

DOCKET NO: HHD X03 CV-08-4036150 S	:	SUPERIOR COURT
	:	
STATE OF CONNECTICUT	:	COMPLEX LITIGATION
	:	DOCKET
	:	
v.	:	AT HARTFORD
	:	
THE F&S OIL COMPANY, INC.	:	
CARLSON FUEL OF MERIDEN, INC.	:	
CARLSON FUEL OIL, LLC, VILLAGE	:	
OIL, INC., U.S. FUELS, LLC, AND	:	
BOSSE GRAZIANO OIL COMPANY	:	DECEMBER 5, 2008

**APPLICATION OF THE RECEIVER FOR RETENTION OF COUNSEL TO PURSUE
INSURANCE CLAIMS ON A CONTINGENCY FEE BASIS**

Carlton E. Helming, CPA and the firm of Helming & Company, P.C. (collectively, the “Receiver”), court-appointed Receiver of F&S Oil Company, Inc. (the “Company”) and its subsidiaries, affiliates and related entities including The F & S Oil Company, Inc., Carlson Fuel of Meriden, Inc., Carlson Fuel Oil, LLC, Village Oil, Inc., U.S. Fuels, LLC, and Bosse Graziano Oil Company (collectively, the “Subsidiaries”) by its undersigned counsel, respectfully moves for an order authorizing the Receiver to retain Counsel, on a contingency fee basis, to pursue insurance claims of the receivership estate, and in support thereof, respectfully represents as follows:

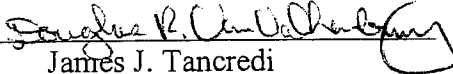
BACKGROUND

1. On March 14, 2008, the State of Connecticut (the "State") petitioned this Court for injunctive relief and for the appointment of a receiver of The F & S Oil Company, Inc., its affiliates, subsidiaries and related entities including Carlson Fuel of Meriden, Inc., Carlson Fuel Oil, LLC, Village Oil, Inc., U.S. Fuels, LLC and the Bosse Graziano Oil Company (hereinafter collectively referred to as the "F&S Entities"). The State's Complaint alleges the F&S Entities violated C.G.S. §42-110b(a) by participating in unfair or deceptive acts or practices which resulted when the F&S Entities' breached prepaid fuel oil contracts with Connecticut consumers. Specifically, the State alleges the F&S Entities entered into thousands of prepaid fuel oil contracts through which they sold more than one million gallons of fuel oil to consumers, taking customer payments in advance for delivery of fuel oil at a later date. The F&S Entities thereafter ceased operations and failed to deliver thousands of gallons of fuel oil owed to their customers. Consequently, these consumers have lost their prepaid fuel oil deposits and have been forced to repurchase oil from other sources, often at a higher rate.
2. During the course of its investigation, the Receiver has uncovered evidence of potential misconduct, malfeasance, omission and breach of fiduciary duty on the part of employees and officers of the F&S Entities.
3. The Receiver has also determined that the F&S Entities maintained certain insurance policy coverage which may provide for a potential recovery of losses sustained by the F&S Entities due to these acts and omissions.

4. The Receiver, consistent with its effort to maximize recovery for the Receivership Estate (the "Estate"), has determined that the retention of counsel, on the terms and conditions purposed, is necessary to develop and pursue potential insurance policy claims.
5. The Receiver desires to employ the law firm of Quellette, Deganis & Gallagher, LLC, on a contingency fee basis, to represent the Receiver with respect to claims with Travelers Insurance Company and litigation that may arise in an effort to collect on a Crime Plus insurance policy issued by the Travelers. The contingency fee shall be 33 1/3 percent of any recovery.
6. Costs are separate and apart from the contingent fee, and may include but are not limited to expert's fees, sheriff's fees, jury claim fees, court entry fees, costs for records as may be needed. It is agreed that Quellette, Deganis & Gallagher, LLC will request prior approval from the Receiver for all individual expenses in excess of \$2,500.
7. The Receiver is currently investigating the possible submission of claims under additional policies covering the F&S Entities, including but not limited to an Energy Industries Policy issued by Federal Insurance Company, an umbrella policy issued by Lexington Insurance Company, and a general liability policy issued by Stonington Insurance Company.
8. The Receiver believes that the retention of Quellette, Deganis & Gallagher, LLC, may result in additional recovery for the Estate without additional accumulation of legal fees, and is therefore consistent with the Receiver's mandate to maximize recovery of assets for the Estate.

WHEREFORE, the Receiver respectfully requests that this Court grant its Application For Retention of Counsel To Pursue Insurance Claims On A Contingency Fee Basis.

RECEIVER,
CARLTON E. HELMING, CPA and the
firm of HELMING & COMPANY, P.C.

By 
James J. Tancredi
Joshua W. Cohen
Douglas R. Van Valkenburg
For Day Pitney LLP
242 Trumbull St.
Hartford, CT 06103-3499
Telephone: (860) 275-0100
Facsimile: (860) 275-0343
Juris No. 14229
Its Attorneys

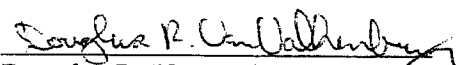
CERTIFICATION

This is to certify that a copy of the foregoing Application of the Receiver for Retention of Counsel to Pursue Insurance Claims on a Contingency Fee Basis was mailed on this date, via first class mail, postage prepaid, to the following:

Thomas J. Saadi, Esq. Attorney General, Consumer Protection 110 Sherman St. Hartford, CT 06105 Thomas.Saadi@po.state.ct.us <i>Counsel for State of Connecticut</i>	Brendan Flynn, Esq. Attorney General, Consumer Protection 110 Sherman St. Hartford, CT 06105 Brendan.Flynn@po.state.ct.us <i>Counsel for State of Connecticut</i>
Phillip Rosario, Esq. Attorney General, Consumer Protection 110 Sherman St. Hartford, CT 06105 Phillip.Rosario@po.state.ct.us <i>Counsel for State of Connecticut</i>	Matthew Fitzsimmons, Esq. Attorney General, Consumer Protection 110 Sherman St. Hartford, CT 06105 Matthew.Fitzsimmons@po.state.ct.us <i>Counsel for State of Connecticut</i>
Lee B. Ross, Esq. Goodman Rosenthal & McKenna PC 977 Farmington Avenue Suite 200 West Hartford, CT 06107 lross@grmattorneys.com <i>Counsel for Sack Enterprises and Sack Distributors</i>	Bruce Silvers, Esq. Anna M. Boelitz, Esq. Jonathan Alter, Esq. Jaska Miettinen, Esq. Bingham McCutchen LLP One State Street Hartford, CT 06103 anna.boelitz@bingham.com bruce.silvers@bingham.com jonathan.alter@bingham.com <i>Counsel for RBS Citizens NA and Citizens Bank of Massachusetts</i>

<p>Edward S. Hill, Esq. Christopher Hug, Esq. Frank Coulom, Esq. Robinson & Cole LLP 280 Trumbull St. Hartford, CT 06103 ehill@rc.com chug@rc.com fcoulom@rc.com <i>Counsel for F.F. Hitchcock Company, Inc.</i></p>	<p>Stuart Margolis, Esq. Berdon Young & Margolis 132 Temple St. New Haven, CT 06510 stuart@bymlaw.com <i>Counsel for Cheshire Investment Corp.</i></p>
<p>Patrick M. Birney, Esq. Thelen Reid Brown Raysman & Steiner CityPlace II 185 Asylum St. Hartford, CT 06103 pbirney@thelen.com <i>Counsel for Torrington Supply Company, Creditor/Party-in-Interest</i></p>	<p>Walter Onacewicz, Esq. Law Offices of Nair & Levin, P.C. 707 Bloomfield Ave. Bloomfield, CT 06002 wonacewicz@nairlevin.com <i>Counsel for Toyota Financial Services, Creditor</i></p>
<p>James Lenex, Esq. Benanti & Associates 350 Bedford St., Suite 201 Stamford, CT 06901 benanti_associates@msn.com <i>Counsel for Center Capital Corp.</i></p>	<p>Robert A. DeFrino, Esq. Brown Paindiris & Scott LLP 100 Pearl St. Hartford, CT 06103 rdefrino@bpslawyers.com <i>Counsel for State of Connecticut Department of Economic and Community Development</i></p>
<p>Andrew Bilodeau, Esq. Cohn Dussi & Bilodeau LLC 931 Jefferson Blvd., Suite 2007 Warwick, RI 02886 abilodeau@cdandblaw.com <i>Counsel for Pentech Financial Services and Financial Pacific Leasing LLC</i></p>	<p>Craig Sullivan, Esq. Waterbury Corporation Counsel City of Waterbury 26 Kendrick Avenue Waterbury, CT 06702 Fax: 203/574-8340 csullivan@waterburyct.org <i>Counsel for City of Waterbury</i></p>

<p>Paul Fitzgerald, Esq. Michelson Kane Royster & Barger 10 Columbus Blvd. Hartford, CT 06106 Tel: 860/522-1243 Fax: 860/548-0194 <u>pfitzgerald@mkrb.com</u> <i>Counsel for Ten Hoeve Equipment LLC</i></p>	<p>Bruce W. Diamond, Esq. Law Offices of Bruce W. Diamond, LLC 286 Maple Ave., Suite 302 Cheshire, CT 06410 <u>bruce@bdiamondlaw.com</u> Fax: 203/271-8090 <i>Counsel for Edward Bowman, Jr.</i></p>
<p>Raquel S. Colby, Esq. Attorney at Law 14 Meadowbrook Rd. Woodbridge, CT 06525-1120 <u>raquelcolby@hotmail.com</u> <i>Counsel for GreaseGuys, LLC</i> <i>Counsel for Eric Gordon</i></p>	<p>Alex Trembicki, Esq. Lynch, Trembicki & Boynton 63 Cherry St. Milford, CT 06460 <u>LTMB@aol.com</u> <i>Counsel for Richard Reilly</i> <i>Counsel for Virtus LLC</i></p>
<p>Richard Feldman, Esq. Evans, Feldman & Ainsworth, LLC 261 Bradley St. P.O. Box 1694 New Haven, Connecticut 06507-1694 <u>rcfeldman@snet.net</u> <i>Counsel for LEAF Financial</i></p>	<p>Charles Filardi, Jr., Esq. Filardi Law Offices LLC 65 Trumbull St., 2nd Fl. New Haven, CT 06510 <u>charles@filardi-law.com</u> <i>Counsel for Tesco Resources, Inc.</i></p>
<p>David Shaiken, Esq. Robert C. Reichert, Esq. Reid & Riege, P.C. 755 Main Street One Financial Plaza Hartford, CT 06103 <u>dshaiken@reidandriege.com</u> <u>rreichert@reidandriege.com</u> <i>Counsel for Inergy Propane LLC</i></p>	<p>Jeffrey Tinley, Esq. Tinley, Nastri, Renehan & Dost 60 North Main St., 2nd Fl. Waterbury, CT 06702 <u>jtinley@tnrdlaw.com</u> <i>Counsel for Edward Bowman, Jr.</i></p>


Douglas R. Van Valkenburg

DOCKET NO: HHD X03 CV-08-4036150 S	:	SUPERIOR COURT
	:	
STATE OF CONNECTICUT	:	COMPLEX LITIGATION
	:	DOCKET
	:	
v.	:	AT HARTFORD
	:	
THE F&S OIL COMPANY, INC.	:	
CARLSON FUEL OF MERIDEN, INC.	:	
CARLSON FUEL OIL, LLC, VILLAGE	:	
OIL, INC., U.S. FUELS, LLC, AND	:	
BOSSE GRAZIANO OIL COMPANY	:	

ORDER GRANTING RECEIVER’S APPLICATION TO RETAIN COUNSEL TO PURSUE INSURANCE CLAIMS ON A CONTINGENCY FEE BASIS

Upon consideration of the Application Of The Receiver For Retention of Counsel To Pursue Insurance Claims On A Contingency Fee Basis (the “Motion”), filed by Carlton E. Helming, CPA and the Firm of Helming & Company, P.C. (collectively, the “Receiver”), by and through its counsel, Day Pitney LLP, pursuant to which Motion the Receiver seeks to retain counsel to pursue potential insurance policy claims of the F&S Entities, after due notice and a hearing on _____, 2008 at ____AM/PM, and it appearing to the Court, after hearing the parties, that just cause exists to grant the Motion, it is hereby;

ORDERED, that the Motion is granted; and it is further

ORDERED, that the law firm of Quелlette, Deganis & Gallagher, LLC (the “Firm”) shall be retained by the Receiver to represent the Estate on a contingency fee basis with respect to its claims with Travelers Insurance Company and in litigation that may arise in an effort to collect on a certain Crime Plus insurance policy issued by The Travelers; and it is further

ORDERED, that this Court shall retain jurisdiction to hear additional motions by the Receiver with reference to amendments to the scope of the Firm's efforts to secure additional insurance coverage for claims of the Estate from additional insurers of the F&S Entities.

Dated at Hartford, Connecticut this _____ day of _____, 2008.

Hon. Grant H. Miller
Judge, Superior Court of the State of Connecticut