

Investor Meeting Notes October 21, 2016

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INTRODUCTION

The Receiver, Peter S. Davis of Simon Consulting, LLC (the “Receiver”), introduced his staff, Sara Beretta and Kyle McQuaid. The Receiver also introduced his legal counsel, Ryan W. Anderson. Also present were Wendy Coy and Bill Woerner from the Arizona Corporation Commission (ACC).

The Receiver provided attendees a copy of an investor letter believed to have been prepared by Denny J. Chittick (“Chittick”) prior to his death (“Investor Letter”). The Investor Letter was found on Chittick’s computer, and the Receiver believes it was intended to be sent but wasn’t actually sent. The Estate of Denny J. Chittick (“Chittick Estate”) found the letter, redacted minor sections, and made other notations on the Investor Letter. The Receiver discussed the Investor Letter in detail and highlighted various sections of it.

The Receiver provided some examples of what the Receiver believes were loans made to Menaged under false pretenses and provided a series of examples of how Menaged may have defrauded DenSco in seeking loans against real property never owned by Menaged.

The Receiver discussed a summary of the DenSco loans to Menaged originated each calendar year. There were six (6) DenSco loans made to Menaged in 2007, fifteen (15) DenSco loans to Menaged in 2008, thirty-four (34) DenSco loans to Menaged in 2009, and the number of loans continued to increase over time until 1,300 DenSco loans were made to Menaged in 2015. The Receiver explained that many Menaged loans were paid off over time, but in the end, there is a significant gap of nearly \$44 million owed by Menaged to DenSco on 91 loans.

The Receiver provided investors a graph showing Menaged’s loans as a percentage of the total loan portfolio over time. In early 2012, Menaged represented a small part of the portfolio, but Menaged loans grew to nearly 90% of the entire DenSco loan portfolio by early 2016.

The Receiver provided investors a schedule showing DenSco’s total loan portfolio as of two dates, the date of inception of the receivership and the date of the investor meeting (10/21/16). The schedule shows almost \$44 million due from Menaged as of the date of the receivership. The other loans in the DenSco portfolio totaled \$5.5 million at the start of the receivership. As of October 21, 2016, \$2.6 million of the \$5.5 million in non-Menaged loans remains to be collected.

The Receiver provided a schedule showing that DenSco investors are owed approximately \$52 million.

The Receiver advised the investors that his investigation of Menaged was ongoing, but some significant developments had occurred since the inception of the Receivership, including:

- The establishment of a receivership over certain furniture entities formerly controlled by Menaged and the seizure of a significant amount of furniture. The Receiver intends to liquidate the Menaged Furniture for the benefit of the DenSco investors.
- The Receiver conducted the deposition of Menaged on October 20, 2016, and believes that critical testimony has been obtained in furtherance of the Receiver’s investigation.
- The Receiver intends to analyze the financial transactions of Menaged and his business entities in an attempt to account for DenSco’s funds.

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THE RECEIVER PROVIDED INVESTORS WITH AN OVERVIEW OF THE CURRENT TASKS THAT HE INTENDS TO UNDERTAKE, INCLUDING:

1. Liquidation of the assets of Furniture King.

- The Receiver intends to prepare a liquidation plan for the furniture and will file it with the Court for approval. The furniture in the Receiver's possession is secure.

2. Nondischargeability Action in the Menaged Bankruptcy.

- It is critical that Menaged's debt to DenSco is determined to be nondischargeable in his Chapter 7 Bankruptcy. The Receiver intends to investigate, prepare and eventually file a Complaint in Menaged's bankruptcy seeking a determination that the money owed to DenSco by Menaged cannot be discharged in his Bankruptcy.

3. Servicing of the Loan Portfolio.

- The Receiver continues to service the non-Menaged loans in DenSco's loan portfolio. There is approximately \$2.6 million in non-Menaged loans left to administer.

4. Administration of the Receivership Estate.

- This includes a wide range of tasks. Currently, the Receiver has about \$5 million in cash, plus \$2.6 million to collect on good loans, for a total of approximately \$7.6 million. Part of the receivership administration includes figuring out how to disburse these funds to DenSco investors and creditors.
- Investors have had a lot of questions about interim distributions and the claims process. In state court receiverships, we do a claims process. We will determine what your claims are based on DenSco's books and records, the ins and outs per the bank statements; we will then report that to you, and you will have an opportunity to object or agree. Specifically, the Receiver addressed investor questions regarding the method for paying investors back—what is the fair way to go about this? We don't know yet. At some point in time, the Menaged loans were invalid, so the numbers in DenSco's books are incorrect. As a result, DenSco became insolvent, which means there are not enough collectible loans out there to repay everybody. Sometimes we look at it on net investment basis, which equals real dollars in less real dollars out, and funds are paid out as pro rata percentage of each investor's net investment. Interest payments are considered cash out. We are not yet ready to propose this method, as there are many ways to do conduct a claims process in a receivership.

5. Additional Asset Recoveries

- There may be claims that DenSco can make against 3rd parties who were knowledgeable or responsible for DenSco's insolvency. The Receiver did not want to discuss these potential claims in too much in detail, but there were obviously other people involved, and we have to look into them.

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- The Receiver is also investigating the taxes that Chittick paid on DenSco profits that may not have been legitimate. This investigation may result in additional recoveries to DenSco.

INVESTOR QUESTIONS:

Investor inquiry: *When this first happened, I did some research and found that the Sunnyside property was purchased through Arizona Home Foreclosures (“AHF”), then Menaged quit-claimed the property to himself, and then borrowed \$1 million plus against it. There must have been some record that cleared any debt owed to DenSco, especially if Menaged is misappropriating all of these funds from DenSco.*

- The Receiver responded: This is one of the theories that we are working on, but getting to the conclusion may require a forensic analysis. The receivership of DenSco and related entities serves to stay actions by lenders that are ahead of DenSco. At this time, we are not sure of DenSco’s position on the Sunnyside property, because there are a number of properties where DenSco has a second or third position lien. However, we have taken the position that even superior lien holders cannot foreclose due to the provisions of the receivership order.

Investor inquiry: *In the Investor Letter, where Chittick explained that another lender took first position, have we looked into whether lenders were in cahoots with Menaged?*

- The Receiver responded: We intend to go back and look at every one of these loan files to understand what happened in detail to explore these issues.

Investor inquiry: *With respect to the Forbearance Agreement, there was a UCC filing, but no one knew about it, even the attorney said he couldn’t find it. Was there any impact of the UCC filing?*

- The Receiver responded: There was a UCC-1 recorded in favor of DenSco. The Forbearance Agreement gave us a security interest in the Furniture King assets, which was the basis for getting the furniture entities into receivership.

Investor inquiry: *According to the Investor Letter, Chittick says he was duped, but didn’t he pull out his investment in DenSco in 2014?*

- The Receiver responded: We are still investigating this issue.

Investor inquiry: *Are there any charges of fraud yet? The ACC is investigating, is the Attorney General (AG) involved?*

- The Receiver responded: We are managing the civil part of the case, and our goal is to chase down the money and get it back. Our job is to recover money for investors; we can’t discuss any potential criminal issues.

Investor inquiry: *We can’t help but draw a coincidental date around 2014 being the date of the first fraud and the date of Chittick’s divorce from his wife. Have you looked into this?*

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→ The Receiver responded: We have looked at the divorce decree and didn't see anything that raised a major red flag. We are investigating whether any of the monies from the property settlement should come back into DenSco.

Investor inquiry: *Regarding the money at the jewelry store, was that a one-time thing?*

→ The Receiver responded: Ganem Jewelers operates a company called the Vault. It is like a private safety deposit box company. The cash that was recovered was in a cardboard box that was placed in the vault. As we understand it, Chittick put the box of money in a dryer and left a note for his sister directing her to its location. Chittick's sister then put the box in a safety deposit box at the Vault.

Investor inquiry: *At end of the Investor letter, Chittick said he believed he could recover a substantial amount of principal. What would lead him to that conclusion?*

→ The Receiver responded: We can't speculate as to what Chittick was aware of—we can only look at his written words and other documents to try understand what he was thinking.

Investor inquiry: *Why would Chittick suggest he was criminally culpable in the Investor Letter if he thought he was a victim?*

→ The Receiver responded: I can't say that I understand what Chittick was thinking.

Investor inquiry: *What if someone took more money out of DenSco than they invested in DenSco?*

→ The Receiver responded: Those investors could be classified as net investment winners because they got more out than they put in, but whose money do they have? We are only talking in theory at this time, but investors may need to put money back.

Investor inquiry: *Wouldn't it be unfair to jeopardize what investors made before newer investors put their money in?*

→ The Receiver responded: We have to determine the date of insolvency. This is only a theory, we are not yet proposing this, and it is just a theory that has worked in other cases. There is approximately \$50 million owed to investors, but we may only have \$7 million to distribute. Some investors' book values are inflated because they did not withdraw any interest. When we come up with a plan, we will file it with the court, and everyone can come in and say they think it's wrong. We will give you as much information as possible to explain why what we propose makes sense.

Investor inquiry: *If the interest DenSco investors received was basically the return of principal, how does the IRS handle interest that investors reported on their tax returns? Will the IRS allow DenSco investors to refile their tax returns because the funds received were actually a return of principal, not interest?*

→ The Receiver responded: The Receiver cannot give investors tax advice. Everybody's tax situation is different. Since the Madoff case, the IRS has come up with interesting new rules on how to deal with losses in investment schemes. There are different ways to look

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at it. We will do our best to report on information that may be useful to you and your tax advisors on how you should handle this.

Investor inquiry: *Assuming this will not be resolved this year, will the Receiver be issuing 1099s this year?*

→ The Receiver responded: We don't know what we're going to do with regard to taxes. However, we do know that the profits that Chittick was paying taxes on probably didn't exist. DenSco had loan losses that were being recorded as receivables, but they should have been recorded as losses. There are \$43 million in loan losses that never hit the income statement and should have been expensed over time. Instead, taxes were being paid. So we need to correct DenSco's taxes, and we don't yet know if we can do this, but we need to look into requesting tax refunds on taxes wrongfully paid based on false information. We are not yet sure how that affects investors.

Investor inquiry: *I had three different accounts, a traditional IRA, a Roth IRA, and a non-IRA. How will these be handled in the distribution process?*

→ The Receiver responded: Typically, we would try to look at the accounts separately, but when we get in the details it could be different. But right now we're talking in theory—keep in mind that the Receiver is not proposing a distribution methodology at this point.

Investor inquiry: *Will investors receive information from the Receiver that can be used for tax purposes? Will we have to wait until the end of the year?*

→ The Receiver responded: I would like to put information out there in a report that could be useful for you to bring to your accountant, but I am not ready to do that in the near term. I intend to do that because I need to tell the story, and once you can see the financial story, that will be something you can take to your tax preparer that will help to determine the best way they can help you. I don't want to make a promise on when the report will be issued, but I anticipate there will be future reports. I honestly don't know what my plan will be, but I understand the problem that investors are facing.

Investor inquiry: *Will the Receiver provide an account value to the IRA custodian that determines required minimum distributions (RMDs)?*

→ The Receiver responded: I don't typically do that. I will give you information in reports, such as there will be approximately \$7.6 million out of \$50 million, but that's all I can give you. Keep in mind there will be a reserve for fees and costs. We will give you relevant information in reports, but we can't give you a value.

Investor inquiry for the Receiver's counsel: *I understood that you felt that after deposing Menaged that there's some fraud involved. I'm wondering if through the bankruptcy court if you pursued white collar crime charges against him, if that would help your argument that the bankruptcy should be nondischargeable.*

→ Ryan Anderson responded: White collar crime is a criminal activity that's prosecuted by a state or federal authority, not by the Receiver's lawyer or bankruptcy trustee. The Chapter 7 trustee was sitting in the deposition yesterday, and it's very clear that she has an obligation as a representative arm of the Department of Justice to do some things with

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the information that came out. I know that there are many investors that have not contacted my office but have filed complaints and made phone calls to various agencies in the federal and state government—I am generally aware of those

The Receiver summarized some of the issues addressed—we covered administration of the claims process, and other administrative elements, we must continue to respond to requests, keep track of the document depository, and take possession of various computers to see what's on them. We're doing all this stuff—we have an office full of documents and computers that we are still looking at. We're obtaining forensic images of some of the computers, which means that in some cases I can look at the data that has been deleted. I have cell phones for Chittick and Menaged. We're looking at all of that stuff, and those are the kinds of things that don't always get mentioned. Keep in mind that we've been in this case about 60 days or so, and to already have the heart of the fraud pinned down is good progress.

Investor inquiry: *Was it true that there was life insurance?*

→ The Receiver responded: I'm not aware if Mr. Chittick had life insurance.

Investor inquiry: *If you are alerted to possibility that someone withdrew all of their money after the date of insolvency, will they be required to pay back anything?*

→ The Receiver responded: If someone took their money out and they had received interest that really represents other investors' money, then they typically have to put the interest back into the estate. They wouldn't typically be required to return their principal, so their net investment would be zero. But that changes if they were an insider—if they had knowledge of this thing falling apart, that's a different issue because then we can look at the totality of what they took out.

Investor inquiry: *What can you get from AHF? If they were supposed to be purchasing properties with checks and using that money in some other way, what are you looking for there? If AHF did something with the DenSco money that they shouldn't have, do we have any recourse?*

→ The Receiver responded: We are looking for where the money went. It appears that AHF was a conduit entity. I'm not just suggesting they did something they shouldn't have, we believe they did. Gambling, for example—Menaged took the money himself and used it for personal spending purposes and took money for Furniture King. The problem is, can we go recover that? There are legal theories that allow us to do so. In some cases like Furniture King, there is nothing left but the furniture, but we've already got the furniture.

Investor inquiry: *With regard to gambling debts, would that be included as one of the potential items of recovery?*

→ The Receiver responded: Potentially—it's something we're looking at. I understand that there are five or six casinos that Menaged would go to, and I want to look at what records they have.

Investor inquiry: *Menaged has said he gave money to some of his family members. If that money came from DenSco, is that something that can be recovered?*

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→ The Receiver responded: Yes, we're looking at that.

Investor inquiry: *Does the Receiver work closely with the ACC?*

→ The Receiver responded: Yes, we do work together. The order requires that we give the ACC regular updates. Wendy Coy and Bill Woerner periodically call us, and they have copies of the DenSco files.

→ Wendy Coy from the ACC responded: We do work closely with Receiver, we monitor the receivership. At this point, we're assisting in copying and scanning the documents. The reason for the receivership was to put someone in place who could focus their time and energy, because we don't have the staff to do it. So we are also waiting for the Receiver's reports to determine what happened and to follow through to see what needs to be done.

Investor inquiry for the ACC: *Does the ACC have a parallel investigation going on?*

→ Wendy Coy from the ACC responded: We've got our case that we filed. We are waiting for the Receiver to provide information. We are looking at certain aspects of the material that we received, including 80 boxes of documents. So, they run together, but we are kind of working together to save costs. If we weren't copying and scanning, the estate would have to pay for that. Anything that is a mutual benefit, we try to work together on. The Receiver's focus is what's in the report, our focus is what the statute tells us it is.

Investor inquiry for the ACC: *If you found that there was fraud, would you pursue a fraud indictment?*

→ Wendy Coy from the ACC responded: The ACC Securities Division is a regulatory administrative agency; however, violations of the Securities Act are Class 4 felonies. If we find a case that we believe has criminal violations, we work with the county attorney, the Attorney General's Office and the US Attorney's Office to prosecute the case criminally. That would involve our investigators, accountants, and sometimes our attorneys to stay with the case and assist with the criminal prosecution. At this point, we are an administrative civil organization, but we work with the people who have the criminal authority. If we see something that we think needs to go criminal, based on the evidence we're looking at, we will then talk to the appropriate agency and provide assistance and documents as necessary to work with them.

Investor inquiry for the ACC: *You said that if you see the evidence of criminal activity, you get the appropriate authorities involved. There was some evidence shown here today—what else do you need?*

→ Wendy Coy from the ACC responded: We need the evidence, which is what the Receiver is doing by doing the forensic accounting. The evidence is building. We take the charts, and for instance, the Receiver's report, and we need to know more about the underlying information, we need the documents, the investment checks, everything comes down to the money trail. Our agents and investigators do the investigation, and if we determine it needs to go criminal, we build the case, we put it together and hand it to the criminal prosecutor to give them as complete of a case as we can.

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Investor inquiry for the ACC: *Are investors being charged for the ACC's investigation?*

→ Wendy Coy from the ACC responded: No, not from the receivership. You're a taxpayer, but that's it. We are paid by the state and we conduct our own investigation.

Investor inquiry: *In your experience, how many times have you seen where it's a simple calculation of total principal invested, and what comes back is X%—Let's say I invested \$1 million but I got \$500,000 back. My original investment is \$1 million and you recover 10%—how many times have you seen where I would get 10% of that \$1 million back rather than the net investment?*

→ The Receiver responded: Not often—in fact, I don't think I've ever seen that. There are other methods, including the rising tide method and several others.

Investor inquiry: *Based on that answer, do you know how much money exists in the pot today, how much is sitting there as money to be reclaimed versus how much people have been paid back?*

→ The Receiver responded: I don't know; I haven't done that analysis yet.

Investor inquiry: *How much of the investor balance is Chittick's?*

→ The Receiver responded: Zero, he has no money in DenSco, he is not an investor.

Investor inquiry: *With regard to interim disbursements, how much money does the Receiver need to hold back for administrative costs?*

→ The Receiver responded: It varies, it depends on what we would need money for, but there could be litigation that comes out of a case like this, and that litigation could go on for some time, so usually there is a holdback so that we can still pursue litigation and not run out of money.

Investor inquiry: *Would any holdback be a percentage or a dollar amount? Are you thinking, let's hold back \$1 million or a certain percentage?*

→ It would be a dollar amount; a hard dollar amount of what we expect the costs of the estate to be. I want to be careful because it's a litigation strategy for a defendant to realize that we have limited resources.

Investor inquiry: *If we do any interim distribution, what is the soonest date that could occur?*

→ I don't know, but I know that there is a desire to have that done as soon as possible. It won't be three years—six months would be pretty fast, but depending on how trued up the DenSco books are, maybe we can start the process within six months. However, the court process of getting approval and handling investor objections can take months.

Investor inquiry: *We've all heard that there was a 50 or 60-page document that Chittick left, and then a 7-page document that Chittick gave to Robert Koehler. Is this true?*

→ Ryan Anderson responded: So let's just end this rumor. The rumor is that there is a 50-page letter or something that Chittick wrote about DenSco to explain its demise. We do not believe that this documents exists. What you have been provided, the Investor Letter, is the only document that we've seen from Chittick explaining the problems at DenSo to

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the investors. Based on the police reports and pictures that we saw from Chittick's office, we believe there were letters that were sent to some people, including DenSco investors, that we believe were mailed by Chittick on the day that he died, but we've never seen these letters. We've been informed that these letters were personal in nature. Chittick did prepare a letter for Robert Koehler, which provided instructions for continuing the management of DenSco's operations.

The Receiver closed the meeting, asking everyone to keep in mind that the reason we set up the website is because it's the efficient way to update everybody. Otherwise, we get inundated with questions and people wanting meetings, and there's a cost to that, especially when we have to answer the same question over and over again. So it's much more efficient for us to issue periodic reports and provide information via the website.

The Receiver asked that everyone to keep the information discussed during the investor meeting confidential. There are a lot of issues that were discussed, not just for the sake of Chittick's estate, but there will be other issues stemming out of this, including lawsuits, subpoenas, etc. There is a lot of interest from investors wanting to know everything yesterday, but some things must be kept confidential as investigations continue.

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Investors:

I owe you an explanation as well as a lot of money. This is going to get blown up and the truth will be hard to find. This is what happened. Please don't contact or create notification that would reach my x-wife. She needs to get my boys off to school. You have had all give me unwavering support of confidence; I accepted that confidence with pride, appreciation and humility, knowing I could perform to your expectations. I started the business in 2001. Not a great year to start one. I learned the business and it grew and grew. It was working perfectly until 2008. We had the great recession and phoenix was the epicenter of the housing crash. I was always impressed and surprised that nearly everyone stuck with me through it. I didn't come out of it unscathed, but I survived it which is more than I can say for many other lenders. I took millions of dollars in losses over a few years. I remained profitable every year. I was able to talk to a few of you to help me make decisions on what I should do. Should I sell these house I was getting back and take huge losses or keep them, rent them hope the market comes back? Gladly after consultations from several of you, you agreed with my strategy, it was smarter to rent them at cash flow neutral my interest costs and wait it out. I ended up with a 12 plex and 15-20 homes at one point. Slowly over the years, 2011, 2012, 2013, I sold them. Instead of selling them for 80% loss (which would have been worst case at the point I took some of them back), sometimes as little as 10% on loss of principle at the time of sale in 11-13'. Again because the rest of the business was thriving, the capital I had in the business, these losses had no impact on your interest earnings and even though it severely dented my profitability, but I was profitable every year. For over a dozen years, I ran this business as good as you could. Everything reconciled to the penny, the business was extremely profitable, sometimes annoyingly so. In 2012 I was saying that I would quit accepting money soon and figured the portfolio would start shrinking. Going in to 2013 I was starting to get larger idle cash positions on a regular basis. Scott Menaged, (480-261-7385 10510 E Sunnyside Dr., PV, 85259), a long time borrower, he was probably one of my largest borrowers by dollars over the years. He was also ran a bidding company and sent me many borrowers over the years. He at the time had a few million of loans with me on his rentals and was still doing flips on a regular basis. Scott contacted me and asked if would be interested in funding a bank of rentals to which a hedge fund friend of his out of New York would buy once it reached 7-10 million. He would put down 15-20%, fix them up and rent them and then when he acquired the total dollar amount he would sell out to this guy. That amount of money would take me over me 10-15% threshold to any one borrower. Again I talked to a few of you investors and got a positive response, based on his track record, the down payments etc, the comfort level was there. I agreed. He would buy anywhere between one and three properties a week at auction. Now when I have someone buy at auction, funds have to produce the next day in a cashier's check to the trustee. A majority of the time my repeat borrowers are buying through bidding companies that I have relationships with. For efficiency sake, I would normally wire the funds I'm lending to, the bidding company they would get the check and give it to the trustee. Send me receipts. Sometimes I would even wire the full amount and my borrower would bring me their down payment check and bidding fee because they lived here in the East valley versus running across town. I've operated this way ever since I was given the ability to wire on line in 2003. Many of you knew this and I told you this is how I operated. Some of you that were also borrowers and

investors have experienced this way of doing business and know it's common. As Scott was buying these properties he would email me the info on the address the buy price and what he wanted to borrow, net of his down payment. I would do my due diligence and would wire the funds. He would sign all my docs and then I would record the Mortgage receipt and then once I saw the trustee's deed was recorded, which sometimes took a few weeks, I would then record my deed of trust. This was to cloud title until the trustee's deed was recorded. Some lenders record a Deed of Trust the day the property is paid for and re-record the Deed of Trust. Again this is the way the auction process works. It's the way I have operated from the beginning and many have copied my process. I've spoken with attorneys, title officers and trustees and it's been agreed upon that it's a good process. I felt comfortable lending him more money, I was keeping money at work and I had started to discuss with many of you telling you that by the end of the year I would probably start returning some of my larger investors some of their money. Everyone I spoke to was willing to accept some money back. I had also stated that I might force everyone to take their interest that way it would eat up my build up in cash that I was forecasting to have once this portfolio paid off at the end of the year. Mid way through the year, Scott contacted me asking if we could raise the bar even higher. He already had a few million of his own rentals and was still doing a few flips. Now he wanted to add to the hedge fund portfolio. I was concerned because of the concentration with him; the portfolio was around \$50 million. It was only going to be for a few more months and he had been spotless with payments of interest and I checked all the values of the properties, visited some of them, everything seemed to be in order. I agreed to the increase. We talked again in the fall and he was telling me I would be cashed out of these by year end. I again spoke with a few of you saying that I might be returning some funds. The plan was all working out fine, the rest of the business was doing fantastic and I wasn't concerned. Then in November something came up that made it look like I was in second position one of the properties I had a loan with Scott. I called him; he didn't know anything about it and said he would get back to me. The day before thanksgiving he came to my office and explained that his wife had come down with cancer and he was dealing with her most of the year and wasn't watching his business as closely as he normally does. He had turned over the day to day operations to his cousin that had been working with him for awhile. His cousin took advantage of the relationship that we had and he would request funds from other lenders on properties and Scott not knowing this would then request funds from me for the same property. Because I wired directly to him he would receive the funds, his cousin would have the other lenders pay for the property to the trustee. I believed I was in first position when in fact I was in second, not all the time but majority of the time based on recording first. Where all this extra money went is a great question. I know a lot of it was spent on fixing up the homes and down payments. The cousin lost some in Vegas, he sent some out of the country, surely spent it. I never got an accounting of it all. His cousin left the country. Scott contacted the other borrowers involved and the plan was to suspend interest and start selling the properties and work through the issues. Scott was going to sell other assets and bring in more money to help right the upside down position we were in. his hedge fund friend had no interest in getting the middle of this, so Scott had to sell each property individually. It's extremely difficult to do this with a tenant was in place. The goal was to get full or close to retail price which would maximize the money out of the property. We couldn't just kick out all these people because of the lease agreements. Once the properties became vacant

or they were a day late, evictions were started and then rehab and sell the property. A typical situation would be, he bought it for 84k, it was worth 110k, and I would lend 70k. The problem was another lender would lend the same amount. The total debt on the property is 140k now the value of the property is 120k. Now the issue on who's in first isn't simple as the recording time stamp of our docs. When I went through the whole portfolio I was in second by recording in a majority of them. The other lenders took the stance that they had actually issued and check directly to the trustee and it didn't matter when the recording was done. They too were doing double recording at the time they paid and when the trustee's deed was recorded. You would have four recordings on one property with two different lenders. Do you go by the first recording when it was paid for, or do you go by who was first after the trustee's deed was recorded, or is it who paid the trustee? I bounced this off several title agents and I got several difference answers. When asked directly about this whole issue Greg from AFG said he didn't know it was going on the whole year. Scott believes he was in on it with the cousin. But we had no proof. The other lenders involved as far as I know had no knowledge of what the cousin was doing. Now the first thing is how do we figure out who is in first, I know the rules, but when you have two docs and one check to a trustee, it's in dispute. In January, a group of five of the other lenders met me in my office. They had loans on about 60 of the houses. They said unless they were paid off in full, they would take this to court. They had a different set of investors behind them and they were willing to fight this in court even if it took a year. They were confident in their position. I couldn't afford to have that many loans and dollars be in suspense for who knows how long, 6 months a year? We all get lawyers and it would take forever to get a ruling. Yes, by this time I'm talking with my lawyer David Beauchamp 480-684-1100. He's aware of all that I know. [REDACTED]

With some negotiating with the other lenders, they agreed not to sue if their positions were paid off despite if houses were sold. Scott and I put a plan in place to which I would start paying off their debts as my cash flow allowed and have lien in first position, all done through title one after another. Even though I would be upside down in loan to value. My position was I rather have 140k lien on a house worth 120k, than 70k in second position. Greg in AFG said as long as he received his interest from Scott he wouldn't do anything and allow for the houses to be sold off as they became vacant. Scott and I worked for months on an agreement that was pounded out between our lawyers. It was a work out agreement with outline of what we were doing and how it was to happen. Why I didn't let all of you know what was going on at any point? It was pure fear. I had seen what one of my investors had done to a bidding company when they had a deal gone wrong. I have 100 investors, I had no idea what everyone would do or want to do or how many would just sue, justifiably. I also feared that there would be a classic run on the bank. Even though I had done nothing wrong. Everyone would be scared and start requesting their money back, I wouldn't be able to meet redemptions and then I would be in violation of my covenants and then I couldn't pay off the loans of the other lenders and they would sue, my investors would sue and the whole thing would implode. I truly believe we had a plan that would allow me to continue to operate, my investor would receive their interest and redemptions as a normal course of business, and the rest of my portfolio was performing. [REDACTED] We signed this workout agreement and began executing it. It took several months to get all the loans paid off by the disgruntle lenders group. We were also starting to sell the houses at a pretty good clip. In April the last of the disgruntled lenders deals

were paid off. Now we just had the AFG properties that I was in second position. Every time we sold a property there was a shortfall owed to me. Instead of taking this as a loss, I booked it as an A/R and Scott was paying down on it and reducing the A/R. It was of course going up faster than he was able to pay it down. Going back to December of 2013, when we were still trying to work all this that I just explained, Scott knew he had to make money to help cover the deficit to which would be created by the double encumbered properties and shortage that would be created at the time of disposition. He wanted time to still fund him buying properties at the auction and flipping them, wholesaling them etc. [REDACTED]

[REDACTED]. I have copies of these in scan files. Robert has access to all of this. We agreed to the operation and allowed him to still buy things. He was buying again one to three a week; he would pay me back with interest on these most times within 10 -15 days, sometimes longer. He would wholesale it to one of his investors, put it on his website or sell it directly retail. Once again, I would do my recordings. However, he would nearly always sell it before the trustee's deed was getting recorded, so I was getting paid back before I ever recorded the deed of trust. A few of them he would keep and flip, but an overwhelming majority of these were wholesaled. Now I know that you would think, why the hell would I lend more money to guy that just put me in this situation? Scott came to me and said he was going to do everything he could to make this right. He could have at anytime just throw up his hands and walked away, filed BK and left me with a massive mess. He didn't. He helped negotiate with the other lenders. He sat with his attorney and mine and signed a very one sided agreement in my favor to work this out. I had UCC's on his furniture business and a life insurance policy. In fact his attorney advised him not to sign it. No one else was going to lend him money and I needed him to make money so that I could be paid back. Because of what and how we were operating, [REDACTED]

I felt comfortable and everything he said he was going to do, he was doing. We got the disgruntled lenders taken care of, he signed the workout agreement, and was selling the homes, he was making payments to me and sometimes when a close happened he would wire in the money to cover the difference when he was able to do it. We were making headway on the whole problem slowly but surely. Now in to the middle of year, the amount of money he was borrowing for wholesaling was rising. He would buy more than he was paying off. I would get calls asking me why I had a recording on a property that didn't go to auction. I would check with Scott and he said it was rescinded sale. This happens on a fairly regular basis. I started to check on other properties that I had been paid off and found things weren't adding up. I confronted Scott. Besides buying at auction, he admitted that he had an agreement with Auction.com to send in offers on properties that were postponed, cxled etc and try to get the trustee's to agree on the short sale and give him the property. Auction.com would take the property and sell it and give Scott a cut on it. This whole agreement bothered me and wasn't sure it was right. Over time I was getting more and more uncomfortable with this arrangement and kept asking more questions. I told him that I wasn't comfortable with this arrangement, and I wanted it stopped and he need to return the funds to me and I would no longer fund any more deals. He said Auction.com was threatening if I cut him off they wouldn't return the checks to him that he had sent and I would be stuck with no money coming back in to me. We are now in the late 2014. I was adamant that I wanted to stop this transaction. I wasn't sure what the truth was as far as arrangement how or who was getting paid etc. they were using

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leverage against him saying he had an agreement with them and he had no way of complaining to anyone. His position was, they were putting pressure on him to continue, they both were making money, and I was getting paid down. If I stopped he had no viable way to pay down the debt that had accrued from selling all the double encumbered properties and he would just file BK and I would be back to the same situation as I was before with a huge problem, no way to solve it, poised to go to the investors, the redemptions would come in and down spiral would occur. Now compounded with the knowledge that all along I had been an unwittingly accomplice in some kind of fraud in my estimation. I felt like I was between a rock and hard place, with no out. In December I said no more. We have to stop this. I can put the money back to work with other borrowers, return it to my investors whatever was best. I would run the business profitably for years, making the up the deficit by the profits of the company and eliminate the negative capital position I was in. In January we agreed to a plan through the first quarter and scale down by 2nd quarter by him finding someone to replace I and auction.com had a guy out of Las Vegas that would do the same Scott was doing. I agreed because he was still paying me the interest and principle, we were selling the homes off we were down to the last 30-40 homes that were double encumbered and now that all the leases, some were two years were now coming to an end, that by June all the 2nd positions loans would be paid off. Typing this and looking back at it, it sounds insane and stupid, I'll admit it. The business was still operating, I was profitable, this huge issue of second positions was almost gone and we had a plan to end this wholesale program and I would be able to do continue running the business profitably and slowly regain a positive capital position. Scott also decided to start a used car lot in 2015 to help make more money and pay down the outstanding debt. He opened it Easter Sunday. It started slow and grew and became profitable and doing really well by the fall. I had no affiliation with this at all. In the summer, he had surgery; he put his wife on his bank accounts allow her to get cashier's checks and other transactions to help operate his many business when he was home recovering. He also owns Furniture King. Scott by this time had a plan and agreement with auction.com to allow this guy from Las Vegas start taking over for him by fall. The balance hadn't gone up and I was looking forward to being done with this. In mid October his wife, whom I learned was bi polar, decided to divorce Scott. She went to the bank and cleared out all the money out of all his accounts personal and business. This destroyed his used car business because he was unable to operate without the capital and his flooring companies cut off his credit, he had to sell the cars at auction for losses and close the place by the end of the year. With the divorce going through its phases of discovery and motions etc, this put a stop to all the transactions that he could do through his entities and bank accounts. The way we were operating had to stop. He couldn't send me money and I couldn't send him money. His wife was acting irrational and ended up in a mental health hospital at one point. The problem that his caused put a huge strain on auction.com relationship with Scott and the plans to end the relationship and return the money were all put on hold. Now the money going back and forth one daily basis was sometimes over a million to 1.5 a day. The bank didn't like this back in the spring, so instead we would wire the difference to each other and just do the reconciling. If he purchased (at this point they were all offers to purchase) a million worth of properties for 6 different addresses, he would pay me off on 1.05 million. So he would wire me 50k. Some days I would wire him some days he would wire me. In October we had to stop this because of the divorce and instead we would just do reconciliation each day of who owed who

how much. All the second positions houses have been sold by now. I just had a handful of loans with him which was all first position left over from his original group of loans he had me. The real issue was his inability to pay down the debt he owed me for the loss I had taken on the 2nd position houses and this wholesale deal was supposed to come to an end. Here we are at the end of the year and the divorce issues brought it all to a stop. Coming in to 2016, he finally got the divorce canceled and then she filed again. Then several months later is canceled again. His landlord from the car company was suing him. At one point in February under all the stress he decided he would file BK thinking he could get a filing number, which would put him in a bargaining position with his landlord and fighting the divorce. This of course was the stupidest thing for him to do. He didn't realize the laws and procedures in doing this. I didn't find out about it until May when I was contacted by a trustee asking for a payoff amount for a home. He then explained it to me what his thinking was and why he did it. By now auction.com had enough of this nightmare. By June it all stopped. However because of the BK they won't return the money to Scott or me that is owed. Scott's wife at point had gone in to their office and threatened to bring in her lawyers because she saw all the ins/outs in the bank accounts and wanted to know if he was hiding money from her. Auction.com said they wouldn't return the money to me until she signed an agreement with them and then Scott and I had to sign something between us, I've never seen this agreement. I'm not even sure what they would say or the intent of them would be. I never had contact with auction.com; they wanted to pretend I wasn't even involved. When that's all done they would return the money to him then to me or just to me. The whole BK filing stopped anything from happening. Here I am in July. I've got a small lending base the rest of the money is on the A/R that he owes me and 28.1 million plus interest (500k) sitting at auction.com. Plus 3 million in the reconciliation part that they owed me when they were paying me off on more than they were borrowing each day. There were profits made on these transactions. Scott and auction.com were splitting the profits, not sure how or where the funds came and went to, his portion he used to pay down on the workout agreement. However, none has been paid to me since October. The amount is insignificant in the big picture because I believe they were ill-gotten gains. Plus the 1.7 mil Scott's wife took out of his account. You can see that the 14 million (that's principle and interest from the 2nd's positions workout agreement) owed to DenSco by Scott would be about 9 million. I could make another 2 million this year. The net difference is getting smaller and it would be attainable to make all the investors whole at that point in another couple of years of business. That's why I kept working towards doing what I was doing. Scott is now knee deep into his BK procedure and you can imagine when they are looking at all of this they are having issue with it and my fear and belief is that it's criminal and auction.com has propagated a fraud, Scott was someone knowledgeable or conspiring in it, and because I was the money behind it I'm guilty by association. Now typing this it sounds like some obscene twilight show. It's embarrassing and humiliating reading this thinking how could I have made such wrong decisions got wrapped up in to this. But the only answer I can tell you is, in the beginning I was defrauded by Scott's cousin, I didn't realize what Scott was doing with auction.com. From all aspects it was legit, I get copies of checks, receipts, I would be paid back, etc. and I believed it was the best way to return your money to you. That was always my goal. I know I accepted some funds from some of you over the last three years. I believed that I was going to get this all fixed. I returned many more millions to some of you and turn down even more millions from others. I wasn't trying to

keep myself afloat by taking more money and investors and making things worse. I put all non-retirement personal available funds in to DenSco over the last few years trying to help solve this. I was doing everything I could and believed to fix this issue. No I wasn't forthright to you. I had convinced myself no matter what relationship I had with anyone of you individually, I couldn't go to just one or two of you without telling all of you and at no point throughout this nightmare did I believe that you would be accepting and trusting to allow me to notify you and would still trust me, assist me on how to work through this without starting massive withdrawals and lawsuits. That would be the natural reaction for a few, some or most of you? I didn't know. The loss that would have happened day one when I was first made aware of the fraud, might be smaller than today. However, with all the lawsuits and lawyers involved I know that it would have exasperated the loss. I know I made wrong decisions. I did consult my lawyer for the first year on each step of the way. He's unaware of the situation I'm in today and the information I now know regarding the relationship between auction.com and Scott's arrangement with them. I'm not privy to the details of it. The guilt, embarrassment, and humility any other adjective you can add in there is over whelming. I can't face my parents, which yes, they are going to be severely hurt, more than all of you by this, going through the legal process is unbearably thought. I have no idea where that would lead, jail? Possibly. Years spent in courts and lawyers trying to settle this all out. Mean while having to face all of you. I can't do it. I love my family and my boys as much as any of you do your families. I can't put them through this face to face. I've decided to be my own judge and jury and I decided the death penalty. I am never going to see my amazing boys grow up. My divorce which I spent more effort than anyone would believe to mitigate the negative effect on my boys, is now in vain because my death is going to be overwhelming to them. As I'm sitting her typing this I'm crying because of the thought of the sadness, angry, confusion, I am going to bring to their lives. As bad as it is, I feel it's a better option than me living, having them see what you and courts would do to me, justifiably too. I'm sorry for everything that I've done. I believe that you can recover a substantial amount of your principle. I believe with me dead there is no change in the chance of that happening. I don't know how to end this other than I'm not asking for forgiveness I'm just sorry I wasn't forthcoming in the beginning maybe it would have had a better ending or process than I feared would happen. I know this all sounds nearly incoherent but my mind isn't exactly clear.

INFORMATION ON REDACTIONS FROM LETTER PREPARED BY DENNY CHITTICK

Page 3, middle of page:

Redacted 18 words – description of privileged communication with attorney over whether to litigate with other lenders.

Page 3, bottom of page:

Redacted 6 words - description of privileged communication from attorney about workout arrangement.

Page 4, top of page:

Redacted 33 words - description of privileged communication with attorney about documents required for funding new advances to Scott Menaged or related entities.

Page 4, middle of page:

Redacted 3 words - description of privileged communication with attorney about workout agreement.

Sara Beretta

From: Denny Chittick <dcmoney@yahoo.com>
Sent: Thursday, June 25, 2015 1:20 PM
To: SMena98754@aol.com; veronicacastro@live.com
Subject: docs - 18911 E Canary Way, Queen Creek, AZ 85242
Attachments: DOT Easy Investments.doc; Note Easy Investment.doc; RM Easy Investments.doc

attached

DenSco Investment Corp
www.denscoinvestment.com
602-469-3001 C
602-532-7737 f

From: "SMena98754@aol.com" <SMena98754@aol.com>
To: dcmoney@yahoo.com; veronicacastro@live.com
Sent: Thursday, June 25, 2015 12:22 PM
Subject: today

1745 S PARKCREST ST - 154,800.00 REC 20150199825 3/25

950 E GLENMERE DR - 173,800.00 REC 20150190978

18911 E CANARY WAY - 272,800.00 REC 20150203358 3/26

3513 S SIESTA LANE - 184,500.00 REC 20150185230

2317 E FOLLEY ST - 142,100.00 REC 20150167164

7735 E VERDE LANE - 162,400.00 REC 20150164614

6441 E CROCUS DR 502,700.00 REC 20140175513

3:18 PM

10/10/16

Annual Basis

DenSco Investment Corporation
Account QuickReport
 As of June 26, 2015

| Type | Date | Num | Name | Memo | Split | Amount |
|------------------------------|------------|-----|-----------------------|---------------------|------------|---------------------|
| Yom Tov Scott Menaged | | | | | | |
| Wholesale | | | | | | |
| Check | 06/26/2015 | | Yom Tov Scott Menaged | 1745 S Parkcrest St | First Bank | 154,800.00 |
| Check | 06/26/2015 | | Yom Tov Scott Menaged | 18911 E Canary Way | First Bank | 272,800.00 |
| Check | 06/26/2015 | | Yom Tov Scott Menaged | 950 E Glenmere Dr | First Bank | 173,800.00 |
| Check | 06/26/2015 | | Yom Tov Scott Menaged | 3513 S Siesta Ln | First Bank | 184,500.00 |
| Check | 06/26/2015 | | Yom Tov Scott Menaged | 2317 E Folley St | First Bank | 142,100.00 |
| Check | 06/26/2015 | | Yom Tov Scott Menaged | 7735 E Verde Ln | First Bank | 162,400.00 |
| Check | 06/26/2015 | | Yom Tov Scott Menaged | 6441 E Crocus Dr | First Bank | 502,700.00 |
| Total Wholesale | | | | | | 1,593,100.00 |
| Total Yom Tov Scott Menaged | | | | | | 1,593,100.00 |
| TOTAL | | | | | | 1,593,100.00 |

| | | | |
|----------------|--------------|------|-----------|
| ACCOUNT NUMBER | XXX-XXX-5264 | DATE | 6-30-2015 |
|----------------|--------------|------|-----------|

ELECTRONIC AND MISCELLANEOUS WITHDRAWALS CONTINUED

| DATE | AMOUNT | DESCRIPTION | CARD NBR |
|------|-------------|--|----------|
| 6-19 | 100,600.00 | WIRE TRANSFER - INTERNET | |
| 6-19 | 185,000.00 | WIRE TRANSFER - INTERNET | |
| 6-19 | 1341,400.00 | WIRE TRANSFER - INTERNET | |
| 6-22 | 600,000.00 | WIRE TRANSFER - INTERNET | |
| 6-22 | 1611,000.00 | WIRE TRANSFER - INTERNET | |
| 6-23 | 1563,600.00 | WIRE TRANSFER - INTERNET | |
| 6-24 | 100,750.00 | WIRE TRANSFER - INTERNET | |
| 6-24 | 100,750.00 | WIRE TRANSFER - INTERNET | |
| 6-24 | 1634,800.00 | WIRE TRANSFER - INTERNET | |
| 6-25 | 135,000.00 | WIRE TRANSFER - INTERNET | |
| 6-25 | 1593,100.00 | WIRE TRANSFER - INTERNET | |
| 6-26 | 93,689.72 | WIRE TRANSFER - INTERNET | |
| 6-26 | 100,800.00 | WIRE TRANSFER - INTERNET | |
| 6-26 | 100,800.00 | WIRE TRANSFER - INTERNET | |
| 6-26 | 218,296.67 | WIRE TRANSFER - INTERNET | |
| 6-26 | 1587,700.00 | WIRE TRANSFER - INTERNET | |
| 6-29 | 1502,000.00 | WIRE TRANSFER - INTERNET | |
| 6-30 | 3,461.27 | INTERNET TRANSFER #309113 TO CHECKING ACCOUNT XXX-XXX-6377 * INTER-COMPANY TRANSFER | |
| 6-30 | 10,000.00 | INTERNET TRANSFER #309107 TO CHECKING ACCOUNT XXX-XXX-6377 * INTER-COMPANY TRANSFER | |
| 6-30 | 192,670.91 | WIRE TRANSFER - INTERNET | |
| 6-30 | 976,600.00 | WIRE TRANSFER - INTERNET | |
| 6-30 | 621,636.43 | DenSco DenSco Invest | |
| 6-30 | 154,133.11 | DenSco DenSco Invest | |
| 6-30 | 15.00 | FEE FOR 15 NON-PREPRINTED DEPOSIT AND/OR WITHDRAWAL FORMS @ \$1.00 EA | |
| 6-30 | 835.19 | ACTIVITY CHARGE | |

DEPOSITS AND OTHER ADDITIONS

| DATE | TYPE | AMOUNT | DATE | TYPE | AMOUNT | DATE | TYPE | AMOUNT |
|------|------------|-------------|------|------------|-------------|------|------------|-------------|
| 6-01 | DT DEPOSIT | 2,235.00 | 6-09 | DEPOSIT | 1,291.50 | 6-19 | DEPOSIT | 1271,073.05 |
| 6-01 | DT DEPOSIT | 2,475.00 | 6-09 | WIRE | 126,375.00 | 6-22 | DT DEPOSIT | 1,350.00 |
| 6-01 | DT DEPOSIT | 2,733.25 | 6-09 | WIRE | 354,301.95 | 6-22 | DT DEPOSIT | 3,000.00 |
| 6-01 | DT DEPOSIT | 6,500.00 | 6-10 | WIRE | 157,557.50 | 6-22 | DT DEPOSIT | 47,874.70 |
| 6-01 | DT DEPOSIT | 6,500.00 | 6-10 | WIRE | 159,500.00 | 6-22 | DEPOSIT | 1493,970.20 |
| 6-01 | DEPOSIT | 10,057.00 | 6-10 | WIRE | 956,537.85 | 6-23 | DEPOSIT | 435.00 |
| 6-01 | WIRE | 237,387.40 | 6-10 | DEPOSIT | 1087,495.05 | 6-23 | DEPOSIT | 660.00 |
| 6-01 | DEPOSIT | 682,847.60 | 6-11 | WIRE | 63,457.00 | 6-23 | WIRE | 1,035.00 |
| 6-02 | WIRE | 5,795.05 | 6-11 | WIRE | 190,367.20 | 6-23 | WIRE | 6,675.00 |
| 6-02 | WIRE | 100,000.00 | 6-11 | DEPOSIT | 942,264.30 | 6-23 | WIRE | 49,122.00 |
| 6-02 | WIRE | 128,500.00 | 6-12 | WIRE | 183,579.60 | 6-23 | WIRE | 117,421.65 |
| 6-02 | WIRE | 212,243.00 | 6-12 | WIRE | 385,317.10 | 6-23 | WIRE | 306,573.45 |
| 6-02 | WIRE | 433,580.00 | 6-12 | DEPOSIT | 987,077.20 | 6-23 | WIRE | 600,600.00 |
| 6-02 | DEPOSIT | 985,453.30 | 6-15 | DEPOSIT | 3,750.00 | 6-23 | DEPOSIT | 1264,166.50 |
| 6-03 | DT DEPOSIT | 930.00 | 6-15 | WIRE | 135,000.00 | 6-24 | DT DEPOSIT | 75,030.58 |
| 6-03 | DT DEPOSIT | 1,050.00 | 6-15 | WIRE | 177,100.00 | 6-24 | WIRE | 140,346.00 |
| 6-03 | DT DEPOSIT | 1,050.00 | 6-15 | WIRE | 458,956.40 | 6-24 | WIRE | 193,823.90 |
| 6-03 | WIRE | 1,425.00 | 6-15 | DEPOSIT | 1260,272.40 | 6-24 | DEPOSIT | 1405,944.10 |
| 6-03 | DT DEPOSIT | 4,319.40 | 6-16 | WIRE | 160,634.00 | 6-25 | DT DEPOSIT | 1,760.10 |
| 6-03 | WIRE | 80,000.00 | 6-16 | WIRE | 283,285.30 | 6-25 | WIRE | 188,237.50 |
| 6-03 | WIRE | 395,495.40 | 6-16 | WIRE | 344,931.20 | 6-25 | WIRE | 204,456.00 |
| 6-03 | DEPOSIT | 1096,397.50 | 6-16 | DEPOSIT | 1310,920.00 | 6-25 | WIRE | 291,364.80 |
| 6-04 | WIRE | 6,000.00 | 6-17 | WIRE | 150,117.50 | 6-25 | DEPOSIT | 1224,468.95 |
| 6-04 | WIRE | 357,432.05 | 6-17 | WIRE | 170,852.90 | 6-26 | WIRE | 1,200.00 |
| 6-04 | DEPOSIT | 843,494.15 | 6-17 | WIRE | 268,314.40 | 6-26 | DT DEPOSIT | 3,450.00 |
| 6-05 | WIRE | 65,888.55 | 6-17 | DEPOSIT | 1382,262.90 | 6-26 | DT DEPOSIT | 3,750.00 |
| 6-05 | WIRE | 354,982.10 | 6-18 | WIRE | 750.00 | 6-26 | DT DEPOSIT | 4,744.50 |
| 6-05 | DEPOSIT | 1083,110.20 | 6-18 | WIRE | 212,341.60 | 6-26 | WIRE | 199,706.50 |
| 6-08 | DEPOSIT | 465.00 | 6-18 | DEPOSIT | 1351,388.70 | 6-26 | DT DEPOSIT | 244,200.00 |
| 6-08 | DT DEPOSIT | 1,467.00 | 6-19 | DT DEPOSIT | 1,290.00 | 6-26 | WIRE | 295,153.75 |
| 6-08 | WIRE | 234,370.05 | 6-19 | WIRE | 30,510.00 | 6-26 | DEPOSIT | 1385,060.70 |
| 6-08 | WIRE | 267,262.50 | 6-19 | WIRE | 50,150.00 | 6-29 | DT DEPOSIT | 375.00 |
| 6-08 | DEPOSIT | 958,684.60 | 6-19 | WIRE | 216,594.95 | 6-29 | DT DEPOSIT | 2,475.00 |

***** CONTINUED ON NEXT PAGE *****

Great American Title Agency

WHEN RECORDED MAIL TO:

TIFFANY & BOSCO, P.A.
2525 East Camelback Road, Suite 700
Phoenix, Arizona 85016

21
To:

FHA
Title No: 21500881 *2/c*
FHA/VA No.: 023-5126644-703

NOTICE OF TRUSTEE'S SALE
File ID. #15-00930 Carr

Notice is hereby given that **David W. Cowles, Attorney at Law**, as trustee (or successor trustee, or substituted trustee), pursuant to the Deed of Trust which had an original balance of **\$262,586.00** executed by **Rickey A. Carr, Jr. and Jennifer L. Carr, husband and wife, as community property with right of survivorship, 18911 E Canary Way, Queen Creek, AZ 85242**, dated **November 19, 2012** and recorded on **12/07/2012** as Instrument No. **2012-1112435** (or Book, Page) of the Official Records of **Maricopa County, AZ**, will sell the real property described herein by public auction on **June 25, 2015 at 10:00 A.M. at the office of David W. Cowles, 7720 North 16th Street, Suite 300, in the City of Phoenix, County of Maricopa, State of Arizona**, to the highest bidder for cash (in the forms which are lawful tender in the United States and acceptable to the Trustee, payable in accordance with ARS 33-811A), all right, title, and interest conveyed to and now held by it under said Deed of Trust, in the property situated in said County and State and more fully described as:

Lot 36, of CORTINA PARCEL 9, according to the plat of record in the Office of the County Recorder of Maricopa County, Arizona, recorded in Book 643 of Maps, Page 46.

The street address/location of the real property described above is purported to be:

18911 E Canary Way
Queen Creek, AZ 85242
Tax Parcel No.: 314-05-036 1

The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein.

The beneficiary under the aforementioned Deed of Trust has accelerated the Note secured thereby and has declared the entire unpaid principal balance, as well as any and all other amounts due in connection with said Note and/or Deed of Trust, immediately due and payable.

(Notice of Sale continued following page)

Page 2 of Notice of Trustee's Sale
File ID: 15-00930 Carr

Said sale will be made in an "as is" condition, but without covenant or warranty, expressed or implied, regarding title, possession or encumbrances, to satisfy the indebtedness secured by said Deed of Trust, advances thereunder, with interest as provided therein, and the unpaid principal balance of the Note secured by said Deed of Trust with interest thereon as proved in said Note, plus fees, charges and expenses of the Trustee and of the trusts created by said Deed of Trust.

Current Beneficiary:

Village Capital & Investment, LLC
Care of / Servicer
Dovenmuehle Mortgage, Inc./Fidelity
1 Corporate Drive, Suite 360
Lake Zurich, IL 60047

Current Trustee:

David W. Cowles
2525 East Camelback Road, Suite 700
Phoenix, Arizona 85016
(602) 255-6035



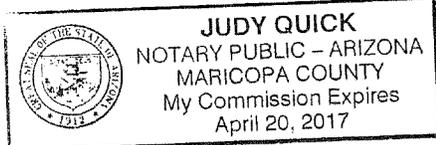
David W. Cowles, Attorney at Law
Trustee/Successor Trustee, is regulated by and
qualified per ARS Section 33-803 (A)2 as a
member of The Arizona State Bar

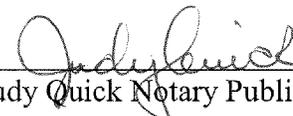
STATE OF ARIZONA
COUNTY OF MARICOPA

Unofficial Document

On this 26th day of March, 2015 before me, Judy Quick a Notary Public for said State, personally appeared David W. Cowles personally known to me be (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.




Judy Quick Notary Public

This firm is not a Debt Collector as that term is defined pursuant to the Fair Debt Collection Practices Act within this jurisdiction (*see Mansour vs. Cal-Western Reconveyance Corp.*, 618 F.Supp.2d 1178 (D. Ariz. 2009)). Should a subsequent determination be made that this firm is a Debt Collector as that term is defined within the Act, then you are notified that any information obtained will be used for the purpose of collecting a debt. Please be advised that if your personal liability for this debt has been modified or extinguished by a discharge in bankruptcy, this communication is provided solely in reference to the foreclosure on the deed of trust remaining on your property and is not an attempt to collect the discharged personal obligation. The notifications provided herein do not limit or detract from the effect of foreclosure upon the subject property.

NOTICE: If the sale is set aside for any reason, the Purchaser at the sale shall be entitled only to a return of the deposit paid. The Purchaser shall have no further recourse against the Mortgagor, the Mortgagee or the Mortgagee's attorney.

Title Co. # 21500881

WHEN RECORDED MAIL TO:

Tiffany & Bosco, PA
2525 East Camelback Road, Suite 300
Phoenix, Arizona 85016

21
ra:

CANCELLATION OF TRUSTEE'S SALE
File No. 15-00930 Carr

The undersigned hereby cancels the Notice of Trustee's Sale recorded on 03/26/15 in Instrument No./Docket-Page No. 20150203358, on the real property legally described as follows:

See Attachment "Exhibit A"

Said Notice of Trustee's Sale refers to a Deed of Trust executed by: Rickey A. Carr, Jr. and Jennifer L. Carr, husband and wife, as community property with right of survivorship, as Trustors, and recorded 12/07/2012 as Instrument No. 2012-1112435 (or Book, Page) of the Official Records of **Maricopa** County, **AZ**.



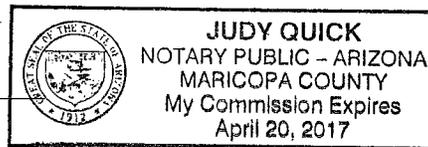
David W. Cowles
Trustee/Successor Trustee

STATE OF ARIZONA)
)ss.
County of Maricopa)

On this 30th day of March, 2015 before me, Judy Quick, a Notary Public for said State, personally appeared David W. Cowles personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Judy Quick



Cancellation of Trustee's Sale
Attachment "Exhibit A"
15-00930

**Lot 36, of CORTINA PARCEL 9, according to the plat of record in the Office of the
County Recorder of Maricopa County, Arizona, recorded in Book 643 of Maps, Page 46.**

Unofficial Document

When recorded, mail to:

67
Yo

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

MORTGAGE

June 26, 2015

The undersigned ("Borrower") acknowledges a loan has been obtained From DenSco Investment Corporation ("Lender") in the sum of \$272,800.00, for the purpose of making an offer for, Lot 36, Subdivision Cortina Parcel 9, according to the plat Book 643, of Maps, Page 46, in the plat record in the Recorder's Office of Maricopa County, Arizona. Address: 18911 E Canary Way, Queen Creek, AZ 85242. If the offer is accepted, a Deed of Trust for the same amount will be recorded to secure the loan proceeds.

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

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

Borrower: :Arizona Home Foreclosures, LLC

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

Signature: [Signature]

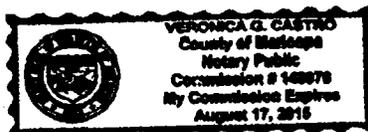
State of Arizona)
) ss.

County of Maricopa)

Subscribed, sworn to and acknowledged before me this 26th day of June, 2015.

By: Yomtov Scott Menaged
Commission Expires: 8-17-15

[Signature]
Notary Public



NOTE SECURED BY DEED OF TRUST

\$272,800.00

Phoenix, AZ (Date): June 26, 2015

Property Address: 18911 E Canary Way, Queen Creek, AZ 85242

For value received, Arizona Home Foreclosures, LLC("Maker") promises to pay to the order of DenSCO Investment Corporation or assigns (the "Holder"), at 6132 W. Victoria Place, Chandler, AZ 85226 (or at such other place as the Holder may designate in writing), in lawful U.S. money the principal sum of \$272,800.00(\$Two Hundred Seventy-two Thousand Eight Hundred Dollars and No Cents) plus interest calculated on the basis of a 360-day year and charged for the actual number of days elapsed, from the date hereof until paid on the principal balance from time to time outstanding.

Interest shall accrue on the principal sum outstanding at the rate of eighteen percent (18%) per annum, and shall be payable monthly commencing one month from the date hereof (provided, however, that if there is no comparable date in the following month to the date on which this Note is executed, monthly installments of interest hereunder shall be due and payable on the last day of each of the five succeeding months). The entire principal balance, together with all unpaid accrued interest, shall be due and payable as a balloon payment on December 26, 2015, the date six months from the date of funding under this Note, or upon any earlier acceleration (the "Maturity Date"). If any payment becomes past due for more than five calendar days, Maker shall pay to Holder, in addition to the amount of the overdue payment, a late charge equal to ten percent (10%) of the unpaid accrued interest element of such overdue payment.

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

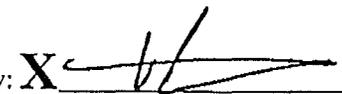
Maker agrees to an effective rate of interest that is the above rate, plus any additional rate of interest resulting from charges or benefits received by Holder which a court or governing agency deems to be in the nature of interest paid. All payments on this Note shall be applied first in payment of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

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

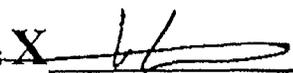
If any one or more of the provisions of this Note are determined to be unenforceable, in whole or in part, for any reason, the remaining provisions shall remain fully operative. This Note shall be construed in accordance with the laws of the State of Arizona, irrespective of its choice of law principles.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

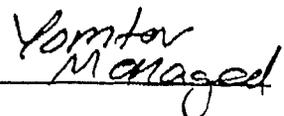
Signed this date: 6-26-15

Borrower: Arizona Home Foreclosures, LLC

By: X 

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

Personally Guaranteed by: X 

Printed Name: X 

*New
revised*

WHEN RECORDED MAIL TO:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

DEED OF TRUST AND ASSIGNMENT OF RENTS

Date: June 26, 2015

TRUSTOR: Arizona Home Foreclosures, LLC

Address: 7320 W Bell Rd., Glendale, AZ 85308

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

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

TRUSTEE: Tiffany and Bosco

Address: 2525 E Camelback Rd., Ste#700, Phoenix, AZ 85016

PROPERTY in the County of Maricopa, State of Arizona, described as: Lot 36, Subdivision Cortina Parcel 9, according to the plat Book 643, of Maps, Page 46, in the plat record in the Recorder's Office of Maricopa County, Arizona .

Street address: 18911 E Canary Way, Queen Creek, AZ 85242

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

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

FOR THE PURPOSE OF SECURING:

A. Performance of each and every agreement of Borrower herein contained. B. Payment of the principal sum of \$272,800.00 (U.S. \$Two Hundred Seventy-two Thousand Eight Hundred Dollars and No Cents). This debt is evidenced by Borrower's NOTE or NOTES dated the same date as this DEED OF TRUST, and any extension or renewal thereof (collectively, if applicable, the "Note"). C. Payment of all additional sums and interest thereon which at any time now or hereafter are owed by Borrower to Lender, or its successors or assigns. D. Payment of any amounts hereafter advanced by Lender or paid on behalf of Borrower to perform any duties or obligations of Borrower hereunder, or otherwise to protect the Property or the lien of this Deed of Trust.

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

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

Terms and Conditions (Remitter and Payee):

- Please keep this copy for your record of the transaction
- The laws of a specific state will consider these funds to be "abandoned" if the Cashier's Check is not cashed by a certain time
 - Please cash/deposit this Cashier's Check as soon as possible to prevent this from occurring
 - In most cases, the funds will be considered "abandoned" before the "Void After" Date
- Placing a Stop Payment on a Cashier's Check
 - Stop Payment can only be placed if the Cashier's Check is lost, stolen, or destroyed
 - We may not re-issue or refund the funds after the stop payment has been placed until 90 days after the original check was issued
- Please visit a Chase branch to report a lost, stolen, or destroyed Cashier's Check or for any other information about this item

FOR YOUR PROTECTION SAVE THIS COPY
CASHIER'S CHECK

Customer Copy
9031815001

06/25/2015
Void after 7 years

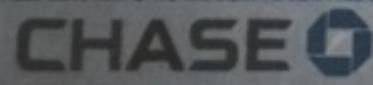
Remitter: ARIZONA HOMES FORECLOSURES

\$** 262,809.00 **

Pay To The Order Of: DAVID W. COWLES, TRUSTEE
DENSCO PAYMENT 18911 E CANARY WAY

Memo: _____ Note: _____
For information only. Comment has no effect on bank's payment.

Drawn: JPMORGAN CHASE BANK, N.A.
NON NEGOTIABLE



CASHIER'S CHECK

9031815001

Date 06/25/2015

Remitter: ARIZONA HOMES FORECLOSURES

Pay To The Order Of: DAVID W. COWLES, TRUSTEE
DENSCO PAYMENT 18911 E CANARY WAY

Pay: TWO HUNDRED SIXTY TWO THOUSAND EIGHT HUNDRED NINE DOLLARS AND 00 CENTS

\$** 262,809.00 **

Drawn: JPMORGAN CHASE BANK, N.A.

[Signature]

Senior Vice President
JPMorgan Chase Bank, N.A.

Do not write outside this box

Memo: _____

Trustee Certificate of Sale / Receipt

Auction
E-3868

Auction id
LA266195

Winning Bid
\$272,800.00

Bidder No.
645

General Information:

Sale Date: 2015-6-25 Sale Time: 10:15am Trustee Sale No: 15-00930 Trustee: David W. Cowles, PC

Property Address:

Address: 18911 E CANARY WAY City: QUEEN CREEK State: A Z Zip: 85142 County: Maricopa

Form 8300:

Yes No

Owner Information:

Buyer/Owner 1: Arizona Home Foreclosures Date of Birth: Driver's License ID:
 Email: Cell Phone: 602-386-8586
 Address: 7320 W Bell Rd City: Glendale State: AZ Zip: 85308
 Buyer/Owner 2: Date of Birth: Driver's License ID:
 Email: Cell Phone:
 Address: City: State: Zip:
 Deed Mailing Address: Same as Owner Same as Representative Other:

Buyer Type: Owner Occupied Investor Second Home

Representative Information:

Name: Luigi Amoroso Date of Birth: 10/8/1960 Driver's License ID: B12872105
 Email: louamoroso@aol.com Cell Phone: 602-501-0926
 Relationship to Buyer: Agent Director/Officer Manager/Member Power of Attorney Other

Vesting - Record Title as Shown: Arizona Home Foreclosures LLC

Receipt of Funds:

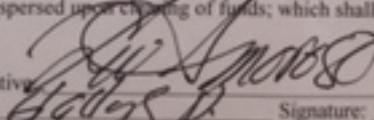
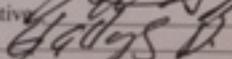
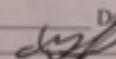
| Check No. | Financial Institution | Amount | Check No. | Financial Institution | Amount |
|-----------------|-----------------------|---------------|-----------|-----------------------|-------------|
| 6016461295 | US Bank | \$10,000.00 | | | \$ |
| Check Received | \$ 10,000.00 | Cash Received | \$0.00 | Received | \$10,000.00 |
| Amount Required | \$272,809.00 | Date | 2015-6-25 | | |

| Check No. | Financial Institution | Amount | Check No. | Financial Institution | Amount |
|----------------|-----------------------|------------------------------|-----------|-----------------------|--------------|
| 9031815001 | Chase Bank | \$262,809.00 | | | |
| Check Received | \$262,809.00 | Cash Received | \$0.00 | Final Received | \$272,809.00 |
| Total Received | \$272,809.00 | Final Payment Date 2015-6-26 | | Refund Due | pd in full |

Refund Payable To: Arizona Home Foreclosures LLC

Name: Phone:
 Address: 7320 W Bell Rd City: Glendale State: AZ Zip: 85308

Buyer's or Buyer's Representative's Signature below indicates that the above information is true and correct. **IMPORTANT NOTE:** Buyer or Buyer's Representative understands and agrees the sale of this property is on an "AS IS" basis, with no warranties express or implied. Any refund will be dispersed upon closing of funds; which shall not be less than 10 business days from the date of the auction.

Signature of Buyer/Representative:  Date: 6-26-15
 Auditor Printed Name:  Signature:  Date: 6-26-15

Simon Consulting, LLC
Arizona Corporation Commission v. DenSco Investment Corporation

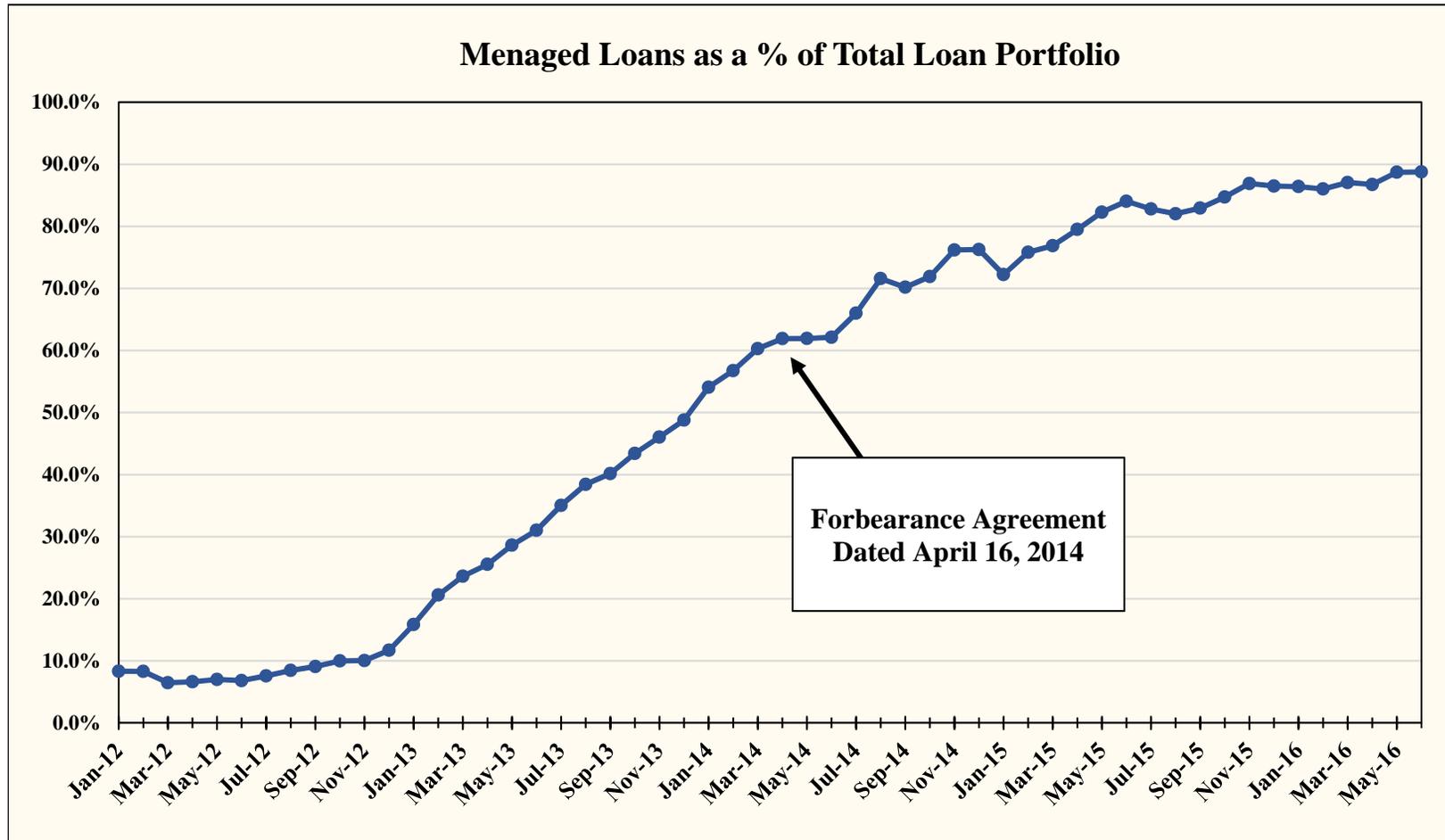
DenSco Investment Corporation
Summary of Loans to Scott Menaged by Year

| Year | New Loans | | Loan Payoffs | |
|---------------|---------------------|--------------------------|---------------------|--------------------------|
| | No. of Loans | Total Loan Amount | No. of Loans | Total Loan Amount |
| 2007 | 6 | \$ 1,064,801 | (3) | \$ (447,201) |
| 2008 | 15 | 1,921,000 | (8) | (1,317,600) |
| 2009 | 34 | 2,742,500 | (25) | (2,516,000) |
| 2010 | 45 | 3,573,300 | (31) | (2,432,500) |
| 2011 | 66 | 6,212,000 | (56) | (6,091,500) |
| 2012 | 27 | 4,304,480 | (36) | (1,800,000) |
| 2013 | 208 | 32,513,321 | (51) | (7,118,000) |
| 2014 | 908 | 212,491,012 | (947) | (196,432,307) |
| 2015 | 1,316 | 359,782,212 | (1,367) | (362,189,698) |
| 2016 | 592 | 192,014,200 | (602) | (192,326,200) |
| Total: | 3,217 | \$ 816,618,826 | (3,126) | \$ (772,671,006) |
| | | Remaining Loans: | 91 | \$ 43,947,820 |

Source:

Spreadsheet of active and closed loans maintained by Denny Chittick.

DenSco Investment Corporation
Managed Loans vs. Total Loan Portfolio



Source:
Spreadsheet of active and closed loans maintained by Denny Chittick.

Simon Consulting, LLC
Arizona Corporation Commission v. DenSco Investment Corporation

**DenSco Investment Corporation
Outstanding Loans**

| Borrower | As of Aug 18, 2016 | | As of Oct 21, 2016 | |
|-----------------------------------|---------------------------|--------------------------|---------------------------|--------------------------|
| | No. of Loans | Total Loan Amount | No. of Loans | Total Loan Amount |
| Yomtov Scott Menaged Loans | | | | |
| Arizona Home Foreclosures, LLC | 87 | \$ 42,841,640 | 87 | \$ 42,841,640 |
| Easy Investments, LLC | 3 | 706,180 | 3 | 706,180 |
| Michelle Menaged | 1 | 400,000 | 1 | 400,000 |
| Subtotal | 91 | \$ 43,947,820 | 91 | \$ 43,947,820 |
| Other Borrower Loans | | | | |
| MWM-AZ, PLLC | 6 | \$ 946,440 | 0 | \$ - |
| Black Forrest, LLC | 3 | 552,115 | 1 | 250,000 |
| Equiworth, LLC | 2 | 421,400 | 0 | - |
| Daniel Smith | 2 | 395,000 | 2 | 395,000 |
| AZ Home Buyer, LLC | 2 | 342,508 | 0 | - |
| Stone Capital Invest, LLC | 1 | 260,000 | 1 | 260,000 |
| Maryvale Properties 1, LLC | 4 | 235,000 | 4 | 235,000 |
| Rimovsky Investments, LLC | 1 | 230,000 | 1 | 230,000 |
| Opreinvest, LLC | 1 | 210,000 | 0 | - |
| Miller 401k Profit Sharing | 1 | 160,000 | 0 | - |
| AKS, LLC | 1 | 150,000 | 1 | 150,000 |
| Michael Tetreault | 1 | 128,000 | 0 | - |
| Peak Equity, LLC | 1 | 120,096 | 1 | 120,096 |
| Empire Legacy Investments | 1 | 120,000 | 1 | 120,000 |
| Kenneth Nguyen | 1 | 120,000 | 0 | - |
| Emma Holdings I, LLC | 1 | 115,476 | 1 | 115,476 |
| Aboveboard Marketing, LLC | 1 | 115,000 | 1 | 115,000 |
| Colby Holdings 1, LLC | 2 | 115,000 | 2 | 115,000 |
| Wesmore Rentals 1, LLC | 2 | 110,000 | 2 | 110,000 |
| Chevron Group, Inc | 2 | 100,000 | 2 | 100,000 |
| Omega Prop Invest, LLC | 1 | 100,000 | 1 | 100,000 |
| Blue Water Capital, LLC | 1 | 85,000 | 1 | 85,000 |
| Chopper Construction, LLC | 1 | 75,000 | 0 | - |
| Global Qwest, Inc | 1 | 75,000 | 0 | - |
| Sanjel Krum Investments | 2 | 67,500 | 0 | - |
| J and J Marketing, LLC | 1 | 50,000 | 1 | 50,000 |
| Justin Moore | 1 | 32,000 | 1 | 32,000 |
| CNT Real Estate Investments | 1 | 30,900 | 1 | 30,900 |
| KAJU, LLC | 1 | 29,000 | 0 | - |
| Robert Humburg | 1 | 25,000 | 0 | - |
| Subtotal | 47 | \$ 5,515,434 | 25 | \$ 2,613,471 |
| Grand Total | 138 | \$ 49,463,254 | 116 | \$ 46,561,291 |

Total Loans Paid Off: 22 \$ 2,901,963

Source:

Spreadsheet of active loans maintained by Denny Chittick.
Receiver's records regarding loans paid during the receivership.

**Simon Consulting, LLC
Arizona Corporation Commission v. DenSco Investment Corporation**

**DenSco Investment Corporation
Investor Balances Per QuickBooks**

| Investor | Balance | Investor | Balance |
|-----------------|----------------|------------------|----------------|
| Investor No. 1 | 5,900,000 | Investor No. 58 | 250,000 |
| Investor No. 2 | 2,864,401 | Investor No. 59 | 242,843 |
| Investor No. 3 | 2,192,528 | Investor No. 60 | 231,557 |
| Investor No. 4 | 2,055,000 | Investor No. 61 | 216,091 |
| Investor No. 5 | 1,923,548 | Investor No. 62 | 211,710 |
| Investor No. 6 | 1,631,300 | Investor No. 63 | 202,067 |
| Investor No. 7 | 1,610,020 | Investor No. 64 | 202,000 |
| Investor No. 8 | 1,528,000 | Investor No. 65 | 200,000 |
| Investor No. 9 | 1,096,453 | Investor No. 66 | 200,000 |
| Investor No. 10 | 1,029,594 | Investor No. 67 | 198,133 |
| Investor No. 11 | 1,014,905 | Investor No. 68 | 182,598 |
| Investor No. 12 | 845,000 | Investor No. 69 | 177,117 |
| Investor No. 13 | 813,816 | Investor No. 70 | 176,037 |
| Investor No. 14 | 808,000 | Investor No. 71 | 167,546 |
| Investor No. 15 | 800,000 | Investor No. 72 | 161,600 |
| Investor No. 16 | 800,000 | Investor No. 73 | 158,698 |
| Investor No. 17 | 795,000 | Investor No. 74 | 157,782 |
| Investor No. 18 | 737,953 | Investor No. 75 | 154,785 |
| Investor No. 19 | 694,855 | Investor No. 76 | 151,500 |
| Investor No. 20 | 605,633 | Investor No. 77 | 151,500 |
| Investor No. 21 | 589,127 | Investor No. 78 | 150,626 |
| Investor No. 22 | 572,706 | Investor No. 79 | 150,000 |
| Investor No. 23 | 565,668 | Investor No. 80 | 147,474 |
| Investor No. 24 | 542,781 | Investor No. 81 | 146,837 |
| Investor No. 25 | 522,153 | Investor No. 82 | 145,692 |
| Investor No. 26 | 514,684 | Investor No. 83 | 144,720 |
| Investor No. 27 | 500,000 | Investor No. 84 | 141,090 |
| Investor No. 28 | 500,000 | Investor No. 85 | 138,976 |
| Investor No. 29 | 500,000 | Investor No. 86 | 136,350 |
| Investor No. 30 | 500,000 | Investor No. 87 | 135,982 |
| Investor No. 31 | 443,076 | Investor No. 88 | 132,178 |
| Investor No. 32 | 425,482 | Investor No. 89 | 125,000 |
| Investor No. 33 | 425,482 | Investor No. 90 | 122,428 |
| Investor No. 34 | 415,693 | Investor No. 91 | 116,538 |
| Investor No. 35 | 402,691 | Investor No. 92 | 112,617 |
| Investor No. 36 | 401,476 | Investor No. 93 | 106,050 |
| Investor No. 37 | 400,000 | Investor No. 94 | 101,000 |
| Investor No. 38 | 399,442 | Investor No. 95 | 100,000 |
| Investor No. 39 | 396,807 | Investor No. 96 | 100,000 |
| Investor No. 40 | 396,216 | Investor No. 97 | 100,000 |
| Investor No. 41 | 381,227 | Investor No. 98 | 100,000 |
| Investor No. 42 | 375,982 | Investor No. 99 | 99,213 |
| Investor No. 43 | 364,900 | Investor No. 100 | 99,044 |
| Investor No. 44 | 351,449 | Investor No. 101 | 96,462 |
| Investor No. 45 | 338,955 | Investor No. 102 | 94,209 |
| Investor No. 46 | 331,260 | Investor No. 103 | 90,480 |
| Investor No. 47 | 317,696 | Investor No. 104 | 81,431 |
| Investor No. 48 | 305,956 | Investor No. 105 | 80,000 |
| Investor No. 49 | 300,000 | Investor No. 106 | 74,915 |
| Investor No. 50 | 300,000 | Investor No. 107 | 74,220 |
| Investor No. 51 | 270,495 | Investor No. 108 | 61,827 |
| Investor No. 52 | 259,737 | Investor No. 109 | 60,877 |
| Investor No. 53 | 257,170 | Investor No. 110 | 60,052 |
| Investor No. 54 | 252,500 | Investor No. 111 | 60,000 |
| Investor No. 55 | 252,500 | Investor No. 112 | 50,000 |
| Investor No. 56 | 251,746 | Investor No. 113 | 15,541 |
| Investor No. 57 | 250,930 | | |

Total Due to Investors: 51,867,387

Source:

QuickBooks Company File for DenSco Investment Corporation (these amounts have not been verified by the Receiver).