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5 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**  
6 **IN AND FOR THE COUNTY OF MARICOPA**

7 AREK FRESSADI, an unmarried man,  
8 FRESSADI DOES I-III,  
9 Plaintiffs,

10 -vs-

11 ARIZONA MUNICIAPAL RISK RETENTION  
12 POOL (“AMRRP”), TOWN OF CAVE CREEK, a  
13 municipal corporation, CAVE CREEK DOES III-  
14 XX, LINDA BENTLEY, a single woman, DONALD.  
15 SORCHYCH *et ux*, CONESTOGA MERCHANTS,  
16 INC. d/b/a Sonoran News, STATE OF ARIZONA,  
17 MEMBERS OF THE JUDICIAL BRANCH OF  
18 THE STATE OF ARIZONA DOES XXXI-L,  
19 MARICOPA COUNTY, MARICOPA COUNTY  
20 DOES XXI-XXX, BMO HARRIS BANK, an  
21 Illinois Bank Corporation, MICHELE O. SCOTT,  
22 a single woman, MARK D. & RHONDA F.  
23 MURPHY, husband et ux; TAMMARA A. PRICE  
TRUST / TAMMARA A. PRICE, a single woman,  
CHARLIE 2 LLC, a Virginia Limited Liability  
Company, MICHAEL T. GOLEC, a single man;  
KEITH VERTES & KAY VERTES, husband et  
ux d/b/a Vertes Family Trust; SALVATORE &  
SUSAN DEVINCENZO, husband et ux; REAL  
ESTATE EQUITY LENDING, INC., an Arizona  
corporation; BERK & MOSKOWITZ, P.C.; JAY  
POWELL, ESQ. *et ux*, d/b/a THE POWELL LAW  
FIRM, PLLC; CHEIFETZ, IANNITELLI,  
MARCOLINI, P.C.

Defendants.

No.

**VERIFIED  
COMPLAINT**

24  
25 1. This Verified Complaint is a complex case per Ariz. R. Civ. P. 8(i) and 8(a)(3), and  
26 arises under the Fifth and Fourteenth Amendments to the United States Constitution; 42 U.S.C.

1 §§1983, 1988, 14142, 18 U.S.C. §§1961-1968 (reserved); Article 2, Sections 1, 2, 2.1, 3, 4, 6, 8, 9, 11,  
2 13, 17, 19, 32, Article 6, Section 9 of Arizona’s Constitution; A.R.S. §§ 9-462 *et seq.*, 9-463 *et seq.*, 9-  
3 500.12, 9-500.13, 10-1501, 12-120.21 (A)(1) (2003), 12-511, 12-523, 12-526, 12-1101 *et seq.*, 12-  
4 1566, 12-1831 *et seq.*, 12-2101(A)(1) (Supp. 2012), 13-1001, 13-1003, 13-1004, 13-1802, 13-2310,  
5 13-2311, 13-2314, 13-2314.04, 29-652, 33-701, 33-721, 33-722, 33-725, 33-801(9), 33-814(g); in  
6 common law for breach of contract, negligence, fraud (fraudulent inducement, misrepresentation),  
7 bad faith, and false light.

8 2. Plaintiffs, AREK FRESSADI, and FRESSADI DOES I-III ("Fressadi" or "Plaintiff")  
9 request special action per A.R.S. §§ 12-408, 9-500.12(H), 12-821.01(C), (G), 12-1101 *et seq.*, 13-  
10 2314.04(B), and for the Court to take judicial notice of relevant public documents incorporated by  
11 reference herein per Ariz. R. Evid. 201(b). Under penalty of perjury, Plaintiff declares as follows:

12 **PARTIES, JURISDICTION AND VENUE**

13 3. From 2001 to 2008, Plaintiff AREK FRESSADI maintained residence and domicile  
14 in Maricopa County, Arizona. From 2008 to present, Fressadi has maintained his residence in Pima  
15 County, Arizona and changed his domicile to Pima County in 2012.

16 4. Plaintiffs FRESSADI Does I-III are residents of Maricopa County.

17 5. Defendant ARIZONA MUNICIPAL RISK RETENTION POOL ("AMRRP") is an  
18 Arizona non-profit corporation.

19 6. Defendant TOWN OF CAVE CREEK (the "Town") is an Arizona municipality.

20 7. Defendant CAVE CREEK DOES IV-XX are residents of Maricopa County and state  
21 actors of the Town of Cave Creek.

22 8. Defendant BMO HARRIS BANK, ("BMO") is an Illinois Bank Corporation, doing  
23 business in the State of Arizona.

24 9. Defendant MICHELE O. SCOTT is a resident of Maricopa County, Arizona who  
25 currently claims title to Maricopa County Assessor Parcel Numbers 211-10-003A and 211-10-003D.

26 10. Defendants MARK D. MURPHY and RHONDA F. MURPHY, Husband and Wife

1 are residents of Maricopa County, Arizona and currently claim title to Maricopa County Assessor  
2 Parcel Number 211-10-003B. At all times relevant, they acted on behalf of and /or in furtherance of  
3 their marital community.

4 11. Defendants TAMMARA A. PRICE TRUST and/or TAMMARA A. PRICE, an  
5 unmarried woman is a resident of Maricopa County, and currently claim title to Maricopa County  
6 Assessor Parcel Number 211-10-003C.

7 12. Defendant CHARLIE 2 LLC, is a Virginia Limited Liability Company claiming title  
8 to Maricopa County Assessor as Parcel Number 211-10-010H formerly identified as 211-10-010A.

9 13. Defendant MICHAEL T. GOLEC ("Golec"), is an unmarried man and has at all times  
10 relevant herein maintained his residence and domicile in Maricopa County, Arizona.

11 14. Defendants KEITH VERTES ("Vertes") and KAY VERTES, are husband and wife  
12 d/b/a Vertes Family Trust, Kay Vertes Trustee, and have at all times relevant herein maintained their  
13 residence and domicile in Maricopa County, Arizona. The acts alleged herein against Defendant  
14 Vertes / Vertes Family Trust were performed for the benefit of Vertes' marital community.

15 15. Defendants Vertes and Golec and their defunct companies were Building Group Inc.,  
16 MG Residential and/or MG Dwellings were the Members and/or Managers of GV Group LLC which  
17 was not a valid limited liability company until January 9, 2004, now defunct.

18 16. In connection with the representations and conduct alleged below, Vertes and Golec  
19 acted on their own, on behalf of each other and on behalf of GV Group LLC, MG Dwellings, MG  
20 Residential and Building Group, Inc. and admit to being liable as the promoters of GV Group LLC.

21 17. Defendant REAL ESTATE EQUITY LENDING, INC. ("REEL") is an Arizona  
22 corporation having at all times relevant herein its principal place of business in Maricopa County,  
23 Arizona, and a Joint Venture partner with GV Group, LLC.

24 18. Defendants SALVATORE AND SUSAN DEVINCENZO are husband and wife who  
25 currently claim title to Maricopa County Assessor Parcel Number 211-10-010C, but reside in New  
26 York. The acts alleged herein against the DeVincenzos were performed for the benefit of their

1 marital community.

2 19. Defendant MARICOPA COUNTY is a body politic and corporate pursuant to Article  
3 12, Section 1 of Arizona's Constitution.

4 20. Defendants MARICOPA COUNTY DOES XXI-XXX are state actors and residents  
5 of Maricopa County.

6 21. Defendant CHEIFETZ, IANNITELLI, MARCOLINI, P.C. is an Arizona Professional  
7 Corporation.

8 22. Defendant BERK & MOSKOWITZ, P.C., is an Arizona Professional Corporation.

9 23. Defendant JAY POWELL, ESQ. *et ux*, are citizens and residents of Pima County  
10 doing business as THE POWELL LAW FIRM, PLLC, an Arizona Professional Limited Liability  
11 Company. The actions by Jay Powell alleged herein were made on behalf of his marital community.

12 24. Defendant LINDA BENTLEY, a single woman is a citizen and resident of Maricopa  
13 County and at all times material to the allegations in this Complaint, acted in her capacity as an  
14 employee and/or contractor of the Conestoga Merchants, Inc. d/b/a the Sonoran News within the  
15 scope of her employment for her personal interests.

16 25. Defendant DONALD R. SORCHYCH *et ux* are citizens and residents of Maricopa  
17 County and at all times material to the allegations in this Complaint, was an officer and an owner of  
18 Conestoga Merchants, Inc. d/b/a the Sonoran News and acted within the scope of his employment  
19 for his personal interests on behalf of the marital community.

20 26. Defendant CONESTOGA MERCHANTS, INC. d/b/a Sonoran News, is an Arizona  
21 Corporation upon information and belief is owned by Sorchych *et ux*.

22 27. Defendant STATE OF ARIZONA, a sovereign state of the United States of America.

23 28. Defendants MEMBERS OF THE JUDICIAL BRANCH OF THE STATE OF  
24 ARIZONA, JB DOES XXXI-L, are state actors / officers of the court of the Judicial Branch of the  
25 State of Arizona, in their official capacity and as individuals.

26 29. Pursuant to A.R.S. § 12-408, Plaintiff is filing this case in Maricopa County Superior

1 Court with Maricopa County a Defendant requiring a change of venue to another County.

2 30. Jurisdiction is proper in state court.

3 **ALLEGATIONS COMMON TO ALL CLAIMS**

4 31. Fressadi hereby repeats and reiterates the foregoing allegations.

5 32. Adjoining parcels 211-10-010 (4.2 acres) and 211-10-003 (1.5 acres) in the Town of  
6 Cave Creek, AZ were constructively acquired by Plaintiffs through CV2000-01193, Maricopa  
7 County Recorded Documents (“MCRD”) # 2001-0913214, #2001-0913216.

8 33. Fressadi corrected false statements made by Don Sorchych at a town council meeting  
9 in 2001. Sorchych publishes Cave Creek’s official newspaper and manipulates local politics.<sup>1</sup>

10 34. Shortly thereafter, Ian Cordwell, Cave Creek’s Director of Planning, instigated a  
11 fraudulent scheme to cause injury to Fressadi’s property and business by telling Fressadi to develop  
12 the parcels by a series lot splits in lieu of platting a 14-20 unit subdivision. Cordwell’s scheme down  
13 zoned development to 8 lots, but avoided the cost and red tape associated with platting a subdivision.

14 35. As part of this fraudulent scheme, Cave Creek and/or its state actors required land and  
15 easements to approve entitlements, but did not comply with A.R.S. §§ 9-500.12, 9-500.13. Exhibit A.

16 36. Cave Creek’s requirement for land converted lot splits into subdivisions in violation  
17 of the Town’s Subdivision Ordinance which Maricopa County recorded in violation of A.R.S. § 9-  
18 463 *et seq.* and assessed and taxed lots as if they lawfully subdivided.

19 37. By concealing their failure to follow A.R.S. §§ 9-500.12, 9-500.13, Cave Creek and /  
20 or its state actors issued permits and granted variances as if the parcels were lot split, then take

21  
22 <sup>1</sup> Who's Afraid of the Big Bad Wolf Man?

23 Cave Creek rabble-rouser-cum-newspaper-publisher Don Sorchych has the town running scared  
24 By Amy Silverman, *Phoenix New Times* Feb 15,2001: “But Sorchych's attacks are not necessarily related to growth. He  
25 makes it mean, and he makes it personal: A former town councilwoman with a drug problem is "Ellen the Felon." A  
26 development attorney with a friend in the hallucinogenic business is Noel "Peyote" Hebets. When a disabled woman  
fought the town to allow her to build a wheelchair ramp from her property down to Cave Creek, as her neighbors had,  
Sorchych went after Easter Seals. Sorchych has had a remarkable success rate -- if not in stopping growth, then in  
eliminating his enemies. ‘Ellen the Felon’ Sands, as well as almost every councilmember he's taken out after in six years,  
is gone from office. So are two mayors, countless town staffers and members of the planning and zoning commission  
and other boards –many have quit in disgust with the *Sonoran News*, replaced, by and large, with people Sorchych has  
celebrated.” NB: The subject property of this lawsuit was formerly owned by Ellen Sands.

1 infrastructure based on subdivision, and avoid liability by claiming statute of limitations.

2 38. Cave Creek and/ or its State actors failed to follow A.R.S. §§ 9-500.12, 9-500.13, 9-  
3 462 *et seq.*, 9-463 *et seq.* and their Town Codes and Ordinances and concealed their wrong doing  
4 with an evil mind as part of a fraudulent scheme to cause harm to Plaintiff's business, reputation  
5 and property and business in violation of A.R.S. §§ 13-1802, 13-2310 and 13-2314.04.

6 39. Sorchych, Bentley, and Conestoga Merchants, Inc. published numerous disparaging  
7 articles that painted Plaintiff in a false light to further the fraudulent scheme. Exhibit B.

8 40. To obtain favorable rulings and judgments in a variety of municipal, county, state  
9 and federal courts (i.e. public agencies) in furtherance of the fraudulent schemes to control and  
10 convert Plaintiff's property, Defendants and their attorneys concealed material facts and/or law in  
11 violation of ER 3.3, 8.4, court rules, and A.R.S. §§ 13-1802, 2310, and 13-2311.

12 41. JB DOES XXXI-L failed to protect Plaintiff's Constitutional rights to property and  
13 due process and/ or facilitated fraudulent schemes to control and convert Plaintiff's property.

14 42. As a result, Fressadi sustained harm to his business, reputation and property.

15 43. Fressadi is entitled to an award of attorneys' fees and costs pursuant to A.R.S. §§ 9-  
16 500.12(H), 11-972(B), 12-341, 12-341.01, 13-2314.04(A) and 42 U.S.C. § 1988.

17 **FIRST CLAIM FOR RELIEF-SPECIAL ACTION DECLARATORY RELIEF**

18 44. Fressadi hereby repeats and reiterates the foregoing allegations.

19 45. Fressadi makes this claim for declaratory relief pursuant to A.R.S. §§ 9-500.12, 12-  
20 821.01(C),(G), 12-1101 *et seq.*, 12-1831 *et seq.* and 13-2314.04.

21 46. A.R.S. §§ 9-500.12 and 9-500.13 place burdens upon the Town of Cave Creek which  
22 the Town failed to comply with or establish thereby waiving their rights.

23 47. An actual, justiciable controversy, ripe for declaratory relief exists as to whether Cave  
24 Creek and/or its state actors' concealment of their failure follow A.R.S. §§ 9-500.12 and 9-500.13:

25 48. Creates a genuine issue of material fact such that no claim against any governmental  
26 Defendant has accrued per A.R.S. §§ 12-821.01(C) & (G);

1           49.     Renders the requirement of land and dedication of easements to split parcels, 211-10-  
2 003 and 211-10-010, void or unlawful;

3           50.     Renders the division of parcels 211-10-010 and 211-10-003 void and the sale of any  
4 part unlawful per the Town's Subdivision Ordinance, A.R.S. § 9-463 *et seq.* or subject to rescission;

5           51.     Renders the requirement for easements to issue permits to lots 211-10-010A, B, & C,  
6 void or unlawful;

7           52.     Renders permits issued to lots 211-10-010 A, B, C & D and lots 211-10-003 A, B, C  
8 & D void or unlawful, pursuant to Section 6.1(A) and 6.3(A) of the Subdivision Ordinance and  
9 Section 1.4(A) of the Town's Zoning Ordinance effective January 6, 2003;

10          53.     Renders the Covenant, MCRD #2003-1472588 illusory, void or voidable for lack of  
11 consideration, or unenforceable as a right arising from unlawful subdivisions, fraud, unilateral or  
12 mutual mistake, innocent or negligent misrepresentations, impossibility of performance, bad faith,  
13 unconscionability, impracticability, material breach and/or frustration of purpose;

14          54.     Renders variances granted to lots 211-10-003 B & C void or unlawful per the Town's  
15 Zoning Ordinances or A.R.S. § 9-462 *et seq.*;

16          55.     That Cave Creek and/or its state actors are liable for actual and punitive damages per  
17 A.R.S. §§ 9-500.12(H), 13-1003, 13-1004, 13-1802, 13-2310, 13-2311, 13-2314.04, based on  
18 Section 1.7 of the Town's Zoning Ordinance effective January 6, 2003.

19          56.     Renders rulings in CV2009-050924, CV2009-050821, LC2010-000109-001DT,  
20 CV2010-013401, CV2010-029559, CV2011-014289, and CV2012-016136, void or unlawful;

21          57.     An actual, justiciable controversy, ripe for declaratory relief exists as to whether  
22 Defendants Cave Creek, its state actors, BMO Harris Bank, REEL, Golec, Vertes, DeVincenzo and  
23 Kremer, concealed material facts and law to obtain favorable rulings (i.e. fraud on the court) in  
24 CV2006-014822, CV2012-016136, CV 2010-013401, CV2010-029559, CV2009-050821, CV2010-  
25 004383, CV2009-050924, and LC2010-000109-001DT, such that the rulings in these cases are void.

26          58.     An actual, justiciable controversy, ripe for declaratory relief exists as to whether

1 Maricopa County Superior Court Judge John Rea facilitated a criminal offense(s) in violation of  
2 A.R.S. § 13-1004 by ordering MCSO to sell lot 211-10-010A in violation of A.R.S. § 9-463.03.

3 59. An actual, justiciable controversy, ripe for declaratory relief exists as to whether the  
4 sale of lots divided from parcels 211-10-010 and 211-10-003 are valid, binding and enforceable until  
5 a final plat has been recorded in accordance with A.R.S. § 9-463 *et seq.*

6 60. An actual, justiciable controversy, ripe for declaratory relief exists amongst the  
7 parties as to whether the Maricopa County Treasurer can tax the lots split from parcels 211-10-010  
8 and 211-10-003 as if Cave Creek complied with A.R.S. §§ 9-500.13, 9-500.12, 9-463 *et seq.*, and its  
9 own Codes and Ordinances.

10 61. An actual and justiciable controversy also exists as to whether the Town of Cave  
11 Creek complied with A.R.S. §§ 9-500.13, 9-500.12, 9-463 *et seq.*, and its own Codes and Ordinances  
12 when it required a “horse trail” to connect to lot 211-10-010D in order to split 211-10-006.

13 62. An actual and justiciable controversy exists as to whether the DeVincenzos were  
14 forced to execute the Covenant, and then forced to acquire a lot split from parcel 211-10-006 to  
15 obtain legal access to lot 211-10-010C.

16 63. Fressadi is informed, believes and on that basis alleges, that Defendants dispute the  
17 contentions in the preceding paragraphs of this Complaint and contend to the contrary; more  
18 specifically, Defendants Cave Creek and its state actors have failed to comply with state statutes and  
19 its own ordinances or remedy mistakes of law even though they admit that they have the capacity to  
20 do so, and that the subject lots were illegally defined; more specifically, Defendants Maricopa  
21 County and its state actors and various members of the Judicial Branch of the State of Arizona have  
22 failed to remedy mistakes of law even though they have the capacity to do so.

23 64. By reason of the foregoing, there is an actual, justiciable controversy among the  
24 parties that the Court is vested with the power to declare and adjudicate the rights and legal  
25 relationships in this action with reference to the issues raised by this Complaint.

26 65. Fressadi desires a judicial declaration that Cave Creek failed to comply with A.R.S.



1 §§ 9-500.13 and 9-500.12; that the Town's requirement for the creation of lots 211-10-010D and 211-  
2 10-003D caused the division of parcels 211-10-003 and 211-10-010 to violate A.R.S. § 9-463 *et seq.*,  
3 and Sections 1.1, 6.1, and 6.3 of the Town's Subdivision Ordinance; that as a result, lots 211-10-010  
4 A, B, C & D and lots 211-10-003 A, B, C, & D are unlawful to sell, lease, or transfer; that Maricopa  
5 County Superior Court and Sheriff's Office violated A.R.S. § 9-463.03; that pursuant to Section  
6 1.1(B)(2) and 6.3 of the Town's Subdivision Ordinance, lots 211-10-010 A, B, C & D and lots 211-  
7 10-003 A, B, C, & D are not suitable for building and not entitled to building permits rendering all  
8 permits and variances to the subject lots void and subject to fines per 1.1, 1.3, 1.4 and 1.7 of the  
9 Zoning Ordinance; that the failure of the Town of Cave Creek and / or its state actors to comply with  
10 Federal law, state statutes and the Town's Subdivision and Zoning Ordinances was wanton, reckless,  
11 spiteful, and/or malicious with ill-will and reckless indifference to others in violation of A.R.S. § 13-  
12 823 and/or part of a fraudulent scheme to convert and control the property of another, in violation of  
13 A.R.S. §§ 13-1802, 13-2310 and 2314.04; that Defendant members of the Judicial Branch have  
14 violated Article 6, Section 26 of the Constitution of the State of Arizona; that Defendants Town of  
15 Cave Creek, Maricopa County and the Judicial Branch of the State of Arizona have violated Article  
16 2, Sections 1,2,3,4,9,13,17 of the Constitution of the State of Arizona.

17 **WHEREFORE**, on his First Claim for Relief, Fressadi demands judgment in his favor and  
18 against all Defendants for:

- 19 a. A declaratory judgment that Town of Cave Creek and or its state actors have no  
20 discretion to violate A.R.S. §§ 9.500.13, 9-500.12, 9-462 *et seq.* & 9-463 *et seq.* or  
mandatory Zoning and Subdivision Ordinances within its municipal boundaries.
- 21 b. A declaratory judgment that Cave Creek and/or its state actors did not comply with  
22 A.R.S. §§ 9-500.13 and 9-500.12 when the Town required the creation of a fourth lot  
to approve the division of parcel 211-10-010, MCRD #2002-0256784;
- 23 c. A declaratory judgment that there is no nexus between the Town's requirement for a  
24 fourth lot and the approval to split of parcel 211-10-010; that the creation of a fourth  
25 lot violated A.R.S. § 9-463 *et seq.* and Sections 1.1(A)(1) & (2), 6.1(A), and 6.3(A) of  
26 the Town's Subdivision Ordinance rendering the lots unsuitable for building and not  
entitled to building permits.

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- d. A declaratory judgment that Cave Creek and/or its state actors did not comply with A.R.S. § 9-500.12 when it required an easement over lot 211-10-010D to approve sewer extension permits to lots 211-10-010 A, B, & C on July 3, 2003 rendering the grant of easement and permits null and void.
- e. A declaratory judgment that the Town of Cave Creek and / or its state actors issued permits to lots 211-10-010 A, B, & C in conflict with the terms and provisions of the Zoning Ordinance rendering the permits issued to lots 211-10-010 A, B, & C, void pursuant to Section 1.4(A) of the Zoning Ordinance.
- f. A declaratory judgment that Cave Creek and/or its state actors did not comply with A.R.S. §§ 9-500.13 and 9-500.12 when the Town required the creation of a fourth lot to approve the division of parcel 211-10-003, MCRD #2003-1312578;
- g. A declaratory judgment that there is no nexus between the Town’s requirement for a fourth lot and the approval to split of parcel 211-10-003; that the creation of a fourth lot violated A.R.S. § 9-463 *et seq.* and Sections 1.1(A)(1) & (2), 6.1(A), and 6.3(A) of the Town’s Subdivision Ordinance rendering the lots unsuitable for building and not entitled to building permits;
- h. A declaratory judgment that the Town of Cave Creek and / or its state actors issued permits to lots 211-10-003 A, B, & C in conflict with the terms and provisions of the Zoning Ordinance rendering the permits issued to lots 211-10-003 A, B, & C, void pursuant to Section 1.4(A) of the Zoning Ordinance.
- i. A declaratory judgment that Maricopa county cannot assess and tax property in violation of A.R.S. 9-463 *et seq.*, and the Town’s Subdivision Ordinance “as if” the property was lawfully divided.
- j. A declaratory judgment that any sale or transfer of lots 211-10-010 A, B, C & D and / or lots 211-10-003 A, B, C & D are unlawful pursuant to A.R.S. § 9-463.03 or void as against public policy;
- k. A declaratory judgment that Cave Creek as a corporate person, its state actors, and/or other Defendants violated and continue to violate provisions of the Town’s Zoning Ordinance. Pursuant to Section 1.7(A) of the Zoning Ordinance, Cave Creek, its state actors and /or other Defendants are guilty of Class One misdemeanors where each and every day of continued violation of each and every Zoning Ordinance provision is a separate offense punishable in conformance with A.R.S. § 13-803 for the Town of Cave Creek, its corporate state actors, and corporate Defendants and A.R.S. § 13-804(A) for the Town’s individual state actors and individual Defendants.
- l. A declaratory judgment that pursuant to Section 1.7(B) of the Zoning Ordinance, all improvements constructed on void permits issued to lot 211-10-010 A, B, & C and 211-10-003 A, B, & C are unlawful or ultra vires;

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- m. A declaratory judgment that the Zoning Administrator shall order the discontinued use of improvements constructed on void permits to lots 211-10-010 A, B, & C and 211-10-003 A, B, & C; that structures, parcel of land or portion thereof, be vacated pursuant to Section 1.7(C) of the Zoning Ordinance.
- n. A declaratory judgment that Defendants concealed material facts and law to effect a fraud upon the court such that the rulings in CV2009-050924, CV2009-050821, LC2010-000109-001DT, CV2010-013401, CV2010-029559, CV2011-014289, and CV2012-016136 are unenforceable, unlawful, void, and / or voidable.
- o. A permanent injunction enjoining all courts and public agencies to conform with these declarations that plaintiff's claims have not accrued against any government agency per A.R.S. § 12-821.01(C), until there is a trial on the merits per A.R.S. §§ 12-821.01(G) and/or 9-500.12.
- p. A declaratory judgment that the covenant to run with lots 211-10-010 A, B, & C and 211-10-003 A, B, & C is void.
- q. A declaratory judgment that the fraudulent schemes to control and convert Plaintiff's property as explained herein are the actual and proximate cause of non-payment of debt owed to BMO Harris Bank on lot 211-10-010A, per A.R.S. § 13-1802(H).
- r. The Court's declaration that the sale of lots 211-10-003 A, B, C & D and 211-10-010 A are unenforceable, unlawful, void and / or voidable; that current property owners hold title in constructive trust per A.R.S. § 13-2314.04(C), (D)(6).
- s. A declaratory judgment that Defendants Berk & Moskowitz and Cheifetz Iannitelli and Marcolini failed to discover that Cave Creek did not comply with A.R.S. §§ 9-500.12, 9-500.13 resulting in unlawful subdivisions in violation of A.R.S. 9-463 *et seq.*, and the Town's Subdivision Ordinance such that the reciprocal easement agreement was void ab initio as were all the permits for covenant improvements including utilities.
- t. Attorneys' fees and costs pursuant to contract and/or A.R.S. §§ 12-341, 12-341.01, and/or related to any collection effort of monetary damages due;
- u. Interest on the foregoing sums; and
- v. Such further relief as the Court may deem equitable and just.

**SECOND CLAIM FOR RELIEF-BREACH OF CONTRACT**

- 66. Fressadi hereby repeats and reiterates the foregoing allegations.
- 67. Entitlements such as lot splits, building permits, and variances are contracts such that a valid statute is automatically part of any entitlement affected by it.

1           68. Plaintiff entered into an agreement with the Town of Cave Creek to split parcel 211-  
2 10-010 into three lots, and permit improvements to the lots.

3           69. Cave Creek and or its state actors knowingly and willfully breached entitlement  
4 contracts for lot splits and building permits by failing to comply with A.R.S. §§ 9-500.12, 9-500.13,  
5 9-462 *et seq.*, 9-463 *et seq.*, Town codes and ordinances such that the subject lots were unsuitable for  
6 building; not entitled to building permits; such that any permit issued is void and the use of any  
7 improvement or lot unlawful.

8           70. Fressadi was mistaken as to the lawfulness of the lots, easements and improvements.

9           **WHEREFORE**, on his Second Claim for Relief, Fressadi demands judgment in his favor  
10 and against Defendant Town of Cave Creek for:

11           (a) Damages in amounts to be proved at trial;

12           (b) Attorneys' fees and costs pursuant to contract or A.R.S. §§ 12-341 and 12-341.01;

13           (c) Attorneys' fees and costs related to any collection effort of monetary damages  
14 due;

15           (d) Interest on the foregoing sums; and

16           (e) Such further relief as the Court may deem equitable and just.

17           ***THIRD CLAIM FOR RELIEF - DUE PROCESS / EQUAL PROTECTION / TAKINGS***

18           71. Plaintiff incorporates the foregoing facts as if fully set forth herein.

19           72. Without waiving any other claim or allegation herein, and in the alternative, or in  
20 conjunction with other claims, Plaintiff brings this action pursuant to 42 U.S.C. § 1983, 1988 and  
21 Article 2, Sections 1, 2, 2.1, 3, 4, 8, 9, 11, 13, 17, 32 of the State of Arizona Constitution.

22           73. The actions taken by Defendants State of Arizona, State Actors of the Judicial Branch  
23 of the State of Arizona, Does XXXI- L, Maricopa County, AMRRP, the Town of Cave Creek, and/  
24 or its state actors CC Does III-XX (“3<sup>rd</sup> Claim Defendants”) were actions taken under color of law.

25           74. 3<sup>rd</sup> Claim Defendants, under color of law, violated Fressadi’s Bundle of Rights to  
26 affect a total wipe out of Plaintiff’s investment-backed economic expectations.

          75. 3<sup>rd</sup> Claim Defendants have not secured for every person within its jurisdiction

1 freedom from intentional and arbitrary discrimination occasioned both by the express use of its  
2 power, the terms of its laws and improper execution through its duly constituted agents.

3 76. The actions of these 3<sup>rd</sup> Claim Defendants herein represent a selective application of  
4 the law and a gross abuse of governmental authority.

5 77. 3<sup>rd</sup> Claim Defendants singled out Plaintiff for disparate treatment physically invaded,  
6 occupied and converted Plaintiff's property to the Town of Cave Creek, to adjoining property  
7 owners, and Third Parties, falsely arrested Plaintiff, detained Plaintiff against his will, issued  
8 warrants for his arrest, and physically injured Plaintiff.

9 78. Cave Creek and its state actors took Plaintiff's property for public and private  
10 purposes by requiring exactions of easements, access and utilities to issue permits without  
11 compensating Plaintiff or following due process per A.R.S. §§ 9-462, 3 *et seq.*, 9-500.12, 9-500.13.

12 79. Under color of law, 3<sup>rd</sup> Claim Defendants deprived Fressadi of substantive due  
13 process and equal protection as protected by the Constitutions of the United States and Arizona.

14 80. Under color of law, 3<sup>rd</sup> Claim Defendants deprived Fressadi of his property and  
15 bundle of rights by perpetuating a fraud on the court, violating court rules, and rules of professional  
16 conduct; and/ or facilitated these violations by ignoring them or refusing to prosecute.

17 81. 3<sup>rd</sup> Claim Defendants claim to have no obligation to uphold state statutes, no liability  
18 for violating Plaintiff's constitutional rights; and granted themselves immunity as a class of citizens  
19 in violation of Article 2, Section 1, 2, 2.1, 3, 9, 13 of Arizona's Constitution.

20 82. The actions of these 3<sup>rd</sup> Claim Defendants were done in bad faith with intent to delay,  
21 frustrate, and injure Plaintiff.

22 83. The Town of Cave Creek and / or its state actors facilitated by AMRRP, Maricopa  
23 County and/or its state actors selectively enforced A.R.S. §§ 9-462 *et seq.*, 9-463 *et seq.*, 9-500.12,  
24 9-500.13, Cave Creek Codes, and Ordinances with the specific, malicious intent to damage and  
25 cause harm to Plaintiff's person, his property and his business.

26 84. The State of Arizona, and members of its Judicial Branch failed to support Plaintiff's

1 constitutional rights, failed to follow due process, and either participated in fraudulent schemes to  
2 control and convert Plaintiff's property in violation of A.R.S. §§ 13-1802, 13-2310, 13-2311 or  
3 facilitated offenses in violation of A.R.S. § 13-1004 to affect a takings.

4 85. As a direct and proximate result of the actions (and omissions) of these 3<sup>rd</sup> Claim  
5 Defendants, Fressadi lost time (i.e. life), liberty, and property in amounts to be proven at trial.

6 **WHEREFORE**, on his Third Claim for Relief, Plaintiff requests judgment against 3<sup>rd</sup> Claim  
7 Defendants for the actual, direct, proximate, special, consequential, compensatory and punitive  
8 damages to be proven at trial, and for attorney's fees, costs and expenses per 42 USC §1988; for  
9 interest and for such other relief as this Court deems just, fair, proper and appropriate.

10 ***FOURTH CLAIM FOR RELIEF – A.R.S. § 13-2314.04***

11 86. Plaintiff incorporates the foregoing facts as if fully set forth herein.

12 87. Without waiving other claims or allegation herein, in the alternative, or in conjunction  
13 with other claims, Fressadi alleges that he sustained reasonably foreseeable injury to his person,  
14 business and property by a pattern of unlawful activity pursuant to A.R.S. § 13-2314.04 by the  
15 Defendants named in this claim who conspired, facilitated, and concealed a series of fraudulent  
16 schemes in violation of A.R.S. §§ 13-1003, 13-1004, 13-2310, 13-2311 to control and convert  
17 Plaintiff's property in violation of A.R.S. § 13-1802 through inter-related acts of unlawful activity as  
18 defined in A.R.S. § 13-2301(C)(7), (D)(1), (D)(2), (D)(4)(b)(v, xx) from 2001 to present.

19 88. Ian Cordwell, Director Land Planning for Cave Creek initiated the fraudulent scheme  
20 recommending a series of lots splits in lieu of Fressadi platting a 14 lot subdivision.

21 89. Cave Creek and/or its state actors converted Fressadi's lot split into a subdivision by  
22 requiring a fourth lot to approve the split in violation of A.R.S. §§ 9-500.12, 9-500.13, 9-463 *et seq.*,  
23 and the Town's Subdivision Ordinance in 2001. MCRD #2002-0256784.

24 90. Usama Abujbarah indicated that the Town would reimburse Fressadi for repairing  
25 and extending sewer to serve his lots. Mariscal Weeks faxed a standard development agreement to  
26

1 Fressadi's lawyer to use as a template for crafting the reimbursement agreement.

2 91. Cave Creek/state actors did not comply with A.R.S. §§ 9-500.12, 9-500.13 when they  
3 required easements for permits to lots 211-10-010A, B, & C. MCRD #2003-0488178.

4 92. Cave Creek converted Fressadi's property into an unlawful subdivision unbeknownst  
5 to Fressadi, such that the lots were unlawful to sell pursuant to Section 1.1(A)(2) of the Subdivision  
6 Ordinance and A.R.S. § 9-463.03; unsuitable for building and not entitled to building permits per  
7 Section 6.3 of the Town's Subdivision Ordinance, incorporated into the Zoning Ordinance.

8 93. To create a false sense of entitlement under color of law, Cave Creek/state actors  
9 issued building permits for driveways and sewer to Fressadi's property although pursuant to Section  
10 1.4 of the Town's Zoning Ordinance, permits issued in violation of the Zoning Ordinance are void.

11 94. In keeping with the Town's series of lot split recommendations, Plaintiff applied to  
12 split parcel 211-10-003 into two lots in 2002 but the Town Manager twisted the Town's series of lot  
13 splits recommendation into Fressadi's *intent* to create eight lots so that Town Council would deny  
14 the split of parcel 211-10-003 in August, 2002.

15 95. Plaintiff attempted to mitigate its loss by selling parcel 211-10-003 to Defendant  
16 Keith Vertes contingent upon Vertes obtaining a lot split from Cave Creek but when Vertes applied  
17 for a lot split, Vice Mayor Ralph Mozilo, brother of infamous Angelo Mozilo, wondered in public  
18 whether Fressadi and Vertes were "scamming" the Town to circumvent the subdivision ordinance.

19 96. In fact, Cave Creek state actors were "scamming" Plaintiff and Vertes by concealing  
20 their failure to comply with A.R.S. §§ 9-463 *et seq.*, 9-500.12, and 9-500.13 and Town's ordinances  
21 when the Town required the 211-10-003 lots to connect to the sewer on Fressadi's property and the  
22 creation of a fourth lot converting the split into a subdivision.

23 97. State actors for Cave Creek obtained benefits for the Town in excess of \$100,000 by  
24 issuing void permits to lots 211-10-010A, B, C, & D and 211-10-003 A, B, C, & D in violation of  
25 state law, the Town's Building Codes and Subdivision and Zoning Ordinances.

26 98. Cave Creek granted illusory entitlements to give the facade of legitimacy knowing

1 that at any time, the Town could correct mistakes of law per *Thomas and King, Inc. v. City of*  
2 *Phoenix*, 92 P. 3d 429 - Ariz: Court of Appeals, 1st Div., Dept. B 2, 2004, relying upon “*Valencia*  
3 *Energy v. Ariz. Dep't of Revenue*, 191 Ariz. 565, 576, ¶ 35, 959 P.2d 1256, 1267 (1998), and *Rivera*  
4 *v. City of Phoenix*, 925 P. 2d 741 - Ariz: Court of Appeals, 1st Div., Dept. D 1996.

5 99. Cave Creek State Actors approved the division of parcel 211-10-003 into four lots  
6 without Vertes dedicating “Parcel A” (211-10-003D), MCRD #2003-1312578. Vertes transferred the  
7 211-10-003 lots to Building Group Inc. and Michael Golec in violation of A.R.S. § 9-463.03, who  
8 then sold Lot 211-10-003A on October 15, 2003, MCRD # 20031438387,<sup>2</sup> MCRD #20031438388 in  
9 further violation of A.R.S. § 9-463.03.

10 100. As Manager of GV Group LLC, a company that did not exist, Vertes then executed a  
11 Reciprocal Easement Agreement on October 16, 2003, MCRD #2003-1472588; that GV Group LLC  
12 owned lots 211-10-003 A, B, & C to control and convert Plaintiff’s property in excess of \$100,000  
13 in value in violation of A.R.S. §§ 13-1802, 13-2301(D)(4)(b)(v, xvii, xx), and 13-2310.

14 101. When Cave Creek failed to enter a Sewer Reimbursement Agreement with Plaintiff  
15 after the Town passed Ordinance 50.016, Fressadi invoiced the Town for repairing and extending the  
16 sewer. Cave Creek responded by placing Fressadi under investigation for an illegal subdivision when  
17 the created the illegal subdivision by requiring a fourth lot to split parcel 211-10-010 in violation of  
18 A.R.S. §§ 9-463 *et seq.*, 9-500.12, and 9-500.13 and Town’s ordinances.

19 102. The Town’s Marshal suggested that Fressadi reassemble lots 211-10-010 A, B, & D,  
20 but Maricopa County considered Fressadi’s assemblage for tax purposes only.

21 103. Cave Creek recorded a gift of lot 211-10-003D, MCRD #2005-0766547 and then  
22 issued building permits to lots 211-10-003 B & C in violation of its Zoning Ordinance. The owners  
23 of lots 211-10-003A, B, & C and the Town of Cave Creek used Fressadi’s property for building  
24 permits, access and utilities in violation of A.R.S. §§ 13-2301(D)(4)(b)(v, xvii, xx), 13-1802, 13-  
25 2310, and the Town’s Subdivision and Zoning Ordinances.

26 \_\_\_\_\_  
<sup>2</sup> IR 208-216, Exh. D



1           104. REEL entered a JV agreement with GV Group in May, 2008 to finish the spec house  
2 on lot 211-10-003C with building permits transferred to REEL on July 8, 2008 based on access and  
3 utilities from Fressadi's property in violation of the Town's Zoning Ordinance.

4           105. GV Group then filed a fraudulent disclosure statement in CV2006-014822 claiming  
5 \$4.3 Million in construction and delay damages for houses constructed on lots 211-10-003 B & C  
6 with void permits using access and utilities from Fressadi's property.

7           106. Cave Creek permitted the house to be built on lot 211-10-003C with excessive lot  
8 disturbance in violation of the Town's Zoning Ordinance and suggested REEL apply for a variance  
9 by blaming the excessive lot disturbance on Fressadi for blocking access to his property.

10           107. Ian Cordwell knowingly failed to transmit all records in violation of A.R.S. §§ 9-462  
11 *et seq.*, 13-2311, and Section 2.3 of the Town's Zoning Ordinance.

12           108. Cordwell concealed that the excessive disturbance had been permitted Cave Creek;  
13 that lot 211-10-003C was part of an unlawful subdivision, landlocked, and unsuitable for building in  
14 order for Cave Creek's Board of Adjustment to grant a variance in violation of A.R.S. §§ 9-462 *et*  
15 *seq.*, 13-1003, 13-1004, 13-1802, 13-2301(C)(7), (D)(1), (D)(2), (D)(4)(b)(v, xvii, xx), 13-2310, 13-  
16 2311, A.R.S. §§ 13-1004, 13-1802, 13-2310, and the Town's Zoning Ordinance.

17           109. In violation of ER 3.3, 8.4, court rules, A.R.S. §§ 13-1802 and 13-2310, attorneys for  
18 Mariscal Weeks, Moyes Sellers & Sims Ltd., LaSota & Peters, PLC, and Sims Murray Ltd., on  
19 behalf of Cave Creek and AMRRP knowingly concealed from Plaintiff and the Court in numerous  
20 lawsuits, that Cave Creek failed to follow A.R.S. §§ 9-500.12 and 9-500.13 when it required the  
21 creation of fourth lots to approve lot splits creating unlawful subdivisions in violation of the Town's  
22 Subdivision Ordinance and A.R.S. § 9-463 *et seq.*; that Cave Creek failed to follow A.R.S. §§ 9-  
23 500.12 and 9-500.13 when Cave Creek and/or its state actors required easements to approve permits  
24 to lots that were unsuitable for building.

25           110. State Actors for the Town of Cave Creek and AMRRP submitted false writings and  
26 concealed damaging and unfavorable information to public agencies as defined by Section 38-502(6)

1 (i.e. county and state courts), in violation of A.R.S. § 13-2311 to obtain favorable rulings.

2 111. In 2010, Cave Creek and/or its state actors, falsely arrested Fressadi in violation of  
3 A.R.S. §§ 13-1802, 13-2310, and 13-2311.

4 112. In furtherance of the fraudulent schemes and pattern of unlawful activity to harm the  
5 business and property of Fressadi pursuant to A.R.S. § 13-2314.04(A), Defendant Bentley wrote  
6 numerous articles casting Fressadi and family members in a false light which Defendants Sorchych  
7 and Conestoga Merchants published in the Sonoran News and on the Internet.

8 113. In violation of ER 3.3, 8.4, court rules, and A.R.S. § 13-2311, neither Golec, Vertes,  
9 nor their attorneys Quarles & Brady, or Israel & Gerrity disclosed the ongoing existence of lot 211-  
10 10-003D blocked access to the 003 easement, and the division of parcel 211-10-003 was unlawful.

11 114. In violation of A.R.S. §§ 13-1003, 13-1004, 13-1802, 13-2301(C)(7), (D)(1), (D)(2),  
12 (D)(4)(b)(v, xvii, xx), 13-2310, 13-2311, Scott Humble, Esq., Turley, Childers, Humble & Torrens, P.C.  
13 and REEL concealed from Superior Court in CV2006-014822, CV2009-050924, CV2009-050821,  
14 CV2010-029559 and 4:11-bk-01161-EWH that lot 211-10-003C was part of an unlawful subdivision  
15 rendering their lot unsuitable for building, the Covenant unenforceable, their permits void, and the  
16 property unlawful to sell or transfer pursuant to A.R.S. § 9-463.03.

17 115. In violation of ER 3.3., 8.4, court rules, A.R.S. §§ 13-1003, 13-1004, 13-1802, 13-  
18 2301(C)(7), (D)(1), (D)(2), (D)(4)(b)(v, xvii, xx), 13-2310, 13-2311, Burch & Cracchiolo, P.A., and  
19 REEL concealed from Court in LC2010-000109-001DT that lot 211-10-003C was unsuitable for  
20 building as part of an unlawful subdivision rendering the permit for lot 211-10-003C void; that the  
21 Covenant was void, unenforceable, illusory, or voidable thus voiding the permit to lot 211-10-003C;  
22 that the permit for lot 211-10-003C was void as in violation of the Town's Zoning Ordinance.

23 116. In 2009, BMO acquired lot 211-10-003B and filed for a variance through Earl Curley  
24 & LaGuarde, P.C., and the BCA Companies, LLC in violation of A.R.S. §§ 13-1003, 13-1004, 13-  
25 1802, 13-2301(C)(7), (D)(1), (D)(2), (D)(4)(b)(v, xvii, xx), 13-2310, 13-2311 by concealing from  
26 the Board of Adjustment that their lot and its acquisition did not conform to A.R.S. § 9-463 *et seq.*,

1 or the Town's Subdivision Ordinance; that the lot was not entitled to a building permit per Section  
2 6.3 of the Subdivision Ordinance; that the excessive lot disturbance was self-imposed as permitted  
3 by Cave Creek with access from Fressadi's property in violation of the Zoning Ordinance.

4 117. In violation of Plaintiff's bundle of property rights and due process, Superior Court  
5 Judges Willett and Flores in CV2006-014822, facilitated fraudulent schemes of Cave Creek, REEL,  
6 Golec and Vertes to control and convert Fressadi's property in excess of \$100,000 by refusing to  
7 consolidate CV2010-013401, CV2009-050924, CV2009-050821, and LC2010-00019-001DT; by  
8 denying to add BMO and Cave Creek as an indispensable parties; by granting DeVincenzo and  
9 REEL summary judgment, dismissing Plaintiff's claims against GV Group, refusing to admit any of  
10 Plaintiff's evidence, throwing Plaintiff's evidence away, and awarding the Defendants ~\$2.6 Million  
11 in damages, attorney fees and costs.

12 118. In furtherance of the fraudulent schemes and pattern of unlawful activity to harm the  
13 business and property of Fressadi, a preponderance of the evidence suggests that the Town of Cave  
14 Creek, its state actors, REEL, Kremer, Golec, Vertes, BMO and their attendant attorneys concealed  
15 material facts and law from tribunals in order to obtain favorable rulings in violation of ER 3.3, 8.4,  
16 court rules, and A.R.S. §§ 9-500.12, 9-500.13, 13-2310, and 13-1802.

17 119. Although Judge Flores and Willett's rulings were overturned on appeal, the affect of  
18 the rulings caused an avalanche of harm and injury to Plaintiff which this complaint seeks to redress.

19 120. A preponderance of evidence suggests that members of the Judicial Branch of the  
20 State of Arizona facilitated fraudulent schemes by failing to comply with and/or enforce court rules  
21 or rules of professional conduct; by issuing rulings or denying the review of rulings in violation of  
22 due process, the Constitution of the United States, and the State of Arizona, Plaintiff's Bundle of  
23 Rights, A.R.S. §§ 13-1003, 13-1004, 13-1802, 13-2310, and 13-2311.

24 121. Jennings Haug & Cunningham, L.L.P. and BMO filed CV2010-013401 to judicially  
25 foreclose on Fressadi's lot 211-10-010A rather than file a counter claim in CV2006-014822 then  
26 concealed from courts in violation of A.R.S. § 13-2311 that lot 211-10-010A was part of an unlawful

1 subdivision and incapable of transfer pursuant to A.R.S. § 9-463.03 to obtain judgments.

2 122. The Cavanagh Firm and BMO submitted false writings to the court in violation of  
3 A.R.S. § 13-2311 to obtain an order of sale of lot 211-10-010A in violation of A.R.S. §§ 9-463.03,  
4 13-1003, 13-1004, 13-1802, 13-2301(C)(7), (D)(1), (D)(2), (D)(4)(b)(v, xvii, xx), 13-2310, 13-2311.

5 123. In violation of A.R.S. §§ 9-463.03, 13-1003, 13-1004, 13-1802, 13-2301(C)(7), (D)(1),  
6 (D)(2), (D)(4)(b)(v, xvii, xx), 13-2310, and 13-2311, Maricopa County Sheriff's Office sold lot 211-10-  
7 010A to BMO.

8 124. BMO, its agents or employees leased 37934 Schoolhouse Rd., Cave Creek, AZ to Lee  
9 and Barbara Hatton with instructions to have Fressadi arrested in violation of A.R.S. §§ 9-463.03, 13-  
10 1003, 13-1004, 13-1802, 13-2301(C)(7), (D)(1), (D)(2), (D)(4)(b)(v, xvii, xx), 13-2310, and 13-2311,  
11 and Plaintiff's Fourth, Fifth, and Fourteenth Amendment per 42 USC §1983 resulting in false arrest,  
12 detention, excessive use of force under color of law and battery to cause injury to Fressadi.

13 125. BMO and Burch & Cracchiolo, P.A., filed CV2011-014289 but concealed from the  
14 Court that lot 211-10-010A was part of an unlawful subdivision, unsuitable for building pursuant to  
15 Section 6.3 of the Town's Subdivision Ordinance, rendering permits void per the Town's Zoning  
16 Ordinance such that the improvements were ultra vires and the property was incapable of transfer  
17 pursuant to A.R.S. § 9-463.03 in violation of A.R.S. §§ 13-1003, 13-1004, 13-1802, 13-2301(C)(7),  
18 (D)(1), (D)(2), (D)(4)(b)(v, xvii, xx), 13-2310, 13-2311.

19 126. BMO sold lot 211-10-010A to Charlie 2 LLC; lot 211-10-003A & D to Michelle O.  
20 Scott, *et ux*; lot 211-10-003B to Mark D and Rhonda F. Murphy in violation of A.R.S. §§ 9-463.03.

21 127. In violation of A.R.S. §§ 9-463.03, 13-1003, 13-1004, 13-1802, 13-2301(C)(7), (D)(1),  
22 (D)(2), (D)(4)(b)(v, xvii, xx), 13-2310, and 13-2311, Charlie 2 and Mack Drucker, & Watson, PLLC  
23 submitted false writings and concealed damaging information to a public agency to claim title to lot  
24 211-10-010A knowing that lot 211-10-010A is part of an unlawful subdivision.

25 128. The culmination of these inter-related fraudulent schemes and unlawful activities  
26 caused reasonably foreseeable injuries to Fressadi's person, business and property and a complete

1 wipe out of Fressadi's investment backed expectations.

2 129. None of the owners of lots 211-10-003 A, B, & C, or lots 211-10-010A & C nor Cave  
3 Creek have compensated Fressadi for utilities or access. As such, Defendants State of Arizona,  
4 Maricopa County, Cave Creek, Scott, Murphy, Price, Charlie 2 LLC, REEL, Golec, Vertes, and  
5 DeVincenzo have been unjustifiably enriched to the impoverishment of Plaintiff, with said  
6 enrichment and impoverishment being connected such that, Fressadi sustained damages. To the  
7 extent that Plaintiff does not have an adequate remedy at law, it would be unjust to allow these  
8 Defendants to retain and continue to be enriched without payment and/or restitution to Plaintiff.

9 **WHEREFORE**, Plaintiff requests judgments in conformance with A.R.S. §§ 9-500.12(H),  
10 12-821.01(G), 13-1802(H), 13-2310(C), and 13-2314.04 as follows:

- 11 a. Against AMRRP, the Town of Cave Creek, and/ or its State Actors for failing to  
12 follow A.R.S. §§ 9-462 *et seq.*, 9-463 *et seq.*, 9-500,12, 9-500.13, town codes and  
13 ordinances resulting in a wipe out of Plaintiff's investment backed expectations in the  
14 amount of \$10 Million, for the loss of Plaintiff's property in excess of \$1,000,000, for  
15 the loss of his time, damage to his business interests and personal injury.
- 16 b. Against AMRRP, the Town of Cave Creek, and/or its state actors some of whom are  
17 members of the judicial Branch of the State of Arizona for concealing material facts  
18 and law to obtain favorable judgments in various courts and public agencies.
- 19 c. Against GV Group and REEL as JV Partners for a fraudulent scheme to control and  
20 convert Plaintiff's property in violation of A.R.S. §§ 13-1802 and 13-2310 in an  
21 amount in excess of \$100,000.
- 22 d. Against the DeVincenzos for conspiring with REEL, GV Group, and/or Cave Creek  
23 to control and convert Fressadi's property in excess of \$100,000.
- 24 e. Against BMO, its attorneys, agents and employees for a fraudulent scheme to control  
25 and convert Plaintiff's property in an amount in excess of \$100,000. Plaintiff is  
26 entitled to treble damages.
- f. Against Maricopa County and/or state actors of the judicial branch of the State of  
Arizona: state actors of the judicial branch of the State of Arizona who facilitated the  
control and conversion of Plaintiff's Property.
- g. Against the State of Arizona who has the authority to fine the Town of Cave Creek  
for its Zoning Violations pursuant to its ordinances. Plaintiff seeks the direct,  
proximate, and consequential damages, and for actual, special, compensatory and

1 punitive damages as manifest and applicable by awarding Plaintiff the zoning  
2 ordinance fines from the Town of Cave Creek for failing to follow state law and its  
own codes and ordinances.

- 3 i. As against all the above Defendants for the direct, proximate, and consequential  
4 damages to be proven at trial pursuant to A.R.S. § 13-2314.04, for actual, special,  
5 compensatory and punitive damages, attorney's fees and costs, expenses, and interest,  
and for such other relief as this Court deems just, fair, and appropriate.

6 **FIFTH CLAIM FOR RELIEF - NEGLIGENCE**

7 130. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

8 131. The Town of Cave Creek and CC Does III-XX (“CC Defendants”) owed Plaintiff a  
9 duty to comply with state statutes, Town codes and ordinances. CC Defendants breached their duty  
10 to Plaintiff by violating state statutes, Town codes and ordinances.

11 132. As a result of CC Defendants’ negligence per se, Plaintiff has suffered injury, harm  
12 and damages to be proven at trial.

13 133. Maricopa County Defendants owed Plaintiff a duty to comply with state statutes, and  
14 the Constitution of Arizona and United States. Maricopa County Defendants breached their duty to  
15 Plaintiff by violating state and federal law.

16 134. As a result of Maricopa County Defendants’ negligence per se, Plaintiff has suffered  
17 injury, harm and damages to be proven at trial.

18 135. Members of the Judicial Branch of the State of Arizona owed Plaintiff a duty to  
19 support the US Constitution and to comply with court rules, rules of professional conduct and state  
20 statutes. Members of the Judicial Branch of the State of Arizona breached their duty to Plaintiff by  
21 violating federal and state laws, Court rules, and rules of professional conduct.

22 136. As a result of the negligence of Members of the Judicial Branch of the State of  
23 Arizona, Plaintiff has suffered injury, harm and damages to be proven at trial.

24 137. Cheifetz, Iannitelli, Marcolini owed Plaintiff a duty to perform and act properly, and  
25 breached their duty to Plaintiff by failing to discover facts and law relevant to this case.

26 138. The misconduct of Cheifetz, Iannitelli, Marcolini caused harm to Plaintiff resulting in

1 Plaintiff suffering financial losses to be proven at trial.

2 139. Berk and Moskowitz owed Plaintiff a duty to perform and act properly, and breached  
3 their duty to Plaintiff by failing to discover facts and law relevant to this case.

4 140. The misconduct of Berk and Moskowitz caused harm to Plaintiff resulting in Plaintiff  
5 suffering financial losses to be proven at trial.

6 141. Attorney Jay Powell a/k/a Powell Law Firm owed Plaintiff a duty to perform and act  
7 properly, and breached his duty to Plaintiff by failing to follow the Rules of Professional Conduct,  
8 Bankruptcy Rules and the Rules of Federal Procedure. As such, Powell breached his duty causing  
9 harm and damage to Plaintiff.

10 142. The misconduct of Jay Powell caused harm to Plaintiff resulting in Plaintiff suffering  
11 financial losses to be proven at trial.

12 **WHEREFORE**, on his Fifth Claim for Relief, Plaintiff prays for judgment against Cave  
13 Creek Defendants, Maricopa County Defendants, members of the Judicial Branch of the State of  
14 Arizona, Cheifetz, Iannitelli, Marcolini, Berk and Moskowitz, and Jay Powell a/k/a Powell Law  
15 Firm for injunctive relief and actual, special, compensatory and punitive damages, attorney's fees,  
16 costs, expenses, and interest in an amount deemed at time of trial to be just, fair, and appropriate.

17 **SIXTH CLAIM FOR RELIEF-BAD FAITH**

18 *(Against the Town of Cave Creek, CC Does III-XX, REEL, BMO Harris Bank, DeVincenzo, Golec  
and Vertes: the Bad Faith Defendants)*

19 143. Fressadi hereby repeats and reiterates the foregoing allegations.

20 144. Without waiving any other claim or allegation herein and in the alternative, Fressadi  
21 and Bad Faith Defendants had, intended to have, and/or have contracts.

22 145. Implied in the contracts was and is a covenant of good faith and fair dealing whereby  
23 the Bad Faith Defendants were bound to refrain from any action which would impair the benefits  
24 which Fressadi had the right to expect from the contract.

25 146. The Bad Faith Defendants breached the covenant of good faith and fair dealing owed  
26 to Fressadi, and as a result, Fressadi has suffered damages.

1 147. The Bad Faith Defendants' conduct and actions were despicable, and were done  
2 maliciously, oppressively and fraudulently, with the intent to deprive Fressadi of property rights, due  
3 process, entitlements, investment backed expectations, rights under the Covenant to cause injury to  
4 Fressadi, all with a willful and conscious disregard of Fressadi's rights and the rights of others,  
5 thereby subjecting Fressadi and others to unjust hardship and distress.

6 **WHEREFORE**, on his Sixth Claim for Relief, Fressadi demands judgment in his favor and  
7 against the Bad Faith Defendants, jointly and severally, for:

- 8 (a) Damages in amounts to be proved at trial;
- 9 (b) Punitive damages;
- 10 (c) Attorneys' fees and costs pursuant to contract and/or A.R.S. §§ 12-341, 12-  
11 341.01, and/or related to any collection effort of monetary damages due;
- 12 (d) Interest on the foregoing sums; and

13 Such further relief as the Court may deem equitable and just.

14 **SEVENTH CLAIM FOR RELIEF-FRAUD**

15 (*Against Michael T. Golec, Keith Vertes and Kay Vertes, Vertes Family Trust, Maricopa*  
16 *County, state actors of Maricopa County, Town of Cave Creek, State Actors of Cave Creek, REEL,*  
17 *BMO Harris Bank, DeVincenzo and all of their attendant attorneys as members of the Judicial*  
18 *Branch of the State of Arizona herein collectively known as the Fraud Defendants)*

19 148. Fressadi hereby repeats and reiterates the foregoing allegations.

20 149. Fraud Defendants had duties to not intentionally make material false representations  
21 or to fail to disclose material information to Fressadi.

22 150. Fraud Defendants knowingly made material false representations and failed to  
23 disclose material information with the intent that Fressadi and others including courts and public  
24 agencies rely on those misrepresentations and omissions.

25 151. Fressadi and/or others did not know that the representations made by the Fraud  
26 Defendants were false or that they failed to disclose information.

152. Fressadi and/or others rightfully relied on the representations made by the Fraud  
Defendants, and Defendants' failure to disclose information.



1           153. As a direct and proximate result of the misrepresentations and omissions of the Fraud  
2 Defendants, Fressadi has suffered damages in amounts to be proven at trial.

3           154. Without waiving any other claim or allegation herein and in the alternative, it would  
4 be unconscionable to enforce judgments regarding the subject properties, the unlawful division of  
5 parcels 211-10-003 and 211-10-010, the Covenant, any permits unlawfully issued to the lots or  
6 relying upon the Covenant, and lending or sales based upon the unlawful division of parcels 211-10-  
7 003 and 211-10-010 and /or contingent upon the Covenant.

8           155. Without waiving any other claim or allegation herein and in the alternative, but for  
9 Defendants' misrepresentations and omissions, Fressadi would not have divided parcel 211-10-010,  
10 granted easements, sold 211-10-003, entered the Covenant, borrowed against lot 211-10-010A, or  
11 sold lot 211-10-010C and, thus, Fressadi is entitled to rescind the division of parcel 211-10-010, the  
12 grant of easements, the Covenant, the debt on lot 211-10-010A, the Covenant, and Fressadi is  
13 entitled to damages.

14           156. Fraud Defendants' conduct and actions were despicable, and were done maliciously,  
15 oppressively and fraudulently, with the intent to deprive Fressadi of benefits that he was/is entitled to  
16 receive from the quiet use and enjoyment of his property, its bundle of rights, his investment backed  
17 expectations, the Covenant: to cause injury to Fressadi, all with a willful and conscious disregard of  
18 Fressadi's rights, thereby subjecting Fressadi to unjust hardship, suffering and distress. Fressadi is  
19 entitled to an award of punitive damages from the Fraud Defendants based on Zoning violations.

20           **WHEREFORE**, on his Seventh Claim for Relief, Fressadi demands judgment in his favor  
21 and against the Fraud Defendants and all of their attendant attorneys jointly and severally, for:

- 22           (a) Damages in amounts to be proved at trial;
- 23           (b) Alternatively or in addition, an order rescinding the division of parcel 211-10-  
24           010, the grant of any easement, the Covenant, and the sale of any lot subject to the  
25           Covenant;
- 25           (c) Punitive damages;
- 26           (d) Attorneys' fees and costs pursuant to contract and/or A.R.S. §§ 12-341, 12-  
341.01, and/or related to any collection effort of monetary damages due;

1 (e) Interest on the foregoing sums; and

2 Such further relief as the Court may deem equitable and just.

3 **EIGHTH CLAIM FOR RELIEF-NEGLIGENT MISREPRESENTATION**

4 (*Against* the Town of Cave Creek, CC Does III-XX, Maricopa county and/or its state actors, REEL,  
5 Michael T. Golec, Keith Vertes & Kay Vertes, Vertes Family Trust, BMO Harris Bank, and  
6 attendant members of the Judicial Branch of the State of Arizona, herein known as NM Defendants)

7 157. Fressadi hereby repeats and reiterates the foregoing allegations.

8 158. NM Defendants had duties to not make material false representations or to fail to  
9 disclose material information to Fressadi and/or others in connection with the subject matter herein.

10 159. NM Defendants acted negligently and unreasonably toward Fressadi and/or other in  
11 their representations and in failing to disclose material information to Fressadi and /or others.

12 160. Fressadi and/or others did not know that the representations made by NM Defendants  
13 were false or that they failed to disclose information.

14 161. It was reasonably foreseeable that Fressadi and/or others including the courts would  
15 rely upon the statements and omissions of NM Defendants.

16 162. Fressadi and/or others including the courts rightfully relied on the representations and  
17 omissions of NM Defendants k.

18 163. As a direct and proximate result of the misrepresentations and omissions of the NM  
19 Defendants, Plaintiff and/or others have suffered damages in amounts to be proven at trial

20 164. Without waiving any other claim or allegation herein and in the alternative, it would  
21 be unconscionable to enforce the division of parcels 211-10-010 and 211-10-003 in violation of  
22 A.R.S. §§ 9-500.12, 9-500.13, 9-463 *et seq.*, Town Codes and Ordinances.

23 165. Without waiving any other claim or allegation herein and in the alternative, it would  
24 be unconscionable to enforce the Covenant, and permits issued upon reliance of the Covenant and  
25 division of parcels 211-10-003 and 211-10-010.

26 166. Without waiving any other claim or allegation herein and in the alternative, but for  
the NM Defendants' misrepresentations and omissions, Fressadi would not have divided parcel 211-

1 10-010, would not have sold parcel 211-10-003 to Vertes, would not have granted easements in  
2 order to obtain permits, would not have expended substantial amounts of capital to install ultra vires  
3 improvements governed by the Covenant, or entered the Covenant such that Fressadi is entitled to  
4 rescind the division of parcel 211-10-010, the Covenant, and the easements thereto and Fressadi is  
5 entitled to damages to include actual, compensatory and punitive damages.

6 **WHEREFORE**, on his Eighth Claim for Relief, Fressadi demands judgment in his favor and  
7 against NM Defendants, jointly and severally, for:

- 8 a. Damages in amounts to be proved at trial;
- 9 b. Alternatively or in addition, an order rescinding the easements and lots splits subject to the  
Covenant, and the Covenant;
- 10 c. Attorneys' fees and costs pursuant to contract and/or A.R.S. §§ 12-341, 12-341.01, and/or  
11 related to any collection effort of monetary damages due;
- 12 d. Interest on the foregoing sums; and Such further relief as the Court may deem equitable and  
13 just.

14 **NINTH CLAIM FOR RELIEF-RESCISSION /QUIET TITLE OF PARCELS 211-10-010 & 211-**  
**10-003, ATTENDANT EASEMENTS, PERMITS, AND IMPROVEMENTS THERETO**  
15 *(Pursuant to A.R.S. §§ 12-1101, et seq., 39-161, 33-420)*

16 167. Fressadi hereby repeats and reiterates the foregoing allegations.

17 168. Without waiving any other claim or allegation herein, and in the alternative, or in  
18 conjunction with other claims, pursuant to A.R.S. § 12-1101 *et seq.*, Fressadi declares under penalty  
19 of perjury that Fressadi is the rightful owner of parcel 211-10-010 and all of the improvements on,  
20 under, or attached thereon and Fressadi Does I-III are the rightful owners of parcel 211-10-003 and  
21 all of the improvements on, under, or attached thereon.

22 169. Cave Creek and its state actors failed to follow A.R.S. §§ 9-500.12,9-500.13 when  
23 they required the creation of a fourth lot to split parcel 211-10-010 on December 31, 2001.

24 170. By requiring a fourth lot, the Town converted the lot split into a subdivision in  
25 violation of A.R.S. § 9-463 *et seq.*, and the Town's Subdivision Ordinance such that it is unlawful to  
26 sell any part of parcel 211-10-010 per A.R.S. § 9-463.03 and Section 1.1(A)(2) of the Town's

1 Subdivision Ordinance until there is a recorded final plat map dividing parcel 211-10-010 in  
2 conformance with A.R.S. § 9-463 *et seq.*, and the Town's Subdivision Ordinance.

3 171. Fressadi is credibly informed that Susan and Salvatore and DeVincenzo, wife and  
4 husband make a claim of title adverse to Fressadi for the unlawful lot 211-10-010C pursuant to a  
5 Warranty Deed MCRD # 2003-1472590.

6 172. Fressadi is credibly informed that Charlie 2 LLC makes a claim of title adverse to  
7 Fressadi for the unlawful lot 211-10-010A pursuant to a Special Warranty Deed MCRD #2012-  
8 0620607.

9 173. As Vertes declared to the Town Council in his application for lot split, Cybernetics  
10 sold parcel 211-10-003 to Vertes by Quit Claim contingent upon Vertes obtaining a lot split.

11 174. Vertes did not obtain a lot split. The Town of Cave Creek and Vertes converted his  
12 lot split application into an unlawful subdivision, and therefore, the condition precedent for the sale  
13 of parcel 211-10-003 to Vertes was not met. As such, The successors and assigns to the Cybernetics  
14 Group Ltd., (i.e. Fressadi Does I-III) remain the owner of parcel 211-10-003.

15 175. Further, the Town of Cave Creek required that the 003 lots connect to sewer on  
16 Fressadi's property as a condition of dividing parcel 211-10-003 into four lots without complying  
17 with A.R.S. §§ 9-500.12,9-500.13.

18 176. For reasons stated above, the sewer permits to lots 211-10-010 A, B, & C and 211-10-  
19 003 A, B, & C are void. As such, the sewer to these lots is ultra vires resulting in the division of  
20 parcel 211-10-003 and all improvements to said lots dependant upon the sewer to be ultra vires.

21 177. The successors and assigns to Cybernetics Group Ltd., are credibly informed that  
22 Michelle O. Scott, *et ux* makes a claim of title adverse to Fressadi Does I-III for the unlawful lots  
23 211-10-003A & D pursuant to a Special Warranty Deed MCRD# 2012-0407247.

24 178. The successors and assigns to Cybernetics Group Ltd., are credibly informed that  
25 Mark D and Rhonda F. Murphy make a claim of title adverse to Fressadi Does I-III for the unlawful  
26 lot 211-10-003B pursuant to a Special Warranty Deed MCRD# 2012-1038241.

1 179. The successors and assigns to Cybernetics Group Ltd., are credibly informed that the  
2 Tamara A. Price Trust makes a claim of title adverse to Fressadi Does 1-3 for the unlawful lot 211-  
3 10-003C pursuant to a Special Warranty Deed #2010-1136050 as corrected on May 24, 2011, MCRD  
4 #2011-0436690.

5 180. The lawful division of parcels 211-10-010 and 211-10-003 in compliance with due  
6 process, all relevant U.S. Supreme Court rulings, state statutes, and Town Ordinances is a condition  
7 precedent and basic assumption to the sale of parcel 211-10-003 to Vertes, the subsequent sales of  
8 211-10-003 lots thereafter, entitlements inuring to lots divided from parcels 211-10-0101 and the  
9 sale of lots 211-10-010 A & C.

10 181. As a result, the basic assumption based on which Fressadi and the DeVincenzos  
11 consummated their purchase/sale did not exist and/or has not occurred.

12 182. As a result, a basic assumption based on which Cybernetics and Vertes consummated  
13 their purchase/ sale did not exist and /or did not occur.

14 183. Fressadi is entitled to rescind the sale of Lot 010C to the DeVincenzos based on lack  
15 of consideration, innocent misrepresentation, negligent misrepresentation, fraud, mutual mistake,  
16 unilateral mistake, impossibility of performance, impracticability, unconscionability, material breach  
17 and/or frustration of purpose.

18 184. Therefore, Plaintiffs are entitled to quiet title as to lots 211-10-010 A, B, C, & D and  
19 211-10-003 A, B, C & D.

20 **WHEREFORE**, on his Ninth Claim for Relief, Fressadi demands judgment in his favor and  
21 against Defendants the Town of Cave Creek, CC Does III-XX, Maricopa County, the DeVincenzos,  
22 Charlie 2 LLC, Michele O. Scott, Mark and Rhonda Murphy, Tammara Price / Tammara Price Trust  
23 jointly and severally, for:

- 24 (a) Rescission of the sale of Lot 211-10-010C from Fressadi to DeVincenzo. Pursuant  
25 to A.R.S. § 13-804(A), Fressadi requests that a portion of the damages supra and  
26 punitive damages against the Town of Cave Creek and/ or other Defendants be  
allocated as restitution in an amount to be determined at trial to the DeVincenzos  
for lot 211-10-010C and that possession of the property be returned to Fressadi;

- 1 (b) Rescission of the sale of Lot 211-10-010A to Charlie 2 LLC. Pursuant to A.R.S. §  
2 13-804(A), Fressadi requests that a portion of the damages supra and punitive  
3 damages against the Town of Cave Creek and/ or other Defendants be allocated to  
4 Charlie 2 LLC as restitution less rent, waste and/ or damages from October 20,  
5 2011 to present in an amount to be determined at trial for lot 211-10-010A and  
6 that the property be vacated and returned to Fressadi;
- 7 (c) Rescission of the sale of parcel 211-10-003 from Fressadi Does I-III to Vertes.  
8 Pursuant to A.R.S. § 13-804(A), Fressadi Does I-III requests that a portion of the  
9 of the damages supra and punitive damages against the Town of Cave Creek and/  
10 or other Defendants be allocated to Michelle O. Scott, *et ux* as restitution in an  
11 amount to be determined at trial for lots 211-10-003A & D; to Mark D and  
12 Rhonda F. Murphy as restitution in an amount to be determined at trial for lot  
13 211-10-003B; to Tamara A. Price Trust as restitution in an amount to be  
14 determined at trial for lot 211-10-003C, and that the properties be vacated and  
15 returned to Fressadi Does I-III;
- 16 (d) In consideration for restitution to be paid from the Town of Cave Creek and/or its  
17 state actors as outlined above in an amount determined by the Court to be fair and  
18 equitable, that Defendants Susan and Salvatore DeVincenzo, Charlie 2 LLC,  
19 Michelle O. Scott, *et ux*, Mark D and Rhonda F. Murphy and the Tamara A. Price  
20 Trust be barred and forever estopped from having or claiming any right or title to  
21 parcels 211-10-010 and/or 211-10-003 or any portion or improvement thereon  
22 adverse to Plaintiff and/or Fressadi Does I-III;
- 23 (e) That in consideration of judicial declarations determined in Count One herein,  
24 that the Town of Cave Creek be barred and forever estopped from having or  
25 claiming any right or title to any easement or chattel on parcels 211-10-010 and  
26 211-10-003 or any portion thereon;
- (f) For an Order that Fressadi be returned to occupancy of all premises, chattel and  
improvements situated on parcel 211-10-010 and judgment in the amount of  
\$1,250.00 per month rent from October 20, 2011 from BMO / Charlie 2 LLC.
- (g) For an Order that Fressadi Does I-III be returned to occupancy of all premises,  
chattel and improvements situated on parcel 211-10-003.
- (h) Alternatively or in addition, the Court's order to discontinue use of lots 211-10-  
003 A, B, C, & D and 211-10-010 A, B, C & D until the Town of Cave Creek  
complies with A.R.S. §§ 9-500.13 and 9-500.12 and the division of parcels 211-  
10-010 and 211-10-003 conforms with § A.R.S. 9-463 *et seq.* and the Town's  
ordinances.
- (i) Pre- and post-judgment interest at the rate of ten percent (10%) per annum;
- (j) Attorneys' fees and costs; and

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Such other and further relief as the Court deems just and proper.

**TENTH CLAIM FOR RELIEF - False Light**  
*(Against Defendants Donald Sorchych, et ux, Linda Bentley, and Conestoga Merchants, Inc. d/b/a Sonoran News)*

185. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

186. Upon information and belief, CC Does III-XX in concert with Don Sorchych and Conestoga Merchants, Inc. intentionally publish articles on persons in a false light.

187. In addition to the Tort of False Light, Plaintiff brings this action pursuant to 42 USC § 1983, and A.R.S. § 13-2314.04 in that part of the purpose of publishing articles to portray Plaintiff in a false light was to damage his business and deprive Plaintiff of his property and constitutional rights as protected by the Fifth and Fourteenth Amendments.

188. From 2002 until the present, Linda Bentley has written and Donald R. Sorchych has published numerous disparaging articles on Fressadi in the Sonoran News.

189. The publishing of articles in the Sonoran News placing Fressadi in a false light was intended to damage Plaintiff’s reputation, career and standing in the community. CC Does III-XX in concert with Bentley, Sorchych, and Conestoga Merchants appropriated or exploited Plaintiff’s personality, publicizing Plaintiff’s private affairs with which the public has no legitimate concern.

190. CC Does III-XX in concert with Sorchych, Bentley and the Sonoran News has caused the wrongful intrusion into Plaintiff’s and Plaintiff’s family’s private activities, in such manner as to outrage or cause mental suffering, shame, or humiliation to a person of ordinary sensibilities.

191. CC Does III-XX in concert with Bentley, Sorchych, and the Sonoran News published articles to injure Plaintiff in his business and profession.

192. These articles have been publicized and communicated to third persons and the general public via the Internet by the above defendants with express, reckless, and wanton disregard of the plaintiff’s right to privacy.

193. These articles have been publicized and communicated to third persons and the general public via the Internet by the above defendants with express, reckless, and wanton disregard

1 of the plaintiff's right to privacy.

2 194. That said publicity unreasonably placed Plaintiffs in a false light in the public eye.

3 195. That by reasons of invasion of privacy, libel and placing Plaintiff in a false light, and  
4 as a proximate result thereof, Plaintiff and his family were damaged in an amount to be determined  
5 at trial.

6 **WHEREFORE**, on the Eleventh Claim for Relief, Plaintiff prays for judgment against Cave  
7 Creek Defendants, Bentley, Sorchych and Conestoga Merchants, for the direct, proximate, and  
8 consequential damages, for actual, special, compensatory and punitive damages, attorney's fees and  
9 costs, expenses, and interest, and for such other relief as this Court deems just, fair, and appropriate.

10 196. Plaintiff reserves all rights and claims, to amend and to supplement this complaint as  
11 his claims have not accrued pursuant to A.R.S. §§ 12-821.01(C)(G), 9-500.12 and 13-2314(B-D),  
12 and for Plaintiff's *pro se* pleadings to be liberally construed,<sup>3</sup> as Plaintiff has never been admitted to  
13 any state bar and is proceeding without legal counsel.

14 **RESPECTFULLY SUBMITTED** this 20<sup>th</sup> day of April, 2014.

15 /s/ Arek Fressadi  
16 Arek Fressadi, *pro se*

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25 <sup>3</sup> *Haines v. Kerner*, 404 U.S. 519-20, (1972). See also *Erickson v. Pardus*, 127 S. Ct. 2197, 2200 - Supreme Court 2007  
26 ("A document filed *pro se* is "to be liberally construed," *Estelle*, 429 U.S., at 106, 97 S.Ct. 285, and "a *pro se* complaint,  
however inartfully pleaded, must be held to less stringent standards than formal pleadings drafted by lawyers," *ibid.*  
(internal quotation marks omitted). Cf. Fed. Rule Civ. Proc. 8(f) ("All pleadings shall be so construed as to do substantial  
justice").")



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**VERIFICATION**

I, Arek Fressadi, Plaintiff in this case, have read the foregoing Complaint, and based on my personal knowledge, I hereby verify under penalty of perjury that the foregoing is true and correct.

This Complaint is well grounded in fact; 2) This Complaint is warranted by existing law or there is a good faith argument for the extension, modification or reversal of existing law; 3) this complaint is not made for any bad faith, vexatious, wanton, improper or oppressive reason, including to harass, to cause unnecessary delay, to impose a needless increase in the cost of litigation or to force an unjust settlement through the serious character of the averment.

EXECUTED this 20<sup>th</sup> day of April, 2014.

/s/ Arek Fressadi  
Arek Fressadi, *pro se*

# EXHIBIT A

**Arek Fressadi, pro se**  
10780 S. Fullerton Rd.  
Tucson, AZ 85736  
520.216.4103  
arek@fressadi.com

**ARIZONA SUPREME COURT**

AREK FRESSADI,  
Plaintiff – Appellant - Petitioner  
  
v.  
  
TOWN OF CAVE CREEK,  
Defendant - Appellee

CA-CV-13-0209-PR  
  
Court of Appeals, Div. One, No.  
1 CA-CV-12-0238  
  
Maricopa County Superior Court  
Case No. CV2009-050821

**AFFIDAVIT IN SUPPORT OF  
PETITION FOR REVIEW**

STATE OF ARIZONA            )  
  ) ss.  
COUNTY OF MARICOPA    )

**RALPH D. NISENBAUM, PE** being of full age and duly sworn upon his oath, hereby affirms as follows:

1. I am a Registered Civil Engineer in the State of Arizona. I make this Affidavit based on my personal knowledge of the facts stated herein.
2. I recently returned to Arizona having been a resident of Alaska for the last three years. Prior to residing in Alaska, I resided in Texas for one year.
3. Arvel R. Jones, RLS and I performed background research, office drafting, and field surveying to record the following documents in Maricopa County: #2002-0256784, #2003-0481222, and #2003-0488178 for parcel #211-10-010 and #2003-1312578 for parcel 211-10-003.

4. The Town of Cave Creek required Arvel R. Jones, RLS to write the legal descriptions including easements and to draft the surveys for parcels 211-10-010 and 211-10-003 with a strip of land twenty-five feet (25') wide adjacent to Schoolhouse Rd. that could be dedicated by separate instrument to the Town of Cave Creek as a part of the lot split approval process.

5. The Town indicated that they would handle the paperwork for the dedications of the twenty-five foot wide strips of land exacted from parcels 211-10-010 and 211-10-003.

6. The Town required the dedication of easements to approve the split of parcel 211-10-010, and that the survey be recorded (#2002-0256784) in order to permit driveways to the subject lots in March, 2002.

7. The Town required the dedication of an easement over the entirety of the twenty-five foot strip of land exacted from the split of parcel 211-10-010 as an easement in order to permit the sewer extension in July, 2002.

8. I designed and Arvel Jones, RLS surveyed the installation of the sewer extension including the Andorra Wash crossing on Schoolhouse Rd. to serve the buildable lots split from parcel 211-10-010.

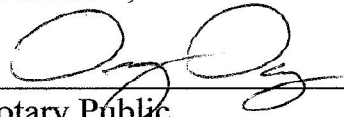
9. Cave Creek required the dedication of lot 211-10-010D to be recorded in April, 2003 (#2003-0488178) for final approval of the sewer installed to serve the buildable lots split from parcel 211-10-010.

Further Affiant sayeth naught.

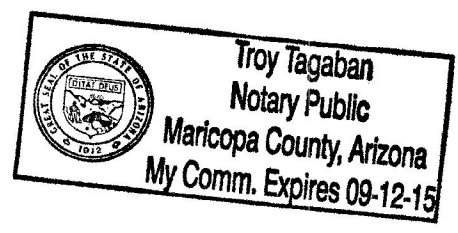


Ralph D. Nisenbaum, PE

ACKNOWLEDGED, SUBSCRIBED AND SWORN TO before me this 17<sup>th</sup>  
day of September, 2013, by Ralph D. Nisenbaum, PE.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires: 09/12/2015

By: \_\_\_\_\_



# EXHIBIT B

About 32 results (0.11 seconds)



### [Arek Fressadi facing criminal damage charge - Sonoran News](#)

May 11, 2011 ... BY LINDA BENTLEY | MAY 11, 2011. **Arek Fressadi** facing criminal damage charge. M&I Bank files motion to convert Fressadi's bankruptcy to ...

[www.sonorannews.com/archives/2011/.../frontpage-fressadi.html](http://www.sonorannews.com/archives/2011/.../frontpage-fressadi.html)



### [Judge calls Fressadi's conduct 'abhorrent to the ... - Sonoran](#)

Oct 27, 2010 ... **arek fressadi** CAVE CREEK – **Arek Fressadi** lives in Tucson and has publicly touted at public meetings that he's "living in exile from Cave Creek ...

[www.sonorannews.com/archives/2010/101027/front\\_Fressadi.html](http://www.sonorannews.com/archives/2010/101027/front_Fressadi.html)



### [Fressadi ticks off bankruptcy judge / August 3, 2011 / Sonoran](#)

Aug 3, 2011 ... fressadi PHOENIX – On July 19, U.S. Bankruptcy Judge Eileen W. Hollowell dismissed **Arek Fressadi's** bankruptcy case, based on her ...

[www.sonorannews.com/archives/2011/.../frontpage-fressadi.html](http://www.sonorannews.com/archives/2011/.../frontpage-fressadi.html)



### [Fressadi files for bankruptcy / January 19, 2011 / Sonoran News](#)

Jan 19, 2011 ... **arek fressadi** CAVE CREEK – On Jan. 7, Maricopa County Superior Court Judge John Rea, after taking the matter under advisement, ordered ...

[www.sonorannews.com/archives/2011/.../frontpage-Fressadi.html](http://www.sonorannews.com/archives/2011/.../frontpage-Fressadi.html)



### [Board of adjustment grants variance / November 24 ... - Sonoran](#)

Nov 24, 2010 ... During public comment, **Arek Fressadi** said, "This is not a land use issue. It is a contract issue." Fressadi stated Michael Golec, the previous ...

[www.sonorannews.com/archives/2010/.../frontpage-Variance.html](http://www.sonorannews.com/archives/2010/.../frontpage-Variance.html)



### [Fressadi continues rampage against town ... - Sonoran News](#)

Dec 29, 2010 ... **arek fressadi** CAVE CREEK – The day after Christmas, **Arek Fressadi** penned a letter to Board of Adjustment Chair Fred Mueller alleging the ...

[www.sonorannews.com/archives/2010/.../frontpage-Fressadi.html](http://www.sonorannews.com/archives/2010/.../frontpage-Fressadi.html)



### [Fressadi dubbed a 'serial pro se litigator' / February ... - Sonoran](#)

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**arek fressadi** On Jan. 3, the same day he was scheduled to appear in court for oral arguments in M&I Marshall & Ilsley Bank's foreclosure action against his ...

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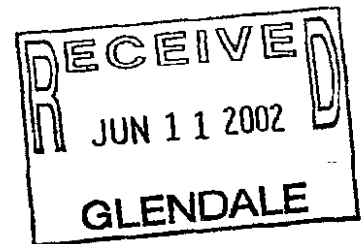
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Fax From: LINDA BENTLEY

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SONORAN NEWS 5/29/02

**Las Casas de Fressadi ...  
3-lot split or 8-lot subdivision?**

By Linda Bentley

CAVE CREEK - Arak Fressadi first came to the attention of the Sonoran News last year after first appearing at a Cave Creek Town Council meeting, claiming to be a Cave Creek resident, to speak in favor of the Southwest Sands project and denouncing the town's hodgepodge manner of development.

He then attended a Carefree Town Council meeting, claiming to be a Carefree resident, and spoke in favor of the rezoning of the Northeast corner of Cave Creek Road and Carefree Highway.

Citizens began asking, "Who is this guy?" Research began.

In November 2001, Fressadi applied for a permit to add a garage and storage shed at 37934 N. School House Road (parcel number 211-10-010). The permit, which was issued on January 2, 2002, contained a curious note by Cave Creek Assistant Engineer Jeff Low that said, "For storage and carport only. Road construction requires a separate permit and approval of lot split."

Then, in February 2002 Fressadi applied for two building permits from the town of Cave Creek. One was for grading a driveway on a one-and-a-half-acre parcel (211-10-003) at 37826 N. School House Road. The other was to install culvert and drive apron on the adjacent 4.45-acre parcel (211-10-010) at 37934 N. School House Road.

Arak Construction, LLC was listed as the contractor for both projects. However, the Registrar of Contractors suspended Arak Construction's license, on October 21, 2001.

When the town contacted Fressadi about his suspended license, Fressadi requested that they change his permits to owner/builder.

The Registrar of Contractors claims he cannot be an owner/builder if he is developing more than one single-family residence at a time.

An owner/builder must live in the residence being built for one year before selling or renting the dwelling. The Registrar says that a person cannot live in multiple dwellings at the same time and therefore, Fressadi is considered to be contracting/developing without a license.

A trip to the School House Road address unveiled some more interesting information about the project. There was a "For Sale" sign with brochures at the foot of the driveway. The brochures are for Arak Fressadi, LLC, claiming to be "an Architectural Design & Construction company in Cave Creek, Arizona."

It also states, "We are Design Builders. By providing architectural and construction services in-house, we save time, save money, and deliver the intended result." The brochure provided a website address, www.fressadi.com.

A visit to the website revealed plans for a subdivision called "La (sic) Casas de Fressadi." It touted, "Arak Fressadi LLC is designing and building 7 custom territorial homes ... these houses are situated on 3/4 acre lots with utilities (sewer, water, gas, APS electric, and telephone)."

Jim Tully of Tull-Moe, LLC was working at the site. Tully said he was contracted by Fressadi to install the underground utilities for the project. The plans he had reflected an eight-lot subdivision.

When Cave Creek's Director of Planning Ian Cordwell was contacted about the subdivision he said, "I don't know anything about a subdivision, I only approved a three-lot split."

A few minutes later, Fressadi appeared at Sonoran News. He seemed concerned that there were questions being asked about his project.

When Fressadi was confronted about the subdivision, he claimed it was only a three-lot split because the one-and-a-half-acre parcel was not his and was owned by the Cybernetics Group, LTD, which Fressadi claims is a group of investors from Singapore. However according to the Nevada Secretary of State, Fressadi is President and Secretary of The Cybernetics Group, a Nevada Corporation. Edward Pulaski is listed as treasurer.

The Cybernetics Group is also the principal and manager of Arak Construction, LLC, listing Fressadi as the employee/qualifying party.

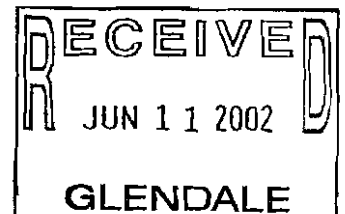
Fressadi claimed that the reason his license was suspended was because he just didn't renew it, citing he didn't need it at the time and there was no point in spending \$1,000 for a license he didn't need.

The Registrar and legal documents indicate otherwise, it appears that Fressadi was unable to obtain a license bond due to an unsatisfied judgment and a claim against his bonding company.

Ardis at Contractor's Bonding and Insurance said she knows of no company that will provide license or performance bonds for a contractor under those conditions. Ardis, who is a former employee of the Registrar of Contractors, also said that although, in some cases, contractors might be able to obtain bonding with a co-signer, not under these conditions. The three other bonding companies Sonoran News contacted confirmed Ardis' statement.

There were two valid complaints filed with the Registrar against Arak Construction, Bruce Triolo, of Meridian Custom Cabinets spoke about the complaint he filed after Fressadi refused to pay him for the cabinets contracted for his house in the Carefree subdivision Entrada.

Although it was a few years ago, he seemed to remember the contract to be about \$16,000. Fressadi offered Triolo an amount that was thousands less than he owed to settle the claim, with employees and expenses to pay. Triolo agreed to settle with Fressadi for thousands less.



just so he would be paid. Otherwise, he might have had to wait a year or more to go through the legal system just to be awarded a judgment, which also does not ensure immediate payment.

Jerry Tipton of Tipton Electrical Contracting knows that all too well. He was the one who filed the other complaint against Fressadi for nonpayment. Fressadi owed Tipton between \$7,000 and \$9,000 for electrical work on the same house in Entrada. Tipton said that Fressadi tried to "settle" with him for \$500.

The Registrar decided in favor of Tipton, ordering Fressadi to pay. Fressadi appealed the Registrar's decision. And, even though the court upheld that decision, Fressadi appealed again. Fressadi lost again. He appealed again to a higher court but later withdrew that appeal. The original complaint was filed in the year 2000. Tipton still hasn't been paid. And, although he has had a legitimate claim filed with Fressadi's bonding company, Tipton said they would not release payment due to the pending appeals.

There's more.

Art Trautman of Sonora Drywall worked for Fressadi, a few years ago, on another house in the unincorporated county island area on 64th Street.

Trautman said that Fressadi did not have a contractor's license when they started the job and that Fressadi seemed very inexperienced. When the job was completed, Fressadi did not want to pay for the changes and extras he requested Trautman do.

Trautman took Fressadi to small claims court and won. Even with a mechanic's lien against the property, Fressadi still refused to pay. Trautman eventually received payment from a title company when, he believes, Fressadi converted the construction loan to a mortgage.

Judy Blair of Judy Blair's Rustic Collectibles has had a judgment entered against Fressadi exceeding \$5,000. She filed her complaint in July 2001.

Again, Fressadi appealed. Again, Fressadi lost.

Records indicate that Fressadi has just satisfied the judgment awarded Blair in March or April of this year.

Also in July 2001, Fressadi, on behalf of Arek Construction, LLC, recorded a Notice and Claim of Lien against himself and his wife for improvements made to the property they owned at 8452 E. Skinner Drive in Cave Creek in the amount of \$91,500. He cited the nature of improvements as "general contracting labor and materials."

It is presumed that this was filed so that he would be the first lien-holder against his own property, thwarting others' efforts to collect from him.

There's more.

In February 1997, Eric Robert Fress, Patricia Ellen Fress, along with their sons Jared Robert Fress and Charles Andrew Fress filed for and were granted name changes in the Superior Court of Arizona to Arek Fressadi, Patreace K. Fressadi, Gaired Fressadi and Derrick B. Fressadi, respectively.

When asked why the family changed their names, Fressadi said, "That's personal."

On May 1, Tully provided Fressadi with a proposal to do the installation of approximately 700 feet of APS Primary, CATV and telephone conduit for \$7,000 with 50 percent down and balance due upon completion.

His bid specifically excluded hard dig, hammer time, import or export of material, vegetation or re-vegetation of landscape. It was a simple, straightforward, one-page proposal.

Fressadi responded on May 9 with a four-page Subcontractor Agreement set in small type, containing paragraph upon paragraph of legal language that would "hold the Construction Manager harmless from all liability ..."

Fressadi signed the contract for Arek Fressadi LLC as "Its Manager" and attached an addendum that outlined the scope of work to include all the exclusions in Tully's proposal as well as a myriad of extras for a total of \$5,000, "payable on inspection and approval by APS, completion of all clean up, and the acceptance by the Owner."

While Tully had also drafted a proposal for the water line installations, Tully claimed that Fressadi wouldn't sign it because it reflected services to eight parcels, not four, as his application to the water company implied.

According to Tully, Fressadi wanted him to write a contract that only reflected service to four parcels, but do the installations to all eight.

But, because the Cave Creek Water Company must send all applications to the Arizona Corporation Commission for approval, Fressadi was faced with a new dilemma.

According to Dave Adams at the Cave Creek Water Company, Fressadi faxed a copy of a letter to Tully, dated May 16, to the Cave Creek Water Company stating, "Our gentleman's agreement has degenerated ..." It also said that Fressadi would be stopping payment on the \$1,400 check he had written Tully.

When Fressadi was asked why he was stopping payment on the check he wrote to Tully-Hoe he slammed open his date book and said, "You've stepped over the line now," citing,

"contractual interference," as he hastily scrawled some illegible notes in his book.

When asked what he meant, Fressadi said, "You'll have to ask your attorney."

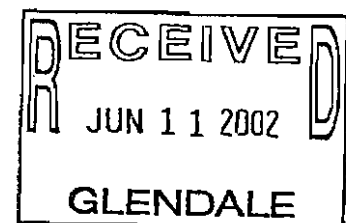
He then got up and made his way to the door while saying, "You've just answered all of my questions. I hope I've answered all of yours."

Three days later, all the information about "La Casas de Fressadi" were removed from his website.

He has also since engaged the legal services of Carol Lynn de Szendeffy, with whom he attended a recent meeting with Cordwell and Town Manager Usama Abujbarah.

According to Cordwell, Fressadi indicated during their meeting that he might decide to sell the parcels instead of proceeding with the development.

There's more ...





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**Fressadi ...  
Land, lies and lawsuits**

JUNE 5, 2002

By Linda Bentley

**CAVE CREEK** – After losing \$7 million of their inheritance in trades with the Scottsdale Brokerage firm Simmons & Bishop Co. Inc., Robert and Debi Ravenscroft of Nevada City, California woke up in April 2000, literally broke. And, although the highly publicized "churning" case eventually resulted in an arbitration panel awarding the Ravenscrofts over \$1 million, they have yet to collect a dime.

When the Ravenscrofts inherited \$10 million between 1996 and 1999, they decided to invest most of that money with Simmons & Bishop, a small brokerage firm Robert knew of when he lived in Arizona during the early '90s.

Using \$2 million to build a salon and day spa in Nevada City, the Ravenscrofts planned to use some of their inheritance money to support the spa for the first few years, until it grew enough of a following to become profitable on its own.

Their one last salvation would be to sell the small house on 5.73 acres that they purchased from Ellen Sands some time ago. The property was located at the base of Black Mountain at the corner of Schoolhouse and Military roads in Cave Creek.

They listed the two parcels with agent Rebecca Norton, who was then with Pinnacle Peak Realty.

Norton brought them an offer for \$360,000 on April 12, 2000 from Arek Fressad CBA Arek Construction, whom she was also representing.

The Ravenscrofts submitted a counter offer, which simply said that they would retain the right to keep the property on the market during the due diligence period, requiring acceptance of their counter offer by midnight April 14.

According to Debi, Norton had not received acceptance from Fressadi by that date and time, rendering the contract null and void.

Two days later, Debi said they received a better offer from Real Estate Agent Jim MacDonald (yes, Jim MacDonald of Southwest Sands fame) on behalf of Nancy and John Sanford.

They later found out that the Sanfords were MacDonald's daughter and son-in-law.

The Ravenscrofts accepted the Sanford's offer and entered escrow.

According to Debi, two days before escrow was to close, Fressadi filed a lawsuit against them, claiming he had a contract to buy the property, as well as a Notice of Lis Pendens – a formal notification that the title of real property is in litigation and is in danger of being bound by adverse judgment.

Placing a Lis Pendens on someone's property is not appropriate if that person does not have a bona fide claim, since the person who puts a Lis Pendens on someone's property runs a risk of being liable for the damages caused by that person.

Because of the power a Lis Pendens holds, parties sometimes use it to coerce a settlement. California has enacted various laws making it easier to remove a Lis Pendens by bonding around it. California also provides a mechanism for the property owner, upon motion by the owner that they are going to be damaged by the Lis Pendens, to require a bond by the person who recorded the Lis Pendens, for maintaining the Lis Pendens on their property. Arizona apparently has no such laws.

The Lis Pendens effectively blocked the Ravenscrofts from closing escrow or selling their land, doing more financial damage than they ever dreamed.

Thinking that their property was sold, the Ravenscrofts notified their tenant who was renting the house on the property, who subsequently moved out. The Ravenscrofts were now unable to rent the property out to anyone else.

Apparently, Fressadi had decided to sign the counter offer on April 25, 2000, 11 days after the deadline, personally deposited a check in the amount of \$5,000 with Security Title, and opened an escrow account for the sale of the Ravenscroft's property to him.

On April 28, Robert signed a note to Mark Benson at Security Title that said, "This letter is confirming the fact that there is no contract between myself and Arek Construction, therefore, I will not authorize an escrow nor consider an escrow to be opened."

Fressadi wrote an e-mail to the Ravenscrofts some time later, following what Debi says was a very heated phone conversation. In it he wrote, "I'm taking the time to address these issues with you now because of the circumstances you expressed in our phone conversation. Without some impetus from one of the parties, this matter could stay unresolved for years."

The Ravenscrofts, with no other assets to liquidate, were forced to close their salon/spa and lay off 30 employees.

One year later, with their Cave Creek property still being held hostage by Fressadi's lawsuit and Lis Pendens, the Ravenscrofts were suddenly facing foreclosure on their home.

They were now forced to settle with Fressadi, on his terms, or lose their home. Fressadi offered them three options to settle, as follows.

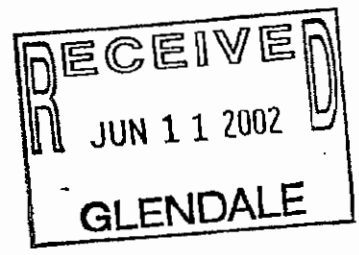
"Settlement Offer #1: Arek Construction LLC or nominee shall purchase the entire property. The purchase price shall be \$240,000." It then listed 11 terms and conditions, including "There shall be no commission paid to Pinnacle Peak Realty."

The last condition stated, "Escrow shall close upon receipt of all entitlements from the Town of Cave Creek for the intended development."

"Settlement Offer #2: Arek Construction LLC shall purchase Robert Ravenscroft's one-half interest in the property. The purchase price shall be \$100,000 with the following conditions: The first condition, bizarre as it seemed to Debi, stated, "Deborah Ravenscroft and Arek Construction LLC shall enter into a Fee Development Agreement whereby Arek Fressadi and/or Arek Construction LLC shall be responsible for the design and construction of a residential subdivision. A copy of said agreement shall be furnished herein."

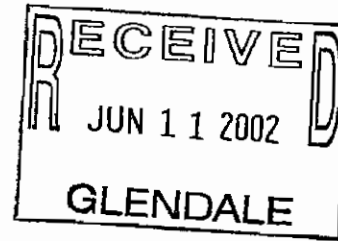
The last condition stated, "In addition to the above, Mrs. Ravenscroft shall enter into an option for valuable consideration (\$5,000) payable on or before close of escrow to sell her

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entire interest to Arek Construction on or before the commencement of any development for \$125,000." Thus, reducing the price of the property to \$220,000. The third "Settlement Offer" simply demanded the Ravenscrofts "pay Arek Construction LLC or nominee the sum of \$200,000 on or before July 8, 2001." They eventually signed a settlement agreement with Fressadi for the purchase of their property on August 24, 2001, for \$240,000 - to close escrow on September 11, 2001. With their land held hostage for a year and a half by Fressadi's lawsuit, an 18-day escrow with a September 11, 2001 closing date, in retrospect, seemed eerily odd to the Ravenscrofts. Fressadi, unable to obtain financing by that closing date, requested and was granted an extension until September 14, then another until September 17. While Fressadi was seemingly unable to obtain financing, the Ravenscrofts sat helpless as the pending foreclosure on their residence drew closer and closer. Fressadi still refused to dismiss his lawsuit or lift the Lis Pendens and, according to Debi's recollection, she and her husband had to carry \$155,000 of the loan until October 31, 2001. Although the Ravenscrofts saved their home from foreclosure by selling to Fressadi, Debi said they had to sell it for \$120,000 less, they lost their business, paid approximately \$20,000 in legal expenses, lost a year and a half of rental income, and now owed their contractor interest on the money they couldn't pay him for a year and a half. And, due to the potential liability Fressadi faced by placing the Lis Pendens on the Ravenscroft's property, Debi said that Fressadi also required they agree not to sue him as part of their settlement agreement.





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**MAILING ADDRESS:** PO BOX 5708  
**TOWN:** CHASE  
**CONTRACTOR:** ANNE CARPENTERS  
**PHONE:** WORK (480) 213 2155 CELL ( )  
**MAILING ADDRESS:** PO BOX 5708  
**TOWN:** CHASE  
**CONTRACTOR LIC. #:** 129186 STATE TAX ID # 01-953995-E  
**DATE:** 2-13-02 **SIGNATURE:** Anne Carpenter  
**PRINT NAME:** Anne Carpenter

VALUATION:	BLDG. CONTROL:	HEALTH DEPT:	FIRE ACCESS:	FIRE SPRINKLER:
DETERMINED BY BUILDING OFFICIAL	Y	N	N	N

**REMARKS:** N/A

**APPROVED:** [Signature] DATE: 3/6/02

**PRELIMINARY TO FLOOD CONTROL**

**REMARKS:** [Handwritten notes]

**ZONING CLEARANCE:** [Handwritten notes]

**APPROVED BY:** [Handwritten signature]

**SEWER REQUIRED:**  YES  NO

**REMARKS:** [Handwritten notes]

**APPROVED:** [Signature] DATE: 3/16/02

**PROVISIONS:** The applicant is advised that issuance of this permit will not relieve responsibility of the owner or owner's agent to comply with the provisions of all laws and ordinances, including federal, state and local jurisdictions, which regulate construction and performance of construction, or with any private deed restrictions or requirements of the applicable title. This permit becomes null and void if the construction work is not begun within 180 days from date of issue or if at any time prior to final inspection and approval the work is suspended or abandoned for a period of 180 days.

I hereby certify that I am the owner or duly authorized agent of the property described herein and that I have read, understood and will comply with all of the provisions outlined herein. I also certify that the plot plan submitted is a complete and accurate plan showing any and all existing and proposed structures on the subject property.

**SIGN HERE WHEN PERMIT ISSUED**

Date: [ ] Signature: [ ] Print Name: [ ]

DATE REC'D:	2/16/02	MCR NO.	
DATE ISSUED:	3/16/02	ASSESSOR	9999
DATE COMPLETED:		DATE	
BIN #	FILE		

**STORIES:** [ ] **FRONTAGE:** [ ] **BLDG. HEIGHT:** [ ] **LOT COVER:** [ ]

**RECEIVED DATE:** [ ] **RECEIVED DATE:** [ ]

**BLDG. PERMIT FEE:** \$ 54.50

**PLAN CHECK FEE:** \$ -

**POOL / SPA FEE:** \$ -

**IMPACT FEE:** \$ -

**ENGINEERING FEE:** \$ 225

**INVESTIGATION FEE:** \$ -

**STAMP FEES:** \$ -

**OTHER:** \$ -

**ZONING CLEARANCE FEE:** \$ 50

**TOTAL OF ALL FEES:** \$ 289.50

**BUILDING ZONING CLEARANCE:** \$ 50

**ENGINEERING:** \$ 225

**BALANCE TO BE PAID:** \$ -

**DATE PAID:** 3/16/02

**METHOD OF PAY:** CH. VOTG

**APPROVED DRAWING NO.:** [ ]



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**TOWN OF CAVE CREEK**  
**BUILDING SAFETY DEPARTMENT**  
 37622 NORTH CAVE CREEK ROAD  
 CAVE CREEK ARIZONA 85331  
 PHONE (480) 488-1400 FAX (480) 488-2263  
 INSPECTION REQUEST LINE (480) 488-7092  
 APPLICATION FOR PLAN REVIEW, BUILDING PERMIT & ZONING CLEARANCE

SETTLED 890 INCORPORATED

SITE ADDRESS: 37934 SCHOOLHOUSE  
 SUBDIVISION:  
 ASSessor'S PARCEL NO.: 21-10-010  
 OWNER: ARBEK EBBSSON  
 MAILING ADDRESS: PO BOX 4741  
 TOWN: COVE CREEK STATE: AZ ZIP: 85327  
 CONTRACTOR: ARBEK CONSTRUCTION LLC  
 PHONE WORK: 480-213-2459 HOME: ( )  
 MAILING ADDRESS: PO BOX 5705

TOWN: COVE CREEK STATE: AZ ZIP: 85327  
 CONTRACTOR: ARBEK CONSTRUCTION LLC  
 PHONE WORK: 480-213-2459 HOME: ( )  
 MAILING ADDRESS: PO BOX 5705  
 TOWN: COVE CREEK STATE: AZ ZIP: 85327  
 CONTRACTOR: ARBEK CONSTRUCTION LLC  
 PHONE WORK: 480-213-2459 HOME: ( )  
 MAILING ADDRESS: PO BOX 5705

DATE: 2-13-02 SIGNATURE: *Arbek Ebbsson*  
 PRINT NAME: Arbek Ebbsson

VALUATION: DETERMINED BY BUILDING OFFICIAL \$ 800.00

FLOOD CONTROL: Y	HEALTH DEPT: N	PAVE ACCESS: N	PIRE SPRINKLER: N
BLDG. CONTROL: Y	GARAGE: N	MISC. ACCESS: N	TOTAL SQ. FT.: 3500
CONSTR. TYPE: N/A	OCCUPANCY: N/A	OCCUP. LOAD: -	# STORIES: 1

BUILDING APPROVED: *[Signature]* DATE: 3/6/02

ZONING DISTRICT: R-18	# OF D.U.: 1	FRONT YARD: 10	REAR YARD: 10	SIDE YARD (1): 5	SIDE YARD (2): 5
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REMARKS: *Make driveway*  
 ZONING CLEARANCE APPROVED BY: *[Signature]*

PROVISIONS: The applicant is advised that because of this permit will not relieve responsibility of the owner or owner's agents to comply with the provisions of all laws and ordinances, including federal, state and local jurisdictions, which regulate construction and performance of construction, or with any previous deed restrictions or requirements of the applicable fire district. This permit becomes null and void if the construction work is not begun within 180 days from date of issue or if at any time prior to final inspection and approval the work is suspended or abandoned for a period of 180 days.

To keep your permit active and avoid unnecessary expiration, please call for an inspection at least every 180 days.

APPROVED: *[Signature]* DATE: 3/8/02  
 SIGN HERE WHEN PERMIT ISSUED

DATE REC'D: 2/13/02	MCR NO.
DATE ISSUED: 3/12/02	ASSASSOR
DATE COMPLETED:	9999

RECEIVED DATE: 3/8/02	RECEIVED DATE: 3/8/02
RECEIVED DATE: 3/8/02	RECEIVED DATE: 3/8/02

BLDG. PERMIT FEE: \$ 69.50	PLAN CHECK FEE: \$ -	POOL/SPA FEE: \$ -	IMPACT FEE: \$ -	ENGINEERING FEE: \$ 225.00	INVESTIGATION FEE: \$ -	SEWER FEES: \$ -	OTHER: \$ -	ZONING CLEARANCE FEE: \$ 50.00	TOTAL OF ALL FEES: \$ 344.50
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BALANCE TO BE PAID: \$ 89.50  
 DATE PAID: 3/12/02  
 METHOD OF PAY: CH 10078  
 APPROVED DRAWING MU

Las Casas de Fresasdi Schalkhouse Road, Cave Creek, AZ

Nestled at the base of Cave Creek, Las Casas development of 81

Working with stone creates habitable

Lots 'A' & 'B' with terraced patios and authentic 16" thick mission tile roof

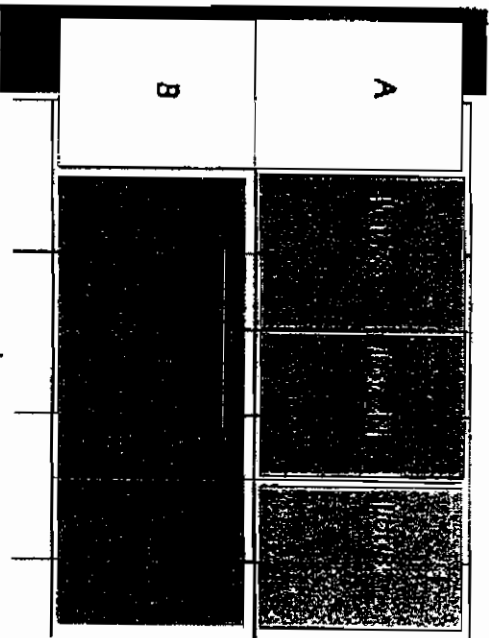
Brochure on site.

All of the homes are designed to be environmentally sound and maximize views and privacy. Homes are designed to conform to the contour of the land and adjoining hillside.

Arak Fresasdi LLC is not a production builder. We design and develop 2-3 quality projects per year. As a consequence, your home can be custom tailored to suit your needs and requirements.

All sites are currently being improved with rock lined private access, APS electricity, Black Mountain Gas, Qwest telephone, Cave Creek Water, and sewer. Utilities will be completed by July with construction of the first home to upon completion of the utility improvements.

For additional information on this or other Arak Fresasdi properties, contact Ron Fuhner at 602.402.2125, [www.fuhner.com](http://www.fuhner.com). Email [Ron@fuhner.com](mailto:Ron@fuhner.com).



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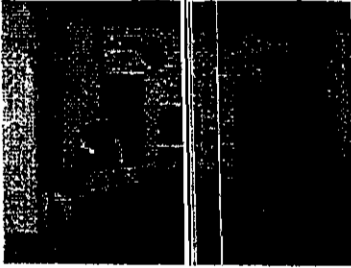
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SitePlan

**We are Design Builders.**

By providing architectural and construction services  
house, we save time, save money, and deliver the intended result.

Clients can expect to save 10 to 20% over the  
typical design/ bid/ build process.



An engagement usually begins with an evaluation of a suitable site. Clients may utilize their own land or our select properties. Once a suitable site is determined, we begin design development.



The client's unique needs are taken into consideration in all facets of the design. Upon completion of design, construction drawings are prepared suitable for budget, permitting and financing purposes.



Clients may prefer turnkey services including landscape and pool design and construction and interior decorating.

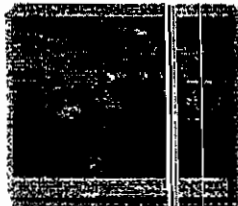
Please contact us for available properties

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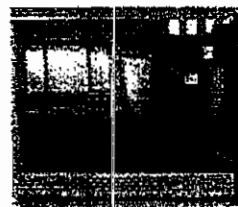
SitePlan

A word about the Founder...



Arek Fressadi is a fourth generation builder whose career in construction spans three decades and three continents. He designed his first home in 1963, and began his career as a draftsman. But instead of pursuing a degree in architecture, Mr. Fressadi learned the art of building from the ground up through a formal apprenticeship in the Carpenter's Union. He built homes, apartments, condominiums, shopping centers, office buildings, and a power plant as he was rapidly promoted through the ranks in the Union. Mr. Fressadi designed and built his first home in 1972, and in 1974, he obtained his General Contractor's license in California. Employing over 50 craftsmen, he designed and built experimental and architecturally complex custom homes, shopping centers, industrial buildings and offices in Southern California. His work won numerous awards, gracing the covers of Professional Builder and local architectural magazines.

After his company was acquired, Mr. Fressadi went to work for Grubb and Ellis Commercial Brokerage packaging financing for real estate developers. As an independent consultant, he authored the Development Plan for Paolo Soleri's "Arcosanti", in Cortez Junction, Arizona.



Further consulting led Mr. Fressadi to Europe as an Investment Advisor to a French trust where he was responsible for transaction documentation for banking and real estate projects in London, Brussels, Spain, Luxembourg, and Saudi Arabia. He held Power of Attorney to a Saudi Prince for loans up to \$500 Million. He was a member of the British Urban Regeneration Association (BURA), London, and an honorary founder of the Urban Villages Forum, an initiative of the Prince of Wales Business Leaders Forum.

Returning to Phoenix, Mr. Fressadi assumed Financial and Project Management responsibilities for the tenant improvements of a 400,000 square foot class "A" office building-Biltmore Commerce Center. On completion, Mr. Fressadi joined FMI, the Nation's largest construction consulting firm as a senior consultant where he provided management and marketing advice to construction companies, material suppliers, and trade organizations throughout the US.

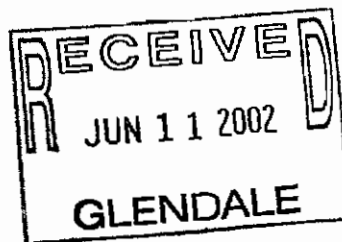


In 1993, Mr. Fressadi was invited to the Territory of Guam. He oversaw the construction of a 10 Megawatt power plant for Wartsila Diesel; value engineered 140 classrooms for the Department of Education, reengineered the management systems of the Guam International Airport Authority for its \$300 Million expansion, and consulted the Department of Defense on hospitality and eco-tourism at Apra Harbor.

In 1996, he returned to Arizona and his building "roots" where he currently designs and builds indigenous habitat in the Sonoran Desert. With a long-standing commitment to environmental concerns, Mr. Fressadi is a founding member of the Scottsdale Green Building Program. His structures are designed to use less energy through solar orientation, indigenous materials, and "green" construction methods.



Mr. Fressadi attended Williams College (Philosophy) and received his Bachelor and Master's from Columbia Pacific University in Construction Management and Business Administration. He attended law school but chose not to become an attorney and is self-taught in Cybernetics.



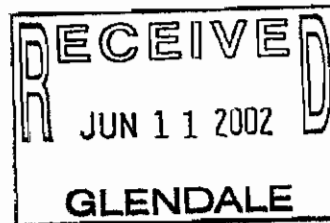
Site Plan

**Arrek Fressadi, LLC**  
37934 Schoolhouse Rd.  
Cave Creek Arizona, 85331

**Mailing:**  
PO Box 4791  
Cave Creek, AZ 85327

**Phone:** 480.437.9007  
**Mobile:** 480.213.2119  
**Fax:** 480.437.9007  
**E-mail:** [arrek@fressadi.com](mailto:arrek@fressadi.com)

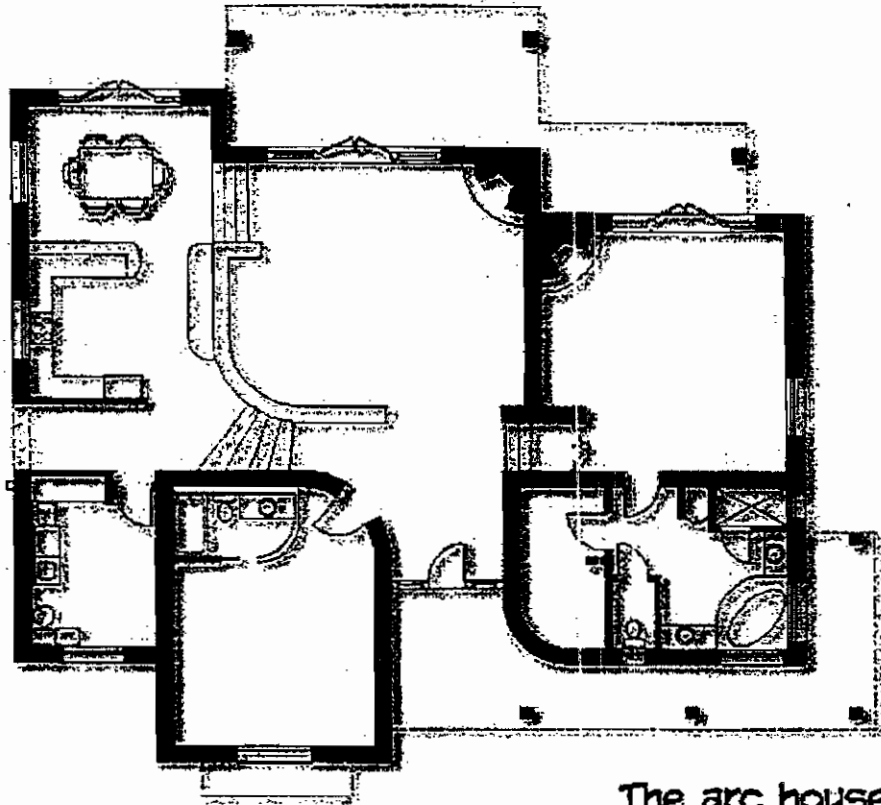
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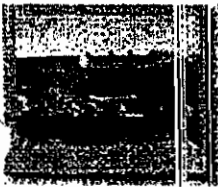
SitePlan

Las Casas de Fre:sadi



The arc house

Las Casas de Fre:sadi curren



37826 :  
 37826 i:  
 It is a 1.  
 The Ar  
 purchas

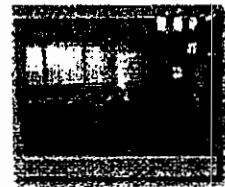
37826(b) Schoolhouse. This is 3/4 acre lot to be split.

37934 Schoolhouse, also known as Parcel 211-10-010.  
 This parcel has been split into 3 Lots.  
 Lot 1 is a 1.9 acre parcel that can be further sub-divided into three lots.  
 Lot 1 North overlooks Andorra wash and is vacant, awaiting a custom design.  
 Lot 1 has a small ranch house on it.

This property is offered as is at \$225,000. The ranch house may be demolished and a new adobe territorial be built on site.

- Lot 1 South has an exquisite view of the East valley with lush mature vegetation. The lot is vacant awaiting a custom design.
- Lot 2 is a 1.2 acre site that can be further subdivided into 2 lots.
- Lot 2 North has views to the west with lush vegetation.
- Lot 2 South has views to the west with lush vegetation.
- Lot 3 is a .67 acre parcel with views to the west and lush vegetation.

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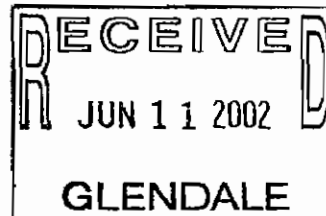
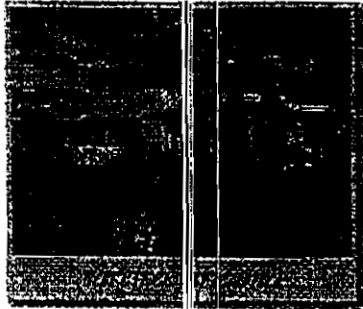
## Lot 48, Entrada

Lot 48, Entrada  
5939 East Whitethorn  
Carefree, AZ 85377  
Click photo for more information



## La Casas de Fressadi

Located right at the base of Black Mountain, in 'downtown' Cave Creek, Arek Fressadi LLC is designing and building 7 custom territorial homes. With panoramic views of the entire Cave Creek valley, these houses are situated on 3/4 acre lots with a utilities (sewer, water, gas, APS electric, and telephone). Provisions are also available for solar hot water, and solar electricity  
More information coming soon



## itePlan

### Development.

ressadi LLC provides full service development for any parcel of land. Our services can be provided based upon a fee or a blend of compensation methods, including equity participation. Our scope of services include:

#### Due Diligence

Determine the Planning, Zoning, Architectural, Engineering and Utility requirements for the project.

Establish:

- The highest and best use of the subject property,
- The method of financing the proposed development.
- The desired construction methodology, and
- A viable marketing plan.

Create the necessary documentation sufficient to:

- Obtain development and acquisition capital,
- Secure financing for construction, take out and permanent uses, and
- Value engineering to insure timely and cost effective construction.

#### Architecture, Engineering, Planning, Zoning, and Permitting

Obtain the required professional consultants to provide architecture, land planning, landscape design, civil, and structural engineering services to generate tentative and final maps of the project, including Environmental Impact Studies as necessary for the proposed development. Obtain the necessary entitlements from government authorities to enable development of the subject property. Draft Covenants, Conditions and Restrictions if appropriate:

- Establish cost estimates for all phases of construction, including finance costs

#### Construction Management

Assemble and mobilize the construction team. Establish accounting and administration procedures to provide monthly reports on construction costs (comparing actual to budgeted costs), work-in-progress, change orders, construction loan draws, cash flow, project financial statements. Build out the project as per plan.

#### Marketing and Sales/Leasing

Create Marketing and Public Relations materials including scale models, site illustrations and information promoting unique building features of the project.

Create a marketing plan.

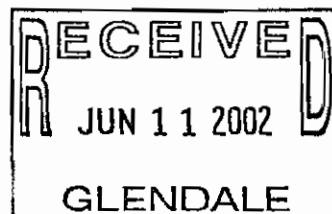
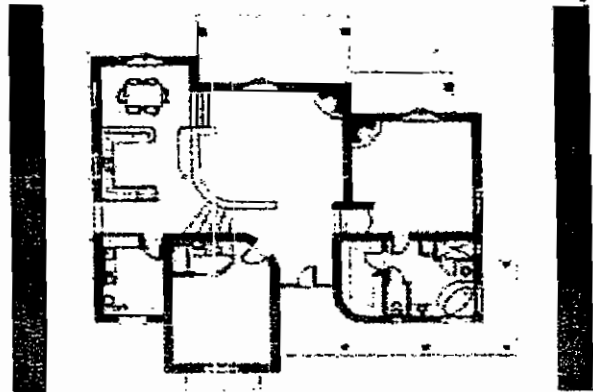
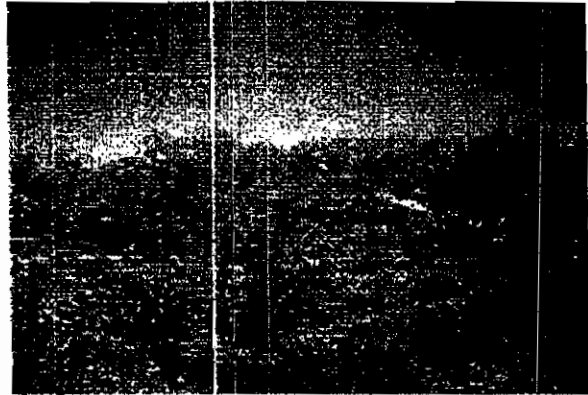
Develop and cultivate leads and commence a Pre-sales/leasing marketing program.

Organize contracts, Escrow instructions and statements, closing files and procedures.

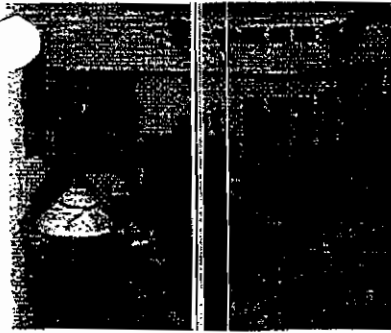
Negotiate the sale or lease terms for the project

Please contact us to discuss how we could assist you to achieve your real estate objectives.

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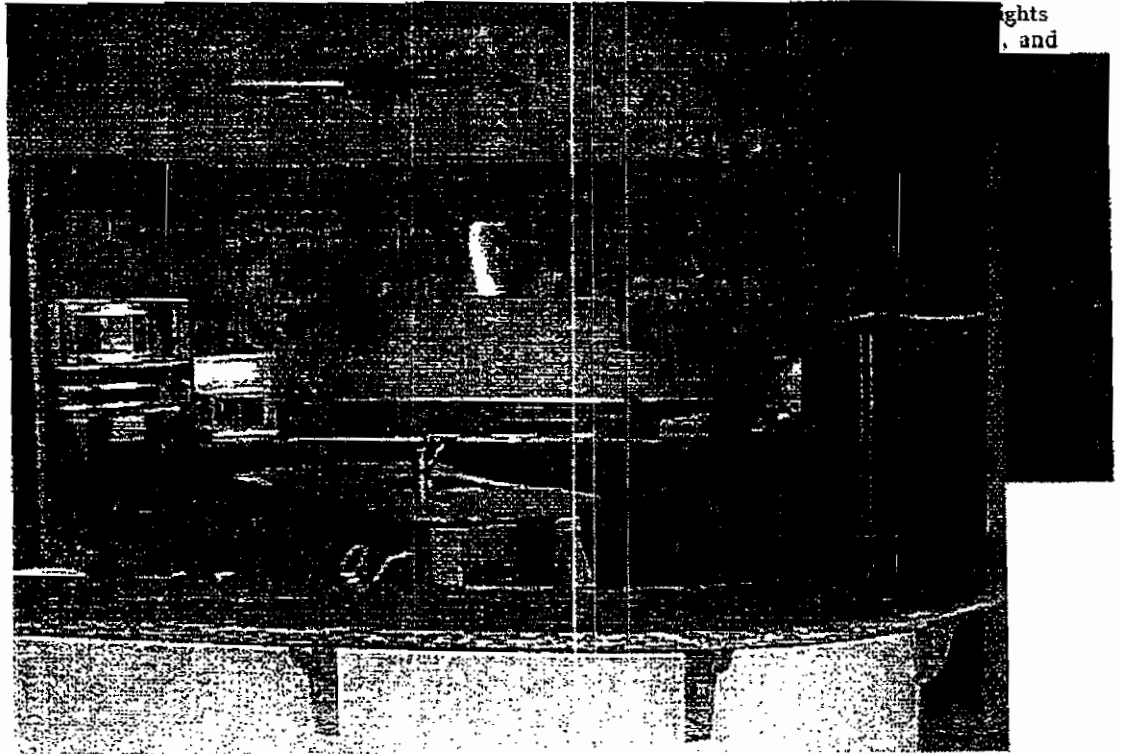


tePlan



**Architectural design...**

Our approach considers quality architecture is aesthetically pleasing, practical, and timeless. By focusing on the details, there is a difference in quality. Working with stone, adobe, and timber is our basis for habitable sculpture. Principles of Feng Shui are incorporated into the design and construction of our projects.



ights  
, and

the environment.

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itePlan

**Construction.**

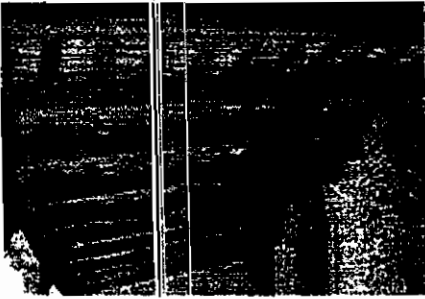
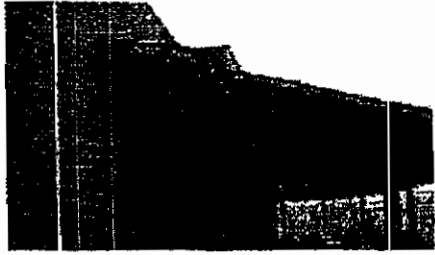
Our family has been involved in the building industry for five generations on three continents. You could say that our understanding of construction is genetic.

Our approach considers quality construction to be aesthetically pleasing, practical, and timeless.

By focusing on the details, there is a difference in quality.

Working with stone, adobe, and timber is our basis for habitable sculpture. Principles of Feng Shui are incorporated into the construction of our projects.

We reduce, recycle, and reuse pragmatically by using materials with low embodied energy that require little maintenance, and are friendly to humans and the environment.



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# Arek Fressadi LLC

Real Estate Development, Land Planning, Architectural Design  
Construction Consulting

Date May 9, 2002

## SUBCONTRACT

40702

SUBCONTRACTOR: Tully-Hoe LLC  
License:  
SS# or Federal EIN:  
Principal Contact: Jim Tully  
Address: PO Box 4194, Cave Creek, AZ 85327-4194

THIS INFORMATION  
WAS GIVEN  
TO LINDA  
BENTLEY BY  
JIM TULLY

VED  
2002  
ALE

These Terms and Conditions of Contract (Agreement) are made between Arek Fressadi LLC and Tully Hoe LLC (Subcontractor) on behalf of Arek Fressadi LLC.

### A. CONTRACT DOCUMENTS

A1. The contract documents (Contract Documents) for ANY project shall consist of: i) this Agreement, ii) the Subcontract Work Order describing the specific services to be performed by the Subcontractor for said project, iii) any Schedules or Exhibits attached to the Work Order, iv) the Agreement between the Owner and Construction Manager (General Contract) for said project, v) the General Supplementary, and other Conditions for said project, and vi) Drawings, Specifications, and all Addenda issued prior or subsequent to execution of the General Contract. Subcontractor specifically acknowledges that this Agreement will control the relationship between the Construction Manager and Subcontractor on any Project in which the Construction Manager accepts or initiates a Work Order to be executed by the Subcontractor.

A2. The Contract Documents are available to the Subcontractor. The Subcontractor accepts responsibility for knowledge of the contents of the Contract Documents. The Subcontractor must bring any conflict or discrepancy in the Work or Contract Documents to the Construction Manager's attention, in writing, prior to executing any Work Order. If no such conflict or discrepancy is called to the attention of the Construction Manager, then the Subcontractor waives any claim against the Construction Manager arising out of any such conflict or discrepancy.

A3. The Subcontractor agrees to be responsible to the Construction Manager by all of the terms of the Contract Documents. The Subcontractor agrees that the Construction Manager would not contract with the Subcontractor for the Work unless, as a condition precedent, the Subcontractor was bound by the same obligations and responsibilities that the Construction Manager assumes toward the Owner, including liquidated damages.

### B. WORK

B1. Subcontractor agrees to perform Work as directed by the Construction Manager and to complete the Work in accordance with the Project Schedule established by the Construction Manager. The Work to be performed by the Subcontractor includes that Work specifically set forth in the Work Order, as well as any and all other Work incident or related to the Subcontractor's area of expertise, including but not limited to that Work reasonably necessary to complete a Project, or system. The Subcontractor shall perform all Work in a skillful and workmanlike manner. It is the express intent of this Agreement that all Work usually performed by the Subcontractor's trade shall be included by this

Price, which is set forth in the Subcontractor shall provide, at its own expense, all items necessary for the proper performance of Work contracted and acceptance of the Project by the Owner.

B2. The Subcontractor acknowledges that it has fully examined all conditions that could affect its performance and that no conditions exist which would affect the progress, performance or price of their Work Order. Any decision or adjustment by the Subcontractor without a written determination by the Construction Manager will be at the Subcontractor's sole risk and expense. All decisions by the Owner or the Architect relative to any ambiguity or discrepancy in the Contract Documents will be binding on the Subcontractor. The Subcontractor will be required to do all things and be bound by all rulings of the Owner or Architect to the extent and degree as the Construction Manager is bound thereto.

B3. The Subcontractor, before proceeding with any Work will field measure and verify all conditions. The failure of the Subcontractor to detect and disclose any existing discrepancies or nonconformities and report the same to the Construction Manager, in writing, before commencing its Work will relieve the Construction Manager of any and all responsibility for it. The Subcontractor will be responsible and liable for all resulting damages, costs and expenses arising as a result of discrepancies and nonconformities.

B4. The Subcontractor shall: (a) cooperate with the Construction Manager and all others whose work may interact with the Subcontractor's Work; (b) specifically note and immediately advise the Construction Manager of any interaction with the Subcontractor's Work; and (c) participate in the preparation of coordination drawings and work schedules involving the Subcontractor's Work.

### C. CONTRACT PAYMENT CONDITIONS

C1. Payments will be made in installments for Work completed by the Subcontractor as progress payments are received by the Construction Manager from the Owner; provided, however, (i) the Construction Manager will retain from each such payment ten percent (10%) of the sum due the Subcontractor to insure complete performance by the Subcontractor, with such retainage to be included in the final payment;

Office: 37934 Schoolhouse Rd., Cave Creek, Arizona  
Mail: PO Box 4791, Cave Creek, AZ 85327  
Voice 480.427.9008, Fax 480.419.1030  
www.fressadi.com



(ii) each payment, including final payment, will not be due until the Subcontractor's Work has been completed to the satisfaction of the Owner and the Construction Manager, said quality to exceed ROC minimum standards. (iii) payment will be made to the Subcontractor within fifteen (15) days after the Construction Manager actually receives the related payment for Subcontractor's Work from the Owner; and (iv) final payment will be made to the Subcontractor within thirty (30) days after all of the following events have occurred: The Work is fully completed and performed by the Subcontractor; the Work is accepted in writing by the Owner and full payment for such Work has been received by the Construction Manager from the Owner; and a complete release of any and all claims (Lien Rights) against the Construction Manager has been executed by the Subcontractor and delivered to the Construction Manager. The acceptance of any progress payments by the Subcontractor will constitute a release of the Construction Manager from any other liability except retainage arising during the payment period. Acceptance of final payment by the Subcontractor constitutes a general release of the Construction Manager. All releases of the Construction Manager will also be releases of the Construction Manager's Surety. If the Subcontractor takes exception to so releasing the Construction Manager its acceptance of payments, the Subcontractor must return such payment with an affidavit by an officer of the Subcontractor listing each and every exception to the release, and stating that no other claim exists. No payment, including final payment, will be made to the Subcontractor, either in whole or in part, and no payment will be construed as an acceptance of defective or incomplete Work. The Subcontractor will remain responsible and liable for its performance being in strict compliance with the Work Order, the General Contract, and all other Contract Documents.

C2. Notwithstanding any other provision of the Contract Documents, the Subcontractor agrees that payment by the Owner to the Construction Manager for Work performed by the Subcontractor will be a condition precedent to any payment obligation of the Construction Manager to the Subcontractor. The Subcontractor expressly agrees that it will not be paid for Work performed in the event that the Owner does not pay the Construction Manager for such Work. The provisions stating that progress and final payments are subject to the condition that the Construction Manager will receive from the Owner progress or final payments in at least the amounts payable to the Subcontractor on account of Work done by the Subcontractor otherwise the time when such payments will be due the Subcontractor will be postponed until the Construction Manager has in fact received payment from the Owner.

**D. STORAGE, CORRECTIONS, SAFETY, CLEAN-UP, INJURIES**

D1. The Subcontractor will be responsible for all of its building materials on the Project. The Subcontractor will provide at its own place of business, at the places of business of its agents and suppliers, and at the Project, sufficient safe and proper facilities for the storage of materials and equipment. The Subcontractor must provide exact quantities and qualities of the materials and equipment being used. If the Subcontractor is assigned a storage area for its equipment, material and tools, it will not store any items outside of the designated area. The Subcontractor will be solely responsible for the receipt, delivery, unloading, storage, warehousing, protection, transportation costs, insurance, and all other issues relating to any materials or equipment it is to furnish, install, provide, or have provided to it for any Work on behalf of the Construction Manager. If the Construction Manager furnishes material to the Subcontractor, then the Subcontractor will be obligated to inspect a material and equipment at time of receipt of delivery to it. The Subcontractor will be responsible to immediately notify the Construction Manager in writing, of any defects or non-conformity in the material or equipment so received or delivered. Failure to notify the Construction Manager is an acknowledgment and acceptance of the material as being in accordance with the Contract Documents and the Subcontractor will be liable for any damages incurred by the Construction Manager as a result

of the Subcontractor's failure to notify the Construction Manager. It is the Subcontractor's obligation, including but not limited to delivery of samples, tests, reports, guarantees, drawings, manuals, certificates, details, warranties, inspections, etc., to obtain any and all required approvals necessary or required under the Contract Documents.

D2. The subcontractor will within twenty-four (24) hours after receiving notice from the Construction Manager, commence to take down and remove any designated portion of its Work which is condemned, disapproved, or is questioned as not being in strict compliance and conformity with the requirements of any Work Order or the Contract Documents. The Subcontractor will promptly, at its own expense, correct and rectify it. If the Construction Manager determines that it will accept non-conforming Work, the Construction Manager will be entitled to a credit for the non-conformity, plus all other costs incurred. The Subcontractor will protect, insure and secure its Work from injury or damage. Any damage prior to final acceptance and payment for the Project will be immediately corrected and rectified by the Subcontractor at its sole expense. Inspection or supervision by the Construction Manager will not relieve the Subcontractor of its obligations herein. The Subcontractor will promptly perform any and all "punch list" items submitted to it by the Construction Manager.

D3. In carrying out its Work the Subcontractor will take all necessary precautions to protect the finished Work of other trades from damage caused by its operations, and will be liable to the Construction Manager for all such damages.

D4. The Subcontractor will keep the Project clean of debris arising out of the operations of this Subcontract on a daily basis. If the Subcontractor fails to do so, the Construction Manager may clean the Project of the debris and charge the cost of such cleaning to the Subcontractor.

D5. The Subcontractor will take all reasonable safety precautions with respect to this Work, will comply with all safety measures initiated by the Construction Manager and with all applicable laws, ordinances, rules, regulations and orders of any public authority for the safety of persons or property. The Subcontractor will report immediately in writing to the Construction Manager any injury to any of the Subcontractor's employees at the Project site, and will give to the Construction Manager a copy of any accident report given to a third party.

**E. WARRANTIES, BONDS, INDEMNITY, INSURANCE**

E1. The Subcontractor warrants that all materials and supplies furnished and incorporated by it in the Project will be new unless otherwise specified, and that all Work under this Subcontract will be of good quality, free from faults and defects, and in conformance with the Contract documents. All Work not conforming to these standards will be considered defective.

E2. The Subcontractor, in addition to all other guarantees and warranties provided by law, by the Contract Documents, and or by the Work Order, and not in limitation of the Construction Manager's other legal rights, warrants and guarantees that the Subcontractor's Work is in strict and absolute accord with the Contract Documents. The Construction Manager may demand assurance, by bond or otherwise, from the Subcontractor that the Subcontractor will abide by its guarantee and warranty as specified.

E3. If any part of the Work, including but not limited to materials or workmanship furnished by the Subcontractor, proves to be defective, or not in conformance with the Contract Documents, the Subcontractor will, at the request from the Construction Manager, repair or replace such defective Work and any damages caused by such defective Work. The Subcontractor agrees to indemnify the Construction Manager against any claims made against the Construction Manager or loss suffered by the Construction Manager including legal fees and costs as a result of the Subcontractor's defective Work for a period of two years from the date of completion and acceptance of the Work by the Owner, or later, if so provided in the Contract Documents.



E4. Subcontractor will furnish the names and addresses of all material suppliers furnishing materials to the Subcontractor for use in the Work as indicated in Paragraph J8.

E5. Should the Construction Manager so require, the Subcontractor will furnish to the Construction Manager a performance bond or a payment bond, or both, in such form and amount and issued by a bonding company as is approved in writing by the Construction Manager as evidence of such bonding capacity.

E6. The Subcontractor agrees to indemnify the Construction Manager and hold the Construction Manager harmless from any and all claims, demands, liabilities, losses, expenses, suits and actions, including attorney's fees and costs, for or on account of (i) any injury or damage to any person or any death at any time resulting from such injury or damage; (ii) any damage to any property; (iii) any failure by the Subcontractor to comply with any laws, ordinances, rules, regulations and orders of any public authority or with the terms and conditions of this Subcontract; or (iv) any other matter whatsoever which may arise or which may be alleged to have arisen, out of or in connection with the Work covered by this Subcontract even though such injury, death, damage, theft, failure to comply or other matter may be, or may be alleged to be, attributable in part to negligence or other fault on the part of the Construction Manager or its officers, agents, or employees. The obligation of the subcontractor to indemnify and hold the Construction Manager harmless will not be enforceable if, and only if, it is determined by arbitration or judicial proceedings that the injury, death, damage, theft, failure to comply or other matter complained of was attributable solely to the fault or negligence of the Construction Manager or its officers, agents, or employees and not, in any manner or in any part, attributable to the Subcontractor. The Subcontractor agrees immediately to reimburse the Construction Manager for all sums that the Construction Manager may pay or be compelled to pay in settlement of any claim.

E7. As part of the Subcontractor's overall obligation to protect others and hold the Construction Manager harmless from all liability, the Subcontractor will obtain, before commencement, and maintain until final acceptance of the General Contract, full insurance coverage as may be specified in the General Contract or elsewhere in this Subcontract, and in amounts not less than those so specified. All insurance will be procured at the Subcontractor's expense and will have the Construction Manager named insured. All insurance will be maintained in the form and with a company satisfactory to the Construction Manager. All certificates of insurance must be filed with the Construction Manager five days prior to scheduled commencement of Subcontract Work. In no case, however, will the Subcontractor procure and maintain less than the following insurance coverage:

(1) Workers' Compensation including Occupational Disease, and Employer's Liability Insurance covering all Subcontractor's employees directly or indirectly engaged in the performance of this Subcontract. The latter insurance will provide \$500,000.00 coverage.

(2) Comprehensive General Liability Insurance including Construction Manager's Protective Liability and Contractual Liability Insurance with minimum limits of \$1,000,000/\$3,000,000 for property and personal damage. Said insurance will also insure the hold harmless and indemnification agreements of the Subcontractor running to the Construction Manager.

(3) Other insurance, including Comprehensive Automobile Liability Insurance as may be required by law or the Construction Manager.

E8. The Subcontractor will not subcontract or subcontract any part of this Subcontract without assuming absolute responsibility for requiring similar insurance from its subcontractors and suppliers. No policy will permit cancellation without fifteen (15) days prior written notice of cancellation to the Construction Manager. Failure of the Subcontractor to maintain complete insurance may be deemed a material breach allowing the Construction Manager to terminate this Subcontract, or to provide

insurance at the Subcontractor's sole expense; in neither case, however, will the Subcontractor's liability be lessened.

#### F. COMPLIANCE WITH LAWS, LABOR AGREEMENTS

F1. The Subcontractor will comply with all laws, ordinances, rules, regulations and orders of any public authority bearing on the performance of the Work under this Subcontract. The Subcontractor will secure and pay for all permits, fees, licenses and royalties necessary for the execution of the Work described in the Contract Documents as applicable to this Subcontract. The Subcontractor will not infringe any patents, trademarks or royalties.

F2. The Subcontractor will comply with Federal, State and local laws, including but not limited to Social Security, Unemployment and Workmen's Compensation, Occupational Safety & Health, Equal Employment, Environmental, and Wage and Price Control Laws, insofar as applicable to the performance of this Subcontract.

F3. Subcontractor specifically understands and agrees that the Construction Manager will award contracts and employ labor upon the Project without regard to whether the employees of any Contractor, Subcontractor or supplier are members or non-members of any labor organization. The Subcontractor agrees that in the event the Work is stopped, delayed, or interfered with as a result of the actions of the employees of the Subcontractor or by a labor dispute directed at the Subcontractor, the Construction Manager may immediately terminate this Subcontract, proceed with the remedies set forth in this Agreement and hold the Subcontractor liable for any resulting damages including, but not limited to, delay and liquidated damages.

#### G. SHOP DRAWINGS, SAMPLES, SCHEDULING, TIME IS OF THE ESSENCE

G1. The Subcontractor will cooperate with the Construction Manager in scheduling and performing its Work to avoid conflict or interference with the Work of others.

G2. The Subcontractor will promptly submit shop drawings and samples as required in order to perform its Work efficiently, expeditiously and in a manner that will not cause delay in the progress of the Work of the Construction Manager or other Subcontractors.

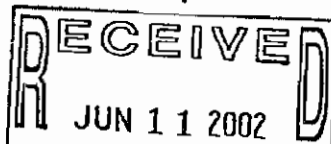
G3. The Subcontractor will cooperate with the Construction Manager and other Subcontractors whose Work might interact with the Subcontractor's Work and will participate in the preparation of coordinated drawings in areas of congestion as required by the Contract Documents, specifically noting and advising the Construction Manager of possible interference. The Construction Manager, however, will not be liable to the Subcontractor for any delays in scheduling the Work to be performed by the Subcontractor or for any damages arising from such delays.

G4. The Subcontractor will furnish periodic progress reports, if requested, including information on the status of materials and equipment under this Agreement that may be in the course of preparation, manufacture, or transit.

G5. Time is of the essence. The completion date fixed by the Contract Documents is dependent upon the Subcontractor's timely performance. Therefore the Subcontractor will start the Work immediately after notification from the Construction Manager. The Subcontractor will employ sufficient men and material so that the Subcontractor's Work will be performed and completed in accordance with the Construction Manager's working schedule.

#### H. CHANGES IN THE WORK, REQUEST FOR PAYMENT

H1. The Subcontractor will make any and all changes in the Work from the drawings and specifications of the Contract Documents without invalidating this Agreement when specifically ordered to do so in writing by the Construction Manager. The Subcontractor, prior to the commencement of such changes or revised Work, will submit promptly to







the Construction Manager written copies of the cost or credit proposal for such revised Work in a manner consistent with the Contract Documents. If the Construction Manager and the Subcontractor are not able to agree as to the amount, either in consideration of time or money to be allowed or deducted, it will nevertheless be the duty of the Subcontractor, upon notice from the Construction Manager, immediately to proceed with such alteration or change, and Subcontractor will not, however, be liable for a greater sum than Construction Manager obtains from the Construction Manager, and also less professional and legal fees and costs and expenses incurred by the Construction Manager in the collection of any such sum of money. The recovery by the Subcontractor for such Work will be conditioned upon a prior recovery by Construction Manager from the Owner for such Work.

H2. Subcontractor agrees to submit all claims for additional costs, extensions of time, damages for delays or otherwise, in sufficient time so that Construction Manager may comply with the provisions of the Contract Documents for like claims of Construction Manager upon the Owner. If such claim by Subcontractor is not submitted in sufficient time, Subcontractor hereby waives such claim.

H3. The Subcontractor will pay for all materials, equipment and labor used in, or in connection with the performance of this and will furnish satisfactory evidence, when requested by the Construction Manager, to verify compliance with this requirement.

**1. ASSIGNMENT, BANKRUPTCY, FAILURE TO PERFORM**

11. The Subcontractor will not assign this Agreement, nor subcontract the whole or any portion of the Subcontractor's Work without the written consent of the Construction Manager.

12. The Subcontractor will not assign any monies due or to become due under this Agreement without the written consent of the Construction Manager.

13. In the event of any of the following: (i) the Subcontractor at any time, in the sole opinion of the Construction Manager, refuses or neglects to supply a sufficient number of properly skilled workmen or sufficient quantity or quality of materials; (ii) any proceedings under a Bankruptcy Act are instituted by or against the Subcontractor; (iii) the Subcontractor becomes insolvent, or makes an assignment for the benefit of creditors; (iv) the Construction Manager, in its sole discretion, reasonably anticipates the Subcontractor will become incapable of satisfactorily performing or completing the Work; (v) the Subcontractor fails to promptly when due all charges for labor or Subcontractor neglects to perform the Work properly or fails to perform any provisions of this Subcontract, then the Construction Manager at its option, after giving written notice to the Subcontractor to make good the deficiency, may provide any such labor and materials and/or do all things as may be necessary and deduct the costs from any monies due, or thereafter to become due, under this Subcontract. Alternatively, the Construction Manager may immediately terminate the Work Order and take possession for the purpose of completing the Work of all drawings, materials, tools and appliances belonging to or in the custody of the Subcontractor and may finish the Work by such means as the Construction Manager sees fit and at the usual and prevailing price for Work of this character in the community. In the event of termination, if the unpaid balance of the Work Order price exceeds the expense of finishing the Work, such excess will be paid to the Subcontractor, but if such expense exceeds the unpaid balance, the Subcontractor will pay the difference to the Construction Manager. Inasmuch as the injury or damage to the Construction Manager by reason of the failure of the performance by the Subcontractor is difficult or impossible to determine with any degree of certainty, it is agreed that in computing the expense of finishing the Work as above provided, there will be added to such expense, as liquidated damages and not by way of penalty, a sum equal to twenty percent (20%) of the total costs for such finishing. The Subcontractor

will promptly pay any sums owed to the Construction Manager, pursuant to this paragraph.

14. In the event the Subcontractor claims a breach by the Construction Manager of any part of this Subcontract, the Subcontractor will, within five (5) working days of any such breach, give written notice to the Construction Manager of claimed breach. Failure to give such notice will constitute a waiver by the Subcontractor of the breach and will release the Construction Manager from any liability to the Subcontractor. If any claim or dispute arises relating to this Subcontract, the Subcontractor will immediately make all of its books and records available to the Construction Manager for review and audit.

**1. MISCELLANEOUS**

11. In the event of litigation arising out of the operation of this Contract between the Construction Manager and Subcontractor, the Subcontractor agrees to pay Construction Manager's reasonable attorney's fees and costs.

12. This Agreement will be binding upon and inure to the benefit of the parties; their heirs, beneficiaries, administrators, legal representatives, successors and assignees, subject to the restrictions on assignment by the Subcontractor set forth in this document.

13. Any notice required or permitted to be given will be sufficient if in writing, and if sent by registered or certified mail, return receipt requested, or if hand delivered and receipted for by an officer or principal of the Construction Manager or Subcontractor. Notice will be deemed as being given upon mailing.

14. This Agreement, plus the Work Order for each specific Project, contains the entire Agreement of Construction Manager and Subcontractor with respect to any Project. Neither this Agreement nor any Work Order may be changed orally but only by an amendment in writing signed by the party against whom enforcement of any such amendment is sought. Titles to, or headings to, any provision will not in any way limit the full contents of such provision.

15. The laws of the State of Arizona will govern this Agreement.

16. In the event any provision of this Agreement is found to be void, the remaining provisions will nevertheless be binding with the same effect as though the void part were deleted.

17. The Subcontractor shall furnish a list of persons, titles and signatures authorized on behalf of Subcontractor to execute / negotiate contracts, sign lien waivers, change orders, and pick up checks.

18. The Subcontractor shall furnish a list of suppliers that the Subcontractor will use to obtain suppliers/materials for each Project governed by this Agreement. Said list shall include the name of the company, telephone, fax, e-mail, website, contact name, and dollar amount of material value.

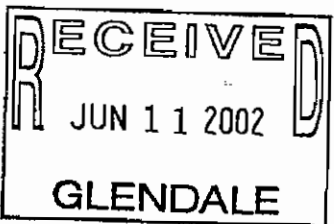
IN WITNESS WHEREOF, the parties have affixed their signatures on the date first above.

AREK FRESSADI LLC

By *Arak Fressadi*  
Its Manager

SUBCONTRACTOR: Tully Hoe LLC

By James Tully  
Its Manager  
Contractor's License Number  
City of \_\_\_\_\_ License Number \_\_\_\_\_



# Arek Fressadi LLC

*Real Estate Development, Land Planning, Architectural Design  
Construction Consulting*

## Subcontractor Work Order

(Addendum to Subcontractor Agreement #02-02)

May 9, 2002.

To:

James Tully  
Tully-Hire LLC  
PO Box 4194  
Cave Creek, AZ 85327-4194

Re: Installation of Underground electric, cable TV and telephone.

Install approx. 700' +/- of primary CATV, telephone 2" conduit including sweeps.

Install approx. 700' +/- of primary APS 2" electrical service conduit including sweeps.

Install all transformer templates and secondary 3" conduit as needed to service 8 houses including sweeps.

Owner to provide all material from Edson Electric. Contractor to supply Owner a list of all materials necessary.

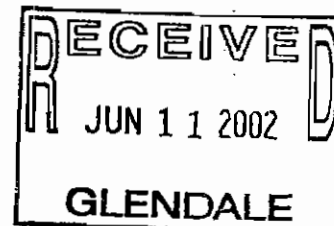
Owner to supply labor to screed caliche / decomposed granite on site for ditch shading for electrical, sewer, and water line. Contractor to supply screen.

Owner to supply all labor and concrete to cover conduit in hard dig areas. Contractor and owner to verify location of all hard dig areas. Hard dig at ironwood tree to done with a jackhammer—not a hammer hoe and dug out manually. Owner to supply labor and jack hammer for this area.

Contractor to clean all driveways and roadways and remove excess soil (including caliche / decomposed granite debris if necessary) to Owner designated areas on site.

Contractor is responsible for preserving all vegetation, and revegetation of any damaged areas. Owner shall mark those areas that are not to be disturbed with yellow tape or rope.

Contractor to provide the above equipment, labor, and auxiliary supplies, and material for the sum of Five Thousand Dollars (\$5,000) payable on inspection and approval by APS, completion of all clean up, and the acceptance by the Owner.



Office: 27924 Schoolhouse Rd., Cave Creek Arizona  
Mail: PO Box 4791, Cave Creek, AZ 85227  
Voice 480.437.9008, Fax 480.419.1030  
[www.fressadi.com](http://www.fressadi.com)

Fax



1250  
2500  
1250  
5000  
Trans & Fuel

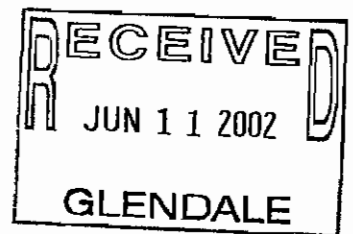
To: Eric  
 From: (Signed) Fresno 5  
 Fax: 480.368.0123  
 Pages: 1  
 Phone:  
 Date:  
 Rec: Price on List  
 CC:  
 Urgent    For Review    Please Comment    Please Reply    Please Recycle

Comments:

6	36"	2"	SWEEPS	6.45 <sup>38.70</sup>	2 PVC 45 X 36 Sch 40
6	36"	2"	SWEEPS	6.89 <sup>41.34</sup>	2 PVC 90 X 36 Sch 40
1500	FT	2"	CONDUIT	46.45 <sup>100FT</sup>	2 PVC Sch 40 <sup>68</sup> 696.75
8	36"	3"	SWEEPS	13.05 <sup>104.41</sup>	3 X 90 X 36 PVC Sch 40
240	FT	3"	CONDUIT	87.95 <sup>100FT</sup>	3 PVC Sch 40 263.85

1145.04

Contractor License: ...  
 PO Box 570 ...  
 Voice 4130 215 2151 ...



DM:

ALLY-HOE LLC

BOX 4194

CAVE CREEK, AZ 85327-4194

PROPOSAL SUBMITTED TO:

AREK FRESSADI

P.O. BOX 5708

CAREFREE AZ 85377

PHONE 480-213-2158

PAGE NO. 1 OF 1 PAGES

DATE 05/01/02

JOB NAME

SCHOOL HOUSE ROAD

ADDRESS

APS

CITY/STATE/ZIP

CAVE CREEK AZ 85377

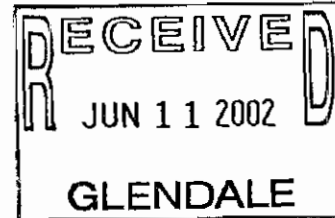
We hereby submit specifications and estimates for:

APS, CABLE TV, PHONE

INSTALL APPROX. 700' APS PRIMARY  
CATV, TELEPHONE, CONDUIT  
INSTALL PER APS AGREEMENT

BID EXCLUDES: HARD DIG, HAMMER TIME,  
IMPORT OR EXPORT OF MATERIAL  
VEGETATION OR RE-VEGETATION OF LANDSCAPE.

BID INCLUDES ALL PARTS AND LABOR  
BID AT \$10.00 PER FOOT  
\$7000.00



We hereby propose to furnish labor and materials - complete in accordance with the above specifications, for the sum of SEVEN THOUSAND dollars (\$ 7000.00 ) with payment to be made as follows:

50% UP FRONT BALANCE ON COMPLETION

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accident or delays beyond our control. This proposal subject to acceptance within 15 days and it is void thereafter at the option of the undersigned.

Authorized Signature

ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

ACCEPTED:

Signature \_\_\_\_\_

Date 05/05/02

Signature \_\_\_\_\_



**Dean Heller**  
**Nevada Secretary of State**  
*Corporate Information*



**Name: CYBERNETICS GROUP, LTD., THE**

<b>Type:</b> Corporation	<b>File Number:</b> C4630-1997	<b>State:</b> NEVADA	<b>Incorporated On:</b> March 06, 1997
<b>Status:</b> Current list of officers on file		<b>Corp Type:</b> Regular	
<b>Resident Agent:</b>	RESIDENT AGENTS OF NEVADA INC (Accepted)		
<b>Address:</b>	711 S CARSON ST		
	#4		
	CARSON CITY	NV	89701
<b>President:</b>	AREK FRESSADI		
<b>Address:</b>	711 S CARSON ST STE 4		
	CARSON CITY	NV	89701
<b>Secretary:</b>	AREK FRESSADI		
<b>Address:</b>	711 S CARSON ST STE 4		
	CARSON CITY	NV	89701
<b>Treasurer:</b>	EDWARD PULASKI		
<b>Address:</b>	711 S CARSON ST STE 4		
	CARSON CITY	NV	89701

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<a href="#">Search for another Officer</a>	<a href="#">Search for another Corporation</a>

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 JUN 11 2002  
**GLENDALE**

# Cave Creek Council nixes Fressadi's 'lot split' request

By Linda Bentley

CAVE CREEK - Cave Creek Town Council unanimously (with Councilmen Gilbert Lopez and Bruce Flickinger absent) turned down a request by Arek Fressadi for a lot split at Monday night's council meeting after he announced his intent was actually for an eight-lot subdivision.

Planning Director Ian Cordwell said that Fressadi has been working with the town for over a year on this project, has already done a three-lot split on the adjacent parcel and the project will eventually be eight lots.

Cordwell said there was now some question as to whether this was actually a lot split or a subdivision.

Although the applicant for the lot split was listed as Ralph Nisenbaum P.E., it was Arek Fressadi representing the Cybernetics Group, a Nevada Corporation, presenting the case to council. Although Fressadi claims to be

only a minor shareholder, holding one share out of eight, he is listed as president and secretary of the corporation, which he previously stated was a group of investors from Singapore.

Fressadi stated, "The buyers of lots one and two will probably split those lots too," declaring final build-out at eight.

He then told council that they had the ability to waive the requirements and recited A.R.S. 9-463.01.M, which reads, "For any subdivision that consists of ten or fewer lots, tracts or parcels, each of which is of a size as prescribed by the legislative body, the legislative body of each municipality may waive the requirement to prepare, submit and receive approval of a preliminary plat as a condition precedent to submitting a final plat and may waive or reduce infrastructure standards or requirements except for improved dust-controlled access

and minimum drainage improvements."

Councilwoman Grace Meeth warned of setting such a precedent, as they have other eight-lot subdivisions under review.

Fressadi said, "There needs to be a certain amount of reliability in how the town advises staff ... the town has the ability to waive the requirements."

Town Manager Usama Abujbarah informed council that they could not approve the lot split, since it was by Fressadi's own admission that his intent is to do eight lots. He then said, "It would be a violation of the town's subdivision ordinance."

Fressadi told council, "I'm looking out for the best interest of the community."

He then threatened, "I can go forward with the subdivision and I can get 12 lots ... zoning would allow that, and I'll place two-story homes on those lots."

Councilman Jerry Whitmore asked Abujbarah why the council packet recommended approval of the lot split but now recommended that it be denied.

Abujbarah said that Fressadi had now made his intent known that he was planning a subdivision and that they would not be able to approve a lot split.

Fressadi said he wouldn't mind withdrawing his application for a lot split if council would waive the requirements under the "10 or fewer lots" subdivision statute.

With a motion and second on the table to deny the lot split, Meeth made it very clear that in denying the lot split, council was not, in any way, making any sort of deal to waive any requirements.

According to Abujbarah, the town would not be able to waive the requirements requested by Fressadi since it had never incorporated that language into their subdivi-



PHOTO BY LINDA BENTLEY

Shortly after Arek Fressadi told the Cave Creek Council that he was looking out for the best interests of the community, he threatened, "I can go forward with the subdivision and I can get 12 lots ... and I'll place two-story homes on those lots."

sion ordinance.

Last word was Fressadi visited town hall the following morning and demanded his money back for his lot-split

application.

Abujbarah explained that the town had already done all the work, and once again Fressadi was turned down.

# Fressadi under investigation

## Town halts further lot splitting; will not issue building permits

By Linda Bentley

CAVE CREEK - On Feb. 27, Cave Creek Director of Planning Ian Cordwell issued a letter to Arek Fressadi to inform him the town of Cave Creek would be placing a hold on any further splitting of parcels 211-10-010 and 211-10-003.

Fressadi purchased both parcels, totaling approximately six acres, in 2001 from Robert and Debi Ravenscroft under bizarre circumstances, placing one parcel under his name and one under the name of the Cybernetics Group, which he signed for as the president.

Fressadi applied for a three-lot split on one parcel. However, he hired contractors to install infrastructure for eight lots and was marketing the eight-lot subdivision as "Las Casas de Fressadi" on a website.

Like Fressadi, whose name was once Eric Freed, the pro-

ject has undergone name changes. It went from "Las Casas de Fressadi," to the "Schoolhouse Project," and most recently has been called, "Scenic Vistas." The plans appear the same under each name.

When the town realized Fressadi, by his own admission during a council meeting last year, planned to develop a subdivision, without going through the subdivision process, they refused his application for subsequent lot splits.

Fressadi then "sold" a parcel to Keith Vertes, who claims he went to high school in Ohio with Fressadi, transferring title using a Quit-Claim Deed in a no-money-down transaction. Vertes immediately applied for a lot split.

More recently, Fressadi "sold" a parcel to Keith Valentine, a friend of his from San Diego, who applied for a lot split, months prior to his no-money-down purchase.

After the town pulled Valentine's lot-split application from council's agenda, until such a

time that he could be present, Fressadi forwarded a vulgar email he received from Valentine to Mayor Vincent Francia and Councilwoman Shea Stanfield, that used vulgar and racist remarks in referring to Town Manager Usama Abujbarah.

Cordwell's letter states, "The potential violation noted above will be forwarded to the Town Marshal's Office for further investigation."

He made Fressadi aware if Town Marshal Adam Stein determines a violation of the town's Code did in fact take place, it would be forwarded on to town prosecutor Mark Iacovino for appropriate legal action.

While under investigation, Cordwell advised Fressadi that no building permits shall be issued for the construction of any building or structure located on a lot or parcel created by the original lot division, which may be in violation of the state and/or town's subdivision regulations.

Cordwell concluded, "In the event a building permit has al-

ready been issued, and it is later learned the parcel was created in violation of these regulations, the Town may declare a moratorium on construction and require compliance with these regulations and may take whatever steps necessary to insure compliance. In addition a stop shall be in place on the further division of the remaining parcels created by the original lot splits."

Meanwhile, Hari Saba, who said he and his brother Abe were so upset by Valentine's racist comments, submitted a letter to the editor, which *Sonoran News* printed in the Feb. 11 edition.

Since then, Saba, who said in his letter he was "appalled, disgusted and furious" by Valentine's bigotry, received a phone message from Fressadi, who said, "This is Arek Fressadi calling for Hari Saba or Abe Saba, depending upon which name do you wish to use. In reference to your letter to the editor of *Sonoran News*, I can be reached at (phone number deleted). I also know where you live."

# Fressadi videotapes apology

## Continued weaving tangled web

By Linda Bentley

CAVE CREEK - Dressed in a suit, Arek Fressadi, with the assistance of his son Gairred, videotaped himself apologizing to the town during the Call to the Public segment of the Feb. 17 Cave Creek Town Council meeting.

Last year, Arek Fressadi was turned down for a lot-split application that would have created a subdivision without going through the required lengthier and costly subdivision process.

Fressadi applied for the lot split under the name of his Nevada Corporation, the Cybernetics Group, LTD as its president.

Shortly after Fressadi was turned down, Keith Vertes approached the town for a lot split on the same parcel, claiming to have purchased the parcel from Fressadi.

However, a Quit Claim Deed was the only instrument recorded, which did not reflect

any money had changed hands. Vertes' lot split was turned down at that time.

Fressadi then changed the officers listing for the Cybernetics Group to reflect Larry Frutkin, a Nevada resident agent, as the president, treasurer and secretary of the Cybernetics Group.

The case came back to council with Fressadi claiming to no longer have any affiliation with the Cybernetics Group, although he remains as the only listed qualifying party for its general contractor's licenses as Arek Fressadi, LLC.

Fressadi then recorded a Quit Claim Deed, along with an Affidavit of Property Value that he filled out himself, which, according to several realtors, seems very peculiar.

Several brokers stated they have never filled out an Affidavit of Property Value, it has always been completed by the



PHOTO BY LINDA BENTLEY

**Arek Fressadi videotaped himself publicly apologizing to Town Manager Usama Abujbarah.**

title company.

When Fressadi sold his home on Whitehorn Place in the Entrada subdivision in Carefree Fidelity National Title all his assets were sold. Someone named Stacey L. Wagner signed the affidavit on behalf of the seller for Fressadi's all-cash sale of another parcel he sold on Black Mountain.

See Fressadi page C-4

## Community News

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counsel on the lot split matter in Cave Creek. After more fully understanding the situation, I have chosen to decline his case.

"Please cancel the meeting we had previously set up for next Thursday morning and direct all future correspondence directly to Mr. Valentine until such time as he retains an attorney who will contact you."

Fressadi has since told the

town he has another "buyer" for the lot he "sold" to Valentine, while a woman named Sequoia Lyn-James, an aroma therapist from Seal Beach, Calif., has applied for a lot split for the parcel with the small house in which Fressadi claims to live.

The recorder's office has no record of any sale to Lyn-James. Meanwhile, Ralph Nisenbaum and his partner Arvel Jones, working as CBR

Consultants, lot surveyor and civil engineer have been doing the lot splits and other drawings for Fressadi.

Fressadi brought Nisenbaum to one of his administrative hearings before the Registrar of Contractors as an "expert witness." Nisenbaum has engineered drawings for Fressadi's planned eight-lot subdivision while Jones has done lot splits for Fressadi.



**1-30-01 Partial list of victims of dishonest & vicious attacks by Sorchych/Sonoran News:**

**First major target/victim. Repetitive attacks by Sorchych ending up in his recall:**

(602) 488-2549 fax: (602) 488-1245

Ex-Mayor Bernard Buffenstein  
P. O. Box 4382  
Cave Creek, Arizona 85331

**Strong equestrian spokesmen in the community. Early conflicts with Sorchych:**

(602) 488-5440

Claire Ross

(602) 488-2622

Roger Kull  
P. O. Box 1863  
Cave Creek, Arizona 85327

**Current president of the local chamber of commerce, Tina Bruess.**

488-3363 (5/10/99)

Tina Bruess  
CAREFREE/CAVE CREEK  
CHAMBER OF COMMERCE  
P.O. Box 734  
Carefree, Arizona 85377

**Ex-Carefree Mayor Hugh Stevens**

**Ex-Carefree Councilman Stu Spalding**

**Ex-Cave Creek Mayor Tom Augherton**

**His mother-in-law, Ex-Cave Creek P&Z Chair Joan Dodd**

(602) 996-9910 fax: (602) 494-9303

Joan Dodd  
REALTY EXECUTIVES  
11211 North Tatum #130  
Phoenix, Arizona 85028

**Her son, landowner Lance Dodd**

**Ex-Cave Creek Councilman David Phelps**

**Ex-Cave Creek Councilman Peter Cure**

**Ex-Cave Creek Councilman Ellen Sands**

**Ex-Town Attorneys Tom Irvine & Ellen Van Riper**

(602) 230-8080 fax: (602) 230-0105

Ellen M. Van Riper  
Thomas K. Irvine  
IRVINE VAN RIPER  
1419 North 3<sup>rd</sup> Street #100  
Phoenix, Arizona 85004-0105

**Ex-Cave Creek Town Manager Kerry A. Dudek**

**Ex-Cave Creek Planning Director Ron Short**

**Ex-Cave Creek Councilman & local artist Lester Rechlin**

**His partner/girlfriend Roberta Toombs**

**Local Developer Bud Owings**

**Previous Neighboring landowner, Kent Myers**

M: 390-3375 P: 310-2467  
488-1616 fax: same with turn-on instructions  
200-9474

Kent Myers  
P. O. Box 4074  
Cave Creek, Arizona 85331

**Head of fight to save Spur Cross Ranch – Gary Schmitt**

(480) 488-5922 fax: (480) 595-0487

Gary Schmitt  
P. O. Box 514  
Cave Creek, Arizona 85327

**Previous Publisher Editor of the *Foothills Sentinel*:**

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VOL. 17 ISSUE NO. 19 | MAY 11 – 17, 2011

BY LINDA BENTLEY | MAY 11, 2011

## Arek Fressadi facing criminal damage charge

*M&I Bank files motion to convert Fressadi's bankruptcy to Chapter 7*

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**Because his property is in foreclosure and he's been unable to extract monetary settlements from the people he sold neighboring parcels to, Arek Fressadi has been accused of demolishing improvements to his School House Road property and causing \$75,000 in damage to his neighbor's property.**

Photo by Linda Bentley



CAVE CREEK – Despite M&I Marshall & Ilsley Bank having filed a judicial foreclosure against his School House Road property in April 2010, Arek Fressadi has been undoing improvements made to the property, some of which were done prior to M&I making the loan.

Fressadi peeled up the driveway when he was unable to extract monetary settlements by suing the three neighboring property owners to whom he sold parcels.

In October 2010, Fressadi demolished a retaining wall on his property that was an integral part of a retaining wall system on the neighbors' property.

The destruction of the lower retaining wall caused the neighbor's wall to fail.

Approximately two weeks later, Fressadi went to town hall and signed a code compliance complaint against his neighbors for maintaining a faulty retaining wall, making it clear he tore down the wall to damage his neighbor's property, causing approximately \$75,000 in damage.

The town prosecutor filed a misdemeanor criminal damage charge against Fressadi in December.

Although a bench trial (to be decided by a judge), Fressadi filed a motion for a change of venue, which is what someone would file if he felt he could not receive a fair trial due to the jury pool. A change of venue would not change the judge.

Cave Creek Municipal Court Judge George Preston took Fressadi's motion as a request for a change of judge and transferred the case to the Desert Ridge Justice Court, where it is scheduled to be heard on June 22.

Meanwhile, Fressadi has filed a flurry of motions in U.S. Bankruptcy Court, where, on April 20, Bankruptcy Judge Eileen Hollowell granted M&I's motion for stay relief with respect to his School

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House property.

Fressadi filed a notice of appeal on April 28.

Fressadi has also Quit Claimed the property to Scenic Vistas, a company owned by Fressadi and his son Derrack Fressadi, claiming a priority lien of approximately \$325,000, for improvements made to the property, although the lien was admittedly never perfected.

Fressadi's Bankruptcy Attorney Jay Powell filed a motion on April 11 to withdraw as counsel of record, citing "a direct conflict of interest has risen" and said he could "no longer provide effective assistance to debtor."

Powell stated, "There has been a significant breakdown in the attorney-client relationship leading to irreconcilable differences which has risen to the level at which counsel can no longer ethically provide effective assistance of counsel," and said he filed the motion to withdraw "after a lengthy discussion with the debtor."

Two days later, Powell filed a request for an emergency hearing on his motion to withdraw, motion to continue the evidentiary hearing and motion to continue deadlines.

Powell, who filed a motion to immediately withdraw as counsel of record, reiterated the "significant breakdown in the attorney-client relationship leading to irreconcilable differences" rising to a level at which Powell could no longer ethically provide effective assistance of counsel.

Powell pointed out Fressadi had begun filing his own documents as a pro se litigant and that Fressadi would continue pro se until he finds substitute counsel.

On April 28, M&I filed a motion requesting the court convert Fressadi's Chapter 11 bankruptcy case to Chapter 7.

Attorney Hilary Barnes of the Cavanagh Law Firm, representing M&I, stated cause existed for conversion based on the circumstances before the court.

Barnes noted Fressadi was using cash collateral – rent collected for the School House property – "without consent or accounting for such use, he has not filed a budget for his monthly spending despite being directed to do so, he's filed no operating reports and recently indicated that he transferred the real property to a company owned by the debtor and his son."

Barnes goes on to say the plan of reorganization filed by Fressadi was patently unconfirmable and there were no circumstances before the court indicating creditors would be better served by the case remaining in Chapter 11.

She stated administration by a Chapter 7 Trustee, an independent third party, would be better able to investigate and disclose the debtor's assets and administer the estate for the benefit of creditors.

Fressadi's Summary of Schedules reflected \$317,000 in assets and \$1.2 million in liabilities.

Schedule A shows Fressadi owns a residence in Tucson worth \$118,000 that is unencumbered.

Although Fressadi indicated he receives \$1,600 per month from employment and \$566 in food and medical welfare from the state, he provided no disclosure as to the source of the \$1,600.

The same schedule shows Fressadi receives \$1,250 per month in rent from a tenant residing at the School House Road property.

However, Barnes points out, the rent constitutes M&I's cash collateral and M&I has not consented and will not consent to the use of that cash collateral.

While the schedules show Fressadi has only \$606 in disposable income per month, Barnes said the

calculation includes M&I's cash collateral. Deducting the cash collateral from the amounts available to pay expenses would result in a negative monthly cash flow.

Further, Fressadi ignored the stay relief granted to M&I with regard to the School House Road property and refused to take into account it could not be used as part of the plan.

Fressadi also acknowledged in his plan that the Scenic Vistas mechanic's lien is unperfected.

Barnes raised "numerous other problematic provisions" with Fressadi's plan, including payment to counsel that has yet to be retained, as required by the Bankruptcy Code.

Barnes also notes Fressadi has already damaged parts of the property and has therefore demonstrated his capacity to inflict substantial loss to assets of the estate.

And, despite the court's specific order requiring he file a budget accounting for his personal expenditures, Fressadi has failed to do so.

In closing Barnes states, "Finally, the debtor filed his Chapter 11 bankruptcy petition in a bad faith attempt to abuse the judicial and reorganization process. As noted in the Stay Relief Motion, 10 days after the superior court granted summary judgment in favor of M&I, the debtor filed the bankruptcy case in an obvious effort to prevent the superior court from entering its final order allowing M&I to judicially foreclose on the real property."

Barnes urged the court to grant conversion, allowing a Chapter 7 Trustee to investigate and then effectively administer the estate. She asserted there are no unusual circumstances before the court to establish Chapter 11 is in the best interest of the estate's creditors and stated dismissal is not a better alternative.



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**Real estate trickery, schemes and games**

**By Debi Ravenscroft,  
Nevada City, CA**

Regarding the recent article "Council deadlocks on Vertes lot split," Vice Mayor Ralph Mozilo was still feeling uncomfortable with the "sale" and asked Town Attorney Bill Farrell, "what protection does the town have against a scam from occurring?"

HMMM ... As I read the story by Linda Bentley and then read it again, I just had to laugh. Please assist me in letting Bill Farrell know that if Arek Fressadi, Cybernetics Group or anything even remotely related to them is involved in a real estate deal you can bet that somewhere hidden in the MOUNDS of paperwork and smoke screens there is sure to be a scam lurking.

I have had the unfortunate "pleasure" of selling the piece of property in question to Mr. Fressadi and I assure you that was more than a year of real estate trickery, schemes and games. He is a master.

I urge the beautiful town of Cave Creek to proceed with caution.

Arek Fressadi  
PO Box 4791  
Cave Creek, AZ 85327  
480.437.9008  
Fax 480.437.9007  
[arek@fressadi.com](mailto:arek@fressadi.com)

Robert B. Ravenscroft Jr.  
Debi L. Ravenscroft  
10901 Mill Springs Drive  
Nevada City, CA 95959-9595

February 29, 2004

Re: Defamation, libel per se.

Dear Robert and Debi:

Defamation is a communication that brings a person into contempt, disrepute or ridicule, or otherwise injures the person's reputation. Libel is written defamation.

On April 13, 2000, you entered into a contract with Arek Construction to sell 37737 Schoolhouse Rd. On April 14, 2000, you entered into another contract to sell the same property to another party and then attempted to weasel your way out of your contract with Arek Construction.

We filed a Lis Pendens to quiet title and you lost. You and your attorneys smartly agreed to settle to avoid additional damages because in addition to the fraud of selling your land twice, you also misrepresented it:

1. You represented the property was attached to public sewer when it was not.
2. You represented that the land would be surveyed when it was not.
3. You misrepresented the condition of the property in your Seller disclosure statement.

In the Sonoran News article, you claim that:

"Thinking that their property was sold, the Ravenscrofts notified their tenant who was renting the house on the property, who subsequently moved out. The Ravenscrofts were now unable to rent the property out to anyone else."



At the time of contract, the house was vacant, abandoned—the house had no appliances, no heat, no air-conditioning, and broken windows. Water ran black from the pipes—pitch black! In fact, the listing agreement is for land and you refused to sell the house with any kind of seller warranty.

Yet you claim that you lost a tenant because of me? Who were you renting the house to Debi—cockroaches? Rats?

You made it virtually impossible to finance the acquisition of your property and close. I suspect that another buyer was offering you a better deal.

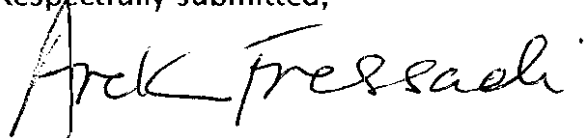
On two occasions, you have written letters to the editor of the Sonoran News continuing your egregious mendacity with the sole intent of harming my reputation.

Debi—your letters to the editor and the article written by Linda Bentley based upon your information is textbook libel.

You have two options:

Publicly retract your libel to my satisfaction, or I'll see you in Court.

Respectfully submitted,

A handwritten signature in black ink that reads "Arek Fressadi". The signature is written in a cursive, slightly slanted style.

Arek Fressadi