

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW HAMPSHIRE**

In Re:

**Financial Resources Mortgage, Inc. and
C L and M, Inc. and
Other Jointly Administered Cases**

**Chapter 7
Case Nos. 09-14565-JMD and
09-14566-JMD
(Jointly Administered)**

Debtor(s)

**Steven M. Notinger, Chapter 7 Trustee
for Financial Resources Mortgage, Inc.
and C L and M, Inc.
and the Following Related Entities:
SMM 2007 Realty Trust,
Greatland Project Development. Inc.,
Dodge Financial, Inc.,
Apple Ridge Provencal Park 2009 Realty Trust,
BD 2009 Realty Trust,
Bennington 2009 Realty Trust,
BFE 2007 Realty Trust,
BFH 2009 Realty Trust,
BSK Realty Trust - '06,
Blackbrook 2009 Realty Trust,
BLB 2007 Realty Trust,
BMMM 2008 Realty Trust,
BORM 2009 Realty Trust,
BS 2007 Realty Trust,
BSA 2006 Realty Trust,
C&K 2006 Realty Trust,
CB 2008 Realty Trust,
CD 2009 Realty Trust,
CD14 2009 Realty Trust,
CEF Trust '08,
CGNM 2008 Realty Trust,
Chickville 2008 Realty Trust,
CMMM 2008 Realty Trust,
CMOR 2009 Realty Trust,
Copper Flats 2008 Realty Trust,
*2008 CPR Trust,***

Adv. Pro: 09-1184-JMD

*Clemson Road 2007 Realty Trust,
Cushing 2008 Realty Trust,
CZ 2007 Realty Trust,
DCRJ 2008 Realty Trust,
Diamond Ranch '08 Realty Trust,
DMNR 2009 Realty Trust,
DNR 2008 Realty Trust,
DR 2008 Trust,
FSF 2008 Realty Trust,
GB 2006 Realty Trust,
Glowing Hearth 2009 Realty Trust,
GNB 2007 Realty Trust,
GQ 2007 Realty Trust,
HAM 2009 Realty Trust,
Horizon Drive 2007 Realty Trust,
HJR 2008 Realty Trust,
JJS 2006 Realty Trust,
JKB 2006 Realty Trust,
JP 2009 Realty Trust,
KBH 2009 Realty Trust,
KBK 2007 Realty Trust,
KCRC 2008 Realty Trust,
KJ 2007 Realty Trust,
KJJJ 2008 Realty Trust,
KR 2008 Realty Trust,
KWS Realty Trust,
Leverette 2007 Realty Trust,
Lilac Valley 2007 Investment Trust,
LW 2007 Realty Trust,
LYF 2007 Realty Trust,
Maynor Lane 2009 Realty Trust,
MGZ 2009 Realty Trust,
Mile Slip 2008 Realty Trust,
MK 2006 Realty Trust,
MK 2007 Realty Trust,
MKL 2006 Realty Trust,
MS 2008 Realty Trust,
MSCRN 2009 Realty Trust,
MT 2007 Realty Trust,
NBC Realty Trust,
NF 2009 Realty Trust,
NJ 2009 Realty Trust,
NM 2008 Realty Trust,
O'Fallon 2008 Realty Trust,*

*OR 2008 Realty Trust,
Red Hill 2009 Realty Trust,
RLL 2007 Realty Trust,
RMBZ 2009 Realty Trust,
RNS 2008 Realty Trust,
ROMCC 2009 Realty Trust,
SDRM 2008 Realty Trust,
SF 2008 Realty Trust,
SGSB 2009 Realty Trust,
SJ 2009 Realty Trust,
SMG 2006 Realty Trust,
SR 2007 Realty Trust,
SR 2008 Realty Trust,
SRJ 2007 Realty Trust,
SS 2007 Realty Trust,
Suwanee 2008 Realty Trust,
TAN 2006 Realty Trust,
Theodore Drive 2007 Realty Trust,
WHRS 2009 Realty Trust,
YRT 2007 Realty Trust,
BZ 2009 Realty Trust,
WMR 2008 Realty Trust,
JD Interstate Realty Trust,
WSW 2007 Realty Trust,
RWDM Realty Trust,
Pine River 2008 Realty Trust,
RDPE Phillipston Realty Trust*

Plaintiff

v.

**Jamie Tebbe, Richard M. Frucci,
Christopher McHallum, Larry Mansfield
James Tebbe, Donald Dodge,
Dodge Financial, Great Land Project
Development, Harry & Thelma Bean,
Beverly & Martin Kopp, Harry &
Priscilla Bean, David Weber, Tammy
Dunn, Alan & Susan McIlvene, Scott &
Ellen Wolff, Drexey Smith, Tinker Road
Development, LLC,
and Jessica Manoukian**

and

**Ambrose, Philip & Gladys,
Ames, Ann-Michele
Apostolos, Vassilios-BSAT
Arbaugh, Randolph/Janet
Arel, David/Carol-CEFT,
Armanno, Jr., Frank
Arnett, John
Baldwin, Johnny
Barker, Bruce
Bean, Harry & Priscilla
Bean, Ronny
Bean, Thelma & Harrry - BLBT
Becker Realty, Inc.
Becker, Gracie Ann
Becker, Virginia
Becker/Lucas - LVRT
Beltran, Eileen SNT
Benedict, Andrew and Loryn-CH8RT
Bernard, Karen and Dan
Bertolami, Tarun
Billin, Carole - PEN
Billin, Robert - PEN
Billy, Ron - PEN
Black, Avion - CEFT
Blakely, Jeffrey & Violet
Blakely, Lucille
Blas, Ruben
Bledsoe, Carl
Bloom, Osnah - PEN
Boender, John
Bramuchi, James
Brandt, Richard - KBHT
Briley, Suzanne
Brooks, Greg
Brown, Donna
Buchart, IRA Svc/Martin
Buffelli, Paul
Bunt, Paul - BLBT
Burnham, Mildred-KBKT
Burns, Terrence and Sue
Butler, Mark
Butler, Randy**

Butler, Valerie - APT2
Byers, Bruce - PEN
C&C Capital Mgmt-CZT
Cargile, Steven - CFRT
Carnevale, Joan-WSJT
Caroselli, Francine
Carter, Tom - PEN
Cason, Antoine - ROMC
Celeste, Jr., Frank-CPRT
Celeste, Joseph-CPRT
Chamberlain, Chris - CH8RT
Chamberlain, Chris - MLT
Cheng, Reiko Rev Trust
Chisenhall, Lonnie - CGNM
Chown, Mark
Chukwurah, Patrick-CMMMS
Chute, Margaret
Cinciripini, A - SMG
Clarke, Steven & Christina
Connery, Andrew-PEN
Connery, Kathleen
Costas/Gallos, C/A
Cote, Elaine - LVRT
Coyne, T. Gary
Crockett, Heidi-TANT
Cruz, Richard - CBT
Daley, Lee
Davis, Denise (Wales)
Davis, Jason
Davis, Jason & Esther
Davis, Robert
de Jurado, Joan
DeCamp, Robert
Del Campo, Lena
DePartout, Paul-GHT
DeVeber, David
Dexter David
DJRL Holdings
Domercant, Henry
Donovan, Ashley
Doshi, Kamal
Dow, Sheri
Dunn, Tammy
Dupont, Carol - BKST

Durham Assoc LP
EAR Daniels Ent, Inc.
Emery, Lin
Engen, Gilbert
Erickson John,
FAK Enterprises, Inc./Karavas, Fred
Falcov, Boris
Fallon, Paula/Joseph
Farah, David/Gloria
Ferris, Suzanne
Financial Resources National
Fleischer, Lane
Frucci, Linda
Frucci, Linda, Trustee
Frucci, Richard M.
Frucci, Richard, Trustee
Funston, Arthur
Funston, Gary
Furgerson, Robert
Gallagher, Ann - PEN
Gallos, Soitirios
Garden, William James- MGZT
Gargasz, Louis
Garneau, Ellen & John
Gates, Don, Tstee
Gates, Donald - PEN
Gates, Donald-CPRT
Gates, Elizabeth
Gates, Elizabeth - PEN
GCX Capital Trust, LLC
Gekas, Kostas & Vissaria
George, James/Laura
Giard, Elizabeth & Milton
Girard/Yeatman, Luke
Girmay, Mebrat - GNBT
Given, Baron
Gluck, Ron and Ruth
Gottlieb, Joseph
Gould, Kurt - PEN
Gray, Quinn-CRT
Greenwell, Shirley
Greenwell, Shirley
Griburas, Evangelos/Grace
Griburas, Grace

Guadagno, Angelo
Guerra, Elda Ferrer
Hackett, Pat
Haislip, Marcus
Hall, Lonnie/Paula
Hansen, Dean
Harding, Edward
Harding, Lee
Harvey, John
Hawkins, Brent
Hebert, Mark
Hebert, Richard Tstee
Hennessey/Emmons
Hertner, Herbert, Tstee
Higgins, Melanie-
Hinton Contracting & Development, Inc.
Hofeman, Robert and Sally - BFHT
How, James/Susan
Howell, Roland-CRT
Hugli, Richard
Integrity Plus/Knittel
Ivanisevic, Stevo
Jackson, Tommy
Jefferson, Jason
Jeffery, Brian
Jenkins, Ralph
Jensen, Ron/Linda
Epson, Britta
JLZ Holdings, Inc.
Johnson, Akyle
Johnson, Albert
Johnson, Donald and Helen
Johnson, Taryn
Johnstone, Mark/Polly
Johnstone, W&J
Jones, Webster
Jurado, Joan
Kanai EQU, Devin
Kanai, Dennis
Kanai, Devin J.
Keating Robert - NTC
Keating Trust, Joanne B.
Keating, Howard
Keating, Kathleen and Robert

Keating, Nellie W.
Keating, Robert
Kelts, Donald
Kennebrook, Kathleen and Jay
Ketchem, Robert
Ketchem, Nathan
Keys Mtg Pool, LLC
Kirkman, Alan
Kirkman, Alan
Kline, Burton, Trustee
Kloepper, Ray
Knob Creek I - CFRT
Knob Creek Partners
Koenigsberg, Justin - PEN
Koenigsberg, Stephen - PEN
Kokkinos, Christopher
Kopp, Martin and Beverly
Krauth, Christopher
Krauth, Richard
Kringel, Margaret Anne
Kurlander, Fred - PEN
Lawton/Yeatman
Lee, Bertell
Lee, Michele
Legant, Lawrence - PEN
Levintan Trust
Levintan, Robert
Livingston, Deborah
Livingston, Stephan
Livingston, Stephan
Livingston, Karen
Locke, Forest
Lucas, William
Lynch, Pamela
MacDonald, Richard
MacLean, George
Maier, Mitch and Karrie
Maizels, Max
Makris, Kosta
Makris, Zoe & Anastasio
Manning, Roy
Mansfield, Larry
Manuel, Marquand
Marino, Francis

Marrone, Steve
Marrs, Ella Maye
Marrs, Marion
Marston, David
Martin, Aaron/Vera
Martino, Peter
Matter, Julie
Maximum Image
McCarthy, Daniel
McCauley, Kerri
McClain, LeRon - CFRT
McClellan, Darrell
McCray, Jr, Bobby - NMT
Mcilvene, Alan and Susan
McKenna, Terry
Mehrez, Robert - PEN
Migliaccio, Phil/Melanie
Millard, Don/Nancy
Miller, Kenneth
Miller, Kenneth
Mills, Michael Garrett
ML Asset Mgmt
Moeller, Dennis
Morris, Terence
Mosley, Jr.,Calvin
Mulherin, Cliff/Trudy
Muradyan, Arman
Murphy, James and Cindy
Neder, Maxwell
Neder, Maxwell
Neidig, Brian
Neidig ,Richard
Nelson, Robert
Neumann, Barry
Nguyen, Nga Tuyet
Nicholas, Andrew
Nichols, Harry
Nichols, Kathy, Trustee
Olsen, Arnold H.
Omiyale, Frank and Molly
Panagakis, Geo
Parks, Kay
Philbrick, Don & Bev
Philbrick, John & Amy

Porter, Pamela
Powell, Kathleen
Prince, George
Provard, Ron
Purens, Solveiga
Quilici, Leona
Quimby, Bruce
Radford, Marjorie B.
Ratliff, Jeremiah
RBF Investments, LLC
RBF Invests - CPRT
Reader, K. Richard
Rech, James
Reddy, Loganathan
RFB Invests
Rhodes, Kelly
Rhodes, Terree
Richter, James
Richter, James
Rizou/Blatsis
Rokeh, Jon
Rokeh, Jon & Beryle
Rollock, Richard
Rose, Cynthia
Ross, Jon/Jane
Roth Berta, LLC
Rothvaughan, LLC
Ryll, Stefan
Sams, Bradley
Sargent, John
Scandrick, Orlando
Schable, Andrew
Schlager, Russell
Schoenig, C. Scott
Schwab, John C - EQ
Scolardi, Daniel
Scott, Elizabeth
Scudder, Susan
Shah/Viral, Tste
Shea, Darlyne
Shea, Darlyne
Shared Towers, VA, LLC
Shelley, John and Linda
Shemesh, Sasson

Shipp, Marcel
Simes, Carol
Simmons, F. William
Simons, Stephen
Simpson, James/Judy
Sisic, Sretenka and Elvis
Skoutelakis, Sylvia
Skoutelakis, Michael
Smick, Van
Smith, David & Diane
Smith, Drexey
Smith, Richard
Sobers, Dolton
Solomon, Neil and Joyce
Sopel, Brent & Kelly
Soper, Judith
Southwest Federated N TX, LP
Spencer, Thomas and Kris
Spinale, Frances
Spruce Mountain
Square Hill Partners
Steiner, Raymond
Stillings, Cory
Stockman, Garrick
Stockman, Lynn
Strake, Dennis and Shirley
Strake, James and Jill
Strake, Dennis
Strock, Arthur
Sullivan, Kevin
Sun State International, Inc.
Sun State Prop - CKT
Tamposi, Samuel A., III
Tampasis, Barbara, Fotios, Gus, Nickos
Tayler, Patricia
Tebbe, Anthony and Susan
Tebbe, Jamie and Robyn
Thole, Paul and Rita
Thomas, Charles Pierre
Tomao, Ernestine
Tompson, Mark
Tompson/Morrison
Tork, Gregory
Tucker, James K - EQ

Vasquez-Billin, Rachel
Vergara, Anthony/Maureen
Vroman, Jackson
Wales, Denise- LWT
Wales, Gail
Wales, Robert
Ward, Brenda Simmons
Wasko, Frank
Watkins, Stephen & Michelle
Weaver, Suzanne - PEN
Weyrauch, Shawn
White, D.C.
Whiting, Peter - PEN
Wildes, Douglas
Wile, Jacqueline & Richard
Wilkins, Donald and Lois
Williams, Chad
Workman, Todd
Yasnowsky, Bryan
Yeatman, Tammy
YR Investments, LLC
Zempel, Mark
Zempel, Mark
Zito, Jay

Defendants

**AMENDED VERIFIED COMPLAINT PURSUANT TO 11 U.S.C. §105 FOR
TEMPORARY RESTRAINING ORDER, A PRELIMINARY INJUNCTION, AND A
PERMANENT INJUNCTION TO PREVENT THE NON-DEBTOR PARTIES FROM
CONTINUING TO LITIGATE CLAIMS, FROM CONTINUING TO FORECLOSE ON
POTENTIAL DEBTOR ASSETS AND FROM CONTINUING TO COLLECT ANY
PAYMENTS OR TAKE ACTION AGAINST ANY COLLATERAL FROM ANY PRE-
PETITION LOAN TRANSACTIONS INVOLVING THE DEBTORS
AND DECLARATORY JUDGMENT THAT CERTAIN REAL ESTATE, NOTES,
MORTGAGES, MORTGAGE DEEDS, DEEDS OF TRUST OR OTHER PROPERTY
HELD BY TRUSTS AND/OR ENTITIES RELATED TO C L & M, INC. AND/OR THIRD
PARTY INDIVIDUALS OR ENTITIES ARE PROPERTY OF THE C L & M, INC.
BANKRUPTCY ESTATE AND FOR FRAUDULENT TRANSFER**

INTRODUCTORY STATEMENT

NOW COMES Steven M. Notinger, Chapter 7 Trustee (“the Trustee”) for the bankruptcy estates of Financial Resources Mortgage, Inc.(“FRM”) and of C L & M, Inc. (“CLM”) and the trust and corporate entities related thereto listed in the caption of this Amended Complaint (collectively “the Debtors”), and brings this Complaint pursuant to 11 U.S.C. §105 seeking a Temporary Restraining Order, and after appropriate hearing(s), a 90-Day Injunction enjoining the defendants and all other unnamed John Doe “lenders” to over 500 “loans” and “mortgages”, which were funded by Financial Resources and/or CLM, but are in the name of trusts or individual lenders, not in the name of Financial Resources or CLM (collectively the “Fraudulent Transactions”) organized and financed by one or both of the Debtors (1) from litigating claims with respect to the Fraudulent Transactions, (2) from foreclosing on property or taking any other action which is the subject of one or more of the Fraudulent Transactions, (3) from disbursing funds or transferring property obtained from any Fraudulent Transaction, (4) from collecting any sums from one or more of the Fraudulent Transactions, and (5) from attempting to improve any position with respect to the property which is the subject of one or more of the Fraudulent Transactions. The Trustee seeks a temporary 90-day Injunction to enable him to investigate the affairs of the Debtors and take a position with respect to each of the Fraudulent Transactions. At the present time, the trustee does not have complete bank account records and cannot determine the source and use of funds from these lending transactions. The Trustee has, by 2004 exam, requested financial records from the banks so the books of the companies can be reconstructed. However, the records will take time to obtain and reconstruct.

The Trustee also proposes a procedure pursuant to which, during the 90-Day Injunction period, any “lender” with respect to any Fraudulent Transaction can gain a determination from the Trustee as to whether the Trustee intends to claim an interest in the property subject to the

Fraudulent Transaction or relinquish any such interest. At this time there is litigation in several courts and self-help actions. These self-help actions are proceeding notwithstanding the fact that the Trustee has notified all borrowers and many lenders of the Trustee's interest in all of the loans and collateral. The Trustee's interest arises from the fact that all monies were funneled through the Debtors. The only way to stop such litigation and self-help action and have an orderly resolution of the claims and asset recovery in this case is to extend the automatic stay to all lenders and borrowers to prevent the liquidation of assets without knowledge or action by the Trustee or the Court. Through this motion the Trustee seeks to extend the stay, freeze all collection activities and have a procedure approved whereby all loan transactions involving these Debtors are passed upon by the Trustee (and the Court) before any action can be taken by a given "lender".

11 U.S.C. §105 has been repeatedly used by bankruptcy courts to expand the automatic stay to non-debtors to insure the proper administration of bankruptcy cases. In this case all funds paid out for over 500 loans were initially paid directly to the Debtors, commingled and stolen from the Debtors, yet most of the loans and mortgages are in the names of non-debtors. The Trustee requires the expansion of §105 to cover all non-debtor lenders to prevent unilateral action by these parties and to allow the Trustee to obtain missing financial records and determine the appropriate action to take with regard to each lender, the collateral and the borrowers. In addition, until such determinations are made by the Trustee and the Court, all borrowers should be ordered to pay the Trustee directly any monthly payments. The Trustee should have the authority to act to resolve any loans with the understanding all funds will be held until further order of the Court.

The Trustee also seeks, pursuant to Fed.R. B.Pro. 7001, in Counts I, II and III of this Amended Complaint, a declaratory judgment from the Court, declaring that any notes, mortgages,

mortgage deeds, deeds of trust, assignments or other assets held by the trust or corporate entities listed in the Plaintiff caption of this Amended Complaint are property of the bankruptcy estate of C L & M, Inc. pursuant to 11 U.S.C. §541, and therefore, other parties, including all of the Defendants named herein, are permanently enjoined from liquidating those assets, which will be liquidated by the Trustee for the benefit of all creditors of C L & M, Inc. and distributed equitably in accordance with the Bankruptcy Code. The Trustee requests the same relief in Count III regarding any notes, mortgages, mortgage deeds, deeds of trust, assignments or other assets related to a CLM/FRM mortgage titled in the name of any individual or unrelated third party entity held by the trust or corporate entities listed in the Plaintiff caption of this Amended Complaint are property of the bankruptcy estate of C L & M, Inc. pursuant to 11 U.S.C. §541. Finally the Trustee requests that certain transfers of property be ruled fraudulent transfers and that the Trustee be granted a permanent injunction enjoining third parties from collecting, foreclosing on or otherwise interfering with any property awarded to the Trustee as part of this action.

The Trustee states the following in support of this Amended Complaint:

PARTIES

1. Plaintiff Steven M. Notinger is the Chapter 7 Trustee (“Trustee”) for the bankruptcy estates of Financial Resources Mortgage, Inc. (“FRM”) and of C L and M, Inc. (“CLM”). Trustee Notinger was appointed Interim Trustee by the U.S. Bankruptcy Trustee on November 26, 2009. On December 3, 2009 the Trustee was appointed Trustee for FRM and CLM by the U.S. Trustee and this Court confirmed Trustee Notinger’s appointment as Trustee for both FRM and CLM.

2. Defendant Jamie Tebbe a/k/a James Tebbe is a resident of 147 Knob Creek Lane, O'Fallon, Illinois. Tebbe is a financial planner who invested his own funds into FRM and/or CLM loans, as well as having numerous clients who invested in the subject loans.

3. Defendant Richard M. Frucci's address is 40 Barber Pole Road, Mirror Lake, NH. Individually and as the trustee of the Richard M. Frucci Realty Trust, Mr. Frucci claims to be a "lender" with respect to property which is involved in one or more of the Fraudulent Transactions (collectively part of the "Defendant Lenders").

4. Defendant Atty. Christopher McHallum is an attorney with the law firm of Borchers, Ware & Guglielmo, P.C. whose office is located at 77 Main Street, Medway, Massachusetts 02053. Atty. McCallum is handling a foreclosure auction for Richard Fucci on property which was in the subject of a Fraudulent Transaction. The foreclosure scheduled to be held on December 14, 2009.

5. Defendant Larry Mansfield is a resident of 4012 F Circle, Washougal, Washington 98671. He claims to be a "lender" to Lonnie White and to trusts and/or other individuals with respect to property which is involved in one or more of the Fraudulent Transactions. (collectively part of the "Defendant Lenders").

6. Defendant James Tebbe is a resident of 146 Knob Creek Lane, O'Fallon, Illinois 62269. Tebbe is a financial planner who invested his own funds into FRM and/or CLM loans, as well as having numerous clients who invested in the subject loans.

7. Defendant Donald Dodge is principal of Dodge Financial, Inc. ("Dodge Financial") and is a resident of 28 Kayla Drive, Belmont, NH 03222. He is an insider of FRM, CLM, Dodge Financial and Greatland Project Development, Inc.

8. Debtor/Defendant Dodge Financial, Inc. is a New Hampshire Corporation which

served as the trustee of approximately ninety trusts which were organized by FRM and/or CLM to hold interest in real estate as part of the fraudulent scheme run by FRM and CLM. Dodge Financial is listed as a Defendant herein for Counts I-III below on the issues of declaratory judgment on whether it is an alter ego of C L & M, Inc. and whether any assets titled in it should become part of the estate of CLM for liquidation and equitable distribution to all CLM creditors.

9. Debtor/Defendant Greatland Project Development, Inc. (“Greatland”) is a New Hampshire corporation owned and operated by Donald Dodge and/or Scott D. Farah which was involved in various Fraudulent Transactions, including granting and holding numerous mortgages, even though it had no bank account of its own or any independent source of income, other than funds provided by CLM. It is listed as a Defendant for purposes of Counts I-III below on the issues of declaratory judgment on whether it is an alter ego of C L & M, Inc. and whether any assets titled in it should become part of the estate of CLM for liquidation and equitable distribution to all CLM creditors.

10. Defendants Harry and Thelma Bean are residents of 256 Saltmarsh Pond Road, Gilford, New Hampshire 03249. They claim to be “lenders” to the BLB 2007 Realty Trust and the TPHB 2009 Realty Trust, trusts which are legal title holders of real estate involved in one or more of the Fraudulent Transactions (collectively part of the “Defendant Lenders”).

11. Defendants Beverly and Martin Kopp are residents of 11 Webster Street, Hull Massachusetts 02045-2314. They claim to be “lenders” to the KBH 2009 Realty Trust, a trust which is the legal title holder of real estate involved in one or more of the Fraudulent Transactions (collectively part of the “Defendant Lenders”).

12. Defendants Harry H. and Priscilla Bean are residents of 234 Saltmarsh Pond Road,

Gilford, New Hampshire 03249. They claim to be “lenders” to the Lilac Valley Investment Trust 2007, the JKB 2006 Realty Trust, and the TPHB 2009 Realty Trust, trusts which are the legal title holders of real estate involved in one or more of the Fraudulent Transactions (collectively part of the “Defendant Lenders”).

13. Defendant David Weber is a resident of 224 Morrill Street, Gilford, NH 03249. He claims to be a “lender” to the TAN 2006 Realty Trust, a Trust which is the legal title holder of real estate involved in one or more of the Disputed Transactions (collectively part of the “Defendant Lenders”).

14. Defendant Tammy Dunn is a resident of 217 Garfield Street, Laconia, New Hampshire 03246. She claims to be a “lender” to The Leverett 2007 Realty Trust, a trust which is the legal title holder of real estate involved in one or more of the Fraudulent Transactions (collectively part of the “Defendant Lenders”).

15. Defendants Alan and Susan McIlvene are residents of 33 Pocahontas Road, Kittery Point Maine 03905. They claim to be “lenders” to the 2008 CPR Trust and the CEF Trust, trusts which is the legal title holders of real estate involved in one or more of the Fraudulent Transactions (collectively part of the “Defendant Lenders”).

16. Defendants Scott and Ellen Wolff are residents of 224 Morrill Street, Gilford, New Hampshire 03249. They claim to be “lenders” to the A. Ridge Realty Trust (aka the Apple Ridge Provencal 2009 Realty Trust), a trust which is the legal title holder of real estate involved in one or more of the Fraudulent Transactions (collectively part of the “Defendant Lenders”).

17. Defendant Drexley Smith is a resident of 1101 2nd Street No., St. Petersburg, Florida 33701. He claims to be a “lender” to various trusts which are the legal title holders of real estate

involved in one or more of the Fraudulent Transactions (collectively part of the “Defendant Lenders”).

18. Defendant Tinker Road Development LLC is a New Hampshire limited liability company with an address of 253 Main Street, Nashua, New Hampshire 03060 (“TRD”). TRD has brought an action in the Hillsborough County Superior Court regarding numerous Fraudulent Transactions.

19. Defendant Jessica Manoukian is a resident of 6 Powers Road, Hollis, New Hampshire 03049. She has brought an action in the Hillsborough County Superior Court regarding numerous Fraudulent Transactions.

19A. The following entities are trusts set up by FRM, CLM and/or their principals, Scott D. Farah and Donald E. Dodge, or their related entity, Dodge Financial, Inc. to hold and/or grant notes and mortgages or assignments thereof funded with monies which were paid by the Defendant Lenders into CLM: SMM 2007 Realty Trust, Apple Ridge Provencal Park 2009 Realty Trust, BD 2009 Realty Trust, Bennington 2009 Realty Trust, BFE 2007 Realty Trust, BFH 2009 Realty Trust, BSK Realty Trust - ‘06, Blackbrook 2009 Realty Trust, BLB 2007 Realty Trust, BMMM 2008 Realty Trust, BORM 2009 Realty Trust, BS 2007 Realty Trust, BSA 2006 Realty Trust, C&K 2006 Realty Trust, CB 2008 Realty Trust, CD 2009 Realty Trust, CD14 2009 Realty Trust, CEF Trust ‘08, CGNM 2008 Realty Trust, Chickville 2008 Realty Trust, CMMM 2008 Realty Trust, CMOR 2009 Realty Trust, Copper Flats 2008 Realty Trust, 2008 CPR Trust, Clemson Road 2007 Realty Trust, Cushing 2008 Realty Trust, CZ 2007 Realty Trust, DCRJ 2008 Realty Trust, Diamond Ranch ‘08 Realty Trust, DMNR 2009 Realty Trust, DNR 2008 Realty Trust, DR 2008 Trust, FSF 2008 Realty Trust, GB 2006 Realty Trust, Glowing Hearth 2009 Realty Trust, GNB 2007 Realty Trust,

GQ 2007 Realty Trust, HAM 2009 Realty Trust, Horizon Drive 2007 Realty Trust, HJR 2008 Realty Trust, JJS 2006 Realty Trust, JKB 2006 Realty Trust, JP 2009 Realty Trust, KBH 2009 Realty Trust, KBK 2007 Realty Trust, KCRC 2008 Realty Trust, KJ 2007 Realty Trust, KJJJ 2008 Realty Trust, KR 2008 Realty Trust, KWS Realty Trust, Leverette 2007 Realty Trust, Lilac Valley 2007 Investment Trust, LW 2007 Realty Trust, LYF 2007 Realty Trust, Maynor Lane 2009 Realty Trust, MGZ 2009 Realty Trust, Mile Slip 2008 Realty Trust, MK 2006 Realty Trust, MK 2007 Realty Trust, MKL 2006 Realty Trust, MS 2008 Realty Trust, MSCRN 2009 Realty Trust, MT 2007 Realty Trust, NBC Realty Trust, NF 2009 Realty Trust, NJ 2009 Realty Trust, NM 2008 Realty Trust, O'Fallon 2008 Realty Trust, OR 2008 Realty Trust, Red Hill 2009 Realty Trust, RLL 2007 Realty Trust, RMBZ 2009 Realty Trust, RNS 2008 Realty Trust, ROMCC 2009 Realty Trust, SDRM 2008 Realty Trust, SF 2008 Realty Trust, SGSB 2009 Realty Trust, SJ 2009 Realty Trust, SMG 2006 Realty Trust, SR 2007 Realty Trust, SR 2008 Realty Trust, SRJ 2007 Realty Trust, SS 2007 Realty Trust, Suwanee 2008 Realty Trust, TAN 2006 Realty Trust, Theodore Drive 2007 Realty Trust, WHRS 2009 Realty Trust, YRT 2007 Realty Trust, BZ 2009 Realty Trust, WMR 2008 Realty Trust, JD Interstate Realty Trust, WSW 2007 Realty Trust, RWDM Realty Trust, Pine River 2008 Realty Trust, RDPE Phillipston Realty Trust (“the Disputed Debtor Trusts”).

19B. The Trustee was appointed as Receiver of the Disputed Debtor Trusts by the Belknap County (State of New Hampshire) Superior Court on January 26, 2010 for the stated purpose of filing the Disputed Debtor Trusts into bankruptcy so that one Court could address the numerous fraud and creditor claims that had arisen with regard to FRM and CLM and their related entities, including the Disputed Debtor Trusts and their trustee, Dodge Financial. The Trustee has been appointed Chapter 7 Trustee of the Disputed Debtor Trusts.

19C. The Trustee is also the Chapter 7 Trustee for Dodge Financial, Inc., which was owned and operated by Donald E. Dodge and which was the Trustee for all the Disputed Debtor Trusts during the time which CLM and/or FRM engaged in the conduct which is complained of in this Amended Complaint.

19D. The Trustee is also the Chapter 7 Trustee for Greatland Project Development, Inc., a New Hampshire corporation owned and operated by Donald Dodge and/or Scott D. Farah which was the named lender on numerous notes and mortgages actually funded by C L & M, Inc. and which assigned many of its notes and mortgages to other CLM lenders.

19E. All Defendants listed in the caption in alphabetical order, starting with Phillip and Gladys Ambrose, and ending with Jay Zito, are all of those persons or entities who have been identified as of November 20, 2009 as current “lenders” or “investors” in an FRM/CLM-related mortgage, either: 1) directly, as a named mortgagee or assignee, who paid funds into CLM for any interest in a promissory note and/or mortgage; or 2) as a beneficiary of any of the Disputed Debtor Trusts, who paid funds into CLM for participation interests in said Disputed Debtor Trusts, which in turn held various notes and mortgages through trustee Dodge Financial, Inc. (collectively part of the “Defendant Lenders”).

JURISDICTIONAL STATEMENT

20. Jurisdiction of this Court is premised upon 28 U.S.C. §1334(b) and 28 U.S.C. §157(b)(2)(O), and this matter is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(A) and (O).

FACTS

**FRM and CLM Have Been Running a Fraudulent Scheme
Since at Least June, 2005**

21. Until November, 2009, FRM and CLM were in the business of raising funds and organizing and funding purported real estate transactions. The ultimate purpose and/or result of their operations was a fraudulent “Ponzi” scheme organized to defraud investors and the public.

22. During the course of the operations of FRM and CLM, Scott Farah, the principal of FRM and a principal of CLM (along with Donald Dodge), also now a Chapter 7 Debtor in this Court under Case No. 09-14902-JMD, through both FRM and CLM, raised at least \$82 million from investors based upon false representations that invested funds would be invested in real estate loans that were identified by FRM and CLM.

23. Over the course of more than four years Scott Farah and/or Donald Dodge, and/or Dodge Financial and/or Greatland improperly took funds from CLM and/or FRM. Attached as Exhibit C is a promissory note showing a debt in the amount of \$20,348,321.43 from Scott Farah to CLM (the “Stolen Funds Promissory Note”). The original Stolen Funds Promissory Note was for the principal amount of \$10,000,000 and was dated June 1, 2005. Farah revised this Stolen Funds Promissory Note on November 5, 2009 to increase the amount due from \$10,000,000 to \$20,348,321.43. Attached to the Stolen Funds Promissory Note is a schedule showing the funds improperly taken by Farah from CLM. The schedule shows that Farah improperly took \$20,348,321.43 from CLM since June, 2005.

24. The Trustee has engaged Verdolino and Lowey, P.C. and Craig Jalbert as forensic accountants in this case. According to the investigation of Mr. Jalbert, FRM and CLM’s fraudulent scheme to defraud investors and the public began no later than June, 2005 when the Stolen Funds Promissory Note indicates that Farah began stealing money from FRM and/or CLM. According to Mr. Jalbert, further investigation may reveal that the fraud run by FRM and CLM and Farah’s thefts

began earlier than June, 2005.

25. After June, 2005, CLM and FRM did not have sufficient funds to cover the obligations it was incurring and/or to return funds collected from the purported investors with CLM and FRM. Attached as Exhibit D is a package of documents from Frank Marino who invested \$262,000 with CLM in October, 2009. Mr. Marino never got any real estate investment, mortgage or any other asset of value as a result of his investment. There were many other investors who invested money into FRM and/or CLM who got no real estate investment, mortgage or other asset(s) of value as a result of their investments.

26. By November, 2009, Farah had stolen and/or diverted so much from FRM and/or CLM that FRM and CLM had no funds to meet their obligations. FRM and CLM abandoned the offices they occupied at 15 Northview Drive, Meredith, New Hampshire. Three creditors put FRM and CLM into involuntary bankruptcy with the assistance of the New Hampshire Attorney General's Office. On the Petition Date, November 20, 2009, CLM had approximately 500 active loans on its books showing a value of approximately \$82,000,000.00.

27. As part of the scheme to defraud investors and the public, FRM and CLM organized numerous real estate transactions through approximately ninety Disputed Debtor Trusts created by FRM and/or CLM and/or Dodge Financial, Inc. FRM and CLM raised money from investors, which was deposited into CLM's general accounts, and then created a Disputed Debtor Trust and loan documents purporting to give the Disputed Debtor Trust a mortgage in the property of a borrower (the "Fraudulent Trust Transactions"). From records recovered so far, virtually all deposits by investors for mortgage or trust interests, including those made by the Defendant Lenders herein, were made into the general accounts of CLM.

27A. Many of the loans made as part of the Fraudulent Trust Transactions were construction loans which were net funded with closing costs and small disbursements at closing, then partially or fully funded over time with the funds of later investors in CLM, but some of the loans were not funded at all or were not fully funded. FRM and/or CLM and/or Dodge Financial sold interests in the Disputed Debtor Trusts to investors, including some of the Defendant Lenders herein. FRM and CLM also arranged Fraudulent Trust Transactions in which the original mortgage was held by Greatland, a corporation owned and controlled by Dodge, Farah, FRM and/or CLM, even though Greatland had no bank account and no independent source of funds, other than funds from CLM. Greatland then sometimes assigned the purported mortgage from Greatland to other investors in CLM. This practice appears to have resulted in some loans being “funded” twice by CLM, once when CLM gave Greatland the funds for the initial mortgage, and again when CLM took in new funds from investors who purchased partial assignments of the same mortgage from Greatland.

28. The trustee of all or most of the Disputed Trusts was Dodge Financial. Donald Dodge was the principal of Dodge Financial. Donald Dodge along with Scott Farah controlled the funds coming into FRM and/or CLM. Dodge Financial also had its offices at 15 Northview Drive, Meredith. Donald Dodge and Dodge Financial abandoned the offices at the same time that FRM and CLM did.

29. Also as part of the scheme to defraud investors and the public, FRM and CLM organized numerous real estate transactions without organizing a Disputed Debtor Trust. In these transactions, FRM and/or CLM raised money directly from investors, which was deposited into CLM’s general accounts, and then created loan documents purporting to give an investor a

mortgage in property of a borrower to whom a loan may or may not have been made (the “Fraudulent Direct Transactions”). The Trustee has also uncovered instances where an investor was told that it was investing in a particular mortgage and paid its funds into CLM, but mortgage documents were never recorded to secure the investment.

30. In all of the Fraudulent Trust Transactions and the Fraudulent Direct Transactions, investors wrote checks or wired funds to CLM and/or FRM. In rare instances monies were initially forwarded by an investor to CLM’s attorney’s firm, Gould & Burke, PLLC, which would then send net funds not disbursed at closing to CLM. All investor funds were funneled into CLM and/or FRM; which then co-mingled all investor monies in its general accounts and funded whatever transactions needed funding, without regard to whose funds went where. The Trustee is not aware of a single Fraudulent Trust Transaction or Fraudulent Direct Transaction in which any investor directly and/or fully funded a loan. In addition, the records uncovered so far by the Trustee indicate many fraudulent practices utilized by CLM and its related entities named herein which show most, if not all, investors’ funds were not used to fund their particular “loan” or “loans.”

31. CLM and FRM commingled all investor funds. Then CLM and/or FRM funded each Fraudulent Trust Transaction and each Fraudulent Direct Transaction out of commingled funds, often funding transactions, partially or fully, with funds collected from later or different investors from the ones who were supposedly assigned to that particular loan transaction.

32. At the time of all Fraudulent Trust Transactions and the Fraudulent Direct Transactions organized after June, 2005, FRM and CLM did not have sufficient money to fund its obligations. FRM and CLM always used funds collected from later or different investors to fund the Fraudulent Trust Transactions and the Fraudulent Direct Transactions, including interest

payments to investors, including the Defendant Lenders named herein, and disbursements due to construction loan borrowers. CLM's records show towards the end of its existence it paid out over \$600,000.00 per month in interest payments to its investors alone.

33. In the vast majority of the Fraudulent Trust Transactions and the Fraudulent Direct Transactions which were actually funded, the loan documents required the borrower to fund one year to eighteen months of "prepaid interest" out of the loan proceeds ("False Prepaid Interest"). According to FRM and/or CLM this False Prepaid Interest would be held "in escrow" and paid out to the investor(s) in that particular loan over the period set forth in the loan documents.

34. However, CLM and/or FRM did not actually retain the False Prepaid Interest, and did not maintain any "escrow" accounts. Until November, 2009 CLM and/or FRM made payments of False Prepaid Interest to investors in the Fraudulent Trust Transactions and the Fraudulent Direct Transactions. However the funds necessary for such False Prepaid Interest payments came from the funds in CLM's general accounts forwarded by later investors. The Trustee has discovered in the offices of FRM/CLM \$689,000 of checks designed to pay False Prepaid Interest for the month of November, 2009. However, CLM and/or FRM did not issue the checks of False Prepaid Interest for November, 2009, because there were no funds in the bank accounts to cover such payments and insufficient funds from new investors to cover the November, 2009 payment of False Prepaid Interest.

The Frucci Foreclosures

35. Defendant Richard Frucci ("Frucci") has scheduled a foreclosure on one of the properties involved in a Fraudulent Direct Transaction. The foreclosure is scheduled for December

14, 2009. Attached as Exhibit E is the foreclosure notice for such foreclosure. Defendant Atty. Christopher McHallum is the attorney handling this foreclosure.

36. Frucci's counsel has indicated that Frucci has foreclosed on two other properties involved in either Fraudulent Direct Transactions or Fraudulent Trust Transactions before the commencement of the bankruptcy proceedings. Attached as Exhibit F is a letter from counsel for Frucci indicating that Frucci took back two condominiums which were the subject of Fraudulent Direct Transactions or Fraudulent Trust Transactions and that Frucci has such condominiums under purchase and sale agreements. (Collectively the foreclosures referred to in Paragraphs 34 and 35 shall be referred to as the "Frucci Foreclosures.")

37. The Trustee and the Debtors would be irreparably harmed by the transfer of funds or property obtained through any of the Frucci Foreclosures if it is ultimately determined by this Court that the real estate foreclosed upon was part of the estate of the Debtors, particularly the estate of CLM, which funded the transactions in question.

Defendant Tebbe's Attempts to Collect

38. Tebbe is a financial planner who invested his own funds into FRM and/or CLM loans, as well as having numerous clients who invested in the subject loans.

39. Tebbe has attempted to persuade borrowers in Fraudulent Trust Transactions and Fraudulent Direct Transactions to pay interest to investors rather than to pay CLM, FRM or the Trustee.

40. Tebbe has contacted Jason Michaels, a borrower involved in one of the Fraudulent Trust Transactions. Michaels wishes to refinance his loan. Upon information and belief, Tebbe is pressuring Michaels to refinance his loan and pay the beneficiaries of the Fraudulent Trust and not

pay any of the proceeds of the new loan to the Trustee or the Debtors.

41. The Trustee and the Debtors would be irreparably harmed if Tebbe is successful in persuading borrowers in Fraudulent Trust Transactions and/or Fraudulent Direct Transactions to pay investors directly rather than to pay the Debtors' estates, particularly the estate of CLM which funded the transactions in question.

The Mansfield Foreclosure

42. Defendant Larry Mansfield ("Mansfield") is attempting to foreclose on property which was the subject of a Fraudulent Trust Transaction or a Fraudulent Direct Transaction organized by CLM and/or FRM in approximately August, 2007.

43. Mansfield, through his attorneys Gould & Gould, has scheduled a foreclosure on the property on February 15, 2010 (the "Mansfield Foreclosure"). Attached as Exhibit G is correspondence from Mansfield's counsel forwarding documents related to the Mansfield Foreclosure. Although the documents suggest that the foreclosure is scheduled for December 15, 2009, Gould & Gould has indicated that the foreclosure has been delayed until February 15, 2010.

44. The Trustee and the Debtors would be irreparably harmed by the transfer of funds or property obtained through the Mansfield Foreclosures if it is ultimately determined by this Court that the real estate foreclosed upon was part of the estate of the Debtors, particularly the estate of CLM, which funded the transactions in question.

Other Foreclosures

45. There may be other investors involved in Fraudulent Trust Transactions and/or Fraudulent Direct Transactions who are attempting to foreclose, or who have foreclosed on the real estate involved in such Fraudulent Transactions.

46. The Trustee and the Debtors would be irreparably harmed by the transfer of funds obtained through any foreclosures if it is ultimately determined by this Court that the real estate foreclosed upon was part of the estates of the Debtors, particularly the estate of CLM.

Investor Lawsuits

47. Defendants Harry and Thelma Bean, Beverly and Martin Kopp, Harry and Priscilla Bean, David Weber, Tammy Dunn, Alan and Susan McIlvene, Scott and Ellen Wolff, and Drexey Smith have brought lawsuits in the Belknap County Superior Court in an attempt to gain control of certain Disputed Debtor Trusts and presumably to collect interest or profits from borrowers involved in Fraudulent Trust Transactions (the “Belknap County Lawsuits”).

48. Defendants TRD and Jessica Manoukian have brought an action against various Disputed Debtor Trusts in the Hillsborough County Superior Court. The suit alleges that FRM and/or CLM raised \$3.5 million in funds from investors, committed to loan TRD and Manoukian \$3.5 million but only funded the loans in the amount of \$125,000 (the “TRD/Manoukian Lawsuit”). A copy of the TRD/Manoukian Petition for Declaratory Judgment is attached as Exhibit H.

49. Other investors may have brought lawsuits in order to try to collect monies from the borrowers involved in Fraudulent Trust Transactions and/or Fraudulent Direct Transactions.

50. The Trustee and the Debtors, particularly CLM, would be irreparably harmed if investors were able to gain control of property and or income from real estate involved in Fraudulent Trust Transactions or Fraudulent Direct Transactions through the Belknap County Lawsuits, the TRD/Manoukian Lawsuit, or other lawsuits if it is ultimately determined by this Court that the notes, mortgages, assignments, real estate and/or other property that ~~is~~ are the subject of such litigation is part of the estates of the Debtors, particularly Debtor CLM.

Investor Collections

51. The Trustee has learned of various investor attempts, some of them successful, to collect funds in the form of interest or profits from the borrowers involved in Fraudulent Trust Transactions and/or Fraudulent Direct Transactions.

52. The Trustee and the Debtors are irreparably harmed by the collection of funds from borrowers by investors if it is ultimately determined by this Court that the notes, mortgages, assignments, real estate and/or other property that is are involved in Fraudulent Trust Transactions and/or Fraudulent Direct Transaction, and the income derived from same, is part of the estates of the Debtors, particularly Debtor CLM.

The Smith Attempt to Improve Security

53. Defendant Drexey Smith (“Smith”), presumably as investor with CLM and/or FRM, has informed the Trustee that he is attempting to gain additional liens against property that was the subject of one or more Fraudulent Trust Transactions or Fraudulent Direct Transactions. Attached as Exhibit I is an email from Smith explaining his attempts to gain stronger liens with respect to such real estate.

54. There may be other investors who are trying to improve their security over property involved in Fraudulent Trust Transactions and/or Fraudulent Direct Transactions in a similar fashion to Smith.

55. The Trustee and the Debtors would be irreparably harmed by successful attempts by investors to improve liens or security in real estate involved in Fraudulent Trust Transactions and/or Fraudulent Direct Transactions if it is ultimately determined by this Court that the notes, mortgages, assignments, real estate and/or other property that is are involved in Fraudulent Trust Transactions

and/or Fraudulent Direct Transactions is part of the estates of the Debtors, particularly Debtor CLM.

Dodge, Dodge Financial and Great Land

56. Defendants Donald Dodge would not consent to file an individual bankruptcy petition, so the Trustee filed the Receivership Estate of Donald Dodge into Chapter 7 (since he was appointed as Receiver over the “interests” of Donald Dodge) and it is now pending in this Court as Case No. 10-10575-JMD. Dodge Financial and Greatland have now been put into bankruptcy and are pending under Case Nos. 10-10276-JMD and 10-10278-JMD respectively. Dodge Financial, of which Donald Dodge is the principal, is the trustee on the Disputed Debtor Trusts which are part of the Fraudulent Trust Transactions.

57. Greatland was often the initial mortgagee with respect to various Fraudulent Trust Transactions and Fraudulent Direct Transactions, even though it had no bank account(s) or source of funding other than CLM. Donald E. Dodge signed all documents on behalf of Greatland as its President and duly authorized officer.

58. The Trustee and the Debtors, particularly CLM, would be irreparably harmed if Dodge Financial, Dodge or Greatland were able to collect interest payments from borrowers from the Fraudulent Trust Transactions without repayment to CLM’s estate and its creditors.

59. Under established principles of law, this Court, pursuant to 11 U.S.C. §105, can extend the automatic stay and enjoin the actions of non-debtor parties. In re Johns Mansville Corp., 26 B.R. 420, 426 (Bankr. S.D.N.Y. 1983), aff’d. 40 B.R. 219 (S.D.N.Y. 1984), rev’d in part on other grounds, 41 B. R. 926 (S.D.N.Y. 1984); In re American Film Technologies, 175 B.R. 847 (Bankr. D.Del. 1994).

THE TRUSTEE’S LIKELIHOOD OF SUCCESS

60. Based upon the foregoing facts, the Trustee is likely to succeed on the claim that collateral which is the subject of the Fraudulent Trust Transactions and the Fraudulent Direct Transactions is property of the bankruptcy estate of the Debtor, CLM.

61. Based upon the foregoing facts, the Trustee is likely to succeed on the claim that interest paid by borrowers involved in the Fraudulent Trust Transactions and the Fraudulent Direct Transactions is property of the bankruptcy estate of the Debtor; CLM.

62. Delaying actions to recover property and interest by investors for a period of 90 days will not cause harm to investors in FRM and CLM. The 90-day delay will give the Trustee time to investigate the records of FRM and CLM and make at least an initial determination regarding the state of the property which is subject to the Fraudulent Trust Transactions and the Fraudulent Direct Transactions. A balancing of the harms to the various parties that would flow from the issuance of a Temporary Restraining Order and of a temporary 90-Day Injunction favors the issuance of the Temporary Restraining Order and the issuance of the 90-Day Injunction.

63. Public policy requires the grant of relief. Congress enacted the bankruptcy laws and created an automatic stay so that no one could take action or improve their position after a bankruptcy case was filed. This is precisely why the granting of a restraining order under §105 expanding the automatic stay over non-debtors who received funds from this ponzi scheme is central to the administration of the bankruptcy laws.

ADDITIONAL FACTS COMMON TO ALL COUNTS

64. The Trustee repeats and re-alleges Paragraphs 1-63 herein.

65. In virtually all of the mortgage loans connected with CLM and FRM, FRM, through its principal, Scott Farah, solicited both “borrowers” who were looking to borrow funds, and

“investors” who wanted to fund mortgage loan transactions for promised high rates of return, and “matched” them up for mortgage loan transactions. CLM was designated as the “servicing agent” for the loans and mortgages arranged by FRM, but in reality, CLM was the bank where all funds from both investors and borrowers were deposited and disbursed at the discretion of CLM. Although Donald Dodge is listed as the principal of CLM, both Scott Farah and Donald Dodge controlled the movement of funds through CLM as evidenced by CLM’s records recovered by the Trustee.

66. It appears that towards the end of their operations FRM made direct unsecured loans to various borrowers and deposited those investors’ funds into FRM’s accounts. The Trustee has not received complete records on these transactions, but is unaware of any mortgages given to secure these direct loans made by FRM.

67. The borrowers solicited by FRM for mortgage loans were often high risk borrowers with high risk projects who could not obtain conventional bank financing. Many of the loans arranged by FRM and funded through CLM were short-term (2 years or less) construction loans which were “net funded” at closing (i.e. only closing costs and small disbursements paid out), with the rest of the loan either partially or fully funded as disbursements over time, even though the investor(s) for each loan had paid CLM in full before the closing. Many loans went into default over their term, or were allowed to go past-due without repayment, and CLM continued to pay full monthly interest payments out of its co-mingled funds on non-performing loans or loans which were past due.

68. FRM was paid hefty “origination fees” each time a loan closed, often 5 points, or 5% of the loan being given, and often this was the only significant item paid at closing, along with

attorneys fees paid to CLM's attorneys, Gould & Burke, PLLC, and the cost of title insurance for which policies were sometimes, but sometimes not, issued or paid to the title insurance company(s).

69. The Trustee has been unable to recover a general ledger or bank records for CLM and has had to reconstruct its thousands of banking transactions from third party records, which has been a time consuming and arduous process.

70. Large amounts of money were moving into and out of CLM's two or three general accounts at any given time. Generally, however, even when large deposits came into CLM from one or more investors, in a short period of time CLM continuously and repeatedly was unable to fully fund all of the loans it had "on deck," that is, fully funded into CLM by the lender or lenders, but either not yet closed, or only "net funded" in a small amount to one or more borrowers.

71. CLM's business practices, including "net funding" construction loans at closing, paying its partner in crime FRM and not much else, allowed CLM to take in huge deposits from investors up front and then use the bulk of those deposits over time to fund whatever loan disbursement requests it received from borrowers on any of its loans, plus the monthly interest payments paid to all investors (at least \$600,000.00 per month towards the end of its existence), even on loans that were past-due, not performing or had never even been made.

72. In a "classic" Ponzi scheme, later CLM investors' funds were used to keep paying earlier investors' loan disbursements and/or interest payments (even on past-due loans), and even perhaps to fund earlier investors' loans altogether, as there was often a significant gap (30 days or more) between receipt of a lender's "investment" by CLM and the "closing" on its loan, during which time significant amounts continued to go out of CLM's accounts. See e.g. In Re Corporate Financing, Inc., 221 B.R. 671, 681-682 (Bankr.E.D.N.Y. 1998).

73. CLM has so co-mingled all of the funds deposited into its accounts, that it will be impossible for most, if not all, of CLM's investors to trace any particular funds deposited with CLM to any particular transaction. The Trustee believes that tracing does not apply in any event in the case of a Ponzi scheme as there are too many injured investors who could try to claim "the lowest intermediate balance in the account" as their own "trust res" at any given time. (Accord e.g. Connecticut General Life Ins. Co. v. Universal Ins. Co., 838 F.2d 612, 618-21 (1st Cir. 1988)(1st Circuit bankruptcy tracing case had only one creditor which was trying to trace funds in which it claimed a constructive trust; Court also confirmed that if balance in account went to zero during the time the trust res was supposedly on deposit, "trust" status of the funds was lost).

74. Another fraudulent business practice used by CLM and FRM to keep CLM's coffers appearing full was to "roll over" an investor's "investment" when a previous mortgage was paid off into a "new investment" or to "move" and investor's investment to a "new deal" when the loan originally offered failed to close. This practice avoided CLM having to refund or repay large amounts to investors and allowed CLM to use those up-front funds over time for its own purposes.

75. For example, in verified ex-parte attachment filings with the Belknap Superior Court and recorded at the Belknap County Registry of Deeds at Book 2608, Page 210 (See Copy, attached as Exhibit J), CLM investors Robert and Chris Furgeson, et al. detail how Scott Farah, through FRM, repeatedly enticed him to deposit more and more funds with CLM after several "deals" fell through, or loans in default were "bought out" by FRM/CLM by a roll-over into another investment. Eventually Mr. Furgeson deposited over \$1.2 million dollars with CLM between October, 2007 and November, 2009 which remains unaccounted for.

76. For a while robbing Peter to pay Paul in these manners "worked," and CLM was able

to cover (or cover up) its loan funding obligations to borrowers and investors by disbursing over time for all of its obligations the large up-front deposits paid in by investors. Towards the end of its existence, however, CLM was obligated to pay out over \$600,000 per month in interest payments alone, and it could no longer bring in the kind of “new money” (i.e. large, up-front deposits by new investors) needed to sustain its scheme going forward.

77. Thus the Ponzi scheme failed and when the Trustee took over he found in CLM’s offices over \$600,000.00 worth of interest checks set to go out for CLM’s November, 2009 payments to investors, but no funds in CLM’s bank accounts.

78. CLM, Dodge Financial as Trustee of the Disputed Debtor Trusts, and Greatland engaged in regular, numerous acts of self-dealing and fraud with regard to CLM/FRM arranged mortgages. In most transactions, including those where CLM, Dodge Financial as Trustee of a Fraudulent Debtor Trust or Greatland executed documents on opposite sides of the table (for example as both assignor and assignee of numerous mortgage assignments), they were signed by Donald E. Dodge, principal of all three entities.

79. Dodge Financial, Greatland and the Disputed Debtor Trusts were undercapitalized from their inception until they were placed into Chapter 7 bankruptcy, and had no ability to fund any of the transactions in which they were involved. Virtually all of the funds used by any of these entities to finance a mortgage transaction came from CLM, who in turn used the co-mingled funds of all of its investors to fund the various transactions without regard to keeping any investors’ funds separately maintained or tied to the investors’ particular “investment.”

80. Except for Dodge Financial, FRM and SMM Realty Trust, none of the other entities appears to even have a bank account. Further, Dodge Financial did not use its bank account to fund

any transactions for the Disputed Debtor Trusts for which it was trustee (which were funded by CLM), and instead used its bank account to fund its own expenses or those of its principal, Donald E. Dodge. FRM funded out of its accounts, in addition to the expenses of FRM, the personal and/or unrelated business expenses of Scott Farah, his father Robert Farah, and his wife, Susan Farah. The Trustee is awaiting receipt of SMM Realty Trust's bank records.

81. FRM funded the salaries of its employees, including Scott Farah, from the generous 'loan origination fees' it collected on every CLM-serviced mortgage, and may have paid some monies back to CLM or directly to CLM payees when CLM ran short of cash.

82. The records of the Debtor CLM are replete with instances of pervasive fraudulent conduct on the part of CLM and the Related Entities which was harmful to all creditors of CLM.

Pleading Fraud with Specificity:

The Good Earth Revocable Trust:: Loans "Funded" Twice; Loans Sold on 31 Condominium Units Which Don't Exist; Mortgages or Assignment Documents Not Recorded. Leaving Creditors With Oversold Loans and/or Unsecured Creditor Status; Interest Paid Beyond Maturity Date of Loans:

83. The circumstances surrounding an entity called Good Earth Revocable Trust of 2006 ("Good Earth") and a project called Beaver Pond Condominiums in Laconia, NH ("the BP Project") give a good example of the pervasive fraudulent practices of CLM and the Related Entities which damaged all CLM creditors. All recorded documents referenced below are recorded in the Belknap County Registry of Deeds.

84. Good Earth is a revocable trust drafted by Gould & Burke, PLLC, the law firm which represented FRM, CLM, Dodge Financial and Greatland with regard to virtually all of its closings

or other related real estate transactions. Michael Gould, one of the principals of Gould & Burke also served as Trustee of Good Earth. He signed all relevant documents described below as Trustee. The beneficiaries of Good Earth are Susan Farah (Scott Farah's wife) and T. Gary Coyne, a builder/developer in the Laconia, NH region who worked closely with CLM and FRM on various loan projects and is the builder on the BP Project.

85. In November, 2006 Good Earth acquired title to two tracts of land for the BP Project located on Roller Coaster Road in Laconia, NH by deeds from Steven Grant (Book 2353, Page 934) and GRH Realty, LLC ("GRH")(Book 2353, Page 936). Tax stamps attached to the deeds indicate an acquisition cost for the two tracts of land in the amount of \$1,325,000.00. Recorded immediately after the two deeds were a first mortgage in the amount of \$375,000.00 to Richard Frucci, a second mortgage in the amount of \$175,000.00 to Raymond Kloepper and a third mortgage to seller GRH in the amount of \$700,000.00. Frucci and Kloepper are CLM investors who are each involved in multiple CLM investment deals. There is no indication of where the additional \$75,000.00 in acquisition funds came from.

86. Good Earth did not have its own bank accounts or any independent source of funding, other than amounts which were paid on its behalf by CLM to fund these mortgages. The Trustee has been unable to determine whether Frucci or Kloepper can trace as their own the funds put into the first two mortgages given to Good Earth, but he has determined that each of them has been paid a substantial amount of interest on these loans, and perhaps some return of principal, by CLM since the loans were made, even though the loans originally were supposed to mature some time in 2008.

87. On or about December 29, 2006 Good Earth gave a fourth mortgage on the BP Project to Greatland (all Greatland documents were signed by Donald Dodge) in the amount of

\$2,210,000.00 (Book 2369, Page 990) and a fifth mortgage on the BP Project, also to Greatland, in the amount of \$510,000.00 (Book 2370, Page 7). Again, Greatland had no source of income, other than monies provided by CLM through its investors, to fund these mortgages, and Good Earth had no way to repay them, other than an eventual sale of the BP Project Condominiums.

88. On or about July 26, 2007 the third, fourth and fifth mortgages on the BP Project listed above (to GRH, Greatland and Greatland, respectively) were discharged and two new mortgages to Greatland were recorded, each supported by a Promissory Note contained in Gould & Burke's Good Earth files, one for \$4,029,000.00 (Book 2427, Page 191) and one for \$930,000.00 (Book 2427, Page 209) (collectively, "the Outstanding Greatland Mortgages"). The original GRH Promissory Note is in Gould & Burke's Good Earth filed marked "Paid" on April 30, 2007, but the discharge of the mortgage was not recorded until July 26, 2007 along with the mortgages and discharges referenced above.

89. On or about May, 2007, several months before the Outstanding Greatland Mortgages were taken out and recorded by Good Earth on the BP Project, CLM and/or Good Earth and/or FRM sold separate mortgage interests in 31 BP Project individual condominium units to multiple CLM investors, including, but limited to, Frucci, Kloepper, Keating and other Defendant Investors named herein ("the BP Individual Unit Mortgages").

90. Some of the Disputed Debtor Trusts, with Dodge Financial as trustee, including the GQ 2007 Realty Trust, the GNB 2007 Realty Trust, the KJ 2007 Realty Trust, the RLL 2007 Realty Trust, and the DMNR 2009 Realty Trust, were created to hold these BP Individual Unit Mortgages, each on behalf of several CLM investors, who invested approximately \$130,000.00 per unit in 31 units. There are supposed to be 49 units in the BP Project. The only problem is that the BP Project

has never received condominium approval from the New Hampshire Attorney General's Office and the individual condominium units do not exist, legally at all, or in most cases, actually, as only a few units are built.

91. None of the BP Individual Unit Mortgages are recorded (all of the unrecorded originals are in Gould & Burke's Good Earth files which have been turned over to the Trustee), probably because of the knowing lack of AG approvals, making all of the CLM investors into the BP Individual Unit Mortgages unsecured creditors of CLM.

92. Adding to this incredible fraud is that fact that the Promissory Notes "secured by" the Individual Unit Mortgages matured in mid- to late 2008, yet CLM continued paying full monthly interest payments at 13% per annum to all BP Individual Unit Mortgage investors (except one, see below) until October, 2009 when CLM ran out of cash.

93. Attached as Exhibits K and L are two examples of BP Individual Unit Mortgage documents on Units 5 ((the GNB 2007 Realty Trust, Lender) and 35 (John Boender and Stephen Simons, Lender) showing how the BP Individual Unit Mortgages were net funded at closing, and interest was paid out of a CLM general account on a monthly basis until October, 2009, even though both of these notes matured in 2008. Unit 5 had no construction and does not exist. Unit 35 appears to have had some construction, most of which was funded post-maturity. However, CLM funded the bulk of the construction costs for the BP Project under the Outstanding Greatland Mortgages.

94. Only one BP Individual Unit Mortgage interest holder seems to have complained about the fraud perpetrated on her by CLM, Greatland and/or Good Earth with regard to an Individual Unit Mortgage. Leona Quilici, ("Quilici") was a beneficiary of the GQ 2007 Realty Trust (Dodge Financial, Trustee) who invested \$100,000.00 into Unit 4 of the BP Project (the other GQ

Investor was Ellen Garneau, Trust, for \$30,000.00). In January, 2009 Quilici complained through her attorney that her balloon payment due on December 1, 2008 had not been received, and that upon further investigation, her mortgage had not been recorded, nor did the unit even exist on which said mortgage was supposed to be. Quilici demanded full repayment or threatened to go to the authorities. She was cut a check from CLM the next day for \$101,389.18 and asked to sign a release of her interest. Correspondence and the check were executed by Donald Dodge on behalf of Dodge Financial and CLM.

95. On each closing of a fraudulent Individual Unit Mortgage, FRM received mortgage origination fees or points in the amount of \$6,500.00. The Debtors' records indicate that the Individual Unit Mortgages were "net funded" at closing, meaning only the closing costs (around \$7,800 for each loan, \$6,500 of which went to FRM) were delivered to and disbursed by Gould & Burke, and the rest of the investors' funds on each loan remained with CLM, co-mingled in its general accounts and used for whatever purposes CLM decided. Many of the Individual Unit Mortgage files contain a lender's title insurance policy and the original check for same, which was issued by Gould & Burke, but never sent to the title insurance company.

96. Despite the net funding indicated on the closing statements or in the files, investors in each unrecorded BP Individual Unit Mortgage received their full monthly interest payments (on the full amount of the loan) each month, starting as soon as the "closing" occurred. This amounted to monthly interest payments to investors by CLM for the BP Individual Unit Mortgages alone of \$43,658.33 per month from July, 2007 (some BP Individual Unit Mortgages were "closed" earlier) to October, 2009, or \$1,222,433.20 during that time period.

97. The loan files on the BP Individual Unit Mortgages indicate that some small amounts

were disbursed by CLM on each unit from May, 2007 to October, 2009 (for things like property taxes and permit fees), but the vast majority of the funds disbursed by CLM on the BP Individual Unit Mortgages were for monthly interest payments to investors, in many, if not all instances beyond the maturity date of the loans. As with other CLM loan closings, lenders did not attend and many do not seem to be aware that their past-due mortgages are not recorded.

98. According to CLM's records, most of the funds disbursed by CLM on the BP Project were attributed to the "Good Earth blanket loan," i.e. the Outstanding Greatland Mortgages, which cover the entire BP Project, rather than just the 31 "units" purportedly covered by the BP Individual Unit Mortgages.

99. Even though it appears millions of dollars have been invested by CLM into the BP Project, the Trustee's real estate experts have estimated that the fair market value of the BP Project in its present condition is less than One Million Dollars.

100. The fraudulent practices of CLM, its claimed alter ego Greatland and/or its claimed alter ego Dodge Financial with regard to Good Earth and the BP Project harmed all CLM creditors for the following reasons: 1) the Outstanding Greatland Mortgages were funded with co-mingled funds from CLM and it is impossible to tell which investors' funds went into funding the Outstanding Greatland Mortgages, giving all CLM investors who deposited funds into CLM which could have been part of the disbursements on the Outstanding Greatland Mortgages an equitable interest in the Outstanding Greatland Mortgages which now belong to CLM's bankruptcy estate; 2) the BP Individual Unit Mortgages (which were also paid by CLM from co-mingled funds) were given on 31 condominium units which do not exist and were not recorded, thus creating over \$4 million dollars in unsecured claims against CLM's and/or Greatland's bankruptcy estate(s); the BP

Individual Unit Mortgage holders were paid interest out of CLM's co-mingled accounts, both before and after their unsecured loans to Good Earth and/or CLM matured, and some, if not all of those funds came from other CLM investors.

Interest Paid on Un-Closed Loans

101. One fraudulent act committed repeatedly by CLM and/or the Related Entities was to pay interest payments to investors out of general CLM funds on loans that had not closed prior to interest payments being paid.

102. An illustration of this fraudulent act can be found in Exhibit M attached hereto, which consists of several letters addressed to investors Thelma and Harry Bean ("the Beans"), dated November 14, 2008 and March 21, 2008, respectively, plus CLM's internal notes on the transaction, taken from the Debtor's business records turned over to the Trustee. Exhibit M also illustrates a small piece of the tangled web of fraud created CLM and the Related Entities to bilk investors out of millions of dollars.

103. As shown in Exhibit M the Beans invested \$330,000.00 into CLM on or about March 21, 2008 to fund a mortgage on an oceanfront property in Plymouth, MA ("the Plymouth Deal") which was to earn 13% interest. However, according to the Debtor's records, the Plymouth Deal "died" and was never funded. Yet, despite the fact that the Plymouth Deal died, and the mortgage was not funded, on November 14, 2008 CLM paid the Beans \$30,323.84 in interest on their Plymouth Deal investment for the period of March 21, 2008 to November 13, 2008 out of the CLM, Inc. Servicing Account I, which was one of CLM's operating accounts into which it co-mingled all investor funds.

104. Exhibit M also confirms that the Beans' entire \$330,000.00 investment was "moved

to a new deal” (another fraudulent practice used by CLM and/or the Related Entities when an investor’s initial deal “died” in order to avoid having to return the investor’s funds), a mortgage on Northview Drive in Meredith, NH. The Beans’ \$330,000.00 mortgage on Northview Drive, dated March 20, 2009, was given by Susan Farah (Scott D. Farah’s wife) as Trustee of the Northview Drive Trust of 1995, which owns the building at 15 Northview Drive, Meredith, NH where CLM, FRM and Dodge Financial had their offices (and Greatland, to the extent that it had a separate office), and was recorded in the Belknap County Registry of Deeds on April 9, 2009, Book 2558, Page 907 (“the Northview Mortgage”).

105. The Northview Mortgage was discharged by the Beans as “satisfied” on August 27, 2009, recorded at said Registry on 9/21/09 at Book 2597, Page 475. The Trustee has not yet determined: 1) whether interest payments were paid to the Beans on the \$330,000.00 by CLM from March, 2008 to March, 2009, the gap during which the Northview Mortgage was promised, but not given, or thereafter; 2) whether the Northview Trust of 1995 actually received the Beans’ \$330,000.00; 3) whether CLM or the Northview Trust of 1995 paid any further interest payments to the Beans or paid off the Northview Mortgage; or 4) whether the Beans were paid back their \$330,000.00 upon discharge of the Northview Mortgage, or whether the \$330,000.00 was “moved” to another “new” deal by CLM. If the Beans continued to receive interest payments on this \$330,000.00 from CLM after March, 2008, then those funds came from co-mingled CLM investor funds.

106. Exhibit M shows that the Beans alone received at least \$30,323.84 from CLM out of other investors’ co-mingled funds on a mortgage that never closed. Thus, all CLM creditors were damaged, particularly later investors into CLM, whose co-mingled funds were used to pay the Beans

and other similarly situated earlier investors who received interest payments on unclosed loans.

107. Not only did CLM pay interest on unclosed loans like the Beans', but it also routinely paid interest to investors on loans that eventually closed, but it did so during months when the loan had not yet closed. Again, all CLM creditors were damaged, particularly later investors into CLM, whose co-mingled funds were used to pay the earlier investors who received interest payments on not-yet-closed loans.

Full Interest Paid on Partially Funded Loans:

108. Another fraudulent act committed on a regular basis by CLM and/or the Related Entities was to pay investors the full amount of their promised interest payments per month, even though only part of the loan had been disbursed to the borrower.

109. Exhibit L on the BP Individual Unit Mortgages, even though said mortgage was not recorded, show how most FRM/CLM mortgages were funded on a regular basis.

110. When a FRM/CLM loan closed it was typically "net funded," i.e. closing costs (mostly origination fees to FRM) were paid and not much else at closing. Then, over time, the borrower would submit periodic requests for reimbursement of invoices related to its project. Most of the time it would be months or years, or in some cases, never, before the entire amount of disbursements theoretically due to the borrower were paid out by CLM.

111. Despite the fact that the borrower had not received anywhere near full disbursement of its loan, CLM immediately started paying lenders full interest payments every month on the full amount of the loan.

112. The Trustee has been contacted by numerous borrowers who state that CLM never fully disbursed their loan proceeds to them, yet CLM's bank accounts were empty on the Petition

Date.

113. This practice was fraudulent as to all CLM investors and creditors as co-mingled funds of all investors (and borrowers for that matter) were paid to certain CLM investors on loan funds which had not been disbursed. This practice led to later investors in CLM paying earlier investors funds which should not have been paid, and eventually contributed, along with many other fraudulent practices, to CLM running out of cash.

Documents State that Interest Payments Due on a Loan are “Escrowed” or “Reserved” When They Are Not

114. Another fraudulent practice engaged in by CLM and the Related Entities which damaged all CLM creditors was to take full payment of a loan transaction from a lender, close the loan with the borrower, and indicate in the file and the closing documents that interest payments due to the lender over the life of the loan had been “escrowed, ” or “reserved,” when no escrow or reserve accounts had been created and any funds deposited by the lender with CLM remained in CLM’s general accounts, co-mingled with the funds of other CLM investors and used for purposes other than funding the particular loan in question.

115. A specific example of this practice, which on information and belief occurred in many instances, since the Trustee has been contacted since his appointment by many borrowers, asking where their remaining “escrowed” interest payments are, can be found in the loan to a borrower named Lamar Coaston (“Coaston”) from lender NTC and Company, FBO Robert T. Keating, IRA (“Keating”) and excerpts from his loan file on a property in Pittsburgh, PA (“the Pittsburgh Loan”) with the Debtor CLM which has been turned over to the Trustee, and which are attached as Exhibit N.

116. In the Lending Opportunity provided to Keating (Exhibit N, Page 1), the Settlement Statement at the closing (Exhibit B, Page 2), and the Addendum to Loan Agreement (Exhibit N, Page 11) it is stated that 24 months worth of interest payments, at \$653.33 per month, on the Pittsburgh Loan shall be “reserved” or “escrowed” at closing. The Pittsburgh Loan closed on 09/23/08 according to Exhibit N. The last monthly interest payment made to Keating on the Pittsburgh Loan by CLM occurred on 10/08/09 (Exhibit N, pp. 17 and 18), so approximately 12 monthly interest payments, or \$7,839.96, were still due on the Pittsburgh Loan on CLM’s Petition Date.

117. The interest payments on the Pittsburgh Loan to Keating from CLM all came from the CLM Service Account at Citizens Bank, one of CLM’s general accounts.

118. The Furgeson Exhibit J discussed above also details how FRM and CLM represented to lenders that prepaid interest payments and un-disbursed construction funds were supposed to be escrowed, but in fact were not.

119. On the Petition Date when the Trustee took over the records of CLM, there were no escrow or reserve accounts of any kind containing prepaid interest payments or other funds, and both Scott Farah and Donald Dodge have since confirmed or testified that no escrow or reserve accounts were set up by CLM or FRM for the Pittsburgh Loan or any other CLM related loan.

120. On the Petition Date the general accounts of CLM and the Related Entities were empty, including the CLM Service Account which paid the interest payments on the Pittsburgh Loan to Keating.

121. This fraudulent practice of leading lenders and borrowers to believe that interest payments on loans were escrowed when they were not damaged all CLM creditors in the following

ways: first, since Keating's and/or Coaston's interest funds remained in CLM's general accounts after the closing, they were co-mingled with other CLM investors' monies, and even if Keating or Coaston could trace those monies forward (the Trustee would argue it will be impossible for them to do so), those funds, in all probability based on CLM's business practices, were long gone by the time most of the interest payments were paid to Keating during the first year of the Pittsburgh Loan, meaning other CLM investors funded Keating's interest payments; second, Keating/Coaston's funds were used by CLM for purposes other than funding the interest payments due on the Pittsburgh Loan.

Possession of Original Documents

122. The Trustee also has possession of the original Coaston/Keating Promissory Note, which was turned over to him as part of CLM's files.

123. The Trustee has possession of many original documents, including Promissory Notes, which were turned over to him as part of the CLM files.

124. If CLM was just a servicing agent as alleged by various lenders, it should not have possession of original promissory notes.

Loans Sold Twice - Both Sets of Investors Are Paid

125. The Trustee has also found evidence of the fraudulent business practice by CLM and/or the Related Entities, particularly Dodge Financial, of selling participation interests in the same loan twice, and then continuing monthly interest payments to both sets of investors.

126. An example of this is can be found with regard one of the Disputed Debtor Trusts, the CB 2008 Realty Trust and Exhibit O attached.

127. On or about October 8, 2008 FRM and/or CLM and/or Dodge Financial set up the

CB 2008 Realty Trust with Richard Cruz (“Cruz”), Brian Jeffery (“Jeffery”) and John Boender (“Boender”) as beneficiaries (“collectively the CB Beneficiaries”) in the trust and Dodge Financial as trustee. Boender and Jeffery each paid \$100,000 and Cruz each paid \$140,000.00 for their interests in the trust and were promised an 18% return on their investment, which was a mortgage in favor of CB 2008 Realty Trust, Dodge Financial as Trustee, taken out by Paul Hayward and Barbara Serafini, Trustee for \$340,000.00 (“the Hayward Mortgage”).

128. Even though Boender has stated to the Trustee that Gould & Burke received his check and held the “escrow” on this loan, the closing statement in CLM’s files (part of Exhibit O) shows that \$122,400.00 was “held” by CLM as a 24 month interest reserve, and another \$121,752.10 was “escrowed” funds with CLM, for a total of \$244,152.10 going to CLM upon the closing of the Hayward Mortgage. The rest went to pay \$34,000 in origination fees to FRM, real estate taxes and some other small amounts, including mortgage insurance.

129. Starting upon closing and until CLM ran out of money in October, 2009, the CB Beneficiaries received total monthly interest payments of \$5,100.00 per month from CLM on the Hayward Mortgage. See Exhibit O.

130. On or about May 18, 2009, apparently unbeknownst to the CB Beneficiaries, Dodge Financial, as Trustee of the CB 2008 Realty Trust, sold the Hayward Mortgage to Todd M. Workman (“Workman”) for a discounted price of \$161,457.06, and CLM started paying Workman monthly interest on the Hayward Mortgage until CLM ran out of money in October, 2009.

131. Dodge Financial or CLM never paid off the CB beneficiaries for their investment in the Hayward Mortgage, but instead just continued paying them interest in order to conceal their transfer of the Hayward Mortgage and to further their fraudulent scheme.

132. The Trustee has heard from other investors, both directly and through counsel, that other loans controlled by Dodge Financial as Trustee of various Disputed Debtor Trusts were transferred or assigned by Dodge Financial as Trustee without the original trust beneficiaries having knowledge of same or payoff of their investments.

Other Fraudulent Business Practices

133. In his preliminary review of the real estate which secures the FRM/CLM mortgages, the Trustee has discovered that most of the properties in question are worth substantially less than the amount of the mortgage(s) placed thereon through FRM and/or CLM.

134. While some of the decline in property values may be attributable to a general decline in the real estate market, it appears that FRM and/or CLM grossly inflated the values of numerous properties on which it placed mortgages.

135. On information and belief, inflation of property values was done by FRM and/or CLM in order to entice lenders to loan as much as possible to the FRM/CLM fraudulent scheme.

136. Inflation of real estate values was harmful to all creditors of CLM as it has created significant unsecured creditors of the estate of CLM and/or the Related Entities.

137. The Trustee has also heard from various parties/investors that mortgages they invested in are not properly recorded at the relevant registry of deeds, and/or that they never received any documentation of their loans. On information and belief, millions of dollars of unsecured creditor claims of this nature exist against the bankruptcy estate of CLM.

138. From the records it appears that CLM and its related entities were all about getting as much cash in the door as possible in order to continue funding their fraudulent scheme.

COUNT I
REQUEST FOR DECLARATORY JUDGMENT THAT FINANCIAL

RESOURCES MORTGAGE, INC., DODGE FINANCIAL, INC., GREATLAND PROJECT DEVELOPMENT, INC., AND THE DISPUTED DEBTOR TRUSTS ARE ALTER EGOS OF THE DEBTOR, C L & M, INC. USED TO PROMOTE INJUSTICE OR FRAUD ON THE CREDITORS OF C L & M, INC.

139. The Trustee repeats and re-alleges Paragraphs 1-138 herein.

140. The Trustee requests that the Court issue a declaratory judgment that Financial Resources Mortgage, Inc., Dodge Financial, Inc. Greatland Project Development, Inc., and the Disputed Debtor Trusts (collectively, “the Related Entities”) are the alter egos of each other and the Debtor, C L & M, Inc., the entity which took in and controlled all of the monies put into a fraudulent scheme by all creditors/victims, created by C L & M, Inc. and its principals, Scott D. Farah and Donald E. Dodge, under the doctrine of piercing the corporate or trust veil.

141 State law governs the equitable remedy as to whether the Trustee can “pierce the veil” of the corporate entities or the trusts set up by CLM or its principals in order to perpetrate a fraud or injustice on the creditors of CLM such that the Related Entities should be determined to be the alter egos of CLM and their assets subject to liquidation and equitable distribution by the Trustee for CLM for the benefit of all CLM creditors. See e.g. In Re Gilbert,

142. Under state law the Trustee can pierce either the “corporate” or “trust” veil to claim that an entity such as the Disputed Debtor Trusts was the alter ego of CLM, wholly controlled by CLM and whose corporate or trust form was used to promote and injustice or fraud on another. See e.g. Border Brook Terr. Condominium Assoc. et al. v. Gladstone et al., 137 N.H. 11, 15, 19-20 (1995)(Plaintiff may properly request that a “trust veil” be pierced to hold the underlying individual liable for the Trusts acts).

143. The Disputed Debtor Trusts, which were controlled by Donald Dodge through Dodge Financial, were created and used as a matter of convenience to perpetrate a fraud on the creditors

of CLM as a whole. The Disputed Debtor Trusts were undercapitalized from their inception and allowed CLM and/or its principals Farah and Dodge, to sell participation interests in FRM/CLM loans and mortgages and then keep control of those loans and mortgages, such that Dodge Financial as trustee of the Disputed Debtor Trusts was able to commit such fraudulent acts as selling the same mortgage to two different sets of investors, while CLM kept paying both sets of investors their full monthly interest, and lending \$1.5 million dollars of CLM's co-mingled monies to Scott Farah's wife as trustee of the Northview Drive Trust of 1995 on a building whose value did not exceed the value of the mortgages already thereon.

144. Using Dodge Financial, Inc. as the Trustee for the Disputed Debtor Trusts allowed CLM and the Related Entities to perpetrate a fraud on all of the creditors of CLM as described herein.

145. Dodge Financial, Inc. was undercapitalized from its inception and allowed CLM and/or its principals Farah and Dodge, to sell participation interests in FRM/CLM loans and mortgages and then keep control of those loans and mortgages, such that Dodge Financial as trustee of the Disputed Debtor Trusts was able to commit such fraudulent acts as selling the same mortgage to two different sets of investors, while CLM kept paying both sets of investors their full monthly interest, and in July, lending \$1.5 million dollars of CLM's co-mingled monies to Scott Farah's wife as trustee of the Northview Drive Trust of 1995 on a building whose value did not exceed the value of the mortgages already thereon.

146. Greatland was also used by CLM and its principals to perpetrate a fraud or injustice on CLM investors as a whole. Greatland, which had no assets or income of its own and was also undercapitalized since its inception, was used as a "temporary mortgagee" by FRM and/or CLM

and/or Dodge, meaning that sometimes there was a gap between the need to issue a mortgage to a borrower and FRM and/or CLM identifying a “lender” to match with that particular loan. So, the loan would be “closed” with the borrower, funded by CLM with investors’ co-mingled funds, with Greatland as mortgagee, and Greatland would then assign the mortgage to one or more “lenders” identified by CLM and/or FRM.

147. Greatland was also used to defraud all CLM lenders on the Beaver Pond Project where the Outstanding Greatland Mortgages totaling approximately \$5 million dollars were never assigned or discharged and CLM funded the partial construction of the project with co-mingled CLM investor funds.

148. CLM, Dodge Financial as Trustee of the Disputed Debtor Trusts, and Greatland engaged in regular, numerous acts of self-dealing and fraud with regard to CLM/FRM arranged mortgages. In many transactions, where CLM, Dodge Financial as Trustee of a Fraudulent Debtor Trust or Greatland executed documents on opposite sides of the table (for example as both assignor and assignee of numerous mortgage assignments), all documents were signed by Donald E. Dodge, principal of all three entities.

149. The Trustee requests that the Court enter a declaratory judgment that the following entities are the alter egos of each other and the Debtor C L & M, Inc.: Financial Resources Mortgage, Inc., Dodge Financial, Inc., Greatland Project Development, Inc. and all of the Disputed Debtor Trusts set up by CLM, FRM and/or Dodge Financial, Inc. for which Dodge Financial, Inc. was the trustee.

COUNT II
**REQUEST FOR DECLARATORY JUDGMENT THAT ALL REAL PROPERTY,
NOTES, MORTGAGES, ASSIGNMENTS, MORTGAGE DEEDS, DEEDS OF TRUST
OR OTHER PROPERTY INTERESTS TITLED IN THE NAME OF FINANCIAL**

**RESOURCES MORTGAGE, INC., DODGE FINANCIAL, GREATLAND AND/OR THE
DISPUTED DEBTOR TRUSTS ARE PROPERTY OF THE ESTATE OF DEBTOR C L &
M, INC. PURSUANT TO 11 U.S.C.541(a)**

150. The Trustee repeats and re-alleges Paragraphs 1-149 herein.

151. The Trustee is entitled to recover the notes, mortgages, assignments, deeds of trust or other property related to a CLM/FRM loan presently titled in the name of Financial Resources Mortgage, Inc., Greatland Project Development, Inc., Dodge Financial, Inc. and/or the Disputed Debtor Trusts (“the Fraudulent Entity/Trust Property”) as property of the estate of CLM, on the theory that all defrauded investors, particularly those who invested their funds into the CLM/FRM scheme but got no property or security interests in return, are similarly situated and have an equitable interest in all of the Fraudulent Entity/Trust Property, including but not limited to, those of the Defendant Lenders herein.

152. According to the bankruptcy case law on the issue of whether the Trustee can claim the Fraudulent Entity/Trust Property as property of the bankruptcy estate of CLM pursuant to 11 U.S.C. §541(a), he has to prove that there was pervasive fraud on the part of the Debtor and its Related Entities in dealing with the funds of all investors, such that the Bankruptcy Court, acting as a court of equity, should turn over the Fraudulent Entity/Trust Property to the bankruptcy estate of CLM for liquidation and equitable distribution among all of CLM’s creditors. See In Re Corporate Financing, Inc., 221 B.R. 671, 682-683 and FN. 11 (Bankr.E.D.N.Y. 1998); In Re Lemons & Assoc., Inc., 67 B.R. 198 (Bankr.D.Nev. 1986); See also In Re Sprint Mortgage Banker’s Corp., 164 B.R. 224 (Bankr. E.D.N.Y. 1994).

153. Further, even if an investor could argue that its interest in a CLM/FRM related mortgage was a mortgage participation only, and therefore not property of the estate under 11 U.S.C.

§541(d), the case law makes clear that only bona fide mortgage transactions are protected by 11 U.S.C. §541(d), and if a debtor has engaged in pervasive fraud, as CLM and/or the Related Entities have, then 11 U.S.C. §541(d) will not apply. See Corporate Financing, supra at 681-2.

154. As stated above, the Debtor CLM and the Related Entities engaged in pervasive fraud, including, but not limited to, co-mingling all investors' funds and using them to fund all transactions, and the Trustee is entitled to a declaratory judgment that all the Fraudulent Entity/Trust Property belongs to the bankruptcy estate of CLM, including, but not limited to, that held by or related to the Defendant Lenders herein.

155. The Trustee requests that the Court enter a declaratory judgment in his favor and against the Defendant Lenders herein that all Fraudulent Entity/Trust Property is property of the bankruptcy estate of the Debtor, C L & M, Inc. pursuant to 11 U.S.C. §541(a).

COUNT III
REQUEST FOR DECLARATORY JUDGMENT THAT ALL NOTES, MORTGAGES, ASSIGNMENTS, MORTGAGE DEEDS, DEEDS OF TRUST OR OTHER CLM/FRM-RELATED PROPERTY INTERESTS TITLED IN THE NAME OF ANY INDIVIDUAL OR NON-DEBTOR ENTITY ARE PROPERTY OF THE ESTATE OF DEBTOR C L & M, INC. PURSUANT TO 11 U.S.C.541(a)

156. The Trustee repeats and re-alleges Paragraphs 1-155 herein.

157. The Trustee is entitled to recover the notes, mortgages, assignments, deeds of trust or other property related to a CLM/FRM loan presently titled in the name of any individual or non-debtor trust or other non-debtor third party (“the Third Party Property”), including that titled in the Defendant Lenders herein, as property of the estate of CLM, on the theory that all defrauded investors, particularly those who invested their funds into the CLM/FRM scheme but got no property or security interests in return, are similarly situated and have an equitable interest in all of the Third

Party Property.

158. According to the bankruptcy case law on the issue of whether the Trustee can claim the Third Party Property as property of the bankruptcy estate of CLM pursuant to 11 U.S.C. §541(a), he has to prove that there was pervasive fraud on the part of the Debtor and its Related Entities in dealing with the funds of all investors, such that the Bankruptcy Court, acting as a court of equity, should turn over the Third Party Property to the bankruptcy estate of CLM for liquidation and equitable distribution among all of CLM's creditors. See In Re Corporate Financing, Inc., 221 B.R. 671, 682-683 and FN. 11 (Bankr.E.D.N.Y. 1998); In Re Lemons & Assoc., Inc., 67 B.R. 198 (Bankr.D.Nev. 1986); See also In Re Sprint Mortgage Banker's Corp., 164 B.R. 224 (Bankr. E.D.N.Y. 1994).

159. Further, even if an investor could argue that its interest in a CLM/FRM related mortgage was a mortgage participation only, and therefore not property of the estate under 11 U.S.C. §541(d), the case law makes clear that only bona fide mortgage transactions are protected by 11 U.S.C. §541(d), and if a debtor has engaged in pervasive fraud, as CLM and/or the Related Entities have, then 11 U.S.C. §541(d) will not apply. See Corporate Financing, supra at 681-2.

160. As stated above, the Debtor CLM and/or the Related Entities engaged in pervasive fraud, including, but not limited to, co-mingling all investors' funds and using them to fund all transactions, and the Trustee is entitled to a declaratory judgment that all the Third Party Property belongs to the bankruptcy estate of CLM.

161. In the situation of a massive fraudulent mortgage/Ponzi scheme, there should be no difference as to whether the property sought to be recovered by the Trustee is titled in the name of an entity related to the Debtor (such as the Fraudulent Entity/Trust Property) or a third party

individual or unrelated entity (such as the Third Party Property), as all of the investors of CLM were similarly defrauded by CLM/FRM's fraudulent scheme, and therefore all property obtained as a result of the scheme should be turned over to the bankruptcy estate of CLM for equitable distribution to all creditors.

162. The Trustee requests that the Court enter a declaratory judgment in his favor and against the Defendant Lenders herein that all Third Party Property is property of the bankruptcy estate of the Debtor, C L & M, Inc. pursuant to 11 U.S.C. §541(a).

COUNT IV
FRAUDULENT TRANSFER OF THE FRAUDULENT ENTITY/TRUST
PROPERTY PURSUANT TO 11 U.S.C. §548

163. The allegations of Paragraphs 1 through 162 are incorporated herein by reference.

164. Pursuant to 11 U.S.C. §548(a)(1) [t]he Trustee may avoid any transfer...of an interest of the debtor in property...that was made or incurred on or within 2 years before the date of the filing of the petition, if the debtor voluntarily or involuntarily-
(A) made such transfer...with actual intent to hinder, delay or defraud any entity to which the debtor was or became, on or after the date that such transfer was made or such obligation was incurred, indebted; or

(B) (I) received less than a reasonably equivalent value in exchange for such transfer...; and

(ii) (I) was insolvent on that date that such transfer was made..., or became insolvent as a result of such transfer..;

(II) was engaged in business or a transaction, or was about to engage in business or a transaction, for which any property remaining with the debtor was an unreasonably small capital; or

(III) intended to incur, or believed that the debtor would incur, debts beyond the debtor's ability to pay as such debts matured.

165. The facts set out above show that CLM made multiple, numerous transfers of co-mingled investors' funds or property within two years of the Petition Date, including net funding notes and mortgages, interest payments, payoffs, disbursements and the like ("the CLM Transfers") to the Related Entities and/or the Defendant Lenders with actual intent to hinder, delay or defraud

the creditors of CLM, particularly those investors who paid money into CLM for mortgage investments but got no property, security or mortgage investment in return.

166. The Trustee requests that the Court consider the following “badges of fraud,” as evidence of CLM’s actual intent: that CLM and its related entities were engaged in a Ponzi scheme; the CLM Transfers were of substantially all of CLM’s assets and/or left CLM undercapitalized and unable to perform the mortgage servicing contracts CLM had entered into; the value of the consideration received by CLM was not reasonably equivalent to the actual value of the cash or other assets transferred; CLM was or became insolvent upon the CLM Transfers.

167. The facts set out above show that the Related Entities and/or the Defendant Lenders were the initial transferees and are liable to the estate of CLM for the CLM Transfers.

168. The facts set out above show that the Related Entities and/or the Defendant Lenders and/or some or any of them were not a good faith transferee of the CLM Transfers for value.

169. In the alternative, the facts set out above show that CLM did not receive a reasonably equivalent value in exchange for the CLM Transfers.

170. The facts show that CLM was engaged in a business or transaction, or about to engage in a business or transaction, (mortgage servicer for which it was supposed to hold prepaid lender interest and borrower disbursements) for which its remaining assets were unreasonably small in relation to the business or transaction, or that CLM intended to incur, or believed or reasonably should have believed that it would incur debts beyond its ability to pay as they became due.

171. The facts set out above show that the Related Entities and/or the Defendant Lenders were the initial transferees and are liable to the estate of CLM for the CLM Transfers.

172. The facts set out above show that the Related Entities and/or the Defendant Lenders

and/or some or any of them were not a good faith transferee of the CLM Transfers for value.

173. The bankruptcy estate of CLM has been damaged and the Trustee should be able to recover from the Related Entities and the Defendant Lenders the actual value of the CLM Transfers on the date of such transfer(s) under 11 U.S.C. §548.

174. The Trustee is entitled to recover the asset(s) transferred or their value from the Related Entities or the Defendant Lenders.

COUNT V -
CLAIM TO AVOID FRAUDULENT TRANSFERS BY DEBTOR TO RELATED ENTITIES AND DEFENDANT LENDERS UNDER STATE LAW

175. The allegations of Paragraphs 1 through 174 are incorporated herein by reference.

176. Pursuant to 11 U.S.C. §544(b), the Trustee may bring a fraudulent transfer action in the bankruptcy court under applicable state law.

177. Pursuant to New Hampshire RSA 545-A:4 I(a), the Trustee may avoid a transfer of property by the CLM within four years of the Petition Date if the transfer was fraudulent as to a creditor of CLM, whether or not the debt was incurred before or after the transfer, if CLM made the transfer, “With actual intent to hinder, delay or defraud any creditor of the debtor;...”.

178. The facts set out above show that CLM made the CLM Transfers and to the Related Entities and the Defendant Lenders with actual intent to hinder, delay or defraud the creditors of CLM, particularly those investors who paid money into CLM for mortgage investments but got no property, security or mortgage investment in return.

179. The Trustee requests that the Court consider the following “badges of fraud,” set out in N.H. RSA 545-A:4 II as evidence of CLM’s actual intent: that CLM and its related entities were engaged in a Ponzi scheme; the CLM Transfers were of substantially all of CLM’s assets and/or left

CLM undercapitalized and unable to perform the mortgage servicing contracts CLM had entered into; the value of the consideration received by CLM was not reasonably equivalent to the actual value of the cash or other assets transferred; CLM was or became insolvent upon the CLM Transfers.

180. The facts set out above show that the Related Entities and/or the Defendant Lenders were the initial transferees and are liable to the estate of CLM for the CLM Transfers under state law.

181. The facts set out above show that the Related Entities and/or the Defendant Lenders and/or some or any of them were not a good faith transferee of the CLM Transfers for value under state law.

182. The bankruptcy estate has been damaged and the Trustee should be able to recover from the Related Entities and/or the Defendant Lenders the actual value of the CLM Transfers within the four years of the Petition Date which were made with actual intent to hinder, delay and defraud the creditors of CLM.

183. The Trustee is entitled to recover the asset(s) transferred or their value from the Related Entities or the Defendant Lenders.

**COUNT VI - CLAIM TO AVOID FRAUDULENT TRANSFER BY CLM TO
RELATED ENTITIES AND DEFENDANT LENDERS UNDER STATE LAW
(CONSTRUCTIVE FRAUD)**

184. The allegations of Paragraphs 1 through 183 are incorporated herein by reference.

185. Pursuant to 11 U.S.C. §544(b), the Trustee may bring a fraudulent transfer action in the bankruptcy court under applicable state law.

186. Pursuant to New Hampshire RSA 545-A:4 I(b), the Trustee may avoid a transfer of

property by CLM within four years of the Petition Date if the transfer was fraudulent as to a creditor of CLM, whether or not the debt was incurred before or after the transfer, if the Debtor made the transfer,

(b) Without receiving a reasonably equivalent value in exchange for the transfer or obligation, and the debtor:

(1) Was engaged or was about to engage in a business or a transaction for which the remaining assets of the debtor were unreasonably small in relation to the business or transaction; or

(2) Intended to incur, or believed or reasonably should have believed that he would incur, debts beyond his ability to pay as they became due.

187. The facts set out above show that CLM did not receive a reasonably equivalent value for the CLM Transfers.

188. The facts also show that CLM was engaged in a business or transaction, or about to engage in a business or transaction, (mortgage servicing where it was supposed to hold pre-paid lender interest and borrower disbursements) for which its remaining assets were unreasonably small in relation to the business or transaction, or that CLM intended to incur, or believed or reasonably should have believed that it would incur debts beyond its ability to pay as they became due.

189. The facts set out above show that the Related Entities and/or the Defendant Lenders were the initial transferees and are liable to the estate of CLM for the CLM Transfers under state constructive fraudulent transfer law.

190. The facts set out above show that the Related Entities and/or the Defendant Lenders and/or some or any of them were not a good faith transferee of the CLM Transfers for value under state constructive fraudulent transfer law.

191. The bankruptcy estate of CLM has been damaged and the Trustee should be able to

recover from the Related Entities and the Defendant Lenders the actual value of the CLM Transfers on the date of such transfer(s) under 11 U.S.C. §544 and applicable state law.

192. The bankruptcy estate has been damaged and the Trustee should be able to recover from the Related Entities and/or the Defendant Lenders the actual value of the CLM Transfers within the four years of the Petition Date under applicable state constructive fraudulent transfer law.

193. The Trustee is entitled to recover the asset(s) transferred or their value from the Related Entities or the Defendant Lenders.

COUNT VII - TURNOVER OF ESTATE PROPERTY PURSUANT TO 11 U.S.C. §542

194. The Trustee repeats and realleges Paragraphs 1-193 above.

195. Pursuant to 11 U.S.C. §542(a) any person or entity, with certain exceptions which do not apply here, in possession of property of the bankruptcy estate must turn said property over to the Trustee and account for such property or the value thereof.

196. To the extent that the Related Entities or the Defendant Lenders are still in possession of property of the estate, whether it be the CLM Transfers on the Fraudulent Entity/Trust Property, or the Third Party Property, or some other property which is property of CLM, they must turn over said property to the Trustee immediately and account for same or the value thereof pursuant to 11 U.S.C. §542(a).

COUNT VIII - PERMANENT INJUNCTION

197. The Trustee repeats and realleges Paragraphs 1-196 above.

198. In light of all of the facts and law set out above in this Complaint, the Trustee requests that the Court issue him a permanent injunction against the Related Entities and the Defendant Lenders, preventing them from liquidating or otherwise interfering with the property of

the estate of the Debtor C L & M, Inc., including any Fraudulent Entity/Trust Property and/or Third Party Property awarded to the Trustee hereunder.

WHEREFORE, The Trustee requests that the Court:

A. Issue a Temporary Restraining Order, (pending a hearing to scheduled) in the form attached hereto as Exhibit A pursuant to 11 U.S.C. §105;

B. Issue, after hearing, a Preliminary Injunction in the form attached hereto as Exhibit B;-

C. Issue a 90-Day Injunction, which can be extended for cause;

D. Grant the Trustee judgment on Count I of this Amended Complaint and enter a declaratory judgment in favor of the Trustee that Financial Resources Mortgage, Inc., Dodge Financial, Inc., Greatland Project Development, Inc. and/or the Disputed Debtor Trusts are the alter egos of the Debtor C L & M, Inc.

E. Grant the Trustee judgment on Count II of this Amended Complaint and enter a declaratory judgment in favor of the Trustee that all notes, mortgages, assignments, mortgage deeds, deeds of trust and other property interests in the name of Financial Resources Mortgage, Inc., Dodge Financial, Inc., Greatland Development, Inc., and any of the Disputed Debtor Trusts, listed in Paragraph 19A herein, are property of the bankruptcy estate of Debtor C L & M, Inc. and may be liquidated by the Trustee for the benefit of all creditors of C L & M, Inc. for equitable distribution to all creditors pursuant to the Bankruptcy Code;

F. Grant the Trustee judgment on Count III of this Amended Complaint and enter a declaratory judgment in favor of the Trustee that all notes, mortgages, assignments, mortgage deeds, deeds of trust and other property interests in the name of the Defendant Lenders or Other John Doe

Similarly Situated Individuals or Entities are property of the bankruptcy estate of Debtor C L & M, Inc. and may be liquidated by the Trustee for the benefit of all creditors of C L & M, Inc. for equitable distribution to all creditors pursuant to the Bankruptcy Code;

G. Grant the Trustee judgment on Count IV of this Amended Complaint for all fraudulent transfers of the Debtor CLM's assets under 11 U.S.C. §548;

H. Grant the Trustee judgment on Count V and VI of this Amended Complaint for all fraudulent transfers of the Debtor CLM's assets under 11 U.S.C. §544 and state law;

I. Grant the Trustee judgment on Count VII of this Amended Complaint and order a turnover of all of the Debtor CLM's property pursuant to 11 U.S.C. §542;

J. Grant the Trustee judgment on Count VIII of this Amended Complaint and award him a permanent injunction against all third parties, preventing them from liquidating or otherwise interfering with the assets of the Debtor, C L & M, Inc.;

H. Grant such other and further relief as is just and equitable.

(The Trustee specifically reserves his rights to bring at a later time any appropriate Chapter 5 Claims not brought in this action, including, but not limited to, those regarding transfer(s) of funds or property of the Debtor CLM and the Related Entities for preferential transfer under 11 U.S.C. §547, fraudulent transfer under 11 U.S.C. §544 and 548, and/or unauthorized post-petition transfer under 11 U.S.C. §549, if applicable).

Respectfully Submitted,

STEVEN M. NOTINGER, CHAPTER 7 TRUSTEE
FOR FINANCIAL RESOURCES MORTGAGE,
INC. AND C L AND M, INC.

By his attorneys,

DONCHESS & NOTINGER, PC.

March 31, 2010

By /s/ James W. Donchess
James W. Donchess (BNH 03906)
Donchess & Notinger, P.C.
547 Amherst Street, Ste 204
Nashua, NH 03063
(603) 886-7266

VERIFICATION

I, Steven M. Notinger, state under the pains and penalties of perjury that the facts stated in the foregoing Petition are true to the best of my knowledge and belief.

/s/ Steven M. Notinger
Steven M. Notinger, Chapter 7 Trustee