

1 **GUTTILLA MURPHY ANDERSON**

2 **Ryan W. Anderson** (Ariz. No. 020974)  
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5 Attorneys for the Receiver

6  
7 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**  
8 **IN AND FOR MARICOPA COUNTY**

8 ARIZONA CORPORATION )  
9 COMMISSION, ) Cause No. CV2016-014142  
10 )  
11 ) Plaintiff, )  
12 )  
13 ) PETITION NO. 1  
14 )  
15 ) v. )  
16 ) PETITION TO SET RECEIVER’S FEES  
17 ) AND APPROVE THE ENGAGEMENT  
18 ) OF SIMON CONSULTING, LLC, AND  
19 ) GUTTILLA MURPHY ANDERSON, P.C.  
20 ) (Assigned to Judge Lori Horn Bustamante)  
21 )  
22 )  
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24 )  
25 )

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

- 18 1. On, August 18, 2016, this Court entered its, *Order for Appointment of Receiver*  
19 which appointed Peter S. Davis as Receiver of DenSco Investment Corporation (“DenSco”)  
20 (“Receivership Order”).  
21 2. The Receivership Order did not set the Receiver’s compensation rate.

1           3.       The Receiver requests that the hourly compensation for the Receiver be set at  
2 the rate of \$250.00 per hour.

3           4.       The Receivership Order further authorized the Receiver to employ such  
4 employees, accountants and attorneys as are necessary in the performance of the Receiver's  
5 duties. Receivership Order, paragraph 16 at page 6.

6           5.       The Receiver requests that the Court approve the Receiver's use of the  
7 Receiver's firm, Simon Consulting, LLC, to provide professional support services to the  
8 Court for the benefit of the receivership estate. The Receiver requests that Simon Consulting,  
9 LLC, be reimbursed for all reasonable costs and expenses incurred on behalf of the Receiver  
10 and that be compensated as provided in the Engagement Agreement, a copy of which is  
11 attached as Exhibit "A" to this Petition.

12           6.       The compensation rate requested above for the Receiver and the rates set forth  
13 in Exhibit "A" for services provided by the staff of Simon Consulting, LLC, are reasonable in  
14 light of the substantial experience of the Receiver and his company. Simon Consulting, LLC,  
15 is a full service accounting firm which specializes in litigation support, trustee and  
16 receivership services. Peter S. Davis is a Certified Public Accountant licensed in the state of  
17 Arizona and has served as a receiver in more than a dozen state and federal court supervised  
18 receiverships.  
19

20           7.       The Receiver does not intend Simon Consulting to undertake a comprehensive  
21 forensic recreation of the financial transactions of DenSco at this time and the Receiver does  
not seek to engage Simon Consulting for that purpose. If it is determined that a

1 comprehensive forensic recreation of the financial transactions of DenSco is required, the  
2 Receiver will seek the approval of the scope and budget from this Court.

3           8.       The Receiver has, subject to this Court’s approval, entered into an Engagement  
4 Agreement with Guttilla Murphy Anderson, P.C. (“Guttilla Murphy Anderson, P.C.”), a copy  
5 of which is attached as Exhibit “B” to this Petition. The Receiver requests that Guttilla  
6 Murphy Anderson, P.C., be appointed as general counsel to the Receiver and that it be  
7 compensated as provided in Exhibit “B”.

8           9.       Guttilla Murphy Anderson, P.C. is qualified to serve as counsel to the Receiver  
9 and the rates set forth in Exhibit “B” are reasonable in light of the substantial experience of  
10 Guttilla Murphy Anderson, P.C. in serving as legal counsel to court appointed receivers.  
11 Guttilla Murphy Anderson, P.C. has served as legal counsel to the court appointed receivers  
12 in over 100 state and federal court receiverships, in actions brought by the Securities and  
13 Exchange Commission, the Federal Trade Commission, the Commodities Future Trading  
14 Commission, the Arizona Banking Department, the Arizona Attorney General, and the  
15 Insurance Departments of Arizona, California, Illinois, Indiana, Texas, and Vermont.

16           WHEREFORE, the Receiver respectfully requests that the Court enter an Order:  
17

- 18           1.       Setting the Receiver’s compensation at \$250.00 per hour;  
19           2.       Authorizing the Receiver to use the Receiver’s accounting firm, Simon  
20 Consulting, LLC, to provide professional support services to the Receiver, and approving the  
21 Engagement Agreement attached as Exhibit “A”; and



1 Peter S. Davis, Receiver  
2 3200 North Central Avenue  
3 Suite 2460  
4 Phoenix, Arizona 85012

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7  
8 /s/ Cynthia Ambrozic

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12 2359-001 (255513)  
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## ENGAGEMENT AGREEMENT

This Engagement Agreement, made and entered into effective August 18, 2016, by and between Peter S. Davis, Receiver (“Receiver”), and Simon Consulting, LLC located in Phoenix, Arizona (the “Company”).

### WITNESSETH

WHEREAS, the Receiver was appointed the receiver of Densco Investment Corporation (“Densco Receivership”) (“Receivership Assets”) by Order of the Maricopa County Superior Court, on August 18, 2016, in the case entitled *Arizona Corporation Commission v. Densco Investment Corporation*, Cause No. CV2016-014142, (“Receivership Court”) and the Receivership Order, among other things, provides that the Receiver is authorized to engage and employ employees, accountants, attorneys and agents as he deems necessary and proper for the collection, preservation, maintenance and operation of the Receivership Assets; and

WHEREAS, the Receiver is in need of the accounting services and other receivership management services for the purpose of general receivership matters and to account for the funds received by the Receiver; and

WHEREAS, the Company is willing to provide accounting services to the Receiver.

WHEREAS, Peter S. Davis is an officer, director and shareholder of the Company, is authorized to enter into this Agreement on behalf of the Company.

NOW, THEREFORE, it is mutually agreed as follows:

1. The Receiver does hereby engage the Company and the Company does hereby accept said engagement to provide accounting services to the Receiver and the Receivership Court.

2. Consideration for services rendered by Peter S. Davis as Receiver shall be paid to the Company at the rate of Two Hundred Fifty and no/100 (\$250.00) dollars per hour, payable monthly together with all reasonable costs and expenses incurred by the Receiver.

3. The Company may provide the services of one or more of its employees as necessary to assist the Receiver in carrying out his duties and responsibilities as Receiver. In consideration of the services to be rendered hereunder, it is agreed that the Company shall be compensated as follows, to-wit:

<u>Professional staff</u>	<u>Maximum Hourly Rate</u>
Managing Directors	\$ 245.00
Directors	\$ 235.00
Managers	\$ 205.00
Senior Associates	\$ 155.00
Associates	\$ 130.00

4. Compensation to the Company under this Agreement, together with all reasonable costs and expenses incurred relating to these services, shall be payable out of Receivership Assets.

5. Reasonable and necessary expenses incurred by the Company in providing services under this Agreement will be compensated at the rate of \$0.15 per page for photocopies. In the case of travel and other expenses, mileage will be billed at standard IRS mileage rates (currently \$0.54 per mile), and only the actual charges, costs and expenses incurred and paid by the Company will be reimbursed. All travel must be pre-approved by the Receiver. Overtime for support staff, word processing charges and administrative charges or other add-on expenses will not be paid.

6. The Company shall be solely responsible for any salaries, employment benefits, unemployment insurance, FICA, income tax withholding or other expenses associated with the services provided by the Receiver or the employees of the Company.

7. The Receiver shall be responsible for supervising all agents and employees engaged by the Receiver to perform services in connection with the Receivership, including all employees of the Company who provide services under this agreement.

8. This Engagement Agreement is subject to the approval of the Receivership Court and may be terminated by either party upon written notice.

IN WITNESS WHEREOF, we have hereunto set our hands on the day, month and year above written.

**Peter S. Davis**  
**Receiver**

By  \_\_\_\_\_  
Peter S. Davis

**Simon Consulting, LLC**

By  \_\_\_\_\_  
Peter S. Davis

2359-001 (255668)

## ENGAGEMENT AGREEMENT

This Engagement Agreement, made and entered into effective August 18, 2016, by and between Peter S. Davis, Receiver ("Receiver"), and the law firm of Guttilla Murphy Anderson, P.C. located in Phoenix, Arizona ("Law Firm").

### WITNESSETH

WHEREAS, the Receiver was appointed the receiver of Densco Investment Corporation ("Densco Receivership") ("Receivership Assets") by Order of the Maricopa County Superior Court, on August 18, 2016, in the case entitled *Arizona Corporation Commission v. Densco Investment Corporation*, Cause No. CV2016-014142, ("Receivership Court") and the Receivership Order, among other things, provides that the Receiver is authorized to engage and employ employees, accountants, attorneys and agents as he deems necessary and proper for the collection, preservation, maintenance and operation of the Receivership Assets; and

WHEREAS, the Receiver is in need of the services of legal counsel for receivership matters and to represent the Receiver before the Receivership Court and other courts; and

WHEREAS, the Law Firm is willing to serve as legal counsel for the Receiver for the purposes stated above.

NOW, THEREFORE, it is mutually agreed that:

1. The Receiver does hereby engage of the Law Firm and the Law Firm does hereby accept said engagement to act as legal counsel for the purpose stated above.

2. In consideration of the services to be rendered hereunder, it is agreed that the Law Firm shall be compensated at rates not to exceed the following:

<u>Professional Staff:</u>	<u>Maximum Hourly Rate</u>
Shareholder	\$ 350.00 per hour
Of Counsel	\$350.00 per hour

Senior Associate	\$325.00 per hour
Associate	\$ 300.00 per hour
Senior Paralegal	\$ 175.00 per hour
Paralegal	\$150.00 per hour
Law Clerk	\$125.00 per hour

3. Compensation to the Law Firm under this Agreement, together with all reasonable costs and expenses incurred relating to these services, shall be payable out of Receivership Assets.

4. Reasonable and necessary expenses incurred by the Law Firm in providing services under this Agreement will be compensated at the rate of \$.50 per page for outgoing facsimile copies and \$.20 per page for photocopies. Incoming facsimile copies will be compensated solely at the photocopy rate of \$.20 per page. In the case of travel and other expenses only the actual charges, costs and expenses incurred and paid by the Law Firm will be reimbursed. All travel must be pre-approved by the Receiver. Overtime for support staff, word processing charges and administrative charges or other add-on expenses will not be billed.

5. Payments under this Agreement are subject to review by the Receiver and then Petition to and approval by the Receivership Court. All billing statements shall be detailed and all expenses shall be itemized and supported by attached receipts and other documentation, and shall be submitted to the Receiver within three months of the date the service is provided. Failure to submit a timely billing statement shall be a basis for the Receiver to decline to submit the statement for approval by the Receivership Court or for the Receivership Court to deny payment for such services.

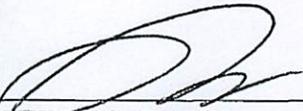
6. The Law Firm is retained by the Receiver for the purposes set forth in this Agreement. The Law Firm is free to dispose of such portion of its time, energy and skill, as is

not required to be devoted to the Receiver, in such manner and to such persons as it deems appropriate.

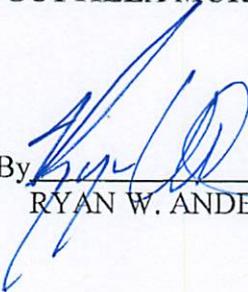
7. This Engagement Agreement is subject to the approval of the Receivership Court and may be terminated by either party upon written notice.

IN WITNESS WHEREOF, we have hereunto set our hands on the day, month and year above written.

**Peter S. Davis**  
**As Receiver of DenSco**

By   
PETER S. DAVIS

**GUTTILLA MURPHY ANDERSON, P.C.**

By   
RYAN W. ANDERSON

2359-001 (255665)