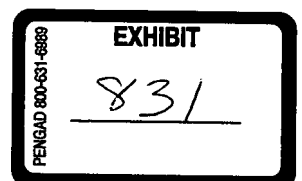


Message

From: Denny Chittick [dcmoney@yahoo.com]
Sent: 7/30/2010 6:28:45 PM
To: Anthony Burdett [burdett.anthony@gmail.com]
Subject: book

I received the book back, I've not had anyone send one back to me before. I also haven't had anyone fill out all the docs then decide not to invest! I'm still not sure what your confusion was about the IRA and why that would keep you from investing, but that's your decision. thanks for taking the all the time to research it, best of luck on your investments.
thx
dc

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Message

From: Denny Chittick [dcmoney@yahoo.com]
Sent: 4/26/2011 12:39:52 PM
To: Anthony Burdett [burdett.anthony@gmail.com]
Subject: Re: congrats!

You are going to get a stack of docs, however, i have to wait for FTCO to send them to me and then i'll send them on to you.

thx!

dc

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From: Anthony Burdett <burdett.anthony@gmail.com>
To: Denny Chittick <dcmoney@yahoo.com>
Cc: Warren Fay Bush <wbush1120@comcast.net>
Sent: Tue, April 26, 2011 12:22:58 PM
Subject: Re: congrats!

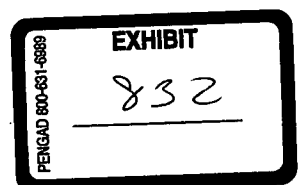
Thanks Denny. I look forward to a mutually profitable relationship. Thank you Warren for getting Denny and I together.

I guess I should have an OM for my files. If you would like to email it to me, I'll get a signed copy back to you..

On Tue, Apr 26, 2011 at 12:26 PM, Denny Chittick <dcmoney@yahoo.com> wrote:

you are an investor now!
i received your funds today.
thx
dc

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Message

From: Denny Chittick [dcmoney@yahoo.com]
Sent: 4/27/2011 8:30:49 AM
To: WBush1120@comcast.net; Burdett, Anthony [burdett.anthony@gmail.com]
Subject: Re: DenSco

By May 17th we should have the first draft of the new memorandum out so that Warren can start red-lining it!

thx

dc

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From: "WBush1120@comcast.net" <WBush1120@comcast.net>
To: "Burdett, Anthony" <burdett.anthony@gmail.com>
Cc: "Chittick, Denny" <dcmoney@yahoo.com>
Sent: Wed, April 27, 2011 5:27:04 AM
Subject: DenSco

Tony,

I find it very interesting to be involved with someone in the investment decision process -- either way it turns out.

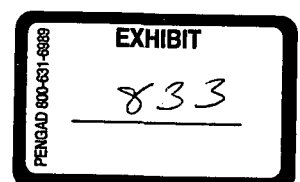
DenSco is unique because I find it difficult to decide where to categorize the risk in the overall scheme of things. However, once trust is established -- you can move onto the business activity and finally decide how much is appropriate for your own situation.

I guess this all started with your attending the Farah reunion and making the effort to contact me -- I'm glad you did.

Today I driving down to Truth or Consequences and will play in a golf tournament tomorrow at a nice course near Elephant Butte.

I hope to see Denny in May -- will fly to PHX on 5/17 and will stay a few days.

Warren



Message

From: Denny Chittick [dcmoney@yahoo.com]
Sent: 6/30/2011 3:51:58 PM
To: 'burdett.anthony@gmail.com' [burdett.anthony@gmail.com]
BCC: 'dcmoney@yahoo.com' [dcmoney@yahoo.com]
Subject: DenSco Statement June 2011
Attachments: Statement_4.pdf

Investor: Anthony

Please find attached your monthly statement.

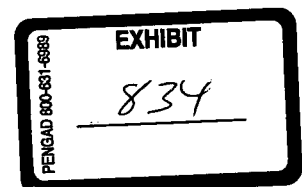
It's the 10 year anniversary of DenSco!

I've completed an updated to my Memorandum; once I get back to AZ I'll print them out and send you new copies.

Thank you for the trust and support over the last 10 years and here's to another!

Thanks,

dc



DenSco Investment Corporation

6132 W. Victoria Place Chandler, AZ 85226
Cell: 602-469-3001 Home: 480-636-1180 Fax: 602-532-7737
DenScoInvestment.com dcmoney@yahoo.com

STATEMENT
June 2011

INVESTOR

Name Anthony Burdett - IRA
Address 1623 Common Dr
El Paso, TX 79936
Phone 915-373-1850

CURRENT INVESTMENT BALANCE

\$204,360.05

INVESTMENT ACCOUNTS

Accrual Account \$202,336.68
Interest \$2,023.37
Sub Total \$204,360.05

Quarterly Account

Interest
Interest Paid
Sub Total

Monthly Account

Interest
Interest Paid
Sub Total

Total Balance \$204,360.05

INVESTMENT HISTORY

Investment	Date	Maturity
\$200,000.00	04/26/11	04/26/13

Total Investment \$200,000.00

INTEREST EARNED

Year	Earnings
2011	\$4,360.05

Total Earnings \$4,360.05

Thank you for investing with DenSco!

CH_EstateSDT_0006528

Message

From: Denny Chittick [dcmoney@yahoo.com]
Sent: 7/1/2011 3:29:59 PM
To: Anthony Burdett [burdett.anthony@gmail.com]
Subject: Re: End of Quater

you are welcome! we are up in ID enjoying 65 degrees not that nutty 117! but we'll be back next week...

You too!

thx
dc

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From: Anthony Burdett <burdett.anthony@gmail.com>
To: Denny Chittick <dcmoney@yahoo.com>
Sent: Fri, July 1, 2011 3:21:34 PM
Subject: Re: End of Quater

Denny,

Thank you for your expertise and hard work in providing an investment that offers the "little guy" a solid rate of return on his investment. Hope you and your family have a great 4th.

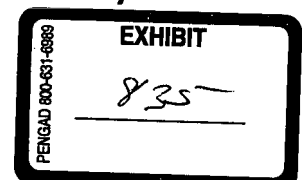
Tony

On Thu, Jun 30, 2011 at 1:16 PM, Denny Chittick <dcmoney@yahoo.com> wrote:

We've come to the end of another quarter!

It's also the 10 yr anniversary of DenSco. I would be hard pressed to have forecasted the the last 10 years and i certainly won't forecast the next!

Thank for your investment and i hope you are satisfied with your



investment!

I've updated the newsletter:

<http://denscoinvestment.com/newsletter.html>

and the photos of the properties:

<http://denscoinvestment.com/properties.html>

Have a great 4th!

thx

dc

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Message

From: Denny Chittick [dcmoney@yahoo.com]
Sent: 8/18/2011 11:26:37 AM
To: Anthony Burdett [burdett.anthony@gmail.com]
Subject: Re: Hard Money lending

I've never funded repairs. i only lend on the home. they dig in their pockets for repairs. that involves too much inspection and checking up on them for me to handle. when i was doing some construction loans, i was doing draws, and i was constantly running out to see if they had completed what they said done.

if that's how it's normally done there, perhaps you need to conform. however, i have no experience in doing it that way.

thx
dc

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From: Anthony Burdett <burdett.anthony@gmail.com>
To: Denny Chittick <dcmoney@yahoo.com>
Sent: Thursday, August 18, 2011 11:07 AM
Subject: Hard Money lending

Hi Denny,

Hope all is well. I am toying with the idea of dipping my toe in the hard money lending business in El Paso. I plan on making a "test run" with 1 loan just to see what all is involved, getting all the bugs worked out (or at least most of them). I have a quick question:

Assume that I plan to loan 65% LTV
Repaired value of house \$100,000
AS-Is value of \$80,000

I would loan \$65,000, but would release \$52,000 (65% of \$80,000) at closing keeping the balance of \$13,000 in an escrow to fund repairs as completed. I don't recall if you used an escrow arrangement or not, and since you have a long relationship with your builders, you probably don't feel the need. Until I build relationships here, I don't see anyway around the escrow. Your thoughts? Thanks.

Tony

Message

From: Denny Chittick [dcmoney@yahoo.com]
Sent: 9/30/2011 11:14:37 AM
To: Anthony Burdett [burdett.anthony@gmail.com]; Arden Nina B Chittick [artnina@hotmail.com]; Bill Swirtz [wjswirtz@me.com]; Bill & Judy Hughes [jbhok@yahoo.com]; Bill Jean Locke [bjlocke64@cox.net]; Brian Odenthal [bjodenthal@frontier.com]; Brian Dawn Imdieke [BJI@cox.net]; Coralee Gary Thompson [thompsc2@cox.net]; Craig Samantha Hood [greeraz@gmail.com]; Craig Tomie Brown [trovita@gmail.com]; Dale Kathy Hickman [hikthestik@aol.com]; Dave Preston [dave@prestoncpa.biz]; Dave DuBay [davedubay@gmail.com]; David G Beauchamp [David.Beauchamp@bryancave.com]; Donald W Kimble [azkimble@gmail.com]; Doris Howze [dhowze@cox.net]; GE Siegford [gsiegford@msn.com]; Glen P Davis [glenbo@cox.net]; Gregg Meikle [gmeikle@ualberta.ca]; Iggy Goober [bsheuer@msn.com]; Jack Davis [jackdds@myway.com]; James Lesley McCoy [jamccoy32@cox.net]; Jeff Cindy Phalen [Jphalen00@aol.com]; Jeff Inger Tsai [inger@cheerful.com]; Jemma Leroy Kopel [jemmakopel@hotmail.com]; Jim Jan McArdle [JimM@ABDC-AZ.com]; Jimmy Tranior [jimmy@flytrapproductions.com]; Judy Gary Siegford [jgsiegford@yahoo.com]; Kaylene Moss [kaylenemoss@cox.net]; Kennen Mark Burkhart [kennenl@yahoo.com]; Les Jones [ljones@dakotacom.net]; Manuel Lillian Lent [mlinvestor@gmail.com]; Marion Shelly Minchuk [mminchuk@cox.net]; Mark Wenig [mark.wenig@gmail.com]; Marlene Pearce [pearces@mailhaven.com]; Marv Pat Miller [patsmiller21@gmail.com]; Mary Kent [mbencekent@yahoo.com]; Michael Zones [czj528@hotmail.com]; Mike Diana Gumbert [anthjen@yahoo.com]; Mike & Sybil Williams [mwilliams@helenasurgicenter.com]; Mike Carol Wellman [mrsbeasley68@comcast.net]; Mo Sam Chittick [quelalively@yahoo.com]; Nihad Hafiz [nihad@yahoo.com]; Paul A Kent [paul_a_kent@yahoo.com]; Ralph Kaiser [ralph@kaisertile.net]; Ralph Hey [hey.raplh01@gmail.com]; Rob Brinkman [rbrinkman@cox.net]; Robert Koehler [rzkoebler@yahoo.com]; Robert Liz Hahn [hahnaz2@cox.net]; Russ Kim Griswold [rgriswold3@stny.rr.com]; Scott D Detota [sdetota99@yahoo.com]; Smalerie Todd J Paxton [valeriepaxton@gmail.com]; Stacy Grant [dariosdad@gmail.com]; Stan Grethen Erin Carrick [carricks3@ak.net]; Stanley Mary L Schloz [smschloz@msn.com]; Steve Tuttle [Steve@taser.com]; Stewart Sherriff [stewart.sherriff@cox.net]; Terry & Lil Lee [terryleeAZ@comcast.net]; Tom Deanna P Smith [tom@taser.com]; Tony Sandra Smith [Aztonymsmith@aol.com]; Van Mary Butler [butlerv@yahoo.com]; Vince Muscat [vince.muscat@cox.net]; Wade Underwood [wadeunderwood@hotmail.com]; Warren Fay Bush [wbush1120@comcast.net]; Wayne Ledet [uaflyor767@gmail.com]; William K Alber [wka@caribbeanpoolsaz.com]
Subject: DenSco investment 3rd Q

One more quarter is over for the year, and unlike the stock market it was great one for DenSco!

I've updated the newsletter:
<http://denscoinvestment.com/newsletter.html>

and the photo's of some of the properties:
<http://denscoinvestment.com/properties.html>

I hope you have a great weekend, we are counting the days down to Halloween in the house, no matter how many days i tell them, the answer is always the same "that's forever!"

thx
dc

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Message

From: Denny Chittick [dcmoney@yahoo.com]
Sent: 11/29/2011 10:55:28 AM
To: Anthony Burdett [burdett.anthony@gmail.com]
Subject: Re: Fw: Additional Investment

KISS principle goes a long ways!

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From: Anthony Burdett <burdett.anthony@gmail.com>
To: Denny Chittick <dcmoney@yahoo.com>
Sent: Tuesday, November 29, 2011 11:53 AM
Subject: Re: Fw: Additional Investment

Thanks for the offer to share your process. When you told me it took 10-15 minutes to put a package together, I was impressed. I think that is one reason you have built up such a loyal group of builders. You make their life's easier, It's a win-win. Thanks again..

On Tue, Nov 29, 2011 at 11:35 AM, Denny Chittick <dcmoney@yahoo.com> wrote:
OK no problem. she's going to start the process on the transfer with out my docs, it always takes awhile. once i receive these, i'll forward them up there to her, it's not going to slow the process.

I understand investing IRA vs non-IRA.

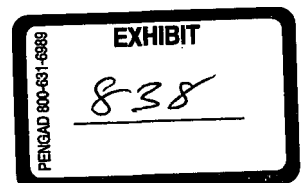
As you go through the process, if you have questions about vegas or least the process that i do let me know. i have never lent money up there, and i'm not familiar with the process. though i understand it mirrors ours here in AZ.

thx
dc

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From: Anthony Burdett <burdett.anthony@gmail.com>
To: Denny Chittick <dcmoney@yahoo.com>
Sent: Tuesday, November 29, 2011 11:30 AM
Subject: Re: Fw: Additional Investment

I have attached the docs that I sent to FTCO. The sig page you sent me is in the mail to you. I prefer to invest through my IRA as I can defer recognizing income for another 4 years before I am required to begin withdrawing. My non IRA money is used for investments that would not be practical via an IRA. As a matter of fact, my son Jason and I are talking about starting a foreclosure rehap business in Vegas. I would provide the capital and he would do the construction. He has established a number of subcontractor contacts in his previous job that he believes would be useful. I am flying out to Vegas in the next couple of weeks to meet with a real estate agent to discuss possible properties. Once we come



up to speed on the legal process, I hope to streamline it like you have done with your Phoenix operation.

On Tue, Nov 29, 2011 at 10:45 AM, Denny Chittick <dcmoney@yahoo.com> wrote:

I was under the impression that this wasn't going to be an IRA. i just received an email from FTCO asking why i didn't send the rest of the docs. Did you send them a transfer request form too?

Attached is my document. sign it and mail it to me, then i'll sign it and i'll send it to them. they won't accept fax or scan, they need original sigs.

thx
dc

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----- Forwarded Message -----

From: Denny Chittick <dcmoney@yahoo.com>
To: Anthony Burdett <burdett.anthony@gmail.com>
Sent: Friday, November 25, 2011 4:11 PM
Subject: Re: Additional Investment

Great glad to hear it. i've been driving houses with dad all day. let me know when you wire the funds, and i'll send the docs to you. i hope you had a great holiday, enjoy your weekend.

thx
dc

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From: Anthony Burdett <burdett.anthony@gmail.com>
To: Denny Chittick <dcmoney@yahoo.com>
Sent: Friday, November 25, 2011 3:12 PM
Subject: Additional Investment

Hey Denny,

I hope you and your family had a great Thanksgiving. I have started the process to invest an additional \$100,000 in DenSco. It will probably take a couple of weeks. I would like to have the same terms as the previous investment (i.e., 2 years and let the interest accrue.) Please forward any documents that I need to sign as soon as you receive the funds. Thanks.

Tony



Message

From: Denny Chittick [dcmoney@yahoo.com]
Sent: 1/17/2012 6:59:00 AM
To: Anthony Burdett [burdett.anthony@gmail.com]
Subject: Re: Longer version same report

MLS inventory, number of properties in foreclosure. those are two i have been watching for years. with both of those numbers changing so drastically in the right direction is why i've been so optimistic. it's econ 101, supply and demand, we've been on the wrong side of that for so long, now that it's in the right direction, prices will go up, and i cant' tell you how strange that is after 5 yrs!
dc

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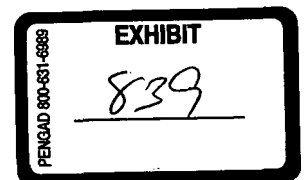
From: Anthony Burdett <burdett.anthony@gmail.com>
To: Denny Chittick <dcmoney@yahoo.com>
Sent: Tuesday, January 17, 2012 7:53 AM
Subject: Re: Longer version same report

Thanks Denny. I have my reading squared away for awhile. Are there 2 or 3 metrics that you focus on to give you a summary of data that's important to you?

On Mon, Jan 16, 2012 at 11:38 PM, Denny Chittick <dcmoney@yahoo.com> wrote:
but there is more info in it.

dc

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602-532-7737 f



Message

From: Denny Chittick [dcmoney@yahoo.com]
Sent: 2/18/2012 3:01:54 PM
To: Anthony Burdett [burdett.anthony@gmail.com]
Subject: Re: Estimated Value

I use a combo of knowledge, google maps, mls, and netvaluecentral, a subscription service i pay off to give me sales history. i'll give you as much info can you can handle! i know this big AG settlement made headlines, but i've yet to see any govt intervention by good intentions or shot gun make any real impact.

let me know when you would like to talk!
thx
dc

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602-532-7737 f

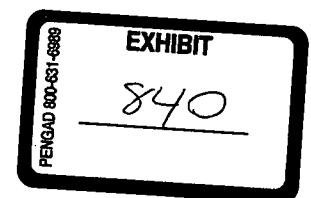
From: Anthony Burdett <burdett.anthony@gmail.com>
To: Denny Chittick <dcmoney@yahoo.com>
Sent: Saturday, February 18, 2012 9:37 AM
Subject: Estimated Value

Hi Denny,

How do you arrive at your Estimated Values? Is it simply based on your knowledge that you have gained over 11 years or do you get values from multiple sources such as MLS, etc. Also, would you be available for Jason and I to take you to lunch some time in the near future to "pick" your brain on your thoughts on our venture (i.e., potential problems or simply your years of experience in the business)? We would try to keep the meeting to a couple of hours max. Finally, I've included a graph of the result of Nevada's new law AB284. I'm hoping that the settlement recently reached by the five major banks and the AG of the states might get the process moving again.

Regards,

Tony



DenSco Investment Corporation

6132 W. Victoria Place Chandler, AZ 85226
Cell: 602-469-3001 Home: 480-636-1180 Fax: 602-532-7737
DenScoInvestment.com dcmoney@yahoo.com

STATEMENT April 2012

INVESTOR

Name Anthony Burdett - IRA
Address 1623 Common Dr
El Paso, TX 79936
Phone 915-373-1850

CURRENT INVESTMENT BALANCE

\$330,390.65

INVESTMENT ACCOUNTS

Accrual Account \$327,119.46
Interest \$3,271.19
Sub Total \$330,390.65

Quarterly Account

Interest
Interest Paid
Sub Total

Monthly Account

Interest
Interest Paid
Sub Total

Total Balance \$330,390.65

INVESTMENT HISTORY

Investment	Date	Maturity
\$200,000.00	04/26/11	04/26/13
\$100,000.00	12/15/11	12/15/13

Total Investment \$300,000.00

INTEREST EARNED

Year	Earnings
2011	\$17,498.92
2012	\$12,891.73

Total Earnings \$30,390.65

Thank you for investing with DenSco!

EXHIBIT

841

PENGAD 800-631-6988

CH_EstateSDT_0008548

Message

From: Denny Chittick [dcmoney@yahoo.com]
Sent: 8/30/2012 5:41:11 PM
To: Anthony Burdett [burdett.anthony@gmail.com]
Subject: Re: Meeting - Monday, September 3, 2012
Attachments: Example Deal.pdf

Tony:

i look forward to see you Jason on Monday.
the example of the deal i have attached is to a guy that i've worked with for 4 1/2 yrs, i've lent him about 10 million dollars.

the first page is a print out of the service that i had mentioned to you, that allows me to comp properties. i can't tell you if there is one for vegas, i'm sure there is something.

from my scratch notes, you see it's for Easy Investments, he's buying it for 274k, i'm lending 250k, and we think it's worth 330k. if you go down to the bottom of the page, i've marked some things to pay attention to on how we arrived at that. you see the Sq Ft in a box, 1954, it's 1 story St, the comps on the bottom so prices ranging from 300k to 330k, however, you can see that 2 of those are cash, those sometimes, not always denote an investor, a stress sale etc. rarely do you see a cash price at the high end. above those comps you see what is for sale, you see the cheapest is listed at 375k, i don't think it will go for that, nor does he. could it go for over 330k, sure, but that's what i came to based on the what i've seen sell.

page 2

his evidence of insurance, lists me as Leinholder, doesn't matter how many deals i do with a guy, this is priority. i've had houses burn down, vandalized, hail damage, you don't have this you are screwed!

page 3

I record on teh day that i fund the deal a 1 pg doc that says exactly what happened. it's a combo note and deed, just something to muddy up title. i could type a book, but i can speak to that when you get here. here in AZ we don't get a trustee's deed to the property for 2 weeks to 6 weeks. i have to have something recorded to show i'm owed money!

page 4-8

is the deed of trust, once the trustee's deed is recorded (which conveys the property to my borrower) i record this document.

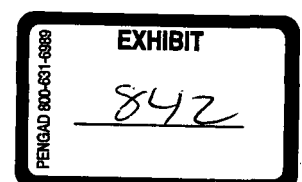
page 9

it's the note, spells everything out

page 10

it's the release that produce for the Receipt and Mortgage page 3, when i record it. there will be another one of these once the Deed is recorded. i have to forward these to the escrow agent once i've been paid off.

hopefully this gets you jump started, email me with questions, we'll see you monday.
thx



dc

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602-532-7737 f

From: Anthony Burdett <burdett.anthony@gmail.com>
To: Denny Chittick <dcmoney@yahoo.com>
Sent: Thursday, August 30, 2012 4:02 PM
Subject: Meeting - Monday, September 3, 2012

Hi Denny,

First, thanks for agreeing to meet with me on Monday. In order to keep your time to a minimum and provide me with the most information possible, when we meet, can you give me a couple of recent deals and their related documentation (for review only...I don't want any docs for my records). In other words, I tend to grasp things better when I see the actual "deal" and it's related timeline, docs, etc. The reason for my meeting is that I am trying to help Jason get started in the LV market. It just so happens that the foreclosure market in Vegas has stalled with the new NOD requirements, but I would like to be ready when it takes off again. I also realize that Nevada real estate laws are different than Arizona, but the basics I believe are the same. Look forward to meeting with you Monday at 3:00 (+ or - 1 hour).

Tony

POL
AMERICAN MODERN SELECT INSURANCE COMPANY
DWELLING POLICY DECLARATIONS

DECLARATION PAGE

POLICY NUMBER: 0850047303925

NAMED INSURED:
YOMTOV MENAGED
3030 N CENTRAL AVE #603
PHOENIX AZ 85012

AGENT 302619:
IVANTAGE SELECT AGENCY INC
P O BOX 5323
CINCINNATI OH 45201

MAIL TO: N085 302619 0047303925 02 WEB
YOMTOV MENAGED
3030 N CENTRAL AVE #603
PHOENIX AZ 85012

BROKER 002357:
SCHUBERT INS & FNCL
17040 N SCOTTSDALE RD STE 10
SCOTTSDALE AZ 85255
PHONE: (480) 515-6259

INSURED PROPERTY:
20802 N GRAYHAWK DR #1076
SCOTTSDALE AZ 85255-6402

POLICY PERIOD:
FROM: AUG 21, 2012 **TO:** AUG 21, 2013
12:01 A.M. STANDARD TIME
AT INSURED PROPERTY ADDRESS

LIENHOLDER 1:
DENSCO INVESTMENT CORP
SUITE
8132 W VICTORIA PLACE
CHANDLER AZ 85083

UNIT	OCCUPANCY	CONSTRUCTION TYPE	NO. FAMILIES	NO. STORIES	PROTECTION CLASS	TERR
1	VACANT	FRAME	ONE FAMILY	ONE STORY	03	60

THIS POLICY PROVIDES ONLY THE FOLLOWING COVERAGES FOR THIS UNIT:

SECTION	ITEM	COVERAGE	LIMIT	PREMIUM
1	COVERAGE A	DWELLING (DP-1), FIRE & EXT. COV.	\$250,000	\$1,393.00
1	COVERAGE C	PERSONAL PROPERTY, FIRE & EXT. COV	\$5,000	\$28.00
1	DEDUCTIBLE	SUBJECT TO ALL PERILS	\$5,000	\$320.00
2		PREMISES LIABILITY - EA. OCC.	\$300,000	\$45.00
2		PREMISES MED PAY EA. PERSON	\$500	
2		PREMISES MED PAY EA. OCC.	\$25,000	
1	SETTLEMENT	DWELLING FULL REPAIR COST		

MINIMUM WRITTEN AND/OR EARNED MAY APPLY TOTAL PREMIUM \$1,146.00

****THIS POLICY DOES NOT INCLUDE VANDALISM AND MALICIOUS MISCHIEF COVERAGE.***
****THIS POLICY DOES NOT INCLUDE FLOOD COVERAGE.****
****THIS POLICY DOES NOT INCLUDE EARTH MOVEMENT AND EARTHQUAKE COVERAGE.****
IF YOU CANCEL THIS POLICY EARLY, A MINIMUM EARNED PREMIUM OF \$100 MAY APPLY.

(CONTINUED ON REVERSE SIDE)

ENDORSEMENT FORMS APPLICABLE TO THIS POLICY:

IN150 05/11: IN614 04/09: S2001 07/88: 71503 12/03: 71884 11/09:
72539 12/06: 72670 05/11: 73253 03/00: 73339 07/02: PLM00 04/02:
PL600 08/06: SDA02 06/03: SDC00 03/03: V9295 11/05:

BILL TO INSURED
DATE PREPARED: AUG 22, 2012
FORM NO. 0110-4269 (5/92)

INSURED'S COPY

COUNTERSIGNED

Dusan Mome

When recorded, mail to:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

8-21-12
12-0747722

MORTGAGE

August 20, 2012

The undersigned borrower ("Borrower") acknowledges receipt of the proceeds of a loan from DenSco Investment Corporation ("Lender") in the sum of \$250,000.00, as evidenced by check payable to: Tiffany and Bosco ("Trustee"). The loan was made to Borrower to purchase the Real Property legally described as: Lot 1076 Subdivision Avian at Grayhawk Condominium, according to Declaration of Condominium recorded in Doc No. 96-0800771, according to Book 427 of Maps, Page 31, in the plat record in the Recorder's Office of Maricopa County, Arizona. Address: 20802 N Grayhawk Dr., #1076, Scottsdale, AZ 85255 At a trustee's sale conducted by Trustee, which took place on August 17, 2012, Borrower became the successful purchaser with the highest bid, and the loan is intended to fund all or part of the purchase price bid by Borrower at such trustee's sale.

Borrower has promised to pay Lender or assignee the full amount of the loan, with interest at the rate of 18% per annum from the date of this Receipt until paid in full, such amounts to be due and payable in full based on due date from promissory note.

Borrower hereby grants to Lender or assignee a first, prior and superior equitable lien and mortgage against the Real Property to secure payment of the loan. The undersigned principal of Borrower (who shall derive benefits from the loan, in order to induce Lender to extend the loan to Borrower) hereby irrevocably and unconditionally guarantees and promises to pay to Lender upon demand the full loan amount and all other sums payable or to become payable hereunder if Borrower fails to pay any such amounts when due. Borrower further agrees to execute, acknowledge and deliver to Lender such further documents as may be necessary to effectuate the intent of this transaction. Borrower has delivered to Lender a promissory note and deed of trust, and Borrower agrees that the deed of trust shall be recorded against the Real Property as a first, prior and superior lien and encumbrance simultaneously with the recording of the Trustee's Deed. Borrower further agrees to cause the undersigned principal of Borrower to execute, acknowledge and deliver a guaranty of the amounts lent by Lender under said promissory note.

Borrower: Easy Investments, LLC

Name & Title of Principal Borrower: Yomtov Scott Menaged, Managing Member of LLC

Signature: [Signature]

State of Arizona)

) ss.

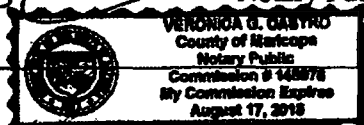
County of Maricopa)

Subscribed, sworn to and acknowledged before me this 20 day of August, 2012.

By: Yomtov Scott Menaged

Commission Expires: 8-17-15

Notary Public



WHEN RECORDED MAIL TO:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

DEED OF TRUST AND ASSIGNMENT OF RENTS

Date: August 20, 2012

TRUSTOR: Easy Investments, LLC

Address: 3030 N Central Ave Ste # 603, Phoenix, AZ 85012

BENEFICIARY: DenSco Investment Corporation, an Arizona corporation ("Lender")

Address: 6132 W. Victoria Place, Chandler, AZ 85226

TRUSTEE: Tiffany and Bosco

Address: 2525 E Camelback Rd., Ste#300, Phoenix, AZ 85016

PROPERTY in the County of Maricopa, State of Arizona, described as: Lot 1076, Subdivision Avian at Grayhawk Condominium, according to Declaration of Condominium recorded in Doc No. 9600800771, according to the Book 427, of Maps, Page 31, in the Recorder's office of Maricopa County.

Street address: 20802 N Grayhawk Dr., #1076, Scottsdale, AZ 85255

WITNESSETH THAT Borrower does hereby irrevocably grant, bargain, sell and convey to Trustee, in trust, with power of sale, the above-described real property;

TOGETHER WITH all the improvements now or hereafter erected on the Property, and all easements, appurtenances and fixtures now or hereafter a part of the Property, and all rents, issues and profits thereof, **SUBJECT, HOWEVER,** to the right, power and authority hereinafter given to and conferred upon Lender to collect and apply such rents, issues and profits. All replacements and additions also shall be covered by this Deed of Trust. All of the foregoing is referred to in this Deed of Trust as the "Property."

FOR THE PURPOSE OF SECURING:

A. Performance of each and every agreement of Borrower herein contained. B. Payment of the principal sum of \$250,000.00 (U.S. \$Two Hundred Fifty Thousand Dollars and No Cents). This debt is evidenced by Borrower's NOTE or NOTES dated the same date as this DEED OF TRUST, and any extension or renewal thereof (collectively, if applicable, the "Note"). C. Payment of all additional sums and interest thereon which at any time now or hereafter are owed by Borrower to Lender, or its successors or assigns. D. Payment of any amounts hereafter advanced by Lender or paid on behalf of Borrower to perform any duties or obligations of Borrower hereunder, or otherwise to protect the Property or the lien of this Deed of Trust.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, BORROWER AGREES:

1. Borrower has the right to grant and convey the Property and that Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

20. The Note or a partial interest in the Note (together with this Deed of Trust) may be sold one or more times without notice to Borrower. A sale may result in the change of the person who collects monthly payments due under the Note and this Deed of Trust.

21. Borrower/mortgagor hereby waives, releases and discharges any homestead exemption claimed or declared against Property.

22. If any term or provision of this Deed of Trust is held invalid or unenforceable by a court or arbitrator of competent jurisdiction, such terms shall be reduced or otherwise modified by such court or arbitrator to the minimum extent necessary to make it valid and enforceable. If such term or provision cannot be so modified, it shall be severed and the remaining terms and provisions of this Deed of Trust shall be interpreted in such a way as to give maximum validity and enforceability to this Deed of Trust. The remaining terms and provisions hereof shall continue in full force and effect.

23. Upon payment of all sums secured by this Deed of Trust, Lender shall release this Deed of Trust without charge to Borrower, except that Borrower shall pay any recordation costs.

Upon written request of Lender stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held thereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. Borrower in such reconveyance may be described as "the person or persons legally entitled thereto."

Request is hereby made that a copy of any notice of default and a copy of any notice of sale hereunder be mailed to Borrower at its/his/her address hereinbefore set forth.

BORROWER: Easy Investments, LLC

NAME and Title of Principal Borrower: Yomtov Scott Menaged, Managing Member of LLC

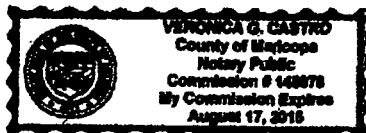
SIGNATURE: 

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This Instrument was acknowledged before me this 20 day of August, 2012.
By: Yomtov Scott Menaged

Commission Expires: 8-17-15


Notary



NOTE SECURED BY DEED OF TRUST

\$250,000.00

Phoenix, AZ (Date): August 20, 2012

Property Address: 20802 N Grayhawk Dr., #1076, Scottsdale, AZ 85255

For value received, Easy Investments, LLC ("Maker") promises to pay to the order of DenSco Investment Corporation or assigns (the "Holder"), at 6132 W. Victoria Place, Chandler, AZ 85226 (or at such other place as the Holder may designate in writing), in lawful U.S. money the principal sum of \$250,000.00 (Two Hundred Fifty Thousand Dollars and No Cents) plus interest calculated on the basis of a 360-day year and charged for the actual number of days elapsed, from the date hereof until paid on the principal balance from time to time outstanding.

Interest shall accrue on the principal sum outstanding at the rate of eighteen percent (18%) per annum, and shall be payable monthly commencing one month from the date hereof (provided, however, that if there is no comparable date in the following month to the date on which this Note is executed, monthly installments of interest hereunder shall be due and payable on the last day of each of the five succeeding months). The entire principal balance, together with all unpaid accrued interest, shall be due and payable as a balloon payment on February 20, 2013, the date six months from the date of funding under this Note, or upon any earlier acceleration (the "Maturity Date"). If any payment becomes past due for more than five calendar days, Maker shall pay to Holder, in addition to the amount of the overdue payment, a late charge equal to ten percent (10%) of the unpaid accrued interest element of such overdue payment.

In addition to any late charge on past due payments, interest will accrue at the rate of twenty-nine percent (29%) per annum ("Default Interest") on the unpaid principal balance upon the occurrence of a "Default" (hereafter defined). A "Default" shall occur (i) if any installment of accrued interest is not paid within 5 days of the date such payment was due, (ii) if the Note and all outstanding charges are not paid by the Maturity Date (for which no grace period is allowed), (iii) if there is a failure to comply with any of the terms of this Note or the Deed of Trust or guaranty which secures this Note, (iv) upon any bankruptcy, insolvency, dissolution or fraudulent conveyance by Maker, (v) upon any seizure, attachment or levy of Maker's assets, or (vi) upon the occurrence of any default under any other obligation of Maker to Holder. Further, at Holder's option after Default, all remaining unpaid principal and accrued interest shall become due and payable immediately without notice (other than any declaration prescribed in applicable sections of the agreements under which such events of default arose), presentment, demand or protest, all of which hereby are waived. TIME IS OF THE ESSENCE.

Maker agrees to an effective rate of interest that is the above rate, plus any additional rate of interest resulting from charges or benefits received by Holder which a court or governing agency deems to be in the nature of interest paid. All payments on this Note shall be applied first in payment of any costs, fees or charges incurred in connection with the indebtedness evidenced hereby, then to Default Interest accrued, then to interest accrued, and then to reduce principal. This Note is secured by a Deed of Trust executed contemporaneously herewith.

Maker waives demand, diligence and presentment for payment, protest, and notice of extension, dishonor, protest and nonpayment of this Note. If Default occurs, Maker promises to pay all costs of collection, court and foreclosure, including reasonable attorneys' fees. No renewal or extension of this Note, delay in enforcing any right of Holder under this Note, acceptance of any late payment, or assignment by Holder of this Note shall constitute a waiver of Holder's right to exercise any of its rights during the continuance of any Default or upon a subsequent Default, or otherwise limit the liability of Maker. All rights of Holder under this Note are cumulative and may be exercised concurrently or consecutively at Holder's option.

If any one or more of the provisions of this Note are determined to be unenforceable, in whole or in part, for any reason, the remaining provisions shall remain fully operative. This Note shall be construed in accordance with the laws of the State of Arizona, irrespective of its choice of law principles. This Note shall be binding upon Maker and its successors and assigns.

Signed this date: 8/20/12

Borrower: Easy Investments, LLC

By: X 

Name & Title: Yomtov S Menaged, managing member of LLC

Personally Guaranteed by: X 

Printed Name: X Yomtov Menaged

When recorded, mail to:
Easy Investments, LLC
3030 N Central Ave Ste # 603
Phoenix, AZ 85012

DEED OF RELEASE AND RECONVEYANCE (Beneficiary)
(Arizona)

WHEREAS, the indebtedness secured by the Deed of Trust executed

By Easy Investments, LLC (Trustor)

To Tiffany and Bosco (Trustee)

For the benefit of DenSco Investment Corporation (Beneficiary)

Dated August 20, 2012

Recorded August 21, 2012

In Document No. 20120747722, of Official Records in the office of the County
Recorder of Maricopa County, State of Arizona, has been fully paid:

Address: 20802 N Grayhawk Dr., #1076, Scottsdale, AZ 85255
Loan#:3610

NOW THEREFORE, pursuant to the provisions of Arizona Revised Statutes 33-707A
which makes it unnecessary for the Trustee to join in this document, the Beneficiary
under said Deed of Trust does hereby release and reconvey, without covenant or
warranty, express or implied, unto the parties legally entitled thereto all right, title and
interest which was heretofore acquired by said Trustee under said Deed of Trust, for the
benefit of the Beneficiary.

Dated 8-29, 2012

BENEFICIARY: DenSco Investment Corp, Denny J. Chittick, President

BY: [Signature]

STATE OF Arizona

) as.

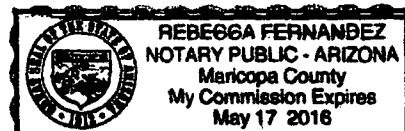
COUNTY OF Maricopa

This instrument was acknowledged before me this 29 day of Aug, 2012

By Denny J. Chittick who is known to me, or satisfactorily proved to me to be the
person signing for the above named Beneficiary.

May 17 2016
My commission expires

[Signature]
Notary Public



Message

From: Denny Chittick [dcmoney@yahoo.com]
Sent: 1/6/2013 10:07:34 PM
To: Anthony Burdett [burdett.anthony@gmail.com]
Subject: Re: Fwd: MOM's Meeting

Hi Denny,

I hope you and your boys had a great Christmas and New Year.
we did thx, just got back tonight from a week in ID snowboarding.

I am forwarding the last Mom's meeting that Warren had forwarded to me. Could you please include me in the Mom's notes emails? Thanks.

this is the 2nd or 3rd time Warren has said this, i looked in my sent folder, and i did copy you on it, i can only guess i'm going to spam, because you are part of a big email list. if you don't get it Jan 18th or 19th, let me know, we are having a meeting on the 17th!

I did review your latest quarterly newsletter. A couple of observations:

1. Doubling investor money from \$21 to \$42 in 2 years is stunning. Congratulations! This has to have you walking a very fine line in putting that money to work.
2. A number of your long-term builders have found cheaper financing for their rental properties. I don't know how much money they paid off, but that would appear to put further pressure on you.

1. i wasn't totally aware i had grown that much until i looked it, it surprised me! i've had a challenge for much of December getting all the money to work. i've turned away about a 1.5 million because of that. however, this coming week, i should have it all back to work, and then slowly let a few know that i can accept their money. i want to make sure i can before i take it in and sit on it. i'm not sure if it's a short term blip or a tipping point.

2. yes it has. it's been about 3-4 million all in the month of Oct and Nov. a few others have slowly paid me off over the 2nd half the year, in total probably 6-7 million. thus i've got less money where i just collect a check, and more that i have to put to work on ave. every 90 days. more work, for the same amount of money. i'll expand my borrower base a little bit and keep it moving. but like i said in my newsletter, i'm getting closer and closer to my max capacity.

I guess I'm just trying to prepare myself if you have to return some money back to investors. I wouldn't like it but would certainly understand. I just ask you to give me as much advanced notice as you can as I will have to scramble to find another investment vehicle. You are to be congratulated for operating one of the best hard money businesses around. I've always been impressed about how you have been able to receive the investor's money, turn around and put it to work.....a balancing act to be sure.

I don't have any plans to return money at this point. if i did get to that point it would be well planned in advance. in nearly 13 yrs, i've always been able to put all the money i have to work, there have been many more times when i could have put more money to work than i have, versus sitting on excess cash. look it this way, if i can stay 95% invested, i would be sitting on over 2 million at all times, that is my normal cash position, i'm usually between 500k and 1.2 and that money though sitting in my bank

account is committed to deals sitting on my desk.

As a side note, I had an opportunity to visit with your Mom and Dad when I was on my motorcycle trip across America. They are great people. Also, Coeur d' Alean is a beautiful place.

yes, i'm very fortunate, they said they enjoyed your visit and my mom was bothered taht because of their transition between home and motorhome they couldn't be a better host!

thx
dc

Take care.

Tony

----- Forwarded message -----

From: <WBush1120@comcast.net>

Date: Sun, Jan 6, 2013 at 3:52 PM

Subject: Fwd: MOM's Meeting

To: "Burdett, Anthony" <burdett.anthony@gmail.com>

Message

From: Denny Chittick [dennychittick@cox.net]
Sent: 3/29/2013 2:10:27 PM
To: 'burdett.anthony@gmail.com' [burdett.anthony@gmail.com]
BCC: 'dcmoney@yahoo.com' [dcmoney@yahoo.com]
Subject: DenSco Statement March
Attachments: Statement_6.pdf

Investors: Anthony

I've decided not to take on any new investors.

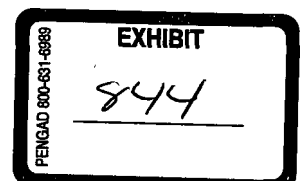
I'll continue to accept money from the current investors.

I appreciate all the referrals from everyone, since I spent exactly \$0 on marketing, word of mouth was my only way to grow.

Please find attached your monthly statement.

Thanks,

dc



CH_EstateSDT_0009884

Message

From: Denny Chittick [dennychittick@cox.net]
Sent: 7/31/2013 3:17:36 PM
To: 'burdett.anthony@gmail.com' [burdett.anthony@gmail.com]
BCC: 'dcmoney@yahoo.com' [dcmoney@yahoo.com]
Subject: DenSco Statement July
Attachments: Statement_6.pdf

Investors: Anthony

Please find attached your monthly statement.

I thought this would be as good as time as any to tell you that I'm going to have to soon quit accepting money from my current investors.

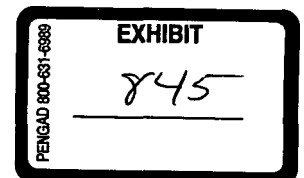
Between the organic growth of the interest that accrues, and profits, plus what you are adding to your investments, the law of large numbers are working against me.

Not too worry, nothing is wrong. I just need to be able to manage the business in the confines of time that I've set for myself (grade school hours) and it's getting harder to do that.

Thus I believe by the end of the year I'll quit accepting money. Those of you that have IRA's, I'll keep accepting those annual contributions, because they are small.

Thanks,

dc



CH_EstateSDT_0010803

DenSco Investment Corporation

6132 W. Victoria Place Chandler, AZ 85226
Cell: 602-469-3001 Home: 480-636-1180 Fax: 602-532-7737
DenScoInvestment.com dcmoney@yahoo.com

STATEMENT July 2013

INVESTOR

Name Anthony Burdett - IRA
Address 1623 Common Dr
El Paso, TX 79936
Phone 915-373-1850

CURRENT INVESTMENT BALANCE

\$485,651.31

INVESTMENT HISTORY

Investment	Date	Maturity
\$200,000.00	04/26/11	04/26/15
\$100,000.00	12/15/11	12/15/13
\$100,000.00	05/30/13	05/30/15

Total Investment \$400,000.00

INVESTMENT ACCOUNTS

Accrual Account \$480,842.88
Interest \$4,808.43
Sub Total \$485,651.31

Quarterly Account

Interest
Interest Paid
Sub Total

Monthly Account

Interest
Interest Paid
Sub Total

Total Balance \$485,651.31

INTEREST EARNED

Year	Earnings
2011	\$17,498.92
2012	\$40,266.83
2013	\$27,885.56

Total Earnings \$85,651.31

Thank you for investing with DenSco!

CH_EstateSDT_0010804

Message

From: Denny Chittick [dennychittick@cox.net]
Sent: 12/27/2014 7:33:52 PM
To: 'burdett.anthony@gmail.com' [burdett.anthony@gmail.com]
BCC: 'dcmoney@yahoo.com' [dcmoney@yahoo.com]
Subject: DenSco Statement December
Attachments: Statement_10.pdf

Investors: Anthony

Please find attached your monthly statement.

Yes it's a little early, but I'm headed up to ID tomorrow with the boys to go snowboarding. It's easier to do the whole end of month process in front of my multiple screens and in the quiet of my office and not with the noise of my boys and nephews!

I need to make another change in 2015. As in past years, I've needed to make adjustments. A few years ago I quit taking new investors, and then accepting new money in. With the market less stressed, there are fewer opportunities. I'm finding it harder to keep all the cash at work all the time. The spring is coming and that will see a pickup in demand, as did the month of December. Those are more seasonal times. To continue to constrain the size of the portfolio I'm requesting that everyone that is presently accruing interest, to take the interest monthly or quarterly. This will not affect IRA's or Roth IRA's. Those of you that have part of your interest paid and part of it accruing, it will all be paid now.

I will need a few things from you.

1. Name of account
2. Checking or savings account?
3. ABA#, Bank name, and Account # - you can find these on the bottom of your check
4. If you want the money paid monthly or quarterly.

As your notes mature I will renew them for the paying monthly or quarterly. You will receive your interest payments electronically the last business day of the month.

I appreciate your flexibility with this change.

I've updated the sample list of houses on the website:

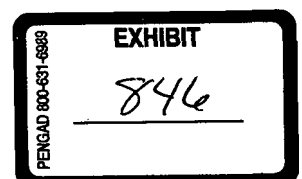
<http://denscoinvestment.com/properties.html>

I've updated the quarterly newsletter:

<http://denscoinvestment.com/newsletter.html>

Thanks,

dc



CH_EstateSDT_0014685

DenSco Investment Corporation

6132 W. Victoria Place Chandler, AZ 85226
Cell: 602-469-3001 Home: 480-636-1180 Fax: 602-532-7737
DenScoInvestment.com dcmoney@yahoo.com

STATEMENT December 2014

INVESTOR

Name Anthony Burdett - IRA
Address 1623 Common Dr
El Paso, TX 79936
Phone 915-373-1850

CURRENT INVESTMENT BALANCE

\$575,159.01

INVESTMENT ACCOUNTS

Accrual Account **\$569,464.37**

Interest **\$5,694.64**

Sub Total **\$575,159.01**

Quarterly Account

Interest

Interest Paid

Sub Total

Monthly Account

Interest

Interest Paid

Sub Total

Total Balance **\$575,159.01**

INVESTMENT HISTORY

Investment	Date	Maturity
\$200,000.00	04/26/11	04/26/15
\$100,000.00	12/15/11	12/15/15
\$100,000.00	05/30/13	05/30/15

Total Investment **\$400,000.00**

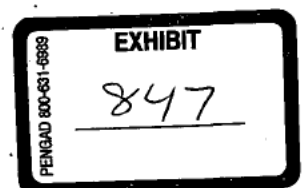
INTEREST EARNED

Year	Earnings
2011	\$17,498.92
2012	\$40,266.83
2013	\$52,658.66
2014	\$64,734.60

Total Earnings **\$175,159.01**

Thank you for investing with DenSco!

98 Anthony B. Bitt



D128039
#8604

DENSCO INVESTMENT CORPORATION

SUBSCRIPTION AGREEMENT

Ladies and Gentlemen:

Investment # 1

Date: April 26, 2015

1. **Subscription.** The undersigned investor has received and reviewed the Confidential Private Offering Memorandum dated July 1, 2009 (the "POM"). The undersigned certifies that the undersigned meets the applicable suitability standards as evidenced on the attached Purchaser Questionnaire and the undersigned hereby subscribes for and agrees to purchase the following Note from DenSco Investment Corporation (the "Company"):

- ☐ Accrual Note in the amount of \$322,556.31 for 24 months that will bear interest at the rate of 12% per year (1% monthly). The interest will be compounded monthly. The principal and accrued interest will be paid back to the undersigned investor at the end of the term of the Note. (The minimum amount of a Note is \$50,000 with additional increments in a minimum of at least \$10,000).
- ☐ Quarterly Payment Note in the amount of \$ _____ for _____ months that will bear interest at the rate of _____% per year (____% monthly). The interest will be compounded monthly. The principal and any accrued and unpaid interest will be paid back to the undersigned investor at the end of the term of the Note. (The minimum amount of a Note is \$50,000 with additional increments in a minimum of at least \$10,000).
- ☐ Monthly Payment Note in the amount of \$ _____ for _____ months that will bear interest at the rate of _____% per year (____% monthly). The interest will be paid to the undersigned investor on a monthly basis, and the principal will be paid to the undersigned at the end of the term of the Note. (The minimum amount of a Note is \$50,000 with additional increments in a minimum of at least \$10,000).

As a condition of the offer, the undersigned agrees to deliver this executed Subscription Agreement to the Company. Such Note will be issuable only upon acceptance of this Subscription Agreement by the Company and receipt of the consideration set forth in this Subscription Agreement.

2. **Representations and Warranties.** By executing this Subscription Agreement, the undersigned represents, warrants and acknowledges to the Company that:

(a) Based on personal knowledge and experience in financial and business matters in general, the undersigned understands the nature of this investment, is fully aware of and familiar with the proposed business operations of the Company, is able to evaluate the merits and risks of an investment in a Note and is capable of protecting the undersigned's interests in investing in the investment. The undersigned has received and carefully reviewed the POM. The undersigned has relied solely on the information contained therein, and information otherwise

DATED: April 26, 2015

By: [Signature]
Signature of Investor

First Trust Company of Onaga, for the Benefit of
Anthony Burdett
Print Name of Investor

Account Number [REDACTED]
Address: 1623 Common Drive
El Paso, TX 79936

SSN or EIN: [REDACTED]

TIN Number: [REDACTED]

FTCO: [Signature]

Signature By: [Signature] (Print)

Address: 214 W 9th Street
Onaga, KS 66521

Agreed to and accepted by DenSco Investment
Corporation as of the April 26, 2015

By: [Signature]

Name: Denny J. Chittick

Title: President

DENSCO INVESTMENT CORPORATION

SUBSCRIPTION AGREEMENT

Ladies and Gentlemen:

Investment # 2

Date: December 15, 2015

1. **Subscription.** The undersigned investor has received and reviewed the Confidential Private Offering Memorandum dated July 1, 2009 (the "POM"). The undersigned certifies that the undersigned meets the applicable suitability standards as evidenced on the attached Purchaser Questionnaire and the undersigned hereby subscribes for and agrees to purchase the following Note from DenSco Investment Corporation (the "Company"):

- ☐ Accrual Note in the amount of \$161,333.46 for 24 months that will bear interest at the rate of 12% per year (1% monthly). The interest will be compounded monthly. The principal and accrued interest will be paid back to the undersigned investor at the end of the term of the Note. (The minimum amount of a Note is \$50,000 with additional increments in a minimum of at least \$10,000).
- ☐ Quarterly Payment Note in the amount of \$_____ for _____ months that will bear interest at the rate of _____% per year (_____% monthly). The interest will be compounded monthly. The principal and any accrued and unpaid interest will be paid back to the undersigned investor at the end of the term of the Note. (The minimum amount of a Note is \$50,000 with additional increments in a minimum of at least \$10,000).
- ☐ Monthly Payment Note in the amount of \$_____ for _____ months that will bear interest at the rate of _____% per year (_____% monthly). The interest will be paid to the undersigned investor on a monthly basis, and the principal will be paid to the undersigned at the end of the term of the Note. (The minimum amount of a Note is \$50,000 with additional increments in a minimum of at least \$10,000).

As a condition of the offer, the undersigned agrees to deliver this executed Subscription Agreement to the Company. Such Note will be issuable only upon acceptance of this Subscription Agreement by the Company and receipt of the consideration set forth in this Subscription Agreement.

2. **Representations and Warranties.** By executing this Subscription Agreement, the undersigned represents, warrants and acknowledges to the Company that:

(a) Based on personal knowledge and experience in financial and business matters in general, the undersigned understands the nature of this investment, is fully aware of and familiar with the proposed business operations of the Company, is able to evaluate the merits and risks of an investment in a Note and is capable of protecting the undersigned's interests in investing in the investment. The undersigned has received and carefully reviewed the POM. The undersigned has relied solely on the information contained therein, and information otherwise

DATED: December 15, 2015

By: 
Signature of Investor

First Trust Company of Onaga, for the Benefit of
Anthony Burdett
Print Name of Investor

Account Number: 
Address:

1623 Common Drive
El Paso, TX 79936

SSN or EIN: 

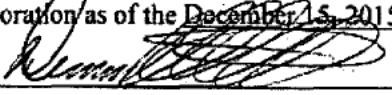
TIN Number: 

FTCO: 

Signature By: Joyce Hart (Print)

Address: 214 W 9th Street
Onaga, KS 66521

Agreed to and accepted by DenSco Investment
Corporation as of the December 15, 2015.

By: 

Name: Denny J. Chittick

Title: President

DENSCO INVESTMENT CORPORATION

SUBSCRIPTION AGREEMENT

Ladies and Gentlemen:

Investment # 3

Date: May 30, 2015

1. **Subscription.** The undersigned investor has received and reviewed the Confidential Private Offering Memorandum dated July 1, 2009 (the "POM"). The undersigned certifies that the undersigned meets the applicable suitability standards as evidenced on the attached Purchaser Questionnaire and the undersigned hereby subscribes for and agrees to purchase the following Note from DenSco Investment Corporation (the "Company"):

- ☐ Accrual Note in the amount of \$127,058.10 for 24 months that will bear interest at the rate of 12% per year (1% monthly). The interest will be compounded monthly. The principal and accrued interest will be paid back to the undersigned investor at the end of the term of the Note. (The minimum amount of a Note is \$50,000 with additional increments in a minimum of at least \$10,000).
- ☐ Quarterly Payment Note in the amount of \$_____ for _____ months that will bear interest at the rate of _____% per year (____% monthly). The interest will be compounded monthly. The principal and any accrued and unpaid interest will be paid back to the undersigned investor at the end of the term of the Note. (The minimum amount of a Note is \$50,000 with additional increments in a minimum of at least \$10,000).
- ☐ Monthly Payment Note in the amount of \$_____ for _____ months that will bear interest at the rate of _____% per year (____% monthly). The interest will be paid to the undersigned investor on a monthly basis, and the principal will be paid to the undersigned at the end of the term of the Note. (The minimum amount of a Note is \$50,000 with additional increments in a minimum of at least \$10,000).

As a condition of the offer, the undersigned agrees to deliver this executed Subscription Agreement to the Company. Such Note will be issuable only upon acceptance of this Subscription Agreement by the Company and receipt of the consideration set forth in this Subscription Agreement.

2. **Representations and Warranties.** By executing this Subscription Agreement, the undersigned represents, warrants and acknowledges to the Company that:

(a) Based on personal knowledge and experience in financial and business matters in general, the undersigned understands the nature of this investment, is fully aware of and familiar with the proposed business operations of the Company, is able to evaluate the merits and risks of an investment in a Note and is capable of protecting the undersigned's interests in investing in the investment. The undersigned has received and carefully reviewed the POM. The undersigned has relied solely on the information contained therein, and information otherwise

DATED: May 30, 2015

By: [Signature]
Signature of Investor

First Trust Company of Onaga, for the Benefit of
Anthony Burdett
Print Name of Investor

Account Number: [Redacted]
Address:

1623 Common Drive
El Paso, TX 79936

SSN or EIN: [Redacted]

TIN Number: [Redacted]

FTCO: First Trust Company of Onaga
By: [Signature]

Signature By: [Signature] (Print)

Address: 214 W 9th Street
Onaga, KS 66521

Agreed to and accepted by DenSeo Investment
Corporation as of the May 30, 2015

By: [Signature]

Name: Denny J. Chittick

Title: President

Date:

4-26-11

INVESTOR NO.

98

**DENSCO INVESTMENT CORPORATION
PROSPECTIVE PURCHASER QUESTIONNAIRE
(ACCREDITED INVESTORS)**

The following information is furnished to DenSco Investment Corporation, an Arizona corporation (the "Company") for the Company to determine whether I am qualified to invest in a general obligation, unsecured note (the "Note") from the Company pursuant to Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"), and comparable provisions of applicable state securities laws. I, the undersigned, understand that you will rely upon the following information for purposes of such determination, and that the Note will not be registered under the Securities Act in reliance upon the exemption from registration provided by Sections 3(b) and 4(2) of the Securities Act, Regulation D thereunder, and comparable provisions of applicable state securities laws.

This Prospective Purchaser Questionnaire must be completed by each potential Investor who has indicated an interest in purchasing a Note from the Company. Individual Investors and each Co-Investor (other than a spouse) must complete and sign a separate Prospective Purchaser Questionnaire and adult custodians must complete this Prospective Questionnaire for individual minor Investors. Shareholders of corporations (or members of an LLC, or partners of a partnership or a beneficiary of a trust) (collectively, an "Equity Owner") also may need to furnish additional information as applicable.

I further understand that I may be required to supply a balance sheet, prior years' federal income tax returns or other appropriate documentation to verify and substantiate my status as an Accredited Investor.

ALL INFORMATION CONTAINED IN THIS PROSPECTIVE PURCHASER QUESTIONNAIRE WILL BE TREATED CONFIDENTIALLY. However, it is agreed that you may present this document to such parties as you deem appropriate if called upon to establish that the proposed offer and sale of the Notes is exempt from registration under the Securities Act or meets the requirements of applicable state securities laws. I understand that a false statement by me will constitute a violation of my representations and warranties under this Investor Questionnaire and the Subscription Agreement submitted with this Questionnaire and may also constitute a violation of law, for which a claim for damages may be made against me. My investment in the Notes will not be accepted until Denny Chittick (the "President"), who is the President of the Company, determines that I satisfy all of the suitability standards set forth in the Confidential Private Offering Memorandum, dated July 1, 2009 (the "POM") and in Rule 501(a) of Regulation D under the Securities Act.

Please answer every question. If the answer to any questions is "None" or "Not Applicable" please so state.

The Prospective Purchaser Questionnaire does not constitute an offer by the Company or any agent to sell any securities, but is merely a request for information.

Please complete, sign, date and return the Prospective Purchaser Questionnaire to the Company. Your investment in the Company will not be accepted until the Company determines that you satisfy all of the requisite suitability standards.

For Individual Investors, please complete pages 2 to 4 and sign on page 4.

For Organizational Investors, please complete pages 4 to 7 and sign on page 7.

I, the undersigned Prospective Investor hereby supply you with the following information and representations:

PLEASE PRINT

I. INDIVIDUAL INVESTORS

A. GENERAL INFORMATION

Name of Investor* Anthony Burdett

Residence Address 1623 Common Drive

City El Paso State Texas Zip Code 79936-5235

Home Telephone Number [REDACTED]

Email Address: Burdett.anthony@gmail.com

Work Number () -

Cellular Number () -

U.S. Citizen Yes ☒ No

Social Security Number (Investor) [REDACTED]

(Co Investor, if any)** N/A

* ALL INFORMATION REQUESTED IN CONNECTION WITH INVESTMENTS UNDER THE UNIFORM GIFT TO MINORS ACT SHOULD BE

GIVEN ON BEHALF OF THE ADULT CUSTODIAN, NOT THE MINOR BENEFICIARY, UNLESS OTHERWISE INDICATED.

**** EACH CO-INVESTOR (OTHER THAN SPOUSE) MUST COMPLETE AND SIGN A SEPARATE QUESTIONNAIRE.**

Name of Custodian (if investment is pursuant to Uniform Gift to Minors Act)

Name of Beneficiary Eva M. Burdett, Primary or Estate, Contingent

1. Set forth in the space provided below the state(s) in which you maintain your principal residence.

Texas

2. Do you maintain residence in any other states? If yes, in which state(s)?

No

3. In which state, if any, are you registered to vote?

Texas

4. In which state, if any, do you presently hold a valid driver's license?

Texas

5. Are you age 21 or older? Yes ☒ No

B. INDIVIDUAL ACCREDITATION, SOPHISTICATION, AND SUITABILITY

1. **Accredited Investor Status.** Please complete each of the following certifications:

- A. I certify that I have an individual net worth (or a joint net worth with my spouse) in excess of \$1,000,000 (**excluding** homes, home furnishings and automobiles). **Note: While the SEC has yet to act on the Wall Street Reform and Investor Protection Act, it has indicated that it may require that investors subtract from their net worth the amount of indebtedness on any home owned by an investor that exceeds the fair market value of the home, provided that the lender of such indebtedness has recourse as to such amount.**

Yes ☒ No

OR

- B. I certify that I had individual income (excluding any income of my spouse) of more than \$200,000 in each of the previous two calendar years, or joint income with my spouse of more than \$300,000 in each of those years, and I reasonably expect to have an individual income in excess of \$200,000, or joint income with my spouse in excess of \$300,000, in the current year.

Yes N/A

No

The above information supplied by me is true and correct in all respects and I recognize that the Company is materially relying on the truth and accuracy of such information.

Dated this 28TH day of MARCH, 2011.

Anthony Burdett

PRINT Name of Investor

N/A
PRINT Name of Co-Investor, if any

[Signature]
Signature of Investor

N/A
Signature of Co-Investor, if any

II. ORGANIZATIONAL INVESTOR

A. GENERAL INFORMATION

1. Name of Organization: N/A
2. Date of Organization N/A
3. Fiscal Year End N/A
4. State and Country of Organization N/A
5. Taxpayer Identification Number N/A
6. Principal Business Address N/A
7. Home Telephone Number () N/A -
Work Number () N/A -
Cellular Number () N/A -

8. Type of Organization and Business Description N/A

9. Send Mail to: N/A

10. Number of Equity Owners: N/A

11. Has the subscribing Organization been formed for the specific purpose of purchasing Notes? Yes N/A No

B. ORGANIZATION ACCREDITATION, SOPHISTICATION AND SUITABILITY

1. **Accredited Investor Status.** Please complete each of the following certifications:

1.1 The undersigned Organization certifies that EACH of its Equity Owners meets at least ONE of the following conditions:

(i) Such Equity Owner is a natural person whose individual net worth (or joint net worth with his or her spouse) exceeds \$1,000,000 (excluding homes, home furnishings and personal property). [Note: While the SEC has yet to act on the Wall Street Reform and Investor Protection Act, it has indicated that it may require that equity owners subtract from their net worth the amount of indebtedness on any home owned by an equity owner that exceeds the fair market value of the home, provided that the lender of such indebtedness has recourse as to such amount]; or

(ii) Such Equity Owner is a natural person who had an individual income in excess of \$200,000 in each of the previous two calendar years, or joint net worth with his or her spouse of more than \$300,000, in each of those years and who reasonably expects to have an individual income in excess of \$200,000, or joint income with his or her spouse in excess of \$300,000, for the current calendar year; or

(iii) Such Equity Owner of the Investor is a corporation, partnership or revocable trust and all of the shareholders, partners or grantors, respectively, of such corporation, partnership or revocable trust can answer yes to statement 1.1(i) or 1.1(ii) above.

Yes N/A No

- 1.2 The undersigned Organization is a revocable or grantor trust and each person with the power to revoke the trust qualifies as an Accredited Investor under 1.1(i) or 1.1(ii) above.

Yes N/A No

- 1.3 The undersigned Organization is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, and the investment decision is made by a Plan Fiduciary, as defined in Section 3(21) of such Act which is a bank, savings and loan association, insurance company or registered investment advisor.

Yes N/A No

- 1.4 The undersigned Organization is a qualified profit sharing or defined contribution Plan, the Plan provides for segregated accounts for each Plan Participant, the governing documents of the Plan provide that each participant may direct the trustee to invest his or her funds in the investment vehicles of his or her choice and the purchase of the note(s) is made pursuant to an exercise by the Plan Participant, who is an Accredited Investor under subparagraph 1.1(i) or 1.1(ii) above, of such power to direct the investments of his or her segregated account. This Prospective Purchaser Questionnaire and the Subscription Agreement must be completed and executed by such Plan Participant.

Yes N/A No

- 1.5 The undersigned Organization certifies that it is a bank as defined in Section 3(a)(2) of the Securities Act.

Yes N/A No

- 1.6 The undersigned Organization certifies that it is a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act.

Yes N/A No

- 1.7 The undersigned Organization certifies that it is an insurance company as defined in Section 2(13) of the Securities Act.

Yes N/A No

- 1.8 The undersigned Organization certifies that it is an investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940.

Yes N/A No

- 1.9 The undersigned Organization certifies that it is a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.

Yes N/A No

- 1.10 The undersigned Organization certifies that it is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

Yes N/A No

- 1.11 The undersigned Organization certifies that it has total assets in excess of \$5,000,000.

Yes N/A No

- 1.12 The undersigned Organization certifies that it is a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

Yes N/A No

2. **Sophistication.** Person(s) making the investment decision on behalf of the Organization to purchase a Note:

Name

Organization Position

N/A

N/A

The above information supplied by the undersigned is true and correct in all respects and the undersigned recognizes that the Company is relying materially on the truth and accuracy of such information.

Dated this N/A day of _____, 20_____.

PRINT Name of Organization: N/A

PRINT Name of Individual with authority to make investment decisions on behalf of Organization: N/A

PRINT Title or Capacity in which signing of Individual with authority to make investment decisions on behalf of Organization: N/A

Signature of Individual with authority to make investment decisions on behalf of Organization: N/A

(1) ACCOUNTHOLDER INFORMATION						
ACCOUNTHOLDER NAME AND ADDRESS			SOCIAL SECURITY NUMBER	DATE OF BIRTH	HOME PHONE NUMBER	
Anthony Burdett Rollover IRA 1623 Common Drive El Paso, TX 79936			[REDACTED]	[REDACTED]	[REDACTED]	
			DAYTIME PHONE NUMBER		FAX NUMBER	
			[REDACTED]			
			E-MAIL ADDRESS	burdett.anthony@gmail.com		
(2) CONTRIBUTION INFORMATION			(3) CUSTODIAN INFORMATION (Internal use only)			
CONTRIBUTION TYPE	CONTRIBUTION AMOUNT		First Trust Company of Onaga 214 W 9th St PO Box 420 Onaga, KS 66521-0420 785-889-4213			
<input type="checkbox"/> Regular or Spousal	\$200,000.00					
<input checked="" type="checkbox"/> SEP (Simplified Employee Pension)	CONTRIBUTION FOR TAX YEAR					
<input type="checkbox"/> Transfer	N/A		IRA ACCOUNT NUMBER For Internal Use Only			
<input type="checkbox"/> Rollover (Including a direct rollover from an employer's plan)						
<input type="checkbox"/> Reclassification						
(4) DESIGNATION OF BENEFICIARY(IES) (Please attach a separate sheet if additional space is required.)						
<p>The following individual(s) or entity(ies) shall be my primary and/or contingent beneficiary(ies). If neither primary nor contingent is indicated, the individual or entity will be deemed to be a primary beneficiary. If more than one primary beneficiary is designated and no distribution percentages are indicated, the beneficiaries will be deemed to own equal share percentages in the IRA. Multiple contingent beneficiaries with no share percentage indicated will also be deemed to share equally.</p> <p>If any primary or contingent beneficiary dies before I do, his or her interest and the interest of his or her heirs shall terminate completely, and the percentage share of any remaining beneficiary(ies) shall be increased on a pro rata basis unless otherwise designated at the time the Beneficiaries were named. If no primary beneficiary(ies) survives me, the contingent beneficiary(ies) shall acquire the designated share of my IRA.</p>						
No.	Name and Address	Date of Birth	Social Security Number	Relationship	Primary or Contingent	Share %
1.	Eva M. Burdett 1623 Common Drive El Paso, TX 79936	[REDACTED]	[REDACTED]	Spouse	Primary	100 %
2.	Estate 1623 Common Drive El Paso, TX 79936	N/A			Contingent	100 %
3.						%
(5) STATEMENT OPTION						
<input checked="" type="checkbox"/> Electronic Statement Only <input type="checkbox"/> Annual Statement <input type="checkbox"/> Quarterly Statement <input type="checkbox"/> Monthly Statement						
<p>If no box is marked, the electronic statement option will be used until we receive further direction from the accountholder. Additional fees will be assessed for paper statements. Please refer to the Account Information Brochure for a list of all applicable fees.</p>						
(6) INVOICE OPTION						
<input type="checkbox"/> Charge Account (Default) <input checked="" type="checkbox"/> Bill me						
<input type="checkbox"/> ACH - Debit Checking or Savings Account Please attach voided check or savings withdrawal slip						
<p>REQUIRED \$25.00 setup fee and prorated* annual account fee to be included with Simplifier.</p> <p>*Prorated annual account fee = \$75 if account is opened in July through September = \$60 if account is opened in October through December = \$40 if account is opened in January through March = \$20 if account is opened in April through June</p>						
<p>Check made payable to First Trust Company of Onaga</p> <p>If no option is marked, we will charge your account.</p>						

(7) DESIGNATION OF REPRESENTATIVE (Optional)

YOUR REPRESENTATIVE NAME AND ADDRESS		BROKER DEALER NAME
REPRESENTATIVE PHONE NUMBER	REPRESENTATIVE FAX NUMBER	If my Account Representative changes firms or broker-dealer affiliations, my Account Representative will continue to have the same authority on my Account. It is my Account Representative's responsibility to notify both the Custodian and myself of any change in my Account Representative's firm or broker-dealer affiliation. My Account Representative also must provide the Custodian with the necessary documents to change his/her firm or broker-dealer affiliation with the investments in my Account.
E-MAIL ADDRESS		

Please check all that apply. If neither statement below is marked, the representative above will only be allowed access to account statements; trade confirmations and other information as requested from time to time. If additional authority is granted by the accountholder one or both must be checked.

☐ A. Buy, sell, deliver and/or settle trades of any assets in accordance with your terms and conditions upon the written direction of my Account Representative. The Custodian has the right to rely on any representations and/or warranties made by my Account Representative in connection with a sale or purchase on behalf of my Account, including but not limited to, representations with regard to prohibited transactions and suitability requirements.

☐ B. Disburse funds to my Account Representative upon the written direction of my Account Representative.

I agree to accept the designation of Accountholder Representative for this account and all the duties and responsibilities with that designation. The accountholder and I have received a copy of the Individual Retirement Account Application, 5305-A Plan Agreement, Financial Disclosure, Disclosure Statement, Summary of Accountholder Responsibilities, and Account Information Brochure. I agree to be bound by the terms of these documents.

X

(Authorized Representative's Signature)

(8) MARITAL STATUS (Must complete regardless of status)**CURRENT MARITAL STATUS**

- ☐ I Am Not Married – I understand that if I become married in the future, I should review a new IRA Designation of Beneficiary form.
- ☒ I Am Married – I understand that if I choose to designate a primary beneficiary other than my spouse, my spouse must sign below.

The following Consent of Spouse must be completed if the account holder is married and does not name his or her spouse as the sole primary beneficiary. This will apply to residents of all states, not just the community or marital property states. Due to the important tax consequences of giving up one's property interest, individuals signing this section should consult with a competent tax or legal advisor.

CONSENT OF SPOUSE

I am the spouse of the above-named IRA holder. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. Due to the important tax consequences of giving up my interest in this IRA, I have been advised to see a tax professional.

I hereby give the IRA holder any interest I have in the funds or property deposited in this IRA, now or hereafter, and consent to the beneficiary designation(s) indicated above. I assume full responsibility for any adverse consequences that may result. No tax or legal advice was given to me by the Custodian.

(Signature of Spouse)

(Date)

(9) SIGNATURES

Important: Please read before signing.

I understand the eligibility requirements for the type of IRA deposit I am making and I state that I do qualify to make the deposit. I have received a copy of the Individual Retirement Account Application, the 5305 Individual Retirement Custodial Account Plan Agreement, the Financial Disclosure, the Disclosure Statement, the Summary of Accountholder Responsibilities, and the Account Information Brochure ("Documents"). I have read and understand that the terms and conditions of this IRA account are held within these Documents. By signing below, I agree to be bound by the terms and conditions of these Documents. Within seven (7) days from the date I open this IRA I may revoke it without penalty by mailing or delivering a written notice to the Custodian.

I assume complete responsibility for

1. determining that I am eligible for an IRA each year I make a contribution;
2. insuring that all contributions I make are within the limits set forth by the tax laws; and
3. the tax consequences of any contribution (including rollover contributions) and distributions.

I recognize that the products purchased and/or held within my custodial account are:

- not insured by the FDIC;
- not a deposit or other obligation of, or guaranteed by, First Trust Company of Onaga;
- subject to investment risks, including possible loss of the principal amount invested.

(IRA Holder)

03/25/2011
(Date)

(Authorized Signature of Custodian)

(Date)



Transfer/Direct Rollover Request

Forward To: 214 West 9th Street
PO Box 420
Onaga, KS 66521
800.521.9897
765.889.7189 Fax



Please Print or Type

TRANSFER FROM Custodian to Custodian - Non Reportable IRS Event		ROLLOVER FROM Administrator to Custodian - Reportable IRS Event	
<input type="checkbox"/> Full or <input checked="" type="checkbox"/> Partial		<input type="checkbox"/> Full or <input type="checkbox"/> Partial	
<input checked="" type="checkbox"/> Traditional IRA	<input type="checkbox"/> SEP IRA	<input type="checkbox"/> 401k*	<input type="checkbox"/> Profit Sharing Plan*
<input type="checkbox"/> Roth IRA	<input type="checkbox"/> Simple IRA	<input type="checkbox"/> 403b*	<input type="checkbox"/> Other*

*Your employer may require additional forms to process your request.

Are any of these funds/assets from an Inherited Account? ☐ Yes ☒ No

Current Trustee/Custodian (name and address)	Account Name
Firsttrade Securities, Inc.	Anthony Burdett Rollover IRA
133-25 37th Avenue	Account Number
Flushing, NY 11354	Custodian Phone Number (800) 869-8800
	Social Security Number

FICO sends Transfer and Rollover Requests by regular US Postal Service. If you prefer an expedited service, please indicate the service, the billing number and billing address below.

Provider	Type of Service	Billing Number
Billing Address of Responsible Party		

If Current Custodian will accept by fax - Fax Number of Current Custodian

If Current Custodian will process funds by wire - Wire funds to First Trust Company of Onaga

I direct the transfer/rollover of the account to First Trust Company of Onaga, custodian. A copy of the account statement is attached.

Transfer/Rollover is to be accomplished as follows:

- ☐ 1. Liquidate all assets and transfer the proceeds.
 - ☐ Immediately (I am aware of and acknowledge the early withdrawal penalty for certain assets.)
 - ☐ At Maturity. Maturity Date(s)
- ☒ 2. Available cash as marked.
 - ☐ All or ☒ 200,000.00 Dollars
- ☐ 3. Transfer assets as indicated below and available cash - enclose most recent statement when transferring assets.
- ☐ 4. Specific Instructions

# of Units, Specific Dollar Amount, or "All"	Asset Description	Liquidate		Reinvest		Dividend Option	
						Reinvest	Cash
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

03/28/2011
Date

Account Holder Signature

Signature Guaranteed If Required By Current Custodian

Account Name Anthony Burdett Rollover IRA	Social Security Number [REDACTED]
---	--------------------------------------

If Applicable: This section must be filled out completely if assigning a financial adviser to mutual funds being transferred

Advisor (name and address) _____ _____ _____	Advisor ID Number _____ Branch Number _____ Broker-Dealer Name _____
---	--

<i>For Official Use Only</i>	
First Trust Company of Onaga Acceptance	
First Trust Company of Onaga, has established a	
<input type="checkbox"/> Traditional IRA <input type="checkbox"/> SEP IRA <input type="checkbox"/> Roth IRA <input type="checkbox"/> Inherited IRA <input type="checkbox"/> Inherited Roth IRA	
as indicated for this client and agrees to accept the assets of said plan. Assets indicated above should be registered and delivered to:	
See Attached Delivery Instructions	
First Trust Company of Onaga, Custodian FBO: _____ 214 West 9th Street PO Box 420 Onaga, KS 66521-0420	Account # _____ Tax ID No. [REDACTED]
By _____ First Trust Company of Onaga Authorized Signature	_____ Date



PURCHASE AUTHORIZATION

Please forward to: 214 West 9th Street
PO Box 420
Onaga, KS 66521-0420
800.521.9897
785.889.7169 Fax

Reset Form

Please Print or Type

Purchase Details	
Account Name <u>Anthony Burdett Rollover IRA</u>	Account Number _____
Asset Name <u>General Obligation Note</u>	CUSIP Number (if available) _____
Units/Quantity <u>1</u>	Unit Price _____
Gross Cost <u>\$200,000.00</u>	Broker _____
Trade Date (if applicable) _____	Settle Date (if applicable) _____

Settlement Instructions (Check One)	
<input checked="" type="checkbox"/> Send Funds by Check (default)	<input type="checkbox"/> Send Funds by Wire (\$20 processing fee will be assessed)
Mailing Address <u>DenSoo Investment Corporation</u>	Bank Name _____
<u>6132 W. Victoria Place</u>	Bank Address _____
<u>Chandler, AZ 85226</u>	_____
Check below if overnight delivery is requested	ABA Routing Number _____
<input type="checkbox"/> Overnight Delivery (\$20 processing fee will be assessed)	Bank Account Number _____
<input type="checkbox"/> Use my overnight Account (no fee will be assessed)	Bank Account Name _____
Company _____ A/C # _____	Bank Account Address _____

If Applicable: This following section must be filled out completely if assigning a financial advisor to mutual funds being purchased: ☒ Reinvest ☐ Cash

Name of Advisor _____ Advisor ID number _____
Address _____ Branch Number _____
City State ZIP _____ Name of Broker-Dealer _____

SPECIAL INSTRUCTIONS: Beyond transferring the cash as specified above and maintaining custody of the above-described assets and the documents listed below, First Trust Company of Onaga (FTCO), is under no obligation to take any further action with respect to the completion or documentation of this transaction. The only instruments or documents that FTCO, is to obtain and hold (or to record if so indicated below) in connection with this transaction and the assets being acquired are as follows:

Suitability of Investment

By signing this form, I acknowledge that this account is self-directed and that I am solely responsible for the investment outcomes within the account, and further acknowledge the following provisions with respect to my account.

Suitability Requirements - I have had the opportunity to review this transaction with tax, legal, financial and/or other advisors of my choice and am satisfied that I meet all suitability requirements imposed by the investment entity and the investment is suitable for this account. I understand that if the investment is not publicly traded, redemptions of said investment may be limited and I have considered these factors and IRA requirements such as required minimum distributions when determining the suitability of this investment for my account. I understand that FTCO does not make any determination with respect to whether the transaction meets any of the suitability requirements of the offering. Further, I understand that FTCO has no duty to conduct any suitability analysis on my behalf.

Limiting - I understand that it is my responsibility to ensure that sufficient funds are available for the initial purchase. If the investment contains a provision for subsequent payments, I acknowledge that such payments are the responsibility of my account. Prior to any such subsequent payments, FTCO must receive written direction from me or my designated representative. I further agree to indemnify FTCO from all payments or assessments that may result from holding the investment within my account. I understand that FTCO is under no obligation to extend credit to my account or otherwise disburse payment beyond the cash balance of my account for any payment or assessment related to the investment.

Purchase Check
CUSIP: 24897NT75
Asset Desc: Densco Investment Corp Note 12.000% 05/10/15
Fund Nbr:

5/24/2013
Anthony Burdett

Densco Investment
6132 W Victoria Pl
Chandler AZ 85226

Amount: 100000
Withholding:
Check Amount: 100000

Tran Nbr 9476275

Administrative Review - I acknowledge that any review conducted by FTCO was solely to determine that the investment is administratively feasible to hold by FTCO for my account. I further acknowledge that this was not a due diligence review and that FTCO has not rendered any investment advice, nor has FTCO expressed any opinion as to the prudence or suitability of the investment. I agree to hold FTCO harmless from any liability for any loss, damage, injury or expense which may occur as a result of the execution of this purchase authorization.

Income - All dividends, interest and all other forms of income and return of principal must be sent to FTCO. I certify that I will ensure that all payments are sent directly to FTCO and if a payment should happen to be sent to me directly, it will be immediately forwarded to FTCO. If I fail to do so, I understand that FTCO will treat those payments as a taxable distribution to me.

Market Value - I acknowledge that a market valuation must be provided to FTCO annually. I understand that if FTCO cannot obtain an annual market value, FTCO may use the last known value or report the asset value at cost. I further understand and acknowledge that if FTCO has not been provided with an annual market value, FTCO may distribute the investment in-kind to me. I understand that in-kind distributions I receive from my account may be subject to federal and state income tax and will be reported as such to the appropriate taxing authorities.

Taxable Income - I understand that this investment may generate unrelated business taxable income or "UBTI". I further understand that, if my account generates UBTI on IRS Form 990-T must be filed along with payment of the appropriate amount of tax, payable from the assets of my account. I understand that FTCO does not monitor the amount of UBTI in my account and does not prepare Form 990-T. If applicable, I agree to prepare or have prepared the proper 990-T tax form and forward it to FTCO along with authorization to pay the tax from my account. If I am required to file a 990-T form, I understand that I must utilize an employer identification number (EIN). I will not use FTCO's EIN or my own social security number. I understand that I must apply for my account's EIN prior to or in conjunction with requesting FTCO to pay any taxes I may owe with regard to any UBTI that might be incurred.

Prohibited Transaction - I understand that certain transactions are prohibited for tax-deferred retirement arrangements under Internal Revenue Code Section 4975. I agree that the determination of whether the transaction directed hereby is a prohibited transaction depends on the facts and circumstances surrounding this purchase and further understand that FTCO makes no determination as to whether a transaction is a prohibited transaction. I warrant and represent that I have consulted with such advisors as I deem necessary and appropriate and have determined that this investment does not constitute a prohibited transaction as defined in Internal Revenue Code Section 4975, and that the offering entity or any affiliate thereof, is not a "disqualified person" as defined in Section 4975 (a)(2) of the Internal Revenue Code. I understand that should my account engage in a prohibited transaction, a taxable distribution equal to the fair market value of my account will result and certain penalties may be incurred. I further understand that if such a deemed distribution takes place prior to my attaining age 59 1/2, an additional 10% premature distribution penalty may be imposed by the Internal Revenue Service. Further, I acknowledge that FTCO, in order to protect its interests and in its sole discretion, may require me to obtain an opinion of counsel satisfactory to FTCO that this transaction does not constitute a prohibited transaction.

Required: Check One

☒ I represent that I am not an officer or director of the investment entity (or any entity receiving consideration for the investment) and/or borrower or any affiliate thereof, nor am I related to any officer or director of the investment entity and/or borrower or any affiliate thereof. I also represent that my ownership of this entity (combined with any family member or disqualified person) will be less than 50%.

☐ I represent and disclose that I am an officer or director of the investment entity (or any entity receiving consideration for the investment) and/or borrower or its affiliate, or that I am related to an officer or director of the investment and/or borrower of its affiliate. The nature of the relationship and the combined percentage of the investment owned by my Account, any family member, or disqualified person is as follows:

Type of Relationship _____

Percentage Owned _____

Non-Deposit Investment Product Notice

I recognize that the assets purchased and/or held in this account are:

Not insured by the FDIC

Not a deposit or other obligation of, or guaranteed by FTCO

Subject to investment risks, including possible loss of principal amount invested

Direction of Investment

I direct FTCO to execute the purchase of the above-named investment for the benefit of my self-directed account. I acknowledge that it is my sole responsibility, acting directly or through my authorized representative, to direct the investment of my account, and that FTCO, acting as custodian of my account, will not have responsibility, discretion, or involvement in evaluating or selecting any assets or investment, and shall have no liability for any loss, damage, tax (including a prohibited transaction tax) that may result from or be associated with the transaction requested herein. Furthermore, I agree to indemnify and hold FTCO harmless from and against any and all claims, liabilities, causes of action, losses and expenses (including, without limitation to, any court costs, attorney's fees and other expenses) asserted against or incurred by FTCO as a result of, or in any way relating, to action requested or directed by me or by my authorized representative whether in this Purchase Authorization or otherwise. Other than maintaining custody of the above asset, FTCO shall have no obligation to take any action with respect to the assets acquired for this account pursuant to this Purchase Authorization. FTCO may condition any action or any further action it may agree to undertake, upon its receipt from me, a form satisfactory to it, of written instruction to undertake such action, together with such further agreement or undertaking of indemnification as FTCO may reasonably request. The purchase of assets described above or any action requested or directed by the undersigned (whether in this purchase Authorization or otherwise) is subject to all terms and conditions of the Account Agreement as amended from time to time.

Signature

Signature of Accountholder or Authorized Account Representative

Date

03/28/2011



PURCHASE AUTHORIZATION

Please forward to:

211 West 9th Street
PO Box 420
Onaga, KS 66521-0420
800.521.8897
785.889.7169 Fax

Clear Form

Please Print or Type

Purchase Details	
Account Name <u>Anthony Burdett</u>	Account Number <u>[REDACTED]</u>
Asset Name <u>General Obligation Bond</u>	CUSIP Number (if available) _____
Units/Quantity <u>1</u>	Unit Price _____
Gross Cost <u>100,000.00</u>	Broker _____
Trade Date (if applicable) _____	Settle Date (if applicable) _____

Settlement Instructions (Check One)	
<input checked="" type="checkbox"/> Send Funds by Check (default)	<input type="checkbox"/> Send Funds by Wire (\$20 processing fee will be assessed)
Mailing Address <u>DenSCO Investment Corporation</u>	Bank Name _____
<u>6132 W. Victoria Place</u>	Bank Address _____
<u>Chandler, AZ 85226</u>	_____
Check below if overnight delivery for checks or wired purchase paperwork is requested	ABA Routing Number _____
<input type="checkbox"/> Overnight Delivery (\$20 processing fee will be assessed)	Bank Account Number _____
<input type="checkbox"/> Use my overnight Account (no fee will be assessed)	Receiving Account Name _____
Company _____ A/C # _____	Receiving Account Address _____
	Receiving Account City/State _____
	Receiving Account Phone _____

If Applicable This following section must be filled out completely if acquiring a financial adviser to mutual funds being purchased

☐ Investment
☐ Cash

Name of Advisor _____	Advisor ID number _____
Address _____	Branch Number _____
City/State/ZIP _____	Name of Broker/Dealer _____

SPECIAL INSTRUCTIONS Beyond transferring the cash as specified above and maintaining custody of the above-described assets and the documents listed below, First Trust Company of Onaga (FTCO) is under no obligation to take any further action with respect to the completion or documentation of this transaction. The only instruments or documents that FTCO is to obtain and hold (or to record if so indicated below) in connection with this transaction and the assets being acquired are as follows:

Suitability of Investment

By signing this form, I acknowledge that this account is self-directed and that I am solely responsible for the investment outcomes within the account, and further acknowledge the following provisions with respect to my account:

Suitability Requirements: I have had the opportunity to review this transaction with tax, legal, financial and/or other advisors of my choice and am satisfied that I meet all suitability requirements imposed by the investment entity and the investment is suitable for this account. I understand that if the investment is not publicly traded, redemptions of said investment may be limited and I have considered these factors and IRA requirements such as required minimum distributions when determining the suitability of this investment for my account. I understand that FTCO does not make any determination with respect to whether the transaction meets any of the suitability requirements of the offering. Further, I understand that FTCO has no duty to conduct any suitability analysis on my behalf.

Waiver: I understand that it is my responsibility to ensure that sufficient funds are available for the initial purchase. If the investment requires a provision for subsequent payments, I acknowledge that such payments are the responsibility of my account. Prior to any such subsequent payments, FTCO must receive written direction from me or my designated representative. I further agree to indemnify FTCO from all payments or assessments that may result from holding the investment within my account. I understand that FTCO is under no obligation to extend credit to my account or otherwise disburse payment beyond the cash balance of my account for any payment or assessment related to the investment.

D128060
#8604

Administrative Review: I acknowledge that any review conducted by FTCO was solely to determine that the investment is administratively feasible to hold by FTCO for my account. I further acknowledge that this was not a due diligence review and that FTCO has not rendered any investment advice, nor has FTCO expressed any opinion as to the prudence or suitability of the investment. I agree to hold FTCO harmless from any liability for any loss, damage, injury or expense which may occur as a result of the execution of this purchase authorization.

Income: All dividends, interest and all other forms of income and return of principal must be sent to FTCO. I certify that I will ensure that all payments are sent directly to FTCO and if a payment should happen to be sent to me directly, it will be immediately forwarded to FTCO. If I fail to do so, I understand that FTCO will treat those payments as a taxable distribution to me.

Market Value: I acknowledge that a market valuation must be provided to FTCO annually. I understand that if FTCO cannot obtain an annual market value, FTCO may use the last known value or report the asset value at cost. I further understand and acknowledge that if FTCO has not been provided with an annual market value, FTCO may distribute the investment in kind to me. I understand that in-kind distributions I receive from my account may be subject to federal and state income tax and will be reported as such to the appropriate taxing authorities.

Taxable Income: I understand that this investment may generate unrelated business taxable income or UBTI. I further understand that if my account generates UBTI an IRS Form 990-B must be filed along with payment of the appropriate amount of tax payable from the assets of my account. I understand that FTCO does not monitor the amount of UBTI in my account and does not prepare Form 990-B, if applicable. I agree to prepare or have prepared the proper 990-B tax form and forward it to FTCO along with authorization to pay the tax from my account. If I am required to file a 990-E form, I understand that I must utilize an employer identification number (EIN). I will not use FTCO's EIN or my own social security number. I understand that I must apply for my account's EIN prior to or in conjunction with requesting FTCO to pay any taxes I may owe with regard to any UBTI that might be incurred.

Prohibited Transaction: I understand that certain transactions are prohibited for tax-deferred retirement arrangements under Internal Revenue Code Section 4975. I agree that the determination of whether the transaction described hereby is a prohibited transaction depends on the facts and circumstances surrounding this purchase and further understand that FTCO makes no determination as to whether a transaction is a prohibited transaction. I warrant and represent that I have consulted with each advisor as I deem necessary and appropriate and have determined that this investment does not constitute a prohibited transaction as defined in Internal Revenue Code Section 4975, and that the offering entity or any affiliate thereof is not a "disqualified person" as defined in Section 4975 (e)(2) of the Internal Revenue Code. I understand that should my account engage in a prohibited transaction, a taxable distribution equal to the fair market value of my account will result and certain penalties may be incurred. I further understand that if such a deemed distribution takes place prior to my attaining age 59 1/2, an additional 10% premature distribution penalty may be imposed by the Internal Revenue Service. Further, I acknowledge that FTCO, in order to protect its interests and in its sole discretion, may require me to obtain an opinion of counsel satisfactory to FTCO that this transaction does not constitute a prohibited transaction.

Required: Check One

☒ I represent that I am not an officer or director of the investment entity (or any entity receiving consideration for the investment) and/or borrower or any affiliate thereof, nor am I related to any officer or director of the investment entity and/or borrower or any affiliate thereof. I also represent that my ownership of this entity (combined with any family member or disqualified person) will be less than 50%.

☐ I represent and disclose that I am an officer or director of the investment entity, or am related to any entity receiving consideration for the investment and/or borrower or its affiliate, or that I am related to an officer or director of the investment and/or borrower or its affiliate. The nature of the relationship and the combined percentage of the investment owned by my Account, any family member, or disqualified person is as follows:

Type of Relationship _____

Percentage Owned _____

Non-Deposit Investment Product Notice

I recognize that the assets purchased and/or held in this account are:
Not insured by the FDIC
Not a deposit or other obligation of, or guaranteed by, FTCO
Subject to investment risks, including possible loss of principal amount invested

Direction of Investment

I direct FTCO to execute the purchase of the above-named investment for the benefit of my self-directed account. I acknowledge that it is my sole responsibility, acting directly or through my authorized representative, to direct the investment of my account, and that FTCO, acting as custodian of my account, will not have responsibility, discretion, or involvement in evaluating or selecting any assets or investment, and shall have no liability for any loss, damage, tax (including a prohibited transaction tax) that may result from or be associated with the transaction requested herein. Furthermore, I agree to indemnify and hold FTCO harmless from and against any and all claims, liabilities, causes of action, losses and expenses (including, without limitation, my court costs, attorney's fees and other expenses asserted against or incurred by FTCO) as a result of, or in any way relating to, action requested or directed by me or by my authorized representative whether in this Purchase Authorization or otherwise. Other than maintaining custody of the above assets, FTCO shall have no obligation to take any action with respect to the assets acquired for this account pursuant to this Purchase Authorization. FTCO may condition any action or any further action it may agree to undertake, upon its receipt from me in form satisfactory to it, of written instruction to undertake such action, together with such further agreement or undertaking of indemnification as FTCO may reasonably request. The purchase of assets described above or any action requested or directed by the undersigned (whether in this Purchase Authorization or otherwise) is subject to all terms and conditions of the Account Agreement as amended from time to time.

Signature

Signature of Accountholder or Authorized Account Representative

Date

Revised 11-2012

D128061
#8604



Transfer/Direct Rollover Request

Forward To: 114 South Street
 PO Box 420
 Amesbury, MA 01921
 R02 924 0907
 978 889 7100 Fax

Clear Form

Please Print or Type

TRANSFER FROM		ROLLOVER FROM	
Custodian to Custodian - Non Reportable IRS Event		Administrator to Custodian - Reportable IRS Event	
<input type="checkbox"/> Full or <input checked="" type="checkbox"/> Partial		<input type="checkbox"/> Full or <input type="checkbox"/> Partial	
<input checked="" type="checkbox"/> Traditional IRA <input type="checkbox"/> SEP IRA <input type="checkbox"/> Roth IRA <input type="checkbox"/> Simple IRA		<input type="checkbox"/> 401(k) <input type="checkbox"/> Profit Sharing Plan* <input type="checkbox"/> 403(b) <input type="checkbox"/> Other* _____	
<small>*You may have to request additional forms to process your request</small>			
Are any of these funds assets from an Inherited Account? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Current Trustee Custodian (name and address) Firsttrade Securities, Inc. 133-25 37th Avenue Flushing, NY 11354		Account Name Anthony NMN Burden Traditional IRA Account Number [REDACTED] Custodian Phone Number (800) 869-8800 Social Security Number [REDACTED]	
FTCO sends Transfer and Rollover Requests by regular US Postal Service. If you prefer an expedited service, please indicate the service, the billing number and billing address below.			
Provider	Type of Service	Billing Number	
Billing Address of Responsible Party _____			
If Current Custodian will accept by fax - Fax Number of Current Custodian _____			
If Current Custodian will process funds by wire - Wire funds to First Trust Company of Omaha <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

I direct the transfer/rollover of the account to First Trust Company of Omaha, custodian. A copy of the account statement is attached.

Transfer/Rollover is to be accomplished as follows:

- ☐ 1 Liquidate all assets and transfer the proceeds:
 Immediately if I am aware of and acknowledge the early withdrawal penalty for certain assets.
 At Maturity - Maturity Dates: _____
- ☒ 2 Available cash as marked:
 ☐ All or ☒ 100,000.00 Dollars
- ☐ 3 Transfer assets as indicated below and available cash - enclose most recent statement when transferring assets
- ☐ 4 Specific Instructions: _____

# of Units, Specific Dollar Amount, or "All"	Asset Description	Liquidate	Reissue	Dividend Option Reinvest* Cash

*Default

04/29/2013

Date

Accountholder Signature

Signature Guaranteed if Requested by Current Custodian

Page 1 of 1

D128062
 #8604

Account Name <u>Anthony NMN Bardell</u>	Social Security Number <u>[REDACTED]</u>
--	---

If applicable: This section must be filled out completely if assigning a financial adviser to assets being transferred.

Adviser (name and address)	Adviser ID Number
	Branch Number
	Broker-Dealer Name
	Phone Number

First Trust Company of Onaga Acceptance

First Trust Company of Onaga has established a

☐ Traditional IRA ☐ SEP IRA ☐ Roth IRA ☐ Inherited IRA ☐ Inherited Roth IRA

as indicated for this client and agrees to accept the assets at said plan. Assets indicated above should be registered and delivered to:

See Attached Delivery Instructions

First Trust Company of Onaga
Custodian FBO: _____ Account # _____

214 West 9th Street
PO Box 420
Onaga, KS 66521-0420
Tax ID No. 05-0527466

By: _____ Date: _____
First Trust Company of Onaga Authorized Signature

Message

From: Denny Chittick [dcmoney@yahoo.com]
Sent: 11/12/2015 12:28:32 PM
To: Anthony Burdett [burdett.anthony@gmail.com]
Subject: Re: Stats

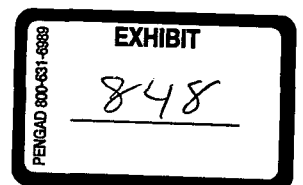
Hi Denny,

When I first researched DenSco back in 2011, I pulled together some stats that I felt were important. I know DenSco has grown substantially since I first invested. Can you give me your most current stats for:

- Number of Loans Outstanding 257
- Total Loan Amount 52,200,000
- Total Collateral Value 72mil
- Avg. Number of Days Loans Outstanding 116

Thank you.
you are welcome
dc

Tony



Message

From: Denny Chittick [dcmoney@yahoo.com]
Sent: 11/13/2015 9:38:33 AM
To: Anthony Burdett [burdett.anthony@gmail.com]
Subject: Re: Stats

Thanks for the quick response. A few final questions.

sorry i was volunteering at my sons school this morning.

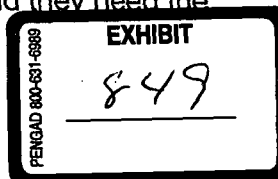
- On average, on an annual basis, how much of the investor dollar do you have working as a percent of builder loans....95%? (assuming your investor amount is \$55 Mil (the 9/15/2015 qtrly amount, the last figures I have access to) and you've loaned out \$52.2 Mil = 95%). Does this % remain consistent and at what point do you start returning investor money? In other words, the price of Phoenix real estate has increased significantly since 2011, and at some point, your flippers are going to find the profit so narrowed that they stop doing deals.

yes the balance i have is cash, that moves up and down every day and wildly in a any given week. i like to keep cash for deals that pop up that i don't have scheduled, but it's not knowing all the time exactly when payoffs are going to come in which is a challenge also. just because i gave a payoff statement with a closing date of X, that doesn't mean the money is coming back in that day.

i've returned a lot of money this year to investors, by their request. yes phx real estate prices have come up, yes margins have shrunk, there have been many people that have quit the business, but i have many that remain in the business, this is what they do. there aren't as many home runs out there, but lots of singles and doubles. the seasoned flippers will stay and continue to do well. 2010-12 were probably the biggest margins and easiest times to flip. presently it's a seller's market, but yes it's harder to find deals.

- Back in 2011, flippers source of properties was from foreclosure auctions, is that still the case, if not, what is their source now?

the source over the 15 years that i've done this has continued to ebb and flow as where the majority come from 2009-2012 most came from auction and REO, 2008-20010, a lot came from short sales, (yes there was a cross over in years) now the majority come from MLS. a more typical situation is when bob and mary consumer have a house that is worth 200k. they have a loan of 130k. however, they have 3 kids, 2 dogs and a lot of differed maintenance. they don't have the cash nor the wish to put 20k in to their house to make it retail ready to sell for 200k. the realtor says, if i can find someone to buy it from you and pay you say 5k over what you owe, would you do that? heckyes! most people are cash poor, credit rich. they sell their home to my guy and they go put the money down on a new home and both parties are happy. my flipper after closing costs buy it for 145k. put hte 20-25k in to it and sell it for 199k. i have guys that get properties through probate. we have a lot of older people that one spouse dies, or the kids are putting grandma in a home and they are all out of state and they need the



house sold. they won't put money in to it and it looks like it did when they bought it in 82. wholesalers have always been a source, i would say now they've picked up again as a source. they too get properties from many different sources, yet they can present them with a quick close and view inside the home, which doesn't always happen from other sources like the auction. i always say cast a wide net to find the best deals. you can't just look at one source and be successful.

- Have you had to venture out of your "normal" product (i.e., first deeds on single family residential) to keep the investor money working?

no, i've maintained that strategy of first position, though i've broadened the variety of product and borrowing base. i've done more multifamily deals with a few investors, as well as done some work with wholesalers. where they have to close today and then sell it over a shorter time period to a flipper/buy and hold person.

- Do you still have your succession plan in effect as you did in 2011? As I recall, you had an individual that was up to speed on your current portfolio of loans and collateral and could step in if necessary.

yes, robert, her still gets a copy of my investor spreadsheet every month and my portfolio on a regular basis.

- Finally if there was some major catastrophic event in the Phoenix real estate market where values collapse, and your flippers walked away leaving you with the properties, do you think the annual rentals would be sufficient to maintain investors principal and accrued interest up to that point and you could ride it out until prices recover? I know that's a crystal ball question, but these are the things that keep me up at night.

i did it once in 2008-2009, i can't imagine we would see something similar anytime again. the causes of that event were singular and are not in affect now. of course there is a possibility of some external factor creating something similar. i hope with my experience of 2008-2009 that i would be able to weather it again. all i can say is that i would do my best.

In summary, I believe that you are the "go to" guy for the flippers in the Phoenix market. You offer them two things, an expert knowledge of the real estate market and a streamlined lending process that the banks can't compete with. When I first invested with you, I did my due diligence studying your business model and meeting with you and your parents. In the final analysis, my decision to invest with you was that I trusted you. I did then and I do now. Thanks for your time.

i appreciate that. i do try to provide a lot of extra value to my borrowers rather than just the funds. i have a lot of loyal borrowers and we have a good working relationship and communication. things are going to go wrong, it's being able to work through those issues and keep the communication open so that we can find a solution. i've got many many borrowers that i've lent millions to and completed dozens if not 100's of deals with them. those are the relationships you want to maintain and foster, the trust is key.
thx

dc

Tony

On Thu, Nov 12, 2015 at 1:28 PM, Denny Chittick <dcmoney@yahoo.com> wrote:

Hi Denny,

When I first researched DenSco back in 2011, I pulled together some stats that I felt were important. I know DenSco has grown substantially since I first invested. Can you give me your most current stats for:

- Number of Loans Outstanding 257
- Total Loan Amount 52,200,000
- Total Collateral Value 72mil
- Avg. Number of Days Loans Outstanding 116

Thank you.
you are welcome
dc

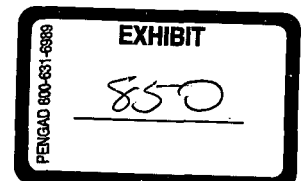
Tony

Message

From: Dcmoney [dcmoney@yahoo.com]
Sent: 7/5/2016 3:36:15 PM
To: Anthony Burdett [burdett.anthony@gmail.com]
Subject: Re: Accrued Interest

ok I will plan what u have requested
Thx

> On Jul 5, 2016, at 3:19 PM, Anthony Burdett <burdett.anthony@gmail.com> wrote:
>
> Hello Denny,
>
> I hope you and your boys had a good 4th. I've reviewed my asset allocation and am too heavily weighted
> in DENSCO.
>
> I'm including an Excel worksheet that I use to compare my numbers to yours on a monthly basis. Through
> June, 2016 we are within .04 cents of each other.
>
> The \$200,000 note originally dated April, 2011 will mature on April 26, 2017 with accrued interest of
> \$210,102.26.
>
> The \$100,000 note originally dated December, 2011 will mature on December 15, 2017 with accrued interest
> of \$105,869.84.
>
> The \$100,000 note originally dated May, 2013 will mature on May 30, 2017 with accrued interest of
> \$61,330.09.
>
> The accrued interest totals \$377,302.19.
>
> I would like to renew the original amounts totaling \$400,000 as each note matures and have the accrued
> interest totaling \$377,302.19 distributed as a direct asset transfer to the custodian ONAGA as each note
> matures..
>
> I'm trying to give you plenty of advance notice to allow you to plan your cash flow accordingly.
>
> Thanks for your excellent professional money management. I guess as they say "no good deed goes
> unpunished", but I have to look at my entire portfolio and becoming too weighted in one asset is not
> prudent.
>
> Please call or email if you have any questions.
>
> Thank again.
>
> Tony
>
>
> <DensCo Investment Corporation.xlsx>



Beauchamp, David G.

From: Anthony Burdett <burdett.anthony@gmail.com>
Sent: Thursday, August 04, 2016 5:37 AM
To: Beauchamp, David G.
Subject: Re: Email to Investors of Densco Investment Corporation ("DenSco")

Mr. Beauchamp,

My name is Anthony Burdett and I am an DenSco investor. I have a substantial amount invested with DenSco (over \$680,000 including accrued interest through June, 2016, the last statement I received). Assuming that I can be protected from any liability issues, I would offer to serve on the Advisory Board. My sole goal is to maximize the return of my investment, but in doing so, will help to maximize the return of all investors. If we go the bankruptcy/receivership route, we will receive pennies on the dollar.

I am a retired CPA with over 40+ years of experience. I am also a friend of Eldon and Carleen Chittick and would like to offer them any assistance I can in this very difficult time. Hopefully, we can get the other investors on board and make the best of a bad situation.

My contact information is:

Anthony Burdett, CPA
1623 Common Drive
El Paso, TX 79936
915-373-1850
burdett.anthony@gmail.com

Regards,

Tony Burdett

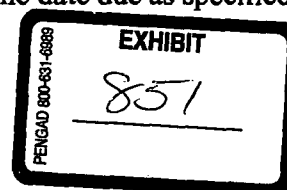


On Thu, Aug 4, 2016 at 12:34 AM, Beauchamp, David G. <DBeauchamp@clarkhill.com> wrote:

Dear DenSco Investors:

As a follow up to the email from Denny Chittick's Family that was distributed on Sunday, I met late Monday with Shawna Chittick Heuer (Denny's sister) to discuss Denny's unfortunate and untimely passing and the steps to resolve the obligations of DenSco to each of you. The intent was to discuss what information we collectively had available concerning DenSco and its outstanding loans and to determine the best procedure to close down DenSco's business and to return the capital contributed by DenSco's Investors. Each of us had already talked to a few people in the real estate investment business to discuss how we could obtain a preliminary analysis of DenSco's current loans. Specifically, we wanted to determine what information might be in DenSco's available files and records to indicate the likelihood of being able to collect the monies due DenSco so we could proceed with the wind-down of DenSco and the payments to the Investors..

Shawna was able to find someone familiar with certain aspects of the real estate investment business to do a very brief and superficial review of the loans to DenSco's borrowers which paperwork was in DenSco's files. This preliminary review will simply be to determine if DenSco's records indicate which of DenSco's loans seem to be fully secured and if DenSco's records show timely payment of the past payments so that we can consider these to be "Good Loans." We also will try to identify the date due as specified in the respective



promissory note for each of these Good Loans to have an indication when each such loan is to be paid off. This money will add to DenSco's money that is anticipated to be returned to the Investors at the end of the wind-down process. We have also requested help to identify the "Troubled Loans," by reviewing the loan files and DenSco's payment records to determine which loans are either unsecured, or the respective borrower is not current with its payments of interest or the principal, or if Denny's records indicate that these loans are owed by an entity currently in bankruptcy or are guaranteed by someone who is in personal bankruptcy. Unfortunately, there are also claims that DenSco has against either Auction.com or Scott Menaged (or some other parties) that we need to better understand. We believe that this preliminary review of the Good Loans will be done by Friday of this week and we will share that information with you. At the same time, we are also trying to get a good estimate of the balance of the principal amounts owed to Investors and any unpaid and accrued interest that is owed.

As part of the plan moving forward, we have filed the Will of Denny J. Chittick ("Denny's Will") and the necessary filings with the Probate Court to have Shawna designated as the Personal Representative of Denny's Estate, which is what Denny's Will provides. Shawna is an accountant and she has both the experience and the skill set from her every day position to work with the necessary people to recover proceeds owed to DenSco and to return the recovered proceeds to the Investors. The probate filing is necessary so that Shawna could have the necessary authority to control DenSco and to have the authority to make decisions on behalf of DenSco, with the input of Investors as we propose below. However, if we determine that DenSco's recoverable proceeds are likely to be significantly or materially insufficient to return the Investors' capital to the Investors, then Shawna is unlikely to assume the control of DenSco and we will work with the various state authorities to have a Receiver named for DenSco, and such Receiver will be responsible to come up with an acceptable plan to collect the proceeds owed to DenSco and to return as much of the Investor's money as possible.

This problem with DenSco's Troubled Loans developed over time and it will take some time to understand those Troubled Loans, how those loans came into existence as well as how to maximize the return on those loans to maximize the return of capital to the Investors. If whoever is in charge of DenSco does not work with the Investors, then DenSco will either be put into bankruptcy or have a Receiver appointed, which will incur costs on behalf of the Investors and DenSco that will significantly reduce what will be available to return to the Investors. For example, one of the recent reports concerning liquidation of companies owing money to investors indicated that the costs associated with a bankruptcy or a Receiver can reduce the amount to be paid to investors by almost half or even a much more significant reduction. Since many of the Troubled Loans stopped paying interest last October, DenSco has suffered a severe cash-flow problem. To resolve this cash-flow problem, Denny has taken every step available to him to try to enable DenSco to meet its obligations to Investors until he could find another solution to avoid significant losses to DenSco's Investors. Specifically, Denny previously liquidated or mortgaged all of his personal assets to loan money to DenSco to allow DenSco to continue to make its interest payments to its Investors until he had nothing left to put into DenSco.

As indicated above, the initial plan that we are trying to follow is intended for us to determine (and share with you): what does DenSco own; what is the current balance in DenSco's bank account; what loans are timely paying and when such loans are anticipated to be liquidated with the balance paid to DenSco. Initially, we believe that all of the Good Loans should be paid off within 6 months. We hope to have more specific information by Friday of this week.

There are also significant unsecured and secured loans that are subject to the personal bankruptcy of Yomtov "Scott" Menaged. These unsecured and secured loans to Scott Menaged need to be analyzed as well as the bankruptcy case so that we can determine what is likely to be paid to resolve these loans. In addition, to these loans, we also need to determine the status of the life insurance policy and other collateral that were to secure certain of the unsecured loans. Unfortunately, this will take more time than a couple days, but this information will be provided as soon as we can obtain and confirm it. This information should be available in a couple of weeks if third parties involved in the bankruptcy case timely provide the information that we have requested.

We also understand that there is a significant amount of money that is currently tied up with Auction.com that involves certain transactions involving Scott Menaged. Given the lack of initial information available concerning these transactions in Denny's office, it will take more time to understand these transactions and to determine what can be done to recover this amount of money. We will hopefully be able to have an understanding of these transactions, who has the money and what can be done to collect the money owed to DenSco. So this will likely take at least 45 days to obtain and confirm this information so that it can be shared with you.

In order to maximize the available return to all of the Investors, which is what Denny urged us to do in his last instructions, we would like to keep DenSco out of a protracted bankruptcy or a contentious Receivership proceeding. As indicated above, various studies have shown that the third party costs and legal and other professional fees and costs and the inherent delays in bankruptcy and / or Receivership proceedings can consume more than 35% of the available money that should or would otherwise be available to be returned to Investors. As we proceed, it may be necessary to have the final distribution and allocation to Investors approved by a court to satisfy any fiduciary duties for some Investors and that can be accommodated by a judicial review and approval of a settlement plan without a full bankruptcy proceeding. Again, if we determine that DenSco's recoverable proceeds are likely to be significantly or materially insufficient to return the Investors' capital to the Investors, then Shawna is unlikely to assume the control of DenSco and we will work with the various state authorities to have a Receiver named for DenSco, which Receiver will come up with an acceptable plan to collect the proceeds owed to DenSco and to return as much of the Investor's money as possible.

If we are going to proceed informally to keep costs down, we understand that we need to communicate with you on a regular basis and we need to be able to receive communication from you as the Investors. To have good and open communication, we would like to create an "Advisory Board" of 5 Investors to meet with and to advise DenSco with respect to the information obtained and how that information can best be used to cost-effectively help DenSco to recover funds that are owed to DenSco. We intend to structure this as an Advisory Board to protect the members of this Advisory Board from any potential liability based upon their role with DenSco. Specifically, the Advisory Board would only have an advisory position with DenSco as opposed to a full authority position, which is to distinguish this situation from having these Investors appointed to the Board of Directors. If you would be interested in participating on this Advisory Board, please let me know by return email and confirm that you would have the availability and willingness to participate in the necessary meetings (in person or by phone). Ideally, we would like to have a "cross-section of Investors" on this Advisory Board to help DenSco evaluate the information as it becomes available and to assist analyzing various decisions and the effect that such decisions would have on the Investors.

As indicated above, we hope to have a more detailed analysis of the Good Loans by the end of this week.

Sincerely, David

David G. Beauchamp

CLARK HILL PLC

14850 N Scottsdale Rd | Suite 500 | Scottsdale, Arizona 85254
480.684.1126 (direct) | 480.684.1166 (fax) | 602.319.5602 (cell)
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Message

From: Beauchamp, David G. [/O=CLARKHILL/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=DBEAUCHAMP]
Sent: 8/4/2016 7:30:23 AM
To: Anthony Burdett [burdett.anthony@gmail.com]
Subject: Re: Email to Investors of Densco Investment Corporation ("DenSco")

Mr. Burnett:

Thank you for your thoughtful response and your offer to serve on the Advisory Board.

Best regards, David

Sent from my iPhone. Please excuse any typos.

On Aug 4, 2016, at 5:36 AM, Anthony Burdett <burdett.anthony@gmail.com> wrote:

Mr. Beauchamp,

My name is Anthony Burdett and I am an DenSco investor. I have a substantial amount invested with DenSco (over \$680,000 including accrued interest through June, 2016, the last statement I received). Assuming that I can be protected from any liability issues, I would offer to serve on the Advisory Board. My sole goal is to maximize the return of my investment, but in doing so, will help to maximize the return of all investors. If we go the bankruptcy/receivership route, we will receive pennies on the dollar.

I am a retired CPA with over 40+ years of experience. I am also a friend of Eldon and Carleen Chittick and would like to offer them any assistance I can in this very difficult time. Hopefully, we can get the other investors on board and make the best of a bad situation.

My contact information is:

Anthony Burdett, CPA
1623 Common Drive
El Paso, TX 79936
915-373-1850
burdett.anthony@gmail.com

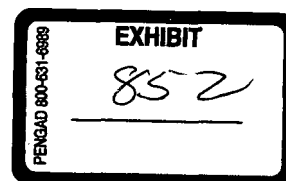
Regards,

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As indicated above, we hope to have a more detailed analysis of the Good Loans by the end of this week.

Sincerely, David

David G. Beauchamp

CLARK HILL PLC

14850 N Scottsdale Rd | Suite 500 | Scottsdale, Arizona 85254
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Message

From: Anthony Burdett [burdett.anthony@gmail.com]
Sent: 8/7/2016 10:12:12 AM
To: Beauchamp, David G. [dbeauchamp@clarkhill.com]
Subject: DenSco
Attachments: Densco Analysis August 6, 2016.xlsx

*Did anyone
talk to FBI?*

Good Morning Mr. Beauchamp,

First, I want to thank you for being very professional and forthcoming in your communications with investors. You have met your deadlines to advise the investors as you said you would. Obviously, the news was not what we investors were hoping for.

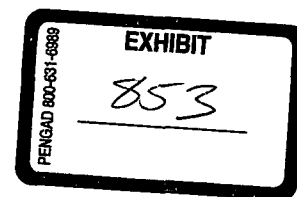
From the "whatever it's worth department", this Menaged person seems like he's a perfect candidate for investigation by the IRS and FBI. Wouldn't it be reasonable to try and bring them on board and let their vast investigative capabilities be used in lieu of sending DenSco into receivership or bankruptcy.

I'm estimating 10%-12% return to investors based on an analysis of your latest letter (I've attached an Excel worksheet detailing my estimate. Basically, I'm just using the cash and 1st Deed notes).

The court appointed attorneys will significantly reduce that percentage.

Again, thank you for your efforts.

Tony Burdett



ANTHONY & EVA M. BURDETT
 DenSco Analysis
 Saturday, August 6, 2016

		<u># of Loans</u>	<u>% on #</u>	<u>% on \$</u>	<u>Avg. Loan Per Prop</u>
Cash	1,000,000				
Builder Notes Secured by 1st Deeds	4,981,736	50	36.23%	9.76%	99,635
Notes Secured requiring Collection (Managed)	2,533,000	5	3.62%	4.96%	506,600
Unsecured Notes (Managed)	28,178,600	83	60.14%	55.22%	339,501
Unsecured Account Rec. (Managed)	14,339,339			28.10%	
Total Builder Loans	51,032,675	138	100.00%	100.00%	
Investor Notes - June, 2016	51,184,005				
Possible Return to Investors (Assuming Cash & Builders Notes Secured by 1st Deeds)	11.69%				
Total Managed Loans	45,050,939			90.04%	

Beauchamp, David G.

From: Beauchamp, David G.
Sent: Sunday, August 07, 2016 10:01 PM
To: Craig Brown
Cc: Thomas Byrne; acatejr@gmail.com; amydirks@hotmail.com; anthjen@yahoo.com; artnina@hotmail.com; Aztonysmith@aol.com; aztonysmith@gmail.com; barryluchtel@gmail.com; bdirks5@cox.net; bji@cox.net; bjlocke64@yahoo.com; bjodenthal@frontier.com; brian.wenig@honeywell.com; burdett.anthony@gmail.com; butlerv@yahoo.com; carricks3@ak.net; czj528@hotmail.com; dariosdad@gmail.com; dave@prestoncpa.biz; davedubay@gmail.com; dhowze@cox.net; don-cindy@cableone.net; Doriann@cox.net; eileencohen@me.com; epcarrick@gmail.com; glenpdavis@gmail.com; greeraz@gmail.com; gsiegforsd@msn.com; hahnaz2@cox.net; hey.ralph01@gmail.com; hikthestik@aol.com; jackdds@myway.com; jamccoy32@gmail.com; jbhok@yahoo.com; jemmakopel@hotmail.com; jgsiegforsd@yahoo.com; jimmy@flytrapproductions.com; jimpatmc44@gmail.com; jkjetto@yahoo.com; Jphalen00@aol.com; jwalker113@cox.net; kayell121@cs.com; kaylene.moss@avnet.com; kennenl@yahoo.com; landonluchtel@gmail.com; lanka2000@yahoo.com; Laurieweiskopf@gmail.com; lkopel22@hotmail.com; mark.wenig@gmail.com; mbencekent@yahoo.com; mlinvestor@gmail.com; mrsbeasley68@verizon.net; mscroggin@me.com; nihad@yahoo.com; nswirtz@me.com; patsmiller21@gmail.com; Paul_a_kent@yahoo.com; pearces@mailhaven.com; Peter.Rzonca@Avnet.com; pldupper@gmail.com; quelalively@yahoo.com; ralph@kaisertile.net; rbrinkman@yahoo.com; rgriswold3@stny.rr.com; robertflawson@gmail.com; rzkoehler@yahoo.com; sdetota@yahoo.com; sdetota99@yahoo.com; sdtuttle@gmail.com; smschloz@msn.com; steve@bunger.me; stewart.sherriff@gmail.com; switchback62@hotmail.com; terryleeAZ@comcast.net; thompscg2@cox.net; uaflyor767@gmail.com; valeriepaxton@gmail.com; vimuscat@gmail.com; wadeunderwood@hotmail.com; wbush1120@comcast.net; wjswirtz@me.com; wka@caribbeanpoolsaz.com; yusuf@comsiscomputer.com

Subject: Re: Additional DenSco Information

Craig:

We have already interviewed a couple of forensic accountants, but the Director of Enforcement for the ACC Securities Division wants to be involved in the decision concerning who should be hired for this very important position. That should be discussed as part of the Wednesday meeting.

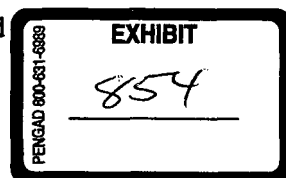
Regards,
David Beauchamp

Sent from my iPhone. Please excuse any typos.

On Aug 7, 2016, at 9:12 PM, Craig Brown <trovita@gmail.com> wrote:

David Beauchamp

In speaking to another persons i know who is in the real estate business, he asked if we had considered hiring someone to do financial forensic work on this.



Apparently, experts can track movement of these home sales and follow the money as to see the shell game being played. what entities the money is moving from and to..

I don't know much about it, just conveying the question on to the experts

craig

480 322 8611

On Sun, Aug 7, 2016 at 3:03 PM, Thomas Byrne <thomasbyrne11@gmail.com> wrote:
David,

Just trying to process this like everyone else - the concentration of dollars out to one related person/entity is staggering - but trying to better understand why 83 loan documents (w deeds of trust) would not have been filed against those properties? How and why would this occur? without those secured claims being recorded, what claims (if any) does DenSco have to the properties? And thus does this put DenSco into an unsecured creditor position for that amount as well?

On Aug 5, 2016, at 8:29 PM, Beauchamp, David G. <DBeauchamp@ClarkHill.com> wrote:

DenSco Investors:

As I indicated in my email that was sent out to each of you late Wednesday, we have been working as fast as possible to go through DenSco's paper files and computer records. We are continuing our efforts to obtain as much information as possible concerning DenSco's outstanding loans to its borrowers and what assets might be available to recover on loans in default. Unfortunately, the information is not good. Accordingly, we have been in communication with the AZ Corporation Commission - Securities Division to work with that office to discuss the best plan to maximize the recovery of funds owed to DenSco. We will be meeting with the Director of Enforcement next Wednesday to work through the necessary steps so that the State of Arizona can lend its oversight, if not its direct assistance, in this effort to recover the money that is owed to DenSco and its Investors. We will be able to provide more information after that meeting.

In the interim, we have had someone quickly go through the boxes of files and other information in DenSco's office to help determine the exact status. Please understand that this is very preliminary information and it will be subject to further review and supplemental information that we hope to obtain. The following estimates are derived from the information that was found after Denny's passing. These estimates were compiled in a very short period of time and all information provided will need to be revisited, reviewed and confirmed at a later date preferably by a third party, but this is what we now believe to be the case. Obviously, further information will also need to be obtained concerning the bankruptcy of Scott Menaged and the various claims that he supposedly owes to DenSco.

DenSco has in excess of one million dollars in its bank accounts. As additional interest is collected on the paying loans, this amount should increase.

There are approximately 138 loans listed in the DenSco portfolio.

50 of these 138 loans appear to be secured by first position deeds of trust and the documents indicate that these loans should be available for liquidity within 0-6 months through normal business or the accelerated sale of notes. These 50 loans (secured by first position deeds of trust) represent roughly \$4,981,736.00 of principal and accrued interest (*principal \$4,925,614.31 interest \$56,121.69*) and continue to earn interest at the rate of 18% per annum.

An additional 5 of these 138 loans appear to be first position deeds of trust which will require collection via foreclosure or collection through bankruptcy court and appear to be related to Scott Menaged in some form. (One property with a deed of trust to secure one of these loans was supposedly released from the protections of the automatic stay of the bankruptcy court earlier this week.) These 5 loans represent roughly \$2,533,000 of principal and interest (*principal \$1,980,000 and estimated collectable accrued interest \$553,000*).

The 83 remaining loans do not appear to be secured via first position Deed of Trust recordings. While they all do appear to have signed promissory notes and deeds of trust in each file, there is no evidence of recording and involve Arizona Home Foreclosures, LLC and Scott Menaged and represent approximately \$28,178,600.

Additionally, there appears to be an unsecured note (accounts receivable) from Scott Menaged to DenSco in an approximate amount of \$14,339,339.79.

Summary:

\$4,981,736 notes that are believed to be secured by deeds of trust and should be liquidated in the near future;

\$2,533,000 notes that are supposedly secured but require collection/involve Scott Menaged;

\$28,178,600 that involve Scott Menaged but we are unsure of security, will require collection via courts;

\$14,339,339 supposedly unsecured note from Scott Menaged, will require collection via courts, and

\$1,000,000 (Estimated in DenSco bank accounts)

\$51,032,675.00

Last stated investor balance per Denny's spreadsheet as of June 2016
\$51,184,005.27

DenSco has in excess of one million dollars in its bank accounts. As additional interest is collected on the paying loans, this amount should increase.

There are approximately 138 loans listed in the DenSco portfolio.

50 of these 138 loans appear to be secured by first position deeds of trust and the documents indicate that these loans should be available for liquidity within 0-6 months through normal business or the accelerated sale of notes. These 50 loans (secured by first position deeds of trust) represent roughly \$4,981,736.00 of principal and accrued interest (*principal \$4,925,614.31 interest \$56,121.69*) and continue to earn interest at the rate of 18% per annum.

An additional 5 of these 138 loans appear to be first position deeds of trust which will require collection via foreclosure or collection through bankruptcy court and appear to be related to Scott Menaged in some form. (One property with a deed of trust to secure one of these loans was supposedly released from the protections of the automatic stay of the bankruptcy court earlier this week.) These 5 loans represent roughly \$2,533,000 of principal and interest (*principal \$1,980,000 and estimated collectable accrued interest \$553,000*).

The 83 remaining loans do not appear to be secured via first position Deed of Trust recordings. While they all do appear to have signed promissory notes and deeds of trust in each file, there is no evidence of recording and involve Arizona Home Foreclosures, LLC and Scott Menaged and represent approximately \$28,178,600.

Additionally, there appears to be an unsecured note (accounts receivable) from Scott Menaged to DenSco in an approximate amount of \$14,339,339.79.

Summary:

\$4,981,736 notes that are believed to be secured by deeds of trust and should be liquidated in the near future;

\$2,533,000 notes that are supposedly secured but require collection/involve Scott Menaged;

\$28,178,600 that involve Scott Menaged but we are unsure of security, will require collection via courts;

\$14,339,339 supposedly unsecured note from Scott Menaged, will require collection via courts, and

\$1,000,000 (Estimated in DenSco bank accounts)

\$51,032,675.00

Last stated investor balance per Denny's spreadsheet as of June 2016
\$51,184,005.27

As noted above and in my previous email to each of you, Scott Menaged is in personal bankruptcy and he claimed in his bankruptcy filing that he does not have any assets. According to third parties involved in Scott's bankruptcy, we have obtained the following information that we believe to be reliable. Scott filed his personal bankruptcy in April 2016 (pro per, which means without legal counsel) and he failed to provide the necessary schedules of creditors and notices to the creditors as the bankruptcy law requires. The US Trustee appointed for this bankruptcy case, Jill H. Ford, took action to require that Scott's bankruptcy estate retain legal counsel and comply with the bankruptcy requirements. The bankruptcy estate has now retained Cody Jess of Schian Walker, PLC as Debtor's legal counsel. Cody Jess informed me that he was retained in early July and that the notice to DenSco was mailed either late last Monday / early Tuesday, so Denny likely received the notice on Wednesday, which was Denny's first notice of the bankruptcy filing. Supposedly, Denny talked to Scott on Wednesday and Scott confirmed the information in the notice. Unfortunately, that probably led to Denny taking his life the next day on Thursday.

Cody Jess also claimed that both of Scott's other entities that are on the \$14,000,000 (+) unsecured note (or guaranteed that note) are not in the bankruptcy, but Arizona Home Foreclosure has conveyed all of its homes and it no longer has any assets. However, that is contrary to the information in DenSco's files. Further, Cody Jess also claimed that Furniture King is not in the bankruptcy, but it does not matter because it has no value due to the several liens already filed against it. Cody said that DenSco never filed a UCC-1 to secure its security interest in the assets of Furniture King. That UCC-1 was part of the forbearance package that we prepared in 2014. That package was supposed to be signed in my office, but Scott convinced Denny to not do the signing in my office. I gave all of the documents to Denny and told Denny to get them all signed (where the stickers were) and to have certain documents notarized and to have the UCC-1 filed with the Arizona Secretary of State. Denny subsequently told me that the UCC-1 had been filed. However, I checked today and that UCC-1 was never filed and made of record against Furniture King.

Based upon all of the new information set forth above, please understand that we now believe that a different strategy might be more effective with respect to the collection of the money owed to DenSco, the liquidation of DenSco and the return of funds to DenSco's Investors. That is why we have reached out to the State of Arizona to determine if the Securities Division can lend assistance in the collection of the money owed to DenSco.

We will keep you informed as we obtain more information.

Sincerely, David

David G. Beauchamp

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Beauchamp, David G.

From: Beauchamp, David G.
Sent: Monday, August 08, 2016 8:15 PM
To: Kennen Burkhardt; Craig and Samantha Hood; acatejr@gmail.com; amydirks@hotmail.com; anthjen@yahoo.com; artnina@hotmail.com; Aztonysmith@aol.com; aztonysmith@gmail.com; barryluchtel@gmail.com; bdirks5@cox.net; bji@cox.net; bjlocke64@yahoo.com; bjodenthal@frontier.com; brian.wenig@honeywell.com; burdett.anthony@gmail.com; butlerv@yahoo.com; carricks3@ak.net; czj528@hotmail.com; dariosdad@gmail.com; dave@prestoncpa.biz; davedubay@gmail.com; dhowze@cox.net; don-cindy@cableone.net; Doriann@cox.net; eileencohen@me.com; epcarrick@gmail.com; glenpdavis@gmail.com; gsiegford@msn.com; hahnaz2@cox.net; hey.ralph01@gmail.com; hikthestik@aol.com; jackdds@myway.com; jamccoy32@gmail.com; jbhok@yahoo.com; jemmakopel@hotmail.com; jgsiegford@yahoo.com; jimmy@flytrapproductions.com; jimpatmc44@gmail.com; jkjetto@yahoo.com; Jphalen00@aol.com; jwalker113@cox.net; kayell121@cs.com; kaylene.moss@avnet.com; landonluchtel@gmail.com; lanka2000@yahoo.com; Laurieweiskopf@gmail.com; lkopel22@hotmail.com; mark.wenig@gmail.com; mbencekent@yahoo.com; mlminvestor@gmail.com; mrsbeasley68@verizon.net; mscroggin@me.com; nihad@yahoo.com; nswirtz@me.com; patsmiller21@gmail.com; Paul_a_kent@yahoo.com; pearces@mailhaven.com; Peter.Rzonca@Avnet.com; pldupper@gmail.com; quelalively@yahoo.com; ralph@kaisertile.net; rbrinkman@yahoo.com; rgriswold3@stny.rr.com; robertflawson@gmail.com; rzkoehler@yahoo.com; sdetota@yahoo.com; sdetota99@yahoo.com; sdtuttle@gmail.com; smschloz@msn.com; steve@bunger.me; stewart.sherriff@gmail.com; switchback62@hotmail.com; terryleeAZ@comcast.net; thomasbyrne11@gmail.com; thompsc2@cox.net; trovita@gmail.com; uaflyor767@gmail.com; valeriepaxton@gmail.com; vimuscat@gmail.com; wadeunderwood@hotmail.com; wbush1120@comcast.net; wjswirtz@me.com; wka@caribbeanpoolsaz.com; yusuf@comsiscomputer.com

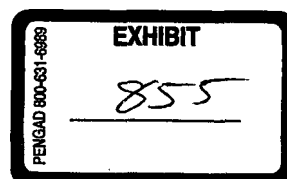
Subject: RE: Additional DenSco Information

Investors:

I have received over 300 emails from all of the Investors since Saturday. I am sorry, but I cannot answer each and every one of them.

1. Based on a quick review of Denny's notes and emails, it appears that Denny did not know that the \$28.1 million to Auction.com was just an obligation of Scott Menaged until the day before he died. He had thought that Scott was merely a provider of homes and that DenSco was to receive its money upon the liquidation of the houses by a hedge fund. Denny's files also indicate that Denny did not think that the \$14.5 million note from Scott Menaged was totally unsecured. Denny believed that there were several hundred homes still owned by one of Scott's companies and Denny had a first lien on those houses. This obligation was also guaranteed by Scott's furniture company, Furniture King, LLC, and the UCC-1 Financing Statement has been found and it should provide some financial protection. We have put a call into the attorney for the US Trustee of Scott's bankruptcy to ask for her help to prevent the transfer of any assets to a new furniture company that Scott just created.

2. We have received well over 40 self-nominations or nominations of others to serve on the Advisory Board. That large of a group will not be practical. The Securities Division has indicated that they do not want an Advisory Committee to be appointed at this time. Right now, they want to just focus on information collection. We have been assured that there will be Investor involvement, but I am not sure what structure the Securities Division will use for that.



3. The Wednesday meeting is not an official meeting where the open meetings law will apply. It is a meeting to have the Securities Division obtain information and to give us direction. No minutes of the meeting will be kept and no final decisions will be made. However, we will undoubtedly receive demands from the Securities Division, including what information they want and when they want it. Like the subpoena served today that asks for tax records going back to the beginning of DenSco, all investor information going back to the start of DenSco and all loans of DenSco from inception by Wednesday morning. The AZ Corporate Commission cannot take any official action without a meeting of the full AZ Corporation Commission and a public hearing. Unfortunately, the Securities Division has instructed us that they do not want any Investor (nor any attorney for an Investor) to attend the Wednesday meeting.

4. We have asked the Securities Division to avail itself of the FBI or any other public investigatory body that has subpoena power to research and uncover the potential fraud in this case. However, the Securities Division is pushing this matter on its own. We will have to continue to push for the FBI or other investigatory body to get involved as this progresses.

5. Specific questions concerning personal tax issues and IRA issues and other individual Investor questions cannot be researched and answered right now. The Securities Divisions has made it clear that I am only to collect information for the Securities Division and to keep the Investors informed. They do not want me to be taking any other action for DenSco or its Investors right now.

Sincerely, David

David G. Beauchamp

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From: Kennen Burkhardt [mailto:kennenl@yahoo.com]

Sent: Monday, August 08, 2016 7:41 PM

To: Beauchamp, David G.; Craig and Samantha Hood

Cc: Craig Brown; Thomas Byrne; acatejr@gmail.com; amydirks@hotmail.com; anthjen@yahoo.com; artnina@hotmail.com; Aztonysmith@aol.com; aztonysmith@gmail.com; barryluchtel@gmail.com; bdirks5@cox.net; bji@cox.net; bjlocke64@yahoo.com; bjodenthal@frontier.com; brian.wenig@honeywell.com; burdett.anthony@gmail.com; butlerv@yahoo.com; carricks3@ak.net; czj528@hotmail.com; dariosdad@gmail.com; dave@prestoncpa.biz; davedubay@gmail.com; dhowze@cox.net; don-cindy@cableone.net; Doriann@cox.net; eileencohen@me.com; epcarrick@gmail.com; glenpdavis@gmail.com; gsiegforsd@msn.com; hahnaz2@cox.net; hey.ralph01@gmail.com; hikthestik@aol.com; jackdds@myway.com; jamccoy32@gmail.com; jbhok@yahoo.com; jemmakopel@hotmail.com; jgsiegforsd@yahoo.com; jimmy@flytrapproductions.com; jimpatmc44@gmail.com; jkjetto@yahoo.com; Jphalen00@aol.com; jwalker113@cox.net; kayell121@cs.com; kaylene.moss@avnet.com; landonluchtel@gmail.com; lanka2000@yahoo.com; Laurieweiskopf@gmail.com; lkopel22@hotmail.com; mark.wenig@gmail.com; mbencekent@yahoo.com; mlminvestor@gmail.com; mrsbeasley68@verizon.net; mscroggin@me.com; nihad@yahoo.com; nswirtz@me.com; patsmiller21@gmail.com; Paul_a_kent@yahoo.com; pearces@mailhaven.com; Peter.Rzonca@Avnet.com; pldupper@gmail.com; quelalively@yahoo.com; ralph@kaisertile.net; rbrinkman@yahoo.com; rgriswold3@stny.rr.com; robertflawson@gmail.com; rzkoehler@yahoo.com; sdetota@yahoo.com; sdetota99@yahoo.com; sdtuttle@gmail.com; smschloz@msn.com; steve@bunger.me; stewart.sherriff@gmail.com; switchback62@hotmail.com; terryleeAZ@comcast.net; thompscog2@cox.net; uaflyor767@gmail.com; valeriepaxton@gmail.com; vimuscat@gmail.com; Wadeunderwood@hotmail.com; wbush1120@comcast.net; wjswirtz@me.com; wka@caribbeanpoolsaz.com; yusuf@comsiscomputer.com

Subject: Re: Additional DenSco Information

David,

I am having a hard time understanding how a meeting such the one on Wednesday, which financially impacts so many people, does not allow any representatives of those peoples nor does it provide an agenda. As mentioned before, I am not versed at all in these matters. Will we be provided a

summary of the outcome and if so, what is the timing of that summary? I apologize if you have already outlined what this meeting is trying to accomplish - I will re-read the email threads.

Thank you
Kennen

From: "Beauchamp, David G." <DBeauchamp@ClarkHill.com>
To: Craig and Samantha Hood <greeraz@gmail.com>
Cc: Craig Brown <trovita@gmail.com>; Thomas Byrne <thomasbyrne11@gmail.com>; "acateir@gmail.com" <acateir@gmail.com>; "amydirks@hotmail.com" <amydirks@hotmail.com>; "anthjen@yahoo.com" <anthjen@yahoo.com>; "artnina@hotmail.com" <artnina@hotmail.com>; "Aztonymsmith@aol.com" <Aztonymsmith@aol.com>; "aztonysmith@gmail.com" <aztonysmith@gmail.com>; "barryluchtel@gmail.com" <barryluchtel@gmail.com>; "bdirks5@cox.net" <bdirks5@cox.net>; "bji@cox.net" <bji@cox.net>; "bilocke64@yahoo.com" <bilocke64@yahoo.com>; "biodenthal@frontier.com" <biodenthal@frontier.com>; "brian.wenig@honeywell.com" <brian.wenig@honeywell.com>; "burdett.anthony@gmail.com" <burdett.anthony@gmail.com>; "butlerv@yahoo.com" <butlerv@yahoo.com>; "carricks3@ak.net" <carricks3@ak.net>; "czj528@hotmail.com" <czj528@hotmail.com>; "dariosdad@gmail.com" <dariosdad@gmail.com>; "dave@prestoncpa.biz" <dave@prestoncpa.biz>; "davedubay@gmail.com" <davedubay@gmail.com>; "dhowze@cox.net" <dhowze@cox.net>; "don-cindy@cableone.net" <don-cindy@cableone.net>; "Doriann@cox.net" <Doriann@cox.net>; "eileencohen@me.com" <eileencohen@me.com>; "epcarrick@gmail.com" <epcarrick@gmail.com>; "glenpdavis@gmail.com" <glenpdavis@gmail.com>; "gsiegford@msn.com" <gsiegford@msn.com>; "hahnaz2@cox.net" <hahnaz2@cox.net>; "hey.ralph01@gmail.com" <hey.ralph01@gmail.com>; "hikthestik@aol.com" <hikthestik@aol.com>; "jackdds@myway.com" <jackdds@myway.com>; "jamccoy32@gmail.com" <jamccoy32@gmail.com>; "jbhok@yahoo.com" <jbhok@yahoo.com>; "jemmakopel@hotmail.com" <jemmakopel@hotmail.com>; "jgsiegford@yahoo.com" <jgsiegford@yahoo.com>; "jimmy@flytrapproductions.com" <jimmy@flytrapproductions.com>; "jimpatmc44@gmail.com" <jimpatmc44@gmail.com>; "jkietto@yahoo.com" <jkietto@yahoo.com>; "Jphalen00@aol.com" <Jphalen00@aol.com>; "jwalker113@cox.net" <jwalker113@cox.net>; "kavell121@cs.com" <kavell121@cs.com>; "kaylene.moss@avnet.com" <kaylene.moss@avnet.com>; "kennenl@yahoo.com" <kennenl@yahoo.com>; "landonluchtel@gmail.com" <landonluchtel@gmail.com>; "lanka2000@yahoo.com" <lanka2000@yahoo.com>; "Laurieweiskopf@gmail.com" <Laurieweiskopf@gmail.com>; "lkopel22@hotmail.com" <lkopel22@hotmail.com>; "mark.wenig@gmail.com" <mark.wenig@gmail.com>; "mbencekent@yahoo.com" <mbencekent@yahoo.com>; "mlminvestor@gmail.com" <mlminvestor@gmail.com>; "mrsbeasley68@verizon.net" <mrsbeasley68@verizon.net>; "mscroggin@me.com" <mscroggin@me.com>; "nihad@yahoo.com" <nihad@yahoo.com>; "nswirtz@me.com" <nswirtz@me.com>; "patsmiller21@gmail.com" <patsmiller21@gmail.com>; "Paul_a_kent@yahoo.com" <Paul_a_kent@yahoo.com>; "pearces@mailhaven.com" <pearces@mailhaven.com>; "Peter.Rzonca@Avnet.com" <Peter.Rzonca@Avnet.com>; "pldupper@gmail.com" <pldupper@gmail.com>; "quelalively@yahoo.com" <quelalively@yahoo.com>; "ralph@kaisertile.net" <ralph@kaisertile.net>; "rbrinkman@yahoo.com" <rbrinkman@yahoo.com>; "rgriswold3@stny.rr.com" <rgriswold3@stny.rr.com>; "robertflawson@gmail.com" <robertflawson@gmail.com>; "rzkoehler@yahoo.com" <rzkoehler@yahoo.com>; "sdetota@yahoo.com" <sdetota@yahoo.com>; "sdetota99@yahoo.com" <sdetota99@yahoo.com>; "sdtuttle@gmail.com" <sdtuttle@gmail.com>; "smschloz@msn.com" <smschloz@msn.com>; "steve@bunger.me" <steve@bunger.me>; "stewart.sherriff@gmail.com" <stewart.sherriff@gmail.com>; "switchback62@hotmail.com" <switchback62@hotmail.com>; "terryleeAZ@comcast.net" <terryleeAZ@comcast.net>; "thompscq2@cox.net" <thompscq2@cox.net>; "uaflyor767@gmail.com" <uaflyor767@gmail.com>; "valeriepaxton@gmail.com" <valeriepaxton@gmail.com>; "vimuscat@gmail.com" <vimuscat@gmail.com>; "wadeunderwood@hotmail.com" <wadeunderwood@hotmail.com>; "wbush1120@comcast.net" <wbush1120@comcast.net>; "wjswirtz@me.com" <wjswirtz@me.com>; "wka@caribbeanpoolsaz.com" <wka@caribbeanpoolsaz.com>; "yusuf@comsiscomputer.com" <yusuf@comsiscomputer.com>
Sent: Monday, August 8, 2016 7:14 PM
Subject: RE: Additional DenSco Information

Craig:

The Securities Division has made it clear that they would like to have a Receiver appointed with its own legal counsel and they will handle all of the communication with the Investors going forward.

With respect to your question concerning the Wednesday meeting, the Director of Enforcement had someone from her office relay a message to me that they do not want any Investors (or attorneys for Investors) at the Wednesday meeting. They seem to have a very specific agenda and they want as few people there as possible so that they can keep to their agenda. Since they have declined to share their agenda prior to the meeting, I am not exactly sure what all is to be covered.

Best regards, David
David G. Beauchamp

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From: Craig and Samantha Hood [<mailto:greeraz@gmail.com>]

Sent: Monday, August 08, 2016 7:04 PM

To: Beauchamp, David G.

Cc: Craig Brown; Thomas Byrne; acatejr@gmail.com; amydirks@hotmail.com; anthien@yahoo.com; artnina@hotmail.com; Aztonymsmith@aol.com; aztonysmith@gmail.com; barryluchtel@gmail.com; bdirks5@cox.net; bjl@cox.net; bjlocke64@yahoo.com; biodenthal@frontier.com; brian.wenig@honeywell.com; burdett.anthony@gmail.com; butlerv@yahoo.com; carricks3@ak.net; czi528@hotmail.com; dariosdad@gmail.com; dave@prestoncpa.biz; davedubay@gmail.com; dhowze@cox.net; don-cindy@cablone.net; Doriann@cox.net; eileencohen@me.com; epcarrick@gmail.com; glenpdavis@gmail.com; gsiegford@msn.com; hahnaz2@cox.net; hey.ralph01@gmail.com; hikthestik@aol.com; jackdds@myway.com; jamccoy32@gmail.com; jbhok@yahoo.com; jemmakopel@hotmail.com; jgsiegford@yahoo.com; jimmy@flytrapproductions.com; jimpatmc44@gmail.com; ikjetto@yahoo.com; jphalen00@aol.com; jwalker113@cox.net; kayell121@cs.com; kaylene.moss@avnet.com; kennenl@yahoo.com; landonluchtel@gmail.com; lanka2000@yahoo.com; Laurieweiskopf@gmail.com; lkopel22@hotmail.com; mark.wenig@gmail.com; mbencekent@yahoo.com; mlminvestor@gmail.com; mrsbeasley68@verizon.net; mscroggin@me.com; nihad@yahoo.com; nswirtz@me.com; patsmiller21@gmail.com; Paul_a_kent@yahoo.com; pearces@mailhaven.com; Peter.Rzonca@Avnet.com; pldupper@gmail.com; quelalively@yahoo.com; ralph@kaisertile.net; rbrinkman@yahoo.com; rgriswold3@stny.rr.com; robertflawson@gmail.com; rzkoehler@yahoo.com; sdetota@yahoo.com; sdetota99@yahoo.com; sdtuttle@gmail.com; smischloz@msn.com; steve@bunger.me; stewart.sherriff@gmail.com; switchback62@hotmail.com; terryleeAZ@comcast.net; thompscq2@cox.net; uaflyor767@gmail.com; valeriepaxton@gmail.com; vimuscat@gmail.com; wadeunderwood@hotmail.com; wbush1120@comcast.net; wjswirtz@me.com; wka@caribbeanpoolsaz.com; yusuf@comsiscomputer.com

Subject: Re: Additional DenSco Information

Thanks David. I am anxious to hear how that goes. Will any investors be present at that meeting?

I appreciate your help in this matter. Please understand that my suggestion for this website is to help our group focus our voice, our efforts, and provide a private forum to communicate together.

Speaking for myself, I can't simply sit idly by and expect the best outcome. I also know that together we are stronger than any one of us individually.

I'm simply offering an online "meeting place" for us all. If you see potential issues with that please let us know.

Lastly, I'm open to a less anger-inspired domain name.

Thanks,

Craig Hood

On Aug 8, 2016, at 6:48 PM, Beauchamp, David G. <DBeauchamp@ClarkHill.com> wrote:

Craig:

We have already engaged in conversations with forensic accountants to help us track down the money and to put together the case against the people who have the money. My understanding is that the appointment of a forensic accountant is to be discussed in the meeting with the Director of Enforcement of the AZ Corporation Commission, Securities Division and an Assistant Attorney General on Wednesday afternoon. Hopefully, we will have more information to share with everyone after that meeting.

Sincerely, David

David G. Beauchamp

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From: Craig Brown [<mailto:trovita@gmail.com>]

Sent: Sunday, August 07, 2016 9:12 PM

To: Thomas Byrne

Cc: Beauchamp, David G.; acatejr@gmail.com; amydirks@hotmail.com; anthien@yahoo.com; artnina@hotmail.com; Aztonysmith@aol.com; aztonysmith@gmail.com; barryluchtel@gmail.com; bdirks5@cox.net; bjl@cox.net; bjlocke64@yahoo.com; bjodenthal@frontier.com; brian.wenig@honeywell.com; burdett.anthony@gmail.com; butlerv@yahoo.com; carricks3@ak.net; czi528@hotmail.com; dariosdad@gmail.com; dave@prestoncpa.biz; davedubay@gmail.com; dhowze@cox.net; don-cindy@cableone.net; Doriann@cox.net; eileencohen@me.com; epcarrick@gmail.com; glenpdavis@gmail.com; greeraz@gmail.com; gsiegford@msn.com; hahnaz2@cox.net; hey.ralph01@gmail.com; hikthestik@aol.com; jackdds@myway.com; jamccoy32@gmail.com; jbhok@yahoo.com; jemmakopel@hotmail.com; jgsiegford@yahoo.com; jimmy@flytrapproductions.com; jimpatmc44@gmail.com; jikietto@yahoo.com; jphalen00@aol.com; jwalker113@cox.net; kayell121@cs.com; kaylene.moss@avnet.com; kennenl@yahoo.com; landonluchtel@gmail.com; lanka2000@yahoo.com; Laurieweiskopf@gmail.com; lkopel22@hotmail.com; mark.wenig@gmail.com; mbencekent@yahoo.com; mlminvestor@gmail.com; mrsbeasley68@verizon.net; mscroggin@me.com; nihad@yahoo.com; nswirtz@me.com; patsmiller21@gmail.com; Paul_a_kent@yahoo.com; pearces@mailhaven.com; Peter.Rzonca@Avnet.com; pldupper@gmail.com; quelatively@yahoo.com; ralph@kaisertile.net; rbrinkman@yahoo.com; rgriswold3@stny.rr.com; robertflawson@gmail.com; rzkoehler@yahoo.com; sdetota@yahoo.com; sdetota99@yahoo.com; sdtuttle@gmail.com; smsschloz@msn.com; steve@bunger.me; stewart.sherriff@gmail.com; switchback62@hotmail.com; terryleeAZ@comcast.net; thompscq2@cox.net; uaflyor767@gmail.com; valeriepaxton@gmail.com; vimuscat@gmail.com; wadeunderwood@hotmail.com; wbush1120@comcast.net; wjswirtz@me.com; wka@caribbeanpoolsaz.com; yusuf@comsiscomputer.com

Subject: Re: Additional DenSco Information

David Beauchamp

In speaking to another persons i know who is in the real estate business, he asked if we had considered hiring someone to do financial forensic work on this.

Apparently, experts can tract movement of these home sales and follow the money as to see the shell game being played. what entities the money is moving from and to..

I don't know much about it, just conveying the question on to the experts

craig

480 322 8611

On Sun, Aug 7, 2016 at 3:03 PM, Thomas Byrne <thomasbyrne11@gmail.com> wrote:
David,

Just trying to process this like everyone else - the concentration of dollars out to one related person/entity is staggering - but trying to better understand why 83 loan documents (w deeds of trust) would not have been filed against those properties? How and why would this occur? without those secured claims being recorded, what claims (if any) does DenSco have to the properties? And thus does this put DenSco into an unsecured creditor position for that amount as well?

On Aug 5, 2016, at 8:29 PM, Beauchamp, David G. <DBeauchamp@ClarkHill.com> wrote:

DenSco Investors:

As I indicated in my email that was sent out to each of you late Wednesday, we have been working as fast as possible to go through DenSco's paper files and computer records. We are continuing our efforts to obtain as much information as possible concerning DenSco's outstanding loans to its borrowers and what assets might be available to recover on loans in default. Unfortunately, the information is not good. Accordingly, we have been in communication with the AZ Corporation Commission – Securities Division to work with that office to discuss the best plan to maximize the recovery of funds owed to DenSco. We will be meeting with the Director of Enforcement next Wednesday to work through the necessary steps so that the State of Arizona can lend its oversight, if not its direct assistance, in this effort to recover the money that is owed to DenSco and its Investors. We will be able to provide more information after that meeting.

In the interim, we have had someone quickly go through the boxes of files and other information in DenSco's office to help determine the exact status. Please understand that this is very preliminary information and it will be subject to further review and supplemental information that we hope to obtain. The following estimates are derived from the information that was found after Denny's passing. These estimates were compiled in a very short period of time and all information provided will need to be revisited, reviewed and confirmed at a later date preferably by a third party, but this is what we now believe to be the case. Obviously, further information will also need to be obtained concerning the bankruptcy of Scott Menaged and the various claims that he supposedly owes to DenSco.

DenSco has in excess of one million dollars in its bank accounts. As additional interest is collected on the paying loans, this amount should increase.

There are approximately 138 loans listed in the DenSco portfolio.

50 of these 138 loans appear to be secured by first position deeds of trust and the documents indicate that these loans should be available for liquidity within 0-6 months through normal business or the accelerated sale of notes. These 50 loans (secured by first position deeds of trust) represent roughly \$4,981,736.00 of principal and accrued interest (*principal* \$4,925,614.31 *interest* \$56,121.69) and continue to earn interest at the rate of 18% per annum.

An additional 5 of these 138 loans appear to be first position deeds of trust which will require collection via foreclosure or collection through bankruptcy court and appear to

be related to Scott Menaged in some form. (One property with a deed of trust to secure one of these loans was supposedly released from the protections of the automatic stay of the bankruptcy court earlier this week.) These 5 loans represent roughly \$2,533,000 of principal and interest (*principal \$1,980,000 and estimated collectable accrued interest \$553,000*).

The 83 remaining loans do not appear to be secured via first position Deed of Trust recordings. While they all do appear to have signed promissory notes and deeds of trust in each file, there is no evidence of recording and involve Arizona Home Foreclosures, LLC and Scott Menaged and represent approximately \$28,178,600.

Additionally, there appears to be an unsecured note (accounts receivable) from Scott Menaged to DenSco in an approximate amount of \$14,339,339.79.

Summary:

\$4,981,736 notes that are believed to be secured by deeds of trust and should be liquidated in the near future;

\$2,533,000 notes that are supposedly secured but require collection/involve Scott Menaged;

\$28,178,600 that involve Scott Menaged but we are unsure of security, will require collection via courts;

\$14,339,339 supposedly unsecured note from Scott Menaged, will require collection via courts, and

\$1,000,000 (*Estimated in DenSco bank accounts*)

\$51,032,675.00

Last stated investor balance per Denny's spreadsheet as of June 2016

\$51,184,005.27

As noted above and in my previous email to each of you, Scott Menaged is in personal bankruptcy and he claimed in his bankruptcy filing that he does not have any assets. According to third parties involved in Scott's bankruptcy, we have obtained the following information that we believe to be reliable. Scott filed his personal bankruptcy in April 2016 (*pro per*, which means without legal counsel) and he failed to provide the necessary schedules of creditors and notices to the creditors as the bankruptcy law requires. The US Trustee appointed for this bankruptcy case, Jill H. Ford, took action to require that Scott's bankruptcy estate retain legal counsel and comply with the bankruptcy requirements. The bankruptcy estate has now retained Cody Jess of Schian Walker, PLC as Debtor's legal counsel. Cody Jess informed me that he was retained in early July and that the notice to DenSco was mailed either late last Monday / early Tuesday, so Denny likely received the notice on Wednesday, which was Denny's first notice of the bankruptcy filing. Supposedly, Denny talked to Scott on Wednesday and Scott confirmed the information in the notice. Unfortunately, that probably led to Denny taking his life the next day on Thursday.

Cody Jess also claimed that both of Scott's other entities that are on the \$14,000,000 (+) unsecured note (or guaranteed that note) are not in the bankruptcy, but Arizona Home Foreclosure has conveyed all of its homes and it no longer has any assets. However, that is contrary to the information in DenSco's files. Further, Cody

Jess also claimed that Furniture King is not in the bankruptcy, but it does not matter because it has no value due to the several liens already filed against it. Cody said that DenSco never filed a UCC-1 to secure its security interest in the assets of Furniture King. That UCC-1 was part of the forbearance package that we prepared in 2014. That package was supposed to be signed in my office, but Scott convinced Denny to not do the signing in my office. I gave all of the documents to Denny and told Denny to get them all signed (where the stickers were) and to have certain documents notarized and to have the UCC-1 filed with the Arizona Secretary of State. Denny subsequently told me that the UCC-1 had been filed. However, I checked today and that UCC-1 was never filed and made of record against Furniture King.

Based upon all of the new information set forth above, please understand that we now believe that a different strategy might be more effective with respect to the collection of the money owed to DenSco, the liquidation of DenSco and the return of funds to DenSco's Investors. That is why we have reached out to the State of Arizona to determine if the Securities Division can lend assistance in the collection of the money owed to DenSco.

We will keep you informed as we obtain more information.

Sincerely, David
David G. Beauchamp

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Message

From: Beauchamp, David G. [/O=CLARKHILL/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=DBEAUCHAMP]
Sent: 8/10/2016 6:29:24 AM
To: Anthony Burdett [burdett.anthony@gmail.com]
Subject: Re: Investment Definition

Tony:

You are correct. However, the amount invested usually includes any accrued interest, but there might be a recapture of some interest for tax purposes. That will allow some investors to file amended tax returns and qualify for tax savings if tax had been previously paid on the accrued interest. That will depend on how successful the efforts are to capture monies due DenSCO. The nuances and twists can be extensive.

Sincerely,
David Beauchamp

Sent from my iPhone. Please excuse any typos.

> On Aug 10, 2016, at 5:08 AM, Anthony Burdett <burdett.anthony@gmail.com> wrote:

>

> David,

>

> In one of your emails you mention any proceeds available to the investors will be on a pro-rata basis, which I entirely agree with. You used the term "the amount you had invested". It should be the amount you had invested plus accrued unpaid interest. I invested \$400,000 but have never received a nickel of interest payments, which total \$287,975.01 through the last statement I received, June 30, 2016. So my total investment is \$687,975.01.

>

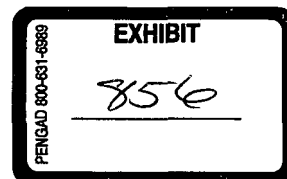
> In other words, the amount you previously used as the amount due investors (\$51,184,005.27 included accrued unpaid interest). Correct?

>

> Thank you.

>

> Tony



CH_0009228

Beauchamp, David G.

From: Tony Smith <aztonysmith@gmail.com>
Sent: Wednesday, August 10, 2016 11:32 AM
To: Stan Schloz
Cc: Thomas Byrne; Beauchamp, David G.; acatejr@gmail.com; amydirks@hotmail.com; anthjen@yahoo.com; artnina@hotmail.com; barryluchtel@gmail.com; bdirks5@cox.net; bji@cox.net; bjlocke64@yahoo.com; bjodenthal@frontier.com; brian.wenig@honeywell.com; burdett.anthony@gmail.com; butlerv@yahoo.com; carricks3@ak.net; czj528@hotmail.com; dariosdad@gmail.com; dave@prestoncpa.biz; davedubay@gmail.com; dhowze@cox.net; don-cindy@cableone.net; Doriann@cox.net; eileencohen@me.com; epcarrick@gmail.com; glenpdavis@gmail.com; greeraz@gmail.com; gsiegforsd@msn.com; hahnaz2@cox.net; hey.ralph01@gmail.com; hikthestik@aol.com; jackdds@myway.com; jamccoy32@gmail.com; jbhok@yahoo.com; jemmakopel@hotmail.com; jgsiegforsd@yahoo.com; jimmy@flytrapproductions.com; jimpatmc44@gmail.com; jkjetto@yahoo.com; Jphalen00@aol.com; jwalker113@cox.net; kayell121@cs.com; kaylene.moss@avnet.com; kennenl@yahoo.com; landonluchtel@gmail.com; lanka2000@yahoo.com; Laurieweiskopf@gmail.com; lkopel22@hotmail.com; mark.wenig@gmail.com; mbencekent@yahoo.com; mlminvestor@gmail.com; mrsbeasley68@verizon.net; mscroggin@me.com; nihad@yahoo.com; nswirtz@me.com; patsmiller21@gmail.com; Paul_a_kent@yahoo.com; pearces@mailhaven.com; Peter.Rzonca@Avnet.com; pldupper@gmail.com; quelalively@yahoo.com; ralph@kaisertile.net; rbrinkman@yahoo.com; rgriswold3@stny.rr.com; robertflawson@gmail.com; rzkoehler@yahoo.com; sdetota@yahoo.com; sdetota99@yahoo.com; sdtuttle@gmail.com; steve@bunger.me; stewart.sherriff@gmail.com; switchback62@hotmail.com; terryleeAZ@comcast.net; thompscgs2@cox.net; trovita@gmail.com; uaflyor767@gmail.com; valeriepaxton@gmail.com; vimuscat@gmail.com; wadeunderwood@hotmail.com; wbush1120@comcast.net; wjswirtz@me.com; wka@caribbeanpoolsaz.com; yusuf@comsiscomputer.com

Subject: Re: Additional DenSco Information

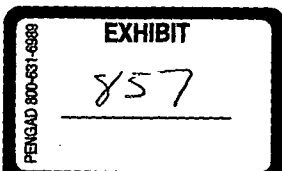
I think everything will become a little more clear for all of us after the meeting that David attends with the Securities Enforcement Division today.

As we all know, David will be reporting in the meeting that basically there is \$6 million in cash and recoverable loans out of \$51+ million (if that hasn't been communicated already). I doubt that the Securities Enforcement Division is going to take the position that everything looks good and let DenSco continue running as is.

The most likely scenario today (and I believe what David pointed out in one of his recent emails), the Securities Enforcement Division will be stepping in and then a Receiver will be appointed for the company and that the Receiver will have their own legal counsel (meaning not David).

This is not to imply that David has not been open and honest and kept us informed to a great extent, but as was pointed out by Coralee, David is the attorney for DensCo and Denny.

Of course, if DenSco followed its stated lending practices and fraud was perpetrated on DenSco, then DenSco and the investors interest are closely related. If that was the case, then the primary issue that would separate investors and DenSco would be the lack of disclosure of the situation to investors. I would not worry to much about this right now as the facts and the details will come out in the near future.



If the Securities Enforcement Division steps in and a Receiver is appointed, we will be dealing with another person who is in charge of DenSco and the assets in the near future. At that point in time, as investors, we will want to proceed in a unified position and try to effectively and efficiently communicate and work with the Receiver.

It is possible that we, as investors, may find it necessary and beneficial to have our own legal representation at some point in time. At this point, however, we need to wait and see what actions the Securities Enforcement Division take and if a Receiver is appointed. If a Receiver is appointed, then we should meet with the Receiver to see if we (investors) are on common ground with the Receiver and are on the same page in a number of different areas.

The one thing we can all start thinking about and working towards is a Common Interest Agreement. I believe that this agreement would contain the position on a number of issues that we could present to whomever is running DenSco in the future. We may need a lawyer to help us through the completion of this agreement.

Tony Smith

On Aug 10, 2016, at 9:12 AM, Stan Schloz <SMSCHLOZ@msn.com> wrote:

I totally agree with Mr. Byrne's analysis. It seems to me we need to come to a group decision on the options Thomas outlined ASAP. In that process I hope Densco, the family and the investors can come together with a common strategy with David as the attorney. Big order! I have little hope of having any funds available other than the good funds identified to date. I would support any of the Byrne options. My goal is get what we can as soon as we can. David, would appreciate you taking the lead on this. Appreciate your effort and responsiveness.
Stan Schloz

From: Thomas Byrne <thomasbyrne11@gmail.com>

Sent: Wednesday, August 10, 2016 7:59 AM

To: Beauchamp, David G.

Cc: acateir@gmail.com; amvdirks@hotmail.com; anthien@yahoo.com; artnina@hotmail.com; Aztonysmith@aol.com; aztonysmith@gmail.com; barryluchtel@gmail.com; bdirks5@cox.net; [bjii@cox.net](mailto:bji@cox.net); bjlocke64@yahoo.com; bjodenthal@frontier.com; brian.wenig@honeywell.com; burdett.anthony@gmail.com; butlerv@yahoo.com; carricks3@ak.net; czi528@hotmail.com; dariosdad@gmail.com; dave@prestoncpa.biz; davedubay@gmail.com; dhowze@cox.net; doncindy@cableone.net; Doriann@cox.net; eileencohen@me.com; epcarrick@gmail.com; glenpdavis@gmail.com; greeraz@gmail.com; gsiegford@msn.com; hahnaz2@cox.net; hey.ralph01@gmail.com; hikthestik@aol.com; jackdds@myway.com; jamccoy32@gmail.com; jbhok@yahoo.com; jermakopel@hotmail.com; jgsiegford@yahoo.com; jimmy@flytrapproductions.com; jimpatmc44@gmail.com; jkietto@yahoo.com; jphalen00@aol.com; jwalker113@cox.net; [2](mailto:kayell121@cs.c</p></div><div data-bbox=)

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Subject: Re: Additional DenSco Information

David,

Thanks for the answers. While the path outline above might be acceptable to some investors, it will be important that we potentially consider alternative additional options together as a group (and/or allow for some individual investor choice).

My biggest challenge with the above path is it seems to allocate 100% of the potentially good funds (lets call it \$10 million) to the efforts related to recovering what is unsecured/uncertain/legally complicated funds. And it also allows hourly-paid lawyers, advisors, accountants, etc to consume those funds without an clear / easy way to control.

An alternative path could be to allow investors to take all or some of the good funds in exchange for releasing their claim on the unrecovered funds. Thus those that might want to take the 20 cents (on the dollar) payment now (on all or a portion of their investment in Densco) could do so now and at least have some piece of mind that hourly legal/other bills aren't going to take their ultimate recovery to zero.

And if that is too complicated, we could alternatively agree as a group to allocate some amount (say \$500k) to a legal recovery fund for the benefit of all and distribute the remaining good funds (say \$9.5 million). Then the legal recovery costs would be quantified.

At this point, I have very little (zero really) clarity and comfort that recovery of additional assets will be possible. And thus, if asked to make a decision at this point, I would not personally be inclined to put significant existing dollars against a costly 2-3 year complex legal process with at vague outcome at best.

And lastly, prior to putting \$\$'s against a protracted legal pursuit, it is going to paramount to be absolutely clear what Densco (and hence us investors) have, if anything, more than an unsecured claim. Was any valid security interest or real property lien filing ever done on the assets Densco loaned funds against related to Menaged (and related entities)?

thx, Tom

On Tue, Aug 9, 2016 at 8:44 PM, Beauchamp, David G. <DBeauchamp@clarkhill.com> wrote:

DenSco Investors:

Set forth below are some questions that an Investor sent to me (several other Investors had similar questions). So I believe the questions and answers should be shared with all of the Investors.

Please understand that I am not the financial or bankruptcy expert to evaluate the potential recovery from Scott Menaged or the other unsecured claims. I have asked a couple of people for help to provide you with some direction, but they were not comfortable to even make an educated guess. Despite the fact that I am not an expert in these types of matters and I am not qualified to make any projections, please see my preliminary thoughts below. However, please understand that these preliminary thoughts could be proven to be completely wrong if we are able to obtain better information.

.....

We need to know realistically what to expect so we can plan the rest of our lives. **** Until I know what the Securities Division plans to do, I do not know what chance DenSco has to go after Scott Menaged and to recover the substantial majority of the Investors' money. If I had to guess, I believe a Receiver will be appointed, but the Receiver is not to pursue a fraud or collection case/action until the Receiver has sufficient evidence for the Receiver to believe that the fraud case is more likely than not to be successful and that the defendant has sufficient available assets to satisfy any judgment that may be obtained. Since the Menaged bankruptcy case was filed as a "no asset" bankruptcy, that does not look promising, but the US Trustee has taken actions to bring assets into that case that Scott Menaged had tried to exclude. That sounds promising, but I have no idea as to the value of those additional assets. Again, only time and investigation can clarify the answers to these questions.

I need you best-guess answer on:

What are the chances of getting any money at all back in the future? **** I do not know how much you previously invested, but any return to investors is generally done on a pro-rata basis based on the amount you had invested. According to a preliminary review of DenSco's records, there is approximately \$51 + million invested. So you should receive a percentage of any assets recovered and not needed for the costs of the Receivership or its collection efforts, calculated as follows: (Available DenSco proceeds) multiplied by the percentage determined by: (the amount you invested) divided by (\$51 million.)

Will the money from Densco's bank account and good loans go to pay legal fees in the future? **** That will be the decision of the Receiver so long as the Receiver can demonstrate that there is a greater likelihood of success in the collection efforts as noted above. Normally, a good portion of the initially available funds are applied to investigation costs and the pursuit of potential recovery.

If there is a chance of getting any money back; if so how long in the future would you think it would be? **** In these types of matters, they can last two to three years or longer. In this case, I believe that the anticipated problems to collect all of DenSco's assets from Scott Menaged and Auction.com, I believe it will be longer than 3 years. If sufficient funds are collected and available, there is sometimes (rare but it happens) an interim distribution before all of the potential assets are collected.

Do any lawyers, forensic auditors, and anyone else that you hire get paid hourly or on a contingency basis? ****In some collection cases, there are modified contingency fees negotiated by the Receiver, but fraud actions (with questionable assets for collection) are difficult cases to get attorneys to take on a contingency fee basis.

We really appreciate your efforts so far and hopefully the results turn out well.

Thanks again for what you are doing.

David G. Beauchamp

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