

JANET T. MILLS
ATTORNEY GENERAL



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STATE OF MAINE
OFFICE OF THE ATTORNEY GENERAL
6 STATE HOUSE STATION
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REGIONAL OFFICES:
84 HARLOW ST., 2ND FLOOR
BANGOR, MAINE 04401
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415 CONGRESS ST., STE. 301
PORTLAND, MAINE 04101
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FAX: (207) 822-0259

14 ACCESS HIGHWAY, STE. 1
CARIBOU, MAINE, 04736
TEL: (207) 496-3792
FAX: (207) 496-3291

July 6, 2010

Dianne Hill, Clerk
York County Superior Court
York County Courthouse
P.O. Box 160
Alfred, ME 04002

RECEIVED
JUL 07 2010
ATTORNEY GENERAL

RE: State of Maine v. Friendship Cooperative Housing Corporation

Dear Ms. Hill:

Enclosed for filing please find a Complaint, Summary Sheet, and Motion for Alternate Service. I am also serving the Complaint and Summons on the interested parties copied below.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Linda J. Conti'.

LINDA J. CONTI
Assistant Attorney General

LJC/sm
Enclosures

cc: Joanna C. Wyman, Esq., Attorney for Volunteers of America Northern
New England

Linda Uhl, Esq., Attorney for Maine State Housing Authority

Frederick B. Stocking, Esq., Attorney for Maine Homestead Land Trust
Alliance

Bangor Savings Bank

Doris Harnett, AAG Attorney for Maine Department of Health and Human
Services

SUMMARY SHEET

This summary sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by the Maine Rules of Court or by law. This form is required for the use of the Clerk of Court for the purpose of initiating or updating the civil docket. (SEE INSTRUCTIONS ON REVERSE)

I. County of Filing or District Court Jurisdiction: YORK		
II. CAUSE OF ACTION (Cite the primary civil statutes under which you are filing, if any.) <i>Pro se</i> plaintiffs: If unsure, leave blank. 5 M.R.S. § 194 and 13-B M.R.S. §§ 1105 and 1106		
III. NATURE OF FILING		
<input checked="" type="checkbox"/> Initial Complaint <input type="checkbox"/> Third-Party Complaint <input type="checkbox"/> Cross-Claim or Counterclaim <input type="checkbox"/> If Reinstated or Reopened case, give original Docket Number _____ (If filing a second or subsequent Money Judgment Disclosure, give docket number of first disclosure)		
IV. <input type="checkbox"/> TITLE TO REAL ESTATE IS INVOLVED		
V. MOST DEFINITIVE NATURE OF ACTION. (Place an X in one box only) <i>Pro se</i> plaintiffs: If unsure, leave blank.		
GENERAL CIVIL (CV)		
Personal Injury Tort <input type="checkbox"/> Property Negligence <input type="checkbox"/> Auto Negligence <input type="checkbox"/> Medical Malpractice <input type="checkbox"/> Product Liability <input type="checkbox"/> Assault/Battery <input type="checkbox"/> Domestic Torts <input type="checkbox"/> Other Negligence <input type="checkbox"/> Other Personal Injury Tort Non-Personal Injury Tort <input type="checkbox"/> Libel/Defamation <input type="checkbox"/> Auto Negligence <input type="checkbox"/> Other Negligence <input type="checkbox"/> Other Non-Personal Injury Tort	Contract <input type="checkbox"/> Contract Declaratory/Equitable Relief <input type="checkbox"/> General Injunctive Relief <input type="checkbox"/> Declaratory Judgment <input checked="" type="checkbox"/> Other Equitable Relief Constitutional/Civil Rights <input type="checkbox"/> Constitutional/Civil Rights Statutory Actions <input type="checkbox"/> Unfair Trade Practices <input type="checkbox"/> Freedom of Access <input checked="" type="checkbox"/> Other Statutory Actions Miscellaneous Civil <input type="checkbox"/> Drug Forfeitures	<input type="checkbox"/> Other Forfeitures/Property Liens <input type="checkbox"/> Land Use Enforcement (80K) <input type="checkbox"/> Administrative Warrant <input type="checkbox"/> HIV Testing <input type="checkbox"/> Arbitration Awards <input type="checkbox"/> Appointment of Receiver <input type="checkbox"/> Shareholders' Derivative Actions <input type="checkbox"/> Foreign Deposition <input type="checkbox"/> Pre-action Discovery <input type="checkbox"/> Common Law Habeas Corpus <input type="checkbox"/> Prisoner Transfers <input type="checkbox"/> Foreign Judgments <input type="checkbox"/> Minor Settlements <input type="checkbox"/> Other Civil
CHILD PROTECTIVE CUSTODY (PC)		SPECIAL ACTIONS (SA)
<input type="checkbox"/> Non-DHS Protective Custody		Money Judgment <input type="checkbox"/> Money Judgment Request Disclosure
REAL ESTATE (RE)		
Title Actions <input type="checkbox"/> Quiet Title <input type="checkbox"/> Eminent Domain <input type="checkbox"/> Easements <input type="checkbox"/> Boundaries	Foreclosure <input type="checkbox"/> Foreclosure (ADR exempt) <input type="checkbox"/> Foreclosure (Diversion eligible) <input type="checkbox"/> Foreclosure - Other	Misc. Real Estate <input type="checkbox"/> Equitable Remedies <input type="checkbox"/> Mechanics Lien <input type="checkbox"/> Partition <input type="checkbox"/> Adverse Possession <input type="checkbox"/> Nuisance <input type="checkbox"/> Abandoned Roads <input type="checkbox"/> Trespass <input type="checkbox"/> Other Real Estate
APPEALS (AP) (To be filed in Superior Court) (ADR exempt)		
<input type="checkbox"/> Governmental Body (80B)	<input type="checkbox"/> Administrative Agency (80C)	<input type="checkbox"/> Other Appeals
VI. M.R.Civ.P. 16B Alternative Dispute Resolution (ADR):		
<input type="checkbox"/> I certify that pursuant to M.R.Civ.P. 16B(b), this case is exempt from a required ADR process because: <ul style="list-style-type: none"> <input type="checkbox"/> It falls within an exemption listed above (i.e., an appeal or an action for non-payment of a note in a secured transaction). <input type="checkbox"/> The plaintiff or defendant is incarcerated in a local, state or federal facility. <input type="checkbox"/> The parties have participated in a statutory prelitigation screening process with _____ <input type="checkbox"/> The parties have participated in a formal ADR process with _____ (name of neutral) on _____ (date). <input type="checkbox"/> This is a Personal Injury action in which the plaintiff's likely damages will not exceed \$30,000, and the plaintiff requests an exemption from ADR. 		

VII. (a) PLAINTIFFS (Name & Address including county)

or Third-Party, Counterclaim or Cross-Claim Plaintiffs
 The plaintiff is a prisoner in a local, state or federal facility.

State of Maine
Attorney General
6 State House Station
Augusta, Maine 04333
Kennebec County

(b) Attorneys (Name, Bar number, Firm name, Address, Telephone Number) If all counsel listed do NOT represent all plaintiffs,
(If pro se plaintiff, leave blank) specify who the listed attorney(s) represent.

Linda J. Conti, ME Bar No. 3638
Assistant Attorney General
Office of the Attorney General
6 State House Station
Augusta, Maine 04333
(207) 626-8591

VIII. (a) DEFENDANTS (Name & Address including county)

and/or Third-Party, Counterclaim or Cross-Claim Defendants
 The defendant is a prisoner in a local, state or federal facility.

Friendship Cooperative Housing Corporation

(b) Attorneys (Name, Bar number, Firm name, Address, Telephone Number)
(If known)

If all counsel listed do NOT represent all
defendants, specify who the listed attorney(s)

IX. RELATED CASE(S) IF ANY _____

Assigned Judge/Justice _____ Docket Number _____

Date: July 6, 2010 _____

Linda J. Conti, Assistant Attorney General _____

Name of Lead Attorney of Record or Pro se Party



Signature of Attorney or Pro se Party

c:

STATE OF MAINE
YORK SS

CIVIL ACTION
DOCKET NO. CV-10

ATTORNEY GENERAL,
STATE OF MAINE,

Plaintiff

v.

FRIENDSHIP COOPERATIVE

Defendant

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COMPLAINT

INTRODUCTION

1. The Attorney General brings this action pursuant to 5 M.R.S. §§ 194 and 13-B M.R.S. §§ 1105 and 1106 of the Maine Nonprofit Corporation Act and her authority under the common law to protect charitable trusts and assets in the State of Maine.

PARTIES

2. The Attorney General is a party to this proceeding because it is her duty to enforce due application of funds given to a public charity in Maine, and to prevent breaches of trust in a charity's administration pursuant to 5 M.R.S. § 194 and the common law.

3. Defendant, Friendship Cooperative is a now defunct limited equity housing cooperative created pursuant to 13 M.R.S. § 1754 in 1998.

STATUTORY BACKGROUND

4. Pursuant to 13 M.R.S. § 937, corporations without capital including limited equity housing cooperatives like Friendship Cooperative, can be dissolved using the procedures set forth in 13-B, chapter 11.

5. Pursuant to 13-B M.R.S. § 1105 2-A (D) the Attorney General may bring an action in court to dissolve a public benefit corporation if the corporation is no longer able to carry out its purposes.

6. Pursuant to 13-B MR.S § 1106 Courts of equity have full power to decree the dissolution of, and to liquidate the assets and affairs of, a public benefit corporation upon application of the Attorney General, if it is established that the corporation is no longer able to carry out its purposes.

FACTS

7. In 1998 Friendship Cooperative Housing Corporation ("Friendship") was created to allow consumers of mental health services to have an ownership stake in their housing.

8. A five unit apartment building was constructed in Saco on land owned by the Maine Homestead Land Trust Alliance, Inc., a non profit corporation (the "Building").

9. A ground lease was entered into between the Maine Homestead Land Trust Alliance, Inc. as Lessor and Friendship as Lessee.

10. Friendship gave two mortgages to fund the construction of the Building. One to the Maine Community Reinvestment Corporation which was later acquired by Bangor Savings Bank and another to the Maine State Housing Authority.

11. Pursuant to Friendship's Bylaws, the members of the cooperative were limited to adults with serious mental illnesses or mental disorders coupled with serious functional impairment who were living in the Building.

12. The members had to be receiving services from the Maine Department of Mental Retardation and Substance Abuse Services, now known as The Maine Department of Health and Human Services.

13. Initially 6 people (3 couples) moved into three of the Building's five units.

14. The initial 3 couples were to pay \$1,000 each for their share plus a \$200 loan origination fee. Friendship borrowed \$5,200 to finance the unit share purchase price of the initial occupants of the units. The loan which was unsecured was paid off in 2001.

15. Each of the couples borrowed the cost of their share from Friendship.

16. Pursuant to Friendship's organizational documents, when a member relinquished his interest in the co-op, Friendship would repurchase the membership interest for the price paid adjusted for inflation and amounts due to Friendship from the member.

17. Although the identities of the 6 initial members are known, it is not clear what if anything they are owed for their shares.

18. The identity of tenants that have lived in the Building between 2003 (when the current Manager took over Management) and the present are known, but it is not known whether some of these tenants may have acquired shares in Friendship.

19. There may be tenants that lived in the Building prior to 2003 whose identities are not known.

20. The Building has been managed by various organizations throughout the years. Initially it was managed by York Cumberland Housing. In 2001 Shalom house took on the management of the Building.

21. In 2002, Friendship voted to terminate the cooperative and all but one of the tenants moved out. DHHS took over the management of the Building.

22. In 2003 DHHS hired Volunteers of America of Northern New England ("VOA") to manage the Building. VOA has managed the Building and provided services to the tenants ever since.

23. In 2004 Friendship was administratively dissolved by the Secretary of State for failure to file annual reports.

24. There was an attempt to revive Friendship and it was reinstated in September 2006 with the Secretary of State upon the filing of an annual report that listed all the directorships as vacant. The revival was attempted for the purpose of transferring the Building from Friendship to VOA as the parties involved agreed that would be the best outcome for the provision of services to the tenants considering that Friendship was no longer functional.

25. The revival did not take place and Friendship was administratively dissolved again in 2007.

26. On July 17, 2009 the Building was substantially destroyed by fire and is no longer habitable.

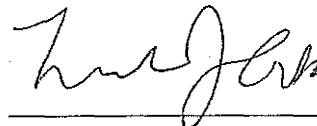
27. VOA expended funds in order to demolish the Building and relocate the residents. VOA is seeking HUD funds in order to rebuild a facility to house mental health consumers with the same needs as the tenants who had been previously housed in the Building.

28. VOA, filed a claim under the insurance policy.
29. The insurance company issued a check in the amount of \$545,000 payable to Friendship Housing Cooperative Corporation and Bangor Savings Bank.
30. Because Friendship is defunct it cannot negotiate the check and distribute the proceeds.
31. It is not possible to revive Friendship at this time.
32. Friendship is no longer able to carry out its charitable purposes.

WHEREFORE, the Attorney General requests that the Court invoke the procedures set forth in 13-B M.R.S. § 1106 and appoint a liquidating receiver to wind up Friendship's corporate affairs.

Dated: July 6, 2010

JANET T. MILLS
ATTORNEY GENERAL



Linda J. Conti,
Assistant Attorney General
Me. Bar No. 3638
State House Station 6
Augusta, Maine 04333
Tel. (207) 626-8591
Linda.conti@maine.gov

has addresses for 14 of them, one of them is now deceased and seven of them cannot be located. One of the seven cannot be identified.

Due to statutory confidentiality provisions that protect the identity of consumers of the Department who have mental disorders, see e. g. 34-B M.R.S. § 1207, DHHS cannot provide contact information for the 14 persons. These persons have received or are still receiving services from DHHS and DHHS is willing and able to mail a copy of the complaint and summons in the proceeding to each of them via regular and certified mail. If any of these individuals has a guardian and that guardian is known to DHHS, DHHS will also mail process to the guardian. The Plaintiff requests an order allowing DHHS to use its records to locate and notify 14 of the former and possible former members of the cooperative by mail. The plaintiff will submit an affidavit to the court describing the particulars of the mailing¹ Plaintiff further requests that the affidavit be placed under seal and not made public due to the confidentiality provisions of 32-B M.R.S. §1207.

With respect to the seven individuals for whom we do not have addresses, the following efforts to identify and locate them have been made: Search of the records of Volunteers of America Northern New England ("VOA"), manager of Bradley Street Residence from 2004 to 2009, request for information directed to Shalom House, manager of the Bradley Street residence from 2001 to 2004, online search through web-based provider. See Affidavit of

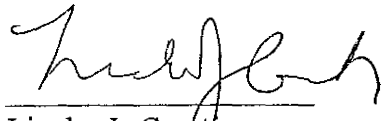
¹ Other persons interested in this matter who are not former members of the Cooperative are the Volunteers of America Northern New England, Maine State Housing Authority, Bangor Savings Bank and the Maine Homestead Land Trust Alliance, Inc. The plaintiff will serve those parties as provided in M. R. Civ. P. (c) (1).

Julia Wilcock, Vice President of Business Development for VOA, attached hereto as Exhibit A. DHHS has made a diligent search of the records it maintains for clients who receive mental health services, and has no contact information for them. We propose to serve these individuals by publishing the attached notice in the Kennebec Journal and the Portland Press Herald for three consecutive weeks beginning _____.

WHEREFORE, the plaintiff requests that the court issue an order pursuant to M.R. Civ. P. 4 (d) (3) providing for service on the 14 individuals for whom DHHS has contact information who were former tenants via regular and certified mail and providing service on the remaining individuals by publication in the form of a notice consistent with Exhibit B once a week for three consecutive weeks in the Kennebec Journal and the Portland Press Herald.

Dated: July 6, 2010

JANET T. MILLS
ATTORNEY GENERAL



Linda J. Conti,
Assistant Attorney General
Me. Bar No. 3638
State House Station 6
Augusta, Maine 04333
Tel. (207) 626-8591
Linda.conti@maine.gov

STATE OF MAINE
YORK, SS

SUPERIOR COURT
CIVIL ACTION
Docket No.: CV-_____

IN RE FRIENDSHIP COOPERATIVE

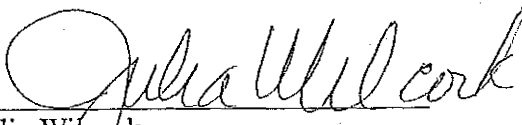
AFFIDAVIT OF
JULIA WILCOCK

I, Julia Wilcock, after first being duly sworn, do hereby depose and state as follows:

1. I have been employed with the Volunteers of America, Northern New England ("VOA") since 1993 in various positions. I am currently the Vice President of Business Development.
2. I and other staff at VOA have attempted to locate current contact information for every mental health consumer and potential member of the Friendship Cooperative who resided at the Bradley Street residence in Saco, Maine ("Bradley Street") from the time when the residence first opened to when the building was destroyed by fire in 2009.
3. In our attempts to locate the former residents of Bradley Street we took the following actions:
 - a. We searched through our current files.
 - b. We searched through our older files that are kept in a locked storage closet.
 - c. We spoke to staff at the Maine Department of Health and Human Services ("DHHS") and asked them to review their files for the information. DHHS has been providing the funds for services to the residents of Bradley Street since the opening of the residence.

- d. Our attorney spoke to staff at Shalom House, the manager of Bradley Street from 2001 until VOA took over management in 2003. We were informed that Shalom House no longer had any records regarding Bradley Street.
 - e. Our attorney's office conducted online searches through the website www.peoplesearchpro.com.
 - f. We searched the local white pages.
4. Through the above efforts we have been able to collect current contact information for thirteen out of twenty total former residents of Bradley Street that are now living.

Date: 6-22-2010

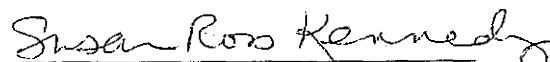

Julia Wilcock

STATE OF MAINE
CUMBERLAND, SS.

June 22, 2010

Personally appeared the above-named **Julia Wilcock** and acknowledged the foregoing statements made by her are based on her own knowledge, information and belief and to the best of her knowledge, she believes them to be true.

Before me,


Notary Public/Attorney-at-Law

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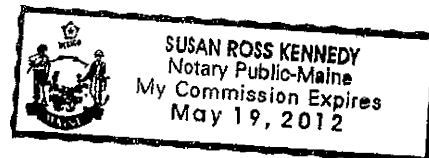


Exhibit B

LEGAL ADVERTISEMENT

The Attorney General has applied to the York County Superior Court for the judicial dissolution of the Friendship Cooperative Housing Corporation, a limited equity housing cooperative formerly located in Saco, Maine. Former members of the Friendship Cooperative and creditors may have an interest in this matter. If you were receiving services from the Department of Mental Health, Mental Retardation and Substance Abuse Services now known as the Department of Health and Human Services ("DHHS") and resided at 24 Bradley Street in Saco, Maine you may have an interest in this matter. A copy of the State's complaint can be obtained from:

York County Superior Court
P.O. Box 160
Alfred, Maine 04002-0160

Or

Linda Conti, Assistant Attorney General
6 State House Station
Augusta, Maine 04333-0006
(207) 626-8591

Interested persons should contact the court no later than _____, 2010 if they claim an interest in the property or object to the complaint.

complaint and summons to the addresses as reflected in the records of DHHS and to the address of the individual's guardian, if any, if the identity of the guardian is known to DHHS. The process shall be mailed by both certified and regular mail.

4. Return of Service. The plaintiff shall submit an affidavit under seal indicating the particulars of DHHS' mailings to the court within 21 days of the date of the last mailing.

5. With respect to the 7 individuals for whom DHHS has no contact information and any other possible unknown individuals with an interest in the cooperative, the plaintiff shall publish notice of the above-captioned proceeding in the Kennebec Journal and the Portland Press Herald once a week for three consecutive weeks beginning_____.

6. The plaintiff shall submit an affidavit indicating the particulars of publication after the fact.

Dated:_____

JUSTICE, SUPERIOR COURT

STATE OF MAINE

SUPERIOR COURT

YORK, ss.

Docket No. CV-10-207

DISTRICT COURT

Location

Docket No.

STATE OF MAINE Plaintiff

v.

FRIENDSHIP COOPERATIVE

HOUSING CORPORATION Defendant

SUMMONS

Address

The Plaintiff has begun a lawsuit against you in the (District) (Superior) Court, which holds sessions at (street address) 45 Kennebunk Rd., in the Town/City of Alfred, County of York, Maine. If you wish to oppose this lawsuit, you or your attorney MUST PREPARE AND SERVE A WRITTEN ANSWER to the attached Complaint WITHIN 20 DAYS from the day this Summons was served upon you. You or your attorney must serve your Answer, by delivering a copy of it in person or by mail to the Plaintiff's attorney, or the Plaintiff, whose name and address appear below. You or your attorney must also file the original of your Answer with the court by mailing it to the following address: Clerk of (District) (Superior) Court, 45 Kennebunk Rd., Alfred, Maine 04002 (Mailing Address) (Town, City) (Zip)

before, or within a reasonable time after, it is served.

IMPORTANT WARNING

IF YOU FAIL TO SERVE AN ANSWER WITHIN THE TIME STATED ABOVE, OR IF, AFTER YOU ANSWER, YOU FAIL TO APPEAR AT ANY TIME THE COURT NOTIFIES YOU TO DO SO, A JUDGMENT BY DEFAULT MAY BE ENTERED AGAINST YOU IN YOUR ABSENCE FOR THE MONEY DAMAGES OR OTHER RELIEF DEMANDED IN THE COMPLAINT. IF THIS OCCURS, YOUR EMPLOYER MAY BE ORDERED TO PAY PART OF YOUR WAGES TO THE PLAINTIFF OR YOUR PERSONAL PROPERTY, INCLUDING BANK ACCOUNTS AND YOUR REAL ESTATE MAY BE TAKEN TO SATISFY THE JUDGMENT. IF YOU INTEND TO OPPOSE THIS LAWSUIT, DO NOT FAIL TO ANSWER WITHIN THE REQUIRED TIME.

If you believe the plaintiff is not entitled to all or part of the claim set forth in the Complaint or if you believe you have a claim of your own against the Plaintiff, you should talk to a lawyer. If you feel you cannot afford to pay a fee to a lawyer, you may ask the clerk of court for information as to places where you may seek legal assistance.

(Seal of Court)

Date: 8/4/2010

Marilyn Lambert Clerk

Linda J. Conti, AAG

(Attorney for) Plaintiff

6 State House Station Address

Augusta, Maine 04333

(207) 626-8591 Telephone

STATE OF MAINE
YORK SS

CIVIL ACTION
DOCKET NO. CV-10-207

ATTORNEY GENERAL,
STATE OF MAINE,

Plaintiff

v.

FRIENDSHIP COOPERATIVE
HOUSING CORPORATION
Defendant

ORDER FOR
ALTERNATIVE SERVICE

On plaintiff's Motion for Alternative Service on the members of the Friendship Cooperative Housing Corporation ("Friendship Cooperative"), the Court grants the motion and hereby orders as follows:

1. The Court finds that the former members of the Friendship Cooperative and others who may have been members of the Friendship Cooperative are individuals who have serious mental illness or impairment. Thirteen of individuals are known and are currently receiving or have received services from the Maine Department of Health and Human Services ("DHHS").
2. DHHS has information which is confidential pursuant to 34-B M.R.S. § 1207, regarding the addresses of 14 of these individuals.
3. With respect to those individuals known to DHHS, service of process in this proceeding shall be accomplished by mailing a copy of the

complaint and summons to the addresses as reflected in the records of DHHS and to the address of the individual's guardian, if any, if the identity of the guardian is known to DHHS. The process shall be mailed by both certified and regular mail.

4. Return of Service. The plaintiff shall submit an affidavit under seal indicating the particulars of DHHS' mailings to the court within 21 days of the date of the last mailing.

5. With respect to the 7 individuals for whom DHHS has no contact information and any other possible unknown individuals with an interest in the cooperative, the plaintiff shall publish notice of the above-captioned proceeding in the Kennebec Journal and the Portland Press Herald once a week for three consecutive weeks beginning August 2, 2010.

6. The plaintiff shall submit an affidavit indicating the particulars of publication after the fact.

Dated: 7/8/10

Paula Krupke
JUSTICE, SUPERIOR COURT

A TRUE COPY ATTEST

Deanne Hill
CLERK

Exhibit B

LEGAL ADVERTISEMENT

The Attorney General has applied to the York County Superior Court for the judicial dissolution of the Friendship Cooperative Housing Corporation, a limited equity housing cooperative formerly located in Saco, Maine. Former members of the Friendship Cooperative and creditors may have an interest in this matter. If you were receiving services from the Department of Mental Health, Mental Retardation and Substance Abuse Services now known as the Department of Health and Human Services ("DHHS") and resided at 24 Bradley Street in Saco, Maine you may have an interest in this matter. A copy of the State's complaint can be obtained from:

York County Superior Court
P.O. Box 160
Alfred, Maine 04002-0160

Or

Linda Conti, Assistant Attorney General
6 State House Station
Augusta, Maine 04333-0006
(207) 626-8591

Interested persons should contact the court no later than September 20, 2010 if they claim an interest in the property or object to the complaint.