

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

_____)	
RFF FAMILY PARTNERSHIP, LP,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No.
)	
LINK DEVELOPMENT, LLC)	
JEFFREY KARLL, ROBERT V.)	
WALLACE, JR, in his capacity as Trustee)	
of the BD LENDING TRUST, and)	
RUSSELL AND ASSOCIATES LLC,)	
)	
Defendants.)	
_____)	

VERIFIED COMPLAINT

1. By this action, RFF Family Partnership, LP (“RFF”), a commercial lender, seeks, among other things, equitable relief in the form of an order requiring its borrower, Link Development LLC (“Link”), and its principal, Jeffrey Karll (“Karll”), to specifically perform covenants under the parties’ loan agreement. In particular, RFF requests an order requiring Link and Karll to discharge an existing mortgage of record currently held by BD Lending Trust (the “BD Mortgage”). RFF’s claim arises out of a \$1.4 million commercial loan to Link. Although Karll and his company Link represented to RFF that it would have a legally valid and enforceable first lien on four (4) parcels of land in Saugus, Massachusetts (the “Property”), RFF’s mortgage was subordinate to a mortgage recorded prior in time held by BD Lending Trust. In recognition of their obligations, Karll, through his company Link filed a actions in both Suffolk Superior Court and the Land Court to discharge the BD Mortgage. After allegedly incurring \$800,000 in unpaid attorneys’ fees, all of the parties in the Link Actions signed a

“Settlement Agreement” which required that the B.D. Lending Trust discharge the BD Mortgage and that Link deliver a “full release from Jeffrey Karll and Essam Al Tamimi.” Link and Karll failed and refused to comply with their obligations (which would have resulted in a discharge of the BD Mortgage), opposed the enforcement of the Settlement Agreement and presumably intend to proceed to trial (while the BD Mortgage continues to encumber the Property). Moreover, Karll on behalf of Link, encumbered the Property with at least one additional lien in violation of their loan obligations. As a result, RFF seeks an order from the Court requiring Link and Karll to specifically perform their obligations under their loan documents; or in the alternative declare the BD Mortgage void as a result of fraud and lack of consideration. In addition, RFF seeks to collect its remaining balance on its loan from both Link and its principal Karll.

JURISDICTION AND VENUE

2. Pursuant to 28 U.S.C. § 1332, the Court has jurisdiction over this matter as the Plaintiff is a citizen of California, all Defendants are citizens of Massachusetts, and the amount in controversy exceeds \$75,000.

3. Pursuant to 28 U.S.C. § 1391, the District of Massachusetts is the proper venue for this action because all Defendants reside in Massachusetts, the real property which is the subject of this dispute is located in Saugus, Massachusetts, and the contracts in dispute were issued in Massachusetts.

PARTIES

4. RFF is a limited partnership formed under the laws of California with a principal place of business of 226 23rd Street, Santa Monica, California.

5. Link is a Massachusetts limited liability company with a principal place of business of 2 Prince Street, Boston, Massachusetts. Link is a single asset LLC and on information and belief has significant debt and limited assets.

6. Karl is a Massachusetts resident who resides at 2 Prince Street, Boston, Massachusetts. Karl claims to be a manager of Link and another related entity, Desert Pine LLC (“Desert Pine”).

7. Robert Wallace is a resident of Massachusetts and president of Wallace Capital LLC (“Wallace Capital”), a private commercial lender which provides “short-term” high interest loans to borrowers. Wallace is the trustee of BD Lending Trust, a trust organized under the laws of Massachusetts. Wallace retained Steven Ross (“Ross”) to represent Wallace Capital in a loan to Link and Karl. At all times relevant Ross operated as Wallace’s agent.

8. Russell and Associates, LLC (“Russell”) is a Massachusetts limited liability company with a principal place of business at 200 Highland Avenue, Needham, Massachusetts. Russell, the law firm retained by Link to discharge the BD Mortgage, currently claims an interest in the Property by virtue of an assignment of mortgage from Desert Palm LLC (an entity controlled by Karl). Russell has filed an independent action claiming a superior lien position to RFF.

FACTUAL ALLEGATIONS

Wallace Capital

9. On information and belief, Wallace operates a money lending entity known as Wallace Capital.

10. Ross, a lawyer by training, regularly engages in high-risk, short term commercial loans.

11. Ross has both joint ventured with Wallace on commercial loans and has represented him or some of his various entities in lending transactions.

Link Purchases the Property and Grants a Mortgage to Desert Pine

12. In or around 2005, on information and belief, Karl retained a now-disbarred Massachusetts attorney, Stuart Sojcher (“Sojcher”) to, among other things, form a new limited liability company for the purpose of purchasing and developing approximately 22 acres abutting Route 1 in Saugus comprised of three unregistered parcels and one registered parcel of property (previously defined as the “Property”).

13. On August 18, 2005, Sojcher formed an entity known as Link. A copy of the Certificate of Organization is attached hereto as **Exhibit A**.

14. The Certificate of Organization authorizes Essam Al Tamimi (“Tamimi”) to execute documents or take other action on behalf of Link.

15. By foreclosure deed dated August 2, 2005, Link received title to the Property for a reported payment of \$1.3 million. A copy of the Foreclosure Deed is attached hereto as **Exhibit B**.

16. By Mortgage dated August 20, 2005, Link granted Desert Pine, an entity owned and or controlled by Tamimi, a mortgage on the Property in the amount of \$2 million (the “Desert Pine Mortgage”). A copy of the Desert Pine Mortgage is attached as **Exhibit C**. The Desert Pine Mortgage contained three unregistered parcels and one registered parcel.

17. Although the Certification of Organization for Link authorized only Tamimi to “execute, acknowledge, deliver and record on behalf of the LLC any recordable instrument purportedly to affect an interest in real property,” Sojcher, who lacked authority to do so, nevertheless agreed to and signed the Desert Pine Mortgage.

18. On information and belief, Sojcher had no authority to act on behalf of Link and sign the Desert Pine Mortgage, which referenced all four parcels of the Property.

19. On August 14, 2006, almost a year after he signed the Desert Pine Mortgage, Sojcher recorded it. Although the Desert Pine Mortgage purported to assert a security interest in the registered parcel, Sojcher never recorded the Desert Pine Mortgage on the registered land.

BD Records a Fraudulent Mortgage on the Property

20. On or about September 29, 2006, BD was formed.

21. Thereafter, without providing notice to either Tamimi or Karll, on information and belief, Sojcher, forged or falsified and then filed several legal documents to attempt to create (falsely) legal authority to act on behalf of Link and mortgage the Property. On information and belief Sojcher diverted a portion of the proceeds for the benefit of, among others, Sojcher, Ross, and Wallace and the majority of the proceeds did not directly benefit Link.

22. These forged or falsified documents include:

- a certificate of organization registering a limited liability company named “Desert Pine LLC,” listing only himself as manager. A copy of the Certificate of Organization is attached hereto as **Exhibit D.**
- certificates naming himself as the sole manager of Link and stating that he had the authority to enter into a loan arrangement with BD for \$600,000. Copies of the Manager’s Certificate, Certificate of Manager, and Certificate of Organization are attached hereto as **Exhibit E.**
- a mortgage on the Property from Link in favor of Desert Palm LLC (“Desert Palm”) in the principal amount of \$2 million (the “Desert Palm Mortgage”). A copy of the Desert Palm Mortgage is attached hereto as **Exhibit F.** The Desert Palm Mortgage was recorded on the registered land (but not the unregistered land) on October 10, 2006. On information and belief, Desert Palm is a fictitious entity and there was no consideration given for the mortgage.
- a mortgage on the Property from Link in favor of BD in the principal amount of \$600,000, which was recorded on both the registered and unregistered parcels. A copy of the BD Mortgage is attached hereto as **Exhibit G.**

23. On or about October 2, 2006, Karll, on information and belief, learned that Sojcher had executed the above-referenced documents, contacted Wallace and Ross (before the loan had been funded), represented that Sojcher lacked the authority to sign the BD Mortgage on Link's behalf, and demanded that the loan not be funded.

24. On or about October 18, 2006, Sojcher and Wallace executed and recorded an amendment to the BD Mortgage, providing that BD would advance Link an additional \$100,000, increasing the principal balance of the loan and mortgage to \$700,000 (the "Amendment of Mortgage"). A copy of the Amendment of Mortgage is attached hereto as **Exhibit H**.

25. On information and belief, approximately \$100,000 of the loan proceeds paid taxes owed to the City of Saugus by Link and the remaining loan proceeds were retained by Sojcher, Wallace, and Ross (or other entities connected to Ross).

Link Files Suit in Superior Court and Land Court to Void the BD Mortgage

26. On or about October 13, 2006, the Certificate of Organization for Link was amended to identify Karll as manager and to grant him authority to execute documents on behalf of Link. A copy of the Certificate of Organization is attached hereto as **Exhibit I**.

27. In or around November 2006, on information and belief, BD commenced foreclosure proceedings on the Property.

28. On or about December 15, 2006, Russell on behalf of Link, prepared a "verified" complaint, which was originally filed in Suffolk Superior Court, captioned Link Development LLC v. Stuart Sojcher, et. al., (the "Superior Court Action"), seeking, among other things, to declare that the BD Mortgage was void and that Sojcher was "not authorized to enter into any mortgage on behalf of" Link.

29. Link claimed that:

- “Sojcher” engaged in a “string of fraudulent actions” including forging or falsifying and then filing several legal documents for the purposes of creating apparent authority to act on behalf of Link, mortgage the Property to BD, and divert a portion of the equity for the benefit of Sojcher, Ross, and Wallace, among others. (Comp. ¶¶ 11 to 15);
- these forged or falsified documents include, among others, a mortgage on the Property from Link in favor BD in the principal amount of \$700,000. (Id.)
- after these documents were executed and recorded but before any of the funds were extended by BD, Link’s representative, Karll, notified Wallace and Ross that Sojcher lacked authority to sign the mortgage on Link’s behalf. (Comp. ¶¶ 26, 27); Nevertheless, BD allegedly funded the loan but Link did not receive any loan proceeds. (Comp. ¶¶ 28, 50).
- the proceeds from the BD Mortgage were retained by “Ross, Wallace, BD Lending and Sojcher” “for their own benefit.” (Comp. ¶ 50).
- BD Lending received \$60,000 in connection with the funding of the fraudulent mortgage, that Ross “used proceeds from the BD Lending Mortgage to pay himself in his capacity as the mortgagor” on an unrelated property, and that Sojcher received “some portion of the proceeds.” (Comp. ¶ 51).

A copy of the Complaint is attached hereto as **Exhibit J**.

30. On or about January 8, 2007, Link filed a virtually identical “verified” complaint in Land Court (the “Land Court Action”). A copy of the Land Court Action is attached hereto as **Exhibit K**. On information and belief, the Land Court Action was filed to discharge that portion

of the BD Mortgage which encumbered the registered parcel owned by Link. The Land Court Action was consolidated with the Superior Court Action.

The Loan Transaction

31. On October 15, 2007, approximately ten (10) months after Karll on behalf of Link filed the Superior Court Action, RFF loaned \$1.4 million to Link to develop the Property (the “Loan Transaction”). A copy of the Note is attached hereto as **Exhibit L**.

32. In connection with the Loan Transaction, Link and Karll misrepresented, among other things, that:

- the Mortgage shall be a good first mortgage and security interest of record;
- there shall be no intervening liens, encumbrances or other state of facts objectionable to the Lender;
- there are no suits, proceedings or investigations pending or threatened against or affecting Borrower . . . at law or in equity . . . which, if adversely determined, would have a material adverse effect on the business or condition of Borrower or any Guarantor or which bring into question the validity or enforceability of this Agreement or any of the Loan Documents;
- Borrower has good and clear title to all properties and assets owned by it, . . . free and clear of all mortgages, liens;
- All indebtedness of the Borrower for borrowed money to any related or other party now existing or hereafter owing, shall be subordinated to the Indebtedness of the Borrower to the Lender;
- The Property shall not be subject to any liens or encumbrances, whether inferior or superior to the Loan Documents;
- Mortgagor will defend the same for Mortgagee forever against all claims and demands of all persons and

indemnify Mortgagee against any losses or expenses resulting from such claims and demands.

A copy of the documents containing these representations which include the Loan Agreement and Mortgage are attached hereto as **Exhibit M**.

33. Additionally, Karll, in his individual capacity, executed a Guaranty in favor of RFF guarantying, among other things, “performance and obligation of all Liabilities . . . of Link . . . to RFF. . . .” A copy of the Guaranty is attached hereto as **Exhibit N**.

34. In particular, in the Guaranty, Karll agreed to:

- guaranty “any and all obligations of [Link] to act or refrain from acting in accordance with the terms, provisions, and covenants of any agreement between [RFF] and [Link] or instrument furnished by [Link] to [RFF]” and
- “indemnify, defend and hold [RFF] harmless of and from any claim brought or threatened against [RFF] by . . . any [] person (as well as from reasonable attorneys’ fees and expenses in connection therewith) on account of [RFF’s] relationship with [Link]. . . unless the same was the result of [RFF’s] gross negligence or willful misconduct.”

35. As security for RFF’s loan to Link, RFF received what was intended to be a first mortgage on all four parcels of the Property, which Link planned to develop.

36. Karll, on behalf of both Desert Pine and Desert Palm, signed subordination agreements agreeing to subordinate the Desert Pine and Desert Palm Mortgages. A copy of the subordination agreements are attached as **Exhibit O**. The subordination agreement for the Desert Pine Mortgage was recorded on the unregistered parcels on October 16, 2007.

37. Notwithstanding apparent compliance with the laws for recording, the registered land office refused to accept the Desert Palm subordination agreement.

Russell is Assigned the Desert Palm Mortgage

38. On or about February 26, 2009, Karll, on behalf of Desert Pine, assigned the Desert Palm Mortgage to Russell, on information and belief, as security for Link’s previously

incurred and unpaid attorneys' fees. A copy of the Assignment is attached hereto as **Exhibit P**. Although the registered land office had previously refused to accept the Desert Palm subordination agreement, it agreed to accept the Assignment.

39. On information and belief, Russell, Link's counsel, was on notice of RFF's mortgage and the subordination agreement at the time it took an assignment of the Desert Palm Mortgage.

40. On or about February 27, 2009, Link agreed to sign a settlement agreement which would have, among other things, discharged the BD Mortgage (the "Settlement Agreement"). A copy of the Settlement Agreement is attached hereto as **Exhibit Q**.

41. The Settlement Agreement required that

- BD "deliver" to Link "within three business days of delivery of the releases referred to in paragraph 2 and 3 below, a discharge of the mortgage" on the Property; and
- Link "shall deliver" a "full release from Jeffrey Karl and Essam Al Tamimi of all claims made" related to the Property.

42. On information and belief, BD was ready willing and able to discharge the BD Mortgage but Link failed to deliver the full release from Jeffrey Karl and Essam Al Tamimi. As a result, the BD Mortgage was never discharged.

43. On or about May 15, 2009, Link's creditors filed an involuntary bankruptcy petition under Chapter 7 in the United States Bankruptcy Court, District of Massachusetts.

44. On November 18, 2009, the Chapter 7 Bankruptcy Court petition was dismissed.

45. On or about January 28, 2010, Link filed a voluntary petition for bankruptcy under Chapter 11 in the United States Bankruptcy Court, District of Massachusetts. On March 3, 2010, this petition was dismissed.

46. On or about June 14, 2010, BD filed a Motion to Enforce Settlement (“Motion to Enforce”). The Motion to Enforce was opposed by among others Link.

47. In its opposition Link maintained that “none of the parties complied with” the terms of the Settlement Agreement, that “Link, the Filing Defendants and Ross endeavored to obtain the required signature and release from Al Tamimi, but he refused to deliver such a “full release” and that as a result the Settlement Agreement “has become unenforceable and has been and is a nullity.”

Russell Files an Action to Establish the Priority of its Lien

48. On March 25, 2010, Russell filed an action in Land Court against RFF and other seeking to establish the priority of its lien by claiming, among other things, that it was a bona fide assignee of the Desert Palm Mortgage (the “Russell Action”). A copy of the Russell Action is attached as **Exhibit R**.

49. Although Russell’s own client Link had previously claimed that Sojcher was unauthorized to take actions on behalf of Link and that he was “not authorized to enter into any mortgage on behalf of” Link, Russell now maintained that a mortgage signed by Sojcher was valid, enforceable and assigned to Russell.

50. RFF filed a special motion to dismiss the Russell Action. On or about December 3, 2010, the Land Court granted in part and denied in part the motion to dismiss, dismissing any claims Russell had to the Property based on an attorney’s lien. A copy of the Land Court’s decision is attached as **Exhibit S**.

51. Russell has filed an appeal of the Land Court's decision which is currently pending before the Massachusetts Appeals Court.

RFF Forecloses on The Property

52. On or about March 26, 2010, RFF foreclosed on its mortgage.

53. By Memorandum of Sale dated March 26, 2010, RFF agreed to purchase the Property for \$2.5 million. As a result, there was a deficiency still owed RFF of approximately \$300,000. A copy of the Memorandum of Sale is attached as **Exhibit T**.

54. By Purchase and Sale Agreement dated January 2011, a third-party buyer has agreed to purchase the Property. A copy of the redacted Purchase and Sale Agreement ("P&S Agreement") is attached as **Exhibit U**.

55. Pursuant to the terms of the P&S Agreement, the Property will be sold in September 2011.

56. On or about March 11, 2011, RFF filed a Motion to Intervene in the Superior Court Action, to among other things, protect its ownership interest in the Property. The Motion was denied.

CLAIMS

Count I – Declaratory Judgment

(Robert Wallace, Jr., as Trustee of the BD Lending Trust and Russell)

57. RFF repeats and incorporates herein paragraphs 1 to 56 of this Complaint.

58. An actual controversy exists between RFF, on the one hand, and Wallace on the other, with respect to the validity of the BD Mortgage.

59. RFF is entitled to a declaration that the BD Mortgage is void.

Count II – Specific Performance

(Link Development LLC and Karl)

60. RFF repeats and incorporates herein paragraphs 1 to 59 of this Complaint.

61. RFF and Link entered into written agreements in which Link and Karll agreed, among other things,

- to subordinate all other current and future indebtedness to the RFF Mortgage;
- not to vest legal or beneficial ownership in the Property to any person or entity other than RFF; and
- that the Property would not be subject to any inferior or superior liens or encumbrances.

62. Karll through the Guaranty represented he would comply with Link's contractual obligations and indemnify RFF against claims brought or threatened against it.

63. Link and Karll breached their respective agreements by, *inter alia*, (i) failing to subordinate the BD Lending Mortgage, and all future indebtedness, including any debt for unpaid attorneys' fees, to the RFF Mortgage; (ii) assigning the Desert Palm Mortgage to Russell; (iii) executing a Certificate of Attorneys' Lien purportedly granting a lien on the Property in favor of Russell; and (iv) failing to indemnify RFF against claims brought by Russell in the Land Court Action.

64. RFF is entitled to an order from the Court requiring Link and Karll to specifically perform their obligations under the written agreements.

Count III – Breach of Contract
(Link Development LLC and Karll)

65. RFF repeats and incorporates herein paragraphs 1 to 64 of this Complaint.

66. RFF and Link entered into written agreements in which Link agreed:

- to subordinate all other current and future indebtedness to the RFF Mortgage;
- not to vest legal or beneficial ownership in the Property to any person or entity other than RFF; and

- that the Property would not be subject to any inferior or superior liens or encumbrances.

67. Karll, through the Guaranty, represented he would comply with Link's contractual obligations and indemnify RFF against claims brought or threatened against it.

68. Link and Karll breached their respective agreements by, *inter alia*, (i) failing to subordinate the BD Lending Mortgage and all future indebtedness, including any debt for unpaid attorneys' fees, to the RFF Mortgage; (ii) assigning the Desert Palm Mortgage to Russell; (iii) executing a Certificate of Attorneys' Lien purportedly granting a lien on the Property in favor of Russell; and (iv) failing to indemnify RFF against claims brought by Russell in the Land Court Action.

69. As a result of Link's conduct, RFF has sustained damages.

Count IV – Negligent or Intentional Misrepresentation
(Jeffrey Karll and Link Development LLC)

70. RFF repeats and incorporates herein paragraphs 1 to 69 of this Complaint.

71. To induce RFF to enter into the Loan Transaction, Karll and Link made representations of material fact which it intended RFF to rely upon including:

- RFF's Mortgage was a first lien on the Property, there were no intervening liens, and the Property would not be subject to any other liens or encumbrances;
- Link would subordinate all other current and future indebtedness to the RFF Mortgage;
- Link would not vest legal or beneficial ownership in the Property to any person or entity other than RFF; and

- there were no pending lawsuits which, if adversely determined, would bring the validity or enforceability of the loan documents into question.

72. Karll and Link's representations were false.

73. Karll and Link knew or should have known that these representations were false.

74. RFF reasonably relied to its detriment upon Karll and Link's representations and agreed to the Loan Transaction.

75. As a result of Karll and Link's misrepresentations, RFF has incurred, and continues to incur, damages.

Count V – Breach of Contract
(Link Development LLC and Karll)

76. RFF repeats and incorporates herein paragraphs 1 to 75 of this Complaint.

77. Link signed a Note and agreed to pay RFF \$1.4 million in principal and interest.

78. Karll, through the Guaranty, agreed to pay RFF under the terms of the Note.

79. Link and Karll have failed to pay RFF.

80. As a result of Link and Karll's breach, RFF has incurred, and continues to incur, damages.

Count VI – Violation of M.G.L. c. 93A, §§ 2, 11
(Link Development LLC and Karll)

81. RFF repeats and incorporates herein paragraphs 1 to 80 of this Complaint.

82. At all times material and relevant hereto, RFF, Karll and Link were engaged in the conduct of trade or commerce as defined in M.G.L. c. 93A, §§ 2, 11.

83. Karll and Link committed unfair and deceptive acts and practices declared unlawful under the provisions of M.G.L. c. 93A, §§ 2, 11 and the interpretive regulations and

case law related thereto. The actions of Karll and Link which constitute violations of M.G.L. c. 93A include, without limitation:

- making misrepresentations of fact regarding, among other things, RFF's lien position and outstanding litigation that may adversely affect RFF's title, to induce RFF to lend Link \$1.4 million;
- willfully and intentionally breaching of the loan documents and Guaranty by, among other things, assigning the Desert Palm Mortgage to Russell, failing to payoff or discharge liens of record, and/or failing to subordinate existing encumbrances.

84. Karll and Link's unfair and deceptive conduct occurred primarily and substantially in Massachusetts.

85. As a result of the Karll and Link's unfair and deceptive conduct, RFF has incurred, and continues to incur, damages.

Count VII – Injunction
(Link Development LLC and Karll)

86. RFF repeats and incorporates herein paragraphs 1 to 85 of this Complaint.

87. RFF has a substantial likelihood of success on the merits against Link and Karll as both have failed to pay off the outstanding amount of its loan.

88. RFF will suffer immediate and irreparable harm if Link and Karll are not restrained from directly or indirectly, transferring, alienating, selling, conveying, encumbering, hypothecating, destroying, assigning, dissipating, pledging, distributing, or destroying any proceeds from an anticipated judgment or settlement in the Superior Court Action until further order of this Court.

89. The harm that RFF will incur if the injunctive relief is not granted substantially outweighs the harm, if any, that either Link or Karll will incur if the relief is granted.

Count VIII – Injunction
(Link Development LLC and Karll)

90. RFF repeats and incorporates herein paragraphs 1 to 89 of this Complaint.

91. RFF has a substantial likelihood of success on the merits against Link and its principal, Karll, for specific performance of the Loan Documents. The Loan Documents required among other things, Link and Karll to subordinate all other current and future indebtedness to the RFF Mortgage and not to vest legal or beneficial ownership in the Property to any person or entity other than RFF. Notwithstanding these representations, Link and Karll have failed to discharge or subordinate the BD Mortgage and the Desert Palm Mortgage and assigned the Desert Palm Mortgage to Russell.

92. RFF has and will continue to suffer immediate and irreparable harm if Link and Karll are not ordered to subordinate and/or discharge the BD Mortgage and the Desert Palm Mortgage.

93. The harm that will incur if the injunctive relief is not granted substantially outweighs the harm, if any, that Link and Karll will incur if the relief is granted.

Count IX – Indemnity
(Link Development LLC and Karll)

94. RFF repeats and incorporates herein paragraphs 1 to 93 of this Complaint.

95. RFF and Link entered into written agreements in which Link agreed to:

Indemnify, defend and hold harmless [RFF] from and against and upon demand reimburse [RFF] for, all claims, demands, liabilities, losses, damages, judgments, penalties, costs and expenses which may be imposed upon, asserted against or incurred or paid by [RFF]....on account of any transaction arising out of or in any way connected with the Mortgage Property or the Loan Documents...

96. Karll, through the Guaranty, agreed to:

Indemnify, defend and hold [RFF] harmless of and from any claim brought or threatened against [RFF] by [Link], [Karll] any other guarantor or endorser of Liabilities or any other person (as well as from reasonable attorneys' fees and expenses in connection therewith) on account of the [RFF]'s relationship with [Link], [Karll] any other guarantor or endorser of the Liabilities (each of which may be defended, compromised, settled, or pursued by [RFF])

97. The lien claimed by Russell, its allegations in the Russell Action, and the BD Mortgage all arise out of or relate to the "Mortgage Property" and the "Loan Documents".

98. Link and Karll have breached their obligations to defend and indemnify RFF against claims of Russell and BD.

99. As a result, RFF has incurred and continues to incur attorneys' fees and costs.

RELIEF REQUESTED

WHEREFORE, for the above reasons, RFF requests the following relief:

(a) Enter judgment in favor of RFF against Wallace on Count I and declare the BD Mortgage void;

(b) Enter judgment in favor of RFF against Link and Karll on Count II and order Link and Karll to discharge the Desert Palm Mortgage and the BD Mortgage, order Karll to indemnify RFF against claims brought or threatened against it in the Russell Action.

(c) Enter judgment in favor of RFF against Link and Karll on Count III, IV and V awarding it its damages, costs and attorneys' fees;

(d) Enter judgment in favor of RFF against Link and Karll on Count VI in an amount of no less than double and no more than treble RFF's damages plus interest, costs and attorney's fees; and

(e) After a hearing, enter an Order prohibiting Link and Karll from directly or indirectly transferring, alienating, selling, conveying, encumbering, hypothecating, assigning, dissipating, pledging, distributing or destroying any proceeds from an anticipated judgment or settlement in the Superior Court Action;

(f) After a hearing enter an Order requiring Link and Karll to specifically perform their obligations under the Loan Documents;

(g) Enter judgment in favor of RFF against Link and Karll on Count IX awarding RFF its damages, costs and attorneys' fees; and

(h) Award such other relief that is just and appropriate.

RFF FAMILY PARTNERSHIP L.P.

By its attorneys,

/s/ Richard E. Briansky

Richard E. Briansky (BBO# 632709)

Amy B. Hackett (BBO# 676345)

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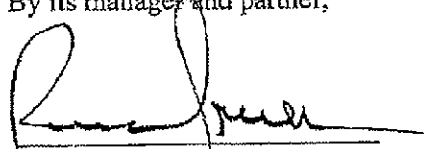
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Dated: June 1, 2011

VERIFICATION

I, Robert Freedman, being duly sworn, depose and state that I am the managing partner of RFF Family Partnership, LP and state that the statements contained herein are based upon my own personal knowledge and public records. To the extent that the allegations are based upon information and belief, I have so indicated.

RFF Family Partnership, LP
By its manager and partner,



Robert Freedman

Dated: May 25, 2011