

COPY

FEB 10 1995

APPENDIX S

NACU enterprises, inc.

323 MAIN STREET WOONSOCKET, RHODE ISLAND 02895-3125, U.S.A.

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

February 10, 1995

MICHAEL E. SHAHEEN, Jr., Esq., Counsel
 Office of Professional Responsibility
 Department of Justice
 Tenth Street and Constitution Avenue
 Washington, D.C. 20530

RE: RI BANKRUPTCY
 Chapter 11
 No. 89-11051 (ANV)

Dear Counselor Shaheen:

I am writing in reference to the above stated Bankruptcy concerning missing records, documents, inventory lists and the unknown location of vital records and documents.

My name is Traian S. Nacu, a retired professional educator having attained the rank of Administrative Assistant Superintendent in a local Rhode Island School System. I am currently the landlord of a family owned building located at 323 Main Street in the City of Woonsocket, Rhode Island where we have been located for over sixty-five years. The Cumberland Investment Corporation maintained a retail store at street level in our building for some seventeen (17) years prior to being petitioned into Chapter 11 Bankruptcy.

We are a small family business and I am, at the present time, earnestly attempting to obtain BACK RENT DUE, as a creditor of the Cumberland Investment Corporation. At the onset of the Bankruptcy proceedings, I became a member of the Creditors' Committee to protect my interests. I possess no previous experience serving on a specialized committee in a Chapter 11 Bankruptcy proceeding.

On December 28, 1994, I attended a meeting concerning the above at the office of JASON MONZACK, the permanent receiver for Eastland Bank and the Cumberland Investment Corporation whose office is located at 888 Reservoir Ave. Cranston, Rhode Island. At that meeting, I was surprised to learn that Attorney Monzack represented both the Bank and Cumberland Investment Corporation which was petitioned into Bankruptcy by Eastland Bank which itself was closed by the FDIC.

COPY

Various discussions took place concerning redemption creditors and I was shocked to be informed that Counselor Monzack has been attempting to obtain all of the vital records and documents. He stated "NO RECORDS OR DOCUMENTS PERTINENT TO THIS BANKRUPTCY CASE WERE AVAILABLE AS THEY COULD NOT BE LOCATED BY THE OFFICE OF THE UNITED STATES ATTORNEY WHO HANDLED BANKRUPTCY NO. 89-11051 (ANV)."

Counselor Monzack also informed the group that he has repeatedly attempted to obtain these records - records, inventories, documents, videos and still photographs of the seized assets as they were being removed from the building. I also learned that several thousand dollars in assets belonging to Cumberland Investment Corporation that were seized by the Chapter 11 trustee, John F. Cullen, Esq. were missing. Attorney Monzack informed us that "it was only \$300,000 or \$400,000 dollars that was missing - not a hell of a lot of money we're talking about."

Consequently, I am requesting that someone in authority look into these vitally important missing assets, records, documents, videos and still photographs concerning this case as I am awaiting some five thousand dollars (\$ 5,000) in back rent.

Following the December 28, 1994 meeting, I was informed by Mr. Chorney, a principal in the Cumberland Investment Corporation, that possibly - millions of dollars in assets may be missing due to the fact that all official records of the asset inventory have mysteriously disappeared from the protection of the United States Attorney.

I am currently attempting to obtain copies of various documents relative to this case. Finally, Counselor Monzack is also the permanent receiver for Eastland Bank, the Bank that petitioned Cumberland Investment Corporation into Chapter 11 Bankruptcy. The attorney has apparently also entered into an agreement with the FDIC (which took over Eastland B: NOT TO PERSUE OR FILE ANY CLAIM AGAINST THE BANK which I believe would not include any missing assets. Lastly, the United States Trustee, Sheryl Serreze, previously represented Eastland Bank during the Chapter 11 Bankruptcy proceedings against Cumberland Investment Corporation.

I would appreciate any assistance your office might render in locating all missing documents specifically delineated earlier.

Thank you for your time, cooperation and kind assistance in this most important matter.

Sincerely,

Traian S. Nacu
Traian S. Nacu

N.B. I finally located copies of some documents which I have enclosed.

EXHIBITS A, B, C, and D.

JDM:med
APPLICATION.D5

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF RHODE ISLAND

E X A

IN RE: Eastland Financial Corp.

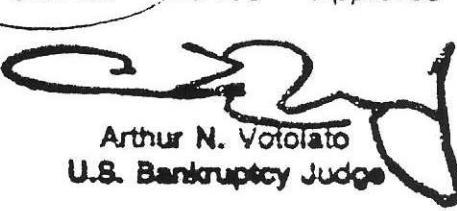
BK No. 92-
Chapter 7

APPLICATION FOR TURNOVER OF FUNDS IN
REGISTRY OF THE COURT TO THE TRUSTEE

Now comes the duly appointed Trustee and applies to this Court to turnover to the Trustee those funds previously deposited into the registry of this Court by the debtor.

The Trustee relies on the attached memorandum.

Granted Denied Approved


Arthur N. Votolato
U.S. Bankruptcy Judge

Date: February 18, 1993

KIRSCHENBAUM & KIRSCHENBAUM
Attorneys at Law, Inc.

Jason D. Monzack, Esq., #1445
888 Reservoir Avenue
Cranston, RI 02910
(401) 946-3200

C E R T I F I C A T I O N

I, the undersigned, hereby certify that on the 18th day of January, 1993, I mailed a copy of the within to the following:

Michael A. Silverstein, Esq.,
HINCKLEY, ALLEN & SNYDER
1500 Fleet Center
Providence, RI 02903

Fred Singerman, Esq.
SEYFARTH, SHAW, FAIRWEATHER
& GERALDSOW
815 Connecticut Avenue,
N.W., Suite 500
Washington, DC 20006-4004

Adam J. Ruttenberg, Esq.,
Federal Deposit Insurance Corp.
124 Grove Street
P. O. Box 9104
Franklin, MA 02038-9104

Michael E. Geltner, Esq.
Number Ten E Street, S.E.
Washington, D.C. 20003

Citizens Trust Company
870 Westminster Street
Providence, RI 02903

C.A. Simmons & Associates,
Inc.
39 Pike Street
Providence, RI 02903

U.S. Trustee's Office
BFOB Rm 472
10 Causeway Street
Boston, MA 02222



Entered on docket
Date: 2/18/93

J #93-cal-013

JDM:med
EASTLAND.D

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF RHODE ISLAND

IN RE: Eastland Financial Corp.

BK No. 92-13527
Chapter 7

M E M O R A D U M

On December 14, 1992, this Court ordered the debtor to deposit funds into the registry of this Court until such time as a Chapter 7 Trustee is appointed. As a Chapter 7 Trustee has now been appointed and as the §341 meeting has been completed, those funds presently held in the registry of this Court should be turned over to the Trustee.

RESPECTFULLY SUBMITTED,

KIRSHENBAUM & KIRSHENBAUM
Attorneys at Law, Inc.

Jason D. Monzack, Esq., #1445
888 Reservoir Avenue
Cranston, RI 02910
(401) 946-3200

C E R T I F I C A T I O N

I, the undersigned, hereby certify that on the, 17th day of January, 1993, I mailed a copy of the within to the following:

Michael A. Silverstein, Esq.,
HINCKLEY, ALLEN & SNYDER
1500 Fleet Center
Providence, RI 02903

Adam J. Ruttenberg, Esq.
Federal Deposit Insurance Corp
124 Grove Street
P. O. Box 9104
Franklin, MA 02038-9104

Citizens Trust Company
870 Westminster Street
Providence, RI 02903

U.S. Trustee's Office
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10 Causeway Street
Boston, MA 02222

Fred Singerman, Esq.
SEYFARTH, SHAW, FAIRWEATHER
& GERALDSOW
815 Connecticut Avenue,
N.W., Suite 500
Washington, DC 20006-4004

Michael E. Geltner, Esq.
Number Ten E Street, S.E.
Washington, D.C. 20003

C.A. Simmons & Associates,
Inc.
39 Pike Street
Providence, RI 02903

Mary E. Blaue

Notice sent to:

Jason D. Monzack Esq
888 Reservoir Avenue
Cranston, RI 02910

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF RHODE ISLANDIN RE: Cumberland Investment Corp. Bk No. 89-
Debtor Chapter 7

EX B

STIPULATION REGARDING TRUSTEE'S
MOTION TO CARVE OUT FUNDS

Now comes the Federal Deposit Insurance Corporation of Eastland Savings Bank, ("FDIC") and the duly, appointed, qualified and acting trustee, Jason D. Monzack, and in support of this Stipulation allege as follows:

WHEREAS: The Trustee has filed a motion to carve out funds; and,

WHEREAS: The FDIC has filed an objection to said motion;

NOW WHEREFORE, the FDIC and Trustee stipulate as follows:

1. The FDIC withdraws its objection to the Trustee's motion, to the extent that funds are needed by the Trustee to retain an accountant to file tax returns for the corporate debtor and to the extent the Trustee expends time, effort and expense in the performance of his duties as Trustee in accordance with his responsibilities under the Bankruptcy Code or pursuant to Court Order.

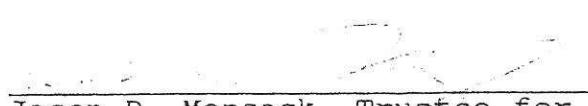
2. The FDIC withdraws its objection to the extent the Trustee incurs reasonable and necessary attorney's fees and expenses in connection with the administration of the estate.

3. Any applications for compensation by the Trustee, Trustee's counsel or Trustee's accountant shall be filed in this Court with notice to the FDIC and the FDIC reserves its right to object to those applications on the grounds of the reasonableness of the compensation sought, though any fees awarded by this Court may be paid from assets secured by the FDIC.

4. The FDIC reserves its right to object to any use of funds by the Trustee or by his legal counsel to oppose Harold Chorney's petition for writ of certiorari pending in the United States Supreme Court

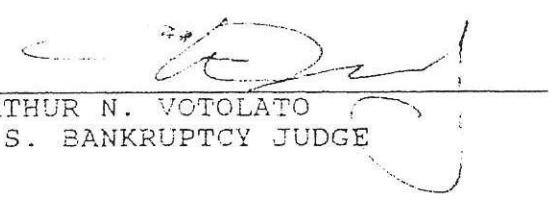
5. The FDIC reserves its right to object to any use of funds by the Trustee to bring any action against the FDIC.


Frank M. Cadigan, Attorney for
Federal Deposit Insurance Corp.
124 Grove Street
Franklin, MA 02038
(508) 520-6449


Jason D. Monzack, Trustee for
Cumberland Investment Corp.
888 Reservoir Avenue
Cranston, RI 02910
(401) 946-3200

DATED: March 29, 1994
April

Stipulation approved as an order of this Court this 3rd day
of May, 1994.


ARTHUR N. VOTOLATO
U.S. BANKRUPTCY JUDGE

Entered on docket
Date: 5/4/94

Judgment #J-94-ljs-080

Notice sent to:

Frank M. Cadigan
124 Grove Street
P. O. Box 9104
Franklin, MA 02038

Jason D. Monzack Esq
888 Reservoir Avenue
Cranston, RI 02910

U. S. Trustee
Office of the U. S. Trustee
9th Floor, Room 915
155 Westminster Street
Providence, RI 02903

UNITED STATES BANKRUPTCY COURT
DISTRICT OF RHODE ISLAND

E X C

In Re:)
)
CUMBERLAND INVESTMENT)
CORPORATION)
)
Debtor) Chapter 7
) Case No. 89-011051
)
WARREN TAFT, ET AL.)
)
Plaintiffs)
)
v.)
)
JOHN F. CULLEN, EASTLAND)
SAVINGS BANK, FEDERAL DEPOSIT)
INSURANCE CORPORATION (FDIC))
)
Defendants)
)

MOTION OF FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER OF
EASTLAND SAVINGS BANK, FOR SUBSTITUTION OF PARTIES

The Federal Deposit Insurance Corporation, as Receiver of Eastland Savings Bank (the "FDIC as Receiver"), hereby moves for substitution of itself in lieu of Eastland Savings Bank as defendant in the above-referenced adversary proceeding. The reasons for this motion are fully set forth in the memorandum of law submitted in support of this motion.

DATED: September 9, 1994

Granted

Denied Approved


Frank M. Gadigan
Attorney for Defendant
The Federal Deposit Insurance
Corporation, as Receiver of
Eastland Savings Bank and the
Federal Deposit Insurance Corporation
(508) 520-6449

Arthur N. Votolato
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
DISTRICT OF RHODE ISLAND

In Re:)
CUMBERLAND INVESTMENT)
CORPORATION)
Debtor) Chapter 7
Case No. 89-011051
WARREN TAFT, ET AL.) Adv. Proc. No. 92-1109
Plaintiffs)
v.)
JOHN F. CULLEN, EASTLAND)
SAVINGS BANK, FEDERAL DEPOSIT)
INSURANCE CORPORATION (FDIC))
Defendants)

MEMORANDUM OF FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER
OF EASTLAND SAVINGS BANK, IN SUPPORT OF MOTION
FOR SUBSTITUTION OF PARTIES

The Federal Deposit Insurance Corporation, as Receiver of Eastland Savings Bank (the "FDIC as Receiver"), submits this memorandum in support of its motion for substitution of parties.

1. On November 8, 1989, an involuntary Chapter 11 Bankruptcy petition was filed against Cumberland Investment Corporation (hereinafter "CIC").

2. On June 11, 1992, Warren Taft and John D'Angelo individually and on behalf of all redemption coin claimants of CIC

filed an action in the United States Bankruptcy Court for the District of Rhode Island against John F. Cullen as Chapter 11 trustee seeking the return of coins in which they claim ownership. Eastland Savings Bank was later joined as a defendant in the class action adversary proceeding.

3. On December 11, 1992, the FDIC was appointed permanent Receiver of Eastland Savings Bank per order of the Superior Court of the State of Rhode Island, Providence County, pursuant to 12 U.S.C. §§ 1821(a)(1), 1811. A copy of the Order is attached hereto, marked Exhibit "A" and incorporated herein by reference.

4. As Receiver of Eastland Savings Bank, the FDIC succeeded to all assets and liabilities of Eastland Savings Bank. The FDIC is now the appropriate defendant in the above captioned adversary proceeding.

5. For the reasons set forth herein, the FDIC respectfully requests pursuant to the Federal Rule of Civil Procedure 25(c) which is made applicable to this proceeding by Federal Rule of Bankruptcy Procedure 7025, that the FDIC in its Receivership capacity be substituted as defendant for Eastland Savings Bank in the above captioned adversary proceeding.

WHEREFORE, the FDIC prays that its motion to substitute the FDIC in its Receivership capacity as defendant for Eastland Savings Bank be granted and for such other and further relief as this Court deems just and proper.

DATED: September 9, 1994



Frank M. Padigan
Senior Attorney
FEDERAL DEPOSIT INSURANCE CORP.
124 Grove Street, PO Box 9104
Franklin, MA 02038
(508) 520-6449

STATE OF RHODE ISLAND
PROVIDENCE COUNTY

SUPERIOR COURT

SHELDON WHITEHOUSE, DIRECTOR OF THE :
DEPARTMENT OF BUSINESS REGULATION :
OF THE STATE OF RHODE ISLAND, :
:

Plaintiff, :

v. :

EASTLAND SAVINGS BANK :

Defendant, :

M.P. No.

92-7060

DECREE

This case came to be heard before Justice Ronald P. Gagnon upon the Complaint and Application for Appointment of Permanent Receiver of Eastland Savings Bank. Upon consideration thereof, it is hereby

ORDERED ADJUDGED AND DECREED:

1. The Federal Deposit Insurance Corporation is hereby appointed Permanent Receiver of Eastland Savings Bank ("Eastland"), without bond, effective as of 3:00 p.m. Friday, December 11, 1992.

2. The Permanent Receiver is authorized to take possession and charge of the property, assets and effects of Eastland, to collect all the assets, debts, and property belonging to it, and to preserve and conserve the same.

3. The Permanent Receiver shall be and is hereby authorized and empowered to operate the business of Eastland, to liquidate its assets, to adjudicate creditor claims, and to pay all valid obligations of Eastland, subject to and in accordance with the Federal Deposit Insurance Act, including 12 U.S.C. 1811, 1821(a)(1) and the Rules and Regulations issued thereunder. In addition, the

Permanent Receiver shall exercise all of the rights, powers, and privileges conferred by the provisions of Rhode Island General Laws Section 19-15-1 et seq.

4. The Permanent Receiver shall continue to discharge its duties and trust hereunder in accordance with applicable law and that the right is reserved to the Permanent Receiver and to the parties hereto to apply to this Court for any other or further instructions to the Permanent Receiver and that this Court reserves the right, upon such notice, if any, as it shall deem proper, to make such further orders herein as may be proper, and to modify this Order from time to time.

5. The commencement, prosecution, or continuance of the prosecution of any action, suit, arbitration proceeding, hearing, or any foreclosure, reclamation or repossession proceeding, whether judicial or non-judicial, or any other proceeding, in law or in equity, under any statute or otherwise, against Eastland or any of its property, in any court, agency, tribunal, or elsewhere, or before any arbitrator, or otherwise, by an creditor, stockholder, corporation, partnership or any other person, or the levy of any attachment, execution or other process upon or against any property of Eastland or the taking or attempting to take into possession any property in the possession of Eastland or of which Eastland has the right to possession, by any of such parties as aforesaid, other than such Receiver, or the termination of telephone, electric, gas or any other utility service to Eastland, by any public utility, without obtaining approval thereof from this Court, in which

connection said Receiver shall be entitled to prior notice and an opportunity to be heard, are hereby restrained and enjoined until further Order of this Court.

6. In accordance with Rhode Island General Laws §19-15-9, the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against Eastland that was or could have been commenced before the commencement of the receivership, or any act to recover a claim against Eastland that arose before the commencement of the receivership, or the enforcement, against Eastland or against property of the receivership estate, of a judgment obtained before the commencement of the receivership, or any act to obtain possession of property of or from the receivership estate or to exercise control over property of such estate, or any act to create, perfect, or enforce any lien against property of the receivership estate, or any act to create, perfect, or enforce against property of Eastland any lien to the extent that such lien secures a claim that arose before the commencement of the receivership, or any act to collect, assess, or recover a claim against Eastland that arose before the commencement of the receivership, or the setoff of any debt owing to Eastland that

arose before the commencement of the receivership against any Claim against Eastland are hereby restrained and enjoined until further Order of this Court.

ENTERED as an Order of this Court this 11th day of December, 1992.

ENTER:

Donald R. Lengyel
Presented by: 12-11-92
Daniel J. Schatz, #2083
Keith H. Fine, #4395
Department of Business Regulation
Legal Division, Suite 235
233 Richmond Street
Providence, RI 02903-4235
(tel. (401) 277-2246)

BY ORDER:

Michael K. Kelleher
Supervisory Clerk

Received in Woonsocket R.I.
Date 12-21-92 Time 12:24 PM
Pauline S. Payeur, City Clerk

WITHIN TEN (10) DAYS AFTER SERVICE (TWENTY (20) FOR U.S. GOVERNMENT OFFICERS AND AGENCIES THEREOF), ANY PARTY AGAINST WHOM A "PLEADING" IS FILED, OR ANY OTHER PARTY TO THE ACTION WHO OBJECTS TO THE RELIEF SOUGHT THEREIN, SHALL SERVE AND FILE AN OBJECTION TO THAT PLEADING. IF NO OBJECTION IS FILED TO A PLEADING WITHIN THE TIME PRESCRIBED HEREIN, THE PLEADING WILL BE DEEMED UNOPPOSED AND WILL BE GRANTED, UNLESS (1) THE REQUESTED RELIEF IS PROHIBITED BY LAW; OR (2) THE REQUESTED RELIEF IS AGAINST PUBLIC POLICY; OR (3) IN THE OPINION OF THE COURT THE INTEREST OF JUSTICE REQUIRES SUA SPONTE DENIAL OF THE UNOPPOSED MOTION.

EX D

UNITED STATES BANKRUPTCY COURT

DISTRICT OF RHODE ISLAND

In re

CUMBERLAND INVESTMENT
CORPORATION, Debtor

Chapter 11
No. 89-11051 (ANV)

JOINT OPPOSITION TO APPLICATION TO REQUIRE TRUSTEE
TO ALLOW EXAMINATION OF COINS AT EASTLAND BANK
AND REQUEST FOR EMERGENCY HEARING

Now comes John F. Cullen, Chapter 11 Trustee (the "Trustee"), by and through his counsel, Edwards & Angell, and Eastland Bank ("Eastland") by and through its counsel, Hinckley, Allen, Snyder & Comen, and respectfully submit this joint opposition in opposition to the Application to Require Trustee to Allow Examination of Coins at Eastland Bank filed by Wescap Enterprises Limited and Harold F. Chorney. As grounds therefore, the Trustee and Eastland represent as follows:

BACKGROUND

1. Cumberland Investment Corporation ("CIC"), a Rhode Island corporation, is wholly owned by Wescap Enterprises, Ltd., a publicly traded Canadian Corporation, ("Wescap").

2. Wescap does not appear to be represented by counsel in this proceeding. The Trustee and Eastland submit that the filing of applications and motions by Mr. Chorney on behalf of Wescap constitutes the unauthorized practice of law by Mr. Chorney, in violation of Rhode Island General Laws §11-27-5.

4/1
4/4/2

3. Harold F. Chorney was a Principal of CIC and is the Chief Operating Officer of Wescap.

4. On October 23, 1989, Eastland petitioned CIC into an involuntary receivership proceeding in the Superior Court.

5. On November 8, 1989, Eastland and two other creditors petitioned CIC into bankruptcy pursuant to the filing of an involuntary petition under Chapter 7 of the Bankruptcy Code.

6. On December 6, 1989, CIC converted the involuntary Chapter 7 petition to a voluntary Chapter 11 proceeding and an appropriate order was entered by the Court.

7. A Chapter 11 Trustee was appointed on August 9, 1990 and the bankruptcy court also directed the immediate discharge of the principals of CIC, including Mr. Chorney, his son Louis and others.

8. The case has been unusually contentious and Mr. Chorney accused Eastland of "switching" the coins held in its possession, requiring the Trustee and Eastland to engage additional security each time the coins are examined, at great expense to each.

9. Although Mr. Chorney and Wescap state in their Application that they "are willing to pay reasonable security costs and comply with all reasonable conditions," it is a matter of public record that counsel for Mr. Chorney has moved to withdraw due to non-payment of legal fees.

10. The Trustee has utilized LCF Associates, Incorporated ("LCF") for security purposes when allowing access to the estate assets for other appraisals. LCF charges \$70.00 per hour for its services, plus \$.47 per mile for travel.

11. Eastland also has an employee present at such examinations at a cost of \$20.00 per hour.

12. Estimating Wescap's and Mr. Chorney's appraisal to take two 8 hour days, the cost for such appraisal would exceed \$1,400.00.

13. The Trustee and Eastland respectfully request that Wescap and/or Mr. Chorney be required to pre-pay at least \$1,500.00 into an escrow account at Eastland to cover these anticipated expenses.

14. Several prospective purchasers have reviewed the assets of the estate and the Trustee hopes to conduct a sale of some of the estate assets, possibly including the coins held by Eastland, by the end of the year.

15. In order to ensure that such sales may go forward as planned, it is imperative that the appraisal of Wescap and/or Mr. Chorney be completed no later than December 6, 1991.

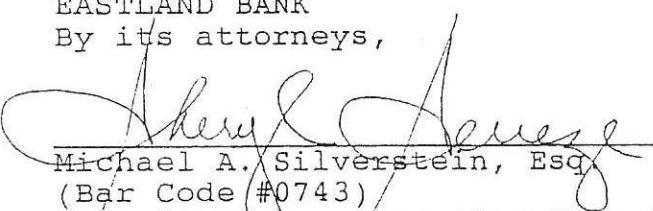
WHEREFORE, the Trustee and Eastland pray that this Court

(1) Schedule an emergency hearing on this matter to permit it to be heard soon enough to permit any appraisal to be completed by December 6, 1991;

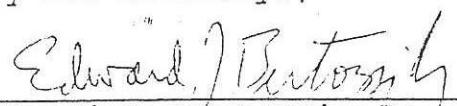
(2) Order Wescap and/or Mr. Chorney to pay \$1,500.00 to Eastland to be placed into an escrow account to be applied against actual security costs incurred as a result of the requested appraisal; and

(3) Provide such further relief as this Court deems just and proper.

EASTLAND BANK
By its attorneys,


Michael A. Silverstein, Esq.
(Bar Code #0743)
Sheryl Serreze, Esq. (Bar Code #4467)
Hinckley, Allen, Snyder & Comen
1500 Fleet Center
Providence, Rhode Island 02803
(401) 274-2000

JOHN F. CULLEN, TRUSTEE
By his attorneys,


Edward J. Berrozzi, Jr., Esq.
(Bar Code #1124)
Andrea Corcoran, Esq.
Edwards & Angell
2700 Hospital Trust Tower
Providence, Rhode Island 02903
(401) 274-9200

DATED: November 14, 1991

wp:Serreze:EB028525 .AG7 November 14, 1991 R5