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IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR MARICOPA COUNTY

ARIZONA CORPORATION
COMMISSION,

Plaintiff,

v.

DENSCO INVESTMENT
CORPORATION, an Arizona corporation,

Defendant.

Cause No. CV2016-014142

ORDER RE: PETITION NO. 8

ESTABLISHING DOCUMENT DEPOSITORY

(Assigned to Judge Lori Horn Bustamante)

The Receiver, having filed Petition No. 8, and the Court having considered same, and it appearing to the Court that the matters requested by Petition No. 8 are reasonable, just and appropriate:

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

1. The document depository procedures set forth below are designed to accomplish the following:

a. Preserve the Receivership Records and Related Documents of DenSco and ensure their availability to the Receiver and to the other Designated Parties;

b. Reduce the aggregate costs of producing, copying and maintaining the relevant documents;

1 c. Establish a uniform method of identifying documents for use in Densco
2 Related Proceedings;

3 d. Minimize duplication and production efforts and expenses by the Designated
4 Parties; and

5 e. Protect and maintain the confidentiality of all Confidential Documents.

6 **Definitions**

7 2. Arizona Corporation Commission Action: means the above captioned action pending
8 in the Maricopa County Superior Court.

9 3. Designated Parties shall include the following:

10 a. Peter S. Davis, as Receiver (“Receiver”);

11 b. The Arizona Corporation Commission and all of its employees, attorneys or
12 agents (“ACC”);

13 c. Estate of Denny J. Chittick, Maricopa County Superior Court, Cause No: PB
14 2016-051754;

15 d. Any defendant or relief defendant in the Arizona Corporation Commission
16 Action that agrees to abide by this Order by executing an agreement in a form prescribed by
17 the Receiver.

18 e. Any claimant or in personam defendant in the Arizona Corporation
19 Commission Action that has filed a proper and timely claim, which has not been stricken by
20 the Court, and agrees to abide by this Order by executing an agreement in a form prescribed
21 by the Receiver.

f. Any party in any other Densco Related Proceeding that agrees to abide by this
Order by executing an agreement in a form prescribed by the Receiver.

1 4. Densco Related Proceeding means the following proceedings:

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

4 b. In the Matter of the Estate of Denny J. Chittick, Maricopa County Superior
5 Court, Cause No: PB 2016-051754.

6 c. Any other action related to the conduct alleged in the Complaint filed in the
7 Arizona Corporation Commission Action, (1) upon order of the Court in which the action is
8 pending and (2) any action initiated by the Receiver of DenSco and (3) any other proceeding
9 upon agreement of all of the Designated Parties or upon notice to all Designated Parties and
10 order of the Receivership Court.

11 5. Document includes every writing of every type and description and any other
12 instrument or device by which, through which, or upon which information has been recorded or
13 preserved, including, but not limited to, memoranda, notes, letters, written documents, drawings,
14 canceled checks, tape recordings, electronic media of all types, voice recordings, and photographs.
15 The term “document” also means every copy of a document where such copy is not an identical
16 duplicate of the original. Everything covered by the definitions of “writing”, “recording”,
17 “photographs,” “original,” and “duplicate,” in Rule 1001 of the Federal Rules of Evidence are
18 included within the definition of “document.”

19 6. Confidential Document means a Document that a Designated Party claims is subject to
20 any privilege or is otherwise confidential as to which that Designated Party has not expressly waived
21 the asserted privilege or confidentiality in writing to the Depository Administrator and the
Receivership Court has not ordered that the Document is not protected from disclosure by privilege
or confidentiality. The term Confidential Documents includes, but is not limited to, Receivership

1 Records and Related Documents currently in possession of the Receiver that the Estate of Denny
2 Chittick claims are Confidential Documents.

3 7. Document Depository means the facility under the control of the Administrator in
4 which all Receivership Records and Related Documents will be stored until further order of this
5 Court.

6 8. Depository Administrator or Administrator means the Receiver or other person
7 designated by the Receiver to operate the Document Depository.

8 9. Depository Custodian means person designated by the Depository Administrator to
9 maintain physical custody of the Receivership Records and Related Documents in the Document
10 Depository.

11 10. Document Processor means the firm hired by the Receiver to organize number, index
12 and scan Receivership Records and Related Documents as directed by the Administrator.

13 11. Related Document includes all documents pertaining to Furniture King, LLC,
14 Furniture and Electronic King, LLC and Scott's Fine Furniture, LLC or any of their related entities or
15 to any of the conduct alleged in the Complaint filed in the Arizona Corporation Commission Action
16 or pertaining to the derivation, ownership, control, existence or location of any Receivership Assets,
as that term is defined by the orders of the Receivership Court.

17 12. Receivership Court means the Honorable Lori Horn Bustamonte or any successor
18 judge in the Arizona Corporation Commission Action.

19 13. Receivership Records includes all books, records or other Documents of any kind
20 pertaining to or belonging to DensCo Investment Corporation that are in possession of the Receiver.

21 14. Government Investigator means any person designated in writing as such by the
Arizona Corporation Commission. The Arizona Corporation Commission shall make such

1 designation solely to the Administrator and Document Custodian who shall maintain the names as
2 confidential.

3 **Depository Administrator**

4 15. The Administrator shall:

5 a. Maintain supervision and control of the Receivership Records and Related
6 Documents at a records storage facility operated by the Document Custodian located in
7 Phoenix, Arizona.

8 b. Promulgate such rules as are necessary and consistent with this Order to
9 guarantee the security and controlled access to the Receivership Records and Related
10 Documents.

11 c. Establish and maintain a document numbering system for use in numbering the
12 Receivership Records and Related Documents.

13 d. Assign secret passwords to the Arizona Corporation Commission, and the
14 Receiver for use in obtaining access to the Receivership Records and Related Documents,
15 other than Confidential Documents.

16 e. If necessary, employ a qualified firm to number, scan and index the
17 Receivership Records and Related Documents as provided in this Order.

18 f. Protect and maintain the confidentiality of all Confidential Documents.

19 **Document Custodian**

20 16. The Document Custodian shall maintain custody of the Receivership Records and
21 Related Documents deposited in the Document Depository and provide adequate facilities and
measures to insure the safety and integrity of the Related Documents, maintain the confidentiality of
all Confidential Documents and to insure compliance with the requirements of this Order.

18. The Document Custodian shall provide access to the Receivership Records and Related Documents, other than Confidential Documents, only to the following persons:

a. A person presenting the secret password assigned by the Administrator to the Arizona Corporation Commission together with identification identifying the person as a Government Investigator or as an employee of the Arizona Corporation Commission.

b. A person presenting the secret password assigned to the Receiver together with identification identifying the person as an employee of the Receiver or of the Receiver's legal counsel.

19. Any Designated Party, other than one described above, that desires to inspect the Receivership Records and Related Documents must make arrangements with the Receiver or the Arizona Corporation Commission, to be accompanied by them to the Document Depository.

20. The Receiver shall deposit in the Document Depository all Receivership Records and Related Documents obtained by the Receiver or his counsel from the defendants or relief defendants or from any other party pursuant to the orders or subpoenas of this Court, and copies of all reports, schedules and petitions filed by the Receiver with the Receivership Court. The Receiver will mark all Confidential Documents as “CONFIDENTIAL” and segregate Confidential Documents from the other Receivership Records and Related Documents and take such other steps necessary to prevent the disclosure of Confidential Records to parties in this proceeding. If a Designated Party or other

1 person entitled to access to Documents in the Document Depository requests any Confidential
2 Documents, the Administrator will not allow access to or any review of Confidential Documents but
3 will allow a review of the relevant portion of the privilege log for the Confidential Documents. If a
4 Designated Party or other person mistakenly receives from the Document Depository a Confidential
5 Document, the privilege or confidentiality shall be maintained and that party shall immediately
6 destroy all copies of the Confidential Document and all information or records derived from it and
7 shall not provide the information in the Confidential Document to any other person and shall
8 immediately inform the Administrator that it received the Confidential Document.

9 21. Other Designated Parties may, in their discretion and without obligation, deliver to the
10 Administrator for deposit in the Document Depository any Receivership Records or Related
11 Documents in their possession or control.

12 22. If a Designated Party delivers to the Receiver or the Depository Administrator a
13 document claimed as a Confidential Document, the Depository Administrator will segregate those
14 Confidential Documents from other documents in the Document Depository and take such other steps
15 as may be necessary to maintain the confidentiality of the Confidential Documents. The Designated
16 Party claiming a Document is a Confidential Document shall deliver to the Depository Administrator
17 a privilege log setting forth a general description of the Confidential Document(s). Designated
18 Parties do not waive or release any claim of privilege or confidentiality as to any Confidential
19 Document that is placed into the Document Depository or is otherwise in possession of the
20 Depository Administrator.

Alteration or Removal of Related Documents

21 23. No Designated Party or any other person shall alter, deface or destroy any

1 Receivership Records and Related Document or any document number, folder, box or label relating
2 thereto.

3 24. No Designated Party or any other person shall remove any Receivership Records and
4 Related Document from the Document Depository or alter the order, organization or box location of
5 Related Documents, except that:

6 a. The Administrator or Document Processor may temporarily remove
7 Receivership Records and Related Documents for the purpose of scanning, indexing or
8 copying such documents.

9 b. The Administrator or Document Processor may re-order or re-box
10 Receivership Records and Related Documents as the Administrator deems necessary to permit
11 the efficient indexing and retrieval of the Related Documents.

12 c. A Government Investigator pursuant to lawful subpoena served on the
13 Administrator may remove Receivership Records and Related Documents, other than
14 Confidential Documents, provided the Document is replaced with a true and correct copy
15 together with an indication of the date of the removal and a copy of the subpoena pursuant to
16 which the Document was removed.

16 Scanning and Indexing Related Documents

17 25. The Administrator may in his discretion select Related Documents to be numbered,
18 scanned and indexed. The costs of such scanning and indexing shall be paid by the Receiver from the
19 Receivership Assets or from funds provided by one or more of the Designated Parties.

20 26. The index of documents shall include such information as determined appropriate by
21 the Administrator such as the beginning and ending document numbers and an identification of the
source of the Document.

1 27. Any Designated Party may request that any Receivership Records and Related
2 Documents, in addition to those selected by the Administrator, be numbered, scanned or indexed,
3 provided that the Designated Party making such request pays to the Administrator the full costs of
4 such numbering, scanning or indexing as determined by the Administrator.

5 **Providing Electronic Copies of Scanned Images and the Document Index**

6 28. The Administrator shall provide to any Designated Party requesting same a thumb
7 drive or similar device containing an electronic copy of the scanned images and document index, but
8 not for any Confidential Documents.

9 29. In recognition of the substantial expense incurred by the Arizona Corporation
10 Commission in obtaining and organizing the substantial number of Receivership Records and Related
11 Documents deposited by them into the Document Depository, the Administrator shall not charge the
12 Arizona Corporation Commission for electronic copies of the scanned images or document index.

13 30. All other Designated Parties shall provide to the Administrator the device, at the
14 Designated Parties own expense, which the Designated Parties want to house the electronic copy of
15 the scanned images and document index.

16 **Access to Documents**

17 31. Unless otherwise ordered by the Receivership Court, neither the Administrator nor the
18 Document Custodian shall allow access to the Receivership Records and Related Documents
19 contained in the Document Depository to any person or entity other than a Designated Party, the
20 Document Custodian, or the Document Processor as provided in this Order or any other person as to
21 whom the Receiver objects to such person having access. To the extent that the Receivership Court
orders access to other persons, the Administrator shall ensure that such access does not interfere with

1 any access by Designated Parties and is otherwise consistent with the procedures set forth in this
2 Order.

3 32. Except as otherwise provided in paragraph 23(c) of this Order, no person shall serve
4 on the Administrator, the Receiver, the Document Processor or the Document Custodian, a subpoena
5 or other legal process or demand for the production of Receivership Records and Related Documents
6 in the Document Depository or otherwise in their possession or control, or for the production of the
7 scanned images or indices. Any person desiring to obtain Receivership Records and Related
8 Documents shall submit a written request for same to the Receiver, and if such request has not been
9 responded to within sixty (60) days, such person may seek an order of the Receivership Court with
10 regard to the request with notice to all Designated Parties. The Receiver may charge a reasonable fee
11 for costs incurred by him in complying with such requests, including but not limited to copying costs,
12 staff time incurred in locating the requested Receivership Records and Related Documents and fees
13 for hardware to house any scanned images and indices.

13 **Miscellaneous**

14 33. Each Designated Party shall pay the costs of moving its own Related Documents to
15 the Document Depository or in making its own copies of Related Documents.

16 34. Subject to any challenge to the authenticity of a Document, a Designated Party may
17 use in any proceeding copies of Related Documents obtained from the Document Depository in place
18 of original Related Documents.

19 35. Related Documents obtained from the Document Depository shall not be used,
20 directly or indirectly, for any commercial purpose but shall only be used by the Designated Party
21

1 acquiring the document for lawful purposes in connection with one of the Densco Related
2 Proceedings.

3 Dated: _____

4 _____
5 Lori Horn Bustamante
6 Maricopa County Superior Court Judge
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eSignature Page 1 of 1

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Granted as Submitted



/S/ Lori Bustamante Date: 1/11/2017
Judicial Officer of Superior Court

ENDORSEMENT PAGE

CASE NUMBER: CV2016-014142

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CARLOS M ARBOLEDA

CHRISTOPHER L HERING

CODY J JESS

ELIZABETH S FELLA

RYAN W ANDERSON

STEVEN D NEMECEK

WENDY L COY

DENSCO INVESTMENT CORPORATION
NO ADDRESS ON RECORD