

STATE OF RHODE ISLAND
NEWPORT, SC.

CLERK OF SUPERIOR COURT
SUPERIOR COURT: 47
2012 SEP 17 11:12

85440

INDEPENDENCE BANK, :
 :
 Petitioner :
 :
 vs. :
 :
 SYRACO ASSOCIATES, LLC, :
 :
 Respondent :
 :

N.M. No.: NB 120372

ORDER APPOINTING TEMPORARY RECEIVER

The above-identified proceeding having come before the Honorable Associate Justice Brian A. Stern on this 28th day of August, 2012, upon Petitioner, Independence Bank's ("IB") Petition for Appointment of a Receiver, and after considering the papers and pleadings in this matter, as well as the statements and representations of the parties, pursuant to an in-chambers conference, it is hereby

ORDERED, ADJUDGED AND DECREED

1. That Jeffrey B. Cianciolo, Esq., of Providence, Rhode Island, be, and hereby is, appointed Temporary Receiver (the "Receiver") of Respondent, Syraco Associates, LLC ("Syraco").
2. That said Receiver shall, no later than five (5) days from the date hereof, file a bond in the sum of Five Thousand and 00/100 Dollars (\$5,000.00) with any surety company authorized to do business in the State of Rhode Island as surety thereon, conditioned that the Receiver will well and truly perform the duties of said office and duly account for all monies and property which may come into the Receiver's hands and abide by and perform all things which the Receiver will be directed to do by this Court.

FILED

SEP 17 2012

BY _____

3. That said Receiver is authorized to take possession and charge of the property and/or assets of Syraco, and to collect any and all rents, debts and/or property belonging to Syraco, and to preserve the same until further order of this Court.

4. That said Receiver is authorized until further order of this Court, in the Receiver's discretion, and as said Receiver deems appropriate and advisable, to preserve the asset and prevent waste of Syraco's assets and/or property, to borrow money from time to time, to purchase for cash or upon credit, merchandise, materials and other property, to engage employees and assistants, clerical or otherwise, and to do and perform or cause to be done and performed all other acts and things as are appropriate in the premises.

5. That, pursuant to and in compliance with Rhode Island Supreme Court Executive Order No. 95-01, this Court finds that the designation of the aforescribed person for appointment as Receiver is warranted and required because of the Receiver's specialized expertise.

6. That the commencement, prosecution, or continuance of the prosecution of any action, suit, arbitration proceeding, hearing, or any foreclosure, reclamation or repossession proceeding, both judicial and non-judicial, or any other proceeding, in law, or in equity or under any statute, or otherwise, against Syraco, or any of Syraco's property and/or assets, in any Court, agency, tribunal, or elsewhere, or before any arbitrator, or otherwise by any creditor, stockholder, corporation, partnership or any other person, or the levy of any attachment, execution or other process upon or against any property of Syraco, or the taking or attempting to take into possession any property in the possession of Syraco or of which Syraco has the right to possession, or the cancellation at any time during the instant receivership proceeding herein of any insurance policy, lease or other contract with Syraco, by any of such parties as aforesaid, other than the Receiver

designated as aforesaid, or the termination of telephone, electric, gas or other utility service to Syraco, by any public utility, without prior approval thereof from this Court, in which connection said Receiver shall be entitled to prior notice and an opportunity to be heard, are hereby restrained and enjoined until further order of this Court.

7. That a Citation be issued to Syraco, returnable to the Superior Court sitting at Newport County, Rhode Island on SEPT 24th, 2012, at 9:30 a.m., at which time and place this cause is set down for hearing on the prayer for the Appointment of a Permanent Receiver; that the Clerk of this Court shall give notice of the pendency of the Petition herein by publishing this Order Appointing Temporary Receiver once in The Providence Journal on or before SEPT 4th, 2012, so long as the Receiver's Bond has been filed, and the Receiver shall give further notice by mailing, on or before SEPT. 14th, 2012, a copy of said Order Appointing Temporary Receiver to each of Syraco's creditors and stockholders whose address is known or may become known to the Receiver.

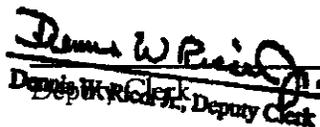
ENTERED as an Order of this Court this 28th day of August, 2012.

ENTER:



Associate Justice

PER ORDER:


Deputy Clerk, Deputy Clerk

8. Syraco shall make no transfers, conveyances, divestitures or otherwise alienate, hypothecate or mortgage any of its assets or property outside of the ordinary course of business.

9. The within order shall become effective as of 5:00 p.m. on Thursday, August 30, 2012.

Presented By:

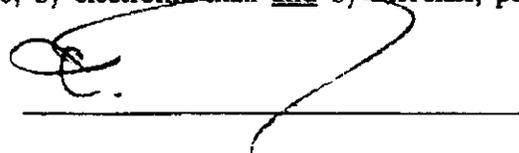


Christopher M. Mulhearn (#5188)
Law Office of Christopher M. Mulhearn, Inc.
55 Pine Street, Fourth Floor
Providence, RI 02903
Tel.: (401) 533-9330
Fax.: (401) 533-9333
Email: cmulhearn@mulhearnlawri.com

Dated: August 28, 2012

Certification

I hereby certify that on this 28th day of August, 2012, I served a true and accurate copy of the foregoing upon Americo M. Scungio, Esq., Scungio & Priolo, 167 Main Street, Westerly, Rhode Island, 02891; Michael W. Favicchio, Esq., 117 Metro Center Boulevard, Suite 2001, Warwick, Rhode Island, 02886; and Michael W. Miller, Esq. & Turner Scott, Esq., Miller, Scott & Holbrook, 122 Tuoro Street, Newport, Rhode Island, 02840, by electronic mail ~~and~~ by first-class, postage prepaid mail.



REAVIS
CIANCIOLO
Counsel for Business

2012 SEP 17 PM 12:47

JEFFREY B. CIANCIOLO, ESQ.
E-MAIL: JBC@RC-LEGAL.COM

September 13, 2012

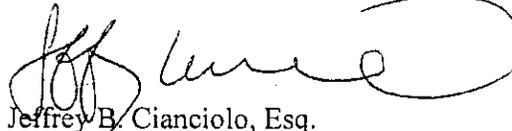
TO: CREDITORS AND OTHER PARTIES OF INTEREST

Re: Independence Bank vs. Syraco Associates, LLC; N.M. No.: NB 12-0372
and
Independence Bank vs. JONCO, LLC; N.M. No.: NB 12-0373

On August 28, 2012 the Rhode Island Superior Court in Newport County entered (i) an Order appointing the undersigned the Temporary Receiver of SYRACO ASSOCIATES, LLC ("SYRACO") and (ii) an Order appointing the undersigned the Temporary Receiver of JONCO, LLC ("JONCO"), copies of which are attached hereto for reference. A receivership is a state court-supervised proceeding and the Receiver is an Officer of the Court appointed for the custody and care of the assets of SYRACO and JONCO. The receiver is in the process of assessing and securing SYRACO's and JONCO's assets.

Please be advised that a hearing on the appointment of a Permanent Receiver is scheduled to be heard **September 24, 2012 at 9:30 am at the McGrath Judicial Complex, 4800 Tower Hill Road, Wakefield, Rhode Island 02879.** Creditors and other interested parties are welcome to attend, but are not required to do so. In connection with the Receivership, all creditors are enjoined and stayed from taking any action to enforce their claims against SYRACO and JONCO and/or their assets. If you have any questions regarding any aspect of the foregoing, please contact the undersigned Receiver.

Very truly yours,
Reavis Cianciolo LLC



Jeffrey B. Cianciolo, Esq.
as Temporary Receiver for
SYRACO ASSOCIATES, LLC
and JONCO, LLC (and not individually)

REAVIS CIANCIOLO LLC
Attorneys at Law

55 Dorrance Street, Suite 200 Providence, Rhode Island 02903
Telephone 401-272-5520 Fax 401-272-5501 www.rc-legal.com

STATE OF RHODE ISLAND
NEWPORT, SC.

SUPERIOR COURT

85440

INDEPENDENCE BANK :
: Petitioner :
v. :
SYRACO ASSOCIATES, LLC :
: Respondent :

N.M. No. NB 12-0372

MOTION TO ENGAGE PROFESSIONALS

NOW COMES, the Temporary Receiver, Jeffrey Cianciolo, Esq., in his official capacity and not individually and hereby moves this Honorable Superior Court for permission to Engage Professionals. As grounds for this Motion, your Receiver states:

NOW COMES, the Temporary Receiver, Jeffrey Cianciolo, Esq., in his official capacity and not individually and hereby moves this Honorable Superior Court for permission to Engage Professionals. As grounds for this Motion, your Receiver states:

1. The Court appointed the Temporary Receiver on or about August 28, 2012.
2. Pursuant to the Order of appointment, Your Temporary Receiver has taken steps to obtain the necessary bond, advertise the matter, and give notice to all known creditors to the Estate.
3. Your Temporary Receiver has had extensive discussions with the Petitioner and primary creditor in this case, Independence Bank. Your Temporary Receiver and the Petitioner have agreed that it is in the best interest of the Estate and the creditors to continue operations as well as to borrow funds from the first secured creditor as an

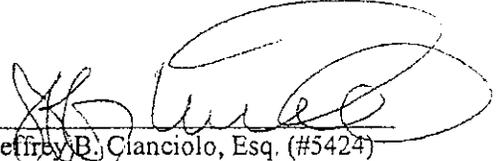
administrative loan (the Motion for which will be filed for consideration by this Court).

4. In the course in conduction Receivership activities, your Temporary Receiver serves as Of Counsel with the Law Firm of Ferrucci Russo, P.C. The combined efforts of your Temporary Receiver and the law firm of Ferrucci Russo, P.C. have in the past been successful in operating assets of this kind, specifically hotels.
5. Your Temporary Receiver is hereby requesting permission to hire the law firm of Ferrucci Russo, P.C. in an Of Counsel relationship with the Temporary Receiver. The law firm of Ferrucci Russo, P.C. will avail your Temporary Receiver to its partners, W. Mark Russo, Esq. and Vincent A. Indeglia as well as their associate staff.
6. The billing rate for Ferrucci Russo, P.C. in such matters is Three Hundred (\$300.00) Dollars per hour for partner time, One Hundred Fifty (\$150.00) Dollars to Two Hundred (\$200.00) Dollars for Associate time, depending on their level of experience and One Hundred Fifteen (\$115.00) Dollars per hour for paralegal time.

It is the opinion of your Temporary Receiver that by engaging this of counsel relationship in this matter, that it will be a benefit to the creditors and the state as a whole.

WHEREFORE, your Temporary Receiver prays that this Court approve the engagement of Ferrucci Russo, P.C. for assistance in this matter.

Respectfully submitted,



Jeffrey B. Cianciolo, Esq. (#5424)
as Temporary Receiver for
SYRACO ASSOCIATES, LLC
(and not individually)
55 Dorrance Street, Suite 200
Providence, RI 02903
Main 401 272 5520
Direct 401 272 0131
Fax 401 272 5501
jbc@rc-legal.com

CERTIFICATE OF SERVICE

I hereby certify that on 18th day of September, 2012, a true and accurate copy of the within was served via first class mail, postage prepaid, to the following:

America M. Scungio, Esq.
Scungio & Priolo
167 Main Street
Westerly, RI 02891

Michael Favicchio, Esq.
The Law Offices of Michael Favicchio
117 Metro Center Blvd, Suite 2001
Warwick, RI 02886

Christopher M. Mulhern, Esq.
Law Offices of Christopher M. Mulhern
55 Pine Street, 4th Floor
Providence, RI 02903

Turner C. Scott, Esq.
Miller, Scott & Holbrook
122 Touro Street
Newport, RI 02840



STATE OF RHODE ISLAND
NEWPORT, SC.

SUPERIOR COURT

INDEPENDENCE BANK
Petitioner

v.

SYRACO ASSOCIATES, LLC
Respondent

:
:
:
:
:
:
:

N.M. No. NB 12-0372

NOTICE TO CREDITORS

1. Please take Notice that a hearing on the Motion to Engage Professionals will be held at 9:30 a.m. on the 28th day of September, 2012, before the Washington County Superior Court, Business Calendar, sitting at the Washington County Superior Court, McGrath Judicial Complex, 4800 Tower Hill Road, Suite 173, Wakefield, RI 02880.

2. A copy of said Motion is on file with the Clerk's Office at the Newport County Superior Court, Florence K. Murray Judicial Complex, 45 Washington Square, Newport, RI 02840. For further information, please contact the Receiver at (401) 272-5520.

3. Said Receiver shall give Notice of said Hearing by forwarding a copy of the Omnibus Form to all creditors of Defendant known to the Receiver and a copy of said Motion and the Omnibus Form to all parties listed on the Service List, by regular mail, postage prepaid, at least ten (10) days prior to the date of said Hearing.

Dated: September 18, 2012

2012 SEP 19 AM 10:52
SUPERIOR COURT
NEWPORT, RHODE ISLAND

