

22 b. Such a search, which would take less than five minutes for each
23 property, would produce records showing that for each of the 49 properties,
24 Menaged had signed both a DenSco Mortgage and another lender’s deed of trust
25 before a notary, providing further evidence that Menaged, not “some guy in his
26 office,” had secured all of the loans in question, and had purposefully defrauded
27 DenSco.
28

1 c. **On January 7, 2014, Clark Hill Received an Email From**
2 **Chittick in Which He Admitted That He Had Grossly**
3 **Mismanaged DenSco's Loan Portfolio, Failed to Comply**
 With the Lending Practices Disclosed in the 2011 POM,
 and Caused Densco to Suffer Substantial Losses.

4 209. On Tuesday, January 7, 2014, Beauchamp received an email from
5 Chittick, copied to Menaged, which contained information relevant to the demand letter
6 and said that Chittick was bringing Menaged to the planned January 9, 2014 meeting.

7 210. Chittick's email said that DenSco had, since 2007, loaned \$50 million to
8 "a few different LLC's" controlled by Menaged. Beauchamp knew or should have
9 known that those companies included the two entities identified in the demand letter:
10 Easy Investments (a defendant in the June 2013 *Freo* lawsuit) and Arizona Home
11 Foreclosures.

12 211. Chittick's email said that "[b]ecause of our long term relationship, *when*
13 *[Menaged] needed money, [I] would wire the money to his account and he would pay*
14 *the trustee*" (emphasis added), Menaged would sign a Mortgage that referenced the
15 payment to the trustee, and Chittick would cause the Mortgage to be recorded.

16 212. Chittick attached to his email a form of Mortgage, Deed of Trust, and
17 Note Secured by Deed of Trust that he routinely used in making loans to Menaged,
18 which Chittick described as "docs you have reviewed and have been reviewed by a guy
19 at your last law firm, maybe two firms ago in 2007."

20 213. Chittick's email confirmed what was evident from the demand letter, and
21 brought home the red flags Beauchamp had missed when he prepared the 2011 POM
22 and when he reviewed the *Freo* lawsuit six months earlier:

23 a. Chittick had been grossly negligent in managing DenSco's loan
24 portfolio, by not complying with the terms of the Mortgage, which called for
25 DenSco to issue a check payable to the Trustee, and instead wiring money to
26 Menaged, trusting Menaged to actually use those funds to pay a Trustee.

27 b. Chittick's admitted practice of giving DenSco's funds directly to
28 Menaged, rather than paying them directly to a Trustee through a check made

1 payable to the Trustee, made the statements in the 2011 POM about DenSco's
2 lending practices materially misleading.

3 214. Chittick's reference to "docs you have reviewed and have been reviewed
4 by a guy at your last law firm, maybe two firms ago in 2007" suggested that Chittick
5 might blame Beauchamp for the problems DenSco now faced because of DenSco's use
6 of those documents.

7 215. Chittick's email went on to say that Menaged had told him in November
8 2013 that DenSco had been defrauded by Menaged's "cousin," who allegedly worked
9 with Menaged in managing Easy Investments and Arizona Home Foreclosures.
10 Menaged claimed that his "cousin" had "receiv[ed] the funds from [DenSco], then
11 request[ed] them from . . . other lenders [who] cut a cashiers check for the agreed upon
12 loan amount . . . [took] it to the trustee and . . . then record[ed] a [deed of trust]
13 immediately."

14 216. Chittick explained that "sometimes" DenSco had recorded its mortgage
15 before another lender's deed of trust was recorded, but in other cases it had not.

16 217. According to Chittick, "[t]he cousin absconded with the funds.
17 [Menaged] figured this out in mid November. He came to me and told me what was
18 happening. He said he talked to the other lenders and they agreed that this was a mess,
19 and as long as they got their interest and were being paid off they wouldn't foreclose,
20 sue or anything else."

21 218. Chittick went on to describe the "plan" that he and Menaged had been
22 executing since November: to "sell off the properties and pay off both liens with
23 interest and make everyone whole." He acknowledged that there were "short falls" on
24 each property, representing the difference between the value of the property and the
25 combined amount of the two loans, and that "[c]oming up with the short fall on all these
26 houses is a challenge, but we believe it is doable. Our plan is a combination of
27 injecting capital and extending cheaper money."
28

1 219. Chittick described the basic terms of the agreement with the “other
2 lenders” as including the following: (1) “all lenders will be paid their interest, except
3 [DenSco], I’m allowing [its] interest to accrue”; and (2) DenSco is “extending
4 [Menaged] a million dollars against a home at 3%.”

5 220. Chittick claimed that he and Menaged had “already cleared up about 10%
6 of the total \$’s in question” with the “other lenders.”

7 221. As for the “gentleman who handed me the paperwork” – a reference to a
8 person affiliated with one of the three entities identified in the demand letter – Chittick
9 wrote that he “believes because he physically paid the trustee that he is in first position,
10 but agrees it’s messy. [H]e wants me to subordinate to him, no matter who recorded
11 first. [W]e have paid off one of his loans, you’ll see on this list Pratt – paid in full, I’ve
12 attached the hud-1 and you can see that it shows me in first position versus his belief.
13 [N]ow that’s one title agent[’]s opinion, [I] understand that’s not settling [a] legal
14 dispute on who’s in first or second.”

15 222. Chittick went on to state: *“I know that [I] can’t sign the subordination*
16 *[agreement] because that goes against everything that [I] tell [DenSco’s] investors.”*
17 (Emphasis added.)

18 223. He also wrote that “there are several other lenders waiting to see what [I]
19 do[.] [I]f I sign with this group, they want to have me sign for them too.”

20 224. Chittick concluded his email by stating “[w]hat we need is an agreement
21 that as long as the other lenders are being paid their interest and payoffs continue to
22 come . . . that no one initiates foreclosure for obvious reasons, which will give us time
23 to execute our plan.”

24 **d. On January 7 and 8, 2014, Beauchamp Reviewed the**
25 **Demand Letter and Chittick’s January 6, 2014 Email,**
26 **Including a Review of “Lien Dispute Information.”**

27 225. Clark Hill’s billing records reflect that Beauchamp billed 1.8 hours on
28 January 7, 2014 to “[r]eview legislative history for purchase money security interest;

1 review documents and follow-up information” and “telephone conversation with office
2 of D. Chittick,” which was a reference to having left a voicemail message for Chittick.

3 226. Clark Hill’s billing records reflect that Beauchamp billed 1.7 hours on
4 January 8, 2014 to “[r]eview information from D. Chittick; review and outline follow-
5 up questions; prepare for meeting; review lien dispute information.”

6 227. As of January 8, 2014, Beauchamp knew that:

7 a. Chittick had breached fiduciary duties he owed DenSco by causing
8 it to sell promissory notes to investors during the four months that had passed
9 since DenSco’s September 2013 retention of Clark Hill without first issuing the
10 new POM that Clark Hill had been retained to prepare, but had not prepared at
11 Chittick’s instruction;

12 b. Chittick had breached fiduciary duties he owed DenSco through
13 grossly negligent lending practices;

14 c. the scope of DenSco’s financial exposure was greater than the 52
15 properties identified in the demand letter, since it included the “other lenders”
16 with whom Menaged had reached an informal agreement in November 2013;

17 d. Investors who had purchased promissory notes since Clark Hill’s
18 September 2013 retention had not been told of the *Freo* lawsuit; DenSco’s
19 grossly deficient lending practices; DenSco’s concentration of loans made to one
20 borrower, Menaged; DenSco’s November 2013 discovery of the fraud allegedly
21 perpetrated by Menaged’s “cousin”; and Chittick’s plan to help Menaged by
22 “injecting capital” to pay off the loans of other lenders on properties that
23 Menaged’s companies had allegedly purchased with DenSco’s funds, allowing
24 interest on DenSco’s loans to accrue, and lending Menaged \$1 million at 3%
25 interest.

26 e. Chittick was unwilling to cause DenSco to accept the losses his
27 gross negligence had caused by signing the subordination agreements attached to
28 the demand letter, “because that goes against everything that [he] tell[s]

1 [DenSco's] investors," or to make any disclosure to DenSco's investors while he
2 and Menaged pursued their plan.

3 228. Beauchamp also knew from his January 6 review of the demand letter and
4 the hours he had devoted on January 7 and 8 to analyzing Chittick's email and other
5 information he had received from Chittick, that Menaged's "cousin" story was
6 implausible and that by accepting the story without investigation and planning to
7 continue DenSco's lending relationship with Menaged, Chittick was breaching his
8 fiduciary duties to DenSco.

9 229. In addition to the information provided in the subordination agreements
10 and the list of the other 52 properties identified in the demand letter, Beauchamp should
11 have also reviewed the information attached to Chittick's January 6, 2014 email
12 regarding a loan for which Chittick claimed DenSco was in first position.

13 230. If Beauchamp had used the information in the settlement statement
14 attached to Chittick's email to investigate Chittick's claim that DenSco was in first
15 position with respect to the "Pratt" property, he could have used the Recorded
16 Document Search tool on the website maintained by Maricopa County Recorder's
17 Office.

18 231. A few brief searches would have confirmed Chittick's claim that DenSco
19 was the first to record: DenSco's Mortgage was recorded on September 18, 2013 as
20 instrument number 2013-0837513, while Geared Equity's deed of trust was recorded on
21 September 19, 2013 as instrument number 2013-0842640.

22 232. But those two documents would also have shown that Menaged signed
23 each document before a notary on September 17, 2013, making clear that Menaged, not
24 his "cousin," had secured both loans.

25 233. Moreover, because the demand letter claimed that Geared Equity had
26 delivered funds to the Trustee, and Chittick had admitted he had not, the question
27 remained as to where DenSco's funds had gone and whether they could be recovered.

28 **2. Clark Hill Failed to Properly Advise DenSco.**

1 a. **After Receiving the Demand Letter and Chittick's**
2 **January 6 Email, Beauchamp Should Have Insisted on**
3 **Meeting with Chittick Alone So That He Could Advise**
4 **Chittick of the Actions He Was Required to Take to**
 Protect DenSco From Further Harm, But Beauchamp
 Failed to Do So.

5 234. Beauchamp, as DenSco's attorney, should have recognized that he had an
6 obligation to meet privately with Chittick, without Menaged present, to confirm
7 relevant facts, and advise Chittick, as DenSco's President, of the actions DenSco
8 needed to take and the consequences to DenSco if it failed to do so.

9 235. While the specific actions Beauchamp should have taken on January 8,
10 2014 is the subject of expert testimony, which will be disclosed in accordance with the
11 scheduling order that has been entered in this case, the Receiver anticipates that those
12 actions would have included the following:

13 a. Telling Chittick he should not bring Menaged to their scheduled
14 January 9, 2014 meeting;

15 b. Telling Chittick that DenSco's sale of promissory notes since
16 July 1, 2013 to investors exposed DenSco and Chittick to civil and criminal
17 liability;

18 c. Telling Chittick that DenSco should not have sold any notes
19 without first issuing a new POM and should not use the proceeds of sales made
20 since July 1, 2013 until the investors who bought those notes had been given a
21 new POM and afforded an opportunity to rescind those transactions;

22 d. Telling Chittick that DenSco could not sell any new promissory
23 notes until Clark Hill was able to conduct an adequate investigation of DenSco's
24 lending practices and other material information and a new POM had been
25 issued;

26 e. Telling Chittick that DenSco should immediately cease doing
27 business with Menaged based on the implausibility of the "cousin" story and the
28 readily available public records discussed above;

1 f. Telling Chittick that, at a minimum, DenSco should not have any
2 further business dealings with Menaged until it had investigated the true facts of
3 the alleged fraud by Menaged's "cousin";

4 g. Telling Chittick that after discovering the true facts about
5 Menaged's dealings with DenSco (whether through a review of public records or
6 some other investigation), DenSco should rescind all lending agreements it had
7 made with Menaged since November 2013 on the grounds of fraud in the
8 inducement, and seek to enforce its remedies for all other loans that Menaged
9 had obtained through fraud; and

10 h. Telling Chittick that DenSco had to assess the impact of the fraud
11 on DenSco's financial position, and if that assessment resulted in a finding that
12 DenSco was insolvent, DenSco had to consider duties owed to its investors and
13 other creditors in making all business decisions.³

14 236. This advice should have been documented in writing.

15 237. If Chittick declined to follow the advice, Beauchamp should have
16 threatened to withdraw from representing DenSco, which may have caused Chittick to
17 relent and follow the advice.

18 238. Beauchamp did not tell Chittick he should not bring Menaged to the
19 planned January 9, 2014 meeting and did not give the advice described above.

20 239. The Receiver intends to offer evidence at trial establishing that if
21 Beauchamp had taken these actions, Chittick would have caused DenSco to follow that
22 advice.

23 240. Evidence of Chittick's long professional relationship with Beauchamp
24 and numerous instances of Chittick following Beauchamp's legal advice establish that
25 if Beauchamp had properly advised DenSco during the first week of January 2014,

26 ³ DenSco was indisputably insolvent in January 2014, as Chittick's statements to
27 Beauchamp at the time made clear and as the Receiver was able to determine after
28 reviewing DenSco's QuickBooks records.

1 Chittick would have caused DenSco to: (i) stop selling promissory notes; (ii) terminate
2 its relationship with Menaged and his companies; (iii) pursue its remedies against
3 Menaged and his companies; and (iv) explore whether DenSco could survive as a going
4 concern or would have to liquidate. Such evidence includes:

5 a. Clark Hill and Beauchamp's admission in their initial disclosure
6 statement (at 4), that "[o]ver the years, Mr. Chittick showed himself to be a
7 trustworthy and savvy businessman, and a good client. . . . Despite complaining
8 about the cost of legal services, Mr. Chittick appeared to follow Mr.
9 Beauchamp's advice and provided information when asked for it."

10 b. Moreover, only six months earlier, DenSco had immediately
11 followed Bryan Cave's June 2013 advice to modify its website, and Bryan
12 Cave's files reflect that Chittick was prepared to cause DenSco to refund all
13 investor loans if that was necessary to correct the "general solicitation" problem
14 Bryan Cave had identified.

15 **3. During the January 9, 2014 Meeting with Chittick and**
16 **Menaged, Beauchamp Learned That DenSco Faced an Even**
17 **Larger Financial Exposure as a Result of Chittick's**
18 **Mismanagement Than the Exposure Presented by the Demand**
Letter, And Chittick Wanted to Try to Cover Up His
Mismanagement By Pursuing a "Work Out" Plan With
Menaged.

19 241. Clark Hill's billing records reflect that Beauchamp billed 4.3 hours on
20 January 9, 2014 to "[p]repare for and meeting with D. Chittick and S. Menages [sic];
21 review and work on notes from meeting and outline follow-up; review and respond to
22 several emails; review documents and information."

23 242. Beauchamp's notes from the January 9, 2014 meeting reflect that Chittick
24 and Menaged confirmed that DenSco faced exposure from both the Lienholders
25 identified in the January 6, 2014 demand letter and other lenders, including Active
26 Funding Group.
27
28

1 243. According to Beauchamp's notes, the number of loans made by DenSco
2 that were not in first position and were either unsecured or under-secured was between
3 100 and 125. Based on that information and the 2011 POM's average loan amount of
4 \$116,000, Beauchamp knew or should have known that DenSco's loans to Menaged
5 represented a potential loss of between \$11.6 and \$14.5 million, or between 25% and
6 30% of the \$47 million that Beauchamp understood DenSco had raised as of June 2013.

7 244. Beauchamp's notes from the January 9, 2014 meeting also reflect that
8 Chittick did not know what had happened to as much as \$14.5 million that DenSco had
9 loaned to Menaged, and that Chittick was not taking any meaningful steps to investigate
10 the loss and seek to recover those funds. The notes state: "What happened to the
11 money? -- Will pursue something or his cousin → but trying to determine where the
12 money has gone."

13 245. Beauchamp's notes from the January 9, 2014 meeting also reflect that,
14 although the money DenSco previously loaned Menaged was missing and Chittick had
15 taken no steps to investigate the circumstances under which the loan losses had
16 occurred and their impact on DenSco, Chittick and Menaged had agreed to pursue a
17 "work out" of the loan losses caused by Chittick's gross mismanagement of DenSco's
18 lending practices.

19 **4. After the January 9, 2014 Meeting, Clark Hill Helped Chittick**
20 **Breach Fiduciary Duties He Owed to DenSco and Negligently**
21 **Advised DenSco About the Practices It Should Follow in**
 Continuing to Loan Money to Menaged.

22 246. After the January 9, 2014 meeting, Clark Hill helped Chittick breach
23 fiduciary duties he owed DenSco by negotiating a "Forbearance Agreement" that was
24 not in DenSco's interest and was instead intended to cover up Chittick's
25 mismanagement of DenSco's lending practices and protect Chittick from potential
26 claims by DenSco's investors.

27 247. Clark Hill also helped Chittick breach fiduciary duties by advising
28 Chittick that DenSco could continue to raise money from investors while Chittick was

1 implementing his “work out” plan, and that DenSco could indefinitely delay issuing a
2 new POM until Chittick felt comfortable doing so.

3 248. These actions served Chittick’s interests, who hoped to “fix” the problem
4 created by his mismanagement and delay telling his investors about the problem until
5 he had minimized the financial harm and delay or avoid making disclosures to
6 DenSco’s investors about the Forbearance Agreement and how it came to be put in
7 place.

8 249. Clark Hill and Beauchamp, on the other hand, having failed to properly
9 advise Chittick in September 2013 that it could not sell promissory notes without first
10 issuing a new POM, and having agreed with Chittick to indefinitely delay work on the
11 POM, similarly saw the Forbearance Agreement as an opportunity to cover up their
12 negligence and potentially mitigate their exposure.

13 250. At the same time that it was drafting the Forbearance Agreement, which
14 obligated DenSco to continue loaning money to Menaged, Clark Hill failed to properly
15 advise DenSco about how the loans should be made.

16
17 **5. Clark Hill Aided and Abetted Chittick’s Breach of Fiduciary**
18 **Duties Owed DenSco by Negotiating and Documenting a**
19 **Forbearance Agreement Between January and April 2014**
20 **That Was Not in DenSco’s Interests and Was Intended by**
21 **Clark Hill to Cover Up Chittick’s Mismanagement of DenSco’s**
22 **Lending Practices and Protect Chittick From Claims by**
23 **DenSco’s Investors.**

24 251. On January 10, 2014, Beauchamp opened a “new matter” for DenSco in
25 Clark Hill’s accounting and filing systems that was called “work-out of lien issue” to
26 enable and implement the “work out” plan Chittick and Menaged had developed.⁴

27 252. Over the next three months, Beauchamp helped negotiate and finalize a
28 Forbearance Agreement that was not in DenSco’s interests and was, as Beauchamp said

⁴ A few days later, on January 14, 2014, Beauchamp opened a “new matter” for DenSco in Clark Hill’s accounting and file systems that was called “business matters.”

1 multiple times in writing, intended to protect Chittick from potential claims by his
2 investors by making it appear that the loan losses DenSco faced were caused by
3 Menaged, rather than by Chittick's gross mismanagement of DenSco's lending
4 practices, and that Chittick had taken appropriate steps to protect DenSco's interests.

5 **a. In January 2014, Beauchamp Negotiated the Terms of a**
6 **Nondisclosure Agreement and Term Sheet.**

7 253. During the week of January 12, 2014, Beauchamp prepared a
8 nondisclosure agreement and a term sheet. Beauchamp negotiated with Menaged's
9 attorney, Jeff Goulder, over the term sheet.

10 254. Beauchamp also communicated with Bryan Cave attorney Bob Miller,
11 who withdrew from representing his clients on January 16, 2014 because of a conflict
12 issue raised by Beauchamp and the scope of the consent DenSco would give Bryan
13 Cave.

14 255. Chittick (for DenSco) and Menaged signed the nondisclosure agreement
15 and term sheet on Friday, January 17, 2014. The term sheet contemplated that DenSco
16 would advance additional funds to Menaged, some of which would be used to pay off
17 (by February 28, 2014) the loans held by the lenders represented by Bryan Cave. The
18 term sheet also outlined the elements of a Forbearance Agreement and a process to
19 resolve the claims of the other competing lenders.

20 **b. During February 2014, Beauchamp Negotiated the**
21 **Terms of the Forbearance Agreement With Menaged's**
22 **Counsel, Repeatedly Stating That the Agreement Was**
Needed to Protect Chittick's, Rather Than DenSco's
Interests.

23 256. During the first week of February, Beauchamp began negotiating with
24 Goulder over the terms of a Forbearance Agreement.

25 257. It is evident from Beauchamp's communications with Chittick and
26 Goulder during February 2014 that Clark Hill was looking out for Chittick's interests,
27 rather than the interests of DenSco and its investors.
28

1 258. One example of Clark Hill's misplaced loyalty to Chittick is a February 4,
2 2014 email that Beauchamp sent to Chittick, which said:

3 a. "Before we all get into a room, you and I need to make sure we
4 have a clear understanding of what you can do and what you cannot do without
5 going to all of your investors for approval. We have a deal that works for you
6 and your investors and is fair to [Menaged]. Now [Goulder] is trying to better
7 the deal for [Menaged]. But you already have been more than generous trying to
8 help [Menaged] out of [Menaged's] problem. Again, *this goes back to*
9 *[Goulder] not acknowledging that this is [Menaged's] problem and instead*
10 *insisting that this is your problem because you did not make sure that*
11 *[Menaged] handled the loans properly and that you did not take the necessary*
12 *actions so that DenSco had a first lien on each property. . . . [Goulder] is*
13 *trying to have you think that you have significant responsibility for creating*
14 *this problem as opposed to this being created by [Menaged's] cousin working*
15 *for [Menaged]. . . . [Goulder] is trying to make you feel that you are guilty so*
16 *you have to assume a significant responsibility in the agreement to share*
17 *[Menaged's] problem, but nobody stole the money from you. You can help and*
18 *have helped [Menaged], but you cannot OBLIGATE DenSco to further help*
19 *[Menaged], because that would breach your fiduciary duty to your investors."*
20 (Emphasis added.)

21 259. And in an email Beauchamp sent to Goulder on Friday, February 7, 2014
22 Beauchamp wrote: "*Based on your previous changes, the Forbearance Agreement*
23 *would be prima facie evidence that Denny Chittick had committed securities fraud*
24 *because the loan documents he had [Menaged] sign did not comply with DenSco's*
25 *representations to DenSco's investors in its securities offering documents.*
26 Unfortunately, this agreement needs to not only protect [Menaged] from having this
27 agreement used as evidence of fraud against him in litigation, *the agreement needs to*
28 *comply with Denny's fiduciary obligation to his investors as well as not become*

1 *evidence to be used against Denny for securities fraud.* . . . We wanted the document
2 to set forth the necessary facts for Denny to satisfy his securities obligations to his
3 investors (including that the original loans had to have been written and secured by a
4 first lien on real property and that the workout agreed to by Denny complied with his
5 workout authorization) without having [Menaged] admit to facts that could cause
6 trouble to him. . . .To try to balance the respective interests, I have inserted sections
7 from the loan documents into the Forbearance Agreement. Referencing the language of
8 the Loan Documents is needed to satisfy Denny’s fiduciary obligations, but I have also
9 modified the other provisions so that the Borrower is not admitting that it was required
10 to provide first lien position in connection with the loans.” (Emphasis added.)

11 260. In an email exchange on Sunday, February 9, 2014 Beauchamp told
12 Chittick “[p]lease understand that you are limited in what risk or liability you can
13 assume. Your fiduciary duty to your investors makes this a difficult balancing act.”

14 261. Chittick’s response was that he “trusts that we are in balance and I have
15 even more confidence that [Menaged] and I can solve this problem without issue and
16 we never have to use the document that we’ve worked so long on getting completed.”

17 262. Beauchamp responded: “Your point is understood. If possible, please
18 recognize and understand that *you will ‘use’ the document even if you and [Menaged]*
19 *never refer to it again. It has to have the necessary and essential terms to protect you*
20 *from potential litigation from investors and third parties.*” (Emphasis added.)

21 263. In his notes from a February 11, 2014 call with Chittick, which touched
22 on the status of Chittick’s and Menaged’s plan to pay off loans on the double-escrowed
23 properties, Beauchamp wrote “‘Material Disclosure’ – exceeds 10% of the overall
24 portfolio.” But in his discussions with Chittick about requests from Goulder for further
25 concessions, including an agreement not to pursue civil claims for fraud, Beauchamp’s
26 focus was on protecting Chittick’s interests, including protecting him from a potential
27 investor claim.
28

1 264. In a February 14, 2014 email to Chittick, Beauchamp wrote: “[Goulder]
2 clearly thinks he can force you to agree to accept a watered down agreement and give
3 up substantial rights that you should not have to give up. Unfortunately, it is not your
4 money. It is your investors’ money. So you have a fiduciary duty. . . . **[Menaged] is**
5 **the one responsible for this and not you.** (Emphasis added.) He failed to put out the
6 proper protection systems in place so his cousin could not do what his cousin did. . . .
7 **[Menaged’s] actions to comply with the terms of this agreement will have a big effect**
8 **on whether or not you have to deal with a third party lawsuit filed against you in**
9 **court.** (Emphasis added.) In this situation, you can have an action brought against you
10 by any of the other lenders, and/or by any of your investors. . . . In addition, **you could**
11 **also face an action by the SEC or by the Securities Division of the ACC if an investor**
12 **is able to convince someone in a prosecutor’s office that you** somehow assisted
13 [Menaged] to cover up this fraud or you **were guilty of gross negligence by failing to**
14 **perform adequate due diligence (on behalf of your investors’ money) to determine**
15 **what was going on.** . . . (Emphasis added.) [Y]our duty and obligation is not to be fair
16 to [Menaged], but to completely protect the rights of your investors. I am sorry if
17 [Menaged] is hurt through this, but [Menaged’s] hurt will give [Menaged] the necessary
18 incentive to go after his cousin. Your job is to protect the money that your investors
19 have loaned to DenSco.”

20 265. Beauchamp advised Chittick not to make any further concessions.
21 Beauchamp then sought input from bankruptcy lawyers within Clark Hill about the
22 risks DenSco faced if Chittick were to agree to the concessions Goulder sought with
23 respect to a potential civil fraud claim.

24 266. Chittick ultimately followed Beauchamp’s advice, and the concessions
25 sought by Goulder were not included in the final Forbearance Agreement.

26 267. On February 20, 2014, Beauchamp met with Chittick, Menaged and
27 Goulder to discuss the Forbearance Agreement. As Chittick described the meeting in
28 the DenSco journal, Beauchamp and Goulder “were no better in person then they were

1 in email. David lost his temper more than once. We went back and forth for 3 hours.
2 We broke up and came together, finally we are down to one point about the release.
3 The lawyers are trying to word it to make each other happy.”

4 268. It appears from Chittick’s February 20, 2014 entry in the 2014 Corporate
5 Journal that this meeting was the first time Beauchamp learned of the full extent of
6 DenSco’s exposure to Menaged. Chittick wrote: “I told David the dollars today, he
7 about shit a brick. I explained to him how I got there and how far we have come and
8 how much better we are today then in November. Though I’m not sure he understands
9 that. My balance sheet isn’t looking much better, but it will start to swing in the right
10 direction in the next 30 days. *I’m more concerned about telling my investors and their*
11 *reaction to the problem. I have to tell them and hope they stick with me. If I get a run*
12 *on the bank I’m in deep shit. I won’t be able to fund new deals, I won’t be able to*
13 *payoff investors and won’t be able to support [Menaged]. The whole thing crators.”*
14 (Emphasis added.)

15 269. Beauchamp’s notes from that day contain a summary of DenSco’s
16 exposure to Menaged. They state: “Approx. \$31 MM outstanding to [Menaged’s]
17 entities – total fund up to \$62-63 MM. Problem loans down to about \$17 MM for 122
18 loans.”

19 270. Chittick’s February 21, 2014 entry in the 2014 Corporate Journal has a
20 consistent summary of the advice he received from Beauchamp: “I talked to Dave, he
21 found out what we already suspected; there is no way we can give what [Menaged]
22 wants. I’m not sure where this will lead us. We talked about telling my investors; we
23 are going to put that off as long as possible so that we can improve the situation as
24 much as possible. We’ve got another 15 more that are closing next few weeks. We
25 could be close to under a 100 problem loans within a month. I just have to keep telling
26 myself I’m doing the right thing to fix it, no matter how much anxiety I have over this
27 issue.”
28

1 271. During the last week of February 2014, discussions with Goulder on the
2 Forbearance Agreement ended after Goulder sent Beauchamp a revised draft on
3 February 25, 2014.

4 272. Chittick sent Beauchamp an email that day describing his ongoing
5 discussions with Menaged about taking a different approach to the double encumbrance
6 problem by having DenSco advance additional monies to Menaged so that Menaged
7 could sell homes more quickly: “[H]e’s throwing out all sorts of ideas in how this can
8 be done. [I] would be willing to release the UCC if he was able to secure the funds and
9 use them to pay some of these loans. [W]e’ve got about 3 more ideas, *but what both of*
10 *us are really concerned about is that when [I] tell my investors the situation, they*
11 *request their money back. [I] want to be able to say, this was the problem, we’ve*
12 *eliminated this much of the problem and this is what is left. [I] want to be able to say*
13 *what is left is as small as possible.*” (Emphasis added.)

14 273. Beauchamp responded by saying “[g]ood ideas and probably something
15 *we need to work on*” in light of the breakdown of discussions on the Forbearance
16 Agreement. (Emphasis added.)

17 274. Chittick sent Beauchamp an email the following day, February 26, 2014
18 describing his continuing discussions with Menaged. He wrote: “[W]hat if [Menaged]
19 just starts selling everything . . . [I] take losses[.] [A]long with the several million that
20 [Menaged’s] going to bring in from outside sources, we wipe the whole thing out in,
21 name a time frame, 90 days. [T]o secure the loss, [Menaged] signs a promissory note
22 with terms of repayment. [W]hat happens? [I] take a huge hit to my books, but [I] get
23 the money back in my hands. [I]’m no longer in violation of anything with my
24 investors. [I]’m in possession of money that now [I] can put to work with new loans
25 that are actually paying me interest versus right now that [I]’m having no interest
26 coming in. [O]r I can return the money to investors if I can’t put it to work. [F]rom a
27 P/L standpoint it looks horrible, but at least [I] have the majority of the money back
28 except maybe 2-4 million. [Menaged] agrees to pay me interest and principle [sic] back

1 every month for whatever I write off[,] which fills in that hole. [I] put the money I get
2 back to work and make money on it, that fills the hole. *[I] [would] rather take the loss*
3 *short term now, and get working on trying to make the money work th[a]n drag this*
4 *thing out over a year or more. . . . [I] don't have anything in my docs that say I have*
5 *to be profitable. [I] see this is a negative year obviously, but [I]'ll be profitable next*
6 *year; the problem is gone[.]* [Menaged] will be paying me back interest and principle
7 [sic] for the loss that I took. [N]ow I know there are 100 legal things here, *but now I'm*
8 *thinking this is the best way to get the problem solved from a fiduciary standpoint. . . .*
9 [I] know this may sound crazy, but [I] can't come up with anything else that will bring
10 an end to this situation quickly. [T]ime is crucial. [L]et me know your thoughts."
11 (Emphasis added.)

12 275. Beauchamp's email response was: "***Good ideas.*** Can we talk later today
13 to clarify a few things?" (Emphasis added.) Beauchamp also told Clark Hill attorney
14 Bill Price, who emailed him to say that the release provision in Goulder's latest draft of
15 the Forbearance Agreement was unacceptable, that "[t]here is another possibility to
16 resolve this," on which Beauchamp would be focusing his attention.

17 276. Chittick's DenSco entry in the 2014 Corporate Journal for February 26,
18 2014 contains a consistent summary of his discussions with Menaged and Beauchamp:
19 "We've decided it's better to sell these properties as quickly as possible, take the losses
20 and move on. [Menaged] will sign a promissory note, it frees up from paying interest, I
21 take a big hit, . . . and we move on. *It will take me 2 years to get back to profitability*
22 *I'm guessing. This may allow me not to do what David wants me to do, I don't know.*
23 *I never got to talk to him. But what we are doing isn't going to work fast enough and*
24 *we'll have a big hill to climb in the end.* (Emphasis added.) I'm just so sick over this I
25 can't function."

26 277. Beauchamp's notes reflect that he discussed the proposed new plan with
27 Chittick the following day, February 27, 2014. They state, in part: "Denny explained
28 procedure and Denny is taking all of the shortfall. [Menaged] wants this resolved.

1 Denny wants this resolved because Denny is losing money to make payments to his
2 investors if DenSco is not getting paid interest from [Menaged]. Denny willing to take
3 loss this year -- so DenSco can return cash to investors and reduce interest obligation.
4 ***How to write this up for investors -- discussed. Do we still need Forbearance Agmt. -***
5 ***yes but will be less problematic. Will need Forbearance Agmt. to explain procedures***
6 ***and protect Denny for future revisions.*** (Emphasis addd.) Will need multiple advance
7 not (unsecured) so DenSco can advance cash on house w/ double loans to be sold.”

8 278. Chittick’s entry in the 2014 Corporate Journal for that day is consistent
9 with Beauchamp’s notes. It states, in part: “I talked to [Menaged] again, he agreed to
10 everything this morning on how to work this out. I talked to David, he thinks its fine.
11 So we are done. . . . [N]ow we just need to get this signed and start working towards
12 selling these houses.”

13 **c. During March 2014, Beauchamp Continued to Negotiate**
14 **the Terms of the Forbearance Agreement But Did So**
15 **With Menaged, Communicating With Him Through**
Chittick.

16 279. Beauchamp had a telephone conversation with Chittick on March 3, 2014.
17 Chittick’s entry in the 2014 Corporate Journal that day says, in part: “David called me
18 telling me of ad lib info to scare me about dealing with [Menaged]. I can’t control what
19 others are saying in the lawyer community. I have to get this done so that I have
20 something in writing and do the best deal that I can do.”

21 280. Chittick sent Beauchamp an email on March 4, 2014 in apparent response
22 to that conversation. It stated, in part: “About what you said, I have no idea of the
23 timing of that person you [mentioned] as to when he spoke to [Goulder] about our
24 situation. I don’t doubt perhaps that he was positioning himself in some way; seems
25 logical for him to think that way. However, ***now that [Menaged] has agreed to sign***
26 ***the terms sheet that we originally agreed to, allowing you to write it, he says he’s not***
27 ***going to have [Goulder] review because [Goulder] already told him not to sign***
28 ***anything.*** Plus he’s signing the promissory note which also confirms the situation . . .

1 in not so many words. But the fraud occurred and he's taking responsibility for it. . . .
2 ***You probably have the only chance in your career to write an agreement without***
3 ***conflicting counsel.*** You can write it to our liking and in our best interests. ***We CYA as***
4 ***broad as the Grand Canyon.*** I think that is pretty advantageous." (Emphasis added.)

5 281. Beauchamp's response was: "***Your thoughts make sense***, but we still
6 need an agreement that works." (Emphasis added.)

7 282. Beauchamp sent Chittick a draft of the Forbearance Agreement on
8 March 10, 2014.

9 283. Chittick gave him comments that day, one of which reflected Chittick's
10 and Menaged's request to modify the draft's confidentiality provision. As Chittick
11 described it in an email to Beauchamp: "***Only time I can disclose info is if I'm legally***
12 ***required by investors. He wants me to not say a word unless I'm legally required to,***
13 because the reputation with his investors and buyers, clients etc. could be harmed."
14 (Emphasis added.)

15 284. In his email response, Beauchamp wrote: "The confidentiality change is a
16 problem, because who makes the decision if the disclosure is required? ***I had language***
17 ***that you could disclose if such disclosure is reasonably needed to be disclosed to your***
18 ***investors or if a governmental agency requires such disclosure (after you give***
19 ***[Menaged] notice and an opportunity to get the agency to change its mind).*** Those
20 are standard confidentiality exceptions. ***I will look at them again to see if there is***
21 ***anything we can do to make it tighter.***" (Emphasis added.)

22 285. Beauchamp's notes reflect that he had a telephone conference with both
23 Chittick and Menaged on March 11, 2014 to discuss the release and confidentiality
24 provisions of the Forbearance Agreement, as well as the terms of a \$ 1 million
25 "workout loan."

26 286. Beauchamp's notes reflect that he had a telephone conference with both
27 Chittick and Menaged on March 12, 2014 to discuss the release and confidentiality
28 provisions of the Forbearance Agreement.

1 287. On March 13, 2014, Beauchamp conferred with Chittick about the
2 security for the loans DenSco would be advancing to Menaged. He also revised the
3 confidentiality section of the Forbearance Agreement, sending the section to Chittick in
4 an email which stated, in part: *“I have done a complete re-write of the Confidentiality*
5 *section. . . . In order to comply with the specific securities disclosure requirements, I*
6 *left _____ (blank) the amount of time for [Menaged] to be able to review and comment*
7 *upon the proposed disclosure (suggest 48 hours)* and I did not give him the right to
8 disapprove and block what you can or cannot disclose. DenSco and you as the
9 promoter of DenSco’s offering have to make the decisions as to what is to be disclosed
10 or not.” (Emphasis added.)

11 288. Between March 14 and March 20, 2014, Beauchamp communicated with
12 Chittick about revisions to the Forbearance Agreement, relying on Chittick to convey
13 drafts to Menaged and communicating with Menaged through Chittick.

14 289. One of the topics Beauchamp discussed with Chittick was his plans to
15 loan funds to Menaged and the impact of those loans, including loans up to 120% of
16 value. Beauchamp stated that he *“completely agree[s] that [the proposed lending*
17 *plan] makes a lot of sense, but I am concerned about the disclosure to your*
18 *investors.”* (Emphasis added.)

19 290. Chittick’s entry in the 2014 Corporate Journal for March 20, 2014 stated,
20 in part: “[Menaged] finally agreed to [the] agreement. That’s done. I have to do some
21 numbers to fill in the blanks, but otherwise it’s ready to be signed. *I have no idea if it*
22 *will ever be used, but David assured me I’m in a good position.”* (Emphasis added.)

23 **d. The Forbearance Agreement Was Signed in April 2014.**

24 291. The Forbearance Agreement was signed by Chittick (for DenSco) and
25 Menaged (for himself and his entities) on April 16, 2014.

26 292. Under the Forbearance Agreement, Menaged agreed to pay off the loans
27 of DenSco and other lenders by, inter alia, (i) liquidating various assets, (ii) renting or
28

1 selling real estate assets, (iii) attempting to recover the missing funds that his cousin
2 allegedly stole, and (iv) obtaining \$4.2 million in outside financing.

3 293. In turn, *DenSco agreed to, inter alia, (i) increase its loans to Menaged*
4 *on certain properties up to 120% of the loan-to-value ratio, (ii) loan Menaged up to*
5 *\$5 million more, at 18% interest, (iii) loan Menaged up to \$1 million more, at 3%*
6 *interest, and (iv) defer the collection of interest on loans that Menaged had already*
7 *defaulted on.*

8 294. The Forbearance Agreement included a schedule of the loans DenSco had
9 made to Menaged, members of his family, Easy Investments, and Arizona Home
10 Foreclosures, including loans DenSco made between December 2013 and April 15,
11 2014. *Those loans totaled \$37,456,620.47, well over half of the aggregate amounts*
12 *DenSco had raised from investors.*

13 295. The confidentiality provision in the Forbearance Agreement permitted
14 DenSco to disclose information “as may be necessary for [DenSco] to disclose to
15 [DenSco’s] current or future investors” subject to the following limitations:

16 [DenSco] agrees to use its good faith efforts to limit such disclosure as much as
17 legally possible pursuant to the applicable SEC Regulation D disclosure rules,
18 which limitation is intended to have [DenSco] only describe: 1. the multiple
19 Loans secured by the same Properties which created the Loans Defaults; 2. the
20 work-out plan pursuant to this Agreement in connection with the steps to be
21 taken to resolve the Loans Defaults; 3. the work-out plan shall also include
22 disclosing the previous additional advances that [DenSco] has made and the
23 additional advances that are intended to be made by [DenSco] to Borrower
24 pursuant to this Agreement in connection with increases in the loan amount of
25 certain specific Loans (up to 120% of the LTV of the applicable Property being
26 used as security for that Loan), the additional advances pursuant to both the
27 Additional Loan and the Additional Funds Loan; and 4. the cumulative effect
28 that all of such additional advances to Borrower will have on [DenSco’s]
business plan that [DenSco] has previously disclosed to its investors in
[DenSco’s] private offering documents and which [DenSco] committed to
follow, including the overall LTV loan ratios for all of [DenSco’s] outstanding
loans to its borrowers in the aggregate and the concentration of all of [DenSco’s]
outstanding loans among all of its borrowers. Further, [DenSco] will use its good
faith efforts not to include the names of Borrower, Guarantor, or New Guarantor
in [DenSco’s] disclosure material. [DenSco] will also provide Borrower with a
copy of the applicable disclosure prior to dissemination to [DenSco’s] investors
and allow Borrower to have 48 hours to review and comment upon such
disclosure.

1 **6. Clark Hill Advised Chittick That DenSco Could Continue**
2 **Selling Promissory Notes Without First Issuing a New POM,**
3 **and that DenSco Could Indefinitely Delay Issuing a New POM.**

4 296. Clark Hill and Beauchamp claim in their initial disclosure statement
5 (at 10-11) that Beauchamp advised Chittick “during his January 9, 2014 meeting with
6 Mr. Chittick” and repeatedly thereafter that: (a) DenSco was not permitted to take new
7 money without full disclosure to the investor lending the money; (b) DenSco was not
8 permitted to roll over existing investments without full disclosure to the investor rolling
9 over the money; and (c) DenSco needed to update its POM and make full disclosure to
10 all its investors.

11 297. A jury will be asked to find that this claim is an after-the-fact untruth.

12 298. There are no documents, such as notes, emails or letters, which reflect
13 that Beauchamp *ever* gave that advice.

14 299. The documents in the file instead show that Beauchamp told Chittick that
15 DenSco could sell promissory notes, and that DenSco could put off preparing a new
16 POM while Chittick pursued his “work out” plan.

17 300. Moreover, Beauchamp admitted in his deposition that he knew Chittick
18 had caused DenSco to sell promissory notes but claims that he understood Chittick did
19 so only after making disclosures to each investor who purchased a promissory note.

20 301. Clark Hill and Beauchamp make a similar claim in their initial disclosure
21 statement (at 11) that “Mr. Chittick assured Mr. Beauchamp repeatedly that he was
22 making the requisite disclosures to investors on an as needed basis, and that he had
23 informed a select group of investors as to the double lien issue and the proposed
24 workout.”

25 **a. In early January 2014, Clark Hill Advised DenSco It**
26 **Could Sell Promissory Notes Without First Issuing a**
27 **New POM**

28 302. Chittick’s entry for January 9, 2014 in a corporate journal he maintained
during 2014 (the “2014 Corporate Journal”) says nothing about having been instructed

1 by Beauchamp that DenSco could not sell promissory notes. The entry states, in part:
2 “Scott and I met with David. He never read my email. We spent two hours. . . . He’s
3 going to contact the lawyer tomorrow and let us know.”

4 303. Beauchamp’s handwritten notes from a call with Chittick on Friday,
5 January 10, 2014 state, in part, “Need to get back up plan in place. ***Denny does not***
6 ***want to talk to his investors until he is ready*** – will not take long.” (Emphasis added.)

7 304. Chittick’s entry for that date in the 2014 Corporate Journal states, in part,
8 “at 5pm Dave called, said they would give us time to clean it up. I talked to Scott; he is
9 going to try to bring in money. ***I can raise money according to Dave.***” (Emphasis
10 added.)

11 305. On Sunday, January 12, 2014, Chittick sent Beauchamp an email which
12 stated, in part, “***I’ve spent the day contacting every investor that has told me they want***
13 ***to give me more money. I don’t have an answer on specifically how much I can***
14 ***raise; I’ll know that in a day or two.***” (Emphasis added.) He went on to say that
15 between new money, current cash on hand, and pending real estate closings, he would
16 have ***between \$5 and \$10 million*** in the next ten days. His email summarized the
17 outline of the plan he and Menaged had discussed the previous Friday, which included,
18 for the group of lenders represented by Bryan Cave: (i) identifying all properties in
19 which another party claimed an interest; (ii) providing that information to an escrow
20 agent; (iii) buying out the other parties as cash was put into escrow; and (iv)
21 memorializing the arrangement through a term sheet and a written contract. “***[I]f both***
22 ***Scott and I can raise enough money***, we should be able to have this all done in 30 days
23 easy, less than three weeks would be my goal.” (Emphasis added.) As for the other
24 lenders, Chittick stated that the plan was to pay them off as Menaged was able to raise
25 additional capital. Chittick concluded the email by stating, “***that’s my plan, shoot***
26 ***holes in it.***” (Emphasis added.)

27 306. Beauchamp responded in an email sent later that day which stated, in part,
28 “[y]ou should feel very honored that you could raise that amount of money that

1 *quickly*. I will outline a few thoughts tomorrow and get back to you.” (Emphasis
2 added.)

3 307. The “few thoughts” that Beauchamp conveyed the next day were
4 questions about the sources from whom Menaged would raise money. Beauchamp did
5 not tell Chittick that DenSco could not raise new money by selling promissory notes
6 without first issuing a new POM.

7 **b. During February, March and April 2014, While the**
8 **Forbearance Agreement Was Negotiated, Clark Hill**
9 **Advised Chittick That DenSco Could Delay Issuing a**
10 **New POM.**

11 308. After telling Chittick that DenSco could continue selling promissory notes
12 without first issuing a new POM, Beauchamp would periodically tell Chittick that a
13 new POM had to be issued to reveal information about DenSco’s operations, but let
14 Chittick believe the issuance of the POM could be delayed.

15 309. In a February 4, 2014 email that Beauchamp sent to Chittick, Beauchamp
16 wrote that the Forbearance Agreement would need to be described in a document “that
17 you HAVE to provide to your investors.”

18 310. Chittick’s February 7, 2014 entry in the 2014 Corporate Journal states, in
19 part, “I was on the phone with David and [Menaged] off and on trying to find middle
20 ground in this crap to make this agreement final. *Now [D]avid is telling me I have to*
21 *tell my investors.*”

22 311. Beauchamp’s notes reflect that he discussed with Chittick on February 21,
23 2014 DenSco’s upcoming annual meeting, which was scheduled for March 8. He
24 wrote: “*cannot be ready to tell everything.*” (Emphasis added.)

25 312. Beauchamp’s notes went on to reflect his thoughts about what might
26 eventually be disclosed to investors. He wrote: “What to put into notice to the
27 investors. [E]xplain concentration to Scott to help Scott package homes to sell to a
28 Hedge Fund in \$5M groups. [T]he problem was discovered but to resolve the loans with

1 double leverage came up with a plan, but that required DenSco to make higher
2 leveraged loans. DenSco also made advances on new homes purchased.”

3 313. Beauchamp’s notes also show that he knew the workout plan was
4 increasing the loan-to-value ratios on many of DenSco’s loans far above what DenSco
5 had disclosed to investors in any previous POM. For example, he wrote: “30 loans are
6 now at 95% LTV.”

7 314. The entry Chittick made in the 2014 Corporate Journal for March 11,
8 2014 states, in part: “*David changed and said now I have to tell my investors.*
9 (Emphasis added.) [Menaged] and I are going to try to fix this mess in 30 days and that
10 way it will be a minor issue.”

11 315. In a March 13, 2014 email to Chittick regarding the inclusion in the
12 Forbearance Agreement of a confidentiality provision that Menaged had sought,
13 Beauchamp wrote: With respect to timing, we are already very late in providing
14 information to your **investors about this problem and the resulting material changes**
15 **to your business plan. We cannot give [Menaged] and his attorney any time to**
16 **cause further delay in getting this Forbearance Agreement finished and the**
17 **necessary disclosure prepared and circulated.”** (Emphasis in original.)

18 c. **In May 2014, Clark Hill Made a Half-Hearted Effort to**
19 **Prepare a New POM and Then, at Chittick’s Request,**
20 **Stopped Working on the New POM and Advised**
21 **Chittick That DenSco Could Continue to Put Off Issuing**
22 **a New POM While Chittick Pursued His “Work Out”**
23 **Plan.**

24 316. Chittick’s entry in the 2014 Corporate Journal for April 16, 2014 reflected
25 the signing of the Forbearance Agreement and concludes: “I’ll send it up to David and
26 then he and I can start on the memorandum.”

27 317. Beauchamp’s notes show that he had a call with Chittick on April 24,
28 2014. Those notes reflect that Beauchamp knew that DenSco’s total loans to Menaged
were approximately \$36 million in principal, with a \$5 million note (of which

1 approximately \$1.78 million was principal), and a \$1 million note (of which
2 approximately \$915,000 was principal).

3 318. Under the heading "POM update" he noted that 186 loans were double-
4 encumbered when the workout started, which was down to 94 loans, representing \$12.3
5 million of principal, as of that date, which was down from a previous balance of
6 approximately \$25 million.

7 319. That same day, Chittick sent Beauchamp by email another copy of the
8 2011 private offering memorandum.

9 320. It appears from the Clark Hill file that Beauchamp gave a printed copy of
10 the memorandum to Schenck with a handwritten note asking him to mark up the
11 memorandum and add "updates/forbearance, etc."

12 321. Beauchamp's handwritten notes and documents in the file reflect that
13 some research was done on May 13, 2014 on "Dodd Frank and regulation."

14 322. On May 14, 2014, Schenck sent Beauchamp by email a redline of a draft
15 private offering memorandum and a separate document with comments, some of which
16 were for Beauchamp's attention. Schenck's email concluded by asking Beauchamp to
17 "let me know what changes you prefer before this draft is sent to Denny." His time
18 entry describes the document as a "first draft."

19 323. The document with comments contained, in the "Prior Performance"
20 section, a discussion of the terms of the Forbearance Agreement, with limited
21 information about the circumstances that gave rise to it and a narrative that accepted, as
22 accurate and reliable, Menaged's "cousin" story: "According to the Foreclosure
23 Debtors, an agent of the Foreclosure Debtors had secured the Outside Loans without the
24 Foreclosure Debtors' knowledge." The draft said nothing about Chittick's gross
25 negligence in managing DenSco's lending practices by giving funds directly to
26 Menaged, rather than to a Trustee.

27 324. Clark Hill's time records reflect that Beauchamp billed 30 minutes of
28 time to "review revisions to POM and work on same."

1 325. But there is nothing in the Clark Hill file to reflect that Beauchamp
2 actually made any revisions to this first draft.

3 326. Neither the Clark Hill file nor Clark Hill's billing statement reflect that
4 Beauchamp ever sent the draft POM to Chittick or discussed it with him.

5 327. Clark Hill's files show that the firm simply stopped work on a new POM
6 in mid-May 2014.

7 328. Entries by Chittick in the 2014 Corporate Journal shortly thereafter reflect
8 that Chittick had decided not to issue a new POM at that time, and to continue selling
9 promissory notes while he pursued his "work out" plan in the hope of minimizing
10 DenSco's losses before making a disclosure to investors. Clark Hill decided to abide
11 by Chittick's instruction, just as the firm had agreed in September 2013 to prepare a
12 new POM and then followed Chittick's instruction not to work on the new POM until
13 Chittick was ready to issue it.

14 a. The July 2, 2014 entry states, in part: "We are making progress,
15 just too damn slow, *but I'm sure much quicker than David expected us to do.*"
16 (Emphasis added.)

17 b. The July 25, 2014 entry states, in part: "My time is running out on
18 updating my private placement memorandum and notifying my investors."

19 c. The July 31, 2014 states, in part: "It's all going in the right
20 direction, just not sure if it's going fast enough. *As long as David doesn't bug*
21 *me, I feel like we are doing the right thing.*" (Emphasis added.)

22 329. Clark Hill's blessing of Chittick's plan to continue pursuing a work out
23 plan without telling DenSco's investors is reflected in Beauchamp's dealings with
24 Chittick the following March.

25 330. On March 13, 2015, Beauchamp sent Chittick an email which stated, in
26 part: "I would like to meet for coffee or lunch (at no charge to you) so we can sit down
27 and talk about how things have progressed for you since last year. I would also like to
28 listen to you about your concerns, and frustration with how the forbearance settlement

1 and the documentation process was handled. I have thought back to it a lot and I have
2 second guessed myself concerning several steps in the overall process, ***but I wanted to***
3 ***protect you as much as I could.*** (Emphasis added.) ***When I felt that your frustration***
4 ***had reached a very high level, I stopped calling you about how things were going so***
5 ***that you did not feel I was just trying to add more attorney's fees.*** (Emphasis added.)
6 I planned to call you after about 30 days, but then I let it slip all of last year because I
7 kept putting it off. I even have tried to write you several different emails, but I kept
8 erasing them before I could send them. I acknowledge that you were justifiably
9 frustrated and upset with the expense and how the other lenders (and [Menaged] at
10 times) seemed to go against you as you were trying to get things resolved last year for
11 [Menaged]. I have tried to let time pass so that we can discuss if you are willing to
12 move beyond everything that happened and still work with me. If not, I would like you
13 to know that I still respect you, what you have done and would still like to consider you
14 a friend. You stood up for [Menaged] when he needed it and I truly believe it was more
15 than just a business decision on your part. Hopefully, you will respond to this email and
16 we can try to talk and catch up.”

17 331. Chittick responded “[s]ure, give me some options on when to meet.”

18 332. Chittick forwarded Beauchamp’s email to Menaged, who wrote,
19 “[s]chedule coffee in 18 months when our balance is close to nothing.”

20 333. Chittick responded: ***“I figure it’s a miracle he left me alone this long!”***
21 (Emphasis added.)

22 334. In his entry that day in the corporate journal Chittick maintained for 2015
23 (the “2015 Corporate Journal”), Chittick wrote: ***“I got an email from Dave my***
24 ***attorney wanting to meet. He gave me a year to straighten stuff out. We’ll see what***
25 ***pressure I’m under to report now.”*** (Emphasis added.)

26 335. Chittick had lunch with Beauchamp on March 24, 2015.

27 336. Chittick’s entry in the 2015 Corporate Journal for that date states: “I had
28 lunch with Dave Beauchamp. I was nervous he was going to put a lot of pressure on

1 me. However, *he was thrilled to know where we were at and I told him by April 15th,*
2 *we'll be down to 16 properties with seconds on them, and by the end of June we hope*
3 *to have all the retail houses sold by then and just doing wholesale. He said he would*
4 *give me 90 days.* (Emphasis added.) I just hope we can sell them all by then and darn
5 near be done with it. *I'm going to slow down the whole memorandum process too.*
6 *Give us as much time as possible to get things in better order."* (Emphasis added.)

7 337. Chittick's entry in the 2015 Corporate Journal for June 18, 2015 states, in
8 part: "[Menaged] tried to enlarge the wholesale number saying, well I'm paying down
9 the workout, I can use that for the wholesale. I'm not letting him. That number needs to
10 start dropping! *I have to get his number falling, or it's going to be hell with Dave."*
11 (Emphasis added.)

12 **d. With Clark Hill's Assistance, Chittick Caused DenSco to**
13 **Sell Approximately \$5 Million of Promissory Notes**
14 **Between January and May 2014 Without First Issuing a**
15 **New POM.**

16 338. During the months of January through May 2014, DenSco sold
17 \$5,000,008.00 of new promissory notes to the following investors, which were all two-
18 year notes unless otherwise indicated.

Investor	Amount	Date
Brian & Carla Wenig	\$15,000	1/3/14
Dale Hickman	\$150,000	1/13/14
Carol & Mike Wellman	\$30,000	1/14/14
Carol Wellman	\$10,000	1/14/14
Jolene Page	\$150,000	1/14/14
Marvin & Pat Miller	\$200,000	1/15/14
Marvin & Pat Miller	\$100,000	1/15/14
Mark & Debbie Wenig	\$50,000	1/24/14

Kirk Fischer	\$600,000	1/29/14 ⁵
Brian Imdieke	\$500,000	2/11/14 ⁶
Ryan Baughman	\$300,000	2/11/14
Kaylene Moss	\$10,000	3/5/14
Ryan Baughman	\$300,000	4/1/14 ⁷
Wayne Ledet	\$30,000	4/7/14
Alexandra Bunger	\$850,000	5/1/14
Cassidy Bunger	\$850,000	5/1/14
Connor Bunger	\$850,000	5/1/14
Bill Hughes	\$6,500	5/1/14
Bill Hughes -- IRA	\$6,500	5/1/14

339. DenSco's sale of those promissory notes was necessary for DenSco to continue its business operations, and Clark Hill enabled DenSco to obtain investor funds during that five-month period without making adequate disclosures to those investors, exposing DenSco to substantial liability for those sales.

340. The Receiver will update this disclosure statement to identify additional promissory note sales after May 2014.

7. In Addition to Aiding and Abetting Chittick's Breach of Fiduciary Duties, Clark Hill Also Negligently Advised Chittick That DenSco Could Continue Giving Loan Proceeds to Menaged, Rather Than Paying Them Directly to a Trustee.

341. As of January 9, 2014, Clark Hill knew that Chittick had been grossly negligent in managing DenSco's lending operations by giving tens of millions of loan proceeds to Menaged, rather than paying them directly to a Trustee.

⁵ Five-year note.

⁶ Six-month note.

⁷ Three-month note.

1 342. Clark Hill knew that this practice violated the terms of the Mortgage
2 document Clark Hill knew DenSco routinely employed to document loans, which stated
3 that the “The undersigned borrower (“Borrower”) acknowledges receipt of the proceeds
4 of a loan from DenSco Investment Corporation (“Lender”) in the sum of \$_____,
5 *as evidenced by check payable to: _____ (“Trustee”).* (Emphasis added.)

6 343. Clark Hill also knew that this practice was an extraordinary breach of the
7 representations in DenSco’s POMs. As Beauchamp has admitted in interrogatory
8 answers, DenSco’s POMs represented that DenSco employed appropriate due diligence
9 and loan procedures in making loans. An essential part of those loan procedures was
10 that “every mortgage evidencing a property purchase made with a DenSco loan stated
11 that the check purchasing the property was made to the Trustee.”

12 344. Clark Hill also knew, from Beauchamp’s January 9, 2014 meeting with
13 Chittick and Menaged, that Chittick’s failure to follow those loan procedures had
14 exposed DenSco to a substantial potential loss of between \$11.6 and \$14.5 million, or
15 between 25% and 30% of the \$47 million that Beauchamp understood DenSco had
16 raised as of June 2013.

17 345. And Clark Hill knew that those potential losses resulted from Chittick’s
18 dealings with one borrower, Scott Menaged.

19 346. After Clark Hill learned, through Beauchamp’s January 9, 2014 meeting
20 with Chittick and Menaged, that Chittick intended to cause DenSco to continue loaning
21 money to Menaged, Clark Hill should have issued immediate, clear written advice to
22 Chittick that: (1) DenSco must adhere to the lending practices identified in its POMs
23 and referenced in the Mortgage – i.e., disbursing loan proceeds directly to a Trustee,
24 through a check (as the Mortgage contemplated) or a wire transfer; and (2) never
25 disbursing loan proceeds directly to Menaged (or any other borrower) under any
26 circumstances.

1 347. Clark Hill had the opportunity to give that advice when Beauchamp
2 received an email from Chittick during the evening of January 9, 2014, in which
3 Chittick posed the following question:

4 If [I] [obtain] a cashier's check and take it to the trustee myself, [I] don[']t get a
5 receipt that DenSco [p]aid for it. [I] get a receipt saying that X property was
6 paid for, for X \$'s vested in borrower's name. [DenSco's] name doesn't appear
7 on it. [O]ther than having a cashier's check receipt saying [DenSco] made a
8 check out for it, there isn't anything from the trustee saying that it was
9 [DenSco's] check. ***[I] could wire [Menaged] the money, he could produce a
cashier's check that says remitter is DenSco and it would have the exact same
[e]ffect as if [I] got [a] cashier's check that said [DenSco's] the remitter. . . .***
[P]ut aside the logistics for a second, what proof or what guarantee is there by
me cutting the check and handing it to [S]uzy at the trustee[']s office rather than
my borrowers? [I] know [I] must be missing something. (Emphasis added.)

10 348. Clark Hill failed to tell Chittick that he could not "wire Menaged the
11 money" because: (1) doing so was contrary to representations in the POM and the terms
12 of the Mortgage; (2) doing so had previously exposed DenSco to a potential loss of
13 between \$11.6 and \$14.5 million; and (3) Menaged could not, given obvious questions
14 about the veracity of his "cousin" story, be trusted.

15 349. Beauchamp instead responded in an email that night in which he said:
16 ***"Let me see what the other lenders got from the Trustee and we can make a better***
17 ***decision.*** There is either another way to do it or someone described a procedure that
18 does not work." (Emphasis added.)

19 350. On January 17, 2014, Beauchamp told two other lawyers at Clark Hill,
20 Dan Schenck and Bob Anderson, who specialized in real estate lending, that the firm
21 needed to review "the demand letter from Bryan Cave asserting the claim from the
22 other lenders" – i.e., that DenSco had fraudulently filed 52 Mortgage documents
23 claiming that 52 Trustees had been paid to purchase properties at a Trustee's sale when
24 no such payment had occurred -- and "[i]f this claim has any merit, [Clark Hill]
25 need[ed] to advise DenSco to change its internal procedures." But neither Beauchamp,
26 Schenck, nor Anderson undertook that analysis.

27 351. Beauchamp later advised Chittick that DenSco could continue wiring
28 money to Menaged, trusting Menaged to pay the loan proceeds to a Trustee, so long as

1 Menaged provided written confirmation that he had done so. As Chittick wrote in July
2 2016:

3 a. “Going back to December of 2013, . . . [Menaged] knew he had to
4 make money to help cover the deficit [that] would be created by the double
5 encumbered properties and shortage that would be created at the time of
6 disposition. He wanted time to still fund him buying properties at auction and
7 flipping them, wholesaling them, etc. *I talked to Dave about this in January*
8 *[2014] and he was in agreement with it as long as I received copies of checks*
9 *and receipts showing that I was paying the trustee.*” (Emphasis added.)

10 b. “Dave, my lawyer, negotiated the work out agreement and
11 endorsed the plan. Then when [Menaged] said hey, let me buy some
12 foreclosures, flip them, wholesale them, etc. so I can make money. *All the other*
13 *lenders wouldn’t lend to him. I needed him to make money now more than*
14 *ever before. We went to Dave, and he gave some constraints on how we were*
15 *to operate.* I have all the documentation. I received copies of checks made out
16 to trustees, receipts from the trustees. I had all my docs signed. I recorded my
17 mortgages. I had evidence of insurance, and I did everything.” (Emphasis
18 added.)

19 352. Clark Hill and Beauchamp claim in their initial disclosure statement, and
20 Beauchamp claimed when he was deposed, that Clark Hill had advised Chittick in
21 January 2014 that it should not give loan proceeds to Menaged and should instead give
22 them to a Trustee. But a jury will find that this is yet another after-the-fact untruth. No
23 documents in Clark Hill’s file – not a letter, email, note or time entry – reflect that the
24 advice was ever given. Moreover, Beauchamp’s deposition testimony that he relied on
25 Anderson to give that advice to Chittick and understood it had been given is belied by
26 Anderson’s deposition testimony, who said he had not done so.

27 353. A jury will reject Clark Hill’s claim and find that DenSco followed
28 Beauchamp’s negligent advice to Chittick that DenSco could continue its long-standing

1 practice of giving loan proceeds directly to Menaged, trusting him to use those funds
2 only to pay a Trustee for property that would be fully secured, with DenSco in first
3 position. As a result, Menaged continued to have direct access to DenSco's funds,
4 despite the tens of millions of dollars of losses that practice had caused DenSco, which
5 put Menaged in a position to misappropriate those funds, just as he had misappropriated
6 the loan proceeds DenSco had given him in previous years.

7 354. As a direct consequence of Clark Hill's negligence, DenSco suffered
8 substantial losses.

9 355. If Clark Hill had instead advised Chittick that DenSco could never give
10 loan proceeds to Menaged and must instead independently cause those funds to be
11 delivered to a Trustee, Chittick would have followed that advice. Indeed, Chittick
12 acknowledged in his January 9, 2014 email that he "must be missing something."

13 **E. Response to 2016 ADFI Investigation**

14 356. In March 2016, Chittick asked Beauchamp to help DenSco respond to
15 another investigation by the Arizona Department of Financial Institutions. Beauchamp
16 worked on the matter during March, April, May and June 2016, billing his time to a
17 "General" matter he had established in January 2013. As with previous inquiries by
18 ADFI, Clark Hill argued that DenSco should not be licensed and regulated by ADFI,
19 which would have included a review of DenSco's lending procedures.

20 **F. Chittick's Suicide**

21 357. Chittick committed suicide on July 28, 2016.

22 358. Shortly before his death, Chittick wrote an "Investor" letter that was never
23 sent to DenSco's investors but was among the business records obtained by the
24 Receiver. Among the statements in that letter are the following: "Why didn't I let all of
25 you know what was going on at any point? It was pure fear. . . . I have 100 investors. I
26 had no idea what everyone would do or want to do or how many would just sue,
27 justifiably. *I also feared that there would be a classic run on the bank. . . I truly*
28

1 *believe we had a plan that would allow me to continue to operate, my investors would*
2 *receive their interest and redemptions as a normal course of business, and the rest of*
3 *my portfolio was performing. Dave blessed this course of action.* (Emphasis added.)

4 We signed this workout agreement and began executing it.”

5 359. The letter also stated: “Going back to December of 2013, . . . [Menaged]
6 knew he had to make money to help cover the deficit [that] would be created by the
7 double encumbered properties and shortage that would be created at the time of
8 disposition. He wanted time to still fund him buying properties at auction and flipping
9 them, wholesaling them, etc. *I talked to Dave about this in January [2014] and he*
10 *was in agreement with it as long as I received copies of checks and receipts showing*
11 *that I was paying the trustee.*” (Emphasis added.)

12 360. Chittick also wrote a detailed letter to his sister, Shawna Heuer (aka
13 Iggy), shortly before his death. He wrote: “[*Beauchamp*] *let me get the workout*
14 *signed[,] not tell the investors[,] and try to fix the problem. That was a huge mistake.*
15 . . . Dave did a workout agreement with [Menaged], we were executing to it and making
16 headway, *yet Dave never made me tell the investors. . . . I talked Dave my attorney*
17 *into allowing me to continue without notifying my investors. Shame on him. He*
18 *shouldn’t have allowed me. He even told me once I was doing the right thing.*”
19 (Emphasis added.)

20 361. The letter also stated: “*Dave, my lawyer, negotiated the work out*
21 *agreement and endorsed the plan.* (Emphasis added.) Then when [Menaged] said
22 hey, let me buy some foreclosures, flip them, wholesale them, etc. so I can make
23 money. All the other lenders wouldn’t lend to him. I needed him to make money now
24 more than ever before. We went to Dave, and he gave some constraints on how we
25 were to operate. I have all the documentation. I received copies of checks made out to
26 trustees, receipts from the trustees. I had all my docs signed. I recorded my mortgages.
27 I had evidence of insurance, and I did everything.”
28

1 362. This “Iggy Letter” contained detailed information about actions Chittick
2 had taken in managing DenSco’s affairs, including the location of funds and how he
3 had transferred funds.

4 **G. After Chittick’s Death, Clark Hill Agreed to Represent Both DenSco**
5 **and Chittick’s Estate, Despite an Unconsentable Conflict.**

6 363. According to Clark Hill’s billing records, Beauchamp learned of
7 Chittick’s suicide on Saturday, July 30, 2016 through a telephone call with Robert
8 Koehler and Shawna Heuer. Beauchamp billed his time for that call to the “Business
9 Matters” file he had caused to be established on January 14, 2014.

10 364. Robert Koehler was identified in the 2011 POM, under the heading
11 “Contingency Plan in the Event of Death or Disability of Mr. Chittick,” as the person
12 with whom Chittick had entered into a written agreement “to provide or arrange for any
13 necessary services for the Company” upon Chittick’s death or disability.

14 365. According to Beauchamp’s notes from his July 30, 2016 telephone
15 conversation with Koehler and Heuer, he was told that Chittick had sent him a letter
16 with instructions and a detailed letter to Koehler. Beauchamp wrote that he needed “to
17 get both letters & discuss how to deal w/ this.”

18 366. On Sunday, July 31, 2016, Beauchamp exchanged emails with Koehler
19 about scheduling a meeting with Koehler and Heuer the following afternoon.

20 367. Later that day, Beauchamp exchanged emails with Heuer in which
21 Beauchamp approved an email Heuer had drafted to send to DenSco’s investors which
22 stated, in part, “[a] meeting with Denny’s attorney is planned for Monday, August 1st,
23 to form a course of action.”

24 368. Heuer sent the e-mail to DenSco investors during the evening of July 31,
25 2016, forwarding a copy to Beauchamp, who thanked her for doing so.

26 369. Heuer sent Beauchamp before their August 1 meeting a copy of Chittick’s
27 Investor Letter and gave him at the meeting or in a meeting the following day a copy of
28 the Iggy Letter.

1 370. During the August 1st meeting, Beauchamp agreed that Clark Hill would
2 represent DenSco, reporting to Heuer, and also represent Heuer in her capacity as the
3 personal representative of the Estate of Denny Chittick.

4 371. On August 2, 2016, Beauchamp and other Clark Hill attorneys met with
5 Heuer.

6 372. On August 4, 2016, Clark Hill initiated a probate proceeding and
7 continued to act as counsel for the Estate of Chittick until August 12, 2016

8 373. Clark Hill should not have agreed to represent DenSco after Chittick's
9 death and should have instead terminated the representation because Clark Hill knew,
10 based on its own conduct since September 2013 and knowledge of Chittick's conduct,
11 that DenSco had potential claims against the firm.

12 374. Clark Hill should not have agreed to represent the Estate of Chittick
13 because Clark Hill knew, based on its knowledge of Chittick's conduct, that DenSco
14 had substantial claims against Chittick's Estate for Chittick's gross negligence in
15 managing DenSco's affairs. Indeed, in this litigation Clark Hill has identified the Estate
16 as a non-party at fault and seeks to blame Chittick for DenSco's losses. Moreover, soon
17 after his appointment, the Receiver filed a Notice of Claim in Probate Court against the
18 Estate, based in part on Chittick's gross mismanagement of DenSco and multiple
19 breaches of fiduciary duties Chittick owed DenSco.

20 375. A jury can assume that Clark Hill agreed to continue representing DenSco
21 and jointly represent the Estate of Chittick because it saw those representations as a
22 means to protect itself from liability. The firm's conduct during the months of August,
23 September and October 2016 provides further evidence that this was Clark Hill's
24 objective.

1 **H. Between August 1 and August 18, 2016, Clark Hill Effectively Ran**
2 **DenSco's Day-to-Day Affairs.**

3 376. After Chittick's death, Beauchamp, in coordination with Heuer, managed
4 the day-to-day operations of DenSco until the Receiver was appointed on August 18,
5 2016.

6 377. Beauchamp opened a "Business Wind Down" file to which he charged his
7 time.

8 378. During that time period, Beauchamp communicated with investors and
9 representatives of the Securities Division of the Arizona Corporation Commission (the
10 "ACC"), which investigated securities law violations by DenSco and initiated on
11 August 17, 2016 a lawsuit alleging that DenSco had violated securities laws and sought
12 the appointment of a receiver.

13 379. Although Clark Hill knew that as securities counsel to DenSco it faced
14 potential claims by the ACC, DenSco's receiver, and/or DenSco's investors, it
15 continued to represent DenSco.

16 380. Clark Hill authored several communications to DenSco's investors
17 between August 1 and August 12, 2016 which failed to disclose information in Clark
18 Hill's possession about Clark Hill's role as DenSco's securities counsel; Chittick's
19 mismanagement of DenSco's lending practices; Chittick's decision to postpone the
20 issuance of a new POM while still selling promissory notes; Chittick's goals in
21 documenting the Forbearance Agreement; the actions Clark Hill had taken to assist
22 Chittick; and Clark Hill's negligent advice to Chittick about DenSco's continued
23 lending to Menaged.

24 381. Clark Hill also failed to provide that information to the ACC.

25 382. The investor communications Clark Hill drafted also suggested that
26 DenSco and its investors would not be well served if a receiver were appointed. For
27 example, in the first email Beauchamp sent to DenSco investors on August 3, 2016, he
28 wrote:

1 [T]he problem with DenSco's Troubled Loans developed over time and it will
2 take some time to understand those Troubled Loans [and] how those loans came
3 into existence. . . . If whoever is in charge of DenSco does not work with the
4 Investors, then DenSco will either be put into bankruptcy or have a Receiver
5 appointed, which will incur costs on behalf of the Investors and that will
6 significantly reduce what will be available to return to the Investors. For
7 example, *one of the recent reports concerning liquidation of companies owing*
8 *money to investors indicated that the costs associated with a bankruptcy or a*
9 *Receiver can reduce the amount to be paid to investors by almost half or even*
10 *a much more significant reduction. . . . [W]e would like to keep DenSco out of*
11 *a protracted bankruptcy or a contentious Receivership proceeding.* As
12 indicated above, various studies have shown that the third party costs and legal
13 and other professional fees and costs and the inherent delays in bankruptcy
14 and/or Receivership proceedings can consume more than 35% of the available
15 money that should or would otherwise be available to be returned to Investors.
16 (Emphasis added.)

17
18 **I. Beginning on August 15, 2016, Clark Hill Sought to Conceal Its**
19 **Negligence and the Assistance It Gave Chittick in His Breach of**
20 **Fiduciary Duties by Falsely Claiming It Had Terminated Its**
21 **Representation of DenSco, and Continues to Claim, Without Any**
22 **Supporting Records, That It Did So.**

23 383. During its investigation of potential securities law violations by DenSco,
24 the ACC sought documents from Clark Hill about the firm's work for DenSco.

25 384. It was during that investigation that Clark Hill claimed for the first time
26 that it had terminated its representation of DenSco because Chittick allegedly refused to
27 follow the firm's advice.

28 385. Clark Hill has made inconsistent claims about the alleged termination of
its representation of DenSco since August 2016 and continues to claim that the
termination occurred despite the absence of any records to support the claim, and
records that are inconsistent with the claim.

386. The claim was first made on August 15, 2016, when ACC investigator
Gary Clapper sent Beauchamp an email which stated, in part: "Can you please get a
copy of the forbearance agreement. Since the offering document is updated every two
years can you please get copies of all of them."

387. Beauchamp responded: "I only have access to some of DenSco's files.
Despite my requests, Denny Chittick did not request for all of DenSco's previous files
to be transferred to me. In addition, *Denny stopped our efforts to do an updated*

1 *offering memorandum in 2013*, so the initial work on that was never finished. Denny
2 also *did not engage us to prepare an amendment to the offering document or to*
3 *prepare a new disclosure document despite several conversations about that issue.*
4 (Emphasis added.)

5 388. In an August 17, 2016 declaration Beauchamp stated that “[i]n late 2014
6 or 2015, I ended my formal relationship with Mr. Chittick and DenSco.”

7 389. In an August 21, 2016 email to DenSco investor Rob Brinkman,
8 Beauchamp first wrote that “*my law firm started preparing the 2013 POM, but we*
9 *were put on hold.* After the Forbearance Agreement was signed by Scott Menaged, *we*
10 *started to amend the 2013 draft POM, but we stopped and withdrew as securities*
11 *counsel for DenSco. Denny was supposed to get other counsel and finish the POM in*
12 *2014, but I do not know if that did happen.*” (Emphasis added.) In a follow-up email
13 to Brinkman, he wrote that “[t]he 2013 POM was never finalized due to attorney client
14 protected issues that I have been instructed not to discuss.” (Emphasis added.)

15 390. In a February 8, 2017 email to the Receiver’s counsel, Beauchamp made
16 the following unsolicited statement: “Please note that my previous reference to
17 ‘securities work’ was for work done PRIOR to when *my firm terminated doing any*
18 *securities or other legal work for DenSco when Denny Chittick refused to send the*
19 *amended Private Offering Memorandum to his investors.* The amended Private
20 Offering Memorandum that we wanted to be sent described the Forbearance Agreement
21 and the changes to the lending criteria and security ratios that DenSco was to follow
22 when making its loans to Borrowers. *I believe that we terminated our representation*
23 *in approximately July 2014.*” (Emphasis added.)

24 391. Clark Hill now claims that the firm terminated the representation in May
25 2014, stating in Defendants’ initial disclosure statement (at 15) that

26 Mr. Chittick . . . refused to provide the necessary information to complete the
27 POM and refused to approve the description of the workout or the double lien
28 issue. . . .

1 ***In May 2014***, Mr. Beauchamp handed Mr. Chittick a physical copy of the draft
2 disclosure. Mr. Chittick responded that there was nothing wrong with the
3 disclosure, he was simply not ready to make any kind of disclosures to his
4 investors at this stage. Mr. Beauchamp again explained that Mr. Chittick had no
5 choice in the matter and that he had a fiduciary duty to his investors to make
6 these disclosures. Mr. Chittick would not budge. ***Faced with an intransigent***
7 ***client who was now acting contrary to the advice Mr. Beauchamp was***
8 ***providing, and with concerns that Mr. Chittick may not have been providing***
9 ***any disclosures to anyone since January 2014, Mr. Beauchamp informed Mr.***
10 ***Chittick that Beauchamp and Clark Hill could not and would not represent***
11 ***DenSco any longer.*** Mr. Beauchamp also told Chittick that he would need to
12 retain new securities counsel, not only to provide the proper disclosure to
13 DenSco's investors, but to protect DenSco's rights under the forbearance
14 agreement. Mr. Chittick suggested that he has already started that process and
15 was speaking with someone else.

16 392. But there is not a single document in Clark Hill's file to support this
17 claim, such as a termination letter that law firms commonly send when ending a client
18 relationship and especially when a law firm believes a client is disregarding advice
19 given by the firm.

20 393. Moreover, Clark Hill makes this claim despite numerous documents in its
21 files reflecting that Clark Hill never terminated the representation and continued to
22 represent DenSco after May 2014. Those documents include:

23 a. Documents generated in June 2014 which reflected work Clark
24 Hill performed to amend the Forbearance Agreement and correct errors the firm
25 had made when the Forbearance Agreement was signed in April 2014. Chittick
26 and Menaged signed those documents on June 18, 2014.

27 b. In May, June, July and August 2014, Beauchamp sent Chittick
28 billing statements for work performed for DenSco through transmittal letters that
29 stated: "Thank you again for allowing Clark Hill and me to provide legal
30 services to DenSco Investment Corporation. If you have any question or if we
31 can assist you with any other matter(s), please let me know."

32 c. As noted above, when Chittick asked Clark Hill to respond to the
33 ADFI inquiry in March 2016, Beauchamp billed his time to the "General" matter
34 Clark Hill had established in January 2014.

1 d. As noted above, after Chittick’s death, Beauchamp billed his time
2 to the “Business Matters” file Clark Hill had established in January 2014.

3 e. On June 22, 2017, approximately six months before this lawsuit
4 was filed, Clark Hill submitted two proofs of claim to the Receiver, seeking
5 \$53,820.00 for work performed between June 1, 2016 and August 17, 2016, and
6 \$23,046.00 for work performed between August 18, 2016 and September 30,
7 2016. Clark Hill claimed in an accompanying affidavit that “[i]n 2016 and
8 *earlier, the Firm represented DenSco Investment Corporation,*” providing
9 “general business advice and representation,” and that “[a]fter the death of
10 DenSco’s principal, in July 2016, the Firm transitioned the subject matter of its
11 work to advice and guidance to DenSco to assist in winding down its business.”
12 (Emphasis added.) Clark Hill did not claim then that it had terminated its
13 representation of DenSco at any previous time.

14 394. In claiming that Clark Hill had, in fact, terminated its representation of
15 DenSco in May 2014 – a claim verified by Clark Hill’s General Counsel – Clark Hill
16 concealed material information it should have disclosed pursuant to Rule 26.1. It was
17 only after the Receiver’s counsel served written discovery on Clark Hill that Clark Hill
18 disclosed that it did not close until May 2018 – *after* receiving the Receiver’s written
19 discovery – the files Clark Hill had opened in September 2013 to prepare a new POM
20 and in January 2014 for the “lien workout.” The files established for DenSco’s
21 “General” and “Business Matters” were never closed and remain open.

22 **J. Clark Hill Colluded With the Estate of Chittick to Prevent the**
23 **Receiver From Obtaining Material Information.**

24 395. Clark Hill did not internally consider the conflicts created by its joint
25 representation of DenSco and the Chittick Estate until an investor raised the issue on
26 August 10, 2016.

27 396. Clark Hill referred Heuer to lawyers whom Clark Hill believed would
28 aggressively protect the Estate from potential claims by investors and the Receiver –

1 Beauchamp's former colleagues at Gammage & Burnham: James Polese and Kevin
2 Merritt.

3 397. Clark Hill then began colluding with Gammage & Burnham to protect the
4 Chittick Estate and Clark Hill from the Receiver.

5 398. Among other evidence of such collusion are emails exchanged between
6 Polese, Merrick and Beauchamp about seeking the appointment of a receiver other than
7 the Receiver.

8 399. Moreover, shortly before the August 18, 2016 hearing at which the
9 Receiver was appointed, Beauchamp, with the assistance and approval of Clark Hill's
10 Assistant General Counsel, prepared a declaration for the Estate to submit to the
11 Receivership Court which Beauchamp has since acknowledged falsely stated that Clark
12 Hill had jointly represented DenSco and Chittick individually.

13 400. During the August 18, 2016 hearing, neither Beauchamp nor Clark Hill's
14 Assistant General Counsel corrected false statements by the Estate's counsel to the
15 effect that Clark Hill had jointly represented DenSco and Chittick personally.

16 401. That claim was integral to the Estate's successful effort to obtain
17 language in the Order appointing the Receiver which recognized the existence of the
18 spurious joint representation claim and materially limited the Receiver's ability to
19 promptly and efficiently obtain relevant records from Clark Hill's files.

20 402. The Estate and Clark Hill used the Order as an excuse to decline to
21 provide the Receiver with immediate access to relevant records, such as the Iggy Letter,
22 and to "slow walk" Clark Hill's production of its files to the Receiver.

23 403. The Receiver's counsel sent a letter demanding the immediate production
24 of the files on August 29, 2016. Clark Hill did not produce them until October 13,
25 2016, and only after making multiple demands. During this time period, Clark Hill's
26 Office of General Counsel was actively involved and directed the firm's response to the
27 Receiver's demands.

1 404. In the interim, Clark Hill and the Estate continued using the false claim
2 that Clark Hill had jointly represented DenSco and Chittick personally to delay
3 providing relevant information to the Receiver.

4 405. The Estate also proposed, with Clark Hill's implicit consent, a "common
5 interest" agreement between the Estate, DenSco (represented by Clark Hill) and the
6 Receiver, which falsely stated that because of the alleged joint representation by Clark
7 Hill of DenSco and Chittick personally, the Estate, DenSco and the Receiver had a
8 common interest in defending lawsuits that investors might pursue.

9 406. After finally receiving Clark Hill's files in October 2016, the Receiver
10 discovered critical documents, such as the Iggy Letter, that the Estate had sought to
11 prevent the Receiver from obtaining under a claim of personal privilege. That
12 document contained information that was material to claims the Receiver later brought
13 against the Estate of Chittick. Without the document, the Receiver had been required to
14 devote substantial resources to independently discovering information contained in the
15 Iggy Letter.

16 **K. Actions Taken by the Receiver**

17 407. After his appointment, the Receiver took possession of and analyzed
18 DenSco's books and records, issuing a preliminary report on September 19, 2016,
19 which the Receiver incorporates by reference in this disclosure statement.

20 408. On December 9, 2016, the Receiver filed a notice of claim in the probate
21 court against the Estate of Denny Chittick, asserting, inter alia, claims that Chittick had
22 breached fiduciary duties owed DenSco.

23 409. The Estate issued a notice of disallowance of the claim on February 3,
24 2017.

25 410. On December 23, 2016, the Receiver issued a status report, which the
26 Receiver incorporates by reference in this disclosure statement. That report contains,
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28

1 among other things, the Receiver's conclusion that DenSco was insolvent in January
2 2014.

3 411. The Receiver monitored and took part in a bankruptcy proceeding that
4 Menaged initiated. Among other things, the Receiver's counsel conducted an
5 examination of Menaged, and the Receiver filed an adversary complaint and a
6 complaint to determine nondischargeability, and obtained a judgment against Menaged.

7 412. On June 22, 2017, Clark Hill submitted two proofs of claim to the
8 Receiver, which are discussed above.

9 413. On September 14, 2017, the Receiver filed a petition with the
10 Receivership Court seeking to file this action. The petition was granted on October 10,
11 2017.

12 414. On September 25, 2017, the Receiver filed in the Receivership Court
13 Petition No. 37 – Petition for Approval of Receiver's Final Recommendations
14 Approving Claims in DenSco Receivership, in which the Receiver recommended that
15 Clark Hill's claims be denied "because the Receiver has determined that Clark Hill had
16 a conflict of interest that precluded it from performing the legal services without
17 violating fiduciary duties to DenSco. Despite providing Clark Hill with notice of the
18 Receiver's recommendation of the denial of its two claims and a copy of the Claims
19 Report, Clark Hill failed to object or respond to the Receiver's recommendation that
20 their two non-investor claims submitted by Clark Hill be denied." The Petition was
21 granted on October 27, 2017.

22 415. This action was filed on October 16, 2017.

23 416. On December 22, 2017, the Receiver issued a status report describing the
24 status of the receivership, which the Receiver incorporates by reference in this
25 disclosure statement.

II. LEGAL BASIS FOR CLAIMS

A. Count One (Legal Malpractice)

The Receiver asserts that Defendants were negligent. To sustain that claim, the Receiver “must prove the existence of a duty, breach of duty, that the defendant’s negligence was the actual and proximate cause of injury, and the ‘nature and extent’ of damages.” *Glaze v. Larsen*, 207 Ariz. 26, 29, ¶ 12, 83 P.3d 26, 29 (2004) (citing *Phillips v. Clancy*, 152 Ariz. 415, 418, 733 P.2d 300, 303 (App. 1986)).

That Defendants owed a duty to DenSco is undisputed, established by, *inter alia*, the engagement letter Clark Hill issued in September 2013.

The Receiver anticipates establishing, through expert testimony, that Clark Hill fell below the standard of care by, *inter alia*, (i) failing to advise DenSco at the outset of the representation that DenSco could not sell any promissory notes without first issuing a new POM; (ii) failing to advise DenSco of the consequences of having previously sold promissory notes without an adequate disclosure document; (iii) accepting the responsibility of preparing a new POM and then following Chittick’s instruction not to perform work on the new POM until Chittick wished to do so, knowing that DenSco was continuing its business operations and selling promissory notes to rollover investors and others; (iv) failing to properly advise DenSco during the first week of January 2014 about the actions DenSco was required to take in light of the loan losses caused by Chittick’s gross mismanagement of DenSco’s lending practices and Chittick’s intent to pursue a “work out” with Menaged; (v) advising DenSco that it could sell promissory notes without first issuing a new POM and could continue its business operations, including the sale of promissory notes, while indefinitely delaying the issuance of a new POM; (vi) negligently advising DenSco during January 2014 about the procedures DenSco should employ in loaning monies to Menaged; and (vii) failing to withdraw from the representation of DenSco when it was apparent that Chittick intended to take actions that were harmful to the interests of DenSco and its creditors, including its investors.

1 The Receiver will establish that, but for Defendants' negligence, DenSco would
2 not have sold more than \$8 million of promissory notes between September and
3 December 2013, and more than \$5 million of promissory notes between January and
4 May 2014. Without such sales, and Chittick's decision to cause DenSco to pursue the
5 Forbearance Agreement, rather than to seek to recover from Menaged the losses caused
6 by Chittick's gross mismanagement of DenSco's lending practices, DenSco would not
7 have suffered losses on the loans DenSco made to Menaged through the Forbearance
8 Agreement as well as the "non-workout" loans that DenSco made to Menaged. Those
9 losses were reasonably foreseeable to Beauchamp and others at Clark Hill.

10 The Receiver alternatively asserts that Clark Hill and Beauchamp breached
11 fiduciary duties they owed DenSco. "[T]he essential elements of legal malpractice
12 based on breach of fiduciary duty include the following: (1) an attorney-client
13 relationship; (2) breach of the attorney's fiduciary duty to the client; (3) causation, both
14 actual and proximate; and (4) damages suffered by the client." *Cecala v. Newman*, 532
15 F. Supp. 2d 1118, 1135 (D. Ariz. 2007) (internal citations omitted).

16 The Receiver will establish through expert testimony that Defendants breached
17 their duty of loyalty to their only client, DenSco, by taking actions after January 9, 2014
18 that were intended to advance Chittick's rather than DenSco's interests, and by failing
19 to take actions that would have advanced DenSco's interests. The Receiver will
20 establish that, but for Defendants' breach of fiduciary duty, DenSco would not have
21 suffered losses on the loans DenSco made to Menaged through the Forbearance
22 Agreement as well as the "non-workout" loans that DenSco made to Menaged, and that
23 those losses were reasonably foreseeable to Beauchamp and others at Clark Hill.

24 In addition to the loan losses DenSco suffered as a result of Defendants' breach
25 of fiduciary duty, DenSco also seeks an order requiring Clark Hill to disgorge fees it
26 received from DenSco for work performed after Clark Hill breached its fiduciary duties.
27 DenSco relies on Restatement (Third) of the Law Governing Lawyers § 37, which
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1 states: “A lawyer engaging in clear and serious violation of duty to a client may be
2 required to forfeit some or all of the lawyer’s compensation for the matter.

3 Considerations relevant to the question of forfeiture include the gravity and timing of
4 the violation, its willfulness, its effect on the value of the lawyer’s work for the client,
5 any other threatened or actual harm to the client, and the adequacy of other remedies.”

6 The Receiver relied on § 37 in denying Clark Hill’s proofs of claim.

7
8 **B. Count Two (Aiding and Abetting Breach of Fiduciary Duty)**

9 The Receiver asserts that Clark Hill and Beauchamp aided and abetted Chittick
10 in breaching fiduciary duties Chittick owed DenSco. Arizona recognizes that “lawyers
11 have no special privilege against civil suit” and are “subject to liability to a client or
12 nonclient when a nonlawyer would be in similar circumstances” including claims for
13 aiding and abetting. *Chalpin v. Snyder*, 220 Ariz. 413, 424, ¶¶ 44-45, 207 P.3d 666,
14 677 (2008) (internal citations omitted). It is also generally recognized that “a corporate
15 attorney may be liable . . . for aiding and assisting the directors and officers in
16 breaching their fiduciary duties.” 3 William Fletcher, *Cyclopedia of the Law of Private*
17 *Corporations* § 839.10 (Apr. 2018 update).

18 To sustain this claim, the Receiver must establish that: “(1) [Chittick breached a
19 fiduciary duty he owed DenSco] causing injury to [DenSco]; (2) [Defendants] knew
20 [Chittick] breached a duty; (3) [Defendants] substantially assisted or encouraged
21 [Chittick] in the breach; and (4) a causal relationship exists between the assistance or
22 encouragement and [Chittick’s] breach.” *Security Title Agency, Inc. v. Pope*, 219 Ariz.
23 480, 491, ¶ 44, 200 P. 3d 977, 988 (App. 2008).

24 Chittick, as DenSco’s only director and officer, owed fiduciary duties to
25 DenSco. “In Arizona a director of a corporation owes a fiduciary duty to the
26 corporation and its stockholders. This duty is in the nature of a trust relationship”
27 *Atkinson v. Marquart*, 112 Ariz. 304, 306, 541 P.2d 556, 558 (1975) (citations omitted).
28 These fiduciary duties are both “implied by law,” *Dooley v. O’Brian*, 226 Ariz. 149,

1 154, ¶ 18, 244 P.3d 586, 591 (App. 2010), and codified by statute. *See* A.R.S. § 10-830
2 (duties of directors); A.R.S. § 10-842 (duties of officers).

3 Chittick also owed fiduciary duties to DenSco's creditors, including its investors.
4 Under Arizona law, a director's fiduciary duties "can apply even to creditors when a
5 corporation enters the zone of insolvency, without regard to the terms of the underlying
6 contracts." *Dooley*, 226 Ariz. at 154, ¶ 18, 244 P.3d at 591. "Once a corporation
7 becomes insolvent, the creditors join the class of persons to whom directors owe a
8 fiduciary duty to maximize the economic value of the firm for *all* of the firm's
9 creditors." *Dawson v. Withycombe*, 216 Ariz. 84, 107, ¶71, 163 P.3d 1034, 1057
10 (2008).

11 Among Chittick's duties was the duty of loyalty. He was required to act in
12 "good faith" and in the manner he "reasonably believe[d] to be in the best interests of
13 the corporation." A.R.S. § 10-830(A)(1), (3); A.R.S. § 10-842(A)(1), (3). "The duty of
14 loyalty mandates that the best interest of the corporation . . . take precedence over any
15 interest possessed by a director." *Fletcher, supra*, at § 837.60; *see also AMERCO v.*
16 *Shoen*, 184 Ariz. 150, 160, 907 P.2d 536, 546 (App. 1995) (approving jury instruction
17 to the effect that "defendants were obliged to place the corporation's interest before
18 their own"). Loyalty therefore includes "a duty to disclose information to those who
19 have a right to know the facts." *Fletcher, supra*, at § 837.50.

20 Chittick also owed a separate duty of care. He was required to exercise a "high
21 degree of care," *Atkinson*, 112 Ariz. at 306, 541 P.2d at 558, including "the care an
22 ordinarily prudent person in a like position would exercise under similar
23 circumstances." A.R.S. §§ 10-830(A)(2), 10-842(A)(2). Care includes ensuring that
24 the corporation complies with the law. *See, e.g., Big 4 Advert. Co. of Phx. v. Clingan*,
25 15 Ariz. 34, 38, 135 P. 713, 715 (1913) ("It is the duty of the board of directors to see
26 that the law's requirements are observed.").

27 Care also includes investigation. For example, "[t]he existence of a 'red flag'
28 that might cause suspicion may require a director to make reasonable inquiries."

1 Fletcher, *supra*, at § 1034.80. While the business judgment rule sometimes calls for
2 judicial deference to a director's decision, that rule does not apply when, for instance,
3 the director fails to gather "all material information reasonably available" or is
4 "personally interested" in the decision. *Resolution Trust Corp. v. Dean*, 854 F. Supp.
5 626, 636, 644 (first quoting *Blumenthal v. Teets*, 155 Ariz. 123, 128, 745 P.2d 181, 186
6 (App. 1987); then citing *Shoen v. Shoen*, 167 Ariz. 58, 65, 804 P.2d 787, 794 (App.
7 1990)); *see also* Fletcher, *supra*, at § 1040 ("To gain the protection of the business
8 judgment rule, a director must have been disinterested, independent, and informed.").
9 Even under the business judgment rule, a director still is liable for "gross negligence."
10 *Resolution Trust Corp.*, 854 F. Supp. at 635; *see also* Fletcher, *supra*, at § 1040 ("[T]he
11 presumptions arising from the business judgment rule may be overcome by showing
12 irrationality or inattention on the part of corporate officers or directors.").

13 Clark Hill knew that Chittick owed fiduciary duties to DenSco and its investors,
14 as is evidenced by numerous emails Beauchamp authored. *See, e.g.*, Feb. 4, 2014 Email
15 from Beauchamp to Chittick, at DIC0006673 ("you cannot obligate DenSco to further
16 help Scott, because that would breach your fiduciary duty to your investors."); Feb. 9,
17 2014 Email from Beauchamp to Chittick, at DIC0006703 ("Denny: Please understand
18 that you are limited in what risk or liability you can assume. Your fiduciary duty to
19 your investors makes this a difficult balancing act."); Feb. 14, 2014 Email from
20 Beauchamp to Chittick, at DIC0006698 ("Unfortunately, it is not your money. It is
21 your investors' money. So you have a fiduciary duty.").

22 Clark Hill continues to acknowledge that Chittick owed these duties. *See*
23 Defendants' Fifth Supplemental Rule 26.1 Disclosure Statement at 12-13, 15 (referring
24 to Chittick's "fiduciary duty" to DenSco's investors); *see also* Deposition of David
25 George Beauchamp, 7/19/2018, at 135:8-10 (stating that Chittick's "fiduciary duty was
26 to DenSco and the investors"), 157:19-21 ("Q. Mr. Beauchamp, DenSco owed
27 fiduciary duties to its investors. True? A. Correct."), 162:17-20 ("Q. You understand
28 that DenSco owed a duty of loyalty to its investors. That's part of a fiduciary duty,

1 correct? A. Correct.”), 172:22-173:1 (“Q. . . . DenSco has a fiduciary duty to disclose
2 material facts to its investor. True? A. That is correct.”), 330:24-331:3 (“Q. . . .
3 DenSco had a fiduciary duty of loyalty and disclosure to its investors. True? A.
4 Correct.”); 337:11-15 (“Q. DenSco had a fiduciary duty of diligence to its investors.
5 True? [Objection to form.] A. It had a fiduciary duty to use sound business judgment
6 in doing the loans, yes.”).

7 Chittick breached these fiduciary duties by, *inter alia*,

- 8 • failing to acquire the manpower and resources necessary to effectively
9 manage DenSco’s ever-increasing loan volume;
- 10 • using lax and grossly negligent lending practices that violated the terms of
11 DenSco’s loan documents and representations made to investors in
12 DenSco’s POMs;
- 13 • instructing Clark Hill not to do any work on a new POM while causing
14 DenSco to continue selling promissory notes between September and
15 December 2013;
- 16 • failing to acknowledge that the loan losses evident from Bryan Cave’s
17 January 6, 2014 demand letter and the claims of other hard money lenders
18 were the result of his own grossly negligent practice of disbursing loan
19 proceeds to Menaged, contrary to the terms of the Mortgage form and
20 representations made to investors in DenSco’s POMs;
- 21 • failing to question, much less investigate, the veracity of Menaged’s
22 claim that his “cousin” had caused those losses;
- 23 • failing to investigate where the funds supposedly taken by Menaged’s
24 “cousin” had gone;
- 25 • pursuing a work out plan with Menaged that was not in the best interests
26 of DenSco and its investors and other creditors, instead of pursuing legal
27 remedies against Menaged;
- 28 • deciding to continue giving loan proceeds directly to Menaged, rather

1 than a Trustee, contrary to the terms of the Mortgage form and
2 representations made to investors in DenSco's POMs;

- 3 • causing DenSco to sell promissory notes between January and May 2014
4 without first issuing a new POM;
- 5 • instructing Clark Hill to not do more work on a new POM other than the
6 limited work that Clark Hill performed in May 2014 to prepare a new
7 POM; and
- 8 • causing DenSco to sell promissory notes between June 2014 and June
9 2016 without first issuing a new POM;

10 Defendants' knowledge of Chittick's breaches of fiduciary duty can be inferred
11 from the circumstances. *Pope*, 219 Ariz. at 491, ¶ 45, 200 P. 3d at 988. Indeed, some
12 courts have held that "[c]onstrutive knowledge is adequate when the aider and abettor
13 has maintained a long-term or in-depth relationship with the fiduciary." *Chem-Age*
14 *Industries, Inc. v. Glover*, 652 N.W. 2d 756, 775 (S.D. 2002) (internal citation omitted).
15 The facts set forth above demonstrate Clark Hill's intimate knowledge of, and
16 participation in, Chittick's breaches of fiduciary duty.

17 Causation "requires proof of a causal connection between the defendant's
18 assistance or encouragement and the primary tortfeasor's commission of the tort,
19 although 'but for' causation is not required." *Pope*, 219 Ariz. at 491, ¶ 47, 200 P.3d
20 at 988. "The test is whether the assistance makes it 'easier' for the violation to occur,
21 not whether the assistance was necessary." *Wells Fargo Bank v. Ariz. Laborers,*
22 *Teamsters & Cement Masons Local No. 395 Pension Trust Fund*, 201 Ariz. 474, 485, ¶
23 31, 38 P.3d 12, 23 (2002). *Cf. Granewich v. Harding*, 329 Or. 47, 59, 985 P.2d 788,
24 800 (1999) (allegation that lawyer for corporate client took actions "outside the scope
25 of any legitimate employment on behalf of the corporation" sufficient to allege
26 substantial assistance in aiding and abetting non-client corporate constituent's breach of
27 fiduciary duties).

28 The facts set forth above demonstrate that Clark Hill provided substantial

1 assistance to Chittick's breaches of fiduciary duty over an extended period of time.

2 **C. Punitive Damages**

3 The Receiver seeks punitive damages. To recover punitive damages, the
4 Receiver must "prove by clear and convincing evidence that the defendant engaged in
5 aggravated and outrageous conduct with an 'evil mind.' A defendant acts with the
6 requisite evil mind when he intends to injure or defraud, or deliberately interferes with
7 rights of others, 'consciously disregarding the unjustifiable substantial risk of
8 significant harm to them.' Important factors to consider when deciding whether a
9 defendant acted with an evil mind include (1) the reprehensibility of defendant's
10 conduct and the severity of the harm likely to result, (2) any harm that has occurred,
11 (3) the duration of the misconduct, (4) the defendant's awareness of the harm or risk of
12 harm, and (5) any concealment of it." *Hyatt Regency Phoenix Hotel Co. v. Winston &*
13 *Strawn*, 184 Ariz. 120, 132, 907 P.2d 506 (App. 1995) (citations omitted).

14 Punitive damages are appropriately awarded when, as here, an attorney breaches
15 fiduciary duties, acts out of self-interest, and attempts to conceal his misconduct. *See,*
16 *e.g., Elliott v. Videan*, 164 Ariz. 113, 791 P.2d 639 (App. 1989) (punitive damages were
17 appropriate where attorney had conflict of interest, concealed it from client, and acted
18 to benefit at client's expense); *Asphalt Engineers v. Galusha*, 160 Ariz. 134, 770 P.2d
19 1180 (App. 1989) (affirming award of punitive damages against attorney who breached
20 ethical duties to his client and concealed his misconduct).

21 "[Clark Hill] can be vicariously liable in punitive damages for acts that its
22 partner [Beauchamp] performed in the ordinary course of the partnership's business."
23 *Hyatt Regency*, 184 Ariz. at 130, 907 P.2d at 130.

24 The Receiver has established a prima facie case for punitive damages based on
25 Beauchamp's and Clark Hill's: (i) aiding and abetting Denny Chittick's breaches of
26 fiduciary duty to DenSco and investors of DenSco, which in turn breached duties they
27 owed DenSco; (ii) conflicts of interest; and (iii) actions taken to conceal their
28 misconduct.

1 Evidence of that prima facie case is drawn from the documents produced by
2 Clark Hill to date, Clark Hill's Rule 26.1 Initial Disclosure Statement, Beauchamp's
3 answers to interrogatories, and the depositions and exhibits thereto of Beauchamp,
4 Daniel Schenck, and Robert Anderson. Without limiting the evidence on which the
5 Receiver may rely, the evidence developed to date includes the following facts or
6 inferences drawn therefrom:

7 a. When Clark Hill undertook the representation of DenSco in
8 September 2013, it knew through Beauchamp that DenSco's 2011 POM had expired on
9 July 1, 2013 and that DenSco had not issued a new POM, even though one-half of
10 DenSco's investors held promissory notes that were due to expire, and would almost
11 certainly be renewed through the sale of new promissory notes between July and
12 December 2013. Despite that knowledge, Clark Hill and Beauchamp agreed with
13 Chittick, as a condition of opening a file to prepare a new POM, that the firm would do
14 no work on a new POM until Chittick instructed Clark Hill to do so.

15 b. As a result of Clark Hill's and Beauchamp's knowing participation
16 in this breach of fiduciary duty by Chittick, DenSco sold more than \$8 million of
17 promissory notes between September and December 2013 to investors who did not
18 receive a new POM, and were unaware of DenSco's perilous financial condition and
19 Chittick's gross mismanagement of DenSco's loan portfolio. Those investors would
20 not have purchased promissory notes if they had known those facts. Without those
21 funds, and funds DenSco raised thereafter through Clark Hill's and Beauchamp's
22 assistance, DenSco could not have continued operating.

23 c. In January 2014, Clark Hill and Beauchamp received clear,
24 unequivocal evidence that Chittick's mismanagement of DenSco's loan portfolio,
25 specifically his decision to give loaned funds directly to borrowers, rather than to a
26 Trustee, as DenSco's loan documents required and as DenSco's POMs had represented,
27 had resulted in a potential loss to DenSco of between \$11.6 and \$14.5 million, or
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1 between 25% and 30% of the \$47 million that Clark Hill understood DenSco had raised
2 as of June 2013.

3 d. Clark Hill and Beauchamp knew that DenSco's interests and
4 Chittick's interests were then in conflict, and that DenSco was their only client.

5 e. Clark Hill and Beauchamp nevertheless advised Chittick that:
6 (1) he could pursue a "work out" with Menaged that was eventually documented in the
7 Forbearance Agreement which was not in DenSco's interests and was intended to
8 protect Chittick from claims by DenSco's investors; (2) DenSco could continue to sell
9 promissory notes without issuing a new POM; and (3) DenSco could continually delay
10 the issuance of a new POM while Chittick pursued this workout plan.

11 f. Clark Hill and Beauchamp acted out of their own self-interest,
12 knowing that if DenSco instead terminated its relationship with Menaged and informed
13 its investors of the Chittick's mismanagement, Clark Hill and Beauchamp faced
14 potential claims by investors who had purchased \$8 million of promissory notes from
15 DenSco without adequate disclosure during the four-month period that Clark Hill and
16 Beauchamp had been advising the firm on securities law matters, but failed to advise
17 Chittick that DenSco could not sell those notes without first issuing a new POM and
18 had abided by Chittick's instruction not to prepare the new POM the firm had been
19 retained to prepare.

20 g. In January 2014, Clark Hill knew that Menaged was an unreliable
21 creditor, that Chittick had flagrantly disregarded DenSco's lending documents and
22 representations made to investors through DenSco's previous POMs by giving millions
23 of loaned funds directly to Menaged, rather than to a Trustee. Clark Hill also knew that
24 Chittick needed to continue loaning money to fund the planned "work out" and wanted
25 to continue his past practice of giving loaned funds directly to Menaged. Rather than
26 tell Chittick that his past practices were a breach of fiduciary duty and could not
27 continue, Clark Hill acquiesced in Chittick's plan to continue giving loaned funds
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1 directly to Menaged, thereby exposing DenSco and its investors to even greater losses
2 than those caused by Chittick's gross mismanagement before that date.

3 h. With Clark Hill's knowing assistance, Chittick caused DenSco to
4 sell more than \$5 million of promissory notes between January and May 2014 to
5 investors who did not receive a new POM, and were unaware of DenSco's perilous
6 financial condition, Chittick's gross mismanagement of DenSco's loan portfolio, and
7 his pursuit of a "work out" with Menaged that was not in DenSco's interests and
8 exposed the company and its investors to additional financial loss. Those investors
9 would not have purchased promissory notes if they had known those facts. Without
10 those funds, and funds DenSco raised thereafter through Clark Hill's assistance,
11 DenSco could not have continued operating.

12 i. In May 2014, at Chittick's request, Clark Hill agreed to stop the
13 minimal steps it had taken to prepare a new POM and assured Chittick that DenSco
14 could continue its operations, including the sale of promissory notes, while indefinitely
15 delaying the issuance of a new POM.

16 j. Clark Hill continued to represent DenSco, awaiting his decision to
17 finally direct the firm to finish preparing a new POM. Chittick continue to operate
18 DenSco, selling still more promissory notes to investors who did not receive a new
19 POM and were not given information about DenSco's financial condition and Chittick's
20 management of the company.

21 k. After Chittick's death, Clark Hill and Beauchamp failed to
22 withdraw from representing DenSco despite their knowledge of Chittick's
23 mismanagement of DenSco and evidence that Chittick blamed Clark Hill and
24 Beauchamp for having negligently represented DenSco.

25 l. In addition to undertaking that conflicted representation, Clark Hill
26 and Beauchamp agreed to also represent the Estate of Denny Chittick, despite knowing
27 that the interests of DenSco and the Estate were adverse, because DenSco had
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1 substantial claims against the Estate arising from Chittick's multiple breaches of
2 fiduciary duty he owed DenSco.

3 m. Clark Hill and Beauchamp sought to represent DenSco and the
4 Estate because it hoped to cover up evidence of its own misconduct and deter the ACC,
5 investors, or the Receiver from pursuing claims against them.

6 n. As part of their plan to protect themselves from liability, Clark Hill
7 and Beauchamp began stating, during their representation of DenSco, that they had
8 terminated their representation of DenSco because of Chittick's alleged failure to
9 follow their advice. They continued to make that claim and have done so in this
10 litigation. The Receiver believes the claims are untrue, as they are: (1) contrary to
11 Clark Hill's and Beauchamp's actual course of conduct; (2) not evidenced by any
12 document; (3) in conflict with certain documents in Clark Hill's possession, some of
13 which Clark Hill failed to disclose; and (4) inconsistent with what a reasonable law firm
14 would have done if it had, in fact, terminated the representation of a client who failed to
15 follow the firm's advice and was engaging in violations of law.

16 o. Clark Hill and Beauchamp also colluded with the Estate and its
17 counsel to conceal material information from the Receiver and/or delay his receipt of
18 that information by, among other things, making knowing false statements to the
19 Receivership Court. Clark Hill did so with the knowledge and participation of its
20 Office of General Counsel.

21 **III. ANTICIPATED TRIAL WITNESSES**

22 The Receiver presently anticipates calling the following witnesses:

23 1. **David Beauchamp** (c/o John DeWulf, Coppersmith Brockelman,
24 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
25 Beauchamp will testify about the facts set forth above in a manner consistent with the
26 deposition testimony he has given in this matter.
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1 2. **Robert Anderson** (c/o John DeWulf, Coppersmith Brockelman,
2 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999):
3 Consistent with his deposition testimony, Mr. Anderson will testify that he did not
4 undertake any effort to advise DenSco about deficiencies in its lending practices during
5 January 2014, as Mr. Beauchamp claimed in his deposition. Mr. Anderson may testify
6 on other matters addressed during his deposition.

7 3. **Daniel Schenck** (c/o John DeWulf, Coppersmith Brockelman,
8 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
9 Schenck will testify that he did not undertake any effort to advise DenSco about
10 deficiencies in its lending practices during January 2014, as Mr. Beauchamp claimed in
11 his deposition. Mr. Schenck may testify about other matters addressed during his
12 deposition.

13 4. **Mark Sifferman** (c/o John DeWulf, Coppersmith Brockelman,
14 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
15 Sifferman, Clark Hill's former Assistant General Counsel, will testify about his actions
16 in reviewing and revising Beauchamp's declaration that was submitted to the
17 Receivership Court, his attendance at the August 18, 2016 hearing, and other matters
18 addressed during his deposition.

19 5. **Ed Hood** (c/o John DeWulf, Coppersmith Brockelman, PLC, 2800
20 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr. Hood, Clark
21 Hill's General Counsel, will testify about matters addressed during his deposition.

22 6. **Ryan Lorenz** (c/o John DeWulf, Coppersmith Brockelman, PLC,
23 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
24 Lorenz will testify about the proofs of claim he submitted to the Receiver in June 2017,
25 his accompanying affidavit, and the information contained therein.
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1 **IV. PERSONS WHO MAY HAVE RELEVANT KNOWLEDGE OR**
2 **INFORMATION**

3 **A. Persons Affiliated With DenSco**

4 1. **Shawna Chittick Heuer** (c/o James Polese, Gammage &
5 Burnham, PLC, Two N. Central Avenue, 15th Floor, Phoenix, AZ 85004; (602) 256-
6 0566): Ms. Heuer is Denny Chittick's sister. She has knowledge of certain facts set
7 forth above and matters addressed during her deposition.

8 2. **Kurt Johnson** (3317 E. Bell Road, Suite 101-265, Phoenix, AZ
9 85032; (602) 505-8117): Mr. Johnson is an attorney who provided certain legal
10 services to DenSco and is believed to have knowledge of those services.

11 3. **Robert Koehler** (RLS Capital, Inc., 4455 E Camelback Road,
12 Suite D135, Phoenix, AZ 85018; (480) 945-2799): Mr. Koehler was described in the
13 July 2011 POM as having entered into a written agreement with Chittick pursuant to
14 which he was a signatory on DenSco's bank account, was to have received on a weekly
15 basis "an updated spreadsheet of all properties currently being used as collateral for a
16 loan" and, on a monthly basis, "a spreadsheet of all the investors and what is owed to
17 them, and receives the monthly statements for all investors." Mr. Koehler was an
18 investor in DenSco. After Mr. Chittick's death and at the request of Ms. Heuer, Mr.
19 Koehler conducted a preliminary analysis of DenSco's loan portfolio. He is believed to
20 have knowledge of DenSco's business operations, books and records, and written
21 communications he received from Mr. Chittick at or around the time of his death.

22 4. **David Preston:** (Preston CPA, P.C., 1949 E. Broadway Road,
23 Suite 101, Tempe, AZ 85282; (480) 820-4419): Mr. Preston is a Certified Public
24 Accountant and an investor in DenSco. He provided professional services to DenSco.
25 He commented on the 2007 POM. He communicated with David Beauchamp after
26 Chittick's death in 2016. He is believed to have knowledge of his dealings with Denny
27 Chittick, the professional services he provided to DenSco, his investment in DenSco,
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1 his participation in the preparation of the 2007 POM, and his dealings with Mr.
2 Beauchamp.

3 **B. DenSco Investors**

4 1. **William and Helene Alber** (1551 W. Grand Canyon Drive,
5 Chandler, AZ 85248; wkalber@cox.net; (480) 200-8045): Mr. and Mrs. Alber are
6 believed to have knowledge of their communications with Mr. Chittick, investments in
7 DenSco through the Alber Family Trust, and their communications with Mr.
8 Beauchamp after Mr. Chittick's death.

9 2. **Angels Investments, LLC** c/o Yusuf Yildiz (1609 W. 17th Street,
10 Tempe, AZ 85281; yusif@comsiscomputer.com; 480-258-8171): Mr. Yildiz is
11 believed to have knowledge of his communications with Mr. Chittick, the company's
12 investments in DenSco, and his communications with Mr. Beauchamp after Mr.
13 Chittick's death.

14 3. **BLL Capital, LLC** c/o Barry Luchtel (5550 Wild Rose Lane,
15 Suite 400, West Des Moines, IA 50266; (480)256-2274; (515) 225-0300): Mr. Luchtel
16 is believed to have knowledge of his communications with Mr. Chittick, the company's
17 investments in DenSco, and his communications with Mr. Beauchamp after Mr.
18 Chittick's death.

19 4. **Robert Brinkman** (15001 S. 5th Avenue, Phoenix, AZ 85045;
20 rbrinkman@cox.net; (480) 460-8646): Mr. Brinkman is believed to have knowledge of
21 his communications with Mr. Chittick, investments in DenSco individually and through
22 the Brinkman Family Trust, and his communications with Mr. Beauchamp after Mr.
23 Chittick's death.

24 5. **Craig and Tomie Brown** (6135 W. Trovita Place, Chandler, AZ
25 85226; Trovita@gmail.com; (480)287-4622): Mr. and Mrs. Brown are believed to have
26 knowledge of their communications with Mr. Chittick, their investments in DenSco
27 individually and through their trust, and their communications with Mr. Beauchamp
28 after Mr. Chittick's death.

1 6. **Steven G. and Mary E. Bunger** (6134 W. Trovita Place,
2 Chandler, AZ 85226; steve@bunger.me; (480) 961-4002): Mr. and Mrs. Bunger are
3 believed to have knowledge of their communications with Mr. Chittick, investments in
4 DenSco through the Bunger Estate, and their communications with Mr. Beauchamp
5 after Mr. Chittick's death.

6 7. **Anthony Burdett** (1623 Common Drive, El Paso, TX 79936-
7 5235; Burdett.anthony@gmail.com; (915) 373-1850): Mr. Burdett is believed to have
8 knowledge of his communications with Mr. Chittick, his investments in DenSco
9 through his IRA, and his communications with Mr. Beauchamp after Mr. Chittick's
10 death.

11 8. **Kennen Burkhardt** (2030 S. Minnewawa Avenue, Fresno, CA
12 93727; KennenL@yahoo.com; (515) 537-5494; (949) 361-4335): Mr. Burkhardt is
13 believed to have knowledge of his communications with Mr. Chittick, his investments
14 in DenSco individually and through his IRA, and his communications with Mr.
15 Beauchamp after Mr. Chittick's death.

16 9. **Warren V. and Fay L. Bush** (P.O. Box 92080, Albuquerque, NM
17 87199-2080; wbush1120@comcast.net; (505) 856-7398; (505) 264-0773): Mr. and
18 Mrs. Bush are believed to have knowledge of their communications with Mr. Chittick,
19 their investments in DenSco, their involvement in the preparation of the 2011 POM,
20 and their communications with Mr. Beauchamp after Mr. Chittick's death.

21 10. **Mary L. Butler** (62 Cypress Court, Durango, CO 81301): Ms.
22 Butler is believed to have knowledge of her communications with Mr. Chittick, her
23 investments in DenSco through her IRA, and her communications with Mr. Beauchamp
24 after Mr. Chittick's death.

25 11. **Van H. Butler** (62 Cypress Court, Durrango, CO 81301;
26 butlerv@yahoo.com; (970) 749-9025): Mr. Butler is believed to have knowledge of his
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1 communications with Mr. Chittick, his investments in DenSco individually and through
2 his IRA, and his communications with Mr. Beauchamp after Mr. Chittick's death.

3 12. **Thomas and Sara Byrne** (72 Commonwealth Avenue, San
4 Francisco, CA 94118; thomasbyrne11@gmail.com; (415) 990-4676): Mr. and Mrs.
5 Byrne are believed to have knowledge of their communications with Mr. Chittick, their
6 investments in DenSco through their trust, and their communications with Mr.
7 Beauchamp after Mr. Chittick's death.

8 13. **Erin P. Carrick Trust** c/o Gretchen P. Carrick (1404 W.
9 Lakeshore Drive, Whitefish, MT 59937; epcarrick@gmail.com; (541) 729-1990): Ms.
10 Carrick is believed to have knowledge of her communications with Mr. Chittick, her
11 investments in DenSco through the Trust, and her communications with Mr.
12 Beauchamp after Mr. Chittick's death.

13 14. **Gretchen P. Carrick** (P.O. Box 773656, Eagle River, AK 99577;
14 carricks3@ak.net; (541) 729-6878): Ms. Carrick is believed to have knowledge of her
15 communications with Mr. Chittick, her investments in DenSco through her Trust, and
16 her communications with Mr. Beauchamp after Mr. Chittick's death.

17 15. **Averill Cate, Jr. and Mary Kris McIlwaine** (3661 N. Campbell
18 Avenue, Suite 372, Tucson, AZ 85719; acatejr@gmail.com; (520) 370-6997): Mr. Cate
19 and Ms. McIlwaine are believed to have knowledge of their communications with Mr.
20 Chittick, their investments in DenSco, and their communications with Mr. Beauchamp
21 after Mr. Chittick's death.

22 16. **Arden and Nina Chittick** (8028 F 53rd Avenue West, Mukilteo,
23 WA 98275; artnina@hotmail.com; (425) 205-8997): Mr. and Mrs. Chittick are
24 believed to have knowledge of their communications with Denny Chittick, their
25 investments in DenSco, and their communications with Mr. Beauchamp after Mr.
26 Chittick's death.

1 17. **Eldon and Charlene Chittick** (5869 W. Heine Road, Coeur
2 d'Alene, ID 83814; moandsam@yahoo.com; (208) 765-2702): Mr. and Mrs. Chittick
3 are believed to have knowledge of their communications with Denny Chittick, their
4 investments in DenSco through the Chittick Family Trust, and their communications
5 with Mr. Beauchamp after Mr. Chittick's death.

6 18. **Eileen Cohen** (1419 Peerless Place, Apt. 116, Los Angeles, CA
7 90035): Ms. Cohen is believed to have knowledge of her communications with Mr.
8 Chittick, her investments in DenSco, and her communications with Mr. Beauchamp
9 after Mr. Chittick's death.

10 19. **Herbert I. Cohen** (1419 Peerless Place, Apt. 116, Los Angeles,
11 CA 90035; (623) 866-3221): Mr. Cohen is believed to have knowledge of his
12 communications with Mr. Chittick, his investments in DenSco through his Trust, and
13 his communications with Mr. Beauchamp after Mr. Chittick's death.

14 20. **Dori Ann Davis** (5346 E. Herrera Road, Phoenix, AZ 85054;
15 doriann@cox.net; (602) 300-9740): Ms. Davis is believed to have knowledge of her
16 communications with Mr. Chittick, investments in DenSco through her Trust, and her
17 communications with Mr. Beauchamp after Mr. Chittick's death.

18 21. **Glen P. Davis** (5346 E. Herrera Road, Phoenix, AZ 85054;
19 glenbo@cox.net; (602) 692-5862): Mr. Davis is believed to have knowledge of his
20 communications with Mr. Chittick, his investments in DenSco through his IRA, and his
21 communications with Mr. Beauchamp after Mr. Chittick's death.

22 22. **Jack J. Davis** (543 West Avenue, Rifle, CO 81650;
23 jackdavisdds@hotmail.com; (970) 625-1391): Mr. Davis is believed to have
24 knowledge of his communications with Mr. Chittick, his investments in DenSco, and
25 his communications with Mr. Beauchamp after Mr. Chittick's death.

26 23. **Samantha Davis** c/o Jack J. Davis (543 West Avenue, Rifle, CO
27 81650; jackdavisdds@hotmail.com; (970) 625-1391): Ms. Davis is believed to have
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1 knowledge of her communications with Mr. Chittick, her investments in DenSco, and
2 her communications with Mr. Beauchamp after Mr. Chittick's death.

3 24. **Desert Classic Investments, LLC** c/o Steven G. Bunger (6134 W.
4 Trovita Place, Chandler, AZ 85226; steve@bunger.me; (602) 531-3100): Mr. Bunger
5 is believed to have knowledge of his communications with Mr. Chittick, the company's
6 investments in DenSco, and his communications with Mr. Beauchamp after Mr.
7 Chittick's death.

8 25. **Scott D. Detota** (1220 Ridgewood Land, Lake Villa, IL 60046
9 sdetota99@yahoo.com; (847) 736-0160): Mr. Detota is believed to have knowledge of
10 his communications with Mr. Chittick, his investments in DenSco, and his
11 communications with Mr. Beauchamp after Mr. Chittick's death.

12 26. **Amy Lee Dirks** (82 N. Acacia Drive, Gilbert, AZ 85233;
13 amydirks@hotmail.com; (480) 414-5552): Ms. Dirks is believed to have knowledge of
14 her communications with Mr. Chittick, her investments in DenSco through her IRA,
15 and her communications with Mr. Beauchamp after Mr. Chittick's death.

16 27. **Bradley Mark Dirks** (82 N. Acacia Drive, Gilbert, AZ 85233;
17 (602) 206-3041): Mr. Dirks is believed to have knowledge of his communications with
18 Mr. Chittick, his investments in DenSco through his IRA, and his communications with
19 Mr. Beauchamp after Mr. Chittick's death.

20 28. **Dave DuBay** (6921 Trevett Lane, Casper, WY 82604; (307) 262-
21 7708; davedubay@gmail.com): Mr. DuBay is believed to have knowledge of his
22 communications with Mr. Chittick, his investments in DenSco, and his communications
23 with Mr. Beauchamp after Mr. Chittick's death.

24 29. **Ross H. Dupper** (6133 W. Victoria Place, Chandler, AZ 85261;
25 rdupper@rhdupper.com; (602) 768-8515): Mr. Dupper is believed to have knowledge
26 of his communications with Mr. Chittick, his investments in DenSco through his Trust,
27 and his communications with Mr. Beauchamp after Mr. Chittick's death.
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1 30. **Todd F. Einick** (4757 E. Greenway Road, Suite 107B-107,
2 Phoenix, AZ 85032; switchback62@hotmail.com; (480) 202-6752): Mr. Einick is
3 believed to have knowledge of his communications with Mr. Chittick, investments in
4 DenSco through the Trust, and his communications with Mr. Beauchamp after Mr.
5 Chittick's death.

6 31. **Yusef Fielding** (1609 W. 17th Street, Tempe, AZ 85281; (480)
7 612-0666; yusef@comsiscomputer.com): Mr. Fielding is believed to have knowledge
8 of his communications with Mr. Chittick, his investments in DenSco, and his
9 communications with Mr. Beauchamp after Mr. Chittick's death.

10 32. **Fischer Family Holdings** (2011 N. 51st Avenue, B-240, Glendale,
11 AZ 85308; (480) 200-8730; kirkjfischer@yahoo.com): Mr. or Mrs. Fischer is believed
12 to have knowledge of their communications with Mr. Chittick, their investments in
13 DenSco, and their communications with Mr. Beauchamp after Mr. Chittick's death.

14 33. **GB 12, LLC** c/o Stanley Schloz (10050 E. Sonoran Vista Circle,
15 Scottsdale, AZ 85255; smschloz@msn.com; (480) 694-8868): Mr. Schloz is believed
16 to have knowledge of his communications with Mr. Chittick, the company's
17 investments in DenSco, and his communications with Mr. Beauchamp after Mr.
18 Chittick's death.

19 34. **Stacy B. Grant** (2601 La Frontera Blvd., Round Rock, TX 78681;
20 (602) 499-9966): Ms. Grant is believed to have knowledge of her communications with
21 Mr. Chittick, her investments in DenSco through her IRA, and her communications
22 with Mr. Beauchamp after Mr. Chittick's death.

23 35. **Russell T. Griswold** (10 Suncrest Terrace, Onenta, NY 13820;
24 rgriswold3@stny.rr.com; (607) 437-3882): Mr. Griswold is believed to have
25 knowledge of his communications with Mr. Chittick, his investments in DenSco
26 through his IRA, and his communications with Mr. Beauchamp after Mr. Chittick's
27 death.
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1 36. **Michael and Diana Gumbert** (607 Hurst Creek Road, Lakeview,
2 TX 78734; anthjen@yahoo.com (480) 250-6063): Mr. and Mrs. Gumbert are believed
3 to have knowledge of their communications with Mr. Chittick, their investments in
4 DenSco through their Trust, and their communications with Mr. Beauchamp after Mr.
5 Chittick's death.

6 37. **Nihad Hafiz** (23 Rae's Creek Lane, Coto de Caza, CA 92679;
7 nihad@yahoo.com; (949) 246-8135): Mr. Hafiz is believed to have knowledge of his
8 communications with Mr. Chittick, his investments in DenSco, and his communications
9 with Mr. Beauchamp after Mr. Chittick's death.

10 38. **Robert B. and Elizabeth A. Hahn** (15239 E. Redrock Drive,
11 Fountain Hills, AZ 85268; hahnaz2@cox.net; (602) 769-8385): Mr. and Mrs. Hahn are
12 believed to have knowledge of their communications with Mr. Chittick, their
13 investments in DenSco through the Trust, and their communications with Mr.
14 Beauchamp after Mr. Chittick's death.

15 39. **Ralph L. Hey** (P.O. Box 62, Westcliffe, CO 82152;
16 hey.ralph01@gmail.com; (719) 207-1313): Mr. Hey is believed to have knowledge of
17 his communications with Mr. Chittick, his investments in DenSco, and his
18 communications with Mr. Beauchamp after Mr. Chittick's death.

19 40. **Dale W. and Kathy L. Hickman** (5477 W. Heine Road, Coeur
20 d'Alene, ID 83814; hikthestik@aol.com; (208) 215-6378): Mr. and Mrs. Hickman are
21 believed to have knowledge of their communications with Mr. Chittick, their
22 investments in DenSco, and their communications with Mr. Beauchamp after Mr.
23 Chittick's death.

24 41. **Craig and Samantha Hood** (8420 E. Cactus Wren Road,
25 Scottsdale, AZ 85250; greeraz@gmail.com; (602)317-3753): Mr. and Mrs. Hood are
26 believed to have knowledge of their communications with Mr. Chittick, their
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1 investments in DenSco, and their communications with Mr. Beauchamp after Mr.
2 Chittick's death.

3 42. **Doris and Levester Howze** (2864 E. Preston Street, Mesa, AZ
4 85213; dhowze@cox.net; (602) 568-0119): Ms. Howze and Mr. Howze are believed to
5 have knowledge of their communications with Mr. Chittick, their investments in
6 DenSco, and their communications with Mr. Beauchamp after Mr. Chittick's death.

7 43. **Bill Bryan Hughes** (23114 N. Pedregosa Drive, Sun City West,
8 AZ 85375; jbhok@yahoo.com; (480) 244-8863): Mr. Hughes is believed to have
9 knowledge of his communications with Mr. Chittick, his investments in DenSco
10 through his IRA, and his communications with Mr. Beauchamp after Mr. Chittick's
11 death.

12 44. **Judy Kay Hughes** (23114 N. Pedregosa Drive, Sun City West, AZ
13 85375; jbhok@yahoo.com; (480) 244-8864): Ms. Hughes is believed to have
14 knowledge of her communications with Mr. Chittick, her investments in DenSco
15 through her IRA, and her communications with Mr. Beauchamp after Mr. Chittick's
16 death.

17 45. **Brian Imdieke** (6173 W. Victoria Place, Chandler, AZ 85226;
18 b-imdieke@cox.net; bji6173@gmail.com; (480) 694-7850): Mr. Imdieke is believed to
19 have knowledge of his communications with Mr. Chittick, his investments in DenSco
20 through his Trust, and his communications with Mr. Beauchamp after Mr. Chittick's
21 death.

22 46. **James K. Jetton and Debora I. Pekker-Jetton** (9213 SW 21st
23 Street, Oklahoma City, OK 73128; jkjetto@yahoo.com; (904) 610-4213): Mr. and Mrs.
24 Jetton are believed to have knowledge of their communications with Mr. Chittick, their
25 investments in DenSco, and their communications with Mr. Beauchamp after Mr.
26 Chittick's death.

1 47. **Leslie W. Jones** (2176 E. Gazania Lane, Tucson, AZ 85719): Ms.
2 Jones is believed to have knowledge of her communications with Mr. Chittick, her
3 investments in DenSco through her IRA, and her communications with Mr. Beauchamp
4 after Mr. Chittick's death.

5 48. **Ralph Kaiser** (3319 E. Piro Street, Phoenix, AZ 85044;
6 ralph@kaisertile.com; (602) 697-3189): Mr. Kaiser is believed to have knowledge of
7 his communications with Mr. Chittick, his investments in DenSco through his IRA, and
8 his communications with Mr. Beauchamp after Mr. Chittick's death.

9 49. **Mary Kent** (30 Laurel Court, Paramus, NJ 07652;
10 mbencekent@yahoo.com; (201) 845-6147): Ms. Kent is believed to have knowledge of
11 her communications with Mr. Chittick, her investments in DenSco, and her
12 communications with Mr. Beauchamp after Mr. Chittick's death.

13 50. **Paul A. Kent** (23 E. 15th Street, Tempe, AZ 85281;
14 paul_a_kent@yahoo.com; (480) 213-7231): Mr. Kent is believed to have knowledge of
15 his communications with Mr. Chittick, investments in DenSco through the Family
16 Trust, and his communications with Mr. Beauchamp after Mr. Chittick's death.

17 51. **Robert Z. Koehler** (5433 E. Osborn Road, Phoenix, AZ 85018;
18 rzkoehler@yahoo.com; (602) 330-4624): Mr. Koehler is believed to have knowledge
19 of his communications with Mr. Chittick, his investments in DenSco through his IRA,
20 and his communications with Mr. Beauchamp after Mr. Chittick's death.

21 52. **Jemma Kopel** (5304 S. Marine Drive, Tempe, AZ 85283;
22 jemmakopel@hotmail.com; (480) 696-0888): Ms. Kopel is believed to have
23 knowledge of her communications with Mr. Chittick, her investments in DenSco, and
24 her communications with Mr. Beauchamp after Mr. Chittick's death.

25 53. **LeRoy Kopel** (5304 S. Marine Drive, Tempe, AZ 85283;
26 lkopel22@hotmail.com; (480) 839-3787): Mr. Kopel is believed to have knowledge of
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1 his communications with Mr. Chittick, his investments in DenSco through his IRA and
2 his Trust, and his communications with Mr. Beauchamp after Mr. Chittick's death.

3 54. **Robert F. Lawson** (400 Alta Vista Court, Danville, CA 94506;
4 robertflawson@gmail.com; (480) 221-9893): Mr. Lawson is believed to have
5 knowledge of his communications with Mr. Chittick, his investments in DenSco, and
6 his communications with Mr. Beauchamp after Mr. Chittick's death.

7 55. **Wayne J. Ledet** (16751 SW 23rd Street, El Reno, OK 73036;
8 uaflyor767@yahoo.com; (405) 824-3754): Mr. Ledet is believed to have knowledge of
9 his communications with Mr. Chittick, investments in DenSco through the Family
10 Trust, his IRA and his Roth IRA, and his communications with Mr. Beauchamp after
11 Mr. Chittick's death.

12 56. **The Lee Group, Inc.** c/o Terry and Lil Lee (6541 N. Paseo
13 Tamayo, Tucson, AZ 85750; terryleeaz@comcast.net; (520) 907-3828): Mr. and Mrs.
14 Lee are believed to have knowledge of their communications with Mr. Chittick, the
15 company's investments in DenSco, and their communications with Mr. Beauchamp
16 after Mr. Chittick's death.

17 57. **Terry and Lil Lee** (6541 N. Paseo Tamayo, Tucson, AZ 85750;
18 terryleeaz@comcast.net; (520) 907-3828): Mr. and Mrs. Lee are believed to have
19 knowledge of their communications with Mr. Chittick, their investments in DenSco,
20 and their communications with Mr. Beauchamp after Mr. Chittick's death.

21 58. **Lillian Lent** (4145 E. Blue Ridge Place, Chandler, AZ 85249;
22 (480) 813-7151): Ms. Lent is believed to have knowledge of her communications with
23 Mr. Chittick, her investments in DenSco through her Roth IRA, and her
24 communications with Mr. Beauchamp after Mr. Chittick's death.

25 59. **Manual A. Lent** (4145 E. Blue Ridge Place, Chandler, AZ 85249;
26 (480) 225-9538): Mr. Lent is believed to have knowledge of his communications with
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1 Mr. Chittick, his investments in DenSco through her IRA, and his communications with
2 Mr. Beauchamp after Mr. Chittick's death.

3 60. **William Lent** (contact information to be added): Mr. Lent is
4 believed to have knowledge of his communications with Mr. Chittick, his investments
5 in DenSco through his IRA, and his communications with Mr. Beauchamp after Mr.
6 Chittick's death

7 61. **LJL Capital, LLC** c/o Landon Luchtel (5550 Wild Rose Lane,
8 Suite 400, West Des Moines, IA 50266; (515) 225-2800): Mr. Luchtel is believed to
9 have knowledge of his communications with Mr. Chittick, the company's investments
10 in DenSco, and his communications with Mr. Beauchamp after Mr. Chittick's death.

11 62. **W. Jean Locke** (12163 Country Meadows Lane, Silverdale, WA
12 98383; billandjean54@centurytel.net; (360) 638-1002): Ms. Locke is believed to have
13 knowledge of her communications with Mr. Chittick, her investments in DenSco, and
14 her communications with Mr. Beauchamp after Mr. Chittick's death.

15 63. **Long Time Holdings, LLC** c/o William Swirtz (6054 W. Trovita
16 Place, Chandler, AZ 85226; Bill.Swirtz@apollogrp.edu; (602) 315-8080): Mr. Swirtz
17 is believed to have knowledge of his communications with Mr. Chittick, the company's
18 investments in DenSco, and his communications with Mr. Beauchamp after Mr.
19 Chittick's death.

20 64. **Jim P. McArdle** (750 E. McLellan, Phoenix, AZ 85014;
21 jim@abdc-az.com; (602) 509-8635): Mr. McArdle is believed to have knowledge of
22 his communications with Mr. Chittick, his investments in DenSco, and his
23 communications with Mr. Beauchamp after Mr. Chittick's death.

24 65. **James and Lesley McCoy** (727 E. Verde Lane, Tempe, AZ
25 85284; (602) 390-2506): Mr. and Mrs. McCoy are believed to have knowledge of their
26 communications with Mr. Chittick, investments in DenSco through the Trust, and their
27 communications with Mr. Beauchamp after Mr. Chittick's death.
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1 66. **Caro McDowell** (9010 E. Range Ride Trail, Mesa, AZ 85207;
2 kayell121@cs.com; (480) 380-2062): Ms. McDowell is believed to have knowledge of
3 her communications with Mr. Chittick, her investments in DenSco through her Trust,
4 and her communications with Mr. Beauchamp after Mr. Chittick's death.

5 67. **Marvin G. Miller and Patricia S. Miller** (701 E. Front Street
6 #602, Coeur d'Alene, ID 83814; patsmiller@verizon.net; (208) 818-6735 Marvin; (208)
7 818-6734 Pat): Mr. and Mrs. Miller are believed to have knowledge of their
8 communications with Mr. Chittick, investments in DenSco through the Family Trust,
9 and their communications with Mr. Beauchamp after Mr. Chittick's death.

10 68. **Marian Minchuck** (contact information to be added): Ms.
11 Minchuck is believed to have knowledge of her communications with Mr. Chittick, her
12 investments in DenSco, and her communications with Mr. Beauchamp after Mr.
13 Chittick's death.

14 69. **Kaylene Moss** (2524 E. Silverwood Drive, Phoenix, AZ 85048;
15 kayleen.moss@avnet.com; (602) 692-6934; (480) 759-7811): Ms. Moss is believed to
16 have knowledge of her communications with Mr. Chittick, her investments in DenSco
17 through her IRA, and her communications with Mr. Beauchamp after Mr. Chittick's
18 death.

19 70. **Moss Family Trust** (2524 E. Silverwood Drive, Phoenix, AZ
20 85048; kayleen.moss@avnet.com; (602) 692-6934; (480) 759-7811): Mr. or Mrs. Moss
21 is believed to have knowledge of their communications with Mr. Chittick, investments
22 in DenSco through the Trust, and their communications with Mr. Beauchamp after Mr.
23 Chittick's death.

24 71. **Muscat Family** c/o Vince I. Muscat (14827 S. 20th Street,
25 Phoenix, AZ 85048; vimusat@gmail.com; (480) 460-5007): Mr. or Mrs. Muscat is
26 believed to have knowledge of their communications with Mr. Chittick, investments in
27
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1 DenSco through the Trust, and their communications with Mr. Beauchamp after Mr.
2 Chittick's death.

3 72. **Non Lethal Defense, Inc.** c/o Dave Dubay (6921 Trevett Lane,
4 Casper, WY 82604): Mr. Dubay is believed to have knowledge of his communications
5 with Mr. Chittick, the company's investments in DenSco, and his communications
6 with Mr. Beauchamp after Mr. Chittick's death.

7 73. **Brian and Janice Odenthal** (1929 Canyon Drive, Coeur d'Alene,
8 ID 83815; bjodenhal@frontier.com; (208) 755-5499): Mr. and Mrs. Odenthal are
9 believed to have knowledge of their communications with Mr. Chittick, their
10 investments in DenSco through their IRA, and their communications with Mr.
11 Beauchamp after Mr. Chittick's death.

12 74. **Valerie J. Paxton** (1243 E. Glenhaven Drive, Phoenix, AZ 85048;
13 vpaxto@q.com; (602) 999-4339): Ms. Paxton is believed to have knowledge of her
14 communications with Mr. Chittick, her investments in DenSco, and her
15 communications with Mr. Beauchamp after Mr. Chittick's death.

16 75. **Marlene Pearce** (94 Acacia Drive, Gilbert, AZ 85233;
17 pearces@mailhaven.com; (480) 600-0955): Ms. Pearce is believed to have knowledge
18 of her communications with Mr. Chittick, her investments in DenSco through her IRA,
19 and her communications with Mr. Beauchamp after Mr. Chittick's death.

20 76. **Jeff Phalen** (11764 N. Adobe Village Place, Marana, AZ 85658;
21 jphalen00@aol.com; (520) 909-1018): Mr. Phalen is believed to have knowledge of his
22 communications with Mr. Chittick, his investments in DenSco individually and through
23 the Phalen Family Trust and his IRA, and his communications with Mr. Beauchamp
24 after Mr. Chittick's death.

25 77. **Kevin Potempa** (P.O. Box 5156, Scottsdale, AZ 85261; (480)
26 5120-0362): Mr. Potempa is believed to have knowledge of his communications with
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1 Mr. Chittick, his investments in DenSco, and his communications with Mr. Beauchamp
2 after Mr. Chittick's death.

3 78. **Preston Revocable Living Trust** c/o David M. Preston (9010 E.
4 Range Rider Trail, Mesa, AZ 85207; dave@prestoncpa.biz; (602) 369-4418): The
5 Trustee is believed to have knowledge of his or her communications with Denny
6 Chittick, the Trust's investments in DenSco, and his or her communications with Mr.
7 Beauchamp after Mr. Chittick's death.

8 79. **Peter and Kay Rzonca** (140 E. Rio Salado Parkway #603, Tempe,
9 AZ 85281; krzonca1@cox.net; (602) 743-1801): Mr. and Mrs. Rzonca are believed to
10 have knowledge of their communications with Mr. Chittick, their investments in
11 DenSco, and their communications with Mr. Beauchamp after Mr. Chittick's death.

12 80. **Saltire, LLC** c/o William Stewart Sheriff (155 108th Avenue,
13 Suite 400, Bellevue, WA 98004; stewart.sherriff@cox.net; (602) 330-7776): Mr.
14 Sheriff is believed to have knowledge of his communications with Mr. Chittick, the
15 company's investments in DenSco, and his communications with Mr. Beauchamp after
16 Mr. Chittick's death.

17 81. **JoAnn Sanders** (780 E. Gregory Lane, Coeur d'Alene, ID 83815;
18 (406) 461-4462): Ms. Sanders is believed to have knowledge of her communications
19 with Mr. Chittick, her investments in DenSco, and her communications with Mr.
20 Beauchamp after Mr. Chittick's death.

21 82. **Satellite LLC** (contact information to be added): A Member of
22 Satellite LLC is believed to have knowledge of its communications with Mr. Chittick,
23 its investments in DenSco, and its communications with Mr. Beauchamp after Mr.
24 Chittick's death.

25 83. **Mary I. Schloz** (10050 E. Sonoran Vista Circle, Scottsdale, AZ
26 85255; smschloz@msn.com; (480) 694-8868): Ms Schloz is believed to have
27 knowledge of her communications with Mr. Chittick, her investments in DenSco
28

1 individually and through the Family Trust, and her communications with Mr.
2 Beauchamp after Mr. Chittick's death.

3 84. **Stanley Schloz** (10050 E. Sonoran Vista Circle, Scottsdale, AZ
4 85255; smschloz@msn.com; (480) 694-8868): Mr. Schloz is believed to have
5 knowledge of his communications with Mr. Chittick, his investments in DenSco
6 individually, through his IRA, and the Family Trust, and his communications with Mr.
7 Beauchamp after Mr. Chittick's death.

8 85. **Annette M. Scroggin** (124 Abby Lane, LaPorte, IN 46350;
9 mscroggin@me.com; (219) 608-2552): Ms. Scroggin is believed to have knowledge of
10 her communications with Mr. Chittick, her investments in DenSco through her IRAs,
11 and her communications with Mr. Beauchamp after Mr. Chittick's death.

12 86. **Michael Scroggin** (124 Abby Lane, LaPorte, IN 46350;
13 mscroggin@me.com; (219) 608-2552): Mr. Scroggin is believed to have knowledge of
14 his communications with Mr. Chittick, his investments in DenSco through his IRAs,
15 and his communications with Mr. Beauchamp after Mr. Chittick's death.

16 87. **William Stewart Sheriff** (155 108th Avenue, Suite 400, Bellevue,
17 WA 98004; stewart.sherriff@cox.net; (602) 330-7776): Mr. Sheriff is believed to have
18 knowledge of his communications with Mr. Chittick, his investments in DenSco, and
19 his communications with Mr. Beauchamp after Mr. Chittick's death.

20 88. **Gary E Siegford and Corrina C. Esvelt-Siegford** (11917 Hidden
21 Valley Road, Rathdrum, ID 83858; gsiegford@msn.com; (208) 661-1842): Mr. and
22 Mrs. Siegford are believed to have knowledge of their communications with Mr.
23 Chittick, their investments in DenSco, and their communications with Mr. Beauchamp
24 after Mr. Chittick's death.

25 89. **Gary D. and Judith Siegford** (212 Ironwood Drive, Suite D,
26 PMB #313, Coeur d'Alene, ID 83814): Mr. and Mrs. Siegford are believed to have
27 knowledge of their communications with Mr. Chittick, their investments in DenSco
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1 through the Trust, and their communications with Mr. Beauchamp after Mr. Chittick's
2 death.

3 90. **Carsyn P. Smith** c/o Deanna M. Smith (4901 E. Tomahawk Trail,
4 Paradise Valley, AZ 85253; dmsmith99@me.com; (602) 432-4227): Ms. Smith is
5 believed to have knowledge of her communications with Mr. Chittick, her investments
6 in DenSco, and her communications with Mr. Beauchamp after Mr. Chittick's death.

7 91. **McKenna Smith** c/o Deanna M. Smith (4901 E. Tomahawk Trail,
8 Paradise Valley, AZ 85253): Ms. Smith is believed to have knowledge of her
9 communications with Mr. Chittick, her investments in DenSco, and her
10 communications with Mr. Beauchamp after Mr. Chittick's death.

11 92. **Branson and Sandra Smith** (9261 E. Northview Court, Tucson,
12 AZ 85749; aztonysmith@aol.com; (520) 299-9791): Mr. or Mrs. Smith is believed to
13 have knowledge of their communications with Mr. Chittick, their investments in
14 DenSco through the Trust and their IRA, and their communications with Mr.
15 Beauchamp after Mr. Chittick's death.

16 93. **Tom Smith** (4901 E. Tomahawk Trail, Paradise Valley, AZ
17 85253): Mr. Smith is believed to have knowledge of his communications with Mr.
18 Chittick, his investments in DenSco individually and through his IRA, and his
19 communications with Mr. Beauchamp after Mr. Chittick's death.

20 94. **Tony Smith** (9261 E. Northview Court, Tucson, AZ 85749): Mr.
21 Smith is believed to have knowledge of his communications with Mr. Chittick, his
22 investments in DenSco, and his communications with Mr. Beauchamp after Mr.
23 Chittick's death.

24 95. **Donald E. and Lucinda Sterling** (2101 Bonnie Drive, Payette, ID
25 83661; don-cindy@cableone.net; (208) 401-6156): Mr. and Mrs. Sterling are believed
26 to have knowledge of their communications with Mr. Chittick, their investments in
27 DenSco, and their communications with Mr. Beauchamp after Mr. Chittick's death.
28

1 96. **Bill Swirtz** (6054 W. Trovita Place, Chandler, AZ 85226;
2 Bill.Swirtz@apollogrp.edu; (602) 315-8080): Mr. Swirtz is believed to have
3 knowledge of his communications with Mr. Chittick, his investments in DenSco, and
4 his communications with Mr. Beauchamp after Mr. Chittick's death.

5 97. **Nancy Swirtz** (6054 W. Trovita Place, Chandler, AZ 85226): Ms.
6 Swirtz is believed to have knowledge of her communications with Mr. Chittick, her
7 investments in DenSco, and her communications with Mr. Beauchamp after Mr.
8 Chittick's death.

9 98. **Coralee Thompson** (23233 N. Pima Road #113-240, Scottsdale,
10 AZ 85255; thompscg2@cox.net; (480) 993-8080): Ms. Thompson is believed to have
11 knowledge of her communications with Mr. Chittick, her investments in DenSco, and
12 her communications with Mr. Beauchamp after Mr. Chittick's death.

13 99. **Gary L. Thompson** (23233 N. Pima Road #113-240, Scottsdale,
14 AZ 85255; thompscg2@cox.net; (480) 993-8080): Mr. Thompson is believed to have
15 knowledge of his communications with Mr. Chittick, his investments in DenSco, and
16 his communications with Mr. Beauchamp after Mr. Chittick's death.

17 100. **James A. Trainor** (6113 S. Greensferry Road, Coeur d'Alene, ID
18 83814; jimmy@flytrapproductions.com; (208) 676-8072): Mr. Trainor is believed to
19 have knowledge of his communications with Mr. Chittick, his investments in DenSco,
20 and his communications with Mr. Beauchamp after Mr. Chittick's death.

21 101. **Stephen Tuttle** (6428 E. Evans Drive, Scottsdale, AZ 85254;
22 steve@taser.com; (602) 451-8529): Mr. Tuttle is believed to have knowledge of his
23 communications with Mr. Chittick, his investments in DenSco, and his communications
24 with Mr. Beauchamp after Mr. Chittick's death.

25 102. **Wade A. Underwood** (P.O. Box 1311, Sisters, OR 97759;
26 wunderwood@boxer.com; (480) 227-4658): Mr. Underwood is believed to have
27
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1 knowledge of his communications with Mr. Chittick, his investments in DenSco, and
2 his communications with Mr. Beauchamp after Mr. Chittick's death.

3 103. **Jolene Page Walker** (8620 N. 52nd Street, Paradise Valley, AZ
4 85253; jwalker113@cox.net; (480) 220-5200): Ms. Walker is believed to have
5 knowledge of her communications with Mr. Chittick, her investments in DenSco, and
6 her communications with Mr. Beauchamp after Mr. Chittick's death.

7 104. **Laurie A. Weiskopf** (P.O. Box 161097, Big Sky, MT 59716-
8 1000): Ms. Weiskopf is believed to have knowledge of her communications with Mr.
9 Chittick, her investments in DenSco through her IRA, and her communications with
10 Mr. Beauchamp after Mr. Chittick's death.

11 105. **Thomas D. Weiskopf** (P.O. Box 161097, Big Sky, MT 59716-
12 1000): Mr. Weiskopf is believed to have knowledge of his communications with Mr.
13 Chittick, his investments in DenSco through his IRA, and his communications with Mr.
14 Beauchamp after Mr. Chittick's death.

15 106. **Carol J. Wellman** (12119 Whitley Manor Drive, Chesterfield, VA
16 23838; mikewellman1@comcast.net; (804) 338-3006): Ms. Wellman is believed to
17 have knowledge of her communications with Mr. Chittick, her investments in DenSco
18 through her IRAs, and her communications with Mr. Beauchamp after Mr. Chittick's
19 death.

20 107. **Wellman Family Trust** (12119 Whitley Manor Drive,
21 Chesterfield, VA 23838; mikewellman1@comcast.net; (804) 338-3006): A Trustee of
22 the Wellman Family Trust is believed to have knowledge of its communications with
23 Mr. Chittick, its investments in DenSco, and its communications with Mr. Beauchamp
24 after Mr. Chittick's death.

25 108. **Brian and Carla Wenig** (19 E. Canterbury Court, Phoenix, AZ
26 85022; bwenig@cox.net; (602) 300-5665 Brian; (602) 703-7313 Carla): Mr. and Mrs.
27 Wenig are believed to have knowledge of their communications with Mr. Chittick, their
28

1 investments in DenSco through the Trust, and their communications with Mr.
2 Beauchamp after Mr. Chittick's death.

3 109. **Mark and Debbie Wenig** (4445 E. Desert Willow Drive, Phoenix,
4 AZ 85044; mwenig@insight.com; (480) 227-7777): Mr. and Mrs. Wenig are believed
5 to have knowledge of their communications with Mr. Chittick, their investments in
6 DenSco, and their communications with Mr. Beauchamp after Mr. Chittick's death.

7 110. **Yusuf Yuldiz** (1609 W. 17th Street, Tempe, AZ 85281; (480) 258-
8 8171): Mr. Yuldiz is believed to have knowledge of his communications with Mr.
9 Chittick, his investments in DenSco, and his communications with Mr. Beauchamp
10 after Mr. Chittick's death.

11 111. **Leslie Jones** c/o Michael Zones (8 Briarcliff Drive, Huntington,
12 WV 25704; czj528@hotmail.com; (304) 429-6741 ext. 2712): Mr. Zones is believed to
13 have knowledge of his communications with Mr. Chittick, his investments in DenSco,
14 and his communications with Mr. Beauchamp after Mr. Chittick's death.

15 112. **Michael Zones** (8 Briarcliff Drive, Huntington, WV 25704;
16 czj528@hotmail.com; (304) 429-6741 ext. 2712): Mr. Zones is believed to have
17 knowledge of his communications with Mr. Chittick, his investments in DenSco, and
18 his communications with Mr. Beauchamp after Mr. Chittick's death.

19 **C. DenSco Borrowers and Persons Affiliated With Them**

20 1. **Luigi Amoroso** (contact information to be added): Mr. Amoroso
21 worked with Menaged in bidding on and acquiring properties subject to foreclosure.

22 2. **Veronica Castro** (contact information to be added): Ms. Castro
23 was Scott Menaged's assistant and has knowledge of deeds, mortgages and other
24 instruments signed by Menaged during 2013 that she notarized.

25 3. **Jeffrey C. Goulder** (Stinson Leonard Street LLP, 1850 N. Central
26 Avenue, Suite 1200, Phoenix, AZ 85004; (602) 212-8531): Mr. Goulder is an attorney
27 who represented Scott Menaged in connection with the Term Sheet and Forbearance
28

1 Agreement. He is believed to have knowledge of those agreements and his
2 communications with Mr. Beauchamp regarding them.

3 4. **Cody Jess** (Schian Walker PLC, 1850 N. Central Avenue,
4 Suite 900, Phoenix, AZ 85004; (602) 277-1501): Mr. Jess is an attorney who
5 represented Scott Menaged in a bankruptcy proceeding. He is believed to have
6 knowledge of that proceeding and of his communications with Mr. Beauchamp relating
7 to that proceeding.

8 5. **Scott Menaged** (c/o Molly Patricia Brizgys, 2210 S. Mill Avenue,
9 Suite 7A, Tempe, AZ 85282; (602) 460-9013): Mr. Menaged has knowledge of his
10 dealings with Mr. Chittick and Mr. Beauchamp.

11 **D. Current or Former Clark Hill Attorneys and Employees**

12 1. **Robert Anderson** (c/o John DeWulf, Coppersmith Brockelman,
13 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
14 Anderson is an attorney who was involved in Clark Hill's representation of DenSco.

15 2. **David Beauchamp** (c/o John DeWulf, Coppersmith Brockelman,
16 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
17 Beauchamp is an attorney who was involved in Clark Hill's representation of DenSco.

18 3. **Lindsay Grove** (c/o John DeWulf, Coppersmith Brockelman,
19 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Ms.
20 Grove is a legal assistant who worked with David Beauchamp during the relevant time
21 period and is believed to have knowledge of certain documents received or sent by Mr.
22 Beauchamp.

23 4. **Ryan Lorenz** (c/o John DeWulf, Coppersmith Brockelman, PLC,
24 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
25 Lorenz submitted proofs of claim to the Receiver in June 2017 and gave an affidavit in
26 support of those proofs of claim which summarized certain work Clark Hill performed
27 during its representation of DenSco.
28

1 5. **Darra Lynn Rayndon** (c/o John DeWulf, Coppersmith
2 Brockelman, PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602)
3 224-0999): Ms. Rayndon is an attorney who initiated a probate proceeding on
4 August 4, 2016 in which she and Clark Hill represented Shawna Chittick Heuer in her
5 capacity as the Personal Representative of Denny Chittick's Estate. She is believed to
6 have knowledge of any discussions within Clark Hill that may have occurred regarding
7 conflicts of interest arising from the firm's separate representation of DenSco.

8 6. **Daniel Schenck** (c/o John DeWulf, Coppersmith Brockelman,
9 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
10 Schenck is an attorney who was involved in Clark Hill's representation of DenSco.

11 7. **Michelle M. Tran** (c/o John DeWulf, Coppersmith Brockelman,
12 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Ms.
13 Tran is an attorney who initiated a probate proceeding on August 4, 2016 in which she
14 and Clark Hill represented Shawna Chittick Heuer in her capacity as the Personal
15 Representative of Denny Chittick's Estate. She is believed to have knowledge of any
16 discussions within Clark Hill that may have occurred regarding conflicts of interest
17 arising from the firm's separate representation of DenSco.

18 **E. Current or Former Bryan Cave Attorneys**

19 1. **Ray Burgan** (Zenfinity Capital LLC, 14850 N. Scottsdale Road,
20 No. 295, Scottsdale, Arizona, 85254; (480) 292-8111): Mr. Burgan is an attorney who
21 was formerly associated with Bryan Cave and is believed to have knowledge of work
22 he performed for DenSco and David Beauchamp's representation of DenSco while
23 Beauchamp was affiliated with Bryan Cave.

24 2. **Michael Dvoren** (Jaburg & Wilk PC, 3200 N. Central Avenue,
25 Suite 2000, Phoenix, Arizona 85012; (602) 248-1000): Mr. Dvoren is an attorney who
26 was formerly associated with Bryan Cave and is believed to have knowledge of work
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1 he performed for DenSco and David Beauchamp's representation of DenSco while
2 Beauchamp was affiliated with Bryan Cave.

3 3. **Robert Endicott** (Bryan Cave LLP, One Metropolitan Square, 211
4 North Broadway, Suite 3600, St. Louis, MO 63102; (314) 259-2000): Mr. Endicott is
5 an attorney who is believed to have knowledge of his communications with David
6 Beauchamp in the summer of 2013 regarding DenSco.

7 4. **Kenneth L. Henderson** (Bryan Cave LLP, 1290 Avenue of the
8 Americas, New York, NY, 10104; (212) 541-2000): Mr. Henderson is an attorney who
9 is believed to have knowledge of his communications with David Beauchamp in the
10 summer of 2013 regarding DenSco.

11 5. **Garth Jensen** (Sherman & Howard L.L.C., 633 Seventeenth
12 Street, Suite 3000, Denver, CO 80202; (303) 297-2900): Mr. Jensen is an attorney who
13 was formerly associated with Bryan Cave and is believed to have knowledge of his
14 communications with David Beauchamp in the summer of 2013 regarding DenSco.

15 6. **Logan Miller** (Apollo Education Group, Inc., 4025 S. Riverpoint
16 Parkway, Phoenix, AZ 85040; (800) 990-2765): Mr. Miller is an attorney who was
17 formerly associated with Bryan Cave and is believed to have knowledge of work he
18 performed for DenSco and David Beauchamp's representation of DenSco while
19 Beauchamp was affiliated with Bryan Cave.

20 7. **Robert Miller:** (Bryan Cave LLP, Two N. Central, Suite 2100,
21 Phoenix, Arizona 85004; (602) 364-7099): Mr. Miller is an attorney who
22 communicated with David Beauchamp in January 2014 in connection with the demand
23 letter described above and is believed to have knowledge of those communications.

24 8. **Robert Pedersen** (Bryan Cave LLP, 1290 Avenue of the
25 Americas, New York, NY, 10104; (212) 541-2000): Mr. Pedersen is an attorney who is
26 believed to have knowledge of his communications with David Beauchamp in the
27 summer of 2013 regarding DenSco.
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1 9. **Nancy Pohl** (Gallagher & Kennedy PA, 2575 E. Camelback Road,
2 Suite 1100, Phoenix, Arizona 85016; (602) 530-8052): Ms. Pohl is an attorney who was
3 formerly associated with Bryan Cave and is believed to have knowledge of work she
4 performed for DenSco and David Beauchamp's representation of DenSco while
5 Beauchamp was affiliated with Bryan Cave.

6 10. **Gus Schneider** (Bryan Cave LLP, Two N. Central, Suite 2100,
7 Phoenix, AZ 85004; (602) 364-7099): Mr. Schneider is an attorney who is associated
8 with Bryan Cave and is believed to have knowledge of work he performed for DenSco
9 and David Beauchamp's representation of DenSco while Beauchamp was affiliated
10 with Bryan Cave.

11 11. **Elizabeth Sipes** (Bryan Cave LLP, 1700 Lincoln Street,
12 Suite 4100, Denver, CO 80203; (303) 861-7000): Ms. Sipes is an attorney who is
13 believed to have knowledge of her communications with David Beauchamp in the
14 summer of 2013 regarding DenSco.

15 12. **Jonathan Stern** (contact information not known): Mr. Stern is an
16 attorney who is associated with Bryan Cave and is believed to have knowledge of work
17 he performed for DenSco and David Beauchamp's representation of DenSco while
18 Beauchamp was affiliated with Bryan Cave.

19 13. **Randy Wang** (Bryan Cave LLP, One Metropolitan Square, 211 N.
20 Broadway, Suite 3600, St. Louis, MO 63102; (314) 259-2000): Mr. Wang is an
21 attorney who is believed to have knowledge of his communications with David
22 Beauchamp in the summer of 2013 regarding DenSco.

23 14. **Mark Weakley** (Bryan Cave LLP, One Boulder Plaza, 1801 13th
24 Street, Suite 300, Boulder, CO 80302; (303) 444-5955): Mr. Weakley is an attorney
25 who is believed to have knowledge of his communications with David Beauchamp in
26 the summer of 2013 regarding DenSco.
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1 **F. Current or Former Gammage & Burnham Attorneys**

2 1. **Christopher L. Raddatz** (Gammage & Burnham, PLC, Two N.
3 Central Avenue, 15th Floor, Phoenix, AZ 85004; (602) 256-0566): Mr. Raddatz is an
4 attorney who represented the Estate of Denny Chittick and Shawna Chittick Heuer in
5 her capacity as the Personal Representative of Denny Chittick's Estate.

6 2. **Kevin R. Merritt** (Gammage & Burnham, PLC, Two N. Central
7 Avenue, 15th Floor, Phoenix, AZ 85004; (602) 256-0566): Mr. Merritt is an attorney
8 who in 2007 advised DenSco regarding its loan agreements. Beginning in August
9 2016, he represented the Estate of Denny Chittick and Shawna Chittick Heuer in her
10 capacity as the Personal Representative of Denny Chittick's Estate.

11 3. **James F. Polese** (Gammage & Burnham, PLC, Two N. Central
12 Avenue, 15th Floor, Phoenix, AZ 85004; (602) 256-0566): Mr. Polese is an attorney
13 who represented the Estate of Denny Chittick and Shawna Chittick Heuer in her
14 capacity as the Personal Representative of Denny Chittick's Estate.

15 **G. Persons Affiliated With the Arizona Corporation Commission,
16 Securities Division**

17 1. **Gary Clapper** (1300 W. Washington, Third Floor, Phoenix, AZ
18 85007; (602) 542-0152): Mr. Clapper is Chief Investigator, Arizona Corporation
19 Commission, Securities Division. He is believed to have knowledge of the ACC's
20 investigation of DenSco in August 2016, events leading to the ACC's filing of an
21 application for a preliminary injunction and the appointment of a receiver, and his
22 communications with Mr. Beauchamp.

23 2. **Wendy Coy** (1300 W. Washington, Third Floor, Phoenix, AZ
24 85007; (602) 542-0633): Ms. Coy is Director of Enforcement, Arizona Corporation
25 Commission, Securities Division. She is believed to have knowledge of the ACC's
26 investigation of DenSco in August 2016, events leading to the ACC's filing of an
27 application for a preliminary injunction and the appointment of a receiver, her
28 communications with Mr. Beauchamp.

1 **H. The Receiver, His Employees and Attorneys**

2 1. **Peter S. Davis** (c/o Colin Campbell and Geoffrey Sturr, Osborn
3 Maledon, P.A., 2929 N. Central Avenue, Suite 2100, Phoenix, AZ 85012; (602) 640-
4 9377): Mr. Davis has knowledge of work he has performed as DenSco's Receiver, as
5 set forth in reports he has issued in the course of his work.

6 2. **Ryan W. Anderson** (Guttilla Murphy Anderson, 5415 E. High
7 Street, Suite 200, Phoenix, AZ 85054; (480) 304-8300): Mr. Anderson is an attorney
8 who represents the Receiver. He has knowledge of the receivership proceeding and his
9 communications with participants in that proceeding.

10 3. **Sara Beretta** (c/o Colin Campbell and Geoffrey Sturr, Osborn
11 Maledon, P.A., 2929 N. Central Avenue, Suite 2100, Phoenix, AZ 85012; (602) 640-
12 9377): Ms. Beretta is a Director of Simon Consulting and has knowledge of DenSco's
13 books and records and work performed by the Receiver, as set forth in reports he has
14 issued in the course of his work.

15 **I. Lenders Who Negotiated With Chittick and Menaged During**
16 **January 2014**

17 1. **Craig Cardon** (contact information to be added): Mr. Cardon is a
18 member of Azben Limited, LLC and is believed to have knowledge of his
19 communications with Chittick and Menaged regarding the January 6, 2014 demand
20 letter discussed above.

21 2. **Daniel Diethelm** (contact information to be added): Mr. Diethelm
22 is a manager of Geared Equity, LLC and is believed to have knowledge of his
23 communications with Chittick and Menaged regarding the January 6, 2014 demand
24 letter discussed above

25 3. **Lynn Hoebing** (contact information to be added): Mr. Hoebing is
26 a manager of 50780, LLC and is believed to have knowledge of his communications
27 with Chittick and Menaged regarding the January 6, 2014 demand letter discussed
28 above.

1 **J. Other Persons**

2 1. **Rick Carney** (contact information to be added): Mr. Carney was
3 formerly affiliated with Quarles & Brady and provided legal services to DenSco as
4 described above. He is believed to have knowledge of those services and his
5 communications with Denny Chittick and David Beauchamp relating to those services.

6 2. **Gregg Reichman** (believed to be c/o Andrew Abraham, Burch &
7 Cracchiolo, P.A., 702 E. Osborn Road, Suite 200, Phoenix, AZ 85014; (602) 234-
8 9917): Mr. Reichman is a current or former member of Active Funding Group, LLC.
9 He is believed to have knowledge of dealings between Active Funding Group, LLC and
10 Menaged.

11 **V. PERSONS WHO HAVE GIVEN STATEMENTS**

12 1. **Luigi Amoroso** (contact information to be added): Mr. Amoroso gave a
13 deposition in the receivership proceeding on December 14, 2016. The Receiver's
14 counsel is the custodian of the transcript of that deposition.

15 2. **Robert Anderson** (c/o John DeWulf, Coppersmith Brockelman, PLC,
16 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
17 Anderson gave a deposition in this case, the original transcript of which is in the
18 possession of the Receiver's counsel.

19 3. **David Beauchamp** (c/o John DeWulf, Coppersmith Brockelman, PLC,
20 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
21 Beauchamp executed a declaration dated August 17, 2016 that was submitted to the
22 court in the Receivership Proceeding in support of the Estate's Recommendations re
23 Receiver and Attorney/Client Privilege. The Estate's counsel, Gammage & Burnham,
24 is believed to be the custodian of the original declaration. Mr. Beauchamp has also
25 given a deposition in this case, the original transcript of which is in the possession of
26 the Receiver's counsel.

27 4. **Shawna Chittick Heuer** (c/o James Polese, Gammage & Burnham, PLC,
28 Two N. Central Avenue, 15th Floor, Phoenix, AZ 85004; (602) 256-0566): Ms. Heuer

1 gave a deposition in this case. Clark Hill's counsel is believed to be the custodian of
2 the original transcript of that deposition.

3 5. **Scott Menaged** (c/o Molly Patricia Brizgys, 2210 S. Mill Avenue,
4 Suite 7A, Tempe, AZ 85282; (602) 460-9013): Mr. Menaged gave a deposition in his
5 bankruptcy proceeding. The Receiver's counsel is the custodian of the transcript of that
6 deposition.

7 6. **Scott Menaged** (c/o Molly Patricia Brizgys, 2210 S. Mill Avenue,
8 Suite 7A, Tempe, AZ 85282; (602) 460-9013): On December 8, 2017, Mr. Menaged
9 was interviewed by Ken Frakes, Special Counsel to the Receiver, before a court
10 reporter. Mr. Frakes is believed to be the custodian of the transcript of that interview.

11 7. **Ryan Lorenz** (c/o John DeWulf, Coppersmith Brockelman, PLC, 2800
12 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr. Lorenz gave
13 an affidavit in support of notices of claim Clark Hill submitted to the Receiver. He is
14 believed to be the custodian of the original affidavit.

15 8. **Daniel Schenck** (c/o John DeWulf, Coppersmith Brockelman, PLC, 2800
16 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr. Schenck
17 gave a deposition in this case, the original transcript of which is in the possession of the
18 Receiver's counsel.

19 **VI. EXPERT WITNESSES EXPECTED TO BE CALLED AT TRIAL**

20 The Receiver will disclose the identity and opinions of expert witnesses it plans
21 to call at trial in accordance with the scheduling order that will be entered in this matter.

22 **VII. COMPUTATION AND MEASURE OF DAMAGES**

23 The Receiver will rely on expert testimony to testify about damages DenSco
24 suffered as a result of Defendants' conduct.

25 The Receiver has previously disclosed to Defendants' counsel the following
26 preliminary information relating to damages and prejudgment interest:
27
28

1 Prejudgment interest is sought on three different types of loans that were
2 outstanding on Chittick's death, as summarized in the Receiver's December 23, 2016
3 report: (i) a \$5 million workout loan made to Menaged as part of the Forbearance
4 Agreement; (ii) a \$1 million workout loan made to Menaged as part of the Forbearance
5 Agreement; and (iii) non-workout loans that DenSco made to Menaged after DenSco
6 learned of Menaged's fraud in November 2013. As alleged in the complaint, the losses
7 DenSco suffered on those loans were the proximate result of Clark Hill's conduct.
8 Prejudgment interest is also sought on Clark Hill legal fees paid by DenSco.

9 **A. \$5 million "workout loan" to Menaged**

10 Under the Forbearance Agreement that Clark Hill drafted and advised DenSco to
11 sign, DenSco agreed to loan Menaged up to \$5 million for use in connection with the
12 sale or refinancing of any property listed in Exhibit A to the Agreement. The principal
13 balance of that loan as of December 23, 2016 was \$13,336,807.24. *See* Receiver's
14 Report, December 23, 2016, at page 9. **Appendix A** is a schedule (numbered
15 RECEIVER_001332-001336) showing how that balance was calculated. The schedule
16 reflects that Menaged drew on this loan as early as February 2014, and made a last draw
17 on August 18, 2015. As of October 5, 2015, the principal balance of the line of credit
18 was \$13,656,807.24, and remained at this amount until Chittick's death in July 2016.

19 The rate of prejudgment interest in this case is 10%. A.R.S. § 44-1201(A), (F).
20 Thus, a yearly calculation of prejudgment interest on DenSco's \$13,656,807.24 loss is
21 \$1,365,680.72.

22 **B. \$1 million "workout loan" to Menaged**

23 The Forbearance Agreement also obligated DenSco to make a "new loan" to
24 Menaged of up to \$1 million as part of the "workout" that Clark Hill blessed and
25 documented. The principal balance of that loan as of December 23, 2016 was
26 \$1,002,532.55. *See* Receiver's Report, December 23, 2016, at page 9. **Appendix B** is a
27 schedule (numbered RECEIVER_001337) showing how that balance was calculated.
28

1 The schedule reflects that Menaged drew on this loan as early as December 13, 2013
2 and last drew on this loan on April 30, 2014, when the principal balance was
3 \$1,002,532.55. It remained at that amount until Chittick's July 2016 death.

4 A yearly calculation of prejudgment interest on DenSco's \$1,002,532.55 loss is
5 \$100,253.25.

6 **C. Non-workout loans**

7 As set forth in the Receiver's December 23, 2016 report (at page 10), as of
8 August 2016, when the Receiver was appointed, DenSco suffered losses of at least
9 \$28,332,300 because of loans made to Menaged outside of the "work out" loans
10 contemplated by the Forbearance Agreement that were not secured. **Appendix C** is a
11 schedule (numbered RECEIVER_001338-001339) showing how that amount was
12 calculated. The schedule includes two loans made on the Lobo property, one on
13 August 14, 2013 and another on January 22, 2014. They are included in this schedule
14 because DenSco categorized them as non-workout loans.

15 Had Clark Hill properly advised DenSco during the first week of January 2014,
16 DenSco would have severed its relationship with Menaged, not made any new loans to
17 Menaged, sought to rescind the initial Lobo losses, and not suffered the losses set forth
18 in the attached schedule. Alternatively, had Clark Hill properly advised DenSco about
19 documenting the non-workout loans, DenSco would not have suffered losses on the
20 loans made after the second Lobo loan.

21 A yearly calculation of prejudgment interest on DenSco's \$28,332,300.00 loss is
22 \$2,833,230.00.

23 **D. Payments to Clark Hill for Attorneys' Fees**

24 As of June 24, 2016, Clark Hill received payment from DenSco for legal fees in
25 the amount of \$163,702.45. The Receiver seeks in the complaint the return of all those
26 fees on the grounds that they were received after Clark Hill had committed a serious
27 breach of fiduciary duty. The last fee payment was on June 24, 2016.
28

1 A yearly calculation of prejudgment interest on the Receiver's attorney fee
2 disgorgement claim is \$16,370.25.

3 **VIII. ANTICIPATED TRIAL EXHIBITS**

4 A list of exhibits the Receiver presently anticipates using at trial is attached as
5 **Appendix D.**

6 **IX. DOCUMENTS THAT MAY BE RELEVANT**

7 1. Documents maintained in the Document Depository established by the
8 Receiver pursuant to an underlying Court Order dated January 1, 2017 in the matter
9 entitled *Ariz. Corp. Comm'n v. DenSco Investment Corp.*, Maricopa County Superior
10 Court CV2016-014142. The most recent index is attached as **Appendix E.** Certain
11 documents relevant to the receivership are also publicly available on a website
12 maintained by the Receiver: <http://denscoreceiver1.godaddysites.com/>.

13 a. The Receiver's counsel has caused to be deposited into the
14 Depository documents received from Defendants' counsel and third parties, and
15 will continue to do so as this matter proceeds.

16 b. The Receiver's counsel will provide Defendants' counsel with
17 updated indices of documents maintained in the Document Depository as they
18 become available.

19 c. The Receiver also updates the website periodically.

20 2. The Receiver will rely on documents maintained in the Document
21 Depository and on the Receiver's website to support his claims in this action, as well as
22 publicly available documents such as the recorded instruments referenced in the factual
23 narrative above.

24 3. The Receiver's counsel plans to compile, number, and produce to
25 Defendants' counsel certain documents it has obtained from the Depository, the
26 Receiver's website, and other publicly available documents that the Receiver may
27 designate as trial exhibits.
28

1 a. The Receiver's March 27, 2018 production (Second Disclosure
2 Statement) included documents numbered RECEIVER_000001- 001345.

3 i. The March 27, 2018 production included copies of the
4 DenSco Corporate Journals for 2013, 2014, 2015 and 2016, which have
5 been numbered RECEIVER_000001-000164. They replaced copies of
6 those documents that were produced on September 5, 2017 and which
7 were incorrectly numbered DIC0011918-0012081.

8 ii. The March 27, 2018 production included publicly available
9 documents, such as the recorded instruments referenced in the factual
10 narrative above (RECEIVER_000165-RECEIVER_001345).

11 b. The Receiver's May 15, 2018 production (Third Disclosure
12 Statement) included Clark Hill's documents numbered RECEIVER_001325-
13 RECEIVER_001497.

14 c. The Receiver's July 11, 2018 production (Fourth Disclosure
15 Statement) included Clark Hill's notices of claim, which were numbered
16 RECEIVER_001498-RECEIVER_001538, and publicly recorded documents,
17 which were numbered RECEIVER_001539-RECEIVER_001548.

18 d. This November 14, 2018 production (Fifth Disclosure Statement)
19 includes documents obtained from the Document Depository numbered
20 RECEIVER_001549-RECEIVER_001711, which are provided on the
21 accompanying disc.

22 e. Other documents from the Document Depository, the Receiver's
23 website, or publicly available sources that the Receiver may designate as trial
24 exhibits will be numbered and produced through one or more supplemental
25 disclosure statements.

26 4. In addition to the documents set forth above, on October 30, 2018, the
27 Receiver's counsel produced to Defendants' documents evidencing communications
28

1 between the Receiver and the Estate of Chittick, which were numbered RECEIVER_
2 001712-002517.

3 DATED this 14th day of November, 2018.

4 OSBORN MALEDON, P.A.

5
6 By Geoffrey M.T. Sturr
7 Colin F. Campbell
8 Geoffrey M.T. Sturr
9 Joshua M. Whitaker
2929 N. Central Avenue, Suite 2100
Phoenix, Arizona 85012-2793

10 Attorneys for Plaintiff

11
12 COPY of the foregoing hand delivered
13 this 14th day of November, 2018, to:

14 John E. DeWulf
15 Coppersmith Brockelman PLC
16 2800 N Central Ave., Suite 1900
Phoenix, AZ 85004
jdewulf@cblawyers.com

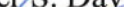
17 *Attorneys for Defendants*

18
19 Debra Huss
7836486

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1. I am the court-appointed receiver of DenSco Investment Corporation and in that capacity am the plaintiff in this action.
2. I have reviewed Plaintiff's Fifth Disclosure Statement.
3. That document was prepared by Special Counsel, Osborn Maledon, and reflects information that Special Counsel has compiled based on its review of relevant documents.
4. To the best of my knowledge, information and belief, the information contained in Plaintiff's Fifth Disclosure Statement is accurate.

Executed on November 14, 2018.


Peter S. Davis

Appendix A

Simon Consulting, LLC
Arizona Corporation Commission v. DenSco Investment Corporation

DenSco Investment Corporation

\$5 Million Workout Loan - As of 07/28/16 (Date of Denny Chittick's Death)

Loan Date	Loan No.	Property Address	City, Zip	Loan Amount
02/28/14	Workout	Pay Gregg's Interest		100,000.00
03/05/14	Workout	Principal Payment		(100,000.00)
03/07/14	4505	2105 S 108th Ave	Avondale, AZ 85323	95,864.00
03/07/14	4554	2027 S 101st Dr	Tolleson, AZ 85353	79,380.98
03/07/14	4607	1942 S Emerson #252	Mesa, AZ 85210	41,382.56
03/07/14	4645	14869 W Caribbean Ln	Surprise, AZ 85379	79,252.00
03/07/14	4652	4119 W Valley View Dr	Laveen, AZ 85339	88,896.00
03/07/14	4656	4906 W Gelding Dr	Glendale, AZ 85306	69,082.27
03/07/14	4711	1697 S 233rd Ln	Buckeye, AZ 85326	67,353.16
03/10/14	4690	4119 W Grovers Ave	Glendale, AZ 85308	78,538.63
03/14/14	4578	1040 S 220th Ln	Buckeye, AZ 85326	68,127.63
03/14/14	4644	18146 W Puget Ave	Waddell, AZ 85355	63,861.07
03/14/14	4671	23846 W Gibson Ln	Buckeye, AZ 85326	92,372.15
03/21/14	4503	15456 S 47th Place	Phoenix, AZ 85044	181,653.80
03/26/14	Workout	Principal Payment		(1,715.65)
03/28/14	4446	6024 E Wethersfield Rd	Scottsdale, AZ 85254	112,625.27
03/31/14	4483	13920 W Maui Ln	Surprise, AZ 85379	38,414.70
03/31/14	4722	1820 S 106th Ln	Tolleson, AZ 85353	63,544.61
04/04/14	4431	25852 S Beech Creek dr	Sun Lakes, AZ 85248	120,000.00
04/04/14	4431	25852 S Beech Creek dr	Sun Lakes, AZ 85248	18,235.26
04/04/14	4604	707 E Potter Dr	Phoenix, AZ 85024	170,000.00
04/04/14	4604	707 E Potter Dr	Phoenix, AZ 85024	14,619.56
04/10/14	4589	16739 W Navajo St	Goodyear, AZ 85338	20,000.00
04/14/14	4287	4745 W Golden Ln	Glendale, AZ 85302	60,000.00
04/14/14	4287	4745 W Golden Ln	Glendale, AZ 85302	3,805.73
04/14/14	4585	3154 W Via Montoya Dr	Phoenix, AZ 85027	21,082.34
04/14/14	4665	635 S St Paul	Mesa, AZ 85206	27,783.84
04/14/14	4688	9832 E Olla Ave	Mesa, AZ 85212	37,589.85
04/21/14	4459	1427 W Windsong Dr	Phoenix, AZ 85045	184,645.10
04/24/14	4611	14904 W Port Royale Ln	Surprise, AZ 85379	25,930.11
04/25/14	3926	320 S 70th St #9	Mesa, AZ 85208	120,000.00
04/25/14	3926	320 S 70th St #9	Mesa, AZ 85208	35,000.00
04/25/14	3926	320 S 70th St #9	Mesa, AZ 85208	21,468.83
04/28/14	4180	7089 W Andrew Ln	Peoria, AZ 85383	170,000.00
04/28/14	4180	7089 W Andrew Ln	Peoria, AZ 85383	(4,182.39)
04/28/14	4180	7089 W Andrew Ln	Peoria, AZ 85383	4,547.94
04/30/14	4636	4705 N Brookview Terrace	Litchfield, AZ 85340	131,720.03
05/02/14	4313	19296 W Adams St	Buckeye, AZ 85326	110,000.00
05/02/14	4313	19296 W Adams St	Buckeye, AZ 85326	32,360.22
05/09/14	4519	23851 W Wier Ave	Buckeye, AZ 85326	120,000.00
05/09/14	4519	23851 W Wier Ave	Buckeye, AZ 85326	7,794.45
05/12/14	4152	18131 W Ruth Ave	Waddell, AZ 85355	190,000.00
05/12/14	4152	18131 W Ruth Ave	Waddell, AZ 85355	39,258.34
05/12/14	4689	17661 W Marconi Ave	Surprise, AZ 85388	107,140.72
05/12/14	4703	14365 W Verde Ln	Goodyear, AZ 85338	93,442.35
05/13/14	4669	12602 N 60th St	Scottsdale, AZ 85254	56,530.13
05/15/14	4383	9423 W McRae Way	Peoria, AZ 85382	100,000.00
05/15/14	4383	9423 W McRae Way	Peoria, AZ 85382	368.83
05/16/14	4434	2210 S Keene St	Mesa, AZ 85209	200,000.00
05/16/14	4434	2210 S Keene St	Mesa, AZ 85209	1,651.22

Simon Consulting, LLC
Arizona Corporation Commission v. DenSco Investment Corporation

DenSco Investment Corporation

\$5 Million Workout Loan - As of 07/28/16 (Date of Denny Chittick's Death)

Loan Date	Loan No.	Property Address	City, Zip	Loan Amount
05/16/14	4618	12602 N 60th St	Phoenix, AZ 85032	198,683.57
05/22/14	4386	2182 E Arabian Dr	Gilbert, AZ 85296	140,000.00
05/22/14	4386	2182 E Arabian Dr	Gilbert, AZ 85296	12,676.24
05/30/14	3927	7204 W Warner St	Phoenix, AZ 85043	90,000.00
05/30/14	3927	7204 W Warner St	Phoenix, AZ 85043	59,347.52
06/02/14	4546	15550 N Frank Lloyd Wright #1005	Scottsdale, AZ 85260	176,884.68
06/09/14	4430	5414 S Heather Dr	Tempe, AZ 85283	170,000.00
06/09/14	4430	5414 S Heather Dr	Tempe, AZ 85283	2,053.55
06/11/14	4397	2968 E Lynx Way	Gilbert, AZ 85298	240,000.00
06/11/14	4397	2968 E Lynx Way	Gilbert, AZ 85298	28,487.82
06/20/14	4544	17016 S 27th Place	Phoenix, AZ 85048	96,956.75
06/27/14	4417	17540 N Estrella Vista Dr	Surprise, AZ 85375	140,000.00
06/27/14	4417	17540 N Estrella Vista Dr	Surprise, AZ 85375	27,152.96
06/30/14	4136	14556 N 154th Ln	Surprise, AZ 85379	120,000.00
06/30/14	4136	14556 N 154th Ln	Surprise, AZ 85379	35,887.76
06/30/14	4530	1750 W Potter Dr	Phoenix, AZ 85027	67,811.64
07/14/14	4624	15143 E Aspen Dr	Fountain Hills, AZ 85268	191,311.29
07/17/14	4495	16527 W Post Dr	Surprise, AZ 85388	100,000.00
07/17/14	4495	16527 W Post Dr	Surprise, AZ 85388	6,475.40
07/18/14	4619	3740 W Villa Theresa Dr	Glendale, AZ 85308	73,946.52
07/22/14	4454	2733 S Ananea St	Mesa, AZ 85209	160,000.00
07/22/14	4454	2733 S Ananea St	Mesa, AZ 85209	10,543.58
07/31/14	3610	20802 N Grayhawk Dr #1076	Scottsdale, AZ 85255	250,000.00
07/31/14	3610	20802 N Grayhawk Dr #1076	Scottsdale, AZ 85255	98,873.28
07/31/14	Workout	Principal Payment		(5,988.38)
08/06/14	4541	31008 W Columbus Ave	Buckeye, AZ 85326	40,000.00
08/11/14	4481	13512 W Marshall Ave	Litchfield, AZ 85340	130,000.00
08/11/14	4481	13512 W Marshall Ave	Litchfield, AZ 85340	29,014.25
08/15/14	4061	22261 W Moonlight Path	Buckeye, AZ 85326	65,501.97
08/19/14	4003	4529 E Sharon Dr	Phoenix, AZ 85032	150,000.00
08/19/14	4003	4529 E Sharon Dr	Phoenix, AZ 85032	45,997.87
08/19/14	4003	4529 E Sharon Dr	Phoenix, AZ 85032	6,173.44
08/20/14	3933	9451 E Becker Ln #B1057	Scottsdale, AZ 85260	110,000.00
08/20/14	3933	9451 E Becker Ln #B1057	Scottsdale, AZ 85260	26,196.70
08/20/14	3933	9451 E Becker Ln #B1057	Scottsdale, AZ 85260	24,182.08
08/21/14	3975	1080 E Redwood Dr	Chandler, AZ 85286	120,000.00
08/21/14	3975	1080 E Redwood Dr	Chandler, AZ 85286	19,039.20
08/22/14	Workout	Principal Payment		(21,324.12)
08/26/14	4643	842 E Sheffield Ave	Gilbert, AZ 85296	84,030.98
08/27/14	Workout	Principal Payment		(7,977.69)
08/29/14	4381	3237 W Pleasant Ln	Phoenix, AZ 85041	120,421.77
08/29/14	Workout	Principal Payment		(23,088.43)
09/02/14	4411	5335 S Monte Vista St	Chandler, AZ 85249	244,822.86
09/04/14	Workout	Principal Payment		(78,786.68)
09/05/14	4732	5916 W Fetlock Trl	Phoenix, AZ 85085	68,759.48
09/09/14	4077	5357 S Ranger Trail	Gilbert, AZ 85296	230,000.00
09/09/14	4077	5357 S Ranger Trail	Gilbert, AZ 85296	83,002.32
09/09/14	4077	5357 S Ranger Trail	Gilbert, AZ 85296	89,534.80
09/11/14	Workout	Principal Payment		(24,052.70)
09/12/14	4393	25209 S Saddletree Dr	Sun Lakes, AZ 85248	90,794.60

Simon Consulting, LLC
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DenSco Investment Corporation

\$5 Million Workout Loan - As of 07/28/16 (Date of Denny Chittick's Death)

Loan Date	Loan No.	Property Address	City, Zip	Loan Amount
09/12/14	Workout	Principal Payment		(16,173.61)
09/19/14	4228	7389 W Tierra Buena Ln	Peoria, AZ 85382	100,000.00
09/19/14	4228	7389 W Tierra Buena Ln	Peoria, AZ 85382	27,343.88
09/23/14	3997	311 N Kenneth Pl	Chandler, AZ 85226	220,000.00
09/23/14	3997	311 N Kenneth Pl	Chandler, AZ 85226	48,302.06
09/24/14	Workout	Principal Payment		(13,530.08)
09/26/14	3987	18356 W Mission Ln	Waddell, AZ 85355	150,000.00
09/26/14	3987	18356 W Mission Ln	Waddell, AZ 85355	40,000.00
09/26/14	3987	18356 W Mission Ln	Waddell, AZ 85355	41,382.45
09/26/14	Workout	Principal Payment		(21,865.60)
09/29/14	Workout	Principal Payment		(12,657.65)
10/02/14	4409	3326 E Oriole Dr	Gilbert, AZ 85297	144,173.16
10/03/14	Workout	Principal Payment		(83,424.68)
10/10/14	Workout	Principal Payment		(31,032.87)
10/17/14	Workout	Principal Payment		(31,141.49)
10/24/14	3882	10721 W Laurelwood Ln	Avondale, AZ 85323	120,000.00
10/24/14	3882	10721 W Laurelwood Ln	Avondale, AZ 85323	39,258.48
10/24/14	Workout	Principal Payment		(46,170.85)
10/30/14	4020	12802 W Willow Ave	El Mirage, AZ 85335	80,000.00
10/30/14	4020	12802 W Willow Ave	El Mirage, AZ 85335	30,000.00
10/30/14	4020	12802 W Willow Ave	El Mirage, AZ 85335	4,251.94
10/31/14	Workout	Principal Payment		(45,740.42)
11/07/14	4627	10769 W Runion Dr	Sun City, AZ 85373	150,000.00
11/07/14	4627	10769 W Runion Dr	Sun City, AZ 85373	45,000.00
11/07/14	4627	10769 W Runion Dr	Sun City, AZ 85373	21,171.88
11/07/14	Workout	Principal Payment		(70,506.79)
11/15/14	Workout	Principal Payment		(45,105.06)
11/21/14	Workout	Principal Payment		(70,262.92)
11/24/14	4122	1431 E Bridgeport Pkwy	Gilbert, AZ 85295	210,000.00
11/24/14	4122	1431 E Bridgeport Pkwy	Gilbert, AZ 85295	48,679.35
12/03/14	4482	10440 W Hammond Ln	Tolleson, AZ 85353	40,580.05
12/03/14	Workout	Principal Payment		(23,130.04)
12/12/14	Workout	Principal Payment		(15,191.31)
12/19/14	Workout	Principal Payment		(9,595.56)
12/22/14	4129	2210 W Marco Polo Rd	Phoenix, AZ 85027	100,000.00
12/22/14	4129	2210 W Marco Polo Rd	Phoenix, AZ 85027	47,909.82
12/24/14	3976	2402 E Yucca St	Phoenix, AZ 85028	200,000.00
12/24/14	3976	2402 E Yucca St	Phoenix, AZ 85028	92,084.39
12/24/14	3976	2402 E Yucca St	Phoenix, AZ 85028	33,524.54
12/31/14	3913	1892 E Ellis Dr	Tempe, AZ 85282	140,000.00
12/31/14	3913	1892 E Ellis Dr	Tempe, AZ 85282	70,971.79
12/31/14	3913	1892 E Ellis Dr	Tempe, AZ 85282	6,135.67
01/02/15	4027	11106 W Dana Ln	Avondale, AZ 85323	130,000.00
01/02/15	4027	11106 W Dana Ln	Avondale, AZ 85323	45,000.00
01/02/15	4027	11106 W Dana Ln	Avondale, AZ 85323	76.68
01/02/15	4034	11571 W Hopi St	Avondale, AZ 85323	100,000.00
01/02/15	4034	11571 W Hopi St	Avondale, AZ 85323	48,280.94
01/02/15	4034	11571 W Hopi St	Avondale, AZ 85323	11,276.45
01/08/15	4501	2216 W Plata Cir	Mesa, AZ 85202	110,000.00
01/08/15	4501	2216 W Plata Cir	Mesa, AZ 85202	38,065.50

Simon Consulting, LLC
Arizona Corporation Commission v. DenSco Investment Corporation

DenSco Investment Corporation

\$5 Million Workout Loan - As of 07/28/16 (Date of Denny Chittick's Death)

Loan Date	Loan No.	Property Address	City, Zip	Loan Amount
01/08/15	4501	2216 W Plata Cir	Mesa, AZ 85202	13,299.35
01/30/15	4289	7703 W Lamar Rd	Glendale, AZ 85303	82,187.05
02/06/15	4227	15677 W Ripple Cir	Goodyear, AZ 85338	80,000.00
02/06/15	4227	15677 W Ripple Cir	Goodyear, AZ 85338	27,110.31
02/20/15	4038	3150 E Beardsley Rd #1076	Phoenix, AZ 85050	100,000.00
02/20/15	4038	3150 E Beardsley Rd #1076	Phoenix, AZ 85050	35,000.00
02/20/15	4038	3150 E Beardsley Rd #1076	Phoenix, AZ 85050	22,074.26
02/24/15	4342	11744 W Hadley St	Avondale, AZ 85323	100,000.00
02/24/15	4342	11744 W Hadley St	Avondale, AZ 85323	32,146.84
03/02/15	3914	3740 E Sexton St	Gilbert, AZ 85295	150,000.00
03/02/15	3914	3740 E Sexton St	Gilbert, AZ 85295	44,051.84
03/02/15	3914	3740 E Sexton St	Gilbert, AZ 85295	5,964.96
03/05/15	4509	1561 E Mia Ln	Gilbert, AZ 85298	200,000.00
03/05/15	4509	1561 E Mia Ln	Gilbert, AZ 85298	32,778.52
03/12/15	3994	9016 S 41st Ln	Laveen, AZ 85339	160,000.00
03/12/15	3994	9016 S 41st Ln	Laveen, AZ 85339	69,213.96
03/12/15	3994	9016 S 41st Ln	Laveen, AZ 85339	21,933.38
03/16/15	4625	114 E Valley View Dr	Phoenix, AZ 85042	120,000.00
03/16/15	4625	114 E Valley View Dr	Phoenix, AZ 85042	3,078.09
03/26/15	4004	7575 E Indian Bend Rd #2123	Scottsdale, AZ 85250	120,000.00
03/26/15	4004	7575 E Indian Bend Rd #2123	Scottsdale, AZ 85250	40,000.00
03/26/15	4004	7575 E Indian Bend Rd #2123	Scottsdale, AZ 85250	8,624.70
04/01/15	4410	9521 E Posada Ave	Mesa, AZ 85212	120,000.00
04/01/15	4410	9521 E Posada Ave	Mesa, AZ 85212	4,096.29
04/08/15	4035	23949 W Hadley St	Buckeye, AZ 85326	48,537.08
04/15/15	4352	3154 W Foothill Dr	Phoenix, AZ 85027	100,000.00
04/15/15	4352	3154 W Foothill Dr	Phoenix, AZ 85027	32,332.52
05/01/15	4229	436 N 159th Ave	Goodyear, AZ 85338	140,000.00
05/01/15	4229	436 N 159th Ave	Goodyear, AZ 85338	51,882.91
05/15/15	4322	3354 W Monona Dr	Phoenix, AZ 85027	80,000.00
05/15/15	4322	3354 W Monona Dr	Phoenix, AZ 85027	7,917.44
05/27/15	4438	6346 W Valencia Dr	Laveen, AZ 85339	87,823.21
05/28/15	4069	3333 W Apollo Rd	Phoenix, AZ 85041	100,000.00
05/28/15	4069	3333 W Apollo Rd	Phoenix, AZ 85041	40,000.00
05/28/15	4069	3333 W Apollo Rd	Phoenix, AZ 85041	12,879.27
05/29/15	4109	12827 W Desert Mirage Dr	Peoria, AZ 85383	130,000.00
05/29/15	4109	12827 W Desert Mirage Dr	Peoria, AZ 85383	68,254.24
05/29/15	4109	12827 W Desert Mirage Dr	Peoria, AZ 85383	26,707.15
05/29/15	4422	8224 S 74th Ave	Laveen, AZ 85339	92,551.37
05/29/15	4508	11530 W Flores Dr	El Mirage, AZ 85335	79,053.14
06/01/15	4637	8742 W Pioneer St	Tolleson, AZ 85353	92,956.23
06/02/15	3977	7771 W Marlette Ave	Glendale, AZ 85303	120,000.00
06/02/15	3977	7771 W Marlette Ave	Glendale, AZ 85303	46,867.99
06/02/15	3977	7771 W Marlette Ave	Glendale, AZ 85303	4,828.34
06/10/15	4540	839 S Chatsworth Cir	Mesa, AZ 85208	99,262.30
06/17/15	Workout	Principal Payment		(86,000.00)
06/26/15	3957	1500 N Markdale #1	Mesa, AZ 85201	120,000.00
06/26/15	3957	1500 N Markdale #1	Mesa, AZ 85201	70,000.00
06/26/15	3957	1500 N Markdale #1	Mesa, AZ 85201	28,296.67
06/26/15	4116	6332 W Sonora St	Phoenix, AZ 85043	60,000.00

Simon Consulting, LLC
Arizona Corporation Commission v. DenSco Investment Corporation

DenSco Investment Corporation

\$5 Million Workout Loan - As of 07/28/16 (Date of Denny Chittick's Death)

Loan Date	Loan No.	Property Address	City, Zip	Loan Amount
06/26/15	4116	6332 W Sonora St	Phoenix, AZ 85043	33,689.72
06/30/15	4308	711 E Potter Dr	Phoenix, AZ 85024	130,000.00
06/30/15	4308	711 E Potter Dr	Phoenix, AZ 85024	62,670.91
07/15/15	3998	2367 E Balsam Dr	Chandler, AZ 85286	230,000.00
07/15/15	3998	2367 E Balsam Dr	Chandler, AZ 85286	103,078.80
07/15/15	3998	2367 E Balsam Dr	Chandler, AZ 85286	2,820.14
07/15/15	3998	2367 E Balsam Dr	Chandler, AZ 85286	7,179.86
07/15/15	3998	2367 E Balsam Dr	Chandler, AZ 85286	24,977.14
07/16/15	4500	10025 W Williams St	Tolleson, AZ 85353	82,401.40
07/30/15	3959	5420 W Sunnyside Dr	Glendale, AZ 85304	100,000.00
07/30/15	3959	5420 W Sunnyside Dr	Glendale, AZ 85304	19,606.50
08/11/15	4343	23827 W Gibson Ln	Buckeye, AZ 85326	110,000.00
08/11/15	4343	23827 W Gibson Ln	Buckeye, AZ 85326	40,000.00
08/11/15	4343	23827 W Gibson Ln	Buckeye, AZ 85326	8,056.39
08/18/15	4093	2360 E Carmel Ave	Mesa, AZ 85204	90,000.00
08/18/15	4093	2360 E Carmel Ave	Mesa, AZ 85204	30,104.35
09/08/15	Workout	Principal Payment		(80,000.00)
09/14/15	Workout	Principal Payment		(100,000.00)
09/17/15	Workout	Principal Payment		(2,400.00)
09/21/15	Workout	Principal Payment		(100,000.00)
09/21/15	Workout	Principal Payment		(1,800.00)
09/28/15	Workout	Principal Payment		(100,000.00)
10/05/15	Workout	Principal Payment		(50,000.00)
				<u>13,656,807.24</u>

Transactions Excluded from Calculation:

03/06/14	Workout	Clark Hill, PLC	38,224.00
04/15/14	Workout	Clark Hill, PLC	30,266.00
05/15/14	Workout	Clark Hill, PLC	11,510.00
12/31/15	Workout	Interest income reallocated to principal	(400,000.00)
			Subtotal: (320,000.00)
			Adjusted Total: 13,336,807.24
			\$5 Million Workout Loan Balance Per QB: 13,336,807.24
			Difference: -

Appendix B

Simon Consulting, LLC
Arizona Corporation Commission v. DenSco Investment Corporation

DenSco Investment Corporation

\$1 Million Workout Loan - As of 07/28/16 (Date of Denny Chittick's Death)

Loan Date	Loan No.	Property Address	City, Zip	Loan Amount
12/13/13	4584	11509 E Pratt Ave	Mesa, 85212	90,000.00
12/27/13	4545	3150 E Beardsley Rd #1030	Phoenix, 85050	59,332.07
01/02/14	4233	1262 E Clifton Ave	Gilbert, 85295	121,866.92
01/02/14	4626	12614 N 62nd Street	Scottsdale, 85254	149,641.24
01/15/14	4532	516 W Dublin St	Chandler, 85225	57,589.04
01/16/14	4513	16010 N 170th Ln	Surprise, 85388	66,798.72
01/16/14	4516	18425 N 56th Lane	Glendale, 85308	57,724.34
01/16/14	4524	23687 W Wayland Dr	Buckeye, 85326	51,057.68
01/17/14	4573	11634 W Adams St	Avondale, 85323	54,718.72
01/17/14	4574	25863 W St James Ave	Buckeye, 85326	44,801.81
01/17/14	4611	14904 W Port Royale Ln	Surprise, 85379	62,346.80
01/17/14	4628	7752 E Obispo Ave	Mesa, 85212	99,290.55
04/29/14	4307	2681 S Palm St	Gilbert, 85295	34,836.09
04/30/14	4729	8742 W Grovers Ave	Peoria, 85345	52,528.57
TOTAL:				1,002,532.55

Appendix C

Simon Consulting, LLC
Arizona Corporation Commission v. DenSco Investment Corporation

DenSco Investment Corporation

Non-Workout Loans to Yomtov Scott Menaged, et al. - As of 07/28/16 (Date of Denny Chittick's Death)

Loan Date	Loan No.	Property Address	City, Zip	Loan Amount
08/14/13	4523-1	10125 E Lobo Ave	Mesa, 85209	160,000.00
01/22/14	4523-2	10125 E Lobo Ave	Mesa, 85209	50,000.00
05/20/16	8005	6013 E Egret St	Cave Creek, 85331	200,200.00
05/23/16	8008	14883 W Bloomfield Rd	Surprise, 85375	201,300.00
05/25/16	8016	9343 E Bahia Dr	Scottsdale, 85260	1,556,800.00
05/26/16	8017	9029 E McDowell Rd	Mesa, 85207	589,500.00
05/26/16	8018	25173 N 73rd Lane	Peoria, 85382	407,800.00
05/26/16	8019	5710 W Desperado Way	Phoenix, 85083	488,400.00
05/27/16	8021	7431 E Nora St	Mesa, 85207	268,500.00
05/27/16	8022	13834 N Burning Tree Pl	Phoenix, 85022	237,400.00
05/27/16	8023	10418 E Champagne Dr	Sun Lakes, 85248	271,100.00
05/27/16	8025	4106 W Saint Kateri Rd	Phoenix, 85041	234,400.00
05/31/16	8026	14850 W Robson Cir N	Goodyear, 85395	348,500.00
05/31/16	8027	4377 N 157th Lane	Goodyear, 85395	386,900.00
05/31/16	8028	11329 S Orion Dr	Goodyear, 85338	412,300.00
05/31/16	8029	914 W Whitten St	Chandler, 85225	399,100.00
05/31/16	8030	5922 W Gail Dr	Chandler, 85226	278,300.00
06/01/16	8032	9904 E Keats Ave	Mesa, 85209	251,800.00
06/01/16	8034	851 E Aberdeen Dr	Gilbert, 85298	243,100.00
06/01/16	8035	1610 W Joan de Arc Ave	Phoenix, 85029	149,300.00
06/01/16	8036	7140 E Medina Ave	Mesa, 85209	296,500.00
06/02/16	8039	7531 N Silvercrest Way	Paradise Valley, 85253	1,554,300.00
06/03/16	8040	2320 E Avenida Del Sol	Phoenix, 85024	302,500.00
06/03/16	8041	13300 E Via Linda #2056	Scottsdale, 85259	346,800.00
06/03/16	8042	13503 E Charter Oak Dr	Scottsdale, 85259	349,500.00
06/06/16	8044	6615 W Via Dona Rd	Phoenix, 85083	328,400.00
06/06/16	8045	9267 E Desert Arroyos	Scottsdale, 85255	751,800.00
06/06/16	8046	1134 W Mulberry Dr	Chandler, 85286	319,600.00
06/06/16	8047	15126 W Rounder Dr	Surprise, 85374	277,500.00
06/07/16	8048	4808 N 24th Street #421	Phoenix, 85016	305,100.00
06/07/16	8049	2513 E Mescal St	Phoenix, 85028	294,400.00
06/07/16	8050	8845 N 4th Street	Phoenix, 85020	259,400.00
06/07/16	8051	3029 W Marconi Ave	Phoenix, 85053	178,500.00
06/07/16	8052	1126 E Utopia Rd	Phoenix, 85024	149,100.00
06/07/16	8053	3901 W Angela Dr	Glendale, 85308	178,100.00
06/08/16	8054	14749 W Lucas Ln	Surprise, 85374	169,100.00
06/08/16	8055	4780 W Piute Ave	Glendale, 85308	198,300.00
06/08/16	8056	14414 N Centruy Dr	Fountain Hills, 85268	298,500.00
06/08/16	8057	3830 W Laredo St	Chandler, 85226	187,400.00
06/08/16	8058	225 W Denton Ln	Phoenix, 85013	213,800.00
06/08/16	8059	43629 N 20th Street	New River, 85087	354,400.00
06/09/16	8060	45905 N 33rd Avenue	New River, 85087	241,100.00
06/09/16	8061	12696 N 77th Avenue	Peoria, 85382	284,500.00
06/09/16	8062	6112 N 31st Court	Phoenix, 85016	634,200.00
06/09/16	8063	4150 W Willow Ave	Phoenix, 85029	179,800.00
06/09/16	8064	8108 N 33rd Drive	Phoenix, 85051	170,700.00
06/10/16	8065	2854 E Baars Crt	Gilbert, 85297	315,800.00
06/10/16	8066	10586 E Morning Star Dr	Scottsdale, 85255	309,400.00
06/10/16	8067	640 E Bird Ln	Litchfield Park, 85340	299,700.00
06/10/16	8068	7542 E Glenn Moore Rd	Scottsdale, 85255	409,500.00
06/10/16	8069	11509 E Rambelwood Ave	Mesa, 85212	257,400.00
06/13/16	8071	19713 N Rim Rd	Surprise, 85374	297,300.00

Simon Consulting, LLC
Arizona Corporation Commission v. DenSco Investment Corporation

DenSco Investment Corporation

Non-Workout Loans to Yomtov Scott Menaged, et al. - As of 07/28/16 (Date of Denny Chittick's Death)

Loan Date	Loan No.	Property Address	City, Zip	Loan Amount
06/13/16	8072	11843 N 151st Drive	Surprise, 85379	264,100.00
06/13/16	8073	3221 E Campbell Rd	Gilbert, 85234	256,700.00
06/13/16	8074	28318 N 246th Drive	Wittmann, 85361	213,200.00
06/13/16	8075	2127 N 124th Drive	Avondale, 85323	246,800.00
06/13/16	8076	1334 W Sunset Crt	Gilbert, 85233	223,100.00
06/14/16	8077	15023 N Escondido Dr	Fountain Hills, 85268	389,700.00
06/14/16	8078	6021 E Sweetwater Ave	Scottsdale, 85254	364,200.00
06/14/16	8079	7130 W Softwind Dr	Peoria, 85383	471,100.00
06/14/16	8080	16421 S 17th Drive	Phoenix, 85045	254,700.00
06/14/16	8081	2343 W Port Au Prince Ln	Phoenix, 85023	163,800.00
06/15/16	8084	4561 S Ranger Crt	Gilbert, 85297	347,900.00
06/15/16	8085	6436 S 23rd Avenue	Phoenix, 85041	181,600.00
06/15/16	8086	375 E Sagebrush St	Gilbert, 85296	280,100.00
06/15/16	8087	1951 E Ivy St	Mesa, 85203	178,300.00
06/15/16	8088	6932 E Loma Land Dr	Scottsdale, 85257	246,500.00
06/15/16	8089	1843 E Donner Dr	Phoenix, 85042	175,100.00
06/16/16	8090	7712 N Moonlight LN	Paradise Valley, 85253	1,661,200.00
06/17/16	8091	2733 W Ocaso Cir	Mesa, 85202	200,900.00
06/17/16	8092	7164 W Planada Ln	Glendale, 85310	370,100.00
06/17/16	8093	21083 W Wycliff Crt	Buckeye, 85326	253,300.00
06/17/16	8094	14342 W Evans Dr	Surprise, 85379	249,700.00
06/17/16	8095	10301 N 70th Street #234	Paradise Valley, 85253	113,800.00
06/17/16	8096	9035 E Oro Ave	Mesa, 85212	251,200.00
06/20/16	8097	28566 N 124th Drive	Peoria, 85383	418,800.00
06/20/16	8098	700 N Dobson RD #52	Chandler, 85224	411,200.00
06/20/16	8099	12805 W Redondo Dr	Litchfield Park, 85340	179,600.00
06/20/16	8100	2113 N 119th Drive	Avondale, 85323	174,500.00
06/20/16	8101	9225 S Leilan Ln	Phoenix, 85041	221,300.00
06/20/16	8102	2131 W Vineyard Rd	Phoenix, 85041	176,800.00
06/21/16	8103	3541 W Vogel Ave	Phoenix, 85051	141,800.00
06/21/16	8104	6313 N 40th Drive	Phoenix, 85019	136,800.00
06/21/16	8105	7960 E Hanover Way	Scottsdale, 85255	1,113,600.00
06/21/16	8106	5109 W Mercer Ln	Glendale, 85304	153,700.00
TOTAL:				28,332,300.00

Appendix D

Proposed Trial Exhibits

Exhibit Number	Document Date	Description	Bates No.
1.	7/01/11	E-mail exchange between D. Chittick and D. Beauchamp	BC 000005 – 000009
2.	7/18/11	E-mail exchanges between D. Chittick and D. Beauchamp	BC 000086 – 000087
3.	7/31/08	E-mail exchanges between D. Beauchamp and D. Chittick	BC_000096 – 000098
4.	8/04/08	E-mail exchange between D. Beauchamp and D. Chittick	BC_000100 – 000101
5.	7/30/11	E-mail exchange between D. Chittick and DenSco Investors	BC 000111
6.	10/01/08	E-mail exchange between D. Beauchamp and D. Chittick	BC_000112 – 000113
7.	8/10/11	E-mail exchange between D. Chittick and rpc@quarles.com	BC 000121
8.	7/08/09	E-mail exchange between L. Bliven and D. Chittick	BC_000796; 000797 – 000865
9.	7/09/09	E-mail exchange between L. Bliven and D. Chittick	BC_000934 – 001005
10.	7/09/09	E-mail exchange between L. Bliven and D. Chittick	BC_001006 – 001009
11.	7/09/09	E-mail exchanges between L. Bliven and D. Chittick	BC_001010 – 001014
12.	7/10/09	E-mail exchanges between D. Beauchamp and D. Chittick	BC_001015 – 001019
13.	7/10/09	E-mail exchange between L. Bliven and D. Chittick	BC_001027 – 001095
14.	2/01/10	E-mail exchange from D. Chittick to D. Beauchamp	BC_001176
15.	6/21/10	E-mail exchange between D. Chittick and D. Beauchamp	BC_001177 - 001178
16.	6/25/10	E-mail exchange between D. Chittick and D. Beauchamp	BC_001194 – 001195
17.	6/30/10	E-mail exchange between D. Chittick and DenSco investors	BC_001198
18.	7/02/10	E-mail exchange between D. Chittick and D. Beauchamp	BC_001206 – 001208
19.	7/07/10	E-mail exchange between D. Beauchamp and D. Chittick	BC_001209 – 001210
20.	7/19/10	E-mail exchange between D. Beauchamp and D. Chittick	BC_001215 – 001217
21.	7/20/10	E-mail exchanges between D. Beauchamp, M. Dvoren, and D. Chittick	BC_001218 – 001223
22.	7/21/10	E-mail exchanges between D. Beauchamp, M. Dvoren, and D. Chittick	BC_001224 – 001228
23.	7/21/10	E-mail exchange between D. Chittick and D. Beauchamp	BC_001229 – 001231
24.	7/21/10	E-mail exchanges between D. Beauchamp, M. Dvoren, and D. Chittick	BC_001232 – 001238
25.	7/22/10	E-mail exchanges between D. Beauchamp, D. Chittick, and L. Miller	BC_001239 – 001248
26.	7/22/10	E-mail exchanges between D. Beauchamp and D. Chittick	BC_001249 – 001252
27.	7/23/10	E-mail exchanges between D. Beauchamp and D. Chittick	BC_001253 – 001257
28.	7/23/10	E-mail exchanges between D. Beauchamp, D. Chittick, R. Wang	BC_001258 – 001259
29.	7/23/10	E-mail exchange between D. Beauchamp and D. Chittick	BC_001260 – 001261

Proposed Trial Exhibits

Exhibit Number	Document Date	Description	Bates No.
30.	7/27/10	E-mail exchanges between D. Beauchamp and D. Chittick	BC_001262 – 001263
31.	8/03/10	E-mail exchange between D. Beauchamp and D. Chittick	BC_001265
32.	8/16/10	E-mail exchange between D. Beauchamp and D. Chittick	BC_001266 – 001267
33.	9/07/10	E-mail exchanges between D. Chittick and D. Beauchamp	BC_001268 – 001269
34.	9/07/10	E-mail exchange between D. Chittick and D. Beauchamp	BC_001270
35.	9/30/10	E-mail exchanges between D. Beauchamp, D. Chittick, and DenSco Investors	BC_001273 – 001274
36.	12/25/10	E-mail exchange between D. Beauchamp and D. Chittick	BC_001303 – 001304
37.	1/25/11	E-mail exchange between D. Chittick and DenSco investors	BC_001305
38.	3/03/11	E-mail exchange between D. Chittick and D. Beauchamp	BC_001306
39.	3/11/11	E-mail exchanges between D. Chittick and D. Beauchamp	BC_001310 – 001312
40.	4/11/11	E-mail exchanges between D. Chittick and D. Beauchamp	BC_001327 – 001329
41.	4/20/11	E-mail exchange between D. Chittick and DenSco investors	BC_001333
42.	5/25/11	E-mail exchange between G. Schneider and D. Chittick	BC_001395 – 001465
43.	6/11/11	E-mail exchange between D. Beauchamp and D. Chittick	BC 001473 – 001613
44.	6/15/11	E-mail exchange between G. Schneider and D. Chittick	BC 001635 – 001775
45.	6/20/11	E-mail exchange between G. Schneider and D. Chittick	BC 001788 – 001791
46.	9/16/11	E-mail exchanges between D. Beauchamp and D. Dahlberg	BC 001798 – 001804
47.	9/16/11	E-mail exchanges between D. Beauchamp and G. Jewett	BC 001805 – 001807
48.	9/23/11	E-mail exchange between D. Beauchamp and D. Chittick	BC 001817 – 001819
49.	9/30/11	E-mail exchange between D. Chittick and DenSco investors	BC 001828
50.	9/10/11	E-mail exchange between D. Beauchamp and D. Chittick	BC 001829 – 001830
51.	9/15/11	E-mail exchange between D. Beauchamp and D. Chittick	BC 001831 – 001835
52.	10/05/11	E-mail exchange between D. Beauchamp and D. Chittick	BC 001836 – 001837
53.	10/06/11	E-mail exchange between D. Beauchamp and D. Chittick	BC 001838 – 001839
54.	12/11/11	E-mail exchange between D. Beauchamp and D. Chittick	BC 001856
55.	3/08/12	E-mail exchange between D. Beauchamp and Evite	BC 001859 – 001860
56.	5/25/12	E-mail exchanges between T. Kellett, D. Beauchamp, and D. Chittick	BC 001863 – 001865
57.	6/28/12	E-mail exchange between D. Beauchamp and D. Chittick	BC 001866 – 001868
58.	6/28/12	E-mail exchange between D. Chittick and D. Beauchamp	BC 001869 – 001872

Proposed Trial Exhibits

Exhibit Number	Document Date	Description	Bates No.
59.	8/07/12	E-mail exchange between D. Beauchamp and D. Chittick	BC 001878 – 001880
60.	1/08/13	E-mail exchange between D. Beauchamp and D. Chittick	BC 001886 – 001887
61.	3/25/13	E-mail exchange between First Legal Network and D. Beauchamp re	BC 001892 – 001905
62.	3/17/13	E-mail exchange between D. Beauchamp and D. Chittick	BC 001906
63.	3/14/13	E-mail exchanges between D. Beauchamp and D. Chittick	BC 001908 – 001909
64.	4/12/13	Letter to R. Sanders from D. Beauchamp re Jessica Pinckney	BC 001911 – 001912
65.	4/11/13	Letter to R. Sanders from D. Beauchamp re Jessica Pinckney	BC 001913 – 001914
66.	4/12/13	E-mail exchange between D. Beauchamp and D. Chittick	BC 001925 – 001929
67.	4/04/13	Confidential Settlement Agreement and Release draft	BC 001936 – 001939
68.	4/04/13	Letter to R. Sanders from D. Beauchamp re Jessica Pinckney	BC 001940
69.	6/17/13	E-mail exchange between D. Chittick and D. Beauchamp	BC 001959 – 001960
70.	6/14/13	E-mail exchanges between D. Beauchamp and D. Chittick	BC 001961 – 001962
71.	6/14/13	E-mail exchange between D. Chittick and D. Beauchamp	BC 001965
72.	6/14/13	E-mail exchange between D. Chittick and D. Beauchamp	BC 001966 – 001967
73.	6/14/13	E-mail exchange between D. Chittick and D. Beauchamp	BC 001968 – 001978
74.	7/19/13	E-mail exchange between D. Beauchamp and D. Chittick	BC 002013
75.	8/30/13	E-mail exchange between T. Daniels and D. Chittick	BC 002021 – 002025
76.	7/01/09	DenSco Confidential Private Offering Memorandum	BC 002357 - 002424
77.	7/18/11	DenSco Investment Corporation Officer's Certificate	BC 002906 – 002911
78.	7/01/11	DenSco Confidential Private Offering Memorandum	BC 002912 - 002981
79.	9/22/11	Bryan Cave bill issued to DenSco	BC 003053 – 003058
80.	10/11/11	Bryan Cave bill issued to DenSco	BC 003059 – 003064
81.	11/10/11	Bryan Cave bill issued to DenSco	BC 003065 – 003067
82.	7/17/12	Bryan Cave bill issued to DenSco	BC 003068 – 003070
83.	9/19/12	Bryan Cave bill issued to DenSco	BC 003071 – 003073
84.	5/07/13	Bryan Cave bill issued to DenSco	BC 003074 – 003077
85.	6/17/13	Bryan Cave bill issued to DenSco	BC 003078 – 003080
86.	7/23/13	Bryan Cave bill issued to DenSco	BC 003081 – 003086
87.	8/14/13	Bryan Cave bill issued to DenSco	BC 003087 - 003090

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88.	9/24/13	Bryan Cave bill issued to DenSco	BC_003091 – 003093
89.	6/16/08	Bryan Cave bill issued to DenSco	BC_003094 – 003097
90.	7/21/08	Bryan Cave bill issued to DenSco	BC_003098 – 003100
91.	8/08/08	Bryan Cave bill issued to DenSco	BC_003101 – 003103
92.	7/14/09	Bryan Cave bills issued to DenSco	BC_003104 – 003109
93.	8/12/09	Bryan Cave bill issued to DenSco	BC_003110 – 003113
94.	10/12/09	Bryan Cave bill issued to DenSco	BC_003114 – 003116
95.	11/18/09	Bryan Cave bill issued to DenSco	BC_003117 – 003119
96.	1/22/10	Bryan Cave bill issued to DenSco	BC_003120 – 003122
97.	2/18/10	Bryan Cave bill issued to DenSco	BC_003123 – 003125
98.	3/12/10	Bryan Cave bill issued to DenSco	BC_003126 – 003128
99.	6/20/10	Bryan Cave bill issued to DenSco	BC_003129 – 003131
100.	6/20/10	Bryan Cave bill issued to DenSco	BC_003132 – 003134
101.	7/14/10	Bryan Cave bills issued to DenSco	BC_003135 – 003142
102.	8/13/10	Bryan Cave bills issued to DenSco	BC_003143 – 003150
103.	9/15/10	Bryan Cave bill issued to DenSco	BC_003151 – 003153
104.	10/13/10	Bryan Cave bill issued to DenSco	BC_003154 - 003156
105.	4/27/11	Bryan Cave bill issued to DenSco	BC_003157 – 003159
106.	5/24/11	Bryan Cave bill issued to DenSco	BC_003160 – 003166
107.	6/17/11	Bryan Cave bill issued to DenSco	BC_003167 – 003173
108.	7/26/11	Bryan Cave bill issued to DenSco	BC_003174 – 003180
109.	8/23/11	Bryan Cave bill issued to DenSco	BC_003181 – 003183
110.	5/03/11	Letter fom D. Beauchamp to D. Chittick	BC_003184 – 003188
111.	6/01/13	Voice mail message (Wav.file)	BC_003189
112.	4/18/14	E-mail exchange between D. Schenck and D. Chittick	CH_0000007
113.	4/25/14	E-mail exchange between D. Beauchamp and D. Chittick	CH_0000008 – 0000013
114.	3/20/14	E-mail exchange between D. Beauchamp and D. Chittick	CH_0000027; CH_0000028 – 0000045
115.	1/21/14	E-mail exchange between D. Beauchamp and D. Schenck	CH_0000046; CH_0000047 – 0000049

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116.	2/06/14	E-mail exchange between D. Beauchamp and D. Schenck	CH 0000212 – 0000227
117.	4/25/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0000235 – 0000236
118.	3/25/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0000245; CH 0000246 – 0000265
119.	4/25/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0000266 – 0000267
120.	4/25/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0000270 – 0000275
121.	2/07/14	E-mail exchange between D. Beauchamp and D. Schenck	CH 0000368 – 0000376
122.	5/23/14	Letter from D. Beauchamp to D. Chittick with enclosed invoices	CH 0000513 - 0000523
123.	12/18/13	E-mail exchange between D. Chittick and D. Beauchamp	CH 0000636
124.	12/18/13	E-mail from D. Chittick to D. Beauchamp	CH 0000708
125.	12/18/13	E-mail exchange between D. Beauchamp and D. Schenck	CH 0000709 – 0000710
126.	9/12/13	E-mail from D. Beauchamp to D. Chittick	CH 0000803 – 0000810
127.	9/12/13	E-mail from D. Chittick to D. Beauchamp	CH_0000816 – 0000818 DIC0008653 – 0008656
128.	1/06/14	E-mail exchange between D. Chittick and D. Beauchamp	CH 0000828 – 0000848
129.	1/06/14	E-mail exchange between D. Beauchamp, D. Chittick, D. Schenck	CH 0000849 – 0000850
130.	1/05/14	E-mail exchange between D. Chittick and D. Beauchamp	CH 0000852 – 0000853
131.	1/16/14	E-mail exchange between D. Chittick and D. Beauchamp	CH 0000914
132.	1/16/14	E-mail exchange between D. Schenck, D. Chittick and D. Beauchamp	CH 0000956 - 0000968
133.	1/16/14	E-mail exchange between D. Beauchamp, D. Chittick, and D. Schenck	CH 0001015 – 0001021
134.	9/12/13	E-mail exchanges between D. Beauchamp and D. Chittick	CH 0001087 – 0001091
135.	1/17/14	E-mail exchange between D. Chittick and D. Beauchamp	CH 0001129 – 0001135
136.	1/17/14	E-mail exchange between D. Chittick and D. Beauchamp	CH 0001136
137.	1/17/14	E-mail exchange between D. Beauchamp and D. Chittick re Term Sheet	CH 0001176 – 0001182
138.	1/15/14	E-mail exchange between D. Chittick and D. Beauchamp	CH 0001224 – 0001228
139.	1/15/14	E-mail exchange between D. Schenck and D. Beauchamp	CH 0001392; CH 0001393 – 0001397
140.	1/21/14	E-mail exchange between D. Chittick and D. Schenck	CH 0001410 – 0001418
141.	1/22/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0001433 – 0001434
142.	1/17/14	E-mail exchange between D. Beauchamp and R. Anderson	CH 0001445 – 0001465
143.	1/09/14	E-mail exchange between D. Chittick and D. Beauchamp	CH 0001494 – 0001495

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144.	1/09/14	E-mail exchange between D. Beauchamp, D. Chittick, T. Daniels	CH 0001496 – 0001499
145.	1/09/14	E-mail exchange between D. Chittick and D. Beauchamp	CH 0001502 – 0001503
146.	1/07/14	E-mail from D. Chittick to D. Beauchamp, S. Menaged	CH 0001506 – 0001523
147.	1/14/14	E-mail exchange between L. Stringer and D. Beauchamp	CH 0001574 – 0001575
148.	1/31/14	E-mail exchange D. Chittick and S. Menaged; D. Chittick and D. Beauchamp	CH 0001595
149.	1/28/14	E-mail exchange D. Schenck, R. Anderson and D. Beauchamp with attach.	CH 0001606 – 0001618
150.	1/23/14	E-mail exchange between D. Beauchamp and D. Schenck with attach.	CH 0001632 – 0001644
151.	1/23/14	E-mail exchange between D. Beauchamp, R. Anderson and D. Schenck with attachment.	CH_0001645 – 0001654
152.	1/24/14	E-mail exchange between D. Chittick and D. Beauchamp	CH 0001672 – 0001686
153.	1/29/14	E-mail exchanges between D. Chittick and S. Menaged; and D. Beauchamp	CH 0001689
154.	2/05/14	E-mail exchanges between D. Beauchamp and D. Chittick	CH 0001696
155.	2/05/14	E-mail exchange between D. Chittick and D. Beauchamp	CH 0001726
156.	2/04/14	E-mail between D. Beauchamp and D. Chittick	CH 0001758
157.	2/04/14	E-mail scan between D. Beauchamp and D. Schenck	CH 0001787 – CH_0001803
158.	2/04/14	E-mail between D. Chittick, S. Menaged and cc: D. Beauchamp with attach.	CH 0001807 – 0001815
159.	2/04/14	E-mail between D. Beauchamp and D. Chittick	CH 0001819 – 0001835
160.	2/06/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0001928 – 0000962
161.	2/07/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0002014
162.	2/06/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0002017 – 0002021
163.	2/06/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0002024 – 0002032
164.	2/07/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0002042
165.	2/07/14	E-mail exchange between J. Goulder and D. Beauchamp	CH 0002045 – 0002079
166.	2/07/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0002080 – 0002132
167.	2/07/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0002203; 00002220
168.	2/20/14	Letter from D. Beauchamp to D. Chittick with enclosed invoices	CH 0002308 – 0002317
169.	2/27/14	E-mail exchange between D. Beauchamp and R. Anderson	CH 0002321 – 0002322
170.	2/27/14	E-mail exchange between D. Chittick and D. Beauchamp	CH 0002331
171.	2/28/14	E-mail exchange between R. Anderson and D. Beauchamp	CH 0002338 – 0002340

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172.	2/25/14	E-mail exchange between D. Beauchamp and J. Goulder	CH_0002346; CH_0002347 – 0002363; CH_0002364 – 0002379
173.	2/26/14	E-mail exchange between D. Beauchamp and D. Chittick	CH_0002380 – 0002383
174.	2/26/14	E-mail exchange between D. Beauchamp and D. Chittick	CH_0002405
175.	2/13/14	E-mail exchange between D. Beauchamp, J. Goulder, D. Chittick, S. Menaged	CH_0002465; CH_0002466 – 0002481; CH_0002482 – 0002498
176.	2/13/14	E-mail between D. Beauchamp, D. Chittick and S. Menaged	CH_0002503
177.	2/13/14	E-mail between D. Schenck, D. Beauchamp	CH_0002507; CH_0002508 – 0002523; CH_0002524 – 0002540
178.	3/12/14	E-mail exchange between L. Stringer and D. Chittick	CH_0002591; CH_0002592 – 0002608
179.	3/12/14	E-mail exchange between L. Stringer and D. Chittick	CH_0002611; CH_0002612 – 0002629
180.	3/14/14	Letter from D. Beauchamp to D. Chittick with enclosed invoices	CH_0002673 – 0002680
181.	3/17/14	E-mail exchange between D. Beauchamp and D. Chittick	CH_0002739; CH_0002740 – 0002774
182.	3/13/14	E-mail exchange between D. Beauchamp and D. Chittick	CH_0002825 – 0002827
183.	3/14/14	E-mail exchange between D. Beauchamp and D. Chittick	CH_0002887; CH_0002888 – 0002923
184.	3/05/14	E-mail exchange between R. Anderson and D. Beauchamp	CH_0002935 – 0002937
185.	03/07/14	E-mail exchange between L. Stringer, D. Chittick and cc D. Beauchamp	CH_0002938; CH_0002939 – 0002973
186.	3/2/14	E-mail between D. Beauchamp, K. Beauchamp and D. Chittick	CH_0002974
187.	3/04/14	E-mail exchange between R. Anderson and D. Beauchamp	CH_0002975 – 0002977
188.	3/06/14	E-mail exchange between R. Anderson and D. Beauchamp	CH_0002978 – 0002981
189.	3/26/14	E-mail exchange between D. Schenck, D. Chittick and CC D. Beauchamp	CH_0002988 – 0003105
190.	3/31/14	E-mail exchange D. Schenck and D. Beauchamp with attach.	CH_0003147 – 0003304
191.	3/31/14	E-mail exchange between D. Beauchamp and D. Chittick	CH_0003305 – 0003311
192.	3/24/14	E-mail exchange between D. Beauchamp and D. Chittick	CH_0003609 – 0003627
193.	3/20/14	E-mail exchange between D. Beauchamp and D. Chittick	CH_0003696; CH_0003697 – 0003714
194.	3/21/14	E-mail exchange between D. Beauchamp and D. Chittick	CH_0003715
195.	3/20/14	E-mail exchange between D. Beauchamp and D. Chittick	CH_0003716
196.	3/20/14	E-mail exchange between D. Beauchamp and D. Chittick	CH_0003741
197.	3/18/14	E-mail exchange between D. Beauchamp and D. Chittick	CH_0003746; CH_0003747 – 0003782
198.	3/31/14	Attachment to E-Mail	CH_0003784 - 0003801

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199.	4/02/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0003869 – 0003871
200.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0003876 – 0003878
201.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0003879 – 0003882; 0003883 – 0003893
202.	4/03/14	E-mail exchange between D. Schenck and D. Beauchamp with attach.	CH 0003895 – 0004075
203.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004076 – 0004081
204.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004082 – 0004086
205.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004087 – 0004093
206.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004094 – 0004099
207.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004100 – 0004105
208.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004106 – 0004110
209.	4/03/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004117 – 0004201
210.	4/03/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004202 – 0004203
211.	4/03/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004204 – 0004205
212.	4/03/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004206 – 0004208
213.	4/03/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004209 - 0004211
214.	4/03/14	E-mail exchange between D. Beauchamp and D. Schenck	CH 0004212 - 0004313
215.	4/18/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004241 – 0004244; 0004245 – 0004247
216.	4/18/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004248 – 0004252
217.	4/18/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004253 – 0004256
218.	4/18/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004257 – 0004259
219.	4/18/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004260
220.	4/15/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004278 – 0004280
221.	4/15/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004281
222.	4/14/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004286
223.	4/15/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004294 - 0004314
224.	4/15/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004315 – 0004318
225.	4/23/14	E-mail exchange between Gary Thompson and D. Chittick	CH 0004319 – 0004321

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226.	4/25/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004322
227.	4/24/14	Letter from D. Beauchamp to D. Chittick with invoices	CH 0004324 – 0004332
228.	4/21/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004409 – 0004411
229.	4/22/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004414
230.	4/09/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004416 – 0004417
231.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004421 – 0004442
232.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004443 – 0004452
233.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004453 – 0004474
234.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004475 – 0004495
235.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004496 – 0004520
236.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004666 – 0004681
237.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004682 – 0004712
238.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004713 – 0004744
239.	4/04/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004789 – 0004790
240.	4/11/14	E-mail exchange between D. Schenck and D. Beauchamp	CH 0004879 – 0004880
241.	4/13/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004886
242.	4/11/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004889
243.	4/28/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004915 – 0004921
244.	4/28/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004922 – 0004927
245.	4/28/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004929
246.	4/28/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004931
247.	4/28/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0004960 – 0004967
248.	5/14/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0005126
249.	5/23/14	Letter from D. Beauchamp to D. Chittick	CH 0005146 – 0005156
250.	5/15/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0005160
251.	6/25/14	Letter from D. Beauchamp to D. Chittick with enclosed invoices	CH 0005221 – 0005226
252.	7/16/14	Letter from D. Beauchamp to D. Chittick with enclosed invoices	CH 0005263 - 0005265
253.	8/20/14	Letter from D. Beauchamp and D. Chittick with enclosed invoices	CH 0005289 – 0005291
254.	9/12/13	E-mail exchanges between D. Beauchamp and D. Chittick	CH 0005451 – 0005453

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255.	12/18/13	E-mail from D. Beauchamp to L. Stringer	CH 0005474
256.	1/06/14	E-mail exchange between D. Beauchamp and L. Stringer	CH_0005550 CH 0005551
257.	1/17/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0005728
258.	1/17/14	E-mail exchange between D. Beauchamp and D. Schenck	CH 0005790 – 0005807
259.	1/09/14	E-mail from D. Beauchamp to L. Stringer	CH 0005916 – 0005920
260.	5/13/14	Letter from D. Beauchamp to D. Chittick with enclosed invoices	CH 0006376 – 0006379
261.	4/27/16	Letter from D. Beauchamp to D. Chittick with enclosed invoice	CH 0006381 – 0006383
262.	2/05/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0006655
263.	2/04/14	E-mail between D. Beauchamp, D. Schenck with draft forbearance agreement	CH 0006694 – 0006708
264.	3/07/14	E-mail exchange between R. Anderson and D. Beauchamp	CH 0007183 – 0007186
265.	3/19/14	E-mail exchange between D. Beauchamp and D. Chittick	CH 0007296 – 0007298
266.	10/20/16	Letter from D. Beauchamp to P. Davis with enclosed invoice	CH_0008016
267.	10/20/14	Letter from D. Beauchamp to D. Chittick with enclosed invoices	CH 0008016 – 0008019
268.	9/26/16	E-mail exchanges between R. Anderson, D. Beauchamp, K. Merritt and J. Polese	CH 0008020 – 0008024
269.	12/22/16	E-mail exchange between D. Beauchamp and R. Anderson	CH_0008025 – 0008026
270.	12/22/16	E-mail exchange between R. Anderson and D. Beauchamp	CH_0008027
271.	10/20/16	Letter from D. Beauchamp to P. Davis with enclosed invoice	CH_0008028 – 0008031
272.	9/15/16	Letter from D. Beauchamp to P. Davis with enclosed invoice	CH_0008032 – 0008045
273.	8/30/16	E-mail exchanges between R. Anderson, J. Polese, and D. Beauchamp	CH 0008046 – 0008047
274.	8/29/16	E-mail exchanges between J. Polese, R. Anderson, D. Beauchamp	CH 0008052 – 0008053
275.	8/29/16	E-mail exchanges between R. Anderson, J. Polese, and D. Beauchamp	CH 0008067 – 0008081
276.	8/27/16	E-mail exchange between M. Tetreault to D. Beauchamp	CH 0008085 – 0008087
277.	8/23/16	E-mail exchanges between R. Anderson, J. Polese, and K. Merritt	CH 0008320 – 0008343
278.	8/23/16	E-mail exchange between R. Anderson, J. Polese, and K. Merritt	CH 0008361 – 0008369
279.	8/22/16	E-mail exchange between D. Beauchamp and R. Anderson	CH 0008413 – 0008419
280.	8/21/16	E-mail exchange between D. Beauchamp and R. Brinkman	CH 0008434 – 0008437
281.	8/21/16	E-mail exchanges between D. Beauchamp and R. Brinkman	CH 0008442 – 0008444
282.	8/21/16	E-mail exchange between D. Beauchamp and R. Brinkman	CH 0008445 – 0008448

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283.	8/20/16	E-mail exchange between D. Beauchamp and R. Anderson	CH_0008465 – 0008470
284.	8/20/16	E-mail exchange between D. Beauchamp and R. Brinkman	CH_0008472 – 0008474
285.	8/20/16	E-mail exchange between R. Anderson, D. Beauchamp	CH_0008475 - 0008479
286.	8/19/16	E-mail exchange between D. Beauchamp and R. Anderson	CH_0008492 – 0008493
287.	8/19/16	E-mail exchanges between D. Beauchamp and K. Johnson	CH_0008495 – 0008496
288.	7/22/16	Letter from D. Beauchamp to D. Chittick with enclosed invoice	CH_0008940 – 0008942
289.	6/15/16	Letter from D. Beauchamp to D. Chittick with enclosed invoice	CH_0008985 – 0008987
290.	8/12/16	E-mail exchange between P. Meloserdooff, W. Coy, G. Clapper	CH_0009027 – 0009030
291.	8/11/16	E-mail from R. Brinkman to D. Beauchamp & S. Swinson w/ attachment	CH_0009095 – 0009096
292.	8/10/16	E-mail from D. Beauchamp to S. Schloz & T. Byrne	CH_0009129 – 0009134
293.	8/10/16	Beauchamp letter to W.Coy	CH_000915 – 0009196
294.	8/10/16	E-mail from L. Grove to W. Coy & D. Beauchamp w/ attached letter	CH_0009197 – 0009199
295.	8/10/16	E-mail exchange between M. Tran & D. Beauchamp and attached letter from S. Swinson	CH_0009219 – 0009222
296.	8/8/16	E-mail from D. Beauchamp to DenSco investors	CH_0009351 – 0009358
297.	8/7/16	E-mail exchange between B. Imdeike & D. Beauchamp	CH_0009474 – 0009477
298.	8/04/16	E-mail exchange between W. Coy and D. Beauchamp	CH_0009714 – 0009715
299.	1/09/14	E-mail from D. Schenck to D. Beauchamp, L. Stringer	CH_0009889
300.	2/15/14	E-mail between D. Chittick and D. Beauchamp	CH_0009952
301.	2/15/14	E-mail between D. Beauchamp and D. Chittick	CH_0009955
302.	3/14/14	E-mail exchange between D. Beauchamp and D. Chittick	CH_0009968
303.	4/06/14	E-mail exchange between D. Beauchamp and D. Chittick	CH_0010000
304.	1/06/14	Calendar entry	CH_0010087
305.	8/06/16	E-mail exchange between D. Beauchamp and D. Chittick	CH_0010219
306.	8/03/16	Letters of Appointment of Personal Representative and Acceptance	CH_0010225 – 0010226
307.	8/4/16	Letters of Appointment of Personal Representative and Acceptance of Appointment as Personal Representative	CH_0010225 – 0010226
308.	8/10/16	E-mail from S. Tran to S. Swinson, R. Brinkman, D. Beauchamp	CH_0010228 – 0010229
309.	12/24/13	E-mail exchanges between D. Beauchamp, D. Chittick, D. Schenck	CH_0010243 – 0010244
310.	8/3/16	E-mail exchange between D. Beauchamp and K. Johnson	CH_0010340 – 0010341
311.	8/3/16	E-mail from G. Clapper to D. Beauchamp	CH_0010343

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Exhibit Number	Document Date	Description	Bates No.
312.	9/23/16	E-mail exchanges between R. Anderson, K. Merritt, and J. Polese	CH 0010345 – 0010348
313.	9/23/16	E-mail exchanges between K. Merritt, R. Anderson and J. Polese	CH 0010349 – 0010352
314.	9/16/16	E-mail exchange between R. Anderson and J. Polese	CH 0010357 – 0010359
315.	9/15/16	Letter from D. Beauchamp to P. Davis with enclosed invoice	CH 0010364
316.	8/2/16	Calendar Appointment D. Beauchamp	CH 0010467
317.	8/2/16	Calendar Appointment D. Beauchamp	CH 0010468
318.	8/2/16	Calendar Appointment D. Beauchamp	CH 0010469
319.	8/30/16	E-mail exchange between R. Anderson and J. Polese	CH 0010474 – 0010483
320.	2/05/14	D. Schenck message re scanned image	CH 0011140
321.	2/05/14	E-mail scan between D. Beauchamp and S. Schenck	CH 0011141 – 0011145
322.	3/31/14	E-mail exchange D. Schenck and D. Beauchamp	CH 0012295
323.	2/17/14	R. Anderson Appointment	CH 0013387
324.	2/20/14	R. Anderson Appointment	CH 0013388
325.	1/29/14	Calendar Appointment R. Anderson	CH 0013389
326.	2/12/14	R. Anderson Appointment	CH 0013390
327.	1/31/14	Calendar Appointment R. Anderson	CH 0013391
328.	3/04/14	Calendar Appointment R. Anderson	CH 0013392
329.	2/23/15	R. Anderson message to self	CH 0013393
330.	UNDATED	Preliminary Legal Closing Checklist form	CH_0013481 - 0013483
331.	UNDATED	Preliminary Legal Closing Checklist form	CH_0013484 - 0013487
332.	8/17/16	E-mail exchange between D. Beauchamp, K. Merritt and J. Polese Beauchamp Declaration	CH_0014215 - 0014217
333.	8/17/16	E-mail exchange between K. Merritt, D. Beauchamp and J. Polese	CH_0014225 – 0014227
334.	7/31/16	E-mail exchange between D. Beauchamp and R. Koehler	CH 0014460 – 0014461
335.	8/8/16	E-mail exchange between S. Heuer, D. Beauchamp & P. Erbland	CH 0014535 – 0014537
336.	8/7/16	E-mail exchange between B. Imdeike, D. Beauchamp & S. Heuer	CH 0014548 – 0014549
337.	8/8/16	E-mail from D. Beauchamp to S. Heuer	CH 00145538 – 0014542
338.	8/5/16	E-mail exchange between D. Beauchamp and S. Heuer	CH 0014569 - 0014571
339.	8/5/16	E-mail exchange between D. Beauchamp, S. Heuer and R. Koehler	CH 0014572 – 0014575
340.	8/3/16	E-mail exchange between D. Beauchamp and S. Heuer	CH 0014603 – 0014605
341.	8/3/16	E-mail exchange between D. Beauchamp and S. Heuer	CH 0014606 – 0014608

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342.	8/3/16	E-mail exchange between D. Beauchamp, S. Heuer and R. Koehler	CH 0014611 – 0014613
343.	8/3/16	E-mail exchange between D. Beauchamp, S. Heuer and R. Koehler	CH 0014619 – 0014620
344.	8/3/16	E-mail exchange between D. Beauchamp and S. Heuer	CH 0014622 – 0014623
345.	8/3/16	E-mail exchange between S. Heuer and D. Beauchamp	CH 0014625
346.	8/2/16	E-mail exchange between S. Heuer and D. Beauchamp	CH 0014628 – 0014629
347.	8/1/16	E-mail from S. Heuer to D. Beauchamp	CH 0014634 - 0014641
348.	8/2/16	Calendar Appointment D. Beauchamp	CH 0014775
349.	8/3/16	E-mail exchange between R. Koehler and D. Beauchamp	CH 0014851 – 0014583
350.	8/5/16	E-mail exchange between D. Beauchamp and S. Heuer	CH 0015050
351.	5/04/10	E-mail exchange between D. Chittick and D. Beauchamp	CHIT000155 – 000156
352.	5/13/10	E-mail exchange between D. Chittick and D. Beauchamp	CHIT000164 – 000166
353.	6/07/10	E-mail exchange between D. Chittick, R. Koehler, S. Gould	CHIT000176 – 000177
354.	6/14/10	E-mail exchange between D. Chittick and D. Beauchamp	CHIT000178 – 000179
355.	6/14/10	E-mail exchange between D. Chittick and D. Beauchamp	CHIT000183 – 000186
356.	7/21/10	E-mail exchanges between D. Beauchamp, M. Dvoren, and D. Chittick	CHIT000244 – 000247
357.	3/13/15	E-mail exchange between D. Chittick and S. Menaged	CHIT001879 – 001880
358.	3/13/15	E-mail exchange between D. Chittick and S. Menaged	CHIT001885 – 001886
359.	6/14/13	E-mail from S. Menaged to D. Beauchamp, D. Chittick	DIC0000053 – 0000054
360.	6/14/13	E-mail from D. Chittick to D. Beauchamp	DIC0000055 – 0000069
361.	5/09/08	E-mail exchange between D. Beauchamp and L. Miller	DIC0000109
362.	3/31/10	Printed excerpt from DenSco website	DIC0000521 – 0000522
363.	9/30/11	Printed excerpt from DenSco website	DIC0000554 – 0000556
364.	12/31/08	Printed excerpt from DenSco website	DIC0000557 – 0000559
365.	9/28/07	E-mail exchange between D. Beauchamp and Joanne Odze	DIC0000560 – 0000562
366.	7/05/05	Printed excerpts from DenSco website	DIC0000563 – 0000592
367.	6/27/08	E-mail exchange between D. Chittick, D. Beauchamp and DenSco Investors	DIC0000609
368.	5/21/08	E-mail exchange between D. Chittick and D. Beauchamp	DIC0000615
369.	5/05/08	E-mail exchanges between D. Beauchamp, L. Bliven, and D. Chittick	DIC0000624 – 0000634
370.	2/24/09	E-mail exchange from D. Beauchamp	DIC0000684 – 0000686
371.	9/04/07	E-mail exchanges between R. Carney and D. Chittick	DIC0000693
372.	6/25/07	E-mail exchange between D. Chittick and D. Beauchamp	DIC0000701

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Exhibit Number	Document Date	Description	Bates No.
373.	6/29/07	E-mail exchange between D. Chittick and DenSco investors	DIC0000702
374.	6/05/07	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0000719
375.	6/01/07	E-mail exchange between D. Chittick and D. Beauchamp	DIC0000726
376.	6/01/07	E-mail exchange between D. Chittick and D. Beauchamp	DIC0000727
377.	6/01/07	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0000728 – 0000729
378.	5/29/07	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0000732 – 0000734
379.	5/22/07	E-mail exchange between D. Beauchamp and N. Lutter	DIC0000749 – 0000755
380.	5/19/07	E-mail exchanges between K. Merritt and D. Chittick	DIC0000781 – 0000783
381.	5/17/07	E-mail exchange between A. Damos and D. Chittick	DIC0000792 – 0000860
382.	5/17/07	E-mail exchange between D. Chittick and D. Beauchamp	DIC0000861
383.	5/16/07	E-mail exchange between D. Beauchamp and D. Chittick	DIC0000880 – 0000881
384.	5/15/07	E-mail exchange between D. Beauchamp and D. Chittick	DIC0000888
385.	5/17/07	D. Beauchamp handwritten notes	DIC0000937
386.	5/03/07	D. Beauchamp handwritten notes	DIC0000939 – 0000941
387.	5/01/07	D. Beauchamp handwritten notes	DIC0000942
388.	6/01/07	DenSco Confidential Private Offering Memorandum	DIC0000965 - 0001032
389.	5/16/07	E-mail exchange between A. Damos and D. Chittick	DIC0001191 – 0001201
390.	5/16/07	E-mail exchange between A. Damos and D. Chittick	DIC0001202 – 0001211
391.	6/01/07	DenSco Confidential Private Offering Memorandum	DIC0001254 – 0001319
392.	7/06/09	DenSco Prospective Purchaser Questionnaire (Accredited Investors)	DIC0001457 – 0001464
393.	7/06/09	DenSco Subscription Agreement	DIC0001482 – 0001486
394.	12/30/09	E-mail exchange between D. Chittick, D. Beauchamp, and DenSco Investors	DIC0001988
395.	9/08/09	E-mail exchange between D. Beauchamp and D. Chittick	DIC0001991 – 0001993
396.	12/08/09	E-mail exchanges between D. Chittick, D. Beauchamp, R. Carney	DIC0002002 – 0002006
397.	7/06/09	E-mail exchange between D. Beauchamp and D. Chittick	DIC0002128 – 0002130
398.	7/06/09	E-mail exchange between D. Beauchamp and D. Chittick	DIC0002140
399.	7/06/09	E-mail exchange between D. Beauchamp and D. Chittick re POM	DIC0002141 – 0002212
400.	6/06/09	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0002213 – 0002215
401.	5/17/09	E-mail exchange between D. Chittick and C. Mulder	DIC0002222 – 0022297

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Exhibit Number	Document Date	Description	Bates No.
402.	5/15/09	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0002298 – 0002300
403.	5/15/09	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0002308 – 0002310
404.	4/23/09	E-mail exchanges between D. Beauchamp, D. Chittick and R. Burgan	DIC0002316 – 0002319
405.	4/01/09	E-mail exchange between D. Chittick and D. Beauchamp	DIC0002323 – 0002324
406.	5/18/09	E-mail exchanges between D. Beauchamp, R. Burgan, L. Bliven and D. Chittick	DIC0002365 – 0002371
407.	6/30/09	D. Beauchamp handwritten notes	DIC0002427
408.	5/15/09	D. Beauchamp handwritten notes	DIC0002429
409.	4/09/09	D. Beauchamp handwritten notes	DIC0002433 – 0002434
410.	1/13/14	Letter from R. Miller to D. Beauchamp re DenSco files	DIC0002445
411.	3/18/08	Letter from D. Beauchamp to D. Chittick	DIC0002450 – 0002451
412.	6/26/07	E-mail exchanges between R. Carney and D. Chittick	DIC0002457 – 0002458
413.	6/15/07	E-mail exchange between D. Beauchamp, D. Chittick, and R. Carney	DIC0002468 – 0002469
414.	6/15/07	E-mail exchange between D. Beauchamp and R. Carney	DIC0002470 – 0002471
415.	6/15/07	E-mail exchange between D. Beauchamp, and R. Carney	DIC0002474
416.	6/05/07	E-mail exchange between D. Chittick and K. Merritt	DIC0002475 – 0002476
417.	5/24/07	E-mail exchange between D. Chittick and D. Beauchamp	DIC0002502
418.	5/24/07	E-mail exchange between N. Lutter and D. Chittick	DIC0002503
419.	5/23/07	E-mail exchange between D. Beauchamp and D. Chittick	DIC0002505
420.	5/23/07	E-mail exchange between D. Chittick and K. Merritt	DIC0002507
421.	5/22/07	E-mail exchange between N. Lutter and D. Beauchamp	DIC0002526 – 0002528
422.	5/21/07	E-mail exchanges between K. Merritt and D. Chittick	DIC0002534
423.	5/21/07	E-mail exchange between K. Merritt and D. Chittick	DIC0002535
424.	5/21/07	E-mail exchange between K. Merritt and D. Chittick	DIC0002536
425.	5/21/07	E-mail exchanges between D. Beauchamp and N. Lutter	DIC0002537
426.	5/21/07	E-mail exchange between D. Beauchamp and N. Lutter	DIC0002539
427.	5/21/07	E-mail exchange between D. Chittick and D. Beauchamp	DIC0002540; DIC0002544 – 0002546
428.	5/18/07	E-mail exchange between A. Damos and D. Chittick	DIC0002547
429.	5/18/07	E-mail exchanges between K. Merritt and D. Chittick	DIC0002548 – 0002549
430.	5/18/07	E-mail exchange between D. Beauchamp and D. Chittick	DIC0002553

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Exhibit Number	Document Date	Description	Bates No.
431.	5/18/07	E-mail exchange between D. Beauchamp and D. Chittick	DIC0002554
432.	5/17/07	E-mail exchange between D. Beauchamp and D. Chittick and K. Merritt	DIC0002626 – 0002627
433.	5/17/07	E-mail exchange between K. Merritt and D. Beauchamp	DIC0002630
434.	5/17/07	E-mail exchange between D. Beauchamp and D. Chittick	DIC0002634 – 0002635
435.	5/17/07	E-mail exchanges between K. Merritt and D. Chittick	DIC0002637
436.	5/17/07	E-mail exchange between D. Chittick and K. Merritt	DIC0002638
437.	5/17/07	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0002639 – 0002640
438.	5/09/07	E-mail exchange between D. Beauchamp and K. Merritt	DIC0002666
439.	5/09/07	E-mail exchange between D. Chittick and D. Beauchamp	DIC0002667
440.	5/09/07	E-mail exchange between K. Marsh and D. Chittick	DIC0002669
441.	5/09/07	E-mail exchange between D. Beauchamp and D. Chittick	DIC0002670
442.	5/07/07	Letter from D. Beauchamp to D. Chittick	DIC0002674 – 0002678
443.	5/22/07	E-mail exchange between A. Diamos and D. Beauchamp	DIC0002709 – 0002737
444.	5/18/07	E-mail exchange between S. Weeks and D. Chittick	DIC0002739 – 0002755
445.	6/05/07	E-mail exchange between S. Weeks and D. Chittick	DIC0002757 – 0002761
446.	6/27/13	D. Beauchamp handwritten notes	DIC0003336
447.	6/27/13	D. Beauchamp handwritten notes	DIC0003337
448.	6/25/13	D. Beauchamp handwritten notes	DIC0003338
449.	6/18/13	D. Beauchamp handwritten notes	DIC0003340 – 0003341
450.	6/18/13	D. Beauchamp handwritten notes	DIC0003342
451.	6/17/13	D. Beauchamp handwritten notes	DIC0003344
452.	5/09/13	D. Beauchamp handwritten notes	DIC0003345
453.	5/01/13	Draft DenSco Confidential Private Offering Memorandum	DIC0003348 – 0003418
454.	8/30/13	Due Diligence folder materials	DIC0003427 – 0003442
455.	6/17/13	Printed excerpt from DenSco website	DIC0003429 – 0003434
456.	8/26/13	D. Beauchamp handwritten notes	DIC0003481
457.	8/06/13	E-mail exchanges between D. Beauchamp and G. Jensen	DIC0003482 – 0003483
458.	7/11/13	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0003486 – 0003487
459.	7/10/13	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0003490 – 0003491

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Exhibit Number	Document Date	Description	Bates No.
460.	7/01/13	E-mail exchange between E. Sipes and D. Beauchamp	DIC0003495 – 0003496
461.	7/01/13	Draft DenSco Confidential Private Offering Memorandum with handwritten notes	DIC0003497 – 0003571
462.	6/27/13	E-mails from D. Chittick to D. Beauchamp	DIC0003572 – 0003573
463.	6/25/13	E-mail from D. Beauchamp to E. Sipes	DIC0003574 – 0003575
464.	6/17/13	E-mail from D. Beauchamp to M. Weakley	DIC0003612 – 0003614
465.	6/17/13	E-mail from D. Beauchamp to R. Wang	DIC0003615
466.	6/17/13	E-mail exchanges between D. Beauchamp and R. Wang	DIC0003616 – 0003620
467.	6/14/13	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0003633 – 0003634
468.	6/11/13	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0003637 – 0003639
469.	6/21/13	E-mail exchanges between D. Beauchamp, R. Wang, K. Henderson, R. Endicott, G. Jensen	DIC0003655 – 0003657
470.	6/10/13	E-mail exchange between D. Beauchamp and M. Weakley	DIC0003660 – 0003661
471.	6/10/13	E-mail from D. Beauchamp to R. Pederson	DIC0003667 – 0003668
472.	5/01/13	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0003693 – 0003696
473.	8/22/11	E-mail exchanges between G. Schneider and D. Chittick	DIC0003803 – 0003804; DIC0003806 – 0003819
474.	8/22/11	E-mail exchange between D. Beauchamp and P. Carman and M. Parsons	DIC0003805
475.	8/20/11	E-mail exchange between D. Beauchamp and D. Chittick, G. Schneider	DIC0003820 – 0003821
476.	8/20/11	E-mail exchanges between G. Schneider and D. Chittick	DIC0003824 – 0003825
477.	8/19/11	E-mail exchange between D. Beauchamp and D. Chittick	DIC0003828 – 0003830
478.	8/19/11	E-mail exchanges between D. Beauchamp, G. Schneider, M. Dvoren, and D. Chittick	DIC0003831 – 0003836
479.	8/12/11	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0003837 – 0003838
480.	8/12/11	D. Beauchamp handwritten notes from call with D. Chittick	DIC0003927
481.	8/22/11	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0003932 – 0003933
482.	7/19/11	E-mail exchange between D. Chittick and DenSco investors	DIC0003934 – 0003935
483.	7/19/11	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0003936 – 0003939
484.	7/19/11	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0003946 – 0003948
485.	7/18/11	E-mail exchange between D. Beauchamp, M. Parsons, D. Chittick	DIC0003969 – 0003970
486.	7/11/11	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0003972 – 0003973

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487.	7/20/11	E-mail exchange between D. Chittick and D. Beauchamp	DIC0003976 – 0004046
488.	6/30/11	E-mail exchanges between D. Chittick, and D. Beauchamp	DIC0004047 – 0004049
489.	6/30/11	E-mail exchange between D. Chittick and DenSco Investors	DIC0004056 – 0004059
490.	6/16/11	E-mail exchange between D. Chittick and D. Beauchamp and W. Bush	DIC0004061
491.	6/15/11	E-mail exchanges between D. Beauchamp, D. Chittick and G. Schneider	DIC0004062 – 0004063
492.	6/14/11	E-mail exchange between D. Beauchamp and D. Chittick	DIC0004065 – 0004067
493.	6/14/11	E-mail exchange between D. Chittick, and D. Beauchamp	DIC0004069 – 0004070
494.	6/13/11	E-mail exchanges between D. Chittick and W. Bush	DIC0004076 – 0004078
495.	6/12/11	E-mail exchange between D. Chittick and W. Bush	DIC0004082 – 0004083
496.	6/11/11	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0004084 – 0004086
497.	6/11/11	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0004093 – 0004095
498.	6/06/11	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0004097
499.	6/02/11	E-mail exchange between A. Gleason and D. Chittick	DIC0004098 – 0004099
500.	6/02/11	E-mail exchange between A. Gleason and D. Beauchamp	DIC0004100
501.	5/25/11	E-mail exchanges between D. Beauchamp, D. Chittick and G. Schneider	DIC0004101 – 0004103
502.	5/23/11	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0004114 – 0004119
503.	5/23/11	E-mail exchange between D. Beauchamp and A. Gleason and D. Chittick	DIC0004139 – 0004142
504.	5/23/11	E-mail exchanges between D. Chittick and D. Beauchamp D. Arnce	DIC0004143 – 0004146
505.	5/20/11	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0004150 – 0004152
506.	5/09/11	E-mail exchange between G. Schneider and J. Stern	DIC0004156
507.	5/05/11	E-mail exchange between G. Schneider and J. Stern	DIC0004157
508.	5/05/11	E-mail exchange between G. Schneider and D. Beauchamp	DIC0004158
509.	5/03/11	E-mail exchanges between D. Beauchamp, D. Chittick and G. Schneider	DIC0004159 – 0004160
510.	5/02/11	E-mail exchanges between, D. Beauchamp, G. Schneider and J. Stern	DIC0004162 – 0004164
511.	4/15/11	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0004171 – 0004172
512.	4/13/11	E-mail exchange between G. Schneider and D. Beauchamp	DIC0004175
513.	4/13/11	E-mail exchange between G. Schneider and Lawyers	DIC0004176
514.	4/06/11	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0004181 – 0004183
515.	4/04/11	E-mail exchanges between R. Carney and D. Chittick	DIC0004193

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516.	4/01/11	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0004194 – 0004196
517.	9/21/09	Arizona Department of Financial Institutions Regulatory Alert	DIC0004213 – 0004214
518.	5/21/10	Arizona Administrative Register - Notice of Emergency Rulemaking	DIC0004216 – 0004220
519.	4/13/11	D. Beauchamp handwritten notes	DIC0004378 – 0004379
520.	3/01/11	D. Beauchamp handwritten notes	DIC0004380
521.	7/19/11	DenSco Confidential Private Offering Memorandum	DIC0004461 – 0004530
522.	9/30/09	E-mail exchange between D. Chittick, D. Beauchamp, and DenSco Investors	DIC0004952
523.	1/10/14	Clark Hill New Client/Matter form	DIC0005382 – 0005386
524.	4/04/14	Letter from J. Zaporowski to D. Chittick	DIC0005387
525.	3/19/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0005388 – 0005391
526.	4/29/14	D. Beauchamp handwritten notes	DIC0005393 – 0005394
527.	4/23/14	D. Beauchamp handwritten notes	DIC0005395
528.	1/13/14	D. Beauchamp handwritten notes	DIC0005398 – 0005399
529.	1/10/14	D. Beauchamp handwritten notes	DIC0005400 – 0005402
530.	1/09/14	D. Beauchamp handwritten notes	DIC0005403 – 0005404
531.	1/06/14	D. Beauchamp handwritten notes	DIC0005405
532.	1/09/14	Printed copy of A.R.S. 33-705	DIC0005406
533.	1/09/14	Printed copy of A.R.S. 33-729	DIC0005407
534.	2/20/14	Jeffrey Goulder Stinson Leonard Street Bio	DIC0005408 – 0005409
535.	2/11/14	D. Beauchamp handwritten notes	DIC0005410
536.	2/10/14	D. Beauchamp handwritten notes	DIC0005411
537.	2/10/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0005412
538.	2/07/14	D. Beauchamp handwritten notes	DIC0005413 – 0005416
539.	2/06/14	D. Beauchamp handwritten notes	DIC0005417
540.	2/03/14	D. Beauchamp handwritten notes	DIC0005418
541.	1/29/14	D. Beauchamp handwritten notes	DIC0005419
542.	1/21/14	D. Beauchamp handwritten notes	DIC0005420
543.	1/21/14	D. Beauchamp handwritten notes	DIC0005421
544.	1/17/14	D. Beauchamp handwritten notes	DIC0005422

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Exhibit Number	Document Date	Description	Bates No.
545.	1/16/14	D. Beauchamp handwritten notes	DIC0005423
546.	1/16/14	D. Beauchamp handwritten notes	DIC0005424
547.	1/15/14	D. Beauchamp handwritten notes	DIC0005425
548.	1/15/14	D. Beauchamp handwritten notes	DIC0005426
549.	1/15/14	D. Beauchamp handwritten notes	DIC0005427
550.	1/15/14	D. Beauchamp handwritten notes	DIC0005428
551.	1/14/14	D. Beauchamp handwritten notes	DIC0005429 – 0005430
552.	1/13/14	D. Beauchamp handwritten notes	DIC0005431
553.	1/13/14	D. Beauchamp handwritten notes	DIC0005432
554.	3/12/14	D. Beauchamp handwritten notes	DIC0005433
555.	3/12/14	D. Beauchamp handwritten notes	DIC0005434
556.	3/11/14	D. Beauchamp handwritten notes	DIC0005435 – 0005436
557.	3/07/14	D. Beauchamp handwritten notes	DIC0005437
558.	3/03/14	D. Beauchamp handwritten notes	DIC0005438
559.	2/27/14	D. Beauchamp handwritten notes	DIC0005439
560.	2/25/14	D. Beauchamp handwritten notes	DIC0005440
561.	2/24/14	D. Beauchamp handwritten notes	DIC0005441
562.	2/21/14	D. Beauchamp handwritten notes	DIC0005442
563.	2/20/14	D. Beauchamp handwritten notes	DIC0005444 – 0005447
564.	2/20/14	D. Beauchamp handwritten notes	DIC0005448
565.	4/23/14	UCC Financing Statement - Furniture King, LLC.	DIC0005450 – 0005451
566.	4/23/14	Exhibit A to Forbearance Agreement	DIC0005550 – 0005567
567.	1/16/14	E-mail exchange between D. Chittick and D. Beauchamp	DIC0006049
568.	1/16/14	E-mail from S. Menaged to D. Beauchamp and D. Chittick	DIC0006050
569.	3/21/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006165 – 0006168
570.	3/21/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006173 – 0006174
571.	3/25/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006177
572.	3/25/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006179 – 0006181
573.	3/26/14	E-mail exchange between D. Beauchamp and D. Schenck	DIC0006182 – 0006184

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574.	3/26/14	E-mail exchange between D. Beauchamp and D. Schenck	DIC0006185 – 0006186
575.	3/26/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006187 – 0006190
576.	3/26/14	E-mail exchange between D. Schenck and D. Beauchamp	DIC0006191 – 0006192
577.	3/26/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006193 – 0006194
578.	3/26/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006195 – 0006196
579.	3/26/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006197 – 0006199
580.	3/26/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006200 – 0006202
581.	3/30/14	E-mail exchange between D. Beauchamp and D. Schenck	DIC0006203 – 0006205
582.	3/30/14	E-mail exchange between D. Beauchamp and D. Schenck	DIC0006206 – 0006208
583.	3/30/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006209 – 0006211
584.	3/30/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006212 – 0006213
585.	3/30/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006214 – 0006215
586.	3/27/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006216 – 0006217
587.	3/27/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006218 – 0006220
588.	1/16/14	E-mail exchange between D. Chittick and D. Beauchamp	DIC0006236 – 0006238
589.	1/16/14	E-mail exchanges between D. Beauchamp and B. Miller	DIC0006239 – 0006241
590.	1/16/14	E-mail exchange between D. Chittick and D. Beauchamp	DIC0006242 – 0006244
591.	1/16/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0006261 – 0006263
592.	1/16/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0006266 – 0006267
593.	1/16/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0006268 – 0006269
594.	1/16/14	E-mail exchange between D. Chittick and D. Beauchamp and S. Menaged	DIC0006272 – 0006273
595.	1/16/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0006274 – 0006281
596.	1/15/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0006282 – 0006288
597.	3/19/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006302 – 0006304
598.	3/19/14	E-mail exchange between D. Beauchamp and D. Schenck	DIC0006305 – 0006307
599.	1/16/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006321 – 0006322
600.	1/16/14	E-mail exchanges between D. Beauchamp, B. Miller, D. Chittick	DIC0006323 – 0006324
601.	1/16/14	E-mail exchanges between D. Beauchamp and B. Miller	DIC0006325 – 0006326
602.	1/16/14	E-mail exchange between D. Chittick and D. Beauchamp, S. Menaged	DIC0006330 – 0006331

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603.	1/16/14	E-mail exchanges between D. Beauchamp and D. Schenck	DIC0006334 – 0006335 DIC0007521 – 0007525
604.	1/16/14	E-mail exchange between D. Chittick, D. Diethelm, C. Cardon, L Hoebing	DIC0006340 – 0006341
605.	1/16/14	E-mail exchanges between D. Beauchamp and B. Miller	DIC0006346 – 0006347
606.	1/16/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006364 – 0006365
607.	1/16/14	E-mail exchanges between D. Beauchamp, D. Chittick, and D. Schenck	DIC0006371 – 0006372
608.	1/16/14	E-mail exchanges between D. Beauchamp and B. Miller	DIC0006384 – 0006385
609.	1/16/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0006388 – 0006389
610.	1/16/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0006397 – 0006398
611.	1/16/14	E-mail exchange between D. Chittick and D. Beauchamp	DIC0006402 – 0006403
612.	1/16/14	E-mail exchanges between D. Beauchamp, D. Chittick, and D. Schenck	DIC0006420 – 0006421
613.	1/17/14	E-mail exchange between D. Chittick, D. Diethelm, C. Cardon, L Hoebing	DIC0006429 – 0006431
614.	1/17/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006435 – 0006436
615.	1/17/14	E-mail exchange between D. Chittick, D. Beauchamp, S. Menaged, J. Goulder	DIC0006441 – 0006443
616.	1/17/14	E-mail exchange between D. Beauchamp and S. Menaged	DIC0006449 – 0006551
617.	1/17/14	E-mail exchanges between D. Beauchamp, S. Menaged, and D. Chittick	DIC0006452 – 0006453
618.	1/21/14	E-mail exchange between D. Chittick and D. Beauchamp	DIC0006458
619.	1/21/14	E-mail exchange between D. Chittick and D. Beauchamp	DIC0006462 – 0006463
620.	1/17/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006465 – 0006482
621.	1/17/14	E-mail exchange between D. Chittick and D. Beauchamp	DIC0006495 – 0006499
622.	1/17/14	E-mail exchange between D. Chittick and D. Beauchamp	DIC0006504 – 0006506
623.	1/30/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0006516 – 0006518
624.	1/21/14	E-mail exchange between D. Chittick and D. Beauchamp	DIC0006526
625.	1/21/14	E-mail exchange between D. Chittick, D. Beauchamp, S. Menaged	DIC0006533 – 0006534
626.	1/16/14	E-mail exchanges between D. Beauchamp, S. Menaged, and D. Chittick	DIC0006535 – 0006536
627.	1/16/14	E-mail exchanges between D. Beauchamp and B. Miller	DIC0006539 – 0006542
628.	1/17/14	E-mail exchange between D. Beauchamp, S. Menaged, and D. Chittick	DIC0006549 – 0006550
629.	1/17/14	E-mail exchange between S. Menaged, and D. Chittick	DIC0006552 – 0006554
630.	1/17/14	E-mail exchange between D. Beauchamp, L. Stringer, D. Schenck	DIC0006558 – 0006559

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Exhibit Number	Document Date	Description	Bates No.
631.	1/21/14	E-mail exchanges between D. Beauchamp and D. Schenck	DIC0006568 – 0006569
632.	1/25/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0006576 – 0006577
633.	1/24/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0006578 – 0006581
634.	1/23/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0006590 – 0006591
635.	1/21/14	E-mail exchange between D. Beauchamp, R. Anderson, D. Chittick	DIC0006592 – 0006593
636.	1/21/14	E-mail exchange between D. Beauchamp, R. Anderson, and D. Chittick	DIC0006594 – 0006597
637.	2/04/14	E-mail exchange between D. Chittick and D. Beauchamp	DIC0006598 – 0006599
638.	1/31/14	E-mail exchange between D. Chittick and D. Beauchamp	DIC0006607 – 0006609
639.	1/31/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0006611 – 0006614
640.	2/04/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006621 – 0006622
641.	2/04/14	E-mail exchanges between D. Beauchamp and J. Goulder	DIC0006623 – 0006624
642.	2/04/14	E-mail from D. Beauchamp to D. Chittick	DIC0006625 – 0006626
643.	2/03/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0006627 – 0006632
644.	2/03/14	E-mail exchange between D. Chittick and D. Beauchamp	DIC0006651 – 0006653
645.	2/07/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006656 – 0006658
646.	2/07/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006659 – 0006660
647.	2/07/14	E-mail exchanges between D. Beauchamp and D. Schenck	DIC0006663 – 0006664
648.	2/07/14	E-mail exchanges between D. Beauchamp and D. Chittick; Beauchamp and L. Stringer	DIC0006665 - 0006666
649.	2/06/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0006667 – 0006668
650.	2/05/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006669 – 0006670
651.	2/05/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0006671 – 0006672
652.	2/04/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006673 – 0006674
653.	2/04/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0006676 – 0006678
654.	2/26/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006679 – 0006681
655.	2/26/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006686 – 0006688
656.	2/26/14	E-mail exchange between D. Beauchamp and William Price	DIC0006689
657.	2/27/14	E-mail exchange between D. Beauchamp and B. Price	DIC0006696
658.	2/09/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006702 – 0006704

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Exhibit Number	Document Date	Description	Bates No.
659.	2/24/14	E-mail exchanges between W. Price and D. Beauchamp	DIC0006733 – 0006737
660.	2/25/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006757 – 0006758
661.	2/13/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006761 – 0006763
662.	2/21/14	E-mail exchange between D. Beauchamp, W. Price, K. Wakim, R. Gordon, J. Applebaum	DIC0006776 - 0006779
663.	2/17/14	E-mail exchanges between S. Menaged, J. Goulder, and D. Chittick	DIC0006786 – 0006787
664.	2/15/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006790 – 0006791
665.	2/15/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006797 – 0006802
666.	2/14/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006803 – 0006806
667.	2/18/14	E-mail exchange between D. Chittick, J. Goulder, and D. Beauchamp, S. Menaged	DIC0006816 – 0006818
668.	2/20/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006822 – 0006824
669.	2/20/14	E-mail exchange between D. Beauchamp, R. Gordon, K. Wakim, J. Applebaum	DIC0006831 – 0006833
670.	2/20/14	E-mail exchange between W. Price, D. Beauchamp, R. Gordon, K. Wakim, J. Applebaum	DIC0006834 – 0006836
671.	3/18/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006837
672.	3/10/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006844 – 0006846
673.	3/12/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006847 – 0006848
674.	3/12/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006849 – 0006850
675.	3/11/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006851 – 0006855
676.	3/17/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006865 – 0006867
677.	3/14/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006868 – 0006869
678.	3/10/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006874 – 0006876
679.	3/10/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006877 – 0006878
680.	3/04/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006879 – 0006880
681.	3/06/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006881 – 0006882
682.	2/19/14	E-mail exchanges between S. Menaged, J. Goulder, and D. Beauchamp	DIC0006890 – 0006893
683.	2/20/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006894 – 0006895
684.	3/13/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006904 – 0006905
685.	3/13/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006906 – 0006909

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Exhibit Number	Document Date	Description	Bates No.
686.	3/13/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006911 – 0006914
687.	3/13/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006915 – 0006918
688.	3/13/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006919 – 0006921
689.	3/13/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006929 – 0006930
690.	3/12/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006931 – 0006932
691.	3/12/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006933 – 0006934
692.	1/15/14	E-mail exchange between D. Chittick and D. Beauchamp	DIC0006935 – 0006937
693.	3/18/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006941 – 0006944
694.	3/18/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006952 – 0006954
695.	3/18/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006958 – 0006960
696.	3/17/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006963 – 0006966
697.	3/17/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0006968 – 0006971
698.	3/17/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0006976 – 0006978
699.	1/15/14	E-mail exchange between D. Chittick and D. Beauchamp and S. Menaged	DIC0006992 – 0006994
700.	1/15/14	E-mail exchanges between D. Chittick, D. Beauchamp, B. Miller	DIC0006995 – 0006999
701.	1/15/14	E-mail exchange between D. Chittick, D. Beauchamp, S. Menaged	DIC0007000 – 0007002
702.	1/15/14	E-mail exchange between D. Beauchamp, L. Stringer, D. Schenck	DIC0007012 – 0007014; DIC0007512 – 0007515
703.	1/15/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0007017 – 0007019
704.	1/15/14	E-mail exchange between D. Chittick and D. Beauchamp	DIC0007028 – 0007029
705.	1/15/14	E-mail from D. Beauchamp to D. Chittick	DIC0007032 – 0007033; DIC0008586 – 0008590
706.	1/15/14	E-mail exchanges between D. Beauchamp and J. Goulder	DIC0007034 – 0007035
707.	1/15/14	E-mail exchanges between D. Beauchamp and B. Miller	DIC0007037 – 0007038
708.	1/15/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0007039 – 0007041
709.	1/15/14	E-mail exchanges between D. Beauchamp and B. Miller	DIC0007061 – 0007062
710.	1/14/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0007070 – 0007071
711.	1/14/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0007074
712.	1/13/14	E-mail exchanges between D. Chittick, S. Menaged, D. Beauchamp	DIC0007075 – 0007076

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713.	1/13/14	E-mail exchanges between D. Chittick and D. Beauchamp	DIC0007084 – 0007087
714.	1/12/14	E-mail exchanges between D. Chittick, S. Menaged, D. Beauchamp	DIC0007094 – 0007096
715.	1/10/14	E-mail exchanges between R. Miller, D. Beauchamp, K. Velazquez, D. Chittick, T. Daniels	DIC0007102 – 0007118
716.	1/10/14	E-mail exchange between D. Chittick and D. Beauchamp	DIC0007125 – 0007126
717.	6/13/14	E-mail exchange between D. Beauchamp and D. Schenck	DIC0007152
718.	6/12/14	E-mail exchange between D. Beauchamp and D. Schenck	DIC0007165; DIC0007171 – 0007175
719.	5/14/14	E-mail exchange between D. Chittick and D. Beauchamp	DIC0007209 – 0007216
720.	5/14/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0007217
721.	5/02/14	E-mail exchange between D. Schenck and D. Beauchamp	DIC0007221 – 0007222
722.	4/28/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0007226
723.	4/28/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0007236 – 0007237
724.	4/28/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0007274 – 0007276
725.	4/26/14	E-mail exchange between D. Beauchamp and D. Chittick	DIC0007288 – 0007290
726.	4/24/14	E-mail exchange between D. Schenck and D. Beauchamp	DIC0007293
727.	4/25/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0007297 – 0007298
728.	4/18/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0007313 – 0007314
729.	4/18/14	E-mail exchanges between D. Beauchamp and D. Chittick	DIC0007324 - 0007327
730.	1/17/14	Executed Term Sheet	DIC0007521 – 0007525
731.	4/03/14	Handwritten Notes	DIC0007595 – 0007597
732.	2/04/14	Draft Forbearance Agreement	DIC0007598 – 0007613
733.	2/06/14	Draft Forbearance Agreement	DIC0007614 – 0007629
734.	2/06/14	Draft Forbearance Agreement	DIC0007630 – 0007646
735.	2/06/14	Draft Forbearance Agreement	DIC0007647 – 0007662
736.	2/06/14	Draft Forbearance Agreement	DIC0007663 – 0007679
737.	2/06/14	Draft Forbearance Agreement	DIC0007695 – 0007711
738.	4/03/14	E-mail exchange between D. Beauchamp and D. Schenck	DIC0008063
739.	1/15/14	ACC corporate inquiry re AZBEN Limited	DIC0008579 - 0008581
740.	1/15/14	ACC corporate inquiry re Arizona Home Foreclosures, LLC	DIC0008584 – 0008585

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Exhibit Number	Document Date	Description	Bates No.
741.	1/06/14	Letter from R. Miller to D. Chittick with handwritten notes	DIC0008607 – 0008626
742.	5/14/14	E-mail exchange between D. Schenck and D. Beauchamp	DIC0008639
743.	5/13/14	D. Beauchamp handwritten notes	DIC0008658
744.	4/24/14	E-mail exchange between D. Chittick and D. Beauchamp w/ POM	DIC0008660 – 0008730
745.	4/24/14	DenSco Confidential Private Offering Memorandum dated July 2011	DIC0008731 – 0008800
746.	5/14/14	Draft of DenSco Confidential Private Offering Memorandum	DIC0008802 – 0008873
747.	5/14/14	Draft of DenSco Confidential Private Offering Memorandum	DIC0008874 – 0008945
748.	5/01/14	D. Beauchamp handwritten notes	DIC0008947 – 0008949
749.	5/14/14	Draft of DenSco Confidential Private Offering Memorandum	DIC0008950 – 0009019
750.	1/14/14	Clark Hill New Client/Matter form	DIC0009315 – 0009318
751.	8/10/16	Letter from D. Beauchamp to W. Coy	DIC0009319 – 0003920
752.	12/18/13	E-mail between D. Beauchamp and D. Chittick	DIC0009430
753.	7/27/16	Letter to Investors	DIC0009462 – 0009475
754.	7/28/16	Iggy List	DIC0009476 – 0009487
755.	7/28/16	To Do List before you kill yourself	DIC0009488
756.	8/01/16	Letter to Robert Koehler	DIC0009489 – 0009500
757.	8/07/16	Letter from G. Clapper to DenSco	DIC0009519 – 0009522
758.	8/23/16	Receipt Acknowledgment from Simon Consulting	DIC0009523
759.	8/29/16	E-mail exchange between K. Merritt, D. Beauchamp, R. Anderson	DIC0009528
760.	8/12/16	E-mail exchanges between D. Beauchamp, S. Hearer, J. Polese and W. Coy	DIC0009565 – 0009570
761.	8/12/16	E-mail exchanges between S. Hearer, J. Polese and W. Coy	DIC0009575 – 0009580
762.	8/12/16	E-mail exchange between D. Beauchamp and J. Polese	DIC0009581 – 0009584
763.	8/12/16	E-mail exchanges between D. Beauchamp and K. Merritt	DIC0009587 – 0009590
764.	8/12/16	E-mail exchange between W. Coy and J. Polese	DIC0009596
765.	8/12/16	E-mail exchange between J. Polese and W. Coy	DIC0009610
766.	8/12/16	E-mail between P. Meloserdooff and D. Beauchamp	DIC0009620 – 0009621
767.	8/12/16	E-mail exchanges between D. Beauchamp, K. Merritt, G. Clapper	DIC0009632 – 0009634
768.	8/11/16	E-mail exchanges between D. Beauchamp, T. Byrne, and DenSco Investors	DIC0009636 – 0009645
769.	8/11/16	E-mail exchange between D. Beauchamp, T. Byrne, and DenSco Investors	DIC0009678 – 0009685

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770.	8/11/16	E-mail exchange between D. Beauchamp and G. Clapper	DIC0009702 – 0009704
771.	8/10/16	E-mail exchange between D. Beauchamp, W. Coy, and G. Clapper	DIC0009771 – 0009773
772.	8/10/16	E-mail exchange between D. Beauchamp and DenSco Investors	DIC0009777 – 0009778
773.	8/10/16	E-mail exchange between T. Smith and S. Schloz	DIC0009825 – 0009829
774.	8/10/16	E-mail exchange between L. Grove and W. Coy	DIC0009832
775.	8/09/16	E-mail exchange between G. Davis and M. Scroggin	DIC0009840 – 0009844
776.	8/09/16	E-mail exchanges between K. Merritt and D. Beauchamp	DIC0009865 – 0009867
777.	8/09/16	E-mail exchange between D. Beauchamp and DenSco Investors	DIC0009874 – 0009875
778.	8/09/16	E-mail exchange between D. Beauchamp and C. Hood	DIC0009876 – 0009879
779.	8/09/16	E-mail exchanges between K. Merritt and D. Beauchamp	DIC0009904 – 0009905
780.	8/09/16	E-mail exchange between D. Beauchamp and C. Gorman	DIC0009906; 0010993 - 0011005
781.	8/09/16	E-mail exchange between K. Merritt and D. Beauchamp	DIC0009907 – 0009909
782.	8/08/16	E-mail exchange between D. Beauchamp and R. Imdieke	DIC0009932 – 0009936
783.	8/08/16	E-mail exchange between D. Beauchamp and T. Smith	DIC0009939 – 0009946
784.	8/08/16	E-mail exchange between D. Beauchamp and C. Hood	DIC0010017 – 0010022
785.	8/08/16	E-mail exchange between D. Beauchamp and D. Hickman	DIC0010035 – 0010039
786.	8/08/16	E-mail exchange between D. Beauchamp and K. Johnson	DIC0010042
787.	8/08/16	E-mail exchange between S. Heuer and D. Beauchamp	DIC0010071 – 0010073
788.	8/08/16	E-mail exchange between S. Heuer and D. Beauchamp	DIC0010074
789.	8/08/16	E-mail exchange between S. Heuer and D. Beauchamp	DIC0010075 – 0010076
790.	8/08/16	E-mail exchange between S. Heuer and D. Beauchamp	DIC0010077 - 0010079
791.	8/07/16	E-mail exchange between D. Beauchamp and C. Brown	DIC0010111 – 0010115
792.	8/07/16	E-mail exchange between D. Beauchamp and L. Grove	DIC0010125 – 0010126
793.	8/07/16	E-mail exchange between T. Byrne and DenSco Investors	DIC0010140 – 0010143
794.	8/07/16	E-mail exchange between S. Heuer and D. Beauchamp	DIC0010150
795.	8/07/16	E-mail exchange between S. Heuer and D. Beauchamp	DIC0010151
796.	8/07/16	E-mail exchange between D. Beauchamp and R. Imdieke	DIC0010157
797.	8/07/16	E-mail exchange between D. Beauchamp and R. Imdieke	DIC0010158
798.	8/07/16	E-mail exchange between A. Burdett and D. Beauchamp	DIC0010160 – 0010161

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799.	5/08/14	UCC Financing Statement – Furniture King, LLC	DIC0010162
800.	8/06/16	E-mail exchange between W. Ledet and DenSco Investors	DIC0010163
801.	08/06/16	E-mail exchange R. Griswold and D. Beauchamp	DIC0010220
802.	8/05/16	E-mail exchange between D. Beauchamp and T. Smith	DIC0010221
803.	8/05/16	E-mail exchange between D. Beauchamp, W. Coy, G. Clapper	DIC0010228 – 0010230
804.	8/05/16	E-mail from D. Beauchamp to DenSco investors	DIC0010234 – 0010236
805.	8/05/16	E-mail exchange between D. Beauchamp and E. Cohen	DIC0010237 – 0010241
806.	8/05/16	E-mail exchange between D. Beauchamp, W. Coy, G. Clapper	DIC0010242 – 0010245
807.	8/05/16	E-mail exchange between S. Heuer and D. Beauchamp	DIC0010248
808.	8/04/16	E-mail exchanges between W. Coy and D. Beauchamp	DIC0010264 – 0010265
809.	8/04/16	E-mail exchanges between W. Coy and D. Beauchamp	DIC0010328
810.	8/04/16	E-mail exchange between D. Beauchamp, R. Koehler, S. Heuer	DIC0010341 – 0010342
811.	9/23/16	E-mail exchanges between K. Merritt, R. Anderson and J. Polese	DIC0010460 – 0010462
812.	9/23/16	E-mail exchanges between K. Merritt and D. Beauchamp	DIC0010463 – 0010464
813.	9/23/16	E-mail exchanges between K. Merritt and D. Beauchamp	DIC0010465 – 0010466
814.	9/23/16	E-mail between K. Merritt, D. Beauchamp and J. Polese	DIC0010469
815.	9/23/16	E-mail exchange between D. Beauchamp and K. Merritt	DIC0010471 – 00010473
816.	9/23/16	E-mail between K. Merritt and D. Beauchamp	DIC0010474
817.	9/16/16	E-mail exchanges between R. Anderson and J. Polese	DIC0010481 – 0010483
818.	9/16/16	E-mail exchange between J. Campanaro and D. Beauchamp	DIC0010486 – 0010488
819.	9/15/16	E-mail exchange between L. Grove and P. Davis	DIC0010487
820.	9/16/16	Letter from R. Anderson to D. Beauchamp	DIC0010488 – 0010506
821.	9/14/16	Letter from D. Beauchamp to P. Davis with Invoice	DIC0010490 – 0010503
822.	9/14/16	E-mail exchanges between T. Osborne, D. Beauchamp, K. Merritt	DIC0010507 – 0010508
823.	9/14/16	E-mail exchanges between D. Beauchamp, K. Merritt, and S. Beretta	DIC0010512 – 0010514
824.	9/14/16	E-mail exchanges between D. Beauchamp, K. Merritt, and S. Beretta	DIC0010522 – 0010523
825.	9/12/16	E-mail exchange between D. Beauchamp and S. Beretta	DIC0010524 – 0010525
826.	9/12/16	E-mail exchanges between D. Beauchamp, K. Merritt, and S. Beretta	DIC0010527 – 0010528
827.	9/10/16	E-mail exchange between D. Beauchamp and S. Beretta re missing loan files	DIC0010529 – 0010531

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828.	9/05/16	E-mail exchanges between M. Blackford and D. Beauchamp	DIC0010532 – 0010535
829.	8/16/16	Chandler Police Department General Occurrence Hardcopy	DIC0010544 – 0010562
830.	8/26/16	E-mail exchanges between J. Polese, K. Merritt, D. Beauchamp, T. Forsman	DIC0010598 – 0010599
831.	8/17/16	Declaration of David Beauchamp	DIC0010609 – 0010610
832.	4/16/14	Forbearance Agreement, Guaranty Agreements, Secured Line of Credit, Authorization to Update Forbearance Agreement, Exhibits, Secured Line of Credit, Representation and Disclaimer Agreement, Security Agreement, UCC Financing Statement (executed copies)	DIC0010731 – 0010834 DIC0010731 – 0010754 DIC0010755 – 0010772 DIC0010773 – 0010790 DIC0010791 – 0010800 DIC0010801 – 0010806
833.	8/12/16	D. Beauchamp handwritten notes	DIC0010894
834.	8/12/16	D. Beauchamp handwritten notes	DIC0010896
835.	8/12/16	D. Beauchamp handwritten notes	DIC0010900
836.	8/12/16	D. Beauchamp handwritten notes	DIC0010901
837.	8/11/16	D. Beauchamp handwritten notes	DIC0010902
838.	8/11/16	D. Beauchamp handwritten notes	DIC0010903
839.	8/10/16	D. Beauchamp handwritten notes	DIC0010904 – 0010907
840.	8/10/16	D. Beauchamp handwritten notes	DIC0010908
841.	8/10/16	D. Beauchamp handwritten notes	DIC0010909
842.	8/10/16	D. Beauchamp handwritten notes	DIC0010910 – 0010911
843.	8/09/16	D. Beauchamp handwritten notes	DIC0010912
844.	8/09/16	D. Beauchamp handwritten notes	DIC0010913
845.	8/09/16	D. Beauchamp handwritten notes	DIC0010914
846.	8/09/16	D. Beauchamp handwritten notes	DIC0010915
847.	8/09/16	D. Beauchamp handwritten notes	DIC0010916
848.	8/08/16	D. Beauchamp handwritten notes	DIC0010917
849.	8/08/16	D. Beauchamp handwritten notes	DIC0010918 – 0010919
850.	8/05/16	D. Beauchamp handwritten notes	DIC0010920

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851.	8/05/16	D. Beauchamp handwritten notes	DIC0010921
852.	8/05/16	D. Beauchamp handwritten notes	DIC0010922 - 0010923
853.	8/05/16	D. Beauchamp handwritten notes	DIC0010924
854.	8/04/16	D. Beauchamp handwritten notes	DIC0010925
855.	8/04/16	D. Beauchamp handwritten notes	DIC0010926
856.	8/03/16	D. Beauchamp handwritten notes	DIC0010927
857.	8/03/16	D. Beauchamp handwritten notes	DIC0010928
858.	8/03/16	D. Beauchamp handwritten notes	DIC0010929
859.	8/03/16	D. Beauchamp handwritten notes	DIC0010930
860.	8/03/16	D. Beauchamp handwritten notes	DIC0010931
861.	8/03/16	D. Beauchamp handwritten notes	DIC0010932
862.	8/02/16	D. Beauchamp handwritten notes	DIC0010933 – 0010934
863.	8/02/16	D. Beauchamp handwritten notes	DIC0010936
864.	8/01/16	D. Beauchamp handwritten notes	DIC0010937 – 0010939
865.	7/31/16	D. Beauchamp handwritten notes	DIC0010940
866.	7/28/16	D. Beauchamp handwritten notes	DIC0010941
867.	9/12/16	D. Beauchamp handwritten notes	DIC0010942
868.	8/26/16	D. Beauchamp handwritten notes	DIC0010943 – 0010945
869.	8/15/16	D. Beauchamp handwritten notes	DIC0010946
870.	8/15/16	D. Beauchamp handwritten notes	DIC0010947
871.	8/17/16	D. Beauchamp handwritten notes	DIC0010948
872.	8/17/16	D. Beauchamp handwritten notes	DIC0010949
873.	8/17/16	D. Beauchamp handwritten notes	DIC0010950
874.	8/17/16	D. Beauchamp handwritten notes	DIC0010951 – 0010952
875.	8/17/16	D. Beauchamp handwritten notes	DIC0010953
876.	8/17/16	D. Beauchamp handwritten notes	DIC0010954
877.	8/17/16	D. Beauchamp handwritten notes	DIC0010955
878.	8/16/16	D. Beauchamp handwritten notes	DIC0010956
879.	8/17/16	D. Beauchamp handwritten notes	DIC0010957

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880.	8/17/16	D. Beauchamp handwritten notes	DIC0010958
881.	8/18/16	D. Beauchamp handwritten notes	DIC0010959
882.	8/19/16	D. Beauchamp handwritten notes	DIC0010960
883.	8/22/16	D. Beauchamp handwritten notes	DIC0010961
884.	8/22/16	D. Beauchamp handwritten notes	DIC0010962
885.	8/22/16	D. Beauchamp handwritten notes	DIC0010963
886.	8/23/16	D. Beauchamp handwritten notes	DIC0010964; DIC0010966
887.	8/23/16	D. Beauchamp handwritten notes	DIC0010965
888.	8/23/16	D. Beauchamp handwritten notes	DIC0010967
889.	8/30/16	D. Beauchamp handwritten notes	DIC0010970
890.	9/02/16	D. Beauchamp handwritten notes	DIC0010972
891.	9/14/16	D. Beauchamp handwritten notes	DIC0010973
892.	9/14/16	D. Beauchamp handwritten notes	DIC0010974
893.	8/09/16	Sunnyside Dr., Scottsdale residential home info	DIC0010976
894.	8/09/16	Active Funding Group, LLC current financing programs	DIC0010977 – 0010983
895.	8/08/16	Scott Menaged Corporations List	DIC0010984 – 0010985
896.	8/09/16	Company officers with names matching Menaged	DIC0011006 – 0011007
897.	8/22/16	E-mail exchanges between D. Beauchamp and R. Anderson	DIC0011018 – 0011025
898.	8/22/16	E-mail exchanges between D. Beauchamp and R. Anderson	DIC0011036 – 0011037
899.	8/22/16	E-mail exchange between D. Beauchamp and L Grove	DIC0011044
900.	8/21/16	E-mail exchange between W. Coy, R. Anderson, D. Beauchamp	DIC0011045 – 0011050
901.	8/23/16	E-mail exchanges between D. Beauchamp and R. Anderson	DIC0011051 – 0011054
902.	8/23/16	E-mail exchanges between R. Anderson, J. Polese, and K. Merritt	DIC0011084 – 0011093
903.	8/23/16	E-mail exchanges between R. Anderson, J. Polese, and K. Merritt	DIC0011094 – 0011103
904.	8/23/16	E-mail exchanges between D. Beauchamp, J. Polese, R. Anderson	DIC0011104 – 0011113
905.	8/23/14	E-mail exchange between J. Polese, R. Anderson and K. Merritt	DIC0011128 - 0011136
906.	8/23/16	E-mail exchanges between R. Anderson, J. Polese, and K. Merritt	DIC0011128 – 0011136
907.	8/23/16	E-mail exchanges between D. Beauchamp and R. Anderson	DIC0011146 – 0011148
908.	8/24/16	E-mail exchange between P. Davis and D. Beauchamp	DIC0011194 – 0011195

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909.	8/24/16	E-mail exchange between J. Polese, P. Davis, D. Beauchamp	DIC0011196 – 0011197
910.	8/23/16	E-mail exchanges between R. Anderson, J. Polese, and K. Merritt	DIC0011198 – 0011208
911.	8/26/16	E-mail exchanges between D. Beauchamp, R. Anderson, S. Heuer, and J. Polese	DIC0011210 – 0011211
912.	8/26/16	E-mail exchanges between D. Beauchamp and J. Polese	DIC0011212 – 0011214
913.	8/26/16	E-mail exchanges between D. Beauchamp, J. Polese, and K. Merritt	DIC0011215 – 0011217
914.	8/24/16	E-mail exchange between R. Anderson, J. Polese, and P. Davis	DIC0011227 – 0011228
915.	8/26/16	E-mail between R. Anderson and J. Polese and D. Beauchamp	DIC0011232 – 0011244
916.	8/18/16	Order Appointing Receiver	DIC0011237 – 0011244
917.	8/29/16	E-mail exchange between J. Campanaro and D. Beauchamp	DIC0011254
918.	8/18/16	E-mail exchange between D. Beauchamp and L Grove	DIC0011255 – 0011265
919.	8/15/16	E-mail exchanges between D. Beauchamp and B. Locke	DIC0011339 – 0011342
920.	8/15/16	E-mail exchanges between K. Merritt, J. Polese and W. Coy	DIC0011343 – 0011344
921.	8/15/16	E-mail exchanges between D. Beauchamp and C. Hyman	DIC0011356 – 0011357
922.	8/15/16	E-mail exchange between D. Beauchamp and L. Grove	DIC0011362
923.	8/15/16	E-mail between J. Polese and W. Coy	DIC0011367
924.	8/15/16	E-mail between D. Beauchamp and G. Clapper	DIC0011373
925.	8/17/16	E-mail exchange between D. Beauchamp and J. Mannino	DIC0011391 – 0011399
926.	8/17/16	E-mail exchange between M. Sifferman and D. Beauchamp	DIC0011416 – 0011417
927.	8/17/16	E-mail exchanges between D. Beauchamp and C. Gorman	DIC0011427 – 0011428
928.	8/17/16	E-mail exchanges between D. Beauchamp and K. Merritt	DIC0011444 – 0011445
929.	8/16/16	E-mail between D. Beauchamp and K. Merritt	DIC0011513
930.	8/13/16	E-mail exchange between D. Beauchamp and G. Clapper	DIC0011626
931.	8/18/16	E-mail exchange between M. Sifferman and D. Beauchamp	DIC0011665 – 0011666
932.	8/18/16	E-mail exchanges between D. Beauchamp, K. Merritt, J. Polese and W. Coy	DIC0011667
933.	8/19/16	E-mail between D. Beauchamp and K. Merritt	DIC0011682
934.	8/19/16	E-mail exchanges between D. Beauchamp and K. Merritt	DIC0011693 – 0011699
935.	8/19/16	E-mail exchange between D. Beauchamp and R. Anderson	DIC0011710
936.	8/19/16	D. Beauchamp handwritten notes	DIC0011711 – 0011719
937.	8/19/16	E-mail exchanges between D. Beauchamp and K. Merritt	DIC0011727 – 0011736

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938.	8/21/16	E-mail exchanges between D. Beauchamp and R. Brinkman	DIC0011786 – 0011791
939.	8/21/16	E-mail exchanges between D. Beauchamp and R. Anderson	DIC0011792 – 0011797
940.	8/21/16	E-mail exchange between D. Beauchamp and R. Anderson	DIC0011807 – 0011812
941.	8/21/16	E-mail between D. Beauchamp and R. Brinkman	DIC0011813
942.	8/03/16	E-mail exchange between S. Heuer and D. Beauchamp	DIC0011830 – 0011833
943.	8/03/16	E-mail exchange between D. Beauchamp and investors	DIC0011836 – 0011838
944.	8/02/16	D. Beauchamp handwritten notes	DIC0011876 – 0011878
945.	8/01/16	E-mail exchange between S. Heuer and D. Beauchamp	DIC0011892
946.	7/31/16	E-mail exchange between D. Beauchamp and S. Heuer	DIC0011893 – 0011894
947.	7/31/16	E-mail exchange between S. Heuer and D. Beauchamp	DIC0011897 – 0011898
948.	7/31/16	E-mail exchange between D. Beauchamp, R. Koehler, S. Heuer	DIC0011899 – 0011900
949.	7/31/16	E-mail exchange between D. Beauchamp and R. Koehler	DIC0011901 – 0011902
950.	12/31/13	DenSco 2013 Corporate Journal	RECEIVER 000001 - 000043
951.	12/31/14	DenSco 2014 Corporate Journal	RECEIVER 000044 – 000092
952.	12/31/15	DenSco 2015 Corporate Journal	RECEIVER 000093 – 000135
953.	12/31/16	DenSco 2016 Corporate Journal	RECEIVER 000136 – 000164
954.	Various	Recorded Documents	RECEIVER 000165 – 001324
955.	3/25/13	Deed of Trust on Andrew Lane Property	RECEIVER 001320 – 001324
956.	9/23/13	Clark Hill - Press release re D. Beauchamp	RECEIVER 001325
957.	1/17/14	Robert Anderson Bio	RECEIVER 001326
958.	3/9/18 (produced)	Exhibit A to Plaintiff's Initial Disclosure Statement DenSco Analysis of Investor Transactions after 1/9/14	RECEIVER 001328 – 001331
959.	3/9/18 (produced)	Exhibit B to Plaintiff's Initial Disclosure Statement DenSco \$5 million workout loan as of 7/28/16	RECEIVER 001332 – 001336
960.	3/9/18 (produced)	Exhibit C to Plaintiff's Initial Disclosure Statement DenSco \$1 million workout loan as of 7/28/16	RECEIVER 001337
961.	3/9/18 (produced)	Exhibit D to Plaintiff's Initial Disclosure Statement DenSco Non-Workout Loans to Menaged as of 7/28/16	RECEIVER 001338 – 001339
962.	12/18/13	Clark Hill PLC – Daniel Schenck bio	RECEIVER 001340 – 001342

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963.	9/23/13	Clark Hill David Beauchamp member info	RECEIVER 001343 – 001345
964.	Various	Receiver's communications with Investors	RECEIVER 001346 – 001497
965.	3/25/13	Deed of Trust on Andrew Lane property	RECIEVER 001308 – 001319
966.	Various	Recorded Documents for Colonial Drive and Messner Way	RECEIVER 001539 - 001548
967.	8/12/16	Heuer email to Investors	RECEIVER 001549 - 001551
968.	1/24/12	Chittick email thread with Heuer	RECEIVER 001552 - 001553
969.	2011	1099 Int. Calculation	RECEIVER 001554
970.	4/1/12	Chittick email to Koehler	RECEIVER 001555
971.	4/1/12	Statement Spreadsheet	RECEIVER 001556
972.	12/31/11	Chittick email to Nihad Hafiz	RECEIVER 001557 - 001558
973.	8/3/12	Chittick, Heuer and Matt Gallaher email thred	RECEIVER 001559 - 001660
974.	3/31/15	Chittick email to Heuer	RECEIVER 001661
975.	11/29/15	Chittick email to Koehler	RECEIVER 001562
976.	11/29/15	Statement Spreadsheet	RECEIVER 001563
977.	3/31/15	Chittick email to Koehler	RECEIVER 001564
978.	3/31/15	Statement Spreadsheet	RECEIVER 001565
979.	10/13/16	Sifferman letter to Anderson	RECEIVER 001566 - 001573
980.	Various	3 - Engagement Agreements	RECEIVER 001574 - 001590
981.	Various	Densco Statement Spreadsheets	RECEIVER 001591-001628
982.	Various	Receiver's Reports	RECEIVER 001629-001711
983.	Various	Receiver Communications with Chittick Estate	RECEIVER 001712-002517
984.	3/25/13	Civil Court Case Information - Case History CV2013-092630	UN NUMBERED
985.	6/21/18	Beauchamp's Responses to First Set of Non-Uniform Interrogatories	UNNUMBERED
986.	3/08/18	Declaration of Mark T. Hiraide	UNNUMBERED
987.	6/22/17	Clark Hill letter and two proofs of claims filed with Receiver	UNNUMBERED
988.		State Bar of Arizona Rules of Professional Conduct ER 1.3	UNNUMBERED
989.		State Bar of Arizona Rules of Professional Conduct ER 1.2	UNNUMBERED
990.	10/20/16	Rule 2004 Examination of Scott Menaged Transcript	UNNUMBERED
991.	07/18/18	DeWulf cover letter with Beauchamp signed Verifications	UNNUMBERED

Davis v. Clark Hill, et al
CV2017-013832
File No. 15698.3

Proposed Trial Exhibits

Exhibit Number	Document Date	Description	Bates No.
992.	8/17/16	ACC's Memorandum of Points and Authorities in Support of Application for Preliminary Injunction and Appointment of Receiver	UNNUMBERED
993.	8/18/16	Reporter's Transcript of Digital Recording	UNNUMBERED
994.	8/18/16	Notice of Appearance on behalf of Personal Representative	UNNUMBERED
995.	8/18/16	Recommendations re Receiver and Attorney Client Privilege	UNNUMBERED
996.	9/16/16	Receiver's Preliminary Report	UNNUMBERED
997.	10/13/16	Letter from M. Sifferman to R. Anderson re files transferred	UNNUMBERED
998.	12/23/16	Receiver's Status Report	UNNUMBERED
999.	8/17/16	Motion for Expedited Hearing for Preliminary Injunction and Appointment of Receiver	UNNUMBERED
1000.	8/17/16	Application for Preliminary Injunction and Appointment of Receiver	UNNUMBERED
1001.	8/17/16	Verified complaint of Arizona Corporation Commission ("ACC") against DenSco Investment Corporation	UNNUMBERED
1002.	3/09/18	Defendants' Initial Rule 26.1 Disclosure Statement	UNNUMBERED
1003.	10/24/16	Gammage & Burnham Confidential Privilege Log	UNNUMBERED ATT EYES ONLY
1004.	10/24/16	Gammage & Burnham Confidential Letter re privilege log	UNNUMBERED ATT EYES ONLY
1005.	10/24/16	Gammage & Burnham Privilege Log	UNNUMBERED ATT EYES ONLY
1006.	6/07/18	Defendants' Notice of Non-Parties at Fault	UNNUMBERED
1007.	7/xx/16	Transcript of Recorded Conversation between D. Chittick and S. Menaged	UNNUMBERED

Appendix E

DENSCO BOX INVENTORY

BOX #	CONTENTS	SOURCE	LOCATION	COMMENTS
1	12/28/11 – 2/21/12; Loan files: 2945, 3033, 2948, 2828, 28883026, 3027, 2815, 2863, 2534, 2936, 2553, 2711, 2874, 2656, 2785, 3045, 2829, 2965, 2438, 2779, 2870, 3048, 3037, 2703, 2906, 2970, 2821, 2662, 3004, 2995, 2996, 2841, 2096, 2967, 2947, 1576, 2810, 2918, 2926, 2879, 3050, 3068, 2684, 2781, 2956, 2948, 2984, 2954, 2737, 2975, 2880, 3105, 2985, 2911, 2902, 3075, 3047, 2699, 2912, 2834, 2891, 1844, 2959, 2864, 2969, 3015, 2916, 2861, 2894, 2929, 2966, 3009, 2901, 3013, 2968, 3032, 2937, 3042, 2913, 2795, 2100, 2875, 2964, 2811, 2910, 3096, 2792, 3138, 3002, 2904, 3124, (3), 3134, 2974, 3069, 3110, 3029, 3034, 3074, 3088, 3123, 2976, 2943, 2972, 3099, 3053, 2773, 2931, 3041, 3089, 2798, 3055, 2997, 2987, 2941, 2988, 2796, 2777, 3007, 3064, 2722, 2899, 2963, 3135, 1273, 1155	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
2	2/12/12 – 4/16/12; Loan files: 2497, 2849, 2919, 3149, 2958, 2923, 2807, 3713, 2867, 2971, 2896, 2917, 3067, 3125, 3146, 3025, 3001, 2900, 3054, 3178, 3144, 3164, 2979, 3011, 3060, 3006, 3201, 3183, 2933, 3019, 3030, 3100, 3197, 3197, 3119, 2761, 2778, 3061, 3091, 3106, 3031, 3185, 2846, 2686, 3018, 3059, 3184, 2767, 3012, 3005, 3079, 3218, 2939, 3228, 2977, 2739, 2994, 3003, 3243, 2961, 3205, 3148, 3165, 3241, 2951, 2905, 3070, 3080, 3090, 3151, 1877, 3056, 3078, 2990, 2766, 3101, 3215, 2481, 3035, 3000, 3020, 3103, 3010, 3077, 3081, 3258, 2696, 2585, 3071, 2942, 3040, 2876, 2877, 3039, 3083, 3162, 3169, 2909, 3121, 3057, 2685, 2868, 3122, 3242, 3058, 3166, 2915, 3200, 3128, 3272, 2490, 2791, 3186, 3204, 3076, 3098, 3176, 3232, 3036	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
3	4/16/12 – 5/17/12; Loan files: 3245, 2153, 2416, 2419, 3262, 3156, 3107, 3139, 3085, 3136, 1157, 1178, 1181, 1177, 3063, 3120, 3086, 2670, 3046, 3102, 3207, 3167, 3320, 3073, 2052, 1862, 3051, 3300, 3234, 3132, 3087, 3239, 2742, 3232, 3266, 2802, 3203, 3159, 3292, 2921, 1132, 1140, 1079, 1235, 1236, 3084, 3062, 2185, 3140, 3117, 3225, 3093, 3044, 3180, 3227, 3355, 3143, 3280, 3255, 3212, 3193, 2035, 2940, 3072, 2908, 2992, 2748, 2757, 2831, 2848, 3065, 2934, 2477, 3155, 3224	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
4	5/18/12 – 7/13/12; Loan files: 3226, 3209, 3130, 3181, 3305, 3157,, 3137, 3254, 3381, 3253, 3315, 3223, 3142, 3214, 2726, 3189, 2454, 3175, 3369, 3316, 2452, 3172, 3270,	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	

4	3154, 3267, 3244, 3229, 3373, 3375, 3396, 3170, 3372, 3097, 3160, 3153, 3303, 3393, 3179, 3168, 3363, 3399, 3269, 3317, 3264, 3174, 3419, 3246, 3362, 3330, 3238, 3271, 3353, 2989, 3297, 2291, 3161, 3427, 3411, 3021, 3324, 3265, 3158, 3082, 3095, 3360, 3334, 3293, 3291, 3387, 3263, 2808, 3342, 3344, 3108, 3304, 3314, 3206, 3391, 3339, 3318, 3028, 2112, 2538, 3453, 3182, 3279, 3252, 3022, 3316, 3431, 3309, 3374, 3152, 3259, 3199, 3402, 3290, 3177, 2330, 2622, 3306, 3163, 3231, 3376, 2539, 2367, 2062, 2518, 3329, 3385, 3405, 3442, 3461, 3240, 3115, 3397, 3129, 3415, 3287, 2587, 3413, 3418, 3331, 3476 (File contains Deed for Sammy Gullate -see 3331), 3365, 3484, 3194, 3049, 3235, 2180, 3276, 3384			
5	7/16/12 – 9/19/12; Loan files: 3504, 3371, 3513, 3302, 3438, 3313, 3133, 3483, 3310, 3126, 3343, 3321, 3340, 3261, 3357, 3257, 3416, 2244, 2643, 3328, 3482, 2618, 3023, 3346, 3301, 3503, 3358, 3341, 3141, 3116, 3401, 3345, 3480, 3248, 3422, 3547, 3187, 3213, 3354, 3394, 3389, 3288, 3409, 3410, 3407, 2704, 3379, 3528, 3383, 3289, 3111, 3435, 1107, 2944, 3516, 3573, 3388, 3403, 3567, 3406, 3556, 3424, 3517, 3188, 3452, 2938, 3333, 3536, 3016, 3382, 3312, 3298, 3608, 3440, 2544, 2727, 1898, 3359, 3514, 3325, 1972, 3367, 3578, 3217, 3208, 3612, 3619, 3247, 3592, 3443, 3192, 3534, 3323, 3433, 3479, 3501, 3460, 3595, 3475, 3557, 3361, 1660, 3524, 3561, 3523, 3629, 3609, 3319, 3586, 3620, 3529, 3066, 3127, 3370, 3604, 3506, 3597, 3515, 3637, 3398, 3565, 3481, 3421, 3596, 3425, 3628, 2530, 2467, 2442, 3615, 3338, 3432, 3446, 3474, 3509, 3458, 3527, 3512, 3563, 3335, 3593, 3611, 3634, 3094	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
6	9/19/12 - 11/6/12; Loan files: 3522, 3462, 3525, 3659, 2600, 3568, 3660, 3400, 3249, 3250, 3566, 3677, 3308, 3421, 2229, 3579, 3486, 3550, 3485, 3459, 3386, 3562, 2825, 3092, 2682, 3471, 3221, 3544, 3445, 3669, 3377, 3603, 3695, 3439, 3696, 3356, 3519, 3684, 2221, 2222, 2224, 2230, 3420, 3591, 3655, 2219, 2220, 2223, 2225, 2226, 2227, 2228, 2231, 3530, 3626, 3468, 3587, 3654, 3191, 3548, 3664, 3683, 3670, 3008, 3456, 3546, 3390, 3538, 931 (Very full folder containing numerous documents including attorney correspondence regarding foreclosure/trustee sale, Densco statements and invoices. Duplicate in 3747), 3617, 3531, 3743, 3210, 3518, 3751, 3737, 3734 (Correspondence from Denny	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	

	<p>Chittick regarding conditional approval for hard money loan in the amount of \$105,000.00 from Densco), 3552, 3236, 3639, 3237, 3758, 3745, 3457, 3532, 3454, 3551, 3621, 3614, 3651, 3590, 3392 (Correspondence from Denny Chittick regarding explanation of payment breakdown for note), 1864, 1920, 2702, 3774, 3575, 3605, 3773, 3679, 3646, 3630, 3268, 3782, 3564, 3725, 3632, 3423, 3426 (Correspondence from Denny Chittick regarding conditional approval for hard money loan in the amount of \$100,000.00 from Densco), 3710, 3722, 3652, 3256, 3311, 3472, 3653, 3463, 3667, 3723, 3747, 3744, 3428, 3636, 3649, 3701, 3715, 3451, 3675, 3444</p>			
7	<p>11/7/12 – 12/24/12; Loan files:3507, 3464, 3542, 3467, 3811, 3661, 3673, 3322 (Deed of Trust notarized by Ranasha Chittick. Two notes: one for \$15,000 and one for \$30,000), 3540, 3220, 3624,3584, 3718, 3733, 3404, 3539, 3582, 3685, 2606, 3588, 3803, 3281, 1527, 1476, 2319, 1473, 1513, 2445, 1512,1525, 1456, 1658, 1514, 2413, 2156, 2671, 3691, 3731, 3690, 1832, 3224, 3607, 3347, 3571, 3837, 3794, 3757, 3776, 3756, 3640, 2744, 2683, 3840, 3491, 3492, 3493, 3494, 3495, 3496, 3497, 3498, 855, 3692, 3643, 2850, 3801, 3849, 3508, 3616, 3337, 3784, 3644, 3674, 3766, 3553, 3662, 3777, 3792, 3716, 3816, 3823, 3466, 3285, 3589, 1055, 3470, 3533, 3656, 3606, 3510, 3307, 3352, 3434, 3545, 3805, 3717, 3441, 3645, 3824, 3702, 3796, 1101, 3711, 3874, 3740, 3698, 3505, 3580, 3765, 3694, 3822, 3767, 3631, 980, 3860, 3833, 3682, 3844, 3477, 3693, 3857, 3748, 3502</p>	<p>Gammage and Burnham boxes received 8/24/16</p>	<p>Simon Consulting, LLC</p>	
8	<p>12/24/12 – 2/25/13; Loan files:3763, 3841, 3720, 3704, 3705, 3706, 3707, 3769, 3909,3450, 3635, 3862, 3623, 3469, 3895, 3489, 3672, 3785, 3676, 3911, 3754, 3753, 3869, 3879, 3915, 3650, 3818, 3712, 3888, 3793, 3858, 3746, 3852 , 3804, 3526, 3923, 2674, 3688, 3226, 3859, 3812, 3762, 3511, 3918, 3671, 3732, 3647, 3799, 3864, 3831, 3633, 1226, 3912, 3819, 3764, 3687, 2713, 3742, 3795, 3721, 3663, 3727, 3750, 3395, 3455, 3979, 3150, 3735, 3943, 3974, 3658, 3052, 3686, 3689, 3789, 3853, 3761, 3775, 3813, 3484, 3966, 3714, 3884, 3638, 3408, 4007, 2607, 3962, 3783, 3845, 3968, 3719, 3856, 3786, 3865, 3807, 3797, 3832, 3847, 3986, 3991, 3985, 4024, 3949, 3851, 2948, 4028, 3738, 3114, 3336, 3648(4), 3919, 3788, 3980, 3820, 3839, 3038, 3876, 2351,</p>	<p>Gammage and Burnham boxes received 8/24/16</p>	<p>Simon Consulting, LLC</p>	

	2486, 2627, 2729, 2893, 2920, 3043, 3118, 3196, 3380, 3594, 3274, 3543, 3598, 3559, 3602, 3599, 3599, 3577, 3558, 3559, 4009, 3953, 3941, 3826, 3961, 3846, 3627, 3772, 3697, 3972, 3541, 3806, 3843, 3827, 4002, 3901			
9	2/25/13 – 4/17/13; Loan files: 3873, 3760, 3965, 3877, 4014, 3908, 3993, 1710, 3932, 3834, 3892, 3970, 3863, 3880, 3678, 2697, 3861, 3821, 3870, 3759, 1714, 2597, 3838, 3865, 3910, 3945, 4012, 3741, 4082, 3899, 3730, 2321, 3808, 3809, 3900, 4048, 3447, 3855, 3940, 3866, 3791, 4114, 3798, 4018, 3978, 4098, 3988, 3982, 4123, 4073, 3112, 3273, 3326, 3412, 3448, 3787, 3700, 3867, 3921, 3939, 4010, 4049, 3657, 3286, 2960, 2980, 2986, 2885, 3251, 3771, 3728, 4064(4), 4059, 2604, 4000, 4021, 3854, 3282, 3950, 2609, 3109, 3574, 3955, 4042, 3969, 3668, 4119, 3937, 3713, 3585, 3830, 4025, 3708, 4065, 3891, 3917, 3872, 3989, 3749, 3825, 3960, 3928, 4040, 3570, 3709, 3729, 4005, 4173, 3893, 2507, 3790, 1757, 1758, 3755, 4057, 3963, 3583, 3938, 3897, 4155, 4143, 2749, 3535, 3815, 4126, 4026, 4172, 4154, 4164, 3930, 4072, 4108, 4107, 3878, 3944, 4186, 4178, 3903, 3954, 3473, 3886, 3904, 3906, 4062, 4171, 3905, 3554, 4050, 4121, 4008	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
10	4/8/13 – 6/21/13; Loan files: 4182, 2710, 2854, 2981, 3113, 4075, 3284, 4145, 3368, 3625, 3680, 3699, 3907, 4175, 3681, 3332, 3275, 4135, 3572, 3973, 4120, 4088, 4001, 3922, 4218, 4041, 3925, 4016, 4251, 3875, 4248, 3890, 4036, 4165, 3299, 4124, 4097, 3896, 3569, 4223, 4054, 3916, 3964, 3983, 4156, 3951, 4198, 4151, 4015, 3971, 4127, 4047, 4079, 4163, 4149, 4273, 4056, 4141, 4150, 3924, 4091, 4242, 4202, 4176, 3549, 3931, 4246, 4159, 4058, 4045, 3131, 4039, 4031, 4262, 3936, 4184, 3622, 4239, 4265, 4023, 4254, 4139, 4133, 4285, 4046, 3902, 4250, 4236, 3958, 4022, 4144, 4213, 4257, 4174, 4013, 4086, 4283, 4089, 4085, 3881, 4296, 3956, 4261, 3802, 4222, 4331, 4304, 4169, 4263, 4235, 4298, 4320, 3465, 4209, 4110, 4084, 4029, 3836, 2516, 2608, 4131, 4161, 4258, 4168, 4293, 4203, 4100, 4249, 4316, 4055, 4334, 4315, 4192, 4166, 4336, 4226, 4157, 4195, 3942, 4197, 3946, 4125, 4052, 4177, 4112, 4264, 4260, 4158, 2993, 4297, 4299, 4306, 4269, 4188, 4295, 4037	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
11	6/21/13 – 8/20/13; Loan files: 3934, 4138, 3195, 4167, 4340, 4355, 4074, 4354, 4102, 4329, 4187, 4267, 4189, 4326, 4204, 4132, 4051, 4179, 3995, 3752, 4343, 4066, 2168,	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	

	2169, 3437, 3230, 3222, 3277, 3436, 4272, 3211, 3219, 4327, 4115, 4407, 3449, 4374, 4375, 3429, 4380, 4348, 4216, 4396, 4117, 4376, 4194, 3278, 4244, 4256, 4220, 4290, 3920, 4104, 4083, 4377, 4087, 4099, 4433, 3780, 4324, 4207, 1584, 1728, 1744, 1922, 2184(2), 2483, 2514, 2517, 2535, 2549 (Per county website, correct address is 27128 N Desert Sky Rd, Florence, AZ 85132), 2595, 2596, 2598, 2599, 2601, 2602, 2603, 2605, 2824, 4080, 4369, 4370, 4268, 4053, 4305, 4111, 4333, 4328, 4371, 4402, 4181, 4217, 4078, 4221, 4214, 4427, 3871, 4441, 4366, 4330, 4071, 4063(2), 4226, 3537, 4076, 3990, 4363, 4368, 4134, 4443, 4101, 4311, 4401, 3781, 3366, 4403, 4404, 4323, 3768, 3894, 4435, 4420, 4496, 4449, 4332, 4521, 4414, 4520, 4526, 4480, 3842, 4346, 3935			
12	8/20/13 – 11/7/13; Loan files: 4349, 4517, 4310, 4527, 4199, 4437, 4210, 4301, 4389, 4387, 4225, 4234, 4485, 4466, 4365, 4442, 4070, 4245, 4240, 4428, 4439, 4479, 4142, 4170, 4383, 4274, 4351, 3981, 4190, 4219, 4399, 4547, 4364, 4453, 4309, 4448, 4279, 4551, 4317, 4317, 3665, 4277, 4461, 4113, 4325, 4507, 4362, 4469, 3302, 3260, 3478, 3613, 4347, 4103, 4237, 4162, 4291, 4552, 4559, 4406, 4224, 4415, 4425, 4067, 3996, 4137, 4353, 4436, 4312, 3576, 4183, 4548, 4282, 4535, 3931, 4560, 4596, 4339, 4457, 4092, 4200, 4372, 4613, 3967, 4499, 4030, 4445, 2528, 2743, 2914, 3017, 3147, 3198, 3581, 4467, 4468, 4470, 4471, 4472, 4473, 4474, 4475, 4476, 4477, 3145, 4382, 4614, 4647, 4044, 4424, 4565, 4581, 4345, 4191, 4478, 4498, 4587, 4440, 4275, 4558, 3739, 4538, 4638, 4575, 4458, 2268, 4252, 4208, 4356, 4357, 4358, 4359, 4360, 1270, 4206, 4447, 4654, 4463, 4464, 4549, 4153, 3294, 4533, 4462	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
13	11/7/13 – 12/16/13; Lon files: 433, 434, 1788, 4394, 4593, 4594, 4595, 4550, 3499, 3500, 4193, 4193, 2629, 4060, 4192, 4292, 4493, 4492, 4646, 4270, 4148, 4582, 4379, 4681, 4278, 4632, 4561, 4586, 4570, 4302, 3487, 4390, 4705, 4695, 4603, 4388, 4542, 4716, 4566, 4572, 4679, 4667, 4668, 4321, 4392, 4451, 4502, 4641, 4583, 4571, 4019, 4455, 4215, 4525, 4068, 4160, 4511, 4606	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
14	12/16/13 – 3/3/14; Loan files: 4648, 4713, 4465, 3800, 4734, 4706, 4488, 4601, 4529, 4704, 4398, 4608, 4633, 4707, 4745, 4423, 4564, 4510, 4494, 4378, 4580, 4661, 4673, 4746, 4747, 4750, 4631, 4460, 3898, 4786, 4767, 3618, 4350, 4563, 3520, 4489, 4748, 4751, 4752, 4676, 4772, 4773, 4774, 4775,	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	

	4528, 4621, 4318, 4543, 4798, 4450, 4809, 4702, 4284, 4757, 4650, 4749, 4490, 4685, 4784, 4418, 4577, 4657, 4555, 4733, 4793, 4680, 4294, 4778, 4649, 4639, 4813, 4588, 4712, 4800, 4756, 4787, 4818, 4682, 4286, 4686, 4610, 4781, 4768, 4807, 4429, 4766, 4577, 4726, 4678, 4497, 4413, 4827, 4830, 4769, 4805, 4683, 4709, 4255, 4090, 4531, 4721, 2922, 4600, 4830, 4760, 4836, 4691, 4867, 4814, 4694, 4868, 4770			
15	3/3/14 – 4/21/14; Loan files: 4612, 4817, 4623, 4799, 4869, 4211, 4861, 4605, 4096, 4303, 4808, 4105, 4875, 4335, 4823, 4811, 4736, 4567, 4651, 4866, 4842, 4835, 4653, 4850, 4693, 3641, 4763, 4844, 4412, 4735, 4826, 4909, 4810, 4271, 4883, 4851, 4337, 4762, 4854, 4742, 4664, 4568, 4896, 4892, 4615, 4862, 4927, 4893, 4341, 4728, 4537, 3889, 4825, 4939, 4928, 4140, 4432, 4675, 4597, 4855, 4518, 4932, 4655, 4720, 4900, 4880, 4456, 4743, 4692	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
16	4/21/14 – 5/30/14; Loan files: 4666, 4677, 4973, 4576, 4936, 4960, 4609, 4961, 3349, 4708, 4553, 4739, 4986, 4006, 4820, 4886, 4987, 3770, 5032, 5049, 4486, 4821, 4821, 4792, 5023, 4590, 5095, 4522, 5067, 4400, 4405, 5038, 4067	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
17	5/30/14 – 7/11/14; Loan files: 4629, 4491, 5138, 4620, 4620, 4940, 4848, 4874, 4947, 4838, 4968, 4901, 4725, 4834, 4980, 4853, 4919, 1036, 4660, 5044, 4904, 4860, 4839, 4426, 5056, 5053, 4872, 4674, 3850, 5231, 2705	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
18	7/12/14 – 8/15/14; Loan files: 5239, 4833, 5000, 5108, 5008, 5072, 5192, 5193, 5194, 5195, 5196, 5197, 5198, 5161, 4837, 4231, 4782, 4847, 4951, 4914, 5154, 4794, 5356, 5404, 4942, 4897, 4515, 5223, 3351, 4416, 4765, 4915, 5120, 5171, 5244, 5386, 4741, 4764, 5257, 5087	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
19	8/15/14 – 9/26/14; Loan files: 5553, 5555, 5562, 5560, 5163, 5545, 5554, 5547, 5550, 5561, 5532, 5548, 5540, 5541, 5531, 5542, 5546, 5549, 5522, 5530, 5520, 4779, 5533, 5502, 5535, 5534, 5512, 5504, 5529, 5243, 5264, 5079, 5285, 5409, 4943, 5068, 5114, 5146, 4802, 4803, 4761, 5418, 4367, 5281, 5315, 5316, 5332, 5037, 5536, 4723, 5355, 5271, 5398, 5539, 5190, 5208, 5527, 5354	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
20	9/29/14 – 11/3/14; Loan files: 5107, 3947, 5189, 5277, 4852, 4622, 5590, 4259(2), 5162, 5270, 5589, 5563, 5314, 4698, 5045, 5410, 5679, 4724, 4717, 5242, 5475, 5186, 3779, 3350, 3327, 5031, 4640, 5222, 3778, 5634, 5635, 5097, 5588, 3348, 5424, 5377, 5241, 5603, 5325, 4714	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	

21	11/4/14 - 12/15/14; Loan files: 4990, 5018, 3378, 5517, 5429, 5452, 5191, 5701, 5765, 5544, 5741, 5096, 5088, 5543, 4634, 4635, 5672, 5526, 5155, 4128, 5438, 5623, 5556, 5624, 5678, 5751, 5207, 4506, 5801, 5569, 5240, 5326, 5474, 4801, 5881, 5625, 5842, 5813, 5480, 5469, 3555, 4212	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
22	12/16/14 – 1/30/15; Loan files: 5815, 5816, 5807, 5819, 5821, 5824, 5828, 5840, 5827, 5825, 5822, 5853, 4645, 5832, 5833, 5848, 4663, 5845, 5847, 5858, 5849, 5851, 5850, 5071, 5864, 5863, 5857, 5855, 5856, 5871, 5865, 5862, 5861, 5872, 5500, 5879, 5091, 5922, 5938, 5940, 5887, 5912, 5886, 5885, 5868, 5869, 5870, 5873, 5876, 5878, 5898, 5936, 5883, 5941, 5877, 5882, 5884, 5890, 5926, 5935, 5915, 5891, 5931, 5889, 5916, 5893, 4501, 5923, 5943, 5895, 5901, 5939, 5911, 5894, 5913, 5897, 5909, 5416, 5907, 5908, 5951, 5899, 5903, 5904, 5900, 5905, 5910, 5958, 5930, 5946, 5953, 5956, 5948, 5906, 5952, 5924, 5920, 5925, 5942, 5921, 5932, 5934, 5947, 5914, 5949, 5960, 5963, 5962, 5967, 5969, 5955, 5964, 5959, 5970, 5968, 5971, 5972, 5973, 5974, 5977, 5982, 5980, 6000, 5954, 5978, 5979, 5961, 5976, 5992, 5989, 5981, 5985, 5986, 6002, 5999, 6001, 6025, 5983, 6004, 4845, 4616, 6008, 6010, 6007, 5991, 5998, 6006, 5984, 5997, 5994, 5993, 5990, 5996, 6014, 6015, 6021, 6022, 6026, 4338, 4129, 3976, 3913, 4027, 4034, 5367, 5224, 5537, 5731, 4281, 5706, 5613, 5927, 5607, 5516, 5919, 5764, 5514, 5557, 5596, 5712, 5727, 5892, 5121, 5758, 5700, 5716, 5987, 5805, 4891, 6078, 5823	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
23	1/30/15 – 3/5/15; Loan files: 5496, 5501, 5595, 5945, 6080, 5995, 5880, 5846(2), 4602, 5614, 6019, 5875, 5874, 5055, 4421, 6152, 6144, 4408, 6100, 6093, 5001, 5929, 4247, 6027, 6009, 4081, 3703, 5637, 5854, 5859, 6079, 5812	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
24	3/6/15 – 4/22/15; Loan files: 6228, 6203, 6212, 6210, 4625, 6204, 6208, 6234, 6217, 6209, 6227, 6225, 6215, 6214, 6211, 6216, 6224, 6233, 6235, 6221, 6226, 6219, 6218, 6249, 6220, 6232, 6231, 3810, 6239, 6241, 6265, 6250, 6255, 6252, 6253, 6254, 6263, 6279, 6276, 6245, 6284, 6283, 6282, 6261, 6260, 4410, 6262, 6291, 6264, 6268, 6267, 6289, 6273, 6270, 6303, 6271, 6286, 6266, 6272, 6287, 6290, 6281, 6294, 6292, 6305, 6293, 6306, 6302, 6307, 6304, 6329, 6327, 6338, 6328, 6330, 6331, 6332, 6369, 6370, 6371, 6376, 6158, 6169, 6175, 6176, 6156, 5262, 6168, 6177, 6179, 6178, 6191, 6188, 6192, 6193, 6185, 6184, 6187, 6196, 6199,	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	

	6183, 6195, 6197, 6206, 6189, 6200, 6256, 6238, 6246, 6242, 6240, 6054, 6251, 6348, 6247, 6257, 6259, 6258, 6278, 6277, 6280, 6300, 6298, 6297, 6315, 6301, 6296, 6299, 6288, 6295, 6316, 6347, 6309, 6312, 6311, 6313, 6308, 6319, 6317, 6323, 6318, 6326, 6324, 6321, 6310, 6320, 6322, 6333, 6336, 6335, 6341(2), 6342, 6343, 6344, 6339, 6367, 3994, 4004, 4035, 4352, 6223, 4230(2), 5736, 5917, 5866, 6045, 6037, 4759, 5975, 4831, 2436, 6198, 4697, 5918, 4452, 4701, 6202, 6174, 5896, 5965, 6146, 5933, 4630, 6275, 4829, 6134			
25	4/22/15 – 6/2/15; Loan files: 6368, 6374, 6375, 6373, 6359, 6377, 6360, 6361, 6358, 6356, 6352, 6353, 6354, 6355, 6345, 6346, 6348, 6351, 5597, 6366, 6363, 6365, 6390, 6362, 6381, 6398, 6395, 6384, 6382, 6394, 6385, 6383, 6357, 6396, 6397, 6166, 6387, 6386, 6389, 6388, 6393, 6401, 6399, 6400, 6404, 6406, 6407, 6405, 6403, 6479, 6424, 6425, 6410, 6426, 6428, 6427, 6423, 5357, 6408, 6411, 6402, 6409, 6413, 6421, 6417, 6420, 6412, 6480, 6432, 6431, 6430, 6416, 6415, 6422, 6429, 6236, 6442, 6451, 6438, 6435, 6436, 6437, 6441, 6444, 6440, 6443, 6446, 6455, 6450, 6439, 6470, 6471, 6447, 6454, 6456, 6449, 6448, 6463, 6476, 6488, 6494, 6461, 6474, 6469, 6462, 6464, 6473, 4652, 6487, 6468, 6477, 6478, 6500, 6472, 6485, 6484, 6507, 6493, 6495, 6486, 6491, 6506, 6492, 6496, 6124, 6497, 6498, 6499, 6508, 6510, 4438, 6501, 6504, 6505, 6523, 6529, 6509, 6502, 6503, 6522, 4508, 6070, 4422, 6516, 6511, 6512, 4637, 6534, 6537, 6536, 6535, 6533, 6519, 6517, 4229, 4322, 3829, 4033, 4069, 4109, 6350, 6391, 3992, 4758, 6035, 5888, 6445, 6489, 5988, 5302, 5843, 6378, 5651, 6167, 6222, 6314, 6088, 5950, 6482, 4815, 5937, 6285, 4205(4)	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
26	6/2/15 – 7/17/15; Loan files: 3977, 4116, 3957, 4308, 1192, 3998, 6544, 6518, 6513, 6515, 6538, 6514, 6531, 6525, 6524, 6521, 6520, 6539, 6530, 6550, 6528, 6527, 6526, 6571, 6558, 6541, 6547, 6554, 6540, 6542, 6551, 6545, 6548, 6540, 6552, 6543, 6562, 6555, 6557, 6563, 4540, 6568, 6556, 6560, 6559, 6561, 6564, 6570, 6566, 6567, 6569, 6565, 6604, 6575, 6573, 6574, 6578, 6087, 6577, 6576, 6580, 6590, 6115, 6584, 6587, 6581, 6582, 6579, 6593, 6586,, 6597, 6591, 6592, 6583, 6591, 6603, 6647, 6600, 6595, 6611, 6612, 6165, 6615, 6598, 6602, 6599, 6606, 6613, 6610, 6619, 5004, 6605, 6616, 6617, 6623, 6608, 6607, 6609, 6614, 6618, 6621, 6633, 6620, 6622, 6624, 6626, 6627,	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	

	6628, 6629, 6635, 6207, 6634, 6632, 6641, 6639, 6643, 6642, 6644, 6638, 6636, 6640, 6648, 6650, 6646, 6652, 6649, 6653, 6645, 6651, 6656, 6657, 6637, 6673, 6671, 6661, 6658, 6659, 6662, 6660, 6663, 6664, 6675, 6190, 6674, 6676, 6681, 6667, 6666, 6665, 6668, 6669, 6678, 6679, 6680, 6770, 6672, 6690, 6684, 6683, 6682, 6686, 6687, 6685, 6692, 6694, 4500, 6689, 6688, 6695, 6646, 6693, 6018, 6453, 6334, 5902, 6229, 6372, 5831, 6181, 6379, 6419, 6433, 6452, 6434, 6458, 6457, 6003, 6145, 6414, 6012, 5362, 6490, 6380			
27	7/20/15 – 9/1/15; Loan files: 6698, 6700, 6710, 6697, 6699, 6730, 6742, 6705, 6703, 6701, 6702, 6720, 6709, 6714(2), 6704, 6707, 6713, 6712, 6708, 6711, 6724, 6718, 6716, 6724, 6717, 6719, 6715, 6725, 6723, 6722, 6726, 6728, 6727, 6201, 6743, 6738, 6734, 6735, 6744, 6729, 6740, 6736, 6737, 6739, 6741, 6733, 6731, 6747, 6746, 6732, 6748, 6763, 6751, 6762, 6755, 6753, 6754, 6757, 6752, 6759, 6764, 6766, 6780, 6758, 6779, 6775, 6778, 6760, 6761, 6773, 6767, 6768, 6765, 6771, 6772, 6783, 6774, 6769, 6847, 6123, 6782, 6784, 6785, 6777, 6776, 6789, 6794, 6788, 6786, 6792, 6791, 6790, 6792, 6800, 6802, 6799, 6804, 6823, 6806, 6801, 6803, 6814, 6805, 6815, 6810, 6820, 6807, 6812, 6813, 6821, 6822, 6811, 6824, 6827, 6825, 6832, 6833, 6838, 6826, 6828, 6835, 6830, 6829, 6831, 6834, 6836, 6839, 6841, 6858, 6848, 6842, 6840, 6843, 6880, 6849, 6859, 6867, 6844, 6885, 4642, 6891, 6909, 6911, 6913, 6846, 6920, 6914, 6853, 6857, 6910, 6856, 5966, 6855, 6854, 6895, 6900, 6871, 6865, 6862, 6894, 6864, 6889, 6890, 6863, 6868, 6888, 3959, 4343, 4093, 6392, 2857, 3295, 3296, 3490, 3642, 3984, 4106(6), 4276, 6787, 6798, 5537, 6816, 6588, 5636, 5054, 6243, 6817, 5694, 6837, 6460, 6818, 6182, 6572, 6585, 6325, 6866	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
28	9/25/15 – 10/14/15; Loan files: 6873, 6879, 6878, 4687, 4444, 6875, 6869, 6876, 6877, 6885, 6870, 6882, 6881, 6883, 6884, 6897, 6901, 6887, 6915, 6896, 6898, 6898, 6893, 4684, 6908, 6899, 6904, 6902, 6903, 6907, 6905, 6922, 6941, 6918, 6926, 6906, 6912, 6936, 6929, 6930, 6919, 6921, 6949, 6932, 6934, 6916, 6917, 6923, 6928, 6937, 6940, 6943, 6953, 6927, 6438, 6950, 6944, 7001, 6933, 7006, 7005, 6939, 6935, 6942, 6951, 6954, 6947, 6945, 6946, 6960, 6958, 6974, 6970, 6962, 7007, 6961, 6948, 6952, 6956, 6955, 6959, 6984, 6967, 6965, 6957, 6966, 6971, 6972, 6981, 6964, 6976, 6973,	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	

					6969, 6977, 6978, 6975, 6987, 6992, 6979, 6980, 6988, 6989, 6982, 7000, 7002, 6996, 7003, 6983, 6985, 7013, 6986, 6990, 6991, 6997, 6999, 7008, 7014, 7015, 6994, 6995, 7017, 7026, 7011, 7012, 7010, 7009, 6998, 7004, 7016, 7021, 7024, 7018, 7020, 7022, 7019, 7037, 7032, 7031, 7033, 7027, 7025, 7023, 7029, 7035, 7028, 7030, 7038, 7034, 7052, 7036, 7039, 7040, 7042, 7051, 7046, 7060, 7047, 7048, 7043, 7049, 4361, 4253, 4241, 4130, 4118, 3999, 6924, 6459, 6677, 6349, 6475, 6230, 6756, 6036, 6601, 4999, 6654, 6237, 6594, 5574, 6886, 6274, 6797, 6892, 6872, 6244
			Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
29			Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	10/14/15 – 11/30/15; Loan files: 7050, 7044, 7045, 7054, 7058, 7053, 7055, 7067, 7063, 7057, 7061, 7056, 7062, 7059, 6269, 7074, 7066, 7064, 7070, 7072, 7065, 7071, 7069, 7073, 7079, 7068, 5867, 7076, 7082, 7081, 7084, 7080, 7082, 7075, 7078, 7091, 7086, 7085, 7097, 7090, 7089, 7083, 7109, 7107, 7099, 7093, 7095, 7096, 7094, 7087, 7101, 7103, 7100, 7108, 7104, 7102, 7106, 7110, 7105, 7113, 7114, 7112, 7116, 7098, 7119, 7120, 7118, 7122, 7132, 7133, 7124, 7127, 7136, 7121, 7125, 7134, 7130, 7131, 7137, 7126, 7129, 7138, 6546, 7140, 7139, 7153, 7151, 7157, 7142, 7144, 7162, 7156, 7158, 7154, 7166, 7145, 7143, 7155, 7147, 7150, 7152, 7141, 7146, 7160, 7161, 7163, 7665, 7164, 7172, 7167, 7169, 7170, 7174, 7180, 7181, 7173, 7175, 7178, 7176, 7179, 7177, 7191, 7195, 7182, 7196, 7192, 7193, 7194, 7197, 7198, 7183, 7188, 7189, 7186, 7184, 7190, 7185, 7216, 7224, 7203, 7215, 7201, 7204, 7226, 7217, 7206, 7213, 7223, 6213, 6819, 6851, 7117, 7148, 5928, 7088, 6094, 7115, 7171, 6655, 6750, 7128, 6553, 6968(2), 6630, 7135, 6963, 7149, 6749, 6631, 6465, 6466, 6467, 7168, 7207, 7242, 7289, 6670, 6861, 6874
30		Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC		11/30/15 – 1/15/16; Loan files: 7212, 7222, 7225, 7227, 7220, 7218, 7235, 7225, 7221, 7243, 7231, 7229, 7238, 7239, 7240, 7232, 7211, 7236, 7234, 7230, 7249, 7246, 7210, 7237, 7199, 7214, 7205, 7187, 7245, 7248, 7247, 7255, 7254, 7257, 7252, 7244, 7200, 7250, 7283, 7301, 7251, 7256, 7300, 7275, 7273, 7272, 7258, 7282, 7259, 7261, 7276, 7266, 7260, 7264, 7313, 7265, 7263, 7268, 7267, 7270, 7271, 7310, 7277, 7280, 7281, 7274, 7283, 7279, 7287, 7288, 7305, 7294, 7283, 7278, 7284, 7293, 7297, 7303, 7290, 7299, 7285, 7298, 7291, 7302, 7304, 7392, 7307, 7306, 7311, 7315, 7312, 7296, 7318, 7316, 7317, 7309, 7323, 7328, 7322,

	7321, 7325, 7327, 7324, 7326, 7333, 7331, 7329, 7332, 7334, 7330, 7335, 7336, 7348, 7349, 7361, 7341, 7337, 7340, 7344, 7338, 7339, 7363, 7346, 4755, 7357, 7347, 7356, 7355, 7354, 7345, 7353, 7351, 7362, 7352, 7350, 7358, 7368, 7369, 7370, 7371, 7360, 7364, 7365, 7367, 7376, 7374, 7381, 7372, 7379, 7378, 7384, 7373, 7375, 7377, 7380, 7383, 7409, 7385, 7394, 7386, 7390, 7392, 7398, 7389, 7405, 7388, 7391, 7382, 7393, 7387, 7404, 7431, 7396, 7397, 7399, 7411, 7408, 7407, 4395, 4384, 6850, 6931, 7241, 4699, 4700, 5327, 7209, 6852, 7366, 5047, 5525, 7111, 7427, 7426, 7269			
31	1/15/16 – 3/4/16; Loan files: 7402, 7416, 7418, 7414, 7410, 7412, 7395, 7403, 7417, 7415, 7430, 7413, 7424, 7432, 7419, 7420, 7423, 7422, 7401, 7406, 7438, 7436, 7439, 7435, 7429, 7428, 7440, 7450, 7451, 7445(2), 7444, 7452, 7434, 7433, 7437, 7443, 7447, 7448, 7449, 7442, 7446, 7441, 7458, 7456, 7454, 7359, 7453, 7455, 7457, 7464, 7462, 7463, 7461, 7468, 7466, 7476, 7474, 7467, 7460, 7465, 7479, 7472, 7469, 7475, 7470, 7498, 7484, 7478, 7481, 7480, 7493, 7477, 7483, 7489, 7482, 7485, 7487, 7486, 7522, 7509, 7488, 7492, 7473, 7524, 7528, 7529, 7517, 7512, 7520, 7495, 7491, 7494, 7506, 7496, 7501, 7500, 7507, 7503, 7499, 7490, 7505, 7504, 7527, 7526, 7523, 7508, 7518, 7516, 7513, 7519, 7511, 7510, 7502, 7531, 7541, 7534, 7530, 7521, 7525, 7547, 7637, 7542, 7638, 7535, 7536, 7548, 7640, 7550, 7549, 7559, 7544, 7555, 7546, 7545, 7573, 7566, 7551, 7558, 7557, 7569, 7567, 7543, 7556, 7554, 7570, 7568, 7588, 7560, 7576, 7574, 7572, 7577, 7571, 7565, 7575, 7580, 7585, 7589, 7578, 7581, 7579, 7582, 7591, 7594, 7583, 7584, 7586, 7599, 7593, 7595, 7590, 7587, 7597, 7596, 7600, 7598, 7606, 7615, 7603, 7605, 7614, 7604, 7607, 7608, 7610, 4280, 7425, 6691, 7515, 5944, 5957, 7343, 7533, 7601, 7563, 6781, 7319, 7295, 7514	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
32	3/7/16 – 4/14/16; Loan files: 7618, 7613, 7602, 7619, 7623, 7628, 7634, 7620, 7625, 7616, 7626, 7641, 7621, 7622, 7636, 7640, 7634, 7639, 7627, 7632, 7642, 7643, 7629, 7633, 7635, 7630, 7645, 7638, 7637, 7666, 7680, 7665, 7652, 7651, 7646, 7647, 7684, 7644, 7656, 7659, 7650, 7649, 7662, 7661, 7653, 7654, 7617, 7655, 7681, 7691, 7671, 7682, 7674, 7663, 7660, 7664, 7670, 7677, 7685, 7690, 7683, 7688, 7689, 7707, 7698, 7679, 7668, 7673, 7672, 7693, 7676, 7696, 7695, 7692, 7667, 7678, 7700, 7701, 7702,	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	

	7697, 7715, 7699, 7675, 7709, 7705, 7703, 7718, 7706, 7712, 7727, 7725, 7724, 7704, 7708, 7711, 7716, 7743, 7742, 7722, 7723, 7721, 7710, 7714, 7726, 7729, 7728, 7713, 7717, 7719, 7731, 7734, 7741, 7745, 7744, 7737, 7730, 7736, 7732, 7735, 7733, 7740, 7750, 7744, 7752, 7755, 7739, 7753, 7751, 7771, 7767, 7770, 7768, 7763, 7762, 7761, 7760, 7754, 7773, 7758, 7784, 7756, 7757, 7759(2), 7799, 7817, 7801, 7792, 7791, 7766, 7793, 7764, 6795, 7208, 6481, 7658, 7497, 7532, 7552, 7746, 6925, 7780 (File number lists 7780 on folder but 7581 on sheet), 7779 (File number lists 7779 on folder but 7580 on sheet), 7778 (File number lists 7778 on folder but 7579 on sheet), 7777 (File number lists 7777 on folder but 7578 on sheet), 7776 (File number lists 7776 on folder but 7577 on sheet), 7782 (File number lists 7782 on folder but 7583 on sheet), 7781 (File number lists 7781 on folder but 7582 on sheet), 7233, 7202, 5263, 6364, 7612, 7561, 6625, 7747, 7219, 7314, 6483, 7611, 4391, 7657, 7609, 7849			
33	4/15/16 – 6/13/16; Loan files: 7765, 7800, 7812, 7786, 7775, 7783, 7772, 7769, 7790, 7794, 7774, 7789, 7787, 7785, 7816, 7796, 7797, 7806, 7818, 7788, 7811, 7810, 7808, 7807, 7802, 7803, 7804, 7805, 7814, 7813, 7809 (Discrepancy: New Bank Info sheet shows 3003 W Madison St. Mortgage sheet shows 3001 W Madison St.), 7815, 7824, 7828, 7828, 7798, 7825, 7826, 7821, 7820, 7819, 7830, 7831, 7829, 7827, 7833, 7834, 7843, 7841, 7865, 7832, 7838, 7847, 7835, 7848, 7846, 7836(2), 7845, 7842, 7858, 7861, 7840, 7837, 7872, 7857, 7859, 7862, 7864, 7850(3), 7860, 7844, 7856, 7869, 7868, 7866, 7867, 7863, 7870, 7871, 7877, 7873, 7876, 7879, 7888, 7895, 7884, 7883, 7874, 7875, 7880, 7887, 7885, 7886, 7898, 7881, 7896, 7878, 7893, 7894, 7900, 7892, 7903, 7891(2), 7904, 7902, 7906, 7905, 7882, 7909, 7907, 7913, 7908, 7910, 7901, 7899, 7922, 7917, 7915, 7911, 7921, 7912, 7928, 7925, 7919, 7931, 8037, 7914, 8011, 7916, 7918, 7927, 7943, 7924, 7947, 7923, 7920, 7956, 7935, 7934, 7930, 7937, 7936, 7938, 7933, 7926, 7948, 7950, 7940, 7941, 7929, 7957, 7945, 7954, 7942, 7944, 7953, 7960, 7962, 7949, 7951, 7946, 7955, 7952, 7963, 7959, 7961, 7958, 7967, 7968, 7969, 7971, 7970, 7966, 7976, 7977, 7975, 7980, 7972, 8013, 7973, 7974, 7979, 7978, 7746, 6860, 7421, 6993, 7852, 7564, 7890, 7648,	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	

	7889, 7839, 7631, 6589, 4788, 7308, 8020, 7562, 7669 (Duplicate in 6631. Discrepancy: New Bank Info sheet states 4807 N 84th Dr. Deed of Trust states 2607 W Sunrise Dr.), 7262, 6532, 6809			
34	6/14/16 – End; Loan files: 8015, 8002, 8006, 8033, 8001,, 8010, 7991, 7993, 8024, 7987, 7985, 7997, 7996, 7994, 7995, 8004, 7998, 7992, 7990, 7989, 7988, 8009, 8014, 8012, 8003, 7986, 7981, 7984, 7982, 7983, 7897, 8112, 7939, 8000, 8107, 7592, 7854, 7539, 7553, 7687, 7738, 7823, 7822	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
35	10/10/08 – 1/29/09; Loan files: 1331, 1223, 1294, 1354, 1226, 1349, 1216, 1289, 1328, 1332, 1365, 1298, 1382, 1224, 1318, 1327, 1230, 1329, 1374, 1341, 1233, 1333 1358, 1383, 1368, 1275, 1359, 1384, 1344, 1337, 1376, 1357, 1315, 1187, 1305, 1362, 1313, 1085, 1375, 1220, 1343, 1039, 1377, 1351, 1308, 1303, 1409, 1295, 1423, 1301, 1369, 1317, 1242, 1399, 1412, 1385, 1417, 1372, 1391, 1319, 1323, 1428, 1408, 1115, 1406, 1356, 1418, 1249, 1392, 1413, 1390, 1189, 1401, 1347, 1431, 1444, 1393, 1355, 1345, 1397, 1395, 1388, 1387, 1443	Clark Hill boxes received 8/23/16	Simon Consulting, LLC	
36	2/2/09 – 4/30/09; Loan files: 1430, 1340, 1380, 1386, 1441, 1272, 1352, 1378, 1353, 1435, 1434, 1193, 1363, 1370, 1455, 1415, 1461, 1465, 1411, 1471, 1436, 1360, 1404, 1405, 1389, 1290, 1367, 1371, 1437, 1394, 1428, 1361, 1410, 1487, 1454, 1459, 1348, 1469, 1481, 1479, 1462, 1477, 1496, 1373, 1474, 1381, 1486, 1493, 1497, 1312, 1509, 1449, 1268, 1491, 1432, 1504, 1429, 1488, 1379, 1494, 1457, 1501, 1398, 1447, 1284, 1502, 1346, 1400, 1296, 1448, 1197, 1478, 1529, 1536, 1419	Clark Hill boxes received 8/23/16	Simon Consulting, LLC	
37	5/1/09 – 7/16/09; Loan files: 1467, 1433, 1440, 1338, 1490, 1495, 1463, 1538, 1551, 1531, 1472, 1325, 1450, 1439, 1451, 1519, 1535, 1149, 1453, 1336, 1416, 1421, 1339, 1366, 1517, 1515, 1506, 1533, 1500, 1549, 1427, 1575, 1424, 1475, 1521, 1492, 1590, 1578, 1414, 1583, 1206, 1526, 1544, 1499, 1464, 1442, 1420, 1528, 1565, 1468, 1446, 1144, 1566, 1539, 1480, 1554, 1604, 1581, 1592, 1560, 1569, 1522, 1577, 1624, 1530, 1630, 1553, 1639, 1547, 1466, 1571, 1196, 1202, 1503, 1558, 1585, 1458, 1160	Clark Hill boxes received 8/23/16	Simon Consulting, LLC	
38	7/16/09 – 9/29/09; Loan files: 1151, 1542, 1559, 1094, 1234, 1489, 1574, 1621, 1605, 1487, 1141, 1606, 1194, 1601, 1145, 1552, 1616, 1598, 1636, 1628, 1612, 1618, 1516, 1402, 1619, 1615, 1240, 1593, 1642, 1422, 1483, 1609, 1661, 1518, 1131, 1679, 1452, 1330, 1641, 1655, 1689, 1562, 1460, 1586,	Clark Hill boxes received 8/23/16	Simon Consulting, LLC	

	1545, 1613, 1537, 1498, 1608, 1568, 1561, 1632, 1579, 1629, 1644, 1664, 1620, 1635, 1587, 1650, 1651, 1550, 1678, 1692, 1548, 1666, 1572, 1683, 1540, 1614, 1637, 1426, 1677, 1711, 1649, 1656, 1669, 1564, 1673, 1742, 1659, 1602, 1567, 1507, 1445, 1556, 1698, 1691, 1625, 1543			
39	9/30/09 – 1/28/10; Loan files: 1631, 1541, 1600, 1470, 1706, 1686, 1611, 1733, 1721, 1425, 1570, 1307, 1665, 1739, 1774, 1716, 1627, 1768, 1610, 1741, 1713, 1719, 1685, 1712, 1647, 1670, 1596, 1050, 1752, 1751, 1762, 1573, 1591(2), 1626, 1623, 1603, 1779, 1695, 1696, 1580, 1772, 1594, 1674, 1798, 1723, 1771, 1582, 1732, 1697, 1735, 1595, 1709, 1555, 1731, 1787, 1597, 1657, 1729, 1767, 1705, 1703, 1792, 1645, 1816, 1676, 1825, 1791, 1745, 1775, 1671, 1702, 1714, 1663, 1786, 1737, 1508, 1776, 1722, 1667, 1753, 1403, 1845, 1534, 1823, 1699, 1589, 1707, 1756, 1701, 1738, 1718, 1505, 1754, 1749, 1755, 1761, 1759	Clark Hill boxes received 8/23/16	Simon Consulting, LLC	
40	2/1/10 – 5/25/10; Loan files: 1750, 1680, 1778, 1828, 1860, 1730, 1640, 1859, 1879, 1646, 1878, 1532, 1804, 1881, 1652, 1849, 1801, 1708, 1485, 1782, 1858, 1796, 1725, 1690, 1854, 1817, 1869, 1863, 1821, 1852, 1668, 1887, 1765, 1700, 1789, 1799, 1850, 1868, 1867, 1843, 1026, 1834, 1766, 1836, 1822, 1797, 1853, 1643, 1837, 1777, 1588, 1727, 1918, 1806, 1815, 1838, 1770, 1717, 1875, 1805, 1734, 1847, 1736, 1824, 1682, 1892, 1866, 1916, 1895, 1835, 1894, 1913(2), 1882, 1813, 1861, 1607, 1748, 1856, 1715, 1870, 1785, 1800, 1884, 1807, 1681, 1826, 1743, 1921, 1793, 1704, 1810, 1833, 1688, 1783, 1784, 1872, 19641897	Clark Hill boxes received 8/23/16	Simon Consulting, LLC	
41	5/26/10 – 8/20/10; Loan files: 1563, 1634, 1648, 1653, 1654, 1693, 1694, 1726, 1790, 1911, 1831, 1934, 1968, 1803, 1724, 1865, 1827, 1883, 1937, 1839, 1933, 1886, 1938, 1945, 1926, 1965, 1407, 1520, 1940, 1908, 1876, 1747, 1511, 1820, 1781, 1763, 1523, 1871, 1780, 1928, 1546, 1830, 1900, 1841, 1906, 1939, 1672, 1910, 1675, 1912, 1524, 1944, 1993, 1932, 1948, 1842, 1746, 1917, 1622, 1935, 1662, 1633, 1905, 1924, 1855, 1617, 1915, 1812, 1925, 1851, 1874, 2008, 1946, 2006, 1983, 1909, 1840, 1963, 1893, 2017, 1951, 1857, 1364, 2013, 1988, 2018, 1957, 1987, 1936, 1982, 1986, 1977, 1949, 1873, 1811, 1930, 1890, 1992, 2020, 1956, 1896, 1687, 1996, 2028, 1947, 1952, 1960, 1848, 2023, 2024, 1967, 2071, 1903, 1975, 1984, 1769, 2069	Clark Hill boxes received 8/23/16	Simon Consulting, LLC	
42	8/24/10 – 12/31/10; Loan files: 2004,	Clark Hill boxes	Simon Consulting,	

	2022, 2082, 1997, 2027, 1891, 1927, 1760, 2010, 2037, 2016, 2021, 1976, 1969, 1985, 1880, 2048, 1943, 2014, 2088, 1907, 2038, 2040, 2091, 2036, 2005, 1931, 2003, 1973, 1901, 1989, 2002, 2067, 1942, 1980, 1950, 1888, 1919, 1990, 1994, 2025, 2105, 2043, 2132, 2042, 1999, 1899, 2103, 2103, 2069, 2063, 2099, 2047, 2044, 2089, 2081, 2060, 2065, 2078, 2093, 1953, 1971, 2001, 2144, 2084, 2123, 2026, 2086, 1979, 2083, 2061, 1962, 2114, 2118, 2121, 1684, 2161, 2101, 2073, 2090, 2015, 2000, 1981, 2155, 2055, 2080, 2133, 2117, 2142, 1808, 2077, 2108, 2111, 2007, 2094, 2107, 2041, 2154, 1998, 2097, 2087, 2113, 2137, 2130, 2135, 2205, 2110, 2098, 1978, 2199, 2136, 2032, 1802, 2151, 2102, 2131, 2012, 2116, 2057, 1902, 2215, 2046, 2076, 1814, 1970, 2181, 2195, 2034, 2064	received 8/23/16	LLC	
43	1/1/11 – 4/5/11; Loan files: 2150, 1510, 1941, 2106, 2146, 2201, 2104, 2196, 2109, 2246, 2239, 2191, 2212, 1955, 2162, 2209, 2009, 2247, 2186, 2152, 2198, 2254, 1958, 1809, 2075, 2273, 1995, 2296, 2174, 2252, 2258, 2263, 2188, 2189, 2213, 2286, 2287, 2240, 2218, 2290, 2236, 2164, 2253, 1904, 2204, 2272, 2070, 2045, 2251, 2126, 2255, 2265, 2313, 2282, 2298, 2243, 1819, 2095, 2234, 2170, 2260, 2127, 2207, 2233, 2249, 2190, 2257, 2139, 2050, 2079, 2092, 1885, 2039, 2056, 2128, 2163, 2149, 2129, 2192, 2210, 2051, 2238, 2271, 2314, 2310, 2302, 2030, 2206, 2208, 2183, 2346, 2316, 2277, 2288, 2159, 2066, 1954, 2029, 2085, 2141, 1966, 2339, 2326, 2359, 2378, 2332, 2211, 2343, 2274, 2053, 2259, 2266, 2235, 2166, 2318, 1773, 2289, 2354, 2294, 2200, 2248, 2307, 2283, 2300, 2217, 2331, 2295, 2393, 2143, 2396, 2293, 1846	Clark Hill boxes received 8/23/16	Simon Consulting, LLC	
44	4/6/11 – 6/2/11; Loan files: 2049, 2317, 2384, 2284, 2357, 2348, 2281, 2011, 2261, 2374, 2134, 2362, 2401, 2278, 2327, 2368, 2292, 2148, 2370, 2122, 2323, 2382, 2398, 2355, 2369, 2058, 1396, 1889, 2187, 2276, 2333, 2344, 2392, 2394, 2264, 2403, 2237, 2337, 2391, 2390, 2315, 2306, 2216, 2406, 2262, 2377, 2347, 2138, 2329, 2356, 2242, 2059, 2311, 2375, 2426, 2491, 2250, 2424, 2395, 2267, 2167, 2140, 2068, 2340, 2214, 2241, 2285, 2444, 2301, 2383, 2365, 2400, 2471, 2472, 2489, 2443, 2463, 2457, 2480, 2488, 2125, 2371, 2402, 2338, 2358, 2270, 2376, 2459, 2504, 2423, 2303, 2072, 2405, 2529, 2197, 2476, 2031, 2177, 2308, 2342, 2407, 2412, 2322, 2372, 2033, 2334, 2350, 2379, 2352, 2349, 2353, 2387, 2269, 2408,	Clark Hill boxes received 8/23/16	Simon Consulting, LLC	

	2433, 2434, 2305			
45	8/4/11 – 10/27/11; Loan files: 2335, 2388, 2492, 2556, 2366, 2495, 2557, 1914, 2493, 2320, 2428, 2464, 1795, 1961, 2430, 2409, 2453, 2439, 1991, 2309, 2515, 2508, 2312, 2422, 2421, 2560, 2451, 2404, 2478, 2165, 2500, 2579, 2447, 2194, 2524, 2147, 2487, 2551, 2576, 1276, 2256, 2385, 2410, 2380, 2526, 2456, 2510, 2512, 2513, 2559, 2432, 2461, 2345, 2511, 2440, 2361, 2620, 2325, 2160, 2419, 2543, 2427, 1929, 2565, 2619, 2450, 2574, 2545, 2582, 2193, 2465, 1829, 2202, 1818, 2232, 2485, 2572, 2381, 2145, 2501, 1959, 2364, 2054, 2637, 2437, 2475, 2499, 2299, 2431, 2328, 2532, 2548, 2435, 2385, 2297, 2304, 2470, 2679, 2521, 2531, 2547, 2564, 2561, 2562, 2336, 2677, 2585, 2245, 2628, 2446, 2455, 2581, 2542, 2469, 2540, 2474, 2541, 2411, 2691, 2592, 2373(3)	Clark Hill boxes received 8/23/16	Simon Consulting, LLC	
46	8/4/11 – 10/27/11; Loan files: 2119, 2399, 1557, 2468, 2550, 2563, 2425, 1974, 2505, 2583, 2689, 2693, 2735, 2657, 2732, 2640, 2716, 2750, 2715, 2536, 2617, 2626, 2621, 2639, 2341, 2280, 2275, 2555, 2573, 2613, 2570, 2649, 2632, 2690, 2644, 2675, 2571, 2584, 2652, 2706, 2681, 2441, 2615, 2554, 2525, 2630, 2673, 2663, 2701, 2634, 2520, 2466, 2482, 2503, 2523, 2546, 2588, 2590, 2591, 2645, 2655, 2669, 2733, 2740, 2756, 2718, 2625, 2650, 2360, 2784, 2784, 2794, 2728, 2638, 2763, 2641, 2386, 2527, 2567, 2623, 2496, 2765, 2724(2), 2660, 2676, 2687, 2173, 2714, 2725, 2698, 2647, 2760, 2667, 2747, 2651, 2578, 2731, 2755, 2182, 2782, 2624, 2772, 2460, 2752, 2593, 2498, 2809, 2847, 2124, 2429, 2462, 2568, 2805, 2816, 2771, 2770, 2279, 2760, 2788, 2717, 2666, 2473, 2695, 1923, 2586, 2448, 2764, 2420, 2479, 2642, 2754, 1740, 2680, 2532, 2799, 1484, 2813, 2759	Clark Hill boxes received 8/23/16	Simon Consulting, LLC	
47	10/27/11 – 12/28/11; Loan files: 2636, 2397, 2869, 2668, 2707, 2775, 2837, 2859, 2751, 2616, 2645, 2745, 2610, 2074, 2665, 2787, 2856, 2839, 2736, 2614, 2700, 2646, 2836, 2658, 2780, 2577, 2890, 2797, 2575, 2826, 2694, 2753, 2678, 2855, 2635, 2786, 2820, 2862, 2594, 2502, 2506, 2522, 2533, 2580, 2612, 2661, 2708, 2709, 2790, 2793, 2817, 2818, 2842, 2843, 2851, 2833, 2812, 2789, 2930, 2814, 2664, 2631, 2823, 2838, 2653, 2719, 2955, 2746, 2800, 2889, 2844, 2801, 2768, 2519, 2712, 2203, 2720, 2494, 2769, 2895, 2928, 2688, 2835, 2872, 2721, 2935, 2659, 2827, 2692, 2853, 2840, 2830, 2887, 2978, 2776, 2881, 2428, 2589, 2633,	Clark Hill boxes received 8/23/16	Simon Consulting, LLC	

	2758, 2774, 2804, 2819, 2860, 2873, 2932, 2866, 2845, 2458, 2871, 2878, 2363, 2924, 2925, 2997, 2907, 2741, 2991, 2957, 2803, 2999, 2882, 2952, 2953, 2903, 2832, 2962, 2852, 2898, 2611, 2762, 2806, 2723, 2950, 2886, 3014, 2558, 2865, 2927, 2983, 2973, 2883, 2569, 2949, 2734, 2822			
48	July 2016; Loan files: 3736, 3828, 3838, 3885, 4523, 4604, 8005, 8008, 8017, 8016(2), 8018, 8019, 8021, 8022, 8023, 8025, 8026, 8027, 8028, 8029, 8030, 8032, 8034, 8035, 8036, 8039, 8040, 8041, 8047, 8044, 8045, 8046, 8047, 8048, 8049, 8050, 8051, 8052, 8053, 8054, 8055, 8056, 8057, 8058, 8059, 8095	AZ Corporate Commission boxes received 8/24/16	Simon Consulting, LLC	
49	July 2016; Loan files: 8096, 8097, 8098, 8099, 8100, 8101, 8102, 8103, 8104, 8105, 8106, 8088, 8089, 8090, 8091, 8092, 8093, 8094, 8074, 8075, 8076, 8077, 8078, 8079, 8080, 8081, 8084, 8085, 8086, 8087, 8060, 8061, 8062, 8063, 8064, 8065, 8066, 8067, 8068, 8069, 8071, 8072, 8073	AZ Corporate Commission boxes received 8/24/16	Simon Consulting, LLC	
50	July 2016; Loan files: 2566, 3190, 3835, 4419, 4617, 5046, 5048, 5050, 5051, 5052, 5486, 5794, 5830, 6418, 6796, 6808, 7123, 7320, 7342, 7359, 7400, 7471, 7686, 7694, 7720, 7795, 7851, 7853, 7855, 7932, 7965, 7965, 7999, 8007, 8031, 8038, 8043, 8070, 8082, 8083, 8108, 8109, 8110, 8111, 8113, 8114, 8115, 8116	AZ Corporate Commission boxes received 8/24/16	Simon Consulting, LLC	
51	July 2016; Corporate Files: 2015 First Bank Statements; 2015 941, AZ Unemployment, AZ State Taxes; 2015 Accountancy; 2015 Legal; QuickBooks Account Info (Account number, password, data encryption key); State Filings Form D; AZ Corp Commission Annual Filing; 2003 AZ DES; Originals of Memorandum, Questionnaire, Subscription; 2105 Expenses; LLC's A – H (Operating Agreements); LLC's I – P (Operating Agreements); LLC's Q – Z (Operating Agreements); Articles of Incorporation / Minutes	AZ Corporate Commission boxes received 8/24/16	Simon Consulting, LLC	
52	DenSco Tax 01 – 05; Corporate Files: 2005 940 + 941; 2005 Legal; 2005 Expenses; 2005 BofA; 2005 AZ A1-QRT & DES; 2005 Accounting; 2004 940 + 941; 2004 Legal; 2004 Receipts; 2004 BofA; 2004 AZ A1-QRT & DES; 2004 Accounting; 2003 BofA; 2003 S-Corp Tax Return and correspondence; 2003 AZ A1-QRT & DES; 2003 940 + 941; 2003 Expenses; 2003 Accounting; 2003 Legal; 2002 BofA; 2002 AZ A1-QRT & DES; 2002 940 + 941; 2002 S-Corp Tax Return and correspondence; 2002 Expenses; 2002 Accounting; 2002 Legal; BofA Treasury	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	

	Services Terms and Conditions; 2001 AZ A1-QRT & DES; 2001 940 + 941; 2001 S-Corp Tax Return and correspondence; 2001 BofA; 2001 Accounting; 2001 Receipts; 2001 Legal			
53	DenSco Tax 06 – 11; Corporate files: 2006 S-Corp Tax Return; 2006 Accounting; 2006 Expenses; 2006 Legal; 2006 BofA; 2006 AZ A1-QRT & DES; 2006 940 + 941; 2007 S-Corp Tax Return; 2007 Accounting; 2007 BofA; 2007 Expenses; 2007 AZ Dept. of Revenue; 2007 AZ DES; 2007 Legal; 2008 Accounting; 2008 Legal; 2008 Expenses; 2008 Fed Tax FICA / 940/941; 2008 AZ DES; 2008 AZ QRT; 2008 S-Corp Tax Return; 2008 BofA; 2009 Legal; 2009 Expenses; 2009 BofA; 2009 AZ QRT; 2009 Fed Tax FICA / 940/941; 2010 S-Corp Tax Return; 2010 Accounting; 2010 Expenses; 2010 Legal; 2010 AZ A1-QRT & DES; 2010 BofA 7509; 2010 BofA 8555; 2011 Expenses; 2011 Legal; 2011 Accounting; 2011 BofA 7509; 2011 BofA 8555	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
54	CNET, AuctionGate, Polar Peaks CRG; Files: Attorney folders and documents	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
55	Black OfficeWare Box; Taxes 84, 85; Taxes 86; Taxes 87; Taxes 88; Taxes 89; Taxes 90; Taxes 91; Taxes 92; Taxes 93; Taxes 94; Taxes 95; Taxes 96; Taxes 97; Taxes 98; Taxes 99; Taxes 2000; Taxes 2001; Taxes 2002; Taxes 2003; Taxes 2004; Taxes 2005; Taxes 2006; Taxes 2007; Taxes 2008	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
56	Access box; Loan files: 5279, 4812, 5451, 5447, 5445, 5442, 6126, 6180, 6132, 6131, 6122, 6140, 6205, 6121, 6150, 6142, 6106, 6105, 6109, 6104, 6148, 6102, 6108, 6107, 6103, 6101, 6098, 6099, 6089, 6097, 6110, 6171, 6112, 6137, 6117, 6114, 6151, 6116, 6120, 6081, 6086, 6113, 6083, 6095, 6096, 6097, 6091, 6062, 6063, 6065, 6073, 6090, 6061, 6077, 6125, 6133, 4509, 6173, 6159, 6172, 6164, 6163, 6162, 6161, 6160, 6194, 6139, 6170, 6154, 6153, 6147, 6149, 6136, 6135, 6138, 5013, 6157, 5118, 5116, 5115, 5129, 5117, 5111, 5104, 4988, 5106, 5105, 5119, 4870, 5101, 5100, 5099, 5098, 4777, 5112, 4711, 5462, 5454, 5467, 5468, 4796, 5093, 5092, 5090, 5113, 5085, 4411, 5453, 5464, 5463, 5461, 5456, 5455, 5448, 5443, 5081, 5077, 5086, 5089, 5080, 5078, 5076, 5075, 5073, 5070, 4727, 4753, 4431, 4618, 5066, 5063, 5065, 4658, 5064, 5057, 4965, 5043, 5060, 4669, 5029, 5061, 5062, 4703, 4689, 4993, 5039, 4519, 5040, 4976, 5083, 5059, 5058(2), 5036, 5030, 4981, 5026,	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	

	4738, 5015, 5024, 5017, 4020, 5014, 5035, 4512, 4021, 4985, 4996, 5005, 5010, 5012, 4994, 4729, 4636, 4536, 4754, 5034, 5016, 5027, 5006, 4710, 5002, 4997, 4995, 4991, 4740, 4672, 4998, 4611, 4019, 4955, 4984, 4992, 4989, 4978, 4975, 4977, 4459			
57	Access box; Loan files: 3987, 3997, 4228, 2178, 2179, 2414, 2415, 2417, 2418, 2672, 4201, 3929, 4011, 4344, 4094, 4314, 4233, 1285, 4043, 4288, 4095, 4319, 3488, 1097, 4232, 4147, 4017, 4300, 3283, 4122, 4146, 2509, 2120, 2892, 4287, 4505, 3814, 2897, 3024, 3104, 2982, 2171, 2157, 2158, 2172, 2175, 2176, 4061, 4185, 3817, 4386, 4383, 4152, 4313, 4307, 4180, 3926, 3914, 4342, 4038, 4227, 4020, 4289, 3882, 4393, 4077, 4136, 4381, 4397, 3975, 3933, 3927, 4003	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
58	Access box; Loan files: 5384, 5168, 5022, 5396, 5385, 5383, 4970, 5393, 5392, 5390, 5403, 5402, 5400, 5397, 5395, 5394, 5388, 4789, 4797, 4806, 4816, 4822, 4562, 4785, 4628, 4532, 4771, 4744, 4626, 4545, 4487, 4865, 4516, 4864, 4715, 4858, 4876, 4591, 4857, 4879, 4539, 4841, 4843, 4856, 4828, 4824, 4592, 4790, 4780, 4783, 4795, 4556, 4524, 4649, 4846, 4832, 4656, 4819, 4607, 4878, 4871, 4569, 4957, 4887, 4888, 4584, 5379, 4974, 4952, 4972, 4969, 5102, 4967, 5391, 5388, 4665, 4873, 4840, 4881, 4573, 4877, 4859, 4690, 4910, 4925, 4923, 4920, 4905, 4922, 4899, 4890, 4503, 4907, 4902, 4889, 4906, 4894, 4898, 4908, 4882, 4895, 4933, 5284, 4946, 5283, 4935, 4971, 4944, 4288, 5294, 5282, 4431, 5278, 5082, 5275, 5273, 5246, 4916, 4624, 4912, 4934, 4931, 4941, 4926, 4921, 4911, 4483, 4722, 4930, 4929, 4446, 4918, 4598, 5303, 5299, 5295, 4495, 5307, 5297, 5293, 5292, 5291, 5287, 5286, 4589, 5338, 4937, 5329, 5341, 5324, 5323, 5320, 5165, 5042, 5333, 5318, 5310, 4945, 5003, 4662, 4950, 5334, 5319, 5317, 5313, 5322, 4949, 5321, 5311, 4454, 5312, 5306, 5305, 5304, 5300, 5298, 5296, 4619, 5308, 5301	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
59	Access box; Loan files: 5499, 5510, 5511, 5519, 5508, 5274, 5280, 5266, 5272, 4737, 5268, 5261, 5267, 5258, 5265, 5259, 4034, 5253, 5247, 5260, 5252, 5153, 5249, 5251, 5256, 5269, 5254, 5255, 5232, 5236, 5250, 5238, 5237, 5227, 5235, 5234, 5233, 5230, 5225, 5226, 5221, 5220, 5218, 5217, 4530, 5228, 5213, 5212, 5205, 4417, 5219, 5211, 5210, 5206, 4671, 4534, 5216, 5215, 5209, 5201, 5202, 5214, 5204, 5203, 5200, 5199, 5187(2), 5141, 4032, 5184, 4544, 5041, 5183, 5182, 5181, 4924, 5180, 5179, 5172,	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	

	<p>4670, 5176, 5175, 5173, 4731, 5166, 5160, 4514, 5169(2), 5158, 5156, 4983, 4659, 4917, 5157, 5151, 5150, 5178, 5174, 5145, 5152, 5149, 5147, 4513, 5148, 5136, 4430, 4885, 5144, 5170, 5143, 5142, 5033, 5137, 5133, 4579, 5132, 5131, 4948, 4791, 5128, 5127, 5126, 5135, 5124, 5122, 5134, 5123, 5109, 5094, 4546, 5125, 5140, 5009, 5130, 5491, 5177, 5487, 5490, 5524, 5492, 5470, 5483, 5494, 5495, 5493, 5441, 5139, 5457, 5450, 5437, 5025, 5503, 5435, 5446, 4643, 5074, 5449, 5432, 5431, 4849, 5484, 5426, 5444, 5440, 5439, 5436, 5498, 5434, 5064, 5433, 5427, 5422, 5430, 5420, 5428, 5423, 5421, 5229, 5425, 5419, 5413, 5489, 5412, 5411, 5414, 5401, 5407, 5509, 5507, 5513, 5514, 5518, 5521, 5528, 5497, 5523, 5506, 5505, 5406, 5405, 5415, 5408, 5399, 4982</p>			
60	<p>Access box; 2016 Accountancy-Preston CPA and Pension Strategies invoices; 1 Denny Chittick-Densco note, prospective purchaser questionnaire, subscription agreement; 2 Paul Kent 3 Eldon and Carlene Chittick-Prospective purchaser questionnaires, subscription agreements; 4 Michael Gumbert-Prospective purchaser questionnaires, subscription agreements; 5 Rob Brinkman-Prospective purchaser questionnaires, subscription agreements; 6 Brian Odenthal-Prospective purchaser questionnaires, subscription agreements; 9 Gary Siegford-Prospective purchaser questionnaires, subscription agreements; 10 Nihad Hafiz-Prospective purchaser questionnaires, subscription agreements; 11 Vince Muscat-Prospective purchaser questionnaires, subscription agreements; 13 Kennen Burkhardt-Prospective purchaser questionnaires, subscription agreements; 14 Kaylene Moss-Prospective purchaser questionnaires, subscription agreements; 15 Dale Hickman-Prospective purchaser questionnaires, subscription agreements; 18 Tom Smith-Prospective purchaser questionnaires, subscription agreements; 20 Glen Davis-Prospective purchaser questionnaires, subscription agreements; 21 Mark Wenig-Prospective purchaser questionnaires, subscription agreements; 24 Hahn and Associates LLC-Prospective purchaser questionnaires, subscription agreements; 25 Jack Davis-Check for \$75,000 (cancelled), correspondence, prospective purchaser questionnaires, subscription</p>	<p>Gammage and Burnham boxes-Investor and Corporate files, received 8/24/16</p>	<p>Simon Consulting, LLC</p>	

<p>agreement; 26 Arden Chittick-Prospective purchaser questionnaires, subscription agreements; 27 David DuBay-Prospective purchaser questionnaires, subscription agreements; 28 Carol Wellman-Prospective purchaser questionnaires, subscription agreements; 29 Warren Bush-Prospective purchaser questionnaires, subscription agreements; 31 Doris Howze-Prospective purchaser questionnaires, subscription agreements; 32 Russell Griswold-Prospective purchaser questionnaires, subscription agreements; 33 Wellman Family Trust-Prospective purchaser questionnaire, subscription agreements, Affidavit/Abstract of Trust; 35 Wade Underwood-Prospective purchaser questionnaires, subscription agreements; 36 Manuel Lent, IRA-Prospective purchaser questionnaire, subscription agreement, First Trust Company of Onaga Purchase Authorization, Densco note; 38 Lillian Lent, IRA-Prospective purchaser questionnaire, subscription agreement, First Trust Company of Onaga Purchase Authorization, Densco note, correspondence; 41 Tony Smith-Prospective purchaser questionnaires, subscription agreements; 42 Phalen Family Trust-Prospective purchaser questionnaires, subscription agreements; 43 Robert Koehler-Prospective purchaser questionnaires, subscription agreements; 44 Gary Siegford-Prospective purchaser questionnaires, subscription agreements; 45 Bill Hughes-Prospective purchaser questionnaires, subscription agreements; 46 Judy Hughes-Prospective purchaser questionnaire, subscription agreement, First Trust Company of Onaga Purchase Authorization, correspondence; 47 Bill and Jean Locke-Prospective purchaser questionnaires, subscription agreements; 48 Caro McDowell-Prospective purchaser questionnaires, subscription agreements; 49 Dori Ann Petranek-Prospective purchaser questionnaires, subscription agreements, correspondence, Living Trust document; 51 Stewart Sherriff-Prospective purchaser questionnaires, subscription agreement; 52 Satellite, LLC-Prospective purchaser questionnaires, subscription agreements; 53 Kevin Potempa-Prospective purchaser questionnaire; 55 Bill Swirtz-Prospective purchaser</p>			
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	<p>questionnaires, subscription agreements, Densco note; 56 Glen Davis, IRA-Subscription agreement; 57 Jim McCoy-Prospective purchaser questionnaires, subscription agreement; 58 Dave Preston-Prospective purchaser questionnaires, subscription agreement; 61 Scott Detota-Prospective purchaser questionnaires, subscription agreement; 62 Mary Kent-Prospective purchaser questionnaires, subscription agreement; 64 Brian Imdieke-Prospective purchaser questionnaires, subscription agreements, correspondence, Living Trust document; 65 Lee Group Inc-Prospective purchaser questionnaires, subscription agreements; 66 Jemma Kopel-Prospective purchaser questionnaires, subscription agreements; 67 Carsyn Smith-Prospective purchaser questionnaires, subscription agreements; 68 McKenna Smith-Prospective purchaser questionnaires, subscription agreements; 69 Coralee Thompson-Prospective purchaser questionnaires, subscription agreements; 70 Roy Kopel-Prospective purchaser questionnaires, subscription agreements; 71 Ralph Kaiser-Prospective purchaser questionnaire, subscription agreement, First Trust Company of Onaga Purchase Authorization, IRA application, correspondence; 72 Gary Thompson-Prospective purchaser questionnaires, subscription agreement; 73 Van Butler-Prospective purchaser questionnaires, subscription agreement; 75 Jim McArdle-Prospective purchaser questionnaires, subscription agreement; 76 Tom Smith, IRA-Prospective purchaser questionnaires, subscription agreement, Densco note, correspondence, IRA application, First Trust Company of Onaga Purchase Authorization; 79 Carol William, IRA-Prospective purchaser questionnaire, subscription agreement; 80 Michael Zones-Prospective purchaser questionnaire, subscription agreement; 81 Marv Miller-Prospective purchaser questionnaire, subscription agreement, correspondence; 82 Craig Brown-Prospective purchaser questionnaire, subscription agreement; 84 Wayne Ledet, IRA-Prospective purchaser questionnaires, subscription agreement, correspondence, IRA application, First Trust Company of Onaga Purchase Authorization, First Trust Company of Onaga Transfer/Rollover form, Transfer on Death</p>			
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<p>Instruction; 85 Terry and Lil Lee-Subscription agreement; 86 Nancy Swirtz-Subscription agreement; 87 Stanley Schloz-Prospective purchaser questionnaire, subscription agreements; 88 Stanley Schloz, IRA-First Trust Company of Onaga Purchase Authorization, Subscription agreements; 93 Bill Hughes-Subscription agreement; 94 Valerie Paxton-Prospective purchaser questionnaire, subscription agreements; 95 Wayne Ledet-Subscription agreements; 96 Craig Hood-Subscription agreements; 97 Leslie Jones, IRA-Mainstar Trust Change of Ownership Request, Irrevocable Stock/Bond Power, Densco note, Subscription agreement; 98 Anthony Burdett-Prospective purchaser questionnaire, subscription agreements, First Trust Company of Onaga Purchase Authorization, First Trust Company of Onaga IRA application, First Trust Company of Onaga Transfer/Direct Rollover Request, First Trust Company of Onaga Purchase Authorization; 99 Mary Schloz-Subscription agreements, First Trust Company of Onaga Sale Authorization; 100 Marlene Pearce-Subscription agreements, Promissory Note, Prospective purchaser questionnaire, Equity Trust Company Note Modification Form; 101 Bill Alber-Prospective purchaser questionnaire, subscription agreement; 102 Stacy Grant-Subscription agreements, First Trust Company of Onaga Transfer/Direct Rollover Request, Merrill Lynch statement, First Trust Company of Onaga IRA application, First Trust Company of Onaga Purchase Authorization, Prospective purchaser questionnaire, W-9; 103 Gretchen Carrick-Prospective purchaser questionnaire, subscription agreement; 104 Ralph Hey-Prospective purchaser questionnaire, subscription agreements; 105 Jeff Phalen, IRA-Subscription agreements, First Trust Company of Onaga Transfer/Direct Rollover Request, First Trust Company of Onaga IRA application; 106 Jolene Page-Prospective purchaser questionnaire, subscription agreements; 107 Brian Odenthal, IRA-Subscription agreements, W-9; 110 Todd Einck-Subscription agreements; 111 Averill Cate-Prospective purchaser questionnaire, subscription agreements; 112 JoAnn Sanders-Prospective purchaser</p>			
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<p>questionnaire, subscription agreements; 113 Kaylene Moss, IRA-Subscription agreements, W-9, First Trust Company of Onaga Purchase Authorization, First Trust Company of Onaga Transfer/Direct Rollover Request, First Trust Company of Onaga IRA application; 114 Van Butler, IRA-Subscription agreements, First Trust Company of Onaga Purchase Authorization; 115 Mary Butler, IRA-Subscription agreements, First Trust Company of Onaga Purchase Authorization; 116 Robert Lawson-Prospective purchaser questionnaire, subscription agreements; 118 Kennen Burkhardt, IRA-Subscription agreements, W-9, First Trust Company of Onaga Transfer/Direct Rollover Request, correspondence, Densco note; 119 Amy Dirks, IRA-Subscription agreements, First Trust Company of Onaga Purchase Authorization, First Trust Company of Onaga Transfer/Direct Rollover Request, First Trust Company of Onaga IRA application, Prospective purchaser questionnaire, US Bankcorp retirement plan statement; 120 Mike Scroggin-Prospective purchaser questionnaire, subscription agreement; 121 Wayne Ledet, Roth IRA-Subscription agreements, First Trust Company of Onaga Purchase Authorization, First Trust Company of Onaga Transfer/Direct Rollover Request, First Trust Company of Onaga IRA application; 122 Russell Griswold-Subscription agreements; 123 James Jetton, Roth IRA-Prospective purchaser questionnaire, subscription agreement, Prospective purchaser questionnaire; 124 Mike Scroggin, Roth IRA-Subscription agreements; 125 Annette Scroggin, Roth IRA-Subscription agreements; 126 Michael Scroggin, IRA-Subscription agreements, First Trust Company of Onaga Purchase Authorization, First Trust Company of Onaga Transfer/Direct Rollover Request; 127 Herb and Eileen Cohen-Voided check (Bank of America a/c Cohen Revocable Trust dtd6/3/04), Subscription agreements, Prospective purchaser questionnaire; 128 Annette Scroggin, IRA-Subscription agreements, First Trust Company of Onaga Purchase Authorization, First Trust Company of Onaga Transfer/Direct Rollover Request; 130 Don Sterling-Prospective purchaser questionnaire, subscription agreement; 131</p>			
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<p>Pete Rzonca-Voided check (Wells Fargo a/c Kay and Pete Rzonca), Subscription agreements, Prospective purchaser questionnaire; 133 Tom Byrne-Prospective purchaser questionnaire, subscription agreement; 134 Steve Bunger-Subscription agreements, Densco notes, Prospective purchaser questionnaire; 135 GB 12, LLC-Subscription agreement; 136 Bradley Dirks, IRA-Subscription agreements, First Trust Company of Onaga Purchase Authorization, First Trust Company of Onaga Transfer/Direct Rollover Request, Fidelity 401k statement; 137 Brian Wenig-Prospective purchaser questionnaire, subscription agreement, Certification of trust, correspondence; 139 Dupper Living Trust-Prospective purchaser questionnaire, subscription agreement; 140 Erin Carrick-Prospective purchaser questionnaire, subscription agreement; 141 Bunger Estate-Prospective purchaser questionnaire, subscription agreement; 148 Angels Investments, LLC, Yusuf Yildiz-Two cancelled checks (\$100k apiece), Prospective purchaser questionnaires, subscription agreement; 143 Barry Luchtel-Prospective purchaser questionnaire, subscription agreement; 144 Landon Luchtel-Prospective purchaser questionnaire, subscription agreement; Sundance Debt Partners, LLC-Prospective purchaser questionnaire; 145 Thomas Weiskopf, IRA-Subscription agreement, W-9; 146 Laurie Weiskopf, IRA-Subscription agreement, W-9; 109 James Trainor-Subscription agreements, Prospective purchaser questionnaire; 2016 Expenses-Variou invoices; 2016 First Bank-Two returned/rejected transaction listing documents, voided Densco check, deposit receipt; Fed Tax FICA-Electronic Federal Tax Payment System (EFTPS) enrollment docs; AZ State Unemployment Tax-Internet wage reporting forms, AZ DES notice of delinquent reports, Determination of unemployment tax rate reports, AZ DES report of changes forms; AZ Tax-AZ Dept. of Revenue Notice of Employer Withholding Identification Number, correspondence, AZ New Hire Reporting Program brochure; Loose papers--no file folder-Subscription agreement for Wayne Ledet Revocable Trust, Densco note for same, Subscription agreement for Mainstar Trust, fbo Amy Dirks, Densco note for same; Densco Corp</p>			
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	(manila envelope)-Articles of Amendment, Articles of Incorporation, Certificate of Corporate Resolution, Bylaws of Densco Corp, Blank Subscription agreement and Prospective purchaser questionnaire; 3.5-inch black floppy disk (loose)-No label			
61	Access box; Loan files: 4719, 5763, 5749, 5728, 5748, 5756, 5007, 5658, 5657, 5656, 5655, 5660, 5654, 5652, 5650, 5649, 5647, 5653, 5648, 5643, 5646, 5644, 5245, 5638, 5626, 5644, 5641, 5642, 5780, 5781, 5779, 4482, 5806, 5778, 5777, 5775, 5766, 5772, 5757, 5762, 5809, 5808, 5767, 5759, 5776, 5084, 4484, 5372, 5753, 4979, 5740, 5737, 5733, 5787, 5783, 5734, 5738, 5604, 5591, 5602, 5610, 5609, 5611, 5587, 5584, 5585, 5994, 5578, 5582, 5581, 5761, 5993, 4409, 5564, 5598, 4903, 5576, 5755, 5600, 5747, 5786, 5592, 5739, 5383, 5732, 5729, 5276, 5774, 5570, 5773, 5771, 5580, 5770, 5579, 5769, 5768, 5754, 5575, 5571, 5586, 5599, 5633, 5632, 5309, 5620, 5631, 5608, 5628, 5629, 5627, 5621, 5619, 5621, 5617, 3364, 5289, 5248, 5606, 5615, 5630, 5605, 5616, 5618, 5612, 4644, 5336, 5335, 4554, 5347, 5339, 5348, 5343, 4958, 3610, 4718, 5330, 5340, 4599, 5337, 4956, 5359, 5352, 5350, 4884, 5328, 5360, 5349, 5344, 5331, 4963, 5342, 5346, 4953, 5353, 4959, 5368, 5364, 5358, 4688, 5351, 5345, 5361, 4954, 4541, 5370, 5365, 5363, 5103, 5369, 4776, 5366, 4585, 4574, 5371, 4966, 4962, 5382, 5378, 5376, 5375, 4913, 5374, 4964, 5373, 5381, 5380, 4481, 5185	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
62	Access box; Loan files: 5478, 5481, 5477, 5485, 5167, 5466, 5488, 4804, 4732, 6143, 6129, 6128, 6141, 6130, 6127, 6155, 6118, 6119, 6186, 4578, 6076, 6074, 6075, 6111, 6052, 6085, 6082, 6072, 6053, 6055, 4938, 6047, 6044, 6058, 6071, 6068, 6059, 6046, 6028, 6016, 6042, 6038, 6084, 6033, 6051, 6043, 6041, 6069, 6064, 6066, 6034, 6029, 6040, 6060, 6056, 6057, 6032, 6020, 6024, 6039, 6050, 6023, 6049, 6031, 6048, 6011, 6005, 6067, 6017, 6030, 6013, 5818, 5817, 5814, 5811, 5810, 5860, 5803, 5802, 4504, 5844, 5839, 5838, 5797, 5820, 5804, 5841, 5852, 5387, 5795, 5836, 5834, 5799, 5164, 5476, 5479, 5482, 5471, 5473, 5465, 5460, 5472, 5459, 5458, 5798, 5835, 5792, 5790, 5826, 5791, 5784, 5789, 5793, 5788, 5837, 5829, 5796, 5785, 5782, 5800, 5720, 5715, 5551, 5714, 5565, 5290, 5573, 5722, 5719, 5718, 5713, 5711, 5710, 5708, 5707, 5709, 5705, 5704, 5703, 5702, 5699, 5698, 5697, 5695, 5690, 4627, 5752, 5693, 5691, 5667,	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	

	5696, 5688, 5687, 5685, 5683, 5684, 5692, 5682, 5681, 5680, 5674, 5677, 5676, 5689, 5417, 5673, 5686, 5671, 5669, 5666, 5665, 5664, 5663, 5670, 5668, 5675, 5662, 5661, 5659, 5746, 5558, 5744, 5577, 5735, 5730, 5568, 5572, 5601, 5760, 5750, 5742, 5552, 5726, 5559, 5725, 5567, 6835, 5566, 5721, 5110, 5743, 5717, 5745, 5723, 4863, 5639, 5640			
	<p><u>Investor Files/Closet; Subscription Agreements for the following investors:</u> 2 Paul Kent; 3 Eldon Chittick; 4 Mike Gumbert; 5 Rob Brinkman; 6 Brian Odenthal; 10 Nihad Hafiz; 13 Kennen Burkhardt; 15 Dale Hickman; 17 Steve Tuttle; 18 Tom Smith ; 20 Glen Davis; 21 Mark Wenig; 24 Robert & Elizabeth Hawn Family Trust; 25 Jack Davis; 26 Arden Chittick; 27 Dave DuBay ; 28 Carol Wellman; 29 Warren Bush; 31 Doris Howze; 32 Russ Griswold; 33 Wellman Family Trust; 35 Wade Underwood; 36 Manuel Lent, IRA; 38 William Lent, IRA; 41 Tony Smith; 42 Jeff Phalen; 43 Robert Koehler, IRA; 45 Bill Hughes; 46 Judy Hughes; 47 Bill and Jean Locke; 48 Caro McDowell; 49 DoriAnn Davis; 50 Leslie Jones; 51 Stewart Sherriff; 52 Satellite, LLC; 53 Kevin Potempa; 55 Bill Swirtz; 57 Jim McCoy; 58 Dave Preston; 61 Scott Detota; 64 Brian Imdieke; 65 Terry Lee, The Lee Group; 66 Jemma Kopel; 67 Carsyn Smith; 68 McKenna Smith; 69 Coralee Thompson; 71 Ralph Kaiser; 72 Gary Thompson; 73 Van Butler; 75 Jim McArdle; 76 Tom Smith, IRA; 79 Carol William, IRA; 80 Michael Zones; 81 Marv Miller; 82 Craig Brown; 84 Wayne Ledet, IRA; 85 Terry Lee; 86 Nancy Swirtz; 87 Stanley Schloz; 88 Stanley Schloz, IRA; 89 Stanley Schloz, Roth IRA; 90 Marion Minchuk; 93 Bill Hughes; 94 Smalerie; 95 Wayne Ledet; 96 Craig Hood; 98 Anthony Burdett; 99 Mary Schloz; 100 Marlene Pearce; 101 Bill Alber; 102 Stacy Grant; 104 Ralph Hey; 105 Jeff Phalen; 106 Jolene Page; 106 Jolene Page; 107 Brian Odenthal, IRA; 109 James Trainor; 110 Todd Einck; 111 Averill Cate; 112 JoAnn Sanders; 113 Kaylene Moss, IRA; 116 Robert Lawson; 117 Fischer Family Holdings; 118 Kennen Burkhardt, IRA; 119 Amy Dirks, IRA; 120 Mike Scroggin; 121 Wayne Ledet, Roth IRA; 122 Russell Griswold; 123 James Jetton; 124 Mike Scroggin, Roth IRA; 125 Annette Scroggin, Roth IRA; 126 Michael Scroggin, IRA; 127 Herb Cohen; 128 Annette</p>	Gammage and Burnham boxes-“Old” Investor files received 8/24/16	Simon Consulting, LLC	

	<p>Scroggin, IRA; 130 Donald Sterling; 131 Pete Rzonca; 132 Weiskoph Family Trust; 133 Thomas Byrne; 134 Steve Bunger; 135 GB 12, LLC; 137 Brian Wenig; 139 Russ Dupper; 140 Erin Carrick; 142 Yusuf Yildiz; DC-Stubs for check # 2308, 2310, 2283; 9 Gary Siegford-</p> <p>Subscription agreements, Densco statements; 11 Vince Muscat-Subscription agreements, Densco note; 14 Moss Family Trust-Subscription agreements, Court documents regarding garnishment; 56 Glen Davis, IRA-Subscription agreements, First Trust Company of Onaga Purchase Authorization; 62 Mary Kent-Subscription agreements, First Trust Company of Onaga Transfer/Direct Rollover Request, First Trust Company of Onaga Purchase Authorization, First Trust Company of Onaga Transfer Letter, First Trust Company of Onaga Withdrawal Request, First Trust Company of Onaga Change of Beneficiary, Traditional IRA Financial Disclosure, First Trust Company of Onaga Trading Authorization, First Trust Company of Onaga Sale Authorization, First Trust Company of Onaga Transaction Advise, IRA Rollover Certification, correspondence; 70 Roy Kopel-Subscription agreements, First Trust Company of Onaga Purchase Authorization, Densco note; 97 Leslie Jones- Subscription agreements, First Trust Company of Onaga Transfer/Direct Rollover Request, Densco note (copy), W-9, First Trust Company of Onaga Purchase Authorization, First Trust Company of Onaga Roth IRA Application</p>			
64	<p>Employee Files: Akers, Zachary; Almeida, Lluvia Marisol; Amoroso, Giuseppe; Amoroso, Agatino (Dino); Amoroso, Luciano; Avita, Carlos; Ayon, Vianey; Baker, Caleb; Banuelos, Edgar (Alex); Baratto, Salvatore; Borja, Angel; Borja, German; Brown, Mike; Bulfair, Gary; Campa, Steisy; Cardo, Salvatore; Cardona, Jesus; Carlos, Chuck; Castro, Alexandra; Castro, Blanca; Castro-Gutierrez, Veronica; Cervantes, Richard; Chagolla, Angelo; Chalmers III, Paul; Chevalier, Steven; Cintron, Francisco; Cobb, Caleb; Coffin, Jared; Contreras, Ricardo; Cook, Linda; Cota, Javier; Cuspard, Otis; Dalby, John; Delgado, Santiago; Dear, Antonio; Dickson, Vanessa; Dirks, Jeremy; Dominguez, Isaac; Dominguez, Jeremias; Duarte, Abraham; Enos, Ronald; Enriquez, Francisco; Esquer, Jesus; Flores, Jose;</p>	<p>Furniture King Store(Bell location) boxes received 9/22/16</p>	<p>Simon Consulting, LLC</p>	

<p>Frankel, Harry (Bill); Galeano, Mariah; Garcia, Alma; Gil-Richard, Jocelyn; Goode, Alexander; Gutierrez, Isaiah; Hakimzadeh, Jack; Hamilton, Erika; Hannon, Regina; Harris, Israel; Hartt, Britan; Hayes, Jennifer; Hayes, Mark; Hernandez, Mary; Horne, Anthony; Hofmann, Kelli; Jackson, Melissa; James, Lionel; Jordan, Tracey; Kerbs, Alejandrina; Jon Kirkby; Komorowski, Renee; Kowall, Paul; Ledezma, Rafael; Lipari-Menaged, Francine; Martin, Amber; Martinez, Alejandro; Martinez, Esmeralda; Martinez, Jasmine; Martinez, Ruben; Mata, Steven; Medina, Sergio; Medrano, Francisco; Melou, Ashur; Menaged, Jess; Menaged, Michelle; Vasquez, Merina; Merjech, George; Morales, Jose; Moss, Karen; Neptune, Stephen; Olivas, Jesus; O'Sullivan, Daniel; Parker, Paul; Pena, Alberto; Porcayo, Andres; Presley, Prince; Pursel, Ernesto; Rames, Keaton; Rice, Jason; Rise, Shakia; Ritchie, Brian; Renteria, Javier; Rodriguez, Mario; Rogers, Winifred (Terrell); Romeo-Torres, Jose; Romeo, Andy; Romeo Rubio, Salvador; Romero, Luis; Romero, Magdalena; Romero, Salvador; Smith, Hugh; Suastegui, Jonathan; Tabanico, Francisco; Tabanico, Ricardo; Tinsley, Jacob; Trotter, Bobbie; Torres, Antonio; Vidal, Albert; Villegas, Karen; Washington, Rod; Welsh, Christopher; Williams, Dennis; Williams, Jermaine; Wood, Noel; Yeoman-Bargar, Colin; Rosen, Jeremy; Roud, Jeremy; Sanchez, Claudia; Sandretto, Christina; Schenkman, Jared; Schultz, Jason; Sepulveda, Mario; Serrano, Paul; Serrano, Xochitl; Shelley, Betty; Shelley, Racquel; Shelley, Richard; Walker, Charles; Cowner, Valerie</p> <p>Employee W-2s: Britan M Hartt; Caleb R Baker; Albert V Vidal; Richard C Shelley; Xochitl Serrano; Edgar M Banuelos; George Merjech; Jeremy D Roud; Alberto A Pena; Alma Y Garcia; Jeremias E Dominguez; Dennis J Williams; Bobbie L Trotter; Jasmine Martinez; Hugh Smith; Mary Hernandez; Jose Morales; Andy Romero; C Brian Ritchie; Paul A Chalmers; Hugh Smith; Edgar G Aguilar; Stephen Nuptune; Alejandro Martinez; Mariel Quezada; Mario Rodriguez; Jeremy Dirks; Andres Porcayo; Christiana M Freire; Gary T Bulfair; Chuck E Carlos; Blanca Castro; Francisco Cintron; Steven M Chevalier; Javier A Cota-Renteria; Santiago E Delgado; Abraham R Duarte; Alexander W Goode; Jack Hakimzadeh; Jose Morales;</p>			
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	Karen L Moss; Claudia P Sanchez; Jason M Schultz; Mario A Sepulveda; Jacob F Tinsley; Rod K Washington; Agatino Amoroso; Giuseppe Amoroso; Esmeralda Martinez; Jess Menaged; Michelle Menaged; Keaton D Rames			
66	<p>HOA Notices/Litigation: Court Document: Rancho Gabriela HOA vs. AZ Home Foreclosures LLC-10/26/2015-Litigation for unpaid assessments. Note on document reads "Sent settlement request of \$1,000 on 11/06. Denied Settlement."; Correspondence-7/16/2014-Letter from Mack Watson & Stratman, PLC to Easy Investments regarding outstanding balance of \$3,027.90 for Encanto Garden Townhouses HOA; Correspondence-2/17/2015-Letter from AAM, LLC to Easy Investments regarding outstanding balance of \$868 for Travis Park HOA. Note on letter reads "Offered \$700 3/19 Declined"; Correspondence-4/6/2015- Letter from Arrowhead Ranch HOA to Arizona Home Foreclosures regarding outstanding balance of \$581.91; Park Wood Ranch HOA Invoice-3/30/2015-Addressed to Arizona Home Foreclosures. \$1,645 amount due; Correspondence-7/27/2015-Letter from Ladera Vista HOA to Easy Investments regarding outstanding balance of \$1,035 for Travis Park HOA; Court Document: Westcreek Villas HOA vs. Easy Investments, LLC-8/19/2015-Application for attorneys' fees and costs of \$1,313.10; Correspondence-8/20/2015- Letter from Rita West HOA to Easy Investments regarding outstanding balance of \$2,075.17; Court Document: Westcreek Villas HOA vs. Easy Investments, LLC-8/20/2015-Order entering judgment for \$1,390; Maricopa County Justice Courts Judgment-8/18/2015-Judgment ordering Easy Investments to pay Riata West HOW \$2,075.17; Correspondence-8/31/2015-Letter from Arizona Corporation Commission to Arizona Home Foreclosures documenting that a summons and complaint regarding Rancho Gabrielda HOA was served. Court documents attached; Correspondence-9/8/2015-Letter from Mulcahy Law Firm to Easy Investments regarding outstanding balance of \$2,423.97 for Canyon Trails HOA; Correspondence-9/11/2015-Letter from Mulcahy Law Firm to Easy Investments regarding judgment awarded for an outstanding balance of</p>	Furniture King Store(Bell location) boxes, Easy Investments and Arizona Home Foreclosures correspondence and documents on judgements, liens, etc. Received 9/22/16		

<p> \$3,031.10 for Westcreek Villas HOA; Correspondence-9/10/2015-Letter from Brown, Olcott, PLLC to Arizona Home Foreclosures regarding lien placed upon 707 E Potter Dr for an outstanding balance of \$838.50 for Arroyo Rojo HOA; Correspondence-9/11/2015-Letter from Mulcahy Law Firm to Easy Investments regarding judgment awarded for an outstanding balance of \$3,031.10 for Westcreek Villas HOA; Court Document: Biltmore Gardens HOA vs. Easy Investments, LLC-9/21/2015-Affidavit in support of attorneys' fees and costs for writ of garnishment in the amount of \$2,466.80; Court Document: Award for Biltmore Gardens HOA vs. Easy Investments, LLC-10/26/2015-Amount of \$2,466.80 awarded to plaintiff; Correspondence-4/8/2015-Letter from AAM, LLC to Arizona Home Foreclosures regarding outstanding balance of \$496.76 for Country Place HOA; Correspondence-4/13/2015-Letter from AAM, LLC to Easy Investments regarding outstanding balance of \$1,209 for Anasazi Village HOA; Correspondence-4/13/2015-Letter from Montana Vista HOA to Easy Investments regarding outstanding balance of \$564.80; Correspondence-2/17/2015-Letter from Mulcahy Law Firm to Easy Investments regarding outstanding balance of \$669.50 for Westcreek Villas HOA; Correspondence-2/3/2015-Letter from The Travis Law Firm to Arizona Home Foreclosures regarding outstanding balance of \$655.40 for Hurley Ranch HOA; Correspondence-1/27/2015-Letter from Mark Vander Stoep Attorney at Law to Arizona Home Foreclosures regarding outstanding balance of \$552.50 for Rancho Gabriela HOA; Correspondence-2/25/2015-Letter from Brown, Olcott, PLLC to Easy Investments regarding outstanding balance of \$1,172.84 for Watson Estates HOA. Note on letter states "Offered \$800 3/19 Declined"; Correspondence: Final Demand Notice-3/17/2015-Letter from Avalon Village to Arizona Home Foreclosures regarding outstanding balance of \$2,082.80. Note on letter states "Offered \$1,600 3/19"; Correspondence-4/30/2015-Letter from Mulcahy Law Firm to Easy Investments regarding outstanding balance of \$1,087 for Westcreek Villas HOA; Correspondence: Notice of Property Lien-4/21/2015-Letter from Sienna Community </p>			
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	<p>Association to Easy Investments regarding lien filed for unpaid balance of \$695.20. Court document attached: Notice and Claim of Lien by Homeowners' association; Correspondence: Intent to Sue-5/1/2015-Letter from ParkWood Ranch HOA to Arizona Home Foreclosures regarding outstanding balance of \$1,875; Maricopa County Justice Courts Judgment - 5/11/2015-Judgment ordering Easy Investments to pay Riata West HOA \$2,075.17; Court document: Westcreek Villas HOA vs. Easy Investments-6/2/2015-Summons; Court document: Westcreek Villas HOA vs. Easy Investments,- 7/14/2015-Affidavit in support of application for default; Court document: Westcreek Villas HOA vs. Easy Investments-7/14/2015-Application for default and entry of default; Court document: Westcreek Villas HOA vs. Easy Investments-7/14/2015-Affidavit in support of application for default; Court document: Westcreek Villas HOA vs. Easy Investments-7/14/2015-Application for default and entry of default; Notice of Lien--Easy Investments LLC-7/24/2015-Lien placed for \$1,593.31 judgment for Canyon Trails HOA; Correspondence: Lien letter-7/30/2015-Letter from Dove Valley Ranch Community Association to Easy Investments regarding the lien placed for the \$580.50 judgment; Correspondence-8/6/2015-Letter from AAM, LLC to Arizona Home Foreclosures regarding outstanding balance of \$833 for Mountain View Ridge HOA; Correspondence-9/19/2014-Letter from Carpenter Hazelwood PLC to Easy Investments regarding an outstanding balance of \$4,730.65 for Stetson Valley HOA. Note on letter reads "Offered \$3,700 9/22. Declined 10/14. Paid \$5,179.90 10/14"; Correspondence: Lien letter-9/24/2014-Letter from Westcreek Villas HOA to Easy Investments regarding the lien placed for the \$875.50 judgment. Note on letter reads "Paid 10/9"; Correspondence: Lien letter-9/24/2014-Letter from Cottonflower Goodyear HOA to Arizona Home Foreclosures regarding the lien placed for the \$633.44 judgment. Note on letter reads "Paid 10/9"; Correspondence: Lien letter-9/5/2014-Letter from Ladera Vista HOA to Easy Investments regarding the lien placed for the \$1,153 judgment. Note on letter reads "Offered \$700 9/18.</p>			
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<p>Declined. Paid 10/9"; Court Document: Release of Lien of Assessment-9/25/2014-Release of lien against Arizona Home Foreclosures by South Mountain Community Association; Correspondence-8/15/2014-Letter from Maxwell & Morgan P.C. to Easy Investments regarding an outstanding balance of \$5,817.78 for Canyon Crest at Scottsdale Horizon Association. Note on letter reads "Offered \$4,500 8/21. Accepted. Sent check"; Correspondence: Lien letter-8/27/2014-Letter from Laveen Meadows HOA to Arizona Home Foreclosures regarding the lien placed for the \$413.50 judgment. Note on letter reads "Offered \$300 9/10. Accepted. Paid 9/22"; Court Document: Sienna Community Association vs. Easy Investments LLC-2/13/2014-Summons and Complaint documents for an outstanding balance of \$2,425.26. Note on document reads "Sent offer of \$1600 8/7. Balsam. Paid 9/22"; Correspondence-8/22/2014-Letter from FirstService Residential to Easy Investments informing that the \$75 violation fine has been waved; Email-8/29/2014-Receipt showing Easy Investments paying \$3,091.04 to Sundance Residential Homeowners Association; Court document: Sundance Residential HOA vs. Easy Investments-9/10/2014-Notice of Dismissal; Correspondence: Satisfaction and Release of Lien-9/10/2014-Documents showing that Arizona Home Foreclosures has paid the balance due to Superstition Springs Community and thereby released the lien; Correspondence: Notice of Intent to Lien-7/7/2014-Letter from Palisades at Country Place to Arizona Home Foreclosures regarding an unpaid balance of \$453 and notification of an intent to place a lien on the property; Correspondence: Notice of Intention to Create Lien-8/15/2014-Letter from Mountain Gate Community Association to Arizona Home Foreclosures regarding an unpaid balance of \$466.19 and notification of an intent to place a lien on the property. Note on letter reads "Paid 8/25 \$453"; Correspondence: Lien Letter-6/25/2014-Letter from Dove Valley Ranch HOA to Easy Investments regarding an unpaid balance of \$395.50 and notification that a lien has been placed on the property. Note on letter reads "Emailed for amount. \$575.50. Paid 8/25"; Correspondence: Lien Letter-</p>			
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<p>8/13/2014-Letter from Montana Vista HOA to Arizona Home Foreclosures regarding an unpaid balance of \$384.85 and notification that a lien has been placed on the property. Note on letter reads "Paid." Receipt of electronic payment attached;</p> <p>Correspondence: Notice of Lien Recording-7/28/2014-Letter from Summit at South Mountain Community Association to Arizona Home Foreclosures regarding an unpaid balance of \$1,856.13 and notification that a lien has been placed on the property. Note on letter reads "Offered \$1,000 8/26. Paid 8/25 payment plan. \$898.07 8/29, \$509.03 9/30, 509.03 10/31"; Court Document: Anthem Parkside Community Association vs. Arizona Home Foreclosures-6/29/2014-Notice of Voluntary Dismissal; Court Document: Los Paseos Condominium Owners Association vs. Easy Investments-8/11/2014-Notice of Voluntary Dismissal with Prejudice by Plaintiff; Account Statement: Redhawk at Rogers Ranch HOA-10/21/2013-Balance due of \$930.61. Note on statement reads "Properties in escrow 5/22; Court Document: Lindsay Ranch HOA vs. Arizona Home Foreclosures-5/5/2014-Notice and Claim of Lien; Court Document: Carriage Lane 10 HOA vs. Arizona Home Foreclosures-5/1/2014-Notice and Claim of Lien; Correspondence-5/15/2014-Letter from The Travis Law Firm to Arizona Home Foreclosures regarding outstanding balance of \$1,208 for Goldman Ranch HOA; Correspondence-3/14/2014-Letter from Mark Vander Stoep Attorney at Law to Arizona Home Foreclosures regarding outstanding balance of \$1,339.60 for Tartesso Community Association; Correspondence-7/2/2014-Letter from Ekmark & Ekmark LLC to Easy Investments regarding outstanding balance of \$1,277 for Grayhawk Community and \$1,607.39 for Retreat Village. Note on letter reads "Sold"; Court Document: Grayhawk Community vs. Easy Investments-4/22/2014-Notice and Claim of Lien. Note on document reads "Offered \$600 on 5/1. Declined. Requested payment plan. Sold"; Court document: Sundance Residential HOA vs. Easy Investments-7/31/2014-Notice of Dismissal; Court document: Marbeya Condominium HOA vs. Easy Investments-4/7/2014-Judgment of \$4,993.89. Note on document reads: "Offered \$4,000 5/15. E-</p>			
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<p>mailed 5/22, 5/28. Check from Magnus Title???? Paid by Magnus"; Court document: Anthem Parkside Community Association vs. Arizona Home Foreclosures-6/2/2014-Summons. Note on document reads: "6/19 Check back next week for payoff. 7/2 Offered \$3,000. Owe \$4,394.86. Accepted \$3,628.36"; Court document: Anthem Parkside Community Association vs. Arizona Home Foreclosures-5/20/20-14-Order to show cause; Court document: Anthem Parkside Community Association vs. Arizona Home Foreclosures-5/14/2014-Request for preliminary and permanent injunctions; Court document: Anthem Parkside Community Association vs. Arizona Home Foreclosures-5/14/2014-Plaintiff's request to schedule hearing Re: order to show cause; Court document: Anthem Parkside Community Association vs. Arizona Home Foreclosures-5/14/2014-Plaintiff's request to schedule hearing Re: order to show cause; Court document: Anthem Parkside Community Association vs. Arizona Home Foreclosures-5/14/2014-Verified complaint; Court document: Anthem Parkside Community Association vs. Arizona Home Foreclosures-5/14/2014-Certificate of compulsory arbitration; Court document: Northern Manor Two Townhouse Association vs. Easy Investments-7/11/2014 -Satisfaction of judgment; Correspondence: Satisfaction and Release of Lien-7/11/2014-Documents showing that Easy Investments has paid the balance due to Northern Manor Two Townhouse Association and thereby released the lien; Court document: Sundance Residential HOA vs. Easy Investments-1/12/2014 -Complaint. Note on document reads "Owe \$4,423.22. Offered \$3,000. Accepted \$3,200. Paid 7/11"; Court document: Sundance Residential HOA vs. Easy Investments-2/20/2014-Summons; Correspondence: Satisfaction and Release of Notice of Association Assessment Lien-7/1/2014-Documents showing that Arizona Home Foreclosures has paid the balance due to White Tank Foothills Community Association and thereby released the lien; Correspondence-5/9/2014-Letter from AAM, LLC to Easy Investments regarding outstanding balance of \$4,217.60 for Anasazi Village Condominiums HOA. Note on letter reads "Offered \$3,300 5/28.</p>			
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<p>Accepted 6/30. \$4,548.60 accepted. Waived \$785. Owe \$3,763.60 by July 30th"; Correspondence-6/10/2014-Letter from AAM, LLC to Easy Investments regarding outstanding balance of \$1,407.56 for Watson Estates HOA. Note on letter reads "Offered \$600 6/18. Waived \$400. Owe \$1,007.56"; Correspondence-6/11/2014-Letter from Vistancia Village HOA to Easy Investment regarding outstanding balance of \$2,543.17. Note on letter reads "Offered \$2,000 6/16. Paid 7/2"; Correspondence-9/19/2014-Letter from Carpenter Hazelwood PLC to Easy Investments regarding a CC&R violation in regards to turf in the front yard needing repairs; Correspondence-6/23/2014-Release of notice and claim of lien by Rancho Gabrielda for Arizona Home Foreclosures; Correspondence-6/23/2014-Release of notice and claim of lien by Lantana Village HOA for Easy Investments; Court Document: Latana Village HOA vs. Easy Investments-6/23/2014-Notice of Voluntary Dismissal Without Prejudice; Court Document: Dreaming Summit HOA vs. Arizona Home Foreclosures-6/23/2014-Notice of Voluntary Dismissal Without Prejudice; Court Document: Rancho Gabriela HOA vs. Arizona Home Foreclosures-6/23/2014-Notice of Voluntary Dismissal Without Prejudice; Correspondence-6/13/2014-Letter from Ekmark & Ekmark LLC to Easy Investments regarding receipt of a check for \$11,303.10 for Los Paseos Condos to bring account current; Correspondence: Satisfaction and Release of Lien-6/10/2014-Document showing that Arizona Home Foreclosures has paid the balance due to Sonoran Vista HOA and thereby released the lien; Correspondence-3/4/2014-Letter from CMCC to Easy Investments regarding outstanding balance of \$1,668.13 for Spectrum Community Association. Note on letter reads "Sent offer of \$1,100 4/17. Board meeting at the end of May 5/2. Re emailed 5/22. Should have an answer by 5/28. Re-emailed"; Correspondence-6/2/2014-Letter from The Spectrym at Val Vista to Easy Investments stating the \$1,100 offer (see above) was denied; Correspondence-5/6/2014-Letter from Courtyards at Northern HOA to Easy Investments regarding outstanding balance of \$920.19. Note on letter reads "5/22</p>			
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	<p>Offered \$700. Re-emailed 5/28. Won't settle"; Correspondence: Notice of Intention to Lien-5/31/2014-Letter from Pepperwood Townhomes HOA to Arizona Home Foreclosures regarding outstanding balance of \$621 and an intent to place a lien on the property; Correspondence-3/13/2014-Letter from Ekmark & Ekmark LLC to Easy Investments regarding outstanding balance of \$2,206 for Sienna Condominiums HOA. Note on letter reads "5/22 Offered \$2,000. Waiting for response from board"; Correspondence-5/7/2014-Letter from Carpenter Hazelwood PLC to Arizona Home Foreclosures regarding an outstanding balance of \$1,251.61 for Country Place Community Master Association. Note on letter reads "Offered \$800"; Correspondence: Lien Letter-5/19/2014-Letter from Canyon Trails HOA to Arizona Home Foreclosures regarding outstanding balance of \$1,041.87 and that a lien has been placed on the property. Note on letter reads "5/22 offered \$700. Won't settle"; Correspondence-4/14/2014-Letter from AAM, LLC to Arizona Home Foreclosures regarding outstanding balance of \$1,032.90 for White Tanks Foothills Community Association. Note on letter reads "Offer \$750 4/21. Sent email to board 5/2. Emailed 5/15 board meeting at end of month. Will receive something by mail. Contacted 5/28. Just pay"; Correspondence: Satisfaction and Release of Lien-6/2/2014-Letter from Glenhurst HOA to Easy Investments stating the account has been paid in full and the lien has been released; Correspondence-3/17/2014-Email from the Town of Buckeye to Jennifer Hayes regarding five Arizona Home Foreclosures and Easy Investments properties undergoing foreclosure collection process for total arrears of \$3,514.89. Note on email reads "Paid 3/18/14"; Correspondence: Demand Letter-1/7/2014-3 letters from Ladera Vista to Easy Investments regarding outstanding balance; MANY OTHER NOTICES/HOA DOCS; Utility Service Requests, Property violation notices, Auto King records, Employee forms</p>			
67	<p>Expando labeled, "Densco Investment Corporation-Blue Sky issues"; Folder titled Blue Sky issues-Correspondence; Folder titled Blue Sky issues-Memoranda; Expando labeled, "Densco Investment Corporation-</p>	<p>Clark Hill boxes received 10/14/16</p>	<p>Simon Consulting, LLC</p>	<p>Bates Stamp DIC0000001-0011917; Covers boxes #67-#72</p>

	General Corporate"; Folder titled General Corporate-Correspondence 2; Folder titled General Corporate-Memoranda; Expando labeled "Densco Investment Corporation-General Corporate"; Folder titled General Corporate-Correspondence; Folder titled General Corporate-Drafts; Folder titled General Corporate-Research; Folder titled General Corporate-Attorney Notes; Folder titled General Corporate-Client Documents; Folder titled General Corporate-Demand Letter-NYAZ Properties LLC; Folder titled General Corporate-Kaylene Moss Garnishment; Expando labeled "Densco Investment Corporation-2007 Private Offering"; Folder titled 2007 Private Offering-Correspondence; Folder titled Private Offering-Attorney Notes; Folder titled Private Offering-Drafts; Folder titled 2007 Private Offering-Legal			
68	Expando labeled "Densco Investment Corporation-2009 Private Offering Update-Drafts"; Expando labeled "Densco Investment Corporation-2009 Private Offering Update"; Folder titled 2009 Private Offering Update-Correspondence; Folder titled 2009 Private Offering Update-Memoranda; Folder titled 2009 Private Offering Update-Research; Folder titled 2009 Private Offering Update-Attorney Notes; Expando labeled "Densco Investment Corporation-2008 Private Offering"; Folder titled 2008 Private Offering-Correspondence; Folder titled 2008 Private Offering-Memoranda; Folder titled 2008 Private Offering-Drafts; Folder titled 2008 Private Offering-Legal; Folder titled 2008 Private Offering-Research; Folder titled 2008 Private Offering-Attorney Notes; Folder titled 2008 Private Offering-Due Diligence; Folder titled 2008 Private Offering-Client Documents; Expando labeled "Densco Investment Corporation-2007 Private Offering"; Folder titled 2007 Private Offering-Correspondence; Folder titled 2007 Private Offering-Attorney Notes; Expando labeled "Densco Investment Corporation-2007 Private Offering #2"; Folder titled 2007 Private Offering-Distribution Package dated 5/18/07 and 5/22/07; Folder titled 2007 Private Offering-Distribution Package dated 6/5/07; Folder titled 2007 Private Offering-Draft #2; Folder titled 2007 Private Offering-Draft #3	Clark Hill boxes received 10/14/16	Simon Consulting, LLC	Bates Stamp DIC0000001-0011917; Covers boxes #67-#72

69	<p>Expando labeled "Densco Investment Corporation-2013 Private Offering Memorandum"; Folder titled 2013 Private Offering Memorandum-Attorney Notes; Folder titled 2013 Private Offering Memorandum-Elizabeth Sipes Attorney Working File; Folder titled 2013 Private Offering Memorandum-Due Diligence; Folder titled 2013 Private Offering Memorandum-Correspondence; Folder titled 2013 Private Offering Memorandum-Drafts; Expando labeled "Densco Investment Corporation-Formation of Affiliated Entity with Partners"; Folder titled Formation of Affiliated Entity with Partners-Correspondence; Folder titled Formation of Affiliated Entity with Partners-Due Diligence; Expando labeled "Densco Investment Corporation-Garnishments"; Folder titled Garnishments-Correspondence; Folder titled Garnishments-Memorandum; Folder titled Garnishment-Legal; Expando labeled Densco Investment Corporations-AZ Practice Review; Folder titled AZ Practice Review-Correspondence; Folder titled AZ Practice Review-Drafts; Folder titled AZ Practice Review-Legal Research; Folder titled AZ Practice Review-Attorney Notes; Expando labeled "Densco Investment Corporation-2011 Private Offering Update"; Folder titled 2011 Private Offering Update-Correspondence; Folder titled 2011 Private Offering Update-Legal Research; Folder titled 2011 Private Offering Update-Attorney Notes; Expando labeled "Densco Investment Corporation-2011 Private Offering Update; Contents: Drafts of Private Offering Memorandum; Expando labeled "Densco Investment Corporation-2009 Private Offering Update"; Folder titled 2009 Private Offering Update-Correspondence; Folder titled 2009 Private Offering Update-Memorandum; Folder titled 2009 Private Offering Update-Legal; Folder titled 2009 Private Offering Update-Attorney Notes; Folder titled 2009 Private Offering Update-Research</p>	Clark Hill boxes received 10/14/16	Simon Consulting, LLC	Bates Stamp DIC0000001-0011917; Covers boxes #67-#72
70	<p>Expando labeled "Densco Investment Corporation-Workout of Lien Issue (43820.170082)"; Folder titled Workout of Lien Issue-Correspondence; Folder titled Workout of Lien Issue-Attorney Notes; Folder titled Workout of Lien Issues-Client Documents; Folder titled Workout of Lien</p>	Clark Hill boxes received 10/14/16	Simon Consulting, LLC	Bates Stamp DIC0000001-0011917; Covers boxes #67-#72

	Issues-Final Documents; Folder titled Workout of Lien Issue-Work Papers; Folder titled Drafts-DGB; Folder titled Workout of Lien Issue-Drafts; Expando labeled "Densco Investment Corporation-Workout of Lien Issue(43820.170082)-Correspondence #2"; Expando labeled "Densco Investment Corporation -Workout of Lien Issue(43820.170082)-Correspondence #3"			
71	Expando labeled "Densco Investment Corporation-Workout of Lien Issue(43820.170082)" Contents: Drafts of Term Sheet, Forbearance Agreement, Guaranty Agreement, Secured Line of Credit Promissory Note, Security Agreement; Folder titled DAS Working File(contains emails and draft agreements); Folder titled DAS Working File(contains drafts of Authorized Update, Forbearance Agreement, Confidentiality and Non-Disclosure Agreement); Expando labeled "Densco Investment Corporation-2003 Private Offering Memorandum"-this date on the label is incorrect, it should read 2013 and applies to all the contents within this expando; Folder titled 2003 Private Offering Memorandum-Correspondence; Folder titled 2003 Private Offering Memorandum-Correspondence; Folder titled 2003 Private Offering Memorandum-Work Papers; Folder titled 2003 Private Offering Memorandum-Drafts; Folder titled (handwritten) Densco PPM; Folder titled 2003 Private Offering Memorandum-Client Documents; Folder titled 2003 Private Offering Memorandum-Final Documents; Expando labeled "Densco Investment Corporation-Business Matters(43820.170145); Folder titled ADFI Response-Documents; Folder titled ADFI Response-Correspondence; Folder titled Business Matters-Attorney Notes; Folder titled Business Matters-Final Documents; Folder titled Business Matters-Drafts; Folder titled Business Matters-Client Documents; Folder titled Business Matters-Work Papers; Folder titled Business Matters-Correspondence	Clark Hill boxes received 10/14/16	Simon Consulting, LLC	Bates Stamp DIC0000001-0011917; Covers boxes #67-#72
72	Expando labeled "Densco Investment Corporation-Business Wind Down(43820.307376); Folder titled Business Wind Down-Correspondence; Folder titled Business Wind Down-Client Documents; Folder titled Business Wind Down-Attorney Notes; Folder titled Business Wind Down-Drafts; Folder titled	Clark Hill boxes received 10/14/16	Simon Consulting, LLC	Bates Stamp DIC0000001-0011917; Covers boxes #67-#72

	Business Wind Down-Documents; Expando labeled "Densco Investment Corporation-Business Wind Down(43820.307376)-Correspondence(1)"; Expando labeled "Densco Investment Corporation-Business Wind Down(43820.307376)-Correspondence(2)"			
73	1 Master CD-ROM of box contents scanned and Bates Stamped by ALTEP Digital Discovery; Box contents include: 13 CD-ROMs containing statements for: •Beneficial Finance LLC - #1-517-0572-2727 •Arizona Home Foreclosure LLC- #1-517-0572-2735 •Furniture King LLC - #1-517-0426-4440 •Easy Investments LLC - #1-517-0426-4457 •Yomtov & Francine Menaged - #1-517-0553-6416 Paper documents: Correspondence with US Bank, original subpoenas; Copies of signature cards, checks, withdrawals, deposits, cashier check purchases for the accounts	US Bank document production for Scott Menaged related entities received 11/17/16	Simon Consulting, LLC	Bates Stamp DIC0011918-0016612
74	Paper hard copies of US Bank statements for: •Beneficial Finance LLC - #1-517-0572-2727 •Arizona Home Foreclosure LLC- #1-517-0572-2735 •Furniture King LLC - #1-517-0426-4440 •Easy Investments LLC - #1-517-0426-4457 •Yomtov & Francine Menaged - #1-517-0553-6416 Paper hard copies of signature cards, checks, withdrawals, deposits, cashier check purchases for the accounts	US Bank document production for Scott Menaged related entities received 11/17/16	Simon Consulting, LLC	
75	1 Master CD-ROM of Chase boxes scanned and Bates Stamped (DIC0016613-0025330) by ALTEP Digital Discovery: •Arizona Home Foreclosures LLC - #582551151 •Yomtov S Menaged - #590218371(Checking) • Yomtov S Menaged - #3317775525(Savings) • Yomtov S Menaged - #663708290(Checking) •Furniture King LLC - #904531381 •Furniture King LLC - #788855893 •Scott's Fine Furniture LLC - #817256758 Paper copies of signature cards, statements, wires, deposits, checks and withdrawals for: •Arizona Home Foreclosures LLC - #582551151	Chase Bank document production for Scott Menaged related entities received 1/15/07	Simon Consulting, LLC	Bates Stamp DIC0016613-0020261
76	Paper copies of signature cards,	Chase Bank document	Simon Consulting,	Bates Stamp

	statements, wires, deposits, checks and withdrawals for: <ul style="list-style-type: none"> ● Arizona Home Foreclosures LLC - #582551151(continued) ● Yomtov S Menaged - #590218371(Checking) ● Yomtov S Menaged - #3317775525(Savings) ● Yomtov S Menaged - #663708290(Checking) ● Furniture King LLC - #904531381 	production for Scott Menaged related entities received 1/15/07	LLC	DIC0020262-0023577
77	Paper copies of signature cards, statements, wires, deposits, checks and withdrawals for: <ul style="list-style-type: none"> ● Furniture King LLC - #904531381 ● Furniture King LLC - #788855893 ● Scott's Fine Furniture LLC - #817256758 	Chase Bank document production for Scott Menaged related entities received 1/15/07	Simon Consulting, LLC	Bates Stamp DIC0023578-0025330
78	Tidewater Finance Company; Customer financial paperwork 12/13 – 3/15	Furniture King Store(Bell location) boxes received 9/22/16	Simon Consulting, LLC	
79	Accounts Payable for various Menaged entities 4/14 – 10/15	Furniture King Store(Bell location) boxes received 9/22/16	Simon Consulting, LLC	
80	Customer Invoices(2015-2016), Sign-in sheets, Miscellaneous notebooks & loose papers	Furniture King Store(Bell location) boxes received 9/22/16	Simon Consulting, LLC	
81	Multiple property files, Customer sign-in sheets	Furniture King Store(Bell location) boxes received 9/22/16	Simon Consulting, LLC	
82	Customer credit applications, Menaged divorce folder, Beneficial Financial LLC folder, Menaged mortgage docs (10510 E. Sunnyslope),	Furniture King Store(Bell location) boxes received 9/22/16	Simon Consulting, LLC	
83	Customer invoices 2012 – February 2015	Furniture King Store(Bell location) boxes received 9/22/16	Simon Consulting, LLC	
84	Property files: <ul style="list-style-type: none"> ● 2025 N.106th Dr. ● 23805 N. Papago St. ● 15835 N. 47th St. ● 3826 E. Palmer St. ● 1814 E. Kenwood St. ● 1020 E. Osborn Rd. #A ● 3938 N. Sapphire ● 18131 N. Roth Ave. ● 5357 S. Ranger Trail ● 320 S. 70th St. #9 Plus many others	Furniture King Store(Bell location) boxes received 9/22/16	Simon Consulting, LLC	
85	Property files, Payroll taxes, Rental property files, Miscellaneous utility bills, Blank forms, 2014 Payroll journals,	Furniture King Store(Bell location) boxes received 9/22/16	Simon Consulting, LLC	
86	Customer invoices, Credit applications	Furniture King Store(Bell location) boxes received 9/22/16	Simon Consulting, LLC	
87	Intentionally skipped for now			
88	● DenSco Bank of America statements for	Gammage and	Simon Consulting,	

	account #004672028555 covering 2012, 2013, 2014 ●DenSco Bank of America statements for account #004657167509 covering 2012, 2013, 2014; Folder labeled Expenses 2012; Folder labeled 2012 940, 941, AZ State; Folder labeled Accounting 2012; Other tax and accounting files for years 2012, 2013, 2014; Folder labeled FICA;	Burnham boxes received 8/26/16	LLC	
89	Past Investor files	Gammage and Burnham boxes received 8/24/16	Simon Consulting, LLC	
90	Furniture price lists; Customer invoices & credit applications; Consumer complaints; Employee files	Furniture King Store(Bell location) boxes received 9/22/16	Simon Consulting, LLC	
91	Property lease files; Eviction files 2011, 2012, 2013, 2014, 2015	Furniture King Store(Bell location) boxes received 9/22/16	Simon Consulting, LLC	
92	Property lease files	Furniture King Store(Bell location) boxes received 9/22/16	Simon Consulting, LLC	
93	Notice of default letter; Vendor invoices; Original re-finance documents for Sunnyside property; Forbearance agreement between AHF, Furniture King, Scott Menaged and DenSco-executed except by DenSco; Purchase contracts-4 properties, appears the seller is AHF	Furniture King Store(Van Buren location) boxes received 10/4/16	Simon Consulting, LLC	
94	Main desk files: Miscellaneous, DenSco, Scott's Fine Furniture, Furniture & Electronics King, American Furniture, Auto King, Beneficial Finance, AZ Home Foreclosures, Lease Files:-5905 W. Bell Rd., 13350 W. Van Buren, 424 W. Thomas Rd., 7320 W. Bell Rd., 64 N. 45 th Ave., 1660 S. Alma School, 6905 W. Bell Rd., Furniture King, Auto King: 2015 1099 Forms, Menaged's DL, Veronica's personal, Veronica's paystubs, Veronica's notary and Real Estate license, Veronica's Marriage certificate, Tempoe, Gafco, Sandberg, Auto King-Francine Menaged, Consumer complaint, Furniture King-Liquidation sale, Penske Truck Rental, Advertising, Customer applications, B of A Merchant Services account, Insurance-Workers comp, Business insurance-Allstate, Coaster, Miscellaneous employee paperwork, Auto King logs, Furniture store list, Office supply orders, Tidewater, Beneficial Finance loans to 3 rd parties, Alexandra Castro auto loan, Sales/TPT tax 2013, 2014, 2015	Furniture King Store(Van Buren location) boxes received 10/4/16	Simon Consulting, LLC	
95	CD containing documents produced by Scott Menaged in response to Receiver's 2004 request for production; CD containing	Schian Walker, PLC; Chandler Police Dept.; Gammage & Burnham,	Simon Consulting, LLC	

<p>photos from the police investigation surrounding Denny Chittick's death; Death Investigation Report from the police investigation surrounding Denny Chittick's death; 10/24/16 cover letter, privilege log, and hard drive containing Denny Chittick's Yahoo emails; USB drive containing electronic Bates labeled copies of DenSco and selected Furniture King records scanned by the ACC (duplicate of hard copies); Clark Hill, PLC billing statements; Bank statements and correspondence for the DenSco Defined Benefit Pension Plan's FirstBank account ending in 1963; Bank statements, canceled checks, detailed wire spreadsheets, and correspondence for DenSco's FirstBank account ending in 5264; Mainstar Trust billing statements and correspondence; Undated letter (rcvd 02/27/17) regarding Mortgage on property at 5219 E Anderson Dr, Scottsdale, AZ; 08/23/16 letter from the Office of the Arizona Attorney General regarding Jolene Page Walker; 10/04/16 letter from the Office of the Arizona Attorney General regarding Jolene Page Walker; 05/25/12 Petition for Dissolution of Marriage in re: Ranasha Dawn Chittick, Petitioner, and Denny Jeff Chittick, Respondent; Various original deposited checks from Denny Chittick's office; Corporate records for Furniture King, LLC including Articles of Organization, litigation documents re: Michael Evans, litigation documents re: Transamerican Capital, LLC; Contents from the box held in the dryer at the residence of Denny Chittick's parents (excluding cash); Miscellaneous documents found under files in Denny Chittick's desk drawer, including request for credit information; complaint re: Bruce Church; notice of trustee's sale; etc.; Miscellaneous documents received from investors: BLL Capital, LLC c/o Barry Luchtel; Rob Brinkman; Craig & Tomie Brown; Anthony Burdett; Dori Ann Davis; Glen Davis; Jack Davis; Amy Dirks; Judy Hughs; Paul Kent; Wayne Ledet; LJI Capital, LLC c/o Landon Luchtel; Jim McArdle; Brian Odenthal; Jeff Phalen; Michael & Annette Scroggin; Stewart Sherriff; Branson (aka Tony) & Sandra Smith; Don Sterling; Gary & Coralee Thompson; Stephen Tuttle; Wade Underwood; Form 1120S US Income Tax Returns for DenSco Investment Corporation for 2011-</p>	<p>PLC; Arizona Corporation Commission; Clark Hill, PLC; FirstBank; Mainstar Trust; Campbell & Coombs, PC; Arizona Attorney General; Clerk of the Maricopa County Superior Court; Shawna Heuer; Various Investors; Internal Revenue Service; Internal Revenue Service (via Lisa Reilly, Esq.); David Preston of Preston CPA, PC</p>		
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	2015; IRS correspondence and Form 1120S Tax Return Transcripts for DenSco Investment Corporation for 2013-2015; K-1 and 1099 Form Transcripts for DenSco Investment Corporation for 2011-2015; IRS fax coversheets to Lisa Reilly and Form 1120S Tax Return Transcripts for DenSco Investment Corporation for 2014; K-1 and 1099 Form Transcripts for DenSco Investment Corporation for 2013-2015; Account Transcripts for DenSco Investment Corporation for 2013-2015; Preston CPA, PC's tax files for DenSco Investment Corporation, including Form 1120S US Income Tax Returns and work papers for 2010-2015			
96	USB drive containing images from Denny Chittick's iPhone and iPad; USB drive containing Denny Chittick's Yahoo emails; QuickBooks files and audio file of recorded conversation between Scott Menaged and Denny Chittick; 09/06/16 cover letter, privilege log, and CD containing electronic copies of the corporate logs/journals maintained by Denny Chittick; 08/31/16 cover letter and USB drive containing various electronic files extracted from Denny Chittick's computer; 09/29/16 cover letter and USB drive containing miscellaneous restored DropBox files; 08/31/16 cover letter, privilege log, and DenSco legal files (redacted and unredacted): Legal 2012, Legal 2013, Legal 2014, 2016 Legal; 10/24/16 cover letter, privilege log, and hard drive containing Denny Chittick's Yahoo emails; Hard drive and backup drive each containing data extracted by Forensic Consulting Solutions from American Furniture's computer and Scott Menaged's computer, iPhone, and AOL email account; thumb drive containing "Hot Docs" identified by FCS from aforementioned devices; thumb drive containing data extracted from Scott Menaged's iPhone.	D4, LLC; Gammage & Burnham, PLC	Simon Consulting, LLC	<u>PRIVILEGED</u>
97	Customer invoices, Credit applications, Promotional materials, Miscellaneous sales and return records/receipts	Furniture King	Simon Consulting, LLC	
98	Customer invoices, Credit applications, Promotional materials, Miscellaneous sales and return records/receipts	Furniture King	Simon Consulting, LLC	
99	Customer invoices, Credit applications, Promotional materials, Miscellaneous sales and return records/receipts	Furniture King	Simon Consulting, LLC	

[illegible]

118	Customer invoices, Credit applications, Promotional materials, Miscellaneous sales and return records/receipts	Furniture King	Simon Consulting, LLC	
119	Customer invoices, Credit applications, Promotional materials, Miscellaneous sales and return records/receipts	Furniture King	Simon Consulting, LLC	
120	Business bank statements-Chase #1381; AMEX receipts; Wells Fargo account statements; Copies of checks, deposits, wire transfers; Customer applications; Vendor invoices; Miscellaneous financial institution statements; 2009 1040 tax return and state tax receipts; Employee medical evaluation reports	Furniture King	Simon Consulting, LLC	
121	Customer invoices, Credit applications, Promotional materials, Miscellaneous sales and return records/receipts	Furniture King	Simon Consulting, LLC	
122	Customer invoices, Credit applications, Promotional materials, Miscellaneous sales and return records/receipts	Furniture King	Simon Consulting, LLC	
123	Customer invoices, Credit applications, Promotional materials, Miscellaneous sales and return records/receipts	Furniture King	Simon Consulting, LLC	
124	Customer invoices, Credit applications, Promotional materials, Miscellaneous sales and return records/receipts	Furniture King	Simon Consulting, LLC	
125	Customer invoices, Credit applications, Promotional materials, Miscellaneous sales and return records/receipts	Furniture King	Simon Consulting, LLC	
126	Customer invoices, Credit applications, Promotional materials, Miscellaneous sales and return records/receipts	Furniture King	Simon Consulting, LLC	
127	Copies of deposits for Easy Investments- B of A account #5496; Easy Investments account statements, deposits and withdrawals for #2190 and #1944 - 12/12 through 1/13; B of A bank statements from 1/10 through 1/13 for Easy Investments account #5496; Redwell with Wells Fargo production totaling 29 pages(not Bates Stamped)	Subpoena requests to Bank of America and Wells Fargo	Simon Consulting, LLC	Bates Stamp DIC0025331-0028632
128	Denny's Files consisting of email correspondence	Veronica Castro	Simon Consulting, LLC	Bates Stamp DIC0028634-0032150
129	Denny's Files consisting of email correspondence	Veronica Castro	Simon Consulting, LLC	Bates Stamp DIC0032151-0035600
130	Denny's Files consisting of email correspondence; Files labeled as "Docs"	Veronica Castro	Simon Consulting, LLC	Bates Stamp DIC0035601-0039200
131	Scott Menaged email correspondence	Veronica Castro	Simon Consulting, LLC	Bates Stamp DIC0039201-0042699

132	Scott Menaged email correspondence	Veronica Castro	Simon Consulting, LLC	Bates Stamp DIC0042701-0046200
133	Scott Menaged email correspondence	Veronica Castro	Simon Consulting, LLC	Bates Stamp DIC0046201-0049700
134	Scott Menaged email correspondence	Veronica Castro	Simon Consulting, LLC	Bates Stamp DIC0049701-0053169
135	Scott Menaged email correspondence	Veronica Castro	Simon Consulting, LLC	Bates Stamp DIC0053166-0053950
136	Scott Menaged Rule 2004 Production; Bank statements including AZ Home Foreclosure at Chase #1151; These are Bates Stamped "Menaged 0001-3956"	Veronica Castro	Simon Consulting, LLC	Bates Stamp Menaged 0001-3956
137	Document production from Bank of America-Easy Investments, Copies of checks over \$1,000 for 2010 and 2011	Subpoena requests to Bank of America	Simon Consulting, LLC	Bates Stamp DIC0056083-0057145
137	Wells Fargo- All Menaged account statements, debit and credit items Wells Fargo-Easy Investments account statements, debit and credit items; Savings #1712, Checking #3296 US Bank-Account #6416-Yomtov Menaged, #4457-Easy Investments, #4440-Furniture King; Copies of cashiers checks and offsets from counter withdrawals	Subpoena requests to Wells Fargo and US Bank	Simon Consulting, LLC	Bates Stamp DIC0070481-0070840
138	Checks and deposit slips for Short Term Finance, LLC's BofA account ending in 0078; Checks, deposit slips, and endorsement stamp for Easy Investments, LLC's BofA account ending in 5496; Deposit slips and endorsement stamp for Divine Design Home Interiors, LLC's BofA account ending in 8986; Checks for Yomtov S. Menaged's Merrill Lynch account ending in 5181; ADP Earnings Statements issued to Yomtov S. Menaged; Miscellaneous mail addressed to Yomtov S. Menaged, Michelle Menaged, Jess Menaged, Valerie Bambulas, Salvatore & Josephine Baratto, and Furniture King; Business cards for Scott Menaged/Furniture King; Business cards for Luigi Amoroso/Easy Investments, LLC/buyazauctionhomes.com; 2011 Form 1040 income tax return for Yomtov S. Menaged; Statements for Yomtov S. Menaged's BofA account ending in 1289, Sep-Oct 2012; Blank GE Capital credit applications; Miscellaneous documents, including 1099 forms, and other documents from ~2011-2012; Miscellaneous items, including Brandon Menaged's schoolwork, Flat Stanley book, greeting cards, post-it notes, etc.; The Yomtov Scott Menaged Living Trust binder	Furniture King	Simon Consulting, LLC	

	prepared by LegalZoom.com; QuickBooks Pro 2012 software; VeriFone PINpad model 1000SE; VeriFone credit card machine model VX 520; VeriFone credit card machine model VX 510; Numerous Form W-2G forms reporting 2007 gambling winnings by Scott Menaged; Scott Menaged's Arizona Driver's License; Numerous credit cards in the name of Yomtov S. Menaged; Miscellaneous membership cards; Miscellaneous knickknacks			
139	Gomen Furniture, Inc. binder containing passwords for various merchant accounts; AFLAC benefit information materials; Furniture Wizard user guide; Layaway receipt book; Wells Fargo Retail Services paperwork; Furniture of America sales materials; Miscellaneous employee paperwork; Miscellaneous invoices for inventory purchased from various vendors; Miscellaneous furniture sales invoices, sales reports,; Miscellaneous unlabeled files; Files titled: Furniture King, New Hire Paperwork, Delivery & Assembly Fee Contracts, Master Copy, Wells Fargo Disclosure 2013, Closeout Report, Bills, Terrell, Guardian West, Application for Credit, Computer, Crypton, Bank Account Verification Form, Layaway Form, Up Sheet, Supply List, Break Sheet, X Employee File, Layaway File, Mesa, Weekly Sale Sheet for Salesperson	Furniture King	Simon Consulting, LLC	
140	Correspondence, Documents, Etc.; 4 CD-ROMs from Clark Hill for counsel at Osborn Maledon containing copies of original production	Clark Hill production for counsel at Osborn Maledon	Simon Consulting, LLC	Bates Stamp DIC0057201-0070480
141	Correspondence, Documents, Etc.	Clark Hill production for counsel at Osborn Maledon	Simon Consulting, LLC	Bates Stamp DIC0057201-0070480
142	Correspondence, Documents, Etc.	Clark Hill production for counsel at Osborn Maledon	Simon Consulting, LLC	Bates Stamp DIC0057201-0070480
143	Correspondence, Documents, Etc.	Clark Hill production for counsel at Osborn Maledon	Simon Consulting, LLC	Bates Stamp DIC0057201-0070480
144	Investor claims forms; Change of Ownership Request forms and other correspondence received from Mainstar Trust	Documents received from claimants in response to DenSco claims process	Simon Consulting, LLC	
145	Original document production from Bank of America for Easy Investments account #5496-copies of checks; Copies of withdrawals for Yomtov Menaged related accounts: #2190, #1994, #5052, #2208, #5410, #6814, #1434; Opening account	Subpoena requests to Wells Fargo and Bank of America	Simon Consulting, LLC	Bates Stamp DIC0053951-0056082; DIC0057146-0057200; DIC0070481-0070870; DIC0070871-0070882; DIC0070883 -0070928;

	documents at Chase bank; White envelope containing Original document production and Bates Stamped version on CD of: Easy Investments-Transfer reports #5496; Manilla envelope containing Original document production and Bates Stamped version on CD of: Signature Cards and Corporate Resolutions for: Keg Inspections #3572, DensCo Investment Corp. #7509 and #8555, Shinning City Project, LLC #8162; Signature cards for Milinda Renee Morgan #0917, Charles G. Darling #4632 and #0904, Hope H Kopp #0715, Tam M Bui Minh Pham #3302; Manilla envelope containing BofA opening account documents for #1289, #1977, #0078(Yomtov S. Mensged & Francine Lipari, Short Term Finance); 1 CD ROM from Osborn Maledon RE: DenSco Investment/Clark Hill produced documents which are supplemental documents Clark Hill produced; CD (PHX007640) containing copies of B of A checks			DIC0070929 -0070949; CH0013281-0013330
146	Vendor invoices for furniture purchases, miscellaneous receipts, other miscellaneous documents.	Furniture King	Simon Consulting, LLC	
147	Vendor invoices for furniture purchases, miscellaneous receipts, other miscellaneous documents.	Furniture King	Simon Consulting, LLC	
148	Cover letter from the Arizona Corporation Commission dated 02/13/18 and copies of email correspondence requested by Guttilla Murphy Anderson[ACC005458-AC005519]; USB drive containing emails from Scott Menaged's AOL account (excluding privileged items) extracted by Forensic Consulting Solutions and corresponding privilege log; CD containing documents supporting Receiver's solvency analysis, including miscellaneous spreadsheets and recorded documents extracted from public records; Correspondence from Scott Menaged to Ryan Anderson dated 12/22/17; Correspondence from Scott Menaged to Ryan Anderson and Peter Davis dated 01/31/18; Correspondence from Scott Menaged to Jack Edwards dated 03/01/18; Correspondence from Scott Menaged to Ryan Anderson and Peter Davis dated 03/01/18; Correspondence from Scott Menaged to Ryan Anderson and Peter Davis dated 04/09/18; Correspondence from Scott Menaged to Steve Nemecek dated 04/26/18; Correspondence from Scott Menaged to Jack Edwards dated 05/18/18; Correspondence from Scott Menaged to	Bryan Cave, LLP; Arizona Corporation Commission; Simon Consulting, LLC	Simon Consulting, LLC	Bates Stamp BC_000001- 003052; ACC005458-005519; BC_003189

<p> Ryan Anderson dated 07/01/18; Correspondence from Scott Menaged to Ryan Anderson dated 07/12/18; Correspondence from Scott Menaged to Ryan Anderson dated 07/26/18; Correspondence from Scott Menaged to Ryan Anderson dated 08/07/18; Cover letter from Osborn Maledon dated 01/25/18 and disc containing documents produced by Bryan Cave [BC_000001-003052]; Cover letter from Osborn Maledon dated 03/09/18 and disc containing a voicemail message file produced by Bryan Cave [BC_003189]; Cover letter from Osborn Maledon dated 06/19/18 and disc containing documents produced by Clark Hill [CH_0013387-0013616], Sell Wholesale Funding [SELL000001-000766], Azben Limited [AZBEN000001-005248], Geared Equity [GE000001-000257], and Active Funding Group [AF000001-002448]; Cover letter from Osborn Maledon dated 06/26/18 and disc containing documents produced by Clark Hill [CH_0013617-0013946]; Cover letter from Osborn Maledon dated 07/17/18 and discs containing documents produced by Clark Hill [CH_0000001-0013386, CH_0013947-0017996], and documents produced by the Receiver [RECEIVER_000001-001497]; Cover letter from Osborn Maledon dated 08/07/18 and disc containing transcripts and exhibits from the depositions of Daniel Schenk, Robert Anderson, and David Beauchamp; Complaint dated 10/16/17; Answer dated 01/08/18; Declaration of Mark T. Hiraide dated 03/08/18; Defendants' Initial Rule 26.1 Disclosure Statement dated 03/09/18; Plaintiff's Initial Disclosure Statement dated 03/09/18; Plaintiff's Objections and Responses to Defendants' First Set of Non-Uniform Interrogatories dated 03/09/18; Plaintiff's Objections and Responses to Defendants' First Set of Requests for Production of Documents dated 03/09/18; Defendants' First Supplemental Rule 26.1 Disclosure Statement dated 03/16/18; Defendants' Second Supplemental Rule 26.1 Disclosure Statement dated 03/20/18; Plaintiff's Second Disclosure Statement dated 03/27/18; Plaintiff's Third Disclosure Statement dated 05/15/18; Defendants' Notice of Non-Parties at Fault dated 06/07/18; Defendants' Third Supplemental Rule 26.1 Disclosure Statement dated </p>			
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	<p>06/13/18; Defendant Clark Hill's Responses to Plaintiff's First Set of Requests for Production of Documents dated 06/21/18; Defendant David Beauchamp's Responses to Plaintiff's First Set of Requests for Production of Documents dated 06/21/18; Defendant David Beauchamp's Responses to Plaintiff's First Set of Non-Uniform Interrogatories dated 06/21/18; Defendants' Fourth Supplemental Rule 26.1 Disclosure Statement dated 07/11/18; Plaintiff's Fourth Disclosure Statement dated 07/11/18; Defendant Clark Hill's Responses to Plaintiff's Second Set of Requests for Production of Documents dated 07/16/18; Plaintiff's Third Set of Requests for Production of Documents to Defendant Clark Hill dated 08/01/18; Folder containing manila envelope containing: Letter from John Edwards to Scott Menaged dated May 8, 2018 requesting a meeting to discuss Active Funding Group's role in the fraud committed against DenSco; Original letter from Scott Menaged to Ryan Anderson dated May 26, 2018; Original receipt from US DOJ Fed Bureau of Prisons of package of legal docs for Scott Menaged; Original receipt from US DOJ Fed Bureau of Prisons returning April 12, 2018 Scott Menaged letter and enclosures including USB flash drive which contains: Folder containing emails redacted for privilege, Final Settlement Agreement between the Receiver and the Menageds dated 7/7/17, Letter from Nathan Mitchler to Ryan Anderson dated October 4, 2017, Menaged Privilege Log, Menaged Sources & Uses Analysis-Updated Summary 3/7/18, smena98754@aol_PRIVILEGED EMAILS.pst, Letter to Scott Menaged from Ryan Anderson dated June 14, 2018 sending requested documents(416 pages)</p>			
149	<p>CD (PHX009498) containing Bank of America production of bank records for Keg Inspections, Inc. account #3572, Kelly & Richelle Griffin account #5398, Richelle Griffin account #7268, Richelle & Haley Griffin account #8625, Richelle & Kaleb Griffin account #8639, Kelly & Richelle Griffin account #6114; CD (PHX009823) containing Bank of America production of cashier's checks and withdrawals for Keg Inspections, Inc. account #3572; CD (PHX009972) containing Bank of America account opening documents and statements for Lorien and Kirk Fischer</p>	<p>Subpoena requests to Chase and Bank of America</p>	<p>Simon Consulting, LLC</p>	<p>Bates Stamp DIC0070950-0073060; DIC0073061-0073112; DIC0073113-0073588; DIC0073589-0073954; DIC0073955-0073980; CH_017997-018010</p>

<p>#9430, Fischer Family Holdings #4748, Lori L. Fischer #0552 7/2014-12/2015 & 6/2018, Nesta Capital #5514 7/2014-12/2015 & 12/2017, Chase account opening documents and statements for American Furniture LLC #9052 7/2016-3/2017; CD (PHX010063) containing Chase Bank production of bank records for American Furniture, LLC account #9052; 2 original CDs produced by Bank of America of bank records for Kirk Fischer, et al.; Original hard copy production of CD (PHX009972); Letter from the Receiver to Bank of America re: pre-receivership accounts dated 08/19/16; Letter from the Receiver to FirstBank re: pre-receivership accounts dated 08/19/16; Letter from the Receiver to FirstBank re: pre-receivership accounts dated 08/22/16; Letter from Ryan Anderson to David Beauchamp re: turnover of legal files dated 08/29/16; Letter from Patrick Murphy to Jess Menaged re: Raintree Unit 1020 dated 09/16/16; Letter from Patrick Murphy to Nationstar re: Raintree Unit 1020 dated 09/16/16; Letter from James Polese re: Receiver's Rpt dated 09/23/16; Letter from GMA to Chase Bank re: Notice of Account Freeze dated 09/27/16; Letter from Kevin Merritt to the Receiver re: DenSco corporate records dated 09/29/16; Letter from Ryan Anderson to Arizona Attorney General re: Justin Wingrove dated 10/12/16; Letter from Ryan Anderson to Arizona Attorney General re: Paige Walker dated 10/12/16; Letter from Ryan Anderson to Arizona Business Bureau re: Robert Barr dated 10/12/16; Letter from Patrick Murphy to Michelle Menaged re: Charter Oak dated 10/18/16; Letter from Patrick Murphy to Ocwen re: Raintree Unit 1004 dated 10/18/16; Letter from Patrick Murphy to US Bank re: Charter Oak dated 11/03/16; Letter from Patrick Murphy to Western Prog re: Raintree Unit 1004 dated 11/16/16; Letter from James Polese re: Defined Benefit Plan dated 12/02/16; Receiver's 12/23/16 Status Report (DIC0073955-0073980); Letter from Patrick Murphy to Ocwen re: Raintree Unit 1004 dated 12/29/16; Letter from Patrick Murphy to Wells Fargo re: Charter Oak dated 01/12/17; Letter from Cody Jess re: Settlement Offer dated 03/02/17; Letter from James Polese re: Tax Issues dated 03/07/17; Letter from Kevin Merritt re: Tax Issues dated 03/10/17; Letter from Pension</p>			
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	<p>Strategies re: DenSco Defined Benefit Plan dated 03/14/17; Letter from Patrick Murphy to Courtyards HOA re: Winter Dr dated 03/23/17; Letter from Cody Jess to Ryan Anderson re: AFG & Settlement Offer dated 03/30/17; Letter from Patrick Murphy to Quality Loan Svc re: Charter Oak dated 06/09/17; Letter from the Receiver to Carsyn Smith Trust re: Ponzi profits claim dated 06/19/17; Letter from the Receiver Chris Harvey re: Ponzi profits claim dated 06/19/17; Letter from the Receiver Fischer Family Holdings re: Ponzi profits claim dated 06/19/17; Letter from the Receiver Four Futures Corp re: Ponzi profits claim dated 06/19/17; Letter from the Receiver Karen Quigley re: Ponzi profits claim dated 06/19/17; Letter from the Receiver Marrion Minchuk Trust re: Ponzi profits claim dated 06/19/17; Letter from the Receiver McKenna Smith Trust re: Ponzi profits claim dated 06/19/17; Letter from the Receiver Nesta Capital re: Ponzi profits claim dated 06/19/17; Letter from the Receiver Nishel Badiani re: Ponzi profits claim dated 06/19/17; Letter from the Receiver Princeville Investment Group re: Ponzi profits claim dated 06/19/17; Letter from the Receiver Sundance Debt Partners re: Ponzi profits claim dated 06/19/17; Letter from the Receiver Thomas Stevenson re: Ponzi profits claim dated 06/19/17; Letter from the Receiver Donald Kimble IRA re: Ponzi profits claim dated 06/27/17; Letter from the Marrion Minchuk Trust re: Ponzi profits claim dated 07/13/17; Letter from Randy Udelman re: Chittick Insurance dated 07/16/17; Letter from Sundance Partners re: Ponzi profits claim dated 08/07/17; Letter from Ryan Anderson to Judge Teresa Sanders re: case background dated 08/08/17; Letter from counsel for Four Futures, et al. re: Ponzi profits claim dated 08/09/17; Letter from Patrick Murphy to Quality Loan Svc re: Charter Oak dated 08/15/17; Letter from John DeWulf to Geoffrey Sturr re: Clark Hill litigation dated 09/12/17; Letter from Ryan Anderson to James Valletta re: Ponzi profits claim dated 09/21/17; Letter from Ryan Anderson to Stewart Gross re: Ponzi profits claim dated 09/21/17; Letter from Ryan Anderson to Karen Quigley re: Ponzi profits claim dated 09/26/17; Letter from Ryan Anderson to Kevin Potempa re: Ponzi profits claim dated 09/26/17; Letter from Ryan Anderson to</p>			
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	<p>Christopher Harvey re: Ponzi profits claim dated 09/27/17; Letter from Ryan Anderson to Thomas Stevenson re: Ponzi profits claim dated 09/27/17; Letter from Ryan Anderson to Mark Pugsley re: Ponzi profits claim dated 10/03/17; Letter from Ryan Anderson to Louis Silverman re: Ponzi profits claim dated 10/10/17; Letter from Ryan Anderson to Stewart Gross re: Ponzi profits claim dated 10/26/17; Letter from the Receiver to Mainstar Trust re: DenSco status dated 11/30/17; Letter from Receiver to Court re: Scott Menaged dated 12/14/17; Letter from Gammage & Burnham to Geoffrey Sturr re: Clark Hill litigation dated 12/18/17; Letter from James Polese to Geoffrey Sturr re: Clark Hill litigation dated 12/18/17; Subpoena Duces Tecum to Preston CPA, PC dated 12/29/17; Letter from Lisa Reilly to David Preston re: tax issues dated 01/12/18; Letter from Geoffrey Sturr to Vidula Patki re: Clark Hill litigation dated 01/16/18; Letter from Geoffrey Sturr to John DeWulf re: Clark Hill litigation dated 01/17/18; Letter from Geoffrey Sturr to Vidula Patki re: Clark Hill litigation dated 01/17/18; Letter to Sturr re: Document Depository dated 01/19/18; Letter from Marvin Ruth to Geoffrey Sturr re: Clark Hill litigation dated 01/25/18; Letter from Geoffrey Sturr to Marvin Ruth re: Clark Hill litigation dated 01/30/18; Letter from Marvin Ruth to Geoffrey Sturr re: Clark Hill litigation dated 02/15/18; Letter to from Ryan Anderson to Justin Henderson re: DenSco Defined Benefit Plan dated 03/08/18; Letter from Ryan Anderson to Scott Menaged re: A Jamie, emails, & accounting dated 04/12/18; Letter from Kevin Merritt to Ryan Anderson withdrawing claim dated 05/07/18; Letter from Jack Edward to Scott Menaged re: Visitation Dates dated 05/08/18; Letter from Jack Edwards to Scott Menaged re: meeting schedule dated 06/13/18; Letter from Ken Frakes to Joseph Booz of JP Morgan Chase dated 08/21/18 and attachments; Letter from John DeWulf to Geoffrey Sturr RE: Firm intake for the business wind down dated 08/29/18; Email from Ken Frakes to James Meredith and Ryan Anderson dated 08/30/18 Re: Chase matter; Folder containing Email correspondence between Sara Beretta and Gary Thompson RE: Questions regarding Chittick investors and preferential</p>			
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	<p>withdrawals; Letter from Christine Gray to James Valletta re: Fischer BofA production dated 09/24/18; Subpoena issued to Rocket Science Group, LLC dba Mail Chimp dated 09/30/18; Folder containing various email communications between Ryan Anderson and Robert Koehler including attachments; Folder containing Mark S. Sifferman time entries; Settlement Agreement between the Receiver and Ponzi winner Christopher Harvey; Settlement Agreement between the Receiver and Estate of Denny Chittick; Settlement Agreement between the Receiver and Ponzi winner Donald Kimble; Settlement Agreement between the Receiver and Ponzi winner Karen Quigley; Settlement Agreement between the Receiver and Ponzi winner Nishel Badiani; Settlement Agreement between the Receiver and Scott Menaged; Tolling Agreement between the Receiver and Thomas Smith, et al.; Undated Letter from Harold Campbell re: Fraudulent Mortgage (OLD Loan 5370); Folder containing Victim Impact Statements received from DenSco investors Anthony & Eva Burdett, Bill & Judy Hughes, Brad & Amy Dirks, Carol Wellman, Coralee Thompson, Eileen Cohen, Gary Thompson, Jemma Kopel, Jim McArdle, JoAnn Sanders, Jolene Page, Kennen Burkhardt, Laurie Weiskopf, Marlene Pearce, Mike Scroggin, Pat Miller, Robert Lawson, Tom Weiskopf, Valerie Paxton, Wade Underwood, Wayne Ledet, and Yusuf Yildiz</p>			
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Appendix F

Colin F. Campbell, No. 004955
Geoffrey M.T. Sturr, No. 014063
Joshua M. Whitaker, No. 032724
Osborn Maledon, P.A.
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Attorneys for Plaintiff

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

**PLAINTIFF'S ~~FOURTH~~FIFTH
DISCLOSURE STATEMENT**

Pursuant to Rule ~~26.1(d)~~(226.1(a)), Plaintiff Peter S. Davis, as the court-
appointed receiver of DenSco Investment Corporation (the "Receiver"), makes the
following disclosures. Changes from the Receiver's ~~Third~~Fourth Disclosure Statement
are identified ~~below in section IX through underlining~~in the mark-up attached as
Appendix F.

On August 18, 2016, the Receiver was appointed to serve as the Receiver for
DenSco Investment Corporation ("DenSco") under an order entered by the Maricopa
County Superior Court in Arizona Corporation Commission v. DenSco Investment
Corporation, CV2016-014142 (the "Receivership Court"). After the Receiver and his

1 staff had reviewed DenSco's books and records and files maintained by DenSco's
2 former legal counsel, Clark Hill PLC and Clark Hill partner David Beauchamp, the
3 Receiver concluded that DenSco might have claims against Clark Hill and Beauchamp.
4 On March 31, 2017, the Receiver filed a petition with the Receivership Court seeking
5 permission to retain special counsel to investigate those potential claims. The petition
6 was granted on April 27, 2017. After special counsel completed its investigation, the
7 Receiver filed a petition asking the Receivership Court to authorize the Receiver to file,
8 through special counsel, a complaint against Clark Hill and Beauchamp. That petition
9 was granted on October 9, 2017. The Receiver, through special counsel, initiated this
10 lawsuit on October 16, 2017 by filing a complaint which asserted claims against Clark
11 Hill and Beauchamp for legal malpractice and aiding and abetting breach of fiduciary
12 duty.

13 The Receiver has relied on special counsel to pursue those claims against Clark
14 Hill and Beauchamp and to prepare this and previous disclosure statements.

15 **I. FACTUAL BASIS OF CLAIMS**

16 The following numbered paragraphs disclose the primary facts on which the
17 Receiver's claims against Clark Hill and Beauchamp are based. At trial, the Receiver
18 may also rely on facts disclosed through depositions that have been taken in this action,
19 the defendants' disclosure statements and discovery responses, and facts contained in
20 the documents that have been identified in Sections VIII (anticipated trial exhibits) and
21 IX (documents that may be relevant) of this disclosure statement.

22 **A. Background Facts for the Period April 2001 to September 2011**

23 **1. DenSco's Formation and Operations Through 2003**

24 **1. DenSco was established in April 2001 as an Arizona corporation.**

25 **2. Denny Chittick formed DenSco to make short-term loans to companies**
26 **buying or investing in real estate. DenSco used money raised from investors to make**
27 **those loans.**
28

1 3. Chittick was DenSco's sole shareholder, president and director, and its
2 only employee.

3 2. Beauchamp Was DenSco's Securities Lawyer

4 a. DenSco First Hired Beauchamp in 2003 to Advise the
5 Company on Securities Law Issues.

6 4. ~~1. Defendant~~ David G. Beauchamp is an attorney ~~who~~. He describes
7 himself as practicing primarily in the areas of corporate law, securities, venture capital
8 and private equity transactions.

9 A. ~~Beauchamp's Representation of DenSco While Affiliated with~~
10 ~~Quarles & Brady~~

11 5. ~~2. Beauchamp has testified that he~~ began representing DenSco in 2003. ~~3.~~
12 ~~In 2003, Beauchamp,~~ when he was a partner of the law firm Quarles & Brady
13 LLP.

14 ~~4. DenSco retained Beauchamp through Denny Chittick, DenSco's sole shareholder,~~
15 ~~president and director, and only employee.~~

16 5. ~~Beauchamp has testified that DenSco retained him "in connection with a~~
17 ~~securities offering" and that he prepare[d] a private offering memorandum "to be~~
18 ~~distributed to investors of DenSco in compliance with Arizona and federal security [sic]~~
19 ~~laws."~~

20 6. ~~Beauchamp advised DenSco that it was appropriate for DenSco to raise~~
21 ~~funds continuously using private offering memoranda that were designed to remain in~~
22 ~~effect for two years.~~

23 ~~7. DenSco followed Beauchamp's advice, and did so throughout Beauchamp's~~
24 ~~representation of DenSco. As Beauchamp and Clark Hill admit in their initial~~
25 ~~disclosure statement (at 4), "Over the years, Mr. Chittick showed himself to be a~~
26 ~~trustworthy and savvy businessman, and a good client. . . . Despite complaining about~~
27 ~~the cost of legal services, Mr. Chittick appeared to follow Mr. Beauchamp's advice and~~
28 ~~provided information when asked for it."~~

18. ~~DenSco issued a private offering memorandum in June 2003 that it used to solicit~~
2 ~~investments in promissory notes issued by DenSco to investors.~~

3 9. ~~Beauchamp periodically reviewed DenSco's website, including the~~
4 ~~quarterly newsletters DenSco published through the website.~~

5 10. ~~Beauchamp knew that DenSco, through Chittick, had informed current~~
6 ~~and potential investors in a March 2003 newsletter that: (i) Chittick was "working with~~
7 ~~lawyers on updating DenSco's [private offering] memorandum"; (ii) he believed~~
8 ~~DenSco was "required to update [the memorandum] every two years with [DenSco's]~~
9 ~~previous two years activity"; and (iii) he would send the updated memorandum when~~
10 ~~completed to each current investor and new investors.~~

11 11. ~~Beauchamp also knew that DenSco, through Chittick, had informed~~
12 ~~current and potential investors in a June 2003 newsletter that DenSco had completed its~~
13 ~~2003 private offering memorandum. In that newsletter, Chittick stated that he had~~
14 ~~"spent more time than I care to remember with the lawyers going page by page through~~
15 ~~it. Despite all the 'legal speak', it does cover in detail the last two years," and that he~~
16 ~~planned to "spend a considerable amount of time to try to raise money with this in~~
17 ~~hand."~~

18 **~~B. — Beauchamp's Representation of DenSco While Affiliated with~~**
19 **~~Gammage & Burnham~~**

20 6. ~~12.~~In 2004, Beauchamp ~~joined~~ left Quarles & Brady to join the law firm
21 ~~Gammage & Burnham, PLLC., where he continued to represent DenSco.~~

22 7. ~~13.~~~~DenSco became a client of~~ In 2008, Beauchamp left Gammage &
23 ~~Burnham when Beauchamp joined that firm. to join the law firm Bryan Cave LLP,~~
24 where he continued to represent DenSco.

25 14. ~~While at Gammage & Burnham, Beauchamp caused a "general corporate"~~
26 ~~file to be opened.~~

15. — DenSco issued a private offering memorandum in June or July 2005 (the “2005 POM”) that it used to solicit investments in promissory notes issued by DenSco to investors.

~~The 2005 POM was prepared by Beauchamp and possibly other attorneys at Gammage & Burnham whose names are not currently known to the Receiver.~~

17. — Beauchamp has testified that DenSco relied on him to prepare the 2005 POM for distribution “to investors of DenSco in compliance with Arizona and federal security [sic] laws.”

~~1. — The 2007 POM~~

18. — DenSco issued a private offering memorandum dated June 1, 2007 (the “2007 POM”) that it used to solicit investments in promissory notes issued by DenSco to investors.

19. — The 2007 POM was prepared by Beauchamp and possibly other attorneys at Gammage & Burnham whose names are not currently known to the Receiver.

8. ~~20.~~ Beauchamp has testified that DenSco relied on him to prepare ~~the 2007 POM~~ private offering memoranda for distribution “to investors of DenSco in compliance with Arizona and federal security [sic] laws” and to provide DenSco with “recommendations for amended or additional [private offering memoranda] in keeping with the investments being made or contemplated by DenSco.”

b. — Beauchamp Prepared Private Offering Memoranda that DenSco Issued to Investors in 2003, 2005, 2007, 2009, and 2011 to Sell Promissory Notes.

9. DenSco issued private offering memoranda in 2003, 2005, 2009, and 2011, which DenSco used to sell promissory notes to investors.

10. Beauchamp prepared each private offering memorandum (“POM”), sometimes working with other attorneys.

a. The 2009 POM was prepared by Beauchamp with assistance from Bryan Cave attorneys Ray Burgan, Logan Miller, and Nancy Pohl.

1 b. The 2011 POM was prepared by Beauchamp with assistance from
2 Bryan Cave attorneys Gus Schneider and Jonathan E. Stern.

3 11. The process of preparing POMs in 2007, 2009 and 2011 took between
4 one and three months.

5 ~~21.a.~~ Beauchamp began working on ~~the 2007 a~~ POM in early May 2007,
6 after ~~a May 1, 2007 telephone call and a~~ May 3, 2007 meeting with Chittick,
7 and completed his work in approximately thirty days.

8 b. Beauchamp began working on a POM in April 2009, after an
9 April 9, 2009 meeting with Chittick, and completed his work in approximately
10 ninety days.

11 c. Beauchamp began working on a POM in April 2011, after an April
12 13, 2011 meeting with Chittick, and completed his work in approximately ninety
13 days.

14 12. Beauchamp knew that Chittick told his investors that he had retained legal
15 counsel to prepare DenSco's POMs, and that Chittick had identified him as the
16 Company's securities attorney who helped prepare those POMs. For example, Chittick
17 distributed a POM in 2011 to DenSco's investors through a July 19, 2011 email. The
18 email was sent to all of DenSco's investors and Beauchamp. Chittick's transmittal
19 email stated, in part: "I update this memorandum every two years. I work with David
20 Beauchamp (securities attorney) to review all the statues [sic] and laws in Arizona as it
21 pertains to my business and all the states that I have investors in. This is to ensure that
22 I'm filing all the forms and following all the rules"

23 c. The Terms of the POMs Beauchamp Prepared

24 (1) DenSco Sold Promissory Notes

25 ~~22 Beauchamp completed his work on the 2007 POM in approximately thirty days.~~
26
27
28

1 23. — During his May 3, 2007 meeting with Chittick, Beauchamp learned that
2 DenSeo wanted to increase the amount of the planned securities offering to \$50 million
3 from the \$25 million that had been offered through the 2005 POM.

4 ~~24. Beauchamp also learned during that meeting that as of that date, 90% of the promissory~~
5 ~~notes DenSeo had issued to investors were two-year notes.~~

6
7
8 ~~25. On May 7, 2007, Beauchamp sent Chittick a letter to confirm that DenSeo had retained~~
9 ~~Gammage & Burnham to prepare the 2007 POM. It stated, in part, "DenSeo will be our~~
10 ~~client with respect to our assistance to prepare the 2007 Private Offering documents.~~
11 ~~As we have discussed, Rick Carney of Quarles & Brady will do the necessary Blue Sky~~
12 ~~work and your accountant will update the Tax Consequences section in the offering~~
13 ~~documents."~~

14 26. — On May 9, 2007, Beauchamp sent Chittick by email a draft of the 2007
15 POM, in which he posed questions to Chittick about DenSeo's past and current
16 operations.

17 27. — On May 9, 2007, Chittick sent Beauchamp by email a marked-up copy of
18 the draft POM with responses to some of Beauchamp's questions.

19 28. — On May 15, 2007, Beauchamp told Chittick by email he would be
20 sending him an "Officer's and Director's certificate that we need for the POM. It is a
21 new form (since your last POM) that our malpractice carrier requires for any POM that
22 we have to prepare. It is a standard document that other firms are also using to have the
23 Principals of the issuer verify the information in the POM and agree to hold the law
24 firm harmless if there is a misrepresentation."

25 29. — Chittick stated by email that he had "no problem with such a document.
26 [A]fter working on it like we have, [I] feel quite comfortable that it's true and correct!"

27 30. — On May 16, 2007, Chittick sent Beauchamp an email asking about the
28 status of the memorandum.

1 31. — ~~Beauchamp replied the same day by email that he planned to have a~~
2 ~~revised draft to him by May 17, 2007 and “[t]hen we can finalize the numbers on~~
3 ~~May 30 so you can be ready to print on June 1.”~~

4 32. — ~~On May 17, 2007, Chittick sent Beauchamp by email comments on the~~
5 ~~draft 2007 POM he had received from Dave Preston, DenSeo’s accountant.~~

6 33. — ~~Through a May 17, 2007 email to Chittick, Beauchamp told him he~~
7 ~~needed a signed copy of the Officer’s and Director’s Certificate “for our files before we~~
8 ~~release the final POM.” Chittick responded by email that he had signed the Certificate~~
9 ~~and sent it to Beauchamp by fax and mail.~~

10 34. — ~~On May 17, 2007, Beauchamp caused a revised draft of the 2007 POM to~~
11 ~~be sent to Chittick by email.~~

12 35. — ~~On May 21, 2007, Chittick sent Beauchamp by email additional revisions~~
13 ~~to the draft 2007 POM he had received from Preston.~~

14 36. — ~~On May 25, 2007, Beauchamp asked Chittick to obtain an email from~~
15 ~~Preston for “our files that he has reviewed and approved the tax section, as currently~~
16 ~~modified.”~~

17 37. — ~~Through an email exchange on June 1, 2007, Beauchamp reviewed and~~
18 ~~approved Chittick’s final changes to the 2007 POM, advising Chittick about how~~
19 ~~DenSeo should distribute the document to current and potential investors.~~

20 ~~38. — Beauchamp told Carney by email in June 2007 that Gammage & Burnham had~~
21 ~~“updated DenSeo’s POM, subscription documents and investor questionnaires, as well~~
22 ~~as its loan documents to be used with borrowers. This update was part of our~~
23 ~~preparation for a new POM for DenSeo, because the last one was two years old and~~
24 ~~needed to be updated with the more recent prior experience information.”~~

25 ~~39. — Beauchamp also told Carney by email that “[t]he terms of the offering are the same, but~~
26 ~~we did increase the maximum offering amount due to the ongoing roll-over of the~~
27 ~~existing investors every 6 months or so. The intent was merely to do an update to the~~
28 ~~disclosure so that it stays current like we did a couple of years ago.”~~

1 13. ~~40. As issued by DenSeo, the 2007 POM~~ In the POMs it issued in 2007,
2 2009 and 2011, DenSco offered to sell investors promissory notes of \$50,000 or more
3 with the following durations and interest rates: six months at 8%; one year at 10%; and
4 two to five years at 12%. The ~~2007 POM stated that the~~ notes ~~are~~ were “paid ‘interest
5 only’ during the terms, with principal payable only at maturity,” ~~and investors having.”~~
6 Investors had the ability to “have interest paid monthly, quarterly, or at maturity.”

7 ~~41. — As issued by DenSeo, the 2007 POM:~~

8 a. — ~~Described DenSeo as being “engaged primarily in the~~
9 ~~business of . . . funding Foreclosure Specialists, who purchase houses through~~
10 ~~the preforeclosure process, and at foreclosure sales.”~~

11 b. — ~~Represented that DenSeo’s “primary focus is to lend money~~
12 ~~to qualified borrowers who can fulfill their loan obligations on highly marketable~~
13 ~~properties with sufficient equity.”~~

14 c. — ~~Represented that each loan would “be secured by its~~
15 ~~underlying real property.”~~

16 14. ~~Represented that DenSeo “will~~ Each POM stated that “[a]lthough the
17 Company intends to use its good faith efforts to accommodate written requests from an
18 investor to prepay any Note prior to maturity and the Company has in fact been able to
19 satisfy such requests in a timely manner with interest paid in full, the Company has no
20 obligation to do so and the investor has no right to require the Company to redeem the
21 Note prior to maturity.”

22 15. By completing and signing a Subscription Agreement, investors specified
23 the amount of the promissory note they wished to purchase, the term of the note, and
24 how they wished to be paid interest.

25 16. The files that Beauchamp maintained, and the billing statements Bryan
26 Cave issued to DenSco, reflect that Beauchamp prepared a form of Subscription
27 Agreement in 2007 and 2009, but did not do so when he prepared a POM for DenSco in
28 2011. There is no reference in those files and billing statements to any actions that

1 Beauchamp took when DenSco issued a POM in 2011, or at any time thereafter, to
2 ensure that DenSco was using an appropriate Subscription Agreement for the
3 promissory notes DenSco sold during and after July 2011.

4 17. DenSco's investor files reflect that during the two years the 2011 POM
5 was in effect, Chittick used a Subscription Agreement that Beauchamp had prepared in
6 2009 and which referenced the 2009 POM. Those files also reflect that Chittick
7 continued to use the 2009 Subscription Agreement to sell promissory notes after the
8 2011 POM expired in July 2013.

9 18. ~~d.~~ Beauchamp knew that the vast majority of DenSco's investors
10 purchased two-year promissory notes. For example, Beauchamp's notes reflect that
11 Chittick told him during a May 3, 2007 meeting that attempt to maintain a diverse
12 portfolio of Trust Deeds and loans by seeking a large borrowing base," with its current
13 "base of borrowers exceed[ing] 200 approved and qualified borrowers," and a plan
14 "that the base of borrowers eventually will exceed 500."90% of the promissory notes
15 DenSco had issued to investors were two-year notes.

16 19. Beauchamp also knew that the vast majority of DenSco's investors did
17 not redeem their promissory notes when those notes matured, and instead "rolled over"
18 their investments by executing a subscription agreement and buying a new promissory
19 note when a previous promissory note matured. As Beauchamp wrote in a June 15,
20 2007 e-mail to Richard Carney, who was then doing "Blue Sky" work for DenSco,
21 "DenSco has regular sales of roll-over investments" and an "ongoing roll-over of the
22 existing investors every 6 months or so."

23 (2) The Promissory Notes Were Represented to Be
24 Safe, Secure Investments

25 20. In the POMs it issued in 2007, 2009 and 2011, DenSco made a number of
26 representations about its business practices that were intended to give existing and
27 potential investors the impression that the promissory notes sold by DenSco were safe,
28 secure investments.

1 21. For example, the POM that DenSco issued in 2011 stated that:

2 a. DenSco had sold promissory notes worth \$25.9 million to
3 new and existing investors since 2001, and “ha[d] never defaulted on either
4 interest or principal” on any of those notes.

5 b. “All real estate loans funded by [DenSco] have been and are
6 intended to be secured through first position trust deeds.”

7 c. DenSco would “attempt to maintain a diverse [loan]
8 portfolio . . . by seeking a large borrowing base” and by “attempting to ensure
9 that one borrower will not comprise more than 10 to 15 percent of the total
10 portfolio.”

11 d. ~~e. Represented that DenSco “intends~~ DenSco “intend[ed] to
12 maintain general loan-to-value guidelines that currently range from 50 percent to
13 65 percent, (but it is not intended to exceed 70%), to help protect the Company’s
14 portfolio of loans. ~~Further, all loans are relatively short term.”~~

15 e. ~~f. Represented that “[b]ecause~~ “Because of these varying
16 degrees of diversification, the relatively short duration of each of the loans, and
17 management’s knowledge of the Phoenix metropolitan market, [DenSco’s]
18 management anticipates that it will not experience a significant amount of
19 losses.”

20 f. DenSco’s “objective is to have sufficient cash coming in
21 from Trust Deed payoffs to be able to redeem all Notes as they come due and
22 maintain reserves without any need to sell assets or issue new Notes to repay the
23 earlier maturing Notes.”

24 22. ~~42. As The POMs DenSco issued by DenSco to existing and potential~~
25 investors in 2007, the 2007 POM contained 2009 and 2011 each included a “Prior
26 Performance” section which ~~made the following representations:~~ summarized the dollar
27 value of promissory notes sold in preceding years, the number of loans made in each
28

1 year, the value of those loans, the value of the property securing those loans, and losses
2 incurred in each of those years.

3 23. The Prior Performance section in each POM concluded with a statement
4 that was intended to give existing and potential investors the impression that the
5 promissory notes sold by DenSco were safe, secure investments: “Each and every
6 Noteholder has been paid the interest and principle due to that Noteholder in
7 accordance with the respective terms of the Noteholder’s Notes. Despite any losses
8 incurred by the Company from its borrowers, no Noteholder has sustained any
9 diminished return or loss on their investment in a Note from [DenSco].”

10 (3) The 2007, 2009 and 2011 POMs Were Each in
11 Effect for Two Years, But Were Never Updated
12 by DenSco, And Beauchamp Did Not Advise
13 DenSco To Do So.

14 24. Each POM that DenSco issued to existing and potential investors in 2007,
15 2009 and 2011 stated that DenSco “intends to offer [promissory notes for sale] on a
16 continuous basis until the earlier of (a) the sale of the maximum offering.” which was
17 \$50 million, “or (b) two years from the date of this memorandum.” They went on to
18 state that DenSco “reserves the right to amend, modify and/or terminate this offering.”

19 25. DenSco’s records do not reflect that it ever told existing and potential
20 investors that “the maximum offering proceeds” offered through the 2007, 2009 and
21 2011 POMs had been raised, or that it had terminated any of those offerings.

22 26. As a result, the POM that was dated June 1, 2007 expired on June 1,
23 2009; the POM that was dated July 1, 2009 expired on July 1, 2011; and the POM that
24 was dated July 1, 2011 expired on July 1, 2013.

25 ~~a. Since 2001, DenSco had raised \$11,970,000 through the sale of promissory~~
26 ~~notes to new and existing investors with terms of between six months and five~~
27 ~~years, and “had never defaulted on either interest or principal for any of such~~
28 ~~notes.”~~

1 b. ~~With respect to the real estate loans DenSeco makes to~~
2 ~~Foreclosure Specialists using capital raised from its investors, DenSeco “has~~
3 ~~endeavored to maintain a large and diverse base of borrowers as well as a~~
4 ~~diverse selection of properties for its loans to the borrowers.”~~

5 e. ~~“All real estate loans funded by [DenSeco] have been and will be secured through~~
6 ~~first position trust deeds.”~~

7 d. ~~“The loan to value ratio of [DenSeco’s] overall portfolio has~~
8 ~~averaged less than 70% and [DenSeco] intends to maintain a loan to value ratio of~~
9 ~~50% to 65%.”~~

10 e. ~~“All secured loans made by the Company have been paid in~~
11 ~~accordance with their respective terms and it has sustained no losses on its~~
12 ~~portfolio.”~~

13 27. ~~43. As issued by DenSeco, the 2007 POM was a “continuous offering”~~
14 ~~which would remain in effect for two years (or until June 1, 2009) “unless [DenSeco]~~
15 ~~changes its operations . . . in any material respect prior to the expiration of the two year~~
16 ~~offering period” or terminated the offering before that date. It The POMs DenSeco~~
17 ~~issued to existing and potential investors in 2007, 2009 and 2011 each stated that “[i]n~~
18 ~~order to continue offering the Notes during this [two-year] period, [DenSeco] will need~~
19 ~~to update this Memorandum from time to time,” and that “[i]f [DenSeco] changes its~~
20 ~~operations . . . in any material respect, [it] will update the Memorandum as necessary to~~
21 ~~provide correct information to investors.”~~ ” Each POM went on to state that

22 Keeping the information in the Memorandum current will cause the
23 Company to incur additional costs. A failure to update this Memorandum
24 as required could result in the Company being subject to a claim under
25 Section 10b-5 of the Security Act for employing a manipulative or deceptive
26 practice in the sale of securities, subjecting [DenSeco], and possibly the
management of [DenSeco], to claims from regulators and investors. In
addition, an investor might seek to have the sale of the Notes hereunder
rescinded which would have a serious adverse effect on [DenSeco’s]
operations. (Emphasis added.)

27 28. DenSeco’s records do not reflect that DenSeco ever took steps to “[k]eep[]
28 the information in the [POMs DenSeco issued in 2007, 2009 and 2011] current” by

1 issuing updates to those POMs during the two-year period each of those POMs was in
2 effect.

3 29. The files that Beauchamp maintained, and the billing statements issued to
4 DenSco by his respective law firms, do not reflect that Beauchamp ever advised
5 DenSco to “[k]eep[] the information in the [POMs DenSco issued in 2007, 2009 and
6 2011] current” by issuing updates to those POMs during the two-year period each of
7 those POMs was in effect.

8 30. Each POM that DenSco issued in 2007, 2009 and 2011 prominently
9 warned potential purchasers of DenSco’s promissory notes that “NO PERSON HAS
10 BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY
11 REPRESENTATIONS CONCERNING THE COMPANY OTHER THAN AS
12 CONTAINED IN THIS CONFIDENTIAL PRIVATE OFFERING MEMORANDUM
13 AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR
14 REPRESENTATIONS MUST NOT BE RELIED UPON.”

15 (4) In Preparing the 2011 POM, Beauchamp Failed
16 to Investigate a “Red Flag” About DenSco’s
Lending Practices.

17 31. The Prior Performance section of the POM DenSco issued in 2011
18 concluded with the same positive statement about DenSco’s lending activities and the
19 absence of losses on promissory notes that was made in earlier POMs:

20 Since inception through June 30, 2011, [DenSco] has participated in
21 2622 loans, with an average amount of \$116,000, with the highest loan being
22 \$800,000 and lowest being \$12,000. The aggregate amount of loans funded is
23 \$306,786,893 with property valued totaling \$470,411,170. . . . These loans
24 have borne interest rates of 18% per annum. The interest rate paid to
25 noteholders has ranged from 8% to 12% per annum through such date. Each
26 and every Noteholder has been paid the interest and principle due to that
27 Noteholder in accordance with the respective terms of the Noteholder’s Notes.
28 Despite any losses incurred by the Company from its borrowers, no
Noteholder has sustained any diminished return or loss on their investment in
a Note from [DenSco].”

1 32. But the information disclosed in the 2011 POM's Prior Performance
2 section clearly raised a "red flag" about DenSco's lending activities. Among the
3 information disclosed in that section was the following.

<i>Year</i>	<i>Notes Sold</i>	<i>Loans Made</i>	<i>Yearly Loan Amount</i>
2001	\$500,000	37	\$8,378,000
2002	\$930,000	69	\$5,685,000
2003	\$1,550,000	124	\$11,673,000
2004	\$2,450,000	185	\$19,907,000
2005	\$2,670,000	236	\$34,955,700
2006	\$2,800,000	215	\$34,468,100
2007	\$2,400,000	272	\$42,579,634
2008	\$3,000,000	304	\$38,864,660
2009	\$2,100,000	412	\$41,114,707
2010	\$2,800,000	390	\$37,973,097
2011 (to 6/30/11)	\$4,700,000	378	\$36,187,995

12 33. This information raised a red flag because Chittick was DenSco's sole
13 employee. In addition to selling promissory notes, making interest payments, and
14 issuing statements to investors, Chittick was the only person who was conducting due
15 diligence and underwriting and documenting DenSco's loans. He was also responsible
16 for collecting loan payments and ensuring compliance with loan agreements.

17 34. Since 2009, when the previous POM had been issued, Chittick made more
18 than one loan a day: 412 in 2009; 390 in 2010; and 378 in just the first six months of
19 2011.

20 35. A reasonable securities lawyer would have questioned whether Chittick
21 could humanly make so many loans, and whether he was competently managing
22 DenSco's lending activities.

23 36. A reasonable securities lawyer would have conducted a due diligence
24 inquiry about DenSco's lending practices and the 2011 POM's representations that
25 "[a]ll real estate loans funded by [DenSco] have been and are intended to be secured
26 through first position trust deeds," and that DenSco was, in fact, "attempting to ensure
27

1 that one borrower will not comprise more than 10 to 15 percent of the total portfolio,”
2 among other representations.

3 37. Any concerns about DenSco’s lending practices would have been
4 heightened by the increased amount of money Chittick had raised in the first half of
5 2011 (\$1.9 million more than the \$2.8 million that had been raised in all of 2010), and
6 the overall amount of money DenSco had raised since 2001 through the sale of
7 promissory notes (\$26.9 million as of June 30, 2011).

8 38. Bryan Cave had a mandatory due diligence procedure in place at the time
9 Beauchamp was working on the 2011 POM. As Beauchamp told Chittick in a June 11,
10 2011 email, he was required by Bryan Cave’s “internal compliance procedures to
11 comply with the new regulations and requirements” to “set up a due diligence file” that
12 would “support each of the statements in the POM.”

13 39. But the files that Beauchamp maintained, and the billing statements Bryan
14 Cave issued to DenSco, do not reflect that Beauchamp ever conducted any due
15 diligence on DenSco’s lending practices in 2011.

16 40. Beauchamp overlooked this red flag and would later overlook other red
17 flags.

18 3. Beauchamp Also Advised DenSco About Its Lending Practices.

19 41. In addition to preparing DenSco’s POMs and advising DenSco on
20 securities law matters, Beauchamp advised DenSco about its lending practices.

21 42. As Beauchamp wrote in a June 15, 2007 email to Richard Carney, he and
22 others at Gammage & Burnham had “updated DenSco’s . . . loan documents to be used
23 with borrowers.”

24 ~~44. Between June 2007 and June 2009, DenSco did not update the 2007~~
25 ~~POM.~~

26 ~~45. The Receiver is not aware of any facts establishing that between June~~
27 ~~2007 and April 2009 (when DenSco initiated the process of preparing a new private~~
28

1 offering memorandum) Beauchamp advised DenSco to consider whether an update to
2 the 2007 POM was warranted.

3 46. In June 2007, Beauchamp corresponded with Carney by email to ensure
4 that appropriate federal and state securities filings were made.

5 47. Chittick thereafter periodically checked with Carney and Beauchamp by
6 email to ensure DenSco was complying with the securities laws in states in which
7 DenSco solicited investments.

8 2. Revision of DenSco's Standard Loan Documentation

9 43. 48. During their May 3, 2007 meeting, The files that Beauchamp
10 maintained from his time at Gammage & Burnham reflect that he had a meeting with
11 Chittick on May 3, 2007, during which Chittick asked Beauchamp to review and revise
12 the documents DenSco used to make and secure its loans ~~to Foreclosure Specialists.~~

13 44. 49. ~~Beauchamp asked~~ At Beauchamp's request, Gammage & Burnham
14 attorney Kevin Merritt ~~to take~~ took the lead in making those revisions, but Beauchamp
15 remained involved in reviewing the revisions and discussing them with Chittick.

16 45. Chittick told Beauchamp and Merritt that DenSco used a Receipt and
17 Mortgage ~~(signed- which only by a the borrower)- signed,~~ to serve as evidence that
18 DenSco had paid directly to a ~~trustee-Trustee~~ the proceeds of a loan a borrower had
19 obtained from DenSco to buy property from the ~~trustee-Trustee~~ at a ~~trustee's-Trustee's~~
20 sale.

21 46. 50. Chittick told ~~them~~ Beauchamp and Merritt that because there was
22 often a delay in a ~~trustee-Trustee~~ recording a ~~trustee's-Trustee's~~ deed after a trustee's
23 sale, DenSco recorded its Receipt and Mortgage immediately after a ~~trustee's-Trustee's~~
24 sale had been completed to establish its lien rights. Once ~~a trustee's-aTrustee's~~ deed
25 was recorded, DenSco would record its Deed of Trust and Assignment of Rents.

26 47. 51. In May and June 2007, Merritt prepared for DenSco's use revised
27 forms of a Receipt and Mortgage, Note Secured by Deed of Trust, Deed of Trust and
28

1 Assignment of Rents, and a Continuing Personal Guaranty, which Beauchamp
2 received.

3 48. The revised Receipt and Mortgage, like the previous form, was to be
4 signed by the borrower only, and not the Trustee. The operative language included the
5 following terms:

6 The undersigned borrower ("Borrower") acknowledges receipt of the proceeds
7 of a loan from DenSco Investment Corporation ("Lender") in the sum of \$____,
8 as evidenced by check payable to _____ ("Trustee"). The loan was made to
9 Borrower to purchase the Real Property legally described as: Lot _____,
10 Subdivision _____, according to Book _____ of Maps, Page _____, in the plat record
11 in the Recorder's Office of Maricopa County. Address: _____. At a
12 trustee's sale conducted by Trustee, which took place on _____, 200____, Borrower
13 became the successful purchaser with the highest bid, and the loan is intended to
14 fund all or a part of the purchase price bid by Borrower at such trustee's sale.
15 (Emphasis added.)

16 49. As revised by Merritt, the Receipt and Mortgage contemplated that
17 DenSco would: (1) issue a check payable to the Trustee; and (2) employ some means to
18 confirm that the check had been used by the borrower to purchase the property from the
19 Trustee at a Trustee's sale.

20 50. Beauchamp has testified in an interrogatory answer that he "prepared all
21 of DenSco's offering documents" and "reviewed and commented on" DenSco's loan
22 documents, including the Receipt and Mortgage."

23 51. Beauchamp also testified that he "set out the proper method and
24 procedures for funding a loan" in the POMs, which he said were "disclosed to
25 DenSco's investors [as] the processes and procedures DenSco used to protect the
26 investments made in the company." He identified two specific representations made in
27 the POMs that DenSco issued in 2007, 2009 and 2011. According to Beauchamp, those
28 POMs

a. "describe that DenSco 'intends to directly . . . or indirectly . . .
perform due diligence to verify certain information in connection with funding a
Trust Deed'" and

1 b. “explain that ‘[p]rior to purchasing a Trust Deed or funding a
2 direct loan, the Company intends to have an officer, employee or an authorized
3 representative conduct a due diligence review by interviewing its owners,
4 verifying the documentation and performing limited credit investigations as are
5 deemed appropriate by the Company and visiting the subject property in a timely
6 manner.’”

7 52. After identifying those representations, Beauchamp linked them to the
8 Receipt and Mortgage, testifying: “Further, every mortgage evidencing a property
9 purchase made with a DenSco loan stated that the check purchasing the property was
10 made to the Trustee.”

11 4. In 2009 and 2010, Beauchamp Advised DenSco About Whether
12 DenSco Should be Regulated by the Arizona Department of
13 Financial Institutions, and in 2010 and 2011 Worked to
14 Prevent the Department from Regulating DenSco.

15 ~~52.— Beauchamp knew in June 2007 that questions had been raised by the~~
16 ~~Maricopa County Recorder’s Office about the validity of DenSco’s Receipt and~~
17 ~~Mortgage and that Merritt had suggested that DenSco could address those concerns by~~
18 ~~changing its procedures to require each trustee to sign the Receipt and Mortgage.~~

19 ~~53.— Beauchamp knew that DenSco did not change its procedures.~~
20 ~~54. Beauchamp, who periodically reviewed and discussed with Chittiek DenSco’s lending~~
21 ~~practices, explicitly or implicitly assured Chittiek that DenSco’s lending practices and~~
22 ~~loan documents would ensure that DenSco had a first lien position on the real property~~
23 ~~acquired with its loans.~~

24 ~~C.— Beauchamp’s Representation of DenSco While Affiliated with Bryan~~
25 ~~Cave~~

26 ~~55. Beauchamp left Gammage & Burnham in March 2008 to join the law firm Bryan Cave~~
27 ~~LLP.~~

28 ~~56. When Beauchamp moved to Bryan Cave, DenSco became a client of that firm.~~

1 57. — DenSeo asked that the following DenSeo files be transferred from
2 Gammage & Burnham to Bryan Cave after Beauchamp joined Bryan Cave: (i) “2001
3 Private Offering”; (ii) “2003 Private Offering”; (iii) “2005 Private Offering”; (iv) “2007
4 Private Offering”; and (v) “Corporate General.”

5 58. — During May and June 2008, Beauchamp prepared for DenSeo’s use a
6 form of demand letter DenSeo could use to seek to enforce a continuing personal
7 guaranty.

859 ~~In February 2010, Beauchamp established a new “matter” in Bryan Cave’s accounting~~
9 ~~and filing systems to assist DenSeo with garnishments. DenSeo was identified as~~
10 ~~Bryan Cave’s client.~~

11 60. — In April 2011, Beauchamp responded to a request from Chittick for a
12 referral for a friend in a criminal matter.

13 61. — In April 2011, Beauchamp advised DenSeo on collection procedures.

1462 ~~In May and June 2011, Beauchamp discussed with Chittick his or DenSeo’s possible~~
15 ~~participation in a to-be-formed title insurance company. Beauchamp established a new~~
16 ~~matter in Bryan Cave’s accounting and filing systems for DenSeo, described as~~
17 ~~“Formation of affiliate entity with partners.” DenSeo was identified as Bryan Cave’s~~
18 ~~client. Bryan Cave attorney Andrew Gleason provided Chittick with comments on a~~
19 ~~draft operating agreement in June 2011. Bryan Cave performed no further work on the~~
20 ~~matter.~~

21 63. — In June 2012, Chittick communicated with Beauchamp regarding his
22 interview by the FBI and response to a related document subpoena.

23 64. — In April 2013, Beauchamp represented DenSeo in settling a threatened
24 personal injury claim.

25 1. — The 2009 POM

1 65. — DenSeo issued a private offering memorandum in July 2009 (the “2009
2 POM”) that it used to solicit investments in promissory notes issued by DenSeo to
3 investors.

4 ~~66. The 2009 POM was prepared by Beauchamp and Bryan Cave attorneys Ray Burgan,~~
5 ~~Logan Miller, and Nancy Pohl.~~

6 67. — Beauchamp has testified that DenSeo relied on him to prepare the 2009
7 POM for distribution “to investors of DenSeo in compliance with Arizona and federal
8 security [sic] laws” and to provide DenSeo with “recommendations for amended or
9 additional [private offering memoranda]” in keeping with the investments being made
10 or contemplated by DenSeo.”

11 68. — Chittick sent Beauchamp an email on April 6, 2009 which initiated the
12 process of the 2009 POM’s preparation. He wrote: “[I] can’t believe it’s time to do an
13 update again. [I]t’s been 2 yrs. [S]hould we do one? [S]till need to? [A]nything major
14 changed?”

15 69. — Beauchamp responded the same day by email, saying “[g]iven the
16 economy and real estate collapse, it is pretty important that we do an update.”

17 ~~70. Beauchamp completed his work on the 2009 POM in approximately ninety days.~~

18 71. — Beauchamp and Chittick met on April 9, 2009.

19 ~~72. Beauchamp caused a new matter to be established in Bryan Cave’s accounting and~~
20 ~~filing systems for the preparation of the 2009 POM, which identified DenSeo as Bryan~~
21 ~~Cave’s client.~~

22 73. — On May 15, 2009, Beauchamp sent Chittick by email a draft of the 2009
23 POM, in which he posed questions to Chittick about DenSeo’s past and current
24 operations.

25 74. — On May 17, 2009, Chittick sent Beauchamp by email a marked-up copy
26 of the draft POM with responses to some of Beauchamp’s questions.

27 75. — On May 18, 2009, Beauchamp directed Burgan to review DenSeo’s
28 newsletters to “see if anything in [them] flags an issue that we should discuss.”

1 76. — On June 30, 2009, Beauchamp and Chittick discussed by email finalizing
2 the 2009 POM in July so that information regarding DenSco's loans through the end of
3 June could be included.

4 77. — On July 6, 2009, Beauchamp sent a revised draft of the 2009 POM to
5 Chittick by email.

6 78. — On July 6, 2009, Beauchamp sent Chittick by email revisions to an
7 associated subscription agreement and purchaser questionnaire.

8 79. — After receiving Chittick's revisions, Beauchamp caused a revised draft of
9 the 2009 POM to be sent to Chittick by email on July 8 and 9, 2009.

10 80. — The document was finalized on July 10, 2009.

11 81. — As issued by DenSco, the 2009 POM offered to sell investors promissory
12 notes with the following durations and interest rates: six months at 8%; one year at
13 10%; and two to five years at 12%. The 2009 POM stated that the notes are "paid
14 'interest only' during the terms, with principal payable only at maturity," and investors
15 having the ability to "have interest paid monthly, quarterly, or at maturity."

16 82. — As issued by DenSco, the 2009 POM:

17 a. — Described DenSco as being "engaged primarily in the
18 business of . . . funding Foreclosure Specialists, who purchase houses through
19 the preforeclosure process and at foreclosure sales."

20 b. — Represented that DenSco's "primary focus is to lend money
21 to qualified borrowers who can fulfill their loan obligations on highly marketable
22 properties with sufficient equity."

23 c. — Represented that each loan would "be secured by its
24 underlying real property."

25 d. — Represented that DenSco "will attempt to maintain a diverse
26 portfolio of Trust Deeds and loans by seeking a large borrowing base," with its
27 current "base of borrowers exceed[ing] 200 approved and qualified borrowers,"
28 and a plan "that the base of borrowers eventually will exceed 500."

1 e. — Represented that DenSeo “intends to maintain general loan-
2 to-value guidelines that currently range from 50 percent to 65 percent, (but it is
3 not intended to exceed 70%), to help protect the Company’s portfolio of loans.
4 Further, all loans are relatively short-term.”

5 f. — Represented that “[b]ecause of these varying degrees of
6 diversification, the relatively short duration of each of the loans, and
7 management’s knowledge of the Phoenix metropolitan market, [DenSeo]
8 anticipates that it will not experience a significant amount of losses.”

9 83. — As issued by DenSeo, the 2009 POM contained a “Prior Performance”
10 section which made the following representations:

11 a. — Since 2001, DenSeo had raised \$17,100,000 through the
12 sale of promissory notes to new and existing investors with terms of between six
13 months and five years, and “had never defaulted on either interest or principal
14 for any of such notes.”

15 b. — With respect to the real estate loans DenSeo makes to
16 Foreclosure Specialists using capital raised from investors, DenSeo “has
17 endeavored to maintain a large and diverse base of borrowers as well as a
18 diverse selection of properties for its loans to the borrowers.”

19 c. — “However, in response to the more recent challenging
20 conditions in the real estate market, [DenSeo] has focused on maintaining
21 relationships with borrowers that have a proven track record with a good
22 payment history and performance.”

23 d. — Despite that focus, DenSeo “continues to strive to achieve a
24 diverse borrower base by attempting to ensure that one borrower will not
25 comprise more than ten percent (10%) of the total portfolio.”

26 e. — “All real estate loans funded by [DenSeo] have been and are
27 intended to be secured through first position trust deeds.”
28

1 f. ~~“The loan to value ratio of [DenSeo’s] overall portfolio has~~
2 ~~averaged less than 70% and [DenSeo] intends to maintain a loan to value ratio of~~
3 ~~50% to 65%.”~~

4 g. ~~“Despite any losses incurred by the Company from its borrowers, no Noteholder~~
5 ~~has sustained any diminished return or loss on their investment in a Note from~~
6 ~~[DenSeo].”~~

7 84. ~~The “Prior Performance” section also described the circumstances relating~~
8 ~~to and resulting losses for loans made in 2006, 2007, 2008 and the first six months of~~
9 ~~2009.~~

10 85. ~~As issued by DenSeo, the 2009 POM was a “continuous offering” which~~
11 ~~would remain in effect for two years (or until July 1, 2011) “unless [DenSeo] changes~~
12 ~~its operations . . . in any material respect prior to the expiration of the two year offering~~
13 ~~period” or terminated the offering before that date. It stated that “[i]n order to continue~~
14 ~~offering the Notes during this period, [DenSeo] will need to update this Memorandum~~
15 ~~from time to time,” and that “[i]f [DenSeo] changes its operations . . . in any material~~
16 ~~respect, [it] will update the Memorandum as necessary to provide correct information to~~
17 ~~investors.”~~

18 86. ~~Between July 2009 and July 2011, DenSeo did not update the 2009 POM.~~
19 ~~The Receiver is not aware of any facts establishing that between July 2009 and April~~
20 ~~2011 (when DenSeo initiated the process of preparing a new private offering~~
21 ~~memorandum) Beauchamp advised DenSeo to consider whether an update to the 2009~~
22 ~~POM was warranted.~~

23 88. ~~In July, September and December 2009, Beauchamp corresponded with~~
24 ~~Carney by email to ensure that appropriate federal and state securities filings were~~
25 ~~made.~~

26 89. ~~During 2010, Bryan Cave opened a “Blue Sky Issues” matter to be~~
27 ~~established in Bryan Cave’s accounting and filing systems for work the firm performed~~

1 to assist DenSco in making appropriate federal and state securities filings. DenSco was
2 identified as Bryan Cave's client.

3 90. During 2010, Chittick continued to periodically check with Beauchamp
4 and Carney by email to ensure DenSco was complying with the securities laws in states
5 and countries in which DenSco solicited investments.

6 91. During 2009 and 2010, Beauchamp provided DenSco with other
7 securities law advice.

8 2. Advice re State Licensing in 2009 and 2010

9 53. 92. During April 2009, Beauchamp and Burgan reviewed DenSco's
10 lending procedures and advised DenSco on whether DenSco was subject to the
11 supervision of Beauchamp also advised DenSco about whether it was subject to
12 regulation by the Arizona Department of Financial Institutions and required to be
13 licensed ("ADFI"); such regulation would have included periodic audits of DenSco's
14 lending practices. He then represented DenSco in fending off the ADFI's efforts to
15 regulate DenSco.

16 54. During April 2009, when Beauchamp was a partner of Bryan Cave,
17 Beauchamp and Bryan Cave attorney Ray Burgan reviewed DenSco's lending
18 procedures and advised DenSco as to whether DenSco was subject to ADFI supervision
19 and required to be licensed.

20 55. 93. Beauchamp and Burgan advised Chittick by email that "DenSco's
21 operations as we understand them can be shown to exclude DenSco and you from being
22 subject to [the Department's ADFI's] current licensing requirements."

23 56. 94. Chittick accepted their advice and followed it.

24 57. 95. In May 2010, Beauchamp reviewed and analyzed proposed new
25 licensing regulations and conferred with Chittick about them.

26 58. 96. In June 2010, Beauchamp, Miller and Bryan Cave attorney attorneys
27 Logan Miller and Michael Dvoren further analyzed those proposed new licensing
28 regulations.

1 59. ~~97.~~ Chittick stated by email that he was prepared to have DenSco and
2 himself subject to regulation by the ~~Arizona Department of Financial Institutions~~ ADFI.

3 60. But based on Beauchamp's advice, Chittick did not cause DenSco to be
4 regulated by the ADFI and took active steps to resist such regulation.

5 61. ~~98.~~ At Beauchamp's direction, in June 2010, Dvoren presented arguments
6 to a representative of the ~~Arizona Department of Financial Institutions~~ ADFI as to why
7 DenSco was not subject to the Department's regulation and oversight. Those
8 arguments were memorialized in emails that Dvoren sent to ~~the Arizona Department of~~
9 ~~Financial Institutions and a representative of~~ representatives of the ADFI and the
10 Arizona Attorney General's Office.

11 ~~99. Relying on Beauchamp's advice, Chittick did not seek to have DenSco become subject~~
12 ~~to regulation by the Arizona Department of Financial Institutions.~~

13 **3. — The 2011 POM**

14 ~~100. DenSco issued a private offering memorandum in July 2011 (the "2011~~
15 ~~POM") that it used to solicit investments in promissory notes issued by DenSco to~~
16 ~~investors.~~

17 ~~101. The 2011 POM was prepared by Beauchamp and Bryan Cave attorneys Gus~~
18 ~~Schneider and Jonathan E. Stern.~~

19 ~~102. Beauchamp has testified that DenSco relied on him to prepare the 2011~~
20 ~~POM for distribution "to investors of DenSco in compliance with Arizona and federal~~
21 ~~security [sic] laws" and to provide DenSco with "recommendations for amended or~~
22 ~~additional [private offering memoranda]" in keeping with the investments being made~~
23 ~~or contemplated by DenSco."~~

24 ~~103. Chittick sent Beauchamp emails on March 11, 2011 and April 1, 2011~~
25 ~~which initiated the process of the 2011 POM's preparation.~~

26 ~~104. Beauchamp completed his work on the 2011 POM in approximately ninety days.~~

1 ~~105.—Beauchamp and Chittick met on April 13, 2011. During that meeting,~~
2 ~~Chittick told Beauchamp that Warren Bush, an investor, was willing to review the draft~~
3 ~~2011 POM before it was finalized.~~

4 ~~106.—Beauchamp caused a new matter to be established in Bryan Cave’s~~
5 ~~accounting and filing systems for the preparation of the 2011 POM which identified~~
6 ~~DenSeo as Bryan Cave’s client.~~

7 ~~107.—On May 3, 2011, Schneider sent Chittick an email at Beauchamp’s~~
8 ~~request reporting on Bryan Cave’s conclusion that if the funds DenSeo received from~~
9 ~~investors exceeded \$25 million, DenSeo would not be subject to additional regulation,~~
10 ~~but could be subject to rules then being developed under the Dodd-Frank Wall Street~~
11 ~~Reform and Consumer Act.~~

12 ~~108.—Chittick responded by email saying that DenSeo “just went over 25~~
13 ~~million in [February], now approaching 30.”~~

14 ~~109.—On May 25, 2011, Beauchamp directed Schneider to send a preliminary~~
15 ~~draft of the 2011 POM to Chittick by email in which questions were posed about~~
16 ~~DenSeo’s past and current operations, but noted that Beauchamp was still making~~
17 ~~revisions to the draft.~~

18 ~~110.—Chittick responded by email saying he wanted to wait for Beauchamp’s~~
19 ~~draft.~~

20 ~~111.—On June 6, 2011, Chittick sent Beauchamp an email asking when he~~
21 ~~would receive a draft.~~

22 ~~112.—On June 11, 2011, Beauchamp sent Chittick a draft of the 2011 POM. His~~
23 ~~transmittal email stated, in part, that the draft had “notes in brackets of additional~~
24 ~~information or support we need in our file. Pursuant to our internal compliance~~
25 ~~procedures to comply with the new regulations and requirements, we needed to set up a~~
26 ~~due diligence file for the offering. This file is to support each of the statements in the~~
27 ~~POM. Unfortunately, it took longer to review the POM and to identify what we had~~
28 ~~and what is still needed.”~~

1 ~~113. Chittick sent Beauchamp an email later that day with his “changes or~~
2 ~~inputs on comments where you were seeking feedback.” He also noted that he sent the~~
3 ~~draft to Bush.~~

4 62. Beauchamp’s and Dvoren’s arguments were apparently successful, as the
5 ADFI did not take further steps in 2010 to regulate DenSco.

6 63. 135.114. On June On August 12, 2011, Chittick sent Beauchamp by
7 email Bush’s comments and his responses to those comments. a letter DenSco had
8 received from the ADFI

9 ~~115. Beauchamp, Chittick and Bush exchanged subsequent emails.~~

10 ~~116. On June 15, 2011, Schneider sent Chittick by email a revised draft of the~~
11 ~~2011 POM which incorporated Chittick’s changes.~~

12 ~~117. On June 30, 2011, Beauchamp received by email DenSco’s most recent~~
13 ~~newsletter in which Chittick wrote: “We hit \$25 million and then blew through 26 and~~
14 ~~arrived at \$26.9 for the quarter. I’m soon reaching the point where I believe I will stop~~
15 ~~soliciting new investors. I’ll always accept additional investment from my current~~
16 ~~investors. I need to be able to manage the business on my terms and time and I’m~~
17 ~~reaching the point where I’ll need to put a cap on things.”~~

18 ~~118. On June 30, 2011, Beauchamp sent Chittick an email asking for~~
19 ~~information Bryan Cave wanted for its due diligence file, including “prior~~
20 ~~performance” information. He also noted he needed to “prepare and send you the~~
21 ~~Officer’s Certificate confirming that all of the information in the POM is true and~~
22 ~~correct to the best of your ability and belief.”~~

23 ~~119. On July 11, 2011, Chittick sent Beauchamp a revised draft of the 2011 POM in~~
24 ~~which he supplied information requested by Beauchamp. His transmittal email stated,~~
25 ~~in part: “Ok [I]’m done. [I] don’t want to look at this thing for another 2 years!”~~

26 ~~120. Beauchamp responded by email that day, saying he would not be able to~~
27 ~~review the draft until July 13, 2011 and answering a question from Chittick about how~~
28 ~~DenSco could distribute the POM to potential investors.~~

1 ~~121. On July 18, 2011, Beauchamp sent Chittick an email saying he had not~~
2 ~~yet had time to review the draft 2011 POM but would do so by the end of the day or the~~
3 ~~following morning.~~

4 ~~122. Beauchamp then sent an email to his secretary, asking her to prepare a~~
5 ~~blackline comparing Chittick's revisions to the draft he had been sent, noting that "[w]e~~
6 ~~have to give final approval and I want to double-check what has been changed."~~

7 ~~123. On July 19, 2011, Beauchamp sent Chittick revisions to the 2011 POM~~
8 ~~and gave further instruction to Chittick about how DenSeco could distribute the POM to~~
9 ~~potential investors.~~

10 ~~124. The 2011 POM was finalized on July 19, 2011.~~

11 ~~125. As issued by DenSeco, the 2011 POM offered to sell investors promissory~~
12 ~~notes with the following durations and interest rates: six months at 8%; one year at~~
13 ~~10%; and two to five years at 12%. It stated that the notes are "paid 'interest only'~~
14 ~~during the terms, with principal payable only at maturity," and investors having the~~
15 ~~ability to "have interest paid monthly, quarterly, or at maturity."~~

16 ~~126. As issued by DenSeco, the 2011 POM:~~

17 ~~a. Described DenSeco as being "engaged primarily in the~~
18 ~~business of funding Foreclosure Specialists, who purchase houses through the~~
19 ~~preforeclosure process, and at foreclosure sales."~~

20 ~~b. Represented that DenSeco's "primary focus is to lend money~~
21 ~~to qualified borrowers who can fulfill their loan obligations on highly marketable~~
22 ~~properties with sufficient equity."~~

23 ~~c. Represented that each loan would "be secured by its~~
24 ~~underlying real property."~~

25 ~~d. Represented that DenSeco "will attempt to maintain a diverse~~
26 ~~portfolio of Trust Deeds and loans by seeking a large borrowing base, with its~~
27 ~~current "base of borrowers exceed[ing] 150 approved and qualified borrowers,"~~
28 ~~and a plan "that the base of borrowers will exceed 250."~~

1 e. — Represented that DenSeo “intends to maintain general loan-
2 to-value guidelines that currently range from 50 percent to 65 percent, (but it is
3 not intended to exceed 70%), to help protect the Company’s portfolio of loans.
4 Further, all loans are relatively short term.”

5 f. — Represented that “[b]ecause of these varying degrees of
6 diversification, the relatively short duration of each of the loans, and
7 management’s knowledge of the Phoenix metropolitan market, [DenSeo’s]
8 management anticipates that it will not experience a significant amount of
9 losses.”

10 127. — As issued by DenSeo, the 2011 POM contained a “Prior Performance”
11 section which made the following representations:

12 a. — Since 2001, DenSeo had raised \$25,900,000 through the sale of promissory
13 notes to new and existing investors with terms of between six months and five
14 years, and “has never defaulted on either interest or principal for any of such
15 notes.”

16 b. — With respect to the real estate loans DenSeo makes to
17 foreclosure specialists using capital raised from investors, DenSeo “has
18 endeavored to maintain a large and diverse base of borrowers as well as a
19 diverse selection of properties for its loans to the borrowers.”

20 c. — “However, in response to the more recent challenging
21 conditions in the real estate market, [DenSeo] has focused on maintaining
22 relationships with borrowers that have a proven track record with a good
23 payment history and performance.”

24 d. — Despite that focus, DenSeo “continues to strive to achieve a diverse borrower
25 base by attempting to ensure that one borrower will not comprise more than 10
26 to 15 percent of the total portfolio.”

27 e. — “All real estate loans funded by [DenSeo] have been and are intended to be
28 secured through first position trust deeds.”

1 f. ~~“The loan to value ratio of [DenSeo’s] overall portfolio has~~
2 ~~averaged less than 70% and [DenSeo] intends to maintain a loan to value ratio of~~
3 ~~50% to 65%.”~~

4 g. ~~“Despite any losses incurred by the Company from its borrowers, no Noteholder~~
5 ~~has sustained any diminished return or loss on their investment in a Note from~~
6 ~~[DenSeo].”~~

7 ~~128. The “Prior Performance” section also described the circumstances relating to and~~
8 ~~resulting losses for loans made during the years 2006 through 2010 and the first six~~
9 ~~months of 2011.~~

10 ~~129. As issued by DenSeo, the 2011 POM was a “continuous offering” which~~
11 ~~would remain in effect for two years (or until July 1, 2013) “unless [DenSeo] changes~~
12 ~~its operations . . . in any material respect prior to the expiration of the two year offering~~
13 ~~period” or terminated the offering before that date. It stated that “[i]n order to continue~~
14 ~~offering the Notes during this period, [DenSeo] will need to update this Memorandum~~
15 ~~from time to time,” and that “[i]f [DenSeo] changes its operations . . . in any material~~
16 ~~respect, [it] will update the Memorandum as necessary to provide correct information to~~
17 ~~investors.”~~

18 ~~130. Between July 2011 and July 2013, DenSeo did not update the 2011 POM.~~

19 ~~131. The Receiver is not aware of any facts establishing that between July~~
20 ~~2011 and May 2013 (when DenSeo initiated, but never completed, the process of~~
21 ~~preparing a new private offering memorandum) Beauchamp advised DenSeo to~~
22 ~~consider whether an update to the 2011 POM was warranted.~~

23 ~~132. Chittick distributed the 2011 POM to DenSeo’s investors through a July 19,~~
24 ~~2011 email (copied to Beauchamp) which stated, in part: “Yes in time for your summer~~
25 ~~reading! Did you ever finish the last one I sent you? I update this memorandum every~~
26 ~~two years. I work with David Beauchamp (securities attorney) to review all the statutes~~
27 ~~[sic] and laws in Arizona as it pertains to my business and all the states that I have~~
28

investors in. This is to ensure that I'm filing all the forms and following all the rules --
."

~~133. After the 2011 POM was issued, Chittick continued to periodically check with Beauchamp and Carney by email to ensure DenSco was complying with the securities laws in states in which DenSco solicited investments.~~

~~134. During 2011, Beauchamp provided DenSco with other securities law advice.~~

~~4. Response to 2011 ADFI Complaint Investigation~~

~~On August 12, 2011, Chittick sent Beauchamp a letter DenSco had received from the Arizona Department of Financial Institutions regarding an investigation by the Department as to whether DenSco was subject to mortgage broker regulations and required to be licensed and supervised by the Department.~~

~~136. Beauchamp caused a new matter in Bryan Cave's accounting and filing systems to be opened captioned AZ Practice Review which identified DenSco as the firm's client.~~

64. ~~137.~~ On August 22, 2011, Beauchamp sent a letter to the Department which asserted that DenSco was not subject to regulation by the ~~Department.~~ ADFI.

65. Those arguments were apparently successful, as the ADFI did not take further steps in 2011 to regulate DenSco.

5. Beauchamp Consistently Identified DenSco As His Client

66. Files maintained by DenSco, Gammage & Burnham and Bryan Cave reflect that while Beauchamp was affiliated with Gammage & Burnham and Bryan Cave he consistently identified DenSco as his client, and never stated in an engagement letter that he represented Chittick individually.

67. For example, on May 7, 2007, Beauchamp sent Chittick a letter to confirm that DenSco had retained Gammage & Burnham to prepare the 2007 POM which stated, in part, "As we have previously done, DenSco Investment Corporation

1 ("DenSco") will continue to be the client for this matter. If that is not consistent with
2 your understanding, please advise me immediately."

3 68. On April 10, 2008, Beauchamp sent Chittick a letter to confirm that
4 Bryan Cave had been retained "to provide legal services to DenSco Investment
5 Corporation in connection with [its] general business matters and such future matters
6 that we mutually agree to undertake."

7 69. On April 14, 2009, Beauchamp sent Chittick a letter to confirm that
8 Bryan Cave had been retained "to provide legal services to DenSco Investment
9 Corporation in connection with updating [its] Confidential Private Offering
10 Memorandum for 2009."

11 70. During 2010, Beauchamp caused a "Blue Sky Issues" matter to be
12 established in Bryan Cave's accounting and filing system which identified DenSco as
13 the firm's client.

14 71. On May 3, 2011, Beauchamp sent Chittick a letter to confirm that Bryan
15 Cave had been retained "to provide legal services to DenSco Investment Corporation in
16 connection with the updating of [its] Confidential Private Offering Memorandum for
17 2011."

18 72. In May and June 2011, Beauchamp discussed with Chittick his or
19 DenSco's possible participation in a to-be-formed title insurance company. Beauchamp
20 established a new matter in Bryan Cave's accounting and filing systems for DenSco,
21 described as "Formation of affiliate entity with partners." DenSco was identified as
22 Bryan Cave's client.

23 73. In August 2011, Beauchamp caused a new matter in Bryan Cave's
24 accounting and filing systems to be opened, captioned AZ Practice Review, which
25 identified DenSco as the firm's client.

26 **B. Events That Occurred in the Four Months Before Beauchamp Joined**
27 **Clark Hill in September 2013.**

1 74. The POM that DenSco issued in July 2011 expired on July 1, 2013.
2 DenSco did not issue a POM in July 2013, or at any time after July 2013, to replace the
3 POM that expired on July 1, 2013.

4 75. Between May 9 and July 1, 2013, Beauchamp took some preliminary
5 steps to prepare a new POM but did not begin drafting a new POM. He also failed to
6 conduct the due diligence that a reasonable securities lawyer would have undertaken.
7 He failed to investigate red flags about DenSco's lending practices when they were
8 brought to his attention.

9 **1. Beauchamp Was Asked to Leave Bryan Cave in June 2013**
10 **and Left the Firm in August 2013.**

11 76. One apparent reason for Beauchamp's inattention to DenSco's need for a
12 new POM was that he spent the summer months looking for a new job.

13 77. Information the Receiver has received in response to a subpoena served
14 on Bryan Cave suggests that on or shortly after June 4, 2013, Beauchamp was informed
15 by Bryan Cave's management committee that the firm wanted to end its relationship
16 with Beauchamp and that he would need to find a new law firm where he could practice
17 law.

18 78. Bryan Cave's decision understandably was not well received by
19 Beauchamp. As he wrote in a January 15, 2014 email to his former partner Bob Miller
20 explaining why he did not wish to attend a meeting at Bryan Cave's offices, "[m]y last
21 few months [at Bryan Cave] were more than a little difficult and I do not want to go
22 back to that."

23 79. Beauchamp finalized the terms of his employment by Clark Hill by mid-
24 to late-August 2013.

25 80. Beauchamp's notes reflect that he spoke to Chittick on August 26, 2013
26 and told him that "BC will be sending a letter to Denny & letting Denny decide if he
27 wants files kept at BC or moved to CH."
28

1 81. On August 30, 2013, Beauchamp sent Chittick by email a letter that he
2 and Jay Zweig, the managing partner of Bryan Cave's Phoenix office, both signed,
3 informing DenSco that Beauchamp would be leaving Bryan Cave effective August 31,
4 2013, and that Beauchamp would be joining Clark Hill.

5 ~~138.— In September 2011, Beauchamp told Chittick and Dennis Dahlberg by~~
6 ~~email that “the applicable rules for DenSco are very fact driven” and it was necessary to~~
7 ~~“explicitly follow the rules, including the reasons behind the rules.” Dahlberg was then~~
8 ~~one of DenSco's borrowers who had contacted Beauchamp for legal advice about how~~
9 ~~to establish a hard money lending business similar to DenSco.~~

10 **5.Preliminary Steps 2.** **During the Month of May 2013,**
11 **Beauchamp Performed Minimal Work to Prepare a 2013**
 POMNew POM.

12 82. The files that Beauchamp maintained at Bryan Cave and Bryan Cave's
13 billing statements reflect that Chittick had to prompt Beauchamp to start working on a
14 new POM in 2013.

15 ~~139.a.~~ On March 17, 2013, Chittick sent Beauchamp an email proposing
16 to meet in April to begin working on an updated private offering memorandum.

17 ~~140.— Beauchamp has testified that DenSco relied on him to provide DenSco~~
18 ~~with “recommendations for amended or additional [private offering memoranda] in~~
19 ~~keeping with the investments being made or contemplated by DenSco.”~~

20 ~~141.b.~~ On May 1, 2013, Chittick sent another email to Beauchamp which
21 stated: “it's the year we have to do the update on the memorandum, when do you
22 want to start?”

23 ~~142.c.~~ Beauchamp responded by email that day and scheduled a meeting
24 for May 9, 2013.

25 83. ~~143.Although Bryan Cave's file reflects that it was Chittick who initiated~~
26 ~~the process of preparing a new POM in 2013, Beauchamp and Clark Hill claim in their~~
27 Despite those documents, Beauchamp claims in Defendants' initial disclosure statement
28

1 (at 5) that ~~it was Mr. Beauchamp who~~ he, rather than Chittick, was the one who started
2 the process of preparing a new POM in 2013 when he “advised DenSco that it needed
3 to update its 2011 POM given the passage of time and changes in the scope of
4 DenSco’s fund raising.”

5 84. Beauchamp caused a new matter to be established in Bryan Cave’s
6 accounting and filing systems for the preparation of a 2013 POM which identified
7 DenSco as Bryan Cave’s client.

8 85. When the matter was opened, Bryan Cave established a “due diligence”
9 file for a 2013 POM.

10 86. 144.Before the May 9-, 2013 meeting, Beauchamp prepared or caused to
11 be prepared a draft private offering memorandum dated “May __, 2013” (the “draft
12 2013 POM”).

13 87. The draft 2013 POM was, with With the exception of the title page, the
14 draft 2013 POM was a duplicate of 145. the a preliminary draft of the 2011 POM-,
15 which Bryan Cave attorney Gus Schneider had sent to Chittick on June 15, 2011 at
16 Beauchamp’s direction, when Schneider and Beauchamp were working on the 2011
17 POM.

18 88. 146.During the May 9 meeting, Beauchamp took a few notes and
19 apparently underlined or circled a few passages in the draft 2013 POM.

20 89. 147.Beauchamp’s notes reflect that ~~he learned~~ Chittick told him during
21 the meeting that DenSco had as of that date raised over \$50 million from 75 to 80
22 investors who collectively held 114 accounts.

23 ~~148. Beauchamp caused a new matter to be established in Bryan Cave’s~~
24 ~~accounting and filing systems for the preparation of a 2013 POM which identified~~
25 ~~DenSco as Bryan Cave’s client.~~

26 ~~149. When the matter was opened, Bryan Cave established a “due diligence”~~
27 ~~file for a 2013 POM.~~

1 90. Beauchamp stopped working on the draft 2013 POM after learning how
2 much money DenSco had raised since the 2011 POM. As he would later tell Bryan
3 Cave partner Elizabeth Sipes through a June 25, 2013 email: “We stopped the updating
4 when we were told that the investments from the investors had jumped to
5 approximately \$47.5 million. Given that significant increase, I have been asking for
6 help to determine what other federal or state laws might be applicable.”

7 91. ~~150.~~ According to Bryan Cave’s billing statement, the only work
8 Beauchamp performed during May 2013 on the draft 2013 POM was for less than thirty
9 minutes of “[w]ork on issues and follow-up” on May 10 and less than thirty minutes of
10 “[w]ork on issues and information for Private Offering Memorandum” on May 31,
11 2013.

12 3. During June 2013, Beauchamp Learned From Another Bryan
13 Cave Lawyer That DenSco’s Website Violated Federal
14 Securities Laws.

15 92. Although Beauchamp learned on May 9, 2013 that DenSco had nearly
16 \$50 million of investor loans and told his Bryan Cave colleagues that he stopped
17 working on the draft 2013 POM when he learned of that fact so that he could
18 investigate what federal or state laws were implicated by the substantial increase in
19 DenSco’s sales of promissory notes, Beauchamp waited until June 10, 2013 before
20 seeking assistance from other Bryan Cave attorneys.

21 ~~152.151. —~~ Information the Receiver has received in response to a
22 subpoena served on Bryan Cave suggests that on or shortly after June 4, 2013,
23 Beauchamp was informed by Bryan Cave’s management committee that the firm
24 wanted to end its relationship with him and that he would need to find a new law
25 firm where he could practice law^a. On June 10, 2013, Beauchamp sent an
26 email to Ken Henderson, an attorney in Bryan Cave’s New York City office,
27 copied to William Seabaugh, an attorney in Bryan Cave’s St. Louis office.
28

1 ~~153.~~Beauchamp's b. His email stated, in part: DenSco "is a client which
2 makes high interest loans (18% with no other fees) secured by first lien position
3 against real estate. . . . DenSco has previously had aggregate investor loans
4 outstanding at approximately \$16 to \$18 million from its investors. We are
5 starting the process to update and renew DenSco's private offering memo (renew
6 it every two years) and we have now been advised that DenSco now has almost
7 \$47 million in aggregate investor loans outstanding."

8 ~~154.~~c. Beauchamp said he was seeking "guidance or direction" as to
9 whether DenSco, with close to \$50 million of investor funds, was subject to
10 certain federal securities acts and regulations.

11 ~~155.~~d. Henderson suggested by email that Beauchamp confer with Robert
12 Pedersen, an attorney in Bryan Cave's New York City office, and Elizabeth
13 Sipes, an attorney in Bryan Cave's Denver office.

14 ~~156. Beauchamp sent an email to Pedersen on June 10, 2013 that restated the~~
15 ~~information and questions he had included in his email to Henderson.~~

16 ~~157. On June 10, 2013, Beauchamp sent an email to Mark Weakley, an~~
17 ~~attorney in Bryan Cave's Boulder, Colorado office, which restated the information and~~
18 ~~questions he had included in his email to Henderson. Weakley responded by email that~~
19 ~~day, saying he could help on issues relating to the Investment Company Act and~~
20 ~~Investment Advisers Act.~~

21 93. ~~158.~~ On June 11, 2013, Beauchamp sent an email to Chittick which stated:
22 "How many investors hold notes from DenSco? We are trying to determine what
23 exclusions DenSco could qualify for with respect to the other applicable federal
24 statutes. I do not have that number in my notes."

25 94. ~~159.~~ Chittick responded by email that day, telling Beauchamp DenSco had
26 114 individual accounts, held by approximately 80 families.

27 ~~160. While awaiting a response to his email to Pedersen, Beauchamp received an~~
28 ~~email from Chittick on June 14, 2013.~~

1 161. — Chittick’s email, which was copied to Yomtov “Scott” Menaged, said, in
2 part: “I have a borrower, to which I’ve done a ton of business with, million[s] in loans
3 and hundreds of loans for several years[.] [H]e’s getting sued along with me. . . . Easy
4 Investments[] has his attorney working on it[.] [I]’m okay to piggy back with his
5 attorney to fight it[.] Easy Investments [is] willing to pay the legal fees to fight it. I
6 just wanted you to be aware of it, and talk to his attorney, [whose] contact info is
7 below.”

8 162. — Chittick’s email included a forwarded email from Menaged which
9 provided contact information for his attorney, Jeffrey J. Goulder.

10 163. — Copies of a summons, the first four pages of a complaint, certificate of
11 compulsory arbitration, and lis pendens were attached to the email.

12 164. — Menaged responded to the email by telling Beauchamp in an email to
13 “bill me for your services and utilize my attorney for anything you may need.”

14 165. — The complaint, filed in Maricopa County Superior Court, was filed by Free
15 Arizona LLC against DenSeo, Easy Investments, LLC, Active Funding Group, LLC
16 and other defendants.

17 166. — According to the excerpt of the complaint that Beauchamp received, Free had
18 acquired a foreclosed home at a trustee’s sale and filed its lawsuit to establish that it
19 owned the property free and clear of liens asserted by Active Funding Group and
20 DenSeo.

21 167. — The complaint put Beauchamp on notice that DenSeo was alleged not to be in
22 first position on at least one of its loans.

23 168. — The complaint expressly alleged that Menaged, through Easy Investments, had
24 “attempted to encumber the property with deeds of trust to Active [Funding Group] and
25 DenSeo.”

26 169. — Beauchamp knew from this allegation that Menaged, whom Chittick had
27 described as one of DenSeo’s major borrowers, was accused of obtaining loans from
28

1 ~~both DenSeo and Active Funding Group, each intended to be secured by the same~~
2 ~~property.~~

3 ~~170. The complaint and other documents Beauchamp received identified by street~~
4 ~~address and legal description the home at issue; they also identified the names of the~~
5 ~~former owners.~~

6 ~~171. After reviewing these documents, Beauchamp sent an email to Chittiek which~~
7 ~~said "We will need to disclose this in POM."~~

8 172. Bryan Cave's billing records reflect that Beauchamp billed DenSeo for 30
9 minutes of time on June 14, 2013 devoted to "[e]mail to D. Chittiek regarding need to
10 disclose pending litigation in Private Offering Memorandum; review email from D.
11 Chittiek; review requirements."

12 173. Although Bryan Cave's file reflects that Beauchamp did nothing more to
13 investigate the facts disclosed in the *Freo* complaint and whether they were indicative
14 of a broader breakdown in DenSeo's underwriting practices leading to
15 misrepresentations to its investors, in answering the Complaint, Beauchamp and Clark
16 Hill claimed he in fact did so.

17 ~~174. If Beauchamp had sought to review~~ records available through the Maricopa
18 County Recorder's website relating to the property described in the *Freo* lawsuit, he
19 would have found within minutes: (i) a Deed of Trust and Security Agreement With
20 Assignment of Rents given by Easy Investments in favor of Active Funding Group, that
21 Menaged had signed on March 25, 2013; and (ii) a Deed of Trust and Assignment of
22 Rents given by Easy Investments in favor of DenSeo, that Menaged had signed on
23 April 2, 2013. Both signatures were witnessed by a notary public.

24 175. No such documents were found in Bryan Cave's "due diligence" file.

25 ~~176. The documents that Beauchamp could have easily obtained from the Maricopa~~
26 ~~County Recorder's website~~ confirmed the allegation in the *Freo* complaint that DenSeo
27 was not in first position on a loan it had made to Easy Investments.

1 177. Those documents also showed that Menaged had purposefully borrowed
2 money, first from Active Funding and then from DenSco, using the same property as
3 security, since he had personally signed both the Active Funding deed of trust and the
4 DenSco deed of trust before a notary.

5 ~~178. — Beauchamp and Clark Hill claim~~ in their initial disclosure statement (at ~~6-7~~), that
6 after reviewing the *Freco* complaint, “~~Beauchamp . . . advised Mr. Chittick, as he had~~
7 ~~done previously, that Mr. Chittick needed to fund DenSco’s loans directly to the trustee~~
8 ~~or escrow company conducting the sale, rather than provide loan funds directly to the~~
9 ~~borrower, to ensure that DenSco’s deed of trust was protected.~~ Mr. Chittick explained
10 to Mr. Beauchamp that this was an isolated incident with a borrower, Menaged, whom
11 Mr. Chittick described in his email as someone he had ‘done a ton of business with . . .
12 hundreds of loans for several years’”

13 ~~179. — The Receiver’s counsel has not found any records~~ in Bryan Cave’s files
14 reflecting that Beauchamp ~~gave such advice to Chittick before June 2013.~~

15 ~~180. — The Receiver’s counsel has not found any records in Bryan Cave’s files~~
16 ~~reflecting that Beauchamp gave such advice to Chittick in June 2013.~~

17 95. ~~181.~~ On June 17, 2013, Beauchamp received an email from Pedersen.
18 Pedersen noted that he had reviewed DenSco’s website, and had asked Randy Wang, an
19 attorney in Bryan Cave’s St. Louis office, whether DenSco was in compliance with the
20 Securities Act of 1933. Pedersen wrote: “Randy questioned whether in the DenSco
21 Investment Corp. case, the existence of, and/or statements made on, the DenSco
22 [website] which I had brought to his attention, made the transaction exemption
23 unavailable to DenSco. In any event you may wish to discuss further with Randy.”

24 96. ~~182.~~ Beauchamp then printed information from DenSco’s website, which
25 included a section captioned “Investor Requirements” that purported to provide an
26 “abbreviated description” of “legal definitions” found in the 2011 POM and related
27 subscription agreement, including a definition of accredited investor.
28

~~183. The information Beauchamp downloaded on June 17, 2013 also included DenSco's "Lending Guidelines," the second line of which was "First Position ONLY!"~~

97. Although Beauchamp had been representing DenSco since 2003, and his files reflect that he regularly reviewed DenSco's website, it was another Bryan Cave lawyer, with no prior involvement in Bryan Cave's representation, who immediately identified this significant issue.

~~184. Beauchamp knew or should have known from the *Freo* lawsuit he had reviewed three days beforehand that the representation that DenSco's loans were in "First Position ONLY!" was untrue.~~

98. ~~185.~~ Beauchamp wrote an email to Wang on June 17, 2013, which stated: "With respect to the client's statements on its website, I was not aware that the client had added his personal description of what is an eligible 'accredited investor' to the DenSco website. I will have him take it down. I also have a call into him to ask when he added that language. Previously, his website was just for potential borrowers and for existing investors. It included his view of the real estate lending market and explained the status of the properties that DenSco had commenced or might have to commence a Trustee Sale to take ownership of the security for a loan. Given his 'layman's description of an accredited investor' on the website, does that constitute general solicitation, which will cause the offering to no longer qualify under Regulation D? If so, can we discuss what we need to tell him that he needs to do to resolve the loss of his exempt security status?"

99. ~~186.~~ Beauchamp's notes reflect that he spoke to Wang on June 17, 2013.

100. ~~187.~~ Beauchamp's notes also reflect that he spoke to Chittick on June 17, 2013.

101. ~~188.~~ After talking to Chittick, Beauchamp sent an email to Wang on June 17, 2013, which stated, in part: "I talked to Denny Chittick, the owner of DenSco. Denny has already had the website modified. Denny also reviewed the list of his investors (there are only 114 individual investors from approx 80 families). All of his

1 investors were either family or friends (or verified referrals from family or friends). . . .
2 According to his note schedule, Denny has approximately 60 investor notes that are
3 scheduled to expire in the next six months, so he would prefer to not be shut down and
4 have to return all of that investment money to his investors until he could commence
5 operations again.”

6 102. ~~189.~~Beauchamp received an email from Chittick late in the day on June
7 17, 2013, through which Chittick forwarded his email exchange with a vendor
8 confirming that information regarding interest rates offered for promissory notes and
9 the entire “Investor Requirements” section had been removed from DenSco’s website.

10 103. ~~190.~~Beauchamp spoke to Wang on June 18, 2013. His notes reflect that
11 Wang “does not have a clean path for the private placement” and that he and
12 Beauchamp discussed a number of “judgment calls” which were described in
13 Beauchamp’s notes as follows: (i) “whether website constitutes ‘General Solicitation’ –
14 probably yes”; (ii) “would a waiver of Right of Rescission be helpful – probably not →
15 that just resolves the individual claim + not the offering itself”; (iii) “would starting a
16 new company be helpful – probably not – still would be integrated offering.”
17 Beauchamp’s notes concluded by stating “Randy does not have a solution” and a list of
18 the names of other Bryan Cave attorneys Beauchamp should contact.

19 104. ~~191.~~On June 20, 2013, Beauchamp sent an email to Bryan Cave attorneys
20 Henderson, Wang, Robert Endicott in the firm’s St. Louis office, and Garth Jensen in
21 the firm’s Denver office. Beauchamp’s email stated, in part:

22 ~~192.~~Beauchamp’s email stated, in part: DenSeo DenSco “is a client which
23 makes high interest loans (18% with no other fees) secured by first lien position
24 against Arizona real estate. . . . As part of our due diligence for this offering, we
25 reviewed the client’s website. On its website, the client lists several pieces of
26 information concerning Arizona real estate, but the client has also added Denny
27 Chittick’s personal description of who or what is an eligible ‘accredited
28 investor.’ In addition, the website also referenced the interest rate paid by
DenSco to its investors. ***After we advised the client that this could be deemed
to be “general solicitation” in violation of Regulation D, the client immediately
took down these references from its website. . . . Randy and I are concerned that
if this information on the website is deemed to constitute ‘general solicitation’
then the offering will no longer qualify under Regulation D. . . . According to his
note schedule, Denny has approximately 60 investor notes that are scheduled***

1 *to expire in the next 6 months (and to probably be rolled over into new notes),*
2 *so he would prefer to not be shut down and to have to return all of that*
3 *investment money to his investors until he could commence operations again.*
4 Issue: Does anyone have any suggestion or thoughts that we can advise the
5 client (short of closing down its business for six months) that he needs to do to
6 resolve the loss of his exempt security status?" (Emphasis added.)

7 105. ~~193.~~Henderson and Wang responded to Beauchamp's email on June 20,
8 2013, discussing when the "'JOBS Act' requirement that the SEC eliminate the general
9 solicitation requirement for all accredited investors offerings [would] become
10 effective[.]"

11 106. ~~194.~~On June 25, 2013, Beauchamp sent an email to Sipes which stated, in
12 part: "Attached is the previous POM for the client which has only had the date
13 changed. We stopped the updating when we were told that the investments from the
14 investors had jumped to approximately \$47.5 million. Given that significant increase, I
15 have been asking for help to determine what other federal or state laws might be
16 applicable. Bob Pederson of NY has said that the Trust Indenture Act will not be
17 applicable so long as the client is under the Regulation D, Rule 506 exemption. The
18 other big issues [that] have waited for your help to discern [is] if we need to comply
19 with the Investment Advisors Act of 1940 and the Registered Investment Advisors
20 requirements."

21 107. ~~195.~~Beauchamp spoke to Sipes on June 27, 2013. Beauchamp's notes
22 reflect that Sipes told him the 2011 POM had incorrectly referenced an exemption
23 under the Investment Company Act, that she was considering other issues, and that she
24 would follow up by email.

25 108. ~~196.~~Beauchamp spoke to Chittick on June 27, 2013. Beauchamp's notes
26 reflect that he shared with Chittick the information he had received from Sipes.

27 109. ~~197.~~Chittick sent Beauchamp an email on June 27, 2013 to again confirm
28 that the requested changes to the website had been completed. He added, "Oh ya I just
took in another 1.1 million yesterday."

1198. ~~By its terms, the 2011 POM expired on July 1, 2013. Although Bryan Cave's~~
2 ~~file reflects that Beauchamp had not, as of that date, prepared a draft of a new private~~
3 ~~offering memorandum, in answering the Complaint, Beauchamp and Clark Hill claimed~~
4 ~~he in fact did so.~~

5199. ~~Although Beauchamp knew Chittick was continuing to solicit investments based on~~
6 ~~the 2011 POM, and knew that between July 1, 2013 and December 31, 2013~~
7 ~~approximately 60 DenSco investors were expected to "roll over" their investments by~~
8 ~~receiving new promissory notes from DenSco, Beauchamp did not, on or before July 1,~~
9 ~~2013, advise DenSco to stop soliciting investments or issuing promissory notes until a~~
10 ~~new private offering memorandum had been prepared and issued by DenSco, nor did he~~
11 ~~issue such an instruction after July 1, 2013.~~

12 4. During June 2013, Beauchamp Learned That Representations
13 Made In the 2011 POM About DenSco's Lending Practices
14 Were Materially Misleading But Failed to Conduct any
15 Investigation Of DenSco's Lending Practices.

16 110. Beauchamp received an email from Chittick on June 14, 2013.

17 111. Chittick's email, which was copied to Yomtov "Scott" Menaged, said, in
18 part: "I have a borrower, to which I've done a ton of business with, million[s] in loans
19 and hundreds of loans for several years[.] [H]e's getting sued along with me. . . . Easy
20 Investments[] has his attorney working on it[.] [I]'m okay to piggy back with his
21 attorney to fight it[.] Easy Investments [is] willing to pay the legal fees to fight it. I
22 just wanted you to be aware of it, and talk to his attorney, [whose] contact info is
23 below."

24 112. Chittick's email included a forwarded email from Menaged which
25 provided contact information for his attorney, Jeffrey J. Goulder.

26 113. Copies of a summons, the first four pages of a complaint, a certificate of
27 compulsory arbitration, and a lis pendens were attached to the email.

28 114. Menaged responded to the email by telling Beauchamp in an email to
"bill me for your services and utilize my attorney for anything you may need."

1 115. The complaint and other documents Beauchamp received identified by
2 street address and legal description of the foreclosed home at issue in the lawsuit; they
3 also identified the names of the former owners.

4 116. After reviewing these documents, Beauchamp sent an email to Chittick on
5 June 14, 2013 which said “We will need to disclose this in POM.” (Emphasis added.)

6 117. Bryan Cave’s billing records reflect that Beauchamp billed DenSco for 30
7 minutes of time on June 14, 2013 devoted to “[e]mail to D. Chittick regarding need to
8 disclose pending litigation in Private Offering Memorandum; review email from D.
9 Chittick; review requirements.”

10 118. The complaint had been filed in Maricopa County Superior Court by Freo
11 Arizona, LLC against DenSco; Easy Investments, LLC; Active Funding Group, LLC;
12 Ocwen Loan Servicing, LLC; and another defendant

13 119. According to the excerpt of the complaint that Beauchamp received,

14 a. A home in Peoria, Arizona was to be sold at a trustee’s sale.

15 b. Freo claimed to have purchased the home on March 18, 2013,
16 before the date of the scheduled trustee’s sale, by paying Ocwen Loan Servicing
17 the payoff amount for the mortgage, and that the sale was documented in a
18 warranty deed that had been recorded with the Maricopa County Recorder’s
19 Office.

20 c. Ocwen failed to timely instruct the trustee to cancel the trustee’s
21 sale.

22 d. On March 22, 2013, Easy Investments acquired the property at a
23 trustee’s sale, and then “attempted to encumber the property with deeds of trust
24 to Active [Funding Group] and DenSco.” (Emphasis added.)

25 e. Freo filed its lawsuit to establish that it owned the property free
26 and clear of liens asserted by Active Funding Group and DenSco.

27 120. The Freo complaint put Beauchamp on notice that DenSco’s’s 2011
28 POM was materially misleading because DenSco was not following the “proper method

1 and procedures for funding a loan” which, according to Beauchamp’s interrogatory
2 answers, were described in the 2011 POM as including ““due diligence to verify certain
3 information in connection with funding a Trust Deed”” and ““conduct[ing] a due
4 diligence review by . . . verifying the documentation.””

5 121. It was apparent from the *Freo* complaint that Chittick had not conducted
6 any due diligence before loaning money to Easy Investments to acquire this particular
7 home, since the property had been sold, according to public records, five days before a
8 trustee’s sale. Under such circumstances, the loan funded by DenSco could not have
9 been a loan “intended to be secured through [a] first position trust deed[],” as DenSco
10 had represented in the 2011 POM.

11 122. It was also apparent from the *Freo* complaint that Chittick had not
12 exercised appropriate care in loaning money to Easy Investments, since Freo alleged
13 that Easy Investments had “attempted to encumber the property with deeds of trust to
14 Active [Funding Group] and DenSco.” That allegation called into question both the
15 due diligence Chittick had employed in selecting Easy Investments as a borrower and
16 the practices Chittick followed in funding loans made by DenSco.

17 123. Although the files Beauchamp maintained and Bryan Cave’s billing
18 records reflect that the only actions Beauchamp took after receiving Chittick’s June 14,
19 2013 email were to spend 30 minutes to “review email from D. Chittick” and to send
20 “[e]mail to D. Chittick regarding need to disclose pending litigation in Private Offering
21 Memorandum,” Beauchamp claims in Defendants’ initial disclosure statement (at 6-7)
22 that he did more than that.

23 124. Beauchamp claims that after reviewing the *Freo* complaint, he “advised
24 Mr. Chittick . . . that Mr. Chittick needed to fund DenSco’s loans directly to the trustee
25 or escrow company conducting the sale, rather than provide loan funds directly to the
26 borrower, to ensure that DenSco’s deed of trust was protected.” This is an admission
27 by Beauchamp that he knew in June 2013 that the 2011 POM was materially
28 misleading.

1 125. Beauchamp goes on to say in Defendants' initial disclosure statement that
2 "Mr. Chittick explained to Mr. Beauchamp that this was an isolated incident with a
3 borrower, Menaged, whom Mr. Chittick described in his email as someone he had
4 'done a ton of business with . . . hundreds of loans for several years'"

5 126. If a jury believes that Beauchamp actually had this discussion with
6 Chittick, despite the absence of any email, note or billing record to support
7 Beauchamp's claim, it should conclude that Beauchamp decided not to take any steps to
8 investigate Chittick's admission that DenSco had lax lending practices, or was
9 preoccupied with his efforts to find a new law firm and did not take the time to do so.

10 127. An investigation into DenSco's lending practices was needed because:

11 a. the volume of DenSco's lending that Chittick was managing by
12 himself (a missed red flag when the 2011 POM was prepared), had significantly
13 increased, with the total amount of funds DenSco had received from investors
14 approaching \$50 million;

15 b. the allegations in the *Freo* lawsuit evidenced a lack of due
16 diligence on DenSco's part in deciding to fund the loan in question;

17 c. the allegations in the *Freo* lawsuit called into question whether
18 Menaged, whom Chittick described as one of DenSco's major borrowers, was a
19 reliable and trustworthy person.

20 d. Chittick's admission that he had given funds directly to Easy
21 Investments necessarily meant DenSco was not complying with the terms of the
22 Receipt and Mortgage which, as Beauchamp has noted in his interrogatory
23 answers, "stated that the check purchasing the property was made to the
24 Trustee."

25 e. Beauchamp knew on June 17, 2013, when he downloaded and
26 reviewed DenSco's website, that DenSco was representing to existing and
27 potential investors that it followed "Lending Guidelines" under which it would
28 be in "First Position ONLY!"

1 f. Beauchamp knew that DenSco would be actively selling
2 promissory notes in the latter half of 2013, since he knew, and told his Bryan
3 Cave colleagues on June 20, 2013, that “[a]ccording to [Chittick’s] note
4 schedule, [DenSco] has approximately 60 investor notes that are scheduled to
5 expire in the next 6 months (and to probably be rolled over into new notes).”

6 g. Beauchamp knew that DenSco was actively selling promissory
7 notes based on the 2011 POM. On June 27, 2013, for example, Chittick told him
8 by email “Oh ya I just took in another 1.1 million yesterday.”

9 128. Beauchamp did not conduct an investigation of the allegations in the *Freo*
10 lawsuit regarding DenSco’s lending practices, or of DenSco’s lending practices
11 generally, in June 2013 (before the 2011 POM expired on July 1, 2013) or at any time
12 thereafter.

13 129. If Beauchamp had investigated the allegations in the *Freo* complaint, he
14 would have found within minutes, by reviewing records available through the Maricopa
15 County Recorder’s website relating to the property described in the *Freo* lawsuit: (i) a
16 Deed of Trust and Security Agreement With Assignment of Rents given by Easy
17 Investments in favor of Active Funding Group, that Menaged had signed on March 25,
18 2013; and (ii) a Deed of Trust and Assignment of Rents given by Easy Investments in
19 favor of DenSco, that Menaged had signed on April 2, 2013. Both signatures were
20 witnessed by the same notary public.

21 130. Those documents confirmed the allegation in the *Freo* complaint that
22 DenSco was not in first position on a loan it had made to Easy Investments.

23 131. Those documents also showed that Menaged had purposefully borrowed
24 money, first from Active Funding and then from DenSco, using the same property as
25 security, since he had personally signed both the Active Funding deed of trust and the
26 DenSco deed of trust before a notary.

27 5. During July and August 2013, Beauchamp Took Minimal
28 Steps to Prepare a New POM.

1 132. After failing to do any investigation of the allegations in the *Freo* lawsuit
2 or of DenSco's lending practices generally, an apparently distracted Beauchamp took
3 minimal steps in July and August 2013 to prepare a new POM.

4 133. ~~200.~~ On July 1, 2013, Beauchamp received an email from Sipes which
5 stated, in part, that she didn't believe DenSco would be considered an investment
6 advisor under the Investment Company Act or the Investment Advisers Act and did not
7 believe DenSco needed to limit the number of accredited investors to whom it offered
8 promissory notes.

9 134. ~~201.~~ On July 10, 2013, Beauchamp forwarded to Chittick a news report
10 that the SEC had just decided to end the ban on general solicitation.

11 135. ~~202.~~ Bryan Cave's billing statements reflect that between July 12, 2013
12 and July 31, 2013, Beauchamp recorded time to "revise disclosure in Private Offering
13 Memorandum" and "[w]ork on and revise Private Offering Memorandum" and had
14 additional time entries to "[w]ork on revisions to Private Offering Memorandum" or
15 "[w]ork on issues for Private Offering Memorandum."

16 136. ~~203.~~ But the only document in Bryan Cave's file that reflects any revisions
17 Beauchamp made to the draft of ~~the~~ a 2013 POM is a draft containing several of his
18 handwritten edits. They included a note on the cover of the draft to "revise to new
19 version for B/L purposes," but no blacklined draft of ~~the~~ a 2013 POM ~~was found~~ exists
20 in Bryan Cave's file.

21 137. Bryan Cave's billing records reflect that the only work Beauchamp
22 performed on the draft 2013 POM during August 2013 was to exchange emails on
23 August 6, 2013 with Jensen asking for a form subscription agreement to comply with
24 changes to Rule 506.

25 138. When Beauchamp left Bryan Cave in August 2013, the "due diligence"
26 file for the draft 2013 POM contained only three documents: (1) a June 18, 2013 article
27 captioned "Determining whether a company is an investment company"; (2) a printout
28 from DenSco's website dated June 17, 2013; and (3) a July 28, 2010 article captioned

1 “Private Fund Investors Advisors Registration Act of 2010: New Law Changes
2 Regulatory Framework for Alternative Investment Advisors.”

3 139. Beauchamp’s notes reflect that he left a voicemail message for Chittick
4 on August 26, 2013 regarding “need to work on the latest version of POM that Denny
5 has w/ the prior experience charts. Need to discuss timing and update.”

6 140. His notes go on to reflect that he spoke to Chittick on August 26, 2013
7 and that he “explained delay w/ POM,” discussed the “need to get copy of Denny’s
8 latest POM & make changes to it,” and discussed that “BC will be sending a letter to
9 Denny & letting Denny decide if he wants files kept at BC or moved to CH.”

10 6. Beauchamp Now Claims That Chittick Was Responsible for
11 His Failure to Prepare a New POM Before He Left Bryan
12 Cave, But His Claim is at Odds With the Documentary Record.

13 141. ~~204. In their~~ In Defendants’ initial disclosure statement (at 5), Beauchamp
14 and Clark Hill claim that Beauchamp “began drafting revisions to the 2011 POM” but
15 claims that he “was never able to finalize the 2013 POM” because of Chittick. They
16 allege He says that “[a]lthough Mr. Beauchamp [he] asked for updated investment, loan
17 and financial information regarding DenSco, Mr. Chittick stalled on providing the
18 information, preferring to wait until after he scaled down the amount outstanding to
19 investors.”

20 142. ~~205. The Receiver’s counsel has not found any records in Bryan Cave’s~~
21 files reflecting such requests or But Beauchamp’s claim has absolutely no support in the
22 documentary record, and is at odds with that record. Not only is there nothing
23 “stalling” tactics by Chittick in Bryan Cave’s files reflecting that Beauchamp asked
24 Chittick for information that was not provided or that Chittick engaged in “stalling”
25 tactics by Chittick, but the files reflect that Chittick promptly gave Beauchamp the
26 information he requested, and followed Beauchamp’s advice, such as when Chittick
27 promptly changed DenSco’s website after Beauchamp told him to do so.
28

143. ~~206.~~The Moreover, the corporate journal Chittick maintained for 2013 (the “2013 Corporate Journal”) does not reflect any entries by Chittick about requests from Beauchamp for information or his declination to provide that information.

144. ~~207.~~ The only reference in the 2013 Corporate Journal to the preparation of the 2013 POM is a June 17, 2013 entry which stated: “I am going back and forth with David about how to circumvent this 50 million issue on size.” That entry is consistent with Beauchamp’s communications of the same date as to whether DenSco had engaged in general solicitation, an issue which, as noted above, was resolved on July 10, 2013.

~~208. Beauchamp and Clark Hill also claim in their initial disclosure statement (at 5) that with respect to the unfinished draft 2013 POM “Beauchamp repeatedly advised DenSeo that an update was necessary irrespective of DenSeo’s plans regarding the outstanding amount of its offerings, but Mr. Chittiek continued to delay.”~~

~~209. The Receiver's counsel has not found any documents in Bryan Cave's files to support this claim.~~

~~210. The 2013 Corporate Journal does not reflect any entries by Chittick reflecting that Beauchamp gave such advice.~~

7. A Distracted Beauchamp, After Failing to Prepare a New POM by July 1, 2013, Did Not Advise DenSco to Stop Selling Promissory Notes Until a New POM Was Issued.

211. — Bryan Cave's billing records reflect that the only work Beauchamp performed on the draft 2013 POM during August 2013 was to exchange emails on August 6, 2013 with Jensen asking for a form subscription agreement to comply with changes to Rule 506.

~~212. Beauchamp's notes reflect that he left a voicemail message for Chittick on August 26, 2013 regarding "need to work on the latest version of POM that Denny has w/ the prior experience charts. Need to discuss timing and update."~~

1213. ~~Beauchamp's notes~~ reflect that he spoke to Chittick on August 26, 2013 and that he
2 "explained delay w/ POM," discussed the "need to get copy of Denny's latest POM &
3 make changes to it," and discussed that "BC will be sending a letter to Denny & letting
4 Denny decide if he wants files kept at BC or moved to CH."

5 145. By its terms, the 2011 POM expired on July 1, 2013.

6 146. There is no evidence in the documentary record that Beauchamp, with one
7 foot out Bryan Cave's door, ever advised DenSco that it could not sell any new
8 promissory notes after July 1, 2013 until it issued a new POM, and Beauchamp does not
9 claim that he did so.

10 147. Beauchamp, preoccupied with finding a new law firm where he could
11 continue to practice law, failed to give that advice, even though he knew, as he told his
12 Bryan Cave colleagues in a June 20, 2013 email, that DenSco had "approximately 60
13 investor notes that are scheduled to expire in the next 6 months (and to probably be
14 rolled over into new notes)."

15 148. ~~214. In their-~~ And while Beauchamp claims in Defendants' initial
16 disclosure statement (at 7) ~~Beauchamp and Clark Hill claim~~ that "[p]rior to his
17 departure-[" from Bryan Cave], ~~Mr. Beauchamp had, he~~ "repeatedly made clear to
18 DenSco and Mr. Chittick that they needed to update DenSco's POM-." there is no
19 documentary support for that claim.

20 149. Even if a jury believes that Beauchamp actually gave that advice, despite
21 the absence of any supporting documents, the advice fell short of an explicit instruction
22 that no sales could be made until a new POM was prepared. Without that instruction,
23 Chittick was effectively told that DenSco could indefinitely delay "updating" its POM
24 while continuing to sell promissory notes.

1 8. Because of Beauchamp's Inattention, Chittick Caused DenSco
2 to Sell Approximately \$3.3 Million of Promissory Notes Before
3 Beauchamp Left Bryan Cave.

4 150. Because Beauchamp failed to prepare a new POM by July 1, 2013 and
5 failed to tell Chittick that DenSco could not sell promissory notes until a new POM was
6 issued, Chittick caused DenSco, during July and August 2013, to sell promissory notes
7 to some of the "approximately 60 investor[s]" whose notes Beauchamp knew were
8 "scheduled to expire in the next 6 months (and to probably be rolled over into new
9 notes)."

10 151. In each case, an investor who had purchased a two-year promissory note
11 in 2011, which expired in July or August 2013, purchased a new two-year promissory
12 note. Those sales, which total \$2,337,653.47, are summarized in the following chart.

<u>Investor</u>	<u>Amount</u>	<u>Date</u>
<u>Jeff Phalen</u>	<u>\$100,000</u>	<u>7/1/13</u>
<u>Gary Thompson</u>	<u>\$250,000</u>	<u>7/3/13</u>
<u>Kaylene Moss</u>	<u>\$10,000</u>	<u>7/12/13</u>
<u>Branson & Sandra Smith</u>	<u>\$250,000</u>	<u>7/13/13</u>
<u>Ralph Kaiser IRA</u>	<u>\$170,653.47</u>	<u>7/17/13</u>
<u>Jimmy Trainor</u>	<u>\$122,000</u>	<u>7/22/13</u>
<u>Russ Grisswold IRA</u>	<u>\$50,000</u>	<u>7/24/13</u>
<u>William Alber</u>	<u>\$60,000</u>	<u>7/28/13</u>
<u>Carol Wellman</u>	<u>\$50,000</u>	<u>7/28/13</u>
<u>Tom Smith</u>	<u>\$400,000</u>	<u>8/2/13</u>
<u>GE Seigford</u>	<u>\$70,000</u>	<u>8/2/13</u>
<u>GE Seigford</u>	<u>\$40,000</u>	<u>8/2/13</u>
<u>Carysn Smith</u>	<u>\$10,000</u>	<u>8/2/13</u>
<u>McKenna Smith</u>	<u>\$10,000</u>	<u>8/3/13</u>
<u>Gary Thompson</u>	<u>\$145,000</u>	<u>8/3/13</u>

<u>Carol & Mike Wellman</u>	<u>\$25,000</u>	<u>8/5/13</u>
<u>Stacy Grant IRA</u>	<u>\$75,000</u>	<u>8/8/15</u>
<u>GE Seigford</u>	<u>\$50,000</u>	<u>8/18/15</u>
<u>Tom Smith</u>	<u>\$400,000</u>	<u>8/24/15</u>
<u>Dale Hickman</u>	<u>\$50,000</u>	<u>8/30/15</u>

152. In addition to these “rollover” promissory note sales, Chittick caused DenSco to sell \$926,567 of new promissory notes to existing and new investors during July and August 2013. Those sales are summarized in the following chart.

<u>Investor</u>	<u>Amount</u>	<u>Date</u>	<u>Maturity</u>
<u>Laurie Weiskopf</u>	<u>\$100,000</u>	<u>7/10/13</u>	<u>7/10/15</u>
<u>Carol McDowell</u>	<u>\$100,000</u>	<u>7/3/13</u>	<u>7/3/15</u>
<u>Kevin Potempa</u>	<u>\$100,000</u>	<u>7/29/13</u>	<u>1/26/16</u>
<u>Wayne Ledet</u>	<u>\$30,567</u>	<u>8/23/13</u>	<u>8/23/15</u>
<u>Tom Smith</u>	<u>\$500,000</u>	<u>8/26/13</u>	<u>2/26/15</u>
<u>Kirk Fischer</u>	<u>\$70,000</u>	<u>8/26/13</u>	<u>8/26/18</u>
<u>Carsyn Smith</u>	<u>\$8,000</u>	<u>8/26/13</u>	<u>8/26/15</u>
<u>McKenna Smith</u>	<u>\$8,000</u>	<u>8/26/13</u>	<u>8/26/15</u>
<u>Averill Cate</u>	<u>\$10,000</u>	<u>8/29/13</u>	<u>8/29/14</u>

C. Facts Regarding Clark Hill’s Representation of DenSco in 2013

1. In September 2013, Beauchamp Brought DenSco to Clark Hill as a New Client and Clark Hill Agreed to Prepare a New POM.

~~215. The Receiver’s counsel has not found any documents in Bryan Cave’s files to support this claim.~~

~~216. The 2013 Corporate Journal does not have any entries by Chittick reflecting that he received such advice from Beauchamp.~~

1217. On August 30, 2013, Beauchamp sent Chittick by email a letter that he and Bryan Cave attorney Jay Zweig had signed, informing DenSco that Beauchamp would be leaving Bryan Cave effective August 31, 2013, and that Beauchamp would be joining Defendant Clark Hill PLC. The letter contained a form by which DenSco could instruct Bryan Cave to retain or transfer to Clark Hill the files it had maintained for DenSco.

218. When Beauchamp left Bryan Cave in August 2013, the “due diligence” file for the draft 2013 POM contained only three documents: (1) a June 18, 2013 article captioned “Determining whether a company is an investment company”; (2) a printout from DenSco’s website dated June 17, 2013; and (3) a July 28, 2010 article captioned “Private Fund Investors Advisors Registration Act of 2010: New Law Changes Regulatory Framework for Alternative Investment Advisors.”

D. Beauchamp’s Representation of DenSco While Affiliated with Clark Hill

153. 219. On September 11 and 12, 2013, Beauchamp exchanged emails with Chittick about taking steps to have certain DenSco files transferred from Bryan Cave to Clark Hill: “AZ Practice Review”; “Blue Sky Issues”; “Garnishments”; “General Corporate”; and “2011 and 2013 Private Offering.”

1. DenSco Retained Clark Hill in September 2013

154. 220. On September 12, 2013, Beauchamp sent Chittick an engagement letter, which Chittick signed and returned that day.

155. 221. The letter, which was captioned “Representation of DenSco Investment Corporation,” stated that it would “serve[] to record the terms of [Clark Hill’s] engagement to represent DenSco Investment Corporation (the ‘Client’), with regard to the legal matters transferred to Clark Hill PLC from Bryan Cave LLP.”

156. Clark Hill’s engagement letter, like those Beauchamp had sent DenSco when he was at Gammage & Burnham and Bryan Cave, identified DenSco as Clark Hill’s client.

1 157. ~~222.~~ But Clark Hill's engagement letter went further, and expressly stated
2 that Clark Hill was representing only DenSco, and was not representing Chittick in any
3 capacity. Clark Hill's engagement letter ~~made clear that Clark Hill viewed DenSco as~~
4 ~~its client, and had not agreed to also represent Chittick.~~

5 a. The letter stated that it was "supplemented by our Standard Terms
6 of Engagement for Legal Services, attached, which are incorporated in this letter
7 and apply to this matter and the other matter(s) for which you engage us."

8 b. ~~223.~~ The "Standard Terms of Engagement for Legal Services"
9 included a section called "Whom We Represent." That section stated: "The . . .
10 entity whom we represent is the . . . entity identified in our engagement letter
11 and does not include any . . . employees, officers, directors, shareholders of a
12 corporation . . . unless our engagement letter expressly provides otherwise."

13 158. ~~224.~~ ~~Despite the plain wording of the engagement letter, which limited~~
14 ~~Clark Hill's representation to DenSco and disclaimed any separate representation of~~
15 ~~Chittick, Beauchamp and Clark Hill claim~~ Even though this engagement letter clearly
16 and expressly stated that Clark Hill represented only DenSco and was not also
17 representing Chittick, Clark Hill and Beauchamp say in their initial disclosure statement
18 (at 3) that "Chittick understood that Mr. Beauchamp, as an incident to Mr.
19 Beauchamp's representation of DenSco, was also representing Mr. Chittick in his
20 capacity as president of DenSco."

21 ~~225. — The Receiver's counsel has not found any documents in Clark Hill's file~~
22 ~~amending its engagement letter to extend the firm's representation of DenSco to Mr.~~
23 ~~Chittick in his capacity as president of DenSco.~~

24 **~~2. — Beauchamp Opened a Matter to Finish the Draft 2013 POM in~~**
25 **~~September 2013 But Failed to Take Any Steps to Complete the~~**
26 **~~Draft Before the End of 2013.~~**

27 159. ~~226.~~ On September 13, 2013, Beauchamp took steps to open a new matter
28 for DenSco in Clark Hill's accounting and filing systems that was mis-identified as

1 “2003 Private Offering Memorandum.” Beauchamp’s notes stated that the file was
2 being opened to “[f]inish 2013 POM for client. Started POM update at Bryan Cave.”

3 160. Beauchamp opened this file, obligating Clark Hill to provide securities
4 advice to DenSco and to diligently and promptly “finish [the] 2013 POM,” knowing
5 that the 2011 POM had expired on July 1, 2013, no new POM had been issued, and that
6 as of June 20, 2013, “[a]ccording to [Chittick’s] note schedule, [DenSco] ha[d]
7 approximately 60 investor notes that are scheduled to expire in the next 6 months (and
8 to probably be rolled over into new notes).”

9 2. According to Clark Hill’s Records the Firm Did No Work
10 Whatsoever on a New POM During the Months of September,
11 October, November and December 2013.

12 161. ~~227. Clark Hill’s billing records do not reflect that Beauchamp~~ Clark
13 Hill’s records show that neither Beauchamp nor any other Clark Hill attorney
14 performed any work ~~to finish the draft 2013~~ on a new POM during September, October,
15 or November 2013, ~~or that he attempted to contact Chittick about finishing the POM.~~

16 162. The records also show that neither Beauchamp nor any other Clark Hill
17 attorney even attempted to contact Chittick about the new POM.

18 a. On December 18, 2013, Chittick Asked Beauchamp By
19 Email Why the New POM Had Not Been Finished.

20 ~~228. In their initial disclosure statement (at 7), Beauchamp and Clark Hill blame~~
21 ~~Chittick, saying that after Chittick signed Clark Hill’s engagement letter and directed~~
22 ~~Bryan Cave to transfer certain files to Clark Hill in September 2013, “Mr. Beauchamp~~
23 ~~never heard from Mr. Chittick regarding the unfinished 2013 POM, or any other matter,~~
24 ~~until December 2013.”~~

25 163. ~~229. The only~~ The first time entry in Clark Hill’s billing records ~~for the~~
26 month of December 2013 relating to ~~finishing the draft 2013~~ a new POM is a twelve-
27 minute entry by Beauchamp on December 18, 2013 to “review email; telephone
28 conversation with D. Chittick; review POM.”

1 164. ~~230.Chittick's~~ The email referenced in that time entry is an email that
2 Chittick sent to Beauchamp on December 18, 2013~~email to Beauchamp stated, in part,~~
3 saying “since you’ve moved, we’ve never finished the update on the memorandum.
4 Warren is asking where it is.”¹ ~~The Receiver assumes Chittick was referring to Warren~~
5 ~~Bush, an investor who had reviewed and commented on a draft of the 2011 POM.~~

6 165. Beauchamp did not send Chittick a response to that email.

7 166. There are not any notes in Clark Hill’s files made by Beauchamp that
8 summarized his December 18, 2013 call with Chittick.

9 167. Beauchamp apparently asked Chittick during that call to send him a copy
10 of the 2011 POM, since Chittick emailed Beauchamp an electronic copy of the final
11 2011 POM during the late morning of December 18, 2013. Beauchamp promptly
12 responded, saying simply “[t]hank you. Have a wonderful holiday season.”

13 168. Beauchamp forward Chittick’s e-mail to his secretary that afternoon,
14 asking her to “put this on our system for DenSco Investment Corporation/2013 POM.”

15 b. Clark Hill Claims That Beauchamp Learned During the
16 December 18, 2018 Call With Chittick About Problems
17 in DenSco’ Loan Portfolio but Clark Hill Did Nothing to
18 Investigate Those Problems Nor Did It Begin Preparing
19 a New POM.

20 169. In their initial disclosure statement (at 7), Clark Hill and Beauchamp
21 make claims about Beauchamp’s December 18, 2013 telephone call with Chittick that
22 are at odds with Clark Hill’s file, including its billing statement. They allege that
23 Chittick told Beauchamp “he had run into an issue with some of his loans with
24 Menaged, and specifically, that properties securing a few DenSco loans were each
25 subject to a second deed of trust competing for priority with DenSco’s deed of trust.”

26 170. Clark Hill and Beauchamp claim that, “[a]fter briefly discussing the
27 allegedly limited double lien issue, Mr. Chittick emphasized to Mr. Beauchamp that

28 ¹ Chittick was apparently referring to Warren Bush, an investor who had reviewed
and commented on a draft of the 2011 POM, and had communicated with Beauchamp
about that draft.

1 Mr. Chittick wanted to avoid litigation with other lenders. Mr. Chittick, however, did
2 not request any advice or help. Accordingly, Mr. Beauchamp suggested that Mr.
3 Chittick develop and document a plan to resolve the double liens, and nothing more
4 came of the conversation.”

5 171. Lastly, Clark Hill and Beauchamp claim that during the telephone
6 conversation “Mr. Beauchamp reminded Mr. Chittick that he still needed to update
7 DenSco’s private offering memorandum.”

8 172. No document in Clark Hill’s file, such as the handwritten notes that
9 Beauchamp consistently and regularly kept to record his telephone conversations and
10 meetings with Chittick, exists.

11 173. The 2013 Corporate Journal does not have any entries by Chittick
12 reflecting that he had such a conversation with Beauchamp in December 2013.

13 174. If a jury were to believe Beauchamp’s claim that he had such a
14 conversation with Chittick on December 18, 2013, despite the lack of evidence, it could
15 only conclude that Clark Hill and Beauchamp were negligent by:

16 a. Failing to immediately investigate the information Beauchamp
17 received about the Menaged loan problem, since Clark Hill had an affirmative
18 duty to diligently and timely prepare a new POM, having agreed to do so in
19 September 2013; and

20 b. Failing to expressly instruct Chittick that DenSco could not sell
21 any promissory notes, since the 2011 POM had expired and a new POM had not
22 yet been issued.

23 i. By merely “reminding” Chittick that DenSco needed to
24 “update” the 2011 POM, knowing that one-half of its investors would be
25 “rolling over” promissory notes during the last six months of 2013,
26 Beauchamp effectively advised Chittick that DenSco could indefinitely
27 delay “updating” the 2011 POM while continuing to sell promissory
28 notes.

1 3. Although Clark Hill Did Nothing in December 2013 to Prepare
2 a New POM and Investigate Problems in DenSco's Loan
3 Portfolio, It Devoted Time That Month to Advising DenSco
4 About Possibly Expanding its Business to Florida.

5 175. 231. The In Chittick's December 18, 2013 email ~~went on to state to~~
6 Beauchamp, Chittick wrote, after asking about the status of Clark Hill's work on a new
7 POM, about his plans to expand DenSco's business to Florida. He wrote: "[I]'ve got
8 two of my best borrowers moving to F[L][.] [T]hey are begging me to look at lending
9 in FL. [I] don't know anything about the market there, but [I] trust these guys. [I]'ve
10 done 20 million with them over the past 5 yrs. [I]s it easy to find out the challenges,
11 issues, etc with me lending there?"

12 176. 232. While Beauchamp did ~~not send Chittick a response to that email. He~~
13 ~~did, however, forward the~~ nothing in response to Chittick's question about the status of
14 a new POM, he immediately forwarded Chittick's e-mail to Clark Hill attorney Daniel
15 Schenck, asking "[w]ill you have time to do the research for Florida or should I find
16 someone else?"

17 177. 233. Beauchamp also made an 18-minute time entry on December 18,
18 2013 to "[r]eview email and outline Florida research."

19 ~~234. — The Receiver has not found any notes in Clark Hill's files made by~~
20 ~~Beauchamp that summarized his December 18, 2013 call with Chittick.~~

21 ~~235. — Beauchamp apparently asked Chittick during their call to send him a copy of the~~
22 ~~2011 POM, since Chittick emailed Beauchamp an electronic copy of the final 2011~~
23 ~~POM on December 18, 2013.~~

24 ~~236. — In a responsive email sent on December 18, 2013, Beauchamp thanked~~
25 ~~him, but said nothing about steps he would take to complete the work he began at Bryan~~
26 ~~Cave to prepare a 2013 POM.~~

27 178. 237. Between December 20, 2013 and December 23, 2013, both
28 Beauchamp and Schenck recorded time to conducting research and analysis on "Florida

1 broker issues,” “hard money regulatory lender requirements in Florida,” and “Florida
2 lending licenses.”

3 179. ~~238.~~ On December 23, ~~2018~~2013, Beauchamp recorded 42 minutes of
4 time to “[r]eview Florida research from D. Schenck; discuss research and follow up
5 with D. Schenck; email to D. Chittick.”

6 180. ~~239.~~ On Christmas Eve, December 24, ~~2018~~2013, Beauchamp sent
7 Chittick an email which stated: “Happy Holidays! Quick Status: Based on a review of
8 the Florida statutes, you would be considered a ‘Mortgage Lender’ which requires a
9 license in Florida. The Florida government office that regulates ‘Mortgage Lender’
10 [sic] has been difficult to reach, but we will try again on Thursday. I want to confirm if
11 you might be able to qualify for a limited license to operate in Florida and check a few
12 other questions.”

13 181. ~~240.~~ On December 26 and 30, 2013, Beauchamp and Schenck recorded
14 time to obtaining information from the Florida Office of Financial Regulation and other
15 information relevant to Chittick’s December 18, 2013 inquiry about expanding
16 DenSco’s lending operations to Florida.

17 ~~241. In their initial disclosure statement (at 7), Beauchamp and Clark Hill describe a~~
18 ~~December 2013 telephone conversation between Beauchamp and Chittick that is at~~
19 ~~odds with Clark Hill’s file, including its billing statement. They claim that~~

20 ~~In December 2013, Mr. Chittick contacted Mr. Beauchamp for the first time in~~
21 ~~months. He told Mr. Beauchamp over the phone that he had run into an issue~~
22 ~~with some of his loans with Menaged, and specifically, that properties securing a~~
23 ~~few DenSco loans were each subject to a second deed of trust competing for~~
24 ~~priority with DenSco’s deed of trust. Mr. Beauchamp reminded Mr. Chittick~~
25 ~~that he still needed to update DenSco’s private offering memorandum. After~~
26 ~~briefly discussing the allegedly limited double lien issue, Mr. Chittick~~
27 ~~emphasized to Mr. Beauchamp that Mr. Chittick wanted to avoid litigation with~~
28 ~~other lenders. Mr. Chittick, however, did not request any advice or help.~~

1 Accordingly, Mr. Beauchamp suggested that Mr. Chittick develop and document
2 a plan to resolve the double liens, and nothing more came of the conversation.

3 ~~242. The Receiver's counsel has not found any documents in Bryan Cave's~~
4 ~~files to support this claim.~~

5 ~~243. The 2013 Corporate Journal does not have any entries by Chittick reflecting that~~
6 ~~he had such a conversation with Beauchamp.~~

7 ~~244. The Receiver's claims are based on what Clark Hill's files reveal about~~
8 ~~Beauchamp's conduct during the last six months of 2013.~~

9 ~~245. In December 2013, Beauchamp knew that the 2011 POM had expired by~~
10 ~~its own terms more than four months earlier, on July 1, 2013.~~

11 ~~246. Beauchamp knew that as of December 18, 2013, neither he nor DenSeo~~
12 ~~had taken any meaningful steps to prepare a draft of a new private offering~~
13 ~~memorandum.~~

14 ~~247. Beauchamp knew that between July 1, 2013 and December 31, 2013~~
15 ~~approximately 60 DenSeo investors had likely "rolled over" their investments by~~
16 ~~receiving new promissory notes from DenSeo based on the 2011 POM.~~

17 ~~248. Beauchamp did not instruct DenSeo to stop soliciting investments or~~
18 ~~issuing promissory notes until a new private offering memorandum had been prepared~~
19 ~~and issued by DenSeo.~~

20 ~~249. Beauchamp knew that he had failed to properly represent DenSeo by,~~
21 ~~among other things: (i) ensuring that DenSeo complied with its obligations to maintain~~
22 ~~continuously updated disclosures while it was offering securities; (ii) ensuring that the~~
23 ~~company issued a private offering memorandum on or before July 1, 2013, as it had~~
24 ~~represented it would do; (iii) establishing and following a process to conduct~~
25 ~~appropriate due diligence in connection with each POM; (iv) establishing and following~~
26 ~~a process to update due diligence and disclosures continuously as long as the POM was~~
27 ~~in use; and/or (v) instructing DenSeo to stop taking investments after July 2013 until~~
28 ~~appropriate updated disclosures were made.~~

1 ~~250. The consequences of Beauchamp's negligence became abundantly clear~~
2 ~~to him during the first week of January 2014.~~

3 ~~3. Events During the Week of January 5, 2014.~~

4 4. Clark Hill Blames Chittick for Its Failure to Prepare a New
5 POM in 2013.

6 182. In their initial disclosure statement (at 7), Clark Hill and Beauchamp
7 blame Chittick for their failure to do anything to prepare a new POM, which Clark Hill
8 agreed to undertake in early September 2013. They say that after Chittick signed Clark
9 Hill's engagement letter on September 12, 2013 and directed Bryan Cave to transfer
10 certain files to Clark Hill, "Mr. Beauchamp never heard from Mr. Chittick regarding the
11 unfinished 2013 POM, or any other matter, until December 2013."

12 183. When he was deposed, Beauchamp offered a new excuse for Clark Hill's
13 failure to do any work on a new POM. He testified that Clark Hill did nothing to
14 prepare a new POM for DenSco because Chittick instructed him, as a condition of
15 signing Clark Hill's engagement letter, that Clark Hill not do any work on a new POM
16 "until I'm ready to go," and Beauchamp agreed.

17 184. Beauchamp did not include this material limitation on Clark Hill's
18 representation in the engagement letter he asked DenSco to sign.

19 185. When Clark Hill agreed to abide by Chittick's request, neither
20 Beauchamp nor any other Clark Hill attorney separately advised Chittick that DenSco
21 could not sell any promissory notes until it authorized Clark Hill to prepare a new POM
22 and DenSco had issued the POM.

23 5. Clark Hill Was Negligent By Failing to Instruct DenSco That it
24 Could Not Sell Any Promissory Notes Until a New POM Was
25 Issued, and Aided and Abetted Chittick to Breach Fiduciary
26 Duties He Owed DenSco by Following Chittick's Instructions
27 to Not Prepare a New POM for DenSco, Knowing DenSco Was
28 Continuing its Business Operations and Selling Rollover
Promissory Notes.

29 186. Clark Hill was negligent by never advising Chittick that DenSco could
30 not sell any promissory notes until it had issued a new POM.

1 187. The evidence that will be presented to a jury will establish that if Clark
2 Hill had done so, DenSco would have followed that advice and worked diligently with
3 Clark Hill to prepare a new POM so that it could resume selling promissory notes.

4 a. Among other evidence is Clark Hill and Beauchamp's admission
5 in their initial disclosure statement (at 4), that "[o]ver the years, Mr. Chittick
6 showed himself to be a trustworthy and savvy businessman, and a good client.
7 ... Despite complaining about the cost of legal services, Mr. Chittick appeared
8 to follow Mr. Beauchamp's advice and provided information when asked for it."

9 b. Moreover, approximately six weeks before Clark Hill was retained
10 DenSco had immediately followed Bryan Cave's advice to modify its website,
11 and Bryan Cave's files reflect that Chittick was prepared to cause DenSco to
12 refund all investor loans if that was necessary to correct the "general
13 solicitation" problem Bryan Cave had identified.

14 188. Beauchamp, by testifying that Clark Hill did not work on a new POM in
15 2013 because Chittick conditioned DenSco's execution of the firm's engagement letter
16 on Clark Hill's agreement to not perform any work on a new POM until Chittick was
17 "ready to go" -- when he and Clark Hill knew that one-half of DenSco's investors
18 would "roll over" their investments and purchase new promissory notes during the last
19 six months of 2013 --has admitted that from the moment DenSco retained Clark Hill in
20 September 2013, Clark Hill aided and abetted Chittick in breaching fiduciary duties
21 Chittick owed DenSco.

22 189. Between September and December 2013, Clark Hill substantially assisted
23 Chittick in breaching his fiduciary duties to DenSco by:

24 a. accepting DenSco as a client for purposes of preparing a new
25 POM, and then abiding by Chittick's instruction to not do any work on that
26 POM, knowing DenSco was continuing its business operations, including the
27 sale of promissory notes;

1 b. failing to appropriately advise DenSco about, and investigate facts
2 regarding, DenSco's loan portfolio because Chittick was allegedly "dealing"
3 with those problems; and

4 c. advising Chittick that DenSco could indefinitely delay the issuance
5 of an "update" to the 2011 POM,

6 190. The ongoing sale of "roll over" and new promissory notes was necessary
7 for DenSco to continue its business operations, and Clark Hill enabled DenSco to
8 obtain investor funds for a four-month period without making adequate disclosures to
9 those investors, exposing DenSco to substantial liability to its investors.

10 **6. During the First Four Months of Clark Hill's Representation**
11 **of DenSco, the Firm Aided and Abetted Chittick's Breach of**
12 **Fiduciary Duty to DenSco When He Caused DenSco to Sell**
13 **Approximately \$8.5. Million of Promissory Notes in Violation**
14 **of the Securities Laws**

15 191. As a result of Clark Hill's and Beauchamp's conduct, Chittick caused
16 DenSco between September and December 2013 to sell promisory notes to some of the
17 "approximately 60 investor[s]" whose promissory notes Beauchamp knew were
18 "scheduled to expire [during the last six months of 2013] (and to probably be rolled
19 over into new notes)."

20 192. In each case, an investor who had purchased a two-year promissory note
21 in 2011, which expired in September, October, November or December 2013,
22 purchased a new two-year promissory note. Those sales, which total \$4,148,162.79, are
23 summarized in the following chart.

<u>Investor</u>	<u>Amount</u>	<u>Date</u>
<u>Van Butler</u>	<u>\$50,000</u>	<u>9/1/13</u>
<u>Arden & Nina Chittick</u>	<u>\$100,000</u>	<u>9/1/13</u>
<u>Carysn Smith</u>	<u>\$10,000</u>	<u>9/2/13</u>
<u>Michael & Diana Gumbert</u>	<u>\$100,000</u>	<u>9/8/13</u>
<u>Kaylene Moss</u>	<u>\$10,000</u>	<u>9/8/13</u>

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<u>McKenna Smith</u>	<u>\$10,000</u>	<u>9/8/13</u>
<u>Glen Davis</u>	<u>\$20,000</u>	<u>9/12/13</u>
<u>Averill Cate, Jr.</u>	<u>\$10,000</u>	<u>9/13/13</u>
<u>Craig Brown</u>	<u>\$25,000</u>	<u>9/20/13</u>
<u>Judy & Gary Siegford</u>	<u>\$40,000</u>	<u>9/20/13</u>
<u>Bill & Jean Locke</u>	<u>\$15,000</u>	<u>9/25/13</u>
<u>Bill & Jean Locke</u>	<u>\$30,000</u>	<u>9/25/13</u>
<u>Ralph Hey</u>	<u>\$60,000</u>	<u>9/29/13</u>
<u>Michael & Diana Gumbert</u>	<u>\$100,000</u>	<u>9/30/13</u>
<u>Mary Kent</u>	<u>\$100,000</u>	<u>10/1/13</u>
<u>Jim McArdle</u>	<u>\$100,000</u>	<u>10/3/13</u>
<u>Caro McDowell</u>	<u>\$100,000</u>	<u>10/7/13</u>
<u>Jeff Phalen</u>	<u>\$20,000</u>	<u>10/14/13</u>
<u>Jeff Phalen</u>	<u>\$20,000</u>	<u>10/14/13</u>
<u>Jeff Phalen – IRA</u>	<u>\$200,000</u>	<u>10/18/13</u>
<u>Brian Imdieke</u>	<u>\$250,000</u>	<u>10/19/13</u>
<u>Bill Hughes – IRA</u>	<u>\$314,700</u>	<u>10/24/13</u>
<u>Judy Hughes – IRA</u>	<u>\$14,300</u>	<u>10/24/13</u>
<u>Manual A. Lent – IRA</u>	<u>\$40,000</u>	<u>10/25/13</u>
<u>Dave Preston</u>	<u>\$60,000</u>	<u>10/26/13</u>
<u>Michael & Diana Gumbert</u>	<u>\$100,000</u>	<u>11/1/13</u>
<u>Jolene Page</u>	<u>\$50,000</u>	<u>11/1/13</u>
<u>Stanley Scholz – IRA</u>	<u>\$50,000</u>	<u>11/5/13</u>
<u>Wade Underwood</u>	<u>\$50,000</u>	<u>11/5/13</u>
<u>Paul A. Kent</u>	<u>\$112,161.79</u>	<u>11/9/13</u>
<u>Scott D. Detota</u>	<u>\$50,000</u>	<u>11/14/13</u>
<u>Tom Smith</u>	<u>\$800,000</u>	<u>11/21/13</u>

<u>Mary Kent</u>	<u>\$100,000</u>	<u>11/21/13</u>
<u>Les Jones</u>	<u>\$100,000</u>	<u>11/21/13</u>
<u>Vince & Sharry Muscat</u>	<u>\$200,000</u>	<u>11/23/13</u>
<u>Lillian Lent – IRA</u>	<u>\$17,000</u>	<u>11/25/13</u>
<u>Jolene Page</u>	<u>\$50,000</u>	<u>12/1/13</u>
<u>Gary Thompson</u>	<u>\$20,000</u>	<u>12/4/13</u>
<u>Kennen Burkhardt</u>	<u>\$150,000</u>	<u>12/15/13</u>
<u>Mo & Sam Chittick</u>	<u>\$50,000</u>	<u>12/20/13</u>
<u>Jolene Page</u>	<u>\$200,000</u>	<u>12/22/13</u>
<u>Brian Imdieke</u>	<u>\$250,000</u>	<u>12/23/13</u>

193. In addition to these “rollover” promissory note sales, Chittick caused DenSco to sell \$4,029,066.71 of new promissory notes to existing and new investors during September, October, November and December 2013. Those sales are summarized in the following chart.²

<u>Investor</u>	<u>Amount</u>	<u>Date</u>
<u>Ralph Hey</u>	<u>\$15,000</u>	<u>9/6/13</u>
<u>Marvin & Pat Miller</u>	<u>\$900,000</u>	<u>9/9/13</u>
<u>Marvin & Pat Miller</u>	<u>\$100,000</u>	<u>9/9/13</u>
<u>Marvin & Pat Miller</u>	<u>\$706,000</u>	<u>9/10/13</u>
<u>Ross Dupper</u>	<u>\$800,000</u>	<u>9/13/13</u>
<u>Jeff Phalen – IRA</u>	<u>\$150,000</u>	<u>9/17/13</u>
<u>Michael Zones</u>	<u>\$500,000</u>	<u>9/24/13</u>
<u>Erin Carrick – Trust</u>	<u>\$200,066.71</u>	<u>9/27/13</u>
<u>Averill Cate</u>	<u>\$10,000</u>	<u>10/15/13</u>

² Each note was a two-year note, except those marked with an *, which were one-year notes, and the note marked with **, which matured on 3/31/14.

Jemma Kopel	\$100,000	11/14/13
Averill Cate	\$10,000	11/15/13*
Brian Odenthal – IRA	\$8,000	12/1/13
Averill Cate	\$10,000	12/15/13*
Brian & Janice Odenthal	\$20,000	12/19/13
Steven Bunker	\$500,000	12/20/13**

D. Facts Regarding Clark Hill's Representation of DenSco During 2014

1. Clark Hill Learned During the First Week of January 2014 That DenSco Had Suffered a Substantial Loan Loss Because of Chittick's Mismanagement and Failure to Follow the Lending Procedures DenSco Had Told Its Investors It Would Follow.

194. ~~251.~~ On Sunday, January 5, 2014, Beauchamp received an email from Chittick asking if he had time to meet with him during the coming week.

a. ~~The~~ On January 6, 2014, Beauchamp Received a Demand Letter That Called into Question 52 Loans DenSco Had Made to Menaged.

195. ~~252.~~ On Monday, January 6, 2014, Beauchamp received an email from Chittick which stated: "read the first two pages, then give me a call." Attached to the email was a three-page demand letter from Bryan Cave attorney Robert J. Miller; Exhibit A, a list of 52 properties; and two subordination agreements.

196. ~~253.~~ The letter was written on behalf of Azben Limited, LLC; Geared Equity, LLC; and 50780, LLC (the "Lienholders"). It asserted that Geared Equity, 50780, and Sell Wholesale Funding, LLC (the "Lenders") had each loaned money to Arizona Home Foreclosures, LLC and Easy Investments, LLC, and that the loans Sell Wholesale Funding had made were subsequently assigned to Azben.

197. ~~254.~~ Exhibit A to the letter identified, with reference to specific loan numbers and street addresses, 52 loans that the Lenders had made to Easy Investments and Arizona Home Foreclosures to acquire ~~foreclosed~~ 52 homes at trustee sales.

1 ~~198.~~ ~~255.~~ The letter asserted that the Lenders' loans had been made by
2 "certified funds delivered directly to the trustee" and secured by "promptly recorded
3 deeds of trust confirming a senior lien position on each of the Properties."

4 ~~199.~~ ~~256.~~ The letter went on to assert that DenSco had "engaged in a practice of
5 recording a 'mortgage' on each of the [52 properties] on around the same time as the
6 Lenders were recording their senior deeds of trust" and that *each such mortgage falsely*
7 *stated that DenSco had "provided purchase money funding" and that its "loans are*
8 *'evidenced by a check payable' to the trustee for each of the Properties."* (Emphasis
9 added.)

10 ~~200.~~ ~~257.~~ The letter asserted that DenSco could not claim to be in a senior lien
11 position on those properties "since in each and every instance, only the Lenders
12 provided the applicable trustee with certified funds supporting the Borrower's purchase
13 money acquisition for each of the Properties."

14 ~~201.~~ ~~258.~~ The letter demanded that DenSco sign subordination agreements
15 acknowledging that it did not have a first position lien on any of the 52 properties, and
16 said that if DenSco refused to do so, the Lienholders would assert claims against
17 DenSco for fraud and conspiracy to defraud; negligent misrepresentation; and wrongful
18 recordation pursuant to A.R.S. § 33-420.

19 ~~202.~~ ~~259.~~ The letter included "two forms of subordination agreement – one
20 form document applies to the Azben loans and the other form applies to the loans of
21 Geared Equity, LLC and 50780, LLC." A footnote stated that "[p]roperty addresses
22 and other 'form' information will need to be included in each subordination agreement.
23 My firm will only commence preparing a subordination agreement for each loan when
24 written confirmation is provided that DenSco has unconditionally agreed to execute
25 each subordination agreement in the form enclosed herein."

26 b. On January 6, 2014, Beauchamp Reviewed the Demand
27 Letter, Which Provided Clear Evidence That Chittick
28 Had Breached His Fiduciary Duties to DenSco and
 Exposed DenSco to Substantial Financial Loss.

1 203. ~~260.~~Beauchamp spoke to Chittick by telephone ~~on January 6~~that day,
2 2014~~after receiving the letter.~~ Beauchamp's notes from that call state that Chittick told
3 him DenSco's "largest borrower" – who Beauchamp knew or should have known from
4 the *Freo* lawsuit he had received in June 2013 was Menaged – "had a guy working in
5 his office and was getting 2 loans on each property," and that Chittick and Menaged
6 "had already fixed about 6 loans." The notes reflect that Beauchamp planned to meet
7 with Chittick on Thursday, January 9, 2014.

8 204. ~~261.~~Clark Hill's billing records reflect that Beauchamp billed 2.4 hours
9 on January 6, 2014 to "[r]eview, work on and respond to several emails; review
10 statutory references; telephone conversation with office of D. Chittick [a reference to
11 having left a voice-mail message for Chittick, since he worked alone from his home
12 office]; telephone conversation with D. Chittick regarding demand letter, issues,
13 background information and requirements; review notes and statute requirements;
14 review documents."

15 ~~262.— Clark Hill's billing records do not reflect that Beauchamp conferred with~~
16 ~~any other attorneys at Clark Hill on January 6, 2014 about the demand letter.~~

17 205. From the demand letter alone, Beauchamp knew that:

18 a. Chittick had failed to follow the lending procedures called for by
19 the Receipt and Mortgage document Beauchamp had approved in 2007. That
20 document called for DenSco's borrower to present a "check payable to _____
21 ('Trustee')" to the Trustee. It was evident from the demand letter that DenSco
22 had not done so. DenSco could not have issued 52 checks payable to Trustees,
23 since the letter asserted that the Lenders had issued checks to the Trustees when
24 they acquired those 52 properties.

25 b. DenSco's borrowers, Arizona Home Foreclosures and Easy
26 Investments – which were both owned by Menaged – had obtained 52 loans
27 from the Lenders and 52 loans from DenSco, that were to be secured by the
28 same 52 properties. If, as the Lenders claimed, they had actually paid a Trustee

1 for each property, DenSco had effectively made 52 unsecured loans and the
2 disposition of those monies was unknown.

3 c. 263. ~~Beauchamp recognized, or should have recognized, that the~~
4 ~~claims made in the demand letter affected a material portion of DenSco's loan~~
5 ~~portfolio. He~~ The potential financial impact on DenSco was substantial.
6 Beauchamp knew from the 2011 POM that DenSco's average loan amount was
7 \$116,000, so that DenSco's potential ~~exposure for the unsecured or under-~~
8 ~~secured loans DenSco had made to Menaged's entities to acquire the 52~~
9 ~~properties in the demand letter was likely to be approximately~~ losses from the 52
10 loans, if the loan proceeds could not be traced and recovered, was \$6 million or
11 more, or approximately 13% of the \$47 million that Beauchamp understood
12 DenSco had raised from investors as of June 2013.

13 ~~264. — Beauchamp recognized, or should have recognized, in light of the allegations in~~
14 ~~the Freo lawsuit he had received the previous June and the claims made in the demand~~
15 ~~letter, that Easy Investments and Arizona Home Foreclosures had purposefully~~
16 ~~obtained, for each of the 52 properties, a loan from one of the Lenders, and had then~~
17 ~~obtained a second loan from DenSco that was supposed to be secured by the same~~
18 ~~property.~~

19 **b. — Chittick's January 7, 2014 Email**

20 206. Beauchamp could have easily conducted a limited investigation to
21 evaluate the claims in the demand letter that the Lenders were in first position on each
22 of the 52 properties, or to assess the information he had received during his telephone
23 call with Chittick that "a guy working in [Menaged's] office . . . was getting 2 loans on
24 each property."

25 207. Beauchamp could have done so by searching for publicly recorded
26 documents that were identified in the two subordination agreements attached to the
27 demand letter.
28

1 a. The first of those subordination agreements identified, by reference
2 to the instrument number assigned by the Maricopa County Recorder (2013-
3 0832534), the Mortgage DenSco had recorded on September 16, 2013 on the
4 property at issue. The subordination agreement also identified, by reference to a
5 recorded instrument number (2013-0833010), the deed of trust that Sell
6 Wholesale Funding, LLC had recorded on September 16, 2013 for the same
7 property.

8 b. In January 2014, the Maricopa County Recorder's Office had a
9 free "Recorded Document Search" function. The same tool is available today.

10 c. If Beauchamp had used that tool, two brief searches would have
11 shown that the DenSco Mortgage (2013-0832534) was signed by Menaged
12 before a notary on September 16, 2013, and that Menaged also signed the Sell
13 Wholesale Funding deed of trust (2013-0833010) before a notary on
14 September 16, 2013. Those searches would also have identified the property in
15 question as 977 S. Colonial Drive in Gilbert, Arizona.

16 d. Those two documents show that Menaged, not "a guy in his
17 office," had secured both loans.

18 e. The second of the subordination agreements attached to the
19 demand letter identified, by reference to a recorded instrument number (2013-
20 0717135), the Mortgage DenSco had recorded on August 6, 2013 on the
21 property at issue. The subordination agreement also identified, by reference to a
22 recorded instrument number (2013-0721399), the deed of trust that Geared
23 Equity, LLC had recorded on August 7, 2013 for the same property.

24 f. If Beauchamp had used the Recorded Document Search tool, two
25 brief searches would have shown that the DenSco Mortgage (2013-0717135)
26 was signed by Menaged before a notary on August 6, 2013, and that Menaged
27 also signed the Sell Wholesale Funding deed of trust (2013-0721399) before a
28

1 notary on August 6, 2013. Those searches would have identified the property in
2 question as 39817 Messner Way in Anthem, Arizona.

3 g. Those two documents show that Menaged, not “a guy in his
4 office,” had secured both loans.

5 208. As for the remaining 49 properties on Exhibit A to the demand letter,
6 Beauchamp could have, either by himself, or through a paralegal, quickly discovered
7 that in each case, Menaged, and not “a guy in his office,” had signed the documents at
8 issue.

9 a. This could have been done by using a free search function on the
10 Maricopa County Assessor’s Office website that allows anyone to search for
11 property records using a street address (such as those given in Exhibit A to the
12 demand letter), or other means of customary due diligence. The Assessor’s
13 website provides a link to a recorded instrument on the Maricopa County
14 Recorder’s Office website for each property, and that information could have in
15 turn been used to quickly locate both the deed of trust recorded by the Lenders
16 and DenSco’s competing Mortgage by using the Recorded Document Search
17 tool.

18 b. Such a search, which would take less than five minutes for each
19 property, would produce records showing that for each of the 49 properties,
20 Menaged had signed both a DenSco Mortgage and another lender’s deed of trust
21 before a notary, providing further evidence that Menaged, not “some guy in his
22 office,” had secured all of the loans in question, and had purposefully defrauded
23 DenSco.

24 c. **On January 7, 2014, Clark Hill Received an Email From**
25 **Chittick in Which He Admitted That He Had Grossly**
26 **Mismanaged DenSco’s Loan Portfolio, Failed to Comply**
27 **With the Lending Practices Disclosed in the 2011 POM,**
28 **and Caused DenSco to Suffer Substantial Losses.**

1 209. 265. On Tuesday, January 7, 2014, Beauchamp received an email from
2 Chittick, copied to Menaged, which contained information relevant to the demand letter
3 and said that Chittick was bringing Menaged to the planned January 9, 2014 meeting.

4 210. 266. Chittick's email said that DenSco had, since 2007, loaned \$50 million
5 to "a few different LLC's" controlled by Menaged. Beauchamp knew or should have
6 known that those companies included the two entities identified in the demand letter:
7 Easy Investments (a defendant in the June 2013 *Freo* lawsuit) and Arizona Home
8 Foreclosures.

9 211. 267. Chittick's email said that "[b]ecause of our long term relationship,
10 *when [Menaged] needed money, [I] would wire the money to his account and he*
11 *would pay the trustee,"*" (emphasis added). Menaged would sign a Mortgage that
12 referenced the payment to the trustee, and Chittick would cause the Mortgage to be
13 recorded.

14 212. 268. Chittick attached to his email a form of Mortgage, Deed of Trust, and
15 Note Secured by Deed of Trust that he routinely used in making loans to Menaged,
16 which Chittick described as "docs you have reviewed and have been reviewed by a guy
17 at your last law firm, maybe two firms ago in 2007."

18 ~~269. Chittick's statement put Beauchamp on notice that Chittick had allowed~~
19 ~~the fraud committed by Easy Investments and Arizona Home Foreclosures to occur,~~
20 ~~because he had not paid loan proceeds directly to each trustee, and had instead wired~~
21 ~~funds directly to Menaged, trusting him to use those funds to pay the trustees.~~

22 ~~270. Beauchamp and Clark Hill claim in their initial disclosure statement (at 6-7) that~~
23 ~~Beauchamp had advised Chittick, before June 2013 and again in June 2013 after~~
24 ~~Beauchamp reviewed the Freo lawsuit, that "Mr. Chittick needed to fund DenSco's~~
25 ~~loans directly to the trustee or escrow company conducting the sale, rather than provide~~
26 ~~loan funds directly to the borrower, to ensure that DenSco's deed of trust was~~
27 ~~protected."~~

1 ~~271. As noted above, the Receiver's counsel has not identified any documents~~
2 ~~in Bryan Cave's files that support their claim.~~

3 ~~272. And the Receiver's counsel has not found any documents in Clark Hill's~~
4 ~~files which reflect that Beauchamp, after reviewing Chittick's January 7, 2014 email,~~
5 ~~advised Chittick that DenSco should have funded its loans directly to a trustee or~~
6 ~~escrow company, and not provided funds directly to Menaged or any other borrower.~~

7 ~~273. Chittick's January 7, 2014 statement also put Beauchamp on notice that~~
8 ~~DenSco's investment disclosures were materially false and misleading and that~~
9 ~~DenSco's ongoing reliance on the false and misleading disclosures to raise funds from~~
10 ~~investors exposed DenSco and Chittick to civil and criminal liability.~~

11 213. Chittick's email confirmed what was evident from the demand letter, and
12 brought home the red flags Beauchamp had missed when he prepared the 2011 POM
13 and when he reviewed the *Freo* lawsuit six months earlier:

14 a. Chittick had been grossly negligent in managing DenSco's loan
15 portfolio, by not complying with the terms of the Mortgage, which called for
16 DenSco to issue a check payable to the Trustee, and instead wiring money to
17 Menaged, trusting Menaged to actually use those funds to pay a Trustee.

18 b. Chittick's admitted practice of giving DenSco's funds directly to
19 Menaged, rather than paying them directly to a Trustee through a check made
20 payable to the Trustee, made the statements in the 2011 POM about DenSco's
21 lending practices materially misleading.

22 214. Chittick's reference to "docs you have reviewed and have been reviewed
23 by a guy at your last law firm, maybe two firms ago in 2007" suggested that Chittick
24 might blame Beauchamp for the problems DenSco now faced because of DenSco's use
25 of those documents.

26 215. ~~274.~~ Chittick's email went on to say that Menaged had told him in
27 November 2013 that DenSco had been defrauded by Menaged's "cousin," who
28 allegedly worked with Menaged in managing Easy Investments and Arizona Home

1 Foreclosures. Menaged claimed that his “cousin” had “receiv[ed] the funds from
2 [DenSco], then request[ed] them from . . . other lenders [who] cut a cashiers check for
3 the agreed upon loan amount . . . [took] it to the trustee and . . . then record[ed] a [deed
4 of trust] immediately.”

5 216. ~~275.~~Chittick explained that “sometimes” DenSco had recorded its
6 mortgage before another lender’s deed of trust was recorded, but in other cases it had
7 not.

8 217. ~~276.~~According to Chittick, “[t]he cousin absconded with the funds.
9 [Menaged] figured this out in mid November. He came to me and told me what was
10 happening. He said he talked to the other lenders and they agreed that this was a mess,
11 and as long as they got their interest and were being paid off they wouldn’t foreclose,
12 sue or anything else.”

13 218. ~~277.~~Chittick went on to describe the “plan” that he and Menaged had
14 been executing since November: to “sell off the properties and pay off both liens with
15 interest and make everyone whole.” He acknowledged that there were “short falls” on
16 each property, representing the difference between the value of the property and the
17 combined amount of the two loans, and that “[c]oming up with the short fall on all these
18 houses is a challenge, but we believe it is doable. Our plan is a combination of
19 injecting capital and extending cheaper money.”

20 219. ~~278.~~Chittick described the basic terms of the agreement with the “other
21 lenders” as including the following: (1) “all lenders will be paid their interest, except
22 [DenSco], I’m allowing [its] interest to accrue”; and (2) DenSco is “extending
23 [Menaged] a million dollars against a home at 3%.”

24 220. ~~279.~~Chittick claimed that he and Menaged had “already cleared up about
25 10% of the total \$’s in question” with the “other lenders.”

26 221. ~~280.~~As for the “gentleman who handed me the paperwork” – a reference
27 to a person affiliated with one of the three entities identified in the demand letter –
28 Chittick wrote that he “believes because he physically paid the trustee that he is in first

1 position, but agrees it's messy. [H]e wants me to subordinate to him, no matter who
2 recorded first. [W]e have paid off one of his loans, you'll see on this list Pratt – paid in
3 full, I've attached the hud-1 and you can see that it shows me in first position versus his
4 belief. [N]ow that's one title agent[']s opinion, [I] understand that's not settling [a]
5 legal dispute on who's in first or second."

6 222. ~~281.~~Chittick went on to state: *"I know that [I] can't sign the*
7 *subordination [agreement] because that goes against everything that [I] tell*
8 *[DenSco's] investors."* (Emphasis added.)

9 223. ~~282.~~He also wrote that "there are several other lenders waiting to see what
10 [I] do[.] [I]f I sign with this group, they want to have me sign for them too."

11 224. ~~283.~~Chittick concluded his email by stating "[w]hat we need is an
12 agreement that as long as the other lenders are being paid their interest and payoffs
13 continue to come . . . that no one initiates foreclosure for obvious reasons, which will
14 give us time to execute our plan."

15 ~~c. — Actions Taken by Beauchamp After Receiving Chittick's~~
16 ~~Emails~~

17 d. On January 7 and 8, 2014, Beauchamp Reviewed the
18 Demand Letter and Chittick's January 6, 2014 Email,
Including a Review of "Lien Dispute Information."

19 225. ~~284.~~Clark Hill's billing records reflect that Beauchamp billed 1.8 hours
20 on January 7, 2014 to "[r]eview legislative history for purchase money security interest;
21 review documents and follow-up information" and "telephone conversation with office
22 of D. Chittick," which was a reference to having left a voicemail message for Chittick.

23 226. ~~285.~~Clark Hill's billing records reflect that Beauchamp billed 1.7 hours
24 on January 8, 2014 to "[r]eview information from D. Chittick; review and outline
25 follow-up questions; prepare for meeting; review lien dispute information."

26 ~~286. — Clark Hill's billing records do not reflect that Beauchamp conferred with any~~
27 ~~other attorneys at Clark Hill on January 7 or 8, 2014 about the demand letter or~~
28 ~~Chittick's email.~~

1 ~~287.—After reviewing Chittick’s email, Beauchamp recognized, or should have~~
2 ~~recognized, that DenSco had, since November 2013, utilized investor funds in ways~~
3 ~~directly contrary to the use of proceeds promised investors in the 2011 POM.~~

4 ~~288.—After reviewing Chittick’s email, Beauchamp recognized, or should have~~
5 ~~recognized, that DenSco had raised investor funds during the last four months of 2013,~~
6 ~~through roll overs of expiring promissory notes and the issuance of new promissory~~
7 ~~notes, by means of a materially false and misleading offering document, concealing~~
8 ~~material liabilities of DenSco and falsely promising to use the proceeds to invest in first~~
9 ~~position real estate loans, and that DenSco was using those funds to execute Chittick’s~~
10 ~~and Menaged’s “plan.”~~

11 227. As of January 8, 2014, Beauchamp knew that:

12 a. Chittick had breached fiduciary duties he owed DenSco by causing
13 it to sell promissory notes to investors during the four months that had passed
14 since DenSco’s September 2013 retention of Clark Hill without first issuing the
15 new POM that Clark Hill had been retained to prepare, but had not prepared at
16 Chittick’s instruction;

17 b. Chittick had breached fiduciary duties he owed DenSco through
18 grossly negligent lending practices;

19 ~~289.~~~~After reviewing Chittick’s email, Beauchamp recognized, or should~~
20 ~~have recognized, that~~ c. the scope of DenSco’s financial exposure ~~to the fraud~~
21 ~~involving Menaged~~ was ~~far~~ greater than the 52 properties identified in the
22 demand letter, since it included the “other lenders” with whom Menaged had
23 reached an informal agreement in November 2013.;

24 d. Investors who had purchased promissory notes since Clark Hill’s
25 September 2013 retention had not been told of the *Freo* lawsuit; DenSco’s
26 grossly deficient lending practices; DenSco’s concentration of loans made to one
27 borrower, Menaged; DenSco’s November 2013 discovery of the fraud allegedly
28 perpetrated by Menaged’s “cousin”; and Chittick’s plan to help Menaged by

1 “injecting capital” to pay off the loans of other lenders on properties that
2 Menaged’s companies had allegedly purchased with DenSco’s funds, allowing
3 interest on DenSco’s loans to accrue, and lending Menaged \$1 million at 3%
4 interest.

5 e. Chittick was unwilling to cause DenSco to accept the losses his
6 gross negligence had caused by signing the subordination agreements attached to
7 the demand letter, “because that goes against everything that [he] tell[s]
8 [DenSco’s] investors,” or to make any disclosure to DenSco’s investors while he
9 and Menaged pursued their plan.

10 228. Beauchamp also knew from his January 6 review of the demand letter and
11 the hours he had devoted on January 7 and 8 to analyzing Chittick’s email and other
12 information he had received from Chittick, that Menaged’s “cousin” story was
13 implausible and that by accepting the story without investigation and planning to
14 continue DenSco’s lending relationship with Menaged, Chittick was breaching his
15 fiduciary duties to DenSco.

16 229. In addition to the information provided in the subordination agreements
17 and the list of the other 52 properties identified in the demand letter, Beauchamp should
18 have also reviewed the information attached to Chittick’s January 6, 2014 email
19 regarding a loan for which Chittick claimed DenSco was in first position.

20 ~~290. — After reviewing Chittick’s email, Beauchamp recognized, or should have~~
21 ~~recognized, that Chittick had breached his fiduciary duties to DenSco by utilizing lax~~
22 ~~and completely inadequate lending practices and lending such a substantial portion of~~
23 ~~DenSco’s funds to a single borrower.~~

24 ~~291. — In the course of “reviewing documents” and “review[ing] lien-dispute~~
25 ~~information,” Beauchamp recognized, or should have recognized, that Menaged’s story~~
26 ~~about his “cousin” having perpetrated the fraud was untrue.~~

27 ~~292. — The first of the subordination agreements attached to the demand letter~~
28 ~~identified, by reference to the instrument number assigned by the Maricopa County~~

1 Recorder (2013-0832534), the Mortgage DenSeo had recorded on September 16, 2013
2 on the property at issue. The subordination agreement also identified, by reference to a
3 recorded instrument number (2013-0833010), the deed of trust that Sell Wholesale
4 Funding, LLC had recorded on September 16, 2013 for the same property.

5 293. In January 2014, the Maricopa County Recorder's Office had a free
6 "Recorded Document Search" function. The same tool is available today.

7 ~~294. If Beauchamp had used that tool, or otherwise performed customary due~~
8 ~~diligence~~, two brief searches would have shown that the DenSeo Mortgage (2013-
9 0832534) was signed by Menaged before a notary on September 16, 2013, and that
10 Menaged also signed the Sell Wholesale Funding deed of trust (2013-0833010) before a
11 notary on September 16, 2013. Those searches would also have identified the property
12 in question as 977 S. Colonial Drive in Gilbert, Arizona.

13 ~~295. Those two documents show that Menaged, not his "cousin," had secured both~~
14 ~~loans.~~

15 296. The second of the subordination agreements attached to the demand letter
16 identified, by reference to a recorded instrument number (2013-0717135), the Mortgage
17 DenSeo had recorded on August 6, 2013 on the property at issue. The subordination
18 agreement also identified, by reference to a recorded instrument number (2013-
19 0721399), the deed of trust that Geared Equity, LLC had recorded on August 7, 2013
20 for the same property.

21 ~~297. If Beauchamp had used the Recorded Document Search tool or otherwise~~
22 ~~performed customary due diligence~~, two brief searches would have shown that the
23 DenSeo Mortgage (2013-0717135) was signed by Menaged before a notary on
24 August 6, 2013, and that Menaged also signed the Sell Wholesale Funding deed of trust
25 (2013-0721399) before a notary on August 6, 2013. Those searches would have
26 identified the property in question as 39817 Messner Way in Anthem, Arizona.

27 ~~298. Those two documents show that Menaged, not his "cousin," had secured both loans.~~

1 230. 299.If Beauchamp had used the information in the settlement statement
2 attached to Chittick's email to investigate Chittick's claim that DenSco was in first
3 position with respect to the "Pratt" property, he could have used the Recorded
4 Document Search tool,~~or otherwise performed customary due diligence, to see if~~
5 ~~Chittick was correct~~ on the website maintained by Maricopa County Recorder's Office.

6 231. 300.A few brief searches would have confirmed Chittick's claim that
7 DenSco was the first to record: DenSco's Mortgage was recorded on September 18,
8 2013 as instrument number 2013-0837513, while Geared Equity's deed of trust was
9 recorded on September 19, 2013 as instrument number 2013-0842640.

10 232. 301.But those two documents would also have shown that Menaged
11 signed each document before a notary on September 17, 2013, making clear that
12 Menaged, not his "cousin," had secured both loans.

13~~302. — As for the remaining 49 properties on Exhibit A to the demand letter,~~
14 ~~Beauchamp could have, either by himself, or through a paralegal, quickly discovered~~
15 ~~that in each case, Menaged, and not his "cousin," had signed the documents at issue.~~

16 303. — This could have been done by using a free search function on the
17 Maricopa County Assessor's Office website that allows anyone to search for property
18 records using a street address (such as those given in Exhibit A to the demand letter), or
19 other means of customary due diligence. The Assessor's website provides a link to a
20 recorded instrument on the Maricopa County Recorder's Office website for each
21 property, and that information could have in turn been used to quickly locate both the
22 deed of trust recorded by the Lenders and DenSco's competing Mortgage by using the
23 Recorded Document Search tool.

24~~304. — Such a search, which would take less than five minutes for each property, would~~
25 ~~produce records showing that for each of the 49 properties, Menaged had signed both a~~
26 ~~DenSco Mortgage and another lender's deed of trust before a notary, providing further~~
27 ~~evidence that Menaged, not his "cousin," had secured all of the loans in question, and~~
28 ~~had purposefully defrauded DenSco.~~

~~d. — Beauchamp's January 9, 2014 Meeting With Chittick and Menaged~~

305. — Clark Hill's billing records reflect that Beauchamp billed 4.3 hours on January 9, 2014 to "[p]repare for and meeting with D. Chittick and S. Menages [sic]; review and work on notes from meeting and outline follow-up; review and respond to several emails; review documents and information."

306. — Beauchamp's notes from the January 9, 2014 meeting reflect that Chittick and Menaged confirmed that DenSeo faced exposure from both the Lienholders identified in the January 6, 2014 demand letter and other lenders, including Active Funding Group.

307. — According to Beauchamp's notes, the number of loans made by DenSeo that were not in first position and were either unsecured or under-secured was between 100 and 125. Based on that information and the 2011 POM's average loan amount of \$116,000, Beauchamp knew or should have known that DenSeo's loans to Menaged represented a potential loss of between \$11.6 and \$14.5 million, or between 25% and 30% of the \$47 million that Beauchamp understood DenSeo had raised as of June 2013.

~~308. — Beauchamp's notes from the January 9, 2014 meeting also reflect that no one knew exactly what happened to the massive amount of money that DenSeo had loaned Menaged. The notes state: "What happened to the money? — Will pursue something or his cousin → but trying to determine where the money has gone."~~

~~Beauchamp's notes from the January 9, 2014 meeting also reflect that, although the money DenSeo previously loaned Menaged was missing, 309. Beauchamp, Chittick, and Menaged discussed how to implement Chittick's and Menaged's plan to jointly raise additional funds to pay off the senior lenders on the double-encumbered properties within a ninety-day period.~~

~~310. — Menaged has testified that during the January 9, 2014 meeting, Chittick stated that he did not intend to disclose the situation to investors, and Beauchamp deferred to Chittick on the issue.~~

1 311.—~~The Receiver is not aware of any written evidence that between January 6~~
2 ~~and January 9, 2014, Beauchamp advised Chittick that:~~

3 a.—~~DenSco's sale of new promissory notes to investors after July 2013~~
4 ~~exposed DenSco and Chittick to civil and criminal liability;~~

5 b.—~~DenSco should not have issued those notes without first issuing an~~
6 ~~appropriate disclosure document;~~

7 c.—~~DenSco should immediately cease selling new securities to~~
8 ~~investors until complete disclosures could be made;~~

9 d.—~~DenSco's use of the proceeds from such securities to implement~~
10 ~~Chittick's "plan" with Menaged would be a fraud on the investors in such~~
11 ~~securities;~~

12 233. Moreover, because the demand letter claimed that Geared Equity had
13 delivered funds to the Trustee, and Chittick had admitted he had not, the question
14 remained as to where DenSco's funds had gone and whether they could be recovered.

15 2. Clark Hill Failed to Properly Advise DenSco.

16 a. After Receiving the Demand Letter and Chittick's
17 January 6 Email, Beauchamp Should Have Insisted on
18 Meeting with Chittick Alone So That He Could Advise
19 Chittick of the Actions He Was Required to Take to
Protect DenSco From Further Harm, But Beauchamp
Failed to Do So.

20 234. Beauchamp, as DenSco's attorney, should have recognized that he had an
21 obligation to meet privately with Chittick, without Menaged present, to confirm
22 relevant facts, and advise Chittick, as DenSco's President, of the actions DenSco
23 needed to take and the consequences to DenSco if it failed to do so.

24 235. While the specific actions Beauchamp should have taken on January 8,
25 2014 is the subject of expert testimony, which will be disclosed in accordance with the
26 scheduling order that has been entered in this case, the Receiver anticipates that those
27 actions would have included the following:

1 a. Telling Chittick he should not bring Menaged to their scheduled
2 January 9, 2014 meeting;

3 b. Telling Chittick that DenSco's sale of promissory notes since
4 July 1, 2013 to investors exposed DenSco and Chittick to civil and criminal
5 liability;

6 c. Telling Chittick that DenSco should not have sold any notes
7 without first issuing a new POM and should not use the proceeds of sales made
8 since July 1, 2013 until the investors who bought those notes had been given a
9 new POM and afforded an opportunity to rescind those transactions;

10 d. Telling Chittick that DenSco could not sell any new promissory
11 notes until Clark Hill was able to conduct an adequate investigation of DenSco's
12 lending practices and other material information and a new POM had been
13 issued;

14 e. Telling Chittick that DenSco should immediately cease doing
15 business with Menaged based on the implausibility of the "cousin" story and the
16 readily available public records discussed above;

17 f. ~~At~~ Telling Chittick that, at a minimum, DenSco should not have
18 any further business dealings with Menaged until it had investigated the true
19 facts of the alleged fraud by Menaged's "cousin";

20 g. ~~After~~ Telling Chittick that after discovering the true facts about
21 Menaged's dealings with DenSco (whether through a review of public records or
22 some other investigation), DenSco should rescind all lending agreements it had
23 made with Menaged since November 2013 on the grounds of fraud in the
24 inducement, and seek to enforce its remedies for all other loans that Menaged
25 had obtained through fraud; and

26 h. Telling Chittick that DenSco had to assess the impact of the fraud
27 on DenSco's financial position, and if that assessment resulted in a finding that
28

1 DenSco was insolvent ~~or in the zone of insolvency~~, DenSco had to consider
2 duties owed to its investors and other creditors in making all business decisions.³

3 ~~312.—DenSco was indisputably insolvent in January 2014, as Chittick’s~~
4 ~~statements to Beauchamp at the time made clear and as the Receiver was able to~~
5 ~~determine after reviewing DenSco’s QuickBooks records.~~

6 236. This advice should have been documented in writing.

7 237. If Chittick declined to follow the advice, Beauchamp should have
8 threatened to withdraw from representing DenSco, which may have caused Chittick to
9 relent and follow the advice.

10 238. Beauchamp did not tell Chittick he should not bring Menaged to the
11 planned January 9, 2014 meeting and did not give the advice described above.

12 239. The Receiver intends to offer evidence at trial establishing that if
13 Beauchamp had taken these actions, Chittick would have caused DenSco to follow that
14 advice.

15 240. ~~313.~~Evidence of Chittick’s long professional relationship with
16 Beauchamp and numerous instances of Chittick following Beauchamp’s legal advice
17 establish that if Beauchamp had properly advised DenSco during the first week of
18 January 2014, Chittick would have caused DenSco to: (i) ~~terminate its relationship with~~
19 ~~Menaged and his companies~~stop selling promissory notes; (ii) ~~cease raising investor~~
20 ~~funds based on false and misleading disclosures~~; (iii) ~~cease misdirecting investor funds~~
21 ~~to implement Chittick’s and Menaged’s “plan”~~; (iv) terminate its relationship with
22 Menaged and his companies; (iii) pursue its remedies against Menaged and his
23 companies; and (v) explore whether DenSco could survive as a going concern or
24 would have to liquidate. ~~In their initial disclosure statement (at 4 and 11), Beauchamp~~

25
26
27 ³ DenSco was indisputably insolvent in January 2014, as Chittick’s statements to
28 Beauchamp at the time made clear and as the Receiver was able to determine after
reviewing DenSco’s QuickBooks records.

1 ~~and Clark Hill admit that Chittick was a “trustworthy client” who~~ Such evidence
2 includes:

3 ~~followed Beauchamp’s advice. 315. — Beauchamp and Clark Hill also claim in their initial~~
4 ~~disclosure statement (at 10–11) that Beauchamp allegedly advised Chittick “during his~~
5 ~~January 9, 2014 meeting with Mr. Chittick” and repeatedly thereafter that:~~

6 (a) ~~DenSeo was not permitted to take new money without full disclosure to the~~
7 ~~investor lending the money; (b) DenSeo was not permitted to roll over existing~~
8 ~~investments without full disclosure to the investor rolling over the money; and~~
9 ~~(c) DenSeo needed to update its POM and make full disclosure to all its~~
10 ~~investors.~~

11 ~~316. — But the Receiver’s counsel has not found any document in Clark Hill’s~~
12 ~~files reflecting that Beauchamp gave this advice to Chittick on January 9, 2014 or that~~
13 ~~he gave it after that date, other than belated statements that DenSeo needed to update its~~
14 ~~POM and make certain disclosures to investors.~~

15 ~~317. — Chittick’s entry for January 9, 2014 in a corporate journal he maintained during~~
16 ~~2014 (the “2014 Corporate Journal”) does not reflect that Beauchamp gave Chittick the~~
17 ~~advice he and Clark Hill now claim was given on that date. The entry states, in part:~~
18 ~~“Scott and I met with David. He never read my email. We spent two hours. . . . He’s~~
19 ~~going to contact the lawyer tomorrow and let us know.”~~

20 ~~318. — Beauchamp and Clark Hill also claim in their initial disclosure statement (at 11)~~
21 ~~that “Mr. Chittick assured Mr. Beauchamp repeatedly that he was making the requisite~~
22 ~~disclosures to investors on an as needed basis, and that he had informed a select group~~
23 ~~of investors as to the double lien issue and the proposed workout.”~~

24 ~~319. — The Receiver’s counsel has not found any document in Clark Hill’s files~~
25 ~~supporting that claim.~~

26 ~~320. — No entries in the 2014 Corporate Journal support that claim.~~

27 ~~e. — Beauchamp and Clark Hill’s January 10, 2014 Decision~~
28 ~~to Help Chittick Breach his Fiduciary Duties.~~

1 314.a. Clark Hill and Beauchamp’s admission in their initial disclosure
2 statement (at 4), that “[o]ver the years, Mr. Chittick showed himself to be a
3 trustworthy and savvy businessman, and a good client. . . . Despite complaining
4 about the cost of legal services, Mr. Chittick appeared to follow Mr.
5 Beauchamp’s advice and provided information when asked for it.”

6 b. Moreover, only six months earlier, DenSco had immediately
7 followed Bryan Cave’s June 2013 advice to modify its website, and Bryan
8 Cave’s files reflect that Chittick was prepared to cause DenSco to refund all
9 investor loans if that was necessary to correct the “general solicitation” problem
10 Bryan Cave had identified.

11 3. During the January 9, 2014 Meeting with Chittick and
12 Menaged, Beauchamp Learned That DenSco Faced an Even
13 Larger Financial Exposure as a Result of Chittick’s
14 Mismanagement Than the Exposure Presented by the Demand
15 Letter, And Chittick Wanted to Try to Cover Up His
16 Mismanagement By Pursuing a “Work Out” Plan With
17 Menaged.

18 241. Clark Hill’s billing records reflect that Beauchamp billed 4.3 hours on
19 January 9, 2014 to “[p]repare for and meeting with D. Chittick and S. Menages [sic];
20 review and work on notes from meeting and outline follow-up; review and respond to
21 several emails; review documents and information.”

22 242. Beauchamp’s notes from the January 9, 2014 meeting reflect that Chittick
23 and Menaged confirmed that DenSco faced exposure from both the Lienholders
24 identified in the January 6, 2014 demand letter and other lenders, including Active
25 Funding Group.

26 243. According to Beauchamp’s notes, the number of loans made by DenSco
27 that were not in first position and were either unsecured or under-secured was between
28 100 and 125. Based on that information and the 2011 POM’s average loan amount of
 \$116,000, Beauchamp knew or should have known that DenSco’s loans to Menaged

1 represented a potential loss of between \$11.6 and \$14.5 million, or between 25% and
2 30% of the \$47 million that Beauchamp understood DenSco had raised as of June 2013.

3 244. Beauchamp's notes from the January 9, 2014 meeting also reflect that
4 Chittick did not know what had happened to as much as \$14.5 million that DenSco had
5 loaned to Menaged, and that Chittick was not taking any meaningful steps to investigate
6 the loss and seek to recover those funds. The notes state: "What happened to the
7 money? -- Will pursue something or his cousin → but trying to determine where the
8 money has gone."

9 245. Beauchamp's notes from the January 9, 2014 meeting also reflect that,
10 although the money DenSco previously loaned Menaged was missing and Chittick had
11 taken no steps to investigate the circumstances under which the loan losses had
12 occurred and their impact on DenSco, Chittick and Menaged had agreed to pursue a
13 "work out" of the loan losses caused by Chittick's gross mismanagement of DenSco's
14 lending practices.

15 **4. After the January 9, 2014 Meeting, Clark Hill Helped Chittick**
16 **Breach Fiduciary Duties He Owed to DenSco and Negligently**
17 **Advised DenSco About the Practices It Should Follow in**
18 **Continuing to Loan Money to Menaged.**

19 246. After the January 9, 2014 meeting, Clark Hill helped Chittick breach
20 fiduciary duties he owed DenSco by negotiating a "Forbearance Agreement" that was
21 not in DenSco's interest and was instead intended to cover up Chittick's
22 mismanagement of DenSco's lending practices and protect Chittick from potential
23 claims by DenSco's investors.

24 247. Clark Hill also helped Chittick breach fiduciary duties by advising
25 Chittick that DenSco could continue to raise money from investors while Chittick was
26 implementing his "work out" plan, and that DenSco could indefinitely delay issuing a
27 new POM until Chittick felt comfortable doing so.

28 248. These actions served Chittick's interests, who hoped to "fix" the problem
created by his mismanagement and delay telling his investors about the problem until

1 he had minimized the financial harm and delay or avoid making disclosures to
2 DenSco's investors about the Forbearance Agreement and how it came to be put in
3 place.

4 249. Clark Hill and Beauchamp, on the other hand, having failed to properly
5 advise Chittick in September 2013 that it could not sell promissory notes without first
6 issuing a new POM, and having agreed with Chittick to indefinitely delay work on the
7 POM, similarly saw the Forbearance Agreement as an opportunity to cover up their
8 negligence and potentially mitigate their exposure.

9 250. ~~321. Beauchamp and~~ At the same time that it was drafting the Forbearance
10 Agreement, which obligated DenSco to continue loaning money to Menaged, Clark Hill
11 failed to properly advise DenSco and instead breached fiduciary duties they owed
12 DenSco by aiding and abetting Chittick in committing further breaches of duties he
13 owed DenSco and its investors about how the loans should be made.

14
15 5. Clark Hill Aided and Abetted Chittick's Breach of Fiduciary
16 Duties Owed DenSco by Negotiating and Documenting a
17 Forbearance Agreement Between January and April 2014
18 That Was Not in DenSco's Interests and Was Intended by
19 Clark Hill to Cover Up Chittick's Mismanagement of DenSco's
20 Lending Practices and Protect Chittick From Claims by
21 DenSco's Investors.

22 322.—Beauchamp knew from the January 9, 2014 meeting that Chittick
23 intended to breach fiduciary duties owed DenSco and its investors by: (i) accepting
24 without questioning Menaged's explanation that his "cousin" was responsible for the
25 fraud committed by Easy Investments and Arizona Home Foreclosures; (ii) failing to
26 investigate the true facts of the fraud; (iii) failing to assess the impact of the fraud on
27 DenSco's financial position; (iv) failing to consider DenSco's obligations to its
28 investors and other creditors; (v) committing DenSco to loan millions more to Menaged
and his companies without conducting such an investigation and assessment;
(vi) accepting and soliciting funds from investors based on false and misleading

1 ~~disclosures; and (vii) effectively misappropriating investor funds by spending them to~~
2 ~~implement his “plan” with Menaged, rather than in accordance with the use of proceeds~~
3 ~~promised to investors in the POMs.~~

4 ~~251. 323.Despite that knowledge, on~~ On January 10, 2014, Beauchamp opened
5 a “new matter” for DenSco in Clark Hill’s accounting and filing systems ~~captioned that~~
6 ~~was called~~ “work-out of lien issue” to enable and implement the “work out” plan”
7 Chittick and Menaged had developed.⁴

8 ~~324.— On January 14, 2014, Beauchamp opened a “new matter” in Clark Hill’s~~
9 ~~accounting and file systems captioned “business matters.”~~

10 ~~325.— In opening the “work-out of lien” matter, and in taking the actions~~
11 ~~described below, Beauchamp failed to recognize that DenSco, not Chittick, was Clark~~
12 ~~Hill’s client, and that in light of Chittick’s past and planned breaches of fiduciary duty,~~
13 ~~Beauchamp could not simultaneously represent DenSco and Chittick.~~

14 ~~326.— Beauchamp never addressed that conflict, nor did he recognize his duty to~~
15 ~~inform Chittick that he owed duties to DenSco and could not also represent Chittick’s~~
16 ~~interests. Indeed, as late as August 2016, Beauchamp testified that “[d]uring my~~
17 ~~involvement with Mr. Chittick and DenSco, I understand that Mr. Chittick considered~~
18 ~~that I was his counsel as well as counsel for DenSco, even though all billings were~~
19 ~~tendered to and paid by DenSco.”~~

20 ~~**4. — On and After January 10, 2014, Beauchamp Advised Chittick**~~
21 ~~**That DenSco Could Solicit, Accept and Use Investor Funds to**~~
22 ~~**Fund the Workout Plan**~~

23 ~~327.— Beauchamp’s handwritten notes from a call with Chittick on Friday,~~
24 ~~January 10, 2014 state, in part, “Need to get back up plan in place. Denny does not~~
25 ~~want to talk to his investors until he is ready — will not take long.”~~

26
27 ⁴ A few days later, on January 14, 2014, Beauchamp opened a “new matter” for
28 DenSco in Clark Hill’s accounting and file systems that was called “business matters.”

1328. ~~Chittick's entry for that date in a corporate journal he maintained during 2014~~
2 ~~(the "2014 Corporate Journal") states, in part, "at 5pm Dave called, said they would~~
3 ~~give us time to clean it up. I talked to Scott; he is going to try to bring in money. I can~~
4 ~~raise money according to Dave."~~

5329. ~~On Sunday, January 12, 2014, Chittick sent Beauchamp an email which stated,~~
6 ~~in part, "I've spent the day contacting every investor that has told me they want to give~~
7 ~~me more money. I don't have an answer on specifically how much I can raise; I'll~~
8 ~~know that in a day or two." He went on to say that between new money, current cash~~
9 ~~on hand, and pending real estate closings, he would have between \$5 and \$10 million in~~
10 ~~the next ten days. His email summarized the outline of the plan he and Menaged had~~
11 ~~discussed the previous Friday, which included, for the group of lenders represented by~~
12 ~~Bryan Cave: (i) identifying all properties in which another party claimed an interest; (ii)~~
13 ~~providing that information to an escrow agent; (iii) buying out the other parties as cash~~
14 ~~was put into escrow; and (iv) memorializing the arrangement through a term sheet and a~~
15 ~~written contract. "[I]f both Scott and I can raise enough money, we should be able to~~
16 ~~have this all done in 30 days easy, less than three weeks would be my goal." As for the~~
17 ~~other lenders, Chittick stated that the plan was to pay them off as Menaged was able to~~
18 ~~raise additional capital. Chittick concluded the email by stating, "that's my plan, shoot~~
19 ~~holes in it."~~

20330. ~~Beauchamp responded in an email sent later that day which stated, in part,~~
21 ~~"[y]ou should feel very honored that you could raise that amount of money that quickly.~~
22 ~~I will outline a few thoughts tomorrow and get back to you."~~

23 331. ~~Relying on Beauchamp's advice, between January 9, 2014 and June 30,~~
24 ~~2016, Chittick caused DenSeo to solicit and accept investor funds. DenSeo did so by:~~
25 ~~(i) issuing promissory notes to nine new investors who paid DenSeo \$4,365,110; (ii)~~
26 ~~issuing promissory notes to 26 existing investors who paid DenSeo \$9,421,106; and~~
27 ~~(iii) issuing promissory notes to three new investors for the transfer of \$2,550,000 from~~
28 ~~existing investors; (iv) issuing a promissory note to one existing investor for the transfer~~

1 of \$300,000 of previously invested funds; and (v) issuing new promissory notes to as
2 many as 82 existing investors to “roll over” expiring promissory notes they had
3 previously purchased. The Receiver’s preliminary analysis of those investments is
4 summarized in the chart (numbered RECEIVER_001328-001331) attached as
5 **Appendix B.**

6 332.—DenSeo’s active solicitation and receipt of investor funds after January 9,
7 2014 is documented in DenSeo’s investor files and entries Chittick made in the 2014
8 Corporate Journal.

9 333.—For example, Chittick’s January 14, 2014 entry in the 2014 Corporate Journal
10 states, in part: “I deposited . . . \$150k from Jolene Page, 40k from Carol Wellman. I
11 talked to Marv[:] he’s going to do 400k.”

12 334.—Chittick’s January 15, 2014 entry in the 2014 Corporate Journal reads, in
13 part: “I’ve got 300k in from the Miller’s.”

14 335.—Chittick’s January 21, 2014 entry in the 2014 Corporate Journal reads, in
15 part: “I raise[d] a million more from Bungler. I might get a few hundred k from Kirk.”

16 336.—Chittick’s January 22, 2014 entry in the 2014 Corporate Journal reads, in
17 part: “Steve wired in \$500k more.”

18 337.—Chittick’s January 27, 2014 entry in the 2014 Corporate Journal reads, in
19 part: “I’m trying to raise some more money so that I can payoff more of these damn
20 loans from [the Lienholders identified in the January 6, 2014 demand letter].”

21 338.—Chittick’s January 28, 2014 entry in the 2014 Corporate Journal reads, in
22 part: “I’m taking in 750k from an old borrower out of Utah, then John Schreiber called
23 and wants to get me \$400k or so.”

24 339.—Chittick’s January 29, 2014 entry in the 2014 Corporate Journal reads, in
25 part: “Kirk sent me \$600k more too. I’ll be getting \$400k in from the guys in UT.”

26 340.—Chittick’s January 31, 2014 entry in the 2014 Corporate Journal reads, in
27 part: “I had 400k come in from Ryan in UT. I’ve got funds to knock off some more
28 [double-encumbered loans] next week.”

1 252. Over the next three months, Beauchamp helped negotiate and finalize a
2 Forbearance Agreement that was not in DenSco's interests and was, as Beauchamp said
3 multiple times in writing, intended to protect Chittick from potential claims by his
4 investors by making it appear that the loan losses DenSco faced were caused by
5 Menaged, rather than by Chittick's gross mismanagement of DenSco's lending
6 practices, and that Chittick had taken appropriate steps to protect DenSco's interests.

7 **5. Beauchamp and Clark Hill Negotiated and Drafted a. In**
8 **January 2014, Beauchamp Negotiated the Terms of a**
9 **Nondisclosure Agreement and Term Sheet During the**
10 **Week of January 12, 2014.**

11 253. 341. During the week of January 12, 2014, Beauchamp prepared a
12 nondisclosure agreement and a term sheet. Beauchamp negotiated with Menaged's
13 attorney, Jeff Goulder, over the term sheet.

14 254. 342. Beauchamp also communicated with Bryan Cave attorney Bob
15 Miller, who withdrew from representing his clients on January 16, 2014 because of a
16 conflict issue raised by Beauchamp and the scope of the consent DenSco would give
17 Bryan Cave, with Beauchamp insisting that it would be limited to "non-litigation"
18 conflicts.

19 255. 343. Chittick (for DenSco) and Menaged signed the nondisclosure
20 agreement and term sheet on Friday, January 17, 2014. The term sheet contemplated
21 that DenSco would advance additional funds to Menaged, some of which would be
22 used to pay off (by February 28, 2014) the loans held by the lenders represented by
23 Bryan Cave. The term sheet also outlined the elements of a Forbearance Agreement
24 and a process to resolve the claims of the other competing lenders.

25 **6. During January 2014, Beauchamp and Clark Hill Reviewed**
26 **DenSco's Lending Practices and Negligently Advised DenSco**
27 **About How It Should Document Additional Loans to Menaged**

28 344. Beauchamp and Clark Hill also advised Chittick on practices DenSco
should follow in lending additional funds to Menaged.

1345. ~~Chittick first asked for Beauchamp's advice through an email sent on the~~
2 ~~evening of January 9, 2014, after he, Beauchamp and Menaged had met.~~

3346. ~~Chittick wrote: "If [I] [obtain] a cashier's check and take it to the trustee myself,~~
4 ~~[I] don['t] get a receipt that DenSeo [p]aid for it. [I] get a receipt saying that X property~~
5 ~~was paid for, for X \$'s vested in borrower's name. [DenSeo's] name doesn't appear on~~
6 ~~it. [O]ther than having a cashier's check receipt saying [DenSeo] made a check out for~~
7 ~~it, there isn't anything from the trustee saying that it was [DenSeo's] check. [I] could~~
8 ~~wire [Menaged] the money, he could produce a cashier's check that says remitter is~~
9 ~~DenSeo and it would have the exact same [e]ffect as if [I] got [a] cashier's check that~~
10 ~~said [DenSeo's] the remitter. . . . [P]ut aside the logistics for a second, what proof or~~
11 ~~what guarantee is there by me cutting the check and handing it to [S]uzy at the~~
12 ~~trustee['s] office rather than my borrowers? [I] know [I] must be missing something."~~

1347. ~~Beauchamp responded by email the same day: "Let me see what the other~~
14 ~~lenders got from the Trustee and we can make a better decision. There is either another~~
15 ~~way to do it or someone described a procedure that does not work."~~

16 348. ~~Approximately a week later, on January 17, 2014, as the term sheet was~~
17 ~~being finalized, Beauchamp sent an email to Clark Hill attorney Daniel Schenck which~~
18 ~~stated, in part: "We also need to talk to [Clark Hill attorney] Bob Anderson about the~~
19 ~~procedures used by DenSeo to refute research from Bob Miller or to change DenSeo's~~
20 ~~procedures."~~

21349. ~~Later that day, Beauchamp sent Anderson an email in which he forwarded "the~~
22 ~~demand letter from Bryan Cave asserting the claim from the other lenders. If this claim~~
23 ~~has any merit, we need to advise DenSeo to change its internal procedures."~~

24350. ~~Beauchamp's statements about "refut[ing]" the allegations in the demand letter~~
25 ~~and questioning whether "this claim has any merit" demonstrate that he had not, as of~~
26 ~~January 17, 2014, taken any steps to investigate the veracity of Menaged's "cousin"~~
27 ~~story or Chittick's claim that DenSeo was in first position on some of the properties at~~
28 ~~issue.~~

1351. ~~No documents in Clark Hill's file suggest that Beauchamp, Schenck, Anderson~~
2 ~~or any other attorney at Clark Hill attempted to conduct such a basic, essential~~
3 ~~investigation, including taking the simple steps described above to utilize the Recorded~~
4 ~~Document Search tool or otherwise exercising customary due diligence.~~

5 352. ~~Beauchamp and Clark Hill eventually advised DenSeo that in making~~
6 ~~additional loans to Menaged it could rely on a photograph of a cashier's check and a~~
7 ~~receipt (furnished by Menaged) that had purportedly been signed by the trustee.~~

8 353. ~~Although Beauchamp and Clark Hill claim in their initial disclosure~~
9 ~~statement (at 16) that Beauchamp "repeatedly reminded Mr. Chittick that he needed to~~
10 ~~fund loans directly to a trustee or escrow company, rather than to a borrower," the~~
11 ~~Receiver's counsel has not identified any documents in Clark Hill's file to support that~~
12 ~~claim. To the contrary, the file reflects that Beauchamp and Clark Hill advised DenSeo~~
13 ~~to continue providing Menaged with loan proceeds.~~

14 354. ~~Those procedures were deficient, however. As Menaged has testified, the~~
15 ~~uniform practice of other "hard money" lenders who loaned to Foreclosure Specialists~~
16 ~~was to pay the trustee directly, and then to receive directly from the trustee the~~
17 ~~documents proving the trustee's sale had been concluded.~~

18 355. ~~Those deficient procedures allowed Menaged to perpetrate a second fraud~~
19 ~~on DenSeo.~~

20 **7. ~~Beauchamp Failed to Investigate the Lobo Property Fraud~~**

21 356. ~~While Beauchamp was negotiating the Term Sheet and he, Schenck and~~
22 ~~Anderson were evaluating DenSeo's lending procedures, Beauchamp failed to pursue~~
23 ~~information presented to him about another instance of a fraud Menaged had~~
24 ~~perpetrated against DenSeo.~~

25 357. ~~On January 13, 2014, Beauchamp had a telephone call with Miller about~~
26 ~~the demand letter that Miller had sent on behalf of Azben Limited, Geared Equity, and~~
27 ~~50780, LLC.~~

28

1 358.—Beauchamp’s notes from that call state, in part: “Lobo Property (Cardon
2 Loan) → rescission \$100,000 was given back to someone and is gone.”

3 359.—The reference to the “Lobo Property” was to one of the properties listed in
4 Exhibit A to the demand letter as a loan that Sell Wholesale Funding had made to
5 Arizona Home Foreclosures to acquire property at 10125 E. Lobo Avenue in Mesa,
6 Arizona, the rights to which had been assigned to Azben Limited.

7 360.—The reference to “Cardon Loan” was a reference to Craig Cardon, whom
8 Beauchamp knew to be one of the managers of Azben Limited.

9 361.—On January 16, 2014, after Miller had told Beauchamp he was
10 withdrawing from representing Azben Limited, Geared Equity and 50780, LLC,
11 Chittick sent an email to Cardon; Daniel Diethelm, a manager of Geared Equity; and
12 Lynn Hoebing, a manager of 50780, LLC.

13 362.—Chittick referenced Miller’s withdrawal, forwarded a signed copy of the
14 Nondisclosure Agreement, stated that he and Menaged were close to finalizing the
15 Term Sheet, noted that four payoffs had been made that day, and that more were
16 planned for the following week. He stated that his “whole goal is to get you paid your
17 principle [sic] and interest on these loans.”

18 363.—Chittick forwarded the email to Beauchamp, who responded with an
19 email that stated “good email.”

20 364.—On the following day, January 17, 2014, Chittick sent Beauchamp a draft
21 email he planned to send to Cardon, Diethelm and Hoebing, asking Beauchamp “can I
22 send this email?” The draft email reported that the Term Sheet with Menaged had been
23 finalized, but that Chittick was not sure what effect Miller’s withdrawal would have on
24 his ongoing discussions with Cardon, Diethelm and Hoebing. The email noted
25 additional planned closings and reaffirmed Chittick’s “commitment in getting you paid
26 off as quickly as possible.”

27 365.—Beauchamp responded by email that day saying that “[a] litigation
28 attorney would tell you not to send it, because certain parts might be construed to work

1 against you. However, I agree with every word you said and I think it is merely
2 following up what you agreed to do. So, send it.”

3 366.—Chittick followed Beauchamp’s advice and sent the email.

4 367.—Diethelm responded to Chittick’s email that day, stating in a responsive
5 email: “We did not ask for a plan, we asked for subordination. Please see our demand
6 letter. . . . To the extent your actions force us to retain new counsel, we shall
7 communicate with your counsel once new representation is engaged.”

8 368.—Chittick forwarded the email to Beauchamp by email that day, asking
9 “can [I] respond or no?”

10 369.—Beauchamp responded by email that day: “Try: ‘Your counsel advised
11 our counsel that if a subordination was not possible, that you wanted to see how this
12 could be resolved in the next 45 days. We have worked diligently toward that despite
13 [Menaged’s] limited availability. If you are to be paid off before you could get a
14 hearing in court with respect to any litigation, why not explore that first.’”

15 370.—Chittick followed Beauchamp’s advice, sending Beauchamp an email that
16 day which said: “Ok[.] [I] sent that.”

17 371.—Cardon responded to Chittick by email that day: “As we discussed in our
18 meeting, Lobo is in default as there is no collateral due to rescission. It needs to be paid
19 off immediately. Please advise.”

20 372.—Chittick responded to Cardon by email that day: “Yes [I] remember you
21 mentioning that property and the issue[.] [T]hat is one we will work getting resolved
22 quickly.” He wrote a second email which said “[I] will have that property paid off by
23 the end of next week.”

24 373.—Cardon responded to Chittick by email that day: “Having Lobo continue
25 to be delayed does not work for us. Our loans are all cross defaulted. Causing all your
26 remaining loans to be in default appears to be our only recourse for ensuring Lobo’s
27 repayment. In fact, each time we receive repayment of a loan other than Lobo, we step
28 closer to that eventuality.”

1 374.—~~Chittick forward this email exchange to Beauchamp that day and he and~~
2 ~~Beauchamp exchanged emails that day about Cardon's reference to a cross default.~~
3 ~~Beauchamp wrote: "I have read his comments to be based on the Lobo (?) property and~~
4 ~~supposedly not having a valid lien, because the borrower does not own it."~~

5 375.—~~Nothing in Clark Hill's file reflects that Beauchamp ever asked Chittick~~
6 ~~for information or documents that would shed light on Cardon's statement that "there is~~
7 ~~no collateral due to rescission."~~

8 376.—~~Nothing in Clark Hill's file reflects that Beauchamp ever sought to~~
9 ~~independently determine whether DenSec held a valid lien on the Lobo property and/or~~
10 ~~whether it had been lost through a rescission.~~

11 377.—~~Had Beauchamp conducted minimal research, using the Recorded~~
12 ~~Document Search tool on the Maricopa County Recorder's website or otherwise~~
13 ~~conducting customary due diligence, he would have learned that on August 14, 2013,~~
14 ~~Menaged signed a DenSec Mortgage (Instrument No. 2013-0743366) for Arizona~~
15 ~~Home Foreclosures for a \$160,000 loan that was allegedly used to acquire the Lobo~~
16 ~~property at a trustee's sale on August 13, 2013.~~

17 378.—~~Beauchamp would have also learned that on August 14, 2013, Menaged~~
18 ~~signed a Sell Wholesale Funding deed of trust (Instrument No. 2013-0753967) to secure~~
19 ~~a \$160,560 loan that was allegedly used to acquire the Lobo property at the same~~
20 ~~August 13, 2013 trustee's sale.~~

21 379.—~~Beauchamp would have also learned that although a Trustee's deed was~~
22 ~~recorded on August 27, 2013 (Instrument No. 2013-0778625) in favor of Arizona~~
23 ~~Home Foreclosures, it was rescinded three days later, on August 30, 2013 (Instrument~~
24 ~~No. 2013-0792791), leaving both DenSec and Sell Wholesale Funding without any~~
25 ~~collateral to secure their respective loans of \$160,000 and \$160,560 to Arizona Home~~
26 ~~Foreclosures.~~

27 380.—~~Had Beauchamp conducted basic due diligence, he would have learned~~
28 ~~that by acceding to demands that DenSec pay in full monies owed to Azben Limited for~~

1 the Lobo loan, Chittick was causing DenSco to pay off a loan another lender (Sell
2 Wholesale Funding) had made to Arizona Home Foreclosures, after suffering a
3 complete loss on the loan DenSco had made to Arizona Home Foreclosures for the
4 same property.

5 **8. In Negotiating the Forbearance Agreement, Beauchamp**
6 **Sought to Advance Chittick's Interests to the Detriment of**
7 **DenSco and its Investors**

8 b. During February 2014, Beauchamp Negotiated the
9 Terms of the Forbearance Agreement With Menaged's
10 Counsel, Repeatedly Stating That the Agreement Was
11 Needed to Protect Chittick's, Rather Than DenSco's
12 Interests.

13 256. ~~381.~~ During the first week of February, Beauchamp ~~negotiated~~ began
14 negotiating with Goulder over the terms of a Forbearance Agreement.

15 257. It is evident from Beauchamp's communications with Chittick and
16 Goulder ~~suggest that 382.~~ ~~Beauchamp anticipated DenSco would, eventually, disclose~~
17 ~~the Forbearance Agreement to its investors.~~ during February 2014 that Clark Hill was
18 looking out for Chittick's interests, rather than the interests of DenSco and its investors.

19 258. One example of Clark Hill's misplaced loyalty to Chittick is a February 4,
20 2014 email that Beauchamp sent to Chittick, which said:

21 ~~383.~~ They also confirm that Chittick followed Beauchamp's advice when
22 given.

23 ~~384.~~ They also reflect that Beauchamp was looking out for Chittick's interests, ~~even~~
24 ~~though Chittick's interests were in conflict with~~ the interests of DenSco and its
25 investors.

26 ~~385.~~ For example, in a February 4, 2014 email to Chittick, Beauchamp wrote:
27 "[Goulder] has you waiving many, many rights that are standard in a forbearance
28 agreement. . . . BOTTOM LINE: [HIS] CHANGES ARE . . . SUBSTANTIVE
CHANGES THAT CLEARLY TRANSFER RISK TO YOU AND YOUR
INVESTORS. . . . [I]f even a portion of these changes are allowed to remain, we can no

1 ~~longer describe this as an industry standard ‘forbearance’ agreement in the description~~
2 ~~that you HAVE to provide to your investors.”~~

3 ~~386. But later that day, Beauchamp wrote to Chittick: a.~~ “Before we
4 all get into a room, you and I need to make sure we have a clear understanding
5 of what you can do and what you cannot do without going to all of your
6 investors for approval. We have a deal that works for you and your investors
7 and is fair to [Menaged]. Now [Goulder] is trying to better the deal for
8 [Menaged]. But you already have been more than generous trying to help
9 [Menaged] out of [Menaged’s] problem. Again, *this goes back to [Goulder] not*
10 *acknowledging that this is [Menaged’s] problem and instead insisting that this*
11 *is your problem because you did not make sure that [Menaged] handled the*
12 *loans properly and that you did not take the necessary actions so that DenSco*
13 *had a first lien on each property. . . . [Goulder] is trying to have you think that*
14 *you have significant responsibility for creating this problem as opposed to this*
15 *being created by [Menaged’s] cousin working for [Menaged]. . . . [Goulder] is*
16 trying to make you feel that you are guilty so you have to assume a significant
17 responsibility in the agreement to share [Menaged’s] problem, but nobody stole
18 the money from you. You can help and have helped [Menaged], but you cannot
19 OBLIGATE DenSco to further help [Menaged], because that would breach your
20 fiduciary duty to your investors.” (Emphasis added.)

21 259. ~~387.~~ And in an email Beauchamp sent to Goulder on Friday, February 7,
22 2014 Beauchamp wrote: “*Based on your previous changes, the Forbearance*
23 *Agreement would be prima facie evidence that Denny Chittick had committed*
24 *securities fraud because the loan documents he had [Menaged] sign did not comply*
25 *with DenSco’s representations to DenSco’s investors in its securities offering*
26 *documents.* Unfortunately, this agreement needs to not only protect [Menaged] from
27 having this agreement used as evidence of fraud against him in litigation, *the*
28 *agreement needs to* comply with Denny’s fiduciary obligation to his investors as well

1 as *not become evidence to be used against Denny for securities fraud*. . . . We wanted
2 the document to set forth the necessary facts for Denny to satisfy his securities
3 obligations to his investors (including that the original loans had to have been written
4 and secured by a first lien on real property and that the workout agreed to by Denny
5 complied with his workout authorization) without having [Menaged] admit to facts that
6 could cause trouble to him. . . .To try to balance the respective interests, I have inserted
7 sections from the loan documents into the Forbearance Agreement. Referencing the
8 language of the Loan Documents is needed to satisfy Denny’s fiduciary obligations, but
9 I have also modified the other provisions so that the Borrower is not admitting that it
10 was required to provide first lien position in connection with the loans.” [\(Emphasis](#)
11 [added.\)](#)

12 ~~388.—Chittick’s February 7, 2014 entry in the 2014 Corporate Journal states, in~~
13 ~~part, “I was on the phone with David and [Menaged] off and on trying to find middle~~
14 ~~ground in this crap to make this agreement final. Now [D]avid is telling me I have to~~
15 ~~tell my investors.”~~

16 [260.](#) ~~389.~~In an email exchange on Sunday, February 9, 2014 Beauchamp told
17 Chittick “[p]lease understand that you are limited in what risk or liability you can
18 assume. Your fiduciary duty to your investors makes this a difficult balancing act.”

19 [261.](#) ~~390.~~Chittick’s response was that he “trusts that we are in balance and I
20 have even more confidence that [Menaged] and I can solve this problem without issue
21 and we never have to use the document that we’ve worked so long on getting
22 completed.”

23 [262.](#) ~~391.~~Beauchamp responded: “Your point is understood. If possible,
24 please recognize and understand that *you will ‘use’ the document even if you and*
25 *[Menaged] never refer to it again. It has to have the necessary and essential terms to*
26 *protect you from potential litigation from investors and third parties.”* [\(Emphasis](#)
27 [added.\)](#)

1 ~~392. —Beauchamp’s improper efforts to protect Chittick’s interests, and worse,~~
2 ~~to help Chittick deceive investors and thereby breach his fiduciary duties to DenSeo,~~
3 ~~continued into the following week.~~

4 263. ~~393.~~ In his notes from a February 11, 2014 call with Chittick, which
5 touched on the status of Chittick’s and Menaged’s plan to pay off loans on the double-
6 escrowed properties, Beauchamp wrote “‘Material Disclosure’ – exceeds 10% of the
7 overall portfolio.” But in his discussions with Chittick about requests from Goulder for
8 further concessions, including an agreement not to pursue civil claims for fraud,
9 Beauchamp’s focus was on protecting Chittick’s interests, including protecting him
10 from a potential investor claim.

11 264. ~~394.~~ In a February 14, 2014 email to Chittick, Beauchamp wrote:
12 “[Goulder] clearly thinks he can force you to agree to accept a watered down agreement
13 and give up substantial rights that you should not have to give up. Unfortunately, it is
14 not your money. It is your investors’ money. So you have a fiduciary duty. . . .
15 *[Menaged] is the one responsible for this and not you. (Emphasis added.)* He failed to
16 put out the proper protection systems in place so his cousin could not do what his
17 cousin did. . . . *[Menaged’s] actions to comply with the terms of this agreement will*
18 *have a big effect on whether or not you have to deal with a third party lawsuit filed*
19 *against you in court. (Emphasis added.)* In this situation, you can have an action
20 brought against you by any of the other lenders, and/or by any of your investors. . . . In
21 addition, *you could also face an action by the SEC or by the Securities Division of the*
22 *ACC if an investor is able to convince someone in a prosecutor’s office that you*
23 *somehow assisted [Menaged] to cover up this fraud or you were guilty of gross*
24 *negligence by failing to perform adequate due diligence (on behalf of your investors’*
25 *money) to determine what was going on. . . . (Emphasis added.)* [Y]our duty and
26 obligation is not to be fair to [Menaged], but to completely protect the rights of your
27 investors. I am sorry if [Menaged] is hurt through this, but [Menaged’s] hurt will give
28

1 [Menaged] the necessary incentive to go after his cousin. Your job is to protect the
2 money that your investors have loaned to DenSco.”

3 265. ~~395.~~Beauchamp advised Chittick not to make any further concessions.
4 Beauchamp then sought input from bankruptcy lawyers within Clark Hill about the
5 risks DenSco faced if Chittick were to agree to the concessions Goulder sought with
6 respect to a potential civil fraud claim.

7 266. ~~396.~~Chittick ultimately followed Beauchamp’s advice, and the
8 concessions sought by Goulder were not included in the final Forbearance Agreement.

9 267. ~~397.~~On February 20, 2014, Beauchamp met with Chittick, Menaged and
10 Goulder to discuss the Forbearance Agreement. As Chittick described the meeting in
11 the DenSco journal, Beauchamp and Goulder “were no better in person then they were
12 in email. David lost his temper more than once. We went back and forth for 3 hours.
13 We broke up and came together, finally we are down to one point about the release.
14 The lawyers are trying to word it to make each other happy.”

15 268. ~~398.~~It appears from Chittick’s February 20, 2014 entry in the 2014
16 Corporate Journal that this meeting was the first time Beauchamp learned of the full
17 extent of DenSco’s exposure to Menaged. Chittick wrote: “I told David the dollars
18 today, he about shit a brick. I explained to him how I got there and how far we have
19 come and how much better we are today then in November. Though I’m not sure he
20 understands that. My balance sheet isn’t looking much better, but it will start to swing
21 in the right direction in the next 30 days. *I’m more concerned about telling my
22 investors and their reaction to the problem. I have to tell them and hope they stick
23 with me. If I get a run on the bank I’m in deep shit. I won’t be able to fund new
24 deals, I won’t be able to payoff investors and won’t be able to support [Menaged].
25 The whole thing crators.” (Emphasis added.)*

26 269. ~~399.~~Beauchamp’s notes from that day contain a summary of DenSco’s
27 exposure to Menaged. They state: “Approx. \$31 MM outstanding to [Menaged’s]
28

1 entities – total fund up to \$62-63 MM. Problem loans down to about \$17 MM for 122
2 loans.”

3 ~~400. — Beauchamp’s notes also~~ reflect that he discussed with Chittick on February 21,
4 2014 DenSeo’s upcoming annual meeting, which was scheduled for March 8. He
5 wrote: “cannot be ready to tell everything.”

6 401. — Beauchamp’s notes went on to reflect his thoughts about what might
7 eventually be disclosed to investors. He wrote: “What to put into notice to the
8 investors. [E]xplain concentration to Scott to help Scott package homes to sell to a
9 Hedge Fund in \$5M groups. [T]he problem was discovered but to resolve the loans with
10 double leverage came up with a plan, but that required DenSeo to make higher
11 leveraged loans. DenSeo also made advances on new homes purchased.”

12 402. — Beauchamp’s notes also show that he knew the workout plan was
13 increasing the loan-to-value ratios on many of DenSeo’s loans far above what DenSeo
14 had disclosed to investors in any previous POM. For example, he wrote: “30 loans are
15 now at 95% LTV.”

16 270. ~~403.~~ Chittick’s February 21, 2014 entry in the 2014 Corporate Journal has
17 a consistent summary of the advice he received from Beauchamp: “I talked to Dave, he
18 found out what we already suspected; there is no way we can give what [Menaged]
19 wants. I’m not sure where this will lead us. We talked about telling my investors; we
20 are going to put that off as long as possible so that we can improve the situation as
21 much as possible. We’ve got another 15 more that are closing next few weeks. We
22 could be close to under a 100 problem loans within a month. I just have to keep telling
23 myself I’m doing the right thing to fix it, no matter how much anxiety I have over this
24 issue.”

25 271. ~~404.~~ During the last week of February 2014, discussions with Goulder on
26 the Forbearance Agreement ended after Goulder sent Beauchamp a revised draft on
27 February 25, 2014.

28

1 272. ~~405.~~ Chittick sent Beauchamp an email that day describing his ongoing
2 discussions with Menaged about taking a different approach to the double encumbrance
3 problem by having DenSco advance additional monies to Menaged so that Menaged
4 could sell homes more quickly: “[H]e’s throwing out all sorts of ideas in how this can
5 be done. [I] would be willing to release the UCC if he was able to secure the funds and
6 use them to pay some of these loans. [W]e’ve got about 3 more ideas, *but what both of*
7 *us are really concerned about is that when [I] tell my investors the situation, they*
8 *request their money back. [I] want to be able to say, this was the problem, we’ve*
9 *eliminated this much of the problem and this is what is left. [I] want to be able to say*
10 *what is left is as small as possible.*” (Emphasis added.)

11 273. ~~406.~~ Beauchamp responded by saying “[g]ood ideas and probably
12 something we need to work on” in light of the breakdown of discussions on the
13 Forbearance Agreement. (Emphasis added.)

14 274. ~~407.~~ Chittick sent Beauchamp an email the following day, February 26,
15 2014 describing his continuing discussions with Menaged. He wrote: “[W]hat if
16 [Menaged] just starts selling everything [I] take losses[.] [A]long with the several
17 million that [Menaged’s] going to bring in from outside sources, we wipe the whole
18 thing out in, name a time frame, 90 days. [T]o secure the loss, [Menaged] signs a
19 promissory note with terms of repayment. [W]hat happens? [I] take a huge hit to my
20 books, but [I] get the money back in my hands. [I]’m no longer in violation of anything
21 with my investors. [I]’m in possession of money that now [I] can put to work with new
22 loans that are actually paying me interest versus right now that [I]’m having no interest
23 coming in. [O]r I can return the money to investors if I can’t put it to work. [F]rom a
24 P/L standpoint it looks horrible, but at least [I] have the majority of the money back
25 except maybe 2-4 million. [Menaged] agrees to pay me interest and principle [sic] back
26 every month for whatever I write off[,] which fills in that hole. [I] put the money I get
27 back to work and make money on it, that fills the hole. *[I] [would] rather take the loss*
28 *short term now, and get working on trying to make the money work th[a]n drag this*

1 *thing out over a year or more. . . . [I] don't have anything in my docs that say I have*
2 *to be profitable. [I] see this is a negative year obviously, but [I]'ll be profitable next*
3 *year; the problem is gone[.] [Menaged] will be paying me back interest and principle*
4 *[sic] for the loss that I took. [N]ow I know there are 100 legal things here, but now I'm*
5 *thinking this is the best way to get the problem solved from a fiduciary standpoint. . . .*
6 *[I] know this may sound crazy, but [I] can't come up with anything else that will bring*
7 *an end to this situation quickly. [T]ime is crucial. [L]et me know your thoughts."*

8 [\(Emphasis added.\)](#)

9 [275.](#) ~~408.~~Beauchamp's email response was: "***Good ideas.*** Can we talk later
10 today to clarify a few things?" [\(Emphasis added.\)](#) Beauchamp also told Clark Hill
11 attorney Bill Price, who emailed him to say that the release provision in Goulder's latest
12 draft of the Forbearance Agreement was unacceptable, that "[t]here is another
13 possibility to resolve this," on which Beauchamp would be focusing his attention.

14 [276.](#) ~~409.~~Chittick's DenSco entry in the 2014 Corporate Journal for February
15 26, 2014 contains a consistent summary of his discussions with Menaged and
16 Beauchamp: "We've decided it's better to sell these properties as quickly as possible,
17 take the losses and move on. [Menaged] will sign a promissory note, it frees up from
18 paying interest, I take a big hit, . . . and we move on. ***It will take me 2 years to get back***
19 ***to profitability I'm guessing. This may allow me not to do what David wants me to do,***
20 ***I don't know. I never got to talk to him. But what we are doing isn't going to work***
21 ***fast enough and we'll have a big hill to climb in the end.*** [\(Emphasis added.\)](#) I'm just
22 so sick over this I can't function."

23 [277.](#) ~~410.~~Beauchamp's notes reflect that he discussed the proposed new plan
24 with Chittick the following day, February 27, 2014. They state, in part: "Denny
25 explained procedure and Denny is taking all of the shortfall. [Menaged] wants this
26 resolved. Denny wants this resolved because Denny is losing money to make payments
27 to his investors if DenSco is not getting paid interest from [Menaged]. Denny willing
28 to take loss this year -- so DenSco can return cash to investors and reduce interest

1 obligation. *How to write this up for investors -- discussed. Do we still need*
2 *Forbearance Agmt. - yes but will be less problematic. Will need Forbearance Agmt.*
3 *to explain procedures and protect Denny for future revisions. (Emphasis addd.)* Will
4 need multiple advance not (unsecured) so DenSco can advance cash on house w/ double
5 loans to be sold.”

6 278. ~~411.~~ Chittick’s entry in the 2014 Corporate Journal for that day is
7 consistent with Beauchamp’s notes. It states, in part: “I talked to [Menaged] again, he
8 agreed to everything this morning on how to work this out. I talked to David, he’s
9 thinks its fine. So we are done. . . . [N]ow we just need to get this signed and start
10 working towards selling these houses.”

11 c. During March 2014, Beauchamp Continued to Negotiate
12 the Terms of the Forbearance Agreement But Did So
13 With Menaged, Communicating With Him Through
14 Chittick.

14 279. ~~412.~~ Beauchamp had a telephone conversation with Chittick on March 3,
15 2014. Chittick’s entry in the 2014 Corporate Journal that day says, in part: “David
16 called me telling me of ad lib info to scare me about dealing with [Menaged]. I can’t
17 control what others are saying in the lawyer community. I have to get this done so that I
18 have something in writing and do the best deal that I can do.”

19 280. ~~413.~~ Chittick sent Beauchamp an email on March 4, 2014 in apparent
20 response to that conversation. It stated, in part: “About what you said, I have no idea
21 of the timing of that person you [mentioned] as to when he spoke to [Goulder] about
22 our situation. I don’t doubt perhaps that he was positioning himself in some way;
23 seems logical for him to think that way. However, *now that [Menaged] has agreed to*
24 *sign the terms sheet that we originally agreed to, allowing you to write it, he says he’s*
25 *not going to have [Goulder] review because [Goulder] already told him not to sign*
26 *anything.* Plus he’s signing the promissory note which also confirms the situation . . .
27 in not so many words. But the fraud occurred and he’s taking responsibility for it. . . .
28 *You probably have the only chance in your career to write an agreement without*

1 *conflicting counsel.* You can write it to our liking and in our best interests. *We CYA as*
2 *broad as the Grand Canyon.* I think that is pretty advantageous.” (Emphasis added.)

3 281. ~~414.~~Beauchamp’s response was: “*Your thoughts make sense*, but we still
4 need an agreement that works.” (Emphasis added.)

5 282. ~~415.~~Beauchamp sent Chittick a draft of the Forbearance Agreement on
6 March 10, 2014.

7 283. ~~416.~~Chittick gave him comments that day, one of which reflected
8 Chittick’s and Menaged’s request to modify the draft’s confidentiality provision. As
9 Chittick described it in an email to Beauchamp: “*Only time I can disclose info is if*
10 *I’m legally required by investors. He wants me to not say a word unless I’m legally*
11 *required to*, because the reputation with his investors and buyers, clients etc. could be
12 harmed.” (Emphasis added.)

13 284. ~~417.~~In his email response, Beauchamp wrote: “The confidentiality
14 change is a problem, because who makes the decision if the disclosure is required? *I*
15 *had language that you could disclose if such disclosure is reasonably needed to be*
16 *disclosed to your investors or if a governmental agency requires such disclosure*
17 *(after you give [Menaged] notice and an opportunity to get the agency to change its*
18 *mind).* Those are standard confidentiality exceptions. *I will look at them again to see*
19 *if there is anything we can do to make it tighter.*” (Emphasis added.)

20 285. ~~418.~~Beauchamp’s notes reflect that he had a telephone conference with
21 both Chittick and Menaged on March 11, 2014 to discuss the release and confidentiality
22 provisions of the Forbearance Agreement, as well as the terms of a \$ 1 million
23 “workout loan.”

24 ~~19. While there is nothing in Beauchamp’s notes reflecting a discussion with Chittick on~~
25 ~~that day about investor disclosures, the entry Chittick made in the 2014 Corporate~~
26 ~~Journal for March 11, 2014 states, in part: “David changed and said now I have to tell~~
27 ~~my investors. [Menaged] and I are going to try to fix this mess in 30 days and that way~~
28 ~~it will be a minor issue.”~~

1 286. ~~420.~~Beauchamp's notes reflect that he had a telephone conference with
2 both Chittick and Menaged on March 12, 2014 to discuss the release and confidentiality
3 provisions of the Forbearance Agreement.

4 287. ~~421.~~On March 13, 2014, Beauchamp conferred with Chittick about the
5 security for the loans DenSco would be advancing to Menaged. He also revised the
6 confidentiality section of the Forbearance Agreement, sending the section to Chittick in
7 an email which stated, in part: "*I have done a complete re-write of the Confidentiality*
8 *section. . . . In order to comply with the specific securities disclosure requirements, I*
9 *left ____ (blank) the amount of time for [Menaged] to be able to review and comment*
10 *upon the proposed disclosure (suggest 48 hours)* and I did not give him the right to
11 disapprove and block what you can or cannot disclose. DenSco and you as the
12 promoter of DenSco's offering have to make the decisions as to what is to be disclosed
13 or not. ~~With respect to timing, we are already very late in providing information to~~
14 ~~your investors about this problem and the resulting material changes to your~~
15 ~~business plan. We cannot give [Menaged] and his attorney any time to cause~~
16 ~~further delay in getting this Forbearance Agreement finished and the necessary~~
17 ~~disclosure prepared and circulated."~~ (Emphasis in original" (Emphasis added.))

18 288. ~~422.~~Between March 14 and March 20, 2014, Beauchamp communicated
19 with Chittick about revisions to the Forbearance Agreement, relying on Chittick to
20 convey drafts to Menaged and communicating with Menaged through Chittick.

21 289. ~~423.~~One of the topics Beauchamp discussed with Chittick was his plans
22 to loan funds to Menaged and the impact of those loans, including loans up to 120% of
23 value. Beauchamp stated that he "*completely agree[s] that [the proposed lending*
24 *plan] makes a lot of sense, but I am concerned about the disclosure to your*
25 *investors.*" (Emphasis added.)

26 290. ~~424.~~Chittick's entry in the 2014 Corporate Journal for March 20, 2014
27 stated, in part: "[Menaged] finally agreed to [the] agreement. That's done. I have to
28 do some numbers to fill in the blanks, but otherwise it's ready to be signed. *I have no*

1 *idea if it will ever be used, but David assured me I'm in a good position.”* (Emphasis
2 added.)

3 **9d. The ~~Execution of the~~ Forbearance Agreement Was**
4 **Signed in April 2014.**

5 291. ~~425.~~ The Forbearance Agreement was signed by Chittick (for DenSco) and
6 Menaged (for himself and his entities) on April 16, 2014.

7 292. ~~426.~~ Under the Forbearance Agreement, Menaged agreed to pay off the
8 loans of DenSco and other lenders by, inter alia, (i) liquidating various assets,
9 (ii) renting or selling real estate assets, (iii) attempting to recover the missing funds that
10 his cousin allegedly stole, and (iv) obtaining \$4.2 million in outside financing.

11 293. In turn, *DenSco agreed to, inter alia, (i) increase its loans to Menaged*
12 *on certain properties up to 120% of the loan-to-value ratio, (ii) loan Menaged up to*
13 *\$5 million more, at 18% interest, (iii) loan Menaged up to \$1 million more, at 3%*
14 *interest, and (iv) defer the collection of interest on loans that Menaged had already*
15 *defaulted on.*

16 294. ~~427.~~ The Forbearance Agreement included a schedule of the loans DenSco
17 had made to Menaged, members of his family, Easy Investments, and Arizona Home
18 Foreclosures, including loans DenSco made between December 2013 and April 15,
19 2014. *Those loans totaled \$37,456,620.47, well over half of the aggregate amounts*
20 *DenSco had raised from investors.*

21 295. ~~428.~~ The confidentiality provision in the Forbearance Agreement
22 permitted DenSco to disclose information “as may be necessary for [DenSco] to
23 disclose to [DenSco’s] current or future investors” subject to the following limitations:

24 “

25 [DenSco] agrees to use its good faith efforts to limit such disclosure as much as
26 legally possible pursuant to the applicable SEC Regulation D disclosure rules,
27 which limitation is intended to have [DenSco] only describe: 1. the multiple
28 Loans secured by the same Properties which created the Loans Defaults; 2. the
work-out plan pursuant to this Agreement in connection with the steps to be
taken to resolve the Loans Defaults; 3. the work-out plan shall also include
disclosing the previous additional advances that [DenSco] has made and the
additional advances that are intended to be made by [DenSco] to Borrower

1 pursuant to this Agreement in connection with increases in the loan amount of
2 certain specific Loans (up to 120% of the LTV of the applicable Property being
3 used as security for that Loan), the additional advances pursuant to both the
4 Additional Loan and the Additional Funds Loan; and 4. the cumulative effect
5 that all of such additional advances to Borrower will have on [DenSco's]
6 business plan that [DenSco] has previously disclosed to its investors in
7 [DenSco's] private offering documents and which [DenSco] committed to
8 follow, including the overall LTV loan ratios for all of [DenSco's] outstanding
9 loans to its borrowers in the aggregate and the concentration of all of [DenSco's]
10 outstanding loans among all of its borrowers. Further, [DenSco] will use its good
11 faith efforts not to include the names of Borrower, Guarantor, or New Guarantor
12 in [DenSco's] disclosure material. [DenSco] will also provide Borrower with a
13 copy of the applicable disclosure prior to dissemination to [DenSco's] investors
14 and allow Borrower to have 48 hours to review and comment upon such
15 disclosure.²²

16 6. Clark Hill Advised Chittick That DenSco Could Continue
17 Selling Promissory Notes Without First Issuing a New POM,
18 and that DenSco Could Indefinitely Delay Issuing a New POM.

19 296. Clark Hill and Beauchamp claim in their initial disclosure statement
20 (at 10-11) that Beauchamp advised Chittick "during his January 9, 2014 meeting with
21 Mr. Chittick" and repeatedly thereafter that: (a) DenSco was not permitted to take new
22 money without full disclosure to the investor lending the money; (b) DenSco was not
23 permitted to roll over existing investments without full disclosure to the investor rolling
24 over the money; and (c) DenSco needed to update its POM and make full disclosure to
25 all its investors.

26 297. A jury will be asked to find that this claim is an after-the-fact untruth.

27 298. There are no documents, such as notes, emails or letters, which reflect
28 that Beauchamp ever gave that advice.

299. The documents in the file instead show that Beauchamp told Chittick that
DenSco could sell promissory notes, and that DenSco could put off preparing a new
POM while Chittick pursued his "work out" plan.

300. Moreover, Beauchamp admitted in his deposition that he knew Chittick
had caused DenSco to sell promissory notes but claims that he understood Chittick did
so only after making disclosures to each investor who purchased a promissory note.

301. Clark Hill and Beauchamp make a similar claim in their initial disclosure
statement (at 11) that "Mr. Chittick assured Mr. Beauchamp repeatedly that he was

1 making the requisite disclosures to investors on an as needed basis, and that he had
2 informed a select group of investors as to the double lien issue and the proposed
3 workout.”

4 a. **In early January 2014, Clark Hill Advised DenSco It**
5 **Could Sell Promissory Notes Without First Issuing a**
6 **New POM**

7 302. Chittick’s entry for January 9, 2014 in a corporate journal he maintained
8 during 2014 (the “2014 Corporate Journal”) **says nothing about having been instructed**
9 **by Beauchamp that DenSco could not sell promissory notes.** The entry states, in part:
10 “Scott and I met with David. He never read my email. We spent two hours. . . . He’s
11 going to contact the lawyer tomorrow and let us know.”

12 303. Beauchamp’s handwritten notes from a call with Chittick on Friday,
13 January 10, 2014 state, in part, “Need to get back up plan in place. **Denny does not**
14 **want to talk to his investors until he is ready** – will not take long.” **(Emphasis added.)**

15 304. Chittick’s entry for that date in the 2014 Corporate Journal states, in part,
16 “at 5pm Dave called, said they would give us time to clean it up. I talked to Scott; he is
17 going to try to bring in money. **I can raise money according to Dave.**” **(Emphasis**
18 **added.)**

19 305. On Sunday, January 12, 2014, Chittick sent Beauchamp an email which
20 stated, in part, “**I’ve spent the day contacting every investor that has told me they want**
21 **to give me more money. I don’t have an answer on specifically how much I can**
22 **raise; I’ll know that in a day or two.**” **(Emphasis added.)** He went on to say that
23 between new money, current cash on hand, and pending real estate closings, he would
24 have **between \$5 and \$10 million** in the next ten days. His email summarized the
25 outline of the plan he and Menaged had discussed the previous Friday, which included
26 for the group of lenders represented by Bryan Cave: **(i) identifying all properties in**
27 **which another party claimed an interest; (ii) providing that information to an escrow**
28 **agent; (iii) buying out the other parties as cash was put into escrow; and (iv)**

1 memorializing the arrangement through a term sheet and a written contract. “[I]f both
2 Scott and I can raise enough money, we should be able to have this all done in 30 days
3 easy, less than three weeks would be my goal.” (Emphasis added.) As for the other
4 lenders, Chittick stated that the plan was to pay them off as Menaged was able to raise
5 additional capital. Chittick concluded the email by stating, “that’s my plan, shoot
6 holes in it.” (Emphasis added.)

7 306. Beauchamp responded in an email sent later that day which stated, in part,
8 “[y]ou should feel very honored that you could raise that amount of money that
9 quickly. I will outline a few thoughts tomorrow and get back to you.” (Emphasis
10 added.)

11 307. The “few thoughts” that Beauchamp conveyed the next day were
12 questions about the sources from whom Menaged would raise money. Beauchamp did
13 not tell Chittick that DenSco could not raise new money by selling promissory notes
14 without first issuing a new POM.

15 b. During February, March and April 2014, While the
16 Forbearance Agreement Was Negotiated, Clark Hill
17 Advised Chittick That DenSco Could Delay Issuing a
18 New POM.

19 308. After telling Chittick that DenSco could continue selling promissory notes
20 without first issuing a new POM, Beauchamp would periodically tell Chittick that a
21 new POM had to be issued to reveal information about DenSco’s operations, but let
22 Chittick believe the issuance of the POM could be delayed.

23 309. In a February 4, 2014 email that Beauchamp sent to Chittick, Beauchamp
24 wrote that the Forbearance Agreement would need to be described in a document “that
25 you HAVE to provide to your investors.”

26 310. Chittick’s February 7, 2014 entry in the 2014 Corporate Journal states, in
27 part, “I was on the phone with David and [Menaged] off and on trying to find middle
28 ground in this crap to make this agreement final. Now [D]avid is telling me I have to
tell my investors.”

1 311. Beauchamp's notes reflect that he discussed with Chittick on February 21,
2 2014 DenSco's upcoming annual meeting, which was scheduled for March 8. He
3 wrote: "*cannot be ready to tell everything.*" (Emphasis added.)

4 312. Beauchamp's notes went on to reflect his thoughts about what might
5 eventually be disclosed to investors. He wrote: "What to put into notice to the
6 investors. [E]xplain concentration to Scott to help Scott package homes to sell to a
7 Hedge Fund in \$5M groups. [T]he problem was discovered but to resolve the loans with
8 double leverage came up with a plan, but that required DenSco to make higher
9 leveraged loans. DenSco also made advances on new homes purchased."

10 313. Beauchamp's notes also show that he knew the workout plan was
11 increasing the loan-to-value ratios on many of DenSco's loans far above what DenSco
12 had disclosed to investors in any previous POM. For example, he wrote: "30 loans are
13 now at 95% LTV."

14 314. The entry Chittick made in the 2014 Corporate Journal for March 11,
15 2014 states, in part: "*David changed and said now I have to tell my investors.*
16 (Emphasis added.) [Menaged] and I are going to try to fix this mess in 30 days and that
17 way it will be a minor issue."

18 315. In a March 13, 2014 email to Chittick regarding the inclusion in the
19 Forbearance Agreement of a confidentiality provision that Menaged had sought,
20 Beauchamp wrote: With respect to timing, we are already very late in providing
21 information to your investors about this problem and the resulting material changes
22 to your business plan. We cannot give [Menaged] and his attorney any time to
23 cause further delay in getting this Forbearance Agreement finished and the
24 necessary disclosure prepared and circulated." (Emphasis in original.)

25 c. In May 2014, Clark Hill Made a Half-Hearted Effort to
26 Prepare a New POM and Then, at Chittick's Request,
27 Stopped Working on the New POM and Advised
28 Chittick That DenSco Could Continue to Put Off Issuing
a New POM While Chittick Pursued His "Work Out"
Plan.

1 ~~429. Errors in the Forbearance Agreement and related documents with respect~~
2 ~~to certain loan amounts were discovered on April 18, 2014, and an amendment to the~~
3 ~~Forbearance Agreement and the related documents had to be prepared. Those~~
4 ~~documents were not signed by Chittick and Menaged until June 18, 2014.~~

5 **~~10. Beauchamp's Limited Work on Preparing a Private Offering~~**
6 **~~Memorandum and Subsequent Events~~**

7 316. ~~430.~~ Chittick's entry in the 2014 Corporate Journal for April 16, 2014
8 reflected the signing of the Forbearance Agreement and concludes: "I'll send it up to
9 David and then he and I can start on the memorandum."

10 317. ~~431.~~ Beauchamp's notes show that he had a call with Chittick on April 24,
11 2014. Those notes reflect that Beauchamp knew that DenSco's total loans to Menaged
12 were approximately \$36 million in principal, with a \$5 million note (of which
13 approximately \$1.78 million was principal), and a \$1 million note (of which
14 approximately \$915,000 was principal).

15 318. Under the heading "POM update" he noted that 186 loans were double-
16 encumbered when the workout started, which was down to 94 loans, representing \$12.3
17 million of principal, as of that date, which was down from a previous balance of
18 approximately \$25 million.

19 319. ~~432.~~ That same day, Chittick sent Beauchamp by email another copy of
20 the 2011 private offering memorandum.

21 320. ~~433.~~ It appears from the Clark Hill file that Beauchamp gave a printed
22 copy of the memorandum to Schenck with a handwritten note asking him to mark up
23 the memorandum and add "updates/forbearance, etc."

24 321. ~~434.~~ Beauchamp's handwritten notes and documents in the file reflect that
25 some research was done on May 13, 2014 on "Dodd Frank and regulation."

26 322. ~~435.~~ On May 14, 2014, Schenck sent Beauchamp by email a redline of a
27 draft private offering memorandum and a separate document with comments, some of
28 which were for Beauchamp's attention. Schenck's email concluded by asking

1 Beauchamp to “let me know what changes you prefer before this draft is sent to
2 Denny.” His time entry describes the document as a “first draft.”

3 323. ~~436.~~ The document with comments contained, in the “Prior Performance”
4 section, a discussion of the terms of the Forbearance Agreement, with limited
5 information about the circumstances that gave rise to it and a narrative that accepted, as
6 accurate and reliable, Menaged’s “cousin” story: “According to the Foreclosure
7 Debtors, an agent of the Foreclosure Debtors had secured the Outside Loans without the
8 Foreclosure Debtors’ knowledge.” The draft said nothing about Chittick’s gross
9 negligence in managing DenSco’s lending practices by giving funds directly to
10 Menaged, rather than to a Trustee.

11 324. ~~437.~~ Clark Hill’s time records reflect that Beauchamp billed 30 minutes of
12 time to “review revisions to POM and work on same.”

13 325. ~~438.~~ But there is nothing in the Clark Hill file to reflect that Beauchamp
14 actually made any revisions to this first draft.

15 326. ~~439.~~ Neither the Clark Hill file nor Clark Hill’s billing statement reflect
16 that Beauchamp ever sent the draft POM to Chittick or discussed it with him.

17 ~~440. — Beauchamp and Clark Hill nevertheless claim in their~~ initial disclosure statement
18 (at 15) that

19 Mr. Chittick . . . refused to provide the necessary information to complete
20 the POM and refused to approve the description of the workout or the
21 double lien issue. . . .

22 In May 2014, Mr. Beauchamp handed Mr. Chittick a physical copy
23 of the draft POM and asked him what Mr. Chittick’s specific issues were
24 with the disclosure. Mr. Chittick responded that there was nothing wrong
25 with the disclosure, he was simply not ready to make any kind of
26 disclosures to his investors at this stage. Mr. Beauchamp again explained
27 that Mr. Chittick had no choice in the matter and that he had a fiduciary
28 duty to his investors to make these disclosures. Mr. Chittick would not

1 budge. Faced with an intransigent client who was now acting contrary to
2 the advice Mr. Beauchamp was providing, and with concerns that Mr.
3 Chittick may not have been providing any disclosures to anyone since
4 January 2014, Mr. Beauchamp informed Mr. Chittick that Beauchamp
5 and Clark Hill could not and would not represent DenSeo any longer. Mr.
6 Beauchamp also told Chittick that he would need to retain new securities
7 counsel, not only to provide the proper disclosure to DenSeo's investors,
8 but to protect DenSeo's rights under the forbearance agreement. Mr.
9 Chittick suggested that he has already started that process and was
10 speaking with someone else.

11 ~~441. The Receiver's counsel has not found any document in Clark Hill's files~~
12 ~~supporting that claim.~~

13 ~~442. No entries in the 2014 Corporate Journal support that claim.~~

14 ~~443. In the absence of such written evidence, a reasonable inference for the~~
15 ~~Receiver (and a jury) to draw is that Beauchamp instead told Chittick he could continue~~
16 ~~operating DenSeo, and take in or roll over investor funds, while delaying the issuance~~
17 ~~of a private offering memorandum until Chittick had completed his efforts to work~~
18 ~~through the consequences of Menaged's initial fraud.~~

19 ~~444. The Clark Hill files do not contain a copy of a letter or email that was sent to~~
20 ~~DenSeo terminating its representation of DenSeo in connection with finishing the 2013~~
21 ~~POM or any other matters for which Clark Hill had agreed to represent DenSeo.~~

22 ~~445. In May, June, July and August 2014, Beauchamp sent Chittick billing~~
23 ~~statements for work performed for DenSeo through transmittal letters that stated:~~
24 ~~"Thank you again for allowing Clark Hill and me to provide legal services to DenSeo~~
25 ~~Investment Corporation. If you have any question or if we can assist you with any~~
26 ~~other matter(s), please let me know."~~

27 327. Clark Hill's files show that the firm simply stopped work on a new POM
28 in mid-May 2014.

1 328. Entries by Chittick in the 2014 Corporate Journal shortly thereafter reflect
2 that Chittick had decided not to issue a new POM at that time, and to continue selling
3 promissory notes while he pursued his “work out” plan in the hope of minimizing
4 DenSco’s losses before making a disclosure to investors. Clark Hill decided to abide
5 by Chittick’s instruction, just as the firm had agreed in September 2013 to prepare a
6 new POM and then followed Chittick’s instruction not to work on the new POM until
7 Chittick was ready to issue it.

8 ~~446.Chittick’s entry in the 2014 Corporate Journal for July 2, 2014 a.~~

9 The July 2, 2014 entry states, in part: “We are making progress, just too
10 damn slow, *but I’m sure much quicker than David expected us to do.*”
11 (Emphasis added.)

12 ~~447.Chittick’s entry in the 2014 Corporate Journal for b.~~ The July
13 25, 2014 entry states, in part: “My time is running out on updating my private
14 placement memorandum and notifying my investors.”

15 ~~448.Chittick’s entry in the 2014 Corporate Journal for c.~~ The July
16 31, 2014 states, in part: “It’s all going in the right direction, just not sure if it’s
17 going fast enough. *As long as David doesn’t bug me, I feel like we are doing*
18 *the right thing.*” (Emphasis added.)

19 329. Clark Hill’s blessing of Chittick’s plan to continue pursuing a work out
20 plan without telling DenSco’s investors is reflected in Beuchamp’s dealings with
21 Chittick the following March.

22 330. ~~449.~~On March 13, 2015, Beauchamp sent Chittick an email which stated,
23 in part: “I would like to meet for coffee or lunch (at no charge to you) so we can sit
24 down and talk about how things have progressed for you since last year. I would also
25 like to listen to you about your concerns, and frustration with how the forbearance
26 settlement and the documentation process was handled. I have thought back to it a lot
27 and I have second guessed myself concerning several steps in the overall process, *but I*
28 *wanted to protect you as much as I could.* (Emphasis added.) *When I felt that your*

1 *frustration had reached a very high level, I stopped calling you about how things*
2 *were going so that you did not feel I was just trying to add more attorney's fees.*

3 (Emphasis added.) I planned to call you after about 30 days, but then I let it slip all of
4 last year because I kept putting it off. I even have tried to write you several different
5 emails, but I kept erasing them before I could send them. I acknowledge that you were
6 justifiably frustrated and upset with the expense and how the other lenders (and
7 [Menaged] at times) seemed to go against you as you were trying to get things resolved
8 last year for [Menaged]. I have tried to let time pass so that we can discuss if you are
9 willing to move beyond everything that happened and still work with me. If not, I
10 would like you to know that I still respect you, what you have done and would still like
11 to consider you a friend. You stood up for [Menaged] when he needed it and I truly
12 believe it was more than just a business decision on your part. Hopefully, you will
13 respond to this email and we can try to talk and catch up.”

14 331. ~~450.~~Chittick responded “[s]ure, give me some options on when to meet.”

15 332. ~~451.~~Chittick forwarded Beauchamp’s email to Menaged, who wrote,
16 “[s]chedule coffee in 18 months when our balance is close to nothing.”

17 333. ~~452.~~Chittick responded: *“I figure it’s a miracle he left me alone this*
18 *long!”* (Emphasis added.)

19 334. ~~453.~~In his entry that day in the corporate journal Chittick maintained for
20 2015 (the “2015 Corporate Journal”), Chittick wrote: *“I got an email from Dave my*
21 *attorney wanting to meet. He gave me a year to straighten stuff out. We’ll see what*
22 *pressure I’m under to report now.”* (Emphasis added.)

23 335. ~~454.~~Chittick had lunch with Beauchamp on March 24, 2015.

24 336. ~~455.~~Chittick’s entry in the 2015 Corporate Journal for that date states: “I
25 had lunch with Dave Beauchamp. I was nervous he was going to put a lot of pressure
26 on me. However, *he was thrilled to know where we were at and I told him by April*
27 *15th, we’ll be down to 16 properties with seconds on them, and by the end of June we*
28 *hope to have all the retail houses sold by then and just doing wholesale. He said he*

1 *would give me 90 days.* (Emphasis added.) I just hope we can sell them all by then and
2 darn near be done with it. *I'm going to slow down the whole memorandum process*
3 *too. Give us as much time as possible to get things in better order."* (Emphasis
4 added.)

5 337. ~~456.~~ Chittick's entry in the 2015 Corporate Journal for June 18, 2015
6 states, in part: "[Menaged] tried to enlarge the wholesale number saying, well I'm
7 paying down the workout, I can use that for the wholesale. I'm not letting him. That
8 number needs to start dropping! *I have to get his number falling, or it's going to be*
9 *hell with Dave."* (Emphasis added.)

10 d. With Clark Hill's Assistance, Chittick Caused DenSco to
11 Sell Approximately \$5 Million of Promissory Notes
12 Between January and May 2014 Without First Issuing a
13 New POM.

14 338. During the months of January through May 2014, DenSco sold
15 \$5,000,008.00 of new promissory notes to the following investors, which were all two-
16 year notes unless otherwise indicated.

<u>Investor</u>	<u>Amount</u>	<u>Date</u>
<u>Brian & Carla Wenig</u>	<u>\$15,000</u>	<u>1/3/14</u>
<u>Dale Hickman</u>	<u>\$150,000</u>	<u>1/13/14</u>
<u>Carol & Mike Wellman</u>	<u>\$30,000</u>	<u>1/14/14</u>
<u>Carol Wellman</u>	<u>\$10,000</u>	<u>1/14/14</u>
<u>Jolene Page</u>	<u>\$150,000</u>	<u>1/14/14</u>
<u>Marvin & Pat Miller</u>	<u>\$200,000</u>	<u>1/15/14</u>
<u>Marvin & Pat Miller</u>	<u>\$100,000</u>	<u>1/15/14</u>
<u>Mark & Debbie Wenig</u>	<u>\$50,000</u>	<u>1/24/14</u>
<u>Kirk Fischer</u>	<u>\$600,000</u>	<u>1/29/14⁵</u>
<u>Brian Imdieke</u>	<u>\$500,000</u>	<u>2/11/14⁶</u>

27
28 ⁵ Five-year note.

<u>Ryan Baughman</u>	<u>\$300,000</u>	<u>2/11/14</u>
<u>Kaylene Moss</u>	<u>\$10,000</u>	<u>3/5/14</u>
<u>Ryan Baughman</u>	<u>\$300,000</u>	<u>4/1/14⁷</u>
<u>Wayne Ledet</u>	<u>\$30,000</u>	<u>4/7/14</u>
<u>Alexandra Bunger</u>	<u>\$850,000</u>	<u>5/1/14</u>
<u>Cassidy Bunger</u>	<u>\$850,000</u>	<u>5/1/14</u>
<u>Connor Bunger</u>	<u>\$850,000</u>	<u>5/1/14</u>
<u>Bill Hughes</u>	<u>\$6,500</u>	<u>5/1/14</u>
<u>Bill Hughes -- IRA</u>	<u>\$6,500</u>	<u>5/1/14</u>

339. DenSco's sale of those promissory notes was necessary for DenSco to continue its business operations, and Clark Hill enabled DenSco to obtain investor funds during that five-month period without making adequate disclosures to those investors, exposing DenSco to substantial liability for those sales.

340. The Receiver will update this disclosure statement to identify additional promissory note sales after May 2014.

7. In Addition to Aiding and Abetting Chittick's Breach of Fiduciary Duties, Clark Hill Also Negligently Advised Chittick That DenSco Could Continue Giving Loan Proceeds to Menaged, Rather Than Paying Them Directly to a Trustee.

341. As of January 9, 2014, Clark Hill knew that Chittick had been grossly negligent in managing DenSco's lending operations by giving tens of millions of loan proceeds to Menaged, rather than paying them directly to a Trustee.

342. Clark Hill knew that this practice violated the terms of the Mortgage document Clark Hill knew DenSco routinely employed to document loans, which stated that the "The undersigned borrower ("Borrower") acknowledges receipt of the proceeds

⁶ Six-month note.

⁷ Three-month note.

1 of a loan from DenSco Investment Corporation ("Lender") in the sum of \$ _____.
2 as evidenced by check payable to: _____ ("Trustee"). (Emphasis added.)

3 343. Clark Hill also knew that this practice was an extraordinary breach of the
4 representations in DenSco's POMs. As Beauchamp has admitted in interrogatory
5 answers, DenSco's POMs represented that DenSco employed appropriate due diligence
6 and loan procedures in making loans. An essential part of those loan procedures was
7 that "every mortgage evidencing a property purchase made with a DenSco loan stated
8 that the check purchasing the property was made to the Trustee."

9 344. Clark Hill also knew, from Beauchamp's January 9, 2014 meeting with
10 Chittick and Menaged, that Chittick's failure to follow those loan procedures had
11 exposed DenSco to a substantial potential loss of between \$11.6 and \$14.5 million, or
12 between 25% and 30% of the \$47 million that Beauchamp understood DenSco had
13 raised as of June 2013.

14 345. And Clark Hill knew that those potential losses resulted from Chittick's
15 dealings with one borrower, Scott Menaged.

16 346. After Clark Hill learned, through Beauchamp's January 9, 2014 meeting
17 with Chittick and Menaged, that Chittick intended to cause DenSco to continue loaning
18 money to Menaged, Clark Hill should have issued immediate, clear written advice to
19 Chittick that: (1) DenSco must adhere to the lending practices identified in its POMs
20 and referenced in the Mortgage – i.e., disbursing loan proceeds directly to a Trustee,
21 through a check (as the Mortgage contemplated) or a wire transfer; and (2) never
22 disbursing loan proceeds directly to Menaged (or any other borrower) under any
23 circumstances.

24 347. Clark Hill had the opportunity to give that advice when Beauchamp
25 received an email from Chittick during the evening of January 9, 2014, in which
26 Chittick posed the following question:

27 If [I] [obtain] a cashier's check and take it to the trustee myself, [I] don[t] get a
28 receipt that DenSco [p]aid for it. [I] get a receipt saying that X property was
paid for, for X \$'s vested in borrower's name. [DenSco's] name doesn't appear

1 on it. [O]ther than having a cashier's check receipt saying [DenSco] made a
2 check out for it, there isn't anything from the trustee saying that it was
3 [DenSco's] check. [I] could wire [Menaged] the money, he could produce a
4 cashier's check that says remitter is DenSco and it would have the exact same
5 effect as if [I] got [a] cashier's check that said [DenSco's] the remitter. . . .
6 [P]ut aside the logistics for a second, what proof or what guarantee is there by
7 me cutting the check and handing it to [S]uzy at the trustee's office rather than
8 my borrowers? [I] know [I] must be missing something. (Emphasis added.)

9 348. Clark Hill failed to tell Chittick that he could not "wire Menaged the
10 money" because: (1) doing so was contrary to representations in the POM and the terms
11 of the Mortgage; (2) doing so had previously exposed DenSco to a potential loss of
12 between \$11.6 and \$14.5 million; and (3) Menaged could not, given obvious questions
13 about the veracity of his "cousin" story, be trusted.

14 349. Beauchamp instead responded in an email that night in which he said:
15 "Let me see what the other lenders got from the Trustee and we can make a better
16 decision. There is either another way to do it or someone described a procedure that
17 does not work." (Emphasis added.)

18 350. On January 17, 2014, Beauchamp told two other lawyers at Clark Hill,
19 Dan Schenck and Bob Anderson, who specialized in real estate lending, that the firm
20 needed to review "the demand letter from Bryan Cave asserting the claim from the
21 other lenders" – i.e., that DenSco had fraudulently filed 52 Mortgage documents
22 claiming that 52 Trustees had been paid to purchase properties at a Trustee's sale when
23 no such payment had occurred -- and "[i]f this claim has any merit, [Clark Hill]
24 need[ed] to advise DenSco to change its internal procedures." But neither Beauchamp,
25 Schenck, nor Anderson undertook that analysis.

26 351. Beauchamp later advised Chittick that DenSco could continue wiring
27 money to Menaged, trusting Menaged to pay the loan proceeds to a Trustee, so long as
28 Menaged provided written confirmation that he had done so. As Chittick wrote in July
29 2016:

30 a. "Going back to December of 2013, . . . [Menaged] knew he had to
31 make money to help cover the deficit [that] would be created by the double

1 encumbered properties and shortage that would be created at the time of
2 disposition. He wanted time to still fund him buying properties at auction and
3 flipping them, wholesaling them, etc. *I talked to Dave about this in January*
4 *[2014] and he was in agreement with it as long as I received copies of checks*
5 *and receipts showing that I was paying the trustee.* (Emphasis added.)

6 b. “Dave, my lawyer, negotiated the work out agreement and
7 endorsed the plan. Then when [Menaged] said hey, let me buy some
8 foreclosures, flip them, wholesale them, etc. so I can make money. *All the other*
9 *lenders wouldn’t lend to him. I needed him to make money now more than*
10 *ever before. We went to Dave, and he gave some constraints on how we were*
11 *to operate. I have all the documentation. I received copies of checks made out*
12 *to trustees, receipts from the trustees. I had all my docs signed. I recorded my*
13 *mortgages. I had evidence of insurance, and I did everything.* (Emphasis
14 added.)

15 352. Clark Hill and Beauchamp claim in their initial disclosure statement, and
16 Beauchamp claimed when he was deposed, that Clark Hill had advised Chittick in
17 January 2014 that it should not give loan proceeds to Menaged and should instead give
18 them to a Trustee. But a jury will find that this is yet another after-the-fact untruth. No
19 documents in Clark Hill’s file – not a letter, email, note or time entry – reflect that the
20 advice was ever given. Moreover, Beauchamp’s deposition testimony that he relied on
21 Anderson to give that advice to Chittick and understood it had been given is belied by
22 Anderson’s deposition testimony, who said he had not done so.

23 353. A jury will reject Clark Hill’s claim and find that DenSco followed
24 Beauchamp’s negligent advice to Chittick that DenSco could continue its long-standing
25 practice of giving loan proceeds directly to Menaged, trusting him to use those funds
26 only to pay a Trustee for property that would be fully secured, with DenSco in first
27 position. As a result, Menaged continued to have direct access to DenSco’s funds,
28 despite the tens of millions of dollars of losses that practice had caused DenSco, which

1 put Menaged in a position to misappropriate those funds, just as he had misappropriated
2 the loan proceeds DenSco had given him in previous years.

3 354. As a direct consequence of Clark Hill's negligence, DenSco suffered
4 substantial losses.

5 355. If Clark Hill had instead advised Chittick that DenSco could never give
6 loan proceeds to Menaged and must instead independently cause those funds to be
7 delivered to a Trustee, Chittick would have followed that advice. Indeed, Chittick
8 acknowledged in his January 9, 2014 email that he "must be missing something."

9 **11.E. Response to 2016 ADFI Investigation**

10 356. 457.In March 2016, Chittick asked Beauchamp to help DenSco respond
11 to another investigation by the Arizona Department of Financial Institutions.
12 Beauchamp worked on the matter during March, April, May and June 2016, billing his
13 time to a "General" matter he had established in January 2013. As with previous
14 inquiries by ADFI, Clark Hill argued that DenSco should not be licensed and regulated
15 by ADFI, which would have included a review of DenSco's lending procedures.

16 **E. Chittick's Suicide**

17 357. 458.Chittick committed suicide on July 28, 2016.

18 358. 459.Shortly before his death, Chittick wrote an "Investor" letter that was
19 never sent to DenSco's investors but was among the business records obtained by the
20 Receiver. Among the statements in that letter are the following: "Why didn't I let all of
21 you know what was going on at any point? It was pure fear. . . . I have 100 investors. I
22 had no idea what everyone would do or want to do or how many would just sue,
23 justifiably. *I also feared that there would be a classic run on the bank. . . I truly*
24 *believe we had a plan that would allow me to continue to operate, my investors would*
25 *receive their interest and redemptions as a normal course of business, and the rest of*
26 *my portfolio was performing. Dave blessed this course of action. (Emphasis added.)*
27 We signed this workout agreement and began executing it."
28

1 359. ~~460.~~ The letter also stated: “Going back to December of 2013, . . .
2 [Menaged] knew he had to make money to help cover the deficit [that] would be
3 created by the double encumbered properties and shortage that would be created at the
4 time of disposition. He wanted time to still fund him buying properties at auction and
5 flipping them, wholesaling them, etc. *I talked to Dave about this in January [2014]*
6 *and he was in agreement with it as long as I received copies of checks and receipts*
7 *showing that I was paying the trustee.”* (Emphasis added.)

8 ~~461. The Receiver is unaware of any evidence that Chittick or Beauchamp~~
9 ~~informed the investors, prior to Chittick’s suicide, of the fraud perpetrated by Menaged~~
10 ~~in 2013 or the workout plan crafted by Chittick, Menaged, and Beauchamp in 2014.~~
11 ~~Indeed, in the years following 2014, investors in DenSeco continued to sign subscription~~
12 ~~agreements prepared by DenSeco which referred to the 2009 POM but did not refer to~~
13 ~~any updated disclosures.~~

14 360. ~~462.~~ Chittick also wrote a detailed letter to his sister, Shawna Heuer (aka
15 Iggy), shortly before his death. He wrote: “[Beauchamp] let me get the workout
16 signed[,] not tell the investors[,] and try to fix the problem. That was a huge mistake.
17 . . . Dave did a workout agreement with [Menaged], we were executing to it and making
18 headway, yet Dave never made me tell the investors. . . . I talked Dave my attorney
19 into allowing me to continue without notifying my investors. Shame on him. He
20 shouldn’t have allowed me. He even told me once I was doing the right thing.”
21 (Emphasis added.)

22 361. ~~463.~~ The letter also stated: “*Dave, my lawyer, negotiated the work out*
23 *agreement and endorsed the plan.* (Emphasis added.) Then when [Menaged] said
24 hey, let me buy some foreclosures, flip them, wholesale them, etc. so I can make
25 money. All the other lenders wouldn’t lend to him. I needed him to make money now
26 more than ever before. We went to Dave, and he gave some constraints on how we
27 were to operate. I have all the documentation. I received copies of checks made out to
28

1 trustees, receipts from the trustees. I had all my docs signed. I recorded my mortgages.
2 I had evidence of insurance, and I did everything.”

3 362. This “Iggy Letter” contained detailed information about actions Chittick
4 had taken in managing DenSco’s affairs, including the location of funds and how he
5 had transferred funds.

6 **13.Events-G. After Chittick’s Death, Clark Hill Agreed to Represent Both**
7 **DenSco and Chittick’s Estate, Despite an Unconsentable Conflict.**

8 363. According to Clark Hill’s billing records, Beauchamp learned of
9 Chittick’s suicide on Saturday, July 30, 2016 through a telephone call with Robert
10 Koehler and Shawna Heuer. Beauchamp billed his time for that call to the “Business
11 Matters” file he had caused to be established on January 14, 2014.

12 364. Robert Koehler was identified in the 2011 POM, under the heading
13 “Contingency Plan in the Event of Death or Disability of Mr. Chittick,” as the person
14 with whom Chittick had entered into a written agreement “to provide or arrange for any
15 necessary services for the Company” upon Chittick’s death or disability.

16 365. According to Beauchamp’s notes from his July 30, 2016 telephone
17 conversation with Koehler and Heuer, he was told that Chittick had sent him a letter
18 with instructions and a detailed letter to Koehler. Beauchamp wrote that he needed “to
19 get both letters & discuss how to deal w/ this.”

20 366. On Sunday, July 31, 2016, Beauchamp exchanged emails with Koehler
21 about scheduling a meeting with Koehler and Heuer the following afternoon.

22 367. Later that day, Beauchamp exchanged emails with Heuer in which
23 Beauchamp approved an email Heuer had drafted to send to DenSco’s investors which
24 stated, in part, “[a] meeting with Denny’s attorney is planned for Monday, August 1st,
25 to form a course of action.”

26 368. Heuer sent the e-mail to DenSco investors during the evening of July 31,
27 2016, forwarding a copy to Beauchamp, who thanked her for doing so.

1 369. Heuer sent Beauchamp before their August 1 meeting a copy of Chittick's
2 Investor Letter and gave him at the meeting or in a meeting the following day a copy of
3 the Iggy Letter.

4 370. During the August 1st meeting, Beauchamp agreed that Clark Hill would
5 represent DenSco, reporting to Heuer, and also represent Heuer in her capacity as the
6 personal representative of the Estate of Denny Chittick.

7 371. On August 2, 2016, Beauchamp and other Clark Hill attorneys met with
8 Heuer.

9 372. ~~464. After Chittick's death, Clark Hill undertook the representation of the~~
10 ~~Chittick Estate, initiating~~ On August 4, 2016, Clark Hill initiated a probate proceeding
11 ~~on August 4, 2016, and continued to act as counsel for the Estate of Chittick until~~
12 August 12, 2016

13 373. Clark Hill should not have agreed to represent DenSco after Chittick's
14 death and should have instead terminated the representation because Clark Hill knew,
15 based on its own conduct since September 2013 and knowledge of Chittick's conduct,
16 that DenSco had potential claims against the firm.

17 374. Clark Hill should not have agreed to represent the Estate of Chittick
18 because Clark Hill knew, based on its knowledge of Chittick's conduct, that DenSco
19 had substantial claims against Chittick's Estate for Chittick's gross negligence in
20 managing DenSco's affairs. Indeed, in this litigation Clark Hill has identified the Estate
21 as a non-party at fault and seeks to blame Chittick for DenSco's losses. Moreover, soon
22 after his appointment, the Receiver filed a Notice of Claim in Probate Court against the
23 Estate, based in part on Chittick's gross mismanagement of DenSco and multiple
24 breaches of fiduciary duties Chittick owed DenSco.

25 375. A jury can assume that Clark Hill agreed to continue representing DenSco
26 and jointly represent the Estate of Chittick because it saw those representations as a
27 means to protect itself from liability. The firm's conduct during the months of August,
28

1 September and October 2016 provides further evidence that this was Clark Hill's
2 objective.

3 H. Between August 1 and August 18, 2016, Clark Hill Effectively Ran
4 DenSco's Day-to-Day Affairs.

5 ~~465. Beauchamp then arranged for his former partners at Gammage & Burnham, James~~
6 ~~Polese and Kevin Merritt, to represent the Estate. Although Clark Hill withdrew from~~
7 ~~representing the Estate, Beauchamp remained in close contact with Polese and Merritt,~~
8 ~~sharing information and discussing strategy.~~

9 376. 466. After Chittick's death, Beauchamp, in coordination with Heuer,
10 ~~Polese and Merritt,~~ managed the day-to-day operations of DenSco until the Receiver
11 was appointed on August 18, 2016.

12 377. 467. Beauchamp opened a "Business Wind Down" file to which he
13 charged his time.

14 378. 468. ~~After Chittick's death~~ During that time period, Beauchamp
15 communicated with investors, and representatives of ~~the~~ the Securities Division of the
16 Arizona Corporation Commission (the "ACC"), ~~and the Receiver.~~ which investigated
17 securities law violations by DenSco and initiated on August 17, 2016 a lawsuit alleging
18 that DenSco had violated securities laws and sought the appointment of a receiver.

19 379. Although Clark Hill knew that as securities counsel to DenSco it faced
20 potential claims by the ACC, DenSco's receiver, and/or DenSco's investors, it
21 continued to represent DenSco.

22 380. Clark Hill authored several communications to DenSco's investors
23 between August 1 and August 12, 2016 which failed to disclose information in Clark
24 Hill's possession about Clark Hill's role as DenSco's securities counsel; Chittick's
25 mismanagement of DenSco's lending practices; Chittick's decision to postpone the
26 issuance of a new POM while still selling promissory notes; Chittick's goals in
27 documenting the Forbearance Agreement; the actions Clark Hill had taken to assist
28

1 Chittick; and Clark Hill's negligent advice to Chittick about DenSco's continued
2 lending to Menaged.

3 381. Clark Hill also failed to provide that information to the ACC.

4 382. The investor communications Clark Hill drafted also suggested that
5 DenSco and its investors would not be well served if a receiver were appointed. For
6 example, in the first email Beauchamp sent to DenSco investors on August 3, 2016, he
7 wrote:

8 ~~469. — Beauchamp, who had received and reviewed Chittick's pre-suicide writings and~~
9 ~~the allegations Chittick made in them about Beauchamp's conduct, purposefully~~
10 ~~withheld information about his role, misrepresented facts, and sought to steer the~~
11 ~~ongoing investigation into DenSco's demise away from an examination of his~~
12 ~~negligence and role in assisting Chittick to breach his fiduciary duties.~~

13 ~~470. For example, in the first email Beauchamp sent to DenSco investors on~~
14 ~~August 3, 2016, Beauchamp wrote: "[T]he problem with DenSco's Troubled~~
15 ~~Loans developed over time and it will take some time to understand those~~
16 ~~Troubled Loans [and] how those loans came into existence. . . . If whoever is in~~
17 ~~charge of DenSco does not work with the Investors, then DenSco will either be~~
18 ~~put into bankruptcy or have a Receiver appointed, which will incur costs on~~
19 ~~behalf of the Investors and that will significantly reduce what will be available to~~
20 ~~return to the Investors. For example, *one of the recent reports concerning*~~
21 ~~*liquidation of companies owing money to investors indicated that the costs*~~
22 ~~*associated with a bankruptcy or a Receiver can reduce the amount to be paid*~~
23 ~~*to investors by almost half or even a much more significant reduction. . . .*~~
24 ~~*[W]e would like to keep DenSco out of a protracted bankruptcy or a*~~
25 ~~*contentious Receivership proceeding.*~~ As indicated above, various studies have
26 shown that the third party costs and legal and other professional fees and costs
27 and the inherent delays in bankruptcy and/or Receivership proceedings can
28 consume more than 35% of the available money that should or would otherwise
be available to be returned to Investors." (Emphasis added.)

22 I. Beginning on August 15, 2016, Clark Hill Sought to Conceal Its
23 Negligence and the Assistance It Gave Chittick in His Breach of
24 Fiduciary Duties by Falsely Claiming It Had Terminated Its
25 Representation of DenSco, and Continues to Claim, Without Any
26 Supporting Records, That It Did So.

25 383. During its investigation of potential securities law violations by DenSco,
26 the ACC sought documents from Clark Hill about the firm's work for DenSco.

1 384. It was during that investigation that Clark Hill claimed for the first time
2 that it had terminated its representation of DenSco because Chittick allegedly refused to
3 follow the firm's advice.

4 385. Clark Hill has made inconsistent claims about the alleged termination of
5 its representation of DenSco since August 2016 and continues to claim that the
6 termination occurred despite the absence of any records to support the claim, and
7 records that are inconsistent with the claim.

8 ~~471. On August 17, 2016, the ACC filed an action in Maricopa County Superior Court~~
9 ~~seeking, among other things, the appointment of a receiver for DenSco (the~~
10 ~~"Receivership Court").~~

11 ~~472.—The Receiver was appointed on August 18, 2016.~~

12 ~~473.—Beauchamp communicated with Polese and Merritt about the selection of~~
13 ~~a receiver who would be unlikely to pursue litigation against individuals and entities~~
14 ~~who had contributed to DenSco's losses, such as the claims now being pursued against~~
15 ~~Beauchamp and Clark Hill in this action.~~

16 ~~474.—Beauchamp did not disclose to the ACC or the Receiver information in~~
17 ~~his possession about Chittick's lax lending practices that allowed the first Menaged~~
18 ~~fraud to occur, the circumstances leading to the Forbearance Agreement, the changes to~~
19 ~~DenSco's lending practices DenSco had adopted in January 2014 based on Clark Hill's~~
20 ~~advice, and related matters.~~

21 ~~475.—Beauchamp sent other reports to investors which highlighted Menaged's~~
22 ~~role in defrauding DenSco but did not disclose information in Beauchamp's possession~~
23 ~~about Chittick's lax lending practices that allowed the first Menaged fraud to occur, the~~
24 ~~circumstances leading to the Forbearance Agreement, the changes to DenSco's lending~~
25 ~~practices DenSco had adopted in January 2014 based on Clark Hill's advice, and related~~
26 ~~matters.~~

1 476.—Beauchamp sought to prevent information relating to his conduct from
2 being discovered by supporting the Estate’s position that a “joint privilege” existed
3 which allegedly arose from Beauchamp’s representation of both DenSco and Chittick.

4 477.—Beauchamp made certain written statements about his representation of
5 DenSco after Chittick died which are inconsistent with the facts described above or
6 which are unsupported by any documents in Bryan Cave’s or Clark Hill’s files.

7 386. 478. For example, The claim was first made on August 15, 2016, when
8 ACC investigator Gary Clapper sent Beauchamp an email which stated, in part: “Can
9 you please get a copy of the forbearance agreement. Since the offering document is
10 updated every two years can you please get copies of all of them.”

11 387. 479. Beauchamp responded: “I only have access to some of DenSco’s
12 files. Despite my requests, Denny Chittick did not request for all of DenSco’s previous
13 files to be transferred to me. In addition, *Denny stopped our efforts to do an updated*
14 *offering memorandum in 2013*, so the initial work on that was never finished. Denny
15 also *did not engage us to prepare an amendment to the offering document or to*
16 *prepare a new disclosure document despite several conversations about that issue.*”
17 (Emphasis added.)

18 388. 480. In an August 17, 2016 declaration ~~he gave at the request of Gammage~~
19 ~~& Burnham in the receivership action,~~ Beauchamp stated that “[i]n late 2014 or 2015, I
20 ended my formal relationship with Mr. Chittick and DenSco.”

21 389. 481. In an August 21, 2016 email to DenSco investor Rob Brinkman,
22 Beauchamp first wrote that “*my law firm started preparing the 2013 POM, but we*
23 *were put on hold.* After the Forbearance Agreement was signed by Scott Menaged, *we*
24 *started to amend the 2013 draft POM, but we stopped and withdrew as securities*
25 *counsel for DenSco. Denny was supposed to get other counsel and finish the POM in*
26 *2014, but I do not know if that did happen.*” (Emphasis added.) In a follow-up email
27 to Brinkman, he wrote that “[t]he 2013 POM was never finalized due to attorney client
28 protected issues that I have been instructed not to discuss.” (Emphasis added.)

1 390. 482. In a February 8, 2017 email to the Receiver's counsel, Beauchamp
2 made the following unsolicited statement: "Please note that my previous reference to
3 'securities work' was for work done PRIOR to when *my firm terminated doing any*
4 *securities or other legal work for DenSco when Denny Chittick refused to send the*
5 *amended Private Offering Memorandum to his investors.* The amended Private
6 Offering Memorandum that we wanted to be sent described the Forbearance Agreement
7 and the changes to the lending criteria and security ratios that DenSco was to follow
8 when making its loans to Borrowers. *I believe that we terminated our representation*
9 *in approximately July 2014."* (Emphasis added.)

10 391. Clark Hill now claims that the firm terminated the representation in May
11 2014, stating in Defendants' initial disclosure statement (at 15) that

12 Mr. Chittick . . . refused to provide the necessary information to complete the
13 POM and refused to approve the description of the workout or the double lien
14 issue. . . .

15 In May 2014, Mr. Beauchamp handed Mr. Chittick a physical copy of the draft
16 POM and asked him what Mr. Chittick's specific issues were with the
17 disclosure. Mr. Chittick responded that there was nothing wrong with the
18 disclosure, he was simply not ready to make any kind of disclosures to his
19 investors at this stage. Mr. Beauchamp again explained that Mr. Chittick had no
20 choice in the matter and that he had a fiduciary duty to his investors to make
21 these disclosures. Mr. Chittick would not budge. Faced with an intransigent
22 client who was now acting contrary to the advice Mr. Beauchamp was
providing, and with concerns that Mr. Chittick may not have been providing
any disclosures to anyone since January 2014, Mr. Beauchamp informed Mr.
Chittick that Beauchamp and Clark Hill could not and would not represent
DenSco any longer. Mr. Beauchamp also told Chittick that he would need to
retain new securities counsel, not only to provide the proper disclosure to
DenSco's investors, but to protect DenSco's rights under the forbearance
agreement. Mr. Chittick suggested that he has already started that process and
was speaking with someone else.

23 392. But there is not a single document in Clark Hill's file to support this
24 claim, such as a termination letter that law firms commonly send when ending a client
25 relationship and especially when a law firm believes a client is disregarding advice
26 given by the firm.

1 393. Moreover, Clark Hill makes this claim despite numerous documents in its
2 files reflecting that Clark Hill never terminated the representation and continued to
3 represent DenSco after May 2014. Those documents include:

4 a. Documents generated in June 2014 which reflected work Clark
5 Hill performed to amend the Forbearance Agreement and correct errors the firm
6 had made when the Forbearance Agreement was signed in April 2014. Chittick
7 and Menaged signed those documents on June 18, 2014.

8 b. In May, June, July and August 2014, Beauchamp sent Chittick
9 billing statements for work performed for DenSco through transmittal letters that
10 stated: “Thank you again for allowing Clark Hill and me to provide legal
11 services to DenSco Investment Corporation. If you have any question or if we
12 can assist you with any other matter(s), please let me know.”

13 c. As noted above, when Chittick asked Clark Hill to respond to the
14 ADFI inquiry in March 2016, Beauchamp billed his time to the “General” matter
15 Clark Hill had established in January 2014.

16 d. As noted above, after Chittick’s death, Beauchamp billed his time
17 to the “Business Matters” file Clark Hill had established in January 2014.

18 **14. — Actions Taken by the Receiver**

19 ~~483. — After his appointment, the Receiver took possession of and analyzed DenSco’s~~
20 ~~books and records, issuing a preliminary report on September 19, 2016.~~

21 ~~484. — On December 9, 2016, the Receiver filed a notice of claim in the probate~~
22 ~~court against the Estate of Denny Chittick, asserting, inter alia, claims that Chittick had~~
23 ~~breached fiduciary duties owed DenSco.~~

24 ~~485. — The Estate issued a notice of disallowance of the claim on February 3,~~
25 ~~2017.~~

1486. On December 23, 2016, the Receiver issued a status report. That report contains,
2 among other things, the Receiver's conclusion that DenSco was insolvent in January
3 2014.

4487. The Receiver monitored and took part in a bankruptcy proceeding that Menaged
5 initiated. Among other things, the Receiver's counsel conducted an examination of
6 Menaged, and the Receiver filed an adversary complaint and a complaint to determine
7 nondischargeability.

8488. On March 17, 2017, the Receiver filed a petition with the Receivership Court
9 seeking to retain special counsel to investigate potential claims against Beauchamp and
10 Clark Hill. The petition was granted on April 27, 2017.

11 489. On June 22, 2017e. On June 22, 2017, approximately six months
12 before this lawsuit was filed, Clark Hill submitted two proofs of claim to the
13 Receiver, seeking \$53,820.00 for work performed between June 1, 2016 and
14 August 17, 2016, and \$23,046.00 for work performed between August 18, 2016
15 and September 30, 2016. Clark Hill claimed in an accompanying affidavit that
16 "In 2016 and earlier, the Firm represented DenSco Investment
17 Corporation," providing "general business advice and representation," and that
18 "[a]fter the death of DenSco's principal, in July 2016, the Firm transitioned the
19 subject matter of its work to advice and guidance to DenSco to assist in winding
20 down its business." (Emphasis added.) Clark Hill did not claim then that it had
21 terminated its representation of DenSco at any previous time.

22 394. In claiming that Clark Hill had, in fact, terminated its representation of
23 DenSco in May 2014 – a claim verified by Clark Hill's General Counsel – Clark Hill
24 concealed material information it should have disclosed pursuant to Rule 26.1. It was
25 only after the Receiver's counsel served written discovery on Clark Hill that Clark Hill
26 disclosed that it did not close until May 2018 – after receiving the Receiver's written
27 discovery – the files Clark Hill had opened in September 2013 to prepare a new POM
28

1 and in January 2014 for the “lien workout.” The files established for DenSco’s
2 “General” and “Business Matters” were never closed and remain open.

3 **J. Clark Hill Colluded With the Estate of Chittick to Prevent the**
4 **Receiver From Obtaining Material Information.**

5 395. Clark Hill did not internally consider the conflicts created by its joint
6 representation of DenSco and the Chittick Estate until an investor raised the issue on
7 August 10, 2016.

8 396. Clark Hill referred Heuer to lawyers whom Clark Hill believed would
9 aggressively protect the Estate from potential claims by investors and the Receiver –
10 Beauchamp’s former colleagues at Gammage & Burnham: James Polese and Kevin
11 Merritt.

12 397. Clark Hill then began colluding with Gammage & Burnham to protect the
13 Chittick Estate and Clark Hill from the Receiver.

14 398. Among other evidence of such collusion are emails exchanged between
15 Polese, Merrick and Beauchamp about seeking the appointment of a receiver other than
16 the Receiver.

17 399. Moreover, shortly before the August 18, 2016 hearing at which the
18 Receiver was appointed, Beauchamp, with the assistance and approval of Clark Hill’s
19 Assistant General Counsel, prepared a declaration for the Estate to submit to the
20 Receivership Court which Beauchamp has since acknowledged falsely stated that Clark
21 Hill had jointly represented DenSco and Chittick individually.

22 400. During the August 18, 2016 hearing, neither Beauchamp nor Clark Hill’s
23 Assistant General Counsel corrected false statements by the Estate’s counsel to the
24 effect that Clark Hill had jointly represented DenSco and Chittick personally.

25 401. That claim was integral to the Estate’s successful effort to obtain
26 language in the Order appointing the Receiver which recognized the existence of the
27 spurious joint representation claim and materially limited the Receiver’s ability to
28 promptly and efficiently obtain relevant records from Clark Hill’s files.

1 402. The Estate and Clark Hill used the Order as an excuse to decline to
2 provide the Receiver with immediate access to relevant records, such as the Iggy Letter,
3 and to “slow walk” Clark Hill’s production of its files to the Receiver.

4 403. The Receiver’s counsel sent a letter demanding the immediate production
5 of the files on August 29, 2016. Clark Hill did not produce them until October 13,
6 2016, and only after making multiple demands. During this time period, Clark Hill’s
7 Office of General Counsel was actively involved and directed the firm’s response to the
8 Receiver’s demands.

9 404. In the interim, Clark Hill and the Estate continued using the false claim
10 that Clark Hill had jointly represented DenSco and Chittick personally to delay
11 providing relevant information to the Receiver.

12 405. The Estate also proposed, with Clark Hill’s implicit consent, a “common
13 interest” agreement between the Estate, DenSco (represented by Clark Hill) and the
14 Receiver, which falsely stated that because of the alleged joint representation by Clark
15 Hill of DenSco and Chittick personally, the Estate, DenSco and the Receiver had a
16 common interest in defending lawsuits that investors might pursue.

17 406. After finally receiving Clark Hill’s files in October 2016, the Receiver
18 discovered critical documents, such as the Iggy Letter, that the Estate had sought to
19 prevent the Receiver from obtaining under a claim of personal privilege. That
20 document contained information that was material to claims the Receiver later brought
21 against the Estate of Chittick. Without the document, the Receiver had been required to
22 devote substantial resources to independently discovering information contained in the
23 Iggy Letter.

24 **K. Actions Taken by the Receiver**

25 407. After his appointment, the Receiver took possession of and analyzed
26 DenSco’s books and records, issuing a preliminary report on September 19, 2016,
27 which the Receiver incorporates by reference in this disclosure statement
28

1 408. On December 9, 2016, the Receiver filed a notice of claim in the probate
2 court against the Estate of Denny Chittick, asserting, inter alia, claims that Chittick had
3 breached fiduciary duties owed DenSco.

4 409. The Estate issued a notice of disallowance of the claim on February 3,
5 2017.

6 410. On December 23, 2016, the Receiver issued a status report, which the
7 Receiver incorporates by reference in this disclosure statement. That report contains,
8 among other things, the Receiver's conclusion that DenSco was insolvent in January
9 2014.

10 411. The Receiver monitored and took part in a bankruptcy proceeding that
11 Menaged initiated. Among other things, the Receiver's counsel conducted an
12 examination of Menaged, and the Receiver filed an adversary complaint and a
13 complaint to determine nondischargeability, and obtained a judgment against Menaged.

14 412. On June 22, 2017, Clark Hill submitted two proofs of claim to the
15 Receiver, which are discussed above.

16 413. ~~490.~~On September 14, 2017, the Receiver filed a petition with the
17 Receivership Court seeking to file this action. The petition was granted on October 10,
18 2017.

19 414. ~~491.~~On September 25, 2017, the Receiver filed in the Receivership Court
20 Petition No. 37 – Petition for Approval of Receiver's Final Recommendations
21 Approving Claims in DenSco Receivership, in which the Receiver recommended that
22 Clark Hill's claims be denied "because the Receiver has determined that Clark Hill had
23 a conflict of interest that precluded it from performing the legal services without
24 violating fiduciary duties to DenSco. Despite providing Clark Hill with notice of the
25 Receiver's recommendation of the denial of its two claims and a copy of the Claims
26 Report, Clark Hill failed to object or respond to the Receiver's recommendation that
27 their two non-investor claims submitted by Clark Hill be denied." The Petition was
28 granted on October 27, 2017.

1 415. 492. This action was filed on October 16, 2017.

2 416. 493. On December 22, 2017, the Receiver issued a status report describing
3 the status of the receivership, which the Receiver incorporates by reference in this
4 disclosure statement.

5 **II. LEGAL BASIS FOR CLAIMS**

6 **A. Count One (Legal Malpractice)**

7 The Receiver asserts that Defendants were negligent. To sustain that claim, the
8 Receiver “must prove the existence of a duty, breach of duty, that the defendant’s
9 negligence was the actual and proximate cause of injury, and the ‘nature and extent’ of
10 damages.” *Glaze v. Larsen*, 207 Ariz. 26, 29, ¶ 12, 83 P.3d 26, 29 (2004) (citing
11 *Phillips v. Clancy*, 152 Ariz. 415, 418, 733 P.2d 300, 303 (App. 1986)).

12 That Defendants owed a duty to DenSco is undisputed, established by, *inter alia*,
13 the engagement letter Clark Hill issued in September 2013.

14 The Receiver ~~will establish~~ anticipates establishing, through expert testimony,
15 that ~~Defendants~~ Clark Hill fell below the standard of care by, *inter alia*, ~~(i) failing to~~
16 ~~properly advise DenSco during the first week of January 2014 after learning of the first~~
17 ~~Menaged fraud and Chittick’s plans to continue doing business with Menaged; and (ii))~~
18 failing to advise DenSco at the outset of the representation that DenSco could not sell
19 any promissory notes without first issuing a new POM; (ii) failing to advise DenSco of
20 the consequences of having previously sold promissory notes without an adequate
21 disclosure document; (iii) accepting the responsibility of preparing a new POM and
22 then following Chittick’s instruction not to perform work on the new POM until
23 Chittick wished to do so, knowing that DenSco was continuing its business operations
24 and selling promissory notes to rollover investors and others; (iv) failing to properly
25 advise DenSco during the first week of January 2014 about the actions DenSco was
26 required to take in light of the loan losses caused by Chittick’s gross mismanagement of
27 DenSco’s lending practices and Chittick’s intent to pursue a “work out” with Menaged;
28 (v) advising DenSco that it could sell promissory notes without first issuing a new POM

1 and could continue its business operations, including the sale of promissory notes,
2 while indefinitely delaying the issuance of a new POM; (vi) negligently advising
3 DenSco during January 2014 about the procedures DenSco should employ in
4 ~~documenting the loans DenSco made to Menaged after discovering the first Menaged~~
5 ~~fraud~~ loaning monies to Menaged; and (vii) failing to withdraw from the representation
6 of DenSco when it was apparent that Chittick intended to take actions that were harmful
7 to the interests of DenSco and its creditors, including its investors.

8 The Receiver will establish that, but for Defendants' negligence, DenSco would
9 not have sold more than \$8 million of promissory notes between September and
10 December 2013, and more than \$5 million of promissory notes between January and
11 May 2014. Without such sales, and Chittick's decision to cause DenSco to pursue the
12 Forbearance Agreement, rather than to seek to recover from Menaged the losses caused
13 by Chittick's gross mismanagement of DenSco's lending practices, DenSco would not
14 have suffered losses on the loans DenSco made to Menaged through the Forbearance
15 Agreement as well as the "non-workout" loans that DenSco made to Menaged, ~~and that~~
16 ~~those.~~ Those losses were reasonably foreseeable to Beauchamp and others at Clark
17 Hill.

18 The Receiver alternatively asserts that ~~Defendants~~ Clark Hill and Beauchamp
19 breached fiduciary duties they owed DenSco. "[T]he essential elements of legal
20 malpractice based on breach of fiduciary duty include the following: (1) an attorney-
21 client relationship; (2) breach of the attorney's fiduciary duty to the client; (3)
22 causation, both actual and proximate; and (4) damages suffered by the client." *Cecala*
23 *v. Newman*, 532 F. Supp. 2d 1118, 1135 (D. Ariz. 2007) (internal citations omitted).

24 The Receiver will establish through expert testimony that Defendants breached
25 their duty of loyalty to their only client, DenSco, by taking actions after January 9, 2014
26 that were intended to advance Chittick's rather than DenSco's interests, and by failing
27 to take actions that would have advanced DenSco's interests. The Receiver will
28

1 establish that, but for Defendants' breach of fiduciary duty, DenSco would not have
2 suffered losses on the loans DenSco made to Menaged through the Forbearance
3 Agreement as well as the "non-workout" loans that DenSco made to Menaged, and that
4 those losses were reasonably foreseeable to Beauchamp and others at Clark Hill.

5 In addition to the loan losses DenSco suffered as a result of Defendants' breach
6 of fiduciary duty, DenSco also seeks an order requiring Clark Hill to disgorge fees it
7 received from DenSco for work performed after Clark Hill breached its fiduciary duties.
8 DenSco relies on Restatement (Third) of the Law Governing Lawyers § 37, which
9 states: "A lawyer engaging in clear and serious violation of duty to a client may be
10 required to forfeit some or all of the lawyer's compensation for the matter.
11 Considerations relevant to the question of forfeiture include the gravity and timing of
12 the violation, its willfulness, its effect on the value of the lawyer's work for the client,
13 any other threatened or actual harm to the client, and the adequacy of other remedies."
14 The Receiver relied on § 37 in denying Clark Hill's proofs of claim.

15 **B. Count Two (Aiding and Abetting Breach of Fiduciary Duty)**

16 The Receiver asserts that ~~Defendants~~ Clark Hill and Beauchamp aided and
17 abetted Chittick in breaching fiduciary duties Chittick owed DenSco. Arizona
18 recognizes that "lawyers have no special privilege against civil suit" and are "subject to
19 liability to a client or nonclient when a nonlawyer would be in similar circumstances"
20 including claims for aiding and abetting. *Chalpin v. Snyder*, 220 Ariz. 413, 424, ¶¶ 44-
21 45, 207 P.3d 666, 677 (2008) (internal citations omitted). It is also generally
22 recognized that "a corporate attorney may be liable . . . for aiding and assisting the
23 directors and officers in breaching their fiduciary duties." 3 William Fletcher.
24 Cyclopedia of the Law of Private Corporations § 839.10 (Apr. 2018 update).
25

26 To sustain this claim, the Receiver must establish that: "(1) [Chittick breached a
27 fiduciary duty he owed DenSco] causing injury to [DenSco]; (2) [Defendants] knew
28 [Chittick] breached a duty; (3) [Defendants] substantially assisted or encouraged

1 [Chittick] in the breach; and (4) a causal relationship exists between the assistance or
2 encouragement and [Chittick's] breach." *Security Title Agency, Inc. v. Pope*, 219 Ariz.
3 480, 491, ¶ 44, 200 P. 3d 977, 988 (App. 2008).

4 Chittick, as DenSco's only director and officer, owed fiduciary duties to
5 DenSco. "In Arizona a director of a corporation owes a fiduciary duty to the
6 corporation and its stockholders. This duty is in the nature of a trust relationship"
7 *Atkinson v. Marquart*, 112 Ariz. 304, 306, 541 P.2d 556, 558 (1975) (citations omitted).
8 These fiduciary duties are both "implied by law," *Dooley v. O'Brian*, 226 Ariz. 149,
9 154, ¶ 18, 244 P.3d 586, 591 (App. 2010), and codified by statute. See A.R.S. § 10-830
10 (duties of directors); A.R.S. § 10-842 (duties of officers).

11 ~~"[T]he duties of a director or officer of a corporation are implied by law."~~
12 ~~*Dooley v. O'Brian*, 226 Ariz. 149, 154, ¶ 18, 244 P.3d 586, 591 (App. 2010). Chittick,~~
13 ~~as DenSco's only director and officer, had a fiduciary duty "to use [his] ability to~~
14 ~~control the corporation in a fair, just, and equitable manner. . . ." *Jones v. J.F.*~~
15 ~~*Ahmanson & Co.*, 1 Cal. 3d 93, 101, 460 P.2d 464, 471 (1969). See also A.R.S. § 10-~~
16 ~~830 (duties of directors); A.R.S. § 10-842 (duties of officers). Those Chittick also~~
17 ~~owed fiduciary duties to DenSco's creditors, including its investors. Under Arizona~~
18 ~~law, a director's fiduciary duties "can apply even to creditors when a corporation enters~~
19 ~~the zone of insolvency, without regard to the terms of the underlying contracts."~~
20 ~~*Dooley*, 226 Ariz. at 154, ¶ 18, 244 P.3d at 591. "Once a corporation becomes~~
21 ~~insolvent, the creditors join the class of persons to whom directors owe a fiduciary duty~~
22 ~~to maximize the economic value of the firm for all of the firm's creditors." *Dawson v.*~~
23 ~~*Withycombe*, 216 Ariz. 84, 107, ¶ 71, 163 P.3d 1034, 1057 (2008). As set forth above,~~
24 ~~Chittick breached his duties as an officer and director of DenSco.~~

25 Among Chittick's duties was the duty of loyalty. He was required to act in
26 "good faith" and in the manner he "reasonably believe[d] to be in the best interests of
27 the corporation." A.R.S. § 10-830(A)(1), (3); A.R.S. § 10-842(A)(1), (3). "The duty of
28 loyalty mandates that the best interest of the corporation . . . take precedence over any

1 interest possessed by a director.” Fletcher, *supra*, at § 837.60; see also *AMERCO v.*
2 *Shoen*, 184 Ariz. 150, 160, 907 P.2d 536, 546 (App. 1995) (approving jury instruction
3 to the effect that “defendants were obliged to place the corporation’s interest before
4 their own”). Loyalty therefore includes “a duty to disclose information to those who
5 have a right to know the facts.” Fletcher, *supra*, at § 837.50.

6 Chittick also owed a separate duty of care. He was required to exercise a “high
7 degree of care,” *Atkinson*, 112 Ariz. at 306, 541 P.2d at 558, including “the care an
8 ordinarily prudent person in a like position would exercise under similar
9 circumstances.” A.R.S. §§ 10-830(A)(2), 10-842(A)(2). Care includes ensuring that
10 the corporation complies with the law. See, e.g., *Big 4 Advert. Co. of Phx. v. Clingan*,
11 15 Ariz. 34, 38, 135 P. 713, 715 (1913) (“It is the duty of the board of directors to see
12 that the law’s requirements are observed.”).

13 Care also includes investigation. For example, “[t]he existence of a ‘red flag’
14 that might cause suspicion may require a director to make reasonable inquiries.”
15 Fletcher, *supra*, at § 1034.80. While the business judgment rule sometimes calls for
16 judicial deference to a director’s decision, that rule does not apply when, for instance,
17 the director fails to gather “all material information reasonably available” or is
18 “personally interested” in the decision. *Resolution Trust Corp. v. Dean*, 854 F. Supp.
19 626, 636, 644 (first quoting *Blumenthal v. Teets*, 155 Ariz. 123, 128, 745 P.2d 181, 186
20 (App. 1987); then citing *Shoen v. Shoen*, 167 Ariz. 58, 65, 804 P.2d 787, 794 (App.
21 1990)); see also Fletcher, *supra*, at § 1040 (“To gain the protection of the business
22 judgment rule, a director must have been disinterested, independent, and informed.”).
23 Even under the business judgment rule, a director still is liable for “gross negligence.”
24 *Resolution Trust Corp.*, 854 F. Supp. at 635; see also Fletcher, *supra*, at § 1040 (“[T]he
25 presumptions arising from the business judgment rule may be overcome by showing
26 irrationality or inattention on the part of corporate officers or directors.”).

27 Clark Hill knew that Chittick owed fiduciary duties to DenSco and its investors,
28 as is evidenced by numerous emails Beauchamp authored. See, e.g., Feb. 4, 2014 Email

1 from Beauchamp to Chittick, at DIC0006673 (“you cannot obligate DenSco to further
2 help Scott, because that would breach your fiduciary duty to your investors.”); Feb. 9,
3 2014 Email from Beauchamp to Chittick, at DIC0006703 (“Denny: Please understand
4 that you are limited in what risk or liability you can assume. Your fiduciary duty to
5 your investors makes this a difficult balancing act.”); Feb. 14, 2014 Email from
6 Beauchamp to Chittick, at DIC0006698 (“Unfortunately, it is not your money. It is
7 your investors’ money. So you have a fiduciary duty.”).

8 Clark Hill continues to acknowledge that Chittick owed these duties. See
9 Defendants’ Fifth Supplemental Rule 26.1 Disclosure Statement at 12-13, 15 (referring
10 to Chittick’s “fiduciary duty” to DenSco’s investors); see also Deposition of David
11 George Beauchamp, 7/19/2018, at 135:8-10 (stating that Chittick’s “fiduciary duty was
12 to DenSco and the investors”), 157:19-21 (“Q. Mr. Beauchamp, DenSco owed
13 fiduciary duties to its investors. True? A. Correct.”), 162:17-20 (“Q. You understand
14 that DenSco owed a duty of loyalty to its investors. That’s part of a fiduciary duty,
15 correct? A. Correct.”), 172:22-173:1 (“Q. . . . DenSco has a fiduciary duty to disclose
16 material facts to its investor. True? A. That is correct.”), 330:24-331:3 (“Q. . . .
17 DenSco had a fiduciary duty of loyalty and disclosure to its investors. True? A.
18 Correct.”); 337:11-15 (“Q. DenSco had a fiduciary duty of diligence to its investors.
19 True? [Objection to form.] A. It had a fiduciary duty to use sound business judgment
20 in doing the loans, yes.”).

21 Chittick breached these fiduciary duties by, *inter alia*,

- 22 • failing to acquire the manpower and resources necessary to effectively
23 manage DenSco’s ever-increasing loan volume;
- 24 • using lax and grossly negligent lending practices that violated the terms of
25 DenSco’s loan documents and representations made to investors in
26 DenSco’s POMs;
- 27 • instructing Clark Hill not to do any work on a new POM while causing
28 DenSco to continue selling promissory notes between September and

December 2013;

- failing to acknowledge that the loan losses evident from Bryan Cave's January 6, 2014 demand letter and the claims of other hard money lenders were the result of his own grossly negligent practice of disbursing loan proceeds to Menaged, contrary to the terms of the Mortgage form and representations made to investors in DenSco's POMs;
- failing to question, much less investigate, the veracity of Menaged's claim that his "cousin" had caused those losses;
- failing to investigate where the funds supposedly taken by Menaged's "cousin" had gone;
- pursuing a work out plan with Menaged that was not in the best interests of DenSco and its investors and other creditors, instead of pursuing legal remedies against Menaged;
- deciding to continue giving loan proceeds directly to Menaged, rather than a Trustee, contrary to the terms of the Mortgage form and representations made to investors in DenSco's POMs;
- causing DenSco to sell promissory notes between January and May 2014 without first issuing a new POM;
- instructing Clark Hill to not do more work on a new POM other than the limited work that Clark Hill performed in May 2014 to prepare a new POM; and
- causing DenSco to sell promissory notes between June 2014 and June 2016 without first issuing a new POM;

Defendants' knowledge of Chittick's breaches of fiduciary duty can be inferred from the circumstances. *Pope*, 219 Ariz. at 491, ¶ 45, 200 P. 3d at 988. Indeed, some courts have held that "[c]onstructive knowledge is adequate when the aider and abettor has maintained a long-term or in-depth relationship with the fiduciary." *Chem-Age Industries, Inc. v. Glover*, 652 N.W. 2d 756, 775 (S.D. 2002) (internal citation omitted).

1 The facts set forth above demonstrate Clark Hill's intimate knowledge of, and
2 participation in, Chittick's breaches of fiduciary duty.

3 Causation "requires proof of a causal connection between the defendant's
4 assistance or encouragement and the primary tortfeasor's commission of the tort,
5 although 'but for' causation is not required." *Pope*, 219 Ariz. at 491, ¶ 47, 200 P.3d
6 at 988. "The test is whether the assistance makes it 'easier' for the violation to occur,
7 not whether the assistance was necessary." *Wells Fargo Bank v. Ariz. Laborers,*
8 *Teamsters & Cement Masons Local No. 395 Pension Trust Fund*, 201 Ariz. 474, 485, ¶
9 31, 38 P.3d 12, 23 (2002). *Cf. Granewich v. Harding*, 329 Or. 47, 59, 985 P.2d 788,
10 800 (1999) (allegation that lawyer for corporate client took actions "outside the scope
11 of any legitimate employment on behalf of the corporation" sufficient to allege
12 substantial assistance in aiding and abetting non-client corporate constituent's breach of
13 fiduciary duties).

14 The facts set forth above demonstrate that Clark Hill provided substantial
15 assistance to Chittick's breaches of fiduciary duty over an extended period of time.

16 **C. Punitive Damages**

17 The Receiver seeks punitive damages. To recover punitive damages, the
18 Receiver must "prove by clear and convincing evidence that the defendant engaged in
19 aggravated and outrageous conduct with an 'evil mind.' A defendant acts with the
20 requisite evil mind when he intends to injure or defraud, or deliberately interferes with
21 rights of others, 'consciously disregarding the unjustifiable substantial risk of
22 significant harm to them.' Important factors to consider when deciding whether a
23 defendant acted with an evil mind include (1) the reprehensibility of defendant's
24 conduct and the severity of the harm likely to result, (2) any harm that has occurred,
25 (3) the duration of the misconduct, (4) the defendant's awareness of the harm or risk of
26 harm, and (5) any concealment of it." *Hyatt Regency Phoenix Hotel Co. v. Winston &*
27 *Strawn*, 184 Ariz. 120, 132, 907 P.2d 506 (App. 1995) (citations omitted).

28 Punitive damages are appropriately awarded when, as here, an attorney breaches

1 fiduciary duties, acts out of self-interest, and attempts to conceal his misconduct. *See*,
2 *e.g.*, *Elliott v. Videan*, 164 Ariz. 113, 791 P.2d 639 (App. 1989) (punitive damages were
3 appropriate where attorney had conflict of interest, concealed it from client, and acted
4 to benefit at client's expense); *Asphalt Engineers v. Galusha*, 160 Ariz. 134, 770 P.2d
5 1180 (App. 1989) (affirming award of punitive damages against attorney who breached
6 ethical duties to his client and concealed his misconduct).

7 “[Clark Hill] can be vicariously liable in punitive damages for acts that its
8 partner [Beauchamp] performed in the ordinary course of the partnership's business.”
9 *Hyatt Regency*, 184 Ariz. at 130, 907 P.2d at 130.

10 The Receiver has established a prima facie case for punitive damages based on
11 Beauchamp's and Clark Hill's: (i) aiding and abetting Denny Chittick's breaches of
12 fiduciary duty to DenSco and investors of DenSco, which in turn breached duties they
13 owed DenSco; (ii) conflicts of interest; and (iii) actions taken to conceal their
14 misconduct.

15 Evidence of that prima facie case is drawn from the documents produced by
16 Clark Hill to date, Clark Hill's Rule 26.1 Initial Disclosure Statement, Beauchamp's
17 answers to interrogatories, and the depositions and exhibits thereto of Beauchamp,
18 Daniel Schenck, and Robert Anderson. Without limiting the evidence on which the
19 Receiver may rely, the evidence developed to date includes the following facts or
20 inferences drawn therefrom:

21 a. When Clark Hill undertook the representation of DenSco in
22 September 2013, it knew through Beauchamp that DenSco's 2011 POM had expired on
23 July 1, 2013 and that DenSco had not issued a new POM, even though one-half of
24 DenSco's investors held promissory notes that were due to expire, and would almost
25 certainly be renewed through the sale of new promissory notes between July and
26 December 2013. Despite that knowledge, Clark Hill and Beauchamp agreed with
27 Chittick, as a condition of opening a file to prepare a new POM, that the firm would do
28 no work on a new POM until Chittick instructed Clark Hill to do so.

1 **b.** As a result of Clark Hill's and Beauchamp's knowing participation
2 in this breach of fiduciary duty by Chittick, DenSco sold more than \$8 million of
3 promissory notes between September and December 2013 to investors who did not
4 receive a new POM, and were unaware of DenSco's perilous financial condition and
5 Chittick's gross mismanagement of DenSco's loan portfolio. Those investors would
6 not have purchased promissory notes if they had known those facts. Without those
7 funds, and funds DenSco raised thereafter through Clark Hill's and Beauchamp's
8 assistance, DenSco could not have continued operating.

9 **c.** In January 2014, Clark Hill and Beauchamp received clear,
10 unequivocal evidence that Chittick's mismanagement of DenSco's loan portfolio,
11 specifically his decision to give loaned funds directly to borrowers, rather than to a
12 Trustee, as DenSco's loan documents required and as DenSco's POMs had represented,
13 had resulted in a potential loss to DenSco of between \$11.6 and \$14.5 million, or
14 between 25% and 30% of the \$47 million that Clark Hill understood DenSco had raised
15 as of June 2013.

16 **d.** Clark Hill and Beauchamp knew that DenSco's interests and
17 Chittick's interests were then in conflict, and that DenSco was their only client.

18 **e.** Clark Hill and Beauchamp nevertheless advised Chittick that:
19 (1) he could pursue a "work out" with Menaged that was eventually documented in the
20 Forbearance Agreement which was not in DenSco's interests and was intended to
21 protect Chittick from claims by DenSco's investors; (2) DenSco could continue to sell
22 promissory notes without issuing a new POM; and (3) DenSco could continually delay
23 the issuance of a new POM while Chittick pursued this workout plan.

24 **f.** Clark Hill and Beauchamp acted out of their own self-interest,
25 knowing that if DenSco instead terminated its relationship with Menaged and informed
26 its investors of the Chittick's mismanagement, Clark Hill and Beauchamp faced
27 potential claims by investors who had purchased \$8 million of promissory notes from
28 DenSco without adequate disclosure during the four-month period that Clark Hill and

1 Beauchamp had been advising the firm on securities law matters, but failed to advise
2 Chittick that DenSco could not sell those notes without first issuing a new POM and
3 had abided by Chittick's instruction not to prepare the new POM the firm had been
4 retained to prepare.

5 g. In January 2014, Clark Hill knew that Menaged was an unreliable
6 creditor, that Chittick had flagrantly disregarded DenSco's lending documents and
7 representations made to investors through DenSco's previous POMs by giving millions
8 of loaned funds directly to Menaged, rather than to a Trustee. Clark Hill also knew that
9 Chittick needed to continue loaning money to fund the planned "work out" and wanted
10 to continue his past practice of giving loaned funds directly to Menaged. Rather than
11 tell Chittick that his past practices were a breach of fiduciary duty and could not
12 continue, Clark Hill acquiesced in Chittick's plan to continue giving loaned funds
13 directly to Menaged, thereby exposing DenSco and its investors to even greater losses
14 than those caused by Chittick's gross mismanagement before that date.

15 h. With Clark Hill's knowing assistance, Chittick caused DenSco to
16 sell more than \$5 million of promissory notes between January and May 2014 to
17 investors who did not receive a new POM, and were unaware of DenSco's perilous
18 financial condition, Chittick's gross mismanagement of DenSco's loan portfolio, and
19 his pursuit of a "work out" with Menaged that was not in DenSco's interests and
20 exposed the company and its investors to additional financial loss. Those investors
21 would not have purchased promissory notes if they had known those facts. Without
22 those funds, and funds DenSco raised thereafter through Clark Hill's assistance,
23 DenSco could not have continued operating.

24 i. In May 2014, at Chittick's request, Clark Hill agreed to stop the
25 minimal steps it had taken to prepare a new POM and assured Chittick that DenSco
26 could continue its operations, including the sale of promissory notes, while indefinitely
27 delaying the issuance of a new POM.

1 j. Clark Hill continued to represent DenSco, awaiting his decision to
2 finally direct the firm to finish preparing a new POM. Chittick continue to operate
3 DenSco, selling still more promissory notes to investors who did not receive a new
4 POM and were not given information about DenSco's financial condition and Chittick's
5 management of the company.

6 k. After Chittick's death, Clark Hill and Beauchamp failed to
7 withdraw from representing DenSco despite their knowledge of Chittick's
8 mismanagement of DenSco and evidence that Chittick blamed Clark Hill and
9 Beauchamp for having negligently represented DenSco.

10 l. In addition to undertaking that conflicted representation, Clark Hill
11 and Beauchamp agreed to also represent the Estate of Denny Chittick, despite knowing
12 that the interests of DenSco and the Estate were adverse, because DenSco had
13 substantial claims against the Estate arising from Chittick's multiple breaches of
14 fiduciary duty he owed DenSco.

15 m. Clark Hill and Beauchamp sought to represent DenSco and the
16 Estate because it hoped to cover up evidence of its own misconduct and deter the ACC,
17 investors, or the Receiver from pursuing claims against them.

18 n. As part of their plan to protect themselves from liability, Clark Hill
19 and Beauchamp began stating, during their representation of DenSco, that they had
20 terminated their representation of DenSco because of Chittick's alleged failure to
21 follow their advice. They continued to make that claim and have done so in this
22 litigation. The Receiver believes the claims are untrue, as they are: (1) contrary to
23 Clark Hill's and Beauchamp's actual course of conduct; (2) not evidenced by any
24 document; (3) in conflict with certain documents in Clark Hill's possession, some of
25 which Clark Hill failed to disclose; and (4) inconsistent with what a reasonable law firm
26 would have done if it had, in fact, terminated the representation of a client who failed to
27 follow the firm's advice and was engaging in violations of law.

1 o. Clark Hill and Beauchamp also colluded with the Estate and its
2 counsel to conceal material information from the Receiver and/or delay his receipt of
3 that information by, among other things, making knowing false statements to the
4 Receivership Court. Clark Hill did so with the knowledge and participation of its
5 Office of General Counsel.

6 **III. ANTICIPATED TRIAL WITNESSES**

7 The Receiver ~~has not yet determined which witnesses he will call at the trial of~~
8 ~~this matter.~~ presently anticipates calling the following witnesses:

9 1. David Beauchamp (c/o John DeWulf, Coppersmith Brockelman,
10 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
11 Beauchamp will testify about the facts set forth above in a manner consistent with the
12 deposition testimony he has given in this matter.

13 2. Robert Anderson (c/o John DeWulf, Coppersmith Brockelman,
14 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999):
15 Consistent with his deposition testimony, Mr. Anderson will testify that he did not
16 undertake any effort to advise DenSco about deficiencies in its lending practices during
17 January 2014, as Mr. Beauchamp claimed in his deposition. Mr. Anderson may testify
18 on other matters addressed during his deposition.

19 3. Daniel Schenck (c/o John DeWulf, Coppersmith Brockelman,
20 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
21 Schenck will testify that he did not undertake any effort to advice DenSco about
22 deficiencies in its lending practices during January 2014, as Mr. Beauchamp claimed in
23 his deposition. Mr. Schenck may testify about other matters addressed during his
24 deposition.

25 4. Mark Sifferman (c/o John DeWulf, Coppersmith Brockelman,
26 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
27 Sifferman, Clark Hill's former Assistant General Counsel, will testify about his actions
28

1 in reviewing and revising Beauchamp's declaration that was submitted to the
2 Receivership Court, his attendance at the August 18, 2016 hearing, and other matters
3 addressed during his deposition.

4 **5. Ed Hood** (c/o John DeWulf, Coppersmith Brockelman, PLC, 2800
5 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr. Hood, Clark
6 Hill's General Counsel, will testify about matters addressed during his deposition.

7 **6. Ryan Lorenz** (c/o John DeWulf, Coppersmith Brockelman, PLC,
8 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
9 Lorenz will testify about the proofs of claim he submitted to the Receiver in June 2017,
10 his accompanying affidavit, and the information contained therein.

11 **IV. PERSONS WHO MAY HAVE RELEVANT KNOWLEDGE OR**
12 **INFORMATION**

13 **A. Persons Affiliated With DenSco**

14 1. **Shawna Chittick Heuer** (c/o James Polese, Gammage &
15 Burnham, PLC, Two N. Central Avenue, 15th Floor, Phoenix, AZ 85004; (602) 256-
16 0566): Ms. Heuer is Denny Chittick's sister. ~~On August 4, 2016, she was appointed as~~
17 ~~the Personal Representative of Denny Chittick's Estate. She is believed to have~~
18 ~~knowledge of DenSco's business operations, books and records, and written~~
19 ~~communications she received from Mr. Chittick at or around the time of his death~~She
20 has knowledge of certain facts set forth above and matters addressed during her
21 deposition.

22 2. **Kurt Johnson** (3317 E. Bell Road, Suite 101-265, Phoenix, AZ
23 85032; (602) 505-8117): Mr. Johnson is an attorney who provided certain legal
24 services to DenSco and is believed to have knowledge of those services.

25 3. **Robert Koehler** (RLS Capital, Inc., 4455 E Camelback Road,
26 Suite D135, Phoenix, AZ 85018; (480) 945-2799): Mr. Koehler was described in the
27 July 2011 POM as having entered into a written agreement with Chittick pursuant to
28 which he was a signatory on DenSco's bank account, was to have received on a weekly

1 basis “an updated spreadsheet of all properties currently being used as collateral for a
2 loan” and, on a monthly basis, “a spreadsheet of all the investors and what is owed to
3 them, and receives the monthly statements for all investors.” Mr. Koehler was an
4 investor in DenSco. After Mr. Chittick’s death and at the request of Ms. Heuer, Mr.
5 Koehler conducted a preliminary analysis of DenSco’s loan portfolio. He is believed to
6 have knowledge of DenSco’s business operations, books and records, and written
7 communications he received from Mr. Chittick at or around the time of his death.

8 4. **David Preston:** (Preston CPA, P.C., 1949 E. Broadway Road,
9 Suite 101, Tempe, AZ 85282; (480) 820-4419): Mr. Preston is a Certified Public
10 Accountant and an investor in DenSco. He provided professional services to DenSco.
11 He commented on the 2007 POM. He communicated with David Beauchamp after
12 Chittick’s death in 2016. He is believed to have knowledge of his dealings with Denny
13 Chittick, the professional services he provided to DenSco, his investment in DenSco,
14 his participation in the preparation of the 2007 POM, and his dealings with Mr.
15 Beauchamp.

16 **B. DenSco Investors**

17 1. **William and Helene Alber** (1551 W. Grand Canyon Drive,
18 Chandler, AZ 85248; wkalber@cox.net; (480) 200-8045): Mr. and Mrs. Alber are
19 believed to have knowledge of their communications with Mr. Chittick, investments in
20 DenSco through the Alber Family Trust, and their communications with Mr.
21 Beauchamp after Mr. Chittick’s death.

22 2. **Angels Investments, LLC** c/o Yusuf Yildiz (1609 W. 17th Street,
23 Tempe, AZ 85281; yusif@comsiscomputer.com; 480-258-8171): Mr. Yildiz is
24 believed to have knowledge of his communications with Mr. Chittick, the company’s
25 investments in DenSco, and his communications with Mr. Beauchamp after Mr.
26 Chittick’s death.

27 3. **BLL Capital, LLC** c/o Barry Luchtel (5550 Wild Rose Lane,
28 Suite 400, West Des Moines, IA 50266; (480)256-2274; (515) 225-0300): Mr. Luchtel

1 is believed to have knowledge of his communications with Mr. Chittick, the company's
2 investments in DenSco, and his communications with Mr. Beauchamp after Mr.
3 Chittick's death.

4 4. **Robert Brinkman** (15001 S. 5th Avenue, Phoenix, AZ 85045;
5 rbrinkman@cox.net; (480) 460-8646): Mr. Brinkman is believed to have knowledge of
6 his communications with Mr. Chittick, investments in DenSco individually and through
7 the Brinkman Family Trust, and his communications with Mr. Beauchamp after Mr.
8 Chittick's death.

9 5. **Craig and Tomie Brown** (6135 W. Trovita Place, Chandler, AZ
10 85226; Trovita@gmail.com; (480)287-4622): Mr. and Mrs. Brown are believed to have
11 knowledge of their communications with Mr. Chittick, their investments in DenSco
12 individually and through their trust, and their communications with Mr. Beauchamp
13 after Mr. Chittick's death.

14 6. **Steven G. and Mary E. Bunger** (6134 W. Trovita Place,
15 Chandler, AZ 85226; steve@bunger.me; (480) 961-4002): Mr. and Mrs. Bunger are
16 believed to have knowledge of their communications with Mr. Chittick, investments in
17 DenSco through the Bunger Estate, and their communications with Mr. Beauchamp
18 after Mr. Chittick's death.

19 7. **Anthony Burdett** (1623 Common Drive, El Paso, TX 79936-
20 5235; Burdett.anthony@gmail.com; (915) 373-1850): Mr. Burdett is believed to have
21 knowledge of his communications with Mr. Chittick, his investments in DenSco
22 through his IRA, and his communications with Mr. Beauchamp after Mr. Chittick's
23 death.

24 8. **Kennen Burkhardt** (2030 S. Minnewawa Avenue, Fresno, CA
25 93727; KennenL@yahoo.com; (515) 537-5494; (949) 361-4335): Mr. Burkhardt is
26 believed to have knowledge of his communications with Mr. Chittick, his investments
27
28

1 in DenSco individually and through his IRA, and his communications with Mr.
2 Beauchamp after Mr. Chittick's death.

3 9. **Warren V. and Fay L. Bush** (P.O. Box 92080, Albuquerque, NM
4 87199-2080; wbush1120@comcast.net; (505) 856-7398; (505) 264-0773): Mr. and
5 Mrs. Bush are believed to have knowledge of their communications with Mr. Chittick,
6 their investments in DenSco, their involvement in the preparation of the 2011 POM,
7 and their communications with Mr. Beauchamp after Mr. Chittick's death.

8 10. **Mary L. Butler** (62 Cypress Court, Durango, CO 81301): Ms.
9 Butler is believed to have knowledge of her communications with Mr. Chittick, her
10 investments in DenSco through her IRA, and her communications with Mr. Beauchamp
11 after Mr. Chittick's death.

12 11. **Van H. Butler** (62 Cypress Court, Durrango, CO 81301;
13 butlerv@yahoo.com; (970) 749-9025): Mr. Butler is believed to have knowledge of his
14 communications with Mr. Chittick, his investments in DenSco individually and through
15 his IRA, and his communications with Mr. Beauchamp after Mr. Chittick's death.

16 12. **Thomas and Sara Byrne** (72 Commonwealth Avenue, San
17 Francisco, CA 94118; thomasbyrne11@gmail.com; (415) 990-4676): Mr. and Mrs.
18 Byrne are believed to have knowledge of their communications with Mr. Chittick, their
19 investments in DenSco through their trust, and their communications with Mr.
20 Beauchamp after Mr. Chittick's death.

21 13. **Erin P. Carrick Trust** c/o Gretchen P. Carrick (1404 W.
22 Lakeshore Drive, Whitefish, MT 59937; epcarrick@gmail.com; (541) 729-1990): Ms.
23 Carrick is believed to have knowledge of her communications with Mr. Chittick, her
24 investments in DenSco through the Trust, and her communications with Mr.
25 Beauchamp after Mr. Chittick's death.

26 14. **Gretchen P. Carrick** (P.O. Box 773656, Eagle River, AK 99577;
27 carricks3@ak.net; (541) 729-6878): Ms. Carrick is believed to have knowledge of her
28

1 communications with Mr. Chittick, her investments in DenSco through her Trust, and
2 her communications with Mr. Beauchamp after Mr. Chittick's death.

3 15. **Averill Cate, Jr. and Mary Kris McIlwaine** (3661 N. Campbell
4 Avenue, Suite 372, Tucson, AZ 85719; acatejr@gmail.com; (520) 370-6997): Mr. Cate
5 and Ms. McIlwaine are believed to have knowledge of their communications with Mr.
6 Chittick, their investments in DenSco, and their communications with Mr. Beauchamp
7 after Mr. Chittick's death.

8 16. **Arden and Nina Chittick** (8028 F 53rd Avenue West, Mukilteo,
9 WA 98275; artnina@hotmail.com; (425) 205-8997): Mr. and Mrs. Chittick are
10 believed to have knowledge of their communications with Denny Chittick, their
11 investments in DenSco, and their communications with Mr. Beauchamp after Mr.
12 Chittick's death.

13 17. **Eldon and Charlene Chittick** (5869 W. Heine Road, Coeur
14 d'Alene, ID 83814; moandsam@yahoo.com; (208) 765-2702): Mr. and Mrs. Chittick
15 are believed to have knowledge of their communications with Denny Chittick, their
16 investments in DenSco through the Chittick Family Trust, and their communications
17 with Mr. Beauchamp after Mr. Chittick's death.

18 18. **Eileen Cohen** (1419 Peerless Place, Apt. 116, Los Angeles, CA
19 90035): Ms. Cohen is believed to have knowledge of her communications with Mr.
20 Chittick, her investments in DenSco, and her communications with Mr. Beauchamp
21 after Mr. Chittick's death.

22 19. **Herbert I. Cohen** (1419 Peerless Place, Apt. 116, Los Angeles,
23 CA 90035; (623) 866-3221): Mr. Cohen is believed to have knowledge of his
24 communications with Mr. Chittick, his investments in DenSco through his Trust, and
25 his communications with Mr. Beauchamp after Mr. Chittick's death.

26 20. **Dori Ann Davis** (5346 E. Herrera Road, Phoenix, AZ 85054;
27 doriann@cox.net; (602) 300-9740): Ms. Davis is believed to have knowledge of her
28

1 communications with Mr. Chittick, investments in DenSco through her Trust, and her
2 communications with Mr. Beauchamp after Mr. Chittick's death.

3 21. **Glen P. Davis** (5346 E. Herrera Road, Phoenix, AZ 85054;
4 glenbo@cox.net; (602) 692-5862): Mr. Davis is believed to have knowledge of his
5 communications with Mr. Chittick, his investments in DenSco through his IRA, and his
6 communications with Mr. Beauchamp after Mr. Chittick's death.

7 22. **Jack J. Davis** (543 West Avenue, Rifle, CO 81650;
8 jackdavisdds@hotmail.com; (970) 625-1391): Mr. Davis is believed to have
9 knowledge of his communications with Mr. Chittick, his investments in DenSco, and
10 his communications with Mr. Beauchamp after Mr. Chittick's death.

11 23. **Samantha Davis** c/o Jack J. Davis (~~contact information to be~~
12 ~~added~~[543 West Avenue, Rifle, CO 81650; jackdavisdds@hotmail.com; \(970\) 625-](#)
13 [1391](#)): Ms. Davis is believed to have knowledge of her communications with Mr.
14 Chittick, her investments in DenSco, and her communications with Mr. Beauchamp
15 after Mr. Chittick's death.

16 24. **Desert Classic Investments, LLC** c/o Steven G. Bunger (6134 W.
17 Trovita Place, Chandler, AZ 85226; steve@bunger.me; (602) 531-3100): Mr. Bunger
18 is believed to have knowledge of his communications with Mr. Chittick, the company's
19 investments in DenSco, and his communications with Mr. Beauchamp after Mr.
20 Chittick's death.

21 25. **Scott D. Detota** (1220 Ridgewood Land, Lake Villa, IL 60046
22 sdetota99@yahoo.com; (847) 736-0160): Mr. Detota is believed to have knowledge of
23 his communications with Mr. Chittick, his investments in DenSco, and his
24 communications with Mr. Beauchamp after Mr. Chittick's death.

25 26. **Amy Lee Dirks** (82 N. Acacia Drive, Gilbert, AZ 85233;
26 amydirks@hotmail.com; (480) 414-5552): Ms. Dirks is believed to have knowledge of
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1 her communications with Mr. Chittick, her investments in DenSco through her IRA,
2 and her communications with Mr. Beauchamp after Mr. Chittick's death.

3 27. **Bradley Mark Dirks** (82 N. Acacia Drive, Gilbert, AZ 85233;
4 (602) 206-3041): Mr. Dirks is believed to have knowledge of his communications with
5 Mr. Chittick, his investments in DenSco through his IRA, and his communications with
6 Mr. Beauchamp after Mr. Chittick's death.

7 28. **Dave DuBay** (~~contact information to be added~~[6921 Trevett Lane,](mailto:davedubay@gmail.com)
8 [Casper, WY 82604; \(307\) 262-7708; davedubay@gmail.com](mailto:davedubay@gmail.com)): Mr. DuBay is believed
9 to have knowledge of his communications with Mr. Chittick, his investments in
10 DenSco, and his communications with Mr. Beauchamp after Mr. Chittick's death.

11 29. **Ross H. Dupper** (6133 W. Victoria Place, Chandler, AZ 85261;
12 rdupper@rhdupper.com; (602) 768-8515): Mr. Dupper is believed to have knowledge
13 of his communications with Mr. Chittick, his investments in DenSco through his Trust,
14 and his communications with Mr. Beauchamp after Mr. Chittick's death.

15 30. **Todd F. Einick** (4757 E. Greenway Road, Suite 107B-107,
16 Phoenix, AZ 85032; switchback62@hotmail.com; (480) 202-6752): Mr. Einick is
17 believed to have knowledge of his communications with Mr. Chittick, investments in
18 DenSco through the Trust, and his communications with Mr. Beauchamp after Mr.
19 Chittick's death.

20 31. **Yusef Fielding** (~~contact information to be added~~[1609 W. 17th](mailto:yusef@comsiscomputer.com)
21 [Street, Tempe, AZ 85281; \(480\) 612-0666; yusef@comsiscomputer.com](mailto:yusef@comsiscomputer.com)): Mr. Fielding
22 is believed to have knowledge of his communications with Mr. Chittick, his
23 investments in DenSco, and his communications with Mr. Beauchamp after Mr.
24 Chittick's death.

25 32. **Fischer Family Holdings** (~~contact information to be added~~[2011](mailto:kirkjfisher@yahoo.com)
26 [N. 51st Avenue, B-240, Glendale, AZ 85308; \(480\) 200-8730;](mailto:kirkjfisher@yahoo.com)
27 kirkjfisher@yahoo.com): Mr. or Mrs. Fischer is believed to have knowledge of their
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1 communications with Mr. Chittick, their investments in DenSco, and their
2 communications with Mr. Beauchamp after Mr. Chittick's death.

3 33. **GB 12, LLC** c/o Stanley Schloz (10050 E. Sonoran Vista Circle,
4 Scottsdale, AZ 85255; smschloz@msn.com; (480) 694-8868): Mr. Schloz is believed
5 to have knowledge of his communications with Mr. Chittick, the company's
6 investments in DenSco, and his communications with Mr. Beauchamp after Mr.
7 Chittick's death.

8 34. **Stacy B. Grant** (2601 La Frontera Blvd., Round Rock, TX 78681;
9 (602) 499-9966): Ms. Grant is believed to have knowledge of her communications with
10 Mr. Chittick, her investments in DenSco through her IRA, and her communications
11 with Mr. Beauchamp after Mr. Chittick's death.

12 35. **Russell T. Griswold** (10 Suncrest Terrace, Onenta, NY 13820;
13 rgriswold3@stny.rr.com; (607) 437-3882): Mr. Griswold is believed to have
14 knowledge of his communications with Mr. Chittick, his investments in DenSco
15 through his IRA, and his communications with Mr. Beauchamp after Mr. Chittick's
16 death.

17 36. **Michael and Diana Gumbert** (607 Hurst Creek Road, Lakeview,
18 TX 78734; anthjen@yahoo.com (480) 250-6063): Mr. and Mrs. Gumbert are believed
19 to have knowledge of their communications with Mr. Chittick, their investments in
20 DenSco through their Trust, and their communications with Mr. Beauchamp after Mr.
21 Chittick's death.

22 37. **Nihad Hafiz** (23 Rae's Creek Lane, Coto de Caza, CA 92679;
23 nihad@yahoo.com; (949) 246-8135): Mr. Hafiz is believed to have knowledge of his
24 communications with Mr. Chittick, his investments in DenSco, and his communications
25 with Mr. Beauchamp after Mr. Chittick's death.

26 38. **Robert B. and Elizabeth A. Hahn** (15239 E. Redrock Drive,
27 Fountain Hills, AZ 85268; hahnaz2@cox.net; (602) 769-8385): Mr. and Mrs. Hahn are
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1 believed to have knowledge of their communications with Mr. Chittick, their
2 investments in DenSco through the Trust, and their communications with Mr.
3 Beauchamp after Mr. Chittick's death.

4 **39. Ralph L. Hey** (P.O. Box 62, Westcliffe, CO 82152;
5 hey.ralph01@gmail.com; (719) 207-1313): Mr. Hey is believed to have knowledge of
6 his communications with Mr. Chittick, his investments in DenSco, and his
7 communications with Mr. Beauchamp after Mr. Chittick's death.

8 **40. Dale W. and Kathy L. Hickman** (5477 W. Heine Road, Coeur d'
9 Alene, ID 83814; hikthestik@aol.com; (208) 215-6378): Mr. and Mrs. Hickman are
10 believed to have knowledge of their communications with Mr. Chittick, their
11 investments in DenSco, and their communications with Mr. Beauchamp after Mr.
12 Chittick's death.

13 **41. Craig and Samantha Hood** (8420 E. Cactus Wren Road,
14 Scottsdale, AZ 85250; greeraz@gmail.com; (602)317-3753): Mr. and Mrs. Hood are
15 believed to have knowledge of their communications with Mr. Chittick, their
16 investments in DenSco, and their communications with Mr. Beauchamp after Mr.
17 Chittick's death.

18 **42. Doris and Levester Howze** (2864 E. Preston Street, Mesa, AZ
19 85213; dhowze@cox.net; (602) 568-0119): Ms. Howze and Mr. Howze are believed to
20 have knowledge of their communications with Mr. Chittick, their investments in
21 DenSco, and their communications with Mr. Beauchamp after Mr. Chittick's death.

22 **43. Bill Bryan Hughes** (23114 N. Pedregosa Drive, Sun City West,
23 AZ 85375; jbhok@yahoo.com; (480) 244-8863): Mr. Hughes is believed to have
24 knowledge of his communications with Mr. Chittick, his investments in DenSco
25 through his IRA, and his communications with Mr. Beauchamp after Mr. Chittick's
26 death.

1 44. **Judy Kay Hughes** (23114 N. Pedregosa Drive, Sun City West, AZ
2 85375; jbhok@yahoo.com; (480) 244-8864): Ms. Hughes is believed to have
3 knowledge of her communications with Mr. Chittick, her investments in DenSco
4 through her IRA, and her communications with Mr. Beauchamp after Mr. Chittick's
5 death.

6 45. **Brian Imdieke** (6173 W. Victoria Place, Chandler, AZ 85226;
7 b-imdieke@cox.net; bji6173@gmail.com; (480) 694-7850): Mr. Imdieke is believed to
8 have knowledge of his communications with Mr. Chittick, his investments in DenSco
9 through his Trust, and his communications with Mr. Beauchamp after Mr. Chittick's
10 death.

11 46. **James K. Jetton and Debora I. Pekker-Jetton** (9213 SW 21st
12 Street, Oklahoma City, OK 73128; jkjetto@yahoo.com; (904) 610-4213): Mr. and Mrs.
13 Jetton are believed to have knowledge of their communications with Mr. Chittick, their
14 investments in DenSco, and their communications with Mr. Beauchamp after Mr.
15 Chittick's death.

16 47. **Leslie W. Jones** (2176 E. Gazania Lane, Tucson, AZ 85719): Ms.
17 Jones is believed to have knowledge of her communications with Mr. Chittick, her
18 investments in DenSco through her IRA, and her communications with Mr. Beauchamp
19 after Mr. Chittick's death.

20 48. **Ralph Kaiser** (3319 E. Piro Street, Phoenix, AZ 85044;
21 ralph@kaisertile.com; (602) 697-3189): Mr. Kaiser is believed to have knowledge of
22 his communications with Mr. Chittick, his investments in DenSco through his IRA, and
23 his communications with Mr. Beauchamp after Mr. Chittick's death.

24 49. **Mary Kent** (30 Laurel Court, Paramus, NJ 07652;
25 mbencekent@yahoo.com; (201) 845-6147): Ms. Kent is believed to have knowledge of
26 her communications with Mr. Chittick, her investments in DenSco, and her
27 communications with Mr. Beauchamp after Mr. Chittick's death.
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1 50. **Paul A. Kent** (23 E. 15th Street, Tempe, AZ 85281;
2 paul_a_kent@yahoo.com; (480) 213-7231): Mr. Kent is believed to have knowledge of
3 his communications with Mr. Chittick, investments in DenSco through the Family
4 Trust, and his communications with Mr. Beauchamp after Mr. Chittick's death.

5 51. **Robert Z. Koehler** (5433 E. Osborn Road, Phoenix, AZ 85018;
6 rzkoehler@yahoo.com; (602) 330-4624): Mr. Koehler is believed to have knowledge
7 of his communications with Mr. Chittick, his investments in DenSco through his IRA,
8 and his communications with Mr. Beauchamp after Mr. Chittick's death.

9 52. **Jemma Kopel** (5304 S. Marine Drive, Tempe, AZ 85283;
10 jemmakopel@hotmail.com; (480) 696-0888): Ms. Kopel is believed to have
11 knowledge of her communications with Mr. Chittick, her investments in DenSco, and
12 her communications with Mr. Beauchamp after Mr. Chittick's death.

13 53. **LeRoy Kopel** (5304 S. Marine Drive, Tempe, AZ 85283;
14 lkopel22@hotmail.com; (480) 839-3787): Mr. Kopel is believed to have knowledge of
15 his communications with Mr. Chittick, his investments in DenSco through his IRA and
16 his Trust, and his communications with Mr. Beauchamp after Mr. Chittick's death.

17 54. **Robert F. Lawson** (400 Alta Vista Court, Danville, CA 94506;
18 robertflawson@gmail.com; (480) 221-9893): Mr. Lawson is believed to have
19 knowledge of his communications with Mr. Chittick, his investments in DenSco, and
20 his communications with Mr. Beauchamp after Mr. Chittick's death.

21 55. **Wayne J. Ledet** (16751 SW 23rd Street, El Reno, OK 73036;
22 uaflyor767@yahoo.com; (405) 824-3754): Mr. Ledet is believed to have knowledge of
23 his communications with Mr. Chittick, investments in DenSco through the Family
24 Trust, his IRA and his Roth IRA, and his communications with Mr. Beauchamp after
25 Mr. Chittick's death.

26 56. **The Lee Group, Inc.** c/o Terry and Lil Lee (6541 N. Paseo
27 Tamayo, Tucson, AZ 85750; terryleeaz@comcast.net; (520) 907-3828): Mr. and Mrs.
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1 Lee are believed to have knowledge of their communications with Mr. Chittick, the
2 company's investments in DenSco, and their communications with Mr. Beauchamp
3 after Mr. Chittick's death.

4 **57. Terry and Lil Lee** (6541 N. Paseo Tamayo, Tucson, AZ 85750;
5 terryleeaz@comcast.net; (520) 907-3828): Mr. and Mrs. Lee are believed to have
6 knowledge of their communications with Mr. Chittick, their investments in DenSco,
7 and their communications with Mr. Beauchamp after Mr. Chittick's death.

8 **58. Lillian Lent** (4145 E. Blue Ridge Place, Chandler, AZ 85249;
9 (480) 813-7151): Ms. Lent is believed to have knowledge of her communications with
10 Mr. Chittick, her investments in DenSco through her Roth IRA, and her
11 communications with Mr. Beauchamp after Mr. Chittick's death.

12 **59. Manual A. Lent** (4145 E. Blue Ridge Place, Chandler, AZ 85249;
13 (480) 225-9538): Mr. Lent is believed to have knowledge of his communications with
14 Mr. Chittick, his investments in DenSco through her IRA, and his communications with
15 Mr. Beauchamp after Mr. Chittick's death.

16 **60. William Lent** (contact information to be added): Mr. Lent is
17 believed to have knowledge of his communications with Mr. Chittick, his investments
18 in DenSco through his IRA, and his communications with Mr. Beauchamp after Mr.
19 Chittick's death

20 **61. LJL Capital, LLC** c/o Landon Luchtel (5550 Wild Rose Lane,
21 Suite 400, West Des Moines, IA 50266; (515) 225-2800): Mr. Luchtel is believed to
22 have knowledge of his communications with Mr. Chittick, the company's investments
23 in DenSco, and his communications with Mr. Beauchamp after Mr. Chittick's death.

24 **62. W. Jean Locke** (12163 Country Meadows Lane, Silverdale, WA
25 98383; billandjean54@centurytel.net; (360) 638-1002): Ms. Locke is believed to have
26 knowledge of her communications with Mr. Chittick, her investments in DenSco, and
27 her communications with Mr. Beauchamp after Mr. Chittick's death.
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1 63. **Long Time Holdings, LLC** c/o William Swirtz (6054 W. Trovita
2 Place, Chandler, AZ 85226; Bill.Swirtz@apollogrp.edu; (602) 315-8080): Mr. Swirtz
3 is believed to have knowledge of his communications with Mr. Chittick, the company's
4 investments in DenSco, and his communications with Mr. Beauchamp after Mr.
5 Chittick's death.

6 64. **Jim P. McArdle** (750 E. McLellan, Phoenix, AZ 85014;
7 jim@abdc-az.com; (602) 509-8635): Mr. McArdle is believed to have knowledge of
8 his communications with Mr. Chittick, his investments in DenSco, and his
9 communications with Mr. Beauchamp after Mr. Chittick's death.

10 65. **James and Lesley McCoy** (727 E. Verde Lane, Tempe, AZ
11 85284; (602) 390-2506): Mr. and Mrs. McCoy are believed to have knowledge of their
12 communications with Mr. Chittick, investments in DenSco through the Trust, and their
13 communications with Mr. Beauchamp after Mr. Chittick's death.

14 66. **Caro McDowell** (9010 E. Range Ride Trail, Mesa, AZ 85207;
15 kayell121@cs.com; (480) 380-2062): Ms. McDowell is believed to have knowledge of
16 her communications with Mr. Chittick, her investments in DenSco through her Trust,
17 and her communications with Mr. Beauchamp after Mr. Chittick's death.

18 67. **Marvin G. Miller and Patricia S. Miller** (701 E. Front Street
19 #602, Coeur d'Alene, ID 83814; patsmiller@verizon.net; (208) 818-6735 Marvin; (208)
20 818-6734 Pat): Mr. and Mrs. Miller are believed to have knowledge of their
21 communications with Mr. Chittick, investments in DenSco through the Family Trust,
22 and their communications with Mr. Beauchamp after Mr. Chittick's death.

23 68. **Marian Minchuck** (contact information to be added): Ms.
24 Minchuck is believed to have knowledge of her communications with Mr. Chittick, her
25 investments in DenSco, and her communications with Mr. Beauchamp after Mr.
26 Chittick's death.

1 69. **Kaylene Moss** (2524 E. Silverwood Drive, Phoenix, AZ 85048;
2 kayleen.moss@avnet.com; (602) 692-6934; (480) 759-7811): Ms. Moss is believed to
3 have knowledge of her communications with Mr. Chittick, her investments in DenSco
4 through her IRA, and her communications with Mr. Beauchamp after Mr. Chittick's
5 death.

6 70. **Moss Family Trust** (2524 E. Silverwood Drive, Phoenix, AZ
7 85048; kayleen.moss@avnet.com; (602) 692-6934; (480) 759-7811): Mr. or Mrs. Moss
8 is believed to have knowledge of their communications with Mr. Chittick, investments
9 in DenSco through the Trust, and their communications with Mr. Beauchamp after Mr.
10 Chittick's death.

11 71. **Muscat Family** c/o Vince I. Muscat (14827 S. 20th Street,
12 Phoenix, AZ 85048; vimusat@gmail.com; (480) 460-5007): Mr. or Mrs. Muscat is
13 believed to have knowledge of their communications with Mr. Chittick, investments in
14 DenSco through the Trust, and their communications with Mr. Beauchamp after Mr.
15 Chittick's death.

16 72. **Non Lethal Defense, Inc.** c/o Dave Dubay (6921 Trevett Lane,
17 Casper, WY 82604): Mr. Dubay is believed to have knowledge of his communications
18 with Mr. Chittick, the company's investments in DenSco, and his communications
19 with Mr. Beauchamp after Mr. Chittick's death.

20 73. **Brian and Janice Odenthal** (1929 Canyon Drive, Coeur d'Alene,
21 ID 83815; bjodenthal@frontier.com; (208) 755-5499): Mr. and Mrs. Odenthal are
22 believed to have knowledge of their communications with Mr. Chittick, their
23 investments in DenSco through their IRA, and their communications with Mr.
24 Beauchamp after Mr. Chittick's death.

25 74. **Valerie J. Paxton** (1243 E. Glenhaven Drive, Phoenix, AZ 85048;
26 vpaxto@q.com; (602) 999-4339): Ms. Paxton is believed to have knowledge of her
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1 communications with Mr. Chittick, her investments in DenSco, and her
2 communications with Mr. Beauchamp after Mr. Chittick's death.

3 **75. Marlene Pearce** (94 Acacia Drive, Gilbert, AZ 85233;
4 pearces@mailhaven.com; (480) 600-0955): Ms. Pearce is believed to have knowledge
5 of her communications with Mr. Chittick, her investments in DenSco through her IRA,
6 and her communications with Mr. Beauchamp after Mr. Chittick's death.

7 **76. Jeff Phalen** (11764 N. Adobe Village Place, Marana, AZ 85658;
8 jphalen00@aol.com; (520) 909-1018): Mr. Phalen is believed to have knowledge of his
9 communications with Mr. Chittick, his investments in DenSco individually and through
10 the Phalen Family Trust and his IRA, and his communications with Mr. Beauchamp
11 after Mr. Chittick's death.

12 **77. Kevin Potempa** (P.O. Box 5156, Scottsdale, AZ 85261; (480)
13 5120-0362): Mr. Potempa is believed to have knowledge of his communications with
14 Mr. Chittick, his investments in DenSco, and his communications with Mr. Beauchamp
15 after Mr. Chittick's death.

16 **78. Preston Revocable Living Trust c/o David M. Preston** (9010 E.
17 Range Rider Trail, Mesa, AZ 85207; dave@prestoncpa.biz; (602) 369-4418): The
18 Trustee is believed to have knowledge of his or her communications with Denny
19 Chittick, the Trust's investments in DenSco, and his or her communications with Mr.
20 Beauchamp after Mr. Chittick's death.

21 **79. Peter and Kay Rzonca** (140 E. Rio Salado Parkway #603, Tempe,
22 AZ 85281; krzonca1@cox.net; (602) 743-1801): Mr. and Mrs. Rzonca are believed to
23 have knowledge of their communications with Mr. Chittick, their investments in
24 DenSco, and their communications with Mr. Beauchamp after Mr. Chittick's death.

25 **80. Saltire, LLC c/o William Stewart Sheriff** (155 108th Avenue,
26 Suite 400, Bellevue, WA 98004; stewart.sherriff@cox.net; (602) 330-7776): Mr.
27 Sheriff is believed to have knowledge of his communications with Mr. Chittick, the
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1 company's investments in DenSco, and his communications with Mr. Beauchamp after
2 Mr. Chittick's death.

3 81. **JoAnn Sanders** (780 E. Gregory Lane, Coeur d'Alene, ID 83815;
4 (406) 461-4462): Ms. Sanders is believed to have knowledge of her communications
5 with Mr. Chittick, her investments in DenSco, and her communications with Mr.
6 Beauchamp after Mr. Chittick's death.

7 82. **Satellite LLC** (contact information to be added): A Member of
8 Satellite LLC is believed to have knowledge of its communications with Mr. Chittick,
9 its investments in DenSco, and its communications with Mr. Beauchamp after Mr.
10 Chittick's death.

11 83. **Mary I. Schloz** (10050 E. Sonoran Vista Circle, Scottsdale, AZ
12 85255; smschloz@msn.com; (480) 694-8868): Ms Schloz is believed to have
13 knowledge of her communications with Mr. Chittick, her investments in DenSco
14 individually and through the Family Trust, and her communications with Mr.
15 Beauchamp after Mr. Chittick's death.

16 84. **Stanley Schloz** (10050 E. Sonoran Vista Circle, Scottsdale, AZ
17 85255; smschloz@msn.com; (480) 694-8868): Mr. Schloz is believed to have
18 knowledge of his communications with Mr. Chittick, his investments in DenSco
19 individually, through his IRA, and the Family Trust, and his communications with Mr.
20 Beauchamp after Mr. Chittick's death.

21 85. **Annette M. Scroggin** (124 Abby Lane, LaPorte, IN 46350;
22 mscroggin@me.com; (219) 608-2552): Ms. Scroggin is believed to have knowledge of
23 her communications with Mr. Chittick, her investments in DenSco through her IRAs,
24 and her communications with Mr. Beauchamp after Mr. Chittick's death.

25 86. **Michael Scroggin** (124 Abby Lane, LaPorte, IN 46350;
26 mscroggin@me.com; (219) 608-2552): Mr. Scroggin is believed to have knowledge of
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1 his communications with Mr. Chittick, his investments in DenSco through his IRAs,
2 and his communications with Mr. Beauchamp after Mr. Chittick's death.

3 **87. William Stewart Sheriff** (155 108th Avenue, Suite 400, Bellevue,
4 WA 98004; stewart.sherriff@cox.net; (602) 330-7776): Mr. Sheriff is believed to have
5 knowledge of his communications with Mr. Chittick, his investments in DenSco, and
6 his communications with Mr. Beauchamp after Mr. Chittick's death.

7 **88. Gary E Siegford and Corrina C. Esvelt-Siegford** (11917 Hidden
8 Valley Road, Rathdrum, ID 83858; gsiegford@msn.com; (208) 661-1842): Mr. and
9 Mrs. Siegford are believed to have knowledge of their communications with Mr.
10 Chittick, their investments in DenSco, and their communications with Mr. Beauchamp
11 after Mr. Chittick's death.

12 **89. Gary D. and Judith Siegford** (212 Ironwood Drive, Suite D,
13 PMB #313, Coeur d'Alene, ID 83814): Mr. and Mrs. Siegford are believed to have
14 knowledge of their communications with Mr. Chittick, their investments in DenSco
15 through the Trust, and their communications with Mr. Beauchamp after Mr. Chittick's
16 death.

17 **90. Carsyn P. Smith** c/o Deanna M. Smith (4901 E. Tomahawk Trail,
18 Paradise Valley, AZ 85253; dmsmith99@me.com; (602) 432-4227): Ms. Smith is
19 believed to have knowledge of her communications with Mr. Chittick, her investments
20 in DenSco, and her communications with Mr. Beauchamp after Mr. Chittick's death.

21 **91. McKenna Smith** c/o Deanna M. Smith (4901 E. Tomahawk Trail,
22 Paradise Valley, AZ 85253): Ms. Smith is believed to have knowledge of her
23 communications with Mr. Chittick, her investments in DenSco, and her
24 communications with Mr. Beauchamp after Mr. Chittick's death.

25 **92. Branson and Sandra Smith** (9261 E. Northview Court, Tucson,
26 AZ 85749; aztonysmith@aol.com; (520) 299-9791): Mr. or Mrs. Smith is believed to
27 have knowledge of their communications with Mr. Chittick, [their](#) investments in
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1 DenSco through the Trust and their IRA, and their communications with Mr.
2 Beauchamp after Mr. Chittick's death.

3 93. **Tom Smith** (4901 E. Tomahawk Trail, Paradise Valley, AZ
4 85253): Mr. Smith is believed to have knowledge of his communications with Mr.
5 Chittick, his investments in DenSco individually and through his IRA, and his
6 communications with Mr. Beauchamp after Mr. Chittick's death.

7 94. **Tony Smith** (9261 E. Northview Court, Tucson, AZ 85749): Mr.
8 Smith is believed to have knowledge of his communications with Mr. Chittick, his
9 investments in DenSco, and his communications with Mr. Beauchamp after Mr.
10 Chittick's death.

11 95. **Donald E. and Lucinda Sterling** (2101 Bonnie Drive, Payette, ID
12 83661; don-cindy@cableone.net; (208) 401-6156): Mr. and Mrs. Sterling are believed
13 to have knowledge of their communications with Mr. Chittick, their investments in
14 DenSco, and their communications with Mr. Beauchamp after Mr. Chittick's death.

15 96. **Bill Swirtz** (6054 W. Trovita Place, Chandler, AZ 85226;
16 Bill.Swirtz@apollogrp.edu; (602) 315-8080): Mr. Swirtz is believed to have
17 knowledge of his communications with Mr. Chittick, his investments in DenSco, and
18 his communications with Mr. Beauchamp after Mr. Chittick's death.

19 97. **Nancy Swirtz** (6054 W. Trovita Place, Chandler, AZ 85226): Ms.
20 Swirtz is believed to have knowledge of her communications with Mr. Chittick, her
21 investments in DenSco, and her communications with Mr. Beauchamp after Mr.
22 Chittick's death.

23 98. **Coralee Thompson** (23233 N. Pima Road #113-240, Scottsdale,
24 AZ 85255; thompseg2@cox.net; (480) 993-8080): Ms. Thompson is believed to have
25 knowledge of her communications with Mr. Chittick, her investments in DenSco, and
26 her communications with Mr. Beauchamp after Mr. Chittick's death.
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1 99. **Gary L. Thompson** (23233 N. Pima Road #113-240, Scottsdale,
2 AZ 85255; thompscg2@cox.net; (480) 993-8080): Mr. Thompson is believed to have
3 knowledge of his communications with Mr. Chittick, his investments in DenSco, and
4 his communications with Mr. Beauchamp after Mr. Chittick's death.

5 100. **James A. Trainor** (6113 S. Greensferry Road, Coeur d'Alene, ID
6 83814; jimmy@flytrapproductions.com; (208) 676-8072): Mr. Trainor is believed to
7 have knowledge of his communications with Mr. Chittick, his investments in DenSco,
8 and his communications with Mr. Beauchamp after Mr. Chittick's death.

9 101. **Stephen Tuttle** (6428 E. Evans Drive, Scottsdale, AZ 85254;
10 steve@taser.com; (602) 451-8529): Mr. Tuttle is believed to have knowledge of his
11 communications with Mr. Chittick, his investments in DenSco, and his communications
12 with Mr. Beauchamp after Mr. Chittick's death.

13 102. **Wade A. Underwood** (P.O. Box 1311, Sisters, OR 97759;
14 wunderwood@boxer.com; (480) 227-4658): Mr. Underwood is believed to have
15 knowledge of his communications with Mr. Chittick, his investments in DenSco, and
16 his communications with Mr. Beauchamp after Mr. Chittick's death.

17 103. **Jolene Page Walker** (8620 N. 52nd Street, Paradise Valley, AZ
18 85253; jwalker113@cox.net; (480) 220-5200): Ms. Walker is believed to have
19 knowledge of her communications with Mr. Chittick, her investments in DenSco, and
20 her communications with Mr. Beauchamp after Mr. Chittick's death.

21 104. **Laurie A. Weiskopf** (P.O. Box 161097, Big Sky, MT 59716-
22 1000): Ms. Weiskopf is believed to have knowledge of her communications with Mr.
23 Chittick, her investments in DenSco through her IRA, and her communications with
24 Mr. Beauchamp after Mr. Chittick's death.

25 105. **Thomas D. Weiskopf** (P.O. Box 161097, Big Sky, MT 59716-
26 1000): Mr. Weiskopf is believed to have knowledge of his communications with Mr.
27

1 Chittick, his investments in DenSco through his IRA, and his communications with Mr.
2 Beauchamp after Mr. Chittick's death.

3 106. **Carol J. Wellman** (12119 Whitley Manor Drive, Chesterfield, VA
4 23838; mikewellman1@comcast.net; (804) 338-3006): Ms. Wellman is believed to
5 have knowledge of her communications with Mr. Chittick, her investments in DenSco
6 through her ~~IRA's~~ IRAs, and her communications with Mr. Beauchamp after Mr.
7 Chittick's death.

8 107. **Wellman Family Trust** (12119 Whitley Manor Drive,
9 Chesterfield, VA 23838; mikewellman1@comcast.net; (804) 338-3006): A Trustee of
10 the Wellman Family Trust is believed to have knowledge of its communications with
11 Mr. Chittick, its investments in DenSco, and its communications with Mr. Beauchamp
12 after Mr. Chittick's death.

13 108. **Brian and Carla Wenig** (19 E. Canterbury Court, Phoenix, AZ
14 85022; bwenig@cox.net; (602) 300-5665 Brian; (602) 703-7313 Carla): Mr. and Mrs.
15 Wenig are believed to have knowledge of their communications with Mr. Chittick, their
16 investments in DenSco through the Trust, and their communications with Mr.
17 Beauchamp after Mr. Chittick's death.

18 109. **Mark and Debbie Wenig** (4445 E. Desert Willow Drive, Phoenix,
19 AZ 85044; mwenig@insight.com; (480) 227-7777): Mr. and Mrs. Wenig are believed
20 to have knowledge of their communications with Mr. Chittick, their investments in
21 DenSco, and their communications with Mr. Beauchamp after Mr. Chittick's death.

22 110. **Yusuf Yuldiz** (1609 W. 17th Street, Tempe, AZ 85281; (480) 258-
23 8171): Mr. Yuldiz is believed to have knowledge of his communications with Mr.
24 Chittick, his investments in DenSco, and his communications with Mr. Beauchamp
25 after Mr. Chittick's death.

26 111. **Leslie Jones** c/o Michael Zones (8 Briarcliff Drive, Huntington,
27 WV 25704; czj528@hotmail.com; (304) 429-6741 ext. 2712): Mr. Zones is believed to
28

1 have knowledge of his communications with Mr. Chittick, his investments in DenSco,
2 and his communications with Mr. Beauchamp after Mr. Chittick's death.

3 112. **Michael Zones** (8 Briarcliff Drive, Huntington, WV 25704;
4 czj528@hotmail.com; (304) 429-6741 ext. 2712): Mr. Zones is believed to have
5 knowledge of his communications with Mr. Chittick, his investments in DenSco, and
6 his communications with Mr. Beauchamp after Mr. Chittick's death.

7 **C. DenSco Borrowers and Persons Affiliated With Them**

8 1. **Luigi Amoroso** (contact information to be added): Mr. Amoroso
9 worked with Menaged in bidding on and acquiring properties subject to foreclosure.

10 2. **Veronica Castro** (contact information to be added): Ms. Castro
11 was Scott Menaged's assistant and has knowledge of deeds, mortgages and other
12 instruments signed by Menaged during 2013 that she notarized.

13 3. **Jeffrey C. Goulder** (Stinson Leonard Street LLP, 1850 N. Central
14 Avenue, Suite 1200, Phoenix, AZ 85004; (602) 212-8531): Mr. Goulder is an attorney
15 who represented Scott Menaged in connection with the Term Sheet and Forbearance
16 Agreement. He is believed to have knowledge of those agreements and his
17 communications with Mr. Beauchamp regarding them.

18 4. **Cody Jess** (Schian Walker PLC, 1850 N. Central Avenue,
19 Suite 900, Phoenix, AZ 85004; (602) 277-1501): Mr. Jess is an attorney who
20 represented Scott Menaged in a bankruptcy proceeding. He is believed to have
21 knowledge of that proceeding and of his communications with Mr. Beauchamp relating
22 to that proceeding.

23 5. **Scott Menaged** (c/o Molly Patricia Brizgys, 2210 S. Mill Avenue,
24 Suite 7A, Tempe, AZ 85282; (602) 460-9013): Mr. Menaged has knowledge of his
25 dealings with Mr. Chittick and Mr. Beauchamp.

26 **D. Current or Former Clark Hill Attorneys and Employees**
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1 1. **Robert Anderson** (c/o John DeWulf, Coppersmith Brockelman,
2 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
3 Anderson is an attorney who was involved in Clark Hill's representation of DenSco.

4 2. **David Beauchamp** (c/o John DeWulf, Coppersmith Brockelman,
5 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
6 Beauchamp is an attorney who was involved in Clark Hill's representation of DenSco.

7 3. **Lindsay Grove** (c/o John DeWulf, Coppersmith Brockelman,
8 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Ms.
9 Grove is a legal assistant who worked with David Beauchamp during the relevant time
10 period and is believed to have knowledge of certain documents received or sent by Mr.
11 Beauchamp.

12 4. **Ryan Lorenz** (c/o John DeWulf, Coppersmith Brockelman, PLC,
13 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
14 Lorenz submitted proofs of claim to the Receiver in June 2017 and gave an affidavit in
15 support of those proofs of claim which summarized certain work Clark Hill performed
16 during its representation of DenSco.

17 5. **Darra Lynn Rayndon** (c/o John DeWulf, Coppersmith
18 Brockelman, PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602)
19 224-0999): Ms. Rayndon is an attorney who initiated a probate proceeding on
20 August 4, 2016 in which she and Clark Hill represented Shawna Chittick Heuer in her
21 capacity as the Personal Representative of Denny Chittick's Estate. She is believed to
22 have knowledge of any discussions within Clark Hill that may have occurred regarding
23 conflicts of interest arising from the firm's separate representation of DenSco.

24 6. **Daniel Schenck** (c/o John DeWulf, Coppersmith Brockelman,
25 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
26 Schenck is an attorney who was involved in Clark Hill's representation of DenSco.
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1 7. **Michelle M. Tran** (c/o John DeWulf, Coppersmith Brockelman,
2 PLC, 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Ms.
3 Tran is an attorney who initiated a probate proceeding on August 4, 2016 in which she
4 and Clark Hill represented Shawna Chittick Heuer in her capacity as the Personal
5 Representative of Denny Chittick's Estate. She is believed to have knowledge of any
6 discussions within Clark Hill that may have occurred regarding conflicts of interest
7 arising from the firm's separate representation of DenSco.

8 **E. Current or Former Bryan Cave Attorneys**

9 1. **Ray Burgan** (Zenfinity Capital LLC, 14850 N. Scottsdale Road,
10 No. 295, Scottsdale, Arizona, 85254; (480) 292-8111): Mr. Burgan is an attorney who
11 was formerly associated with Bryan Cave and is believed to have knowledge of work
12 he performed for DenSco and David Beauchamp's representation of DenSco while
13 Beauchamp was affiliated with Bryan Cave.

14 2. **Michael Dvoren** (Jaburg & Wilk PC, 3200 N. Central Avenue,
15 Suite 2000, Phoenix, Arizona 85012; (602) 248-1000): Mr. Dvoren is an attorney who
16 was formerly associated with Bryan Cave and is believed to have knowledge of work
17 he performed for DenSco and David Beauchamp's representation of DenSco while
18 Beauchamp was affiliated with Bryan Cave.

19 3. **Robert Endicott** (Bryan Cave LLP, One Metropolitan Square, 211
20 North Broadway, Suite 3600, St. Louis, MO 63102; (314) 259-2000): Mr. Endicott is
21 an attorney who is believed to have knowledge of his communications with David
22 Beauchamp in the summer of 2013 regarding DenSco.

23 4. **Kenneth L. Henderson** (Bryan Cave LLP, 1290 Avenue of the
24 Americas, New York, NY, 10104; (212) 541-2000): Mr. Henderson is an attorney who
25 is believed to have knowledge of his communications with David Beauchamp in the
26 summer of 2013 regarding DenSco.
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1 5. **Garth Jensen** (Sherman & Howard L.L.C., 633 Seventeenth
2 Street, Suite 3000, Denver, CO 80202; (303) 297-2900): Mr. Jensen is an attorney who
3 was formerly associated with Bryan Cave and is believed to have knowledge of his
4 communications with David Beauchamp in the summer of 2013 regarding DenSco.

5 6. **Logan Miller** (Apollo Education Group, Inc., 4025 S. Riverpoint
6 Parkway, Phoenix, AZ 85040; (800) 990-2765): Mr. Miller is an attorney who was
7 formerly associated with Bryan Cave and is believed to have knowledge of work he
8 performed for DenSco and David Beauchamp's representation of DenSco while
9 Beauchamp was affiliated with Bryan Cave.

10 7. **Robert Miller:** (Bryan Cave LLP, Two N. Central, Suite 2100,
11 Phoenix, Arizona 85004; (602) 364-7099): Mr. Miller is an attorney who
12 communicated with David Beauchamp in January 2014 in connection with the demand
13 letter described above and is believed to have knowledge of those communications.

14 8. **Robert Pedersen** (Bryan Cave LLP, 1290 Avenue of the
15 Americas, New York, NY, 10104; (212) 541-2000): Mr. Pedersen is an attorney who is
16 believed to have knowledge of his communications with David Beauchamp in the
17 summer of 2013 regarding DenSco.

18 9. **Nancy Pohl** (Gallagher & Kennedy PA, 2575 E. Camelback Road,
19 Suite 1100, Phoenix, Arizona 85016; (602) 530-8052): Ms. Pohl is an attorney who was
20 formerly associated with Bryan Cave and is believed to have knowledge of work she
21 performed for DenSco and David Beauchamp's representation of DenSco while
22 Beauchamp was affiliated with Bryan Cave.

23 10. **Gus Schneider** (Bryan Cave LLP, Two N. Central, Suite 2100,
24 Phoenix, AZ 85004; (602) 364-7099): Mr. Schneider is an attorney who is associated
25 with Bryan Cave and is believed to have knowledge of work he performed for DenSco
26 and David Beauchamp's representation of DenSco while Beauchamp was affiliated
27 with Bryan Cave.
28

1 11. **Elizabeth Sipes** (Bryan Cave LLP, 1700 Lincoln Street,
2 Suite 4100, Denver, CO 80203; (303) 861-7000): Ms. Sipes is an attorney who is
3 believed to have knowledge of her communications with David Beauchamp in the
4 summer of 2013 regarding DenSco.

5 12. **Jonathan Stern** (contact information not known): Mr. Stern is an
6 attorney who is associated with Bryan Cave and is believed to have knowledge of work
7 he performed for DenSco and David Beauchamp's representation of DenSco while
8 Beauchamp was affiliated with Bryan Cave.

9 13. **Randy Wang** (Bryan Cave LLP, One Metropolitan Square, 211 N.
10 Broadway, Suite 3600, St. Louis, MO 63102; (314) 259-2000): Mr. Wang is an
11 attorney who is believed to have knowledge of his communications with David
12 Beauchamp in the summer of 2013 regarding DenSco.

13 14. **Mark Weakley** (Bryan Cave LLP, One Boulder Plaza, 1801 13th
14 Street, Suite 300, Boulder, CO 80302; (303) 444-5955): Mr. Weakley is an attorney
15 who is believed to have knowledge of his communications with David Beauchamp in
16 the summer of 2013 regarding DenSco.

17 **F. Current or Former Gammage & Burnham Attorneys**

18 1. **Christopher L. Raddatz** (Gammage & Burnham, PLC, Two N.
19 Central Avenue, 15th Floor, Phoenix, AZ 85004; (602) 256-0566): Mr. Raddatz is an
20 attorney who represented the Estate of Denny Chittick and Shawna Chittick Heuer in
21 her capacity as the Personal Representative of Denny Chittick's Estate.

22 2. **Kevin R. Merritt** (Gammage & Burnham, PLC, Two N. Central
23 Avenue, 15th Floor, Phoenix, AZ 85004; (602) 256-0566): Mr. Merritt is an attorney
24 who in 2007 advised DenSco regarding its loan agreements. Beginning in August
25 2016, he represented the Estate of Denny Chittick and Shawna Chittick Heuer in her
26 capacity as the Personal Representative of Denny Chittick's Estate.
27
28

1 3. **James F. Polese** (Gammage & Burnham, PLC, Two N. Central
2 Avenue, 15th Floor, Phoenix, AZ 85004; (602) 256-0566): Mr. Polese is an attorney
3 who represented the Estate of Denny Chittick and Shawna Chittick Heuer in her
4 capacity as the Personal Representative of Denny Chittick's Estate.

5 **G. Persons Affiliated With the Arizona Corporation Commission,**
6 **Securities Division**

7 1. **Gary Clapper** (1300 W. Washington, Third Floor, Phoenix, AZ
8 85007; (602) 542-0152): Mr. Clapper is Chief Investigator, Arizona Corporation
9 Commission, Securities Division. He is believed to have knowledge of the ACC's
10 investigation of DenSco in August 2016, events leading to the ACC's filing of an
11 application for a preliminary injunction and the appointment of a receiver, and his
12 communications with Mr. Beauchamp.

13 2. **Wendy Coy** (1300 W. Washington, Third Floor, Phoenix, AZ
14 85007; (602) 542-0633): Ms. Coy is Director of Enforcement, Arizona Corporation
15 Commission, Securities Division. She is believed to have knowledge of the ACC's
16 investigation of DenSco in August 2016, events leading to the ACC's filing of an
17 application for a preliminary injunction and the appointment of a receiver, her
18 communications with Mr. Beauchamp.

19 **H. The Receiver, His Employees and Attorneys**

20 1. **Peter S. Davis** (c/o Colin Campbell and Geoffrey Sturr, Osborn
21 Maledon, P.A., 2929 N. Central Avenue, Suite 2100, Phoenix, AZ 85012; (602) 640-
22 9377): Mr. Davis has knowledge of work he has performed as DenSco's
23 ~~receiver~~Receiver, as set forth in reports he has issued in the course of his work.

24 2. **Ryan W. Anderson** (Guttilla Murphy Anderson, 5415 E. High
25 Street, Suite 200, Phoenix, AZ 85054; (480) 304-8300): Mr. Anderson is an attorney
26 who represents the Receiver. He has knowledge of the receivership proceeding and his
27 communications with participants in that proceeding.
28

1 3. **Sara Beretta** (c/o Colin Campbell and Geoffrey Sturr, Osborn
2 Maledon, P.A., 2929 N. Central Avenue, Suite 2100, Phoenix, AZ 85012; (602) 640-
3 9377): Ms. Beretta is a Director of Simon Consulting and has knowledge of DenSco's
4 books and records and work performed by the Receiver, as set forth in reports he has
5 issued in the course of his work.

6 **I. Lenders Who Negotiated With Chittick and Menaged During**
7 **January 2014**

8 1. **Craig Cardon** (contact information to be added): Mr. Cardon is a
9 member of Azben Limited, LLC and is believed to have knowledge of his
10 communications with Chittick and Menaged regarding the January 6, 2014 demand
11 letter discussed above.

12 2. **Daniel Diethelm** (contact information to be added): Mr. Diethelm
13 is a manager of Geared Equity, LLC and is believed to have knowledge of his
14 communications with Chittick and Menaged regarding the January 6, 2014 demand
15 letter discussed above

16 3. **Lynn Hoebing** (contact information to be added): Mr. Hoebing is
17 a manager of 50780, LLC and is believed to have knowledge of his communications
18 with Chittick and Menaged regarding the January 6, 2014 demand letter discussed
19 above.

20 **J. Other Persons**

21 1. **Rick Carney** (contact information to be added): Mr. Carney was
22 formerly affiliated with Quarles & Brady and provided legal services to DenSco as
23 described above. He is believed to have knowledge of those services and his
24 communications with Denny Chittick and David Beauchamp relating to those services.

25 2. **Gregg Reichman** (believed to be c/o Andrew Abraham, Burch &
26 Cracchiolo, P.A., 702 E. Osborn Road, Suite 200, Phoenix, AZ 85014; (602) 234-
27 9917): Mr. Reichman is a current or former member of Active Funding Group, LLC.

1 He is believed to have knowledge of dealings between Active Funding Group, LLC and
2 Menaged.

3
4 **V. PERSONS WHO HAVE GIVEN STATEMENTS**

5 1. Luigi Amoroso (contact information to be added): Mr. Amoroso gave a
6 deposition in the receivership proceeding on December 14, 2016. The Receiver's
7 counsel is the custodian of the transcript of that deposition.

8 2. Robert Anderson (c/o John DeWulf, Coppersmith Brockelman, PLC,
9 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
10 Anderson gave a deposition in this case, the original transcript of which is in the
11 possession of the Receiver's counsel.

12 3. ~~1.~~David Beauchamp (c/o John DeWulf, Coppersmith Brockelman, PLC,
13 2800 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr.
14 Beauchamp executed a declaration dated August 17, 2016 that was submitted to the
15 court in the Receivership Proceeding in support of the Estate's Recommendations re
16 Receiver and Attorney/Client Privilege. The Estate's counsel, Gammage & Burnham,
17 is believed to be the custodian of the original declaration. Mr. Beauchamp has also
18 given a deposition in this case, the original transcript of which is in the possession of
19 the Receiver's counsel.

20 4. Shawna Chittick Heuer (c/o James Polese, Gammage & Burnham, PLC,
21 Two N. Central Avenue, 15th Floor, Phoenix, AZ 85004; (602) 256-0566): Ms. Heuer
22 gave a deposition in this case. Clark Hill's counsel is believed to be the custodian of
23 the original transcript of that deposition.

24 5. ~~2.~~Scott Menaged (c/o Molly Patricia Brizgys, 2210 S. Mill Avenue,
25 Suite 7A, Tempe, AZ 85282; (602) 460-9013): Mr. Menaged gave a deposition in his
26 bankruptcy proceeding. The Receiver's counsel is the custodian of the transcript of that
27 deposition.
28

1 6. ~~3.Scott Menaged~~ (c/o Molly Patricia Brizgys, 2210 S. Mill Avenue,
2 Suite 7A, Tempe, AZ 85282; (602) 460-9013): On December 8, 2017, Mr. Menaged
3 was interviewed by Ken Frakes, Special Counsel to the Receiver, before a court
4 reporter. Mr. Frakes is believed to be the custodian of the transcript of that interview.

5 7. ~~4.Ryan Lorenz~~ (c/o John DeWulf, Coppersmith Brockelman, PLC, 2800
6 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr. Lorenz gave
7 an affidavit in support of notices of claim Clark Hill submitted to the Receiver. He is
8 believed to be the custodian of the original affidavit.

9 ~~5. _____ Luigi Amoroso (contact information to be added): Mr.~~
10 ~~Amoroso gave a deposition in the receivership proceeding on December 14, 2016. The~~
11 ~~Receiver's counsel is the custodian of the transcript of that deposition.~~

12 8. Daniel Schenck (c/o John DeWulf, Coppersmith Brockelman, PLC, 2800
13 N. Central Avenue, Suite 1200, Phoenix, AZ 85004; (602) 224-0999): Mr. Schenck
14 gave a deposition in this case, the original transcript of which is in the possession of the
15 Receiver's counsel.

16 **VI. EXPERT WITNESSES EXPECTED TO BE CALLED AT TRIAL**

17 The Receiver will disclose the identity and opinions of expert witnesses it plans
18 to call at trial in accordance with the scheduling order that will be entered in this matter.

19 **VII. COMPUTATION AND MEASURE OF DAMAGES**

20 The Receiver ~~anticipates relying on an~~ will rely on expert ~~witness testimony~~ to
21 testify ~~at trial as to~~ about damages DenSco suffered as a result of Defendants' conduct.

22 The Receiver has previously disclosed to Defendants' counsel the following
23 preliminary information relating to damages and prejudgment interest:

24 Prejudgment interest is sought on three different types of loans that were
25 outstanding on Chittick's death, as summarized in the Receiver's December 23, 2016
26 report: (i) a \$5 million workout loan made to Menaged as part of the Forbearance
27 Agreement; (ii) a \$1 million workout loan made to Menaged as part of the Forbearance
28

1 Agreement; and (iii) non-workout loans that DenSco made to Menaged after DenSco
2 learned of Menaged's fraud in November 2013. As alleged in the complaint, the losses
3 DenSco suffered on those loans were the proximate result of Clark Hill's conduct.
4 Prejudgment interest is also sought on Clark Hill legal fees paid by DenSco.

5 **A. \$5 million "workout loan" to Menaged**

6 Under the Forbearance Agreement that Clark Hill drafted and advised DenSco to
7 sign, DenSco agreed to loan Menaged up to \$5 million for use in connection with the
8 sale or refinancing of any property listed in Exhibit A to the Agreement. The principal
9 balance of that loan as of December 23, 2016 was \$13,336,807.24. *See* Receiver's
10 Report, December 23, 2016, at page 9. **Appendix C-A** is a schedule (numbered
11 RECEIVER_001332-001336) showing how that balance was calculated. The schedule
12 reflects that Menaged drew on this loan as early as February 2014, and made a last draw
13 on August 18, 2015. As of October 5, 2015, the principal balance of the line of credit
14 was \$13,656,807.24, and remained at this amount until Chittick's death in July 2016.

15 The rate of prejudgment interest in this case is 10%. A.R.S. § 44-1201(A), (F).
16 Thus, a yearly calculation of prejudgment interest on DenSco's \$13,656,807.24 loss is
17 \$1,365,680.72.

18 **B. \$1 million "workout loan" to Menaged**

19 The Forbearance Agreement also obligated DenSco to make a "new loan" to
20 Menaged of up to \$1 million as part of the "workout" that Clark Hill blessed and
21 documented. The principal balance of that loan as of December 23, 2016 was
22 \$1,002,532.55. *See* Receiver's Report, December 23, 2016, at page 9. **Appendix D-B**
23 is a schedule (numbered RECEIVER_001337) showing how that balance was
24 calculated. The schedule reflects that Menaged drew on this loan as early as December
25 13, 2013 and last drew on this loan on April 30, 2014, when the principal balance was
26 \$1,002,532.55. It remained at that amount until Chittick's July 2016 death.
27
28

1 A yearly calculation of prejudgment interest on DenSco's \$1,002,532.55 loss is
2 \$100,253.25.

3 **C. Non-workout loans**

4 As set forth in the Receiver's December 23, 2016 report (at page 10), as of
5 August 2016, when the Receiver was appointed, DenSco suffered losses of at least
6 \$28,332,300 because of loans made to Menaged outside of the "work out" loans
7 contemplated by the Forbearance Agreement that were not secured. **Appendix E-C** is a
8 schedule (numbered RECEIVER_001338-001339) showing how that amount was
9 calculated. The schedule includes two loans made on the Lobo property, one on
10 August 14, 2013 and another on January 22, 2014. They are included in this schedule
11 because DenSco categorized them as non-workout loans.

12 Had Clark Hill properly advised DenSco during the first week of January 2014,
13 DenSco would have severed its relationship with Menaged, not made any new loans to
14 Menaged, sought to rescind the initial Lobo losses, and not suffered the losses set forth
15 in the attached schedule. Alternatively, had Clark Hill properly advised DenSco about
16 documenting the non-workout loans, DenSco would not have suffered losses on the
17 loans made after the second Lobo loan.

18 A yearly calculation of prejudgment interest on DenSco's \$28,332,300.00 loss is
19 \$2,833,230.00.

20 **D. Payments to Clark Hill for Attorneys' Fees**

21 As of June 24, 2016, Clark Hill received payment from DenSco for legal fees in
22 the amount of \$163,702.45. The Receiver seeks in the complaint the return of all those
23 fees on the grounds that they were received after Clark Hill had committed a serious
24 breach of fiduciary duty. The last fee payment was on June 24, 2016.

25 A yearly calculation of prejudgment interest on the Receiver's attorney fee
26 disgorgement claim is \$16,370.25.

27 **VIII. ANTICIPATED TRIAL EXHIBITS**
28

1 ~~The Receiver has not yet determined which exhibits he will offer at the trial of~~
2 ~~this matter.~~ A list of exhibits the Receiver presently anticipates using at trial is attached
3 as Appendix D.

4 **IX. DOCUMENTS THAT MAY BE RELEVANT**

5 1. Documents maintained in the Document Depository established by the
6 Receiver pursuant to an underlying Court Order dated January 1, 2017 in the matter
7 entitled *Ariz. Corp. Comm'n v. DenSco Investment Corp.*, Maricopa County Superior
8 Court CV2016-014142. The most recent index is attached as **Appendix FE**. Certain
9 documents relevant to the receivership are also publicly available on a website
10 maintained by the Receiver: <http://denscoreceiver1.godaddysites.com/>.

11 a. The Receiver's counsel has caused to be deposited into the
12 Depository documents received from Defendants' counsel and third parties, and
13 will continue to do so as this matter proceeds.

14 b. The Receiver's counsel will provide Defendants' counsel with
15 updated indices of documents maintained in the Document Depository as they
16 become available.

17 c. The Receiver also updates the website periodically.

18 2. The Receiver will rely on documents maintained in the Document
19 Depository and on the Receiver's website to support his claims in this action, as well as
20 publicly available documents such as the recorded instruments referenced in the factual
21 narrative above.

22 3. The Receiver's counsel plans to compile, number, and produce to
23 Defendants' counsel certain documents it has obtained from the Depository, the
24 Receiver's website, and other publicly available documents that the Receiver may
25 designate as trial exhibits.

26 a. The Receiver's March 27, 2018 production ([Second Disclosure](#)
27 [Statement](#)) included documents numbered RECEIVER_000001- 001345.

1 i. The March 27, 2018 production included copies of the
2 DenSco Corporate Journals for 2013, 2014, 2015 and 2016, which have
3 been numbered RECEIVER_000001-000164. They replaced copies of
4 those documents that were produced on September 5, 2017 and which
5 were incorrectly numbered DIC0011918-0012081.

6 ii. The March 27, 2018 production included publicly available
7 documents, such as the recorded instruments referenced in the factual
8 narrative above (RECEIVER_000165-RECEIVER_001345).

9 b. The Receiver's May 15, 2018 production ([Third Disclosure](#)
10 [Statement](#)) included [Clark Hill](#)' documents numbered RECEIVER_001325-
11 RECEIVER_001497.

12 ~~e. — Accompanying this disclosure statement are documents numbered~~
13 ~~RECEIVER_001498-RECEIVER_001548.~~

14 c. The Receiver's July 11, 2018 production (Fourth Disclosure
15 Statement) included Clark Hill's notices of claim, which were numbered
16 RECEIVER_001498-RECEIVER_001538, and publicly recorded documents,
17 which were numbered RECEIVER_001539-RECEIVER_001548.

18 d. This November 14, 2018 production (Fifth Disclosure Statement)
19 includes documents obtained from the Document Depository numbered
20 RECEIVER_001549-RECEIVER_001711, which are provided on the
21 accompanying disc.

22 e. ~~d.~~ Other documents from the Document Depository, the Receiver's
23 website, or publicly available sources that the Receiver may designate as trial
24 exhibits will be numbered and produced through one or more supplemental
25 disclosure statements.

26 4. In addition to the documents set forth above, on October 30, 2018, the
27 Receiver's counsel produced to Defendants' documents evidencing communications
28

1 between the Receiver and the Estate of Chittick, which were numbered RECEIVER
2 001712-002517.

3 DATED this ____ day of ~~July~~November, 2018.

4 OSBORN MALEDON, P.A.

6 By _____

7 Colin F. Campbell
8 Geoffrey M.T. Sturr
9 Joshua M. Whitaker
2929 N. Central Avenue, Suite 2100
Phoenix, Arizona 85012-2793

10 Attorneys for Plaintiff

11
12 COPY of the foregoing ~~mailed~~hand delivered
13 this ____ day of ~~July~~November, 2018, to:

14 John E. DeWulf
15 Coppersmith Brockelman PLC
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Comparison Details	
Title	compareDocs Comparison Results
Date & Time	11/14/2018 12:53:31 PM
Comparison Time	3.39 seconds
compareDocs version	v4.3.200.37

Sources	
Original Document	[Active][#7659775] [v1] 2018-07-11 15698-3 Plaintiff's Fourth Disclosure Statement.docx
Modified Document	[Active][#7836486] [v2] 2018-11-13 15698-3 Plaintiff's Fifth Disclosure Statement v4.docx

Comparison Statistics	
Insertions	989
Deletions	254
Changes	298
Moves	330
Font Changes	0
Paragraph Style Changes	0
Character Style Changes	0
TOTAL CHANGES	1871

Word Rendering Set Markup Options	
Name	Standard
<u>Insertions</u>	
Deletions	
<u>Moves</u> / Moves	
Font Changes	
Paragraph Style Changes	
<u>Character Style Changes</u>	
Inserted cells	
Deleted cells	
Merged cells	
Changed lines	Mark left border.
Comments color	By Author.
Balloons	False

compareDocs Settings Used	Category	Option Selected
Open Comparison Report after Saving	General	Always
Report Type	Word	TrackChanges
Character Level	Word	False
Include Headers / Footers	Word	True
Include Footnotes / Endnotes	Word	True
Include List Numbers	Word	True
Include Tables	Word	True
Include Field Codes	Word	True
Include Moves	Word	True
Show Track Changes Toolbar	Word	True
Show Reviewing Pane	Word	False
Update Automatic Links at Open	Word	False
Summary Report	Word	End
Include Change Detail Report	Word	End
Document View	Word	Print
Remove Personal Information	Word	False
Flatten Field Codes	Word	False

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Davis v. Clark Hill, et al.
CV2017-013832

Disc Burn Date
11/13/2018

Plaintiff's Fifth Disclosure Statement
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