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October 22, 2010

10-002

By fax to #603-669-7080  
and by Overnight Delivery

David L. Nixon  
Nixon, Raiche, Vogelman, Barry & Slawsky, P.A.  
77 Central Street  
Manchester, NH 03101

Re: In re: Peter Hildreth, Docket No. 2010-002  
Before the Governor and the Executive Council

Dear Mr. Nixon:

I received your Motion for Discovery, Etc., and will file a formal response to it before the Governor and Executive Council. Meanwhile, I am providing you with certain discovery, some of which is requested in your Motion and some is not. Specifically, I am enclosing the following by overnight delivery:

1. A letter from Celia Leonard dated August 17, 2010, together with two-page printout from the Banking Department website and a CD containing documents pertaining to FRM, which were publicly available on the Banking Department website;
2. A letter from Celia Leonard dated September 1, 2010, together with a CD containing redacted documents from the Banking Department.
3. A letter dated September 2, 2010 from Richard W. Head and two CDs containing documents provided by the Securities Bureau.
4. Reports of interviews conducted by the Attorney General's Office of the following individuals:
  - a. Thelma Bean
  - b. Chris Carter
  - c. Lorry Cloutier
  - d. Barry Glennon

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- e. Suzanne Gorman
- f. Kimothy Griffin
- g. Peter Hildreth
- h. Mary Jurta
- i. Steve Latici
- j. Christopher Lent
- k. Kerry Molin
- l. James Shepard
- m. Donna Soucy
- n. Jeffrey Spill
- o. Ron and Jackie Stone

I also have the following from the Banking Department, which have been provided to me subject to a Confidentiality Agreement: (i) a disc containing unredacted documents (considered confidential by Banking); (ii) a disc containing Peter Hildreth emails (considered confidential by Banking); and (iii) a series of other documents referenced in Celia Leonard's September 1, 2010 letter (which Ms. Leonard's letter confusingly indicates is "governed by the . . . Confidentiality Agreement). Because I received these documents subject to a Confidentiality Agreement with the Banking Department (or as to item (iii) there is a question whether Banking considers the documents confidential), I cannot provide you a copy absent Banking's agreement. For that reason, I am copying this letter to Michael J. Walls, who is now serving as counsel to the Banking Department for this matter. I am also enclosing a copy of my Confidentiality Agreement with Banking.

I have requested additional documents from the Banking Department and have, in connection with that request, entered into a Second Confidentiality Agreement with Banking, a copy of which is also enclosed. Once I receive any additional documents from Banking, I will forward them to you, again subject to Banking's approval and/or entry into a confidentiality agreement suitable to you and to Banking. I have taken the liberty of drafting, and enclosing with this letter by fax, a proposed Agreement Regarding Disclosure of Confidential Banking Department Documents to Peter Hildreth's Counsel ("Proposed Agreement") for your and Mr. Walls' review. The Proposed Agreement would cover my disclosure to you of documents Banking considers confidential, and our use of Banking documents that may contain confidential information at the hearing before the Governor and Executive Council. This should facilitate disclosure to you of the Banking documents that have been or will be produced to me subject to a confidentiality constraint.

I also have a number of documents, which I may use at the hearing in this matter, which are equally available to us both. In this category of publicly available information, are included relevant statutes; Banking Department regulations; the reports regarding FRM issued by the Attorney General, the Securities Bureau, and the Joint House and Senate Commerce

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Committees; the exhibits, if any, to those reports; the testimony given to the Joint House and Senate Commerce Committees looking into the FRM matter; and documents from PACER regarding the federal criminal proceeding against Scott Farah and Donald Dodge. Please let me know if you need copies of any of these public documents.

Finally, without addressing the relevance and over-breadth of your requests, with respect to the specific requests for production that you have made in your Motion for Discovery, Etc., I have the following specific responses about my production:

1. I am now providing you, or will provide you as set out above, all responsive documents that I have.
2. The exhibits to the Attorney General's report are available online. See <http://www.doj.nh.gov/publications/reports.html>.
3. I have no responsive documents, except what is available online. See <http://www.nh.gov/council/archives/index.html>.
4. I am now providing you with the reports that I have of interviews conducted by the Attorney General's Office. I have no so-called "raw notes". This request is better addressed to Richard Head at the Attorney General's Office. I am copying him on this letter.
5. I do not believe that I have any such complaints, letters of concern, inquiries or communications by the Governor and/or the Governor's Office of Citizen Services regarding the FRM matter and any follow-up to those inquiries. To the extent that I do, however, I am now providing you, or will provide you as set out above, all responsive documents that I have.
6. I do not know if I have the complete "packet" that you are seeking, but I am providing you, or will provide you as set out above, all responsive Banking documents that I have. I also believe that the documents you are seeking in this request are available online. See <http://www.nh.gov/banking/FinancialResourcesMortgage.html>.
7. I have no responsive documents.
8. I do not believe I have the documents produced in response to the WMUR right to know request in the form it was produced, but I will see if I can get the documents from Banking in that form. I believe that many, if not all, of the documents produced are included in or among the documents that I am now providing you, or will provide you as set out above.
9. I do not know what this request is seeking exactly, but, to the extent we have it, I am now providing you, or will provide you as set out above, the documents that I have.

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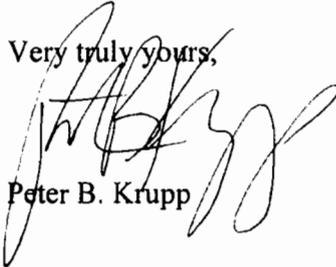
10. I am providing you with all documents we have that relate to complaints to Banking relating to FRM. To the extent we obtain additional complaints relating to FRM from Banking, we will provide them to you.

11. I do not know what this request is seeking exactly, but, to the extent we have it, I am now providing you, or will provide you as set out above, the documents that I have.

I will supplement these disclosures to you as this matter progresses and as I obtain additional relevant documents.

Please feel free to contact me directly with any questions or concerns. Thank you.

Very truly yours,

  
Peter B. Krupp

PBK:kas

Enclosures (by overnight delivery; Proposed Agreement by fax also)

cc: Donald J. Perrault, Counsel to the Executive Council (w/o enc.)  
Jeffrey A. Meyers, Counsel to the Governor (w/o enc.)  
Richard W. Head, Attorney General's Office (w/o enc.)  
Michael J. Walls, Counsel to the Banking Department (w/ Proposed Agreement)