

IN THE CIRCUIT COURT FOR ANNE ARUNDEL COUNTY

Robynn D. Squires et al

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Plaintiffs

*

v.

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Case No. 02-C-08-131337

Riverbea Corporation et al

*

Defendants

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* * * * *

DEPARTMENT OF THE CLERK
JUL 16 2008 1 56 PM

MOTION FOR APPOINTMENT OF RECEIVER
AND TO FREEZE ASSETS OF CORPORATION

Plaintiffs by their undersigned counsel hereby request that the Court appoint a Receiver for the Defendant Riverbea Corporation pursuant to Sections 5-208 and 3-413 and 3-414 and 3-416 of the Corporations and Associations Article of the Maryland Annotated Code, and enter a temporary and permanent order freezing all assets of the Corporation and enjoining all Defendants and their counsel from spending any assets of the Defendant Riverbea Corporation, and in support thereof state as follows:

1. Plaintiffs contend that the directors of Riverbea Corporation have not been properly elected or appointed, and that all of their actions complained of in this proceeding have been ultra vires and without legal effect. It is clear from the exhibits filed with the Complaint herein that Riverbea Corporation was not intended to be an independent entity answerable to no one, and that the members of Riverbea Corporation should be all of the property owners of Riviera Beach. In the alternative, Riverbea Corporation should be deemed to be a subsidiary of Riviera Community Improvement Association, Inc. ("RCIA"). In either event, the directors of Riverbea Corporation should be appointed by RCIA, or elected by the members of RCIA, being the property owners in Riviera Beach.

2. Plaintiffs contend that all of the acts of the Defendant directors or those in control of Riverbea Corporation are illegal, oppressive, or fraudulent.

3. Further, Riverbea Corporation is insolvent as it has no income nor assets other than Riviera Beach Community Property, and is unable to meet its debts as they mature in the ordinary course of its business.

4. Further Plaintiffs contend that the directors of Riverbea Corporation are so divided respecting the management of Riverbea's affairs that the votes required for action by Riverbea's Board cannot be obtained.

5. The Defendants during 2007 secretly sold community property that rightfully belongs to all of the property owners in Riviera Beach. The sale proceeds in excess of \$130,000.00 are being wasted by the Defendants, and should be frozen by the Court and secured in the court's escrow account until the Court can determine who should rightfully control Riverbea Corporation.

6. On information and belief Plaintiffs were informed that approximately \$30,000.00 of the proceeds of sale of the Community Property were paid as a retainer to the law firm representing Riverbea Corporation. Plaintiffs request that those funds also should be frozen and secured until after the Court determines who should be in control of Riverbea.

7. Plaintiffs recommend to the Court that the current President of RCIA, John Mullins, should be appointed as the Receiver for Riverbea Corporation. To the best of counsel's knowledge the proposed receiver does not now, nor has he in the past, represented Riverbea Corporation or been employed by Riverbea Corporation or any creditor of Riverbea Corporation, nor does he have any financial interest in Riverbea Corporation or any creditors, other than as a property owner in Riviera Beach and a member of RCIA. In the alternative to John Mullins, the Court should appoint the entire Board of Directors of RCIA to act as receiver for Riverbea.

WHEREFORE, Plaintiff requests the following relief from this Court:

- A. That the Court pass an Order assuming jurisdiction over Riverbea Corporation;
- B. That the Court appoint a receiver for Riverbea Corporation;
- C. That a temporary injunction be issued enjoining and restraining the Defendants from spending and wasting community assets which rightfully belong to RCIA and its members and the property owners of Riviera Beach.
- D. That the Court order an expedited hearing on the requests for appointment of a receiver and the temporary injunctions:
- E. That the Court grant such other and further relief as the nature of Plaintiff's cause may merit.

Dated: July 15, 2008



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A copy of this Pleading has been mailed or faxed or emailed on this date to:

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Dated: July 15, 2008



Daniel J. Mellin (djm@hbdlaw.com)

IN THE CIRCUIT COURT FOR ANNE ARUNDEL COUNTY, MARYLAND

ROBYNN D. SQUIRES, ET AL.

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Plaintiffs

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vs.

* Case Number: 02-C-08-131337

*

RIVERBEA CORPORATION, ET AL.

*

*

Defendants

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* * * * *

TEMPORARY INJUNCTION AND RESTRAINING ORDER

It appearing that there is reasonable ground that an Injunction as requested by the Plaintiffs should be granted, and that Plaintiffs will be irreparably harmed if an injunction is not granted, it is, this ____ day of _____, 2008, by the Circuit Court of Maryland for Anne Arundel County, found and ordered as follows:

ORDERED, that the Defendants are enjoined and restrained from selling or assigning or spending any and all assets of Riverbea Corporation, including but not limited to all of the sales proceeds for community land in Riviera Beach, and all bank accounts and retainer or escrow accounts;

ORDERED, that a party or any person affected by this Order may apply for a modification or dissolution of this Order on two days' notice, or such shorter notice as the Court may prescribe, to the party who obtained the Order; and it is further

ORDERED, that if this injunction is a temporary restraining order which has issued before a full adversary hearing on the propriety of its issuance, then it shall expire on the ____ day of _____, 2008, which shall be not later than ten days after issuance for a resident and not later than thirty five days for a nonresident; and is further

ORDERED, that this case shall be set down for a hearing on the Injunction on the ____ day of _____, 2008, at ____ o'clock a.m./p.m., and the Defendants are advised of their right to appear and present evidence at the hearing

NOTICE: THIS IS AN ORDER OF COURT. FAILURE TO OBEY MAY RESULT IN YOUR BEING FOUND IN CONTEMPT OF COURT, PENALTIES FOR WHICH MAY INCLUDE A CIVIL FINE OR INCARCERATION.

Dated: _____, 2008

Circuit Court Judge

Copies to:

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