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9 **IN THE UNITED STATES BANKRUPTCY COURT**

10 **FOR THE DISTRICT OF ARIZONA**

11 In Re:

Case No. 2:16-bk-04268-PS

12 YOMTOV SCOTT MENAGED,

Chapter 7

13 Debtor.

14 PETER S. DAVIS, AS RECEIVER OF
15 DENSICO INVESTMENT
16 CORPORATION,

Adv. Case No. 2:17-ap-00116-PS

17 Plaintiff,

**VERIFIED COMPLAINT TO
DETERMINE DISCHARGEABILITY OF
DEBT**

18 vs.

19 YOMTOV SCOTT MENAGED,
20 FRANCINE MENAGED, and their marital
21 community,

22 Defendants.

23 Peter S. Davis, the court-appointed receiver of DenSco Investment Corporation ("Plaintiff" or
24 "Receiver"), by and through undersigned counsel, and for his complaint to determine the
dischargeability of debts against Yomtov Scott Menaged ("Debtor" or "Defendant"), Francine
Menaged, and their martial community (hereinafter "Defendants") complains and alleges as follows:

I. INTRODUCTION

1. The Receiver has uncovered that the Defendants have orchestrated a series of
complicated fraud schemes taking advantage of procedures and processes utilized in the purchase of
real property at Foreclosure Sales for the sole purpose of defrauding the Plaintiff of \$47,156,641.92.

2. Defendants utilized their ill-gotten gains from the various schemes to defraud the
Plaintiff to live a lavish lifestyle, support other unrelated businesses and the Defendants' family

1 members.

2 3. The direct cause of the Defendants' fraudulent schemes has rendered the Plaintiff
3 insolvent and under the control of the Receiver.

4 4. Rather than address his insolvency as a result of the fraudulent schemes perpetrated
5 upon him by the Defendants, the sole owner and operator of the Plaintiff, Denny J. Chittick
6 committed suicide on or about July 28, 2016.

7 **II. JURISDICTION, VENUE AND PARTIES**

8 5. This action is a core proceeding. This Court has jurisdiction over this proceeding
9 pursuant to 11 U.S.C. § 523 and 28 U.S.C. § 157(b)(2)(I).

10 6. This adversary is based upon both "core" a "non-core" claims. Pursuant to Rule
11 7008, Fed.R.Bankr.P., the Plaintiff expressly consents to entry of a final order or judgement by the
12 Bankruptcy Court on all non-core claims brought in this Complaint along with any claims which are
13 core claims, but over which a Bankruptcy Court does not have authority to enter a final order or
14 judgement (commonly referred to as *Stern* claims based upon *Stern v. Marshall*, 564 U.S. 462, 131
15 S. Ct. 2594 (2011) and its progeny).

16 7. Pursuant to 28 U.S.C. § 1409, venue for this action properly lies in this Court in that
17 the instant proceeding is related to the case under Title 11 of the United States Code, which is before
18 this Court.

19 8. Plaintiff is the Receiver for the DenSco Investment Corporation ("DenSco")
20 appointed pursuant to the *Order Appointing Receiver*, dated August 18, 2016 in *Arizona*
21 *Corporation Commission v. DenSco Investment Corporation* CV2016-014142. See *Order*
22 *Appointing Receiver*, attached as Exhibit A.

23 9. Pursuant to the Order Appointing Receiver, the Receiver is authorized to institute
24 actions or proceedings in state or federal courts for the collection, preservation and maintenance of
the Receivership assets.

10. The Defendant, Yomtov Scott Menaged, is the Debtor herein.

11. At all times material to the factual allegations in this Complaint, the Defendant was

1 married to Francine Menaged and all of the acts alleged by the Defendant Yomtov Scott Menaged
2 were for the benefit of the marital community of the Defendant and Francine Menaged.

3 12. The Defendants marital community benefited from the Defendant's acts.

4 13. Defendant was or is the sole owner, member and manager of a number of limited
5 liability companies and other entities, including, but not limited to, Easy Investments ("Easy")¹ and
6 Arizona Home Foreclosures, LLC ("AHF")².

7 14. The conduct alleged herein was perpetrated by the Defendant and in many cases, his
8 use of Easy and AHF.

9 15. Defendants or their agents, entities, and companies caused all actions herein.

10 16. The Defendants are residents of the State of Arizona.

11 **III. BACKGROUND AND FACTUAL ALLEGATIONS**

12 17. DenSco is an Arizona Corporation formed by Denny J. Chittick in April of 2001.

13 18. Denny J. Chittick (now deceased) was the sole owner, shareholder and operator of
14 DenSco during all times material to the transactions referenced herein.

15 19. DenSco was a "hard money lender" and its primary business was in funding "hard
16 money" loans for the purchase of real estate secured by deeds of trust.

17 20. DenSco's hard money loans were funded from monies that DenSco raised from its
18 investors. DenSco raised more than \$85 Million from its investors pursuant to a securities offering,
19 in which the investors of DenSco were essentially unsecured general creditors of DenSco.

20 21. Upon information and belief between 2007 and 2008, DenSco began a lending
21 relationship with the Defendant and loaning the Defendant monies for the purchase of residential
22 real estate through foreclosure auctions.

23 22. At all material times herein Defendant utilized two of his limited liability companies,
24 Easy and AHF to solicit loans from DenSco.

23 23. Upon information and belief, Defendant learned through his ongoing relationship

¹ See Debtor's Third Amended Schedule A/B, docket number 102.

² See Debtor's Third Amended Schedule A/B, docket number 102.

1 with DenSco that he could take advantage of DenSco's lending practices and defraud DenSco by
2 employing a series of fraudulent schemes including: 1) intentionally obtaining two (2) hard money
3 loans on a single property that the Defendant had "purchased" at a foreclosure auction by tricking
4 different hard money lenders into believing that their respective loan was going to be secured against
5 the real property in a first position, and 2) falsifying documents to trick DenSco into believing that
6 Defendant had purchased property at a foreclosure auction and that DenSco's loan was secured
7 against the related property, when in fact Defendants never purchased the property at all.

8 **A. THE FIRST FRAUD**

9 24. Starting sometime in 2011, Defendant began intentionally soliciting DenSco and
10 other unrelated hard money lenders for two hard money loans on the same subject real property that
11 the Defendant had purchased at a foreclosure auction by being the highest bidder.

12 25. When seeking loans from DenSco and the other unrelated hard money lenders, both
13 DenSco and the other unrelated hard money lenders were led to believe by Defendant that they
14 would be the sole lender on the property and their loan would be secured against the property with a
15 first position Deed of Trust.

16 26. Defendant learned that the delay in the recordation of the Foreclosure Trustees' Deed
17 to the Buyer and the lending practices of DenSco allowed Defendant the opportunity to defraud
18 DenSco and the other hard money lenders by seeking two loans on property he purchased.

19 27. Defendant learned that while other hard money lenders would deliver funds it
20 intended to lend to the Defendant directly to the Foreclosure Trustee, DenSco's lending practices
21 were to deliver loan proceeds directly to the Defendant, who was then obligated to deliver the loan
22 proceeds to the Foreclosure Trustee to finalize the Defendant's purchase.

23 28. Defendant executed multiple promissory notes, deeds of trust and other documents
24 from DenSco and the other hard money lenders with the knowledge that he was soliciting two
separate loans from two separate lenders who unbeknownst to each other believed that they were the
only lender and would be the only secured creditor in first position.

29. Defendant orchestrated this fraud of obtaining two hard money loans on hundreds of

1 residential properties with each of the respective lenders being led to believe that they were first
2 position lien holders (hereinafter this fraudulent scheme of obtaining two hard money loans on
3 hundreds of properties purchased by the Defendant will be referred to as the "First Fraud"). Some
4 examples of the First Fraud by Defendant, are as follows:

5 PROPERTY #1- GRAYHAWK PROPERTY:

6 30. On August 17, 2012, Defendant purchased 20802 North Grayhawk Drive, Unit 1076,
7 Scottsdale, AZ 85255 ("Grayhawk Property") in the name of Easy for \$274,100.00 at a trustee's
8 sale. See Trustee's Deed Upon Sale (Maricopa County recorded document no. 20120866188).

- 9 a. On August 17, 2012, Defendant sent an email to DenSco and indicated that he
10 had purchased the Grayhawk Property and requested a loan in the amount of
11 \$250,000.00. See Exhibit B-1.
- 12 b. At the same time, Defendant obtained a loan in the amount of \$264,100.00
13 from a third party lender, Active Funding Group, LLC ("Active") to purchase
14 the property. See Notice of Deed of Trust with Assignment of Rents
15 (Maricopa County recorded document no. 20120773674).
- 16 c. In response to Defendant's loan request, DenSco wired \$250,000.00 to Easy's
17 bank account on August 20, 2012.
- 18 d. However, Defendant had already used the Grayhawk Property to secure a
19 \$264,100.00 loan from Active.
- 20 e. Defendant, knowing he had obtained multiple loans against the Grayhawk
21 Property, executed and notarized a series of documents purporting to give
22 DenSco a first position lien against the Grayhawk Property including a
23 Mortgage, Deed of Trust and Promissory Note.
- 24 f. DenSco was not aware of Active's first position lien on the Grayhawk
Property when it lent Defendant \$250,000.00.
- g. Defendant did not tell DenSco that he had sought and obtained a separate loan
secured against the Grayhawk Property.

- 1 h. Given the multiple loans and liens, the Grayhawk Property was over-
2 encumbered by approximately \$144,100.00 as of August 2012 due to the
3 fraud perpetrated by Defendant.

4 PROPERTY #2-SEXTON PROPERTY

5 31. On December 27, 2012, Defendant purchased 3740 E. Sexton St., Gilbert, AZ 85295
6 ("Sexton Property") in the name of Easy for \$186,000.00 at a trustee's sale. *See* Trustee's Deed
7 Upon Sale (Maricopa County recorded document no. 20130049406).

- 8 a. On December 27, 2012, Defendant sent an email to DenSco and indicated that
9 he had purchased the Sexton Property and requested a loan in the amount of
10 \$150,000.00. *See* Exhibit B-2
11 b. At the same time, Defendant obtained a loan in the amount of \$176,000.00
12 from a third party lender, Active to purchase the property. *See* Notice of Deed
13 of Trust with Assignment of Rents (Maricopa County recorded document no.
14 20130050214).
15 c. In response to Defendant's loan request, DenSco wired \$150,000.00 to Easy's
16 bank account on December 28, 2012.
17 d. However, Defendant had already used the Sexton Property to secure a
18 \$176,000.00 loan from Active.
19 e. Defendant, knowing he had obtained multiple loans against the Sexton
20 Property, executed and notarized a series of documents purporting to give
21 DenSco a first position lien against the Sexton Property including a Mortgage,
22 Deed of Trust and Promissory Note.
23 f. DenSco was not aware of Active's first position lien on the Sexton Property
24 when it lent Defendant \$150,000.00.
 g. Defendant did not tell DenSco that he had sought and obtained a separate loan
 secured against the Sexton Property.
 h. Given the multiple loans and liens, the Sexton Property was over-encumbered

1 by approximately \$140,000.00 as of December 2012 due to the fraud
2 perpetrated by Defendant.

3 PROPERTY #3-HADLEY ST. PROPERTY

4 32. On February 13, 2013, Defendant purchased 23949 W. Hadley St., Buckeye, AZ
5 85326 ("Hadley St. Property") in the name of Easy for \$116,500.00 at a trustee's sale. *See* Trustee's
6 Deed Upon Sale (Maricopa County recorded document no. 20130781470).

- 7 a. On February 13, 2013, Defendant sent an email to DenSco and indicated that
8 he had purchased the Hadley St. Property and requested a loan in the amount
9 of \$90,000.00. *See* Exhibit B-3.
- 10 b. At the same time, Defendant obtained a loan in the amount of \$94,500.00
11 from a third party lender, Active to purchase the property. *See* Notice of Deed
12 of Trust with Assignment of Rents (Maricopa County recorded document no.
13 20130143379).
- 14 c. In response to Defendant's loan request, DenSco wired \$90,000.00 to Easy's
15 bank account on February 13, 2013.
- 16 d. However, Defendant had already used the Hadley St. Property to secure a
17 \$94,500.00 loan from Active.
- 18 e. Defendant, knowing he had obtained multiple loans against the Hadley St.
19 Property, executed and notarized a series of documents purporting to give
20 DenSco a first position lien against the Hadley St. Property including a
21 Mortgage, Deed of Trust and Promissory Note.
- 22 f. DenSco was not aware of Active's first position lien on the Hadley St.
23 Property.
- 24 g. Defendant did not tell DenSco that he had sought and obtained a separate loan
secured against the Hadley St. Property.
- h. Given the multiple loans and liens, the Hadley St. Property was over-
encumbered by approximately \$68,000.00 as of February 2013 due to the

1 fraud perpetrated by Defendant.

2 PROPERTY #4-PALM ST. PROPERTY

3 33. On May 20, 2013, Defendant purchased 2681 S. Palm St., Gilbert, AZ 85295 ("Palm
4 St. Property") in the name of Easy for \$377,000.00 at a trustee's sale. See Trustee's Deed Upon Sale
5 (Maricopa County recorded document no. 20130509883).

- 6 a. On May 20, 2013, Defendant sent an email to DenSco and indicated that he
7 had purchased the Palm St. Property and requested a loan in the amount of
8 \$300,000.00. See Exhibit B-4.
- 9 b. At the same time, Defendant obtained a loan in the amount of \$301,600.00
10 from a third party lender, Sell Wholesale Funding, LLC who then assigned it
11 to Azben Limited, LLC ("Azben") to purchase the Palm St. Property. See
12 Notice of Deed of Trust with Assignment of Rents (Maricopa County
13 recorded document no. 20130466815).
- 14 c. In response to Defendant's loan request, DenSco wired \$300,000.00 to Easy's
15 bank account on May 21, 2013.
- 16 d. However, Defendant had already used the Palm St. Property to secure a
17 \$301,600.00 loan from Azben.
- 18 e. Defendant, knowing he had obtained multiple loans against the Palm St.
19 Property, executed and notarized a series of documents purporting to give
20 DenSco a first position lien against the Palm St. Property including a
21 Mortgage, Deed of Trust and Promissory Note.
- 22 f. DenSco was not aware of Azben's first position lien on the Palm St. Property.
- 23 g. Defendant did not tell DenSco that he had sought and obtained a separate loan
24 secured against the Palm St. Property.
- h. Given the multiple loans and liens, the Palm St. Property was over-
encumbered by approximately \$224,600.00 as of May 2013, due to the fraud
perpetrated by Defendant.

PROPERTY #5-LYNX PROPERTY

34. On June 26, 2013, Defendant purchased 2968 E. Lynx Way, Gilbert, AZ 85298 ("Lynx Property") in the name of Easy for \$294,000.00 at a trustee's sale. *See* Trustee's Deed Upon Sale (Maricopa County recorded document no. 20130619750).

- a. On June 26, 2013, Defendant sent an email to DenSco and indicated that he had purchased the Lynx Property and requested a loan in the amount of \$240,000.00. *See* Exhibit B-5.
- b. At the same time, Defendant obtained a loan in the amount of \$207,000.00 from a third party lender, Active to purchase the Lynx property. *See* Notice of Deed of Trust with Assignment of Rents (Maricopa County recorded document no. 20130620044).
- c. In response to Defendant's loan request, DenSco wired \$240,000.00 to Easy's bank account on June 27, 2013.
- d. However, Defendant had already used the Lynx Property to secure a \$207,000.00 loan from Active.
- e. Defendant, knowing he had obtained multiple loans against the Lynx Property, executed and notarized a series of documents purporting to give DenSco a first position lien against the Lynx Property including a Mortgage, Deed of Trust and Promissory Note.
- f. DenSco was not aware of Active's first position lien on the Lynx Property.
- g. Defendant did not tell DenSco that he had sought and obtained a separate loan secured against the Lynx Property.
- h. Given the multiple loans and liens, the Lynx Property was over-encumbered by approximately \$153,000.00 as of June 2013, due to the fraud perpetrated by Defendant.

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PROPERTY #6-HAMMOND PROPERTY

35. On July 25, 2013, Defendant purchased 10440 W. Hammond Lane, Tolleson, AZ 85353 ("Hammond Property") in the name of Easy for \$139,500.00 at a trustee's sale. *See* Trustee's Deed Upon Sale (Maricopa County recorded document no. 20130734745).

- a. On July 25, 2013, Defendant sent an email to DenSco and indicated that he had purchased the Hammond Property and requested a loan in the amount of \$100,000.00. *See* Exhibit B-6.
- b. At the same time, Defendant obtained a loan in the amount of \$111,600.00 from a third party lender, Geared Equity, LLC ("Geared") to purchase the Hammond Property. *See* Notice of Deed of Trust with Assignment of Rents (Maricopa County recorded document no. 20130687243).
- c. In response to Defendant's loan request, DenSco wired \$100,000.00 to Easy's bank account on July 29, 2013.
- d. However, Defendant had already used the Hammond Property to secure a \$111,600.00 loan from Geared.
- e. Defendant, knowing he had obtained multiple loans against the Hammond Property, executed and notarized a series of documents purporting to give DenSco a first position lien against the Hammond Property including a Mortgage, Deed of Trust and Promissory Note.
- f. DenSco was not aware of Geared's first position lien on the Hammond Property.
- g. Defendant did not tell DenSco that he had sought and obtained a separate loan secured against the Hammond Property.
- h. Given the multiple loans and liens, the Hammond Property was over-encumbered by approximately \$72,000.00 as of July 2013, due to the fraud perpetrated by Defendant.

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PROPERTY #7-POTTER PROPERTY

36. On September 25, 2013, Defendant purchased 707 E. Potter Drive, Phoenix, AZ 85024 ("Potter Property") in the name of Easy for \$223,000.00 at a trustee's sale. *See* Trustee's Deed Upon Sale (Maricopa County recorded document no. 20150309209).

- a. On September 25, 2013, Defendant sent an email to DenSco and indicated that he had purchased the Potter Property and requested a loan in the amount of \$170,000.00. *See* Exhibit B-7.
- b. At the same time, Defendant obtained a loan in the amount of \$178,407.00 from a third party lender, Geared to purchase the Potter Property. *See* Notice of Deed of Trust with Assignment of Rents (Maricopa County recorded document no. 20130858878).
- c. In response to Defendant's loan request, DenSco wired \$170,000.00 to Easy's bank account on September 25, 2013.
- d. However, Defendant had already used the Potter Property to secure a \$178,407.00 loan from Geared.
- e. Defendant, knowing he had obtained multiple loans against the Potter Property, executed and notarized a series of documents purporting to give DenSco a first position lien against the Potter Property including a Mortgage, Deed of Trust and Promissory Note.
- f. DenSco was not aware of Geared's first position lien on the Potter Property.
- g. Defendant did not tell DenSco that he had sought and obtained a separate loan secured against the Potter Property.
- h. Given the multiple loans and liens, the Potter Property was over-encumbered by approximately \$125,407.00 as of September 2013, due to the fraud perpetrated by Defendant.

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1 PROPERTY #8-ASPEN PROPERTY

2 37. On October 03, 2013, Defendant purchased 15143 E. Aspen Dr., Fountain Hills, AZ
3 85268 ("Aspen Property") for \$261,100.00 at a trustee's sale. See Trustee's Deed Upon Sale
4 (Maricopa County recorded document no. 20130901535).

- 5 a. On October 3, 2013, Defendant sent an email to DenSco and indicated that he
6 had purchased the Aspen Property and requested a loan in the amount of
7 \$210,000.00. See Exhibit B-8.
- 8 b. At the same time, Defendant obtained a loan in the amount of \$209,000.00
9 from a third party lender, Active to purchase the property. See Notice of Deed
10 of Trust with Assignment of Rents (Maricopa County recorded document no.
11 20130884152).
- 12 c. In response to Defendant's loan request, DenSco wired \$210,000.00 to Easy's
13 bank account on October 4, 2013.
- 14 d. However, Defendant had already used the Aspen Property to secure a
15 \$209,000.00 loan from Active.
- 16 e. Defendant, knowing he had obtained multiple loans against the Aspen
17 Property, executed and notarized a series of documents purporting to give
18 DenSco a first position lien against the Aspen Property including a Mortgage,
19 Deed of Trust and Promissory Note.
- 20 f. DenSco was not aware of Active's first position lien on the Aspen Property.
- 21 g. Defendant did not tell DenSco that he had sought and obtained a separate loan
22 secured against the Aspen Property.
- 23 h. Given the multiple loans and liens, the Aspen Property was over-encumbered
24 by approximately \$157,900.00 as of October 2013, due to the fraud
perpetrated by Defendant.

38. Upon information and belief, the Defendant orchestrated the First Fraud, to defraud
DenSco by obtaining two loans from separate lenders though the use of fraud and deception, at least

one hundred and twenty six (126)³ times between 2011 and 2013.

39. In November of 2013, DenSco became aware of the First Fraud.

40. DenSco learned that the Defendant had double encumbered over a hundred properties and that Defendant had intentionally mislead DenSco to believe that DenSco was the only lender with a promissory note secured by a Deed of Trust in first position on all the subject properties.

41. Specifically, on November 27, 2013, Defendant met with Denny J. Chittick and lied to Mr. Chittick about the facts and circumstances of the First Fraud.

42. When confronted by DenSco, Defendant told Mr. Chittick that his wife had cancer and that the Defendant's "cousin" had masterminded the First Fraud while he was distracted by taking care of his sick wife.

43. When DenSco confronted the Defendant about the use of the proceeds from the First Fraud, the Defendant told DenSco that the Defendant's cousin had absconded to Israel with the proceeds wrongfully gained from the First Fraud.

44. Upon information and belief, Denny J. Chittick died in 2016 never knowing that Defendant had lied about the true nature of the First Fraud and that Defendant made up the false story that the "cousin" had misappropriated the DenSco funds.

45. Defendant admitted that he devised, facilitated, and operated the First Fraud and utilized the proceeds from the First Fraud for other purposes, including repayment of other DenSco loans, living expenses, gambling and the acquisition of personal assets.

46. Defendant admitted that DenSco had no knowledge that it could be in second position on any loans that were solicited by Defendant during the First Fraud.

B. THE FORBEARANCE AGREEMENT

47. Between November 2013 and April 2014, DenSco and Defendant sorted through all of the properties double encumbered by DenSco and other lenders as a result of the Defendants' actions in the operation of the First Fraud.

³To keep the page size of this complaint reasonable, the Plaintiff provided examples of 8 of the 126 transactions that give rise to the First Fraud.

1 48. The Defendant concocted a resolution of the First Fraud by entering into a
2 Forbearance Agreement (and the related, attached, incorporated, amended and additional documents
3 incorporated into the Forbearance Agreement therein) with DenSco. *See* Exhibit C.

4 49. Pursuant to the Forbearance Agreement, the Defendant, at the time of the Forbearance
5 Agreement, was indebted to DenSco in the amount of \$37,420,120.47⁴. *See* Forbearance
6 Agreement, page 3 (ACC000237), paragraph 1.

7 50. As set forth in the Forbearance Agreement, Defendant admitted that certain properties
8 were used as security for one or more loans from one or more other lenders and that DenSco may not
9 be in first position on each respective property. *See* Forbearance Agreement, page 2 (ACC000236),
paragraph G.

10 51. As set forth in the Forbearance Agreement, Defendant guaranteed the repayment of
11 \$37,420,120.47 to DenSco. *See* Forbearance Agreement, page 3 (ACC000237), paragraph 1.

12 52. As set forth in the Forbearance Agreement, Defendant agreed to liquidate his other
13 assets, which he represented to be valued at approximately \$4 to \$5 Million Dollars, use rental
14 income from his properties and other means to pay the sum due under the Forbearance Agreement.
See Forbearance Agreement, page 4 (ACC00238), paragraph 6(A).

15 53. As set forth in the Forbearance Agreement, Defendant agreed to obtain outside
16 financing and deliver \$4.2 Million Dollars to DenSco by September 15, 2014. *See* Forbearance
17 Agreement, page 5 (ACC000239), paragraph F.

18 54. DenSco's books and records report two unsecured receivables currently due from
19 Defendant from the First Fraud: a balance of \$15,519,078.48 under the Forbearance Agreement and
20 another \$1,133,012.11 classified as "Work Out 1 Million".

21 55. A total of \$16,652,090.59 is due from the Defendant under the Forbearance
22 Agreement as of the Petition Date.

23 56. The Defendant acknowledges the debt owed under the Forbearance Agreement on his
24

⁴ However, the Defendant originally, purposefully, concealed the debt to DenSco under the Forbearance Agreement from his Bankruptcy Schedules. *See* Original Schedule F filed on April 20, 2016, docket number 10.

1 Amended Schedule E/F. *See* Amended Schedule E/F filed at Docket 94, page 26 of 56.

2 57. Upon information and belief, Defendant Francine Menaged was aware of the
3 Forbearance Agreement and the First Fraud as she executed certain documents in support of the
4 Forbearance Agreement including a detailed representation and disclaimer agreement.

5 58. Defendant also issued promissory notes and deeds of trust securing such in
6 Defendant's related real properties: Michelle Menaged- 9103 E. Charter Oak Dr., Scottsdale, AZ
7 85260; Easy Investments- 1605 W. Winter Dr., Phoenix, AZ 85021; Easy Investments- 9555 E.
8 Raintree Dr. #1004, Scottsdale, AZ 85260; and Jess Menaged- 9555 E. Raintree Dr., #1020,
9 Scottsdale, AZ 85260 ("Promissory Notes") for \$2,382,251.33.

10 **C. THE SECOND FRAUD**

11 59. Upon information and belief, due to the massive amounts of money that were owed to
12 DenSco by Defendant under the Forbearance Agreement, DenSco and Defendant continued to do
13 business together with DenSco agreeing to continue funding hard money loans to Defendant for the
14 purchase of real estate from foreclosure auctions.

15 60. However, after the discovery of the First Fraud, DenSco and Defendant altered their
16 business practices for all future loans from DenSco to Defendant.

17 61. Starting in January 2014, loans between DenSco and Defendant required that
18 Defendant provide DenSco with copies of the specific cashier's checks, issued by the Defendant's
19 bank to the respective foreclosure trustee, as well as copies of the receipts received by Defendant
20 from the foreclosure trustee for the purchase of a property by Defendant at a trustee's sale.

21 62. DenSco's requirement that Defendant provides to DenSco the evidence that the
22 Defendant had purchased the underlying real property (by providing a copy of the cashier's check
23 used by Defendant to purchase the property and obtain a copy of the receipt that the Defendant
24 received from the foreclosure trustee) was a direct result of Defendant's fraudulent actions which
gave rise to the First Fraud.

63. Under the new lending practices, Defendant obtained a total of 2,712 loans from
DenSco between January 2014 and June 2016.

1 64. However, the Plaintiff has determined that only 96 of these loans were secured by the
2 actual purchase of real estate at a trustees' sale or otherwise.

3 65. The Defendant engaged in a systematic and comprehensive scheme to defraud
4 DenSco for a second time through the use and creation of falsified checks, deeds, contracts and
5 receipts related to the purported purchase of real property at trustee a sale (the "Second Fraud").

6 66. The Plaintiff has determined that despite the new requirement that Defendant was to
7 provide DenSco with evidence of each cashier's check and receipt confirming each purchase,
8 Defendant caused the issuance of cashier's checks that Defendant never intended to use for the
9 purchase of properties and intentionally falsified trustee's sale receipts purporting to evidence the
purchase of properties that never happened.

10 67. The Second Fraud is sophisticated in that Defendant obtained cashier's checks from
11 his bank to make it appear that he was actually using the DenSco loan proceeds to purchase property
12 from a foreclosure trustee, when in fact, Defendant obtained the cashier's check for the sole purpose
13 of simply taking a picture of the cashier's check to send to DenSco to make it appear that the
DenSco funds were being used to purchase real property.

14 68. Upon information and belief, in furtherance of the Second Fraud, the Defendant
15 identified the address of the property that Defendant had falsely represented to DenSco was
16 purchased on each of the cashier's checks.

17 69. In furtherance of the Second Fraud, Defendant executed, notarized and provided to
18 DenSco a series of documents purporting to give DenSco a first position lien against the property
19 that Defendant had falsely represented to DenSco was purchased by Defendant, including a
Mortgage, Deed of Trust and Promissory Note.

20 70. The Second Fraud is sophisticated in that Defendant falsified hundreds of receipts
21 from foreclosure trustees in an effort to confirm that the Defendant actually purchased the property
22 at the foreclosure sale.

23 71. The Defendant skillfully created fraudulent receipts from different companies,
24 foreclosure trustees, law firms and other organizations for the sole purpose of convincing DenSco

1 that it used the DenSco funds to purchase real property.

2 72. The Defendant was extremely diligent and detailed in the creation of the false
3 receipts, as he was careful to ensure the check number from the cashier's check that was obtained
4 matched the number of the cashier's check on the receipt.

5 73. The Defendant caused each of the fraudulent receipts to be signed by not only the
6 purported foreclosure trustee, but also one of his agents, typically Luigi Amoroso.

7 74. Each individual fraudulent receipt was intricately prepared by Defendant for the sole
8 purpose to defraud DenSco and trick DenSco into believing that Defendant had actually used
9 DenSco's funds for the purchase of real property, when in fact, Defendant simply utilized DenSco's
10 funds for his own purposes. Some examples of the Second Fraud, as operated by Defendant, are as
11 follows:

12 #1. FRAUDULENT LOAN FOR 1207 EAST MARCO POLO ROAD, PHOENIX, AZ

13 75. On December 9, 2014, Defendant e-mailed DenSco identifying that he needed a loan
14 to complete the purchase of three properties that he purportedly purchased at a foreclosure sale
15 including a loan request for \$147,000.00 to purchase 1207 East Marco Polo Road, Phoenix, AZ
16 ("Marco Polo Property"). See Exhibit D-1.

17 76. In his loan request, Defendant provided DenSco with the recording information for
18 the purported foreclosure/trustee sale where Defendant allegedly purchased the Marco Polo
19 Property. See Exhibit D-1.

20 77. On December 9, 2014, in response to the Defendant's loan request, DenSco wire
21 transferred \$1,309,200.00 to the Defendant, including \$147,300.00 to fund Defendant's alleged
22 purchase of the Marco Polo Property.

23 78. On December 10, 2014, Defendant signed and provided to DenSco an executed and
24 notarized Mortgage, Deed of Trust and Promissory Note purporting to secure DenSco's loan against
the Marco Polo Property. The Mortgage was recorded by DenSco at Maricopa County Recorder
number 20140811246. See Exhibit D-1.

79. Defendant sent a photograph of cashier's check, number 9018122689 to DenSco.

1 This photograph shows a cashier's check made payable to Auction.com LLC and specifically
2 identifies it as "DenSco Payment 1207 East Marco Polo Rd" and is in the amount of \$137,309.00.
3 See Exhibit D-1.

4 80. On the next day, Defendant provided to DenSco a picture of a "Trustee Certificate of
5 Sale/Receipt" ("Fake Receipt") purporting to evidence the sale of the Marco Polo Property to the
6 Defendant.

7 81. The Fake Receipt was created by the Defendant, or at the direction of the Defendant,
8 for the sole purpose to defraud DenSco and make it appear that the Defendant had purchased the
9 Marco Polo Property.

10 82. The Fake Receipt contains information that one would expect to see on a receipt from
11 a foreclosure trustee, including the address of the Marco Polo Property, that cashier's check number
12 9018122689 was received by the trustee and the Fake Receipt is even signed by Luigi Amoroso and
13 allegedly a representative of the trustee in an effort to add to its authenticity.

14 83. Despite the false representations of Defendant that it purchased the Marco Polo
15 Property, the foreclosure sale never took place and on February 4, 2015, Trustee David W. Cowles
16 filed a Cancellation of Trustee Sale. See Recorder number 20150072452.

17 #2. FRAUDULENT LOAN FOR 7835 EAST MACKENZIE DRIVE, SCOTTSDALE, AZ

18 84. On December 9, 2014, Defendant e-mailed DenSco identifying that he needed a loan
19 to complete the purchase of three properties that he purportedly purchased at a foreclosure sale
20 including a loan request for \$267,100.00 to purchase 7835 East Mackenzie Drive, Scottsdale, AZ
21 ("Mackenzie Drive Property"). See Exhibit D-2.

22 85. In his loan request, Defendant provided DenSco with the recording information for
23 the purported foreclosure/trustee sale where Defendant allegedly purchased the Mackenzie Drive
24 Property. See Exhibit D-2.

86. On December 9, 2014, in response to the Defendant's loan request, DenSco wire
transferred \$1,309,200.00 to the Defendant, including \$267,100.00 to fund Defendant's alleged
purchase of the Mackenzie Drive Property.

1 87. On December 10, 2014, Defendant signed and provided to DenSco an executed and
2 notarized Mortgage, Deed of Trust and Promissory Note purporting to secure DenSco's loan against
3 the Mackenzie Drive Property. The Mortgage was recorded by DenSco at Maricopa County
4 Recorder number 20140811247. *See* Exhibit D-2.

5 88. Defendant sent a photograph of cashier's check, number 9018122690 to DenSco.
6 This photograph shows a cashier's check made payable to Auction.com LLC and specifically
7 identifies it as "DenSco Payment 7835 Mackenzie" and is in the amount of \$257,109.00. *See*
8 Exhibit D-2.

9 89. On the next day, Defendant provided to DenSco a picture of a "Trustee Certificate of
10 Sale/Receipt" purporting to evidence the sale of the Mackenzie Drive Property to the Defendant.
11 This was another Fake Receipt.

12 90. The Fake Receipt was created by the Defendant, or at the direction of the Defendant,
13 for the sole purpose to defraud DenSco and make it appear that the Defendant had purchased the
14 Mackenzie Drive Property.

15 91. The Fake Receipt contains information that one would expect to see on a receipt from
16 a foreclosure trustee, including the address of the Mackenzie Drive Property, that cashier's check
17 number 9018122690 was received by the trustee and the Fake Receipt is even signed by Luigi
18 Amoroso and a representative of the trustee in an effort to add to its authenticity.

19 92. Despite the false representations of Defendant that it purchased the Mackenzie Drive
20 Property, the foreclosure sale never took place and on February 10, 2015, Trustee David W. Cowles
21 filed a Cancellation of Trustee Sale. *See* Maricopa County Recorder number 20150085661.

22 #3. FRAUDULENT LOAN FOR 9532 WEST AVENIDA DEL SOL, PEORIA, AZ

23 93. On August 15, 2014, Defendant e-mailed DenSco identifying that he needed a loan to
24 complete the purchase of four properties that he purportedly purchased at a foreclosure sale
including a loan request for \$271,400.00 to purchase 95323 W. Avenida Del Sol, Peoria, AZ
("Avenida Property"). *See* Exhibit D-3.

 94. In his loan request, Defendant provided DenSco with the recording information for

1 the purported foreclosure/trustee sale where Defendant allegedly purchased the Avenida Property.
2 See Exhibit D-3.

3 95. On August 18, 2014, in response to the Defendant's loan request, DenSco wire
4 transferred \$896,900.00 to the Defendant, including \$271,400.00 to fund Defendant's alleged
5 purchase of the Avenida Property.

6 96. On August 18, 2014, Defendant signed and provided to DenSco an executed and
7 notarized Mortgage, Deed of Trust and Promissory Note purporting to secure DenSco's loan against
8 the Avenida Property. The Mortgage was recorded by DenSco at Maricopa County Recorder
number 20140542817. See Exhibit D-3.

9 97. Defendant sent a photograph of cashier's check, number 901812XXX⁵ dated August
10 18, 2014 to DenSco. This photograph shows a cashier's check made payable to David W. Cowles,
11 Trustee and specifically identifies it as "DenSco Payment 9532 W. Avenida Del Sol" and is in the
12 amount of \$261,409.00. See Exhibit D-3.

13 98. On the next day, Defendant provided to DenSco a picture of a Receipt (another Fake
14 Receipt) purporting to evidence the sale of the Avenida Property to the Defendant.

15 99. The Fake Receipt was created by the Defendant, or at the direction of the Defendant,
16 for the sole purpose to defraud DenSco and make it appear that the Defendant had purchased the
Avenida Property.

17 100. The Fake Receipt contains information that one would expect to see on a receipt from
18 a foreclosure trustee, including the address of the Avenida Property and it purports to be on the
19 letterhead of the Law Firm of Tiffany and Bosco P.A.

20 101. The Fake Receipt is purportedly signed by an employee of Tiffany and Bosco P.A in
an effort to add to its authenticity.

21 102. Tiffany and Bosco P.A. reviewed the Fake Receipt and have advised it is fake and
22 never produced by its law firm or any of its employees.

23
24 ⁵ The last few digits on this cashier's check are not visible in the picture sent by Defendant to DenSco.

103. Despite the false representations of Defendant that it purchased the Avendia Property, the foreclosure sale never took place and on September 19, 2014, Trustee David W. Cowles filed a Cancellation of Trustee Sale. *See* Recording number 2014622557.

#4. FRAUDULENT LOAN FOR 9029 EAST MCDOWELL ROAD, MESA, AZ

104. On January 28, 2015, Defendant e-mailed DenSco identifying that he needed a loan to complete the purchase of five properties that he purportedly purchased at a foreclosure sale including a loan request for \$509,600.00 to purchase 9029 E. McDowell Road, Mesa ("McDowell Property"). *See* Exhibit D-4.

105. In his loan request, Defendant provided DenSco with the recording information for the purported foreclosure/trustee sale where Defendant allegedly purchased the McDowell Property. *See* Exhibit D-4.

106. On January 29, 2015, in response to the Defendant's loan request, DenSco wire transferred \$1,244,800.00 to the Defendant, including \$509,600.00 to fund Defendant's alleged purchase of the McDowell Property.

107. On January 29, 2015, Defendant signed and provided to DenSco an executed and notarized Mortgage, Deed of Trust and Promissory Note purporting to secure DenSco's loan against the McDowell Property. The Mortgage was recorded by DenSco at Maricopa County Recorder number 20150058659. *See* Exhibit D-4.

108. Defendant sent a photograph of cashier's check, number 9018123303 dated January 29, 2015 to DenSco. This photograph shows a cashier's check made payable to "Trustee Corps." and specifically identifies it as "DenSco Payment 9029 E. McDowell Rd" and is in the amount of \$499,610.00. *See* Exhibit D-4.

109. On the next day, Defendant provided to DenSco a picture of another fake Receipt purporting to evidence the sale of the McDowell Property to the Defendant.

110. The Fake Receipt was created by the Defendant, or at the direction of the Defendant, for the sole purpose to defraud DenSco and make it appear that the Defendant had purchased the McDowell Property.

111. The Fake Receipt contains information that one would expect to see on a receipt from a foreclosure trustee, including the address of the McDowell Property, that cashier's check number 9018123303 was received by the Trustee and the Fake Receipt is even signed and dated by Luigi Amoroso and a representative of the Trustee in an effort to add to its authenticity

112. Despite the false representations of Defendant that it purchased the McDowell Property, the foreclosure sale never took place and on October 9, 2013, nearly two years before the alleged trustee sale was conducted where the Defendant purchased the McDowell Property, Trustee MTC Financial Inc., dba Trustee Corps filed a Cancellation of Trustee Sale. *See* Maricopa County Recorder number 20130901609.

#5. FRAUDULENT LOAN FOR 18626 EAST PURPLE SAGE DRIVE, QUEEN CREEK, AZ

113. On June 24, 2015, Defendant e-mailed DenSco identifying that he needed a loan to complete the purchase of seven properties that he purportedly purchased at a foreclosure sale including a loan request for \$304,500.00 to purchase 18626 East Purple Sage Drive, Queen Creek, AZ ("Purple Sage Property"). *See* Exhibit D-5.

114. In his loan request, Defendant provided DenSco with the recording information for the purported foreclosure/trustee sale where Defendant allegedly purchased the Purple Sage Property. *See* Exhibit D-5.

115. On June 25, 2015, in response to the Defendant's loan request, DenSco wire transferred \$1,634,800.00 to the Defendant, including \$304,500.00 to fund Defendant's alleged purchase of the Purple Sage Property.

116. On June 25, 2015, Defendant signed and provided to DenSco an executed and notarized Mortgage, Deed of Trust and Promissory Note purporting to secure DenSco's loan against the Purple Sage Property. The Mortgage was recorded by DenSco at Maricopa County Recorder number 20150454537. *See* Exhibit D-5.

117. Defendant sent a photograph of cashier's check, number 9031814078 dated June 24, 2015 to DenSco. This photograph shows a cashier's check made payable to "David W. Cowles, Trustee." and specifically identifies it as "DenSco Payment 18626 East Purple Sage Drive" and is in

1 the amount of \$294,509.00. *See* Exhibit D-5.

2 118. On the next day, Defendant provided to DenSco a picture of a "Trustee Certificate of
3 Sale/Receipt", yet again another fake receipt, purporting to evidence the sale of the Purple Sage
4 Property to the Defendant.

5 119. The Fake Receipt was created by the Defendant, or at the direction of the Defendant,
6 for the sole purpose to defraud DenSco and make it appear that the Defendant had purchased the
7 Purple Sage Property.

8 120. The Fake Receipt contains information that one would expect to see on a receipt from
9 a foreclosure trustee, including the address of the Purple Sage Property, that cashier's check number
10 9031814078 was received by the Trustee and the Fake Receipt is even signed and dated by Luigi
11 Amoroso and a representative of the Trustee in an effort to add to its authenticity.

12 121. Moreover, in an effort to add to its authenticity, the Fake Receipt is stamped by
13 "Auction.com for Tiffany and Bosco PA" with an address in Newport Beach California.

14 122. Despite the false representations of Defendant that it purchased the Purple Sage
15 Property, the foreclosure sale never took place and on August 5, 2015, Trustee David W. Cowles
16 filed a Cancellation of Trustee Sale. *See* Maricopa County Recorder number 20150579092.

17 #6. FRAUDULENT LOAN FOR 14034 NORTH 44TH PLACE, PHOENIX, AZ

18 123. On June 29, 2015, Defendant's assistant, Veronica Castro, e-mailed DenSco⁶
19 identifying that the Defendant needed a loan to complete the purchase of six properties that he
20 purportedly purchased at a foreclosure sale including a loan request for \$287,100.00 to purchase
21 14034 North 44th Place, Phoenix, AZ ("North 44th Place Property"). *See* Exhibit D-6.

22 124. In his loan request, Defendant provided DenSco with the recording information for
23 the purported foreclosure/trustee sale where Defendant allegedly purchased the North 44th Place.
24 *See* Exhibit D-6.

125. On June 30, 2015, in response to the Defendant's loan request, DenSco wire

⁶ This e-mail was also sent to the Defendant on June 29, 2015.

1 transferred \$1,502,000.00 to the Defendant, including \$287,100.00 to fund Defendant's alleged
2 purchase of the North 44th Place Property.

3 126. On June 30, 2015, Defendant signed and provided to DenSco an executed and
4 notarized Mortgage, Deed of Trust and Promissory Note purporting to secure DenSco's loan against
5 the North 44th Place Property. The Mortgage was recorded by DenSco at Maricopa County
6 Recorder number 20150470141. *See* Exhibit D-6.

7 127. Defendant sent a photograph of cashier's check, number 9031815052 dated June 29,
8 2015 to DenSco. This photograph shows a cashier's check made payable to "FATSS" and
9 specifically identifies it as "DenSco Payment 14034 North 44th Pl" and is in the amount of
\$277,100.00. *See* Exhibit D-6.

10 128. On the next day, Defendant provided to DenSco a picture of a "3rd Party Trustee Sale
11 Instruction & Receipt", Fake Receipt, purporting to evidence the sale of the North 44th Place
12 Property to the Defendant.

13 129. The Fake Receipt was created by the Defendant, or at the direction of the Defendant,
14 for the sole purpose to defraud DenSco and make it appear that the Defendant had purchased the
North 44th Place Property.

15 130. The Fake Receipt contains information that one would expect to see on a receipt from
16 a foreclosure trustee, including the address of the North 44th Place Property, that cashier's check
17 number 9031815052 was received by the Trustee and the Fake Receipt is even signed and dated by
18 Luigi Amoroso and a representative of the Trustee in an effort to add to its authenticity.

19 131. Despite the false representations of Defendant that it purchased the North 44th Place
20 Property, the foreclosure sale never took place and on December 18, 2015, First American Title
21 Company filed a Cancellation of Trustee Sale. *See* Maricopa County Recorder number
20150212767.

22 132. Upon information and belief, the Defendant perpetrated the Second Fraud upon
23 DenSco between January 2014 and June 2016.

24 133. During this time period, Defendant solicited and DenSco funded a total of two-

1 thousand, seven hundred and twelve (2,712) loans.

2 134. The Receiver has determined that of these 2,712 loans only ninety-six were secured
3 by the actual purchase of real property by the Defendant.

4 135. DenSco lent Defendant a total of \$15,001,843.42 for the 96 loans that were secured
5 against real property purchased by the Defendants.

6 136. The Receiver has determined that the other 2,616 loans⁷ made to Defendant by
7 DenSco were not secured by any real property, because Defendant never purchased the underlying
8 property, despite representations that the Defendant had done so.

9 137. The Defendant admitted in his 2004 examination that the Fake Receipt listed in each
10 of the above 6 properties, as well as the receipts for all of the other properties not actually purchased,
11 was not a legitimate receipt. *See* Exhibit D-7, Excerpt from Scott Menaged's 2004 Examination,
12 page 224, lines 24-25, page 225, lines 1-9 (Q= Defendant's Counsel, A= Defendant).

13 138. The Receiver has determined that a total of \$734,484,440.67 was lent to Defendant as
14 a result of Defendant's operation of the Second Fraud.

15 139. Defendant intentionally concealed his embezzlement, and diversion of DenSco funds,
16 and made misrepresentations regarding the business transactions, purchases and liens, to obtain and
17 cover up his embezzlement and defalcation of DenSco funds through the use of false pretenses.

18 140. As a result of the Second Fraud, DenSco is an unsecured creditor and the Debtor has
19 provided DenSco a series of unsecured promissory notes obtained under false pretenses.

20 141. DenSco, unbeknownst to it, and outside of the scope of the business dealings with the
21 Defendant, was now an unsecured creditor of the Defendant.

22 142. The balance owed by the Defendant to DenSco under the terms of the unsecured
23 promissory notes is \$30,504,551.33 ("Promissory Note Balance"). *See* Exhibit E.

24

⁷ To keep the page size of this complaint reasonable, the Plaintiff provided examples of only 6 of the 2,616 transactions that give rise to the Second Fraud.

1 **D. THE THIRD FRAUD**

2 143. On April 20, 2016, the Defendant filed a Voluntary Petition under Chapter 7 of the
3 United States Bankruptcy Code ("Petition Date").

4 144. Despite the requirement under penalty of perjury to disclose all of your creditors, the
5 Debtor's statements and schedules failed to list DenSco as a creditor, and therefore DenSco was not
6 notified of the bankruptcy.

7 145. Sometime in June 2016, DenSco discovered that the Defendant had filed bankruptcy
8 and began to investigate its open loans to Defendant.

9 146. Denny Chittick confronted the Defendant about lack of security interests in real estate
10 despite hundreds of executed notes and deeds of trust and the Defendant conceded there were no
11 security interests in the properties.

12 147. Instead of telling DenSco the truth about the Second Fraud, the Defendant made a
13 series of misrepresentations to DenSco designed to keep DenSco from taking action against
14 Defendant.

15 148. In a conversation, recorded by Denny Chittick before he committed suicide, the
16 Defendant told Mr. Chittick that he did not misappropriate any money from DenSco, but all of the
17 DenSco funds were being held by a foreclosure trustee company called Auction.com. *See Exhibit*
18 *F-1 - [excerpts from Transcript of Recorded Conversation Denny Chittick and Yomtov Scott*
19 *Menaged ("Conversation Transcript")]*, page 97, lines 2-24.

20 149. Specifically, perpetuating the Second Fraud, Defendant told Denny Chittick that there
21 was \$31.8 Million held by foreclosure trustee Auction.com. *See Exhibit F-2 - Conversation*
22 *Transcript, page 102, lines 17-21.*

23 150. The Defendant admitted to Denny Chittick that he had destroyed all of his records of
24 the Fake Receipts, and that he would never testify that the \$31.8 Million existed or was being held
25 by Auction.com. *See Exhibit F-3 – Conversation Transcript, page 86, lines 3-25, continued to page*
26 *87, lines 1-3.*

 151. The Defendant admitted to Denny Chittick that he undertook affirmative steps to

1 conceal his embezzlement, and diversion of DenSco funds. The Defendant admitted that the Fake
2 Receipts evidencing the purported sales were not available as they were created on Veronica
3 Castro's computer and the computer was now "gone". See Exhibit F-4 - excerpts from Conversation
4 Transcript, page 91, lines 7-11.

5 152. The Defendant told Denny Chittick that the outstanding sum due to DenSco would be
6 repaid by funds currently held with Auction.com and after the Bankruptcy Case was over and the
7 Defendant intended to wire the money overseas and "incorporate" himself, and then "start taking
8 cash from there every [expletive] day, every day". See Exhibit F-5 - Conversation Transcript, page
9 97, lines 2-24.

10 153. The Defendant told Denny Chittick that he believed the DenSco funds are "sitting in a
11 trust account, not in the name of auction.com." See Exhibit F-6 - Conversation Transcript, page 40,
12 lines 10-25.

13 154. The Defendant told Mr. Chittick that he would never "talk" about all of the DenSco
14 money at auction.com because it would result in him going to prison. See Exhibit F-7 -
15 Conversation Transcript, page 27, lines 16-25.

16 155. During his 2004 exam, the Defendant testified that no money was held at Auction.com
17 for the benefit of DenSco and that he lied to Denny J. Chittick about the money being held at
18 Auction.com.

19 156. According to the Defendant, DenSco is an unsecured creditor of the Debtor. See
20 Amended Schedules, docket #94.

21 157. Defendant's conduct with respect to DenSco, as alleged herein, was willful and
22 malicious and intended to cause injury and harm.

23 158. DenSco is entitled to a judgment that declares and determines that its claims against
24 the Defendants, and the Defendants' debts and liabilities owed to DenSco, are not dischargeable in
this bankruptcy case.

COUNT I - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))

159. Plaintiff incorporates by reference all of the allegations contained in the preceding

1 paragraphs as more fully set forth herein.

2 160. To obtain a determination that a debt is nondischargeable under Section 523(a)(2) of
3 the Bankruptcy Code, the creditor must prove the following elements:

- 4 a. The Debtor made a misrepresentation;
5 b. The Debtor knew the misrepresentation was false at the time it was made;
6 c. The representation was deliberately made for the purpose of deceiving the
7 creditor;
8 d. The creditor justifiably relied on the representation; and
9 e. The creditor sustained a loss or damages as a proximate result of the
representation being made.

10 161. At the time of First Fraud, the information provided by Defendant that DenSco was in
11 first position on the properties was materially false and DenSco relied on such information.

12 162. The Defendant made a misrepresentation to DenSco that it held or would hold a first
13 position lien against the property.

14 163. The Defendant knew DenSco was not a first position lien holder.

15 164. The Defendant lied to DenSco to obtain funds.

16 165. DenSco relied on the Defendant's statements.

17 166. DenSco sustained substantial financial loss of at least \$16,652,090.59 by not being in
a first security position.

18 167. The Defendants' actions require that the Defendants' debt to Receiver be found
19 nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

20 **COUNT I(A)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))**

21 168. Plaintiff incorporates by reference all of the allegations contained in the preceding
22 paragraphs as more fully set forth herein.

23 169. At the time of purchase of the Grayhawk Property, the information provided by
24 Defendant that DenSco was a first position lien holder on the property was materially false and
DenSco relied on such information.

1 170. The Defendant made a misrepresentation to DenSco that it held or would hold a first
2 position lien against the Grayhawk Property.

3 171. The Defendant knew DenSco was not a first position lien holder given its dealings
4 with Active.

5 172. The Defendant lied to DenSco to obtain funds.

6 173. DenSco relied on the Defendant's statements.

7 174. DenSco sustained substantial financial loss by not being in first security position
8 against the Grayhawk Property.

9 175. The Defendants' actions require that the Defendants' debt to Receiver be found
10 nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

11 **COUNT I(B)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))**

12 176. Plaintiff incorporates by reference all of the allegations contained in the preceding
13 paragraphs as more fully set forth herein.

14 177. At the time of purchase of the Sexton Property, the information provided by
15 Defendant that DenSco was a first position lien holder on the property was materially false and
16 DenSco relied on such information.

17 178. The Defendant made a misrepresentation to DenSco that it held or would hold a first
18 position lien against the Sexton Property.

19 179. The Defendant knew DenSco was not a first position lien holder given its dealings
20 with Active.

21 180. The Defendant lied to DenSco to obtain funds.

22 181. DenSco relied on the Defendant's statements.

23 182. DenSco sustained substantial financial loss by not being in first security position
24 against the Sexton Property.

 183. The Defendants' actions require that the Defendants' debt to Receiver be found
nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

COUNT I(C)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))

184. Plaintiff incorporates by reference all of the allegations contained in the preceding paragraphs as more fully set forth herein.

185. At the time of purchase of the Hadley Property, the information provided by Defendant that DenSco was a first position lien holder on the property was materially false and DenSco relied on such information.

186. The Defendant made a misrepresentation to DenSco that it held or would hold a first position lien against the Hadley Property.

187. The Defendant knew DenSco was not a first position lien holder given its dealings with Active.

188. The Defendant lied to DenSco to obtain funds.

189. DenSco relied on the Defendant's statements.

190. DenSco sustained substantial financial loss by not being in first security position against the Hadley Property.

191. The Defendants' actions require that the Defendants' debt to Receiver be found nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

COUNT I(D)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))

192. Plaintiff incorporates by reference all of the allegations contained in the preceding paragraphs as more fully set forth herein.

193. At the time purchase of the Palm St. Property, the information provided by Defendant that DenSco was a first position lien holder on the property was materially false and DenSco relied on such information.

194. The Defendant made a misrepresentation to DenSco that it held or would hold a first position lien against the Palm St. Property.

195. The Defendant knew DenSco was not a first position lien holder given its dealings with Azben.

196. The Defendant lied to DenSco to obtain funds.

1 197. DenSco relied on the Defendant's statements.

2 198. DenSco sustained substantial financial loss by not being in first security position
3 against the Palm St. Property.

4 199. The Defendants' actions require that the Defendants' debt to Receiver be found
5 nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

6 **COUNT I(E)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))**

7 200. Plaintiff incorporates by reference all of the allegations contained in the preceding
8 paragraphs as more fully set forth herein.

9 201. At the time purchase of the Lynx Property, the information provided by Defendant
10 that DenSco was a first position lien holder on the property was materially false and DenSco relied
11 on such information.

12 202. The Defendant made a misrepresentation to DenSco that it held or would hold a first
13 position lien against the Lynx Property.

14 203. The Defendant knew DenSco was not a first position lien holder given its dealings
15 with Active.

16 204. The Defendant lied to DenSco to obtain funds.

17 205. DenSco relied on the Defendant's statements.

18 206. DenSco sustained substantial financial loss by not being in first security position
19 against the Lynx Property.

20 207. The Defendants' actions require that the Defendant s' debt to Receiver be found
21 nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

22 **COUNT I(F)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))**

23 208. Plaintiff incorporates by reference all of the allegations contained in the preceding
24 paragraphs as more fully set forth herein.

209. At the time purchase of the Hammond Property, the information provided by
Defendant that DenSco was a first position lien holder on the property was materially false and
DenSco relied on such information.

1 210. The Defendant made a misrepresentation to DenSco that it held or would hold a first
2 position lien against the Hammond Property.

3 211. The Defendant knew DenSco was not a first position lien holder given its dealings
4 with Geared.

5 212. The Defendant lied to DenSco to obtain funds.

6 213. DenSco relied on the Defendant's statements.

7 214. DenSco sustained substantial financial loss by not being in first security position
8 against the Hammond Property.

9 215. The Defendants' actions require that the Defendants' debt to Receiver be found
10 nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

11 **COUNT I(G)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))**

12 216. Plaintiff incorporates by reference all of the allegations contained in the preceding
13 paragraphs as more fully set forth herein.

14 217. At the time purchase of the Potter Property, the information provided by Defendant
15 that DenSco was in first position on the property was materially false and DenSco relied on such
16 information.

17 218. The Defendant made a misrepresentation to DenSco that it held or would hold a first
18 position debt against the Potter Property.

19 219. The Defendant knew DenSco was not in first position given its dealings with Geared.

20 220. The Defendant lied to DenSco to obtain funds.

21 221. DenSco relied on the Defendant's statements.

22 222. DenSco sustained substantial financial loss by not being in first security position
23 against the Potter Property.

24 223. The Defendants' actions require that the Defendants' debt to Receiver be found
nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

COUNT I(H)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))

 224. Plaintiff incorporates by reference all of the allegations contained in the preceding

1 paragraphs as more fully set forth herein.

2 225. At the time purchase of the Aspen Property, the information provided by Defendant
3 that DenSco was a first position lien holder on the property was materially false and DenSco relied
4 on such information.

5 226. The Defendant made a misrepresentation to DenSco that it held or would hold a first
6 position lien against the Aspen Property.

7 227. The Defendant knew DenSco was not a first position lien holder given its dealings
8 with Active.

9 228. The Defendant lied to DenSco to obtain funds.

10 229. DenSco relied on the Defendant's statements.

11 230. DenSco sustained substantial financial loss by not being in first security position
12 against the Aspen Property.

13 231. The Defendants' actions require that the Defendants' debt to Receiver be found
14 nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

15 **COUNT II - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))**

16 232. Plaintiff incorporates by reference all of the allegations contained in the preceding
17 paragraphs as more fully set forth herein.

18 233. During the Second Fraud, the receipts created by the Defendant evidencing the
19 purchase of properties were forged and fake.

20 234. The Defendant presented the Fake Receipts to DenSco.

21 235. The Defendant and/or AHF knew the receipts were fake as the properties had not
22 been purchased.

23 236. The receipts were provided to DenSco trick DenSco into believing that numerous
24 properties had been purchased with DenSco funds.

237. DenSco relied on the Fake Receipts as evidence that the cashier's checks were used to
purchase the properties.

238. DenSco sustained a loss of at least \$28,122,300.00 by not purchasing the properties.

1 See Exhibit I - Spreadsheet of unsecured loans for properties in the Second Fraud.

2 239. Defendant kept the \$28,122,300.00 funds for his personal use and benefit.

3 240. The Defendants' actions require that the Defendants' debt to Receiver be found
4 nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

5 **COUNT II(A)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))**

6 241. Plaintiff incorporates by reference all of the allegations contained in the preceding
7 paragraphs as more fully set forth herein.

8 242. The Fake Receipt provided by AHF confirming the purchase of the Avenida property
9 was a forgery.

10 243. The Defendant and/or AHF knew the Avenida Receipt was fake.

11 244. The Avenida Receipt was provided to confirm the purchase of the Avenida property.

12 245. DenSco relied on the Avenida Receipt as evidence that cashier's check 901812XXX
13 was used to purchase the Avenida property.

14 246. DenSco sustained a loss of at least \$261,409.00 by not purchasing the Avenida
15 property.

16 247. Defendant kept the \$261,409.00 funds for his personal use and benefit.

17 248. The Defendants' actions require that the Defendants' debt to Receiver be found
18 nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

19 **COUNT II(B) - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))**

20 249. Plaintiff incorporates by reference all of the allegations contained in the preceding
21 paragraphs as more fully set forth herein.

22 250. At the time of the Second Fraud, the Fake Receipts given to DenSco by the Defendant
23 were materially false.

24 251. The Defendant knew that the Fake Receipts were fraudulent documents as he never
actually finalized the sales supported by the Fake Receipts.

252. The Defendant used the Fake Receipts to obtain funds from DenSco.

253. DenSco relied on that Fake Receipts and lent funds based on the misrepresentation.

1 254. DenSco sustained damages of at least \$28,122,300.00 based on the Fake Receipts
2 issued during the Second Fraud.

3 255. Upon information and belief, 2,616 loans made to Defendant by DenSco were not
4 secured by any real property because Defendant never purchased the underlying property, despite
5 representation and Fake Receipts that the Defendant had done so.

6 256. The Defendants' actions require that the Defendants' debt to Receiver be found
7 nondischargeable pursuant to 11 U.S.C. § 523(a)(2)(A).

8 **COUNT II(C) - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))**

9 257. Plaintiff incorporates by reference all of the allegations contained in the preceding
10 paragraphs as more fully set forth herein.

11 258. At the time of the Second Fraud, the mortgages, deeds of trust, and promissory notes
12 given to DenSco by the Defendant were materially false.

13 259. The Defendant knew that the mortgages, deeds of trust, and promissory notes were
14 fraudulent documents as he never actually finalized the sales supported by the mortgages, deeds of
15 trust, and promissory notes.

16 260. The Defendant used the mortgages, deeds of trust, and promissory notes to obtain
17 funds from DenSco.

18 261. DenSco relied on that mortgages, deeds of trust, and promissory notes and lent funds
19 based on the misrepresentation.

20 262. Upon information and belief, 2,616 loans made to Defendant by DenSco were not
21 secured by any real property because Defendant never purchased the underlying property, despite
22 representation and mortgages, deeds of trust, and promissory notes that the Defendant had done so

23 263. DenSco sustained damages of at least \$28,122,300.00 based on the false documents
24 issued during the Second Fraud.

 264. The Defendants' actions require that the Defendants' debt to Receiver be found
nondischargeable pursuant to 11 U.S.C. § 523(a)(2)(A).

COUNT III- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))

265. Plaintiff incorporates by reference all of the allegations contained in the preceding paragraphs as more fully set forth herein.

266. The Deeds of Trust generated under the Second Fraud confirming the purchase of the properties were provided solely to deceive DenSco.

267. The Defendant and/or AHF knew the Deeds of Trust were not being recorded.

268. The Deeds of Trust were provided to show the purchase of the properties.

269. DenSco relied on the validity of the Deeds of Trust.

270. DenSco relied on the Deeds of Trust as evidence that the cashier's checks were used to purchase the properties.

271. DenSco sustained a loss of at least \$28,122,300.00 by not purchasing the properties.

272. Defendant kept the \$28,122,300.00 funds for his own personal use and benefit.

273. The Defendants' actions require that the Defendants' debt to Receiver be found nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

COUNT III(A)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))

274. Plaintiff incorporates by reference all of the allegations contained in the preceding paragraphs as more fully set forth herein.

275. The Deed of Trust for the Mackenzie Drive Property giving DenSco a security interest in said property was provided solely to deceive DenSco.

276. The Defendant and/or AHF knew the Deed of Trust for Mackenzie Drive Property would not be recorded.

277. The Deed of Trust for the Mackenzie Drive Property was provided to show the purchase of the property.

278. DenSco relied on the validity of the Deed of Trust for the Mackenzie Drive Property.

279. DenSco relied on the Deed of Trust for the Mackenzie Drive Property as evidence that the funds wired to AHF were used to purchase the Mackenzie Drive Property.

280. DenSco sustained a loss of at least \$267,100.00 by not purchasing the Mackenzie

1 Drive Property.

2 281. Defendant kept the \$267,100.00 funds for his own personal use and benefit.

3 282. The Defendants' actions require that the Defendants' debt to Receiver be found
4 nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

5 **COUNT III(B)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))**

6 283. Plaintiff incorporates by reference all of the allegations contained in the preceding
7 paragraphs as more fully set forth herein.

8 284. The Deed of Trust for the Marco Polo Property giving DenSco a security interest in
9 said property was provided solely to deceive DenSco.

10 285. The Defendant and/or AHF knew the Deed of Trust for the Marco Polo Property
11 would not be recorded.

12 286. The Deed of Trust for the Marco Polo Property was provided to show the purchase of
13 the property.

14 287. DenSco relied on the validity of the Deed of Trust for the Marco Polo Property.

15 288. DenSco relied on the Deed of Trust for the Marco Polo Property as evidence that
16 funds wired to AHF were used to purchase the Marco Polo property.

17 289. DenSco sustained a loss of at least \$147,000.00 by not purchasing the Marco Polo
18 property.

19 290. Defendant kept the \$147,000.00 funds for his own personal use and benefit.

20 291. The Defendants' actions require that the Defendants' debt to Receiver be found
21 nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

22 **COUNT III(C)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))**

23 292. Plaintiff incorporates by reference all of the allegations contained in the preceding
24 paragraphs as more fully set forth herein.

293. The Deed of Trust for the Avenida Del Sol Property giving DenSco a security interest
in said property was provided solely to deceive DenSco.

294. The Defendant and/or AHF knew the Deed of Trust for the Avenida Del Sol Property

1 would not be recorded.

2 295. The Deed of Trust for the Avenida Del Sol Property was provided to show the
3 purchase of the property.

4 296. DenSco relied on the validity of the Deed of Trust for the Avenida Del Sol Property.

5 297. DenSco relied on the Deed of Trust for the Avenida Del Sol Property as evidence that
6 funds wired to AHF were used to purchase the Avenida Del Sol Property.

7 298. DenSco sustained a loss of at least \$271,400.00 by not purchasing the Avenida
8 property.

9 299. Defendant kept the \$271,400.00 funds for his personal use and benefit.

10 300. The Defendants' actions require that the Defendants' debt to Receiver be found
11 nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

12 **COUNT III(D)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))**

13 301. Plaintiff incorporates by reference all of the allegations contained in the preceding
14 paragraphs as more fully set forth herein.

15 302. The Deed of Trust for the McDowell Property giving DenSco a security interest in
16 said property was provided solely to deceive DenSco.

17 303. The Defendant and/or AHF knew the Deed of Trust for the McDowell Property
18 would not be recorded.

19 304. The Deed of Trust for the McDowell Property was provided to show the purchase of
20 the property.

21 305. DenSco relied on the validity of the Deed of Trust for the McDowell Property.

22 306. DenSco relied on the Deed of Trust for the McDowell Property as evidence that funds
23 wired to AHF were used to purchase the McDowell Property.

24 307. DenSco sustained a loss of at least \$499,610.00 by not purchasing the McDowell
Property.

308. Defendant kept the \$499,610.00 funds for his own personal use and benefit.

309. The Defendants' actions require that the Defendants' debt to Receiver be found

1 nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

2 **COUNT III(E)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))**

3 310. Plaintiff incorporates by reference all of the allegations contained in the preceding
4 paragraphs as more fully set forth herein.

5 311. The Deed of Trust for the Purple Sage Property giving DenSco a security interest in
6 said property was provided solely to deceive DenSco.

7 312. The Defendant and/or AHF knew the Deed of Trust for the Purple Sage Property
8 would not be recorded.

9 313. The Deed of Trust for the Purple Sage Property was provided to show the purchase of
10 the property.

11 314. DenSco relied on the validity of the Deed of Trust for the Purple Sage Property.

12 315. DenSco relied on the Deed of Trust for the Purple Sage Property as evidence that
13 funds wired to AHF were used to purchase the Purple Sage Property.

14 316. DenSco sustained a loss of at least \$294,509.00 by not purchasing the Purple Sage
15 Property.

16 317. Defendant kept the \$294,509.00 funds for his own personal use and benefit.

17 318. The Defendants' actions require that the Defendants' debt to Receiver be found
18 nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

19 **COUNT III(F)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))**

20 319. Plaintiff incorporates by reference all of the allegations contained in the preceding
21 paragraphs as more fully set forth herein.

22 320. The Deed of Trust for the North 44th Place Property giving DenSco a security interest
23 in said property was provided solely to deceive DenSco.

24 321. The Defendant and/or AHF knew the Deed of Trust for the North 44th Place Property
would not be recorded.

322. The Deed of Trust for the North 44th Place Property was provided to show the
purchase of the property.

1 323. DenSco relied on the validity of the Deed of Trust for the North 44th Place Property.

2 324. DenSco relied on the Deed of Trust for the North 44th Place Property as evidence that
3 funds wired to AHF were used to purchase the North 44th Place Property.

4 325. DenSco sustained a loss of at least \$277,100.00 by not purchasing the North 44th
5 Place Property.

6 326. Defendant kept the \$277,100.00 funds for his own personal use and benefit.

7 327. The Defendants' actions require that the Defendants' debt to Receiver be found
8 nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

9 **COUNT IV- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))**

10 328. Plaintiff incorporates by reference all of the allegations contained in the preceding
11 paragraphs as more fully set forth herein.

12 329. The Second Fraud was done solely to deceive and defraud DenSco.

13 330. The Defendant created falsified checks, deeds, contracts, and receipts related to the
14 purported purchase of real properties at trustee sales.

15 331. All of the documents created during the Second Fraud scheme, by the Defendant or
16 for the Defendant's behalf, were created and used to deceive DenSco.

17 332. The Defendant knew the falsified checks, deeds, contracts, and receipts related to the
18 purchase of the properties were false.

19 333. DenSco relied on the validity of the documents presented by the Defendant during the
20 Second Fraud.

21 334. DenSco sustained a substantial loss of at least \$28,122,300.00 due to the Second
22 Fraud.

23 335. The Defendant kept the \$28,122,300.00 for his own personal use and benefit.

24 336. The Defendants' actions require that the Defendants' debt to Receiver be found
nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

COUNT V - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))

337. Plaintiff incorporates by reference all of the allegations contained in the preceding

1 paragraphs as more fully set forth herein.

2 338. On July 25, 2016 the Defendant told DenSco that the funds were available through
3 Auction.com and would be paid to him after the bankruptcy case closed.

4 339. The Defendant's statements about Auction.com holding any funds for Defendant or
5 DenSco were false.

6 340. The Defendant admitted that Auction.com did not and does not hold any of
7 Defendant's funds.

8 341. The Defendant admitted that Auction.com did not and does not hold any of DenSco's
9 funds.

10 342. The Defendant made the statements about Auction.com to hold off DenSco's
11 collection efforts.

12 343. DenSco believed the Defendant.

13 344. DenSco suffered a substantial financial loss of at least \$47,156,641.92.

14 345. The Defendants' actions require that the Defendants' debt to Receiver be found
15 nondischargeable pursuant to 11 U.S.C. § 523(a)(2).

16 **COUNT VI - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2))**

17 346. Plaintiff incorporates by reference all of the allegations contained in the preceding
18 paragraphs as more fully set forth herein.

19 347. Throughout the relationship, the Defendant obtained money and property from
20 DenSco through false pretenses, false representations, fraud and concealment.

21 348. The Defendant represented, among other things, that he would act in an honest,
22 trustworthy, and truthful manner with respect to DenSco's money and property.

23 349. DenSco reasonably and justifiably relied on the Defendant in his business
24 relationship, to provide honest and truthful services, and therefore allowed the Defendant to have
access to DenSco's accounts, money and property.

350. The Defendant intentionally took money and property from DenSco, which he was
not entitled to take, for his own personal benefit and for third parties.

1 351. The Defendant misrepresented and concealed the purposes for which he obtained and
2 used DenSco's money and property.

3 352. The Defendant's misrepresentations of DenSco's money caused DenSco to suffer
4 substantial damages.

5 353. The Defendant's embezzlement of DenSco's money caused DenSco to suffer
6 substantial damages

7 354. DenSco is entitled to compensatory and punitive damages in an amount of at least
8 \$47,156,641.92 plus interest to the fullest extent permitted by law, and reasonable attorneys' fees
9 and costs.

10 355. Pursuant to 11 U.S.C. § 523(a)(2), the Defendants are not entitled to a discharge as to
11 the debts and liabilities owed to DenSco.

12 **COUNT VII - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2)(A))**

13 356. Plaintiff incorporates by reference all of the allegations contained in the preceding
14 paragraphs as more fully set forth herein.

15 357. At the time of the Forbearance Agreement, the Defendant's statements that he would
16 repay the sum due from the First Fraud were materially false and DenSco relied on such information.

17 358. Defendant had no intention of repaying DenSco for the First Fraud.

18 359. The Defendants' actions require that the Defendants' debt to Receiver be found
19 nondischargeable pursuant to 11 U.S.C. § 523(a)(2)(A).

20 **COUNT VIII - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2)(A))**

21 360. Plaintiff incorporates by reference all of the allegations contained in the preceding
22 paragraphs as more fully set forth herein.

23 361. The Defendant's statements that he would repay the sum due under the Second Fraud
24 by the funds held in Auction.com were materially false.

 362. DenSco relied on such information.

 363. Defendant had no intention of repaying DenSco from Auction.com as Auction.com is
not holding any funds for DenSco or the Defendant.

1 364. The Defendants' actions require that the Defendants' debt to Receiver be found
2 nondischargeable pursuant to 11 U.S.C. § 523(a)(2)(A).

3 **COUNT IX - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(2)(A))**

4 365. Plaintiff incorporates by reference all of the allegations contained in the preceding
5 paragraphs as more fully set forth herein.

6 366. On November 27, 2013, the Defendant confessed to Denny Chittick and DenSco that
7 certain properties involved in the First Fraud had also been used as security for one or more loans
8 from one or more other lenders and that DenSco may not be a first position lien holder on each
9 respective property.

10 367. Defendant had no intention of providing DenSco with first position security interests
11 in the properties.

12 368. Defendant knew at the time of securing the properties that DenSco believed it would
13 be a first position lien holder.

14 369. Defendant knew that it granted a first position lien on many of the properties to other
15 lenders even though it obtained DenSco's funds for that very purpose.

16 370. The Forbearance Agreement confirms Defendant's false representations and
17 intentions.

18 371. The Defendants' actions require that the Defendants' debt to Receiver be found
19 nondischargeable pursuant to 11 U.S.C. § 523(a)(2)(A).

20 **COUNT X - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(4))**

21 372. Plaintiff incorporates by reference all of the allegations contained in the preceding
22 paragraphs as more fully set forth herein.

23 373. A debt is nondischargeable under Section 523(a)(4) of the Bankruptcy Code, for
24 fraud or defalcation while acting in a fiduciary capacity, embezzlement, or larceny.

 374. Embezzlement is defined as the act of withholding assets for the purpose of
conversion of such assets, by one or more persons to whom the assets were entrusted, either to be
held or used for a specific purpose.

1 375. A relationship between Defendant and DenSco existed as far back as 2011 when the
2 parties began their property purchase transactions.

3 376. DenSco relied on Defendant to use DenSco's funds to purchase property for the
4 benefit of DenSco.

5 377. The Defendant acquired access to DenSco's funds through their relationship of
6 Defendant purchasing property for DenSco's business portfolio.

7 378. The Defendant kept DenSco's funds which were allocated for the purchase of
8 property, or rerouted the funds allocated for the purchase of property, into Defendant's accounts.

9 379. The Defendant intentionally took and kept DenSco's funds.

10 380. The Defendant embezzled from DenSco.

11 381. DenSco suffered a financial loss of at least \$47,156,641.92 as a result of Defendant's
12 embezzlement.

13 382. The Defendants' actions require that the Defendants' debt to Receiver be found
14 nondischargeable pursuant to 11 U.S.C. § 523(a)(4).

15 **COUNT XI - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(4))**

16 383. Plaintiff incorporates by reference all of the allegations contained in the preceding
17 paragraphs as more fully set forth herein.

18 384. A relationship between Defendant and DenSco existed as far back as 2007 when the
19 parties began their property purchase transactions.

20 385. The Defendant perpetrated the Second Fraud on DenSco from 2014 through 2016.

21 386. The Defendant perpetrated the Third Fraud on DenSco when he lied about the
22 existence of the Auction.com funds, and the ability to repay DenSco.

23 387. DenSco relied on Defendant to repay the funds from the Second Fraud.

24 388. DenSco relied on the Defendant to repay the funds owed under the Forbearance
Agreement, subsequent work out agreements, Promissory Notes, and Second Fraud.

389. DenSco believed that the Defendant held the funds in Auction.com.

390. The Defendant intentionally took and kept DenSco's funds.

1 391. The Defendant embezzled from DenSco and was fully aware that he would not repay
2 DenSco from funds held by Auction.com.

3 392. The Defendants' actions require that the Defendants' debt of \$47,156,641.92 to
4 Receiver be found nondischargeable pursuant to 11 U.S.C. § 523(a)(4).

5 **COUNT XII - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(4))**

6 393. Plaintiff incorporates by reference all of the allegations contained in the preceding
7 paragraphs as more fully set forth herein.

8 394. A debt is nondischargeable under Section 523(a)(4) of the Bankruptcy Code, for
9 fraud or defalcation while acting in a fiduciary capacity, embezzlement, or larceny.

10 395. Defalcation includes acts that taint a particular debt such that it cannot be discharged.

11 396. Defalcation requires proof of "a culpable state of mind... involving knowledge of, or
12 gross recklessness in respect to, the improper nature of the relevant fiduciary behavior." Bullock v.
13 BankChampaign, N.A. 133 S. Ct 1754 at p. 1757 (2013).

14 397. DenSco entrusted the Debtor with access to its accounts, money and property, to,
15 among other things, acquire additional properties and Deeds of Trust for DenSco.

16 398. The Defendant intentionally and fraudulently misused his position and access to
17 embezzle money from DenSco for his own personal benefit.

18 399. The Defendant knew he was taking DenSco's funds without purchasing property.

19 400. The Defendant knew he was keeping DenSco's funds for his own benefit.

20 401. The Defendant concealed his actions from DenSco by providing Fake Receipts and/or
21 Deeds of Trust.

22 402. The Defendant concealed his embezzlement of DenSco's money by, among other
23 things, not returning the cashier's checks, or funds associated with each cashier's check, when a sale
24 was not completed.

 403. The Defendant's conduct constituted defalcation in a fiduciary capacity.

 404. The Defendant admitted he took DenSco's funds.

 405. The Defendant's actions caused DenSco to suffer substantial damage, including but

1 not limited to the inability to pay legitimate company debts and obligations.

2 406. Defendant is entitled to compensatory and punitive damages in an amount to be
3 proven at trial, plus interest to the fullest extent permitted by law, and reasonable attorney's fees and
4 costs.

5 407. Pursuant to 11 U.S.C. § 523(a)(4), the Defendants are not entitled to a discharge as to
6 the debts and liabilities owed to DenSco.

7 **COUNT XII(A) - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(4))**

8 408. Plaintiff incorporates by reference all of the allegations contained in the preceding
9 paragraphs as more fully set forth herein.

10 409. A debt is nondischargeable under Section 523(a)(4) of the Bankruptcy Code, for
11 fraud or defalcation while acting in a fiduciary capacity, embezzlement, or larceny.

12 410. DenSco entrusted the Debtor with access to its accounts, money and property, to,
13 among other things, acquire additional properties and Deeds of Trust for DenSco.

14 411. The Defendant intentionally and fraudulently misused his position and access to
15 embezzle money from DenSco for his own personal benefit.

16 412. The Defendant knew he was taking DenSco's funds without purchasing property.

17 413. The Defendant falsified the receipt evidencing the purchase of the Avenida Property.

18 414. The Defendant never purchased the Avenida Property, and ultimately redeposited the
19 funds associated with cashier's check 901812xxx into a bank account under his control.

20 415. The Defendant's conduct constituted defalcation in a fiduciary capacity.

21 416. The Defendant's actions caused DenSco to suffer substantial damage, including but
22 not limited to the inability to pay legitimate company debts and obligations.

23 417. Defendant is entitled to compensatory and punitive damages in an amount to be
24 proven at trial, plus interest to the fullest extent permitted by law, and reasonable attorney's fees and
costs.

418. Pursuant to 11 U.S.C. § 523(a)(4), the Defendants are not entitled to a discharge as to
the debts and liabilities owed to DenSco.

COUNT XIII - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(4))

419. Plaintiff incorporates by reference all of the allegations contained in the preceding paragraphs as more fully set forth herein.

420. Larceny is defined as the unlawful taking of the personal property of another person or business.

421. The Defendant unlawfully took DenSco's personal property.

422. The Defendant admitted that he took DenSco's funds.

423. The Defendants' actions require that the Defendants' full debt to Receiver be found nondischargeable pursuant to 11 U.S.C. § 523(a)(4).

COUNT XIV - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(4))

424. Plaintiff incorporates by reference all of the allegations contained in the preceding paragraphs as more fully set forth herein.

425. A debt is nondischargeable under Section 523(a)(4) of the Bankruptcy Code, for fraud or defalcation while acting in a fiduciary capacity, embezzlement, or larceny.

426. Actionable fraud requires the concurrence of nine elements: (1) a representation; (2) its falsity; (3) its materiality; (4) the speaker's knowledge of its falsity or ignorance of its truth; (5) his intent that it should be acted upon by the person and in a manner reasonably contemplated; (6) the hearer's ignorance of its falsity; (7) his reliance on its truth; (8) his right to rely thereon, and (9) his consequent and proximate injury.

427. During the First Fraud, the Defendant engaged in practices of obtaining two hard money loans for first position deeds of trust on the same property.

428. The Defendant executed multiple promissory note, deeds of trust and other documents representing his purchase of real property and the hard money lenders first position security interest on such property.

429. Defendant's representations to DenSco that it was in first position on the subject property was false, given that Defendant knew that another lender was already in first position against the subject property.

1 430. Defendant admitted in the Forbearance Agreement that he knew that certain
2 properties were used as security for one or more loans from one or more lenders and that DenSco
3 was not in first position on each respective loan.

4 431. The status of a first position lien holder v. a second position lien holder is significant,
5 and material.

6 432. The Defendant knew the order of the various lenders' positions against the subject
7 properties as he orchestrated the purchase of the property and communicated with the various
8 lenders regarding the same. The Defendant knew his statements to DenSco that it was in first
9 position were false.

10 433. Defendant intended for DenSco to rely on the information that it was in first position
11 to encourage more transactions.

12 434. DenSco provided funds, and received promissory notes and deeds of trust based on
13 the Defendants' representation that DenSco was in first position on the properties.

14 435. DenSco relied on the Defendant's statements, documents and further actions.

15 436. DenSco had a right to rely on Defendant's statements and documents, and the
16 continued lending practices and on-going business relationship of the party.

17 437. DenSco suffered damages of \$37,420,120.47 for the First Fraud committed upon him
18 by the Defendant.

19 438. The Defendant acknowledged the First Fraud, entered into the Forbearance
20 Agreement and paid down on the debt prior to the bankruptcy filing. The debt owed on the Petition
21 Date under the Forbearance Agreement for the First Fraud is \$16,652,090.59.

22 439. The Defendants' actions require that the Defendants' debt to Receiver be found
23 nondischargeable pursuant to 11 U.S.C. § 523(a)(4).

24 **COUNT XIV(A)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(4))**

440. Plaintiff incorporates by reference all of the allegations contained in the preceding
paragraphs as more fully set forth herein.

441. For the purchase of the Grayhawk Property, the Defendant engaged in his then

1 common practice of obtaining two hard money loans for first position deeds of trust on the same
2 property.

3 442. The Defendant sent DenSco an email indicating that he purchased the Grawhawk
4 Property and needed a loan of \$250,000.00.

5 443. Meanwhile the Defendant obtained a loan from Active to purchase the same property,
6 and Active recorded its' deed of trust.

7 444. Defendant's representations to DenSco that it was in first position on the subject
8 property was false, given that Defendant knew that Active was already in first position against the
9 subject property.

10 445. Defendant admitted in the Forbearance Agreement that he knew that certain
11 properties, including the Grayhawk Property, were used as security for one or more loans from one
12 or more lenders and that DenSco was not in first position for his loan.

13 446. The status of a first position lien holder v. a second position lien holder is significant,
14 and material, especially given the value of the Grayhawk Property.

15 447. The Defendant knew that Active was in first position on the property and that DenSco
16 believed it was in first position on the Grayhawk Property.

17 448. Defendant intended for DenSco to rely on the information that it was in first position
18 on the Grayhawk Property since Defendant obtained funds from DenSco for that purpose.

19 449. DenSco provided funds, and received a promissory note and deed of trust based on
20 the Defendant's representation that DenSco was in first position on the Grayhawk Property.

21 450. DenSco relied on the Defendant's statements, documents and further actions.

22 451. Defendant failed to tell DenSco about Active's first position status.

23 452. DenSco had a right to rely on Defendant's statements and documents, given that
24 DenSco lent the Defendant \$250,000.00 for the specific purpose of being the first position lender on
the Grayhawk Property.

453. DenSco suffered damages of at least \$144,100.00 for fraud committed upon him by
the Defendant for the Grayhawk Property.

1 454. The Defendants' actions require that the Defendants' debt to Receiver be found
2 nondischargeable pursuant to 11 U.S.C. § 523(a)(4).

3 **COUNT XIV(B)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(4))**

4 455. Plaintiff incorporates by reference all of the allegations contained in the preceding
5 paragraphs as more fully set forth herein.

6 456. For the purchase of the Sexton Property, the Defendant engaged in his then common
7 practice of obtaining two hard money loans for first position deeds of trust on the same property.

8 457. The Defendant sent DenSco an email indicating that he purchased the Sexton
9 Property and needed a loan of \$150,000.00.

10 458. Meanwhile the Defendant obtained a loan from Active to purchase the same property,
11 and ultimately Active recorded its' deed of trust.

12 459. Defendant's representations to DenSco that it was in first position on the subject
13 property was false, given that Defendant knew that Active was already set to claim its' first position
14 security interest against the subject property.

15 460. Defendant admitted in the Forbearance Agreement that he knew that certain
16 properties, including the Sexton Property, were used as security for one or more loans from one or
17 more lenders and that DenSco was not in first position for his loan.

18 461. The status of a first position lien holder v. a second position lien holder is significant,
19 and material, especially given the value of the Sexton Property.

20 462. The Defendant knew that Active was in first position on the property and that DenSco
21 believed it was in first position on the Sexton Property.

22 463. Defendant intended for DenSco to rely on the information that it was in first position
23 on the Sexton Property since Defendant obtained funds from DenSco for that purpose.

24 464. DenSco provided funds, and received a promissory note and deed of trust based on
the Defendant's representation that DenSco was in first position on the Sexton Property.

465. DenSco relied on the Defendant's statements, documents and further actions.

466. Defendant failed to tell DenSco about Active's first position status.

1 467. DenSco had a right to rely on Defendant's statements and documents, given that
2 DenSco lent the Defendant \$150,000.00 for the specific purpose of being the first position lender on
3 the Sexton Property.

4 468. DenSco suffered damages of at least \$140,000.00 for fraud committed upon him by
5 the Defendant for the Sexton Property.

6 469. The Defendants' actions require that the Defendants' debt to Receiver be found
7 nondischargeable pursuant to 11 U.S.C. § 523(a)(4).

8 **COUNT XIV(C)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(4))**

9 470. Plaintiff incorporates by reference all of the allegations contained in the preceding
10 paragraphs as more fully set forth herein.

11 471. For the purchase of the Hadley St. Property, the Defendant engaged in his then
12 common practice of obtaining two hard money loans for first position deeds of trust on the same
13 property.

14 472. The Defendant sent DenSco an email indicating that he purchased the Hadley St.
15 Property and needed a loan of \$90,000.00.

16 473. Meanwhile the Defendant obtained a loan from Active to purchase the same property,
17 and ultimately Active recorded its' deed of trust.

18 474. Defendant's representations to DenSco that it was in first position on the subject
19 property was false, given that Defendant knew that Active was already set to claim its' first position
20 security interest against the subject property.

21 475. Defendant admitted in the Forbearance Agreement that he knew that certain
22 properties, including the Hadley St. Property, were used as security for one or more loans from one
23 or more lenders and that DenSco was not in first position for his loan.

24 476. The status of a first position lien holder v. a second position lien holder is significant,
and material, especially given the value of the Hadley St. Property.

 477. The Defendant knew that Active was in first position on the property and that DenSco
believed it was in first position on the Hadley St. Property.

1 478. Defendant intended for DenSco to rely on the information that it was in first position
2 on the Hadley St. Property since Defendant obtained funds from DenSco for that purpose.

3 479. DenSco provided funds, and received a promissory note and deed of trust based on
4 the Defendant's representation that DenSco was in first position on the Hadley St. Property.

5 480. DenSco relied on the Defendant's statements, documents and further actions.

6 481. Defendant failed to tell DenSco about Active's first position status.

7 482. DenSco had a right to rely on Defendant's statements and documents, given that
8 DenSco lent the Defendant \$90,000.00 for the specific purpose of being the first position lender on
9 the Hadley St. Property.

10 483. DenSco suffered damages of at least \$68,000.00 for fraud committed upon him by the
11 Defendant for the Hadley St. Property.

12 484. The Defendants' actions require that the Defendants' debt to Receiver be found
13 nondischargeable pursuant to 11 U.S.C. § 523(a)(4).

14 **COUNT XIV(D)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(4))**

15 485. Plaintiff incorporates by reference all of the allegations contained in the preceding
16 paragraphs as more fully set forth herein.

17 486. For the purchase of the Palm St. Property, the Defendant engaged in his then common
18 practice of obtaining two hard money loans for first position deeds of trust on the same property.

19 487. The Defendant sent DenSco an email indicating that he purchased the Palm St.
20 Property and needed a loan of \$300,000.00.

21 488. Meanwhile the Defendant obtained a loan from Azben to purchase the same property,
22 and ultimately Azben recorded its' deed of trust.

23 489. Defendant's representations to DenSco that it was in first position on the subject
24 property was false, given that Defendant knew that Azben was already set to claim its' first position
security interest against the subject property.

 490. Defendant admitted in the Forbearance Agreement that he knew that certain
properties, including the Palm St. Property, were used as security for one or more loans from one or

1 more lenders and that DenSco was not in first position for his loan.

2 491. The status of a first position lien holder v. a second position lien holder is significant,
3 and material, especially given the value of the Palm St. Property.

4 492. The Defendant knew that Azben was in first position on the property and that DenSco
5 believed it was in first position on the Palm St. Property.

6 493. Defendant intended for DenSco to rely on the information that it was in first position
7 on the Palm St. Property since Defendant obtained funds from DenSco for that purpose.

8 494. DenSco provided funds, and received a promissory note and deed of trust based on
9 the Defendant's representation that DenSco was in first position on the Palm St. Property.

10 495. DenSco relied on the Defendant's statements, documents and further actions.

11 496. Defendant failed to tell DenSco about Azben's first position status.

12 497. DenSco had a right to rely on Defendant's statements and documents, given that
13 DenSco lent the Defendant \$300,000.00 for the specific purpose of being the first position lender on
14 the Palm St. Property.

15 498. DenSco suffered damages of at least \$224,600.00 for fraud committed upon him by
16 the Defendant for the Palm St. Property.

17 499. The Defendants' actions require that the Defendants' debt to Receiver be found
18 nondischargeable pursuant to 11 U.S.C. § 523(a)(4).

19 **COUNT XIV(E)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(4))**

20 500. Plaintiff incorporates by reference all of the allegations contained in the preceding
21 paragraphs as more fully set forth herein.

22 501. For the purchase of the Lynx Property, the Defendant engaged in his then common
23 practice of obtaining two hard money loans for first position deeds of trust on the same property.

24 502. The Defendant sent DenSco an email indicating that he purchased the Lynx Property
and needed a loan of \$240,000.00.

503. Meanwhile the Defendant obtained a loan from Active to purchase the same property,
and ultimately Active recorded its' deed of trust.

1 504. Defendant's representations to DenSco that it was in first position on the subject
2 property was false, given that Defendant knew that Active was already set to claim its' first position
3 security interest against the subject property.

4 505. Defendant admitted in the Forbearance Agreement that he knew that certain
5 properties, including the Lynx Property, were used as security for one or more loans from one or
6 more lenders and that DenSco was not in first position for his loan.

7 506. The status of a first position lien holder v. a second position lien holder is significant,
8 and material, especially given the value of the Lynx Property.

9 507. The Defendant knew that Active was in first position on the property and that DenSco
10 believed it was in first position on the Lynx Property.

11 508. Defendant intended for DenSco to rely on the information that it was in first position
12 on the Lynx Property since Defendant obtained funds from DenSco for that purpose.

13 509. DenSco provided funds, and received a promissory note and deed of trust based on
14 the Defendant's representation that DenSco was in first position on the Lynx Property.

15 510. DenSco relied on the Defendant's statements, documents and further actions.

16 511. Defendant failed to tell DenSco about Active's first position status.

17 512. DenSco had a right to rely on Defendant's statements and documents, given that
18 DenSco lent the Defendant \$240,000.00 for the specific purpose of being the first position lender on
19 the Lynx Property.

20 513. DenSco suffered damages of at least \$153,000.00 for fraud committed upon him by
21 the Defendant for the Lynx Property.

22 514. The Defendants' actions require that the Defendants' debt to Receiver be found
23 nondischargeable pursuant to 11 U.S.C. § 523(a)(4).

24 **COUNT XIV(F)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(4))**

 515. Plaintiff incorporates by reference all of the allegations contained in the preceding
paragraphs as more fully set forth herein.

 516. For the purchase of the Hammond Property, the Defendant engaged in his then

1 common practice of obtaining two hard money loans for first position deeds of trust on the same
2 property.

3 517. The Defendant sent DenSco an email indicating that he purchased the Hammond
4 Property and needed a loan of \$100,000.00.

5 518. Meanwhile the Defendant obtained a loan from Geared to purchase the same
6 property, and ultimately Geared recorded its' deed of trust.

7 519. Defendant's representations to DenSco that it was in first position on the subject
8 property was false, given that Defendant knew that Geared was already set to claim its' first position
9 security interest against the subject property.

10 520. Defendant admitted in the Forbearance Agreement that he knew that certain
11 properties, including the Hammond Property, were used as security for one or more loans from one
12 or more lenders and that DenSco was not in first position for his loan.

13 521. The status of a first position lien holder v. a second position lien holder is significant,
14 and material, especially given the value of the Hammond Property.

15 522. The Defendant knew that Geared was in first position on the property and that
16 DenSco believed it was in first position on the Hammond Property.

17 523. Defendant intended for DenSco to rely on the information that it was in first position
18 on the Hammond Property since Defendant obtained funds from DenSco for that purpose.

19 524. DenSco provided funds, and received a promissory note and deed of trust based on
20 the Defendant's representation that DenSco was in first position on the Hammond Property.

21 525. DenSco relied on the Defendant's statements, documents and further actions.

22 526. Defendant failed to tell DenSco about Geared's first position status.

23 527. DenSco had a right to rely on Defendant's statements and documents, given that
24 DenSco lent the Defendant \$100,000.00 for the specific purpose of being the first position lender on
the Hammond Property.

528. DenSco suffered damages of at least \$72,000.00 for fraud committed upon him by the
Defendant for the Hammond Property.

1 529. The Defendants' actions require that the Defendants' debt to Receiver be found
2 nondischargeable pursuant to 11 U.S.C. § 523(a)(4).

3 **COUNT XIV(G)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(4))**

4 530. Plaintiff incorporates by reference all of the allegations contained in the preceding
5 paragraphs as more fully set forth herein.

6 531. For the purchase of the Potter Property, the Defendant engaged in his then common
7 practice of obtaining two hard money loans for first position deeds of trust on the same property.

8 532. The Defendant sent DenSco an email indicating that he purchased the Potter Property
9 and needed a loan of \$170,000.00.

10 533. Meanwhile the Defendant obtained a loan from Geared to purchase the same
11 property, and ultimately Geared recorded its' deed of trust.

12 534. Defendant's representations to DenSco that it was in first position on the subject
13 property was false, given that Defendant knew that Geared was already set to claim its' first position
14 security interest against the subject property.

15 535. Defendant admitted in the Forbearance Agreement that he knew that certain
16 properties, including the Potter Property, were used as security for one or more loans from one or
17 more lenders and that DenSco was not in first position for his loan.

18 536. The status of a first position lien holder v. a second position lien holder is significant,
19 and material, especially given the value of the Potter Property.

20 537. The Defendant knew that Geared was in first position on the property and that
21 DenSco believed it was in first position on the Potter Property.

22 538. Defendant intended for DenSco to rely on the information that it was in first position
23 on the Potter Property since Defendant obtained funds from DenSco for that purpose.

24 539. DenSco provided funds, and received a promissory note and deed of trust based on
the Defendant's representation that DenSco was in first position on the Potter Property.

540. DenSco relied on the Defendant's statements, documents and further actions.

541. Defendant failed to tell DenSco about Geared's first position status.

1 542. DenSco had a right to rely on Defendant's statements and documents, given that
2 DenSco lent the Defendant \$170,000.00 for the specific purpose of being the first position lender on
3 the Potter Property.

4 543. DenSco suffered damages of at least \$125,407.00 for fraud committed upon him by
5 the Defendant for the Potter Property.

6 544. The Defendants' actions require that the Defendants' debt to Receiver be found
7 nondischargeable pursuant to 11 U.S.C. § 523(a)(4).

8 **COUNT XIV(H)- NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(4))**

9 545. Plaintiff incorporates by reference all of the allegations contained in the preceding
10 paragraphs as more fully set forth herein.

11 546. For the purchase of the Aspen Property, the Defendant engaged in his then common
12 practice of obtaining two hard money loans for first position deeds of trust on the same property.

13 547. The Defendant sent DenSco an email indicating that he purchased the Aspen Property
14 and needed a loan of \$210,000.00.

15 548. Meanwhile the Defendant obtained a loan from Active to purchase the same property,
16 and ultimately Aspen recorded its' deed of trust.

17 549. Defendant's representations to DenSco that it was in first position on the subject
18 property was false, given that Defendant knew that Active was already set to claim its' first position
19 security interest against the subject property.

20 550. Defendant admitted in the Forbearance Agreement that he knew that certain
21 properties, including the Aspen Property, were used as security for one or more loans from one or
22 more lenders and that DenSco was not in first position for his loan.

23 551. The status of a first position lien holder v. a second position lien holder is significant,
24 and material, especially given the value of the Aspen Property.

 552. The Defendant knew that Active was in first position on the property and that DenSco
believed it was in first position on the Aspen Property.

 553. Defendant intended for DenSco to rely on the information that it was in first position

1 on the Aspen Property since Defendant obtained funds from DenSco for that purpose.

2 554. DenSco provided funds, and received a promissory note and deed of trust based on
3 the Defendant's representation that DenSco was in first position on the Aspen Property.

4 555. DenSco relied on the Defendant's statements, documents and further actions.

5 556. Defendant failed to tell DenSco about Active's first position status.

6 557. DenSco had a right to rely on Defendant's statements and documents, given that
7 DenSco lent the Defendant \$210,000.00 for the specific purpose of being the first position lender on
8 the Aspen Property.

9 558. DenSco suffered damages of at least \$157,900.00 for fraud committed upon him by
10 the Defendant for the Aspen Property.

11 559. The Defendants' actions require that the Defendants' debt to Receiver be found
12 nondischargeable pursuant to 11 U.S.C. § 523(a)(4).

13 **COUNT XV - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(4))**

14 560. Plaintiff incorporates by reference all of the allegations contained in the preceding
15 paragraphs as more fully set forth herein.

16 561. During the Second Fraud, the Defendant once again lied to DenSco and obtained
17 millions of dollars through his fraudulent actions.

18 562. The Defendant issued cashier's checks that were never used for the intended purchase
19 of real property, and provided a picture of said cashier's check to DenSco indicating that it was in
20 fact used to purchase property.

21 563. The Defendant provided receipts to DenSco indicating the Defendant's payment of
22 funds for the subject property, however the receipts were Fake Receipts.

23 564. The Defendant executed a series of documents, including mortgages, deeds of trust,
24 and promissory notes ("Documents") purporting to give DenSco a first position lien against the
property that Defendant had falsely represented to DenSco was purchased by the Defendant.

565. The Defendant upped his game and implemented this sophisticated Second Fraud
against DenSco, given that DenSco had put in security measures to protect DenSco's funds and

1 interest after the First Fraud.

2 566. The cashier's checks, Fake Receipts and Documents provided to DenSco was
3 representations.

4 567. The cashier's checks, Fake Receipts and Documents provided to DenSco during the
5 Second Fraud were false documents.

6 568. The purchase of the property through the cashier's check, the receipt for such
7 purchase, and the accompanying documents evidencing the purchase and security agreement are all
8 material facts involved in real estate transactions.

9 569. As Defendant knew he did not actually purchase any specific property with the
10 cashier's check he knew sending a picture of the cashier's check with a property address on it to
11 DenSco was conveying a false representation.

12 570. As Defendant knew he did not actually purchase any specific property, he must have
13 known that the Fake Receipt he provided to DenSco was false and conveying a false representation.

14 571. As the knew he did not actually purchase any specific property, he knew that the
15 Documents were false and that he was conveying a false representation.

16 572. The Defendant knew that DenSco would rely on the cashier's check, Fake Receipts
17 and Documents as evidence of his purchase of the real property.

18 573. The Defendant knew that DenSco would provide additional funding for future loans
19 so long as the Second Fraud was not discovered.

20 574. DenSco believed that DenSco's funds were being used to purchase property,
21 especially given the detailed evidence provided by Defendant of such purchases.

22 575. DenSco believed that it held security positions on the new properties purchased under
23 loans given during the Second Fraud.

24 576. Given the new security measures that DenSco put it place, he relied on the validity of
the Fake Receipt and Documents, and had a right to rely on such.

577. Plaintiff discovered that the Second Fraud involved 2,616 loans by DenSco wherein
there was no underlying security interest because Defendant had not purchased any property, and all

1 the cashier's check, receipts and Documents for those 2,616 loans were fake.

2 578. Densco suffered injury in the amount of \$30,504,551.33.

3 579. The Defendants' actions require that the Defendants' debt to Receiver be found
4 nondischargeable pursuant to 11 U.S.C. § 523(a)(4).

5 **COUNT XVI - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(4))**

6 580. Plaintiff incorporates by reference all of the allegations contained in the preceding
7 paragraphs as more fully set forth herein.

8 581. The Defendant piled on more lies and fraud and insisted that he would repay all the
9 outstanding sums due from the First Fraud and Second Fraud with funds he hid with Auction.com
(previously and herein after "Third Fraud").

10 582. During the conversation between the Defendant and Denny Chittick, principal of
11 DenSco, the Defendant reiterated numerous times that there was \$31.8 Million Dollars held by
12 Auction.com that belonged to Defendant and that he would use those funds to repay DenSco for the
13 amounts due under the First Fraud and Forbearance Agreement, and as a result of the Second Fraud.

14 583. Defendant represented that the outstanding sum due to DenSco would be paid to
15 DenSco after the bankruptcy case was over. See Exhibit G- Excerpt from Scott Menaged's 2004
Examination, page 202, lines 13-22, page 204, lines 8-21 (Q= Receiver's counsel, A= Defendant).

16 584. During his deposition, the Defendant testified that that no money was held at
17 Auction.com for his use or benefit, or for the benefit of Densco.

18 585. Obviously the representation that there is \$31.8 Million Dollars available to repay an
19 outrageous outstanding debt is a material fact.

20 586. The Defendant's statements caused the Third Fraud against DenSco.

21 587. The Defendant testified in his deposition that he lied to Denny Chittick about the
existence of the funds with Auction.com.

22 588. During the entire recorded conversation between Defendant and Denny Chittick, the
23 Defendant repeatedly told Denny Chittick that the funds held in Auction.com would pay the
24 outstanding debt after the bankruptcy case, and Denny Chittick pushed for a time when the funds

1 would be available.

2 589. The Defendant answered Denny Chittick's questions about the repayment and time
3 frame with additional lies, including convincing Denny Chittick that Defendant would go to prison if
4 the Auction.com funds were discovered so Denny Chittick had to keep quiet about Auction.com.

5 590. In fact, during that conversation, the Defendant said that he would deny the existence
6 of the Auction.com funds.

7 591. Denny Chittick believed that the Defendant had millions sitting with Auction.com.

8 592. Denny Chittick believed everything that the Defendant told him, especially when
9 Defendant constantly told Denny Chittick that Defendant could go to prison if the Auction.com
funds were discovered.

10 593. Denny Chittick believed the Defendant would repay DenSco.

11 594. DenSco had received repayment on the First Fraud and Forbearance Agreement, so
12 his reliance that the Defendant had funds held in Auction.com and that Defendant would use those
funds to repay DenSco was reasonable.

13 595. Defendant's lies about the Auction.com caused harm to DenSco.

14 596. Third Fraud caused harm to DenSco.

15 597. The Defendants' actions require that the Defendants' full debt to Receiver be found
16 nondischargeable pursuant to 11 U.S.C. § 523(a)(4).

17 **COUNT XVII - NONDISCHARGEABILITY OF DEBT (SECTION 523(a)(6))**

18 598. Plaintiff incorporates by reference all of the allegations contained in the preceding
19 paragraphs as more fully set forth herein.

20 599. A debt is nondischargeable under Section 523(a)(6) of the Bankruptcy Code, for
willful and malicious injury by the debtor to another entity or to the property of another.

21 600. The Defendant's conduct with respect to DenSco, as set forth herein, was willful and
22 malicious.

23 601. The Defendant's willful and malicious conduct caused DenSco to suffer substantial
24 damage.

1 602. DenSco is entitled to compensatory and punitive damages in an amount of at least
2 \$47,156,641.92, plus interest to the fullest extent permitted by law, and reasonable attorneys' fees
3 and costs.

4 603. DenSco is entitled to damages for injuries that the Defendant caused through his
5 willful and malicious conduct.

6 604. Pursuant to 11 U.S.C. § 523(a)(6), the Defendants are not entitled to a discharge as to
7 debts and liabilities owed to DenSco.

8 **COUNT XVIII - CONVERSION**

9 605. Plaintiff incorporates by reference all of the allegations contained in the preceding
10 paragraphs as more fully set forth herein.

11 606. The Defendant intentionally embezzled, took, seized, and converted DenSco's funds
12 for his own personal benefit.

13 607. The funds that the Defendant took belonged to DenSco, and in equity and good
14 conscience should be paid and returned to DenSco.

15 608. The funds can be specifically identified and traced through DenSco and the
16 Defendant's bank records and other documents.

17 609. The Defendant intentionally and wrongfully exercised dominion and control over
18 DenSco's funds in defiance of DenSco's wishes and rights therein.

19 610. The Defendant had no valid claim or right to the funds that he embezzled, diverted,
20 and took from DenSco.

21 611. The Defendant refused to return or repay the money that he embezzled, diverted, and
22 took despite DenSco's demands and Denny Chittick's pleas.

23 612. The Defendant's conversion of funds it received from DenSco actually and
24 proximately caused DenSco to suffer substantial monetary harm in an amount to be proven at trial.

 613. The Defendant's conduct and conversion was intentional, willful, wanton, and
malicious, and done with an evil mind and conscious disregard of the substantial risk of harm to
DenSco.

1 614. DenSco is entitled to compensatory and punitive damages in an amount to be proven
2 at trial, plus interest to the fullest extent permitted by law, and reasonable attorneys' fees and costs.

3 615. The Defendants are not entitled to a discharge as to full debts and liabilities owed to
4 DenSco.

5 **COUNT XIX- BREACH OF FIDUCIARY DUTIES**

6 616. Plaintiff incorporates by reference all of the allegations contained in the preceding
7 paragraphs as more fully set forth herein.

8 617. In his business dealings and relationship with Denny Chittick, Defendant owed
9 special, fiduciary duties, including but not limited to a duty to deal honestly and in the utmost good
10 faith, a duty of loyalty, a duty to act with scrupulous care and diligence, and a duty to fully disclose
11 all material facts within his knowledge relating to DenSco.

12 618. Upon information and belief, Defendant used DenSco's money to pay for obligations
13 unrelated to the business operations of DenSco.

14 619. Upon information and belief, Defendant diverted money belonging to DenSco for his
15 own personal uses.

16 620. Defendant embezzled DenSco's money; misappropriated DenSco's assets;
17 misrepresented the security interests and financial status; intentionally concealed and made
18 misrepresentations regarding the foregoing; and otherwise failed to fulfill the fiduciary duties that
19 he owed.

20 621. Defendant failed to act with care, honesty, and diligence as a fiduciary by, among
21 other things, misappropriating and diverting DenSco's money.

22 622. Defendant breached his fiduciary duties to DenSco, which directly and proximately
23 caused substantial monetary harm.

24 623. Defendant's conduct and breaches of fiduciary duties were intentional, willful,
wanton, oppressive, fraudulent, and malicious, and done with an evil mind and conscious disregard
of the substantial risk of harm to DenSco.

 624. DenSco is entitled to compensatory and punitive damages in an amount to be proven

1 at trial, plus interest to the fullest extent permitted by law, and reasonable attorneys' fees and costs.

2 625. The Defendants are not entitled to a discharge as to full debts and liabilities owed to
3 DenSco.

4 **COUNT XX- UNJUST ENRICHMENT**

5 626. Plaintiff incorporates by reference all of the allegations contained in the preceding
6 paragraphs as more fully set forth herein.

7 627. Defendant by and through his conduct as set forth herein, improperly, wrongfully,
8 and unjustly embezzled and/or received property and money belonging to DenSco.

9 628. Defendant paid no compensation and provided no consideration for the money,
10 property, and benefits that he obtained at DenSco's expense.

11 629. Defendant cannot in good conscience and equity retain the property, money, and
12 benefits without compensating DenSco, which would be an unjust result.

13 630. Defendant has been unjustly enriched at DenSco's expense.

14 631. DenSco has been impoverished by Defendant's unjust enrichment.

15 632. Defendant's unjust enrichment actually and proximately caused DenSco to suffer
16 substantial monetary harm in an amount of at least \$734,484,440.67.

17 633. There is no legal justification for Defendant's unjust enrichment, and DenSco may
18 have no plain, speedy, or adequate way to remedy the embezzlement of its money.

19 634. DenSco is entitled to compensatory damages in an amount to be proven at trial, plus
20 interest to the fullest extent permitted by law, and reasonable attorneys' fees and costs.

21 635. The Defendants are not entitled to a discharge as to full debts and liabilities owed to
22 DenSco.

23 **WHEREFORE**, Plaintiff prays that the Court enter judgment in its favor and against
24 Defendant as follows:

- A. For a determination that the amount of at least \$47,156,641.92 constitutes
nondischargeable obligations under at least 11 U.S.C. § 523(a), including but
not limited to subsections (2), (4), and/or (6), in this Bankruptcy Case and

1 any subsequent bankruptcy case;

2 B. For a determination that the full, outstanding debt of \$47,156,641.92
3 constitutes nondischargeable obligations;

4 C. For an award of actual, consequential, punitive, and all other available
5 damages in an amount to be proven at trial;

6 D. For pre- and post-judgment interest to the fullest extent and at the highest rate
7 permitted by law;

8 E. For an award of attorneys' fees, taxable costs, and all other costs under all
9 applicable law, plus interest as provided by law, including A.R.S. § 12-
341.01; and

10 F. For such other and further relief as the Court deems just and proper.

11 DATED this 31st day of January, 2017.

12 GUTTILLA MURPHY ANDERSON, P.C.

13 /s/ Ryan W. Anderson
14 Ryan W. Anderson
Attorneys for Receiver

Gunnula Murphy Anderson, P.C.
5415 E. High Street, Suite 200
Phoenix, AZ 85004
(602) 304-5300

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VERIFICATION

Peter S. Davis, being first duly sworn, does depose and say:

1. I am the court-appointed Receiver of DenSco Investment Corporation. I make this Verification based upon behalf of the Receivership of DenSco Investment Corporation.

2. I have read the Complaint and to the best of my knowledge, and based upon the records and information gathered by the Receivership, believe the allegations contained to be true and correct.

FURTHER AFFIANT SAITH NOT



SARA BERETTA
Notary Public - Arizona
Maricopa County
Expires 06/15/2018


Peter S. Davis
Receiver of DenSco Investment Corporation

STATE OF ARIZONA }
County of Maricopa } ss.

SUBSCRIBED AND SWORN to before me this 30th day of January, 2017
by Peter S. Davis.


Notary Public

My commission expires on:

June 15, 2018

EXHIBIT A

FILED
01/13/2016 3:30pm
MICHAEL S. JEANES, Clerk
By M. Patrick
M. Patrick, Deputy

1 ARIZONA CORPORATION COMMISSION
2 Wendy Coy, #013195
3 1300 West Washington, 3rd Floor
4 Phoenix, Arizona 85007
5 Attorney for Plaintiff
6 Telephone: (602) 542-0633
7 wcoy@azcc.gov

8 STATE OF ARIZONA

9 MARICOPA COUNTY SUPERIOR COURT

10 ARIZONA CORPORATION COMMISSION

No. CV 2016-014142

11 Plaintiff

ORDER APPOINTING RECEIVER

12 v.

13 DENSCO INVESTMENT CORPORATION, an
14 Arizona corporation

15 Defendant.

16 Plaintiff the Arizona Corporation Commission ("ACC") having filed a Verified Complaint
17 and an Application for Appointment of a Receiver for the Defendant hereto (collectively
18 "Receivership Defendant"), the Court finds, based upon the papers filed by the ACC, that this
19 Order Appointing Receiver is both necessary and appropriate in order to prevent waste and
20 dissipation of the assets of the Receivership Defendant to the detriment of investors.

21 IT IS THEREFORE ORDERED:

22 1. This Court hereby takes exclusive jurisdiction and possession of the assets, monies,
23 securities, choses in action, and properties, real and personal, tangible and intangible, of whatever
24 kind and description, wherever situated, of the Receivership Defendant, (hereinafter, "Receivership
25 Assets").
26

1 2. Peter Davis located at 3200 N. Central Ave., Ste 2460, with the phone
2 number of 602-279-7500, email www.simonconsulting.net is appointed Receiver for
3 the Receivership Assets. The Receiver shall file with the Clerk of this Court a bond in the sum of
4 \$ 100,000⁰⁰, without need for sureties approved by the Court, to assure his conscientious
5 performance of the duties and responsibilities imposed by this Order. The Receiver is hereby
6 authorized to take and have possession and control of the Receivership Assets. Until further order
7 of this Court, the Receiver shall have complete and exclusive control, possession, and custody of
8 all Receivership Assets. The Receiver shall be the agent of the court and shall be accountable
9 directly to this Court.

10 3. All persons, including, but not limited to, Defendant and their officers, agents,
11 servants, employees, attorneys, and all persons in active concert or participation with them who
12 receive actual notice of this Order by personal service or otherwise, and specifically including any
13 bank or other financial or depository institution holding accounts for or on behalf of the
14 Receivership Defendant, shall promptly deliver to the Receiver all Receivership Assets in the
15 possession or under the control of any one or more of them and shall promptly surrender all books
16 and records of any kind pertaining or belonging to the Receivership Defendant.

17 4. The Defendant shall fully cooperate with and assist the Receiver, which shall
18 include, but not be limited to, providing information to the Receiver that the Receiver deems
19 necessary to exercising the authority and discharging the responsibilities of the Receiver under this
20 Order; providing any password required to access any computer, electronic file, or telephonic data
21 in any medium; advising all persons who owe money to the Receivership Defendant that all debts
22 should be paid directly to the Receiver; and provide to the Receiver all keys and codes necessary to
23 gain or to secure access to any Receivership Assets or Receivership Records.

24 5. All persons, including, but not limited to, Defendant and its officers, agents,
25 servants, employees, attorneys, and all persons in active concert or participation with it, who
26 receive actual notice of this Order by personal service or otherwise, are enjoined from in any way

1 interfering with the operation of the Receivership or in any way disturbing the Receivership Assets
2 and from filing or prosecuting any actions or proceedings which involve the Receiver or which
3 affect the Receivership Assets, specifically including any proceeding initiated pursuant to the
4 United States Bankruptcy Code, except with the prior permission of this Court. Any actions so
5 authorized to determine disputes relating to Receivership Assets shall be filed in this Court.

6 6. Defendant and its officers, agents, servants, employees, attorneys, and all persons in
7 active concert or participation with it, is hereby restrained and enjoined from directly or indirectly
8 destroying, secreting, defacing, transferring or otherwise altering or disposing of any documents of
9 the Defendant, including, but not limited to, books, records, accounts, writings, drawings, graphs,
10 charts, photographs, audio and video recordings, computer records and other data compilations,
11 electronically stored records, or any other papers of any kind or nature. Defendant is also restrained
12 and enjoined from excusing debts owed to the Defendant or transferring, receiving, altering selling,
13 encumbering, pledging, assigning, liquidating, or otherwise disposing of any assets owned,
14 controlled, or in the possession or custody of, or in which an interest is held or claimed by, the
15 Receivership Defendant, or the Receiver.

16 7. All banks, broker-dealers, savings and loans, escrow agents, title companies,
17 commodity trading companies, or other financial institutions shall cooperate with all reasonable
18 requests of the Receiver relating to implementation of this Order, including transferring funds at
19 his direction and producing records related to the assets of the Receivership Defendant.

20 8. The Receiver is hereby authorized to make appropriate notification to the United
21 States Postal Service to forward delivery of any mail addressed to the Receivership Defendant, any
22 company or entity under the direction or control of any of the Receivership Defendant, to any Post
23 Office box or other mail depository, to himself. Further, the Receiver is hereby authorized to open
24 and inspect all such mail, to determine the location or identity of assets or the existence and amount
25 of claims.

1 9. The Receiver is hereby authorized to open one or more bank accounts with financial
2 institutions insured by an agency of the United States. The Receiver shall deposit all Receivership
3 Assets in such designated accounts and shall make all payments and disbursements from the
4 Receivership Assets from such accounts. The Receiver shall be responsible, to the best of his
5 ability, to collect and allocate the loan proceeds, both principal and interest, and to make land
6 payments to the lenders.

7 10. The Receiver is hereby authorized to make such ordinary and necessary payments,
8 distributions, and disbursements as he deems advisable or proper for the marshaling, maintenance
9 or preservation of the Receivership Assets. The Receiver shall have the authority to contact and
10 negotiate with any creditors of the Receivership Defendant, for the purpose of compromising or
11 settling any claim. To this purpose, in those instances in which Receivership Assets serve as
12 collateral to secured creditors, the Receiver may surrender such assets to secured creditors, and
13 shall have the authority to make such surrender conditional upon the waiver of any deficiency of
14 collateral. Furthermore, the Receiver is authorized to renew, cancel, terminate, or otherwise adjust
15 any pending lease agreements to which the Receivership Defendant are a party.

16 11. The Receiver is hereby directed to prevent the inequitable distribution of assets and
17 determine, adjust, and protect the interests of persons with an interest in or claim against the
18 Receivership Assets.

19 12. The Receiver is hereby directed to file with this Court and serve upon the parties,
20 within 30 days after entry of this Order, a preliminary report setting out the identity, location and
21 value of the Receivership Assets, and any liabilities pertaining thereto. Further, at the time the
22 Receiver makes such report, he shall recommend to the Court whether, in his opinion, based on his
23 initial investigation, claims against Defendant, should be adjudged in the Bankruptcy Court. After
24 providing the parties an opportunity to be heard, this Court will determine whether to accept the
25 Receiver's recommendation and, if appropriate, issue an order authorizing the Receiver to
26 commence a bankruptcy proceeding.

1 13. Except by leave of this Court, during pendency of the Receivership ordered herein,
2 the Defendant, and all other persons and entities be and hereby are stayed from taking any action to
3 establish or enforce any claim, right, or interest for, against, on behalf of, in, or in the name of, any
4 of the Receivership Defendant, any of their subsidiaries, affiliates, partnerships, assets, documents,
5 or the Receiver or the Receiver's duly authorized agents acting in their capacities as such,
6 including, but not limited to, the following actions:

- 7 a. Commencing, prosecuting, continuing, entering, or enforcing any suit or
8 proceeding, except that such actions may be filed to toll any applicable statute of
9 limitations;
- 10 b. Accelerating the due date of any obligation or claimed obligation; filing or
11 enforcing any lien; taking or attempting to take possession, custody, or control of
12 any asset; attempting to foreclose, forfeit, alter, or terminate any interest in any
13 asset, whether such acts are part of a judicial proceeding, are acts of self-help, or
14 otherwise;
- 15 c. Executing, issuing, serving, or causing the execution, issuance or service of, any
16 legal process, including, but not limited to, attachments, garnishments, subpoenas,
17 writs of replevin, writs of execution, or any other form of process whether specified
18 in this Order or not; or
- 19 d. Doing any act or thing whatsoever to interfere with the Receiver taking custody,
20 control, possession, or management of the assets or documents subject to this
21 receivership, or to harass or interfere with the Receiver in any way, or to interfere in
22 any manner with the exclusive jurisdiction of this Court over the assets or
23 documents of the Receivership Defendant.

24 14. Except as otherwise provided in this Order, all persons and entities in need of
25 documentation from the Receiver shall in all instances first attempt to secure such information by
26 submitting a formal written request to the Receiver, and, if such request has not been responded to

1 within fifteen (15) days of receipt by the Receiver, any such person or entity may thereafter seek an
2 Order of this Court with regard to the relief requested.

3 15. The Receivership Defendant will have access to the business records, including
4 copies of computer records, of the Receivership Defendant upon twenty-four (24) hour notice to
5 the Receiver and under the receivers' supervision. The Receivership Defendant will not remove the
6 business records from the Receiver.

7 16. The Receiver is hereby authorized to employ such employees, accountants, and
8 attorneys as are necessary and proper for the collection, preservation and maintenance of the
9 Receivership Assets.

10 17. The Receiver is hereby authorized and directed to receive and collect any and all
11 sums of money due or owing to the Receivership Defendant, whether the same are now due or shall
12 hereafter become due and payable, and is authorized to incur such reasonable expenses and make
13 such disbursements as are necessary and proper for the collection, preservation, maintenance and
14 operation of the Receivership Assets. The Receiver shall be authorized to compromise or adjust
15 obligations which may be owed to the Receivership Estate. The Receiver shall seek and obtain the
16 approval of the Court for any proposed compromise or settlement. Court approval may be sought
17 on an expedited basis.

18 18. The Receiver is authorized to liquidate Receivership Assets, as may in his discretion
19 be advisable. The Receiver shall first seek and obtain the approval of this Court for the proposed
20 sale. Court approval may be sought on an expedited basis.

21 19. The Receiver is hereby authorized to institute, defend, compromise or adjust such
22 actions or proceedings in state or federal courts now pending and hereafter instituted, as may in his
23 discretion be advisable or proper for the protection of the Receivership Assets or proceeds
24 therefrom, and to institute, prosecute, compromise or adjust such actions or proceedings in state or
25 federal court as may in his judgment be necessary or proper for the collection, preservation and
26 maintenance of the Receivership Assets.

1 20. The Receiver is hereby authorized to institute such actions or proceedings to impose
2 a constructive trust, obtain possession and/or recover judgment with respect to persons or entities
3 who received assets or funds traceable to investor monies. All such actions shall be filed in this
4 Court.

5 21. The Receiver shall be authorized, after notice and hearing, to seek Court approval
6 for the amendment of the Receivership Order to include additional parties to the pending litigation.

7 22. Upon the request of the Receiver, any peace officer of this State is authorized and
8 directed to assist the Receiver in carrying out his duties to take possession, custody or control of, or
9 identify the location of, any Receivership Assets. The Receiver is authorized to remove any person
10 from any premises or real estate constituting a Receivership Asset that attempts to interfere with
11 the Receiver, his attorneys or agents in the performance of their duties. The Receiver is further
12 authorized to change any locks or other security mechanisms with respect to any premises or other
13 assets that constitute Receivership Assets.

14 23. The Receiver shall keep the ACC and the Receivership Defendant apprised at
15 reasonable intervals of developments concerning the operation of the receivership, and shall
16 provide to the ACC upon request any documents under the control of the Receiver.

17 24. The Receiver shall seek and obtain the approval of this Court prior to disbursement
18 of professional fees and expenses to himself or counsel, by presentation of a written application
19 therefor and after consultation with the ACC or in accordance with further order of the Court. All
20 costs incurred by the Receiver shall be paid from the Receivership Assets.

21 IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this action for all
22 purposes. The Receiver is hereby authorized, empowered and directed to apply to this Court, with
23 notice to the ACC and Defendant, for issuance of such other orders as may be necessary and
24 appropriate in order to carry out the mandate of this Court.

25 *It is further ordered the Receiver may not waive*
26 *the attorney-client privilege as to Chittick's communication*
with Beauchamp without the Estate's consent. The
Receiver must obtain court approval before waiving
the privilege as to Denso if the Estate does not consent
to the waiver.

1 IT IS FURTHER ORDERED that this Order will remain in effect until modified by further
2 order of this Court.

3 DATED this 18th day of August, 2016.

4 Lori Horn Bustamante
5 Honorable Lori Horn Bustamante
6 Judge of the Superior Court
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EXHIBIT B-1

Sara Beretta

From: Denny Chittick <dcmoney@yahoo.com>
Sent: Saturday, August 18, 2012 8:52 AM
To: Scott Menaged
Subject: Re:
Attachments: DOT Easy Investments.doc; Note Easy Investment.doc; RM Easy Investments.doc

Attached are your docs, i'll wire you first thing monday am.
thx
dc

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

From: Scott Menaged <smena98754@aol.com>
To: Denny Chittick <dcmoney@yahoo.com>
Sent: Saturday, August 18, 2012 8:20 AM
Subject: Re:

1076

Sent from my iPhone

On Aug 18, 2012, at 7:38 AM, Denny Chittick <dcmoney@yahoo.com> wrote:

i need a unit number.
dc

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

From: Scott Menaged <smena98754@aol.com>
To: Dcmoney <dcmoney@yahoo.com>
Sent: Friday, August 17, 2012 10:37 AM
Subject:

I bought 20802 N Grayhawk for 274.1

Do you have 250,000?

Sent from my iPhone

EXHIBIT B-2

Sara Beretta

From: Denny Chittick <dcmoney@yahoo.com>
Sent: Thursday, December 27, 2012 1:55 PM
To: Scott Menaged
Subject: Re: Bought 2 today!
Attachments: DOT Easy Investments.doc; Note Easy Investment.doc; RM Easy Investments.doc

Attached are the docs, ins has been requested.
thx
dc

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

From: Scott Menaged <smena98754@aol.com>
To: Denny Chittick <dcmoney@yahoo.com>
Sent: Thursday, December 27, 2012 11:59 AM
Subject: Bought 2 today!

1892 e Ellis dr
Tempe

Purchased - 164,000

Loan -140,000

3740 e sexton st
Gilbert

Purchased - 186,000

Loan - 150,000

Sent from my iPhone

EXHIBIT B-3

Sara Beretta

From: Denny Chittick <dcmoney@yahoo.com>
Sent: Wednesday, February 13, 2013 11:23 AM
To: Scott Menaged
Subject: Re: 2 more!!
Attachments: DOT Easy Investments.doc; Note Easy Investment.doc; RM Easy Investments.doc

docs for Hadley st
thx
dc

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

From: Scott Menaged <smena98754@aol.com>
To: Denny Chittick <dcmoney@yahoo.com>
Sent: Wednesday, February 13, 2013 11:08 AM
Subject: 2 more!!

11571 w Hopi st
Avondale

Paid - 125,000

Loan - 100,000

23949 w Hadley st
Buckets

Paid - 116,500.00

Loan- 90,000.00

Sent from my iPhone

EXHIBIT B-4

Sara Beretta

From: Denny Chittick <dcmoney@yahoo.com>
Sent: Tuesday, May 21, 2013 8:19 AM
To: Scott Menaged; Veronica Gutierrez
Subject: Re: 2681 s palm
Attachments: DOT Easy Investments.doc; Note Easy Investment.doc; RM Easy Investments.doc

Attached are docs, wire has been sent, ins requested.
thx
dc

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

From: Scott Menaged <smena98754@aol.com>
To: Denny Chittick <dcmoney@yahoo.com>
Sent: Monday, May 20, 2013 10:52 AM
Subject: 2681 s palm

Paid 377,000

Loan 300,000

Retail 450,000

Sent from my iPhone

EXHIBIT B-5

Sara Beretta

From: Denny Chittick <dcmoney@yahoo.com>
Sent: Wednesday, June 26, 2013 11:16 AM
To: Scott Menaged
Subject: Re: Fwd: 2968 e lynx

i'm sending you funds and docs on the other three, this one will have to wait until friday.
dc

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

From: Scott Menaged <smena98754@aol.com>
To: Denny Chittick <dcmoney@yahoo.com>
Sent: Wednesday, June 26, 2013 10:56 AM
Subject: Fwd: 2968 e lynx

Paid 294,000

Loan 240,000

Retail - 359,900

Sent from my iPhone

Begin forwarded message:

From: Todd Griffin <griffin.todd10@yahoo.com>
Date: June 26, 2013, 9:31:18 AM MST
To: Scott Menaged <smena98754@aol.com>, Veronica Gutierrez <veronicagutierrez@live.com>
Subject: 2968 e lynx

Occupied
Sent from Yahoo! Mail on Android

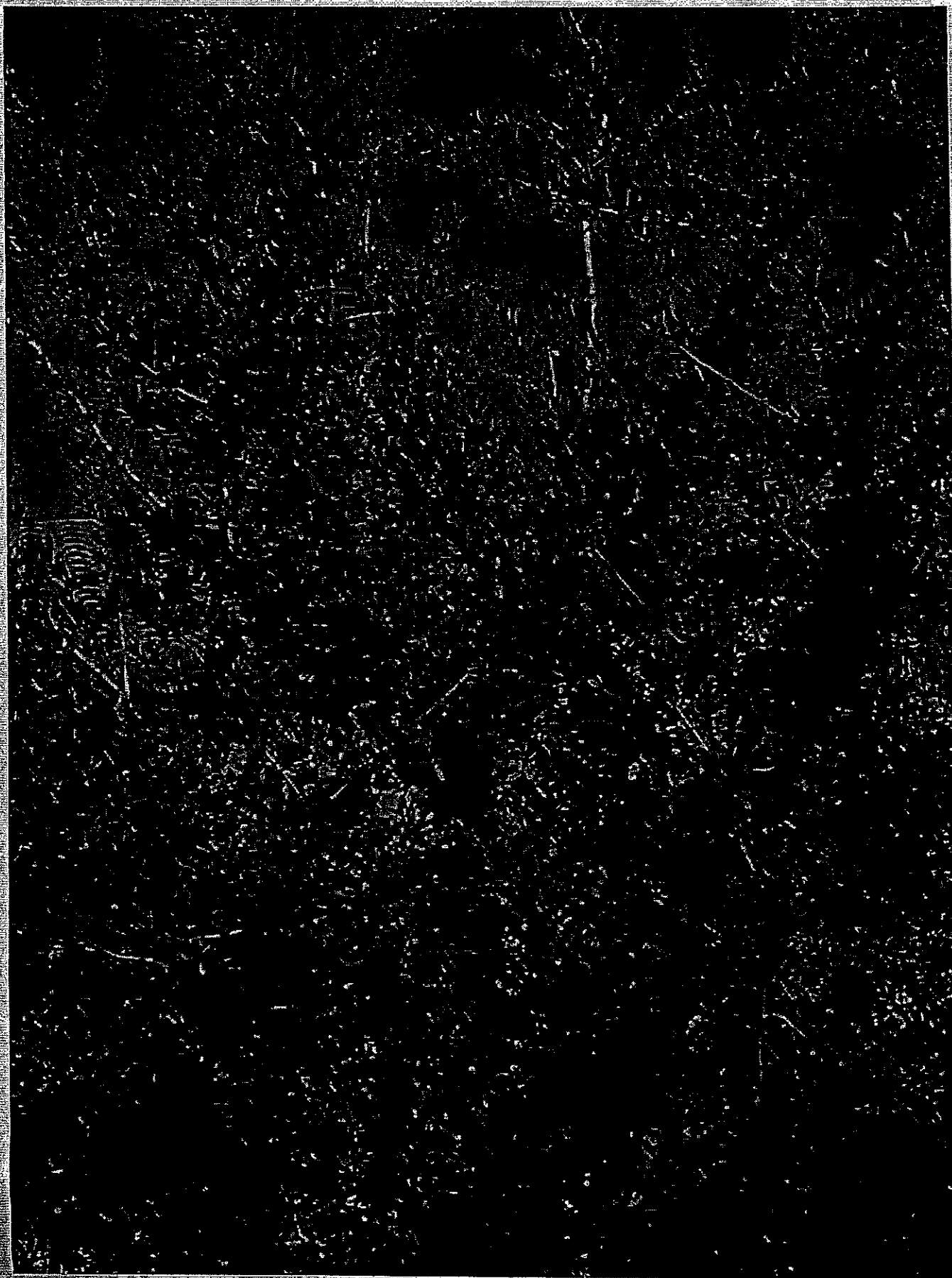


EXHIBIT B-6

Sara Beretta

From: Denny Chittick <dcmoney@yahoo.com>
Sent: Thursday, July 25, 2013 12:43 PM
To: SMena98754@aol.com
Subject: Re: 10440 W Hammond lane

i'll need a few days on all three of these, not before tuesday
as it looks right now

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

From: "SMena98754@aol.com" <SMena98754@aol.com>
To: dcmoney@yahoo.com
Sent: Thursday, July 25, 2013 12:33 PM
Subject: 10440 W Hammond lane

Paid 139,500.00

Loan 110,000.00

EXHIBIT B-7

Sara Beretta

From: Denny Chittick <dcmoney@yahoo.com>
Sent: Tuesday, September 24, 2013 4:32 PM
To: Scott Menaged; Veronica Gutierrez
Subject: Re: Fwd: 707 e potter
Attachments: DOT Easy Investments.doc; Note Easy Investment.doc; RM Easy Investments.doc

Attached are the docs, i'll wire in the am.

thx

dc

DensCo Investment Corp
www.denscoinvestment.com/
602-469-3001
602-532-7737 f

From: Scott Menaged <smena98754@aol.com>
To: Denny Chittick <dcmoney@yahoo.com>
Sent: Tuesday, September 24, 2013 12:26 PM
Subject: Fwd: 707 e potter

Paid 224,000

Loan 170,000

Sent from my iPhone

Begin forwarded message:

From: Todd Griffin <tdogg39.tg@gmail.com>
Date: September 24, 2013 at 6:59:03 AM MST
To: Scott Menaged <smena98754@aol.com>, Veronica Gutierrez <veronicagutierrez@live.com>
Subject: 707 e potter

Occupied sides 7th st next door to 711 e potter we own

EXHIBIT B-8

Sara Beretta

From: Denny Chittick <dcmoney@yahoo.com>
Sent: Thursday, October 03, 2013 10:45 AM
To: Scott Menaged; Veronica Gutierrez
Subject: Re: Fwd: 15143 e aspen
Attachments: DOT Easy Investments.doc; Note Easy Investment.doc; RM Easy Investments.doc

Attached are the docs, i'll wire tomorrow.
thx
dc

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

From: Scott Menaged <smena98754@aol.com>
To: Denny Chittick <dcmoney@yahoo.com>
Sent: Thursday, October 3, 2013 10:33 AM
Subject: Fwd: 15143 e aspen

paid 261,100

Loan 210,000

Sent from my iPhone

Begin forwarded message:

From: Todd Griffin <tdogg39.tg@gmail.com>
Date: October 3, 2013 at 7:41:18 AM MST
To: Scott Menaged <smena98754@aol.com>, Veronica Gutierrez <veronicagutierrez@live.com>
Subject: 15143 e aspen

Occupied

EXHIBIT C

FORBEARANCE AGREEMENT

THIS FORBEARANCE AGREEMENT ("Agreement") is executed on April 16, 2014, by and among Arizona Home Foreclosures, LLC, an Arizona limited liability company, whose address is 7320 W. Bell Road, Glendale, Arizona 85308 ("AHF"), Easy Investments, LLC, an Arizona limited liability company, whose address is 7320 W. Bell Road, Glendale, Arizona 85308 ("EI") (AHF and EI are collectively referred to as the "Borrower"), Yomtov "Scott" Menaged, an individual whose address is 10510 East Sunnyside Drive, Scottsdale, Arizona 85259 ("Guarantor"), Furniture King, LLC, an Arizona limited liability company, whose address is 303 N. Central Avenue, Suite 603, Phoenix, AZ 85012 ("New Guarantor"), and DenSoo Investment Corporation, an Arizona corporation, whose address is 6132 W. Victoria Place, Chandler, Arizona 85226 ("Lender") (the Borrower, the Guarantor, the New Guarantor, and Lender are each considered a "Party" hereunder and are collectively referred to as the "Parties"). (Any capitalized term not defined in this Agreement shall have the meaning set forth in the Deeds of Trust as later defined).

Recitals

The following recitals of fact are a material part of this Agreement:

A. Borrower is indebted to Lender under the terms of certain Loans (the "Loans"), which are listed on the attached Exhibit A, which is incorporated into this Agreement by this reference, and each are evidenced by a Note Secured by Deed of Trust (each, a "Note" and collectively, the "Notes"), all of which were executed by Borrower in favor of Lender (the "Notes") and by a Mortgage (or a "Receipt and Mortgage") (each, a "Mortgage," and collectively, the "Mortgages"), and each such Note and Mortgage was executed by Borrower and delivered to Lender, as a condition precedent to and immediately prior to the funding of the applicable Loan.

B. Guarantor guaranteed the payment and performance of each of the Loans (the "Guaranty"), executed by Guarantor in favor of Lender.

C. Each of the Loans are further evidenced and/or secured by various documents and instruments, including but not limited to a certain Deed of Trust and Assignment of Rents (each a "Deed of Trust," and collectively, the "Deeds of Trust"), executed by Borrower at the funding of the Loan in favor of Lender and recorded in conjunction with the Trustee's Deed conveying the real property to Borrower. The Deeds of Trust constitute a lien on the respective real properties described therein (individually a "Property" and collectively, the "Properties") and referenced in Exhibit A. The Notes, the Mortgages, the Deeds of Trust, the Guaranty, the other document(s) described above and all other documents and instruments evidencing and/or securing the Loans, as originally written or previously modified, and all amendments and renewals thereof and replacements therefor, are referred to collectively herein as the "Loans Documents".

D. Each of the Mortgages provides: "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... Borrower has delivered to Lender a promissory note and deed of trust,

200131428.20 43820/170082

ACC000235 File #8804

and Borrower agrees that the deed of trust 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 Trustee's Deed."

B. Each Deed of Trust provides as follows:

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

...

5. Borrower shall promptly discharge any lien in which has priority over this Deed of Trust unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Deed of Trust. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Deed of Trust, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more actions set forth within 10 days of the beginning of the notice.

F. Each Note provides as follows:

"A "Default" shall occur (i) ... or (vi) upon the occurrence of any default under any 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." ("Default" shall have the meaning set forth in the Note).

G. On or about November 27, 2013, Guarantor met with Denny Chittick of Lender to inform Lender that certain of the Properties had also been used (though Guarantor acknowledged no fault) as security for one or more loans from one or more other lenders (individually, the "Other Lender" and collectively, the "Other Lenders") and the Loans from Lender may not be in the first lien position on each respective Property.

H. At the November 27 meeting, Guarantor acknowledged to Lender that Borrower had an obligation to discharge the liens of the Other Lenders or to take such other actions to satisfy Section 5 of each Deed of Trust within 10 days, as referenced above. Further, Borrower and Guarantor acknowledged that the meeting satisfied Lender's obligation to provide notice to Borrower and Guarantor of an action leading to a Default pursuant to each of the Loan Documents.

I. The Loans are now in Default (as defined in the Note) and Lender has provided Borrower with any and all notice required under each of the Loans Documents concerning such Default.

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ACC000236 File #8604

J. Borrower has requested that Lender forbear in the pursuit of Lender's remedies, and Lender is willing to forbear such pursuit, but only so long as and on the conditions that (1) Borrower, Guarantor and New Guarantor acknowledge the existing Defaults under the Loans, (2) all liens, security interests, rights and remedies of Lender under the Loans Documents continue in full force and effect and (3) Borrower, Guarantor and New Guarantor fulfill all conditions and comply with all terms and provisions set forth in this Agreement, and furnish all other documents and perform all other acts necessary to give effect to the agreements hereinafter set forth.

NOW THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Loans Balance. As of the close of business on April 16, 2014, the total principal sum now due and payable under the Loans, in aggregate, is \$35,639,880.71. In addition to the outstanding principal, Lender has advanced costs and expenses as permitted under the Loans Documents and incurred costs and expenses for collection and enforcement of the Loans. Interest continues to accrue under the Loans at the rate of 18% per annum as provided in the Notes (as opposed to the Default Interest rate set forth in the Notes).

2. Acknowledgment of Default. Borrower, Guarantor and New Guarantor hereby acknowledge and agree that the Loans are in Default, that any necessary or required notices have been provided by Lender and all applicable "cure periods" have expired, and that as a result of such Default, Lender now has the right to pursue foreclosure and any and all other rights and remedies permitted to Lender under the Loans Documents and/or under applicable law.

3. Continued Effect of Loans Documents. Borrower, Guarantor and New Guarantor further acknowledge and confirm that the Loans Documents have been duly authorized, executed and delivered to Lender and are valid, binding and enforceable against Borrower and Guarantor in accordance with their respective terms, and that to the collective knowledge of Borrower, Guarantor and New Guarantor, all liens and security interests created in favor of Lender under the Loans Documents have been validly created and duly perfected as encumbrances upon all Properties and collateral of Borrower, Guarantor or New Guarantor as described in the Loans Documents and as modified by this Agreement. Upon the satisfaction of the lien of the applicable Other Lender with respect to a Property, the lien and security interest created in favor of Lender under the Loans Documents will be deemed to be validly created and duly perfected as an encumbrance upon the respective Property and collateral of Borrower, Guarantor or New Guarantor as described in the Loans Documents. Further, Borrower shall cause to be provided to Lender a Lender's title insurance policy issued by a nationally-recognized title company, reasonably acceptable to Lender insuring that Lender's encumbrance in such Property, as evidenced by the respective Deed of Trust, shall constitute a valid and enforceable first and prior lien to any other encumbrance on the respective Property.

4. Forbearance by Lender on Conditions; Effect of Breach. Lender hereby agrees to forbear pursuit of its rights and remedies under the Loans Documents and/or under applicable law, but only so long as and on the conditions that Borrower, Guarantor and New Guarantor pay all sums, perform all covenants and agreements and do all acts and things required of them.

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hereunder. If Borrower, Guarantor or New Guarantor fail to pay any sum or to perform any covenant, agreement or obligation owed to Lender under any of the Loans Documents, as modified by this Agreement, Lender may cease such forbearance and may immediately commence and pursue any or all rights and remedies Lender may have under the Loans Documents and/or under applicable law as to any or all of the collateral or security for the Loans, all in such order and manner as Lender may elect from time to time in its sole discretion and without notice of any kind to Borrower, Guarantor, New Guarantor or any other person, as if this Section 4 had never been agreed to by Lender. Lender's agreement herein to forego immediate pursuit of its rights and remedies constitutes a postponement and forbearance only, and does not in any event constitute a waiver of any such rights or remedies.

5. No Effect on Existing Default; Extension of Maturity. Neither the execution and delivery of this Agreement or any other document or instrument required hereunder nor the consummation of the transactions and agreements set forth in this Agreement shall in any manner rescind or cure any existing Default under the Loans Documents, reinstate the Loans to a current status, or constitute an accord and satisfaction of the Loans. Notwithstanding this provision, the maturity date of all of the Loans (and the payment of the entire principal sum and all accrued interest, costs, expenses, disbursements and fees due under the terms and provisions of this Agreement, the Notes and all other sums payable under the Loans Documents) is hereby extended to February 1, 2015, and shall be due in any event, without notice or demand; provided, however, Lender, at its sole discretion, may further extend the maturity date of all of the Loans to February 1, 2016, so long as Borrower, Guarantor and New Guarantor have complied and are in material compliance with the terms of this Agreement.

6. Borrower's Actions. Lender's continued performance of the terms of this Agreement is conditioned upon each of the following obligations being fulfilled:

(A) Borrower agrees to use its good faith efforts to: (i) liquidate other assets, which is expected to generate approximately \$4 to \$5 million US Dollars; (ii) apply all net proceeds from the rental of Borrower's other real estate assets, or the net proceeds from the acquisition and disposition of other real estate or other assets by Borrower, and (iii) apply all funds received from Borrower's continued good faith efforts to recover any other asset that can be recovered from the missing proceeds from the multiple Loans that were advanced from Lender and Other Lenders with respect to certain properties as referenced above. Any additional funds obtained and / or made available to Borrower pursuant to this subsection shall be made available to and used by Borrower in connection with the resolution of the lien disputes between Lender and Other Lenders as referenced above (and any balance to be paid to Lender to reduce the amount of Lender's Additional Loan or the Additional Funds Loan to Borrower as provided herein).

(B) Borrower agrees to provide Lender, and maintain in effect, a life insurance policy from a nationally-recognized life insurance carrier (Lincoln Benefit Life Insurance, a subsidiary of Allstate Insurance Co., shall be deemed acceptable to Lender), in the amount of \$10,000,000, insuring the life of Guarantor with Lender named as the sole beneficiary, until all obligations pursuant to the Agreement have been fully satisfied.

(C) Borrower agrees to provide Lender with a separate personal guaranty from Guarantor, guaranteeing all of Borrower's obligations under the Loans Documents, and this

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Agreement, and such Guaranty shall be in commercially reasonable form for a lender loaning a similar aggregate amount of money to a borrower as Lender is loaning in the aggregate to Borrower. Further, Borrower agrees to provide a re-affirmation and consent from Guarantor to restate and re-affirm his personal obligations as set forth in his outstanding personal guarantees of Lender's Loans to Borrower, so that the terms and provisions of this Agreement will not cause or create any waiver of such guarantees, but rather will ratify and guarantee all of the Borrower's obligations, as such obligations may be increased by the actions of Lender and Borrower pursuant to the terms and provisions of this Agreement.

(D) Borrower agrees to provide Lender with a separate corporate guaranty from New Guarantor, guaranteeing all of Borrower's obligations under the Loans Documents, this Agreement, and the Additional Loan (defined herein) to be secured by a lien against all of New Guarantor's inventory, accounts, and assets.

(E) Except for Lender, Borrower agrees to continue to pay the interest due to the Other Lenders for loans secured by any of the Properties, and any other similarly situated lender on a timely basis and to keep each of such loans current and in compliance with their respective terms.

(F) Borrower has arranged for private outside financing (the "Outside Funds"), which is to be provided to Borrower in the approximate amounts and on the following prospective schedule: (i) approximately \$1,000,000 on or before March 20, 2014; (ii) approximately \$1,000,000 on or before May 26, 2014; (iii) approximately \$1,000,000 on or before July 15, 2014; and (iv) approximately \$1,200,000 on or before September 15, 2014. Such Outside Funds shall be used exclusively for the pay-off of the Other Lenders and any other similarly situated lender: to pay interest payments to similarly situated lenders; to pay repair and/rehab expenses associated with the collateral for the Loans, or to make any other payment that, in Borrower's reasonable judgment, is for the mutual benefit of Borrower and Lender. Any balance remaining shall be paid to Lender to reduce the amount of Lender's Additional Loan to Borrower, as provided herein.

(G) Borrower has agreed to inform Lender of all of the terms of Borrower's transactions to obtain the Outside Funds and the security provided for such Outside Funds. Lender agrees to keep such information on a confidential basis, provided, however, Lender will be able to provide such terms and information to its investors, legal counsel, accountants and other applicable professionals on a confidential basis.

(H) During the term of this Agreement, Borrower, Guarantor and New Guarantor agree to use good faith efforts to satisfy and pay-off any and all financial obligations secured by liens in favor of the applicable Other Lender with respect to a Property. The Borrower and Lender shall cooperate to agree upon a sequencing schedule (which will need to be adjusted on a reasonable basis) to satisfy and release the liens of the Other Lenders on the applicable Properties. Borrower agrees to use its Good Faith Efforts to cause the liens of the Other Lenders to be satisfied and released on or before nine (9) months from the execution of this Agreement.

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(I) Borrower, Guarantor, New Guarantor and Lender acknowledge and agree that this Agreement shall not constitute nor create a joint venture or partnership arrangement between or among Lender and any of the Borrower or Guarantor.

(J) If Borrower, Guarantor or New Guarantor fail to pay any sum or to perform any covenant, agreement or obligation owed to Lender under any of the Loans Documents, as modified by this Agreement, Borrower agrees to provide any additional collateral ("Additional Security") to Lender, as may be requested by Lender, to secure Borrower's existing obligations to Lender and to secure the additional obligations that Lender is agreeing to provide pursuant to this Agreement.

(K) Execution, delivery and filing or recording (with all costs thereof paid by Borrower) of all documents and instruments required to create the required liens on the respective Properties as required by the Loans Documents or to create a security interest in any Additional Collateral.

(L) As more fully set forth in Section 12, Borrower agrees to reimburse all costs and expenses, including without limitation attorneys' fees, incurred by Lender in connection with this Agreement (or the effect of this Agreement on Lender's business and with its investors).

7. Lender's Actions. Subject to the full compliance of Borrower, Guarantor, and New Guarantor to each of their respective obligations, as detailed in this Agreement, the Lender will perform the following obligations:

(A) Lender has increased the Loan amount applicable to certain of the Properties referenced in Exhibit A up to 120% of the loan-to-value ("LTV") ratio of the value of the respective Properties, as determined by Lender. The additional funds advanced to Borrower have been used to pay off the Other Lender and release its security interest in that Property.

(B) In connection with the sale of a Property to an independent third party or new third party financing of any of the Properties referenced in Exhibit A, Lender agrees to work reasonably with Borrower, Guarantor and New Guarantor to provide additional funds to Borrower to pay off the respective Loans of the Other Lender and Lender secured by a lien against the applicable Property so that the respective security interests in the respective Property will be released at the Closing of the sale or new financing of the Property. The additional funds provided by Lender to Borrower in connection with such third party sale or new third party financing of such Properties shall be evidenced by a new loan to Borrower, Guarantor, and New Guarantor, jointly and severally, in an amount up to \$5.0 Million US Dollars, which loan is to provide for multiple advances, earn 18% interest, with monthly principal and interest payments (calculated pursuant to a formula consisting of all outstanding interest and 3% of outstanding principal), and all unpaid interest and outstanding principal shall be all due and payable on or before February 1, 2016 (the "Additional Funds Loan"). The Additional Funds Loan will include a Default Interest Rate of 29%. Upon the sale or refinance of the Property securing the Additional Loan (pursuant to Section 7 (D)), the outstanding principal balance of the Additional Funds Loan shall be paid down so that the outstanding principal balance is reduced to an amount of \$4.0 Million US Dollars or less and the promissory note evidencing the Additional Funds Loan shall be modified to reduce the maximum outstanding principal to \$4.0 Million US Dollars.

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The promissory note to evidence the Additional Funds Loan shall be in commercially reasonable form for a lender loaning a similar aggregate amount of money on a partially unsecured basis to a borrower as Lender is loaning in the aggregate to Borrower, Guarantor, and New Guarantor. Full Payment of the Additional Funds Loan shall be secured by a lien against the inventory and assets of the New Guarantor, which shall be evidenced by a security agreement and financing statement in commercially reasonable form to secure a lender loaning a similar aggregate amount of money to a borrower as Lender is loaning in the aggregate to Borrower pursuant to the Additional Funds Loan. If Borrower, Guarantor, or New Guarantor fail to pay any sum or to perform any covenant, agreements or obligation owed to Lender under the Additional Funds Loan, this Agreement, or any of the Loans Documents, as modified by this Agreement, Borrower and Guarantor agree to work with Lender to provide any additional collateral available ("Additional Funds Collateral") to Lender, as may be requested by Lender, to secure the obligations pursuant to the Additional Funds Loan for the benefit of Lender.

(C) Lender will defer (but not waive) the collection of interest from the Borrower on the Loans to the Borrower during the process to fund the amount due to the Other Lenders; and all deferred interest on the Notes from Borrower shall be paid to Lender on or before the payoff of the respective Note.

(D) Lender has provided a new loan to Borrower and Guarantor, jointly and severally, in the amount up to \$1 Million US Dollars, which loan is to provide for multiple advances, and currently accrues 3% annual interest (which interest shall be calculated based upon, and periodically adjusted as necessary, to equal the interest costs to Denny Chittick on his line of credit from Bank of America plus ½%) with monthly principal and interest payments (calculated pursuant to a formula consisting of all outstanding interest and 3% of outstanding principal balance), all unpaid interest and outstanding principal shall be all due and payable on or before February 1, 2016, and such loan shall be secured by a first lien position against certain real property in Scottsdale, AZ (the "Additional Loan"). The Additional Loan will include a Default Interest Rate of 29%. The promissory note to evidence the Additional Funds Loan shall be in commercially reasonable form for a lender loaning a similar aggregate amount of money on a partially unsecured basis to a borrower as Lender is loaning in the aggregate to Borrower and Guarantor. Upon the sale or refinancing of such Property, Borrower and Guarantor will arrange for the Additional Loan to be secured by a lien against certain real property or properties, with the properties and the lien position to be approved by Lender, in its sole discretion, and the obligation is to be personally guaranteed by New Guarantor. Further, upon the sale or refinance of such Property, Borrower, Guarantor and Lender shall modify the Additional Funds Loan to reduce the maximum outstanding balance to \$4.0 Million US Dollars.

(E) Provided that Borrower, Guarantor and New Guarantor each complies with all of its respective obligations under this Agreement, Lender will waive the right to charge the Default Interest rate which is permitted pursuant to the terms of the Loans Documents. If any of Borrower, Guarantor or New Guarantor fails to comply with its respective obligations under this Agreement, Borrower shall then be liable for Default Interest at the Default Interest rate set forth in the Loan Documents on all outstanding Notes.

(F) Upon the complete and full satisfaction by Borrower, Guarantor and New Guarantor (the "Borrower Entities") of each and every obligation, term, condition and

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requirement of the Borrower Entities set forth in and pursuant to this Agreement, the Loans Documents and/or any other document executed in connection with this Agreement and/or the Loans Documents, Lender, Borrower, Guarantor and New Guarantor agree to and will execute a mutual release and covenant not to sue (or pursue) the Borrower and/or Guarantor in any legal action based upon the facts set forth in the Recitals to this Agreement.

8. Grace and Cure Periods. If Borrower, Guarantor or New Guarantor fail to comply with any non-monetary obligation undertaken by it through this Agreement or any of the Loans Documents, or any of the documents executed in connection with this Agreement (collectively, the "Forbearance Documents"), the Borrower Entities shall be in default of this Agreement if none of the Borrower Entities fails to satisfy the non-monetary obligation within ten (10) business days of receiving email or telephonic notice from Lender. No such notice shall be required if any of the Borrower Entities fail to comply with any monetary obligation in favor of Lender under the Forbearance Documents. Except for the non-monetary notice required above, all other notice provisions of the Forbearance Documents requiring any other notice to Borrower or Borrower Entities or any other person as a condition precedent to the existence of any breach, default or event of default or to any acceleration or other remedial action by Lender, permitting or granting any grace period after the giving or receipt of any notice for the cure of any breach, default or event of default under the Forbearance Documents prior to acceleration or other remedial action by Lender are hereby deleted, and all Forbearance Documents are hereby modified accordingly.

9. No Knowledge of Claims and Defenses against Lender. As a material part of the consideration for Lender's execution of this Agreement, Borrower, Guarantor and New Guarantor each hereby represent and warrant to Lender and its officers, directors, shareholders and its affiliates that neither the Borrower nor Guarantor are aware of any liabilities, obligations, actions, claims, causes of action, suits, proceedings, damages, demands, costs and expenses whatsoever that would give rise to, or be the basis for, or to create an obligation owed by Lender to Borrower or Guarantor (except as set forth in this Agreement) (collectively, "Potential Claims") or any action, failure to act, facts or circumstances that could give rise to or be the basis for or to create a Potential Claim, including but not limited to any of the foregoing relating to the making, administration or enforcement of the Loans. Without limiting the foregoing, Borrower and Guarantor hereby unconditionally and irrevocably waive any and all defenses and claims existing or arising (or based on facts or circumstances actually or allegedly existing or arising) prior to or on the date of this Agreement which might otherwise limit their unconditional joint and several liability for all sums due under the Loans as set forth in this Agreement.

10. Further Documents. Borrower, Guarantor, and New Guarantor each hereby agree to execute any and all further documents and instruments required by Lender and to do all other acts and things necessary to give effect to the terms and provisions of this Agreement and/or to create and perfect all liens and security interests granted to Lender under the Loans Documents or required under this Agreement.

11. Authorization of Agreement. The execution and delivery of this Agreement has been duly authorized by all necessary corporate or partnership action of Borrower, Guarantor (as applicable) and New Guarantor, and the individuals executing this Agreement on behalf of

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Borrower, Guarantor and/or New Guarantor have been duly authorized and empowered to bind Borrower, Guarantor and/or New Guarantor by such execution.

12. Costs and Expenses. Borrower hereby agrees to pay on demand any and all fees, costs and expenses, including but not limited to attorneys' fees, incurred by Lender in connection with: (A) the negotiation, preparation, filing and/or recording of this Agreement and all other documents and instruments required to give effect to this Agreement and/or to create and perfect the liens, security interests, assignments and/or pledges contemplated hereunder or under the Loans Documents and such disclosure to Lender's investors as necessary to provide an updated disclosure concerning Borrower's Default and the terms of this Forbearance Agreement; provided, however, the legal fees incurred in connection with this subsection A. to prepare and implement this Agreement and the necessary initial updated disclosure to Lender's investors in connection with Borrower's Default and the terms of this Forbearance Agreement shall be limited by a total and cumulative cap of \$80,000; (B) the issuance to Lender of any and all title reports, amendments and title insurance; (C) any investigation fees and/or other fees and costs incurred by Lender in connection with this Agreement and/or the Loans Documents (or the effect of this Agreement on Lender's business and with its investors); (D) the default of Borrower in connection with the Loans Documents, or the existing and/or any future lien disputes with any of the Other Lenders or any other similarly situated lenders; and/or (E) the collection of the Loans and/or the enforcement of this Agreement and/or the Loans Documents and/or any other document executed in connection with this Agreement and/or the Loans Documents. The Parties acknowledge that the cumulative cap of \$80,000 is only applicable to legal fees, incurred pursuant to subsection A. above. Guarantor and New Guarantor shall each be liable for all of their respective foregoing costs and expenses pursuant to their respective guarantees. Lender shall have no liability whatsoever for any of the foregoing.

13. Time of the Essence. Time is of the essence of all agreements and obligations contained herein.

14. Construction of Agreement. If any provision of this Agreement conflicts with any provision of any Loans Documents, the applicable provision of this Agreement shall control.

As used herein, words of masculine, feminine or neuter gender shall mean and include the correlative words of the other genders, and words importing the singular number shall mean and include the plural number, and vice versa.

The titles and captions in this Agreement are used for convenience of reference only and do not define, limit or control the scope, intent or effect of any provisions of this Agreement.

No inference in favor of, or against, any Party shall be drawn from the fact that such Party has drafted all or any portion of this Agreement, any other document required hereunder or in connection with any Loans Documents.

All parties were advised to and were given the opportunity to consult with independent counsel before executing this Agreement and the Forbearance Documents.

15. Ratification and Agreements by Guarantor. Guarantor hereby acknowledges and consents to the terms of this Agreement, agrees to be bound by all terms and provisions

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hereof and of any and all documents and instruments executed by Borrower in connection with and/or as contemplated in this Agreement; acknowledges and confirms that Guarantor is and shall remain liable for all indebtedness and obligations now or hereafter owed by Borrower to Lender in connection with the Loans (pursuant to this Agreement and the Loans Documents or otherwise); agrees that Guarantor's said liability shall not be released, reduced or otherwise affected by the execution of this Agreement, by any changes in the effect of the Loans Documents under the terms of this Agreement, by Lender's receipt of any additional collateral for the Loans, by the consummation of any transactions relating hereto, or by any other existing fact or circumstance; ratifies the Guaranty as security for the Loans; and confirms that the Guaranty remains in full force and effect.

16. Entire Agreement; No Oral Agreements Concerning Loans. The Recitals set forth at the beginning of this Agreement are incorporated into this Agreement as a material part of this Agreement. This Agreement constitutes the entire agreement of the parties concerning the subject matter hereof, which agreement shall not be varied by any alleged or actual oral statements or parol evidence whatsoever. Lender has not promised or agreed in any manner to extend the maturity of the Loans, to restructure the Loans or any security therefor, to modify any terms of the Loans Documents or the effect thereof, to forbear in the commencement, exercise or pursuit of any right or remedy Lender has under the Loans Documents or applicable law, to release or adversely affect any lien or security interest previously or concurrently granted in favor of Lender, or to forego the benefit of any term, provision or condition of the Loans Documents, except as may be otherwise specifically provided in this Agreement and subject in all instances to strict compliance by Borrower, Guarantor and New Guarantor with all terms and conditions of this Agreement. Except as specifically provided in this Agreement (and so long as each of the Borrower Entities are in compliance with the terms of this Agreement), Lender has not agreed or become obligated, whether by negotiating or executing this Agreement or otherwise, to make any new Loans or to extend any new credit to Borrower, Guarantor or New Guarantor under any circumstances.

17. Ratification of Workout. The Parties acknowledge and agree that the terms and conditions of this Agreement are part of but not the entire body of a mutual workout arrangement between the parties for a resolution of a dispute regarding the Loans. Borrower, Guarantor and New Guarantor each hereby ratify, consent to, and agree to all of Lender's actions, from November 27, 2013, to the date first stated above, regarding and/or related to the claims of the Other Lenders alleging that the encumbrances for their loans were in first priority for the subject Properties; with the actions of the Lender including, without limitation, Lender lending Borrower an additional amount of approximately \$5,000,000, in the aggregate, with said funds being used towards satisfaction of certain loans from the Other Lenders. Borrower, Guarantor and New Guarantor each ratify and agree that the Lender's loans for said Properties have increased by the amounts that Lender paid toward satisfaction of the respective Other Lenders' loans for the subject Properties and Lender's Loans will continue to increase by the amount that Lender will advance to Borrower (or pay toward) for the satisfaction of the respective Other Lenders' Loans or in connection with Lender's rights or obligations pursuant to the Loans Documents as modified by this Agreement.

18. Confidentiality. In connection with or based upon the facts underlying this Agreement, the Parties agree not to assist, suggest, notify, or recommend that third parties

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investigate or pursue any requests for information, claims, or litigation relating to any of the Parties, their officers, directors, shareholders, owners, employees, consultants, attorneys, agents, successors, affiliates, subsidiaries, parents, heirs, representatives, and assigns. Each Party shall refrain from making any disparaging or negative statements or comments about the other Parties to any third parties, including any derogatory statements or criticism. Except as set forth below, the Parties further agree that: (i) the material terms of the Agreement and the material facts underlying the Agreement are intended to remain confidential; and (ii) they agree not to disclose, or cause others to disclose, to anyone the material terms stated in this Agreement or the material facts underlying this Agreement; provided, however, these disclosure limitations set forth in (i) and (ii) above are subject to the following exceptions: a) except as such facts are set forth in the applicable public records, or b) except as may be required to be disclosed to any governmental agency or authority with applicable jurisdiction (after notice to the other Party and an opportunity to object to such required disclosure), or c) except as may be disclosed to such Party's outside professionals, or d) except as may be necessary for Lender to disclose to Lender's current or future investors (which disclosure is intended to be limited as described below). With respect to the limitation on Lender's disclosure to its investors as referenced above, Lender agrees to use its good faith efforts to limit such disclosure as much as legally possible pursuant to the applicable SEC Regulation D disclosure rules, which limitation is intended to have Lender only describe: 1. the multiple Loans secured by the same Properties, which created the Loans Defaults; 2. the work-out plan pursuant to this Agreement in connection with the steps to be taken to resolve the Loans Defaults; 3. the work-out plan shall also include disclosing the previous additional advances that Lender has made and the additional advances that are intended to be made by Lender to Borrower pursuant to this Agreement in connection with increases in the loan amount of certain specific Loans (up to 120% of the LTV of the applicable Property being used as security for that Loan), the additional advances pursuant to both the Additional Loan and the Additional Funds Loan; and 4. the cumulative effect that all of such additional advances to Borrower will have on Lender's business plan that Lender has previously disclosed to its investors in Lender's private offering documents and which Lender committed to follow, including the overall LTV loan ratios for all of Lender's outstanding loans to its borrowers in the aggregate and the concentration of all of Lender's outstanding loans among all of its borrowers. Further, Lender will use its good faith efforts not to include the names of Borrower, Guarantor, or New Guarantor in Lender's disclosure material. Lender will also provide Borrower with a copy of the applicable disclosure prior to dissemination to Lender's investors and allow Borrower to have 48 hours to review and comment upon such disclosure.

19. Counterparts. This Agreement may be executed in several counterparts, each of which counterpart shall be deemed an original instrument and all of which together shall constitute a single Agreement. The failure of any party hereto to execute this Agreement, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

20. Notices. All notices, consents, approvals and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) certified or registered United States mail, postage prepaid, return receipt requested or (b) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, or (c) by email addressed as follows (or at such other address and person as shall be designated from time to time by any party hereto, as the case may be, in a written notice to the other parties hereto in the manner provided for in this Paragraph):

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Arizona Home Foreclosures, LLC
7320 West Bell Road
Glendale, AZ 85308
Attention: Scott Menaged
Email: smena98754@aol.com

Easy Investments, LLC
7320 West Bell Road
Glendale, AZ 85308
Attention: Scott Menaged
Email: smena98754@aol.com

Yomotov, "Scott" Menaged
7320 West Bell Road
Glendale, AZ 85308
Email: smena98754@aol.com

Furniture King, LLC
303 North Central Avenue, Suite 603
Phoenix, AZ 85012
Attention: Scott Menaged
Email: smena98754@aol.com

DenSoo Investment Corporation
6132 West Victoria Place
Chandler, AZ 85226
Attention: Denny Chittick
Email: dcmoney@yahoo.com

21. Choice of Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ARIZONA WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES.

22. Severability. If any provision of this Agreement is found to be void, invalid or unenforceable by a court of competent jurisdiction, that finding shall only affect the provisions found to be void, invalid or unenforceable and shall not affect the other of this Agreement, and they shall remain in full force and effect.

23. Event of Default. The failure to pay any amount due under this Note when due, or any occurrence of a failure to cure any non-monetary default under any of the Forbearance Documents or any other Loan Documents after the appropriate notice required in Section 8 of this Agreement, shall be deemed to be an event of default ("Event of Default") hereunder.

24. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, then at the option of the Lender, and with notice only as specifically required in this Agreement, the entire balance of principal together with all accrued interest thereon, and all other amounts payable by the Borrower Entities under the Forbearance Documents shall, without demand or notice, immediately become due and payable. Upon the occurrence of an Event of Default (and so long as such Event of Default shall continue), the entire balance of principal hereof, together with all accrued interest thereon, all other amounts due under the Forbearance Documents, and any judgment for such principal, interest, and other amounts shall bear interest at the Default Interest Rate, as provided in the Additional Funds Loan. No delay or omission on the part of the Lender hereof in exercising any right under any of the Forbearance Documents hereof shall operate as a waiver of such right.

25. Waiver. The Borrower Entities hereby waive diligence, demand for payment, presentment for payment, protest, notice of nonpayment, notice of protest, notice of intent to accelerate, notice of acceleration, notice of dishonor, and notice of nonpayment, and all other notices or demands of any kind (except notices specifically provided for in the Forbearance Documents) and expressly agree that, without in any way affecting the liability of any of the

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Borrower Entities, the Lender hereof may extend any maturity date or the time for payment of any payment due under any of the Forbearance Agreements, otherwise modify the Forbearance Documents, accept additional security, release any person liable, and release any security. The Borrower Entities waive, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense.

27. Integration. This Agreement contains the complete understanding and agreement of the Borrower Entities and Lender and supersedes all prior representations, warranties, agreements, arrangements, understandings, and negotiations.

28. Binding Effect. This Agreement will be binding upon, and inure to the benefit of, the Lender, the Borrower Entities, and their respective successors and assigns. Borrowers may not delegate their obligations under the Forbearance Documents.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the undersigned Parties have executed this Agreement on the date first above written.

Borrower:

ARIZONA HOME FORECLOSURES, LLC

By: 

Yomitov "Scott" Menaged

Its: Member

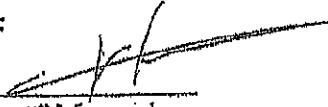
EASY INVESTMENTS, LLC

By: 

Yomitov "Scott" Menaged

Its: Member

Guarantor:


Yomitov "Scott" Menaged

New Guarantor:

FURNITURE KING, LLC

By: 

Yomitov "Scott" Menaged

Its: Manager

Lender:

DENSCO INVESTMENT CORPORATION

By: 

Denny Chittick

Its: President

{Signature Page of Forbearance Agreement}

200131428.20 43820/170082

ACC000248 File #8604

EXHIBIT A
LENDER LOANS AND ENCUMBERED PROPERTIES

200131428.20 43820/170082

ACC000249 File #8604

ACKNOWLEDGMENTS

STATE OF ARIZONA)
) SS
COUNTY OF MARICOPA)

On this 16th day of April, 2014, before me appeared Yomotov "Scott" Menaged, to me personally known, who being by me duly sworn, did say that he is the manager of ARIZONA HOME FORECLOSURES, LLC, an Arizona limited liability company (the "Company"), and said Yomotov "Scott" Menaged acknowledged to me that the Company is named as both AHF and a Borrower in the foregoing instrument and that as the manager of the Company, he did execute the foregoing instrument, for and on behalf of the Company, and that he did so as his and the Company's free act and deed.

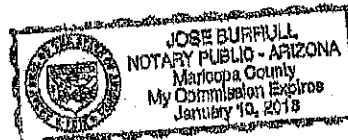
IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.



Notary Public

My Commission Expires:

01-10-2018



{Acknowledgments for Forbearance Agreement - AHF}

200131423.20 43820/170082

ACC000254 File #8604

ACKNOWLEDGMENTS

STATE OF ARIZONA)
) SS
COUNTY OF MARICOPA)

On this 10th day of APRIL, 2014, before me appeared Yomotov "Scott" Menaged, to me personally known, who being by me duly sworn, did say that he is the manager of EASY INVESTMENTS, LLC, an Arizona limited liability company (the "Company"), and said Yomotov "Scott" Menaged acknowledged to me that the Company is named as both EI and a Borrower in the foregoing instrument and that as the manager of the Company, he did execute the foregoing instrument, for and on behalf of the Company, and that he did so as his and the Company's free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.



[Signature]
Notary Public

My Commission Expires:

01-10-2018

{Acknowledgments for Forbearance Agreement - EI}

200131428.20 43820/170082

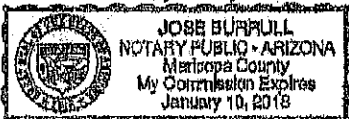
ACC000255 File #8604

ACKNOWLEDGMENTS

STATE OF ARIZONA)
) SS
COUNTY OF MARICOPA)

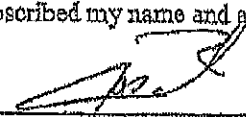
On this 16th day of APRIL, 2014, before me appeared Yomtov "Scott" Menaged, to me personally known, who being by me duly sworn, and said Yomtov "Scott" Menaged acknowledged to me that he is named as the Guarantor in the foregoing instrument and that he did execute the foregoing instrument and that he did so as his free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.



My Commission Expires:

01-10-2018



Notary Public

{Acknowledgments for Forbearance Agreement - Menaged}

200131428.20 43820/170082

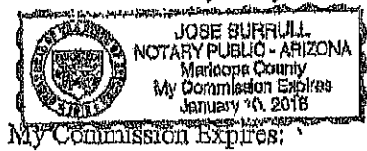
ACC000256 File #8604

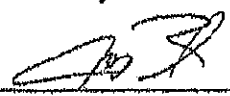
ACKNOWLEDGMENTS

STATE OF ARIZONA)
) SS
COUNTY OF MARICOPA)

On this 16th day of APRIL, 2014, before me appeared Yomotov "Scott" Menaged, to me personally known, who being by me duly sworn, did say that he is the manager of FURNITURE KING, LLC, an Arizona limited liability company (the "Company"), and said Yomotov "Scott" Menaged acknowledged to me that the Company is named as the New Guarantor in the foregoing instrument and that as the manager of the Company, he did execute the foregoing instrument, for and on behalf of the Company, and that he did so as his and the Company's free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.





Notary Public

01-10-2018 2018

{Acknowledgments for Forbearance Agreement -Furniture King}

200131428.20 43820/170082

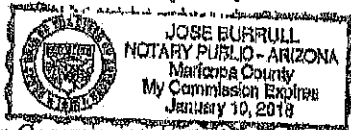
ACC000257 File #8604

ACKNOWLEDGMENTS

STATE OF ARIZONA)
) SS
COUNTY OF MARICOPA)

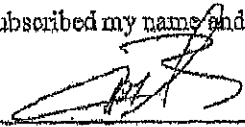
On this 14th day of April, 2014, before me appeared Denny Chittick, to me personally known, who being by me duly sworn, did say that he is the President of DENSCO INVESTMENT CORPORATION, an Arizona corporation, (the "Corporation"), and said Denny Chittick acknowledged to me that the Corporation is named as the Lender in the foregoing instrument and that as the President of the Corporation, he did execute the foregoing instrument, for and on behalf of the Corporation, and that he did so as his and the Corporation's free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.



My Commission Expires:

01-10-2018



Notary Public

{Acknowledgments for Forbearance Agreement - DenSoo}

200131428.20 43820/170082

ACC000258 File #B604

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "Guaranty") is made as of April 16, 2014, by Yomtov "Scott" Menaged ("Menaged" or "Guarantor"), an individual whose address is 10510 East Sunnyside Drive, Scottsdale, Arizona 85259, in favor of DenSoo Investment Corporation, an Arizona corporation (together with its successor and assigns, "Lender"), having an address at 6132 W. Victoria Place, Chandler, Arizona 85226.

Recitals

The following recitals are a material part of this Guaranty:

A. Arizona Home Foreclosures, LLC, an Arizona limited liability company ("AHF"), whose address is 7320 W. Bell Road, Glendale, Arizona 85308 and Easy Investments, LLC, an Arizona limited liability company ("EI"), whose address is 7320 W. Bell Road, Glendale, Arizona 85308 (AHF and EI are hereinafter referred to, individually and collectively, as the context may require, as "Borrower") are indebted to Lender under the terms of certain Loans (individually a "Loan" and collectively, the "Loans"), which are listed on the attached Exhibit A (as may be subsequently amended as additional real properties are added as collateral for the Loans), which is incorporated into this Agreement by this reference. Guarantor is or was the owner of each Borrower, and Guarantor did have and continues to have a significant financial interest in Lender making the Loans (and loaning additional funds), and has and will continue to realize significant financial benefit from the existing and additional Loans. Each Loan is evidenced by (or will be evidenced by) a certain Note Secured by Deed of Trust or other similar promissory notes, executed by Borrower in favor of Lender (individually a "Note" and collectively, the "Notes") and by a Mortgage (or a "Receipt and Mortgage") (collectively, the "Mortgages"), and are each secured in part by one or more Deeds of Trust and Assignment of Rents, deeds of trust, deeds to secure debt, or similar documents (individually and collectively, the "Security Instruments") encumbering Borrower's interest in the respective real properties described therein (individually a "Property" and collectively, the "Properties") and referenced in Exhibit A (as may be subsequently amended as additional real properties are added as collateral for the Loans). The Notes, Mortgages, Security Instruments, and the other document(s) described above and all other documents and instruments evidencing and/or securing the Loans, as originally written or previously modified, and all amendments and renewals thereof and replacements therefor, are referred to collectively herein as the "Loans Documents" or individually as a "Loan Document". The Loan Documents are hereby incorporated by this reference as if fully set forth in this Guaranty.

B. The Loans are now in Default (as defined in the respective Notes) and Lender has provided Borrower with any and all notice required under each of the Loans Documents concerning such Default.

C. Borrower has requested that Lender forbear in the pursuit of Lender's remedies, and Lender is willing to forbear such pursuit, subject to the terms of a Forbearance Agreement of even date, by and between the Borrower, Guarantor, Furniture King, LLC, an Arizona limited

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ACC000259 File #8604

liability Company, whose address is 303 N. Central Avenue, Suite 603, Phoenix, Arizona 85012 ("Furniture King") and Lender (the "Forbearance Agreement").

D. Pursuant to the Forbearance Agreement, Lender agreed to loan additional funds in an amount up to Five Million Dollars (\$5,000,000) to Borrower, Guarantor, and Furniture King, jointly and severally (the "Additional Funds Loan"), which is evidenced by that certain Secured Line of Credit Promissory Note (the "Additional Funds Note").

E. Pursuant to the Forbearance Agreement, Lender agreed to loan additional funds in an amount up to One Million Dollars (\$1,000,000) to Borrower and Guarantor, jointly and severally (the "Additional Loan"), which is evidenced by that certain Secured Line of Credit Promissory Note (the "Additional Note"). Furniture King has personally guaranteed the Additional Loan under a separate Guaranty Agreement. (For purposes of this Guaranty, the Additional Funds Note, and the Additional Note shall be included in the definition of the "Notes." Further, the Forbearance Agreement, the Additional Funds Note, and the Additional Note, the Deed of Trust Security Agreement and other documents executed in connection with the Forbearance Agreement shall be included in the definition of the "Loan Documents.")

F. Lender has required that Guarantor guaranty to Lender the payment of the Liabilities (as such term is defined in Section 2.1 hereof).

G. Absent this Guaranty, Lender is unwilling to agree to the terms of the Forbearance Agreement, loan the additional funds to Borrower pursuant to the Additional Funds Loan, and the Additional Loan, and/or to loan any other additional funds to the Borrower, pursuant to the terms of the Loan Documents.

Agreement

In consideration of Lender's agreement to the terms of the Forbearance Agreement and agreement to loan additional funds to the Borrower, pursuant to the terms of the Loan Documents, the Additional Funds Note, the Additional Note, and the Forbearance Agreement, and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, Guarantor hereby states and agrees as follows:

1. **Requests of Guarantor.** Guarantor hereby requests that Lender agree to the terms of the Forbearance Agreement, and further, that Lender extend additional credit and give financial accommodations to Borrower, pursuant to the terms of the Loan Documents, as Borrower may desire and as Lender may grant, from time to time, whether to the Borrower alone or to the Borrower and others, and specifically to extend the additional credit in the form of the Additional Funds Loan and Additional Loan.

2. **Guaranty of Liabilities.**

2.1 Guarantor hereby absolutely and unconditionally guarantees full and punctual payment and performance when due of the following (collectively, the "Liabilities"):

(a) (i) all payments due under each of the Notes, including the repayment of all additional advances of any kind that may be made by Lender to

Borrower, whether at stated maturity, by acceleration or otherwise, (ii) any and all renewals or extensions of any such item of indebtedness or obligation or any part thereof; (iii) all obligations and indebtedness of any kind or nature arising under any of the Loan Documents; (iv) any future advances that may be made by Lender related to a Loan, or a Property, whether made to protect the security or otherwise, and whether or not evidenced by additional promissory notes or other evidences of indebtedness; (v) all interest due on all of the same; (vi) all expenses, including attorney's fees, incurred by Lender in connection with the enforcement of Lender's rights under this Guaranty and all Administration and Enforcement Expenses.

(b) all amounts that shall become due and owing to Lender at any time by virtue of or arising out of any of the acts, omissions, circumstances or conditions referenced in any of the Notes, Loans, Forbearance Agreement or other Loan Documents (collectively, the "Financial Obligations"), including all renewals or extensions of any amount owing or obligation under the Financial Obligations, all liability under the Financial Obligations whether arising under any of the original Loans, or any extension, modification, future advance, increase, amendment or modification thereof, interest due on amounts owing under the Financial Obligations at the applicable Default Interest or other default rates specified in the respective Note(s), all expenses, including attorneys' fees, incurred by Lender in connection with the enforcement of any of Lender's rights under this Guaranty and all Administration and Enforcement Expenses (as hereinafter defined), to the extent the same relate to amounts or obligations owing under the Financial Obligations. As used herein, the term "Financial Obligations" includes any loss, damage, cost, expense or liability incurred by Lender (including attorneys' fees and expenses and other collection and litigation expenses) arising out of or in connection with any of the following:

(i) fraud or willful misrepresentation by Borrower or any of its affiliates or Guarantor or any agent, employee or other person with actual or apparent authority to make statements or representations on behalf of Borrower, any affiliate of Borrower or Guarantor in connection with any of the Loans ("apparent authority" meaning such authority as the principal knowingly or negligently permits the agent to assume, or which he holds the agent out as possessing);

(ii) the gross negligence or willful misconduct of Borrower or Guarantor, or any affiliate, agent, or employee of the foregoing;

(iii) material physical waste of any of the Properties;

(iv) the removal or disposal of any structure located on any of the Properties in violation of the terms of the Loan Documents;

(v) the misapplication, misappropriation, or conversion by Borrower, any of its affiliates or Guarantor of (A) any insurance proceeds paid by reason of any loss, damage or destruction to a Property, (B) any awards received in connection with a condemnation of all or a portion of a Property, (C) any Rents or

other Property income or collateral proceeds, or (D) any Rents paid more than one month in advance (including security deposits);

(vi) following the occurrence of an event of default, the failure to either apply rents or other Property income, whether collected before or after such event of default, to the ordinary, customary, and necessary expenses of operating the subject Property or, upon demand, to deliver such rents or other Property income to Lender;

(vii) failure to maintain insurance or to pay taxes and assessments, or to pay charges for labor or materials or other charges or judgments that can create liens on any portion of a Property;

(viii) any security deposits, advance deposits or any other deposits collected with respect to a Property which are not delivered to Lender upon a foreclosure of the subject Property or action in lieu thereof, except to the extent any such security deposits were applied in accordance with the terms and conditions of any of the leases prior to the occurrence of the event of default that gave rise to such foreclosure or action in lieu thereof; or

(x) any failure by Borrower to comply with any of the representations, warranties, or covenants set forth in any of the Loan Documents.

2.2 Upon the request of Lender, Guarantor shall immediately pay or perform the Liabilities when they or any of them become due or are to be paid or performed under the term of any of the Loan Documents. Any amounts received by Lender from any sources and applied by Lender towards the payment of the Liabilities shall be applied in such order of application as Lender may from time to time elect. All Liabilities shall conclusively be presumed to have been created, extended, contracted, or incurred by Lender in reliance upon this Guaranty and all dealings between Borrower and Lender shall likewise be presumed to be in reliance upon this Guaranty.

2.3 For the purpose of this Guaranty, "Administration and Enforcement Expenses" shall mean all fees and expenses incurred at any time or from time to time by Lender, including legal (whether for the purpose of advice, negotiation, documentation, defense, enforcement or otherwise), accounting, financial advisory, auditing, appraisal, valuation, title or title insurance, engineering, environmental, collection agency, or other expert or consulting or similar services, in connection with: (a) the Forbearance Agreement, including the negotiations and preparations of the same, (b) this Guaranty, including the negotiations and preparations of the same, (c) the Loan Documents and any amendments or modifications of a Loan or any of the Loan Documents, whether or not consummated; (d) the administration, servicing or enforcement of a Loan or any of the Loan Documents, including any request for interpretation or modification of the Loan Documents or any matter related to a Loan or the servicing thereof (which shall include the consideration of any requests for consents, waivers, modifications, approvals, lease reviews or similar matters and any proposed transfer of any Property or any interest therein), (e) any litigation, contest, dispute, suit, arbitration, mediation, proceeding or action (whether instituted by or against Lender, including actions brought by or on behalf of Borrower or

Borrower's bankruptcy estate or any indemnitor or guarantor of a Loan or any other person) in any way relating to a Loan or the Loan Documents including in connection with any bankruptcy, reorganization, insolvency, or receivership proceeding; (f) any attempt to enforce any rights of Lender against Borrower or any other person that may be obligated to Lender by virtue of any Loan Document or otherwise whether or not litigation is commenced in pursuance of such rights; and (g) protection, enforcement against, or liquidation of a Property or any other collateral for a Loan, including any attempt to inspect, verify, preserve, restore, collect, sell, liquidate or otherwise dispose of or realize upon a Loan, the subject Property or any other collateral for a Loan.

3. **Additional Advances, Renewals, Extensions and Releases.** Guarantor hereby agrees and consents that, without notice to or further consent by Guarantor, Lender may make additional advances with respect to any of the Loans or any of the Properties, and the obligations of Borrower or any other party in connection with the applicable Loan may be renewed, extended, modified, accelerated or released by Lender as Lender may deem advisable, and any collateral the Lender may hold or in which the Lender may have an interest may be exchanged, sold, released or surrendered by it, as it may deem advisable, without impairing or affecting the obligations of Guarantor hereunder in any way whatsoever.

4. **Waivers.**

4.1 Guarantor hereby waives each of the following: (a) any and all notice of the acceptance of this Guaranty or of the creation, renewal or accrual of any Liabilities or the debt related to and/or stemming from the Notes, present or future (including any additional advances made by Lender under any of the Loan Documents) (the "Debt"); (b) the reliance of Lender upon this Guaranty; (c) notice of the existence or creation of any Loan Document or of any of the Liabilities or the Debt; (d) protest, presentment, demand for payment, notice of default or nonpayment, notice of dishonor to or upon Guarantor, Borrower or any other party liable for any of the Liabilities or the Debt; (e) any and all other notices or formalities to which Guarantor may otherwise be entitled, including notice of Lender's granting the Borrower any indulgences or extensions of time on the payment of any Liabilities or the Debt; and (f) promptness in making any claim or demand hereunder.

4.2 No delay or failure on the part of Lender in the exercise of any right or remedy against either Borrower or Guarantor shall operate as a waiver thereof, and no single or partial exercise by Lender of any right or remedy herein shall preclude other or further exercise thereof or of any other right or remedy whether contained herein or in a Note, or any of the other Loan Documents. No action of Lender permitted hereunder shall in any way impair or affect this Guaranty.

4.3 Guarantor acknowledges and agrees that Guarantor shall be and remain absolutely and unconditionally liable for the full amount of all Liabilities notwithstanding any of the following, and Guarantor waives any defense or counterclaims to which Guarantor may be entitled, based upon any of the following, in any proceeding (without prejudice to assert the same in a separate cause of action at a later time):

(a) Any or all of the Liabilities being or hereafter becoming invalid or otherwise unenforceable for any reason whatsoever or being or hereafter becoming released or discharged, in whole or in part, whether pursuant to a proceeding under any bankruptcy or insolvency laws or otherwise; or

(b) Lender failing or delaying to properly perfect or continue the perfection of any security interest or lien on any property which secures any of the Liabilities, or to protect the property covered by such security interest or enforce its rights respecting such property or security interest; or

(c) Lender failing to give notice of any disposition of any property serving as collateral for any Liabilities or failing to dispose of such collateral in a commercially reasonable manner; or

(d) Any other circumstance that might otherwise constitute a defense other than payment in full of the Liabilities.

5. **Guaranty of Payment.** Guarantor agrees that Guarantor's liability hereunder is primary, absolute and unconditional without regard to the liability of any other party. This Guaranty shall be construed as an absolute, irrevocable and unconditional guaranty of payment and performance (and not a guaranty of collection), without regard to the validity, regularity or enforceability of any of the Liabilities.

6. **Guaranty Effective Regardless of Collateral.** This Guaranty is made and shall continue as to any and all Liabilities without regard to any liens or security interests in any collateral, the validity, effectiveness or enforceability of such liens or security interests, or the existence or validity of any other guaranties or rights of Lender against any other obligors. Any and all such collateral, security, guaranties and rights against other obligors, if any, may from time to time without notice to or consent of Guarantor, be granted, sold, released, surrendered, exchanged, settled, compromised, waived, subordinated or modified, with or without consideration, on such terms or conditions as may be acceptable to Lender, without in any manner affecting or impairing the liabilities of Guarantor. Without limiting the generality of the foregoing, it is acknowledged that Guarantor's liability hereunder shall survive any foreclosure proceeding, any foreclosure sale, any delivery of a deed in lieu of foreclosure, and any release of record of any of the Security Instruments.

7. **Additional Credit.** Credit or financial accommodation may be granted or continued from time to time by Lender to Borrower regardless of Borrower's financial or other condition at the time of any such grant or continuation, without notice to or the consent of Guarantor and without affecting Guarantor's obligations hereunder. Lender shall have no obligation to disclose or discuss with Guarantor its assessment of the financial condition of Borrower.

8. **Rescission of Payments.** If at any time payment of any of the Liabilities or any part thereof is rescinded or must otherwise be restored or returned by Lender upon the insolvency, bankruptcy or reorganization of Borrower or under any other circumstances whatsoever, this Guaranty shall, upon such rescission, restoration or return, continue to be

effective or shall (if previously terminated) be reinstated, as the case may be, as if such payment had not been made.

9. **Additional Waivers.** So long as any portion of the Liabilities or Debt remains unpaid or any portion of the Liabilities or Debt (or any security therefor) that has been paid to Lender remains subject to invalidation, reversal or avoidance as a preference, fraudulent transfer or for any other reason whatsoever (whether under bankruptcy or non-bankruptcy law) to being set aside or required to be repaid to Borrower as a debtor in possession or to any trustee in bankruptcy, Guarantor irrevocably waives (a) any rights which it may acquire against Borrower by way of subrogation under this Guaranty or by virtue of any payment made hereunder (whether contractual, under the Bankruptcy Code or similar state or federal statute, under common law, or otherwise), (b) all contractual, common law, statutory or other rights of reimbursement, contribution, exoneration or indemnity (or any similar right) from or against Borrower that may have arisen in connection with this Guaranty, (c) any right to participate in any way in any of the Loan Documents or in the right, title and interest in any collateral securing the payment of Borrower's obligations to Lender, and (d) all rights, remedies and claims relating to any of the foregoing. If any amount is paid to Guarantor on account of subrogation rights or otherwise, such amount shall be held in trust for its benefit and shall forthwith be paid to Lender to be applied to the Debt, whether matured or unmatured, in such order as Lender shall determine.

10. **Independent Obligations.** The obligations of Guarantor are independent of the obligations of Borrower, and a separate action or actions for payment, damages or performance may be brought and prosecuted against Guarantor, whether or not an action is brought against Borrower or the security for Borrower's obligations, and whether or not Borrower is joined in any such action or actions. Guarantor expressly waives any requirement that Lender institute suit against Borrower or any other persons, or exercise or exhaust its remedies or rights against Borrower or against any other person, other guarantor, or other collateral securing all or any part of the Liabilities, prior to enforcing any rights Lender has under this Guaranty or otherwise. Lender may pursue all or any such remedies at one or more different times without in any way impairing its rights or remedies hereunder. Guarantor hereby further waives the benefit of any statute of limitations affecting its liability hereunder or the enforcement hereof. If there shall be more than one guarantor with respect to any of the Liabilities, then the obligations of each such guarantor shall be joint and several.

11. **Subordination of Indebtedness of Borrower to Guarantor.** Any indebtedness of Borrower to Guarantor now or hereafter existing is hereby subordinated to the prior payment in full of the Liabilities. Guarantor agrees that until all of Borrower's obligations detailed in the Forbearance Agreement have been fully satisfied, Guarantor will not seek, accept or retain for Guarantor's own account, any payment (whether for principal, interest, or otherwise) from Borrower for or on account of such subordinated debt. Following the occurrence and during the continuance of an event of default of the Forbearance Agreement, any payments to Guarantor on account of such subordinated debt shall be collected and received by Guarantor in trust for Lender and shall be paid over to Lender on account of the Liabilities or Debt, as Lender determines in its discretion, without impairing or releasing the obligations of Guarantor hereunder. Guarantor hereby unconditionally and irrevocably agrees that (a) Guarantor will not at any time while the Liabilities remain unpaid, assert against Borrower (or Borrower's estate in

the event that Borrower becomes the subject of any case or proceeding under any federal or state bankruptcy or insolvency laws) any right or claim to indemnification, reimbursement, contribution or payment for or with respect to any and all amounts Guarantor may pay or be obligated to pay Lender, including the Liabilities, and any and all obligations which Guarantor may perform, satisfy or discharge, under or with respect to the Guaranty, and (b) Guarantor subordinates to the Debt all such rights and claims to indemnification, reimbursement, contribution or payment that Guarantor may have now or at any time against Borrower (or Borrower's estate in the event that Borrower becomes the subject of any case or proceeding under any federal or state bankruptcy or insolvency laws).

12. **Claims in Bankruptcy.** Guarantor shall file all claims against Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law upon any indebtedness of Borrower to Guarantor and will assign to Lender all right of Guarantor thereunder. Guarantor hereby irrevocably appoints Lender its attorney-in-fact, which appointment is coupled with an interest, to file any such claim that Guarantor may fail to file, in the name of Guarantor or, in Lender's discretion, to assign the claim and to cause proof of claim to be filed in the name of Lender's nominee. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to Lender the full amount thereof and, to the full extent necessary for that purpose, Guarantor hereby assigns to Lender all of Guarantor's rights to any such payments or distributions to which Guarantor would otherwise be entitled.

13. **Guarantor's Representations and Warranties.** Guarantor represents, warrants and covenants to and with Lender that:

13.1 There is no action or proceeding pending or, to the knowledge of Guarantor, threatened against Guarantor before any court or administrative agency which might result in any material adverse change in the business or financial condition of Guarantor or in the property of Guarantor;

13.2 Guarantor has filed all Federal and state income tax returns which Guarantor has been required to file, and has paid all taxes as shown on said returns and on all assessments received by Guarantor to the extent that such taxes have become due;

13.3 Neither the execution nor delivery of this Guaranty nor fulfillment of nor compliance with the terms and provisions hereof will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in the creation of any lien, charge or encumbrance upon any property or assets of Guarantor under any agreement or instrument to which Guarantor is now a party or by which Guarantor may be bound;

13.4 This Guaranty is a valid and legally binding agreement of Guarantor and is enforceable against Guarantor in accordance with its terms;

13.5 Guarantor has either (i) examined the Loan Documents or (ii) has had an opportunity to examine the Loan Documents and has waived the right to examine them;

13.6 Guarantor has the full power, authority, and legal right to execute and deliver this Guaranty; and

13.7 Guarantor acknowledges that Guarantor was advised to and was given the opportunity to consult with independent counsel before executing this Guaranty.

14. **Notice of Litigation.** Guarantor shall promptly give Lender notice of all litigation or proceedings before any court or governmental authority affecting Guarantor or its property, except litigation or proceedings which, if adversely determined, would not have a material adverse effect on the financial condition or operations of Guarantor or its ability to perform any of its obligations hereunder.

15. **Access to Records.** Guarantor shall give Lender and its representatives access to, and permit Lender and such representatives to examine, copy or make extracts from, any and all books, records and documents in the possession of Guarantor relating to the performance of Guarantor's obligations hereunder and under any of the Loan Documents, all at such times and as often as Lender may reasonably request.

16. **Assignment by Lender.** In connection with any sale, assignment or transfer of a Loan, Lender may sell, assign or transfer this Guaranty and all or any of its rights, privileges, interests and remedies hereunder to any other person or entity whatsoever without notice to or consent by Guarantor, and in such event the assignee shall be entitled to the benefits of this Guaranty and to exercise all rights, interests and remedies as fully as Lender.

17. **Termination.** This Guaranty shall terminate only when all of the Liabilities and the Debt have been paid in full, including all interest thereon, late charges and other charges and fees included within the Liabilities and the Debt. When all of the conditions described above have been fully met, Lender will, upon request, furnish to Guarantor a written cancellation of this Guaranty.

18. **Notices.** All notices, consents, approvals and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) certified or registered United States mail, postage prepaid, return receipt requested or (b) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, or (c) by email addressed as follows (or at such other address and person as shall be designated from time to time by any party hereto, as the case may be, in a written notice to the other parties hereto in the manner provided for in this Section):

If to Lender:

DenSco Investment Corporation
6132 W. Victoria Place
Chandler, Arizona 85226
Attention: Denny Chittick
Email: dcmoney@yahoo.com

If to Menaged:

Scott Menaged
7320 West Bell Road
Glendale, Arizona 85308
Email: smena98754@aol.com

A notice shall be deemed to have been given: (i) in the case of hand delivery, at the time of delivery; in the case of registered or certified mail, when delivered or the first attempted delivery on a business day; or (ii) in the case of expedited prepaid delivery, upon the first attempted delivery on a business day; or (iii) in the case of email, the earlier of sender's receipt of a machine-generated confirmation/receipt of a successful delivery of the message or that the message was read, or sender's receipt of a response from the recipient regarding the email, such as a reply or a separate email which references the notice.

19. **Waiver of Jury Trial.** TO THE FULLEST EXTENT NOW OR HEREAFTER PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS GUARANTY, ANY OF THE NOTES, ANY OF THE SECURITY INSTRUMENTS OR ANY OF THE OTHER LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY GUARANTOR, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH RIGHT TO TRIAL BY JURY WOULD OTHERWISE ACCRUE. LENDER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY GUARANTOR.

20. **Miscellaneous.** This Guaranty shall be a continuing guaranty. This Guaranty shall bind the heirs, successors and assigns of Guarantor (except that Guarantor may not assign his, her, or its liabilities under this Guaranty without the prior written consent of Lender, which consent Lender may in its discretion withhold), and shall inure to the benefit of Lender, its successors, transferees and assigns. Each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law. Neither this Guaranty nor any of the terms hereof, including the provisions of this Section, may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing executed by the party against which enforcement of the termination, amendment, supplement, waiver or modification is sought, and the parties hereby: (a) expressly agree that it shall not be reasonable for any of them to rely on any alleged, non-written amendment to this Guaranty; (b) irrevocably waive any and all right to enforce any alleged, non-written amendment to this Guaranty; and (c) expressly agree that it shall be beyond the scope of authority (apparent or otherwise) for any of their respective agents to agree to any non-written modification of this Guaranty. This Guaranty may be executed in several counterparts, each of which counterpart shall be deemed an original instrument and all of which together shall constitute a single Guaranty. The failure of any party hereto to execute this Guaranty, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder. As used in this Guaranty, (i) the terms "include," "including" and similar terms shall be construed as if followed by the phrase "without being limited to," (ii) any pronoun used herein shall be deemed to cover all genders, and words importing the singular number shall mean and include the plural number, and vice versa, (iii) all captions to the Sections hereof are used for convenience and reference only and in no way define, limit or describe the scope or intent of, or in any way affect, this Guaranty, (iv) no inference in favor of, or against, Lender or Guarantor shall be drawn from the fact that such party has drafted any

portion hereof or any other Loan Document, (v) the term "Borrower" shall mean individually and collectively, jointly and severally, each Borrower (if more than one) and shall include the successors (including any subsequent owner or owners of a Property or any part thereof or any interest therein and Borrower in its capacity as debtor-in-possession after the commencement of any bankruptcy proceeding), assigns, heirs, personal representatives, executors and administrators of Borrower, (vi) the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or," (vii) the words "hereof," "herein," "hereby," "heretofore," and similar terms in this Guaranty refer to this Guaranty as a whole and not to any particular provision or section of this Guaranty, and (viii) an event of default shall "continue" or be "continuing" until such event of default has been waived in writing by Lender or cured by Borrower, with such cure being accepted by Lender. Wherever Lender's judgment, consent, approval or discretion is required under this Guaranty or Lender shall have an option, election, or right of determination or any other power to decide any matter relating to the terms of this Guaranty, including any right to determine that something is satisfactory or not ("Decision Power"), such Decision Power shall be exercised in the sole and absolute discretion of Lender except as may be otherwise expressly and specifically provided herein. Such Decision Power and each other power granted to Lender upon this Guaranty or any other Loan Document may be exercised by Lender or by any authorized agent of Lender (including any servicer or attorney-in-fact), and Guarantor hereby expressly agrees to recognize the exercise of such Decision Power by such authorized agent. If any provision of this Guaranty is held invalid or unenforceable by final and unappealable judgment of the court having jurisdiction over the matter and persons, such provisions shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision, its application in other circumstances, or the remaining provisions of this Guaranty.


21. **Applicable Law; Jurisdiction and Venue.** This Guaranty shall be governed by and construed in accordance with the laws of jurisdiction in which the real property collateral for the subject Loan is located ("Governing State"). Guarantor hereby consents to personal jurisdiction in the Governing State. Venue of any action brought to enforce this Guaranty or any other Loan Document or any action relating to the subject Loan(s) or the relationships created by or under the subject Loan Documents ("Action") shall, at the election of Lender, be in (and if any Action is originally brought in another venue, the Action shall at the election of Lender be transferred to) a state or federal court of appropriate jurisdiction located in the Governing State. Guarantor hereby consents and submits to the personal jurisdiction of the Governing State and of federal courts located in the Governing State in connection with any Action and hereby waives any and all personal rights under the laws of any other state to object to jurisdiction within such State for purposes of any Action. Guarantor hereby waives and agrees not to assert, as a defense to any Action or a motion to transfer venue of any Action, (a) any claim that it is not subject to such jurisdiction, (b) any claim that any Action may not be brought against it or is not maintainable in those courts or that this Guaranty may not be enforced in or by those courts, or that it is exempt or immune from execution, (c) that the Action is brought in an inconvenient forum, or (d) that the venue for the Action is in any way improper.

22. **Severability.** Should any provisions of this Guaranty be found to be void, invalid or unenforceable by a court to competent jurisdiction, that finding shall only affect the provision found to be void, invalid or unenforceable and shall not affect the remaining provisions of this Guaranty.

23. To the maximum extent permitted by law, Guarantor unconditionally and irrevocably waives any rights or benefits arising under A.R.S. §§ 12-1556, 12-1641 through and including 12-1644, 12-1645, 12-1646, 33-814, 33-725, 33-727 and 44-142 and Ariz. R. Civ. P. 17(f) or such statutes, rules or similar provisions as may be enacted or adopted hereafter.

IN WITNESS WHEREOF, Guarantor has executed or caused this Guaranty to be executed as of the day and year first above written.

GUARANTOR:


Yonitov "Scott" Menaged, Individually

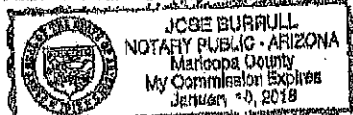
{Signature Page of Guaranty Agreement — Menaged}

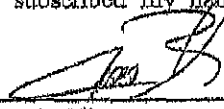
ACKNOWLEDGMENTS

STATE OF ARIZONA)
) SS
COUNTY OF MARICOPA)

On this 16th day of April, 2014, before me appeared Yomtov "Scott" Menaged, to me personally known, who being by me duly sworn, and said Yomotov "Scott" Menaged acknowledged to me that he is named as the Guarantor in the foregoing instrument and that he did execute the foregoing instrument and that he did so as his free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.





Notary Public

My Commission Expires:

01-10-2018

{Acknowledgements for Guaranty Agreement - Menaged}

EXHIBIT A
LENDER LOANS AND ENCUMBERED PROPERTIES

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "Guaranty") is made as of April 16, 2014, by Furniture King, LLC, an Arizona limited liability company, whose address is 303 N. Central Avenue, Suite 603, Phoenix, Arizona 85012 ("Furniture King" or "Guarantor"), in favor of DenSeco Investment Corporation, an Arizona corporation (together with its successor and assigns, "Lender"), having an address at 6132 W. Victoria Place, Chandler, Arizona 85226.

Recitals

The following recitals are a material part of this Guaranty:

A. Arizona Home Foreclosures, LLC, an Arizona limited liability company ("AHF"), whose address is 7320 W. Bell Road, Glendale, Arizona 85308 and Easy Investments, LLC, an Arizona limited liability company ("EI"), whose address is 7320 W. Bell Road, Glendale, Arizona 85308 (AHF and EI are hereinafter referred to, individually and collectively, as the context may require, as "Borrower") are indebted to Lender under the terms of certain Loans (individually a "Loan" and collectively, the "Loans"), which are listed on the attached Exhibit A (as may be subsequently amended as additional real property are added as collateral for the Loans), which is incorporated into this Agreement by this reference. Guarantor is or was owned by the owner of each Borrower, and Guarantor did have and continues to have a significant financial interest in Lender making the Loans (and loaning additional funds), and has and will continue to realize significant financial benefit from the existing and additional Loans. Each Loan is evidenced by (or will be evidenced by) a certain Note Secured by Deed of Trust or other similar promissory notes, executed by Borrower in favor of Lender (individually a "Note" and collectively, the "Notes") and by a Mortgage (or a "Receipt and Mortgage") (collectively, the "Mortgages"), and are each secured in part by one or more Deeds of Trust and Assignment of Rents, deeds of trust, deeds to secure debt, or similar documents (individually and collectively, the "Security Instruments") encumbering Borrower's interest in the respective real properties described therein (individually a "Property" and collectively, the "Properties") and referenced in Exhibit A (as may be subsequently amended as additional real property are added as collateral for the Loan). The Notes, Mortgages, Security Instruments, and the other document(s) described above and all other documents and instruments evidencing and/or securing the Loans, as originally written or previously modified, and all amendments and renewals thereof and replacements therefor, are referred to collectively herein as the "Loans Documents" or individually as a "Loan Document". The Loan Documents are hereby incorporated by this reference as if fully set forth in this Guaranty.

B. The Loans are now in Default (as defined in the respective Notes) and Lender has provided Borrower with any and all notice required under each of the Loans Documents concerning such Default.

C. Borrower has requested that Lender forbear in the pursuit of Lender's remedies, and Lender is willing to forbear such pursuit, subject to the terms of a Forbearance Agreement of even date, by and between the Borrower, Yomtov "Scott" Managed, an individual whose address

200402518.4 31833/171972

 SIGNATURE PAGE TO GUARANTY AGREEMENT

ACC000277 File #8604

is 10510 East Sunnyside Drive, Scottsdale, Arizona 85259 ("Menaged"), Guarantor, and Lender (the "Forbearance Agreement").

D. Pursuant to the Forbearance Agreement, Lender agreed to loan additional funds in an amount up to Five Million Dollars (\$5,000,000) to Borrower, Guarantor, and Menaged, jointly and severally (the "Additional Funds Loan"), which is evidenced by that certain Secured Line of Credit Promissory Note (the "Additional Funds Note").

E. Pursuant to the Forbearance Agreement, Lender agreed to loan additional funds in an amount up to One Million Dollars (\$1,000,000) to Borrower and Menaged, jointly and severally (the "Additional Loan"), which is evidenced by that certain Secured Line of Credit Promissory Note (the "Additional Note"). (For purposes of this Guaranty, the Additional Funds Note and the Additional Note shall be included in the definition on the "Notes." Further, the Forbearance Agreement, the Additional Funds Note, the Additional Note, the Deed of Trust, Security Agreement and the other documents executed in connection with the Forbearance Agreement shall be included in the definition of the "Loan Documents.")

F. Lender has required that Guarantor guaranty to Lender the payment of the Liabilities (as such term is defined in Section 2.1 hereof).

G. Absent this Guaranty, Lender is unwilling to agree to the terms of the Forbearance Agreement, loan the additional funds to Borrower pursuant to the Additional Funds Loan, and the Additional Loan, and/or to loan any other additional funds to the Borrower, pursuant to the terms of the Loan Documents.

Agreement

In consideration of Lender's agreement to the terms of the Forbearance Agreement and agreement to loan additional funds to the Borrower, pursuant to the terms of the Loan Documents, the Additional Funds Note, the Additional Note, and the Forbearance Agreement, and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, Guarantor hereby states and agrees as follows:

1. **Requests of Guarantor.** Guarantor hereby requests that Lender agree to the terms of the Forbearance Agreement, and further, that Lender extend additional credit and give financial accommodations to Borrower, pursuant to the terms of the Loan Documents, as Borrower may desire and as Lender may grant, from time to time, whether to the Borrower alone or to the Borrower and others, and specifically to extend the additional credit in the form of the Additional Funds Loan and Additional Loan.

2. Guaranty of Liabilities.

2.1 Guarantor hereby absolutely and unconditionally guarantees full and punctual payment and performance when due of the following (collectively, the "Liabilities"):

(a) (i) all payments due under each of the Notes and the Additional Loan, including the repayment of all additional advances of any kind that may be made by Lender to Borrower, whether at stated maturity, by acceleration or otherwise, (ii) any

and all renewals or extensions of any such item of indebtedness or obligation or any part thereof; (iii) all obligations and indebtedness of any kind or nature arising under any of the Loan Documents and the terms of the Additional Loan; (iv) any future advances that may be made by Lender related to a Loan, the Additional Loan, or a Property, whether made to protect the security or otherwise, and whether or not evidenced by additional promissory notes or other evidences of indebtedness; (v) all interest due on all of the same; (vi) all expenses, including attorney's fees, incurred by Lender in connection with the enforcement of Lender's rights under this Guaranty and all Administration and Enforcement Expenses.

(b) all amounts that shall become due and owing to Lender at any time by virtue of or arising out of any of the acts, omissions, circumstances or conditions referenced in any of the Notes, Loans, Forbearance Agreement or other Loan Documents (collectively, the "Financial Obligations"), including all renewals or extensions of any amount owing or obligation under the Financial Obligations, all liability under the Financial Obligations whether arising under any of the original Loans or the Additional Loan, or any extension, modification, future advance, increase, amendment or modification thereof, interest due on amounts owing under the Financial Obligations at the applicable Default Interest or other default rates specified in the respective Note(s) and/or the terms of the Additional Loan, all expenses, including attorneys' fees, incurred by Lender in connection with the enforcement of any of Lender's rights under this Guaranty and all Administration and Enforcement Expenses (as hereinafter defined), to the extent the same relate to amounts or obligations owing under the Financial Obligations. As used herein, the term "Financial Obligations" includes any loss, damage, cost, expense or liability incurred by Lender (including attorneys' fees and expenses and other collection and litigation expenses) arising out of or in connection with any of the following:

(i) fraud or willful misrepresentation by Borrower or any of its affiliates or Guarantor or any agent, employee or other person with actual or apparent authority to make statements or representations on behalf of Borrower, any affiliate of Borrower or Guarantor in connection with any of the Loans and/or the Additional Loan ("apparent authority" meaning such authority as the principal knowingly or negligently permits the agent to assume, or which he holds the agent out as possessing);

(ii) the gross negligence or willful misconduct of Borrower or Guarantor, or any affiliate, agent, or employee of the foregoing;

(iii) material physical waste of any of the Properties;

(iv) the removal or disposal of any structure located on any of the Properties in violation of the terms of the Loan Documents;

(v) the misapplication, misappropriation, or conversion by Borrower, any of its affiliates or Guarantor of (A) any insurance proceeds paid by reason of any loss, damage or destruction to a Property, (B) any awards received in

connection with a condemnation of all or a portion of a Property, (C) any Rents or other Property income or collateral proceeds, or (D) any Rents paid more than one month in advance (including security deposits);

(vi) following the occurrence of an event of default, the failure to either apply rents or other Property income, whether collected before or after such event of default, to the ordinary, customary, and necessary expenses of operating the subject Property or, upon demand, to deliver such rents or other Property income to Lender;

(vii) failure to maintain insurance or to pay taxes and assessments, or to pay charges for labor or materials or other charges or judgments that can create liens on any portion of a Property;

(viii) any security deposits, advance deposits or any other deposits collected with respect to a Property which are not delivered to Lender upon a foreclosure of the subject Property or action in lieu thereof, except to the extent any such security deposits were applied in accordance with the terms and conditions of any of the leases prior to the occurrence of the event of default that gave rise to such foreclosure or action in lieu thereof; or

(x) any failure by Borrower to comply with any of the representations, warranties, or covenants set forth in any of the Loan Documents.

2.2 Upon the request of Lender, Guarantor shall immediately pay or perform the Liabilities when they or any of them become due or are to be paid or performed under the term of any of the Loan Documents and/or the Additional Loan. Any amounts received by Lender from any sources and applied by Lender towards the payment of the Liabilities shall be applied in such order of application as Lender may from time to time elect. All Liabilities shall conclusively be presumed to have been created, extended, contracted, or incurred by Lender in reliance upon this Guaranty and all dealings between and among Borrower, Managed and Lender shall likewise be presumed to be in reliance upon this Guaranty.

2.3 For the purpose of this Guaranty, "Administration and Enforcement Expenses" shall mean all fees and expenses incurred at any time or from time to time by Lender, including legal (whether for the purpose of advice, negotiation, documentation, defense, enforcement or otherwise), accounting, financial advisory, auditing, appraisal, valuation, title or title insurance, engineering, environmental, collection agency, or other expert or consulting or similar services, in connection with: (a) the Forbearance Agreement, including the negotiations and preparations of the same, (b) this Guaranty, including the negotiations and preparations of the same, (c) the Loan Documents and any amendments or modifications of a Loan or any of the Loan Documents, whether or not consummated; (d) the administration, servicing or enforcement of a Loan or any of the Loan Documents, including any request for interpretation or modification of the Loan Documents or any matter related to a Loan or the servicing thereof (which shall include the consideration of any requests for consents, waivers, modifications, approvals, lease reviews or similar matters and any proposed transfer of any Property or any interest therein), (e) any litigation, contest, dispute, suit, arbitration, mediation, proceeding or action (whether

instituted by or against Lender, including actions brought by or on behalf of Borrower or Borrower's bankruptcy estate or any indemnitor or guarantor of a Loan or any other person) in any way relating to a Loan or the Loan Documents including in connection with any bankruptcy, reorganization, insolvency, or receivership proceeding; (f) any attempt to enforce any rights of Lender against Borrower, Menaged or any other person that may be obligated to Lender by virtue of any Loan Document or otherwise whether or not litigation is commenced in pursuance of such rights; and (g) protection, enforcement against, or liquidation of a Property or any other collateral for a Loan, including any attempt to inspect, verify, preserve, restore, collect, sell, liquidate or otherwise dispose of or realize upon a Loan, the subject Property or any other collateral for a Loan.

3. **Additional Advances, Renewals, Extensions and Releases.** Guarantor hereby agrees and consents that, without notice to or further consent by Guarantor, Lender may make additional advances with respect to any of the Loans, the Additional Loan, or any of the Properties, and the obligations of Borrower, Menaged or any other party in connection with the applicable Loan and/or Additional Loan, may be renewed, extended, modified, accelerated or released by Lender as Lender may deem advisable, and any collateral the Lender may hold or in which the Lender may have an interest may be exchanged, sold, released or surrendered by it, as it may deem advisable, without impairing or affecting the obligations of Guarantor hereunder in any way whatsoever.

4. **Waivers.**

4.1 Guarantor hereby waives each of the following: (a) any and all notice of the acceptance of this Guaranty or of the creation, renewal or accrual of any Liabilities or the debt related to and/or stemming from the Notes and/or Additional Loan, present or future (including any additional advances made by Lender under any of the Loan Documents) (the "Debt"); (b) the reliance of Lender upon this Guaranty; (c) notice of the existence or creation of any Loan Document or of any of the Liabilities or the Debt; (d) protest, presentment, demand for payment, notice of default or nonpayment, notice of dishonor to or upon Guarantor, Borrower, Menaged or any other party liable for any of the Liabilities or the Debt; (e) any and all other notices or formalities to which Guarantor may otherwise be entitled, including notice of Lender's granting the Borrower or Menaged any indulgences or extensions of time on the payment of any Liabilities or the Debt; and (f) promptness in making any claim or demand hereunder.

4.2 No delay or failure on the part of Lender in the exercise of any right or remedy against any of Borrower, Menaged or Guarantor shall operate as a waiver thereof, and no single or partial exercise by Lender of any right or remedy herein shall preclude other or further exercise thereof or of any other right or remedy whether contained herein, in a Note, in the terms of the Additional Loan, or any of the other Loan Documents. No action of Lender permitted hereunder shall in any way impair or affect this Guaranty.

4.3 Guarantor acknowledges and agrees that Guarantor shall be and remain absolutely and unconditionally liable for the full amount of all Liabilities notwithstanding any of the following, and Guarantor waives any defense or counterclaims to which Guarantor may be entitled, based upon any of the following, in any proceeding (without prejudice to assert the same in a separate cause of action at a later time):

(a) Any or all of the Liabilities being or hereafter becoming invalid or otherwise unenforceable for any reason whatsoever or being or hereafter becoming released or discharged, in whole or in part, whether pursuant to a proceeding under any bankruptcy or insolvency laws or otherwise; or

(b) Lender failing or delaying to properly perfect or continue the perfection of any security interest or lien on any property which secures any of the Liabilities, or to protect the property covered by such security interest or enforce its rights respecting such property or security interest; or

(c) Lender failing to give notice of any disposition of any property serving as collateral for any Liabilities or failing to dispose of such collateral in a commercially reasonable manner; or

(d) Any other circumstance that might otherwise constitute a defense other than payment in full of the Liabilities.

5. **Guaranty of Payment.** Guarantor agrees that Guarantor's liability hereunder is primary, absolute and unconditional without regard to the liability of any other party. This Guaranty shall be construed as an absolute, irrevocable and unconditional guaranty of payment and performance (and not a guaranty of collection), without regard to the validity, regularity or enforceability of any of the Liabilities.

6. **Guaranty Effective Regardless of Collateral.** This Guaranty is made and shall continue as to any and all Liabilities without regard to any liens or security interests in any collateral, the validity, effectiveness or enforceability of such liens or security interests, or the existence or validity of any other guaranties or rights of Lender against any other obligors. Any and all such collateral, security, guaranties and rights against other obligors, if any, may from time to time without notice to or consent of Guarantor, be granted, sold, released, surrendered, exchanged, settled, compromised, waived, subordinated or modified, with or without consideration, on such terms or conditions as may be acceptable to Lender, without in any manner affecting or impairing the liabilities of Guarantor. Without limiting the generality of the foregoing, it is acknowledged that Guarantor's liability hereunder shall survive any foreclosure proceeding, any foreclosure sale, any delivery of a deed in lieu of foreclosure, and any release of record of any of the Security Instruments.

7. **Additional Credit.** Credit or financial accommodation may be granted or continued from time to time by Lender to either or both of Borrower or Managed regardless of their respective financial or other condition at the time of any such grant or continuation, without notice to or the consent of Guarantor and without affecting Guarantor's obligations hereunder. Lender shall have no obligation to disclose or discuss with Guarantor its assessment of the financial condition of Borrower or Managed.

8. **Rescission of Payments.** If at any time payment of any of the Liabilities or any part thereof is rescinded or must otherwise be restored or returned by Lender upon the insolvency, bankruptcy or reorganization of Borrower or Managed or under any other circumstances whatsoever, this Guaranty shall, upon such rescission, restoration or return,

continue to be effective or shall (if previously terminated) be reinstated, as the case may be, as if such payment had not been made.

9. **Additional Waivers.** So long as any portion of the Liabilities or Debt remains unpaid or any portion of the Liabilities or Debt (or any security therefor) that has been paid to Lender remains subject to invalidation, reversal or avoidance as a preference, fraudulent transfer or for any other reason whatsoever (whether under bankruptcy or non-bankruptcy law) to being set aside or required to be repaid to Borrower or Menaged as a debtor in possession or to any trustee in bankruptcy, Guarantor irrevocably waives (a) any rights which it may acquire against Borrower or Menaged by way of subrogation under this Guaranty or by virtue of any payment made hereunder (whether contractual, under the Bankruptcy Code or similar state or federal statute, under common law, or otherwise), (b) all contractual, common law, statutory or other rights of reimbursement, contribution, exoneration or indemnity (or any similar right) from or against Borrower or Menaged that may have arisen in connection with this Guaranty, (c) any right to participate in any way in any of the Loan Documents or in the right, title and interest in any collateral securing the payment of Borrower's or Menaged obligations to Lender, and (d) all rights, remedies and claims relating to any of the foregoing. If any amount is paid to Guarantor on account of subrogation rights or otherwise, such amount shall be held in trust for its benefit and shall forthwith be paid to Lender to be applied to the Debt, whether matured or unmatured, in such order as Lender shall determine.

10. **Independent Obligations.** The obligations of Guarantor are independent of the obligations of Borrower and Menaged, and a separate action or actions for payment, damages or performance may be brought and prosecuted against Guarantor, whether or not an action is brought against Borrower or Menaged or the security for Borrower's or Menaged's obligations, and whether or not Borrower or Menaged is joined in any such action or actions. Guarantor expressly waives any requirement that Lender institute suit against Borrower or Menaged or any other persons, or exercise or exhaust its remedies or rights against Borrower or Menaged or against any other person, other guarantor, or other collateral securing all or any part of the Liabilities, prior to enforcing any rights Lender has under this Guaranty or otherwise. Lender may pursue all or any such remedies at one or more different times without in any way impairing its rights or remedies hereunder. Guarantor hereby further waives the benefit of any statute of limitations affecting its liability hereunder or the enforcement hereof. If there shall be more than one guarantor with respect to any of the Liabilities, then the obligations of each such guarantor shall be joint and several.

11. **Subordination of Indebtedness of Borrower to Guarantor.** Any indebtedness of Borrower or Menaged to Guarantor now or hereafter existing is hereby subordinated to the prior payment in full of the Liabilities. Guarantor agrees that until all of Borrower's or Menaged's obligations detailed in the Forbearance Agreement have been fully satisfied, Guarantor will not seek, accept or retain for Guarantor's own account, any payment (whether for principal, interest, or otherwise) from Borrower or Menaged for or on account of such subordinated debt. Following the occurrence and during the continuance of an event of default of the Forbearance Agreement, any payments to Guarantor on account of such subordinated debt shall be collected and received by Guarantor in trust for Lender and shall be paid over to Lender on account of the Liabilities or Debt, as Lender determines in its discretion, without impairing or releasing the obligations of Guarantor hereunder. Guarantor hereby unconditionally and

irrevocably agrees that (a) Guarantor will not at any time while the Liabilities remain unpaid, assert against Borrower or Menage (or Borrower's or Menage's estate in the event that Borrower or Menage becomes the subject of any case or proceeding under any federal or state bankruptcy or insolvency laws) any right or claim to indemnification, reimbursement, contribution or payment for or with respect to any and all amounts Guarantor may pay or be obligated to pay Lender, including the Liabilities, and any and all obligations which Guarantor may perform, satisfy or discharge, under or with respect to the Guaranty, and (b) Guarantor subordinates to the Debt all such rights and claims to indemnification, reimbursement, contribution or payment that Guarantor may have now or at any time against Borrower or Menage (or Borrower's or Menage's estate in the event that Borrower or Menage becomes the subject of any case or proceeding under any federal or state bankruptcy or insolvency laws).

12. **Claims in Bankruptcy.** Guarantor shall file all claims against Borrower or Menage in any bankruptcy or other proceeding in which the filing of claims is required by law upon any indebtedness of Borrower or Menage to Guarantor and will assign to Lender all right of Guarantor thereunder. Guarantor hereby irrevocably appoints Lender its attorney-in-fact, which appointment is coupled with an interest, to file any such claim that Guarantor may fail to file, in the name of Guarantor or, in Lender's discretion, to assign the claim and to cause proof of claim to be filed in the name of Lender's nominee. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to Lender the full amount thereof and, to the full extent necessary for that purpose, Guarantor hereby assigns to Lender all of Guarantor's rights to any such payments or distributions to which Guarantor would otherwise be entitled.

13. **Guarantor's Representations and Warranties.** Guarantor represents, warrants and covenants to and with Lender that:

13.1 There is no action or proceeding pending or, to the knowledge of Guarantor, threatened against Guarantor before any court or administrative agency which might result in any material adverse change in the business or financial condition of Guarantor or in the property of Guarantor;

13.2 Guarantor has filed all Federal and state income tax returns which Guarantor has been required to file, and has paid all taxes as shown on said returns and on all assessments received by Guarantor to the extent that such taxes have become due;

13.3 Neither the execution nor delivery of this Guaranty nor fulfillment of nor compliance with the terms and provisions hereof will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in the creation of any lien, charge or encumbrance upon any property or assets of Guarantor under any agreement or instrument to which Guarantor is now a party or by which Guarantor may be bound;

13.4 This Guaranty is a valid and legally binding agreement of Guarantor and is enforceable against Guarantor in accordance with its terms;

13.5 Guarantor acknowledges that Guarantor was advised to and was given the opportunity to consult with independent legal counsel before executing this Guaranty;

13.6 Guarantor has either (i) examined the Loan Documents or (ii) has had an opportunity to examine the Loan Documents and has waived the right to examine them; and

13.7 Guarantor has the full power, authority, and legal right to execute and deliver this Guaranty. Guarantor is duly organized, validly existing and in good standing under the laws of the state of its formation, and the execution, delivery and performance of this Guaranty by Guarantor has been duly and validly authorized and the person(s) signing this Guaranty on Guarantor's behalf has been validly authorized and directed to sign this Guaranty.

14. **Notice of Litigation.** Guarantor shall promptly give Lender notice of all litigation or proceedings before any court or governmental authority affecting Guarantor or its property, except litigation or proceedings which, if adversely determined, would not have a material adverse effect on the financial condition or operations of Guarantor or its ability to perform any of its obligations hereunder.

15. **Access to Records.** Guarantor shall give Lender and its representatives access to, and permit Lender and such representatives to examine, copy or make extracts from, any and all books, records and documents in the possession of Guarantor relating to the performance of Guarantor's obligations hereunder and under any of the Loan Documents and/or terms of the Additional Loan, all at such times and as often as Lender may reasonably request. Guarantor shall continuously maintain its existence and shall not dissolve or permit its dissolution.

16. **Assignment by Lender.** In connection with any sale, assignment or transfer of a Loan, Lender may sell, assign or transfer this Guaranty and all or any of its rights, privileges, interests and remedies hereunder to any other person or entity whatsoever without notice to or consent by Guarantor, and in such event the assignee shall be entitled to the benefits of this Guaranty and to exercise all rights, interests and remedies as fully as Lender.

17. **Termination.** This Guaranty shall terminate only when all of the Liabilities and the Debt have been paid in full, including all interest thereon, late charges and other charges and fees included within the Liabilities and the Debt. When all of the conditions described above have been fully met, Lender will, upon request, furnish to Guarantor a written cancellation of this Guaranty.

18. **Notices.** All notices, consents, approvals and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) certified or registered United States mail, postage prepaid, return receipt requested or (b) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, or (c) by email addressed as follows (or at such other address and person as shall be designated from time to time by any party hereto, as the case may be, in a written notice to the other parties hereto in the manner provided for in this Section):

If to Lender:

DenSoo Investment Corporation
6132 W. Victoria Place
Chandler, Arizona 85226
Attention: Denny Chittick

Email: dcmoney@yahoo.com

If to Furniture King:

Arizona Furniture King
303 N. Central Avenue, Suite 603
Phoenix, Arizona 85012
Attention: Scott Menaged
Email: smena98754@aol.com

A notice shall be deemed to have been given: (i) in the case of hand delivery, at the time of delivery; in the case of registered or certified mail, when delivered or the first attempted delivery on a business day; or (ii) in the case of expedited prepaid delivery, upon the first attempted delivery on a business day; or (iii) in the case of email, the earlier of sender's receipt of a machine-generated confirmation/receipt of a successful delivery of the message or that the message was read, or sender's receipt of a response from the recipient regarding the email, such as a reply or a separate email which references the notice.

19. **Waiver of Jury Trial.** TO THE FULLEST EXTENT NOW OR HEREAFTER PERMITTED BY APPLICABLE LAW, GUARANTOR HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS GUARANTY, ANY OF THE NOTES AND/OR TERMS OF THE ADDITIONAL LOAN, ANY OF THE SECURITY INSTRUMENTS OR ANY OF THE OTHER LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY GUARANTOR, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH RIGHT TO TRIAL BY JURY WOULD OTHERWISE ACCRUE. LENDER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY GUARANTOR.

20. **Miscellaneous.** This Guaranty shall be a continuing guaranty. This Guaranty shall bind the heirs, successors and assigns of Guarantor (except that Guarantor may not assign his, her, or its liabilities under this Guaranty without the prior written consent of Lender, which consent Lender may in its discretion withhold), and shall inure to the benefit of Lender, its successors, transferees and assigns. Each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law. Neither this Guaranty nor any of the terms hereof, including the provisions of this Section, may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing executed by the party against which enforcement of the termination, amendment, supplement, waiver or modification is sought, and the parties hereby: (a) expressly agree that it shall not be reasonable for any of them to rely on any alleged, non-written amendment to this Guaranty; (b) irrevocably waive any and all right to enforce any alleged, non-written amendment to this Guaranty; and (c) expressly agree that it shall be beyond the scope of authority (apparent or otherwise) for any of their respective agents to agree to any non-written modification of this Guaranty. This Guaranty may be executed in several counterparts, each of which counterpart shall be deemed an original

instrument and all of which together shall constitute a single Guaranty. The failure of any party hereto to execute this Guaranty, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder. As used in this Guaranty, (i) the terms "include," "including" and similar terms shall be construed as if followed by the phrase "without being limited to," (ii) any pronoun used herein shall be deemed to cover all genders, and words importing the singular number shall mean and include the plural number, and vice versa, (iii) all captions to the Sections hereof are used for convenience and reference only and in no way define, limit or describe the scope or intent of, or in any way affect, this Guaranty, (iv) no inference in favor of, or against, Lender or Guarantor shall be drawn from the fact that such party has drafted any portion hereof or any other Loan Document, (v) the term "Borrower" shall mean individually and collectively, jointly and severally, each Borrower (if more than one) and shall include the successors (including any subsequent owner or owners of a Property or any part thereof or any interest therein and Borrower in its capacity as debtor-in-possession after the commencement of any bankruptcy proceeding), assigns, heirs, personal representatives, executors and administrators of Borrower, (vi) the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or," (vii) the words "hereof," "herein," "hereby," "hereunder," and similar terms in this Guaranty refer to this Guaranty as a whole and not to any particular provision or section of this Guaranty, and (viii) an event of default shall "continue" or be "continuing" until such event of default has been waived in writing by Lender or cured by Borrower, with such cure being accepted by Lender. Wherever Lender's judgment, consent, approval or discretion is required under this Guaranty or Lender shall have an option, election, or right of determination or any other power to decide any matter relating to the terms of this Guaranty, including any right to determine that something is satisfactory or not ("Decision Power"), such Decision Power shall be exercised in the sole and absolute discretion of Lender except as may be otherwise expressly and specifically provided herein. Such Decision Power and each other power granted to Lender upon this Guaranty or any other Loan Document may be exercised by Lender or by any authorized agent of Lender (including any servicer or attorney-in-fact), and Guarantor hereby expressly agrees to recognize the exercise of such Decision Power by such authorized agent. If any provision of this Guaranty is held invalid or unenforceable by final and unappealable judgment of the court having jurisdiction over the matter and persons, such provisions shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision, its application in other circumstances, or the remaining provisions of this Guaranty.

21. **Applicable Law; Jurisdiction and Venue.** This Guaranty shall be governed by and construed in accordance with the laws of jurisdiction in which the real property collateral for the subject Loan is located ("Governing State"). Guarantor hereby consents to personal jurisdiction in the Governing State. Venue of any action brought to enforce this Guaranty or any other Loan Document or any action relating to the subject Loan(s) or the relationships created by or under the subject Loan Documents ("Action") shall, at the election of Lender, be in (and if any Action is originally brought in another venue, the Action shall at the election of Lender be transferred to) a state or federal court of appropriate jurisdiction located in the Governing State. Guarantor hereby consents and submits to the personal jurisdiction of the Governing State and of federal courts located in the Governing State in connection with any Action and hereby waives any and all personal rights under the laws of any other state to object to jurisdiction within such State for purposes of any Action. Guarantor hereby waives and agrees not to assert, as a defense to any Action or a motion to transfer venue of any Action, (a) any claim that it is not subject to

such jurisdiction, (b) any claim that any Action may not be brought against it or is not maintainable in those courts or that this Guaranty may not be enforced in or by those courts, or that it is exempt or immune from execution, (c) that the Action is brought in an inconvenient forum, or (d) that the venue for the Action is in any way improper.

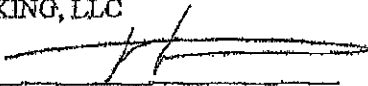
22. Severability. Should any provisions of this Guaranty be found to be void, invalid or unenforceable by a court to competent jurisdiction, that finding shall only affect the provision found to be void, invalid or unenforceable and shall not affect the remaining provisions of the Guaranty.

23. To the maximum extent permitted by law, Guarantor unconditionally and irrevocably waives any rights or benefits arising under A.R.S. §§ 12-1556, 12-1641 through and including 12-1644, 12-1645, 12-1646, 33-814, 33-725, 33-727 and 44-142 and Ariz. R. Civ. P. 17(f) or such statutes, rules or similar provisions as may be enacted or adopted hereafter.

IN WITNESS WHEREOF, Guarantor has executed or caused this Guaranty to be executed as of the day and year first above written.

GUARANTOR:

FURNITURE KING, LLC

By: 
Yomotov "Scott" Menaged.
Its: Manager

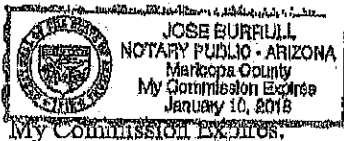
{Signature Page of Guaranty Agreement - Furniture King}

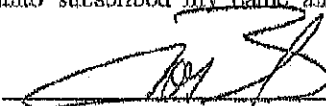
ACKNOWLEDGMENTS

STATE OF ARIZONA }
 } SS
COUNTY OF MARICOPA }

On this 16th day of APRIL, 2014, before me appeared Yomotov "Scott" Menaged, to me personally known, who being by me duly sworn, did say that he is the manager of FURNITURE KING, LLC, an Arizona limited liability company (the "Company"), and said Yomotov "Scott" Menaged acknowledged to me that the Company is named as the Guarantor in the foregoing instrument and that as the manager of the Company, he did execute the foregoing instrument, for and on behalf of the Company, and that he did so as his and the Company's free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.




Notary Public

My Commission Expires,
01-10-2018

{Acknowledgements for Guaranty Agreement -- Furniture King}

EXHIBIT A
LENDER LOANS AND ENCUMBERED PROPERTIES

[Note to Amend, Supersede and Replace Existing \$1 Million Note]

Additional Loan

SECURED LINE OF CREDIT PROMISSORY NOTE

\$1,000,000.00

Phoenix, Arizona

April 15, 2014

1. FUNDAMENTAL PROVISIONS.

The following terms will be used as defined terms in this Secured Line Of Credit Promissory Note (as it may be amended, modified, extended and renewed from time to time, the "Note"):

Lender: DenSoo Investment Corporation, an Arizona corporation

Borrower: Arizona Home Foreclosures, LLC, an Arizona limited liability company, whose address is 7320 W. Bell Road, Glendale, Arizona 85308 ("AHF"), Easy Investments, LLC, an Arizona limited liability company, whose address is 7320 W. Bell Road, Glendale, Arizona 85308 ("EL"), and Yomtov "Scott" Menaged, whose address is 10510 East Sunnyside Drive, Scottsdale, Arizona ("Menaged"), jointly and severally (AHF, EL, and Menaged are each individually a "Borrower" and collectively, the "Borrowers").

Principal Amount: The maximum amount of principal that is to be advanced and outstanding pursuant to this Note shall be One Million and No/100 Dollars (\$1,000,000.00).

Principal Balance: The amount of principal that has been advanced and is outstanding at a point of time.

Interest Rate: From the date hereof through and including February 1, 2016, a rate of one-half percent (0.50%) per annum above the Base Rate. The Interest Rate shall change from time to time as and when the Base Rate changes.

Default Interest Rate: Twenty-nine percent (29%) per annum.

Base Rate: The interest rate cost to Denny Chittick on his line of credit from Bank of America, N.A., currently at two and one-half percent (2.50%). Any change in the "interest rate costs" to Denny Chittick shall become effective as of the same date of any such change from Bank of America, N.A..

Maturity Date: February 1, 2016.

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Business Day: Any day of the year other than Saturdays, Sundays and legal holidays on which the offices of the federal government are closed.

Deed of Trust: That certain Deed of Trust (or Deeds of Trusts) between a Borrower, as Trustor, and Lender, as Beneficiary, which are recorded as a lien (or will be recorded as a lien) against certain real property to secure the obligations of Borrower to Lender.

Loan: The loan from Lender to Borrower in the Principal Amount and evidenced by this Note.

Real Estate Collateral: The real properties (individually a "Property" and collectively, the "Properties") that are listed on Exhibit A, as may be amended from time to time, which is attached to and incorporated into the Note by this reference. A Deed of Trust shall be recorded as a lien against these Properties to secure the obligations of Borrower to Lender, pursuant to this Note.

Forbearance Agreement: That certain Forbearance Agreement, by and between AHF, BI, Menaged, Furniture King, LLC, an Arizona limited liability Company, whose address is 303 N. Central Avenue, Suite 603, Phoenix, AZ 85012 ("Furniture King"), and Lender, dated April 16, 2014.

Loan Documents: The "Loan Documents," as that term is defined in the Forbearance Agreement, together with the Forbearance Agreement, this Note, each Deed of Trust, and any documents executed in conjunction with the Forbearance Agreement or as security for this Note.

Initial Collateral: Certain real property in Scottsdale, Arizona which has a Deed of Trust recorded against it as a first lien position in favor of Lender to secure the obligations of the applicable Borrower, pursuant to the terms of this Note.

2. CREDIT ADVANCES.

Lender, in accordance with and subject to the terms and conditions set forth in this Note, shall advance to the Borrowers, on a revolving basis, such amounts as may from time to time be requested by Borrowers, provided that: (a) the Principal Balance, together with accrued interest, hereunder at any time shall not exceed the sum of the Principal Amount, and (b) no Event of Default (defined below) shall exist or be caused thereby. Amounts borrowed hereunder and repaid may be re-borrowed by Borrowers in accordance with the terms of this Agreement; provided, however, Lender may terminate, reduce or otherwise adjust the credit availability (i.e., the Principal Amount) under the Loan at any time in its

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sole discretion. As of close of business on April 16, 2014, Borrowers have previously requested and Lender has previously advanced to Borrowers, pursuant to the terms of this Note, the sum of Nine Hundred Fifteen Thousand One Hundred Sixty-Seven AND 89/100 DOLLARS (\$915,167.89).

3. PROMISE TO PAY.

For value received, the Borrowers, jointly and severally, promise to pay to the order of Lender, at its office at 6132 W. Victoria Place, Chandler, Arizona 85226, or at such other place as the Lender hereof may from time to time designate in writing, a sum equal to the amount of the Principal Balance and all accrued interest. The books and records of Lender shall be the best evidence of the Principal Balance and the interest amount owing at any time under this Note, and shall be conclusive absent manifest error.

4. INTEREST; PAYMENTS.

- (a) Absent an Event of Default hereunder or under any of the Loan Documents, each advance made hereunder shall bear interest at the Interest Rate in effect from time to time. Throughout the term of this Note, interest shall be computed by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding Principal Balance, multiplied by the actual number of days the Principal Balance is outstanding.
- (b) All payments of principal and interest due hereunder shall be made (i) without deduction of any present and future taxes, levies, imposts, deductions, charges or withholdings, which amounts shall be paid by Borrowers, and (ii) without any other set off. Borrowers will pay the amounts necessary such that the gross amount of the principal and interest received by the holder hereof is not less than that required by this Note.
- (c) On the first day of each calendar month occurring after the date of this Note, through January 1, 2016, Borrowers shall make consecutive monthly installment payments of principal and interest in an amount equal to the sum of: (i) all accrued but outstanding interest, and (ii) 3% of the outstanding Principal Balance. On the Maturity Date, Borrowers shall make one (1) final "balloon" payment of all unpaid principal, accrued unpaid interest, and any other amounts due hereunder, which shall all be due and payable on the Maturity Date. If any payment of principal and interest to be made by Borrowers hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing the interest in such payment.

5. PREPAYMENT.

Borrower may prepay the Loan, in whole or in part, at any time without penalty or premium.

6. LAWFUL MONEY.

Principal and interest are payable in lawful money of the United States of America.

7. APPLICATION OF PAYMENTS/LATE CHARGE/DEFAULT INTEREST.

- (a) Unless otherwise agreed to, in writing, or otherwise required by applicable law, payments will be applied first to accrued, unpaid interest, then to principal, and any remaining amount to any unpaid collection costs, late charges and other charges, provided, however, upon delinquency or other default, Lender reserves the right to apply payments among principal, interest, late charges, collection costs and other charges at its discretion. All prepayments shall be applied to the indebtedness owing hereunder in such order and manner as Lender may from time to time determine in its sole discretion.
- (b) If any payment of interest and/or principal is not received by the holder hereof when such payment is due, then in addition to the remedies conferred upon the holder hereof pursuant to Section 10 hereof and the other Loan Documents, a late charge of ten percent (10%) of the amount of the regularly scheduled payment or \$25.00, whichever is greater, will be added to the delinquent amount to compensate the holder hereof for the expense of handling the delinquency for any payment past due in excess of ten (10) days, regardless of any notice and cure periods.
- (c) Upon the occurrence of an Event of Default, including the failure to pay upon final maturity, Lender, at its option, may also, if permitted under applicable law, do one or both of the following: (i) increase the applicable Interest Rate on this Note to the Default Interest Rate, and (ii) add any unpaid accrued interest to principal and such sum will bear interest therefrom until paid at the rate provided in this Note (including any increased rate). The interest rate will not exceed the maximum rate permitted by applicable law.

8. SECURITY AND GUARANTY.

This Note is secured by, inter alia, (i) one or more Deeds of Trust, which Deeds of Trust create, as applicable, an initial or additional lien on one or more of the Properties of the Initial Collateral or other Real Estate Collateral. In the event that the Initial Collateral is sold or refinanced, the Borrowers shall work with Lender to provide any additional collateral available to Borrower, with the properties and the lien positions to be approved by Lender, to secure the obligations of Borrower described in this Note. Borrowers will execute and acknowledge (or cause to be executed and acknowledged) and deliver to Lender all documents, and take all actions, reasonably required by Lender from time to time to confirm the rights created now or hereafter intended to be created under the Note

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and Deeds of Trust, to protect and further the validity, priority and enforceability of any security intended by this Paragraph 8, to maintain, perfect or insure Lender's security provided for herein and in the other Loan Documents, including, without limitation, the execution, filing or recording of the Deeds of Trust, UCC financial statements, renewal statements or amendments, and the execution of such amendments to the Deeds of Trust and the other Loan Documents. This Note is guaranteed by that certain Guaranty Agreement, dated April 16, 2014, wherein Furniture King is the guarantor, and is further secured by that certain Security Agreement with Furniture King, as Debtor, and Lender, as Secured Party, dated April 16, 2014, which creates a lien against all of Furniture King's inventory, accounts, and assets for the benefit of Lender.

9. EVENT OF DEFAULT.

The failure to pay any amount due under this Note when due, or any occurrence of a default under the Forbearance Agreement or any other Loan Documents, shall be deemed to be an event of default ("Event of Default") hereunder.

10. REMEDIES.

Upon the occurrence of an Event of Default, then at the option of the holder hereof, the entire balance of principal together with all accrued interest thereon, and all other amounts payable by Borrower under the Loan Documents shall, without demand or notice, immediately become due and payable. Upon the occurrence of an Event of Default (and so long as such Event of Default shall continue), the entire balance of principal hereof, together with all accrued interest thereon, all other amounts due under the Loan Documents, and any judgment for such principal, interest, and other amounts shall bear interest at the Default Interest Rate, subject to the limitations contained in Paragraph 14 hereof. No delay or omission on the part of the holder hereof in exercising any right under this Note or under any of the other Loan Documents hereof shall operate as a waiver of such right.

11. WAIVER.

Borrower, endorsers, guarantors, and sureties of this Note hereby waive diligence, demand for payment, presentment for payment, protest, notice of nonpayment, notice of protest, notice of intent to accelerate, notice of acceleration, notice of dishonor, and notice of nonpayment, and all other notices or demands of any kind (except notices specifically provided for in the Loan Documents) and expressly agree that, without in any way affecting the liability of Borrowers, endorsers, guarantors, or sureties, the holder hereof may extend any maturity date or the time for payment of any installment due hereunder, otherwise modify the Loan Documents, accept additional security, release any Person liable, and release any security or guaranty. Borrower, endorsers, guarantors, and sureties waive, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense.

12. CHANGE, DISCHARGE, TERMINATION, OR WAIVER.

No provision of this Note may be changed, discharged, terminated, or waived except in a writing signed by the party against whom enforcement of the change, discharge, termination, or waiver is sought. No failure on the part of the holder hereof to exercise and no delay by the holder hereof in exercising any right or remedy under this Note or under the law shall operate as a waiver thereof.

13. ATTORNEYS' FEES.

If this Note is not paid when due or if any Event of Default occurs, Borrower promises to pay all costs of enforcement and collection and preparation therefor, including but not limited to, reasonable attorneys' fees, whether or not any action or proceeding is brought to enforce the provisions hereof (including, without limitation, all such costs incurred in connection with any bankruptcy, receivership, or other court proceedings (whether at the trial or appellate level)).

14. SEVERABILITY.

If any provision of this Note is unenforceable, the enforceability of the other provisions shall not be affected and they shall remain in full force and effect.

15. INTEREST RATE LIMITATION.

Borrower hereby agrees to pay an effective rate of interest that is the sum of the interest rate provided for herein, together with any additional rate of interest resulting from any other charges of interest or in the nature of interest paid or to be paid in connection with the Loan. Lender and Borrower agree that none of the terms and provisions contained herein or in any of the Loan Documents shall be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of Arizona. In such event, if any holder of this Note shall collect monies which are deemed to constitute interest which would otherwise increase the effective interest rate on this Note to a rate in excess of the maximum rate permitted to be charged by the laws of the State of Arizona, all such sums deemed to constitute interest in excess of such maximum rate shall, at the option of the holder, be credited to the payment of other amounts payable under the Loan Documents or returned to Borrower.

16. INTERPRETATION.

Headings at the beginning of each numbered section of this Note are intended solely for convenience and are not part of this Note. No inference in favor of, or against, any party shall be drawn from the fact that such party has drafted all or any portion of this Note, any other document required hereunder or in connection with any Loans Documents. As used herein, words of masculine, feminine or neuter gender shall mean and include the correlative words of the other genders, and words importing the singular number shall mean and include the plural number, and vice versa. All parties were advised to and were given the opportunity to consult with independent counsel before executing this Note.

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17. CHOICE OF LAW.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ARIZONA WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES.

18. INTEGRATION.

The Note contains the complete understanding and agreement of the holder hereof and Borrower and supersedes all prior representations, warranties, agreements, arrangements, understandings, and negotiations.

19. BINDING EFFECT.

The Note will be binding upon, and inure to the benefit of, the holder hereof, Borrower, and their respective successors and assigns. Borrower may not delegate its obligations under the Loan Documents.

20. TIME OF THE ESSENCE.

Time is of the essence with regard to each provision of the Loan Documents as to which time is a factor.

21. NOTICES.

All notices, consents, approvals and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) certified or registered United States mail, postage prepaid, return receipt requested or (b) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, or (c) by email addressed as follows (or at such other address and person as shall be designated from time to time by any party hereto, as the case may be, in a written notice to the other parties hereto in the manner provided for in this Paragraph):

If to Lender:

DenSoo Investment Corporation
6132 W. Victoria Place
Chandler, Arizona 85226
Attention: Denny Chittick
Email: demoney@yahoo.com

If to AHF:

Arizona Home Foreclosures, LLC
7320 W. Bell Road
Glendale, Arizona 85308
Attention: Scott Menaged
Email: smena98754@aol.com

If to EL:

Easy Investments, LLC
7320 W. Bell Road

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200414075.8 43826/70082

ACC000301 File #6604

Glendale, Arizona 85308
Attention: Scott Menaged
Email: smena98754@aol.com

If to Menaged: Scott Menaged
7320 W. Bell Road
Glendale, Arizona 85308
Email: smena98754@aol.com

A notice shall be deemed to have been given: (i) in the case of hand delivery, at the time of delivery; in the case of registered or certified mail, when delivered or the first attempted delivery on a business day; or (ii) in the case of expedited prepaid delivery, upon the first attempted delivery on a business day; or (iii) in the case of email, the earlier of sender's receipt of a machine-generated confirmation/receipt of a successful delivery of the message or that the message was read, or sender's receipt of a response from the recipient regarding the email, such as a reply or a separate email which references the notice.

22. SURVIVAL.

The representations, warranties, and covenants of the Borrower in the Loan Documents shall survive the execution and delivery of the Loan Documents and the making of the Loan.

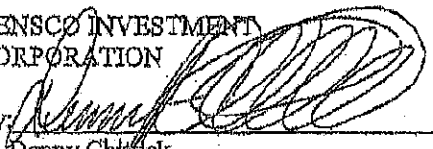
23. COUNTERPARTS.

This Note may be executed in several counterparts, each of which counterpart shall be deemed an original instrument and all of which together shall constitute a single Note. The failure of any party hereto to execute this Note, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

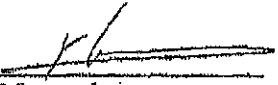
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Borrower has duly executed this Note as of the date first stated above.

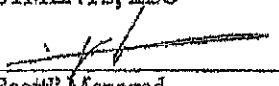
DENSCO INVESTMENT
CORPORATION

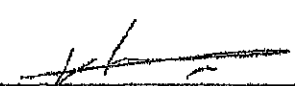
By: 
Denny Chittick
Its: President
"Lender"

ARIZONA HOME FORECLOSURES,
LLC

By: 
Yomtov "Scott" Menaged
Its: Member
"Borrower"

EASY INVESTMENTS, LLC

By: 
Yomtov "Scott" Menaged
Its: Member
"Borrower"


Yomtov "Scott" Menaged
"Borrower"

{Signature Page for \$1,000,000.00 Secured Line Of Credit Promissory Note}

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ACC000303 File #8604

Exhibit A

Property

Amount Advanced

10510 East Sunnyside Drive, Scottsdale, Arizona 85259

\$915,167.89

* As of April 4, 2014

AUTHORIZATION TO UPDATE FORBEARANCE DOCUMENTS

This Authorization to Update Forbearance Documents (the "Authorization") is entered into on the dates set forth below and to be effective the 16th day of April, 2014, by and among Arizona Home Foreclosures, LLC, an Arizona limited liability company ("AHF"), Easy Investments, LLC, an Arizona limited liability company ("EI"), Furniture King, LLC, an Arizona limited liability company ("FK"), Yomtov "Scott" Menaged ("Scott"), Francine Menaged ("Francine"), and DenSec Investment Corporation, an Arizona corporation ("DenSec").

Recitals

A. WHEREAS AHF, EI, FK, Scott, and DenSec are the parties to a certain Forbearance Agreement, executed on April 16, 2014 (the "Forbearance Agreement"), together with other documents executed in connection with the Forbearance Agreement (collectively, the "Forbearance Documents").

B. WHEREAS having recognized that "April 14, 2014" was stated in various pages of the Forbearance Documents where they should have stated "April 16, 2014" and certain other inconsistencies with respect to the amounts due under the financings, the parties desire to make the necessary corrections,

C. WHEREAS Clark Hill, PLC ("Clark Hill") has been previously authorized by each of the parties to make the necessary corrections to the Forbearance Documents and as referenced on the attached Exhibit A. The replacement pages were previously circulated and approved by all parties.

D. WHEREAS the parties now wish to authorize and direct Clark Hill to insert the replacement pages as set forth below.

NOW THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Recitals. The Recitals set forth above and Exhibit A attached hereto are incorporated into this Agreement.

2. Forbearance Agreement. Recognizing that "April 14, 2014" was stated in one (1) page of the Forbearance Agreement where it should have stated "April 16, 2014", AHF, EI, FK, Scott and DenSec desire to make the necessary correction. The corrected version of page 1 of the Forbearance Agreement ("FA-1") with "April 16, 2014" stated in the first paragraph as the execution date of the Forbearance Agreement has been circulated and approved. The corrected version of page 3 of the Forbearance Agreement ("TA-3") with a new first sentence in Section 1 which includes an updated figure of \$35,639,880.71 as the principal sum now due and payable under the Loans, as of close of business on April 16, 2014, has been circulated and approved. AHF, EI, FK, Scott and DenSec each hereby authorize and approve of the following:

a. Clark Hill is instructed to substitute FA-1 and FA-3 into the corresponding pages of the executed original of the Forbearance Agreement; and

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- b. The Forbearance Agreement with the inclusion of FA-1 and FA-3 will be deemed the original.

3. Scott Guaranty. Scott is a party to a certain Guaranty Agreement, executed on April 16, 2014 (the "Scott Guaranty"), in favor of DenSoo. Recognizing that "April 14, 2014" was stated in one (1) page of the Scott Guaranty where it should have stated "April 16, 2014", Scott desire to make the necessary correction. The corrected version of page 1 of the Scott Guaranty ("SG-1") with "April 16, 2014" stated in the first paragraph as the execution date of the Scott Guaranty has been circulated and approved. Scott hereby authorizes and approves of the following:

- a. Clark Hill is instructed to substitute SG-1 into the corresponding page of the executed original of the Scott Guaranty; and
- b. The Scott Guaranty with the inclusion of SG-1 will be deemed the original.

4. Furniture King Guaranty. FK is a party to a certain Guaranty Agreement, executed on April 16, 2014 (the "Furniture King Guaranty"), in favor of DenSoo. Recognizing that "April 14, 2014" was stated in one (1) page of the Furniture King Guaranty where it should have stated "April 16, 2014", FK desire to make the necessary correction. The corrected version of page 1 of the Furniture King Guaranty ("FKG-1") with "April 16, 2014" stated in the first paragraph as the execution date of the Furniture King Guaranty has been circulated and approved. FK hereby authorizes and approves of the following:

- a. Clark Hill is instructed to substitute FKG-1 into the corresponding page of the executed original of the Furniture King Guaranty; and
- b. The Furniture King Guaranty with the inclusion of FKG-1 will be deemed the original.

5. Additional Loan. AHP, EI, and Scott are the parties (as the "Borrowers") to a certain Secured Line of Credit Promissory Note, executed on April 16, 2014, with a Principal Amount of \$1,000,000.00, payable to DenSoo (the "Additional Loan Note"). Recognizing that "April 14, 2014" was stated in three (3) pages of the Additional Loan Note where it should have stated "April 16, 2014", AHP, EI, and Scott desire to make the necessary corrections. The corrected version of page 1 of the Additional Loan Note ("ALN-1") with "April 16, 2014" stated in the top right as the date of the Additional Loan Note has been circulated and approved. The corrected version of page 2 of the Additional Loan Note ("ALN-2") with "April 16, 2014" stated in the "Forbearance Agreement" section as the date of the Forbearance Agreement has been circulated and approved. The corrected version of page 3 of the Additional Loan Note ("ALN-3") with "Nine Hundred Fifteen Thousand One Hundred Sixty-Seven AND 89/100 DOLLARS (\$915,167.87)" stated in Section 2 as the amount of funds previously advanced to Borrowers, pursuant to the terms of the Additional Loan Note, as of close of business on April 16, 2014, has been circulated and approved. In addition, the corrected version of page 5 of the Additional Loan Note ("ALN-5") with "April 16, 2014" stated in Section 8 as the date of both the Furniture

King Guaranty and the Security Agreement (defined herein) has been circulated and approved. AHF, EI, Scott and DenSoo each hereby authorize and approve of the following:

- a. Clark Hill is instructed to substitute ALN-1, ALN-2, ALN-3, and ALN-5 into the corresponding pages of the executed original of the Additional Loan Note; and
- b. The Additional Loan Note with the inclusion of ALN-1, ALN-2, ALN-3, and ALN-5 will be deemed the original.

6. Additional Funds Loan. AHF, EI, FK, and Scott are the parties (as the "Borrowers") to a certain Secured Line of Credit Promissory Note, executed on April 16, 2014, with a Principal Amount of \$5,000,000.00, payable to DenSoo (the "Additional Funds Loan Note"). Recognizing that "April 14, 2014" was stated in three (3) pages of the Additional Funds Loan Note where it should have stated "April 16, 2014", AHF, EI, FK, and Scott desire to make the necessary corrections. The corrected version of page 1 of the Additional Funds Loan Note ("AFLN-1") with "April 16, 2014" stated in the top right as the date of the Additional Funds Loan Note has been circulated and approved. The corrected version of page 2 of the Additional Funds Loan Note ("AFLN-2") with (i) "April 16, 2014" stated in the "Forbearance Agreement" section as the date of the Forbearance Agreement, and (ii) with "One Million Seven Hundred Eighty Thousand Two Hundred Thirty-Nine AND 76/100 DOLLARS (\$1,780,239.76)" stated in Section 2 as the amount of funds previously advanced to Borrowers, pursuant to the terms of the Additional Funds Loan Note, as of close of business on April 16, 2014 has been circulated and approved. In addition, the corrected version of page 4 of the Additional Funds Loan Note ("AFLN-4") with "April 16, 2014" stated in Section 8 as the date of the Security Agreement has been circulated and approved. AHF, EI, FK, Scott and DenSoo each hereby authorize and approve of the following:

- a. Clark Hill is instructed to substitute AFLN-1, AFLN-2, and AFLN-4 into the corresponding pages of the executed original of the Additional Funds Loan Note; and
- b. The Additional Funds Loan Note with the inclusion of AFLN-1, AFLN-2, and AFLN-4 will be deemed the original.

7. Security Agreement. FK is the "Debtor" in that certain Security Agreement, executed on April 16, 2014, in favor of DenSoo as the "Secured Party" (the "Security Agreement"). Recognizing that "April 14, 2014" was stated in two (2) pages of the Security Agreement where it should have stated "April 16, 2014", FK desires to make the necessary corrections. The corrected version of page 1 of the Security Agreement ("SA-1") with "April 16, 2014" stated at the top of the page as the date of the Security Agreement and in the "Obligations Secured" section as the date of the Forbearance Agreement has been circulated and approved. In addition, the corrected version of page 2 of the Security Agreement ("SA-2") with "April 16, 2014" stated in the "Obligations Secured" section as the date of both the Additional Funds Loan Note and the Additional Loan Note has been circulated and approved. FK and DenSoo each hereby authorize and approve of the following:

- a. Clark Hill is instructed to substitute SA-1 and SA-2 into the corresponding pages of the executed original of the Security Agreement; and
- b. The Security Agreement with the inclusion of SA-1 and SA-2 will be deemed the original.

8. Representation and Disclaimer Agreement. Scott and Francine are the parties to a certain Representation and Disclaimer Agreement, in favor of DenSeco (the "Disclaimer"), executed on April 16, 2014. Recognizing that the "April 14, 2014" was stated in one (1) page of the Disclaimer where it should have stated "April 16, 2014", Scott and Francine desire to make the necessary correction. The corrected version of page 1 of the Disclaimer ("D-1") with "April 16, 2014" stated in the first paragraph as the execution date of the Disclaimer has been circulated and approved. Scott and Francine each hereby authorize and approve of the following:

- a. Clark Hill is instructed to substitute D-1 into the corresponding page of the executed original of the Disclaimer; and
- b. The Disclaimer with the inclusion of D-1 will be deemed the original.

9. Consent. Each of the parties hereto agree to and consent to all of the changes to the Forbearance Documents, as detailed in this Authorization, and acknowledge and agree that such changes do not constitute, either individually or in the aggregate, the basis to challenge the enforcement of any of the Forbearance Documents.

10. Counterparts. This Authorization may be executed in several counterparts, each of which counterpart shall be deemed an original instrument and all of which together shall constitute a single Authorization. The failure of any party hereto to execute this Authorization, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

[signatures on following page]

IN WITNESS WHEREOF, the undersigned parties have executed this Authorization on the dates set forth below and to be effective April 16, 2014.

AHF:

ARIZONA HOME FORECLOSURES,
LLC

By: [Signature]

Yomtov "Scott" Menaged

Its: Member

Dated: 6-18-14

Scott:

[Signature]
Yomtov "Scott" Menaged

Dated: 6-18-14

Francine:

[Signature]
Francine Menaged

Dated: 6-18-14

EL:

EASY INVESTMENTS, LLC

By: [Signature]

Yomtov "Scott" Menaged

Its: Member

Dated: 6-18-14

DenSco:

DENSCO INVESTMENT
CORPORATION

By: [Signature]

Denny Chittick

Its: President

Dated: 6-16-14

FK:

FURNITURE KING, LLC

By: [Signature]

Yomtov "Scott" Menaged

Its: Manager

Dated: 6-18-14

{Signature Page of Authorization to Update Forebearance Documents}

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ACC000309 File #8604

EXHIBIT A

Errata Sheet

Forbearance Agreement

- Page 1-changed reference to April 14, 2014 to April 16, 2014 in the first paragraph
- Page 3-replace first sentence in Section 1 to include updated figure of \$35,639,880.71 as the principal sum now due and payable under the Loans, as of close of business on April 16, 2014

Guaranty Agreement (Scott Menaged)

- Page 1-changed reference to April 14, 2014 to April 16, 2014 in the first paragraph

Guaranty Agreement (Furniture King, LLC)

- Page 1-changed reference to April 14, 2014 to April 16, 2014 in the first paragraph

Secured Line of Credit Promissory Note \$1M

- Page 1-changed date at the top right of the page from April 14, 2014 to April 16, 2014
- Page 2-changed reference to April 14, 2014 to April 16, 2014 under the "Forbearance Agreement" paragraph
- Page 3- replaced the last sentence in Section 2 to include updated figure of \$915,167.89 as the amount of funds previously advanced to Borrowers, pursuant to the terms of the Additional Loan Note, as of close of business on April 16, 2014
- Page 5-changed reference to date April 14, 2014 to April 16, 2014 in the first paragraph

Secured Line of Credit Promissory Note \$5M

- Page 1-changed reference to date at the top right of the page from April 14, 2014 to April 16, 2014
- Page 2- changed reference to April 14, 2014 to April 16, 2014 under the "Forbearance Agreement" paragraph
 - replaced the last sentence in Section 2 to include updated figure of \$1,780,239.76 as the amount of funds previously advanced to Borrowers, pursuant to the terms of the Additional Funds Loan Note, as of close of business on April 16, 2014
- Page 4-changed April 14, 2014 to April 16, 2014 under Section 8. Security and Guaranty

Security Agreement

- Page 1 -changed date from April 14, 2014 to April 16, 2014
 - changed reference to April 14, 2014 to April 16, 2014 in the "Obligations Secured" section
- Page 2-changed both references to April 14, 2014 to April 16, 2014 in the first paragraph

Representation and Disclaimer Agreement

- Page 1-changed reference to April 14, 2014 to April 16, 2014 in the first paragraph

Additional Funds Loan

SECURED LINE OF CREDIT PROMISSORY NOTE

\$5,000,000.00

Phoenix, Arizona

April 16, 2014

1. FUNDAMENTAL PROVISIONS.

The following terms will be used as defined terms in this Secured Line Of Credit Promissory Note (as it may be amended, modified, extended and renewed from time to time, the "Note"):

Lender: DenSec Investment Corporation, an Arizona corporation

Borrowers: Arizona Home Foreclosures, LLC, an Arizona limited liability company, whose address is 7320 W. Bell Road, Glendale, Arizona 85308 ("AHF"), Easy Investments, LLC, an Arizona limited liability company, whose address is 7320 W. Bell Road, Glendale, Arizona 85308 ("EI"), Yomtov "Scott" Menaged, whose address is 10510 East Sunnyside Drive, Scottsdale, Arizona ("Menaged"), and Furniture King, LLC, an Arizona limited liability company, whose address is 303 N. Central Avenue, Suite 603, Phoenix, AZ 85012 ("Furniture King"), jointly and severally (AHF, EI, Menaged, and Furniture King are each individually a "Borrower" and collectively, the "Borrowers").

Principal Amount: The maximum amount of principal that is to be advanced and outstanding pursuant to this Note shall be Five Million and No/100 Dollars (\$5,000,000.00).

Principal Balance: The amount of principal that has been advanced and is outstanding at a point of time.

Interest Rate: From the date hereof through and including February 1, 2016, a rate of eighteen percent (18.00%) per annum.

Default Interest Rate: Twenty-nine percent (29%) per annum.

Maturity Date: February 1, 2016.

Business Day: Any day of the year other than Saturdays, Sundays and legal holidays on which the offices of the federal government are closed.

Deed of Trust: That certain Deed of Trust (or Deeds of Trusts) between a Borrower, as Trustor, and Lender, as Beneficiary, which are

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recorded as a lien against certain real property to secure the obligations of Borrower to Lender.

- Loan:** The loan from Lender to Borrowers in the Principal Amount and evidenced by this Note.
- Real Estate Collateral:** The real properties (individually a "Property" and collectively, the "Properties") that are listed on Exhibit A, as may be amended from time to time, which is attached to and incorporated into the Note by this reference. A Deed of Trust shall be recorded as a lien against these Properties to secure the obligations of Borrower to Lender, pursuant to this Note.
- Forbearance Agreement:** That certain Forbearance Agreement, by and between AHF, EI, Menaged, Furniture King, and Lender, dated April 16, 2014.
- Loan Documents:** The "Loan Documents," as that term is defined in the Forbearance Agreement, together with the Forbearance Agreement, this Note, each Deed of Trust, and any documents executed in conjunction with the Forbearance Agreement or as security for this Note.
- Additional Loan:** The loan from Lender to AHF, EI, and Menaged in the principal amount of One Million and No/100 Dollars (\$1,000,000.00), and personally guaranteed by Furniture King.
- Additional Loan Collateral:** Certain real property in Scottsdale, Arizona which has a Deed of Trust recorded against it as a first lien position in favor of Lender to secure the obligations of the applicable Borrower, pursuant to the terms of the Additional Loan.

2. CREDIT ADVANCES.

Lender, in accordance with and subject to the terms and conditions set forth in this Note, shall advance to the Borrowers, on a revolving basis, such amounts as may from time to time be requested by Borrowers, provided that: (a) the Principal Balance, together with accrued interest, hereunder at any time shall not exceed the sum of the Principal Amount, and (b) no Event of Default (defined below) shall exist or be caused thereby. Amounts borrowed hereunder and repaid may be re-borrowed by Borrowers in accordance with the terms of this Agreement; provided, however, Lender may terminate, reduce or otherwise adjust the credit availability (i.e., the Principal Amount) under the Loan at any time in its sole discretion. As of close of business on April 16, 2014, Borrowers have previously requested and Lender has previously advanced to Borrowers, pursuant to the terms of this Note, the sum of One Million Seven Hundred Eighty Thousand Two Hundred Thirty-Nine AND 76/100 DOLLARS (\$1,780,239.76).

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ACC000312 File #3001 *AD*

3. PROMISE TO PAY

For value received, the Borrowers, jointly and severally, promise to pay to the order of Lender, at its office at 6132 W. Victoria Place, Chandler, Arizona 85226, or at such other place as the Lender hereof may from time to time designate in writing, a sum equal to the amount of the Principal Balance and all accrued interest. The books and records of Lender shall be the best evidence of the Principal Balance and the interest amount owing at any time under this Note, and shall be conclusive absent manifest error.

4. INTEREST; PAYMENTS.

- (a) Absent an Event of Default hereunder or under any of the Loan Documents, each advance made hereunder shall bear interest at the Interest Rate in effect from time to time. Throughout the term of this Note, interest shall be computed by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding Principal Balance, multiplied by the actual number of days the Principal Balance is outstanding.
- (b) All payments of principal and interest due hereunder shall be made (i) without deduction of any present and future taxes, levies, imposts, deductions, charges or withholdings, which amounts shall be paid by Borrowers, and (ii) without any other set off. Borrowers will pay the amounts necessary such that the gross amount of the principal and interest received by the holder hereof is not less than that required by this Note.
- (c) On the first day of each calendar month occurring after the date of this Note, through January 1, 2016, Borrowers shall make consecutive monthly installment payments of principal and interest in an amount equal to the sum of: (i) all accrued but outstanding interest, and (ii) 3% of the outstanding Principal Balance. On the Maturity Date, Borrowers shall make one (1) final "balloon" payment of all unpaid principal, accrued unpaid interest, and any other amounts due hereunder, which shall all be due and payable on the Maturity Date. If any payment of principal and interest to be made by Borrowers hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing the interest in such payment.
- (d) Upon a sale or refinance of the Additional Loan Collateral, without demand or notice, Borrowers shall make a payment sufficient to reduce the outstanding Principal Balance, with accrued interest, to Four Million and No/100 Dollars (\$4,000,000.00) or less and the Principal Amount of this Note will thereafter be reduced to Four Million and No/100 Dollars (\$4,000,000.00).

5. PREPAYMENT.

Borrowers may prepay the Loan, in whole or in part, at any time without penalty or premium.

6. LAWFUL MONEY.

Principal and interest are payable in lawful money of the United States of America.

7. APPLICATION OF PAYMENTS/LATE CHARGE/DEFAULT INTEREST.

(a) Unless otherwise agreed to, in writing, or otherwise required by applicable law, payments will be applied first to accrued, unpaid interest, then to principal, and any remaining amount to any unpaid collection costs, late charges and other charges, provided, however, upon delinquency or other default, Lender reserves the right to apply payments among principal, interest, late charges, collection costs and other charges at its discretion. All prepayments shall be applied to the indebtedness owing hereunder in such order and manner as Lender may from time to time determine in its sole discretion.

(b) If any payment of interest and/or principal is not received by the holder hereof when such payment is due, then in addition to the remedies conferred upon the holder hereof pursuant to Section 10 hereof and the other Loan Documents, a late charge of ten percent (10%) of the amount of the regularly scheduled payment or \$25.00, whichever is greater, will be added to the delinquent amount to compensate the holder hereof for the expense of handling the delinquency for any payment past due in excess of ten (10) days, regardless of any notice and cure periods.

(c) Upon the occurrence of an Event of Default, including the failure to pay upon final maturity, Lender, at its option, may also, if permitted under applicable law, do one or both of the following: (i) increase the applicable Interest Rate on this Note to the Default Interest Rate, and (ii) add any unpaid accrued interest to principal and such sum will bear interest therefrom until paid at the rate provided in this Note (including any increased rate). The interest rate will not exceed the maximum rate permitted by applicable law.

8. SECURITY AND GUARANTY.

This Note is secured by, inter alia, (i) one or more Deeds of Trust, which Deeds of Trust create, as applicable, an initial or additional lien on one or more of the Properties of the Real Estate Collateral, and (ii) that certain Security Agreement with Furniture King, as Debtor, and Lender, as Secured Party, dated April 16, 2014, which creates a lien against all of Furniture King's inventory, accounts, and assets for the benefit of Lender. In the event that Borrowers fail to pay any sum or to perform any covenant, agreement, or obligation owed to Lender under any Loan Documents, the Borrowers shall work with Lender to provide any additional collateral available to Borrowers, as may be requested by Lender, to secure the obligations of Borrowers described in this Note. Borrowers will

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ACC000314 File #1634

execute and acknowledge (or cause to be executed and acknowledged) and deliver to Lender all documents, and take all actions, reasonably required by Lender from time to time to confirm the rights created now or hereafter intended to be created under the Note and Deeds of Trust, to protect and further the validity, priority and enforceability of any security intended by this Paragraph 8, to maintain, perfect or insure Lender's security provided for herein and in the other Loan Documents, including, without limitation, the execution, filing or recording of the Deeds of Trust, UCC financial statements, renewal statements or amendments, and the execution of such amendments to the Deeds of Trust and the other Loan Documents.

9. EVENT OF DEFAULT.

The failure to pay any amount due under this Note when due, or any occurrence of a default under the Forbearance Agreement or any other Loan Documents, shall be deemed to be an event of default ("Event of Default") hereunder.

10. REMEDIES.

Upon the occurrence of an Event of Default, then at the option of the holder hereof, the entire balance of principal together with all accrued interest thereon, and all other amounts payable by Borrowers under the Loan Documents shall, without demand or notice, immediately become due and payable. Upon the occurrence of an Event of Default (and so long as such Event of Default shall continue), the entire balance of principal hereof, together with all accrued interest thereon, all other amounts due under the Loan Documents, and any judgment for such principal, interest, and other amounts shall bear interest at the Default Interest Rate, subject to the limitations contained in Paragraph 15 hereof. No delay or omission on the part of the holder hereof in exercising any right under this Note or under any of the other Loan Documents hereof shall operate as a waiver of such right.

11. WAIVER.

Borrowers and endorsers of this Note hereby waive diligence, demand for payment, presentment for payment, protest, notice of nonpayment, notice of protest, notice of intent to accelerate, notice of acceleration, notice of dishonor, and notice of nonpayment, and all other notices or demands of any kind (except notices specifically provided for in the Loan Documents) and expressly agree that, without in any way affecting the liability of Borrowers or endorsers, the holder hereof may extend any maturity date or the time for payment of any installment due hereunder, otherwise modify the Loan Documents, accept additional security, release any person liable, and release any security. Borrowers and endorsers waive, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense.

12. CHANGE, DISCHARGE, TERMINATION, OR WAIVER.

No provision of this Note may be changed, discharged, terminated, or waived except in a writing signed by the party against whom enforcement of the change, discharge, termination, or waiver is sought. No failure on the part of the holder hereof to exercise

and no delay by the holder hereof in exercising any right or remedy under this Note or under the law shall operate as a waiver thereof.

13. ATTORNEYS' FEES.

If this Note is not paid when due or if any Event of Default occurs, Borrowers promise to pay all costs of enforcement and collection and preparation therefor, including but not limited to, reasonable attorneys' fees, whether or not any action or proceeding is brought to enforce the provisions hereof (including, without limitation, all such costs incurred in connection with any bankruptcy, receivership, or other court proceedings (whether at the trial or appellate level)).

14. SEVERABILITY.

If any provision of this Note is unenforceable, the enforceability of the other provisions shall not be affected and they shall remain in full force and effect.

15. INTEREST RATE LIMITATION.

Borrowers hereby agree to pay an effective rate of interest that is the sum of the interest rate provided for herein, together with any additional rate of interest resulting from any other charges of interest or in the nature of interest paid or to be paid in connection with the Loan. Lender and Borrowers agree that none of the terms and provisions contained herein or in any of the Loan Documents shall be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of Arizona. In such event, if any holder of this Note shall collect monies which are deemed to constitute interest which would otherwise increase the effective interest rate on this Note to a rate in excess of the maximum rate permitted to be charged by the laws of the State of Arizona, all such sums deemed to constitute interest in excess of such maximum rate shall, at the option of the holder, be credited to the payment of other amounts payable under the Loan Documents or returned to Borrowers.

16. INTERPRETATION.

Headings at the beginning of each numbered section of this Note are intended solely for convenience and are not part of this Note. No inference in favor of, or against, any party shall be drawn from the fact that such party has drafted all or any portion of this Note, any other document required hereunder or in connection with any Loans Documents. As used herein, words of masculine, feminine or neuter gender shall mean and include the correlative words of the other genders, and words importing the singular number shall mean and include the plural number, and vice versa. All parties were advised to and were given the opportunity to consult with independent counsel before executing this Note.

17. CHOICE OF LAW.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ARIZONA WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES.

18. INTEGRATION.

The Note contains the complete understanding and agreement of the holder hereof and Borrowers and supersedes all prior representations, warranties, agreements, arrangements, understandings, and negotiations.

19. BINDING EFFECT.

The Note will be binding upon, and inure to the benefit of, the holder hereof, Borrowers, and their respective successors and assigns. Borrowers may not delegate their obligations under the Loan Documents.

20. TIME OF THE ESSENCE.

Time is of the essence with regard to each provision of the Loan Documents as to which time is a factor.

21. NOTICES.

All notices, consents, approvals and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) certified or registered United States mail, postage prepaid, return receipt requested or (b) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, or (c) by email addressed as follows (or at such other address and person as shall be designated from time to time by any party hereto, as the case may be, in a written notice to the other parties hereto in the manner provided for in this Paragraph):

If to Lender:

DenSec Investment Corporation
6132 W. Victoria Place
Chandler, Arizona 85226
Attention: Danny Chittick
Email: dcmoney@yahoo.com

If to AHF:

Arizona Home Foreclosures, LLC
7320 W. Bell Road
Glendale, Arizona 85308
Attention: Scott Menaged
Email: smena98754@aol.com

If to EL:

Easy Investments, LLC
7320 W. Bell Road

Glendale, Arizona 85308
Attention: Scott Menaged
Email: smena98754@aol.com

If to Menaged:

Scott Menaged
7320 W. Bell Road
Glendale, Arizona 85308
Email: smena98754@aol.com

If to Furniture King:

Arizona Furniture King
303 N. Central Avenue, Suite 603
Phoenix, Arizona 85012
Attention: Scott Menaged
Email: smena98754@aol.com

A notice shall be deemed to have been given: (i) in the case of hand delivery, at the time of delivery; in the case of registered or certified mail, when delivered or the first attempted delivery on a business day; or (ii) in the case of expedited prepaid delivery, upon the first attempted delivery on a business day; or (iii) in the case of email, the earlier of sender's receipt of a machine-generated confirmation/receipt of a successful delivery of the message or that the message was read, or sender's receipt of a response from the recipient regarding the email, such as a reply or a separate email which references the notice.

22. SURVIVAL.

The representations, warranties, and covenants of the Borrowers in the Loan Documents shall survive the execution and delivery of the Loan Documents and the making of the Loan.

23. COUNTERPARTS.

This Note may be executed in several counterparts, each of which counterpart shall be deemed an original instrument and all of which together shall constitute a single Note. The failure of any party hereto to execute this Note, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Borrowers have duly executed this Note as of the date first stated above.

DENSCO INVESTMENT
CORPORATION

By: 

Denny Chirjack
Its: President
"Lender"

ARIZONA HOME FORECLOSURES,
LLC

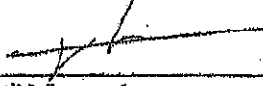
By: 

Yomtov "Scott" Menaged
Its: Member
"Borrower"

EASY INVESTMENTS, LLC

By: 

Yomtov "Scott" Menaged
Its: Member
"Borrower"


Yomtov "Scott" Menaged
"Borrower"

FURNITURE KING, LLC

By: 

Yomtov "Scott" Menaged
Its: Manager
"Borrower"

{Signature Page for \$5,000,000.00 Secured Line Of Credit Promissory Note}

Exhibit A

Property

Amount Advanced

- 10 -

200414066.8 43820/170082

ACC000320 File #8604

Address of Property Interest Payment to Gregg	\$ Amount	Date of draw	Total \$	Int Per day	Days	Payment	Interest \$	Date	Total Int & Debt Balance
	\$ 100,000.00	2/28/2014	\$ 100,000.00	\$ 50.00	5	\$ 100,000.00	\$ 250.00	3/5/2014	\$ -
Legal Bill Inv#528891	\$ 38,224.00	3/6/2014	\$ 38,224.00	\$ 19.11	21		\$ 401.35		\$ 98,625.35
2105 S 108th Ave	\$ 55,864.00	3/7/2014	\$ 134,088.00	\$ 47.98	20		\$ 958.64		\$ 96,872.64
2027 S 101st Drive	\$ 79,380.98	3/7/2014	\$ 213,468.98	\$ 39.09	20		\$ 793.81		\$ 80,174.79
1697 S 233rd Ln	\$ 67,353.16	3/7/2014	\$ 280,822.14	\$ 33.63	20		\$ 673.53		\$ 88,026.69
4119 W Valley View Dr	\$ 88,896.00	3/7/2014	\$ 369,718.14	\$ 44.45	20		\$ 888.96		\$ 89,784.96
14869 W Caribbeian Ln	\$ 79,252.00	3/7/2014	\$ 448,970.14	\$ 39.63	20		\$ 792.52		\$ 80,044.52
4906 W Gelding Dr	\$ 69,082.27	3/7/2014	\$ 518,052.41	\$ 34.54	20		\$ 690.82		\$ 83,773.09
1942 S Emerson St #252	\$ 41,382.56	3/7/2014	\$ 559,434.97	\$ 20.69	20		\$ 413.83		\$ 41,796.39
4119 W Grovers Ave	\$ 78,538.63	3/10/2014	\$ 637,973.60	\$ 39.27	17		\$ 557.58		\$ 79,206.21
23846 W Gibson Ln	\$ 92,372.15	3/14/2014	\$ 730,345.75	\$ 46.19	13		\$ 600.42		\$ 92,972.57
1040 S 220th Ln	\$ 68,127.63	3/14/2014	\$ 798,473.38	\$ 34.06	13		\$ 442.83		\$ 68,570.46
18146 W Puget Ave	\$ 63,861.47	3/14/2014	\$ 862,334.85	\$ 31.93	13		\$ 415.30		\$ 64,276.17
15456 S 47th Place	\$ 181,653.80	3/21/2014	\$ 1,043,988.25	\$ 90.83	8	\$ 30,000.00	\$ 544.96		\$ 181,198.76
Payment		3/26/2014	\$ 1,042,272.60		3/26/2014		\$ 8,284.35		\$ 1,052,272.60
Balance Forward	\$ 1,042,272.60	3/27/2014	\$ 1,042,272.60	\$ 521.14	21		\$ 10,949.86		\$ 1,053,216.46
6024 E Wethersfield Rd	\$ 112,625.27	3/28/2014	\$ 1,154,897.87	\$ 56.31	20		\$ 1,126.25		\$ 113,751.52
15920 W Maui Ln	\$ 38,414.70	3/31/2014	\$ 1,193,312.57	\$ 19.21	17		\$ 326.52		\$ 38,741.22
1820 S 106th Ln	\$ 63,544.61	3/31/2014	\$ 1,256,857.18	\$ 31.77	17		\$ 540.13		\$ 64,084.74
23852 S Beech Creek Dr	\$ 138,235.26	4/4/2014	\$ 1,395,092.44	\$ 69.12	13		\$ 898.53		\$ 139,133.79
707 E Potter Dr	\$ 184,619.56	4/4/2014	\$ 1,579,712.00	\$ 92.31	13		\$ 1,200.03		\$ 185,819.59
16739 W Navejo St	\$ 20,000.00	4/10/2014	\$ 1,599,712.00	\$ 10.00	7		\$ 70.00		\$ 20,070.00
4745 W Golden Ln	\$ 63,805.73	4/14/2014	\$ 1,663,517.73	\$ 31.90	3		\$ 95.71		\$ 63,901.44
635 S St Paul	\$ 27,783.94	4/14/2014	\$ 1,691,301.57	\$ 13.89	3		\$ 41.68		\$ 27,825.52
9832 E Olla Ave	\$ 37,589.85	4/14/2014	\$ 1,728,891.42	\$ 18.79	3		\$ 56.38		\$ 37,646.23
3154 W Via Montoya Dr	\$ 21,082.34	4/14/2014	\$ 1,749,973.76	\$ 10.54	3		\$ 31.62		\$ 21,113.96
Legal Bill	\$ 30,266.00	4/15/2014	\$ 1,780,239.76	\$ 15.13	2		\$ 30.27		\$ 30,296.27
Totals since last payment	\$ 1,780,239.76						\$ 15,360.98		\$ 1,795,600.74

4/16/2014

ACC000321 File #8604

REPRESENTATION AND DISCLAIMER AGREEMENT

This Representation And Disclaimer Agreement (this "Agreement") is made as of April 16, 2014, by Yomtov "Scott" Menaged ("Scott") and Francine Menaged ("Francine") (Scott and Francine are collectively referred to as the "Parties"), who are husband and wife, both residing at 10510 East Sunnyside Drive, Scottsdale, Arizona 85259, in favor of DenSec Investment Corporation, an Arizona corporation (together with its successor and assigns, "Lender"), having an address at 6132 W. Victoria Place, Chandler, Arizona 85226.

Recitals

The following recitals are a material part of this Agreement:

A. Arizona Home Foreclosures, LLC, an Arizona limited liability company ("AHF"), whose address is 7320 W. Bell Road, Glendale, Arizona 85308 and Easy Investments, LLC, an Arizona limited liability company ("EI"), whose address is 7320 W. Bell Road, Glendale, Arizona 85308 (AHF and EI are hereinafter referred to, individually and collectively, as the context may require, as "Borrower") are indebted to Lender under the terms of certain loans or similar agreements (individually a "Loan" and collectively, the "Loans").

B. As of March 1, 2014, the total sum now due and payable under the Loans, in aggregate, is approximately \$39,116,888, consisting of \$37,133,019 in principal, \$1,983,869 in accrued interest, \$1,100,100 advanced by Lender in payment of costs and expenses as permitted under the Loans Documents and approximately \$38,000 in costs and expenses incurred by Lender for collection and enforcement of the Loans.

C. The Loans are now in default, pursuant to the terms of the promissory notes, mortgages, and deeds of trust, and other documents executed in connection with the Loans (collectively, the "Loan Documents").

D. Borrower has requested that Lender forbear in the pursuit of Lender's remedies, and Lender is willing to forbear such pursuit, subject to the terms of a Forbearance Agreement of even date, by and between the Borrower, Scott, Furniture King, LLC, an Arizona limited liability company, whose address is 303 N. Central Avenue, Suite 603, Phoenix, AZ 85012 ("Furniture King"), and Lender (the "Forbearance Agreement").

E. Pursuant to the Forbearance Agreement, Lender agreed to loan additional funds in an amount up to Five Million Dollars (\$5,000,000) to Borrower, Scott, and Furniture King, jointly and severally (the "Additional Funds Loan"), which is evidenced by that certain Secured Line of Credit Promissory Note (the "Additional Funds Note").

F. Pursuant to the Forbearance Agreement, Lender agreed to loan additional funds in an amount up to One Million Dollars (\$1,000,000) to Borrower and Scott, jointly and severally (the "Additional Loan"), which is evidenced by that certain Secured Line of Credit Promissory Note (the "Additional Note"). Furniture King has personally guaranteed the Additional Loan under a separate

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ACC000322 File #8604

Guaranty Agreement. Certain real property located at 10510 East Sunnyside Drive, Scottsdale, Arizona and the Guaranty Agreement, a Deed of Trust recorded against it as a first lien position in favor of Lender to secure the obligations of the applicable Borrower, pursuant to the terms of the Additional Note (the "Scottsdale Property"). (For purposes of this Agreement, the Forbearance Agreement, the Additional Funds Note, the Additional Note, and the Guaranty Agreement, and other documents executed in connection with the Forbearance Agreement shall be included in the definition of the "Loan Documents.")

G. Absent this Agreement, and the Ownership Representation set forth below, Lender is unwilling to agree to the terms of the Forbearance Agreement, loan the additional funds to Borrower pursuant to the Additional Funds Loan, and the Additional Loan, and/or to loan any other additional funds to the Borrower.

AGREEMENT

In consideration of Lender's agreement to the terms of the Forbearance Agreement and agreement to loan additional funds to the Borrower, pursuant to the terms of the Loan Documents, the Additional Funds Note, the Additional Note, and the Forbearance Agreement, and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, Scott and Francine each state, agree, represent and warrant to Lender as follows:

1. Incorporation of Recitals. The Recitals set forth above are hereby incorporated into and made a part of this Agreement.

2. Representations and Disclaimers.

2.1 Francine is the spouse of Scott.

2.2 Each of the assets (collectively, the "Assets") listed on Exhibit A, attached hereto and incorporated into this Agreement by this reference, are the sole and separate property of Scott and Francine disclaims any and all community property interest or quasi-community property interest she may have in each of the Assets.

2.3 Scott and Francine each represent to Lender that Scott is the sole owner of AHF, EI, and Furniture King, and, further, that he owns each of these companies as his sole and separate property (the "Ownership Representation").

2.4 The Parties acknowledge that they have each read the Loan Documents and understand their respective provisions.

2.5 The Parties are each aware that, by the provisions of the Loan Documents, Scott, AHF, EI, and Furniture King, as applicable, have agreed to encumber and permit a lien on the Scottsdale Property and all, if not all, of the assets of AHF, EI, and Furniture King (collectively, the "Collateral") to secure certain obligations of the Loan Documents, in favor of Lender.

2.6 To the extent that she has (or may have in the future) any interest in the Assets, Francine expressly approves of and agrees to be bound by the provisions of the Loan Documents in their entirety, including, but not limited to, those provisions relating to the creation of liens on the

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ACC000323 File #8604

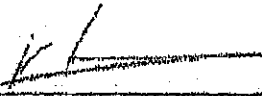
Collateral, in favor of Lender, and Lender's available remedies in the event of default regarding such collateral, including foreclosure of the Collateral.

2.7 Unless prohibited by applicable law, each of the Parties will indemnify, defend, and hold harmless Lender from and against all damages, liabilities, losses, and costs (including settlement costs and reasonable attorneys' fees) arising out of any claim concerning or arising from any of the following (each a "Claim"); (i) a dispute regarding whether Scott is the sole owner of an Asset; (ii) a dispute regarding whether any of the Assets are the sole and separate property of Scott; (iii) a dispute regarding whether Francine has any community property interest or quasi-community property interest in any of the Assets; and/or (iv) a dispute regarding whether Scott's individual signature is legally sufficient to provide a legally effective security interest in the any or all of the Assets without the signature of Francine.


3. Counterparts. This Agreement may be executed in several counterparts, each of which counterpart shall be deemed an original instrument and all of which together shall constitute a single Agreement. The failure of any party hereto to execute this Agreement, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed as of the day and year first above written.

Parties:



Yomtov "Scott" Menaged
"Scott"



Francine Menaged
"Francine"

{Signature Page for Representation And Disclaimer Agreement}

200481555.4 43820/170082

ACC000324 File #8604

EXHIBIT A

Sole And Separate Property

1. All ownership interest in Arizona Home Foreclosures, LLC, an Arizona limited liability company, whose address is 7320 W. Bell Road, Glendale, Arizona 85308.
2. All ownership interest in Easy Investments, LLC, an Arizona limited liability company, whose address is 7320 W. Bell Road, Glendale, Arizona 85308.
3. All ownership interest in Furniture King, LLC, an Arizona limited liability company, whose address is 303 N. Central Avenue, Suite 603, Phoenix, Arizona 85012.
4. Certain real property in Scottsdale, Arizona, commonly known as 10510 East Sunnyside Drive, Scottsdale, Arizona, 85259.

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ACC000325 File #8604

ACKNOWLEDGMENTS

STATE OF ARIZONA)
) SS
COUNTY OF MARICOPA)

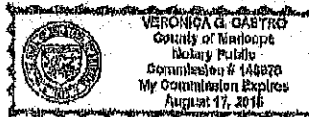
On this 16 day of April, 2014, before me appeared Yomtov "Scott" Menaged, to me personally known, who being by me duly sworn, and said Yomtov "Scott" Menaged acknowledged to me that he is the person named "Scott" in the foregoing instrument and that he did execute the foregoing instrument and that he did so as his free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.


Notary Public

My Commission Expires:

8-17-15



{Acknowledgments for Representation And Disclaimer Agreement - Scott}

200481555.4 43820/170082

ACC000326 File #8604

ACKNOWLEDGMENTS

STATE OF ARIZONA

COUNTY OF MARICOPA

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) SS
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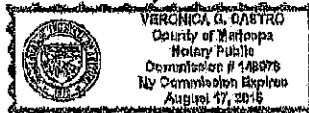
On this 14 day of April, 2014, before me appeared Francine Menaged, to me personally known, who being by me duly sworn, and said Francine Menaged acknowledged to me that she is the person named as "Francine" in the foregoing instrument and that she did execute the foregoing instrument and that she did so as her free act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

Notary Public

My Commission Expires:

8-17-15



{Acknowledgments for Representation And Disclaimer Agreement - Francine}

200481553,4 43820/170082

ACC000327 File #8604

2014-001-5063-0

ARIZONA
SECRETARY OF STATE
05/08/14 08:55
FILED

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
David Bonchamps (480) 684-1126

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

☐ Clerk RM PLC
c/o David Bonchamps
14850 N. Scottsdale Rd., Suite 500
Scottsdale, AZ 85254



THIS ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (i.e. do not list multiple names). Do not include any part of the Debtor's name, if any part of the Debtor's name is a trade name or d/b/a. Check here ☐ and provide the Debtor's information in item 10 of the Financing Statement (Section 10 of UCC 9-102).

10. ORGANIZATION'S NAME
Furniture King, LLC, an Arizona limited liability company (ACC file # L-1703644-9)

OR
10. INDIVIDUAL'S SURNAME

11. MAILING ADDRESS
303 N. Central Avenue, Suite 603
Phoenix
AZ 85012
USA

2. CREDITOR'S NAME: Provide only one Creditor name (i.e. do not list multiple names). Do not include any part of the Creditor's name, if any part of the Creditor's name is a trade name or d/b/a. Check here ☐ and provide the Creditor's information in item 11 of the Financing Statement (Section 11 of UCC 9-102).

12. ORGANIZATION'S NAME

OR
12. INDIVIDUAL'S SURNAME

13. MAILING ADDRESS

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE if ASSIGNOR REQUIRED PART): Provide only one Secured Party name (i.e. do not list multiple names).

14. ORGANIZATION'S NAME
BenSeo Investment Corporation, an Arizona corporation

OR
14. INDIVIDUAL'S SURNAME

15. MAILING ADDRESS
6133 W. Victoria Place
Chandler
AZ 85226
USA

4. COLLATERAL: The financing statement covers the following collateral:

All of Debtor's inventory (as defined in A.R.S. § 47-9102 (A)(4)), accounts (as defined in A.R.S. § 47-9102 (A)(2)) (under a Deposit Account Control Agreement), and assets, complete with accessories, attachments, replacements, repairs, replacements, parts and equipment now and hereafter attached or appertaining thereto, or used in connection therewith and all proceeds thereof.

5. Check one or more applicable and check only one box. Collateral is: ☐ Tangible ☐ Intangible ☐ Both tangible and intangible ☐ Both tangible and intangible (if the collateral is both tangible and intangible, check both boxes)

6. Check one or more applicable and check only one box. Collateral is: ☐ Motor Vehicle ☐ Aircraft ☐ Ship ☐ Other ☐ Other (specify in item 16)

7. ALTERNATIVE ORIGINATOR (if applicable) ☐ Lender ☐ Assignor ☐ Assignee ☐ Other (specify in item 16)

8. OPTIONAL FACT REFERENCE DATA
43820170002

FILING OFFICE COPY - UCC FINANCING STATEMENT (Form UCC1) (Rev. 04/20/11)

International Association of Commercial Administrators (IACA)

ACC000328 File #8604

SECURITY AGREEMENT

DATE: April 16, 2014

SECURED PARTY: DenSoo Investment Corporation,
an Arizona corporation
6132 W. Victoria Place
Chandler, Arizona 85226

DEBTOR: Furniture King, LLC,
an Arizona limited liability Company
303 N. Central Avenue, Suite 603
Phoenix, Arizona 85012.

OBLIGATIONS
SECURED:

All obligations, both payment and performance, owed by Debtor to Secured Party, including, but not limited to the obligations under each of the following: (i) the Forbearance Agreement, dated April 16, 2014; (ii) each of the Loan Documents (defined herein); (iii) the Guaranty Agreement, of even date herewith (the "Guaranty"), wherein the Secured Party personally guaranteed the indebtedness and other obligations of Arizona Home Foreclosures, LLC, an Arizona limited liability company ("AHF") and Easy Investments, LLC, an Arizona limited liability company ("EI", AHF and EI are hereinafter referred to, individually and collectively, as the context may require, as "Borrower") to Secured Party under the terms of certain Loans (individually a "Loan" and collectively, the "Loans"), which are listed on the attached Exhibit A (as may be subsequently amended as additional real properties are added as collateral for the Loans) of the Guaranty, which is incorporated into this Agreement by this reference, with each Loan evidenced by a certain Note Secured by Deed of Trust or other similar promissory notes, executed by Borrower in favor of Secured Party (individually a "Note" and collectively, the "Notes") and by a Mortgage (or a "Receipt and Mortgage") (collectively, the "Mortgages"), and are each secured in part by one or more Deeds of Trust and Assignment of Rents, deeds of trust, deeds to secure debt, or similar documents (individually and collectively, the "Security Instruments") encumbering Borrower's interest in the respective real properties described therein (individually a "Property" and collectively, the "Properties") and referenced in Exhibit A (as may be subsequently amended as additional real properties are added as collateral for the Loans) of the Guaranty. The Notes, Mortgages, Security Instruments, and the other document(s) described above and all other documents and instruments evidencing and/or securing the Loans, as originally

written or previously modified, and all amendments and renewals thereof and replacements therefor, are referred to collectively herein as the "Loans Documents" or individually as a "Loan Document"; (iv) the Secured Line of Credit Promissory Note, dated April 16, 2014, with a Principal Amount of \$5,000,000, with Secured Party, as Lender, and Debtor, Borrower, and Yomtov "Scott" Menaged, an individual whose address is 10510 East Sunnyside Drive, Scottsdale, Arizona 85259 ("Menaged"), as Borrowers (the "Additional Funds Loan"); and (v) the Secured Line of Credit Promissory Note, dated April 16, 2014, with a Principal Amount of \$1,000,000, with Secured Party, as Lender, Borrower and Menaged, as Borrowers, and Debtor, as guarantor (the "Additional Loan").

COLLATERAL:

All of Debtor's inventory, accounts (with a Deposit Account Control Agreement), and assets.

Debtor, for value received, hereby grants to Secured Party a security interest in and to the Collateral described above, complete with accessories, attachments, accessions, repairs, replacements, parts and equipment now or hereafter attached or appertaining thereto, or used in connection therewith and all proceeds thereof to secure performance of the covenants and agreements herein set forth and payment and performance of the Obligations Secured hereby and any and all extensions or renewals thereof, in whole or in part, and also any other indebtedness or liability of Debtor to Secured Party now existing or hereafter arising, due or to become due, absolute or contingent and whether several, joint, or joint and several.

1. Debtor's Representations and Warranties. Debtor represents and warrants:

a. Debtor is and, as to Collateral acquired after the date hereof, will be the owner of the Collateral free from any adverse lien, security interest or encumbrance. Debtor is in exclusive possession of the Collateral. Debtor shall defend the Collateral against all claims and demands of all persons.

b. All Collateral now existing, and all Collateral hereafter acquired, is and shall be located solely within the State of Arizona (the "Collateral State").

c. Debtor is a limited liability company organized and existing under the laws of the State of Arizona with its chief executive office located in Phoenix, Maricopa County, Arizona. Debtor's exact legal name is set forth on the first page of this Security Agreement.

d. There is no financing statement now on file covering any of the Collateral of Debtor or in which Debtor is named as or signs as a Debtor, except as may be approved by Secured Party. Without the prior written consent of the Secured Party, Debtor will not execute nor permit the filing of any such financing statement or statements.

e. Debtor shall maintain possession of the Collateral, except where expressly otherwise provided in this Security Agreement or where Secured Party chooses to perfect its

security interest by possession in addition to the filing of the Financing Statements (defined below).

f. Said Collateral being personal property, the same will be used and located at the hereinabove specified addresses within the Collateral State. Debtor shall have the right to replace any items of Collateral with equal or better property, provided such replacement property shall become Collateral hereunder.

g. Debtor will not sell, offer or attempt to sell or dispose of the Collateral or any substitutions, accessions or interest therein, other than inventory in the ordinary course of business, and will not create or permit to exist any other security interest or other encumbrance upon the Collateral.

2. Authorization. Debtor hereby authorizes Secured Party to execute and file any and all financing statements (the "Financing Statements") describing the Collateral deemed necessary or desirable by Secured Party to confirm, perfect, continue, modify or extend the security interest in the Collateral granted herein.

3. Right to Protect Collateral. Secured Party may, in the event of default by Debtor, obtain insurance or pay taxes, assessments, liens, fees, charges or encumbrances, or order and pay for repairs or spend any amounts necessary to maintain the Collateral in Debtor's exclusive possession and in good condition and repair, and all amounts expended by Secured Party shall, with interest thereon at eighteen percent (18%) per annum, constitute an indebtedness of Debtor to Secured Party secured by the Collateral and by the terms of this Agreement, and shall be immediately due and payable, but no such act or expenditure by Secured Party shall relieve Debtor from the consequences of such default. The making of any such payment by Secured Party or the performance of any obligation on behalf of Debtor shall constitute prima facie evidence of the necessity therefor and the reasonableness thereof.

4. Events of Default. Any one of the following shall constitute an event of default ("Event of Default"):

- a. Failure of Debtor to pay when due any indebtedness secured hereby;
- b. Any default, Event of Default (as defined) or breach of any warranty, representation or statement under any of the Loan Documents, the Forbearance Agreement, the Additional Funds Loan, the Additional Loan, or other documents associated with any of the Obligations Secured hereby;
- c. If any warranty, representation or statement made herein or furnished to Secured Party by or on behalf of Debtor in connection with this Agreement proves to have been false in any material respect when made or furnished;
- d. The commencement of any bankruptcy proceedings, arrangement, reorganization, insolvency, receivership or similar proceedings by or against Debtor or any guarantor or surety for Debtor;

e. The dissolution or termination of the Debtor's limited liability company existence;

f. If the Collateral is sold or disposed of unlawfully, levied on or seized under any levy, attachment, garnishment, writ or other legal process; if any lien shall attach thereto; or if a security interest is created with respect thereto;

g. If Debtor uses the Collateral in violation of any law or governmental regulation;

h. If Debtor defaults in performing any of Debtor's obligations, promises, covenants or agreements contained herein or in any agreement, paper or document given by Debtor to Secured Party;

i. If the Collateral is lost, stolen or suffers substantial damage or destruction which is not compensated for by insurance;

j. If Debtor removes or permits the Collateral to be removed from the location herein specified without prior written consent of Secured Party, other than a sale of inventory in the ordinary course of business;

k. If Debtor fails to keep and maintain exclusive possession of and title to the Collateral, other than a sale of inventory in the ordinary course of business;

l. If Debtor fails to pay promptly when due all taxes, liens, fees, charges and assessments upon the Collateral or fails to keep the Collateral in good condition and repair or fails to keep the Collateral properly insured at all times, with an insurance company or companies acceptable to Secured Party and with loss payable to Secured Party as its interest may appear against fire (with extended coverage), theft, physical damage and such other risks, and in such amounts for all risks as Secured Party shall require.

m. Debtor shall fail to comply with, or become subject to any administrative or judicial proceeding under any federal, state or local (a) hazardous waste or environmental law, (b) asset forfeiture or similar law which can result in the forfeiture of property or (c) other law where noncompliance may have any significant effect on the Collateral; or

n. Secured Party shall receive at any time following the date of this Agreement a report from the Secretary of State or other governmental agency indicating that Secured Party's security interest is not prior to all other security interests or other interests reflected in the report unless such security interests or other interests have been previously consented to in writing by Secured Party.

5. Default Costs. Should an Event of Default occur, Debtor will pay to Secured Party all costs incurred by Secured Party for the purpose of enforcing its rights hereunder; including, without limitation:

a. The costs of foreclosure;

b. The costs of obtaining money damages including without limitation the costs incurred in any litigation or arbitration proceeding arising out of this Security Agreement; and

c. The attorneys' fees incurred by Secured Party for any purpose related to this Security Agreement or the Obligations Secured hereby, including consultation, drafting documents, sending notices or instituting, prosecuting or defending litigation or arbitration.

6. Rights and Remedies. Upon the happening of any of the foregoing Events of Default and at any time thereafter, at Secured Party's option and without notice to Debtor declare all of the indebtedness of Debtor to Secured Party to be immediately due and payable, and Secured Party shall have the rights, options, duties and remedies of a Secured Party, and Debtor shall have the rights and duties of a Debtor, under the Uniform Commercial Code as adopted in the State of Arizona; and, without limitation thereto, Secured Party shall have the following specific rights:

a. To terminate any commitment to make loans or to otherwise extend credit to Borrower;

b. To take immediate possession of the Collateral without notice or resort to legal process and for such purpose to enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom or at its option to render the Collateral unusable;

c. To require Debtor to assemble the Collateral and make it available to Secured Party at a place, to then be designated by Secured Party which is reasonably convenient to both parties;

d. To retain the Collateral in satisfaction of the Obligations Secured hereunder in accordance with A.R.S. Sections 47-9620 and 47-9621; provided, however, Secured Party will not be deemed to accept the Collateral in satisfaction of the Obligations Secured in the absence of Secured Party's compliance with A.R.S. Section 47-9620(B)(1);

e. Without taking possession, sell, lease or otherwise dispose of the Collateral at public or private sale in accordance with the Uniform Commercial Code as adopted in the State of Arizona; and

f. At any sale or disposition of the Collateral, Secured Party may accept a trade of property for all or a portion of the sale price;

7. Foreclosure Procedures.

a. No delay or omission by Secured Party to exercise any right or remedy accruing upon any Event of Default shall: (a) impair any right or remedy; (b) waive any default or operate as an acquiescence to the Event of Default or (c) affect any subsequent default of the same or of a different nature.

b. Secured Party shall give Debtor such notice of any private or public sale as may be required by the Uniform Commercial Code as adopted in the State of Arizona. Any written notice required to be given to Debtor, if mailed by ordinary mail, postage prepaid, to Debtor's mailing address given above, or to Debtor's most recent address as shown by a notice of change of address on file with the Secured Party, shall be deemed reasonable notification.

c. Secured Party has no obligation to clean up or otherwise prepare the Collateral for sale.

d. Secured Party has no obligation to attempt to satisfy the Obligations Secured hereby by collecting them from any other person liable for them and Secured Party may release, modify or waive any collateral provided by any other person to secure any of the Obligations Secured hereby, all without affecting Secured Party's rights against Debtor. Debtor waives any right it may have to require Secured Party to pursue any third person for any of the Obligations Secured hereby.

e. Secured Party may comply with any applicable state or federal law or regulation in connection with the disposition of the Collateral and such compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

f. Secured Party may sell the Collateral without giving any warranties as to the Collateral. Secured Party may specifically disclaim any warranty of title or the like. This procedure will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

g. If Secured Party sells any of the Collateral upon credit, Debtor will be credited only with payments actually made by the purchaser, received by Secured Party and applied to the indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, Secured Party may resell the Collateral and Debtor shall be credited with the proceeds of the sale.

h. Secured Party shall have no obligation to marshal any assets in favor of Debtor, or against or in payment of (i) one or more of the Notes, (ii) any of the other Obligations Secured hereby or (iii) any other obligation owed to Secured Party by Debtor or any other person.

i. Secured Party shall apply the proceeds realized from any disposition of the Collateral in accordance with the Uniform Commercial Code as adopted in the State of Arizona and to the payment of reasonable attorneys' fees and legal expenses incurred by Secured Party whether or not suit be filed. If the proceeds realized from the disposition of the Collateral shall fail to satisfy all of the Obligations Secured hereby, Debtor shall pay any deficiency balance to Secured Party.

8. Debtor's Covenants. Until the Obligations Secured are paid in full, Debtor covenants and agrees:

a. That the Collateral will be kept at the addresses set forth above, and Debtor will not remove the Collateral from the Collateral State without the prior written consent of Secured Party.

b. Debtor shall promptly notify Secured Party in writing of any change in location of the Collateral (other than in the event of a sale of inventory in the ordinary course of business), Debtor's place or places of business or Debtor's place of residence. Such notice to be effective must be received by Secured Party at the place where payments are to be made under the terms of this Agreement.

c. That Debtor shall not change its company name or state of domicile without providing Secured Party with at least thirty (30) days prior written notice.

d. That Debtor will preserve its company existence and will not, in one transaction or in a series of related transactions, merge into or consolidate with any other entity, or sell all or substantially all of its assets.

9. General.

a. This Agreement constitutes the entire agreement between the parties relative to the subject hereof and may not be amended or altered except by a writing signed by all parties.

b. This Agreement shall be governed by the laws of the State of Arizona. Any action arising out of this Agreement shall be brought in the Maricopa County (Arizona) Superior Court.

c. In the event litigation is commenced to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its attorneys' fees and costs of suit from the non-prevailing party.

d. All terms used herein which are defined in the Uniform Commercial Code as adopted in the State of Arizona shall have the same meaning herein as in the Code.

e. Should any provision of this Security Agreement be found to be void, invalid or unenforceable by a court of competent jurisdiction, that finding shall only affect the provisions found to be void, invalid or unenforceable and shall not affect the remaining provisions of this Security Agreement.

f. If this Security Agreement is signed by more than one Debtor, the obligations of all such Debtors shall be joint and several.

g. Time is of the essence of this Agreement.

h. This Security Agreement shall bind and inure to the benefit of the heirs, legatees, executors, administrators, successors and assigns of Secured Party and shall bind all persons who become bound as a debtor to this Security Agreement. Secured Party does not consent to any assignment by Debtor except as expressly provided in this Security Agreement.

Secured Party may assign its rights and interests under this Security Agreement. If an assignment is made, Debtor shall render performance of this Security Agreement to the assignee. Debtor waives and will not assert against any assignee any claims, defenses or set-offs which Debtor could assert against Secured Party except defenses which cannot be waived.

i. Debtor agrees to execute any further documents, and to take any further actions, reasonably requested by Secured Party to evidence or perfect the security interests granted herein, to maintain the first priority of the security interests granted herein or to effectuate the rights granted to Secured Party herein.

j. This Security Agreement may be executed in several counterparts, each of which counterpart shall be deemed an original instrument and all of which together shall constitute a single Security Agreement. The failure of any party hereto to execute this Security Agreement, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

k. All notices, consents, approvals and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) certified or registered United States mail, postage prepaid, return receipt requested or (b) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, or (c) by email addressed as follows (or at such other address and person as shall be designated from time to time by any party hereto, as the case may be, in a written notice to the other parties hereto in the manner provided for in this Paragraph):

Arizona Home Foreclosures, LLC
7320 West Bell Road
Glendale, AZ 85308
Attention: Scott Menaged
Email: smena98754@aol.com

Easy Investments, LLC
7320 West Bell Road
Glendale, AZ 85308
Attention: Scott Menaged
Email: smena98754@aol.com

Yomotov, "Scott" Menaged
7320 West Bell Road
Glendale, AZ 85308
Email: smena98754@aol.com

Furniture King, LLC
303 North Central Avenue, Suite 603
Phoenix, AZ 85012
Attention: Scott Menaged
Email: smena98754@aol.com

DenSoo Investment Corporation
6132 West Victoria Place
Chandler, AZ 85226
Attention: Denny Chittick
Email: dcmoney@yahoo.com

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

DEBTOR:

Furniture King, LLC,
an Arizona limited liability company

By: [Signature]
Yomotov "Scott" Menaged
Its: Manager

ACKNOWLEDGMENTS

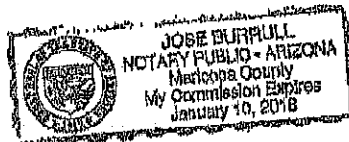
STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 16th day of April, 2014, before me appeared Yomotov "Scott" Menaged, to me personally known, who being by me duly sworn, did say that he is the manager of FURNITURE KING, LLC, an Arizona limited liability company (the "Company"), and said Yomotov "Scott" Menaged acknowledged to me that the Company is named as the Debtor in the foregoing instrument and that as the manager of the Company, he did execute the foregoing instrument, for and on behalf of the Company, and that he did so as his and the Company's free act and deed.

[Signature]
Notary Public

My Commission Expires:

01-10-2018



SECURED PARTY:

DenSco Investment Corporation,
an Arizona corporation

By: [Signature]
Denny Chittick
Its: President

(Signature Page and Acknowledgements for Security Agreement)

EXHIBIT D-1

Sara Beretta

From: Denny Chittick <dcmoney@yahoo.com>
Sent: Tuesday, December 09, 2014 12:11 PM
To: SMena98754@aol.com; veronicacastro@live.com
Subject: docs - 1207 E Marco Polo Rd., Phoenix, AZ 85024
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: Tuesday, December 9, 2014 11:58 AM
Subject: today

8009 N 66 ST - 894,800.00 REC 20140576947

1207 E MARCO POLO RD - 147,300.00 REC 20140595826

7835 E MACKENZIE DR - 267,100.00 REC 20140595824

20140811246

Unofficial 20 Document

When recorded, mail to:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

58
Ho

MORTGAGE

December 10, 2014

The undersigned borrower ("Borrower") acknowledges receipt of the proceeds of a loan from DenSco Investment Corporation ("Lender") in the sum of \$147,300.00, as evidenced by check payable to: Tiffany and Bosco ("Trustee"). Lot 325, Subdivision Country Place Three, recorded in Book 252, of Maps, Page 9, in the plat record in Recorder Maricopa County, Arizona. Address: 1207 E Marco Polo Rd., Phoenix, AZ 85024 At a trustee's sale conducted by Trustee, which took place on December 9, 2014, Borrower became the successful purchaser with the highest bid, and the loan is intended to fund all or part of the purchase price bid by Borrower at such trustee's sale.

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. 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 Trustee's Deed. 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: _____

State of Arizona)

) ss.

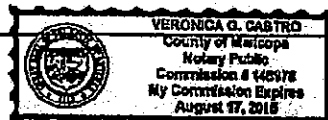
County of Maricopa)

Subscribed, sworn to and acknowledged before me this 10 day of Dec 2014.

By: Yomtov Scott Menaged

Commission Expires: 8/17/15

Veronica G. Castro
Notary Public



When recorded, mail to:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

12-10-14
14-0811246

MORTGAGE

December 10, 2014

The undersigned borrower ("Borrower") acknowledges receipt of the proceeds of a loan from DenSco Investment Corporation ("Lender") in the sum of \$147,300.00, as evidenced by check payable to: Tiffany and Bosco ("Trustee"). Lot 325, Subdivision Country Place Three, recorded in Book 252, of Maps, Page 9, in the plat record in Recorder Maricopa County, Arizona. Address: 1207 E Marco Polo Rd., Phoenix, AZ 85024 At a trustee's sale conducted by Trustee, which took place on December 9, 2014, Borrower became the successful purchaser with the highest bid, and the loan is intended to fund all or part of the purchase price bid by Borrower at such trustee's sale.

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. 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 Trustee's Deed. 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: _____

State of Arizona)

) ss.

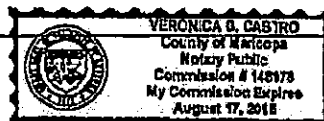
County of Maricopa)

Subscribed, sworn to and acknowledged before me this _____ day of _____, 2014.

By: Yomtov Scott Menaged

Commission Expires: 6/17/15

Notary Public



NOTE SECURED BY DEED OF TRUST

\$147,300.00

Phoenix, AZ (Date): December 10, 2014

Property Address: 1207 E Marco Polo Rd., Phoenix, AZ 85024

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 \$147,300.00 (One Hundred Forty-Seven Thousand Three 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 June 10, 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: 12-10-14

Borrower: Arizona Home Foreclosures, LLC

By: X

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

Personally Guaranteed by: X

Printed Name: X

357665v1

Monthly Installments

6/5/2007

WHEN RECORDED MAIL TO:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

*where
renewal*

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

DEED OF TRUST AND ASSIGNMENT OF RENTS

Date: December 10, 2014

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#300, Phoenix, AZ 85016

PROPERTY in the County of Maricopa, State of Arizona, described as: Lot 325, Subdivision Country Place Three, according to the plat Book 252, of Maps, Page 9, in the plat record in the Recorder's Office of Maricopa County, Arizona.

Street address: 1207 E Marco Polo Rd., Phoenix, AZ 85024

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 \$147,300.00 (U.S. \$One Hundred Forty-seven Thousand Three 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.

20. The Note or a partial interest in the Note (together with this Deed of Trust) may be sold one or more times without notice to Borrower. A sale may result in the change of the person who collects monthly payments due under the Note and this Deed of Trust.

21. Borrower/mortgagor hereby waives, releases and discharges any homestead exemption claimed or declared against Property.

22. If any term or provision of this Deed of Trust is held invalid or unenforceable by a court or arbitrator of competent jurisdiction, such terms shall be reduced or otherwise modified by such court or arbitrator to the minimum extent necessary to make it valid and enforceable. If such term or provision cannot be so modified, it shall be severed and the remaining terms and provisions of this Deed of Trust shall be interpreted in such a way as to give maximum validity and enforceability to this Deed of Trust. The remaining terms and provisions hereof shall continue in full force and effect.

23. Upon payment of all sums secured by this Deed of Trust, Lender shall release this Deed of Trust without charge to Borrower, except that Borrower shall pay any recordation costs.

Upon written request of Lender stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held thereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. Borrower in such reconveyance may be described as "the person or persons legally entitled thereto."

Request is hereby made that a copy of any notice of default and a copy of any notice of sale hereunder be mailed to Borrower at its/his/her address hereinbefore set forth.

BORROWER: Arizona Home Foreclosures, LLC

NAME and Title of Principal Borrower: Yomtov Scott Menaged, Managing Member of LLC

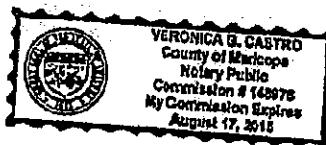
SIGNATURE: _____

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This Instrument was acknowledged before me this 10 day of June, 2014
By: YomTov Menaged

Commission Expires: 5/17/15

Notary



CHASE

Pay to the order of

CASHIER'S CHECK

Remitter: ARIZONA HOME FORECLOSURES LLC

Pay to the order of: AUCTION.COM LLC
DENSCO PAYMENT 1207 E MARCO POLO RD

For information only, comment has no effect on bank's payment

JPMORGAN CHASE BANK, N.A.
NON NEGOTIABLE

CHASE

CASHIER'S CHECK

Remitter: ARIZONA HOME FORECLOSURES LLC

Pay to the order of: AUCTION.COM LLC
DENSCO PAYMENT 1207 E MARCO POLO RD

ONE HUNDRED THIRTY SEVEN THOUSAND THREE HUNDRED
NINE DOLLARS AND 00 CENTS

JPMORGAN CHASE BANK, N.A.

ARIZONA HOME FORECLOSURES LLC

For more information, please contact our Customer Support at info@theauction.com

[illegible][illegible][illegible]

Trustee Certificate of Sale / Receipt

Great American Title Agency

Title Co. # 21403443

Unofficial
20 Document

WHEN RECORDED MAIL TO:

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

21
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CANCELLATION OF TRUSTEE'S SALE

File No. 14-04247 Jones

The undersigned hereby cancels the Notice of Trustee's Sale recorded on 09/09/14 in Instrument No./Docket-Page No. 2014-0595826, 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: Shirley J. Jones, an unmarried woman, as Trustors, and recorded 04/06/2006 as Instrument No. 2006-0462648 (or Book, Page) of the Official Records of Maricopa County, AZ.



David W. Cowles
Trustee/Successor Trustee

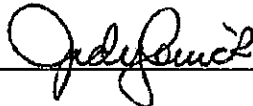
STATE OF ARIZONA)

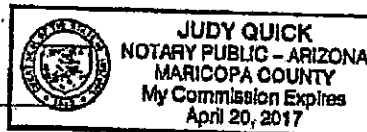
)ss.
County of Maricopa)

On this 30th day of January, 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





20150072452

Cancellation of Trustee's Sale
Attachment "Exhibit A"
14-04247

**Lot 325, COUNTRY PLACE THREE, according to Book 252 of Maps, Page 9, records
of Maricopa County, Arizona.**

Unofficial Document

EXHIBIT D-2

Sara Beretta

From: Denny Chittick <dcmoney@yahoo.com>
Sent: Tuesday, December 09, 2014 12:11 PM
To: SMena98754@aol.com; veronicacastro@live.com
Subject: docs - 1207 E Marco Polo Rd., Phoenix, AZ 85024
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: Tuesday, December 9, 2014 11:58 AM
Subject: today

8009 N 66 ST - 894,800.00 REC 20140576947

1207 E MARCO POLO RD - 147,300.00 REC 20140595826

7835 E MACKENZIE DR - 267,100.00 REC 20140595824

1:34 PM

10/13/16

at Basis

DenSco Investment Corporation
Account QuickReport
 As of December 10, 2014

Type	Date	Num	Name	Memo	Split	Amount
Yom Tov Scott Managed						
Wholesale						
Check	12/10/2014		Yom Tov Scott Managed	8008 N 66th Street	First Bank	894,600.00
Check	12/10/2014		Yom Tov Scott Managed	1207 E Marco Polo Rd	First Bank	147,300.00
Check	12/10/2014		Yom Tov Scott Managed	7835 E Mackenzie Dr	First Bank	267,100.00
Total Wholesale						1,309,200.00
Total Yom Tov Scott Managed						1,309,200.00
TOTAL						1,309,200.00

When recorded, mail to:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

12-10-14
14-081247

MORTGAGE

December 10, 2014

The undersigned borrower ("Borrower") acknowledges receipt of the proceeds of a loan from DenSco Investment Corporation ("Lender") in the sum of \$267,100.00, as evidenced by check payable to: Tiffany and Bosco ("Trustee"). Lot 56, Subdivision Villa San Marcos, recorded in Book 134, of Maps, Page 21, in the plat record in Recorder Maricopa County, Arizona. Address: 7835 E Mackenzie Dr., Scottsdale, AZ 85251 At a trustee's sale conducted by Trustee, which took place on December 9, 2014, Borrower became the successful purchaser with the highest bid, and the loan is intended to fund all or part of the purchase price bid by Borrower at such trustee's sale.

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. 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 Trustee's Deed. 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: _____

State of Arizona)

) ss.

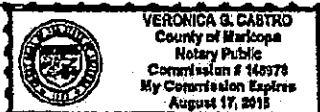
County of Maricopa)

Subscribed, sworn to and acknowledged before me this 10 day of Dec, 2014.

By: Yomtov Scott Menaged

Commission Expires: 8/17/15

Notary Public



NOTE SECURED BY DEED OF TRUST

\$267,100.00

Phoenix, AZ (Date): December 10, 2014

Property Address: 7835 E Mackenzie Dr., Scottsdale, AZ 85251

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 \$267,100.00 (Two Hundred Sixty-Seven Thousand One 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 June 10, 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: 12-10-14

Borrower: Arizona Home Foreclosures, LLC

By: X

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

Personally Guaranteed by: X

Printed Name: X

357655v1

Monthly Installments

6/5/2007

WHEN RECORDED MAIL TO:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

Handwritten signature

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

DEED OF TRUST AND ASSIGNMENT OF RENTS

Date: December 10, 2014

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#300, Phoenix, AZ 85016

PROPERTY in the County of Maricopa, State of Arizona, described as: Lot 56, Subdivision Villa San Marcos, according to the plat Book 134, of Maps, Page 21, in the plat record in the Recorder's Office of Maricopa County, Arizona.

Street address: 7835 E Mackenzie Dr., Scottsdale, AZ 85251

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 \$267,100.00 (U.S. \$Two Hundred Sixty-seven Thousand One 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.

20. The Note or a partial interest in the Note (together with this Deed of Trust) may be sold one or more times without notice to Borrower. A sale may result in the change of the person who collects monthly payments due under the Note and this Deed of Trust.

21. Borrower/mortgagor hereby waives, releases and discharges any homestead exemption claimed or declared against Property.

22. If any term or provision of this Deed of Trust is held invalid or unenforceable by a court or arbitrator of competent jurisdiction, such terms shall be reduced or otherwise modified by such court or arbitrator to the minimum extent necessary to make it valid and enforceable. If such term or provision cannot be so modified, it shall be severed and the remaining terms and provisions of this Deed of Trust shall be interpreted in such a way as to give maximum validity and enforceability to this Deed of Trust. The remaining terms and provisions hereof shall continue in full force and effect.

23. Upon payment of all sums secured by this Deed of Trust, Lender shall release this Deed of Trust without charge to Borrower, except that Borrower shall pay any recordation costs.

Upon written request of Lender stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held thereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. Borrower in such reconveyance may be described as "the person or persons legally entitled thereto."

Request is hereby made that a copy of any notice of default and a copy of any notice of sale hereunder be mailed to Borrower at its/his/her address hereinbefore set forth.

BORROWER: Arizona Home Foreclosures, LLC

NAME and Title of Principal Borrower: Yomtov Scott Menaged, Managing Member of LLC

SIGNATURE: _____

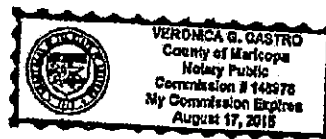
STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

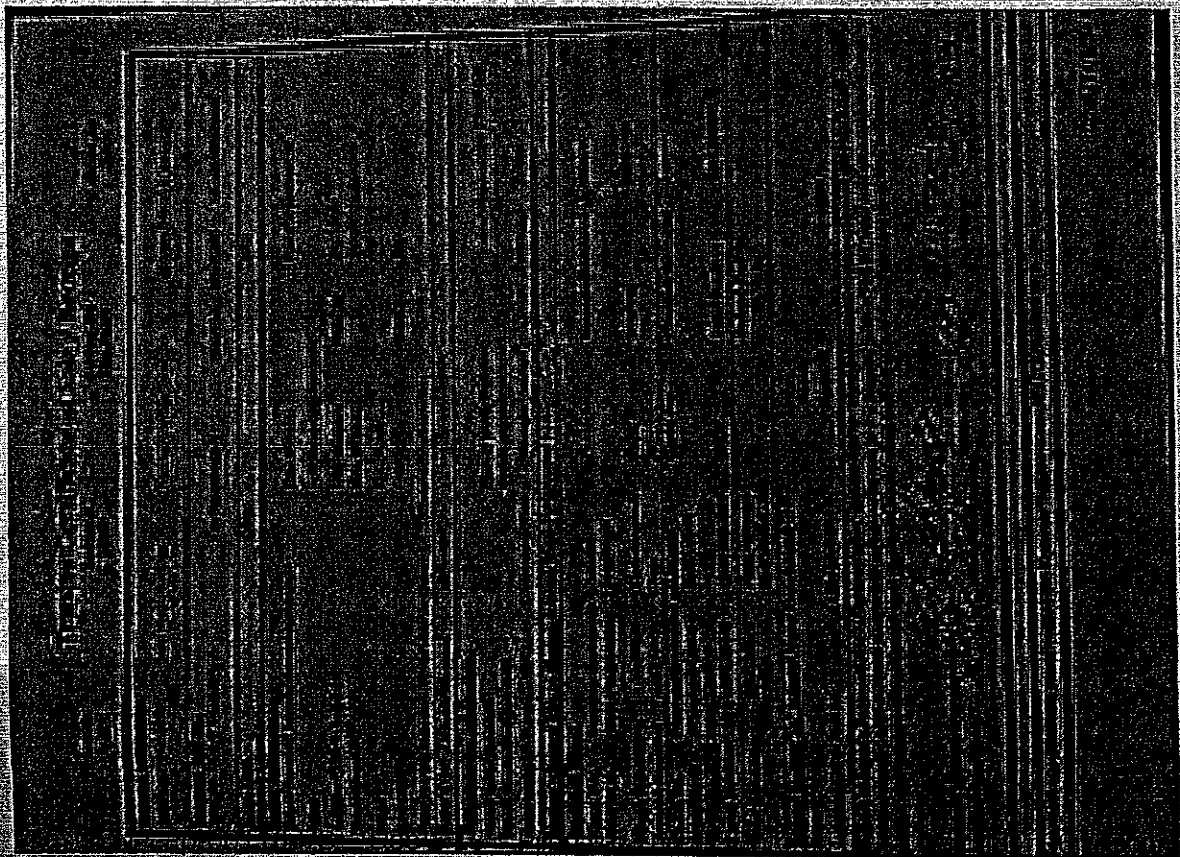
This Instrument was acknowledged before me this _____ day of _____, 2014.

By: YomTov Menaged

Commission Expires: 8/17/15

Notary






Unofficial
20 Document

21
sa

CANCELLATION OF TRUSTEE'S SALE
File No. 14-40596 Peters

 **JUDY QUICK**
NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
My Commission Expires
April 20, 2017

20150085661

Cancellation of Trustee's Sale
Attachment "Exhibit A"
14-40596

The land referred to in this policy is situated in the STATE OF ARIZONA, COUNTY OF MARICOPA, CITY OF SCOTTSDALE, and described as follows:

Lot 56, VILLA SAN MARCOS, per map recorded in Book 134, Page 21 of Maps records of Maricopa County.

Unofficial Document

EXHIBIT D-3

Sara Beretta

From: Denny Chittick <dcmoney@yahoo.com>
Sent: Friday, August 15, 2014 1:47 PM
To: Scott Menaged; Veronica Gutierrez
Subject: docs - 9532 W Avenida Del Sol, Peoria, AZ 85383
Attachments: DOT Easy Investments.doc; RM Easy Investments.doc; Note Easy Investment.doc

attached

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

From: Scott Menaged <smena98754@aol.com>
To: Denny Chittick <dcmoney@yahoo.com>; Veronica Gutierrez <veronicacastro@live.com>
Sent: Friday, August 15, 2014 1:21 PM
Subject: Almost at a computer and I'll call u

9532 W Avenida Del Sol - .271,400.00 REC 2013023718

20592 W WALTON DR - 307,800.00 REC 20130940563

3678 N 306 LANE - 128,900.00 REC 20130946643 (Wish it was 35 More Ave's up!)

4518 E BANNOCK ST - 188,800.00 REC 20130413747

3:03 PM

10/10/16

Accrual Basis

DenSco Investment Corporation
Account QuickReport
As of August 18, 2014

Type	Date	Num	Name	Memo	Split	Amount
Yom Tov Scott Menaged						
Arizona Home Foreclosures, LLC						
Check	08/18/2014		Yom Tov Scott Menaged	9532 W Avenida Del Sol	Wiring	271,400.00
Check	08/18/2014		Yom Tov Scott Menaged	20592 W Walton Dr	Wiring	307,800.00
Check	08/18/2014		Yom Tov Scott Menaged	3678 N 306th Lane	Wiring	128,900.00
Check	08/18/2014		Yom Tov Scott Menaged	4518 E Bannock St	Wiring	188,800.00
Total Arizona Home Foreclosures, LLC						896,900.00
Total Yom Tov Scott Menaged						896,900.00
TOTAL						896,900.00

Unofficial 20 Document

When recorded, mail to:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

54
ch.

MORTGAGE

August 18, 2014

The undersigned borrower ("Borrower") acknowledges receipt of the proceeds of a loan from DenSco Investment Corporation ("Lender") in the sum of \$217,400.00, as evidenced by check payable to: Tiffany and Bosco ("Trustee"). The loan was made to Borrower to purchase the Real Property legally described as: Lot 21, Subdivision Sunrise Unit Five Phase 1, recorded in Book 269, of Maps, Page 6, & Affidvit of Correction as 84-355524, in the plat record in Recorder Maricopa County, Arizona. Address: 9532 W Avenida Del Sol, Peoria, AZ 85383 At a trustee's sale conducted by Trustee, which took place on August 15, 2014, Borrower became the successful purchaser with the highest bid, and the loan is intended to fund all or part of the purchase price bid by Borrower at such trustee's sale.

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. 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 Trustee's Deed. 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: _____

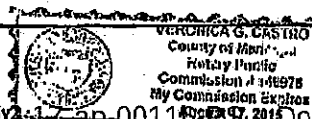
State of Arizona)
) ss.
County of Maricopa)

Subscribed, sworn to and acknowledged before me this 18 day of August, 2014.

By: Yomtov Scott Menaged

Commission Expires: 8-17-15

Notary Public



When recorded, mail to:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

8-18-14
14-0542817

MORTGAGE

August 18, 2014

The undersigned borrower ("Borrower") acknowledges receipt of the proceeds of a loan from DenSco Investment Corporation ("Lender") in the sum of \$217,400.00, as evidenced by check payable to: Tiffany and Bosco ("Trustee"). The loan was made to Borrower to purchase the Real Property legally described as: Lot 21, Subdivision Sunrise Unit Five Phase 1, recorded in Book 269, of Maps, Page 6, & Affidvit of Correction as 84-355524, in the plat record in Recorder Maricopa County, Arizona. Address: 9532 W Avenida Del Sol, Peoria, AZ 85383 At a trustee's sale conducted by Trustee, which took place on August 15, 2014, Borrower became the successful purchaser with the highest bid, and the loan is intended to fund all or part of the purchase price bid by Borrower at such trustee's sale.

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. 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 Trustee's Deed. 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: _____

State of Arizona)

) ss.

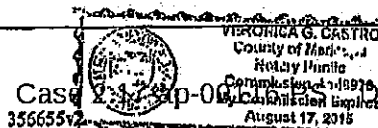
County of Maricopa)

Subscribed, sworn to and acknowledged before me this 18 day of August, 2014.

By: Yomtov Scott Menaged

Commission Expires: 8-17-15

Notary Public



NOTE SECURED BY DEED OF TRUST

\$271,400.00

Phoenix, AZ (Date): August 18, 2014

Property Address: 9532 W Avenida Del Sol, Peoria, AZ 85383

For value received, Arizona Home Foreclosures, LLC ("Maker") promises to pay to the order of DenSeco 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 \$271,400.00 (Two Hundred Seventy-one Thousand Four 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 February 18, 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: 8/18/14

Borrower: Arizona Home Foreclosures, LLC

By: X

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

Personally Guaranteed by: X

Printed Name: Yomtov S Menaged

357665v1

WHEN RECORDED MAIL TO:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

*mary
runkil*

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

DEED OF TRUST AND ASSIGNMENT OF RENTS

Date: August 18, 2014

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#300, Phoenix, AZ 85016

PROPERTY in the County of Maricopa, State of Arizona, described as: Lot 21, Subdivision Sunrise Unit Five Phase 1, according to the plat Book 269, of Maps, Page 6, & Affidavit of Correction as 84-355524, in the plat record in the Recorder's Office of Maricopa County, Arizona.

Street address: 9532 W Avenida Del Sol, Peoria, AZ 85383

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 \$271,400.00 (U.S. \$Two Hundred Seventy-one Thousand Four 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.

20. The Note or a partial interest in the Note (together with this Deed of Trust) may be sold one or more times without notice to Borrower. A sale may result in the change of the person who collects monthly payments due under the Note and this Deed of Trust.

21. Borrower/mortgagor hereby waives, releases and discharges any homestead exemption claimed or declared against Property.

22. If any term or provision of this Deed of Trust is held invalid or unenforceable by a court or arbitrator of competent jurisdiction, such terms shall be reduced or otherwise modified by such court or arbitrator to the minimum extent necessary to make it valid and enforceable. If such term or provision cannot be so modified, it shall be severed and the remaining terms and provisions of this Deed of Trust shall be interpreted in such a way as to give maximum validity and enforceability to this Deed of Trust. The remaining terms and provisions hereof shall continue in full force and effect.

23. Upon payment of all sums secured by this Deed of Trust, Lender shall release this Deed of Trust without charge to Borrower, except that Borrower shall pay any recordation costs.

Upon written request of Lender stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held thereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. Borrower in such reconveyance may be described as "the person or persons legally entitled thereto."

Request is hereby made that a copy of any notice of default and a copy of any notice of sale hereunder be mailed to Borrower at its/his/her address hereinbefore set forth.

BORROWER: Arizona Home Foreclosures, LLC

NAME and Title of Principal Borrower: Yomtov Scott Menaged, Managing Member of LLC

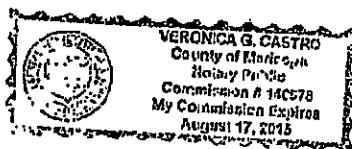
SIGNATURE: _____

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This Instrument was acknowledged before me this 18 day of May, 2014
By: YomTov Menaged

Commission Expires: 8-17-15

Notary



For your record of the transaction
 The Cashier's Check will continue to be valid
 Please cash/deposit this Cashier's Check as soon as possible to
 prevent this from occurring
 In most cases, the funds will be credited to your account
 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
 Please visit Chase.com for more information
 or for any other information about this form

FOR YOUR PROTECTION AND THE SAFETY OF
 CASHIER'S CHECK

Remitter: ARIZONA HOME FORECLOSURES, LLC

DAVID W. GOWLES TRUSTEE
 CONDENSED PAYMENT 9532 W AVENIDA DEL SOL

NON NEGOTIABLE



CASHIER'S CHECK

Remitter: ARIZONA HOME FORECLOSURES, LLC

DAVID W. GOWLES TRUSTEE
 CONDENSED PAYMENT 9532 W AVENIDA DEL SOL

FOUR HUNDRED SIXTY ONE THOUSAND FOUR HUNDRED
 ONE DOLLARS AND NO CENTS

\$ 261,400.00

DAVID W. GOWLES TRUSTEE
 Signature

Great American Title Agency

Title Co. # 21306178

WHEN RECORDED MAIL TO:

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

Unofficial
20 Document

21.
Yo.

CANCELLATION OF TRUSTEE'S SALE
File No. 13-41548 Mastroddi

The undersigned hereby cancels the Notice of Trustee's Sale recorded on 11/27/13 in Instrument No./Docket-Page No. 2013-1023718, 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: Joseph Mastroddi and Lisa Mastroddi, husband and wife, as Trustors, and recorded 09/21/2012 as Instrument No. 2012-0856997 (or Book, Page) of the Official Records of Maricopa County, AZ.



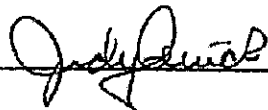
David W. Cowles
Trustee/Successor Trustee

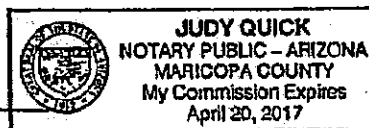
STATE OF ARIZONA)
)ss.
County of Maricopa)

On this 17th day of September, 2014 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





20140622557

Cancellation of Trustee's Sale
Attachment "Exhibit A"
13-41548

Lot 21, SUNRISE UNIT FIVE PHASE 1, according to Book 269 of Maps, Page 6, and
Affidavit of Correction recorded at Document No. 84-355524, records of Maricopa
County, Arizona.

Unofficial Document

EXHIBIT D-4

Sara Beretta

From: Denny Chittick <dcmoney@yahoo.com>
Sent: Wednesday, January 28, 2015 2:26 PM
To: SMena98754@aol.com; veronicacastro@live.com
Subject: docs - 9029 E McDowell Rd., Mesa, AZ 85207
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: Wednesday, January 28, 2015 12:04 PM
Subject: today head start - waiting on one more sale

900 S BRENTWOOD PL - 184,200.00 REC 20140710735

4505 E OSAGE CT - 194,700.00 rec 20140714147

14220 N 37 PL - 117,100.00 REC 20140714152

7116 W DARROW ST - 239,200.00 REC 20140714156

9029 E MCDOWELL RD - 509,600.00 REC 20130819325

I will let you know when to wire

3:15 PM

10/10/16

Accrual Basis

DenSco Investment Corporation
Account QuickReport
As of January 29, 2015

Type	Date	Num	Name	Memo	Split	Amount
Yom Tov Scott Managed						
Wholesale						
Check	01/29/2015		Yom Tov Scott Managed	900 S Brentwood Pl	First Bank	184,200.00
Check	01/29/2015		Yom Tov Scott Managed	4505 E Osage Crt	First Bank	194,700.00
Check	01/29/2015		Yom Tov Scott Managed	14220 N 37th Place	First Bank	117,100.00
Check	01/29/2015		Yom Tov Scott Managed	7116 W Darrow St	First Bank	239,200.00
Check	01/29/2015		Yom Tov Scott Managed	8029 E McDowell Rd	First Bank	509,600.00
Total Wholesale						<u>1,244,800.00</u>
Total Yom Tov Scott Managed						<u>1,244,800.00</u>
TOTAL						<u><u>1,244,800.00</u></u>

Unofficial
20 Document

When recorded, mail to:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

60
Ho:

MORTGAGE

January 29, 2015

The undersigned borrower ("Borrower") acknowledges receipt of the proceeds of a loan from DenSco Investment Corporation ("Lender") in the sum of \$509,600.00, as evidenced by check payable to: Trustee Corps ("Trustee"). Lot , Subdivision , according to the plat Book , of Maps, Page , SEE EXHIBIT "A" in the plat record in the Recorder's Office of Maricopa County, Arizona. Address: 9029 E McDowell Rd., Mesa, AZ 85207 At a trustee's sale conducted by Trustee, which took place on January 29, 2015, Borrower became the successful purchaser with the highest bid, and the loan is intended to fund all or part of the purchase price bid by Borrower at such trustee's sale.

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. 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 Trustee's Deed. 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: _____

State of Arizona)

) ss.

County of Maricopa)

Subscribed, sworn to and acknowledged before me this _____ day of _____, 2015.

By: Yomtov Scott Menaged

Commission Expires: 8/17/15

Notary Public

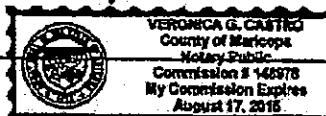


EXHIBIT A

A PARCEL OF GROUND LOCATED IN AND BEING A PORTION OF LOT 1 OF SECTION 4, TOWNSHIP 1 NORTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE EAST QUARTER OF SAID SECTION 4 BEING A GLO BRASS CAP; THENCE NORTH 00 DEGREES 06 DEGREES 00 SECONDS EAST ALONG THE EAST BOUNDARY OF SAID SECTION, 1320.02 FEET THIS BEING THE BASIS OF BEARINGS OF THIS DESCRIPTION; THENCE SOUTH 89 DEGREES 51 MINUTES 56 SECONDS WEST 392.48 FEET TO A POINT IN THE SOUTHERLY BOUNDARY OF THE MCDOWELL ROAD RIGHT-OF-WAY, AT ITS INTERSECTION WITH THE CENTERLINE OF THE ABANDONED CULVER STREET RIGHT-OF-WAY; THENCE CONTINUING SOUTH 89 DEGREES 51 MINUTES 56 SECONDS WEST, 727.41 FEET TO THE TRUE POINT BEGINNING ALONG SAID CENTERLINE OF ABANDONMENT CULVER CITY; THENCE NORTH 10 DEGREES, 00 MINUTES, 00 SECONDS, EAST 263.61 FEET TO A POINT ON THE SOUTH BOUNDARY OF THE MCDOWELL ROAD RIGHT-OF-WAY; THENCE 168.09 FEET ALONG A CURVE CONCAVE TO THE NORTHEAST, SAID CURVE SUBTENDING A CENTRAL ANGLE OF 04 DEGREES 56 MINUTES 21 SECONDS, AND HAVING A RADIUS OF 1949.85 FEET, AND A LONG CHORD 00 SAID CURVE BEARING SOUTH 60 DEGREES, 42 MINUTES, 20 SECONDS EAST 168.04 FEET TO THE NORTHEAST CORNER OF HEREIN DESCRIBED PARCEL; THENCE SOUTH 10 DEGREES 00 MINUTES 00 SECONDS WEST, 180.50 FEET TO A POINT ON SAID FORMER CULVER STREET THENCE NORTH 89 DEGREES 51 MINUTES 56 SECONDS WEST, 160.98 FEET ALONG SAID CENTERLINE TO THE TRUE POINT OF BEGINNING.

Unofficial Document

When recorded, mail to:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

1-25-15
15-0058659

MORTGAGE

January 29, 2015

The undersigned borrower ("Borrower") acknowledges receipt of the proceeds of a loan from DenSco Investment Corporation ("Lender") in the sum of \$509,600.00, as evidenced by check payable to: Trustee Corps ("Trustee"). Lot , Subdivision , according to the plat Book , of Maps, Page , SEE EXHIBIT "A" in the plat record in the Recorder's Office of Maricopa County, Arizona. Address: 9029 E McDowell Rd., Mesa, AZ 85207 At a trustee's sale conducted by Trustee, which took place on January 29, 2015, Borrower became the successful purchaser with the highest bid, and the loan is intended to fund all or part of the purchase price bid by Borrower at such trustee's sale.

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. 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 Trustee's Deed. 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: _____

State of Arizona)
) ss.

County of Maricopa)

Subscribed, sworn to and acknowledged before me this _____ day of _____, 2015.

By: Yomtov Scott Menaged

Commission Expires: 8/17/15

Notary Public

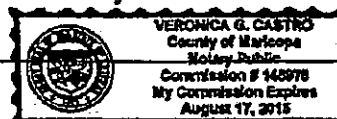


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NOTE SECURED BY DEED OF TRUST

\$509,600.00

Phoenix, AZ (Date): January 29, 2015

Property Address: 9029 E McDowell Rd., Mesa, AZ 85207

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 \$509,600.00 (Five Hundred Nine Thousand Six 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 July 29, 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: 1-29-15

Borrower: Arizona Home Foreclosures, LLC

By: X

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

Personally Guaranteed by: X

Printed Name: X

357665v1

Monthly Installments

6/5/2007

WHEN RECORDED MAIL TO:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

*New
revised*

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

DEED OF TRUST AND ASSIGNMENT OF RENTS

Date: January 29, 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: Trustee Corps

Address: 17100 Gillette Ave, Irvine, CA 92614

PROPERTY in the County of Maricopa, State of Arizona, described as: Lot , Subdivision , according to the plat Book , of Maps, Page , SEEE EXHIBIT "A" in the plat record in the Recorder's Office of Maricopa County, Arizona.

Street address: 9029 E McDowell Rd., Mesa, AZ 85207

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 \$509,600.00 (U.S. \$Five Hundred Nine Thousand Six 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.

356274v3

5/22/2007

20. The Note or a partial interest in the Note (together with this Deed of Trust) may be sold one or more times without notice to Borrower. A sale may result in the change of the person who collects monthly payments due under the Note and this Deed of Trust.

21. Borrower/mortgagor hereby waives, releases and discharges any homestead exemption claimed or declared against Property.

22. If any term or provision of this Deed of Trust is held invalid or unenforceable by a court or arbitrator of competent jurisdiction, such terms shall be reduced or otherwise modified by such court or arbitrator to the minimum extent necessary to make it valid and enforceable. If such term or provision cannot be so modified, it shall be severed and the remaining terms and provisions of this Deed of Trust shall be interpreted in such a way as to give maximum validity and enforceability to this Deed of Trust. The remaining terms and provisions hereof shall continue in full force and effect.

23. Upon payment of all sums secured by this Deed of Trust, Lender shall release this Deed of Trust without charge to Borrower, except that Borrower shall pay any recordation costs.

Upon written request of Lender stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held thereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. Borrower in such reconveyance may be described as "the person or persons legally entitled thereto."

Request is hereby made that a copy of any notice of default and a copy of any notice of sale hereunder be mailed to Borrower at its/his/her address hereinbefore set forth.

BORROWER: Arizona Home Foreclosures, LLC

NAME and Title of Principal Borrower: Yomtov Scott Menaged, Managing Member of LLC

SIGNATURE: _____

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This Instrument was acknowledged before me this 21 day of July, 2015.
By: YomTov Menaged

Commission Expires: 8/17/18

Notary

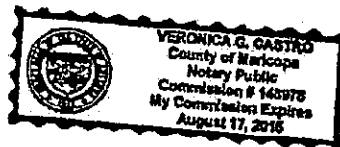


EXHIBIT A

A PARCEL OF GROUND LOCATED IN AND BEING A PORTION OF LOT 1 OF SECTION 4, TOWNSHIP 1 NORTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE EAST QUARTER OF SAID SECTION 4 BEING A GLO. BRASS CAP; THENCE NORTH 00 DEGREES 06 DEGREES 00 SECONDS EAST ALONG THE EAST BOUNDARY OF SAID SECTION, 1320.02 FEET THIS BEING THE BASIS OF BEARINGS OF THIS DESCRIPTION; THENCE SOUTH 89 DEGREES 51 MINUTES 58 SECONDS WEST 392.48 FEET TO A POINT IN THE SOUTHERLY BOUNDARY OF THE MCDOWELL ROAD RIGHT-OF-WAY, AT ITS INTERSECTION WITH THE CENTERLINE OF THE ABANDONED CULVER STREET RIGHT-OF-WAY; THENCE CONTINUING SOUTH 89 DEGREES 51 MINUTES 58 SECONDS WEST, 727.41 FEET TO THE TRUE POINT BEGINNING ALONG SAID CENTERLINE OF ABANDONMENT CULVER CITY; THENCE NORTH 10 DEGREES, 00 MINUTES, 00 SECONDS, EAST 263.61 FEET TO A POINT ON THE SOUTH BOUNDARY OF THE MCDOWELL ROAD RIGHT-OF-WAY; THENCE 168.09 FEET ALONG A CURVE CONCAVE TO THE NORTHEAST, SAID CURVE SUBTENDING A CENTRAL ANGLE OF 04 DEGREES 56 MINUTES 21 SECONDS, AND HAVING A RADIUS OF 1949.85 FEET, AND A LONG CHORD OF SAID CURVE BEARING SOUTH 60 DEGREES, 42 MINUTES, 20 SECONDS EAST 168.04 FEET TO THE NORTHEAST CORNER OF HEREIN DESCRIBED PARCEL; THENCE SOUTH 10 DEGREES 00 MINUTES 00 SECONDS WEST, 180.50 FEET TO A POINT ON SAID FORMER CULVER STREET THENCE NORTH 89 DEGREES 51 MINUTES 56 SECONDS WEST, 160.98 FEET ALONG SAID CENTERLINE TO THE TRUE POINT OF BEGINNING.

void After" Date will be considered "abandoned"

- Stop Payment on a 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

90181238

01/29/2015

VOIDED

Remitter

ARIZONA HOME FORECLOSURES, LLC

Pay To The Order Of

TRUSTEE CORPS.

DENSCO PAYMENT 9029 E MCDOWELL RD

\$ 499,610.00

For information only. Comments for correction bank's payment.

JP MORGAN CHASE BANK, N.A.
NON NEGOTIABLE

CHASE

CASHIER'S CHECK

Date

01/29/2015

9018123808

Remitter

ARIZONA HOME FORECLOSURES, LLC

To The

TRUSTEE CORPS.

Pay To

DENSCO PAYMENT 9029 E MCDOWELL RD

FOUR HUNDRED NINETY NINE THOUSAND SIX HUNDRED
AND NO CENTS

\$ 499,610.00

JP MORGAN CHASE BANK, N.A.

1/29/2015

Senior Vice President
JP Morgan Chase Bank, N.A.
1/29/2015

[illegible][illegible]

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 3. CITY
 4. STATE
 5. ZIP
 6. DATE
 7. TIME
 8. PLACE
 9. REMARKS
 10. INITIALS
 11. SIGNATURE
 12. DATE
 13. TIME
 14. PLACE
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 119. SIGNATURE
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 121. TIME
 122. PLACE
 123. REMARKS
 124. INITIALS
 125. SIGNATURE
 126. DATE
 127. TIME
 128. PLACE
 129. REMARKS
 130. INITIALS
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 245. SIGNATURE
 246. DATE
 247. TIME
 248. PLACE
 249. REMARKS
 250. INITIALS<

EXHIBIT D-5

Sara Beretta

From: Denny Chittick <dcmoney@yahoo.com>
Sent: Wednesday, June 24, 2015 1:17 PM
To: SMena98754@aol.com; veronicacastro@live.com
Subject: doc s- 18626 E Purple Sage Dr., Queen Creek, AZ 85142
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: Wednesday, June 24, 2015 12:07 PM
Subject: today

18626 E PURPLE SAGE DR - 304,500.00 REC 20150199823 3/25

2548 E WESCOTT DR - 210,300.00 REC 20150190981

1244 N ITHICA ST - 257,800.00 REC 20150191159

8043 E INDIANOLA AVE - 227,900.00 REC 20150200593 3/25

7828 S 20 LANE - 185,600.00 REC 20150185874

908 N SWALLOW LANE - 256,200.00 REC 20150194497

6907 W CARSON RD - 192,500.00 REC 20150191180

3:18 PM

10/10/16

Annual Basis

DenSco Investment Corporation
Account QuickReport
 As of June 25, 2015

Type	Date	Num	Name	Memo	Split	Amount
Yom Tov Scott Menaged						
Wholesale						
Check	06/25/2015		Yom Tov Scott Menaged	18626 E Purple Sage Dr	First Bank	304,500.00
Check	06/25/2015		Yom Tov Scott Menaged	7928 S 20th Lane	First Bank	185,600.00
Check	06/25/2015		Yom Tov Scott Menaged	2548 E Wascott Dr	First Bank	210,300.00
Check	06/25/2015		Yom Tov Scott Menaged	1244 N Itasca St	First Bank	257,800.00
Check	06/25/2015		Yom Tov Scott Menaged	908 N Swallow Ln	First Bank	256,200.00
Check	06/25/2015		Yom Tov Scott Menaged	6907 W Carson Dr	First Bank	192,500.00
Check	06/25/2015		Yom Tov Scott Menaged	8043 E Indianola Ave	First Bank	227,900.00
Total Wholesale						<u>1,634,800.00</u>
Total Yom Tov Scott Menaged						<u>1,634,800.00</u>
TOTAL						<u><u>1,634,800.00</u></u>

Unofficial 20 Document

When recorded, mail to:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

67
sa.

MORTGAGE

June 25, 2015

The undersigned ("Borrower") acknowledges a loan has been obtained From DenSco Investment Corporation ("Lender") in the sum of \$304,500.00, for the purpose of making an offer for, Lot 22, Subdivision Parcel E2 at Sossaman Estates, according to the plat Book 752, of Maps, Page 35, in the plat record in the Recorder's Office of Maricopa County, Arizona. Address: 18626 E Purple Sage Dr., Queen Creek, AZ 85142. 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: _____

State of Arizona)

) ss.

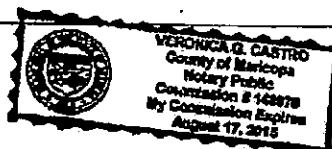
County of Maricopa)

Subscribed, sworn to and acknowledged before me this 25 day of July, 2015.

By: Yomtov Scott Menaged

Commission Expires: 8-17-15

Notary Public



6-25-15
15-0454537

MORTGAGE

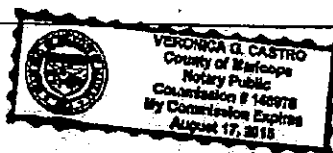
The undersigned ("Borrower") acknowledges a loan has been obtained From DenSco Investment Corporation ("Lender") in the sum of \$304,500.00, for the purpose of making an offer for, Lot 22, Subdivision Parcel E2 at Sossaman Estates, according to the plat Book 752, of Maps, Page 35, in the plat record in the Recorder's Office of Maricopa County, Arizona. Address: 18626 E Purple Sage Dr., Queen Creek, AZ 85142. If the offer is accepted, a Deed of Trust for the same amount will be recorded to secure the loan proceeds.

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.

Signature:

Commission Expires: 8-17-75

Notary Public



NOTE SECURED BY DEED OF TRUST

\$304,500.00

Phoenix, AZ (Date): June 25, 2015

Property Address: 18626 E Purple Sage Dr., Queen Creek, AZ 85142

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 \$304,500.00 (Three Hundred Four Thousand Five 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 25, 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: 6.25.15

Borrower: Arizona Home Foreclosures, LLC

By: X 

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

Personally Guaranteed by: X 

Printed Name: X 

357665v1

Monthly Installments

6/5/2007

WHEN RECORDED MAIL TO:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

*Not
replied*

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

DEED OF TRUST AND ASSIGNMENT OF RENTS

Date: June 25, 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 22, Subdivision Parcel E2 at Sossaman Estates, according to the plat Book 572, of Maps, Page 35, in the plat record in the Recorder's Office of Maricopa County, Arizona.

Street address: 18626 E Purple Sage Dr., Queen Creek, AZ 85142

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 \$304,500.00 (U.S. \$Three Hundred Four Thousand Five 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.

356274v3

5/22/2007

20. The Note or a partial interest in the Note (together with this Deed of Trust) may be sold one or more times without notice to Borrower. A sale may result in the change of the person who collects monthly payments due under the Note and this Deed of Trust.

21. Borrower/mortgagor hereby waives, releases and discharges any homestead exemption claimed or declared against Property.

22. If any term or provision of this Deed of Trust is held invalid or unenforceable by a court or arbitrator of competent jurisdiction, such terms shall be reduced or otherwise modified by such court or arbitrator to the minimum extent necessary to make it valid and enforceable. If such term or provision cannot be so modified, it shall be severed and the remaining terms and provisions of this Deed of Trust shall be interpreted in such a way as to give maximum validity and enforceability to this Deed of Trust. The remaining terms and provisions hereof shall continue in full force and effect.

23. Upon payment of all sums secured by this Deed of Trust, Lender shall release this Deed of Trust without charge to Borrower, except that Borrower shall pay any recordation costs.

Upon written request of Lender stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held thereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. Borrower in such reconveyance may be described as "the person or persons legally entitled thereto."

Request is hereby made that a copy of any notice of default and a copy of any notice of sale hereunder be mailed to Borrower at its/his/her address hereinbefore set forth.

BORROWER: Arizona Home Foreclosures, LLC

NAME and Title of Principal Borrower: Yomtov Scott Menaged, Managing Member of LLC

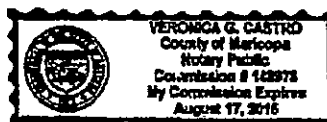
SIGNATURE: _____

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This Instrument was acknowledged before me this 25 day of June, 2015.
By: YomTov Menaged

Commission Expires: 8-17-15

Notary



Terms and Conditions / Remitter and Payee:

- Please keep this copy for your record of the transaction
- The bank will consider these funds to be "abandoned" if a Cashier's Check is not cashed by a certain time
- Please cash/deposit this Cashier's Check as soon as possible to prevent litigation occurring
- If not cashed, the funds will be considered "abandoned" by the bank 90 days after the 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 be able to refund the funds after the stop payment has been placed and 90 days after the original check was issued
- Please notify 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
9031814078

002/2015
Serial #

ARIZONA HOMES FORECLOSURES

\$ 294,509.00

DAVID W. GONLES TRUSTEE
SERVICEMASTER

NONNEGOTIABLE

9031814078

ARIZONA HOMES FORECLOSURES

Trustee Certificate of Sale / Receipt

APR 1997
1234567

APR 1997
1234567

APR 1997
1234567

APR 1997
1234567

Form 100-1000

STATE 1234567

1234567890

1234567890

Trustee David W. Conley, PC

Property Address

1234567890

City, State, Zip

State 2 Zip 12345

County Maricopa

Form 100-1000

Form 100-1000

Form 100-1000

Property Address

1234567890

City, State, Zip

Driver's License ID

Name

City, State, Zip

Address 1234567890

City, State, Zip

State AZ

Zip 12345

Phone Number

City, State, Zip

Driver's License ID

Name

City, State, Zip

Address

City

State

Zip

Property Address

1234567890

City, State, Zip

State

Zip

Property Address

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Property Address

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City, State, Zip

Driver's License ID: 812472185

Property Address

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Property Address

Property Address

Name

City, State, Zip

State

Zip

Property Address

City, State, Zip

State

Zip

NOTICE: This document is a form and is not to be used for any other purpose. It is the property of the State of Arizona and is to be returned to the State of Arizona upon request. It is not to be used for any other purpose.

[Handwritten Signature] *[Handwritten Date: 12/15/97]*

[Handwritten Signature] *[Handwritten Date: 12/15/97]*

NOTICE: This document is a form and is not to be used for any other purpose. It is the property of the State of Arizona and is to be returned to the State of Arizona upon request. It is not to be used for any other purpose.

Great American Title Agency

Title Co. # 21501055

Unofficial
20 Document

WHEN RECORDED MAIL TO:

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

21.
mo.

CANCELLATION OF TRUSTEE'S SALE
File No. 15-01090 Drosset

The undersigned hereby cancels the Notice of Trustee's Sale recorded on 03/25/15 in Instrument No./Docket-Page No. 20150199823, 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: Shari Drosset, married woman, sole & separate, as Trustors, and recorded 07/14/2008 as Instrument No. 2008-0612914 (or Book, Page) of the Official Records of Maricopa County, AZ.



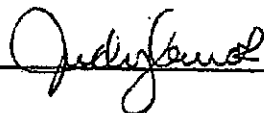
David W. Cowles
Trustee/Successor Trustee

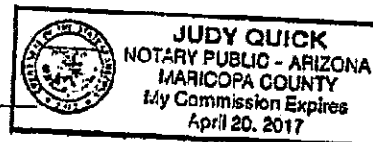
STATE OF ARIZONA)
)ss.
County of Maricopa)

On this 5th day of August, 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





20150579092

Cancellation of Trustee's Sale
Attachment "Exhibit A"
15-01090

Lot 22, of PARCEL E2 AT SOSSAMAN ESTATES, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 572 of Maps, Page 35.

Unofficial Document

EXHIBIT D-6

Sara Beretta

m: Denny Chittick <dcmoney@yahoo.com>
Sent: Monday, June 29, 2015 2:21 PM
To: Veronica Gutierrez; Scott Menaged
Subject: docs - 14034 N 44th Place, Phoenix, AZ 85032
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: Veronica Gutierrez <veronicacastro@live.com>
To: Scott Menaged <smena98754@aol.com>; Denny Chittick <dcmoney@yahoo.com>
Sent: Monday, June 29, 2015 12:51 PM
Subject: today

5139 S Marble St - \$281,400.00 REC 20150222164

3624 E Dahlia Dr - \$207,600.00 REC 20150211090

28837 N. 45th St - \$323,900.00 REC 20150211082

14034 N. 44th Pl - \$287,100.00 REC 20150212767

7616 S. 26th Way - \$124,300.00 REC 20150211074

13256 S. 183rd AVE - \$277,700.00 REC 20140041300

3:20 PM

10/10/16

Accrual Basis

DenSco Investment Corporation
Account QuickReport
As of June 30, 2015

Type	Date	Num	Name	Memo	Split	Amount
Yom Tov Scott Menaged						
Wholesale						
Check	06/30/2015		Yom Tov Scott Menaged	5139 S Marbel St	First Bank	281,400.00
Check	06/30/2015		Yom Tov Scott Menaged	14034 N 44th Place	First Bank	287,100.00
Check	06/30/2015		Yom Tov Scott Menaged	3824 E Dahlia Dr	First Bank	207,600.00
Check	06/30/2015		Yom Tov Scott Menaged	28837 N 45th Street	First Bank	323,900.00
Check	06/30/2015		Yom Tov Scott Menaged	7616 S 26th Way	First Bank	124,300.00
Check	06/30/2015		Yom Tov Scott Menaged	13256 S 183rd Avenue	First Bank	277,700.00
Total Wholesale						<u>1,502,000.00</u>
Total Yom Tov Scott Menaged						<u>1,502,000.00</u>
TOTAL						<u><u>1,502,000.00</u></u>

Unofficial 20 Document

When recorded, mail to:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

67:

Ho:

MORTGAGE

June 30, 2015

The undersigned ("Borrower") acknowledges a loan has been obtained From DenSco Investment Corporation ("Lender") in the sum of \$287,100.00, for the purpose of making an offer for, Lot 66, Subdivision Hunters Village, according to the plat Book 194, of Maps, Page 25, in the plat record in the Recorder's Office of Maricopa County, Arizona. Address: 14034 N 44th Place, Phoenix, AZ 85032. 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: _____

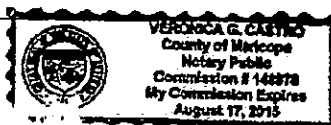
State of Arizona)
) ss.

County of Maricopa)

Subscribed, sworn to and acknowledged before me this _____ day of _____, 2015.

By: Yomtov Scott MenagedCommission Expires: 8/17/15

Notary Public



When recorded, mail to:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

6-30-15
15-047141

MORTGAGE

June 30, 2015

The undersigned ("Borrower") acknowledges a loan has been obtained From DenSco Investment Corporation ("Lender") in the sum of \$287,100.00, for the purpose of making an offer for, Lot 66, Subdivision Hunters Village, according to the plat Book 194, of Maps, Page 25, in the plat record in the Recorder's Office of Maricopa County, Arizona. Address: 14034 N 44th Place, Phoenix, AZ 85032. 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: _____

State of Arizona)

) ss.

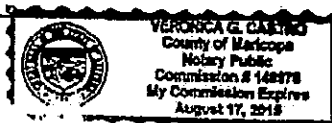
County of Maricopa)

Subscribed, sworn to and acknowledged before me this _____ day of _____, 2015.

By: Yomtov Scott Menaged

Commission Expires: 8-17-15

Notary Public



NOTE SECURED BY DEED OF TRUST

\$287,100.00

Phoenix, AZ (Date): June 30, 2015

Property Address: 14034 N 44th Place, Phoenix, AZ 85032

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 \$287,100.00 (Two Hundred Eighty-Seven Thousand One 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 30, 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: 6-30-15

Borrower: Arizona Home Foreclosures, LLC

By: X 

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

Personally Guaranteed by: X 

Printed Name: X 

357665v1

Monthly Installments

6/3/2007

WHEN RECORDED MAIL TO:

DenSco Investment
6132 W. Victoria Place
Chandler, AZ 85226

*Nerv
reult*

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

DEED OF TRUST AND ASSIGNMENT OF RENTS

Date: June 30, 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: First American Title

Address: 301 E Bethany Home Rd., #A-227, Phoenix, AZ 85012

PROPERTY in the County of Maricopa, State of Arizona, described as: Lot 66, Subdivision Hunter Village, according to the plat Book 194, of Maps, Page 25, in the plat record in the Recorder's Office of Maricopa County, Arizona.

Street address: 14034 N 44th Place, Phoenix, AZ 85032

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 \$287,100.00 (U.S. \$Two Hundred Eighty-seven Thousand One 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.

356274v3

5/22/2007

20. The Note or a partial interest in the Note (together with this Deed of Trust) may be sold one or more times without notice to Borrower. A sale may result in the change of the person who collects monthly payments due under the Note and this Deed of Trust.

21. Borrower/mortgagor hereby waives, releases and discharges any homestead exemption claimed or declared against Property.

22. If any term or provision of this Deed of Trust is held invalid or unenforceable by a court or arbitrator of competent jurisdiction, such terms shall be reduced or otherwise modified by such court or arbitrator to the minimum extent necessary to make it valid and enforceable. If such term or provision cannot be so modified, it shall be severed and the remaining terms and provisions of this Deed of Trust shall be interpreted in such a way as to give maximum validity and enforceability to this Deed of Trust. The remaining terms and provisions hereof shall continue in full force and effect.

23. Upon payment of all sums secured by this Deed of Trust, Lender shall release this Deed of Trust without charge to Borrower, except that Borrower shall pay any recordation costs.

Upon written request of Lender stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held thereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. Borrower in such reconveyance may be described as "the person or persons legally entitled thereto."

Request is hereby made that a copy of any notice of default and a copy of any notice of sale hereunder be mailed to Borrower at its/his/her address hereinbefore set forth.

BORROWER: Arizona Home Foreclosures, LLC

NAME and Title of Principal Borrower: Yomtov Scott Menaged, Managing Member of LLC

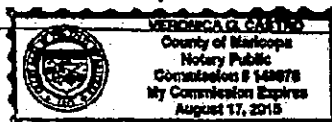
SIGNATURE: _____

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This Instrument was acknowledged before me this 22 day of June, 2015.
By: YomTov Menaged

Commission Expires: 8-17-15

Notary



Important Conditions (Read Before Payee)

- Please keep this copy for your records of the transaction
- The bank and payee will consider these funds to be "abandoned" if the cashier's check is not cashed by a certain time
- Please cash the cashier's check as soon as possible to prevent this from occurring
- In most cases, these funds will be considered "abandoned" before the 60-day period ends

Payee's Stop Payment on a Cashier's Check

- Stop Payment can only be placed if the Cashier's Check is lost, stolen or destroyed
- It may take up to 30 days after the stop payment has been placed until 30 days after the original check was issued

Please verify the Cashier's Check number is 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
9031815052

04/23/2018
12:00 PM

ARIZONA HOMES FOR FORECLOSURES

\$ 277,400.00

DATE: 04/23/2018 TIME: 12:00 PM

THIS CHECK IS NOT NEGOTIABLE

04/23/2018

ARIZONA HOMES FOR FORECLOSURES

04/23/2018



Step 1 Date of Transaction: 6/22/2015		County: Harrodsburg	#Bids: 15
TID No: A24500267915		Priority No: 150212757	#Winners: 0
Successful Bid Amount:	287,100.00	Transfer Tax \$:	0.00
Deposit Amount:	\$ 10,000.00	Recording Fee \$:	0.00
Total Amount Due:	\$ 277,100.00		
Amount Received:	\$ 287,100.00	Date & Time rec'd:	6/22/15 12:30
Refund Amount:	\$ 0.00	Refund Payable to:	0

THE UNIVERSITY OF CHICAGO

W. B. E. B. E.

277100 02

TOTAL NUMBER RESEVED 27 00 00

INTERESTING PEOPLE

[illegible]

City _____ State _____ Zip _____
 Name of Bridge _____ District No. _____
 From _____ To _____

Name: Johnnie Lee
 Address: 1000 1st St. N. W.
 City: Albuquerque, N. M.
 State: N. M.

[illegible]

WINDY WALKER

[illegible]

Unofficial
20 Document

Recording Requested By:
First American Title Insurance Company

14.
Ho.

When Recorded Mail To:
First American Title Insurance Company
6 Campus Cir, Bldg 6, 1st Floor
Westlake, TX 76262

APN: 215-69-070 5
TS No.: AZ1500267915

Space above this line for Recorder's use only

Title Order No.: 8539430

CANCELLATION OF TRUSTEE'S SALE

The undersigned hereby rescind, cancel and withdraw the Note's acceleration, the Declaration of Default and Demand for Sale, and said Notice of Breach and Election to Cause Sale recorded on 03/30/2015 in Instrument number 20150212767 Book/Page Number trust property legally described as:

SEE EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN FOR ALL PURPOSES.

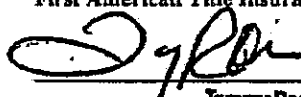
which notice of sale, refers to a Deed of Trust executed by

ANTONIO DOMENZAIN, A MARRIED MAN,

as Trustor(s), in which MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. ("MERS") AS NOMINEE FOR AMERIFIRST FINANCIAL, INC. is named as beneficiary and FIDELITY NATIONAL TITLE INSURANCE CO as trustee, and recorded on 09/10/2012 in Instrument number 20120813776, book number, at page, records of MARICOPA County, Arizona.

DATED: DEC 17 2015

First American Title Insurance Company



Tammy Rossum
Authorized Signatory

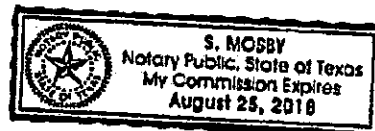
State of TEXAS
County of TARRANT

Before me, S. Mosby on this day personally appeared Tammy Rossum known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that this person executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 1th day of Dec, A.D., 2015.



(Notary Seal)



20150896081



TS No: AZ1500267915

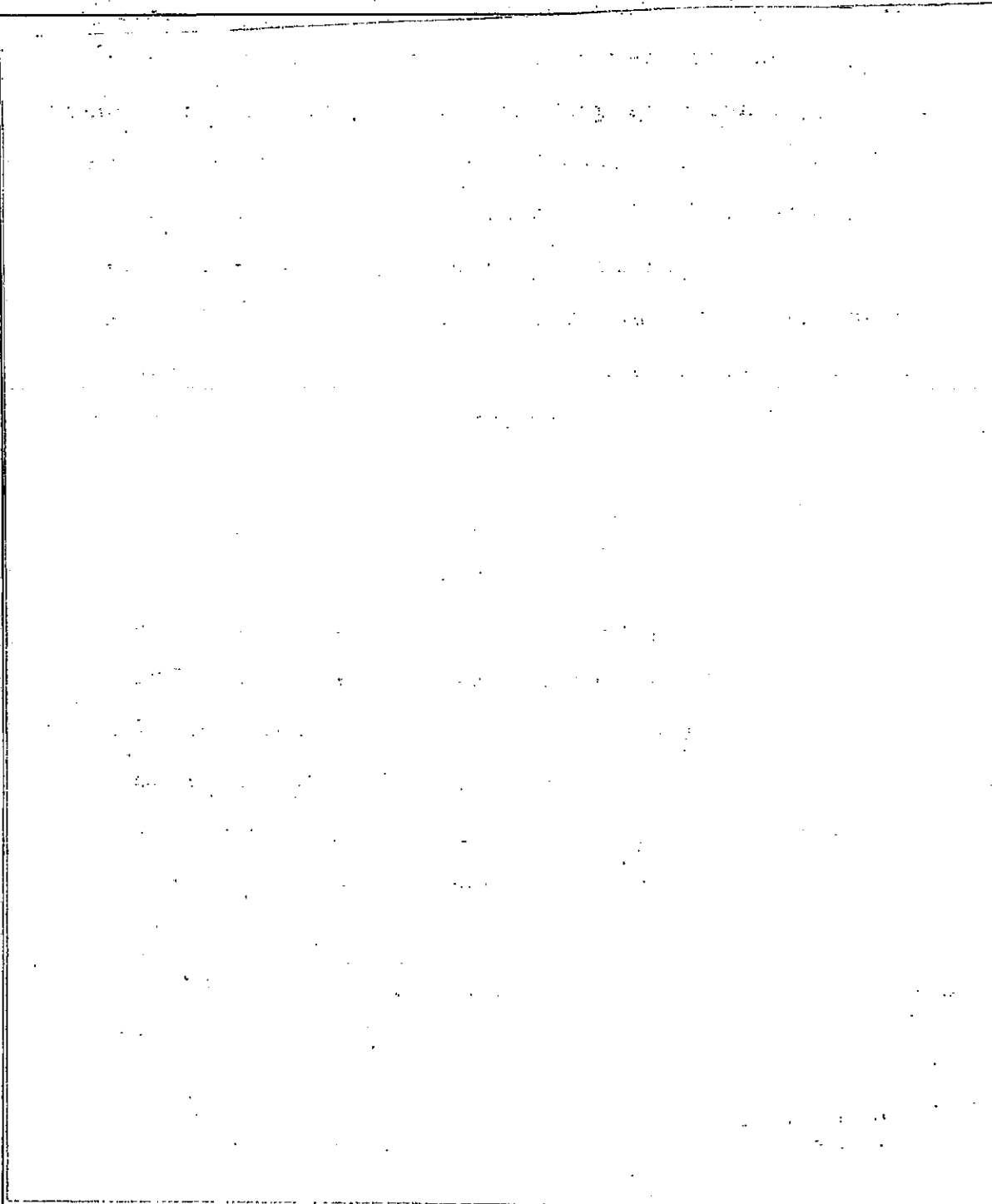
**LOT SIXTY-SIX (66) HUNTERS VILLAGE, ACCORDING TO THE PLAT OF RECORD IN THE
OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK
194 OF MAPS, PAGE 25.**

(Official Document)

Page | 2

EXHIBIT D-7

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03:37:34 5
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03:37:51 10
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03:38:07 15
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03:38:28 20
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03:38:40 25



Q. Do you recall the conversations earlier about the receipts for the trustees' sales?

Coash & Coash, Inc.

602-258-1440

www.coashandcoash.com

1 A. Yes.

2 Q. Did you create those receipts?

3 A. No.

4 Q. Did those receipts come from Arizona Home
03:38:54 5 Foreclosures?

6 A. I believe so.

7 Q. And those receipts are not legitimate, are
8 they?

9 A. They wouldn't be.

03:39:07 10 MR. JESS: I don't have any other
11 questions.

12

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03:39:22 15

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03:39:32 20

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Coash & Coash, Inc.

602-258-1440

www.coashandcoash.com

EXHIBIT E

DenSee Investment Corporation
Loans to Yomtov Scott Menaged, et al. - As of 04/20/16

Loan No.	Borrower	Property Address	City, Zip	Principal	Loan Date	Due Date	18% Regular Interest	3% Regular Interest	29% Default Interest	Total Interest	10% Late Fees	Total Balance Due
3736	Michelle Menaged	9103 E Charter Oak Dr	Scottsdale, 85260	400,000.00	10/12/12	04/12/13	36,400.00	-	353,730.38	392,130.38	35,573.09	827,703.97
3828	Easy Investments, LLC	1605 W Winter Dr	Phx, 85021	477,352.68	11/13/12	05/13/13	27,150.00	-	443,554.30	470,704.30	44,355.43	992,412.41
3883	Easy Investments, LLC	9555 E Rainier Dr #1004	Scottsdale, 85260	152,000.00	12/13/12	06/13/13	10,920.00	-	146,854.92	157,774.92	14,685.49	324,460.41
3885	Jess Menaged	9555 E Rainier Dr #1020	Scottsdale, 85260	76,827.14	12/13/12	06/13/13	9,100.00	-	137,952.18	147,052.18	13,795.22	237,674.54
8005	Arizona Home Foreclosures, LLC	6013 E Egan St	Cave Creek, 85331	200,200.00	05/20/16	11/20/16	-	-	-	-	-	200,200.00
8008	Arizona Home Foreclosures, LLC	14883 W Bloomfield Rd	Surprise, 85375	201,300.00	05/23/16	11/23/16	-	-	-	-	-	201,300.00
8016	Arizona Home Foreclosures, LLC	9343 E Bahia Dr	Scottsdale, 85260	1,556,800.00	05/23/16	11/23/16	-	-	-	-	-	1,556,800.00
8017	Arizona Home Foreclosures, LLC	9029 E McDowell Rd	Mesa, 85207	589,500.00	05/26/16	11/26/16	-	-	-	-	-	589,500.00
8018	Arizona Home Foreclosures, LLC	25173 N 73rd Lane	Peoria, 85382	407,800.00	05/26/16	11/26/16	-	-	-	-	-	407,800.00
8019	Arizona Home Foreclosures, LLC	5710 W Desperado Way	Phx, 85083	485,400.00	05/26/16	11/26/16	-	-	-	-	-	485,400.00
8021	Arizona Home Foreclosures, LLC	7431 E Nora St	Mesa, 85207	268,500.00	05/27/16	11/27/16	-	-	-	-	-	268,500.00
8022	Arizona Home Foreclosures, LLC	13834 N Burning Tree Pl	Phx, 85022	237,400.00	05/27/16	11/27/16	-	-	-	-	-	237,400.00
8023	Arizona Home Foreclosures, LLC	10418 E Champagne Dr	Sun Lakes, 85248	271,100.00	05/27/16	11/27/16	-	-	-	-	-	271,100.00
8025	Arizona Home Foreclosures, LLC	4106 W Saint Kateri Rd	Phx, 85041	234,400.00	05/27/16	11/27/16	-	-	-	-	-	234,400.00
8026	Arizona Home Foreclosures, LLC	14850 W Robson Cir N	Goodyear, 85395	348,500.00	05/31/16	11/30/16	-	-	-	-	-	348,500.00
8027	Arizona Home Foreclosures, LLC	4377 N 157th Lane	Goodyear, 85395	386,900.00	05/31/16	11/30/16	-	-	-	-	-	386,900.00
8028	Arizona Home Foreclosures, LLC	11329 S Orion Dr	Goodyear, 85338	412,300.00	05/31/16	11/30/16	-	-	-	-	-	412,300.00
8029	Arizona Home Foreclosures, LLC	914 W Whitten St	Chandler, 85226	399,100.00	05/31/16	11/30/16	-	-	-	-	-	399,100.00
8030	Arizona Home Foreclosures, LLC	5922 W Gail Dr	Chandler, 85226	278,300.00	05/31/16	11/30/16	-	-	-	-	-	278,300.00
8032	Arizona Home Foreclosures, LLC	9904 E Keats Ave	Mesa, 85209	251,800.00	06/01/16	12/01/16	-	-	-	-	-	251,800.00
8034	Arizona Home Foreclosures, LLC	851 E Abenden Dr	Gilbert, 85298	243,100.00	06/01/16	12/01/16	-	-	-	-	-	243,100.00
8035	Arizona Home Foreclosures, LLC	1610 W Jean de Arc Ave	Phx, 85029	149,300.00	06/01/16	12/01/16	-	-	-	-	-	149,300.00
8036	Arizona Home Foreclosures, LLC	7140 E Medina Ave	Mesa, 85209	296,500.00	06/01/16	12/01/16	-	-	-	-	-	296,500.00
8039	Arizona Home Foreclosures, LLC	7531 N Silvercrest Way	PV, 85253	1,534,300.00	06/02/16	12/02/16	-	-	-	-	-	1,534,300.00
8040	Arizona Home Foreclosures, LLC	2320 E Avenida Del Sol	Phx, 85024	302,500.00	06/03/16	12/03/16	-	-	-	-	-	302,500.00
8041	Arizona Home Foreclosures, LLC	13300 E Via Linda #2056	Scottsdale, 85259	346,800.00	06/03/16	12/03/16	-	-	-	-	-	346,800.00
8042	Arizona Home Foreclosures, LLC	13503 E Charter Oak Dr	Scottsdale, 85259	349,500.00	06/03/16	12/03/16	-	-	-	-	-	349,500.00
8044	Arizona Home Foreclosures, LLC	6615 W Via Dona Rd	Phx, 85083	328,400.00	06/05/16	12/05/16	-	-	-	-	-	328,400.00
8045	Arizona Home Foreclosures, LLC	9267 E Desert Arroyos	Scottsdale, 85255	751,800.00	06/06/16	12/06/16	-	-	-	-	-	751,800.00
8046	Arizona Home Foreclosures, LLC	1134 W Mulberry Dr	Chandler, 85286	319,600.00	06/06/16	12/06/16	-	-	-	-	-	319,600.00
8047	Arizona Home Foreclosures, LLC	15126 W Rounder Dr	Surprise, 85374	277,500.00	06/06/16	12/06/16	-	-	-	-	-	277,500.00
8048	Arizona Home Foreclosures, LLC	4808 N 24th Street #421	Phx, 85016	294,400.00	06/07/16	12/07/16	-	-	-	-	-	294,400.00
8049	Arizona Home Foreclosures, LLC	2513 E Mescal St	Phx, 85028	239,400.00	06/07/16	12/07/16	-	-	-	-	-	239,400.00
8050	Arizona Home Foreclosures, LLC	8845 N 4th Street	Phx, 85020	178,500.00	06/07/16	12/07/16	-	-	-	-	-	178,500.00
8051	Arizona Home Foreclosures, LLC	3029 W Marconi Ave	Phx, 85053	149,100.00	06/07/16	12/07/16	-	-	-	-	-	149,100.00
8052	Arizona Home Foreclosures, LLC	1126 E Utopia Rd	Phx, 85024	189,100.00	06/07/16	12/07/16	-	-	-	-	-	189,100.00
8053	Arizona Home Foreclosures, LLC	3901 W Angela Dr	Glendale, 85308	169,100.00	06/08/16	12/08/16	-	-	-	-	-	169,100.00
8054	Arizona Home Foreclosures, LLC	14749 W Lucas Ln	Surprise, 85374	198,300.00	06/08/16	12/08/16	-	-	-	-	-	198,300.00
8055	Arizona Home Foreclosures, LLC	4780 W Fuile Ave	Glendale, 85308	298,500.00	06/08/16	12/08/16	-	-	-	-	-	298,500.00
8056	Arizona Home Foreclosures, LLC	14414 N Century Dr	Phx, 85268	187,400.00	06/08/16	12/08/16	-	-	-	-	-	187,400.00
8057	Arizona Home Foreclosures, LLC	3830 W Laredo St	Chandler, 85226	213,800.00	06/08/16	12/08/16	-	-	-	-	-	213,800.00
8058	Arizona Home Foreclosures, LLC	225 W Denton Ln	Phx, 85013	354,400.00	06/08/16	12/08/16	-	-	-	-	-	354,400.00
8059	Arizona Home Foreclosures, LLC	43629 N 20th Street	New River, 85087	241,100.00	06/09/16	12/09/16	-	-	-	-	-	241,100.00
8060	Arizona Home Foreclosures, LLC	45905 N 33rd Avenue	New River, 85087	284,500.00	06/09/16	12/09/16	-	-	-	-	-	284,500.00
8061	Arizona Home Foreclosures, LLC	12696 N 77th Avenue	Peoria, 85382	634,200.00	06/09/16	12/09/16	-	-	-	-	-	634,200.00
8062	Arizona Home Foreclosures, LLC	6112 N 31st Court	Phx, 85016	179,800.00	06/09/16	12/09/16	-	-	-	-	-	179,800.00
8063	Arizona Home Foreclosures, LLC	4150 W Willow Ave	Phx, 85029	170,700.00	06/09/16	12/09/16	-	-	-	-	-	170,700.00
8064	Arizona Home Foreclosures, LLC	8108 N 33rd Drive	Phx, 85051	-	06/09/16	12/09/16	-	-	-	-	-	-

DenSeco Investment Corporation
Loans to Yonier Scott Managed, et al. - As of 04/20/16

Loan No.	Borrower	Property Address	City, Zip	Principal	Loan Date	Due Date	18% Regular Interest	3% Regular Interest	29% Default Interest	Total Interest	10% Late Fees	Total Balance Due
8065	Arizona Home Foreclosures, LLC	2854 E Buans Cir	Gilbert, 85297	315,800.00	06/10/16	12/10/16	-	-	-	-	-	315,800.00
8066	Arizona Home Foreclosures, LLC	10386 E Morning Star Dr	Scottsdale, 85255	309,400.00	06/10/16	12/10/16	-	-	-	-	-	309,400.00
8067	Arizona Home Foreclosures, LLC	640 E Bird Ln	Litchfield Park, 85340	299,700.00	06/10/16	12/10/16	-	-	-	-	-	299,700.00
8068	Arizona Home Foreclosures, LLC	7542 E Glenn Moore Rd	Scottsdale, 85255	409,500.00	06/10/16	12/10/16	-	-	-	-	-	409,500.00
8069	Arizona Home Foreclosures, LLC	11509 E Rambelwood Ave	Mesa, 85212	297,300.00	06/13/16	12/13/16	-	-	-	-	-	297,300.00
8071	Arizona Home Foreclosures, LLC	19713 N Run Rd	Surprise, 85374	264,100.00	06/13/16	12/13/16	-	-	-	-	-	264,100.00
8072	Arizona Home Foreclosures, LLC	11843 N 151st Drive	Surprise, 85379	256,700.00	06/13/16	12/13/16	-	-	-	-	-	256,700.00
8073	Arizona Home Foreclosures, LLC	3221 E Campbell Rd	Gilbert, 85234	213,200.00	06/13/16	12/13/16	-	-	-	-	-	213,200.00
8074	Arizona Home Foreclosures, LLC	28318 N 246th Drive	Wittmann, 85361	246,800.00	06/13/16	12/13/16	-	-	-	-	-	246,800.00
8075	Arizona Home Foreclosures, LLC	2127 N 124th Drive	Avondale, 85323	223,100.00	06/13/16	12/13/16	-	-	-	-	-	223,100.00
8076	Arizona Home Foreclosures, LLC	1334 W Sunset Cir	Gilbert, 85233	389,700.00	06/14/16	12/14/16	-	-	-	-	-	389,700.00
8077	Arizona Home Foreclosures, LLC	15022 N Escondido Dr	Peoria, 85268	364,200.00	06/14/16	12/14/16	-	-	-	-	-	364,200.00
8078	Arizona Home Foreclosures, LLC	6021 E Sweetwater Ave	Scottsdale, 85254	471,100.00	06/14/16	12/14/16	-	-	-	-	-	471,100.00
8079	Arizona Home Foreclosures, LLC	7130 W Softwind Dr	Peoria, 85383	254,700.00	06/14/16	12/14/16	-	-	-	-	-	254,700.00
8080	Arizona Home Foreclosures, LLC	16421 S 17th Drive	Phx, 85045	163,800.00	06/14/16	12/14/16	-	-	-	-	-	163,800.00
8081	Arizona Home Foreclosures, LLC	2343 W Port Au Prince Ln	Phx, 85023	347,900.00	06/15/16	12/15/16	-	-	-	-	-	347,900.00
8084	Arizona Home Foreclosures, LLC	4361 S Ranger Cir	Gilbert, 85297	181,600.00	06/15/16	12/15/16	-	-	-	-	-	181,600.00
8085	Arizona Home Foreclosures, LLC	6436 S 23rd Avenue	Phx, 85041	280,100.00	06/15/16	12/15/16	-	-	-	-	-	280,100.00
8086	Arizona Home Foreclosures, LLC	375 E Sagebrush St	Gilbert, 85296	178,300.00	06/15/16	12/15/16	-	-	-	-	-	178,300.00
8087	Arizona Home Foreclosures, LLC	1951 E Ivy St	Mesa, 85203	246,500.00	06/15/16	12/15/16	-	-	-	-	-	246,500.00
8088	Arizona Home Foreclosures, LLC	6932 E Loma Land Dr	Scottsdale, 85257	1,661,200.00	06/16/16	12/16/16	-	-	-	-	-	1,661,200.00
8089	Arizona Home Foreclosures, LLC	1843 E Donner Dr	Phx, 85042	200,900.00	06/17/16	12/17/16	-	-	-	-	-	200,900.00
8090	Arizona Home Foreclosures, LLC	7712 N Moonlight Ln	PV, 85253	370,100.00	06/17/16	12/17/16	-	-	-	-	-	370,100.00
8091	Arizona Home Foreclosures, LLC	2733 W Ocaso Cir	Mesa, 85202	253,300.00	06/17/16	12/17/16	-	-	-	-	-	253,300.00
8092	Arizona Home Foreclosures, LLC	7164 W Planada Ln	Glendale, 85310	249,700.00	06/17/16	12/17/16	-	-	-	-	-	249,700.00
8093	Arizona Home Foreclosures, LLC	21083 W Wycliff Cir	Buckeye, 85326	113,800.00	06/17/16	12/17/16	-	-	-	-	-	113,800.00
8094	Arizona Home Foreclosures, LLC	14342 W Evans Dr	Surprise, 85379	251,200.00	06/17/16	12/17/16	-	-	-	-	-	251,200.00
8095	Arizona Home Foreclosures, LLC	10301 N 70th Street #234	PV, 85253	418,800.00	06/20/16	12/20/16	-	-	-	-	-	418,800.00
8096	Arizona Home Foreclosures, LLC	9035 E Oro Ave	Mesa, 85212	411,200.00	06/20/16	12/20/16	-	-	-	-	-	411,200.00
8097	Arizona Home Foreclosures, LLC	28566 N 124th Drive	Peoria, 85383	179,600.00	06/20/16	12/20/16	-	-	-	-	-	179,600.00
8098	Arizona Home Foreclosures, LLC	700 N Dobson RD #52	Chandler, 85224	174,500.00	06/20/16	12/20/16	-	-	-	-	-	174,500.00
8099	Arizona Home Foreclosures, LLC	12805 W Redondo Dr	Litchfield Park, 85340	221,300.00	06/20/16	12/20/16	-	-	-	-	-	221,300.00
8100	Arizona Home Foreclosures, LLC	2113 N 119th Drive	Avondale, 85323	176,800.00	06/20/16	12/20/16	-	-	-	-	-	176,800.00
8101	Arizona Home Foreclosures, LLC	9225 S Lellan Ln	Phx, 85041	141,800.00	06/21/16	12/21/16	-	-	-	-	-	141,800.00
8102	Arizona Home Foreclosures, LLC	2131 W Vineyard Rd	Phx, 85051	136,800.00	06/21/16	12/21/16	-	-	-	-	-	136,800.00
8103	Arizona Home Foreclosures, LLC	3541 W Vogel Ave	Phx, 85019	1,113,600.00	06/21/16	12/21/16	-	-	-	-	-	1,113,600.00
8104	Arizona Home Foreclosures, LLC	6313 N 40th Drive	Scottsdale, 85255	153,700.00	06/21/16	12/21/16	-	-	-	-	-	153,700.00
8105	Arizona Home Foreclosures, LLC	7960 E Hanover Way	Glendale, 85304									
8106	Arizona Home Foreclosures, LLC	5109 W Mercer Ln										
TOTAL:				29,238,479.82			83,570.00	-	1,084,092.28	1,167,662.28	108,409.23	30,504,551.33

EXHIBIT F-1

1 everybody.

2 MR. CHITTICK: Okay. So how do I ever return
3 the money to the investors? You get kicked out of your
4 bankruptcy say in six months. Auction.com says, okay,
5 great --

6 MR. MENAGED: Well, it's not like we can tell
7 them that there's going to be a pot at the end of the
8 rainbow.

9 MR. CHITTICK: Right.

10 MR. MENAGED: Right. So when the bankruptcy is
11 over, then I'm going to open the account. I've already
12 thought about it. I'm going to open an account
13 overseas. I'm going to have them wire the money to that
14 account (indiscernible). So it's like this Chase
15 account I was on, but I'm closing that. Once I'm all
16 done with this, I'm closing all those accounts,
17 completely. My bankruptcy is over with. I'm doing to
18 have the money sitting over there. And then whatever
19 the hell I decide to do it, I have to figure out,
20 because there's asset protection companies and all that
21 stuff that I'm going to have to incorporate myself into.
22 And then I'm going to start taking cash from there,
23 every fucking day, every day. I'm going to start
24 getting cash. I'm going to start paying it back.

25 And then you -- you -- see, this is where the

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EXHIBIT F-2

1 talk to the investors, but they're going to want to talk
2 to me, you know, you know that.

3 MR. CHITTICK: Yep. And when they do, and they
4 say, well, now I owe you \$43 million.

5 MR. MENAGED: Exactly. Now, we need to talk to
6 the client. So you have a choice, we either work, come
7 up to some kind of repayment plan, which is going to be
8 a long period of a repayment plan that you're all going
9 to have to agree to, and it's going to be investor by
10 investor -- we're either going to come up to some plan
11 with these people or do what you want to do. Go make
12 your plans, whatever -- however you want to make your
13 plans. He's not going anywhere. Smart people
14 realize -- smart people realize, okay, it's better to
15 work with someone than not work. Someone smart would
16 realize that.

17 MR. CHITTICK: How much is sitting at
18 auction.com in a trust account?

19 MR. MENAGED: 31.8-something.

20 MR. CHITTICK: 31 --

21 MR. MENAGED: 8-something.

22 MR. CHITTICK: I have 28.1 on my books for the
23 principal.

24 MR. MENAGED: Yeah.

25 MR. CHITTICK: And 3 million is the

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EXHIBIT F-3

1 receipts.

2 MR. MENAGED: Right.

3 MR. CHITTICK: And then they're going to go, oh,
4 Scott, you said there were no receipts. I have checks
5 and receipts every day for that -- thousands of
6 transactions.

7 MR. MENAGED: Right.

8 MR. CHITTICK: How'd you forget the receipt?
9 Where'd the receipts come from?

10 MR. MENAGED: If that -- this is the thing.

11 MR. CHITTICK: Now -- now you've lied under
12 oath.

13 MR. MENAGED: If I -- if I have to disclose
14 those receipts, then I have to disclose everything. And
15 then we're done.

16 MR. CHITTICK: See, that's -- again, I'm -- I
17 don't know how --

18 MR. MENAGED: There's no getting around it, then
19 I'm done. We're both done. At that point, there ain't
20 nothing (indiscernible). You can go on any side you
21 want to go on, (indiscernible) don't make no difference,
22 ultimately we're going to both end up in the same place.
23 It's not going to make any difference. So if I have to
24 take a gamble of them subpoenaing records and stuff -- I
25 got rid of all of my records. I have nothing. All the

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1 receipts, all the real paper, it's gone. Everything is
2 gone. Good-bye. Only thing is, yeah, even my fucking
3 e-mails are gone. I told you (indiscernible) --

4 MR. CHITTICK: Yeah, but --

5 MR. MENAGED: -- there.

6 MR. CHITTICK: Yeah, but the --

7 MR. MENAGED: Yes. Could they come and say
8 that -- but this is not capital murder, either. This is
9 not capital murder. This is a version of what happened.
10 And it's -- if we're both on the same page, it's a hell
11 of a lot better to take that risk than anything else.

12 MR. CHITTICK: And spend the next three years
13 defending ourselves and trying to fight it and hope it
14 gets in front of a judge or a jury that -- or they don't
15 subpoena the e-mails or my computer or your computers
16 or --

17 MR. MENAGED: I don't see it. I don't see it.

18 MR. CHITTICK: Just because I don't have intent
19 doesn't make me innocent.

20 MR. MENAGED: And just because I didn't have
21 intent doesn't make me innocent. However, there's no
22 criminal intent. So therefore, you were in the dark.
23 You did -- you thought it was very secure. Me, I didn't
24 have any intent. I just -- I couldn't come to you and
25 tell you, hey, there are issues here. I couldn't do it.

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EXHIBIT F-4

1 then -- and then all of a sudden, oh, here's all of
2 these receipts. Okay. Well, he lied to Denny. Denny
3 said this to him, and all of a sudden we're both trying
4 to defraud investors.

5 MR. CHITTICK: Well, Veronica is the one who
6 sent me all the receipts.

7 MR. MENAGED: Right. (Indiscernible) receipts.
8 I mean, she got the receipts from -- from Luke, the
9 bidder, so -- there -- there are no receipts. Veronica
10 knows that too. Her computer is gone too. There are no
11 fucking receipts.

12 MR. CHITTICK: Yeah. But the -- they subpoena
13 her or whatever, put her on the stand.

14 MR. MENAGED: She -- she knows the version --
15 she knows my version. She doesn't know what happened.
16 I mean, she doesn't have any clue. She doesn't
17 understand the whole thing, but she knows what I've told
18 her, and that's all she needs to know. Again, I mean,
19 looking in all different directions, I've tried to
20 incorporate the receipts into a version. There's no
21 possible way, because that brings auction.com in. We
22 can't do that. And they don't give a fuck about me or
23 you. We can go sit in prison. They don't care.

24 (Indiscernible) they were defrauding these
25 people. This -- only we only found out after the fact.

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EXHIBIT F-5

1 everybody.

2 MR. CHITTICK: Okay. So how do I ever return
3 the money to the investors? You get kicked out of your
4 bankruptcy say in six months. Auction.com says, okay,
5 great --

6 MR. MENAGED: Well, it's not like we can tell
7 them that there's going to be a pot at the end of the
8 rainbow.

9 MR. CHITTICK: Right.

10 MR. MENAGED: Right. So when the bankruptcy is
11 over, then I'm going to open the account. I've already
12 thought about it. I'm going to open an account
13 overseas. I'm going to have them wire the money to that
14 account (indiscernible). So it's like this Chase
15 account I was on, but I'm closing that. Once I'm all
16 done with this, I'm closing all those accounts,
17 completely. My bankruptcy is over with. I'm doing to
18 have the money sitting over there. And then whatever
19 the hell I decide to do it, I have to figure out,
20 because there's asset protection companies and all that
21 stuff that I'm going to have to incorporate myself into.
22 And then I'm going to start taking cash from there,
23 every fucking day, every day. I'm going to start
24 getting cash. I'm going to start paying it back.

25 And then you -- you -- see, this is where the

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EXHIBIT F-6

1 you're welcome to say whatever you want to say about it.
2 But I -- I'm not -- like, I'm not, because I know that
3 that will land me in prison because of this -- because
4 of a couple fucking million dollars. I know that will
5 land me in prison.

6 MR. CHITTICK: You don't think that's where I'm
7 headed?

8 MR. MENAGED: No. I don't -- I don't. But
9 that's the point of --

10 MR. CHITTICK: What -- what's auction.com saying
11 right now?

12 MR. MENAGED: They're on hold.

13 MR. CHITTICK: They --

14 MR. MENAGED: They understand that I have a
15 deposition.

16 MR. CHITTICK: They must be shitting bricks
17 themselves.

18 MR. MENAGED: Yeah. But they've also protected
19 themselves. I believe that the money is sitting in a
20 trust account, not in the name of auction.com. I
21 believe it. I mean, they're very educated. I believe
22 that they're not -- they do know one thing, if anyone
23 comes to them, they are going to tell the truth. So
24 they continue to tell me. Anyone comes to us telling
25 the truth, yeah, we have this list of properties like no

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EXHIBIT F-7

1 of arrangement with auction.com. I mean, I -- to this
2 day, I don't even know the details of how this is going
3 on.

4 MR. MENAGED: (Indiscernible) that's much better
5 for you.

6 MR. CHITTICK: So -- but it doesn't matter if I
7 know or don't know --

8 MR. MENAGED: No. It doesn't matter
9 (indiscernible).

10 MR. CHITTICK: -- because I'm fucking up to my
11 eyeballs in it, with all the transactions recorded, all
12 the checks going back and forth, the wires going back
13 and forth. No one's going to believe the guy behind the
14 money was ignorant to whatever agreement you had with
15 auction.com and how it was going.

16 MR. MENAGED: The guy behind the money felt that
17 this was secure. The guy behind the money felt that it
18 was secure. That's why you got copies of the checks. I
19 mean, or -- or if you want to go the other direction, we
20 can talk about auction.com. But we're going to prison.
21 There's no fucking doubt in my mind. There's no goddamn
22 attorney that is going to get us out of this. The
23 second we mention auction.com, we're going to prison.
24 It's over, done, finished. I'm not even going to
25 fucking defend myself with that one. There's no reason

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EXHIBIT G

03:02:10

03:02:27

03:02:39

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Q. So sometime in 2014, did you tell Mr. Chittick that you had an arrangement with Auction.com that you would send in offers on properties that were postponed or canceled at trustees' sales and try to get those trustees to agree to a short sale?

A. Yes.

Q. You told him that?

A. Yes.

Q. And that was a lie, correct?

A. Correct.

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Exhibit G Page 2 of 3

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03:04:17

Q. You met Mr. Chittick one final time on July 25th, 2016; is that right?

03:04:30

A. I don't remember the date, but we did meet.

Q. Okay. Well, you met in your warehouse, right?

A. We did meet.

Q. And you met for a long time, right?

03:04:37

A. No, not a long time.

Q. Not a long time? Okay.

And during that meeting, did you tell him that after your bankruptcy was over, you intended to open a bank account overseas and have Auction.com wire \$30 million to that account?

A. I did tell him that.

03:04:56

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