

TRANSMISSION VERIFICATION REPORT

TIME : 11/21/2007 11:19
NAME :
FAX :
TEL :
SER.# : IXXXXXXXXXX

DATE, TIME 11/21 11:19
FAX NO./NAME 94367388
DURATION 00:00:24
PAGE(S) 03
RESULT OK
MODE STANDARD
ECM

STATE OF NH BANKING DEPARTMENT

FACSIMILE TRANSMITTAL SHEET

TO <u>Jason Sullivan</u>	FROM: <u>NHBD</u>
COMPANY: <u>LAW OFFICES of Jason Sullivan</u>	TIME SENT: <u>10:20</u> AM <input checked="" type="checkbox"/> PM
FAX NUMBER: <u>436-7388</u>	
DATE: <u>11/21/07</u>	
TOTAL NO. OF PAGES INCLUDING COVER: <u>3</u>	

RE:

URGENT PLEASE COMMENT PLEASE REPLY PLEASE ACKNOWLEDGE RECEIPT

NOTES/COMMENTS:

Exhibit to:

Exhibit to:

Appendix A Page A-4
"Key Complaint" # 16+17

Appendix A Page A-5
Paragraph 1

STATE OF NH BANKING DEPARTMENT

FACSIMILE TRANSMITTAL SHEET

TO <u>Jason Sullivan</u>	FROM: <u>NHRB</u>
COMPANY: <u>LAW OFFICES OF Jason Sullivan</u>	TIME SENT: <u>10:20</u> AM <input checked="" type="checkbox"/> PM
FAX NUMBER: <u>436-7388</u>	
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RE:	

URGENT PLEASE COMMENT PLEASE REPLY PLEASE ACKNOWLEDGE RECEIPT

NOTES/COMMENTS:

The information contained in this facsimile message is intended solely for the individual(s) named above. If you are not the intended recipient, or are not designated to deliver to the intended recipient, you are hereby notified that this information is privileged and confidential. Any dissemination, distribution or copying of this information is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone at (603) 271-3561.

64B OLD SUNCOOK ROAD - CONCORD - NH 03301
PHONE: (603) 271-3561 FAX: (603) 271-8750

Exhibit to:

Exhibit to:

Appendix A Page A-4
"Key Complaint" # 16 & 17

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Paragraph 1



State of New Hampshire

Banking Department

64B Old Suncook Road
Concord, New Hampshire 03301

Telephone: (603) 271-3561

FAX: Banking (603) 271-1090

FAX: Consumer Credit (603) 271-0750

PETER C. HILDRETH
BANK COMMISSIONER

ROBERT A. FLEURY
DEPUTY BANK COMMISSIONER

November 20, 2007

Via Mail and FAX

Jason Sullivan
Law Offices of Jason Sullivan
One New Hampshire Ave Suite 125
Portsmouth, NH 03802

Re: Financial Resources and Assistance of the
Lakes Region Inc. #5902-MB

Dear Mr. Sullivan,

I previously received notice of a lawsuit filed against the licensee. I inquired of the sender for further details. Please see attached.

I trust you will be able to obtain answers to the questions asked. I'd prefer not to have to compel the licensee to answer the questions by formal process.

Sincerely,

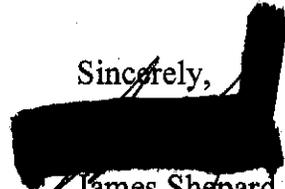

James Shepard
Staff Attorney
Consumer Credit Division

Exhibit to:

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Concord, New Hampshire 03301

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FAX: Consumer Credit (603) 271-0750

PETER C. HILDRETH
BANK COMMISSIONER

ROBERT A. FLEURY
DEPUTY BANK COMMISSIONER

July 20, 2007

Michael Burke
Law Office of Gould and Burke
15 Northview Dr.
Meredith, NH 03253

RE: Financial Resources and Assistance of
the Lakes Region Inc. #5902-MB

Dear Mr. Burke,

I am in receipt of your letters dated June 12, 2007 regarding the suits filed against the licensee.

Please explain in what capacity Leanne Locke was employed by the licensee, whether that employment is ongoing and for what time period she was or is so employed. Please also forward a copy of whatever files (whether a loan was closed or not) that exist at the licensee's office regarding these two consumers. If there are no such files you must explain their absence.

Sincerely,



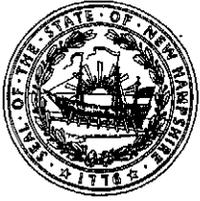
James Shepard
Staff Attorney
Consumer Credit Division

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64B Old Suncook Road
Concord, New Hampshire 03301

Telephone: (603) 271-3561

FAX: Banking (603) 271-1090

FAX: Consumer Credit (603) 271-0750

PETER C. HILDRETH
BANK COMMISSIONER

ROBERT A. FLEURY
DEPUTY BANK COMMISSIONER

July 20, 2007

Michael Burke
Law Office of Gould and Burke
15 Northview Dr.
Meredith, NH 03253

RE: Financial Resources and Assistance of
the Lakes Region Inc. #5902-MB

Dear Mr. Burke,

I am in receipt of your letters dated June 12, 2007 regarding the suits filed against the licensee.

Please explain in what capacity Leanne Locke was employed by the licensee, whether that employment is ongoing and for what time period she was or is so employed. Please also forward a copy of whatever files (whether a loan was closed or not) that exist at the licensee's office regarding these two consumers. If there are no such files you must explain their absence.

Sincerely,

James Shepard
Staff Attorney
Consumer Credit Division

Exhibit to:

Appendix A Page A-4
"Key Complaint" # 16 + 17

Exhibit to:

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Paragraph 1

LAW OFFICE OF GOULD AND BURKE
15 NORTHVIEW DRIVE
P.O. BOX 666
MEREDITH, NEW HAMPSHIRE 03253

TEL 603-279-6502

FAX 603-279-1062

Michael E. Gould, Esquire
Admitted in New Hampshire and Massachusetts
megnh@earthlink.net

Michael Burke, Esquire
Admitted in New Hampshire and Maine
mburkelaw@earthlink.net

June 12, 2007

James Shepard, Esquire
New Hampshire Banking Department
64B Old Suncook Road
Concord, New Hampshire 03301

Re: *Complaint of Nicholas Auger and Jacqueline Auger*

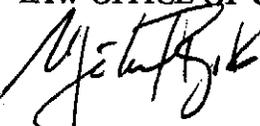
Dear Attorney Shepard:

This office represents Financial Resources and Assistance of the Lakes Region, Inc., #5902-MB. By Writ of Summons dated June 6, 2007 Nicholas Auger and Jacqueline Auger, through their counsel Ronald P. Indorf, Esquire, initiated legal proceeding in Dover District Court against Financial Resources and Assistance of the Lakes Region, Inc. I enclose a copy of the Writ of Summons for your reference. Mr. Farah was served in hand at his place of business by the Belknap County Sheriff's Department on June 8, 2007. It is the intention of Financial Resources and Assistance of the Lakes Region, Inc. to oppose this matter.

Thank you for your attention to this matter.

Sincerely,

LAW OFFICE OF GOULD AND BURKE


Michael Burke
MB/tbm

Enclosure

cc: S. Farah

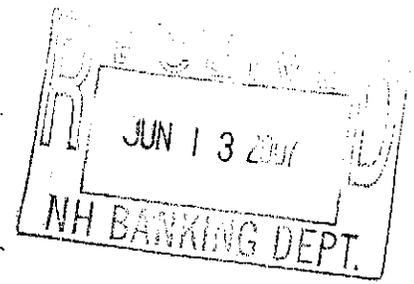
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Exhibit to:

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The State of New Hampshire **COPY**

STRAFFORD COUNTY

DOVER DISTRICT COURT
NO.

WRIT OF SUMMONS

Nicholas and Jacqueline Auger
PLAINTIFF
41 Franklin Street
ADDRESS
Somersworth, NH 03878

v. Financial Resources and Assistants of
DEFENDANT the Lakes Region Inc.
15 Northview Drive
ADDRESS
Meredith, NH 03253

To the Sheriff of any County or to his Deputy or to any Law Enforcement Officer:

WE COMMAND YOU TO SUMMON: Financial Resources and Assistants of the Lakes
of Meredith, NH in the county of Belknap Region Inc.
if found in your precinct, to appear at the Dover District
court at Dover, NH in said county of Strafford
on the first Tuesday of July, YR 2007

IN A PLEA OF:

Please see attached.

To the damage of the plaintiff(s), in an amount within the jurisdictional limits of the court.
And make return of this Writ.

WITNESS, HONORABLE EDWIN W. KELLY, Administrative Justice of the District
and Municipal Courts.

this 31ST day of MAY, YR 2007

NOTICE

You do not have to physically appear in Court on the day specified in these papers since there will be no hearing on that day. However, if you desire to be heard on the matters raised in these papers, you must notify the court by filing an appearance from the Clerk of Court on or before the date specified on this writ. (Appearance forms are available at the Clerk's Office.) A date for a hearing will then be set by the Court and you will be notified by mail. If you fail to file such an appearance form, it will be assumed that you do not wish to contest the action and a default judgment may be entered against you.

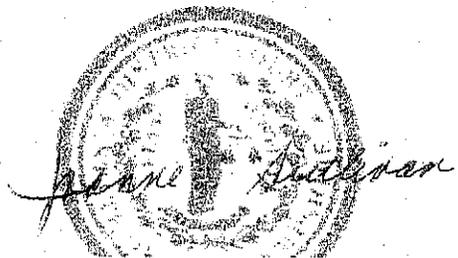


Exhibit to:

Appendix A Page A-4
"Key Complaint" # 16 + 17

INDORSED BY

A TRUE COPY ATTEST
Judy E. S. B.
DEPUTY SHERIFF

[Signature]
SIGNATURE
Ronald P. Indorf, E
NAME
680 Central Ave., S
ADDRESS
Dover, NH 03820

Exhibit to:

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Paragraph 1

In a plea at law for that:

COUNT I.

NEGLIGENT MISREPRESENTATION

1. Plaintiffs are individuals who reside in Somersworth, County of Strafford, State of New Hampshire.
2. Defendant is a for profit corporation with its principal office in Meredith, County of Belknap, State of New Hampshire.
3. Defendant's agent was one Leanne Locke.
4. In or about December 2005 through February 2006, Plaintiffs Nicholas and Jacqueline Auger were seeking to obtain mortgage financing in order to purchase a home through Defendant Financial Resources and Assistants of the Lakes Region Inc. and its agent Leanne Locke.
5. The said Leanne Locke made numerous misrepresentations to the Plaintiffs both orally and in writing as a result of which representations the Plaintiffs were of the understanding that they had qualified for a mortgage on a home.
6. The said Leanne Locke negligently made these representations for the express purpose of inducing the Plaintiffs to purchase a home.
7. Among other misrepresentations, Leanne Locke indicated to the Plaintiffs that they had been approved for mortgage financing when in fact that was not a true statement.
8. Plaintiffs justifiably relied upon the statements of Leanne Locke.
9. As a direct, proximate and foreseeable result of those misrepresentations, the Plaintiffs changed their position in that they notified the landlord where they were living that they were terminating their tenancy; they packed their belongings; and expended monies to obtain credit reports, an appraisal; an insurance binder and incurred storage fees, all in order to complete the process of obtaining a mortgage and close on the property they intended to purchase in Somersworth, New Hampshire.
10. On the day before the loan was supposed to be consummated and the property purchased by the Plaintiffs, Ms. Locke advised the Plaintiffs that in fact their loan did not go through and had never in fact been approved, thus causing financial losses to the Plaintiffs and requiring that they go to court and work out a resumption of their tenancy with their former landlord.

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COUNT II.

INTENTIONAL MISREPRESENTATION

11. The Plaintiffs restate all allegations as set forth in COUNT I above, and further add that at least some of the misrepresentations made by Ms. Locke she made with a fraudulent intent upon which the Plaintiffs relied to their detriment, namely, that the Plaintiffs' mortgage loan application had been approved, when in fact Ms. Locke knew it had not been approved because Defendant Locke herself fraudulently created the approval letter.

COUNT III.

NEGLIGENT INFLICTION OF EMOTIONAL DISTRESS

12. The Plaintiffs restate all allegations as set forth in COUNTS I and II above and further say that as a direct result of the misrepresentations made to them by Ms. Locke as set forth above, both of the Plaintiffs suffered considerable emotional distress, anxiety and loss of sleep because of their situation of packing all their worldly belongings, preparing to vacate their rented residence where they were living, preparing to move into a new home, and then finding out the day before the closing that no closing was going to take place, and in dealing with the landlord to get their tenancy restored once again and to unpack everything which they had prepared to move.

COUNT IV.

AGENCY

In a plea of Agency, for that:

13. Defendant Financial Resources and Assistants of the Lakes Region Inc. was the employer of Ms. Locke.

14. In the capacity of her employer, Defendant Financial Resources and Assistants of the Lakes Region Inc. had a responsibility to its clients, of whom the Plaintiffs were two, to supervise the actions of its representatives in order to insure that clients are treated with honesty and fairness and that all transactions were legitimate.

15. Wholly notwithstanding the obligation of Defendant Financial Resources and Assistants of the Lakes Region Inc. to supervise and monitor the actions of its agents, nevertheless it failed to do so in this situation resulting in the afore-described

Exhibit to:

Exhibit to:

misrepresentations and resulting damages to the Plaintiffs as set forth in Counts I to III above.

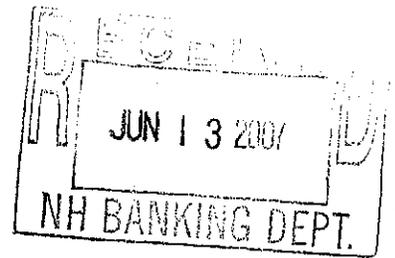
ALL TO THE DAMAGE OF THE PLAINTIFFS, as they say, both actual and enhanced damages due to the wanton and malicious conduct of the Defendant's agent which was provoked by greed in order to obtain a commission, within the jurisdictional limits of this Court.

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LAW OFFICE OF GOULD AND BURKE
15 NORTHVIEW DRIVE
P.O. BOX 666
MEREDITH, NEW HAMPSHIRE 03253

TEL 603-279-6502

FAX 603-279-1062

Michael E. Gould, Esquire
Admitted in New Hampshire and Massachusetts
megnh@earthlink.net

Michael Burke, Esquire
Admitted in New Hampshire and Maine
mburkclaw@earthlink.net

June 12, 2007

James Shepard, Esquire
New Hampshire Banking Department
64B Old Suncook Road
Concord, New Hampshire 03301

Re: *Complaint of Paul Young and Rose Young*

Dear Attorney Shepard:

This office represents Financial Resources and Assistance of the Lakes Region, Inc., #5902-MB. By Writ of Summons dated June 6, 2007 Paul Young and Rose Young, through their counsel Ronald P. Indorf, Esquire, initiated legal proceeding in Portsmouth District Court against Financial Resources and Assistance of the Lakes Region, Inc. I enclose a copy of the Writ of Summons for your reference. Mr. Farah was served in hand at his place of business by the Belknap County Sheriff's Department on June 10, 2007. It is the intention of Financial Resources and Assistance of the Lakes Region, Inc. to oppose this matter.

Thank you for your attention to this matter.

Sincerely,

LAW OFFICE OF GOULD AND BURKE

Michael Burke
MB/tbm

Enclosure

cc: S. Farah

11fra0612.doc

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The State of New Hampshire **COPY**

Rockingham COUNTY

Portsmouth District COURT
NO.

WRIT OF SUMMONS

Paul and Rose Young
PLAINTIFF
127-B Middle Road
ADDRESS
Portsmouth, NH 03801

v. Financial Resources and Assistants of the
DEFENDANT Lakes Region Inc.
15 Northview Drive
ADDRESS
Meredith, NH 03253

To the Sheriff of any County or to his Deputy or to any Law Enforcement Officer:

WE COMMAND YOU TO SUMMON: Financial Resources and Assistants of the Lakes
of Meredith, NH Region Inc,
in the county of Belknap
if found in your precinct, to appear at the Portsmouth District
court at Portsmouth, NH in said county of Rockingham
on the first Tuesday of July, YR 2007

IN A PLEA OF:

Please see attached.

To the damage of the plaintiff(s), in an amount within the jurisdictional limits of the court.
And make return of this Writ.

WITNESS, HONORABLE EDWIN W. KELLY, Administrative Justice of the District
and Municipal Courts.

this 6th day of June, YR 2007

NOTICE

You do not have to physically appear in Court on the day specified in these papers since there will be no hearing on that day. However, if you desire to be heard on the matters raised in these papers, you must notify the court by filing an appearance from the Clerk of Court on or before the date specified on this writ. (Appearance forms are available at the Clerk's Office.) A date for a hearing will then be set by the Court and you will be notified by mail. If you fail to file such an appearance form, it will be assumed that you do not wish to contest the action and a default judgment may be entered against you.



Exhibit to:

Appendix A Page A-4
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INDORSED BY

[Signature]

SIGNATURE
Ronald P. Indorf
NAME
680 Central Ave.
ADDRESS

Exhibit to:

Appendix A Page A-5
Paragraph 1

A TRUE COPY ATTEST

[Signature]
DEPUTY SHERIFF

In a plea at law for that:

COUNT I.

NEGLIGENT MISREPRESENTATION

1. Plaintiffs are individuals who reside in Portsmouth, County of Rockingham, State of New Hampshire.

2. Defendant is a for profit corporation with its principal office in Meredith, County of Belknap, State of New Hampshire.

3. Defendant's agent was one Leanne Locke.

4. In or about December 2005 through March 2006, Plaintiffs Paul and Rose-Young were seeking to obtain mortgage financing in order to purchase a home through Defendant Financial Resources and Assistants of the Lakes Region Inc. and its agent, one Leanne Locke.

5. Leanne Locke made numerous misrepresentations to the Plaintiffs both orally and in writing, as a result of which representations the Plaintiffs were of the understanding that they had qualified for a mortgage on a home.

6. The said Leanne Locke negligently made these representations for the express purpose of inducing the Plaintiffs to purchase a home.

7. Among other misrepresentations, Leanne Locke indicated to the Plaintiffs that they had been approved for mortgage financing when in fact that was not a true statement.

8. Plaintiffs justifiably relied upon the statements of Leanne Locke.

9. As a direct, proximate and foreseeable result of those misrepresentations, the Plaintiffs substantially changed their position in that they notified the landlord where they were living that they were terminating their tenancy; they packed their belongings and did in fact terminate their tenancy and move on a temporary basis to the home which they intended to buy in Portsmouth, New Hampshire; and they expended monies to obtain credit reports, an appraisal and sundry other expenses in order to complete the process of obtaining the mortgage in order to purchase the aforesaid property in Portsmouth, New Hampshire.

10. On the day before the loan was supposed to be consummated and the property purchased by the Plaintiffs, Ms. Locke advised the Plaintiffs that in fact their loan did not go through and had never been approved thus causing financial losses to the Plaintiffs and requiring that they go to court and work out a resumption of their tenancy with their former landlord.

Exhibit to:

COUNT II.

INTENTIONAL MISREPRESENTATION

11. The Plaintiffs restate all allegations as set forth in COUNT I above, and further add that at least some of the misrepresentations made by Ms. Locke she made with a fraudulent intent upon which the Plaintiffs relied to their detriment, namely, that the Plaintiffs' mortgage loan application had been approved, when in fact Defendant Locke knew it had not been approved because Ms. Locke herself fraudulently created the approval letter.

COUNT III.

NEGLIGENT INFLICTION OF EMOTIONAL DISTRESS

12. The Plaintiffs restate all allegations as set forth in COUNTS I and II above and further say that as a direct result of the misrepresentations made to them by Ms. Locke as set forth in COUNTS I and II above, both of the Plaintiffs suffered considerable emotional distress, anxiety and loss of sleep because of their situation of packing all their worldly belongings, preparing to vacate their rented residence where they were living, preparing to move into a new home, and then finding out the day before the closing that no closing was going to take place. Plaintiffs were then forced to attempt to find alternate housing arrangements with almost no notice.

COUNT IV.

AGENCY

13. Defendant Financial Resources and Assistants of the Lakes Region Inc. was the employer of Leanne Locke.

14. In the capacity of her employer, Defendant Financial Resources and Assistants of the Lakes Region Inc. had a responsibility to its clients, of whom the Plaintiffs were two, to supervise the actions of its representatives in order to insure that clients are treated with honesty and fairness and that all transactions were legitimate.

15. Wholly notwithstanding the obligation of Defendant Financial Resources to supervise and monitor the actions of its agents, nevertheless it failed to do so in this situation resulting in the afore-described misrepresentations and resulting damages to the Plaintiffs as set forth in Counts I to III above.

Exhibit to:

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ALL TO THE DAMAGE OF THE PLAINTIFFS, as they say, both actual and enhanced damages due to the wanton and malicious conduct of the Defendant's agent which was provoked by greed in order to obtain a commission, within the jurisdictional limits of this Court.

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FINANCIAL RESOURCES + ASSISTANTS OF
NAME: The Lakes Region / SCOTT FARA #

LOCATION: 15 WILKINSON DRIVE
Meredith

DATE: 6/11/07 TIME: 0959 (AM/PM)

MODE: IN HAND / ABODE
ESTB

DEPUTY SHERIFF
COUNTY OF BELKNAP, N.H.

Exhibit to:

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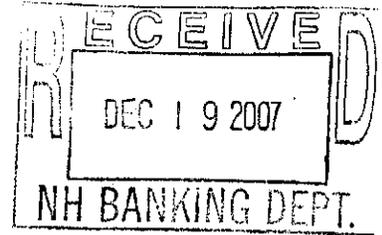
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LAW OFFICE OF GOULD AND BURKE
15 NORTHVIEW DRIVE
P.O. BOX 666
MEREDITH, NEW HAMPSHIRE 03253

TEL 603-279-6502

FAX 603-279-1062



Michael E. Gould, Esquire
Admitted in New Hampshire and Massachusetts
megnh@earthlink.net

Michael Burke, Esquire
Admitted in New Hampshire and Maine
mburkelaw@earthlink.net

December 18, 2007

James Shepard, Esquire
New Hampshire Banking Department
64B Old Suncook Road
Concord, New Hampshire 03301

Re: *Financial Resources and Assistance of the Lakes Region, Inc. #5902-MB*

Dear Attorney Shepard:

Please forgive the delay in supplying you with the following history of the Auger case. I wanted to interview a number of Financial Resources and Assistance of the Lakes Region, Inc. (FRA) employees that may have had personal knowledge of Leanne Locke's brief relationship with FRA. In preparation of this history I spoke with Scott Farah, the company president, Nancy O'Connor, a loan officer who was attempting to supervise Ms. Locke and Aaron Varela, the individual who referred Ms. Locke to FRA for employment. Based on information provided by these individuals and an examination of the file I believe the following history is an accurate:

Leanne Locke began her tenure with FRA officially on February 9, 2006. However, she began initial transfer of her client base in December, 2005. Nancy O'Connor, an employee of FRA, began oversight of Ms. Locke with the initial transfer of clients. Prior to working with FRA Ms. Locke had worked with a number of different mortgage brokerages, including Direct Mortgage (now called Direct Capital), Hampton Bay Mortgage, SMH Mortgage, Orion Mortgage and most recent to her work with FRA, Quotemearate. She was referred to FRA and came with a recommendation by Aaron Varela, who at the time was working with Fieldstone Mortgage and is now working for FRA. Ms. Locke signed an Independent Contractor Agreement on or about February 9, 2006 and brought with her approximately 10 potential borrowers, among those the Augers and the Youngs. Ms. Locke maintained her own files on these borrowers prior to arriving at FRA. FRA created its own files from Ms. Locke's because Ms. Locke continued to maintain possession of the original files and original documents therein. She would travel back and forth from her home with these files in a crate. At no time during her tenure with FRA did she take possession of pre-existing FRA files or files that were created after her hire. She did have access to the Calyx system operated by FRA, but we do not believe she obtained access to other client files.

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As we indicated Nancy O'Connor was supervising Ms. Locke at the outset. Ms. O'Connor noticed that Ms. Locke was either unprepared or dismissive of the need to submit documentation to supervision. When asked for specific loan documentation she would say that she had not gotten it yet or was in the process of obtaining it from the borrower. Ms. O'Connor insisted that all loan documentation be processed through FRA, irrespective of whether the borrower originated with Ms. Locke or not. But Ms. Locke refused to accept supervision.

Ms. Locke was frequently absent from work or claimed to be working from home. Ms. O'Connor was handling Ms. Locke's borrowers' inquiries. During the last week of February, 2006 she received a telephone call from the Youngs. She referred the call to Scott Farah, the president of FRA. The Youngs were concerned that Ms. Locke was not closing their loan. Mr. Farah asked to meet with the Youngs and they agreed. Mr. Farah, in the presence of Ms. O'Connor, met with Mr. and Mrs. Young on or about March 1, 2006. During the course of his meeting with the Youngs, Mr. Farah began reviewing the file with the Youngs. When asked about employment, Mrs. Young gave an answer that was inconsistent with the Verification of Employment (VOE) that was in the file. Mr. Farah asked Mrs. Young about the VOE. Mrs. Young indicated she was not familiar with that employer and she only worked part-time. Mr. Farah suspected that Ms. Locke had created the VOE. The Youngs produced a commitment letter ostensibly coming from FRA, that they had received from Ms. Locke. It was on letterhead created by computer and it not resemble the stationary in use by FRA. It was suspected that it had also been produced by Ms. Locke. It was latter discovered that both documents were fraudulent.

Following the meeting with the Youngs Mr. Farah called Ms. Locke and a meeting was scheduled with Ms. Locke for March 3, 2006. She was directed to bring all files in her possession with her. On March 3, 2006 Scott Farah and Nancy O'Connor met with Leanne Locke. At that meeting Mr. Farah asked Ms. Locke about both documents. She had no response. She glazed over and did not contest Mr. Farah's suspicion that she created these documents. At that point, Ms. Locke was informed that the Independent Contractor Agreement was terminated by FRA. She was asked to sign an affidavit indicting that she had surrendered or destroyed all customer information she obtained during her tenure with FRA. She refused to sign the agreement. She was presented with a letter dated March 3, 2006 that articulated that she failed to follow company and industry procedures in the promotion and processing of loans, she engaged in practices that could be misleading and harmful to clients and she engaged in acts that exceeded the scope of her employment. Ms. Locke was escorted from the premises of FRA.

Following Ms. Locke's termination from FRA Ms. O'Connor and Mr. Farah contacted the 10 or so clients that Ms. Locke had brought to FRA. Both made efforts to obtain financing for these borrowers, but unfortunately no borrower that originated with Ms. Locke successfully closed a loan.

Specific to the Youngs and the Augers, both were given an opportunity to close a loan. The Augers were presented with a non-occupant, co-borrower loan. It was contemplated that

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someone with whom the Augers were associated would serve as a co-borrower and lend their creditworthiness to the transaction. Unfortunately, the Augers' credit was not sufficient to qualify without them providing an additional down payment. The Augers did not return.

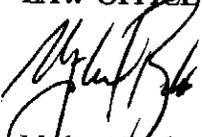
The Youngs were given an opportunity to close a loan that required the execution of a 4506 form, giving the lender the right to verify income with the Internal Revenue Service. Mrs. Young signed the agreement, but Mr. Young declined. As a result the loan fell through.

Both the Youngs and the Augers retained the services of Ronald Indorf, Esquire of Dover, New Hampshire to assert a claim against FRA in April 2006. At this point Attorney Indorf has filed suit against FRA in Dover District Court. No action has been brought on behalf of the Youngs.

If you have any questions, please call or email me.

Sincerely,

LAW OFFICE OF GOULD AND BURKE



Michael Burke
MB/tbm

cc: S. Farah

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