

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW HAMPSHIRE

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IN RE: SUSAN G. FARAH *

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DEPOSITION OF SUSAN G. FARAH

VOLUME II

Deposition taken at the law offices of WILLIAM S.
GANNON, P.L.L.C., 889 Elm Street, Manchester, New
Hampshire, on Tuesday, August 24, 2010, commencing at
10:23 a.m.

Court Reporter: Kimberly Kerwin, CSCR

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I N D E X

WITNESS: Susan G. Farah

EXAMINATION: PAGE

By Ms Notinger 196

EXHIBITS MARKED FOR IDENTIFICATION:

FARAH DESCRIPTION PAGE

1 Meeting minutes 298

(Exhibit enclosed in original transcript.)

1 APPEARANCES:

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STIPULATIONS

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It is agreed that the deposition

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shall be taken in the first instance in

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stenotype and when transcribed may be used

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for all purposes for which depositions are

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competent under the Federal Rules of Civil

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Procedure.

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Notice, filing, caption and all

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other formalities are waived. All

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objections except as to form are reserved

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and may be taken in court at time of trial.

1 It is further agreed that if the
2 deposition is not signed within thirty (30)
3 days after submission to counsel, the
4 signature of the deponent is waived.

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8 MS. NOTINGER: This is a
9 continuation of the examination of Susan G.
10 Farah, right, --

11 THE WITNESS: Yes.

12 MS. NOTINGER: -- is the middle
13 initial? And I guess I'll have you swear
14 her in again just quickly.

15 THE WITNESS: Okay.

16

17 SUSAN G. FARAH

18 Having been duly sworn by Ms. Kerwin was
19 deposed and testified as follows:

20 EXAMINATION

21 BY MS NOTINGER:

22 Q. And again, the same stipulations
23 apply as last time for everybody, if that's

1 okay.

2 MR. GANNON: They do.

3 Q. BY MS. NOTINGER: Let me start with
4 this because this is what I started with
5 the other day. And I don't know if you
6 want to follow along in your big pile of
7 copies or you want to just listen, and I'll
8 identify where I'm pulling things from.

9 MR. GANNON: Yeah. I'll just
10 listen.

11 Q. BY MS. NOTINGER: Okay. All right.
12 I am looking through a pile of documents
13 that have been copied for me, and they are
14 marked with a blue sheet on top, No. 1B,
15 five folders. And I will represent to you
16 that these copies were ones that you had
17 given to your attorney regarding various
18 bank accounts.

19 A. Okay.

20 Q. Does that look like a statement from
21 a Laconia Savings Bank account in your
22 name?

23 A. Oh, yes.

1 Q. And, in fact, it's in yours and
2 Scott's name; is that right?

3 A. Yes, yes. I'm getting my glasses
4 here.

5 Q. I just broke a pair this morning.
6 That's what I get for buying them at the
7 dollar store. So, in fact, this is a joint
8 account that you told me about I think last
9 time we met --

10 A. Yes.

11 Q. -- that's at Laconia Savings Bank?

12 A. Yes.

13 Q. And, in fact, I think this morning
14 you just handed me the most recent
15 statement --

16 A. Yes.

17 Q. -- from that account; is that right?

18 A. Yes.

19 Q. And it still has in it about -- it's
20 a little less than this, I think. It's
21 about --

22 A. Okay.

23 Q. -- \$500 balance in it?

1 A. Okay.

2 Q. Does that sound right?

3 A. I think so. I didn't look at the
4 statement, the recent one.

5 Q. Okay. But I think you testified
6 last time that neither you nor Scott have
7 used this account much?

8 A. I haven't, no.

9 Q. And the account is still open, to
10 your knowledge?

11 A. As far as I know it is, yes.

12 Q. Okay. And that is account No.

13 1042823; --

14 A. Yes.

15 Q. -- is that right?

16 A. Yes.

17 Q. Okay. Next stack is -- I know you
18 didn't write this, but it's covered by a
19 blue sheet that says MVSB.

20 A. Mm-hmm.

21 Q. And would you agree that MVSB stands
22 for -- well, what do you think it stands
23 for?

1 A. Meredith Village Savings Bank, yeah.

2 Q. Okay. And that's an account you

3 used?

4 A. That was in my name.

5 Q. Okay. And did that become Laconia

6 Savings Bank, that bank, or is it still

7 a --

8 A. No. It's still a bank.

9 Q. It's still a bank, okay. All right.

10 So looking at this, that is one where there

11 are handwritten check registers?

12 A. Yes.

13 Q. And is that your handwriting?

14 A. Yes, it is.

15 Q. And you prepared those check

16 registers?

17 A. Yes.

18 Q. Okay. And this is all for account

19 number -- let's see. Let's look at that.

20 Is that it?

21 A. Yeah.

22 Q. 23250629?

23 A. Yes.

1 Q. Okay. And that was your account at
2 Meredith Village Savings Bank?

3 A. Yes, it was.

4 Q. Okay. And is this account still
5 open?

6 A. I can't tell whether it is or not.
7 I had \$50 in it, and when the bank had to
8 answer some questions about the lawsuits.

9 Q. Okay.

10 A. They charged me the rest. I had
11 57.72. And they charged me \$50 and then
12 7.72 to answer the questions. There were
13 like four questions that they answered.

14 Q. Okay. So they got sued on a trustee
15 attachment?

16 A. Yeah.

17 Q. Okay.

18 A. And I don't -- I don't know whether
19 they closed the account, but --

20 Q. Okay. But you're not using this
21 account?

22 A. I'm not using that account, no.

23 Q. Okay. All right. And this package

1 that I had, I think this was part of the
2 records I asked you to produce --

3 A. Yes.

4 Q. -- for the last year of bank
5 statements.

6 A. Yes.

7 Q. And so you produced a bunch of these
8 records from Meredith Village Savings Bank
9 for that account?

10 A. Yes.

11 Q. With the number I read before. It's
12 23250629?

13 A. Yes.

14 Q. Okay. And was this the primary bank
15 account that you used?

16 A. At that time, yes.

17 Q. Okay. How long was it the primary
18 bank that you used -- primary bank account?

19 A. I can't remember when I opened it.
20 I think it was less than a year, and then I
21 switched to Citizens.

22 Q. Okay.

23 A. So --

1 Q. And is this the account that you
2 would use to pay household bills?

3 A. Yes, it was.

4 Q. Okay. And I think you testified
5 last time that we were talking that Scott
6 deposited his payroll check from Financial
7 Resources --

8 A. Yes.

9 Q. -- into your account? Okay.

10 MR. GANNON: Susan, try to let Ms.
11 Notinger finish her question.

12 THE WITNESS: Sorry. I'm so bad at
13 that.

14 Q. That's okay. I'm bad, too. I
15 consider it a conversation. I forget
16 someone's writing it down.

17 MR. GANNON: It's up to you, Kim.
18 I'll be quiet.

19 Q. I'm so busy trying to figure this
20 out I don't bother with the fact that
21 somebody's writing it down, so thank you,
22 Attorney Gannon.

23 So would you agree that on the

1 statements for this account when you see
2 Financial Resources, and on this particular
3 statement, which is dated January 16th of
4 '09, it shows a weekly payroll deposit from
5 Financial Resources. And I guess it's in
6 two different amounts. It started off as
7 2,303.49 a week, and then it drops down to
8 1,866.89 per week.

9 A. Yes.

10 Q. And would you say that those are
11 deposits reflecting Scott's payroll checks?

12 A. Yes.

13 Q. Okay. Were you on the payroll at
14 Financial Resources?

15 A. No.

16 Q. And what about the other deposits
17 into this account? There's -- for
18 instance, there is one on January 14th for
19 \$12,000. Where is that from?

20 A. It probably is from Scott depositing
21 money that I needed into my account to pay
22 bills.

23 Q. Okay. So would you pay all the

1 household bills from this account --

2 A. Yes.

3 Q. -- when it was your primary bank
4 account that you were using?

5 A. Yes.

6 Q. Okay. And I think you did testify
7 last time that the way it would work is you
8 would let Scott know if you were short each
9 month, and he would put the money into your
10 account?

11 A. Yes.

12 Q. Okay. And you didn't put the money
13 into your account?

14 A. No.

15 Q. Could you describe -- what would
16 happen? Would you write checks one day a
17 month and call him and say I'm going to be
18 short X? Could you put it in?

19 A. Yeah. I wrote checks out either
20 every week or every two weeks. And then I
21 just sent a stack of bills to the office
22 with a note on the front of them saying how
23 much I needed to, you know, balance the

1 books.

2 Q. Okay.

3 A. So --

4 Q. All right. Okay. And then on the
5 statements for this account again, and I'm
6 looking at the January of '09 statement,
7 but it seems pretty uniform that there
8 would be various, it looks like withdrawals
9 or electronic payments out of this account
10 every month?

11 A. Yes.

12 Q. Okay. Could you just tell me what
13 those were for?

14 A. The Chase one was for a credit card
15 that we had. MetroCast was the cable
16 company.

17 Q. Okay.

18 A. Payment Center Home Loan Services,
19 that was our mortgage. Exxon Mobil was the
20 credit card. Credit card services was
21 another credit card. Audi Financial was
22 one of the cars that we owned. VW Credit
23 was a car that we owned. Verizon was -- I

1 don't know. I don't remember whether we
2 had Verizon cell phones at that time, so I
3 don't know if it was a phone bill.

4 Q. Okay.

5 A. Chase was another credit card.
6 Brooks Brothers was a credit card. Home
7 Loan Services was probably -- that was
8 another credit card. I mean, that was our
9 mortgage again. BMW was a car that we
10 owned.

11 Q. Okay. So I think there were three
12 different car loans, one for Audi, one for
13 VW and one for BMW?

14 A. Yes.

15 Q. Is that correct?

16 A. Yes.

17 Q. Okay.

18 A. We actually leased the BMW.

19 Q. Okay. And who drove the BMW?

20 A. I did.

21 Q. And do you still have that in your
22 possession?

23 A. No.

1 Q. And what happened to it?

2 A. We turned it in because we couldn't
3 make the payments.

4 Q. Okay.

5 A. So --

6 Q. And what about VW? What was that?

7 A. The VW was my son's, and that got
8 repossessed.

9 Q. Okay. Do you know when it got
10 repossessed?

11 A. I don't remember what month it was.
12 It was during the school year last year.

13 Q. Last year during the school year?

14 A. Yeah.

15 Q. Okay. And how about the third one?
16 What was the third one, the Audi?

17 A. The Audi, I'm trying to remember --
18 this was -- Scott had a 2002 Audi, and my
19 other son had another Audi. And I'm not
20 sure which one this one was.

21 Q. Okay.

22 A. My son's got repossessed, the 2002
23 is still in his possession.

1 Q. Okay. So he's still driving a 2002
2 Audi?

3 A. It does not work anymore --

4 Q. Okay.

5 A. -- so he's not driving it.

6 Q. Is he driving something else?

7 A. I don't know what he's driving right
8 now.

9 Q. Okay. What about yourself?

10 A. He said something about --

11 Q. Go ahead.

12 A. -- a little pickup truck he picked
13 up somewhere, an old one, so --

14 Q. Okay. Have you seen him driving any
15 fancy cars?

16 A. No. Oh, no.

17 Q. Okay. How about yourself? What are
18 you driving these days?

19 A. I'm driving a Honda Civic.

20 Q. And how did you get that?

21 A. My parents gave me the money to buy
22 a car so I can have some transportation.

23 Q. Okay. How much did they give you?

1 A. Well, actually, I shouldn't say
2 that. My son owns the car that they gave
3 him the money to buy it so I could drive
4 it.

5 Q. Okay. And why did they do it that
6 way?

7 A. I couldn't get a loan for a car
8 because I'm in the middle of a bankruptcy.

9 Q. Okay. And how much money did they
10 give your son for the car?

11 A. They gave him 16,000.

12 Q. When did they give him that money?

13 A. It was -- I'm trying to think what
14 month it was. I think it was July.

15 Q. July of 2010?

16 A. Yes.

17 Q. So just recently?

18 A. Just recently.

19 Q. Within the last two months?

20 A. Yeah, because I wouldn't have had a
21 car to drive. My sons took their cars out
22 to college, and I didn't have anything to
23 drive to work.

1 Q. All right. So -- and the BMW was
2 turned in or repossessed when?

3 A. That was -- goodness, that was
4 probably January of 2010. Then I drove
5 Scott's Audi for a while, the 2002 Audi --

6 Q. Okay.

7 A. -- until I got my car and --

8 Q. So between January of 2010 and July
9 of 2010 you drove the Audi?

10 A. Yes.

11 Q. And it stopped working?

12 A. It stopped working after I gave it
13 back to him.

14 Q. Okay. What are your sons driving
15 right now?

16 A. They are driving a Honda Civic
17 because we have two of them.

18 Q. You have two of them?

19 A. Yeah.

20 Q. Okay. They have one between them,
21 or they each have one?

22 A. They have one between them.

23 Q. And how did they acquire that?

1 A. Again, my parents gave my son the
2 money to buy the car.

3 Q. How much did they give him?

4 A. They gave him 12,000 for that one.

5 Q. And when did they give him that?

6 A. That was -- I have the check, and I
7 don't know when. I think it was January or
8 February of 2010.

9 Q. Okay. And did your -- did you ever
10 loan your parents any money?

11 A. No.

12 Q. And are you going to pay them back
13 for all the amounts that they have given
14 you? I'm just trying to remember what you
15 testified to last time. They gave you
16 money for an attorney. I think you said
17 30,000.

18 A. They --

19 Q. Can I just finish my question?

20 A. Yeah.

21 Q. I think you said they gave you about
22 30,000 for attorneys and now 16 for a car,
23 16,000, and then another 12,000 to your

1 sons. And I'm trying to do the math.

2 A. Well they gave my son -- my son's

3 16.

4 Q. Okay.

5 A. So --

6 Q. Is he supposed to pay that back to

7 them?

8 A. It was a gift. My understanding is

9 that each person can gift \$12,000 a year.

10 And my -- I don't remember who, whether it

11 was my father or my mother gifted 12,000

12 and then the other one gifted the four so

13 that he could get a car.

14 Q. So they were gifting it under the

15 federal tax laws --

16 A. Right.

17 Q. -- that allow you to gift up to a

18 certain amount tax free?

19 A. Right.

20 Q. And what about the amounts that they

21 gave to you? Is that also a gift from

22 them?

23 A. Yes.

1 Q. All right. And they have never
2 loaned any money -- they have never
3 borrowed any money from you or Scott?

4 A. I don't think so.

5 Q. So they are not paying you back for
6 money in the past?

7 A. Oh, no, no.

8 Q. Okay. How are your children paying
9 for school? They are both in college; is
10 that right?

11 A. They have a lot of scholarships, and
12 my parents are paying the balance at the
13 moment.

14 Q. Do you know how much the balance is
15 that they are paying?

16 A. I know Matthew between FAFSA and his
17 scholarships got all of his college paid
18 for, but \$9,000. Mark, I don't remember
19 the balance. It's between nine and 11, I
20 think.

21 Q. Nine and 11,000?

22 A. Yeah.

23 Q. Okay. And they both go to school

1 where?

2 A. They go to Oral Roberts University.

3 Q. And prior to this year how did they
4 pay for school?

5 A. Scott paid for it.

6 Q. And do you know where he got the
7 money to do that?

8 A. I wrote the checks out through my
9 account and --

10 Q. Okay.

11 A. So the money was deposited in my
12 account for the tuition as well as the
13 household bills.

14 Q. Okay. And who would you write the
15 checks out to for that?

16 A. It's Tuition Management Services.

17 Q. Okay. Is that abbreviated
18 somewhere?

19 A. I don't know.

20 Q. Would you pay them a certain amount
21 per month, or how did that work?

22 A. For Matthew, he was the only one in
23 college last year, --

1 Q. Okay.

2 A. -- it was \$1500 a month.

3 Q. Okay.

4 A. I just don't know where -- I'm
5 sorry. I just don't know where --

6 Q. Sometimes we can't anticipate what
7 the questions are going to be. That's
8 okay. Okay. But you would -- just so I
9 understand your testimony, you paid \$1,500
10 per month for Matthew's college?

11 A. Yes.

12 Q. Okay. And how many years has he
13 been in college?

14 A. He's a sophomore this year.

15 Q. So last year was his first year?

16 A. Last year was his first year.

17 Q. And this year your other son is a
18 freshman?

19 A. Right.

20 Q. Okay. All right. And you paid the
21 bill -- you would pay the bill, but Scott
22 would give you the money for it?

23 A. Yes.

1 Q. Okay. All right. Can you tell me
2 who -- I just saw her name somewhere, and I
3 wanted to ask you. Karen Pettit is?

4 A. Karen Pettit was my housekeeper.

5 Q. Okay. And you paid 375 a week --

6 A. Yes.

7 Q. -- for housekeeping?

8 A. Yes.

9 Q. And who or what is Wycliffe?

10 A. Wycliffe is a missionary
11 organization. They send Bibles all over
12 the world. And they send missionaries into
13 unreached people, groups that don't have a
14 written language. And they go in and learn
15 the language and teach the people how to
16 read and give them a Bible in their
17 language.

18 Q. And you used to pay them \$1,000 a
19 month?

20 A. Yes.

21 Q. And how long did you do that for?

22 A. I don't remember. I'm sorry.

23 Q. That's okay. Was it more than a

1 year?

2 A. It was more than a year.

3 Q. Was it more than two years?

4 A. I don't remember when we started
5 paying that amount.

6 Q. Okay. Where is Wycliffe?

7 A. It's in -- the headquarters is in --
8 just a minute, Dallas, Texas.

9 Q. Okay. And is anyone at Wycliffe
10 associated with Financial Resources
11 Mortgage or CL&M in any way?

12 A. No.

13 Q. Who was Heather Farah?

14 A. Oh, Heather Farah is my
15 sister-in-law.

16 Q. Okay. And who is she married to?

17 A. She's married to Paul.

18 Q. Do you know why you paid her \$400 in
19 December of --

20 A. It was --

21 Q. -- oh, --

22 A. It was a Christmas gift. She has
23 eight kids.

1 Q. -- so you sent her some money for
2 Christmas?

3 A. I sent her money for Christmas.

4 Q. And who is Donna Lynn Moynahan?

5 A. She was my voice teacher and my
6 piano teacher.

7 Q. You paid her, looks like \$100 or
8 thereabouts on a regular basis?

9 A. Yeah. She also taught my son voice,
10 so I just paid her one check for all of the
11 lessons.

12 Q. All right. How many hours a week
13 did Karen Pettit work for you?

14 A. 15 to 20.

15 Q. And what did she do?

16 A. She did all the housecleaning and
17 the laundry.

18 Q. And what were you doing when she was
19 doing that?

20 MR. GANNON: Objection. You don't
21 need to answer that question.

22 Q. I'll rephrase it. Were you working
23 outside the home at that time?

1 A. I was working on Matark part-time.
2 I also coached my kids' track team and
3 helped them with all the things they did at
4 school. I worked on -- I was the worship
5 leader in my church. I was trying to get
6 new songs out and ready, and I wrote songs.
7 And let's see. What else did I do? I
8 don't know what else to tell you.

9 Q. Okay. Okay. And I'm looking -- I'm
10 still looking at the same account at
11 Meredith Village Savings Bank. I'm looking
12 at a statement dated February 13th of '09.

13 A. Yes.

14 Q. Okay. And I see here a check. And
15 it's check No. 3088 to Home Depot. And
16 it's for \$11,000 and change.

17 A. Yes.

18 Q. And I'll represent to you that I not
19 only see that check, but a bunch of checks
20 to Home Depot --

21 A. Yes.

22 Q. -- out of this account.

23 A. Yes.

1 Q. Could you tell me what you were
2 writing those checks to Home Depot for?

3 A. It was for 61 South Main Street.
4 Well, it was for Mark Carpenter's work. He
5 worked on 61 South Main Street and the
6 Franklin Street property that my
7 father-in-law owned. I wrote those checks
8 out of my personal account to Home Depot.
9 Those were for materials that he needed to
10 work on the properties.

11 Q. Okay. And how were those checks
12 funded?

13 A. It was the same thing. I wrote the
14 checks, and I gave Scott the bills that
15 were paid with the note saying how much I
16 needed.

17 Q. For him to cover the checks?

18 A. For him to cover the checks.

19 Q. Okay. And so do you remember
20 whether any checks written to Home Depot
21 out of this account were for anything other
22 than 61 South Main or 42 or 44 Franklin?

23 A. Not to my knowledge. Mark Carpenter

1 cleared some land on Northview Drive. I
2 don't think there were Home Depot materials
3 that went for that.

4 Q. Okay.

5 A. I don't know. He worked briefly at
6 our house. He cut down some branches off a
7 tree and, you know, tried to figure out
8 some drainage issues in our house. I think
9 he cleared some land on another piece of
10 property. I just don't remember where that
11 property is.

12 Q. Okay.

13 A. But to my knowledge, the materials
14 went to 61 South Main or 42, 44 Franklin
15 Street.

16 Q. Okay. And there are also -- and I
17 won't go looking for them now, but there's
18 a couple checks to Mark Carpenter or an
19 entity called MC Construction.

20 A. That's --

21 Q. Is that Mark Carpenter?

22 A. That's Mark Carpenter.

23 Q. Okay. And do you recall making a

1 few payments to him out of your account?

2 A. I do recall making a few.

3 Q. Okay. And why were those paid
4 through your account versus through the FRM
5 and CLM accounts?

6 A. I don't know that there was a
7 specific reason. I -- let me try to think.
8 It was probably that Mark couldn't make it
9 over to Financial Resources or something
10 to, you know, to pick up the check. And I
11 wrote it, or I -- I can't remember any
12 specific reasons. It was just every once
13 in a while I wrote a check to him instead
14 of Scott.

15 Q. Okay. Do you remember paying an
16 entity called Lakeside Plumbing?

17 A. Yes.

18 Q. Okay. And let me see if I can --
19 okay. I'm looking at Meredith Village
20 Savings Bank, same account we've been
21 looking at.

22 A. Mm-hmm.

23 Q. This statement is dated May 15th,

1 '09; is that right?

2 A. Right.

3 Q. Okay. And hold on a second. And
4 I'm looking at check No. 3224 to Lakeside
5 Plumbing?

6 A. Yes.

7 Q. Do you remember what that was for?

8 A. Mm-hmm. We put tankless hot water
9 heaters in our home because our hot water
10 heater blew up.

11 Q. So that's at 35 Hatch Corner Road?

12 A. 35 Hatch Corner Road, yes.

13 Q. Okay. So did Lakeside Plumbing ever
14 work at 61 South Main or 44 Franklin?

15 A. No, no. Mark Carpenter used another
16 plumber. Can't remember his name.

17 Q. Did you get the bills for that
18 plumber, or did --

19 A. No.

20 Q. No. Mr. Carpenter would put them on
21 his invoice? How did that work?

22 A. Let me recall. I may have gotten a
23 couple of bills for that plumber, and I

1 passed them on to Scott. I can't remember
2 whether he -- it went through Scott. I
3 don't think I personally ever paid any
4 bills to the plumber.

5 Q. Okay.

6 A. I just don't remember. I can't
7 remember whether I saw --

8 Q. Okay. But you don't recall what the
9 plumber's name was?

10 A. I can give you my best guess.

11 Q. What's your best guess?

12 MR. GANNON: As long as it's a
13 reasonable guess.

14 Q. That's fine. I won't hold you to it
15 if you have it wrong. If you can recall a
16 half a name.

17 A. I think it was Mark Godeck or Bodeck
18 or something like that.

19 Q. But you don't recall paying him out
20 of your account --

21 A. No.

22 Q. -- at Meredith Village Savings Bank?

23 A. I don't remember paying him, no.

1 Q. I also saw some payments around this
2 time to an entity, to Safeco Insurance?

3 A. Yes.

4 Q. Do you know what those were for?

5 A. Safeco Insurance had the insurance
6 on our house.

7 Q. Okay.

8 A. So I would assume that that would
9 probably -- they have the insurance on
10 pretty much everything we own. So I'm
11 assuming it would probably be the house
12 insurance.

13 Q. Okay. Let me see if I can find them
14 here. Well, I can't find them, but let me
15 ask you another question.

16 A. Okay.

17 Q. I'm looking at check 3239 --

18 A. Mm-hmm.

19 Q. -- to Matark for \$5,500.

20 A. Yes.

21 Q. And we're looking at that one
22 specific check, but I will represent to you
23 that there are, you know, a good amount of

1 checks --

2 A. Right.

3 Q. -- sprinkled in here to Matark --

4 A. Yes.

5 Q. -- usually for a couple thousand
6 dollars.

7 A. Yep.

8 Q. Can you tell me what those checks
9 were for?

10 A. Those went to paying Matark bills.

11 Q. Okay.

12 A. I was told by the lawyer that set up
13 the LLC and my accountant and Scott that
14 Matark could receive funds from my personal
15 account to pay bills. I mean, I could --
16 you know, I could loan Matark money to pay
17 bills.

18 Q. Okay.

19 A. That's what I was told. So -- but I
20 couldn't pay personal bills out of the
21 Matark account. You couldn't mix the
22 two --

23 Q. Okay.

1 A. -- in that way. So Matark didn't
2 make any money, so the money that went to
3 Matark to pay Matark bills came from my
4 account.

5 Q. Okay.

6 A. Does that make sense?

7 Q. Yes. I know what you're talking
8 about. Did Matark file its own tax return,
9 or was it included on your personal tax
10 return?

11 A. It's an LLC. And I think it goes on
12 personal tax returns.

13 Q. It can. So I'm asking --

14 A. Yeah.

15 Q. -- do you know whether it filed its
16 own return or whether it was on your
17 personal --

18 A. I never filed anything for Matark
19 because Scott was going to do all the tax
20 returns. And so I don't know that taxes
21 ever got filed for that.

22 Q. For Matark?

23 A. Yeah.

1 Q. Okay. So did you and Scott file
2 joint tax returns or separate?

3 A. We filed jointly.

4 Q. Okay. And we were talking before we
5 went on the record here. Do you have your
6 last two tax returns that you filed?

7 A. No.

8 Q. Okay. Are you willing to try to
9 obtain copies of those for the trustee?

10 A. I can call the accountant, or I can
11 give you permission to call them.

12 Q. Would you do that, please, because
13 you are required to produce --

14 A. Oh, certainly.

15 Q. -- your last two that you have
16 filed.

17 MR. GANNON: Who's the accountant?

18 A. It's Phyllis Johansson with H&R
19 Block in Laconia.

20 Q. Okay. Phyllis?

21 A. Yeah. Phyllis.

22 MR. GANNON: Susan, may I suggest
23 that you call Phyllis and get copies of the

1 last two or three because given your travel
2 plans you probably want to make sure that
3 gets taken care of.

4 Q. Right.

5 A. Yeah. I can do that. Do you want
6 me to just mail them to you?

7 Q. That would be wonderful.

8 A. Okay.

9 Q. I can send her an e-mail or a fax or
10 whatever she needs --

11 A. Yeah.

12 Q. -- with my address.

13 A. Okay.

14 Q. And that would be great. Do you
15 know whether you filed your tax return for
16 2009 yet?

17 A. That's not been filed.

18 Q. Okay.

19 A. I talked to her, oh goodness, a
20 couple of months ago, I think. And I think
21 the last time that Scott filed for us was
22 2006.

23 Q. 2006?

1 A. Yeah.

2 Q. So no '07 or '08 returns, either?

3 A. I don't think there's any '07 or
4 '08.

5 Q. Is Phyllis working on those?

6 A. I think she was working on them.

7 Q. Okay.

8 A. And you have my permission to finish
9 those with her or whatever you want to do.

10 Q. Okay.

11 A. I --

12 Q. All right. She's at H&R Block in
13 what town?

14 A. H&R Block, and it's in Laconia.

15 Q. Okay. When did you form Matark?

16 A. The LLC was formed in, I think it
17 was April of 2008.

18 Q. Okay.

19 A. I had a Matark Publishing Company
20 for ten years before.

21 Q. Do you know whether or not Matark
22 was included on your returns back in '06?

23 A. I have no idea.

1 Q. Okay.

2 A. It never made any money, so I don't
3 know what --

4 Q. Okay. But Matark did have a bank
5 account? It did, right?

6 A. It was formed when I formed the LLC.

7 Q. Okay.

8 A. I got a bank account.

9 Q. Okay. I think you gave me some
10 statements.

11 A. Yeah. I saw some statements down
12 here.

13 Q. Okay. All right. So we'll get to
14 that in a minute. Oh, what I had started
15 to ask you about that particular check for
16 3229, do you know what that was for? That
17 was a little bit bigger, it was \$5500, than
18 the other ones.

19 A. My guess, I would have to go through
20 the Matark accounts to figure out when this
21 was.

22 Q. Okay.

23 A. It may have been a group of bills,

1 or it could also have been a feasibility
2 study that Matark was paying for to have
3 done on -- I think we did one on
4 Northfield.

5 Q. Okay.

6 A. And --

7 Q. And that was the assisted living?

8 A. Yeah. Assisted living facility.

9 Q. Okay.

10 A. Yeah. So my guess is that's
11 probably what that was for. I just have to
12 go through the Matark accounts to tell you
13 for sure.

14 Q. Okay. Did you take a paycheck from
15 Matark --

16 A. No.

17 Q. -- yourself? Okay. It just paid
18 bills?

19 A. It just paid bills.

20 Q. Okay. Was there anyone else on the
21 payroll of Matark?

22 A. No.

23 Q. Show you another check from that

1 same statement --

2 A. Okay.

3 Q. -- on the Meredith Village account.

4 I'm still looking at the May 15, '09

5 statement.

6 A. Yes.

7 Q. And check No. 3260.

8 A. Yes.

9 Q. To Gould & Burke, G-o-u-l-d, and
10 Burke for \$3,660?

11 A. Is that yours? I can't remember.

12 It sounded like a familiar ring. I missed

13 this. I'm trying to -- I don't remember.

14 I thought Scott wrote all of these out, but

15 this could have gone to -- there was a

16 tenant from 61 South Main Street that sued

17 me that --

18 Q. Okay.

19 A. -- Mike Gould represented me in the

20 case. And I think that's probably what

21 this was for.

22 Q. Okay.

23 A. For some reason I thought Scott had

1 paid that, but I may have.

2 Q. Okay. But again, it was funded when
3 he put money into the account --

4 A. He put money into the account, yeah.

5 Q. -- to cover the bill?

6 A. Yeah.

7 Q. Okay. Since I'm still looking at
8 that account let me see on the -- there's
9 another payee I wanted to ask you about,
10 which is International Teams?

11 A. Yes.

12 Q. What's that?

13 A. That's a missionary organization
14 that sends teams to areas in Arabic
15 countries to evangelize Arabic countries --

16 Q. Okay.

17 A. -- to bring the gospel, you know.

18 Q. And you were paying them about \$500
19 a month?

20 A. Yes.

21 Q. Does that sound right?

22 A. Yes.

23 Q. And how long were you paying them

1 that?

2 A. Oh goodness. I don't remember when
3 I started.

4 Q. Was it more than a year?

5 A. It was more than a year.

6 Q. Was it more than two years?

7 A. It could have been. I just don't
8 remember.

9 Q. Okay. Is International Teams
10 connected with Financial Resources Mortgage
11 or CL&M in any way?

12 A. No.

13 Q. An outside charitable organization?

14 A. Yes.

15 Q. How did you come to be involved with
16 all these organizations where you're
17 sending money? This is Wycliffe,
18 International Teams, and there are some
19 others sprinkled in here. How did you get
20 involved with these organizations?

21 A. We -- with International Teams we
22 supported a missionary. And same thing
23 with Wycliffe.

1 Q. Okay.

2 A. So --

3 Q. And how did you meet the
4 missionaries?

5 A. How did I meet the missionaries?
6 Well, they were relatives of Scott's that
7 we supported on the mission field.

8 Q. Okay. What relatives were those?

9 A. With Wycliffe it was Dave and Gloria
10 Farah, and with International Teams --
11 goodness. I can't remember his last name
12 Wes -- just a minute.

13 Q. That's okay. Take your time.

14 A. Oh, goodness. I -- it's so bad I
15 can't remember his last name. I think it
16 was Watkins.

17 Q. So the first name was Wes, W-e-s?

18 A. Yeah.

19 Q. And what relation is he to Scott?

20 A. He is a cousin's son. And he goes
21 to -- he is a missionary in Yemen.

22 Q. Okay. And what about, did you say,
23 David and Gloria Farah?

1 A. Yes.

2 Q. Who were they?

3 A. They were missionaries to Bolivia
4 for years, and they are Scott's aunt and
5 uncle.

6 Q. So is David Farah Robert Farah's
7 brother?

8 A. Yes.

9 Q. Okay. What about the Child
10 Evangelism Fellowship?

11 A. That was someone that sent me
12 something in the mail. And I think they --
13 I think that group came to the kids' school
14 one time and talked about what they did.
15 And it just seemed like a really good
16 charitable organization.

17 Q. Okay. So they're not connected with
18 a Farah family group?

19 A. No. Not at all.

20 Q. Okay. And I think you said that if
21 there are checks to MC Construction -- that
22 is Mark Carpenter's business?

23 A. That is Mark Carpenter's business,

1 yes.

2 Q. Who is Rick Duba?

3 A. He is the principal of the school
4 that the kids went to. And that check went
5 to help pay for Matthew's senior trip.

6 Q. Okay. So I'm looking at some checks
7 in May of 2009.

8 A. Yes.

9 Q. There are a couple to Rick Duba.

10 A. Right.

11 Q. Okay.

12 A. Yeah. We just wrote them to -- he
13 wanted us to write the checks to him. They
14 went to Washington, D.C.

15 Q. Okay. And what school was that they
16 went to?

17 A. It's Laconia Christian School.

18 Q. And do any Farah members -- family
19 members have an ownership interest in that
20 school?

21 A. No.

22 Q. They connected with running it at
23 all?

1 A. No.

2 Q. Okay. Did Karen, your housekeeper's
3 last name become O'Shea at some point?

4 A. Well, I switched housekeepers
5 because one died.

6 Q. Oh, okay. So it's a different
7 Karen?

8 A. It's a different Karen.

9 Q. Yeah. So you're saying the first
10 Karen, Karen Pettit is deceased now?

11 A. Karen Pettit is deceased. She had
12 ovarian cancer.

13 Q. And what about Karen O'Shea? Is she
14 still around?

15 A. Let me think. As far as I know,
16 yes.

17 Q. Okay. Where does he live?

18 A. I had two maids that died of ovarian
19 cancer. And --

20 Q. That's too bad.

21 A. I thought she -- I think she lives
22 in New Hampton.

23 Q. Okay.

1 A. I may be wrong. I just -- one of
2 them did, and I can't remember which one.

3 Q. Okay. And she took over when the
4 other Karen couldn't work anymore?

5 A. Right.

6 Q. Okay. And how long did she work for
7 you?

8 A. Up until November of 2009. So I
9 don't know when the checks started to her.

10 Q. Okay. Did she ever work for
11 Financial Resources or CL&M?

12 A. No. I don't think so.

13 Q. And what about Karen Pettit? Did
14 she ever work for CL&M or Financial
15 Resources?

16 A. Not that I know of.

17 Q. Focus on the Family, that was
18 another charity you gave to?

19 A. Yes.

20 Q. Okay. Is that charity connected in
21 any way with a Farah family member?

22 A. No.

23 Q. Okay. I'm looking here at again a

1 statement from the Meredith Village Savings
2 Bank. This one is dated July 16th of
3 '09; --

4 A. Mm-hmm.

5 Q. -- is that right?

6 A. Yes.

7 Q. And I see here on the back that
8 there's a check to Tuition Management?

9 A. Yes, yeah.

10 Q. It's check No. 3381?

11 A. Yes.

12 Q. And would you say that's one of the
13 monthly checks you wrote for your son's
14 tuition?

15 A. Yes, it is. And it should be the
16 same every month.

17 Q. Okay. Do you know when you started
18 paying for that?

19 A. I thought it was it was either
20 August or September of '09. Well, maybe it
21 was sooner. I know this year they started
22 in July, I think, is what my parents said,
23 but I just can't remember when I started

1 last year.

2 Q. Okay. Did you -- other than these
3 monthly tuition payments did you pay any
4 other amounts for your son's college?

5 A. I don't think so. Maybe books or
6 something like that, but --

7 Q. Okay. Is he living on campus?

8 A. Yes.

9 Q. Okay. So there's no separate rent
10 check or --

11 A. No.

12 Q. Okay. And it looks like from your
13 records -- and I'm looking, again, at
14 Meredith Village Savings Bank account
15 statement is dated August 14th of '09.

16 A. Yes.

17 Q. It looks like you stopped using this
18 account around that time?

19 A. It probably was.

20 Q. Okay. Why did you stop using that
21 account?

22 A. Well, I had a lot of problems with
23 the bank. They were overdrafting me. They

1 lost a deposit of mine and overdrafted six
2 checks --

3 Q. Okay.

4 A. -- and charged me a whole bunch of
5 money and just all kinds of things like
6 that. They fixed it, but I just got tired
7 of it and switched.

8 Q. Okay. So there wasn't any -- there
9 wasn't an attachment at that time against
10 your account?

11 A. No, no. I just got tired of working
12 with the bank.

13 Q. Then I think you said you switched
14 to Citizens?

15 A. I switched to Citizens.

16 Q. Okay. Was there a particular reason
17 you switched to Citizens?

18 A. Seemed like a good bank.

19 Q. All right. Now, I'm going to show
20 you some copies that I got --

21 A. Okay.

22 Q. -- out of the stacks of stuff that
23 you produced. And thank you for putting

1 all that aside there for me.

2 A. Oh, sure.

3 Q. I'll represent to you that it was
4 marked Citizens account, okay, --

5 A. Yes.

6 Q. -- which someone else wrote on this
7 blue sheet of paper.

8 A. That's fine.

9 Q. And there's different things in
10 here.

11 A. Yes.

12 Q. Okay. Looks like somebody --

13 A. My son ran into somebody's bumper.

14 Q. Ran into someone's bumper?

15 A. Yeah.

16 Q. So here's letter in here to someone
17 named Danny and Henry sending them some
18 money for that?

19 A. Yeah. They had an estimate done,
20 and we sent them a check for the damage.

21 Q. Let me ask you about the Citizens
22 account. Was it sort of the same deal as
23 the other account, the Meredith Village

1 Savings Bank, where you would let Scott
2 know each month or each week or however
3 often you were paying checks how much you
4 needed to cover the checks you intended to
5 write?

6 A. Yeah.

7 Q. It was the same deal in this
8 account?

9 A. Yes.

10 Q. So for instance, this check to Danny
11 and Henry for the 860, that was one that
12 you would say I need money for that, --

13 A. Right.

14 Q. -- and he would put the money in the
15 account?

16 A. Right.

17 Q. And it looks like you paid on a
18 letter from the City of Franklin dated May
19 19th of '09 --

20 A. Right.

21 Q. -- a water and sewer bill?

22 A. Yes.

23 Q. And that's being paid to the City of

1 Franklin on whose behalf?

2 A. It was on -- well, I was the trustee
3 of South Main Street. So it was for 61
4 South Main Street water bill.

5 Q. Okay. And actually, that came out
6 of Meredith Village.

7 A. That's okay.

8 Q. That's okay?

9 A. This is still Meredith Village.

10 Q. These are Meredith Village?

11 A. Yeah.

12 Q. Okay.

13 A. Double check. I can tell by the
14 different colors. This is Citizens.

15 Q. That's Citizens?

16 A. I'm sorry.

17 Q. That's okay. I'm just going to
18 write Citizens on it so I don't get
19 confused later. (So indicated.) This is a
20 Citizens account?

21 A. I'm pretty sure that's right.

22 Q. Okay. Well, that's all right.

23 We're doing the best we can, okay.

1 A. I know one is one and the one's the
2 other. You can tell the difference because
3 there's a little shading right here.

4 Q. Okay. That's fine. All right. Now
5 these were -- I'm showing you three --
6 three things. I think it's the same thing,
7 but you can tell me.

8 A. They may be.

9 Q. They are titled register report.
10 The date in the top left-hand corner is
11 January 22nd '09.

12 A. Mm-hmm.

13 Q. And it says it's a report for
14 4/11/08 through 12/31/08.

15 A. Okay.

16 Q. Can you take a look at those and
17 tell me what they are.

18 A. I got -- let me just make sure I
19 know what this is. Okay. This has got to
20 be personal. Oh, well, maybe not.

21 MR. GANNON: While you're taking a
22 look at that, Susan, I'm just going to make
23 a very quick cup of coffee. Would anyone

1 else like one?

2 (Recess.)

3 Q. BY MS. NOTINGER: Back on the
4 record. And you're looking at those things
5 called register reports for me?

6 A. Right. Those are for Matark.

7 Q. Okay.

8 A. I looked through them. I recognized
9 some of the names.

10 Q. Okay. And are these three documents
11 all the same?

12 MR. GANNON: You're asking the same
13 in terms of format and what they are?

14 MS. NOTINGER: -- they appear to be
15 the exact same document --

16 MR. GANNON: Oh, okay.

17 MS. NOTINGER: -- except -- but I
18 just want to make sure.

19 THE WITNESS: They very well could
20 be. I got a new computer program. I think
21 it was QuickBooks. This may have been -- I
22 got Quicken, and then I got QuickBooks. And
23 I'm not sure which one this was. And I was

1 experimenting trying to figure out how to
2 work the thing.

3 Q. BY MS. NOTINGER: Maybe they are not
4 the same. It looks like the third one was
5 different.

6 A. It's different, but it may just be a
7 different format. I think it's just -- I
8 categorized these, and these were untagged.
9 I think I formatted it in a different way.
10 I'm not -- I was trying to figure out how
11 to work the thing. And that's -- I ran my
12 checking account through it. You know, I
13 think you can take your checking account
14 and have it -- you know, have it
15 automatically downloaded into the program.

16 Q. Right.

17 A. So that's where -- that's where that
18 is. I can probably tell you a little bit
19 more through the register than I could
20 through these.

21 Q. So you think those aren't terribly
22 reliable?

23 A. Well, the numbers and the check

1 numbers are what was there, but the tags
2 are close.

3 Q. Okay.

4 A. You know, I could tell you probably
5 a little bit more through the register
6 itself.

7 Q. Okay. But these were some sort of
8 Quicken or QuickBooks loans for Matark?

9 A. Right.

10 Q. Okay.

11 A. Yeah. It's the checking account for
12 Matark.

13 Q. Okay.

14 A. So if you have any questions, I can
15 give you my best --

16 Q. Well, it appears on here that there
17 are several entries for something called
18 biz architecture. What's that?

19 A. Okay. This is was for Charlie Hoyt.
20 He did the architecture on the Northfield
21 property.

22 Q. All right. And the Northfield
23 property was what?

1 A. I'm lost on what you're asking. I'm
2 sorry.

3 Q. What was the Northfield property?
4 What was that supposed to be?

5 A. Oh, okay. That was -- he designed
6 an assisted living facility. He did the
7 architecture for that.

8 Q. Okay. That was supposed to be an
9 assisted living facility in Northfield, New
10 Hampshire?

11 A. Yes.

12 Q. Did anything ever get built on that?

13 A. No.

14 Q. Is the property associated with some
15 kind of trust, the Northfield property?

16 A. Not that I know of. I don't think
17 that it -- there was only a P&S on that
18 property.

19 Q. Okay. That was the one you were
20 looking for the P&S that supposedly Gary
21 Coyne had gotten?

22 A. Right. And I couldn't find that.
23 I'm sorry.

1 Q. All right. So the Northfield
2 property, was that ever acquired by you or
3 Mr. Coyne?

4 A. It wasn't acquired by me, to my
5 knowledge. As of when Financial Resources
6 closed I don't -- I don't think Mr. Coyne
7 acquired it. I don't --

8 Q. All right.

9 A. I haven't talked to him much.

10 Q. Do you know how much money was paid
11 to Charles Hoyt, did you say was his name?

12 A. Yeah. Charlie Hoyt. I could add it
13 up, but it's all in the registry.

14 Q. When you say the registry, you
15 mean --

16 A. The register from Matark.

17 Q. Okay.

18 A. Did I send you that?

19 Q. What's this? Is it in here?

20 MR. GANNON: Do you want me to get a
21 calculator?

22 MS. NOTINGER: If she needs one,
23 that's fine.

1 THE WITNESS: It's in this.

2 MR. GANNON: I meant, or you can ask
3 her to add it all up.

4 Q. BY MS. NOTINGER: No, but you're
5 saying that it would actually all be in --

6 A. Yeah.

7 Q. There's another?

8 A. There's another register.

9 Q. Okay. There's another set of
10 records marked Matark bank statements,
11 right?

12 A. Yes.

13 Q. And that appears to be the
14 handwritten check register?

15 A. Right.

16 Q. And that was created by you?

17 A. Yes.

18 Q. Okay. And that lists all the
19 amounts that Matark paid?

20 A. Yes.

21 Q. Including amounts paid to Charlie
22 Hoyt?

23 A. Yeah. There's one right here,

1 Charlie Hoyt Designs Inc., so, yes. That
2 was from Matark.

3 Q. Okay. Looking at this other
4 register, --

5 A. Yes.

6 Q. -- which has a bunch of payments to
7 Charlie Hoyt --

8 A. Yes.

9 Q. -- noted all together it appears
10 that he was paid more than -- certainly
11 more than \$30,000?

12 A. Yes.

13 Q. Maybe more than 40,000?

14 A. Let's see. 21 -- yeah. It's got to
15 be more than 40.

16 Q. Okay. Had you ever tried to do this
17 before, design and build an assisted living
18 facility?

19 A. No.

20 Q. Did you have any experience in that?

21 A. No.

22 Q. Did you -- before you undertook
23 this -- well, I -- let me withdraw that.

1 Why did you pay him so much money before
2 you had acquired the property?

3 A. I was told that we needed to get all
4 the design work done, and then we could
5 sell, you know, or that the property would
6 sell as an assisted living facility with
7 all of the architecture and everything
8 ready. And I think the -- my understanding
9 from what Scott and Gary had worked out was
10 that they were going to try to sell that
11 property with the design work and the
12 engineering all done. And at the sale they
13 were going to try to pay the landowner the
14 money for the land that they had a P&S.

15 Q. Who was the landowner with the P&S?

16 A. I don't remember their name, and I'm
17 sorry.

18 Q. Do you remember whether that person
19 or entity had other -- or any dealings
20 other than this one with Financial
21 Resources or CL&M?

22 A. I wouldn't know. I'm sorry.

23 Q. That's okay. Were they planning to

1 sell the assisted living facility, or were
2 they planning to get investors for it
3 through FRM?

4 A. My understanding is that they were
5 going to sell the land with everything
6 ready to put an assisted living facility on
7 it. And they had me -- I looked up people
8 that bought assisted living facilities on
9 the net to try to see if anyone was
10 interested in buying the land. So I think
11 the plan was to sell it.

12 Q. Did you find anyone that was
13 interested?

14 A. Not really.

15 Q. Why was this done through Matark?

16 A. When I formed the LLC Scott said, I
17 want you to work in the real estate
18 department that he had had. And this
19 assisted living facility was something that
20 he gave me to work on.

21 Q. Okay. You are the only member of
22 Matark; is that right?

23 A. Right.

1 Q. Okay. If this project sold where
2 were the proceeds supposed to go?

3 MR. GANNON: Objection to the
4 question. Calls for the witness to
5 speculate.

6 MS. NOTINGER: Well, I understand,
7 but I'm asking what the plan was, if she
8 knows.

9 MR. GANNON: Rather than delay this
10 if there was a plan and you know what the
11 plan was then you may answer the question.

12 THE WITNESS: I'm not sure exactly
13 what the plan was.

14 Q. BY MS. NOTINGER: Okay.

15 A. I was -- I was hoping to get some
16 money for Matark to not have to -- so that
17 it would be self-supporting, but I don't
18 know what their plan was, no.

19 Q. Okay. Where did you think the funds
20 were coming from to fund all this? You
21 know, for instance, the Charlie Hoyt plans
22 for architecture, whatever he was doing?

23 A. I didn't know where the funds were

1 coming from.

2 Q. Did you ever ask?

3 A. I didn't think to ask because I
4 thought Scott was doing everything in a
5 legitimate way. I just assumed that he was
6 taking funds that belonged to him.

7 Q. Okay. But you didn't check?

8 A. No.

9 Q. Okay. What about Mr. Coyne? Did he
10 put any money into this that you're aware
11 of?

12 A. I don't know.

13 Q. He never paid in any of the money
14 into your personal account; is that right?

15 A. No. Not that I know of.

16 Q. Okay. And all the funds that are
17 reflected in -- in either this register
18 report or in Matark's actual bank
19 statements --

20 A. Right.

21 Q. -- and your handwritten register,
22 all that money came from your personal
23 checking accounts?

1 A. Yes. That -- that I'm aware of. I
2 am pretty sure that it all did, yeah.

3 Q. Okay. It didn't -- Scott didn't put
4 money into Matark other than to put it in
5 your account, and then you put it in
6 Matark; is that right?

7 A. Yeah. To the best of my knowledge,
8 yes. That's -- I'm -- if he did I wouldn't
9 remember --

10 Q. Okay.

11 A. -- it, but -- everything that I
12 remember came from my account, and it went
13 to, you know, Matark.

14 Q. Okay. Looking just generally at
15 this -- either the register or the bank
16 statements and the handwritten register,
17 what things were Matark involved in? We
18 have the Northfield --

19 A. Right.

20 Q. -- assisted living project.

21 A. Mm-hmm.

22 Q. What else was it involved in?

23 A. Let's see. Matark, and I think

1 these are mainly what the Capital One bills
2 are, a lot of them were.

3 Q. What's Capital One bills?

4 A. Capital One was a credit card that
5 Matark had.

6 Q. Okay.

7 A. And --

8 Q. And what did it use it for?

9 A. It mainly -- I think I paid some
10 insurance out of it, but also on the Beaver
11 Pond project, I staged that one.

12 Q. Okay.

13 A. I had all the furniture in, and I
14 was making monthly payments to Harris
15 Furniture to buy the furniture. And I did
16 all the, you know, the staging and stuff.
17 Let's see. What else did I do? I did a
18 feasibility study, a short feasibility
19 study on Chickville Road in Ossipee to find
20 out if you could put an assisted living
21 facility on the property.

22 Q. Okay. Can I interrupt you there for
23 a second?

1 A. Yeah.

2 Q. So there were two different assisted
3 living facility projects, if you will; one
4 in Northfield and one on Chickville Road --

5 A. Yes.

6 Q. -- in Ossipee?

7 A. Gary Coyne was really into trying to
8 put assisted living facilities everywhere.

9 Q. Okay.

10 A. And so they -- Gary or Scott would
11 call me and say, I found the lady that did
12 feasibility studies for assisted living
13 facilities. And so they would call me and
14 ask get one done.

15 Q. Who was the lady?

16 A. Her name was Carol Reynolds.

17 Q. And did she have a company name?

18 A. Yes. I can't remember what it is.
19 I just called her, and I have her in my
20 Rolodex. Province Valuation Group. And I
21 think there's a copy of the Northfield
22 assisted living feasibility study somewhere
23 in all of our records.

1 Q. Okay.

2 A. I don't know if you have them here,
3 but there is a copy of that.

4 Q. Okay. I thought I saw something to
5 that effect somewhere.

6 A. Yeah. That's the only full-blown
7 assisted, you know, feasibility study that
8 she did. There was some smaller ones that
9 she charged me less money for to do, just
10 kind of a look at something to run the
11 numbers and see whether things would work.

12 Q. And she would send you bills for
13 that?

14 A. Right.

15 Q. And who paid those bills?

16 A. Matark paid those bills.

17 Q. Okay. And again, was it the usual
18 you tell Scott how much you needed in your
19 personal account and the personal account
20 you'd write a check to Matark, and that
21 would end up in this bank account?

22 A. Yes.

23 Q. That's at what bank? That's at

1 Citizens Bank also?

2 A. That's Citizens Bank also.

3 Q. Okay. And Matark only had this one
4 account --

5 A. Right.

6 Q. -- at Citizens?

7 A. Yes.

8 Q. No other accounts for Matark?

9 A. No other account for Matark.

10 Q. Okay. And so if you look at this
11 quickly or even the checkbook register,
12 would it -- could you see where the checks
13 were to her?

14 A. Yeah.

15 Q. Maybe look at her company -- find
16 out what her company name was or remember
17 that?

18 A. I'm pretty sure it's Province
19 Valuation Group.

20 Q. Okay. And where is she out of?

21 A. I think she's in Indiana. She does
22 a lot of work in this area. There's one
23 right there 724 for 5,566.

1 Q. And does it say what check number?

2 A. Yeah. 1019.

3 Q. Okay.

4 A. And then there should be one very
5 soon after that. And I think that was
6 here's another one for 500.

7 Q. Okay. So Matark was paying those
8 bills?

9 A. Matark was paying those bills, yes.

10 Q. And how many feasibility studies did
11 she do for you?

12 A. She did that one full-blown one on
13 Northfield. She looked at Chickville Road.
14 She looked at a couple other places. I
15 can't remember the name of that one. She
16 looked at a place in Laconia, and she
17 looked at a place in New Hampton, I think.
18 I can't remember the name of that other
19 place. I'm sorry.

20 Q. That's all right.

21 A. I probably have them at home.

22 Q. Okay. And were any of these
23 assisted living facilities ever built?

1 A. No.

2 Q. Were any of them ever started?

3 A. No.

4 Q. No construction started?

5 A. No construction started.

6 Q. I believe the land for Chickville
7 Road, that was acquired, correct?

8 A. I don't know anything about the land
9 for Chickville Road. I'm sorry.

10 Q. Okay.

11 A. I was taken there and said, Oh, here
12 it is, and look and see if you can put an
13 assisted living facility on there.

14 Q. Okay. And do you know whether it's
15 in some kind of trust?

16 A. I don't. I'm sorry.

17 Q. Okay. What about any of these other
18 projects; the one in Laconia, the one in
19 New Hampton? Was the land acquired for any
20 of those?

21 A. Not that I know of. The one in
22 Laconia I don't think land was even
23 acquired.

1 Q. All right.

2 A. And the one in New Hampton, someone
3 else owned it. I can't think of who it
4 was.

5 Q. Is it Gary Coyne?

6 A. No. It wasn't Gary.

7 Q. Was it someone else connected with
8 FRM and CLM?

9 A. I wish I could think of his name.
10 Joe Austin, I think, is who it is.

11 Q. Okay.

12 A. I think that's his name.

13 Q. And he continues to own the property
14 where --

15 A. To the best of my knowledge.

16 Q. I started to say he continues to own
17 the property where an assisted living
18 facility was contemplated?

19 A. Contemplated. He was trying to
20 figure out the best use of the land.

21 Q. All right. And have you seen this
22 land?

23 A. No.

1 Q. So you don't know whether there's
2 anything there now?

3 A. No. I don't know.

4 Q. Okay.

5 A. I'm not sure if it's even in New
6 Hampton. I just remember doing something
7 for him.

8 Q. What do you remember doing for him?

9 A. I just remember calling and asking
10 her to take a quick look to see if an
11 assisted living facility would be feasible
12 in that area.

13 Q. Did she ever tell you any of these
14 assisted living facilities were going to be
15 feasible?

16 A. She thought the Northfield one would
17 be feasible, and the one on Chickville Road
18 would be feasible.

19 Q. Okay. And around what time period
20 was she informing you of this?

21 A. Well, this was in 2009 probably when
22 she was doing all of this when I -- I can
23 look at the check register and probably

1 tell you a little bit more.

2 Q. Okay.

3 A. Let's see.

4 MR. GANNON: You can continue, okay.

5 A. I bet it was August or September of
6 2009.

7 Q. Okay.

8 A. I think looking from the check
9 registers that's my guess. We could look
10 at the feasibility study to see when she
11 finished it.

12 Q. All right.

13 A. But I know she -- she started
14 looking at it she thought it would be --
15 that's July of 2009 in Northfield. She
16 thought that would work. And then she
17 finished it up.

18 Q. And when she did the feasibility
19 study did she tell you things like how much
20 it would cost to build the facility?

21 A. Yeah. She went through -- that's
22 part of the feasibility study is the
23 budget. And you can read whatever she

1 wrote, but she thought that it would
2 actually make money there.

3 Q. Okay. And was the plan for FRM or
4 CLM or Gary Coyne to build the facility or
5 to just package the land with this study?

6 A. It was to package the land with the
7 study and try to sell it. I was also told
8 that they were going to build it if they
9 couldn't sell it.

10 Q. And how were they going to get the
11 money for that?

12 A. That I didn't know.

13 Q. Around the time that you were
14 finding out about the feasibility of
15 Northfield did you know at that point that
16 FRM and CLM were in trouble?

17 A. I had no idea.

18 Q. When did find out they were?

19 A. About a week before the press did.
20 I really did. I found out the Wednesday
21 before FRM closed.

22 Q. And before that you had no idea they
23 were in trouble?

1 A. A couple weeks before that I think
2 I -- I knew they were in trouble, but --

3 Q. Why did you know that?

4 A. Scott was very worried about money
5 and was expecting some money in that never
6 came. And he was very worried about it.

7 Q. Okay. So back in the summer of 2009
8 you didn't know that Financial Resources
9 was in trouble?

10 A. No. I thought my husband was making
11 a lot of money. That's what I was told.

12 Q. He would tell you that he was making
13 a lot of money?

14 A. (Nods head.)

15 Q. Did you ever execute any formal loan
16 documents between yourself and Matark?

17 A. No, I didn't.

18 Q. Are there any loan documents between
19 you and either FRM and CL&M?

20 A. Not to my knowledge.

21 Q. Okay. Did you know anything about a
22 note for \$22,000,0000 that Scott signed
23 with CL&M?

1 A. I read that in the paper.

2 Q. Okay.

3 A. I didn't know about it before then,
4 no.

5 Q. Other than in the paper you didn't
6 know anything about it?

7 A. No, I didn't.

8 Q. Okay. Do you know whether he was
9 accounting for the money that he was
10 putting into your checking account each
11 month?

12 A. I don't know what he did.

13 Q. Okay. Your accountant that is doing
14 your tax returns, have you met with her at
15 all about the tax returns?

16 A. I met with her when I started Matark
17 to try to figure out how to set up the
18 registry of how to set the business up and
19 do it correctly tax wise. And she was also
20 the one that told me that I couldn't pay
21 personal bills out of Matark, but I could
22 pay Matark bills out of my personal
23 account.

1 Q. Okay.

2 A. So that -- we were just trying to --
3 and she told me to set up a registry and
4 taught me about QuickBooks and that kind of
5 stuff. So that was my attempt. These
6 papers were my attempt at doing that.

7 Q. Okay. Did she tell you that you
8 should execute a promissory note or any
9 kind of formal agreement with Matark?

10 A. I don't remember that she did.

11 Q. Okay. All right. The Citizens Bank
12 account, --

13 A. Yes.

14 Q. I'm looking at least -- see if I can
15 figure out the account number. That's a
16 savings account. Your savings account,
17 green savings 3311-254438, --

18 A. Yes.

19 Q. -- it looks like there's \$10 in
20 that.

21 A. Yep.

22 Q. Okay. So there's not much in the
23 savings accounts?

1 A. No.

2 Q. Did you ever use that savings
3 account much?

4 A. No.

5 Q. Just to open it as a companion
6 account?

7 A. Yeah. That was --

8 Q. Okay.

9 A. -- I think it was part of the
10 checking thing. They wanted me to open a
11 savings account so I put \$10 in there.

12 Q. Okay. Is that account still open?

13 A. As far as I know, yes.

14 Q. Okay. And then the Susan Farah
15 green checking account, which here says
16 account No. 331165-619-03, --

17 A. Yes.

18 Q. -- and that's in your name only; is
19 that right?

20 A. Yes.

21 Q. Okay. And that's the account you
22 opened after you stopped using the Meredith
23 Village Savings account?

1 A. Yes.

2 Q. And did you use this account much
3 the same way you used the Meredith Village
4 Savings account, which is you paid all the
5 household bills out of this?

6 A. Yes.

7 Q. Yes. And all the Matark checks came
8 from here?

9 A. Yes.

10 Q. And went into Matark?

11 A. Right.

12 Q. Okay. And again, would you agree
13 that we see some electronic or automatic
14 payments out of this account --

15 A. Yes.

16 Q. -- similar to what came out of the
17 Meredith Village Savings Bank account?

18 A. Yeah. A lot of these I wrote checks
19 to, but then they transfer the money
20 electronically.

21 Q. Okay.

22 A. Like Chase Bank I wrote the check
23 to, and it's check No. 120, I think it's --

1 yeah. But then the money went
2 electronically through.

3 Q. Okay. And you're looking at the
4 July 16th, '09 statement; --

5 A. Yes.

6 Q. -- is that right? All right. And
7 again, we see payments for mortgage and
8 vehicles?

9 A. Right.

10 Q. Much like the other account?

11 A. Yes.

12 Q. Okay. And I don't recall. Did
13 you -- did you have the checks for this
14 account, for the Citizens account?

15 A. I didn't have the checks.

16 Q. Okay. Do you have -- what do they
17 call, those carbon copies of those checks
18 somewhere?

19 A. No, I don't. I'm sorry.

20 Q. Okay. What happened to them?

21 A. I probably threw those away not
22 thinking that I needed them. I think we
23 can get you -- I think you can get copies

1 of the checks if you need them.

2 Q. Okay. But your testimony would be
3 you used this account much the same as the
4 other?

5 A. Yes.

6 Q. Paid similar types of bills out of
7 it?

8 A. Yes.

9 Q. Okay. Okay. And there is a set of
10 bills here that was marked Matark paid
11 bills?

12 A. Yes.

13 Q. And are these -- are these backup
14 invoices, if you will, to the checks and
15 your handwritten checkbook register --

16 A. Yes.

17 Q. -- for Matark?

18 A. Yeah. I tried to keep all of them.
19 Some of them I forget, but --

20 Q. Okay. But if I took a look through
21 those I would probably find checks matching
22 the amounts --

23 A. Yeah.

1 Q. -- in the bank statements?

2 A. Yes.

3 Q. Okay. Thank you.

4 A. Oh, here. I'm sorry.

5 (Documents handed to counsel.)

6 Q. That's okay.

7 MR. GANNON: While you're rubber
8 banding can we just go off the record for a
9 minute.

10 (Discussion held off the record.)

11 (Recess.)

12 Q. BY MS. NOTINGER: All right. Back
13 on the record.

14 A. Okay.

15 Q. One of the things I asked you to
16 produce, and I believe you have produced it
17 here, --

18 A. Mm-hmm.

19 Q. -- is any bank records you had for
20 15 Northview Drive.

21 A. Yes.

22 Q. Actually, I guess it's called
23 Northview Drive Trust of 1995; is that

1 correct?

2 A. Yes.

3 Q. And that -- as far as you know, that
4 was the trust that owned the office
5 building where FRM and CLM was, correct?

6 A. Yes.

7 Q. At 15 Northview Drive --

8 A. Yes.

9 Q. -- in Meredith?

10 A. Right.

11 Q. And as far as you know you've given
12 me a couple of statements.

13 A. There's a new one that I just gave
14 you today, too.

15 Q. You gave me one today for Northview
16 Drive. It's a Laconia Savings Bank
17 account?

18 A. Yes.

19 Q. And it says it's a NOW account No.
20 1094009?

21 A. Yes.

22 Q. Is that right?

23 A. Yes.

1 Q. Okay. And I think you testified at
2 your last deposition the first time around
3 that was this was the account where you
4 would sign a bunch of checks in blank for
5 Scott?

6 A. Yes.

7 Q. And he would, I guess, write the
8 checks himself --

9 A. Yes.

10 Q. -- rather than you write them?

11 A. Yes.

12 Q. And so you didn't know what the
13 checks were written for?

14 A. No.

15 Q. All right. On top of these records
16 is a handwritten checkbook register, --

17 A. Okay.

18 Q. -- copies of one; is that right?

19 A. Yes.

20 Q. That appears to be from that
21 account?

22 A. Yes.

23 Q. Okay. Is that your writing in

1 the --

2 A. No. It looks like Scott's writing.

3 Q. Okay. So you didn't prepare this?

4 A. No.

5 Q. As far as you know you think Scott
6 prepared it?

7 A. As far as I know it looks like his
8 writing.

9 Q. Okay. All right. And there's also
10 some carbon copies of checks --

11 A. Yeah.

12 Q. -- that you produced for that?

13 A. Yeah. That was my writing.

14 Q. Okay. And you're looking at check
15 713 --

16 A. Yes.

17 Q. -- on -- when is that? It looks
18 like 3/25/09.

19 A. Yes.

20 Q. That's a check to yourself?

21 A. Yeah. That -- I think that actually
22 went into my account to pay bills.

23 Q. That went into your --

1 A. Yes.

2 Q. -- one of your personal checking

3 accounts --

4 A. Yes.

5 Q. -- to pay bills?

6 A. Yeah.

7 Q. And at the time it probably would

8 have been the Meredith Savings Bank

9 account?

10 A. Probably. There are a couple of
11 checks when Scott was busy I would ask for
12 money, and he would give me this checkbook
13 and say, Write yourself a check and deposit
14 it and pay bills with it.

15 Q. Okay.

16 A. So there were only three or four of
17 them that was there.

18 Q. Okay. But if it was in your
19 handwriting that was usually what you were
20 doing?

21 A. That was what it was for, yes.

22 Q. And so when there are checks that
23 looks like it's his writing --

1 A. Yes. That's his handwriting.

2 Q. -- the check that's 714 --

3 A. Yes.

4 Q. Again, there are checks made out to
5 you?

6 A. Yes.

7 Q. Did he give you those checks?

8 A. No. Those went into my account.

9 Q. Okay.

10 A. That I know of. I didn't see them.

11 Q. Okay.

12 A. That looks like his handwriting,
13 too.

14 Q. Okay. And that's check 715?

15 A. Yes.

16 MR. GANNON: Mrs. Farah, as nicely
17 as you ladies are getting along there was
18 not even a question pending when you
19 answered that.

20 Q. That's okay.

21 THE WITNESS: I know.

22 MR. GANNON: It's Ms. Notinger's
23 record.

1 MS. NOTINGER: It's my record.

2 Q. BY MS. NOTINGER: There's check No.

3 716 from that account --

4 A. Yes.

5 Q. -- written to Home Depot?

6 A. Yes.

7 Q. Is that your writing?

8 A. That's my writing.

9 Q. Okay. And for \$2,000?

10 A. Yes.

11 Q. Do you know what that was for?

12 A. That went to pay some Home Depot

13 bills from the account.

14 Q. And the Home Depot account, what was
15 that for?

16 A. That's for mainly to pay 61 -- it
17 was Mark Carpenter's stuff that he did with
18 61 South Main Street and 42, 44 Franklin
19 Street.

20 Q. Okay. So -- and you had like an --
21 it was a credit card or --

22 A. I had a credit card.

23 Q. Okay. And so this was a payment

1 towards the credit card?

2 A. Yes.

3 Q. Okay. It wasn't a payment directly
4 to Home Depot?

5 A. No.

6 Q. Do you know whether it had to do
7 with 15 Northview Drive, this payment?

8 A. I don't know what that did.

9 Q. Okay. All right. Show you check
10 No. 719.

11 A. Yeah.

12 Q. It looks like on 11/14/09 --

13 A. Yes.

14 Q. -- to GCX?

15 A. Yes.

16 Q. Do you know what GCX is?

17 A. GCX is the company that Gary Coyne
18 owns.

19 Q. And do you know what this check was
20 written for?

21 A. I have no idea.

22 Q. Do you remember what date Financial
23 Resources closed?

1 (Document handed to witness.)

2 A. Oh, I thought it was the 6th of
3 November.

4 Q. So does it appear that check was
5 written after Financial Resources closed?

6 A. Is that 11/14 or four? It's 4/14.

7 Q. Okay. So it's 4/14?

8 A. Yeah.

9 Q. So it was beforehand?

10 A. It's hard to read Scott's writing.

11 Q. Yeah. That's okay. Looking at the
12 next check, which is numbered 720.

13 A. Yes.

14 Q. This date looks clearer, 4/24/09?

15 A. Yes.

16 Q. Would you say that's right?

17 A. Yes.

18 Q. Again, it's in Scott's
19 handwriting --

20 A. Yes.

21 Q. -- to an entity called Richard
22 Hebert Trust?

23 A. Yes.

1 Q. Do you know what that entity is?

2 A. I think it was Gary Coyne told me --
3 maybe it was Scott. The land that I signed
4 to buy, there were lots across the
5 cul-de-sac from Northview Drive that Scott
6 wanted to build an expansion of his
7 business on, you know, another office
8 building.

9 Q. Okay.

10 A. He said that Hebert owned that. So
11 I'm assuming that this is the -- the
12 payment for the land.

13 Q. Those are payments for the land?

14 A. I'm assuming so.

15 Q. Okay. Do you --

16 A. The name is the same.

17 Q. All right. Did you ever discuss
18 that with him?

19 MR. GANNON: I -- never mind. Go
20 ahead. Thank you.

21 A. Okay. With who?

22 Q. With Scott because -- let me
23 withdraw that. I will represent to you

1 that there are a bunch of payments out of
2 this account to Richard Hebert Trust.

3 A. Okay.

4 Q. So do you know whether there was a
5 purchase of the land? Were they renting
6 it? What were these payments for, if you
7 know?

8 A. They were to purchase the land so
9 that Scott could build another office
10 building.

11 Q. Okay. And did you have any
12 involvement with negotiating that deal?

13 A. No.

14 Q. And would it be your testimony that
15 he was paying these checks, and these are
16 checks that you would sign in blank --

17 A. Yeah.

18 Q. -- and he wrote them whenever he
19 wanted to?

20 A. Yes.

21 Q. You didn't have anything do with
22 them?

23 A. Right.

1 Q. Do you know whether the Northview
2 Drive Trust acquired that land? Is it
3 actually titled in the Northview trust?

4 A. If I remember right I think it's all
5 one parcel now. I think they -- I think
6 it's part of the Northview Drive Trust.

7 Q. Okay. All right. So -- and that's
8 been foreclosed on now, as far as you know?

9 A. As far as I know. I --

10 Q. Okay. So there's not --

11 A. Really don't know what's going on
12 with that.

13 Q. Okay. All right. And I see here a
14 check No. 724.

15 A. Yes.

16 Q. Looks like it was written in May of
17 '09?

18 A. Yeah.

19 Q. And again, that's to a Charles Hoyt
20 for \$2,500?

21 A. Yeah. He did the architecture. And
22 there was a copy of it that I got out. I
23 don't know if you ended up with it, but he

1 did it. I had just some pictures.

2 Q. There was some drawings?

3 A. Yeah. Some drawings when he did the
4 architecture for the new office building.

5 Q. Okay.

6 MR. GANNON: Debbie, I'm sorry. I
7 just have to break for a minute.

8 MS. NOTINGER: Okay. No problem.

9 (Recess.)

10 Q. BY MS. NOTINGER: Okay. We're back
11 on the record. And you were saying that
12 you believe this check was for drawings for
13 the anticipated second building on the same
14 cul-de-sac as 15 Northview Drive?

15 A. That's what I think they are for,
16 yeah.

17 Q. Okay. And again, here's a check on
18 July 8th of '09, check No. 727 --

19 A. Yes.

20 Q. -- written to you in the amount of
21 \$5,000?

22 A. Yes.

23 Q. Did you get that check from Scott?

1 It looks like it's in Scott's writing; is
2 that right?

3 A. I did not get that check from Scott,
4 no.

5 Q. Would you agree it's in his writing?

6 A. Yes. As far as it looks like his --

7 Q. So he never gave you checks
8 directly? He would put deposits in your
9 checking account?

10 A. Right.

11 Q. Okay. So as far as you know, this
12 went into your checking account and was
13 paid out --

14 A. Yeah.

15 Q. -- on a regular basis?

16 A. Yeah. As far as I know, that's what
17 happened to it.

18 Q. Okay. I'm looking at check No. 735.

19 A. Mm-hmm.

20 Q. It looks like it's dated -- I think
21 that's a 9309?

22 A. Yeah. It looks like a nine.

23 Q. Not sure of the date, but written to

1 David Dolan Associates.

2 A. Yes.

3 Q. Do you know who that is?

4 A. I think Dave Dolan is an engineer.

5 Q. Okay. Do you know whether he did
6 any engineering work for Northview Drive
7 Trust?

8 A. I don't know. I don't know what he
9 did.

10 Q. Okay. And you gave me a statement
11 this morning.

12 A. Mm-hmm.

13 Q. One that you just got in the mail.
14 And I think this is the only -- these are
15 the only other statements that you gave to
16 me from this account?

17 A. Mm-hmm.

18 Q. Do you have any more?

19 A. No.

20 Q. Northview Drive Trust of 1995
21 statements from Laconia Savings Bank?

22 A. No. I -- I -- that's all I have.

23 Q. Okay. And I think you testified

1 last time that the statements for that
2 account went to Scott and not to you?

3 A. I think Scott got most of those.

4 Q. And did you review the statements at
5 all?

6 A. No.

7 Q. You didn't review them on a monthly
8 basis?

9 A. No.

10 Q. Any idea what the deposits were into
11 the account, --

12 A. I have no idea.

13 Q. -- where they came from?

14 A. I think most -- a lot of the
15 deposits came from rent from people that
16 were renting space in the building.

17 Q. Okay. But you didn't do the
18 deposits yourself or anything like that?

19 A. No. I had nothing to do with the
20 deposits.

21 Q. Okay. Can you tell me what
22 Winnepesaukee Supportive Care Inc. is?

23 A. Okay. That is the corporation that

1 was formed to -- that was part of getting
2 the Northfield property ready.

3 Winnepesaukee Supportive Care, Inc., was a
4 corporation that supposedly was going to
5 own that and sell it.

6 Q. Okay. I'm just going to show you
7 something. Maybe I'll mark this.

8 (Document handed to counsel.)

9 (Document handed to witness.)

10 Q. Because it's only one page. And I
11 will represent to you that I copied that
12 from a minutes book that's sitting over
13 there behind Attorney Gannon.

14 A. Mm-hmm.

15 Q. And is that a minute book that you
16 produced for Winnepesaukee Supportive Care,
17 Inc?

18 A. Yes.

19 Q. Okay. And you were the incorporator
20 of that --

21 A. Yes.

22 Q. -- corporation? And were you the
23 only officer?

1 A. Yes.

2 Q. Okay. And you're looking at a
3 document marked minutes 12/9/08?

4 A. Yes.

5 Q. Okay. And can you tell me what
6 those -- and they are signed by you on the
7 bottom --

8 A. Yes.

9 Q. -- as president; is that right?

10 A. Yes.

11 Q. Can you tell me what these minutes
12 are supposed to reflect?

13 A. This was the work that I as of 12/9,
14 what I had done to -- I worked with the
15 engineer and the architect to try to get it
16 ready to sell.

17 Q. Okay.

18 A. And that was basically what I knew
19 about the project and what I had drawn from
20 everybody that was working on it.

21 Q. Okay. And are you sure that at this
22 point this land hadn't been acquired?

23 A. To my knowledge it was -- there's

1 still a P&S on that.

2 Q. But not a purchase, --

3 A. Not a purchase.

4 Q. -- actual purchase? Okay. And can
5 you recall from looking at that who the
6 record owner of the property was at this
7 point?

8 A. No.

9 Q. Okay.

10 A. No.

11 Q. Okay. And it references Peter
12 Holden as the engineer?

13 A. Yes.

14 Q. And it references architectural
15 drawings --

16 A. Right.

17 Q. -- for a phase being completed?

18 A. Yes.

19 Q. Who or what was paying for the
20 engineering and the architectural drawings?

21 A. Well, the architectural drawings
22 came through Matark, through my account,
23 through Scott as previously --

1 Q. Okay. Yep. What was the name of
2 that architect again?

3 A. It was Charlie Hoyt.

4 Q. Okay.

5 A. And Peter Holden was the engineer.

6 And I -- Scott took care of Peter Holden.

7 And I don't know what account he paid Peter
8 Holden from.

9 Q. All right. Did Matark pay Peter
10 Holden?

11 A. If I did I don't remember writing
12 any checks at all to Peter Holden. If I
13 did it would have been one or two, but I
14 don't think I did.

15 Q. All right. Was Peter Holden
16 involved in other FRM, CLM projects?

17 A. I really don't know.

18 Q. All right. What about Mr. Hoyt?
19 Was he involved in the CLM or FRM projects?

20 A. The only one I'm aware of is
21 Northview Drive when he did the
22 architecture for the building, the second
23 building.

1 Q. Okay. And as far as you know, there
2 were no FRM or CLM investors in Northfield?

3 A. I don't know.

4 Q. Okay. Did you ever get any checks,
5 you or Matark, you personally or Matark,
6 from any FRM or CLM investors?

7 A. Not that I know of.

8 MS. NOTINGER: Okay. Why don't we
9 just mark that as the exhibit because it's
10 only one page.

11 (Farah Exhibit 1 was
12 marked for identification.)

13 Q. BY MS. NOTINGER: I'm going to show
14 you quickly something that's been marked.
15 This is a document that I had copied from
16 what you produced. Somebody put an F on it
17 on a blue sheet.

18 A. Okay.

19 Q. I know that wasn't you, but it says
20 demographic analysis --

21 A. Yes.

22 Q. -- of -- it looks like it's on the
23 Northview property. Is that -- Northfield,

1 excuse me.

2 A. Let's see. This is Chichester.

3 Q. That's Chichester?

4 A. Yeah.

5 Q. Okay. So that's something
6 different?

7 A. This was the feasibility study that
8 they did in Chichester, the real short one.
9 I think that was Joe Austin's property.

10 Q. So that is not the Northfield
11 property?

12 A. Chichester, I think in New
13 Hampshire -- New Hampton, and it's
14 Chichester.

15 Q. Okay.

16 A. It's right -- there's a little thing
17 on there.

18 Q. Okay.

19 A. There's a big book that has the
20 Northfield property on it. I could find it
21 for you if you wanted it.

22 Q. I think I know where the book is.

23 A. Okay.

1 Q. It's in one of these.

2 A. Yeah. It's in one of those.

3 Q. That's fine. I was just getting all
4 mixed up. And there was never an assisted
5 living facility built in Chichester?

6 A. No. That didn't turn -- I think if
7 we look at the end of it, I think she said
8 it wouldn't work, --

9 Q. Okay.

10 A. -- if I remember right. I just
11 don't think I -- I think she said something
12 about the comps didn't work well.

13 Q. Okay. And after she told you that
14 did you have any -- did you or Matark have
15 any further involvement in Chichester?

16 A. I don't think so.

17 Q. Okay. Okay. This -- I'm not sure
18 if this is -- maybe this is part of the --

19 A. It probably is. You want me to tell
20 you -- these are comps --

21 Q. Okay.

22 A. -- for an assisted living facility
23 that -- you know, yeah. They are just

1 different comps. So it's probably part of
2 that other one.

3 Q. Okay.

4 A. This is your -- this is the lady I
5 used for assisted living, so if you need
6 it --

7 Q. Okay. It's Carol Reynolds?

8 A. Carol Reynolds with Province
9 Valuation Group. And that's her phone
10 number and where she lives.

11 Q. And you think this is part of the
12 package on Chichester?

13 A. I think so because Granite Ledges is
14 in Concord or right around there. And I
15 think that's close to where Chichester is,
16 isn't it?

17 Q. Is Granite Ledges a property that
18 you were involved in?

19 A. No. It's just a company, an
20 assisted living facility.

21 Q. Okay.

22 A. It's one that's in existence.

23 Q. I'm just going to put this over

1 here.

2 A. Okay.

3 Q. This large package, which I will
4 represent to you came from copies that are
5 over in that box --

6 A. Sure.

7 Q. -- in those two big olive colored
8 folders.

9 A. Okay.

10 Q. And could I ask you to just verify
11 for me. These appear to be bills having to
12 do with 61 South Main.

13 A. Yes.

14 Q. And, in fact, I think you produced
15 them for that --

16 A. Yes.

17 Q. -- reason? Okay.

18 A. There also is 61 South Main and the
19 42, 44 Franklin Street, which he calls
20 Alescourt (ph).

21 Q. Okay.

22 A. That property is kind of a corner,
23 and Alescourt is part of that -- abuts it,

1 you know.

2 Q. And 42 to 44 Franklin Street was
3 titled in your father-in-law's name; --

4 A. Yes.

5 Q. -- is that right?

6 A. Yes.

7 Q. Okay. But would -- and on top of
8 this pile, which is marked with an A, there
9 are lots of invoices from MC Construction.

10 A. Yes.

11 Q. And you have said previously that
12 that is Mark Carpenter?

13 A. Yes.

14 Q. All right. Would he give you
15 invoices? Would he indicate whether the
16 invoices had to do with 61 South Main or 42
17 Franklin?

18 A. The later ones, actually -- the
19 later ones actually had them -- that's just
20 a quote. Had them marked out. That's
21 probably 61 South Main. I'm sorry. Can I
22 look through these for just a second.

23 Q. Yeah. Go ahead.

1 A. I can explain them if I can just get
2 to them. The earlier ones that were
3 handwritten didn't have anything. You
4 know, they didn't tell you where the --
5 where everything was going. It just said
6 what he was doing. And -- but I asked him
7 to try to -- let's see.

8 Q. Did you ask him to differentiate --

9 A. Differentiate.

10 Q. -- between the properties?

11 A. Yeah.

12 Q. And why did you do that?

13 A. Because I went through to try to
14 figure out what was spent on the
15 properties. And I couldn't figure it out
16 accurately, you know, what was spent on the
17 two different properties. And, you know,
18 from his invoice -- and I asked him to try
19 to differentiate.

20 Q. Do you think -- let me ask you
21 something. Do you think that Mr. Carpenter
22 was billing you or Scott for -- either for
23 materials that weren't used on your

1 properties or for hours worked that weren't
2 actually worked?

3 A. I have no idea. I really don't
4 know. I -- I know there was an awful lot
5 of extra material that he bought on sale
6 that he was going to -- he told me he was
7 going to use to, you know, fix up the
8 condos, but he got it early because he got
9 it on sale. So there was a lot of material
10 floating around.

11 Q. Yeah.

12 A. There's -- and he went to an
13 auction, and he got granite countertops
14 for -- I mean, like six-foot finished
15 countertops for \$200 apiece. And so he had
16 quite a few of those floating around. And
17 he had quite a bit of lumber that I saw.

18 Q. And where did it float to? Well, if
19 you know.

20 A. Well, the last I knew of it --

21 Q. All right.

22 A. -- the lumber was behind the garage
23 on the third building of 61 South Main.

1 And the -- the -- there was tile and
2 flooring, you know, different flooring.
3 And the granite was in one of the
4 apartments in Franklin Street.

5 Q. Okay. And when was that that that
6 stuff was there?

7 A. That was in November of '09.

8 Q. And do you know what's happened to
9 it since?

10 A. I have no idea what's happened to it
11 since. When -- when Scott closed the
12 business he called Mark and told him to
13 sell the materials to pay off his guys.

14 Q. Was that before or after the
15 bankruptcies were filed for the business?

16 A. That was before the bankruptcies
17 were filed. That was like the day he
18 closed.

19 Q. Do you know how much in terms of
20 value the materials he still had at that
21 point --

22 A. I have no idea.

23 Q. All right. But this first stack of

1 things on top, --

2 A. Mm-hmm.

3 Q. -- would you agree those are
4 invoices from either Mark Carpenter or MC
5 Construction?

6 A. Yep. Yes.

7 Q. And they are -- they have to do with
8 either 61 South Main Street or 42 to 44
9 Franklin Street?

10 A. Right.

11 Q. Okay.

12 A. Yeah. These later ones should be
13 differentiated.

14 Q. Okay. Thank you.

15 (Document handed to counsel.)

16 Q. Okay. And at some point -- oh, what
17 is this? This is something --

18 A. Oh.

19 Q. -- dated January 15th, '09, a payee
20 report all dates?

21 A. This was my attempt -- I bought
22 Quicken, and I was trying to figure out
23 what I went through the invoices. And I

1 didn't pay these amounts, but I -- this was
2 the only way I knew how to do it through
3 Quicken. I went through to try to figure
4 out what actually was paid to 61 South Main
5 and what actually was paid to 42, 44
6 Franklin Street. So I went through these,
7 you know, and just wrote all the invoices
8 out and tried to figure out what -- from
9 the invoices what belonged where.

10 Q. Okay. And why were you doing that?

11 A. Because I wanted to know how much
12 Mark had been paid.

13 Q. And why did you want to know that?

14 A. I -- he just seemed to be charging a
15 lot, but so I just -- I just wanted an
16 accurate -- as accurate as I could make it.
17 You know, try to figure out what was going
18 on, where the money, you know, that Scott
19 was paying him was going.

20 Q. And were you able to figure that
21 out?

22 A. To the best of my knowledge there's
23 a lot of invoices that didn't differentiate

1 between the two --

2 Q. Between the two buildings?

3 A. Buildings, yeah.

4 Q. Would you agree with me, though,
5 that both of those properties are still in
6 pretty bad shape?

7 A. When I left them, yes.

8 MR. GANNON: Object to the form of
9 the question. Vague.

10 Q. Well, did they reflect, for
11 instance, a half a million dollars worth of
12 work being put into either or both of them?

13 MR. GANNON: Object on the grounds
14 of competence, but if the witness has a view
15 as a layperson you can.

16 A. As a layperson I think we were
17 overcharged.

18 Q. And again, underneath those couple
19 of registers where you were trying to
20 figure out what went where --

21 A. Yes.

22 Q. -- there's more MC Construction
23 invoices?

1 A. Yes. These I actually think are
2 probably in order and have to do with
3 what's on the register.

4 Q. Okay.

5 A. I had them in the file that way. I
6 don't know if they ended up with you that
7 way, but --

8 Q. Okay. So you think the register on
9 top --

10 A. Should reflect --

11 Q. -- the invoices right below them?

12 A. Yeah.

13 Q. Okay. And there are some
14 handwritten things in here. Are those --
15 for instance, I'm looking at one dated
16 3/20/08 --

17 A. Yeah.

18 Q. -- to Scott Farah, invoice Franklin
19 apartments. Are these handwritten
20 invoices --

21 A. Yes.

22 Q. -- from Mr. Carpenter?

23 A. From Mr. Carpenter, yes.

1 Q. All right. So again, if there were
2 amounts paid on these handwritten
3 invoices --

4 A. Yeah.

5 Q. -- those were being paid by Scott?

6 A. Those were being paid by Scott.

7 Q. And except for a few payments that
8 went through your personal checking
9 account, one or the other, all of the other
10 payments to Mr. Carpenter were through
11 Scott?

12 A. Right.

13 Q. Okay. Did 61 South Main Street have
14 a bank account?

15 A. It had one that Scott and John
16 Demecasi -- John was the apartment
17 manager --

18 Q. Okay.

19 A. -- had check writing ability on. I
20 had that closed when 61 South Main -- you
21 know, when Scott closed his office. And I
22 took the money, and I think I gave it to
23 Bill -- well, I gave it to Paul Twomey. I

1 gave it to Bill Gannon. I think you guys
2 have it now.

3 Q. Okay.

4 A. Okay. The only reason I did was so
5 I could pay bills because I couldn't get
6 rent money to pay bills.

7 Q. You were paying bills for 61 South
8 Main or for yourself?

9 A. For 61 South Main. I don't actually
10 think I paid any, but I was kind of
11 concerned I might have to, and I needed the
12 money to do that.

13 Q. Okay.

14 A. Needed to be able to get to it.

15 Q. Okay. So the account that you
16 closed, where was that?

17 A. I don't remember. I don't remember
18 what bank it was. It's -- there is a
19 checkbook that is for 42, 44 Franklin
20 Street. It was the same bank.

21 Q. Okay. I think I remember seeing
22 that.

23 A. Well, it's around here.

1 Q. Okay.

2 A. I can look for it, if you want.

3 Q. Well, not at the moment. We'll see
4 if we can find it later.

5 A. It's the same bank.

6 Q. Okay.

7 A. And there's -- there are bank
8 statements.

9 MR. GANNON: You have those.

10 MS. NOTINGER: I do have them?

11 MR. GANNON: You have some of those
12 records. I'm not saying you have an
13 exhaustive set, but I gave those to you very
14 early in the case --

15 MS. NOTINGER: Okay.

16 MR. GANNON: -- when we were --

17 MS. NOTINGER: I recall about
18 whether the property was going to be
19 transferred or not.

20 MR. GANNON: Right. It was at or
21 about that time. And then Steve agreed that
22 we could pay some of, you know, costs and
23 expenses for insurance and heat and water

1 for tenants. And I think we did some of
2 that.

3 Q. BY MS. NOTINGER: Okay. All right.
4 So the account for 61 South Main, do you
5 know what amounts went into that account?

6 A. It would be on the checkbook
7 registers. There actually are -- in one of
8 those boxes there's a whole bunch of bank
9 statements, and I could tell you what.

10 Q. For 61 South Main?

11 A. Yes.

12 Q. Okay. All right. The last stack of
13 things that I have here appears to be a
14 bunch of statements from Home Depot.

15 A. Yes.

16 Q. All right. Are these the statements
17 for either the credit card or account that
18 was used for the materials bought for 61
19 South Main?

20 A. Yes.

21 Q. Okay. And when you make payments to
22 Home Depot in your -- out of your personal
23 checking account are they to pay for

1 these --

2 A. Yes.

3 Q. -- invoices?

4 A. Yes.

5 Q. Okay. Was it a credit card, or was
6 it an open account? How was it handled?

7 A. It was a credit card.

8 Q. It was a credit card. Who had the
9 credit card in their possession?

10 A. I owned the credit card, and Mark
11 had an ability to use it. And he had --
12 so --

13 Q. Did you go over the statements when
14 you got them every month?

15 A. I -- I glanced at them a little bit
16 and just --

17 Q. Do you think he was putting things
18 on this account that he did not use at 61
19 South Main?

20 A. I don't have any idea, --

21 Q. Okay.

22 A. -- but I assumed he was. He was
23 using them for 61 South Main.

1 Q. But the account was in your name
2 personally?

3 A. The account was in my name.

4 Q. I assume nobody's using this account
5 at this point?

6 A. I canceled it.

7 Q. You did, okay. When did you cancel
8 it?

9 A. It was a while -- well, I don't
10 remember when. I'm sorry.

11 Q. That's okay. Was it before or after
12 the bankruptcies for the business were
13 filed?

14 A. I can't even remember.

15 Q. Why did you cancel it?

16 A. I was -- I was actually afraid Mark
17 Carpenter would charge up more money on it.

18 Q. Do you know what the balance was
19 when you closed it?

20 A. Probably whatever the last statement
21 was. It was in -- it was like \$20,000
22 something, but I just don't remember the
23 exact --

1 Q. Okay. And where did these
2 statements go every month? Did they come
3 to the house?

4 A. No. They went -- I think they went
5 to the Matark P.O. box. I don't know. Is
6 there anything in here about that?
7 Probably not. I think that's where they
8 went. I'm pretty sure that's why I got
9 them.

10 Q. Matark P.O. Box 791, Meredith, New
11 Hampshire?

12 A. Yes.

13 Q. Is that P.O. box still in use?

14 A. I think it's still active.

15 Q. Are you still getting mail there?

16 A. Yeah.

17 Q. Okay.

18 A. I think it may be --

19 Q. Is Matark still operating?

20 A. I'm not doing anything with Matark,
21 if that's what you're asking.

22 Q. That's what I'm asking.

23 A. Yeah. No. It's not doing anything

1 now.

2 Q. Just sitting there?

3 A. Just sitting there.

4 Q. Does it have any assets?

5 A. No.

6 Q. Okay.

7 A. Matark Publishing has the publishing
8 rights to my songs, and that's it. That's
9 the only thing that --

10 Q. I don't think this has anything to
11 do with this case. I don't know it got
12 stuck in here. Does this go with it?

13 MR. GANNON: This goes with this.

14 MS. NOTINGER: Those are yours?

15 They are not part of this case?

16 MR. GANNON: These are mine. These
17 pertain to In Re: Besca.

18 Q. BY MS. NOTINGER: Okay. I show you
19 the pile of documents that is clipped
20 together; although, I don't think it's all
21 to do with the same thing. It's marked No.
22 8E.

23 A. Okay.

1 Q. And at least the top set of
2 documents seems to have to do with Apple
3 Ridge.

4 A. Okay.

5 Q. And there's something under here for
6 Secore Real Estate Finance.

7 A. Okay.

8 Q. And first of all, what is Secore or
9 Secore, S-e-c-o-r-e?

10 A. Is that a HUD? I think it may be a
11 HUD provider.

12 (Document handed to witness.)

13 A. Yeah. I think they do HUD loans.

14 Q. Company called Secore, S-e-c-o-r-e.
15 Were they going to do a HUD loan on Apple
16 Ridge?

17 A. I found a document that said I
18 signed something about the fact that they
19 were going to. I hope they didn't, but I
20 don't know if they did or not.

21 Q. Okay. So do you know anything about
22 Apple Ridge or whatever entity owned Apple
23 Ridge applying to Secore for a HUD loan?

1 A. I signed as a trustee. I was told
2 that I was a backup trustee --

3 Q. For Apple Ridge?

4 A. -- for Apple Ridge. I know that
5 there was an apartment development that was
6 supposed to go on that land. And I know
7 that we obtained the land from Phil
8 Brouillard. And that's really all I know.

9 Q. And the land is where?

10 A. It's in Belmont.

11 Q. Belmont, New Hampshire?

12 A. Yeah.

13 Q. Is the apartment building there?

14 A. No. That I know of. I don't think
15 it is. I know Scott was trying to find a
16 way to sell it to someone.

17 Q. And do you think you are on -- you
18 are a backup trustee on the trust that owns
19 the land for Apple Ridge?

20 A. I was told that.

21 Q. Okay. Do you have any documents?

22 A. There is a document that I had that
23 said that I signed Susan Farah, trustee.

1 And I don't know.

2 Q. Do you know where that is?

3 A. Looking at this.

4 (Document handed to witness.)

5 A. I'm pretty sure I got -- I saw it,
6 but this is it right here.

7 (Document handed to counsel.)

8 Q. And that appears to be a marketing
9 agreement with the Norwood Group?

10 A. Yeah.

11 Q. To market Apple Ridge Development?

12 A. Yeah.

13 Q. All right. And do you remember
14 signing that?

15 A. I'm sure I did. I don't remember
16 it, but I'm sure I did. I mean, that's my
17 signature.

18 Q. You think it's one of the documents
19 Scott would ask you to sign, and you'd just
20 sign it?

21 A. Yeah.

22 Q. All right. So you weren't involved
23 in the marketing of Apple Ridge?

1 A. No. Not at all.

2 Q. Okay. And do you have a copy of the
3 Preferential Park Realty Trust?

4 A. No, I don't.

5 Q. Do you know who the beneficiaries of
6 that trust are?

7 A. I don't. I'm sorry.

8 Q. You thought you were a backup
9 trustee. Do you know who the front trustee
10 was or is?

11 A. I don't.

12 Q. Okay. Was Northview Drive Trust
13 trying to borrow from Secore?

14 A. I don't have any idea. I don't
15 know. I'm sorry. I hate to be --

16 Q. That's okay. Here's some pictures
17 and bill here.

18 A. Mm-hmm.

19 Q. And underneath it says Hatch Corner
20 Road maybe?

21 A. Oh, yes. Yeah. There's some
22 drainage issues in our house, I think.
23 These are pictures that Mark Carpenter took

1 when it was raining because the water pours
2 in from our granite basement --

3 Q. Okay.

4 A. -- into the basement. And he was
5 trying to send those to the insurance
6 company to see if maybe they would pay for
7 us to fix the drainage.

8 Q. Do you know what insurance company
9 that was?

10 A. That was Safeco.

11 Q. All right. And did they pay to fix
12 the drainage?

13 A. No.

14 Q. Other than your house who else did
15 Safeco insure?

16 A. Safeco insured our house and our
17 cars. I think -- I think they did the cars
18 because I think they did Northview Drive.

19 Q. Okay. And it looks like there
20 are -- there is a proposal from the Hill --
21 the HL, Turner Group --

22 A. Yes.

23 Q. -- to do some structural

1 engineering --

2 A. Yes.

3 Q. -- on your residence at 35 Hatch
4 Corner Road?

5 A. Yes.

6 Q. Was this proposal ever undertaken?

7 A. No. It just got to the proposal. I
8 think there was -- you probably would have
9 to get that from them because I couldn't
10 find it. There was a plan that -- I think
11 the guy's name was Miles that was the
12 engineer, drew up to fix the problems on
13 the building on Hatch Corner Road.

14 Q. Okay.

15 A. So I -- he did some drawings and
16 stuff. I couldn't find them, but you --
17 I'm sure you could get them from him.

18 Q. And did you --

19 A. That was as far as it went.

20 Q. Did you pay the H.L. Turner Group or
21 this gentleman anything for the plans?

22 A. I think I did. And I -- I'm pretty
23 sure I did. I just don't remember what or

1 when.

2 Q. Would you have paid them from one of
3 your personal checking accounts?

4 A. It would have been a personal
5 checking account.

6 Q. Okay. And again, it looks like
7 there's another quote to fix the chimney --

8 A. Yes.

9 Q. -- at 35 Hatch Corner Road?

10 A. Yep.

11 Q. That's from Heritage Enterprises?

12 A. Right.

13 Q. And was that ever undertaken?

14 A. That was never undertaken.

15 Q. All right. And did you pay anything
16 to Heritage Enterprises?

17 A. I paid them \$100. I got it at an
18 auction. I got -- for charity. Paid
19 some -- I don't remember how much money we
20 paid, but we got a cleaning for our
21 chimney.

22 Q. Okay.

23 A. And our house has one big chimney

1 but four flues that go up it. And they
2 cleaned one, and I think I paid them \$100
3 to clean the other ones.

4 Q. Okay.

5 A. And then they did a quote on fixing
6 the chimney at the top.

7 Q. Okay. And then there's also a
8 contract under here that's clipped, maybe
9 it's the same thing, maybe it isn't, to the
10 chimney quote --

11 A. Oh, okay. That's for the drainage.

12 Q. -- from -- it's from the same --
13 it's for drainage?

14 A. I think it goes with the pictures.

15 Q. Okay. So that's drainage on Hatch
16 Corner Road?

17 A. Mm-hmm.

18 Q. It's a quote by MC Construction, --

19 A. Right.

20 Q. -- which was Mark Carpenter?

21 A. Right.

22 Q. Was this ever undertaken?

23 A. No.

1 Q. No. Okay. All right. And there
2 was some document in this pile marked D?

3 A. Okay.

4 Q. Looks like they have to do with 61
5 South Main?

6 A. Yes.

7 Q. A declaration of condominium?

8 A. Yes.

9 Q. And that looks like it was returned
10 to Matark.

11 A. Yes.

12 Q. Is Matark managing the condos, doing
13 anything with regard to these condos?

14 A. I kept these in my office where I
15 worked at Matark. So that's where the P.O.
16 Box 791 came from.

17 Q. Okay.

18 A. And I'm the trustee of the
19 condominium complex.

20 Q. Okay. So you just had it sent to
21 Matark because then it would come to the
22 office?

23 A. Yeah.

1 Q. Okay. And do you know who prepared
2 this declaration of condominium?

3 A. That was Phil Brouillard.

4 Q. Okay. And how was he paid for his
5 services?

6 A. Scott paid him.

7 Q. Do you know what account he paid him
8 from?

9 A. No. Before I even started working
10 on these Scott had that drawn up so --

11 Q. Okay. And this looks like -- you
12 can correct me if I am wrong, some kind of
13 marketing package for --

14 A. Yeah.

15 Q. -- the condominiums?

16 A. Yes.

17 Q. Again, these are 61 South Main?

18 A. Yes.

19 Q. Okay. And do you know who prepared
20 this marketing package?

21 A. I put the marketing package
22 together.

23 Q. Okay. And was anyone paid a salary,

1 a fee or anything like that to put it
2 together?

3 A. No. I put it together. And I think
4 the only thing that I paid, I paid John
5 Roadkey. He does a good job at, you know,
6 making -- taking the buildings and making
7 them look like they're going to look like.
8 You know, so he did some work on them
9 through the computer and stuff just so we
10 could have a good marketing package.

11 MR. GANNON: I've got break for ten
12 minutes to look through this.

13 (Recess.)

14 Q. BY MS. NOTINGER: Back on the
15 record. I am going to try to finish in the
16 next couple minutes because I don't have
17 that much more. It's more that I have to
18 go home and sort of digest all this stuff,
19 okay. So we're looking at this, I guess
20 for lack of a better word, marketing
21 package for the 61 South Main Street
22 condominiums?

23 A. Yes.

1 Q. And you said you put this
2 together --

3 A. Yes.

4 Q. -- for the most part? Okay. And on
5 the bottom here there are some -- looks
6 like some architectural or engineering
7 drawings --

8 A. Yes.

9 Q. -- done by Lapine?

10 A. Lapine is I think how they pronounce
11 it.

12 Q. Okay. And were those done for 61
13 South Main?

14 A. Yeah.

15 Q. They were? Do you know who paid
16 Lapine?

17 A. It would have been Scott.

18 Q. Okay. So you did not pay them?

19 A. Yeah. I wasn't involved with it at
20 that time.

21 Q. Okay. And it looks like they were
22 made in, at least this one, June of '07?

23 A. Yes.

1 Q. So you weren't involved at that
2 point with 61 South Main?

3 A. No. I -- well, I probably signed
4 some papers, but --

5 Q. Okay. When did you become actively
6 involved?

7 A. When I -- when Matark, L.L.C. was
8 formed, that's when I started becoming a
9 little bit more actively involved.

10 Q. Okay. And so you didn't pay Lapine?

11 A. No.

12 Q. Or Matark didn't pay Lapine?

13 A. No.

14 Q. Okay. Do you know who the 61 South
15 Main condominiums were acquired from, who
16 they were purchased from?

17 A. No, I don't.

18 Q. But the account existed at the time
19 you purchased --

20 A. Yes.

21 Q. -- the property, correct?

22 A. Yes.

23 Q. At the time the trust purchased the

1 property?

2 A. Yes.

3 Q. Okay. And I think you said before
4 that you do not recall personally putting
5 in --

6 A. You're missing one on the back.

7 Q. Oh, thanks -- personally putting
8 funds into purchase the land for the condos
9 at 61 South Main?

10 A. I don't remember what happened back
11 then.

12 Q. Okay.

13 A. I don't recall anything, no.

14 Q. Okay. All right. And then the last
15 thing I have that I made copies of, it's a
16 package marked B on a blue sheet, one
17 folder. And I will represent to you that I
18 actually took these out of one of the
19 plastic boxes over here.

20 A. Okay.

21 Q. You hadn't separated them for me.

22 A. Okay.

23 Q. And that's because they are older

1 bank records, older than a year.

2 A. Okay.

3 Q. But they appear to be from the same
4 Meredith Village Savings Bank accounts --

5 A. Mm-hmm.

6 Q. -- that we were discussing earlier.

7 A. Yes.

8 Q. Is that right?

9 A. Yes.

10 Q. And that is an account that is in
11 your name only?

12 A. Yes.

13 Q. And that is an account that you
14 testified for the records we were looking
15 at from 2009 that you for a time paid all
16 of your personal bills out of that?

17 A. Yes.

18 Q. And there were also checks to Matark
19 in there?

20 A. Yes.

21 Q. Okay. And you would just take a
22 look at it and just verify that these
23 appear to be the records from that same

1 account, but going back like however many
2 years.

3 A. Oh, yeah.

4 Q. Probably four or five years.

5 A. Yeah. Let's see. Are these all
6 Meredith Village? Yeah. Those are all
7 Meredith Village.

8 Q. Okay.

9 A. Okay.

10 Q. And again, the handwritten check
11 registers in there --

12 A. Yes.

13 Q. -- appear to be created by you?

14 A. Yes.

15 Q. And appear to go with that account?

16 A. Yes.

17 Q. Okay.

18 A. Those are all mine. That's my
19 writing.

20 Q. Okay. Thank you. I'm not going to
21 go through them. I just wanted to verify
22 that they were from the same account.

23 MR. GANNON: Feel good. The tables

1 getting bare.

2 MS. NOTINGER: I told you I would
3 have been done by one.

4 MR. GANNON: I take the blame.

5 MS. NOTINGER: Let me just see here.
6 And I don't one to take your -- this is my
7 box. It's going back to my office.

8 MR. GANNON: Feel free to take some
9 of these cases. Let me know how they come
10 out.

11 Q. BY MS. NOTINGER: Let me just see
12 here. This is -- these are the things that
13 you brought in today. This looks like a
14 blue binder --

15 A. Yes.

16 Q. -- with a bunch of things on it that
17 say commercial contact?

18 A. Yes.

19 Q. Well, is there a date on the first
20 page here?

21 A. I don't see a date.

22 Q. I don't see dates. Doesn't seem to
23 be dated. Do you know what these are?

1 A. I don't.

2 Q. Okay.

3 A. I found them in my file cabinet.

4 And I found them when I was cleaning to
5 move. And I -- that's why I brought them
6 in.

7 Q. Okay. Do they appear to be records
8 related to Financial Resources?

9 A. I think so. I really don't know
10 what they are. It looks like Scott's
11 writing.

12 Q. Okay. Do you know whether these are
13 investor or potential investors in FRM or
14 CLM?

15 A. I don't have any idea.

16 Q. Well, do you object to me either --
17 these are not your personal records?

18 A. They are not mine.

19 Q. Okay. Do you object to me getting
20 copies of these or either that or --

21 MR. GANNON: I don't think we
22 object.

23 MS. NOTINGER: -- just taking it?

1 Okay. Yeah. I mean, off the record for a
2 second.

3 (Discussion held off the record.)

4 Q. BY MS. NOTINGER: Back on the
5 record. And then -- okay. You did give me
6 this. We talked about it earlier, the most
7 recent statement for Northview Drive Trust
8 of 1995, --

9 A. Yes.

10 Q. -- Laconia Savings Bank?

11 A. Yes.

12 Q. That's the one account for Northview
13 Drive that you're aware of; is that right?

14 A. Yeah. That I'm aware of.

15 Q. Okay. And this is the most recent
16 statement?

17 A. That's the one I got, yeah, last
18 week.

19 Q. Okay. Can I either take this or
20 have a copy of it?

21 MR. GANNON: Ms. Farah, do you
22 object to Ms. Notinger having that?

23 A. I -- you can have it. I don't

1 really need it.

2 Q. Thank you.

3 MR. GANNON: As you're going through
4 in general we don't object to Debbie getting
5 copies of the bank -- taking the bank
6 records, right?

7 THE WITNESS: Oh, no, no.

8 Q. BY MS. NOTINGER: Okay. And this
9 from 1st Franklin annual escrow account
10 disclosure statement?

11 A. Yes.

12 Q. You think that's from your home?

13 A. I think that's from the home. 1st
14 Franklin owned our home, and it's -- it has
15 both of our names on it. So I'm assuming
16 that's for 35 Hatch Corner Road.

17 Q. Okay. And that's just an end of the
18 year --

19 A. I think so.

20 Q. -- escrow statement?

21 A. I think that's it, yeah.

22 Q. Okay. Any problem with me hanging
23 on to that?

1 A. Oh, no.

2 Q. Okay. And then you also came in
3 this morning with a few things that are
4 addressed to Diversified Charities at 15
5 Northview Drive?

6 A. Yeah.

7 Q. Do you know what that is?

8 A. Years ago my husband -- I don't even
9 know if this is still active. My husband
10 formed something that he wanted to give
11 money, you know, charitable money to
12 charitable -- you know, I don't know, you
13 know, different charities and stuff.

14 Q. Okay.

15 A. And so this is just something that I
16 had that was his. And you know, that was
17 related to that. I don't know much more
18 about that.

19 Q. Okay. Do have you any involvement
20 with Diversified Charities?

21 A. I really don't know. I don't think
22 I do. I just -- I don't know.

23 Q. Okay.

1 A. I personally -- no. I just -- I
2 don't know whether I'm on any of the
3 documents related to them or not.

4 Q. Okay. Do you have any problem with
5 me holding on to those?

6 A. No. You can have them.

7 Q. All right. This seems to be the
8 same type of stuff.

9 A. Yeah. I just -- I don't even know
10 what -- I know he wanted to give money to
11 charity, but -- and that's what this was
12 formed for, but --

13 Q. But you don't know?

14 A. Other than that I don't know
15 anything else about it.

16 Q. Okay. That's fine. And then the
17 next thing you gave me was a manilla folder
18 marked William -- I'm not sure if I read
19 that last name. Do you know what that
20 says?

21 A. I don't have any idea. I don't even
22 know if that pertains to what's in it.

23 Q. Right. And then it appears to be

1 filled with instead of handwritten contacts
2 these are typed ones.

3 A. Mm-hmm.

4 Q. Is that a yes?

5 A. Yes.

6 Q. And do you think those are related
7 to either FRM or CLM?

8 A. I don't know what they are. I just
9 found them in my file cabinet.

10 Q. Okay. Do you have any problem with
11 giving those to me?

12 A. No.

13 MS. NOTINGER: Okay. Is that okay
14 with you, Bill?

15 MR. GANNON: Mm-hmm.

16 Q. BY MS. NOTINGER: And then there are
17 a couple things having to do with a time
18 share?

19 A. Yes.

20 Q. What time share is that?

21 A. Scott owns that. I thought he put
22 that in his bankruptcy.

23 Q. He may have, but where is it?

1 A. Actually, it is -- what is it
2 called? It's right on Weirs Boulevard.
3 Village at Winnepesaukee.

4 Q. Okay.

5 A. And it's a three-bedroom time share
6 that we -- that he owned, and we used to
7 trade it for vacation.

8 Q. Okay. Does he still own it? Do you
9 know?

10 A. I have no idea. I don't know
11 whether the dues have been paid.

12 Q. Okay.

13 A. But anyway I thought you might need
14 it.

15 Q. Is it in his name alone?

16 A. It's in his name. I don't remember
17 whether he gave them permission for me to
18 talk to them or not.

19 Q. Okay.

20 A. But it is in his name.

21 Q. Okay. And what is it, like a
22 week --

23 A. It's a week.

1 Q. -- vacation?

2 A. Yeah.

3 Q. Okay. All right. I think I'm going
4 to let you hang on to those.

5 A. Oh, okay.

6 Q. And we can go from there with it.

7 A. Okay. I'll just take it out to
8 Tulsa with me.

9 MS. NOTINGER: That's fine. I don't
10 think I have anything else at this moment or
11 this afternoon. I don't know if you have
12 any follow-up questions, Bill.

13 MR. GANNON: Oh, no. I never ask my
14 own client questions. Anything I want to
15 know from Susan I'll ask her later.

16 MS. NOTINGER: Okay. So I think
17 that's it for today. I just really would
18 like to have any tax information that you
19 have, tax returns.

20 THE WITNESS: Okay.

21 MS. NOTINGER: So that's the most
22 important thing.

23 THE WITNESS: I'll call Phyllis

1 Johansson today and have her send them to
2 you.

3 MS. NOTINGER: Okay. That would be
4 great. The last two whatever prepared.

5 THE WITNESS: Okay.

6 MR. GANNON: Also have her send you
7 copies, Susan, just so you know that they
8 went to Debbie. Otherwise you won't know.

9 MS. NOTINGER: Right.

10 THE WITNESS: Okay.

11 MR. GANNON: Now, what do you mean
12 by the comment for today since this is our
13 second session?

14 MS. NOTINGER: I'm going to conclude
15 it for today. It's concluded. I don't mean
16 for today. Concluded. I know she's moving.

17 Actually, I have one more question
18 that I forgot to ask. Who's paying for your
19 move out to Oklahoma?

20 THE WITNESS: Part of it I was able
21 to pay for with the money that I earned
22 working in the nursing home, and the rest of
23 it my parents are helping me with.

1 MS. NOTINGER: Okay. And again, are
2 they paying you back for a loan in the past?

3 THE WITNESS: It was the rest of the
4 gift that they could give to me under the
5 tax law --

6 MS. NOTINGER: Okay.

7 THE WITNESS: -- so --

8 MS. NOTINGER: And what about your
9 first and last month's rent, security
10 deposit? How are you paying for that?

11 THE WITNESS: I've been paying for
12 that through the money that I earned at the
13 nursing home.

14 MS. NOTINGER: And what about in the
15 new place?

16 THE WITNESS: The new place they are
17 actually helping me with that. That's part
18 of the gift that they are giving me.

19 MS. NOTINGER: Are you purchasing a
20 house, or are you renting?

21 THE WITNESS: I'm renting an
22 apartment.

23 MS. NOTINGER: Okay. Okay. That's

1 it. Sorry about that.

2 MR. GANNON: No problem.

3 MS. NOTINGER: Okay.

4 THE WITNESS: Thank you.

5 (Deposition was concluded at 1:23

6 p.m.)

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CERTIFICATE OF WITNESS

I, Susan G. Farah, have read the foregoing transcript of deposition taken on August 24, 2010, at the offices of WILLIAM S. GANNON, P.L.L.C., Manchester, New Hampshire, and do hereby swear/affirm it is an accurate and complete record of my testimony given under oath in the matter of In Re: Farah, including any and all corrections that may appear on those pages so denoted as "Corrections."

Susan G. Farah

STATE OF _____

COUNTY OF _____

Subscribed and sworn to before me this

_____day of_____, 20__

Notary Public_____ J.P._____

My Commission Expires_____

1 C E R T I F I C A T E

2 I, Kimberly A. Kerwin, a Certified
3 Shorthand Reporter and Notary Public of the
4 State of New Hampshire, do hereby certify that
5 the foregoing is a true and accurate transcript
6 of my stenographic notes of the deposition of
7 Susan G. Farah, who was first duly sworn, taken
8 at the place and on the date hereinbefore set
9 forth.

10 I further certify that I am neither
11 attorney nor counsel for, nor related to or
12 employed by any of the parties to the action in
13 which this deposition was taken, and further
14 that I am not a relative or employee of any
15 attorney or counsel employed in this case, nor
16 am I financially interested in this action.

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