

**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. , et al.**

Adv. Pro: 09-1184-JMD

(Plaintiff)

**Hearing Date: 06/17/10
Hearing Time:9:00 a.m.**

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**

Objection Deadline: 06/10/10

and

**Ambrose, Philip & Gladys,
Ames, Ann-Michele
Apostolos, Vassilios-BSAT
Arbaugh, Randolph/Janet
Arel, David/Carol-CEFT,
Armano, Jr., Frank
Arnett, John**

Baldwin, Johnny
Barker, Bruce
Bean, Harry & Priscilla
Bean, Ronny
Bean, Thelma & Harry - 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
Fin Res Nat'l
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/Robt
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/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, N.A. 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

Provar, 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 Investments
Rhodes, Kelly
Rhodes, Terree
Richter, James
Richter, James
Rizou/Blatsis
Rokeh, Jon
Rokeh, Jon & Beryle
Rollock, Richard
Rose, Cynthia
Ross, Jon and Jane
Roth Berta, LLC
Rothvaughan, LLC
Ryll, Stefan
Sams, BJ
Sams, Bradley
Sargent, John
Scandrick, Orlando
Schauble, Andrew
Scalage, 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 and 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
Tampasis, Barbara, Fotios, Gus, Nickos
Tamposi, Samuel A., III
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
YR Investments, LLC
Zempel, Mark
Zempel, Mark
Zito, Jay

Defendants

SECOND CONTINUED PRELIMINARY INJUNCTION

This matter came before the Court on June 17, 2010 on the Chapter 7 Trustee/Plaintiff's Second Motion to Extend Preliminary Injunction for Cause (the "Motion"), and after notice and hearing as is appropriate under the circumstances, and for good cause shown, it is hereby ORDERED, ADJUDGED AND DECREED THAT:

Findings:

A. The Court previously found, after reviewing the pleadings on file in the case, that the Trustee has established a likelihood of success in seeking that various loans, mortgages, and other

property owned or held by one or more trusts or individuals are property, under section 541 of the Bankruptcy Code. Such property is currently subject to dissipation due to (a) the collection, control and transfer of such property by third parties; (b) law suits in which such property is subject to attachment, levy and execution; and (c) the transfer of such property by third parties through foreclosure or sale. The Trustee has also established that the estate may suffer irreparable harm if the collection, use and transfer of such property by third parties continues, but that said third parties will not be significantly harmed by the issuance of an injunction limited in time and subject to further order of this Court. The balance of the harms from the issuance of a preliminary injunction favors the bankruptcy estate(s) and the public interest is served by the issuance of the injunction to extend the stay under section 362 of the Bankruptcy Code to such property.

B. The Court also previously found that although each of the Defendants do not consent to the above findings, Defendants present in Court do consent to the provisions of this Order.

Accordingly, it is hereby Ordered:

1. Except as may be otherwise ordered by the Court regarding certain settlement agreements between the Trustee and various Defendants, all named Defendants in this matter, including, without limitation, all Defendants who are served with a copy of this Order (collectively the “Enjoined Parties”), are hereby enjoined from spending, transferring or otherwise dissipating any payments, instruments, property, proceeds, funds and/or accounts in their possession or control on the date such party is served with this Order or received thereafter arising from any payment transactions, collection actions or activities, foreclosures, repossessions, deeds in lieu of foreclosure or similar actions (collectively the “Transaction Proceeds”) with respect to loan transaction and the collateral securing such loan transaction arranged by, funded by, serviced by or otherwise related

in any way to C L and M, Inc. (“CLM”) or Financial Resources Mortgage Corp., Inc. (“FRM”) whether the same as a matter of record are held by a trust (a “Trust Loan”) or by an individual, or legal person (a “Non-Trust Loan” and collectively with Trust Loans the “Loans”) even if CLM and/or FRM were merely alleged escrow agents or servicing agents for the Loan;

2. The Enjoined Parties are hereby enjoined from spending, transferring or otherwise dissipating the Transaction Proceeds, and ordered to remit to Steven M. Notinger, the Chapter 7 Trustee (at the address noted in Paragraph 4B) within five (5) business days of receipt of the Order any Transaction Proceeds previously collected and held by them as of the date of the service of this Order or thereafter, unless counsel for any Enjoined Party and the Trustee agree in writing that the funds may be held and accounted for in another manner (an “Escrow Account”). The Trustee has agreed to permit such Transaction Proceeds to be held in a bona fide trust account established and maintained by legal counsel to the Defendants herein and to subsequent John Doe Defendants whose counsel later makes such a written agreement (an “Escrow Agreement”). In any case where an Escrow Agreement is established, the Trustee and legal counsel or firm holding the funds will prepare and send a joint letter to the borrower to the Loan enclosing this Order directing that payment be made to counsel for escrow pursuant to the Escrow Agreement.

3. Subject to the provisions of Paragraph 4, in the event that there is a payoff of a Loan, the affected lender, Enjoined Party and/or the Trustee shall, as appropriate, be permitted to execute and deliver mortgage discharges or other lien releases as required. As provided by the provisions of Paragraph 2, any proceeds received from such a refinance or mortgage pay-off shall be paid to the Escrow Account or the Trustee as the case may be.

4. Except as provided for herein, until September 22, 2010, the Enjoined Parties are hereby enjoined from engaging in any of the following activities (a “Collection Action”) unless (a) the Enjoined Party first provides ten (10) business days prior written notice to the Trustee (a “Collection Notice”) that it intends to take a Collection Action; or (b) the Trustee provides prior written consent to the Collection Action to the Enjoined Party:

A. The commencement or continuation of, including the issuance or employment of process in, any judicial, administrative, or other action or proceeding against a borrower, or other party that is or may be obligated on amounts due on a Loan or is or may be the recipient of a fraudulent transfer or preference or is otherwise liable to the estate on a claim arising under chapter 5 of United States Bankruptcy Code or applicable law. However, if any Enjoined Party shall bring any action against any other third party (other than those parties against such an action would be prohibited under this paragraph), then the following shall apply: (I) the Enjoined Party shall provide notice to the Trustee of the action, including a statement as to why any damages that may be recovered would not constitute property of the bankruptcy estate, within 30 days of the commencement of such action; (ii) any collected, received or attached funds actually collected by the Enjoined Party shall be held in escrow accordance with the provisions of Paragraph 2 hereof; and (iii) the Trustee shall reserve his right to assert that any damages collected in such action are the Property of the bankruptcy estate unless and until he expressly waives said claim or the Court shall otherwise order. Provided, however, that the Trustee shall be deemed to have expressly waived any such claim unless he shall deliver his written intention to the contrary (to the

Enjoined Party that is pursuing the claim) within 60 days after his receipt of the aforementioned notice;

B. The settlement, payment, collection, liquidation, foreclosure, deed-in-lieu or any other settlement or other resolution of any note(s), mortgage(s), payment(s), claim(s), action(s) or proceeding(s) related to a Loan.

C. Any Collection Notice shall include a summary with reasonable detail of the proposed collection activity and shall be sent via email and overnight mail to:

Steven M. Notinger, Chapter 7 Trustee
Donchess & Notinger, PC
547 Amherst St., Suite 204
Nashua, NH, 03063
steve@dntpc.com

with copy to his counsel:

James W. Donchess
Donchess & Notinger, PC
547 Amherst St., Suite 204
Nashua, NH, 03063
jim@dntpc.com

D. If the Trustee does not wish to consent to the Collection Action identified in the Collection Notice he must, prior to the expiration of the ten (10) business day period, file an objection with the Bankruptcy Court in which case the activity will be stayed and the Enjoined Party may not pursue such action unless or until such objection is overruled by the Bankruptcy Court. The Bankruptcy Court will, subject to court's calendar, schedule a hearing on the objection as promptly as the Court's calendar permits.

5. All Enjoined Parties who have not already done so are hereby ordered to provide to

the Trustee on or before July 25, 2010, the following documentation:

- A. A copy of any promissory note(s) and mortgage(s) related to any Loan along with a certification that the Enjoined Party has or does not have possession of the promissory note(s);
- B. A copy of any cancelled check (both sides) or other evidence of payments or investments made by an Enjoined Party with respect to a Loan;
- C. An accounting of all funds or payments received by any Enjoined Party with respect to any Loan; and
- D. Correspondence of any nature by and between the enjoined Party and Debtors.

Enjoined Parties who have already submitted documentation to the Trustee do not have to resubmit their documentation.

6. This Preliminary Injunction Order shall remain in full force and effect until **September 22, 2010**, unless extended, after notice and hearing by the Court (the “Injunction Termination Date”). In addition, as to any Enjoined Party failing to comply with the provisions of Paragraph 5, the Injunction Termination Date shall be automatically extended as to such Enjoined Party until the later of sixty (60) days after such party complies with the provisions of Paragraph 5 or September 22, 2010.

7. Unless the parties otherwise agree in writing or the Court orders otherwise, Transaction Proceeds may be distributed from an Escrow Account to the Enjoined Party on the next business day following the Injunction Termination Date, provided, however, if the related Collection Notice is first sent within ten (10) business days of the Injunction Termination Date the distribution,

unless otherwise agreed, shall be deemed further stayed until the expiration of such ten (10) day period.

8. For the period commencing September 22, 2010 to December 22, 2010, the Enjoined Parties shall provide the Trustee with a Collection Notice at least ten (10) business days prior to commencing any of the actions in Paragraph 4A or 4B hereof; provided, however, that the Trustee shall not have the right to object to the distribution of the Transaction Proceeds arising from such activity without further order of the Court issued in connection with an Adversary Proceeding naming the Enjoined Party.

9. All non-Debtor parties and Enjoined Parties are hereby enjoined from proceeding, by way of lawsuit or otherwise, against property, trusts or individuals involved in any Loan including, without limitation, any attempts to replace or remove the trustee of any lender trust. This order shall be provided by the Trustee to the Belknap County Superior Court, Belknap County Probate Court and any other Court where there are actions pending which are affected by this Restraining Order, and the Restraining Order shall stay all pending actions for the duration hereof. The interim trustee of several lender trusts, appointed by the Belknap County Probate Court, shall take no further action pursuant to the Probate Court's prior orders. Notwithstanding the provisions of Paragraph 9 above, the beneficiaries under any lender trust may appoint a successor trustee to protect the interests of the trust beneficiaries if, and only if:

A. The beneficiaries provide written notice to the trustee of their intention to appoint a successor trustee and include in the notice the basis on which such appointment is made (for example, vote or consent of beneficiaries); and,

B. As a condition precedent to the effectiveness of any appointment, such

appointed successor trustee shall expressly agree to be bound by the terms and provisions of this Order, including, but not limited to, provisions set forth in Paragraph 2; and,

C. To the extent any trust beneficiary or beneficiaries elect to appoint a successor trustee under this section, neither any appointed successor trustee nor any of the trust beneficiaries shall have the right to make any claim against the bankruptcy estate for any administrative expense on account of any actions taken by the successor trustee or any retained professionals; and,

D. The Bankruptcy Trustee, any successor trustee appointed hereunder and any beneficiaries of the lender trusts shall reserve their respective rights and claims as it pertains to whether the assets of any such investor trusts should or should not constitute property of the bankruptcy estate.

10. Notwithstanding anything to the contrary in this order, the Trustee or other interested party may seek to appoint a receiver in the state court actions for the purpose of putting any lenders into bankruptcy in this Court. Further, nothing in this order shall prevent any party from filing an involuntary bankruptcy petition against any of the debtor related entities, trusts or any other relevant party.

11. The Trustee shall be permitted to consent to an Enjoined Party advancing funds for the maintenance, repair, and security of the collateral securing a Loan and agreeing that such advance will be granted super priority status as if such advance was made under section 364(d) if the Collateral or the Transaction Proceeds later are ruled to be property of the estate, but only to the extent of the value of the collateral. If the advance is less than \$10,000 such agreement can be made without further order of the court.

12. The intent of this Order is to give the Trustee time to discover the Debtors' financial transactions while maintaining the status quo with regard to all Loans. This order does not constitute a finding that any particular Loan or the collateral securing the Loan is property of the estate but is entered with the consent of the Defendants. No party has waived any rights or defenses with regard to this matter. Any funds held or collected by the Trustee shall be held subject to any lien, claim or encumbrance as may be later determined by the Court at the request of the Court or any party.

13. If the Trustee desires to extend this Preliminary Injunction he must file a new Motion and Request for Hearing with the Court with appropriate notice to affected parties no later than August 26, 2010, with any hearing thereon to take place on September 9, 2010 at 9:00 a.m., when the Court has an Omnibus Hearing Date scheduled in Lead Case No. 09-14565-JMD.

14. The provisions of this Order do not alter, amend or otherwise modify the automatic stay provided for under Section 362 of the Bankruptcy Code.

SO ORDERED.

Dated: June 18, 2010

/s/ J. Michael Deasy
J. Michael Deasy, US Bankruptcy Judge
For the District of New Hampshire