

**GUTTILLA MURPHY ANDERSON**

**Ryan W. Anderson** (Ariz. No. 020974)

5415 E. High St., Suite 200

Phoenix, Arizona 85054

Email: randerson@gamlaw.com

Phone: (480) 304-8300

Fax: (480) 304-8301

Attorneys for the Receiver

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR MARICOPA COUNTY

ARIZONA CORPORATION  
COMMISSION,

Plaintiff,

v.

DENSCO INVESTMENT  
CORPORATION, an Arizona corporation,

Defendant.

Cause No. CV2016-014142

PETITION NO. 8

PETITION FOR ORDER ESTABLISHING  
DOCUMENT DEPOSITORY

(Assigned to Judge Lori Horn Bustamante)

Peter S. Davis, as the Court appointed Receiver, respectfully petitions the Court as follows:

1. On August 18, 2016, this Court entered its *Order Appointing Receiver*, which appointed Peter S. Davis as Receiver of DenSco Investment Corporation (“DenSco”) (“Receivership Order”).

2. The Receivership Order directed the Receiver to take custody and control and possession of all books and records of any kind pertaining or belonging to DenSco Investment Corporation (“Receivership Records”). See Receivership Order ¶3.

1           3.       The Receiver has taken possession of approximately sixty-five (65) banker boxes of  
2 Receivership Records and anticipates acquiring additional paper records in the future. In addition,  
3 the Receiver is in possession of various electronic records of DenSco, including QuickBooks and  
4 other electronic accounting files of DenSco and electronic data including e-mail and text message  
5 communications related to DenSco. Moreover, with the DenSco receivership recently expanded to  
6 include entities for which DenSco is a secured creditor, including Furniture King, LLC, Furniture and  
7 Electronic King, LLC and Scott's Fine Furniture, LLC it is contemplated that a significant amount of  
8 additional paper and electronic records will come into the Receiver's possession<sup>1</sup>.

9           4.       The Receiver has also learned of the existence of other proceedings which have  
10 resulted in informal requests for access to Receivership Records and are expected to result in requests  
11 to the Receiver for access to the Related Documents. These proceedings include:

12               a.       In the Matter of the Estate of Denny J. Chittick, Maricopa County Superior  
13 Court, Cause No: PB 2016-051754; and

14               b.       In re: Yomtov Scott Menaged, in the United States Bankruptcy Court for the  
15 District of Arizona, Cause No: 2:16-bk-04268-PS.

16           5.       In addition to the proceedings above and based on his experience in receivership  
17 matters, the Receiver anticipates that there will be additional investigations and lawsuits arising out  
18 of the business activities of DenSco and that those proceedings will result in requests to the Receiver  
19 for access to the Receivership Records and Related Documents in the Receiver's possession.

20           6.       Therefore, the Receiver requests that the Court enter an order establishing a document  
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<sup>1</sup> The records recovered related to Furniture King, LLC, Furniture and Electronic King, LLC and Scott's Fine Furniture, LLC and other investigations of the Receiver are referred to hereafter and in the proposed Order Establishing Document Depository as "Related Documents."

1 depository for the Receivership Records and Related Documents, an order that is intended to serve  
2 the following purposes:

3 a. Establish fair and cost efficient procedures for the deposit, care and  
4 management, and access to the Receivership Records and Related Documents;

5 b. Preserve the Receivership Records and Related Documents and ensure their  
6 availability only to the Receiver and other persons who are permitted by an Order of this  
7 Court to have access to those documents and who agree to abide by this Court's orders and  
8 procedures regarding access to and use of the records and documents ("Designated Parties");

9 c. Reduce the aggregate cost of producing, copying, and maintaining the  
10 Receivership Records and Related Documents;

11 d. Minimize duplication and production efforts and expenses of Designated  
12 Parties;

13 e. Protect and maintain the confidentiality of confidential and privileged  
14 documents; and

15 f. To the extent funds are made available; establish a uniform method of  
16 identifying documents for use in this action and in related civil and criminal actions relating to  
17 DenSco.

18 7. The Receiver is aware that certain communications and documents in the Receivership  
19 Records and Related Documents are subject to a claim of attorney client privilege by the Estate of  
20 Denny J. Chittick or are otherwise privileged or confidential ("Confidential Documents). As set forth  
21 in the Receivership Order, the Receiver is not allowed to waive the attorney-client privilege held by

1 the Estate of Denny J. Chittick, and therefore critical protection needs to be established to designate  
2 what records in the Receivership Records and Related Documents are Confidential Documents and to  
3 establish procedures for how those documents can be segregated from other Receivership Records  
4 and Related Documents and be kept confidential and not disclosed to other parties.

5 8. The Receiver believes that an Order Establishing Document Depository is in the best  
6 interests of the investors and will result in cost savings and efficiency for the benefit of all persons  
7 who are entitled to have access to the Receivership Records and the Related Documents.

8 9. Counsel for the Arizona Corporation Commission, the Plaintiff in this action, and  
9 counsel to the Estate of Denny J. Chittick have been consulted on this proposal for a Document  
10 Depository, and counsel for the Receiver, the Estate of Denny J. Chittick and the Arizona  
11 Corporation Commission have no objection to the relief requested herein.

12 WHEREFORE the Receiver respectfully requests that the Court enter an Order Establishing  
13 Document Depository in the form of the proposed order lodged with the Court this date, which order  
14 would:

15 1. Establish the duties and responsibilities of the Receiver as the Depository  
16 Administrator who shall maintain supervision and control of the Receivership Records and Related  
17 Documents in Phoenix, Arizona;

18 2. Establish the duties and responsibilities of a Document Custodian who shall maintain  
19 custody of the Receivership Records and Related Documents and insure the safety and integrity of  
20 such documents and maintain the confidentiality of Confidential Documents;

21 3. Specify the sources of documents to be delivered and maintained in the Document  
depository.

1           4.       Prohibit the alteration, defacement, or destruction of the documents in the Document  
2 depository.

3           5.       Establish procedures for access to the documents by appropriate parties, including a  
4 prohibition against the service of subpoenas on the Receiver, except a subpoena issued by a  
5 government agency.

6           6.       Establish procedures for the removal of the documents and limit the identity of  
7 persons entitled to remove such documents.

8           7.       Establish procedures for the scanning and indexing the documents provided funds are  
9 available to pay same.

10          8.       Establish the procedures for providing a box inventory and, if available, electronic  
11 copies of scanned images and the document index to Designated Parties.

12          9.       Establish procedures for the segregation of documents that are deemed to be attorney  
13 clients privileged or are otherwise Confidential Documents; and

14          10.      Authorize the Receiver to adopt rules governing the operation of the depository and  
15 access to the documents contained therein.

16               Respectfully submitted this 8<sup>th</sup> day of December, 2016.

17                               GUTTILLA MURPHY ANDERSON, P.C.

18                               s/Ryan W. Anderson  
19                               Ryan W. Anderson  
20                               Attorneys for the Receiver  
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