EXHIBIT 1

COPY MAY 26 2010



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Attorneys for Plaintiffs

|| Attorneys for Plaintiffs

SUPERIOR COURT OF ARIZONA MARICOPA COUNTY

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SOTERIA, LLC, an Arizona limited liability company, as lawful transferee and successor in interest to BRUCE DENNIS BUCKLEY AND ALIVIA VIRGINIA BUCKLEY,

Trustees Of The Bruce Dennis Buckley and

Alivia Virginia Buckley Revocable Living

Trust Dated June 4, 1985 and Amended December 7, 1994; ROBERT G. FURST,

Trustee Of The Robert G. Furst & Associates

Defined Benefit Pension Plan; MORRIS A.

KAPLAN AND CAROLYN N. KAPLAN,

Trustees Under The Second Amendment And Restatement Of The Morris and Carolyn

Kaplan Revocable Trust Dated October 15,

1999; LINDA MAYNE AND STEPHEN

MAYNE, husband and wife; LINDA

MAYNE, Trustee Of The Mayne And

Company Defined Benefit Pension Plan Dated

December 31, 2005, and any amendments thereto; LINDA A. REEVES, Trustee Of The

Linda Ann Reeves Trust Dated March 2,

2005, and any amendments thereto; JOHN C.

VINSON and TAEKO VINSON, Trustees of

the John Charles Vinson Family Trust dated

December 3, 1984, and any amendments

thereto; KAREN E. LAMB, a/k/a KAREN CHOPRA, Trustee of The Karen Lamb Living

Trust dated February 26, 2007, and any

CASE NO. CV2010 093413

COMPLAINT

(Partition: A.R.S. §12-1211, et. seq.)

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amendments thereto; STEPHEN G. FRANKLIN and DONNA M. FRANKLIN, Trustees of the Franklin Family Trust dated June 11, 2002, and any amendments thereto; WILLIAM J. MILLER and SANDRA B. MILLER, Trustees of the Miller Family Trust dated February 7, 2000, and any amendments thereto: JAN M. STERLING, Trustee of the Jan M. Sterling Living Trust dated January 4, 1995, and any amendments thereto; KATHLEEN K. TOMASULO, Trustee of The Tomasulo Credit Shelter Irrevocable Trust dated September 16, 1997, and any amendments thereto; BERNARDO R. UROUIETA and KATHLEEN SMYTHE de UROUIETA, Trustees of The Urquieta Smythe Family Trust dated December 5, 1990, and any amendments thereto; JANE A. BARTELME (IRA Custodian: First Trust Company of Onaga); and JAYESH K. SHAH (IRA Custodian: First Trust Company of Onaga),

Plaintiffs,

v.

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VCB LOAN LLC, an Arizona limited liability company; CHRISTO PANAGIOTAKOPOULOS and CONSTANCE PANAGIOTAKOPOULOS, husband and wife, as joint tenants with right of survivorship; CHRIS WELSH and TRACEY WELSH, husband and wife, as joint tenants with right of survivorship,

Defendants/Parties-In-Interest.

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For their Complaint against Defendants/Parties-In-Interest, Plaintiffs allege the following:

- 1. The parties to this partition action are, to the best of Plaintiffs' knowledge and understanding, the current owners of record of a 37-acre parcel of real property located at 902 North Signal Butte Road, Mesa, Arizona and situated in Maricopa County, Arizona (the "VCB Property"). The legal description of the VCB Property is as follows: Lots 1 through 32, inclusive, ADOBE MEADOWS, being a subdivision recorded in Book 822 of Maps, page 24, records of Maricopa County, Arizona.
- 2. The parties to this action own undivided interests in the VCB Property as tenants in common. The VCB Property consists of 32 fully improved residential lots in a development known as Adobe Meadows. In 2007, Mortgages Ltd., formerly the largest private lender in the state of Arizona, loaned the developer/borrower approximately \$6,400,000.00 to develop the project. Eventually, the borrower defaulted on the loan. Following a trustee's sale, the parties hereto received their respective interests through a trustee's deed. (See Exhibit 1 hereto)
- 3. Plaintiffs are a group of all but three owners of the VCB Property. Plaintiffs, as tenants in common, own collectively an undivided 24.351% interest in the VCB Property. Defendants are the remaining three owners. Defendants own collectively an undivided 75.649% interest in the VCB Property. All Plaintiffs, together with Defendants Panagiotakopoulos and Welsh, described below, are those parties who chose not to transfer their fractional interests in the VCB Property to VCB Loan, LLC, following the

confirmation of the bankruptcy plan of Mortgages Ltd. Plaintiffs seek now to maintain and control their property rights in the VCB Property as granted by Arizona state law.

- 4. Plaintiff Soteria, LLC ("Soteria"), is an Arizona limited liability company and is the lawful transferee of the interest of Bruce Dennis Buckley and Alivia Virginia Buckley, Trustees of The Bruce Dennis Buckley and Alivia Virginia Buckley Revocable Living Trust dated June 4, 1985 and Amended December 7, 1994, in the VCB Property. Soteria owns an undivided 1.950% interest in the VCB Property.
- 5. Plaintiff Robert G. Furst, Trustee of The Robert G. Furst & Associates Defined Benefit Pension Plan, owns an undivided 1.993% interest in the VCB Property.
- 6. Plaintiffs Morris A. Kaplan and Carolyn N. Kaplan, Trustees under the Second Amendment and Restatement of the Morris and Carolyn Kaplan Revocable Trust dated October 15, 1999, own an undivided 1.288% interest in the VCB Property.
- 7. Plaintiffs Linda Mayne and Stephen Mayne, wife and husband, as community property with right of survivorship, own an undivided 1.560% interest in the VCB Property.
- 8. Plaintiff Linda Mayne, Trustee of the Mayne and Company Defined Benefit Pension Plan dated December 31, 2005, and any amendments thereto, owns an undivided 1.014% interest in the VCB Property.
- 9. Plaintiff Linda A. Reeves, Trustee of The Linda Ann Reeves Trust dated March 2, 2005, and any amendments thereto, owns an undivided 0.780% interest in the VCB Property.

- 10. Plaintiffs John C. Vinson and Taeko Vinson, Trustees of the John Charles Vinson Family Trust dated December 3, 1984, and any amendments thereto, own an undivided 1.170% interest in the VCB Property.
- 11. Plaintiff Karen E. Lamb (a/k/a Karen Chopra), Trustee of The Karen Lamb Living Trust dated February 26, 2007, and any amendments thereto, owns an undivided 1.560% interest in the VCB Property.
- 12. Plaintiffs William J. Miller and Sandra B. Miller, Trustees of the Miller Family Trust dated February 7, 2000, and any amendments thereto, own an undivided 3.901% interest in the VCB Property.
- 13. Plaintiff Jan M. Sterling, Trustee of The Jan M. Sterling Living Trust dated January 4, 1995, and any amendments thereto, owns an undivided 3.900% interest in the VCB Property.
- 14. Plaintiff Kathleen K. Tomasulo, Trustee of The Tomasulo Credit Shelter Irrevocable Trust dated September 16, 1997, and any amendments thereto, owns an undivided 0.780% interest in the VCB Property.
- 15. Plaintiffs Bernardo R. Urquieta and Kathleen Smythe de Urquieta, Trustees of The Urquieta Smythe Family Trust dated December 5, 1990, and any amendments thereto, own an undivided 0.780% interest in the VCB Property.
- 16. Plaintiff Jane A. Bartelme (IRA Custodian: First Trust Company of Onaga) owns an undivided 0.563% interest in the VCB Property.

- 17. Plaintiff, Jayesh K. Shah (IRA Custodian: First Trust Company of Onaga) owns an undivided 1.552% interest in the VCB Property.
- 18. Defendant VCB Loan LLC, an Arizona limited liability company ("VCB"), owns an undivided 73.851% of the VCB Property. VCB Loan, LLC was formed as a result of the Mortgages, Ltd. bankruptcy. The manager of VCB Loan, LLC is ML Manager, LLC, an Arizona limited liability company. VCB's place of business is 14050 North 83rd Avenue, Suite 180, Peoria, Arizona 85381.
- 19. Defendants Christo Panagiotakopoulos and Constance Panagiotakopoulos ("Panagiotakopoulos"), husband and wife, as joint tenants with right of survivorship, own an undivided 1.485% interest in the VCB Property. Plaintiffs name Panagiotakopoulos as a Defendant to comply with A.R.S. §12-1211, but do not yet know Panagiotakopoulos' position on the issue of partition. Plaintiffs reserve the right to amend this Complaint to add Panagiotakopoulos as a party Plaintiff in the event Panagiotakopoulos chooses to pursue the remedy of partition along with the existing Plaintiffs. Plaintiffs do not know the residence address of Panagiotakopoulos.
- 20. Defendants Chris Welsh and Tracey Welsh ("Welsh"), husband and wife, as joint tenants with right of survivorship, own an undivided 0.313% interest in the VCB Property. Plaintiffs name Welsh as a Defendant to comply with A.R.S. §12-1211. but do not yet know Welsh's position on the issue of partition. Plaintiffs reserve the right to amend this Complaint to add Welsh as a party Plaintiff in the event Welsh chooses to pursue the

remedy of partition along with the existing Plaintiffs. Plaintiffs do not know the residence address of Welsh.

- 21. Jurisdiction and venue are proper in this Court.
- 22. Plaintiffs seek to have their respective interests partitioned in kind, and not by sale, from the undivided interests of the Defendants.
- 23. Plaintiffs are entitled to have their respective interests partitioned in kind and not by sale.
- 24. The VCB Property consists of 32 fully-improved and separate residential lots. A fair and equitable division and partition of the VCB Property according to the respective interests of Plaintiffs is therefore possible. An order of partition in kind, and not by sale, is in the best interests of the parties.

Wherefore, Plaintiffs pray for a judgment as follows:

- A. For partition in kind of Plaintiffs' respective interests according to those respective interests, pursuant to A.R.S. §12-1211, et. seq.; and
- B. For all other relief justified under the circumstances.

Dated this 26th day of May, 2010.

THOMAS SCHERN RICHARDSON, PLLC

Richard R. Thomas 1640 South Stapley Drive, Suite 132 Mesa, AZ 85204

Attorneys for Plaintiffs

EXHIBIT 1

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20100078116 01/29/2010 02:02
A2022428-7-1-1-ELECTRONIC RECORDING

Magnus Title Agency

When recorded return to and forward Tax Statements to:

c/o ML Manager, L.L.C.
14050 N 83rd Avenue,
Suite 180
Peoria, Arizona 85381
Attention: Mark Winkleman

20224284-74

TRUSTEE'S DEED AND AFFIDAVIT OF SALE

THIS DEED IS EXEMPT FROM AFFIDAVIT AND FEE PURSUANT TO A.R.S. § 11-1134 B-1.

Christopher M. McNichol, a member of the State Bar of Arizona, of Gust Rosenfeld P.L.C., 201 East Washington, Suite 800, Phoenix, Arizona 85004-2327 ("Trustee"), as the duly appointed successor trustee of the Deed of Trust described below, does hereby grant and convey, without covenant or warranty, express or implied, to the parties set forth on Exhibit A attached hereto, all as tenants in common in the percentage interests set forth on such Exhibit A (collectively, "Grantee"), the real property in Maricopa County, Arizona, described on Exhibit B attached hereto (the "Real Property"), and does hereby give notice of the sale to Grantee, without covenant or warranty as to title, quiet enjoyment or possession, of that personal property described on Exhibit C attached hereto (the "Personal Property"). The Real Property and the Personal Property are hereinafter collectively referred to as the "Property."

Trustee states that:

This conveyance of the Property is made pursuant to the powers, including the power of sale, conferred upon Trustee by the Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing made by VCB Properties, LLC, an Arizona limited liability company, as Trustor, recorded on February 23, 2007 at Instrument No. 2007-0220891, in the office of the County Recorder of Maricopa County, Arizona.

This disposition of the Personal Property is pursuant to the Notice of Trustee's Sale and Notice of Personal Property Sale dated August 22, 2008 and recorded on August 25, 2008, with the Maricopa County Recorder at Instrument No. 2008-0738086, and the documents and instruments referenced therein.

AMG:amg 1170105.1 1/28/2010

Said Property was sold by Trustee at public auction on November 5, 2009, at the office of Gust Rosenfeld, P.L.C., located at 201 East Washington, Suite 800, Phoenix, Arizona 85004, in Maricopa County, Arizona, the county in which the Property is situated. Grantee, being the highest bidder at such sale, became the purchaser of the Property and made payment therefor to Trustee in the amount bid, namely One Million Property and made payment therefor to Trustee in the amount bid, namely One Million Four Hundred Forty Thousand and 00/100 (\$1,440,000.00), which payment was made by the pro tanto reduction of the obligations secured by the Deed of Trust.

Dated as of this

day of January, 2010

Christopher M. McNichol

Successor Trustee

State of Arizona

County of Maricopa

The foregoing instrument was acknowledged before me this Cday of January, 2010, by Christopher M. McNichol, Successor Trustee.

(Seal and Expiration Date)

OFFICIAL SEAL
ANNA M. GALL
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires April 28, 2010

Notary Public

Exhibit A

First Trust Company of Onaga, Custodian FBO Jane A. Bartelme IRA #410213XXXX, as to an undivided 0.563% interest;

VCB Loan LLC, an Arizona Limited Liability Company, as to an undivided 73.851% interest;

Bruce Dennis Buckley and Alivia Virginia Buckley, Trustees of The Bruce Dennis Buckley and Alivia Virginia Buckley Revocable Living Trust dated June 4, 1985 and Amended December 7, 1994, as to an undivided 1.950% interest;

Karen E. Lamb, Trustee of The Karen Lamb Living Trust dated February 26, 2007, and any amendments thereto, as to an undivided 1.560% interest;

Stephen G. Franklin and Donna M. Franklin, Trustees of the Franklin Family Trust dated June 11, 2002, and any amendments thereto, as to an undivided 1.560% interest;

Robert G. Furst, Trustee of The Robert G. Furst & Associates Defined Benefit Pension Plan, as to an undivided 1.993% interest;

Morris A. Kaplan and Carolyn N. Kaplan, Trustees under the Second Amendment and Restatement of the Morris and Carolyn Kaplan Revocable Trust dated October 15, 1999, as to an undivided 1.288% interest;

Linda Mayne and Stephen Mayne, wife and husband, as community property with right of survivorship, as to an undivided 1.560% interest;

Linda Mayne, Trustee of the Mayne and Company Defined Benefit Pension Plan dated December 31, 2005, and any amendments thereto, as to an undivided 1.014% interest;

William J. Miller and Sandra B. Miller, Trustees of the Miller Family Trust dated February 7, 2000, and any amendments thereto, as to an undivided 3.901% interest;

Christo Panagiotakopoulos and Constance Panagiotakopoulos, Husband and Wife, as Joint Tenants With Right of Survivorship, as to an undivided 1.485% interest;

Linda A. Reeves, Trustee of The Linda Ann Reeves Trust dated March 2, 2005, and any amendments thereto, as to an undivided 0.780% interest;

First Trust Company of Onaga, Custodian FBO Jayesh K. Shah IRA #41021XXXXX, as to an undivided 1.552% interest:

Jan M. Sterling, Trustee of The Jan M. Sterling Living Trust dated January 4, 1995, and any amendments thereto, as to an undivided 3.900% interest;

Kathleen K. Tomasulo, Trustee of The Tomasulo Credit Shelter Irrovacable Trust dated September 16, 1997, and any amendments thereto, as to an undivided 0.780% interest;

Bernardo R. Urquieta and Kathleen Smythe de Urquieta, Trustees of The Urquieta Smythe Family Trust dated December 5, 1990, and any amendments thereto, as to an undivided 0.780% interest;

John C. Vinson and Taeko Vinson, Trustees of the John Charles Vinson Family Trust dated December 3, 1984, and any amendments thereto, as to an undivided 1.170% interest; and

Chris Welsh and Tracey Welsh, husband and wife, as joint tenants with right of survivorship, as to an undivided 0.313% interest.

Pursuant to A.R.S. Section 33-404, information concerning the beneficiaries of any of the Grantees which are trusts under such Section may be obtained from the following: c/o ML Manager, L.L.C.
14050 N 83rd Avenue,
Suite 180
Peoria, Arizona 85381
Attention: Mark Winkleman

Exhibit B Legal Description

Lots 1 through 32, inclusive, ADOBE MEADOWS, being a subdivision recorded in Book 822 of Maps, page 24, records of Maricopa County, Arizona.

Exhibit C Personal Property

- 1. All personal property (including, without limitation, all goods, supplies, equipment, furniture, furnishings, fixtures, machinery, inventory and construction materials) in which VCB Proeprties, LLC, an Arizona limited liability company ("Debtor") now or hereafter acquires an interest or right, which is now or hereafter located on or affixed to the real Property described in Exhibit B hereto (the "Real Property"), or to the improvements now or hereafter located on the Real Property (the "Improvements"), or used or useful in the operation, use, or occupancy thereof or in the construction of any additional improvements thereon, together with any interest of Debtor in and to such personal property which is leased by Debtor or is subject to any superior security interest, and all books, records, leases and other agreements, documents, and instruments of whatever kind or character, relating to the Real Property, the Improvements, or such personal property (hereinafter referred to as "Paragraph (1)");
- 2. All fees, income, rents, issues, profits, earnings, receipts, royalties, and revenues that may accrue from the personal property described in Paragraph I above or any part thereof, or from the Real Property or the Improvements, or that may be received or receivable by Debtor from any hiring, using, letting, leasing, subhiring, subletting, subleasing, occupancy, operation or use thereof.
- 3. All of Debtor's present and future rights to receive payments of money, services, or property, including, without limitation, rights to receive capital contributions or subscription payments from the members, partners, shareholders or principals of Debtor, amounts payable on account of the sale of ownership interests in Debtor or the capital stock of Debtor, accounts and other accounts receivable, security deposits, chattel paper, notes, drafts, contract rights, instruments, general intangibles, and principal, interest and payments due on account of goods sold or leased, services rendered, loans made or credit extended, together with title to or interest in all agreements, documents, and instruments, evidencing, securing or guarantying the same;
- 4. All other intangible property and rights relating to the Real Property, the Improvements, the personal property described in Paragraph 1 above or the operation, occupancy, or use thereof including, without limitation, all governmental and non-governmental permits, licenses (including Debtor's interest in any liquor license related to business operations conducted on the Real Property), and all

approvals relating to construction on or operation, occupancy, or use of the Real Property or the Improvements, all names under or by which the Real Property or the Improvements may at any time be operated of known, all rights to carry on business under any such names, or any variant thereof, all trade names and trademarks relating in any way to the Real Property or the Improvements, and all good will in any way relating to the Real Property or the Improvements;

- Debtor's rights under all insurance policies covering the Real Property, the Improvements of the personal property described in Paragraph 1 above, and any and all proceeds, loss payments, and unearned premiums payable or refundable regarding the same;
- 6. All reserves, deferred payments, deposits, impound accounts, refunds cost savings, and payments of any kind relating to the construction of any improvements on the Real Property;
- 7. All water stock or water rights relating to the Real Property;
- 8. All architectural, structural, mechanical, and engineering plans and specifications prepared for construction of improvements on the Real Property, or extraction of minerals or gravel from the Real Property, and all studies, data, and drawings relating thereto; and also all contracts and agreements of the Debtor relating to such plans and specifications or to such studies, data, and drawings, for the construction of improvements on or extraction of minerals or gravel from the Real Property;
- 9. All proceeds from the sale or other disposition of any of the collateral described above;
- 10. All of Debtor's rights in the proceeds of the loan made by Grantee to Debtor;
- 11. All of Debtor's rights to security, cleaning, or other deposits from tenants relating to leases or occupancy agreements for any portion of the Real Property or the Improvements;
- 12. All of Debtor's rights in any impound account held by or on behalf of Grantee; and
- 13. All wells, well equipment, rights to wells, permits and licenses, water rights and all other related property used in connection with the operation of any well on the Real Property or appurtenant to the Real Property.

AMG:ang 1170105.1 1/28/2010

COPY MAY 26 2010

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Attorneys for Plaintiffs

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SUPERIOR COURT OF ARIZONA

MARICOPA COUNTY

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SOTERIA, LLC, an Arizona limited liability company, as lawful transferee and successor in interest to BRUCE DENNIS BUCKLEY AND ALIVIA VIRGINIA BUCKLEY, Trustees Of The Bruce Dennis Buckley and Alivia Virginia Buckley Revocable Living Trust Dated June 4, 1985 and Amended December 7, 1994; ROBERT G. FURST, Trustee Of The Robert G. Furst & Associates Defined Benefit Pension Plan; MORRIS A. KAPLAN AND CAROLYN N. KAPLAN. Trustees Under The Second Amendment And Restatement Of The Morris and Carolyn Kaplan Revocable Trust Dated October 15, 1999; LINDA MAYNE AND STEPHEN MAYNE, husband and wife; LINDA MAYNE, Trustee Of The Mayne And Company Defined Benefit Pension Plan Dated December 31, 2005, and any amendments thereto; LINDA A. REEVES, Trustee Of The Linda Ann Reeves Trust Dated March 2, 2005, and any amendments thereto; JOHN C. VINSON and TAEKO VINSON, Trustees of the John Charles Vinson Family Trust dated December 3, 1984, and any amendments thereto; KAREN E. LAMB, a/k/a KAREN CHOPRA, Trustee of The Karen Lamb Living

Trust dated February 26, 2007, and any

CASE NO. CV2010 093413

CERTIFICATE REGARDING COMPULSORY ARBITRATION

(Partition: A.R.S. §12-1211, et. seq.)

amendments thereto; STEPHEN G. 1 FRANKLIN and DONNA M. FRANKLIN, 2 Trustees of the Franklin Family Trust dated June 11, 2002, and any amendments thereto; 3 WILLIAM J. MILLER and SANDRA B. 4 MILLER, Trustees of the Miller Family Trust dated February 7, 2000, and any amendments 5 thereto; JAN M. STERLING, Trustee of the 6 Jan M. Sterling Living Trust dated January 4, 1995, and any amendments thereto; KATHLEEN K. TOMASULO, Trustee of The Tomasulo Credit Shelter Irrevocable 8 Trust dated September 16, 1997, and any amendments thereto; BERNARDO R. UROUIETA and KATHLEEN SMYTHE de 10 URQUIETA, Trustees of The Urquieta 11 Smythe Family Trust dated December 5, 1990, and any amendments thereto; JANE A. 12 BARTELME (IRA Custodian: First Trust 13 Company of Onaga); and JAYESH K. SHAH (IRA Custodian: First Trust Company of 14 Onaga), 15 Plaintiffs, 16 v. 17 VCB LOAN LLC, an Arizona limited liability 18 company; CHRISTO 19 PANAGIOTAKOPOULOS and CONSTANCE PANAGIOTAKOPOULOS, 20 husband and wife, as joint tenants with right of survivorship; CHRIS WELSH and 21 TRACEY WELSH, husband and wife, as joint 22 tenants with right of survivorship, 23 Defendants/Parties-In-Interest.

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The undersigned certifies that this matter is <u>not</u> subject to compulsory arbitration pursuant to Rules 72 through 76 of the Arizona Rules of Civil Procedure because plaintiffs seek equitable relief of partition in this action.

Dated this 26th day of May, 2010.

THOMAS SCHERN RICHARDSON, PLLC

By

Richard R. Thomas 1640 South Stapley Drive, Suite 132 Mesa, AZ 85204

Attorneys for Plaintiffs