

**STATE OF NEW HAMPSHIRE  
DEPARTMENT OF STATE  
BUREAU OF SECURITIES REGULATION**

**IN THE MATTER OF:**

Local Government Center, Inc.; Local  
Government Center Real Estate, Inc.;  
Local Government Center HealthTrust,  
LLC; Local Government Center  
Property-Liability Trust, LLC;  
HealthTrust, Inc.; New Hampshire  
Municipal Association Property-Liability  
Trust, Inc.; LGC-HT, LLC; Local  
Government Center Workers'  
Compensation Trust, LLC; and the  
Following individuals: Maura Carroll,  
Keith R. Burke, Stephen A. Moltenbrey,  
Paul G. Beecher, Robert A. Berry,  
Roderick MacDonald, Peter J. Curro,  
April D. Whittaker, Timothy J. Ruehr,  
Julia N. Griffin, Paula Adriance, John  
P. Bohenko, and John Andrews

Case No.: C-2011000036

**OBJECTION TO MOTION TO ENLARGE TIME**

The Hearing Officer established a very simple, orderly set of deadlines for this matter. The Bureau ignored the very first deadline governing its behavior. It then also ignored customs of civil behavior in moving for additional time (post-deadline).

Further, well before the deadline, the Bureau had already identified the purported conflict which is the subject of its tardy motion practice.

Finally, the Statement of Purpose to the Rules of Professional Conduct makes clear they “are not designed to be a basis for civil liability,” and that their purpose “can be subverted when...invoked by opposing parties as procedural weapons” – precisely, and solely, the reason for the Bureau’s citation to them now.

For these and other reasons, Local Government Center, Inc., Local Government Center Real Estate, Inc., Local Government Center HealthTrust, LLC, Local Government Center Property-Liability Trust, LLC, Local Government Center HealthTrust, Inc., New Hampshire Municipal Association Property-Liability Trust, Inc., LGC-HT, LLC, Local Government Center Workers' Compensation Trust, LLC, and Maura Carroll objects to the relief requested.

**FACTUAL BACKGROUND/ARGUMENT.**

1. During the Structuring Conference of Tuesday, October 4, 2011, the Bureau first alluded to its possible challenge to the respondents' choice of counsel.

2. On both October 4 and October 5, 2011, the undersigned responded to the Bureau's allegations of a conflict, confirming to the Bureau that the subject had been considered and discussed with the respective clients.

3. The Hearing Officer issued an order on Thursday, October 6, 2011, requiring the Bureau to "file any motion regarding any challenge relating to representation of any and all respondents who have designation of counsel no later than 7:00 PM, Monday, October 10, 2011."

4. Therefore, as of October 6, the Bureau was well aware of (a) its concern; (b) the Respondents' position; and (c) its deadline for filing any motion on the subject – a deadline many days hence.

5. The Bureau made no effort to ask for additional time to file something in advance of that deadline, contrary to common discovery and both administrative and judicial litigation practice.

6. Monday, October 10, 2011, 7:00 PM, came and went without a filing by the Bureau.

7. The Bureau waited until 3:40 pm on Tuesday, October 11 to file its “Motion to Determine Status of Counsel,” and a corresponding “Motion to Enlarge Time.” The Bureau avoided asking the Respondents for their assent to this tardy filing.

8. The Bureau justifies its request for additional time by arguing that “certain research related to these allegations and to the application of that research to the issues of representation of certain respondents was not completed until 10:35 am, Tuesday, October 11, 2011.” The Bureau fails to specify the particular research conducted, or why it was prevented from conducting such research in a timely manner.

9. The complaint initiating this investigation is dated July 22, 2009. The Bureau’s Petition initiating this hearing is dated October 3, 2011. The Bureau was provided with over 10,000 pages of materials by LGC during its investigation. The Bureau’s reference to “certain research” certainly cannot mean the *Facts*, to which it has had full and extensive access.

10. The Bureau’s tardy Motion to Determine Status of Counsel is based solely on an alleged concurrent conflict of interest on the part of Preti Flaherty, the law firm representing the corporate entities. The sole legal authority cited are Rules of Professional Conduct Rule 1.7(a), and 1.7(b). Certainly there was little preventing the Bureau from conducting its research on that *Law* prior to Tuesday, October 11. Indeed, it raised the potential conflict as early as October 4, 2011, and its claim that the research could not be completed for another week appears to stretch credibility.

11. For the reasons described above, LGC believes the Motion to Enlarge Time should be denied.

12. Accordingly, LGC should have no obligation to respond to the Motion to Determine Status of Counsel. LGC will await the decision of the Hearing Officer on the Motion to Enlarge Time, before submitting its objection to the Motion to Determine Status of Counsel.

13. Should the Hearing Officer grant the Motion to Enlarge Time, thereby making it necessary for LGC to file an objection to the Motion to Determine Status of Counsel, LGC asks that the deadline for such objection be set at Monday, October 24, as the undersigned counsel has previously-scheduled meetings with the various Boards of the clients on Thursday, October 20. As the Boards consist of multiple municipal, school, and employee representatives from around the state, such meetings are difficult to call on short notice. Counsel requests the opportunity to review the matter with its clients on that date, in advance of filing any substantive objections.

**WHEREFORE**, LGC requests the Hearing Officer to:

- A. Deny the Motion to Enlarge Time;
- B. Rule it is unnecessary for LGC to file an objection to the Motion to Determine Status of Counsel;
- C. Alternatively, should the Hearing Officer grant the Motion to Enlarge Time, also rule that LGC may file any objection to the Motion to Determine Status of Counsel on or before Monday, October 24; and
- D. Grant such other further relief as may be just and proper.

Respectfully submitted,

Local Government Center, Inc.;  
Local Government Center Real Estate, Inc.;  
Local Government Center HealthTrust, LLC;  
Local Government Center Property-Liability  
Trust, LLC;  
Local Government Center HealthTrust, Inc.;  
New Hampshire Municipal Association  
Property-Liability Trust, Inc.;  
LGC-HT, LLC;  
Local Government Center  
Workers' Compensation Trust, LLC; and  
Maura Carroll,

By Their Attorneys:  
PRETI FLAHERTY BELIVEAU &  
PACHIOS PLLP

Dated: October 12, 2011

By:  /s/ William C. Saturley  
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**CERTIFICATE OF SERVICE**

I hereby certify that I have this 12<sup>th</sup> day of October 2011, provided copies of the within  
Objection to Motion to Enlarge Time *via* electronic transmission to all counsel of record.

/s/ William C. Saturley