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8  
9 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
10 IN AND FOR THE COUNTY OF MARICOPA  
11

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

14 Plaintiff,

15 vs.

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

19 Defendants.  
20

No. CV2017-013832

**PLAINTIFF'S DISCLOSURE OF  
EXPERT WITNESS REPORT RE  
DAMAGES**

(Commercial case)

(Assigned to the  
Honorable Daniel Martin)

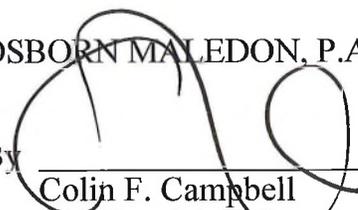
21 Pursuant to the scheduling order entered in this matter, Plaintiff Peter S. Davis, as  
22 Receiver of DenSco Investment Corporation, hereby discloses the attached report of  
23 David Weekly, Felix Financial Forensics, LLC, which provides an analysis of the  
24 damages suffered by DenSco as a result of Defendants' conduct.  
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DATED this 4th day of April 2019.

OSBORN MALEDON, P.A.

By



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Attorneys for Plaintiff

Original hand-delivered and  
copy sent by e-mail this  
4th day of April, 2019, to:

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8011638



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

**Plaintiff,**

**v.**

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

**Defendants.**

**In the Superior Court of the State of Arizona  
In and For the County of Maricopa**

**Case No. CV2017-013832**

***Expert Report of:***

**David B. Weekly  
Fenix Financial Forensics LLC**

**April 4, 2019**

**Peter S. Davis, as Receiver of DenSco Investment Corporation**

**v.**

**Clark Hill PLC, et al.**

**(Case No. CV2017-013832)**

**Expert Report of David B. Weekly**

**April 4, 2019**

**Background**<sup>1</sup>

1. DenSco Investment Corporation (“DenSco”) is an Arizona corporation that began operating in April 2001. DenSco’s primary business was making short-term, high-interest loans to foreclosure specialists, usually through a trustee’s sale. Denny Chittick (“Chittick”) was DenSco’s sole shareholder and only employee.
2. David G. Beauchamp (“Beauchamp”) is an attorney who advised DenSco on general business, securities transactions and other legal matters. He worked at several law firms while advising DenSco, including Clark Hill from September 2013 through 2016.
3. DenSco issued promissory notes to private investors under Private Offering Memoranda (POM) prepared by Beauchamp in 2003, 2005, 2007, 2009 and 2011. Each POM expired two years after issuance. The 2011 POM expired July 1, 2013, and no new POM was ever finalized after that date.
4. Yomotov “Scott” Menaged (“Menaged”) borrowed money from DenSco to purchase foreclosed homes at trustees’ sales. Menaged operated several companies, including Easy Investments, LLC and Arizona Home Foreclosures, LLC.
5. In November 2013, Chittick learned from Menaged that a number of his DenSco loans were double encumbered, making it uncertain whether DenSco had sufficient collateral value in these loans. Menaged informed Chittick his cousin perpetrated a fraud against Menaged and absconded with the funds DenSco lent to him. When Chittick learned about the double encumbering of loans, he and Menaged created a plan in an attempt to resolve the issue.
6. On January 6, 2014, Chittick learned from an attorney at Bryan Cave, there were over 50 properties with deeds of trust with a first position security interest in which DenSco also had recorded mortgages. On January 7, 2014, Chittick outlined his plan in an email to Beauchamp. Chittick and Menaged met with Beauchamp on January 9, 2014 to discuss the plan, which led to the development of a Forbearance Agreement dated April 16, 2014.
7. On July 28, 2016, Chittick committed suicide, and on August 18, 2016, Peter S. Davis was appointed as the Receiver of DenSco (“Receiver”). The Receiver reviewed DenSco’s files and other books and records and concluded DenSco had claims against Beauchamp and Clark Hill (collectively referred to herein as “Defendants”).

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<sup>1</sup> Statements in the Background section are sourced from the Complaint and various Disclosure Statements or other documents provided to F3. These statements are made to provide a brief overview of this matter and are not intended to be an exact summary of facts or to provide any legal determinations or conclusions.

8. The Receiver disclosed two frauds were perpetrated against DenSco and its investors (also referred to as two Ponzi schemes by the Receiver). The First Fraud ("First Fraud" or "First Ponzi") occurred when DenSco made certain loans to Menaged expecting to be in first position, when in fact DenSco held a second position lien on many properties. The Second Fraud ("Second Fraud" or "Second Ponzi") occurred when DenSco continued to loan funds to Menaged, but Menaged created fictitious documents giving the impression DenSco actually held liens. Menaged stole additional funds during the Second Fraud without ever buying properties.
9. On October 16, 2017, the Receiver filed a Complaint against the Defendants. The Receiver (also referred to as "Plaintiff") alleges the Defendants committed legal malpractice and aided and abetted Chittick in breaching his fiduciary duties. The Receiver is seeking damages related to DenSco's financial losses associated with loans made to Menaged, and recovery of legal fees paid to Defendants.

### **The Role of F3**

10. Fenix Financial Forensics LLC ("F3") was retained by Osborn Maledon, P.A. ("Counsel") on behalf of the DenSco Receiver to quantify the financial losses to DenSco. In performing our work to date we have: 1) considered the documents listed in Exhibit A; 2) held discussions with the Receiver, and analyzed the work performed by the Receiver related to four status reports issued between September 19, 2016 and March 11, 2019; 3) analyzed relevant DenSco financial records including information related to DenSco loans and DenSco's QuickBooks file; 4) reviewed numerous DenSco bank account statements, analyzed relevant property records, deeds of trust and closing statements; 5) reviewed certain depositions, testimony transcripts and Chittick's corporate journal (2013 to 2016); and 6) prepared this expert report.
11. This expert report summarizes the opinions of David B. Weekly, a Senior Managing Director for F3. Mr. Weekly is a Certified Public Accountant, a Certified Fraud Examiner, a Certified Insolvency and Restructuring Advisor, a Certified Internal Controls Auditor, a Certified Global Management Accountant and is Certified in Financial Forensics. A copy of Mr. Weekly's resume and recent testimony experience is attached as Exhibit B.
12. We express no opinion regarding liability in this matter. The opinions and conclusions expressed in this report are Mr. Weekly's, and are based on the information made available as of the date of this report. Mr. Weekly was assisted by other F3 professionals, working under his direction and supervision. This report refers to Mr. Weekly and other F3 professionals involved in the work collectively as "we", "us", "our", and/or F3.

### **Summary of Opinion**

13. Menaged perpetrated two frauds against DenSco. In the First Fraud, Menaged used DenSco and a second lender to obtain two separate loans against the same property. DenSco wired the borrowed funds directly to Menaged's bank account instead of delivering the funds directly to the trustee handling the sale. Had DenSco followed the practice other hard money lenders used of delivering the borrowed funds directly to the trustee, Menaged would not have been able to steal DenSco's

funds. Menaged stated during a bankruptcy examination, "The only way that DenSco ended up in this position is because he [Chittick] wired the money to the borrower, me, and did not pay the trustee directly."<sup>2</sup>

14. In an attempt to recover the loan losses created by Menaged from the First Fraud (the additional funding paid by DenSco to resolve the double encumbered properties from the First Fraud are referred to as "Workout Loans"), Chittick continued making loans to Menaged to buy foreclosed properties (these loans commenced on January 22, 2014 and are referred to as "Non-Workout Loans"). Chittick, Menaged and Beauchamp were all aware of the plan to continue making loans and use expected profits from these new loans to recover the losses from the First Fraud. The Non-Workout Loans are the basis of the Second Fraud.
15. When funding Non-Workout Loans, Chittick continued to wire money directly to Menaged's bank account. Chittick instructed Menaged to provide a copy of a cashiers' check and trustees' receipt for each transaction. Menaged sent Chittick copies of cashiers' checks and fictitious trustees' receipts, giving Chittick the impression Menaged was actually acquiring properties.<sup>3</sup> During the Second Fraud, Menaged typically returned funds DenSco previously loaned him, to continue to give Chittick the false impression he was actually purchasing properties, generating profits and paying off the loans.
16. DenSco's total losses related to Workout Loans from the First Fraud were over \$14 million by the time of Chittick's death. The net impact of the fictitious Non-Workout Loans during the Second Fraud resulted in over \$24 million in losses.
17. F3 calculated DenSco's loan losses related to Workout Loans for transactions where the economic damages occurred after September 30, 2013.<sup>4</sup> Loan loss damages for Workout Loans represent cash paid by DenSco to resolve their Menaged loan shortfalls ("Cash Out") less payments made by Menaged to DenSco on these loans ("Cash In").
18. F3 calculated DenSco's loan losses related to Non-Workout Loans beginning on January 22, 2014. These damage amounts were also calculated by determining the total "Cash Out" minus "Cash In" for Non-Workout Loans.
19. The total loan losses were reduced by applicable Receiver recoveries and increased by costs and expenses the Receiver incurred to obtain recoveries as of the date of this report. Table 1 summarizes DenSco's net Loan Loss Damages.

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<sup>2</sup> Menaged sworn testimony dated October 20, 2016, page 74.

<sup>3</sup> Menaged obtained actual cashiers' checks, sent photos of the checks to Chittick, and then redeposited the checks.

<sup>4</sup> Based on advice from Counsel.

**Table 1: DenSco Net Loan Loss Damages (excluding prejudgment interest)**

Description	Amount
Workout Loans	\$ 69,123
Non-Workout Loans	24,436,100
Total Loan Losses	\$ 24,505,223
Less: Menaged-Related Recoveries	(667,585)
Add: Menaged-Related Costs and Expenses	875,581
<b>Net Loan Losses</b>	<b>\$ 24,713,219</b>

**Opinion**

DenSco's net financial losses related to Workout Loans and Non-Workout Loans total \$24,713,219 (before prejudgment interest) as of April 4, 2019.

**Detailed Findings in Support of Opinion**

20. There were deficient business practices and a lack of compliance with DenSco's POMs that created red flags. Plaintiff claims DenSco's loan losses could have been limited had Defendants not breached their legal standard of care or aided and abetted DenSco and Chittick. Some of these deficiencies are summarized in Table 2.

**Table 2: Deficiencies**

Description	Source	Deficiency/Red Flag
[1] Loaned funds should be evidenced by check payable to "Trustee"	Mortgage document used by DenSco	Funds were wired to Menaged and were not paid directly to Trustee; Mortgage document required this procedure
[2] Lien priority (required first position)	Menaged Testimony; 2011 POM (BC_002957)	Chittick did not validate whether DenSco was in a first position on loans; Freo Lawsuit and other notifications were red flags
[3] Loan-to-value ratios (not to exceed 70%)	2011 POM (BC_002924)	Menaged double encumbered properties causing LTV ratio to be exceeded; LTV ratio exceeded for unsecured workout loans
[4] One borrower will not comprise more than 10 to 15% of total portfolio	2011 POM (BC_002957)	Loans to Menaged exceeded 15% beginning in 2013 and reached nearly 90% by 2016 (refer to Exhibit C for history of Menaged loan %)
[5] Offering Maximum of \$50 million	2011 POM (BC_002915)	Investor balance exceeded \$50 million April 2013, reached a high point of \$61.9 million May 2014 and stayed above \$50 million in every month but one after April 2013

21. Delivering funds directly to the trustees and verification of lien positions would have prevented Menaged from double encumbering properties, and would have prevented Menaged from borrowing more than 15% of the \$50 million offering maximum. The 15% borrowing limit itself, would have prevented DenSco from loaning Menaged more than \$7.5 million, therefore the Second Fraud could not have occurred.
22. The double encumbering of properties caused DenSco to become insolvent. In the Receiver's December 23, 2016 Status Report, the Receiver concluded, "As a result of the First Fraud and the Second Fraud, DenSco became insolvent as of December 31, 2012 and remained insolvent through June 30, 2016."<sup>5</sup> Based on our review and analysis of the Receiver's calculations and DenSco's QuickBooks file, we agree with the Receiver's conclusion that DenSco was insolvent on a Balance Sheet basis by at least the end of 2012.

### Workout Loans

23. When Chittick learned about the double encumbering of loans in November 2013, he and Menaged created a plan in an attempt to recover the expected losses. Chittick outlined his plan in an email to Beauchamp dated January 7, 2014. Chittick and Menaged met with Beauchamp on January 9, 2014 to discuss the plan, which led to the development of a Forbearance Agreement dated April 16, 2014.
24. The plan included DenSco loaning Menaged: a) \$1 million at 3% interest (referred to as the "Work Out 1 Million"), and b) \$5 million at 18% interest (referred to as the "Work Out 5 Million"). The plan contemplated if Menaged continued flipping properties, the expected profits would allow DenSco to recover the funds to pay-off the \$1 million and \$5 million Workout Loans. Between January and April of 2014, Beauchamp continued to work with Chittick and Menaged to finalize the Forbearance Agreement.
25. The plan was to either refinance the loans or sell the properties in order to pay off the additional lien held by another lender.<sup>6</sup> Any deficit between the property value or sales price and the combined liens on the property were recorded by DenSco as new borrowing by Menaged, and were put on the DenSco books under either the "Work Out 1 Million" account or the "Work Out 5 Million" account.

### Example of actual Workout Loan – 18146 W. Puget Ave.

26. This property was double encumbered by DenSco and Sell Wholesale Funding, LLC ("SWF"). DenSco's original loan on October 16, 2013 was \$90,000 and SWF's original loan was \$95,200 on the same day. On March 14, 2014, DenSco and Menaged refinanced the property. To remove the SWF lien, DenSco wired \$98,861.07 to the title company at closing. This cleared SWF's lien, but left DenSco with an outstanding loan to Menaged of \$188,861.07.<sup>7</sup> DenSco recorded \$125,000 in the Menaged loan account (by adding \$35,000 to the existing \$90,000 loan balance) and recorded

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<sup>5</sup> Receiver Status Report dated December 23, 2016, page 11.

<sup>6</sup> There were instances where DenSco actually held a first position lien on a property, but wanted to avoid action by other lenders or issues with DenSco's investors learning of the fraud.

<sup>7</sup> This amount equals the original loan of \$90,000 plus DenSco's refinancing payment of \$98,861.07.

\$63,861.07 in a separate account called "Work Out 5 Million". DenSco was now the sole lienholder and Menaged's debt on DenSco's books was \$188,861.07.

27. On October 9, 2014, Menaged sold the property for \$132,000. To complete this transaction at closing, Menaged paid \$23,355.12 and received a credit for assessments of \$270.99, for total settlement proceeds of \$155,626.11. The total settlement proceeds were used to pay: 1) DenSco's recorded loan amount of \$125,000 (excluding the Workout Loan), 2) DenSco's accrued interest of \$18,542.50 and 3) other closing costs of \$12,083.61. Once the transaction was complete, DenSco was left with the unsecured "Work Out 5 Million" loan of \$63,861.07, which was never repaid. We subtracted the interest received at closing of \$18,542.50, to calculate DenSco's Workout Loan loss of \$45,318.57.

Summary of F3's Analysis and Calculations of DenSco's "Work Out 1 Million" Damages

28. There were 14 properties either: 1) sold or 2) refinanced and sold, where the deficit between the property value and DenSco loan amount was recorded in the "Work Out 1 Million" account. Chittick started making entries into QuickBooks on December 13, 2013 to record these losses. The original loan dates for these properties (when they became double encumbered) were between April 22, 2013 and October 7, 2013. The total unpaid balance in the "Work Out 1 Million" account on DenSco's books was \$1,002,533.

29. To calculate damages related to the "Work Out 1 Million" loans, we identified original loans made by DenSco after September 30, 2013 where DenSco lost money as a result of eliminating the property double encumbrance. DenSco originated two loans in this time period that were recorded in the "Work Out 1 Million" account. DenSco's losses on these two loans totaled \$236,307.<sup>8</sup>

Summary of F3's Analysis and Calculations of DenSco's "Work Out 5 Million" Damages

30. There were 107 properties either: 1) sold or 2) refinanced and sold, where the deficit between the property value and the DenSco loan amount was recorded in the "Work Out 5 Million" account. Chittick started making entries into QuickBooks on March 7, 2014 to record these losses. The original loan dates for these properties (when they became double encumbered) were between August 20, 2012 and December 5, 2013. The gross unpaid balance in this account on DenSco's books was \$15,059,652. Menaged made principal payments periodically to DenSco which reduced the "Work Out 5 Million" account.<sup>9</sup> These payments totaled \$1,722,845 leaving a net unpaid "Work Out 5 Million" account balance of \$13,336,807.

31. To calculate damages related to the "Work Out 5 Million" account, we identified loans made by DenSco after September 30, 2013 where DenSco lost money as a result of eliminating the property double encumbrance. DenSco originated 22 loans in this time period that were recorded in the "Work Out 5 Million" account. DenSco's losses on these 22 loans totaled \$1,663,266.

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<sup>8</sup> DenSco's losses represent the amount paid at closing to resolve the double encumbrance reduced by loan interest.

<sup>9</sup> F3 found no payments recorded by DenSco in the "Work Out 1 Million" account.

### Summary of DenSco's Workout Loan Damages

32. DenSco's net loan losses related to Workout Loans are \$69,123. The net loan losses include the \$236,307 for the "Work Out 1 Million" account plus \$1,663,266 for the "Work Out 5 Million" account reduced by Menaged principal and interest payments of \$1,830,450.
33. In addition to the losses on Workout Loans, we identified several additional Menaged loans where losses were likely incurred when DenSco made workout payments. These workout payments were not recorded in the Workout Loan accounts, and they involved complex transaction entries by Chittick to allocate the losses from these workout payments to other Menaged loans. This resulted in the full extent of certain losses being transferred to other Menaged loans as opposed to being recorded in the Workout Loan accounts.
34. We continue to review these complex loan transactions to identify whether the ultimate loss amounts should be added to our calculation of Workout Loan losses, and we may amend our calculations in this report as a result of this additional analysis.

### Non-Workout Loans

35. The Non-Workout Loans represented new borrowings by Menaged under the plan Chittick and Menaged communicated to Beauchamp. The plan contemplated if Menaged continued flipping properties, Menaged's expected profits would allow DenSco to recover the funds lost from the First Fraud. With minimal exception, no properties were ever acquired related to the Non-Workout Loans. During the Second Fraud, Menaged typically returned funds Chittick previously loaned him, giving Chittick the false impression he was actually purchasing properties, generating profits and paying off the loans.
36. Beginning in January 2014, Chittick continued to wire money directly to Menaged's bank account. Chittick instructed Menaged to provide a copy of a cashiers' check and trustees' receipt for each transaction. Menaged sent Chittick copies of cashiers' checks and fictitious trustees' receipts, giving Chittick the impression Menaged was actually acquiring properties. Menaged testified he redeposited the cashier's checks into his bank account.
37. Between January 22, 2014 and October 24, 2014, Chittick and Menaged wired millions of dollars back and forth for what Menaged represented were individual and group loan transactions and pay-offs. On October 23, 2014, Chittick's corporate journal noted Bank of America expressed concerns regarding the dollar amount of activity in his accounts. For example, in September 2014, over \$58 million was deposited and over \$61 million was withdrawn from DenSco's two Bank of America accounts.
38. On October 24, 2014, Chittick and Menaged began to net their banking transaction activity (the "Netting Process"). For example, on October 27, 2014, Menaged requested \$804,200 from DenSco to allegedly purchase six properties. On the same date, Menaged planned to pay-off four loans from DenSco totaling \$1,054,584. Chittick and Menaged agreed to net this transaction and Menaged wired \$250,384 into DenSco's bank account. Chittick recorded each individual property loan in DenSco's books, even though the bank account activity showed only the actual net transaction.

39. On November 6, 2014, Chittick's corporate journal noted Bank of America requested DenSco to close its accounts. On November 18, 2014, Chittick opened a new account at First Bank. Bank of America records show all account activity stopped for DenSco on November 21, 2014. Beginning December 1, 2014, Chittick's corporate journal noted he and Menaged stopped the Netting Process and resumed exchanging transactions via bank wires. This process continued until July 8, 2015. Chittick's corporate journal noted on July 7, 2015, "I'm so low on cash, we are going to have to go back to wiring the difference instead of the whole thing."<sup>10</sup>
40. On November 4, 2015, the wire activity between DenSco and Menaged stopped.<sup>11</sup> Chittick did not mention this change in his corporate journal, but our review of DenSco's bank records confirmed the wire activity did not continue. On November 23, 2015, Chittick noted, "the ins and outs to [Scott] are so one sided my way this month." Chittick was referring to a new process where no cash changed hands related to his transactions with Menaged. After November 4, 2015 DenSco's records reflected 809 "loans" were originated totaling approximately \$255.4 million and Menaged "paid" DenSco approximately \$260.2 million, even though no cash changed hands.
41. Exhibit D summarizes the transaction activity between DenSco and Menaged from January 22, 2014 through June 21, 2016. During this time period DenSco's QuickBooks reflects 2,718 loans were originated with Menaged totaling \$735.5 million. With minimal exception, all of these loans were fictitious.

*Summary of F3's Analysis and Calculations of DenSco's Non-Workout Loan Damages*

42. The first Non-Workout Loan was made by DenSco on January 22, 2014, approximately two weeks after Chittick and Menaged met with Beauchamp. Between January 22, 2014 and November 4, 2015, DenSco bank records show hundreds of wire transfers between DenSco's and Menaged's bank accounts related to originations and pay-offs of Non-Workout Loans. Since there were no cash transactions between DenSco and Menaged after November 4, 2015, our calculation of losses was based on transactions recorded on DenSco's books between January 22, 2014 and November 4, 2015 where actual cash transactions were traced to bank statements and reconciled with entries made by Chittick in DenSco's books.
43. To calculate damages related to the Non-Workout Loans, we analyzed Menaged transactions using: 1) the Receiver Reports and various loan activity schedules prepared by the Receiver's staff; 2) DenSco's QuickBooks; 3) Bank of America and First Bank account statements; 4) Chittick's corporate journal; and 5) relevant communications from Chittick's email file. We also reconciled our analysis with what the Receiver did to ensure we had considered all Non-Workout Loan transactions in DenSco's books and bank statements.
44. Table 3 summarizes the principal amount of all Menaged Non-Workout Loans reduced by principal pay-offs recorded by DenSco. In addition, DenSco collected and recorded \$5,053,796 of interest

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<sup>10</sup> Chittick corporate journal (RECEIVER\_000114).

<sup>11</sup> There was one minor transaction totaling \$12,600 that was reflected in the DenSco bank account on 2/4/2016 and 3/18/2016, but all regular activity ceased on 11/4/2015.

payments on paid off loans. We reduced the net unpaid principal amount by the interest payments to determine the net financial loss (Cash In minus Cash Out) for Non-Workout Loans.

**Table 3: Non-Workout Loans Transaction Summary**

Description	Timeframe	Number [1]	Amount
<b>Loans Originated:</b>			
Non-Workout Loans-Fully Repaid	1/22/14 - 7/7/15	1,229	\$ 290,179,835
Non-Workout Loans-Not Fully Repaid	10/7/14 - 11/4/15	680	\$ 189,959,906
<b>Subtotal Loans Originated</b>		<b>1,909</b>	<b>\$ 480,139,741</b>
<b>Payoffs Received:</b>			
Non-Workout Loans-Fully Repaid	1/22/14 - 7/7/15	1,229	\$ (290,179,835)
Non-Workout Loans-Not Fully Repaid	10/7/14 - 11/4/15	589	\$ (160,458,706)
<b>Subtotal Payoffs Received</b>		<b>1,818</b>	<b>\$ (450,638,541)</b>
<b>Net Unpaid Principal</b>			<b>\$ 29,501,200</b>
<b>Less: Interest Payments/Adjustments</b>			<b>(5,065,100)</b>
<b>Non-Work Out Loan Losses, net</b>			<b>\$ 24,436,100</b>

[1] - The number column represents individual properties. DenSco combined multiple properties and grouped loan originations and principal and interest pay-offs when recording transactions.

45. Exhibit E is a summary of amounts paid by DenSco to Managed for fictitious property loans (Cash Out) minus the principal and interest amounts Menaged returned to DenSco from these same monies (Cash In). We traced each transaction to DenSco bank accounts and reviewed other receipts of cash to ensure amounts received from Menaged have been properly considered or offset against DenSco's Non-Workout Loan losses.

Recoveries net of Costs and Expenses

46. When Plaintiff was appointed as Receiver, he set-up a new bank account and began recording all DenSco transactions in a new set of books. The Receiver Status Report dated March 11, 2019 ("March 2019 Status Report") identifies "Menaged-Related Recoveries" and "Menaged-Related Disbursements" as of March 11, 2019. The March 2019 Status Report discloses the Plaintiff has recovered \$667,585 from Menaged related enterprises. Plaintiff has also incurred \$875,581 of costs and expenses to recover these amounts, which consists of \$292,809 of direct costs and \$582,772 of Receiver allocated costs and expenses.

47. The March 2019 Status Report describes settlements with Menaged and the Chittick Estate along with potential claims against Financial Institutions, Active Funding Group, LLC and Property of Joseph Menaged. We understand that these settlements and claims could impact the damages we have computed. We express no opinion in this report regarding apportionment of damages. However, we will amend this report if necessary, for any net recoveries or other costs and expenses that may impact our calculations.

Prejudgment Interest

48. At Counsel's direction, we calculated prejudgment interest on the total loan losses, net of recoveries, costs and expenses using both 10% simple interest based on A.R.S. 44-1201(A) and the current rate of 6.5% based on A.R.S. 44-1201(B). We also calculated a range of prejudgment interest using two different time periods. The first time period is from August 31, 2016<sup>12</sup> through the date of this report, and the second time period is from October 17, 2017<sup>13</sup> through the date of this report. Prejudgment interest using 10% is between \$3.62 million and \$6.41 million, and the daily rate of interest beyond our report date is approximately \$6,770. Prejudgment interest using 6.5% is between \$2.35 million and \$4.16 million, and the daily rate of interest beyond our report date is approximately \$4,400 (See Exhibit F for interest calculations).

49. Damage Summary as of April 4, 2019

**Table 4: DenSco Net Loan Loss Damages (excluding prejudgment interest)**

Description	Amount
Workout Loans	\$ 69,123
Non-Workout Loans	24,436,100
Total Loan Losses	\$ 24,505,223
Less: Menaged-Related Recoveries	(667,585)
Add: Menaged-Related Costs and Expenses	875,581
<b>Net Loan Losses</b>	<b>\$ 24,713,219</b>

Other Matters

50. This expert report is based on information provided to F3 as of the date of this report. We reserve the right to modify or supplement this report should additional information become available to us or if we are requested to perform additional tasks including, but not limited to updated recoveries reduced by costs and expenses, updated calculations of prejudgment interest, analyses performed as a result of the production of additional documents, or matters related to additional discovery. In addition, F3 may prepare illustrative or demonstrative exhibits for use during testimony from the information contained in this report, any supplemental report, our work papers, or the documents considered.

51. F3 is being compensated for Mr. Weekly's time at \$450 per hour. F3's other professional staff billing rates range between \$100 and \$375. F3's compensation is not contingent on the conclusions contained herein or any supplemental report(s) prepared pursuant to this engagement, or the ultimate resolution of this matter.

<sup>12</sup> Per Geoffrey M.T. Sturr letter to John E. DeWulf dated January 17, 2018, August 2016 represents the date Defendant's received Chittick's pre-suicide writings blaming Clark Hill for the losses.

<sup>13</sup> The date Plaintiff filed the Complaint against Defendants.

52. The report has been prepared only for the purposes stated herein and shall not be used for any other purpose. Neither this report nor any portions thereof shall be disseminated to third parties by any means without the prior written consent and approval of F3.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "D. Weekly", written in a cursive style.

David B. Weekly  
Senior Managing Director  
Fenix Financial Forensics LLC

List of Documents Considered

Purpose: To list the documents considered by F3.

<i>Item</i>	<i>Description</i>	<i>Bates Start [1]</i>	<i>Bates End [1]</i>
1	Complaint	-	-
2	Plaintiff's Disclosure of Areas of Expert Testimony	-	-
3	Defendants' Disclosure of Areas of Expert Testimony	-	-
4	Plaintiff's Initial Disclosure Statement	-	-
5	Plaintiff's Second Disclosure Statement	-	-
6	Plaintiff's Third Disclosure Statement	-	-
7	Plaintiff's Fourth Disclosure Statement	-	-
8	Plaintiff's Fifth Disclosure Statement	-	-
9	Defendants' Initial Rule 26.1 Disclosure Statement	-	-
10	Defendants' First Supplemental Rule 26.1 Disclosure Statement	-	-
11	Defendants' Second Supplemental Rule 26.1 Disclosure Statement	-	-
12	Defendants' Third Supplemental Rule 26.1 Disclosure Statement	-	-
13	Defendants' Fourth Supplemental Rule 26.1 Disclosure Statement	-	-
14	Defendants' Sixth Supplemental Rule 26.1 Disclosure Statement	-	-
15	Defendants' Sixth Supplemental Rule 26.1 Disclosure Statement (Blackline Fifth Supplemental to Sixth Supplemental)	-	-
16	Deposition of David Beauchamp and Exhibits	-	-
17	Deposition of Peter Davis and Exhibits	-	-
18	Deposition of Shawna Chittick Heuer	-	-
19	Deposition of Victor Gojcaj and Exhibits	-	-
20	Rule 2004 Examination of Scott Menaged and Exhibits	-	-
21	Schenck Deposition Exhibit 20 (Chittick DenSco Corporate Journal)	-	-
22	Schenck Deposition Exhibit 51 (Chittick Email to Beauchamp dated 1/7/14)	-	-
23	Preliminary Report of Peter S. Davis, as Receiver of DenSco Investment Corporation dated 9/19/16	-	-
24	Status Report of Peter S. Davis, as Receiver of DenSco Investment Corporation dated 12/23/16	-	-
25	Status Report of Peter S. Davis, as Receiver of DenSco Investment Corporation dated 12/22/17	-	-
26	Status Report of Peter S. Davis, as Receiver of DenSco Investment Corporation dated 3/11/19	-	-
27	DenSco Investment Corporation QuickBooks File (Backup Dated 7/27/16)	-	-
28	Receiver Work Product - Excel file, "Schedules Supporting Receiver's Solvency Analysis.xlsx"	-	-
29	Receiver Work Product - Excel file, "Analysis of Menaged Loan Transactions Per QuickBooks that Did Not Clear the Bank.xlsx"	-	-
30	Receiver Work Product - Excel file, "Analysis of Menaged Loans as of 01.09.14 - Property Details.xlsx"	-	-
31	Receiver Work Product - Excel file, "Data for Interest Calculation.xlsx"	-	-
32	Receiver Work Product - Excel file, "Receiver's QuickBooks Adjustments.xlsx"	-	-
33	Receiver Work Product - Excel file, "Densco-Menaged Cash Disbursements & Receipts.xlsx"	-	-
34	Receiver Work Product - Excel file, "Analysis of Menaged Loans - Per F3 Request.xlsx"	-	-
35	Receiver Work Product - Excel file, "Menaged Loans 10.02.13-01.21.14.xlsx"	-	-
36	Receiver Work Product - Excel file, "Densco-Menaged Cash Disbursements & Receipts 03 05 19.xlsx"	-	-
37	Selected emails, Denny Chittick Outlook file	-	-
38	Selected emails, Scott Menaged Outlook file	-	-
39	2015 First Bank Records.PDF	D100857	D100930
40	2006 Bank of America Records.PDF	D107539	D107819

<i>Item</i>	<i>Description</i>	<i>Bates Start [1]</i>	<i>Bates End [1]</i>
41	2007 Bank of America Records.PDF	D107973	D108276
42	2008 Bank of America Records.PDF	D108601	D109119
43	2009 Bank of America Records.PDF	D109199	D109857
44	2010 Bank of America Records (Acct 7509).PDF	D110295	D110630
45	2010 Bank of America Records (Acct 8555).PDF	D110631	D110952
46	2011 Bank of America Records (Acct 7509).PDF	D111124	D111674
47	2011 Bank of America Records (Acct 8555).PDF	D111675	D111795
48	2012 Bank of America Records (Acct 8555).PDF	D147530	D147764
49	2013 Bank of America Records (Acct 8555).PDF	D147765	D147961
50	2014 Bank of America Records (Acct 8555).PDF	D147962	D148176
51	2012 Bank of America Records (Acct 7509).PDF	D148177	D148877
52	2013 Bank of America Records (Acct 7509).PDF	D148878	D149352
53	2014 Bank of America Records (Acct 7509).PDF	D149353	D149699
54	2014 First Bank Records.PDF	D150089	D150101
55	First Bank Statements 11.18.14-09.30.16.pdf	-	-
56	Various HUD-1 Statements produced by Receiver in folder "Docs from Denny Chittick's Computer (Box 96) - HUD Statements"	-	-
57	Various property documents produced by Receiver in folder "Property Documents Re Selected Menaged Loans - Public Records"	-	-
58	Letter from Geoffrey M.T. Sturr to John DeWulf dated 1/17/18 re: Davis V. Clark Hill,	-	-
59	DenSco Investment Corporation in Receivership Profit & Loss Statement (All Transactions) dated 3/5/19	-	-
60	Expert Report of Neil J. Wertlieb dated 3/26/19	-	-
61	Receivership Fees and Costs Allocable to Scott Menaged 8/2016-2/2019	-	-

[1] - Documents listed without bates labels indicate the documents were produced without them, except for deposition exhibits. Due to the volume and nonconsecutive nature of deposition exhibits, the corresponding bates labels have not been identified within.



## Fenix Financial Forensics LLC

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www.F3AZ.com

### David B. Weekly, CPA, CFE, CFF, CIRA, CICA, CGMA

Senior Managing Director

Tel: 480.717.6789

Fax: 480.717.6759

Email: [dweekly@F3AZ.com](mailto:dweekly@F3AZ.com)



David's experiences include expert witness testimony on a wide range of commercial damage issues in U.S. district, state and bankruptcy courts as well as arbitrations and mediations, with particular emphasis on accounting and financial issues, commercial disputes, constructions claims, internal controls and investigations of fraud matters.

David has additional expertise with complex financial investigations, contract compliance, theft and misappropriation of assets, bankruptcy, and workout services. He has conducted numerous investigations in connection with failed companies, including evaluating financial reporting controls and causes of business failure. These investigations typically require the assessment of a business enterprise or an alleged scheme, the quantification of losses or diverted funds, and the identification of potentially responsible parties.

David's industry experience includes aerospace and airlines, construction, financial services, banking, commodities, distribution, manufacturing, mining, real estate, healthcare, insurance, golf course operations, multilevel marketing, and retail bowling centers. Specific case experience includes class actions, Ponzi schemes, criminal allegations, stock option backdating, internal investigations, post-acquisition disputes, breach of fiduciary duty, deepening insolvency, leveraged buyouts, fraudulent transfers, and insurance claims.

Prior to establishing F3, David was a member of the national Forensic and Litigation Consulting team for FTI Consulting, Inc. He was also the partner-in-charge of KPMG's U.S. Dispute Advisory Services practice. Before joining KPMG, David served as the worldwide director of Litigation Services, partner-in-charge of the U.S. Complex Claims and Events practice and partner-in-charge of National Law Firm Relationships for Arthur Andersen LLP.

David has been a frequent speaker at conferences on such topics as expert witness issues, damage analysis, construction claims and alternative billing methods. In addition, he is the founder of the Arizona Corporate Counsel Forum, which hosts meetings quarterly on topics of interest to its members. David also serves on the professional advisory board of Arizona State University's School of Accountancy.

### Professional History

- Fenix Financial Forensics LLC (F3) – Senior Managing Director – Scottsdale, AZ (10/08 – Present)
- Independent Contractor – FTI Consulting, Inc. – Phoenix, AZ (09/06 – 09/08)
- FTI Consulting, Inc. – Senior Managing Director, National Forensic and Litigation Consulting Leadership Team member and Forensic Services leader for Western and Central Regions – Phoenix, AZ (11/03 – 09/06)
- KPMG LLP – Partner in Charge of U.S. Dispute Advisory Services Practice – Phoenix, AZ (05/02 – 10/03)
- Arthur Andersen LLP – Partner in Charge of National Law Firm Relationships and Arizona Claims and Disputes Practice – Phoenix, AZ (09/01 – 05/02)

- Arthur Andersen LLP – Partner in Charge of Business Consulting (Desert Southwest) and Partner in Charge of Pacific Region Claims and Disputes Practice – Phoenix, AZ (02/00 – 08/01)
- Arthur Andersen LLP – Firmwide Director of Litigation Services and Partner in Charge of the U.S. Complex Claims and Events Practice – Phoenix, AZ (09/95 – 09/00)
- Arthur Andersen LLP – Partner in Charge of Strategy, Finance & Economics (SFE) in the Desert Southwest – Phoenix, AZ (08/88 – 02/00)
- Arthur Andersen LLP – Manager, Litigation & Bankruptcy Consulting; Audit Manager – Phoenix, AZ (11/84 – 08/88)
- North American Coin & Currency, Ltd. (Public Company – Reorganized) – Executive Vice President, Secretary and Treasurer. Also served as General Manager for Court Appointed Trustee from September 1982 through November 1983. Acquired Series 7, 24 and 63 Securities licenses and acted as Principal for NASD Broker/Dealer operation formed during reorganization – Phoenix, AZ (09/82 – 11/84)
- North American Coin & Currency, Ltd. – Controller – Phoenix, AZ (04/80 – 09/82)
- Arthur Andersen LLP – Audit Division Senior Accountant, Financial Institutions and Construction Industry emphasis – Phoenix, AZ (12/76 – 04/80)
- United States Navy (Vietnam veteran) – (05/70 – 05/74)

## Education

- Bachelor of Science in Accounting, Arizona State University (1976)

## Certifications

- Certified Public Accountant (CPA) licensed in both Arizona and Missouri
- Certified Fraud Examiner (CFE)
- Certified in Financial Forensics (CFF)
- Certified Insolvency and Restructuring Advisor (CIRA)
- Certified Internal Controls Auditor (CICA)
- Chartered Global Management Accountant (CGMA)

## Professional Affiliations

- American Institute of Certified Public Accountants
- Arizona Society of Certified Public Accountants
- Association of Certified Fraud Examiners
- American Bankruptcy Institute
- Association of Insolvency and Restructuring Advisors
- The Institute for Internal Controls
- American Bar Association Litigation Section, Associate Member and former Co-Chair of Corporate Counsel Subcommittee on Expert Witnesses
- Professional Advisory Board, ASU School of Accountancy

## Civic Affiliations

- Served on two Maricopa County Bar Association committees to recommend judicial salaries in Arizona
- Served on Board of Directors and Executive Committee – Junior Achievement of Arizona
- Served on Valley Citizens League
- Consultant to Team USA Bowling and Young Bowling Alliance (YABA)
- Coordinated/coached numerous youth activities

## **Publications and Presentations**

- None in last 10 years

## **Deposition and Testimony Experience (2015 – Present)**

- Santosh George Kottayil v. Insys Therapeutics, Inc., Superior Court of Arizona, County of Maricopa, Testimony (2015)
- Pivotal 650 California St., LLC v. Dickinson Wright PLLC, Superior Court of Arizona, County of Maricopa, Deposition (2015)
- Cardiovascular Consultants, Ltd. v. David R. Sease, et al. and David R. Sease, et al. v. Andrei Damian, Superior Court of Arizona, County of Maricopa, Deposition (2015)
- Pam Case Bobrow v. Kenmark Deeds, LLC et. al., Superior Court of Arizona, County of Maricopa, Deposition (2016)
- John J. Hurry et al. v. Financial Industry Regulatory Authority, Inc. et al., US District Court for the District of Arizona, Deposition (2017)
- Responsive Data, LLC v. Isagenix International, LLC, AAA Arbitration – Phoenix, Arizona, Deposition (2017)
- John C. Pritzlaff III, et al. v. Ann Pritzlaff Symington, et al., Superior Court of Arizona, County of Maricopa, Deposition (2017)
- Frost Management Company, LLC, et al. v. Hollencrest Bayview Partners L.P., et al., JAMS Arbitration – Orange County, California, Testimony (2018)
- Wision Investments, LLC v. Hirschler Fleischer, et al., US District Court for the District of Arizona, Deposition (2018)
- eMove, Inc. et al. v. Hire A Helper LLC, et al., US District Court for the Southern District of California, Deposition (2018)
- Premier CM, LLC, dba Level CM, Claimant/Counter-Respondent, vs. Great Wash Park, LLC, Respondent/Counter-Claimant – Dispute Resolution Board – Las Vegas, Nevada, Deposition (2018); Testimony (2018)

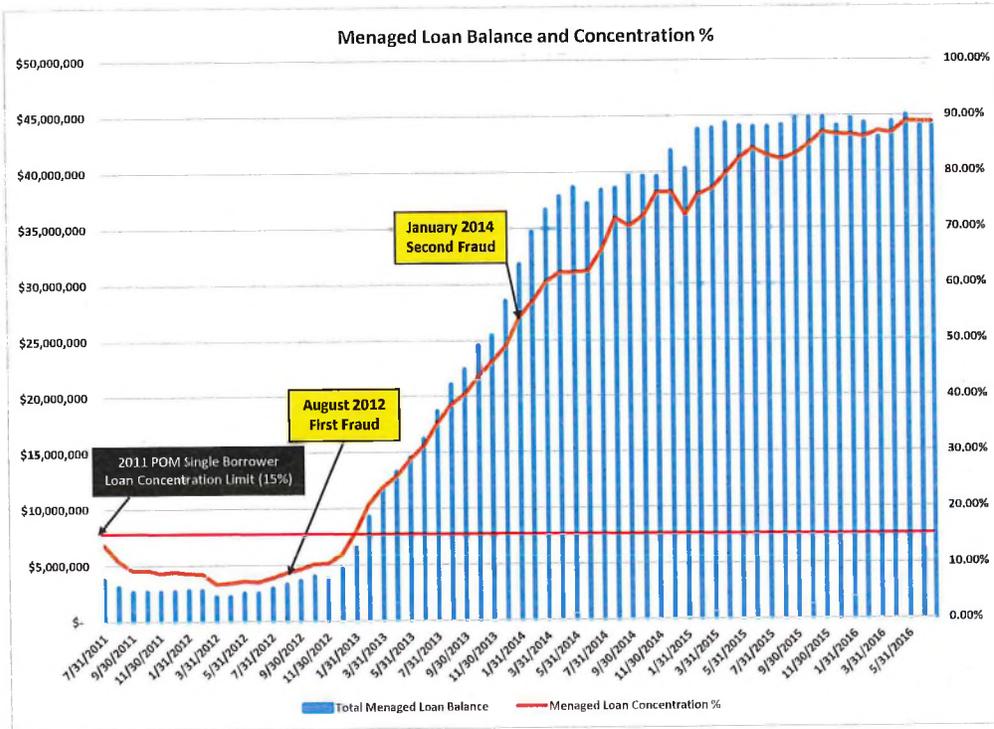
Expert Report of David B. Weekly

Peter S. Davis, as Receiver v. Clark Hill PLC, et al.  
 Managed Loan Concentration

Purpose: To summarize DenSco's Managed loan concentration.

Source: DenSco QuickBooks file

Period		Average Managed Loan Balance	Average DenSco Total Loan Portfolio	Managed Loan Concentration Range
Begin	End			
November 2007	April 2010	\$ 1,065,280	\$ 16,414,765	Less than 10%
May 2010	August 2011	\$ 2,733,063	\$ 22,781,244	Above 10%
September 2011	October 2012	\$ 2,805,179	\$ 34,536,309	Less than 10%
November 2012	December 2012	\$ 4,205,000	\$ 38,569,212	10% - 15%
January 2013	August 2013	\$ 13,897,625	\$ 49,826,271	16% - 38%
September 2013	March 2014	\$ 29,100,693	\$ 58,004,385	40% - 60%
April 2014	July 2016	\$ 42,373,377	\$ 54,095,638	62% - 89%



Expert Report of David B. Weekly

EXHIBIT D

Peter S. Davis, as Receiver v. Clark Hill PLC, et al.

**PURPOSE:** To summarize the Non-Workout Loan activity between DenSco and Menaged between January 2014 and June 2016.

**SOURCE:** Bank of America and First Bank Statements; Chittick Journal; DenSco QuickBooks; Various emails between Chittick and Menaged

Loan Category	Number	Amounts	Loan Activity Time Period	
Fully Repaid Loans [1]	1,229	\$290,179,834	1/22/2014 - 10/24/2014	12/1/2014 - 7/7/2015
Not Fully Repaid Loans [2]	680	\$189,959,906	10/7/2014 - 12/1/2014	7/8/2015 - 11/4/2015
Non-Cash Loans [3]	809	\$255,401,500		11/2/2015 - 6/21/2016
<b>Total</b>	<b>2,718</b>	<b>\$735,541,240</b>		

[1] - Loans during these periods were disbursed and paid off (aggregate CASH OUT equals CASH IN), excluding interest paid.

[2] - Loans made and paid off during these time periods were made in groups either using Gross Cash Transactions or Net Cash Transactions (see definitions on Exhibit E).

[3] - Loans were recorded as disbursed and recorded as paid, but no cash transactions took place. None of these transactions are included in F3's damage calculations.

Expert Report of David B. Weekly  
 Peter S. Davis, as Receiver v. Clark Hill PLC, et al.

PURPOSE: To calculate DanSco damages for Non-Workout Loan Losses.

SOURCE: Simon Consulting Prepared Transaction Report, Bank of America and First Bank Statements

Definitions of terms used in this analysis

Gross Cash Transactions - Groups of loans combined into one banking transaction amount. Payoffs under this caption relate to one property per banking transaction.

Net Cash Transactions - Groups of loans netted against loan payoffs in one banking transaction (e.g. multiple transactions result in one banking transaction).

A	B	C	D	E	F	G	H = F - G	I	J = G + I	K = F - J	L	M = K + L	N
#	Bank Statement Date	Loan No.	Property Address	Transaction Amount [2]	Loan Amount (CASH OUT) [3]	Principal Payment (CASH IN) [4]	Consolidate Principal CASH OUT/(CASH IN) [5]	Interest/Fee Payments (CASH IN) [6]	Total Payment (Principal + Interest) (CASH IN) [7]	Net Transaction Before Adjustment [8]	Transaction Adjustment [9]	Transaction Amount [10]	Notes
<b>Gross Cash Transactions</b>													
1	10/07/2014	5650	8340 W Cavalier Dr	361,100.00	361,100.00	-	361,100.00	-	-	-	-	3,159,400.00	Total loan amount was \$1,159,400 made up of Loan 5650 (\$302,700), 5648 (\$117,700), 5649 (\$377,900) and 5650 (\$361,100). All loans were subsequently paid off except loan 5650.
2	10/08/2014	5652	8305 W Blank Hill Rd	1,217,900.00	342,400.00	-	703,500.00	-	-	-	-	1,424,300.00	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
3	10/08/2014	5657	1776 E Morgan Dr	-	183,700.00	-	-	887,200.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
4	10/08/2014	5656	7863 E Magdalena Dr	-	184,700.00	-	-	1,071,900.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
5	10/08/2014	5654	21135 E Calle Du Horner	-	229,600.00	-	-	1,301,500.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
6	10/08/2014	5655	3120 E Sharyel La Rd	-	277,500.00	-	-	1,579,000.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
7	10/09/2014	5660	170 E Guadalupe Rd #156	1,033,900.00	117,300.00	-	1,016,600.00	-	-	-	-	1,033,900.00	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
8	10/09/2014	5659	3223 N 92nd Dale	-	132,500.00	-	-	1,826,800.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
9	10/09/2014	5661	28768 N 68th Ave	-	344,700.00	-	-	2,713,500.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
10	10/10/2014	5658	3089 F Larkspur Dr	-	325,400.00	-	-	2,488,100.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
11	10/10/2014	5664	10260 W Madison St	923,600.00	293,400.00	-	293,400.00	2,600,300.00	-	-	-	923,600.00	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
12	10/10/2014	5663	21528 W Legende Dr	-	247,100.00	-	-	3,047,400.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
13	10/10/2014	5663	17467 W Calaver Rd	-	389,700.00	-	-	3,237,100.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
14	10/10/2014	5665	5044 W Mercer Ln	-	143,900.00	-	-	3,381,000.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
15	10/10/2014	5666	7833 E Nyle Ct	-	154,500.00	-	-	3,535,500.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
16	10/14/2014	5670	15286 W Shaw Butte Dr	1,290,400.00	343,400.00	-	343,400.00	3,678,900.00	-	-	-	1,290,400.00	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
17	10/14/2014	5671	12744 E Via de Arboles	-	247,500.00	-	-	3,917,400.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
18	10/14/2014	5668	341 N Lakeswood	-	183,700.00	-	-	4,101,100.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
19	10/14/2014	5667	5577 E Galvin St	-	445,900.00	-	-	4,547,000.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
20	10/14/2014	5669	6687 S Balboa Dr	-	277,900.00	-	-	4,825,900.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
21	10/15/2014	5674	10040 E Happy Valley Rd #249	3,301,400.00	515,700.00	-	515,700.00	5,341,600.00	-	-	-	3,301,400.00	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
22	10/15/2014	5676	38808 N 87th Drive	-	286,700.00	-	-	5,628,300.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
23	10/15/2014	5677	1943 E Vista Dr	-	319,200.00	-	-	5,947,500.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
24	10/15/2014	5675	2149 E Crest Ln	-	152,600.00	-	-	6,100,100.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
25	10/15/2014	5673	39823 N 56th Street	-	818,200.00	-	-	6,918,300.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
26	10/16/2014	5683	80301 N 31st Street	1,223,800.00	189,100.00	-	189,100.00	7,117,400.00	-	-	-	1,223,800.00	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
27	10/16/2014	5680	2412 W Yahoo Dr	-	383,700.00	-	-	7,401,100.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
28	10/16/2014	5681	26247 S Power Rd	-	183,700.00	-	-	7,584,800.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
29	10/16/2014	5682	7166 E Cambridge Rd	-	558,900.00	-	-	8,143,700.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
30	10/17/2014	5685	1704 S Arroya Cir	-	222,200.00	-	-	8,365,900.00	-	-	-	1,320,900.00	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
31	10/17/2014	5687	3335 S 95th Ave	-	158,100.00	-	-	8,524,000.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
32	10/17/2014	5686	4107 W Campo Bello Dr	-	138,400.00	-	-	8,662,400.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
33	10/17/2014	5688	4923 S Wildflower Pl	-	411,700.00	-	-	9,074,100.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
34	10/17/2014	5684	6758 W Burkheim Trl	-	388,000.00	-	-	9,462,100.00	-	-	-	993,900.00	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
35	10/20/2014	5689	6003 E N 17th Drive	993,900.00	204,300.00	-	204,300.00	9,676,400.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
36	10/20/2014	5693	15036 N Maple Dr	-	411,700.00	-	-	10,088,100.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
37	10/20/2014	5692	1942 N 78th Glen	-	104,300.00	-	-	10,192,400.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
38	10/20/2014	5689	2848 N 107th Lane	-	132,400.00	-	-	10,324,800.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
39	10/20/2014	5691	6215 E Delco Ave	-	304,800.00	-	-	10,629,600.00	-	-	-	1,080,600.00	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
40	10/21/2014	5696	125 N 2nd Place #106	1,080,600.00	113,700.00	-	113,700.00	10,743,300.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
41	10/21/2014	5698	7313 N 18th Drive	-	207,100.00	-	-	10,950,400.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.
42	10/21/2014	5698	2839 E Malloy St	-	227,200.00	-	-	11,177,600.00	-	-	-	-	Total loan amount was \$1,424,300 made up of Loan 5652 (\$342,400), 5653 (\$206,400), 5654 (\$229,600), 5655 (\$277,500), 5656 (\$184,700), and 5657 (\$183,700). Only loan 5653 was paid off.

Expert Report of David B. Weekly

Peter S. Davis, as Receiver v. Clark Hill PLC, et al.

PURPOSE: To calculate DenSco damages for Non-Workout Loan Losses.

SOURCE: Simon Consulting Prepared Transaction Report, Bank of America and First Bank Statements

Definitions of terms used in this analysis

Gross Cash Transactions - Groups of loans combined into one banking transaction amount. Payoffs under this caption relate to one property per banking transaction.

Net Cash Transactions - Groups of loans netted against loan payoffs in one banking transaction (e.g. multiple transactions result in one banking transaction).

A	B	C	D	E	F	G	H = F - G	I	J = G + I	K = F - J	L	M = K + L	N
#	Bank Statement Date	Loan No.	Property Address	Transaction Amount [2]	Loan Amount (CASH OUT) [3]	Principal Payment (CASH IN) [4]	Cumulative Principal CASH OUT/(CASH IN) [5]	Interest/Fee Payments (CASH IN) [6]	Total Payment (Principal + Interest) (CASH IN) [7]	(Net Cash Only) Net Transaction Before Adjustment [8]	Transaction Adjustment [9]	Transaction Amount [10]	Notes
43	10/21/2014	5697	3800 E Lincoln Dr #30		409,800.00		409,800.00		11,423,700.00				
44	10/21/2014	5699	3838 S 54th Glen		122,800.00		122,800.00		11,546,500.00				
45	10/22/2014	5702	12633 W Avellan Dr	1,101,900.00	183,100.00		183,100.00		11,729,600.00			1,101,900.00	
46	10/22/2014	5704	1637 E Calle de Caballo		392,800.00		392,800.00		12,122,400.00				
47	10/22/2014	5703	4642 E Blue Spruce Ln		264,600.00		264,600.00		12,387,000.00				
48	10/22/2014	5705	4742 N Greenview Cir W		261,400.00		261,400.00		12,648,400.00				
49	10/23/2014	5707	1006 S Portland Ave	1,032,400.00	178,400.00		178,400.00		12,826,800.00			1,032,400.00	
50	10/23/2014	5709	1053 W Dresden		374,900.00		374,900.00		13,001,700.00				
51	10/23/2014	5708	1382 S Pondcrofta Dr		184,300.00		184,300.00		13,186,000.00				
52	10/23/2014	5711	1728 N Cherry St		196,700.00		196,700.00		13,382,700.00				
53	10/23/2014	5710	2917 E Preston St		298,100.00		298,100.00		13,680,800.00				
54	10/24/2014	5713	2725 E Mine Creek Rd #1003	993,200.00	126,700.00		126,700.00		13,807,500.00			993,200.00	
55	10/24/2014	5714	28437 N 112th Way		489,400.00		489,400.00		14,296,900.00				
56	10/24/2014	5715	3934 E Aquarius Pl		377,100.00		377,100.00		14,674,000.00				
57	12/01/2014	5759	10484 E Acacia Dr	(514,411.40)		507,800.00	14,166,200.00	6,611.40	514,411.40			(514,411.40)	Payoff made in 2 separate banking transactions. The combined transaction amount is shown in Column E.
58	12/01/2014	5776	23879 W Pecan Cir	(133,259.80)		131,800.00	14,034,400.00	1,459.80	133,259.80			(133,259.80)	
59	12/02/2014	5809	15424 W MescaI St	(154,785.90)		153,700.00	13,880,700.00	1,085.90	154,785.90			(154,785.90)	
60	12/02/2014	5757	1912 E Bedford Rd	(224,509.60)		221,400.00	13,659,300.00	3,109.60	224,509.60			(224,509.60)	
61	12/02/2014	5772	31440 S Beverly Ct	(170,043.15)		168,100.00	13,491,200.00	1,943.15	170,043.15			(170,043.15)	
62	12/02/2014	5767	406 W Oregon Ave	(234,418.20)		231,400.00	13,259,800.00	3,018.20	234,418.20			(234,418.20)	
63	12/02/2014	5762	596 N Soho Ln	(152,469.80)		151,100.00	13,108,700.00	1,369.80	152,469.80			(152,469.80)	
64	12/02/2014	5808	829 E Manor Dr	(153,149.85)		151,400.00	12,957,300.00	1,749.85	153,149.85			(153,149.85)	
65	12/02/2014	5777	19279 W Adams St	(156,566.40)		154,700.00	12,802,600.00	1,866.40	156,566.40			(156,566.40)	
66	12/03/2014	5775	435 W Harvard Rd	(159,804.80)		157,800.00	12,644,800.00	2,004.80	159,804.80			(159,804.80)	
67	12/03/2014	5806	5608 N Fifth Place	(198,890.50)		197,400.00	12,447,300.00	1,490.50	198,890.50			(198,890.50)	
68	12/03/2014	5766	5946 E Sandra Terrace	(410,274.80)		404,800.00	12,042,500.00	5,474.80	410,274.80			(410,274.80)	
69	12/03/2014	5778	7124 E Dreyfus Ave	(313,015.60)		309,600.00	11,732,900.00	3,415.60	313,015.60			(313,015.60)	
70	12/04/2014	5779	26140 N Wrangler Rd	(443,957.35)		438,900.00	11,294,000.00	5,057.35	443,957.35			(443,957.35)	
71	12/04/2014	5781	658 N Emery	(166,300.60)		164,400.00	11,129,600.00	1,900.60	166,300.60			(166,300.60)	
72	12/04/2014	5780	820 S Kabbab Pl	(592,142.10)		585,400.00	10,544,200.00	6,742.10	592,142.10			(592,142.10)	
73	12/05/2014	5785	11661 W Belvedere St	(125,638.30)		124,200.00	10,420,000.00	1,438.30	125,638.30			(125,638.30)	
74	12/05/2014	5829	3136 E Larkspur Dr	(257,413.35)		253,700.00	10,196,300.00	3,713.35	257,413.35			(257,413.35)	
75	12/05/2014	5796	3242 E Emile Zola Ave		131,700.00		10,064,600.00	1,261.15	132,961.15				
76	12/05/2014	5800	3729 N 295th St	(124,986.10)		123,800.00	10,040,800.00	1,186.10	124,986.10			(124,986.10)	Payoff made in 2 separate banking transactions. The combined transaction amount is shown in Column E.
77	12/05/2014	5782	8144 E Del Barquero Dr	(596,188.10)		589,400.00	9,451,400.00	6,788.10	596,188.10			(596,188.10)	
78	12/05/2014	5789	15469 W Cordine Dr	(255,970.00)		252,800.00	9,198,600.00	3,170.00	255,970.00			(255,970.00)	
79	12/06/2014	5793	280 S Evergreen Rd #1328	(148,948.75)		147,100.00	9,051,500.00	1,848.75	148,948.75			(148,948.75)	
80	12/06/2014	5837	5608 S 30th Lane	(105,491.20)		104,800.00	8,946,700.00	691.20	105,491.20			(105,491.20)	
81	12/06/2014	5788	6332 W Tether Trail	(231,379.20)		228,400.00	8,718,300.00	2,979.20	231,379.20			(231,379.20)	
82	12/06/2014	5784	7886 E Quilen Sabe Way	(287,803.30)		284,100.00	8,434,200.00	3,703.30	287,803.30			(287,803.30)	
83	12/06/2014	5791	21002 N Grayhawk Dr #1084	(368,640.70)		363,900.00	8,070,300.00	4,740.70	368,640.70			(368,640.70)	
84	12/06/2014	5790	4648 W Elgin St	(187,313.70)		184,900.00	7,885,400.00	2,413.70	187,313.70			(187,313.70)	
85	12/09/2014	5792	4701 E Michigan Ave	(302,998.30)		299,100.00	7,586,300.00	3,898.30	302,998.30			(302,998.30)	
86	12/09/2014	5826	617 S 119th Ave	(162,701.20)		161,400.00	7,424,900.00	1,301.20	162,701.20			(162,701.20)	
87	12/10/2014	5834	15860 W Tasha Dr	(155,947.60)		154,700.00	7,270,200.00	1,247.60	155,947.60			(155,947.60)	
88	12/10/2014	5799	25241 S 154th Street	(217,387.60)		214,800.00	7,055,400.00	2,587.60	217,387.60			(217,387.60)	
89	12/10/2014	5795	2922 E Shady Spring Trl	(187,128.80)		184,900.00	6,870,500.00	2,228.80	187,128.80			(187,128.80)	
90	12/10/2014	5798	3630 E Flamigo Way	(189,456.40)		187,200.00	6,683,300.00	2,256.40	189,456.40			(189,456.40)	
91	12/10/2014	5835	4618 W Bethany Home Rd	(105,648.40)		104,800.00	6,578,500.00	848.40	105,648.40			(105,648.40)	
92	12/10/2014	5836	4803 W Carol Ave	(154,963.50)		153,800.00	6,424,700.00	1,163.50	154,963.50			(154,963.50)	
93	12/11/2014	5797	10363 W Cameo Dr	(136,393.75)		134,700.00	6,290,000.00	1,693.75	136,393.75			(136,393.75)	
94	12/11/2014	5820	1228 E Veritas Dr	(155,222.80)		153,600.00	6,135,400.00	1,622.80	155,222.80			(155,222.80)	
95	12/11/2014	5841	13651 N 29th Way	(105,648.40)		104,800.00	6,031,600.00	848.40	105,648.40			(105,648.40)	
96	12/11/2014	5844	17624 W Vilac St	(457,234.25)		453,100.00	5,869,500.00	951.05	457,234.25			(457,234.25)	
97	12/11/2014	5838	2631 W Nancy Ln		118,100.00		5,742,400.00	954.80	119,054.80				

Expert Report of David B. Weekly

Peter S. Davis, as Receiver v. Clark Hill PLC, et al.

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A	B	C	D	E	F	G	H=F-G	I	J=I+I	K=F-J	L	M=K+L	N
#	Bank Statement Date	Loan No.	Property Address	Transaction Amount (\$)	Loan Amount (CASH OUT) (\$)	Principal Payment (CASH IN) (\$)	Cumulative Principal CASH OUT/(CASH IN) (\$)	Interest/Fee Payments (CASH IN) (\$)	Total Payment (Principal + Interest) (CASH IN) (\$)	Net Transaction Before Adjustment (\$)	Transaction Adjustment (\$)	Transaction Amount (\$)	Notes
98	12/11/2014	5839	2923 W Bluefield Ave	-	-	164,800.00	5,577,600.00	1,308.40	166,108.40	-	-	-	
99	12/11/2014	5804	4531 E Via Dome Rd	(298,246.40)	-	294,700.00	5,282,900.00	3,546.40	298,246.40	-	-	(298,246.40)	
100	12/12/2014	5803	21321 N 73rd Way	(570,553.75)	-	563,500.00	4,719,400.00	7,053.75	570,553.75	-	-	(570,553.75)	Payoff made in 2 separate banking transactions. The combined transaction amount is shown in Column E.
101	12/12/2014	5802	2935 E Lynx Way	(290,698.75)	-	287,100.00	4,432,300.00	3,598.75	290,698.75	-	-	(290,698.75)	
102	12/15/2014	5810	10319 W Robin Ln	(207,372.10)	-	204,600.00	4,227,700.00	2,772.10	207,372.10	-	-	(207,372.10)	
103	12/15/2014	5814	11843 N 146th Ave	(204,458.05)	-	199,850.00	4,027,850.00	2,608.05	202,458.05	-	-	(202,458.05)	
104	12/15/2014	5818	1629 E Redfield Rd	(186,512.50)	-	184,200.00	3,843,650.00	2,312.50	186,512.50	-	-	(186,512.50)	
105	12/15/2014	5817	20834 N 7th Place	(203,117.50)	-	200,600.00	3,643,050.00	2,517.50	203,117.50	-	-	(203,117.50)	
106	12/15/2014	5811	31622 N 54th Place	(400,950.60)	-	395,600.00	3,247,450.00	5,350.60	400,950.60	-	-	(400,950.60)	
107	12/16/2014	5815	11122 N 128th Place	(443,618.95)	-	437,700.00	2,809,750.00	5,918.95	443,618.95	-	-	(443,618.95)	Payoff made in 2 separate banking transactions. The combined transaction amount is shown in Column E.
108	12/16/2014	5816	6326 E Alla Hacienda Dr	(680,169.85)	-	671,100.00	2,138,650.00	9,069.85	680,169.85	-	-	(680,169.85)	
109	12/17/2014	5807	15210 W Calle Escada	(376,795.30)	-	371,400.00	1,767,250.00	5,395.30	376,795.30	-	-	(376,795.30)	
110	12/17/2014	5828	18203 W Westpark Blvd	(150,190.80)	-	148,400.00	1,618,850.00	1,790.80	150,190.80	-	-	(150,190.80)	
111	12/17/2014	5821	30602 N 45th Place	(298,688.45)	-	294,700.00	1,324,150.00	3,988.45	298,688.45	-	-	(298,688.45)	
112	12/17/2014	5819	6417 N 84th Lane	(180,311.65)	-	177,900.00	1,146,750.00	2,411.65	180,311.65	-	-	(180,311.65)	
113	12/17/2014	5824	8133 E Whitton Ave	(199,981.20)	-	197,600.00	948,650.00	2,381.20	199,981.20	-	-	(199,981.20)	
114	12/18/2014	5840	1226 E Gwen St	(314,363.25)	-	318,900.00	729,750.00	95,663.25	314,363.25	-	-	(314,363.25)	
115	12/18/2014	5822	22375 S 161st Avenue	(201,902.50)	-	163,900.00	565,850.00	38,002.50	201,902.50	-	-	(201,902.50)	
116	12/18/2014	5827	3577 S Halsted Ct	(383,848.75)	-	379,100.00	186,750.00	4,748.75	383,848.75	-	-	(383,848.75)	
117	12/18/2014	5825	4223 E Park Ave	(221,427.35)	-	199,400.00	(12,650.00)	27,027.35	221,427.35	-	-	(221,427.35)	
118	12/19/2014	5832	1623 W Kalbab Dr	(496,945.00)	-	490,800.00	(503,450.00)	6,345.00	496,945.00	-	-	(496,945.00)	
119	12/19/2014	5833	4412 E Maplewood St	(308,721.25)	-	304,900.00	(608,350.00)	3,821.25	308,721.25	-	-	(308,721.25)	
120	12/22/2014	5845	31204 N 169th Ave	(651,801.70)	-	644,700.00	(1,453,050.00)	7,101.70	651,801.70	-	-	(651,801.70)	Payoff made in 2 separate banking transactions. The combined transaction amount is shown in Column E.
121	01/30/2015	6111	12221 N 58th Way	361,700.00	361,700.00	-	(1,091,350.00)	-	-	-	-	1,282,500.00	Total loan amount was \$1,282,500 made up of loan 6108 (\$170,800), 6109 (\$186,400), 6110 (\$133,100), 6111 (\$161,700), 6112 (\$239,500), 6113 (\$101,200), and 6114 (\$99,800). All loans were paid off except loan 6111.
122	02/03/2015	6125	5601 E Sweetwater Ave	298,566.00	298,566.00	-	(792,794.00)	-	-	-	-	298,566.00	
123	06/10/2015	6637	5901 E Sharon Dr	394,200.00	394,200.00	-	(398,594.00)	-	-	-	-	1,153,700.00	Total loan amount was \$1,153,700 made up of loan 6636 (\$476,700), 6637 (\$394,200), and 6638 (\$282,800). All loans were paid off except loan 6637.
124	06/12/2015	6658	334 E Horseshoe Ave	1,580,500.00	1,580,500.00	-	(166,894.00)	-	-	-	-	1,580,500.00	
125	06/12/2015	6659	6301 W Kings Ave	-	-	184,500.00	-	27,606.00	-	-	-	-	
126	06/12/2015	6656	8807 E Peak View Rd	-	-	885,400.00	-	914,006.00	-	-	-	-	
127	06/12/2015	6657	771 S Ocean Dr	-	-	267,900.00	-	1,181,906.00	-	-	-	-	
128	06/15/2015	6660	11087 E Mission Ln	1,621,900.00	713,400.00	-	-	1,895,306.00	-	-	-	1,621,900.00	
129	06/15/2015	6662	12323 W Rowley Ave	-	-	152,800.00	-	2,048,106.00	-	-	-	-	
130	06/15/2015	6663	14426 W Lexington Ave Unit R	-	-	187,900.00	-	2,236,006.00	-	-	-	-	
131	06/15/2015	6661	7405 S El Dorado	-	-	238,700.00	-	2,474,706.00	-	-	-	-	
132	06/15/2015	6664	3133 E Harvard Ave	-	-	329,100.00	-	2,803,806.00	-	-	-	-	
133	06/16/2015	6669	20006 E Pecan Ln	1,594,000.00	349,500.00	-	-	3,153,306.00	-	-	-	1,594,000.00	
134	06/16/2015	6668	2848 E Reeds St	-	-	286,500.00	-	3,449,806.00	-	-	-	-	
135	06/16/2015	6667	4502 E Douglas St	-	-	164,800.00	-	3,614,606.00	-	-	-	-	
136	06/16/2015	6666	4513 E Dartmouth St	-	-	341,400.00	-	3,956,006.00	-	-	-	-	
137	06/16/2015	6665	824 W Azalea	-	-	443,800.00	-	4,399,806.00	-	-	-	-	
138	06/17/2015	6674	3001 E Edgewood Ave	1,573,200.00	151,200.00	-	-	4,549,006.00	-	-	-	1,573,200.00	
139	06/17/2015	6673	364 E Bayler Ln	-	-	278,900.00	-	4,827,906.00	-	-	-	-	
140	06/17/2015	6675	3702 N 35th Street	-	-	353,200.00	-	5,181,106.00	-	-	-	-	
141	06/17/2015	6672	3916 E Valley Dr	-	-	364,700.00	-	5,545,806.00	-	-	-	-	
142	06/17/2015	6676	4408 W Hopl Trl	-	-	251,800.00	-	5,797,606.00	-	-	-	-	
143	06/17/2015	6671	635 W Avary Way	-	-	173,900.00	-	5,971,506.00	-	-	-	-	
144	06/18/2019	6679	13681 W Ventura St	1,615,000.00	213,700.00	-	-	6,184,706.00	-	-	-	1,615,000.00	
145	06/18/2019	6682	14446 N 184th Avenue	-	-	251,100.00	-	6,435,806.00	-	-	-	-	
146	06/18/2019	6683	14611 N 83rd Avenue	-	-	246,700.00	-	6,682,506.00	-	-	-	-	

Expert Report of David B. Weekly

Peter S. Davis, as Receiver v. Clark Hill PLC, et al.

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SOURCE: Simon Consulting Prepared Transaction Report, Bank of America and First Bank Statements

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#	Bank Statement Date	Loan No.	Property Address	Transaction Amount [2]	Loan Amount (CASH OUT) [3]	Principal Payment (CASH IN) [4]	Cumulative Principal CASH OUT/(CASH IN) [5]	Interest/Fee Payments (CASH IN) [6]	Total Payment (Principal + Interest) (CASH IN) [7]	Net Transaction Before Adjustment [8]	Transaction Adjustment [9]	Transaction Amount [10]	Record# [11]	Notes
147	06/18/2019	6678	1691 W Maplewood St		227,400.00	-	6,909,006.00	-	-	-	-	-	-	
148	06/18/2019	6681	17586 W Girdling Dr		204,100.00	-	7,114,006.00	-	-	-	-	-	-	
149	06/18/2019	6680	3505 S Sierra Madre Ave		297,100.00	-	7,411,106.00	-	-	-	-	-	-	
150	06/18/2019	6684	610 W Kent Pl		174,900.00	-	7,586,006.00	-	-	-	-	-	-	
151	06/19/2015	6690	11218 W Vernon Ave	1,341,400.00	182,300.00	-	7,768,306.00	-	-	-	-	-	1,341,400.00	
152	06/19/2015	6686	1401 W Colt Rd		183,800.00	-	7,952,106.00	-	-	-	-	-	-	
153	06/19/2015	6685	2519 E Genevieve Dr		211,100.00	-	8,163,206.00	-	-	-	-	-	-	
154	06/19/2015	6688	3830 Lathemwood Pkwy E #1017		123,900.00	-	8,287,106.00	-	-	-	-	-	-	
155	06/19/2015	6687	6760 E Venue St		241,100.00	-	8,528,206.00	-	-	-	-	-	-	
156	06/19/2015	6689	9553 W Keyser Dr		389,200.00	-	8,917,406.00	-	-	-	-	-	-	
157	06/22/2015	6692	16825 E Happy Rd	1,611,000.00	423,600.00	-	9,351,006.00	-	-	-	-	-	1,611,000.00	
158	06/22/2015	6694	3115 N Mansfield Dr		319,700.00	-	9,670,706.00	-	-	-	-	-	-	
159	06/22/2015	6693	3153 E Powell Way		346,800.00	-	10,017,506.00	-	-	-	-	-	-	
160	06/22/2015	6695	4210 S Carmelite		286,800.00	-	10,304,306.00	-	-	-	-	-	-	
161	06/23/2015	6696	8045 E Windour Ave		234,100.00	-	10,538,406.00	-	-	-	-	-	-	
162	06/23/2015	6698	1358 Shannon St	1,563,600.00	324,200.00	-	10,862,606.00	-	-	-	-	-	1,563,600.00	
163	06/23/2015	6701	1783 N Country Club Dr		186,300.00	-	11,048,906.00	-	-	-	-	-	-	
164	06/23/2015	6702	2535 S 227th Avenue		210,200.00	-	11,259,106.00	-	-	-	-	-	-	
165	06/23/2015	6697	3267 E Happy Rd		428,300.00	-	11,687,406.00	-	-	-	-	-	-	
166	06/23/2015	6699	6954 S Scott Dr		241,100.00	-	11,928,506.00	-	-	-	-	-	-	
167	06/23/2015	6700	7229 W San Juan Ave		173,500.00	-	12,102,006.00	-	-	-	-	-	-	
168	06/24/2015	6706	1244 N Natica St	1,634,800.00	257,800.00	-	12,359,806.00	-	-	-	-	-	1,634,800.00	
169	06/24/2015	6703	18626 E Purple Sage Dr		304,500.00	-	12,664,306.00	-	-	-	-	-	-	
170	06/24/2015	6705	2548 E Wescott Dr		210,300.00	-	12,874,606.00	-	-	-	-	-	-	
171	06/24/2015	6708	6907 W Carson Dr		192,500.00	-	13,067,106.00	-	-	-	-	-	-	
172	06/24/2015	6704	7838 S 20th Lane		185,600.00	-	13,252,706.00	-	-	-	-	-	-	
173	06/24/2015	6709	8043 E Indianola Ave		227,900.00	-	13,480,606.00	-	-	-	-	-	-	
174	06/24/2015	6707	908 N Swallow Ln		256,200.00	-	13,736,806.00	-	-	-	-	-	-	
175	06/25/2015	6710	1745 S Parkcrest St	1,593,100.00	154,800.00	-	13,891,606.00	-	-	-	-	-	1,593,100.00	
176	06/25/2015	6711	18931 E Canary Way		277,800.00	-	14,169,406.00	-	-	-	-	-	-	
177	06/25/2015	6714	2317 E Folley St		184,500.00	-	14,353,906.00	-	-	-	-	-	-	
178	06/25/2015	6713	3533 S Vista Ln		502,700.00	-	14,856,606.00	-	-	-	-	-	-	
179	06/25/2015	6716	6441 E Crosses Dr		162,400.00	-	15,019,006.00	-	-	-	-	-	-	
180	06/25/2015	6715	7735 E Verde Ln		173,800.00	-	15,192,806.00	-	-	-	-	-	-	
181	06/25/2015	6712	950 E Glenmere Dr		447,300.00	-	15,640,106.00	-	-	-	-	-	-	
182	06/26/2015	6719	10415 W Oddeum Ln	1,587,700.00	130,100.00	-	15,770,206.00	-	-	-	-	-	1,587,700.00	
183	06/26/2015	6724	1099 S 212nd Lane		314,800.00	-	16,085,006.00	-	-	-	-	-	-	
184	06/26/2015	6725	1138 W Vera Ln		123,400.00	-	16,208,406.00	-	-	-	-	-	-	
185	06/26/2015	6723	213 W Villa Rita Dr		110,100.00	-	16,318,506.00	-	-	-	-	-	-	
186	06/26/2015	6720	3209 S 63rd Lane		151,700.00	-	16,470,206.00	-	-	-	-	-	-	
187	06/26/2015	6722	4321 W Saint Katerina Dr		133,800.00	-	16,604,006.00	-	-	-	-	-	-	
188	06/26/2015	6721	532 E Harrison St		162,100.00	-	16,766,106.00	-	-	-	-	-	-	
189	06/26/2015	6717	7265 W Gardemia Ave		314,400.00	-	17,080,506.00	-	-	-	-	-	-	
190	06/26/2015	6718	7684 E Baldo Dr		277,200.00	-	17,357,706.00	-	-	-	-	-	-	
191	06/29/2015	6731	13256 S 183rd Avenue	1,502,000.00	287,100.00	-	17,644,806.00	-	-	-	-	-	1,502,000.00	
192	06/29/2015	6727	14034 N 44th Place		329,900.00	-	18,000,006.00	-	-	-	-	-	-	
193	06/29/2015	6729	28837 N 45th Street		207,600.00	-	18,207,606.00	-	-	-	-	-	-	
194	06/29/2015	6728	3624 E Dahlia Dr		281,400.00	-	18,489,006.00	-	-	-	-	-	-	
195	06/29/2015	6726	5139 S Harbor Ct		124,300.00	-	18,613,306.00	-	-	-	-	-	-	
196	06/29/2015	6730	7616 S 26th Way		141,500.00	-	18,754,806.00	-	-	-	-	-	-	
197	06/30/2015	6735	3421 N Freestone Cr	976,600.00	259,400.00	-	18,996,006.00	-	-	-	-	-	976,600.00	
198	06/30/2015	6736	18210 W Desert Willow Dr		157,800.00	-	19,153,806.00	-	-	-	-	-	-	
199	06/30/2015	6734	18601 E Via Del Jardin		234,700.00	-	19,388,506.00	-	-	-	-	-	-	
200	06/30/2015	6732	5008 W Pedro Ln		183,200.00	-	19,571,706.00	-	-	-	-	-	-	
201	06/30/2015	6733	324 W Rita Ave		278,200.00	-	19,849,906.00	-	-	-	-	-	-	
202	07/01/2015	6740	12514 W Rancho Cr	1,193,800.00	124,300.00	-	20,000,006.00	-	-	-	-	-	1,193,800.00	
203	07/01/2015	6738	15965 W Statler St		141,500.00	-	20,141,506.00	-	-	-	-	-	-	

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Bank Statement #	Date	Loan No.	Property Address	Transaction Amount [2]	Loan Amount (CASH OUT) [3]	Principal Payment (CASH IN) [4]	Cumulative Principal CASH OUT/(CASH IN) [5]	Interest/Fee Payments (CASH IN) [6]	Total Payment (Principal + Interest) (CASH IN) [7]	Net Transaction Before Adjustment [8]	Transaction Adjustment [9]	Reconciled Transaction Amount [10]	Notes
204	07/01/2015	6739	2507 W Palomino Dr		357,500.00	-	20,156,206.00	-	-	-	-	-	
205	07/01/2015	6737	9567 E Cavalry Dr		433,800.00	-	20,590,006.00	-	-	-	-	-	
206	07/02/2015	6748	1132 E Westchester Dr	1,486,300.00	239,700.00	-	20,829,706.00	-	-	-	-	1,486,300.00	
207	07/02/2015	6742	13006 N 130th Lane		100,200.00	-	20,929,906.00	-	-	-	-	-	
208	07/02/2015	6747	17019 S 27th Drive		280,400.00	-	21,210,306.00	-	-	-	-	-	
209	07/02/2015	6741	21038 W Ridge Rd		189,800.00	-	21,400,106.00	-	-	-	-	-	
210	07/02/2015	6746	27840 N 31st Avenue		169,200.00	-	21,569,306.00	-	-	-	-	-	
211	07/02/2015	6744	3927 W Cactus Wren Dr		134,300.00	-	21,703,606.00	-	-	-	-	-	
212	07/02/2015	6743	4008 E Tanglemood Dr		184,500.00	-	21,888,106.00	-	-	-	-	-	
213	07/03/2015	6745	8227 S Calle Moctezuma		187,800.00	-	22,076,306.00	-	-	-	-	-	
214	07/06/2015	6753	1117 W Stella Ln	1,377,100.00	334,700.00	-	22,411,006.00	-	-	-	-	1,377,100.00	
215	07/06/2015	6754	1310 W Amberwood Dr		329,500.00	-	22,740,506.00	-	-	-	-	-	
216	07/06/2015	6751	1625 E Montoya Ln		273,800.00	-	23,014,306.00	-	-	-	-	-	
217	07/06/2015	6752	1858 E Seagull Dr		181,300.00	-	23,195,606.00	-	-	-	-	-	
218	07/06/2015	6755	6064 E Beck Ln		257,800.00	-	23,453,406.00	-	-	-	-	-	
219	07/07/2015	6757	15936 E Trevino Dr	1,690,900.00	555,700.00	-	24,009,106.00	-	-	-	-	1,690,900.00	
220	07/07/2015	6758	6029 E Smokehouse Trl		354,800.00	-	24,363,906.00	-	-	-	-	-	
221	07/07/2015	6759	9218 E Pershing Ave		347,200.00	-	24,711,106.00	-	-	-	-	-	
222	07/07/2015	6760	9423 N Summer Hill Blvd		433,200.00	-	25,144,306.00	-	-	-	-	-	
<b>Net Cash Transactions [1]</b>													
223	10/24/2014	5650	8340 W Cavalier Dr	(73,790.30)	10,300.00	-	25,154,606.00	9,390.30	9,390.30	909.70	(74,700.00)	(73,790.30)	Transaction Included a \$75,000 Workout Loan payoff minus a \$300 math error for a net payoff of \$74,700. Net payment has been removed from Workout Loan Losses.
224	10/27/2014	5655	3230 E Shangeri La Rd	(250,383.80)	-	240,100.00	24,914,506.00	10,383.80	250,383.80	(250,383.80)	-	(250,383.80)	
225	10/28/2014	5661	28768 N 68th Ave	269,150.55	276,700.00	-	25,191,206.00	7,549.45	7,549.45	269,150.55	-	269,150.55	
226	10/29/2014	5666	533 E Kyle Crt	(223,624.30)	-	213,100.00	24,978,106.00	11,524.30	274,624.30	(224,624.30)	1,000.00	(223,624.30)	DenSco received \$1,000 less than it recorded in its books. Loan Losses will be increased by \$1,000.
227	10/30/2014	5669	6687 S Balboa Dr	211,535.30	217,000.00	-	25,195,106.00	5,464.70	5,464.70	211,535.30	-	211,535.30	Menaged made a \$75,000 payment on the Workout Loan balance. This \$75,000 has been removed from Workout Loan Losses.
228	10/31/2014	5673	38823 N 56th Street	(59,664.70)	22,300.00	-	25,217,406.00	6,964.70	6,964.70	15,335.30	(75,000.00)	(59,664.70)	Menaged made a \$75,000 payment on the Workout Loan balance. This \$75,000 has been removed from Workout Loan Losses.
229	11/03/2014	5689	2848 N 107th Lane	69,361.00	81,400.00	-	25,298,806.00	12,039.00	12,039.00	69,361.00	-	69,361.00	
230	11/04/2014	5684	8758 W Buckhorn Trl	155,878.80	170,800.00	-	25,469,606.00	14,921.20	14,921.20	155,878.80	-	155,878.80	
231	11/05/2014	5688	4921 S Willflower Pl	(39,886.15)	-	29,000.00	25,440,606.00	10,876.15	39,876.15	(39,876.15)	(10.00)	(39,886.15)	Net payoff included a \$10 math error. DenSco received \$10 more than what was recorded. Loan Losses will be decreased by \$10.
232	11/06/2014	5752	919 N Shannon Cir	212,880.05	70,200.00	-	25,510,806.00	10,453.40	10,453.40	59,746.60	153,133.45	212,880.05	There was a net wiring difference of \$233.45 which will be adjusted to increase Loan Losses. DenSco also loaned an additional \$152,900 to Menaged. This loan was paid off by Donald Kimble on 11/14/14, so there is no impact on Loan Losses for this amount.
233	11/07/2014	5697	3800 E Lincoln Dr #30	(102,112.95)	5,400.00	-	25,516,206.00	7,512.95	7,512.95	(2,112.95)	(100,000.00)	(102,112.95)	Menaged made a \$100,000 payment on the Workout Loan balance. This \$100,000 has been removed from Workout Loan Losses.
234	11/10/2014	5705	4742 N Greenview Cir W	(144,925.55)	-	128,500.00	25,387,706.00	16,425.55	144,925.55	(144,925.55)	-	(144,925.55)	
235	11/12/2014	5710	2917 E Preston St	384,720.15	398,000.00	-	25,785,706.00	13,279.85	13,279.85	384,720.15	-	384,720.15	
236	11/14/2014	5720	4138 W Cross Dr	44,590.55	145,100.00	-	25,930,806.00	19,509.45	19,509.45	125,590.55	(81,000.00)	44,590.55	\$81,000 adjustment represents a Menaged pay down on the Workout Loans. \$75,000 was recorded against the Workout Loans and \$6,000 to Interest Income. The \$75,000 has been removed from Workout Loan Losses, and Non-Workout Loan Losses will be decreased by \$6,000.
237	11/17/2014	5725	850 W Whitton Ave	(69,821.10)	-	59,300.00	25,871,506.00	30,521.10	69,821.10	(69,821.10)	-	(69,821.10)	The \$34,900 represented new borrowing, but it was paid off by 1/27/15 and has no impact on Loan Losses.
238	11/18/2014	5735	986 S Wanda Dr	337,107.15	252,300.00	-	26,123,806.00	10,092.85	10,092.85	242,207.15	94,900.00	337,107.15	Net payoff was recorded as \$90,133.60, but due to a \$3 math error and a \$2,000 adjustment booked by Chittick, DenSco only received \$88,130.60. The underpayment of \$2,003 will be adjusted to increase Loan Losses.
239	11/19/2014	5728	2646 E Bear Creek Ln	(88,130.60)	-	78,250.00	26,045,556.00	11,883.60	90,133.60	(90,133.60)	2,003.00	(88,130.60)	
240	11/20/2014	5768	7446 S 40th Lane	163,412.05	170,400.00	-	26,215,956.00	6,987.95	6,987.95	163,412.05	-	163,412.05	

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#	Bank Statement Date	Loan No.	Property Address	Transaction Amount (\$)	Loan Amount (CASH OUT) (\$)	Principal Payment (CASH IN) (\$)	Consulting Principal (CASH OUT)/(CASH IN) (\$)	Interest/Fee Payments (CASH IN) (\$)	Total Payment (Principal+Interest) (CASH IN) (\$)	Net Transaction Before Adjustment (\$)	Transaction Adjustment (\$)	Transaction Amount (\$)	Notes
241	11/21/2014	5729	9251 E Bajada Rd	(19,364.40)	92,600.00	-	26,309,356.00	11,964.40	11,964.40	80,635.60	(100,000.00)	(19,364.40)	Managed made a \$100,000 payment on the Workout loan balance. This \$100,000 has been removed from Workout Loan Losses.
242	11/24/2014	5783	7229 N 131st Ave	58,720.20	69,100.00	-	26,377,656.00	10,369.80	10,369.80	58,730.10	-	58,730.10	
243	11/24/2014	5740	3009 W Via De Pedro Miguel	247,665.20	255,600.00	-	26,633,256.00	7,934.80	7,934.80	247,665.20	-	247,665.20	
244	11/26/2014	5753	27647 H 70th Street	(45,278.70)	-	35,900.00	26,597,356.00	9,378.70	45,278.70	(45,278.70)	-	(45,278.70)	The \$218,550 represented net new borrowing, but it was paid off on 6/16/15 and has no impact on Loan Losses.
245	02/13/2015	6125	5601 E Sweetwater Ave	(445,538.25)	-	660,256.00	25,937,100.00	3,892.25	664,088.25	(664,088.25)	218,550.00	(445,538.25)	
246	07/08/2015	6657	771 S Sean Dr	49,002.50	68,600.00	-	25,986,300.00	15,600.00	15,600.00	33,560.80	-	33,560.80	
247	07/09/2015	6671	535 W Avary Way	(34,560.80)	-	19,500.00	25,997,000.00	19,481.80	19,481.80	(8,681.80)	-	(8,681.80)	
248	07/10/2015	6675	3702 N 35th Street	(8,681.80)	-	10,800.00	25,997,000.00	20,043.75	20,043.75	(19,643.75)	-	(19,643.75)	
249	07/13/2015	6865	824 W Azalea	(19,643.75)	400.00	-	25,997,000.00	18,963.85	18,963.85	240,436.15	-	240,436.15	
250	07/14/2015	6680	3905 S Sierra Madre Ave	240,436.15	259,400.00	-	26,256,800.00	16,428.85	16,428.85	(22,924.85)	-	(22,924.85)	
251	07/15/2015	6684	610 W Kent Pl	(72,924.85)	-	56,500.00	26,200,300.00	16,919.60	16,919.60	(56,519.60)	-	(56,519.60)	
252	07/16/2015	6687	6760 E Venue St	(56,519.60)	-	41,600.00	26,158,700.00	17,696.55	17,696.55	50,303.45	-	50,303.45	
253	07/17/2015	6689	9553 W Keyser Dr	50,303.45	68,000.00	-	26,276,700.00	17,408.55	17,408.55	(36,640.85)	-	(36,640.85)	
254	07/20/2015	6700	1729 W San Juan Ave	(36,640.85)	-	18,900.00	26,207,800.00	17,740.85	17,740.85	34,070.30	-	34,070.30	
255	07/21/2015	6730	7616 S 26th Way	34,070.30	48,000.00	-	26,256,600.00	14,729.70	14,729.70	31,312.25	-	31,312.25	
256	07/22/2015	6709	8043 E Indianola Ave	31,312.25	44,000.00	-	26,300,600.00	12,687.75	12,687.75	(32,291.55)	-	(32,291.55)	
257	07/23/2015	6712	950 E Glenmore Dr	(32,291.55)	-	16,900.00	26,283,700.00	18,889.25	18,889.25	146,310.75	-	146,310.75	
258	07/24/2015	6718	7684 E Balo Dr	146,310.75	165,200.00	-	26,448,900.00	14,129.35	14,129.35	76,170.65	-	76,170.65	
259	07/27/2015	6715	7735 E Verde Ln	(139,897.35)	-	117,800.00	26,531,100.00	22,097.35	22,097.35	1,000.00	1.00	83,477.80	Managed received \$1 more than the calculated net amount. Loan Losses will be increased by \$1.
260	07/28/2015	6743	4008 E Tanglewood Dr	83,477.80	101,400.00	-	26,432,500.00	17,923.20	17,923.20	(73,723.50)	-	(73,723.50)	
261	07/29/2015	6737	9562 E Cavalry Dr	(73,723.50)	-	53,900.00	26,378,600.00	18,848.60	18,848.60	66,751.40	-	66,751.40	
262	07/30/2015	6745	8227 S Calle Moxetuma	66,751.40	85,600.00	-	26,464,700.00	15,277.50	15,277.50	(74,377.50)	-	(74,377.50)	
263	07/31/2015	6762	688 E Gall Dr	(74,377.50)	-	59,100.00	26,405,100.00	19,389.35	19,389.35	78,810.65	9.00	78,810.65	Managed received \$9 more than the calculated net amount. Loan Losses will be increased by \$9.
264	08/03/2015	6759	9218 E Pershing Ave	78,810.65	98,200.00	-	26,503,300.00	15,391.90	15,391.90	(96,391.90)	-	(96,391.90)	
265	08/04/2015	6758	6029 E Smokehouse Trl	(96,391.90)	-	81,000.00	26,422,300.00	14,129.35	14,129.35	76,170.65	-	76,170.65	
266	08/05/2015	6760	9423 N Summer Hill Blvd	76,170.65	90,300.00	-	26,512,600.00	18,305.80	18,305.80	(172,694.20)	-	(172,694.20)	Managed received \$0.50 more than the calculated net amount. Loan Losses will be increased by \$0.50.
267	08/06/2015	6768	6408 H Florence Ave	(172,694.20)	-	28,200.00	26,484,400.00	18,305.80	18,305.80	(172,694.20)	0.50	(172,694.20)	
268	08/07/2015	6774	6701 E Mockingbird Ln	172,694.20	191,000.00	-	26,675,400.00	21,741.00	21,741.00	(17,541.00)	-	(17,541.00)	
269	08/10/2015	6774	3431S N 140th Street	(17,541.00)	-	55,800.00	26,619,600.00	20,029.60	20,029.60	(17,329.60)	-	(17,329.60)	
270	08/11/2015	6776	7136 W Kings Ave	(17,329.60)	2,700.00	-	26,622,300.00	19,651.55	19,651.55	27,748.45	-	27,748.45	
271	08/12/2015	6786	4643 E Laredo Ln	27,748.45	47,400.00	-	26,669,700.00	19,651.55	19,651.55	(9,000.00)	(9,000.00)	38,548.35	Due to a wiring error, DenSco loaned \$9,000 less than planned. An adjustment will be made to decrease Loan Losses by \$9,000.
272	08/13/2015	6791	4608 E Kelly Dr	38,548.35	67,200.00	-	26,736,900.00	13,140.15	13,140.15	31,959.85	-	31,959.85	
273	08/14/2015	6800	650 S Bay Dr	31,959.85	45,100.00	-	26,782,000.00	21,985.75	21,985.75	(9,985.75)	-	(9,985.75)	
274	08/17/2015	6805	7222 N Via De Calma	(9,985.75)	12,000.00	-	26,794,000.00	35,274.95	35,274.95	56,930.45	-	56,930.45	
275	08/18/2015	6815	4343 E Bluefield Ave	56,930.45	76,400.00	-	26,856,900.00	19,469.55	19,469.55	(8,731.80)	-	(8,731.80)	
276	08/19/2015	6827	7232 H 16th Avenue	(8,731.80)	-	19,400.00	26,837,500.00	17,931.85	17,931.85	63,368.15	(2,800.00)	60,568.15	Net new borrowing was recorded as \$63,368.15, but one property was misreported in an email by \$2,800. DenSco loaned \$2,800 less than it recorded so Loan Losses will be decreased by \$2,800.
277	08/20/2015	6829	8729 W Potter Dr	60,568.15	81,300.00	-	26,918,800.00	41,267.65	41,267.65	(9,900.00)	(9,900.00)	(51,167.65)	DenSco received \$9,900 more than the payoff amount recorded in DenSco's books. Loan Losses will be decreased by \$9,900.
279	08/24/2015	6867	315 E Pebble Beach Dr	(51,167.65)	-	22,100.00	26,896,700.00	19,651.55	19,651.55	12,700.00	12,700.00	84,131.80	DenSco paid \$12,700 more to Menaged than the amount recorded in DenSco's books. Loan Losses will be increased \$12,700.
180	08/25/2015	6845	9819 N 85th Place	84,131.80	91,700.00	-	26,988,400.00	20,268.20	20,268.20	71,431.80	-	71,431.80	
281	08/26/2015	6920	6950 W Luke Ave	357,297.70	373,800.00	-	27,362,000.00	16,302.30	16,302.30	357,297.70	-	357,297.70	
282	08/27/2015	6914	9252 S Sanna Cir	316,628.05	335,100.00	-	27,697,100.00	18,771.95	18,771.95	316,328.05	300.00	316,628.05	Managed received \$300 more than the calculated net amount due to a math error. Loan Losses will be increased by \$300.
283	08/28/2015	6855	520 N Mammoth Way	(316,628.05)	-	30,800.00	27,727,900.00	18,955.10	18,955.10	11,844.90	-	11,844.90	
284	08/31/2015	6884	7812 E Via Del Futuro	11,844.90	138,000.00	-	27,865,900.00	19,973.60	19,973.60	318,026.40	-	318,026.40	
285	09/01/2015	6858	925 E Muriel Dr	(318,026.40)	1,800.00	-	27,867,700.00	19,210.50	19,210.50	(17,410.50)	-	(17,410.50)	

Expert Report of David B. Weekly

Peter S. Davis, as Receiver v. Clark Hill PLC, et al.

PURPOSE: To calculate DenSco damages for Non-Workout Loan Losses.

SOURCE: Simon Consulting Prepared Transaction Report, Bank of America and First Bank Statements

Definitions of terms used in this analysis

Gross Cash Transactions - Groups of loans combined into one banking transaction amount. Payoffs under this caption relate to one property per banking transaction.

Net Cash Transactions - Groups of loans netted against loan payoffs in one banking transaction (e.g. multiple transactions result in one banking transaction).

A	B	C	D	E	F	G	H = F - G	I	J = G + I	K = F - J	L	M = K + L	N
Bank Statement #	Date	Loan No.	Property Address	Transaction Amount [2]	Loan Amount (CASH OUT) [3]	Principal Payment (CASH IN) [4]	Cumulative Principal CASH OUT/(CASH IN) [5]	Interest/Fee Payments (CASH IN) [6]	Total Payment (Principal + Interest) (CASH IN) [7]	Net Transaction (Net Cash Only) [8]	Transaction Adjustment [9]	Reconciled Transaction Amount [10]	Notes
286	09/02/2015	6879	8737 E Chaparral Rd	24,810.05	36,400.00	-	27,904,100.00	21,589.95	20,731.00	21,509.95	14,810.05	14,810.05	
287	09/03/2015	6875	908 E Wallman Ln	(1,631.00)	19,100.00	-	27,923,500.00	20,731.00	20,731.00	(1,631.00)	-	(1,631.00)	
288	09/04/2015	6882	4109 E Devon Dr	24,899.90	45,800.00	-	27,969,000.00	20,900.10	20,900.10	24,899.90	-	24,899.90	
289	09/08/2015	6915	4202 E Everett Dr	(27,124.40)	-	4,000.00	27,965,000.00	23,124.40	27,124.40	(27,124.40)	-	(27,124.40)	
290	09/09/2015	6905	7033 W Beverly Rd	29,503.15	50,300.00	-	28,015,300.00	20,796.85	20,796.85	29,503.15	-	29,503.15	
291	09/10/2015	6906	8894 E Bixley Spur Trl	206,805.90	226,500.00	-	28,241,800.00	19,694.10	19,694.10	206,805.90	-	206,805.90	
292	09/11/2015	6936	855 E Greenway St	(24,820.20)	-	6,600.00	28,235,200.00	18,220.20	24,820.20	(24,820.20)	-	(24,820.20)	
293	09/14/2015	6916	530 W Bay Rd	30,809.80	51,400.00	-	28,266,000.00	20,590.20	20,590.20	30,809.80	-	30,809.80	
294	09/15/2015	6923	2416 E Ultra Pl	(28,472.40)	-	6,900.00	28,279,700.00	21,572.40	28,472.40	(28,472.40)	-	(28,472.40)	
295	09/16/2015	7001	8358 W Bluefield Ave	27,359.95	45,500.00	-	28,255,400.00	18,140.05	18,140.05	27,359.95	-	27,359.95	
296	09/17/2015	7006	9632 N 55th Avenue	211,883.00	229,200.00	-	28,554,400.00	17,317.00	17,317.00	211,883.00	-	211,883.00	
297	09/18/2015	6946	9818 E Acacia Dr	(27,257.40)	-	8,400.00	28,546,000.00	16,857.40	27,257.40	(27,257.40)	-	(27,257.40)	
298	09/21/2015	6974	6902 W Sunnyside Dr	102,731.05	121,500.00	-	28,667,500.00	19,128.95	19,128.95	102,731.05	360.00	102,731.05	Net new borrowing was calculated and recorded as \$102,371.05, but there was a math error of \$360. DenSco loaned \$360 more than it recorded, so Loan Losses will be increased by \$360.
299	09/22/2015	6956	9074 E Justice Way	(101,364.40)	-	80,800.00	28,586,700.00	20,564.40	101,364.40	(101,364.40)	-	(101,364.40)	
300	09/23/2015	6957	6127 E Calle Del Pavlano	30,589.70	52,100.00	-	28,638,800.00	21,510.30	21,510.30	30,589.70	-	30,589.70	
301	09/24/2015	6964	57 Billmore Estates Dr	193,536.65	215,200.00	-	28,854,000.00	21,663.35	21,663.35	193,536.65	-	193,536.65	
302	09/25/2015	6992	903 W Oxford Dr	(32,969.15)	-	12,100.00	28,841,900.00	20,669.15	32,969.15	(32,969.15)	-	(32,969.15)	
303	09/28/2015	6989	6437 E Menlo St	36,888.50	58,000.00	-	28,899,900.00	21,111.50	21,111.50	36,888.50	-	36,888.50	
304	09/29/2015	7000	6908 S 44th Street	(41,925.30)	-	22,600.00	28,877,300.00	19,325.30	41,925.30	(41,925.30)	-	(41,925.30)	
305	09/30/2015	6999	7226 E Fillmore St	54,423.20	75,100.00	-	28,952,400.00	20,676.50	20,676.50	54,423.20	(0.30)	54,423.20	Managed received \$0.30 less than the calculated net amount due to a math error. Loan Losses will be decreased by \$0.30.
306	10/01/2015	7015	9916 W Edward Dr	(26,948.55)	-	5,300.00	29,016,700.00	17,651.50	26,948.55	(26,948.55)	-	(26,948.55)	
307	10/02/2015	7026	8699 W Sugarloaf Ave	28,731.45	46,800.00	-	29,093,500.00	18,068.55	18,068.55	28,731.45	-	28,731.45	
308	10/05/2015	6998	9390 E Thompson Peak Pkwy #242	(12,353.95)	10,100.00	-	29,094,000.00	22,453.95	22,453.95	(12,353.95)	-	(12,353.95)	
309	10/06/2015	7019	5440 W Grove St	18,760.05	37,100.00	-	29,041,100.00	18,393.95	18,393.95	18,760.05	54.00	18,760.05	Net new borrowing was calculated and recorded as \$18,706.05, but there was a math error of \$54. DenSco loaned \$54 more than it recorded, so Loan Losses will be increased by \$54.
310	10/07/2015	7031	3409 W Orchard Ln	(32,053.50)	-	14,400.00	29,016,700.00	17,651.50	32,053.50	(32,053.50)	-	(32,053.50)	
311	10/08/2015	7030	3945 N 73rd Drive	31,204.15	48,100.00	-	29,074,800.00	16,895.85	16,895.85	31,204.15	-	31,204.15	
312	10/13/2015	7034	2907 E Chambers St	20,607.50	40,600.00	-	29,115,400.00	19,992.50	19,992.50	20,607.50	-	20,607.50	
313	11/04/2015	7040	6759 W Crabapple Dr	93,900.14	385,800.00	-	29,501,200.00	291,345.85	291,345.85	94,454.15	(554.01)	93,900.14	Managed received \$554.01 less than the calculated net amount due to a math error. Loan Losses will be decreased by \$554.01.
				47,837,956.00	18,336,756.00	29,501,200.00	2,142,681.25	20,479,437.25		Total Adj: 30,048.64		(41,350.00)	
												Total Adjustments: (11,303.36)	
												Total Unpaid Loan Balance \$ 29,501,200	
												Less: Interest Payments (Above) \$ (2,142,681)	
												Less: Interest Payments on Fully Paid Loans [11] \$ (2,911,115)	
												Less: Adjustments see Notes \$ (11,303)	
												Unpaid Loan Balance Net of Interest Payments \$ 24,436,100	

[1] - For transactions that were done in the "Netting Process" the Loan Number/Property Address represents one of the loan numbers/property addresses referenced in the records of DenSco.  
 [2] - Represents the amount of the transaction on the DenSco bank statement unless "Notes" column indicates otherwise. Positive numbers are loans and negative numbers are payments.  
 [3] - For Gross Cash Transactions, this is the property loan amount (CASH OUT). For Net Cash Transactions, the amount in this column is the CASH OUT portion of the netted transaction.  
 [4] - For Gross Cash Transactions, this is the property principal payoff amount (CASH IN). For Net Cash Transactions, the amount in this column is the CASH IN portion of the netted transaction.  
 [5] - Represents the cumulative unpaid loan principal balance.  
 [6] - Represents the amount of interest/fee payments (CASH IN) made by Managed to DenSco.  
 [7] - Represents sum of principal and interest payments (CASH IN).  
 [8] - For Net Cash Transactions only. Represents the net difference between CASH OUT and CASH IN before any adjustment.  
 [9] - For Net Cash Transactions only. Represents an adjustment to the Net Cash Transaction to reconcile to the DenSco bank statement amount. See "Notes" for an explanation of the applicable adjustment.  
 [10] - Transaction amount lies and agrees to the DenSco bank statement.  
 [11] - Represents interest received by DenSco on Non-Workout loans that were fully repaid, therefore the loans and related interest payments are not included in this listing.

## Expert Report of David B. Weekly

Peter S. Davis, as Receiver v. Clark Hill PLC, et al.  
Calculation of Prejudgment Interest

**PURPOSE:** To calculate prejudgment interest on damages associated with the DenSco Workout and Non-Workout Loan Losses.

**SOURCE:** F3 Expert Report; Letter from Geoffrey M.T. Sturr to John E. DeWulf dated January 17, 2018 ("Sturr Letter"); A.R.S 44-1201; Receiver March 2019 Status Report

Report Date 04/04/2019 Date of F3 Report  
Prejudgment Interest Rate 10.0% ARS 44-1201(A)  
Prejudgment Interest Rate 6.50% ARS 44-1201(B)

## Prejudgment Interest Calculation @ 10%

Description	Interest Start Date	Interest End Date [3]	# of Days	Daily Interest Rate	Workout Loan Losses	Non-Work Out Loan Losses	Total Loan Losses	Net Receiver Recoveries	Loan Losses net of Recoveries	Prejudgment Interest	Damages including Interest	Daily Interest Amount
Interest Starts August 31, 2016 [1]	08/31/2016	04/04/2019	946	0.0274%	\$ 69,123	\$ 24,436,100	\$ 24,505,223	\$ 207,996	\$ 24,713,219	\$ 6,405,125	\$ 31,118,344	\$ 6,771
Interest Starts on the Complaint Date [2]	10/17/2017	04/04/2019	534	0.0274%	\$ 69,123	\$ 24,436,100	\$ 24,505,223	\$ 207,996	\$ 24,713,219	\$ 3,615,578	\$ 28,328,797	\$ 6,771

## Prejudgment Interest Calculation @ 6.50%

Description	Interest Start Date	Interest End Date [3]	# of Days	Daily Rate	Work Out Loan Losses	Non-Work Out Loan Losses	Total Loan Losses	Net Recoveries	Loan Losses net of Recoveries	Prejudgment Interest	Total Damages	Daily Interest
Interest Starts August 31, 2016 [1]	08/31/2016	04/04/2019	946	0.0178%	\$ 69,123	\$ 24,436,100	\$ 24,505,223	\$ 207,996	\$ 24,713,219	\$ 4,163,331	\$ 28,876,550	\$ 4,401
Interest Starts on the Complaint Date [2]	10/17/2017	04/04/2019	534	0.0178%	\$ 69,123	\$ 24,436,100	\$ 24,505,223	\$ 207,996	\$ 24,713,219	\$ 2,350,126	\$ 27,063,345	\$ 4,401

[1] - Approximate date Defendants received Chittick's pre-sulicide writings blaming Clark Hill for the losses (see Sturr Letter).

[2] - Date Plaintiff filed the Complaint against Defendants.

[3] - Date of the F3 Report.