

State of New Hampshire

Banking Department

PETER C. HILDRETH
BANK COMMISSIONER
ROBERT A. FLEURY
DEPUTY BANK COMMISSIONER

64B Old Suncook Road
Concord, New Hampshire 03301
Telephone: (603) 271-3561
FAX: Banking (603) 271-1090
FAX: Consumer Credit (603) 271-0750

March 11, 2008
Via Messenger Mail

Mr. Mark Connolly, Director
Bureau of Securities Regulation
Department of State
107 North Main Street #204
Concord, NH 03301

Re: Financial Resources and Assistance of the Lakes Region

Dear Mr. Connolly:

Enclosed herewith is a consumer complaint filed by [REDACTED] against the above referenced entity. The New Hampshire Banking Department has jurisdiction over residential transactions on property in this state. Since this complaint addresses a transaction for property in Arizona, we are unable to conduct an investigation into [REDACTED] allegations.

Please contact me if you have any questions or concerns.

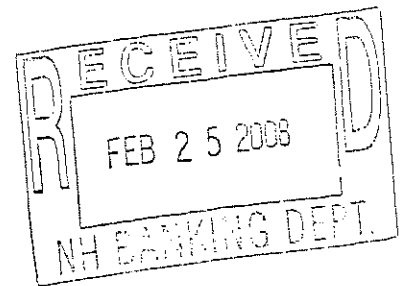
Sincerely,

[REDACTED]
Jennifer McAllister
Paralegal
Consumer Credit Division

/jm
Enclosure

cc: Guillermo G. "Bill" Johnson (no enclosures)
PO Box 222
Yucca, AZ 86438

February 12, 2008



In regards to: Loan Fraud - Did it happen?

Banking Department
State of New Hampshire
64B Old Suncook Rd
Concord, NH 03301-7317

Dear Banking Department,

On November 6th, 2007 I contacted [REDACTED] of [REDACTED] to try to obtain a loan to bring electrical power to my land.¹ This loan was closed on January 3^d, 2008 by Financial Resources of Meredith, NH.² My contact at Financial Resources has been Dan Casale and Michelle Pickering. There were several conference calls between myself, Justin Allen and Dan Casale; all focusing on my need to pay for the electrical power installation to my land. The 'as is' appraisal is \$400,000 and with power the appraiser says the land will be worth \$1,700,000. It is very easy to see why I would want to borrow money to install the power. My closing statement³ shows that I only got \$69,372.19 at closing for mortgaging my property for \$160,000. and of that \$69,372.19 ---\$59,570.13 when to pay off the existing mortgage holder so the Financial Resources could have a First Deed of Trust. Michelle Pickering of Financial Resources sent me a draw request⁴ which I executed and returned to her by fax.⁵ She told me on 1/21/2008 she would not pay the money.⁶ She is basing this on a desire of Dan Casale (that was not a part of the loan documents)⁷ A list of four New Hampshire residents that funded the \$160,000 is enclosed.⁸

1 [REDACTED]
Loan Officer

2 15 Northview Dr
Meredith, NH 03253

3 Settlement Statement

4 Draw Request from Michelle Pickering

5 Executed Draw request

6 I am not going to pay the money

7 Conference call with [REDACTED] Casale waiving all requirements to achieve a quick close.

8 List of Financial Resources investors.

I have enclosed all the documents that I have signed regarding this transaction. The reasons given to me by Dan Casale and Michelle Pickering for not paying to me more of the money Financial Resources took from the New Hampshire investors is not supported in the closing documents.

Summary

1. Are there banking laws in your state that allow a lender to claim to loan \$160,000 and on actually loan \$69,372.19? Does this compute to 43% interest? Is this a lawful rate of interest in your state? (In my state of Arizona, the maximum legal rate of interest is ten per cent.)

2. Are there laws that protect your resident investors who (in my opinion, were presented my appraisal showing an increase in land value if the infrastructure was placed on the land) and have your licensees (a) Financial Resources, (b) Dan Casale & (c) Michelle Pickering not transfer the funds to the borrower after receiving them from the investors?

I feel that I am going to have my land repossessed. I feel that borrowing \$160,000 and only receiving \$69,372.19 must violate some law of your state. I feel that protection is needed for the four investors as they probably would rather get paid in money at the end of the term of the loan than in a multi-beneficiary interest in raw undeveloped land in rural Arizona.

A complete sent of loan documents are enclosed.⁹

Sincerely yours,

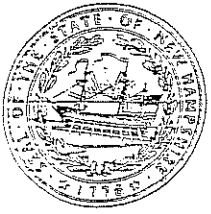
[REDACTED]

CC:

[REDACTED]

P.S. I sent a draft copy of this complaint to Dan Casale, of Financial Resources and he called me twice on Wednesday, 2/13/2008. No luck. He still refused to send the \$6,000 overage or to pay the invoices.

⁹ All loan documents



Mark Connolly
Director

State of New Hampshire

Department of State Bureau of Securities Regulation

107 North Main Street, State House Rm. 204
Concord, NH 03301-4989
Telephone: (603) 271-1463
Fax: (603) 271-7933

3/14/2008

Denis Maloney
Gallagher Callahan and Gartrell
PO Box 1415
Concord, NH 03302

Re: Financial resources and Assistance and loan to
[REDACTED]

Dear Mr. Maloney;

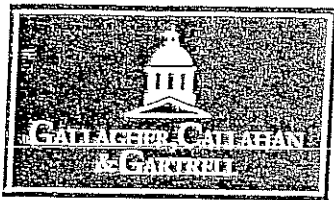
I have Received a complaint from the above regarding Financial Resource and Assistance of the Lakes Region. Please indicate whether the \$160,000 loan to the borrower was funded by investors and whether the investors received a promissory note in exchange for their investments.

We request that this information be forwarded within 20 days from the date of this letter.

Sincerely,

Jeffrey Spill
Deputy Director

cc:file



DENIS J. MALONEY

214 North Main Street
P.O. Box 1415
Concord, NH 03302-1415

Ph: (603) 228-1181
Fax: (603) 226-3334
maloney@gcgllaw.com

March 20, 2008

Jeffrey Spill, Esquire
Deputy Director
Bureau of Securities Regulation
Department of State
State of New Hampshire
State House, Room 204
Concord, New Hampshire 03301-4989

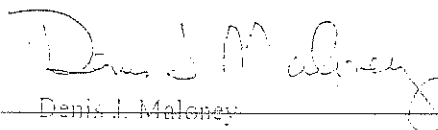
Re: In re Financial Resources National, Inc.; Loan to [REDACTED]
[REDACTED]

Dear Mr. Spill:

I write with respect to your letter of March 14, 2008 concerning a loan to the above-referenced borrowers in which Financial Resources National, Inc. (formerly Financial Resources and Assistance of the Lakes Region, Inc.), served as commercial broker. Please be advised that the loan to the borrowers was funded by third-party investors and said investors received a promissory note payable to their order in exchange for their investment.

Please contact me with any further requests for information.

Very truly yours,


Denis J. Maloney

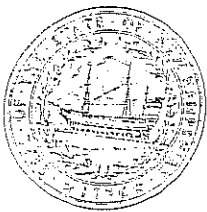
DJM:baf
Enclosure

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cc: Scott D. Farah, President

GALLAGHER, CALLAHAN & GARTRELL, P.C.

www.gcgllaw.com



Mark Connolly
Director

State of New Hampshire

Department of State Bureau of Securities Regulation

107 North Main Street, State House Rm. 204
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3/24/2008

Denis Maloney, Esq.
Gallagher, Callahan & Gartrell, PC
PO Box 1415
Concord, NH 03302-1415

Re: FRA

Dear Mr. Maloney;

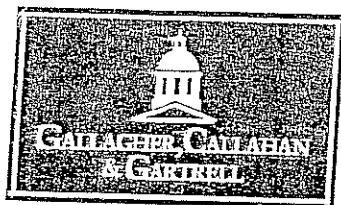
Reference is made to your letter dated 3/20/2008. Pursuant to the authority stated in RSA 421-B:22, provide a copy of all promissory notes issued and loan documents associated with the loan to [REDACTED] and [REDACTED]. We are requesting those items be provided within 20 days from the date of this letter.

Thank you.

Sincerely,

Jeffrey Spill
Deputy Director

cc:file



DENIS J. MALONEY

214 North Main Street
P.O. Box 1415
Concord, NH 03302-1415

Ph: (603) 228-1181
Fax: (603) 226-3334
maloney@gcglaw.com

April 7, 2008

Jeffrey Spill, Esquire
Deputy Director
Bureau of Securities Regulation
Department of State
State of New Hampshire
State House, Room 204
Concord, New Hampshire 03301-4989

Re: In re Financial Resources National, Inc.; Loan to [REDACTED]

Dear Mr. Spill:

I write with respect to your letter of March 24, 2008 concerning a loan to the above-referenced borrowers in which Financial Resources National, Inc. (formerly Financial Resources and Assistance of the Lakes Region, Inc.), served as commercial broker. As requested, attached please find a redacted copy of the first pages of the Promissory Note – Commercial Construction Loan, the Deed of Trust and the Commercial Construction Loan Agreement, as well as an unexecuted copy of the Settlement Statement, all as received from the company with respect to the referenced loan to these borrowers.

Please contact me with any further requests for information.

Very truly yours,

[REDACTED]
Denis J. Maloney

DJM:baf
Enclosure

h:\bids\docs\040\0001\mr.bd9578.doc

GALLAGHER, CALLAHAN & GARTRELL, P.C.

www.gcglaw.com

PROMISSORY NOTE
COMMERCIAL CONSTRUCTION LOAN

\$160,000.00

Kingman, Arizona

~~December 31st, 2007~~

January 2008

FOR VALUE RECEIVED, the undersigned, YOCANO ADVERTISING & CONSULTING, LLC, A NEVADA LIMITED LIABILITY COMPANY a single person, and having a mailing address of [REDACTED], Kingman, Arizona 86409, (hereinafter "Maker"), promises to pay to [REDACTED], TRUSTEE OF THE YUCCA 2007 REALTY TRUST, with a mailing address of [REDACTED], (hereinafter "Holder") or order, the sum of One Hundred Sixty Thousand Dollars (\$160,000.00) together with interest during the term of this Note at a fixed rate of Fourteen Percent (14%) interest per annum.

Absent demand, the term of this Note is One (1) Year from the date of the Note. Until maturity the Maker shall pay interest only in Twelve (12) Payments consecutive monthly payments of \$1,866.67 each. The first monthly payment is due February 1, 2008 and the final payment plus all principal, accrued interest and charges is due January 1, 2009. All payments made under the Note shall be applied first to charges and/or fees, if any, then to accrued interest at the rate stated above, then to principal.

In addition, Holder may impose upon the Borrower a delinquency charge at the rate of Five percent (5%) on each installment of principal and/or interest not paid on or before fifteen (15) calendar days after such installment is due.

MAKER'S PAYMENTS BEFORE THEY ARE DUE- The Maker has the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment". When Maker makes a prepayment, Maker will tell the Holder in a letter that Maker is doing so. A prepayment of all of the unpaid principal is known as a "full prepayment". A prepayment of only part of the unpaid principal is known as a "partial prepayment".

The Maker may make a full prepayment or partial prepayments. The Holder will use all of my prepayments to reduce the amount of principal that the Maker owes under this Note. If the Maker makes a partial prepayment, there will be no delays in the due dates or changes in the amounts of my monthly payments unless the Holder agrees in writing to those delays or changes. The Maker may make a full prepayment at any time. If the Maker chooses to make a partial prepayment, the Holder may require the Maker to make the

6203677

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DEED OF TRUST

THIS DEED OF TRUST is dated January 3, 2007, among Yocano Advertising & Consulting, LLC, a Nevada limited liability company, whose address is [REDACTED] Kingman, Arizona 86409 ("Grantor"); [REDACTED], Trustee of the Yucca 2007 Realty Trust, whose address is [REDACTED] (referred to below sometimes as "Beneficiary"); and [REDACTED], whose address is [REDACTED] (referred to below as "Trustee").

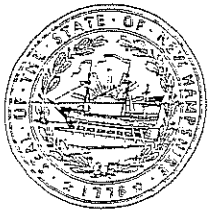
CONVEYANCE AND GRANT. For valuable consideration, Grantor conveys to Trustee in trust, with power of sale, for the benefit of Lender as Beneficiary, the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; and all easements, rights of way, and appurtenances; all water and water rights; and all other rights, royalties, and profits relating to the real property, including without limitation such rights as Grantor may have in all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in County of Mohave County, State of ARIZONA:

See EXHIBIT "A", which is attached to this Deed of Trust and made a part of this Deed of Trust as if fully set forth herein.

The Real Property or its address is commonly known as APN: 124-19-003, Yucca, AZ 86438.

FUTURE ADVANCES. In addition to the Note, this Deed of Trust secures all future advances made by Lender to Grantor whether or not the advances are made pursuant to a commitment. Specifically, without limitation, this Deed of Trust secures, in addition to the amounts specified in the Note, all future amounts Lender in its discretion may loan to Grantor, together with all interest thereon.

Grantor hereby absolutely assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.



Mark Connolly
Director

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Department of State Bureau of Securities Regulation

107 North Main Street, State House Rm. 204
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Fax: (603) 271-7933

5/8/2008

[REDACTED]

Re: Your complaint against Financial Resources and Assistance ("FRA")

Dear [REDACTED]

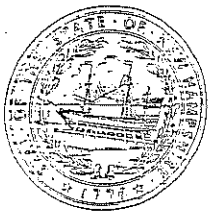
Reference is made to your complaint. This loan appears to have been made by Dodge Financial Inc. Can you be more descriptive about this transaction? How was FRA involved? Did FRA broker the loan or originate? How were the four NH "investors" involved? Are the investors customers of FRA or Dodge Financial? Are there notes from Dodge Financial or FRA back to the four investors?

I'm not sure at this point if the Bureau has jurisdiction over this matter, and I am trying to find out more.

Sincerely,

Jeffrey Spill
Deputy Director

cc:file



Mark Connolly
Director

State of New Hampshire

Department of State Bureau of Securities Regulation

107 North Main Street, State House Rm. 204
Concord, NH 03301-4989
Telephone: (603) 271-1463
Fax: (603) 271-7933

June 10, 2008

[REDACTED]
[REDACTED]
[REDACTED]

Re: Financial Resources and Assistance

Dear [REDACTED]

Reference is made to our letter dated May 8, 2008 (copy enclosed) to which we have yet to receive a response. This is your *final* notice.

Failure to respond within thirty (30) days will result in this file being closed.

Very truly yours,

[REDACTED]

Jeffrey D. Spill, Esq.

Deputy Director
Securities Regulation

JDS/le
Enclosures