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11 **ARIZONA SUPERIOR COURT**
12 **MARICOPA COUNTY**

11 FIERCE INVESTMENTS LTD.,) No. CV2018-006866
12) CV2019-005943
13 Plaintiff,)
14 v.) **ORDER APPOINTING RECEIVER**
15 AZTEC COPPER INC., an Arizona)
16 corporation;) (Assigned to the Hon. Christopher Whitten)
17 Defendant.)

18 Fierce Investments Ltd. filed a Verified Complaint/Application for Appointment of
19 Receiver and Motion in Support of Application for Appointment of Receiver against Aztec
20 Copper Inc., an Arizona corporation, requesting the appointment of a receiver. Pursuant to Rule
21 66, Ariz. R. Civ. P., A.R.S. § 12-1241 and A.R.S. § 12-1242, the Court, upon consideration of
22 the Verified Complaint/Application for Appointment of Receiver (the "Application"), and for
23 good cause appearing, hereby finds and orders as follows:

24 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED granting the Application in
25 its entirety.

26 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED as follows:

1 1. APPOINTMENT OF RECEIVER: MCA Financial Group, Ltd., by and through
2 its Senior Managing Director, Keith Bierman, is hereby appointed as a general receiver (the
3 “Receiver”) in this action, effective immediately, provided that within five (5) business days of
4 the date of this Order, the Receiver file an oath of receiver and post a bond in the amount of
5 \$_____ pursuant to Ariz. R. Civ. P. 66(b)(2). The cost of the bond shall be a reimbursable
6 expense pursuant to Paragraph 3(h) below.

7 2. DUTIES, RIGHTS, AND POWERS OF THE RECEIVER: The Receiver is
8 granted all of the rights and powers available to general receivers at common law and in equity
9 in Arizona, and the following powers, duties, and authorities:

10 (a) Shareholder Meeting. The Receiver shall set a shareholder meeting to be
11 held in Maricopa County within forty (40) days of the date of this order, or as soon as the
12 Receiver otherwise is able to, and shall give notice of the meeting to Plaintiff and other
13 shareholders of record not less than ten (10) days before the meeting is held. The purpose of the
14 shareholder meeting is to elect directors and for the transaction of such other business as may
15 properly come before the meeting. Any shareholder may appear electronically at that meeting,
16 subject to identity verification. Following that meeting, the duly elected directors and/or officers
17 may petition this Court to terminate this receivership;

18 (b) Inspection of Books and Records. The Receiver shall take possession and
19 control of all of the books, records, correspondence, and other accounting documents of the
20 Receivership Entity and its subsidiaries, whether paper or electronic, which relate to, refer to, or
21 account for the assets, revenues, proceeds, and/or liabilities of the Receivership Entity and/or its
22 subsidiaries, whether in the possession and control of the Defendant, parties to this action, or in
23 possession of their members, officers, directors, principals, attorneys, affiliates, agents,
24 accountants, servants, subsidiaries, or employees. In accordance with the Judgment entered in
25 Arizona Superior Court No. CV2018-003675, the Receiver shall promptly make all books and
26 records described in this subsection available to counsel for Fierce Investments Ltd in Phoenix

1 Arizona. The Receiver shall also take possession of all of Receivership Entity bank and deposit
2 accounts used by or in connection with the Receivership Entity. The Defendant shall promptly
3 provide the Receiver with the tax identification number(s) utilized by the Receivership Entity
4 (including subsidiaries). The Receiver shall be entitled to utilize the aforementioned tax
5 identification number(s) during his operation of the Receivership Entity. The Receiver shall
6 have no responsibility for filing federal or state income or property tax returns related to the
7 Receivership Entity, but may do so if he deems it appropriate to do so. All banks financial
8 institutions and agents of the Receivership Entity, upon presentation of a copy of this Order,
9 shall provide copies of any requested records regarding any such accounts used in connection
10 with the Receivership Entity to the Receiver or his agent. Defendant, Defendant's counsel, and
11 all persons acting under Defendant's direction or in concert with Defendant are ordered to make
12 the following records immediately available to Receiver:

- 13 • the articles or restated articles of incorporation of the Receivership
14 Entity and its subsidiaries and all amendments thereto;
- 15 • bylaws or restated bylaws of the Receivership Entity and its
16 subsidiaries and all amendments thereto;
- 17 • resolutions adopted and/or voted on by the board of directors creating
18 one or more classes or series of shares;
- 19 • minutes of all shareholders meetings, and records of all action taken by
20 shareholders of the Receivership Entity and its subsidiaries without a
21 meeting;
- 22 • written communications to any or all shareholders of the Receivership
23 Entity and its subsidiaries;
- 24 • financial statements prepared in accordance with A.R.S. § 10-1620 of
25 the Receivership Entity and its subsidiaries;
- 26 • any agreement among shareholders of the Receivership Entity and its
subsidiaries under A.R.S. § 10-732;
- minutes of any meeting of the board of directors, records of any action
of a committee of the board of directors while acting in place of the
board of directors, minutes of any meeting of the shareholders and

1 records of action taken by the shareholders or board of directors
2 without a meeting;

- 3 • accounting records of the Receivership Entity and its subsidiaries,
4 including but not limited to
 - 5 ○ its general ledger,
 - 6 ○ annual profit and loss statements,
 - 7 ○ year-end balance sheets, and
 - 8 ○ documentation of any payments (whether loans, reimbursement of
9 expenses, salary, or otherwise) from the Receivership Entity to any
10 shareholder, officer or director;
- 11 • the record of shareholders of the Receivership Entity and its
12 subsidiaries; and
- 13 • the Receivership Entity's and its subsidiaries' most recent financial
14 statements showing in reasonable detail its assets and liabilities and the
15 results of its operations.

16 (c) Receiver's Agents. To employ, hire, engage, and retain attorneys, certified
17 public accountants, investigators, consultants, and any other personnel or employees at
18 commercially reasonable rates, which the Receiver deems—in his business judgment—
19 necessary to assist him in the discharge of his duties. With the parties' consent, any such persons
20 or Entity may be affiliates of the Receiver;

21 (d) Payment of Receiver. The Receiver shall be compensated for its duties as
22 Receiver under this Order at the following rates:

- 23 (i) Receiver's Fee: \$495/hour;
- 24 (ii) Paraprofessionals: \$125/hour;
- 25 (iii) Staff: \$295-395/hour.

26 (e) Receiver's Expenses. Fees and expenses incurred by the Receiver will
initially be paid by Plaintiff Fierce Investment Ltd., but will be subject to full or partial
reimbursement by the Receivership Entity or other appropriate parties, at the direction of the
Court. The Receiver, its consultants, agents, employees, legal counsel, and professionals may

1 be paid on a periodic basis. However, all fees paid on an interim basis are subject to final
2 approval by the Court in accordance with paragraph 3(h) below and must be reasonable;

3 (f) Monthly Budget. Within forty-five (45) days of the filing of this Order, the
4 Receiver shall prepare a comprehensive monthly budget (the "Budget") providing for all fees
5 and costs expected to be incurred by the Receiver in the performance of its duties prescribed
6 herein, as well as income expected to be generated from operation of the Receivership Entity.
7 The Receiver shall revise the Budget as needed, updating for actual costs as information becomes
8 available. The Receiver shall immediately inform the parties if monthly fees and costs are
9 expected to materially exceed the appropriate budgeted amount;

10 (g) Expense Limit. Notwithstanding anything in this Order to the contrary, the
11 Receiver shall not incur or expend fees or expenses in excess of \$10,000.00 per month without
12 obtaining prior written approval of Plaintiffs or this Court;

13 (h) Final Statement of Account. Within sixty (60) days of the termination of
14 the Receivership Estate, the Receiver shall file with the Court a "Final Report and Accounting"
15 or similar report, which sets forth any and all fees and expenses claimed by the Receiver. If no
16 objection thereto is filed and served on or within ten (10) days following service thereof, such
17 Final Report and Accounting may be paid, the Receiver may be discharged, and the Receiver's
18 bond may be exonerated. If an objection is timely filed and served, such Final Statement of
19 Account shall not be paid absent further order of this Court. In the event objections are timely
20 made to such fees and expenses, those specific fees and expenses objected to will be paid within
21 ten (10) days of an agreement among the parties or the entry of an order by this Court
22 adjudicating the matter;

23 (i) Disclosure. The Receiver shall disclose to all parties any financial
24 relationship between the Receiver and any company or person he hires to assist in the
25 management of the Receivership Estate;

26

1 3. NON-INTERFERENCE WITH RECEIVER: Absent further order from this
2 Court, all creditors, vendors, lessors, licensors, or other contractors of the Receivership Entity,
3 all persons or entities with actual knowledge of this Order (including, without limitation, the
4 parties to this action), and the officers, directors, affiliates, agents, servants and employees
5 (current or former) of the Receivership Entity, are enjoined from doing any act which will, or
6 which will tend to, impair, defeat, divert, prevent or prejudice the implementation of this order.

7 4. RECEIVERSHIP ESTATE:

8 (a) Litigation Stay. No person or entity shall file suit against the Receiver, or
9 take other legal action against the Receiver or the Receivership Entity or Property, with the
10 exception of this action and other currently pending actions against the Receivership Entity,
11 without an order of this Court permitting the suit or action; provided, however, no prior Court
12 order is required to enforce the provisions of this Order or any other order of this Court in this
13 action. In any event, no such suit shall be brought against the Receiver personally, but only
14 against the Receivership Estate.

15 (b) Limitation of Liability. The Receivership Estate, the Receiver, and its
16 employees, agents, attorneys and all professionals and management companies retained by the
17 Receiver shall have no liability for any obligations, or debts incurred by the parties to this action.
18 The Receiver and his employees, agents, attorneys, and all professionals and management
19 companies retained by the Receiver shall have no personal liability, and they shall have no claim
20 asserted against them relating to the Receiver's duties under this Order, without prior authority
21 from this Court as stated in Paragraph 9(a) above. In any event, no suit shall be maintained
22 against the Receiver unless the Receiver has acted outside the scope of his authority and
23 committed fraud or gross negligence in the administration of his duties. The Receiver is acting
24 solely in his capacity as a Receiver and the debts of the Receiver are solely the debts of the
25 Receivership Estate.

1 (c) Indemnification of Receiver. The Receiver's liability for any action taken
2 in the course of his duties shall be limited to the Receivership Estate. The Receivership Estate
3 shall indemnify and hold harmless the Receiver, and any affiliate, member, officer or agent of
4 the Receiver from any claims, liability, loss, cost or expense (including reasonable attorneys'
5 fees and costs) arising out of this Receivership, unless the Receiver has acted outside the scope
6 of his authority and committed fraud or gross negligence in the administration of his duties.

7 5. CONTACTING THE RECEIVER: Individuals or Entity interested in the
8 Property, including but without limitation, all lessors, lessees, customers, principals, investors,
9 suppliers, and creditors, may contact the Receiver directly by and through the following
10 individual: Keith Bierman, MCA Financial Group, Ltd., 4909 N. 44th Street, Phoenix, AZ
11 85018; (602)710-2500; kbierman@mca-financial.com. Notice by email shall be sufficient for
12 service of process of any documents or pleadings filed by the Receiver.

13 6. NOTICE TO THE PARTIES: Mailing copies of pleadings, reports, and motions
14 filed by the Receiver, Plaintiff, and/or Defendant in this action shall constitute valid service on
15 all parties for notice purposes.

16 7. ADDITIONAL DUTIES. The Plaintiff, Defendant, Receiver, or any third-party
17 affected by this Order may at any time apply to this Court for any further or other instructions
18 and powers necessary to enable the Receiver to perform his duties properly.

19 8. DEPOSITIONS. The court-ordered obligation of Ron Arnold and Christine
20 Reeves to appear for depositions in Maricopa County is not affected by entry of this Order
21 Appointing Receiver.

22 9. STATUS CONFERENCE. Receiver shall appear before this Court within sixty
23 (60) days after the shareholder meeting described above has been held for a status conference.
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Grant with New Order



/s/ Christopher Whitten Date: 5/16/2019
Judicial Officer of Superior Court

ENDORSEMENT PAGE

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