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Supplements, Inc.

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

STATE OF ARIZONA, *EX REL.*
TERRY GODDARD

Plaintiff,

v.

C.P. DIRECT, INC., VINCENT PASSAFIUME,
MICHAEL CONSOLI, GERALDINE CONSOLI,
OPULENT PROPERTY INVESTMENTS, INC.,
MICHAEL KWADDECIUS, STEPHANIE
PASSAFIUME AND MAC INVESTMENTS,
INC.,

Defendants,

AND VARIOUS BANK ACCOUNTS AND
OTHER PROPERTY AS MORE
PARTICULARLY DESCRIBED IN THE
ATTACHED APPENDIX ONE

Defendants In Rem.

ARIZONA NUTRITIONAL SUPPLEMENTS,
INC., SCOVILLE PRESS, INC., and DATA
PROCESSORS INTERNATIONAL, INC. d/b/a
DPI MERCHANT SERVICES,

Injured Persons/Petitioners,

STATE OF ARIZONA, *EX REL.*
TERRY GODDARD

Respondents.

NO. CV 2002-011275
(SW2002-000373)

**PETITION NO. 55 JOINT PETITION TO
SET HEARING TO FORMULATE
BRIEFING AND HEARING SCHEDULE
TO DETERMINE VALIDITY OF
PETITIONERS' REQUESTS FOR
COMPENSATION**

(Assigned to the Honorable Paul A. Katz)

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1 Petitioners and Injured Persons, Arizona Nutritional Supplements, Inc., Scoville Press, Inc., and
2 Data Processors International, Inc. d/b/a DPI Merchant Services, petition this Court to set a hearing to
3 establish a briefing schedule addressing the validity of Petitioners' Requests for Compensation and
4 their right to receive compensation from the Estate being administered by the Receiver. Petitioners are
5 former vendors of C.P. Direct. Each sustained economic loss as a direct result of the activities of C.P.
6 Direct or its principals.

7 This matter had been pending before this Court since May of 2002. Despite the passage of over
8 20 months since the inception of this action, the Receiver has yet to formulate and submit for Court
9 approval a procedure to determine the validity of claims and requests for compensation filed by various
10 participants in this litigation. Notwithstanding this failure to address these claims and requests for
11 compensation, the State has entered into a settlement with the Defendants in this action, resulting in the
12 entry of an Order by this Court authorizing, in part, the distribution of approximately \$1 million to
13 Defendants, payment of \$175,000.00 to Defendants' counsel and payment of \$200,000.00 to the
14 Attorney General as attorneys' fees relating to this action. *See* Order Re: Petition No. 23. Moreover,
15 countless distributions have been made to the Receiver's counsel in payment of its fees and to various
16 third parties involved with the administration of the Estate.


17 Counsel undersigned are informed and believe that the State may challenge the validity of the
18 Requests for Compensation filed by Petitioners and seek to bar Petitioners from receiving any
19 compensation from the Estate. Apparently, the State will argue that Petitioners are not, in fact, Injured
20 Persons within the meaning of A.R.S. §13-4301(3), even though C.P. Direct and its principals caused
21 the Petitioners/Vendors to sustain economic loss. No valid reason exists to delay the Court's
22 determination of this purely legal issue. Petitioners recognize that *distributions* likely cannot be made
23 to them until the claims procedure has been formulated and approved. Notwithstanding the same, a
24 determination as to the validity of Petitioners' Requests for Compensation and entitlement to such
25 distributions can be made at the present time and would not impact the Receiver's ability to effectively
26 administer the Estate.

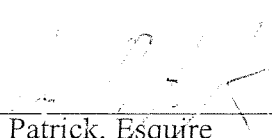
1 For the foregoing reasons, Petitioners hereby request this Court to enter an order setting a
2 hearing to formulate a briefing and hearing schedule to address and determine the validity of
3 Petitioners' respective Requests for Compensation.

4 DATED this 12th day of February, 2004.

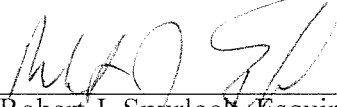
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ROBAINA & PALOMINO, PC

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12 Supplements, Inc.

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13 Services

12 BONNETT, FAIRBOURN,
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14 By 
15 Robert J. Spurlock, Esquire
16 2901 North Central Avenue; Suite 1000
17 Phoenix, Arizona 85012
18 Attorneys for and Scoville Press, Inc.

22 Copy of the foregoing
23 hand-delivered this 12th
24 day of February, 2004, to:

24 Honorable Paul A. Katz
25 Judge of the Superior Court
26 201 West Jefferson
Phoenix, Arizona 85003

1 Copies of the foregoing
2 mailed this 12th day of
February, 2004, to:

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23 By: 
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TERRY GODDARD

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) NO. CV 2002-011275
) (SW2002-000373)

) NOTICE OF LODGING PROPOSED FORM
) OF ORDER REGARDING PETITION 55

) (Assigned to the Honorable Paul A. Katz)

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