

Preface:

To say this has been written, and rewritten several times, would be an understatement. I sit and contemplate how much I've recently learned about Processes & Procedures; like the laws and ordinances set forth to protect each and every one of us from extortion, theft, and state-advantage. In this drafting, I have once or twice included copies of these laws, I have added procedural rules, I have tried to include all the necessary ingredients to allow the reader some insight into understanding – which is absolutely needed in this complicated matter – *and I have deleted it all* (also for the sake of directness and brevity). There is no spoon feeding or hand holding which will be adequate to ensure a complete understanding of what has unfolded over a decade's time.

Early on, I myself set out to ascertain the entire truth concerning Thorco Inc., and Dennis and Donna Thornton, specifically in regard to the lending institution, Whitefish Credit Union. Knowing it was patently impossible for me to see things rightly or fairly as things were, I dedicated time to educate myself so as to gain discernment, and it has taken more than a couple cursory glances or a default confidence to accomplish this. Now let me speak plainly... Prior to all the evidence and all the affiant documents being included, there can be no right conclusion.

In my purview as a constituent Representative, any successes won by those who might actually stand in opposition to the truth, have won them using methods that ensure the macro-totality of this conspiracy are never included together or discoverable in any one court, or in any one action. They have used processes that fragment and blur, that blend-in proceedings already settled, adding, mixing, and matching to confuse and muddle.

Conclusively, it is my adept opinion that this Bankruptcy court conjunctively: bring in all witnesses, exhibits, affiant documents, records, Powers of Attorney, discovery, depositions, et al into one action. I urge this court to not lift any automatic stays – and to move all State court actions into the Bankruptcy Action – so that certain protections might be realized and that the Thornton's and Thorco Inc. can receive equitable resolution.

A brief Introduction and Qualifying Statements:

My name is Representative Mark Noland. I represent House District 10 & serve on the Montana House of Representatives Bank Oversight Committee. My role on the oversight committee is to address complaints from my constituents, as well as to work with and assist them in solutions and resolutions regarding banking related matters.

This involves ensuring that all State and Federal laws, rules, and regulations are followed and adhered to by all lenders. If it is determined, through the complaint process, that regulations are not being followed – then I and other members of the committee take the appropriate action for correction and guidance.

Over some time, I have received several complaints from my constituents involving Whitefish Credit Union (WCU). In particular, from Dennis and Donna Thornton, being 2 of the 12 shareholders of Thorco Inc., who are personally responsible for its daily operations. This analysis will focus on Thorco Inc. & Dennis and Donna Thornton, and their cause relating to their specific complaints.

Relevant Considerations:

The Thornton's signed a personal guarantee for Thorco Inc. in March 2009 – for a mortgage in the amount of \$3,360,000 with WCU.

WCU foreclosed on the above 2009 mortgage, in a foreclosure lawsuit (DV-12-174B). Thorco Inc. and the Thornton's countersued in the amount of \$60 million. WCU received a partial summary judgment on March 23, 2016, in the amount of \$4,348,880. Trial was set for mid-April 2016. WCU's attorney, Sean Frampton, approached Thorco Inc.'s attorney prior to trial, asking for another settlement conference. The parties then agreed to another settlement conference.

Subsequently, settlement was reached on April 4, 2016. The settlement called for canceling the debt on the 2009 mortgage (an important detail to note) which included vacating the February 23, 2016, judgment in the amount of \$4,348,880 – dismissing the foreclosure lawsuit with prejudice, which also extinguished Thorco Inc.'s & the Thornton's \$60 million-dollar counterclaim (DV-12,174B).

Another provision of the agreement called for WCU to open an escrow at First American Title, with security deeds for two new mortgages. One in the amount of \$300,000.00 – the other in the amount of \$1,100,000.00 (\$1,400,000.00 in total) accompanied by the mortgage releases for the new agreement. As I understand it, First American Title's escrow department has no record of an escrow between the parties, nor any record of any filing, deposit, recordation or holding there. By all accounts, the Thornton's were instructed by their legal counsel to deliver the signed agreement to WCU's attorney Sean Frampton for the completion of the transaction –

with the assumption the terms of the agreement would be followed. It's now known that the documents may have never been delivered to WCU's Credit Department in any form, but instead were deposited in Mr. Frampton's personal desk.

With the benefit of time, we can check the record, and upon inspection see that Mr. Frampton kept the agreement in his own possession, and that it was WCU that never completed the terms of the agreement. It has also become known that the cancellation of debt never occurred until as recently as **May 12, 2022**.

We can also see that Thorco Inc. had funding available and could have completed the transactions in 2017 – had the new Mortgages been recorded as agreed, so that title insurance could be provided. Title agent Debbie Pierce has signed an affidavit stating she could not determine what was owed on the property.

Whitefish Credit Union, in Thorco Inc.'s previous bankruptcy proceedings with said court, filed a proof of claim under the penalty of perjury in the amount of \$1,400,000.00. The Flathead County Clerk and Recorder's Office has no record of any recorded mortgages by WCU in the amount of \$1,400,000.00.

Seemingly WCU, through its agent Aaron Archer and attorney Sean Frampton, mutually continued to pursue the canceled debt from the now defunct 2009 mortgage – even though they had signed documents canceling the debt: vacating the judgment and dismissing the lawsuit with prejudice. In a personal lawsuit brought by the Thornton's in 2018, more than two years after the settlement agreement, District Court Judge Dan Wilson (DV-18-336D) brought back the canceled debt and reinstated the February 23, 2016, judgment from the original foreclosure lawsuit (which was permanently extinguished/vacated). Now this indentured the Thornton's to a hefty balance of almost \$7 million dollars.

Deeds for the sake of a mortgage, in my understanding, can't be used for more than a security on a note, and are not intended, legally or otherwise, to transfer ownership of Real Property (Mr. Frampton recently stated they were deeds in lieu). Sean Frampton removed these so-called "settlement agreement deeds," as a means of making them conveyance deeds – transferring Thorco Inc.'s property with no recorded PoA and no Writ of Execution, Corporate Resolution, or Court order to do so.

The Introduction of Sheriff Heino:

In an attempt to get resolution to this matter, Flathead County Sheriff Brian Heino was given permission from Dennis Thornton – granting Mr. Heino temporary and legal custody of Thorco Inc.'s loan file, being a neutral third-party with impeccable credentials, I happily co-requested the documents as well. It has been relayed to me, that WCU refused to turn over the loan files and referred Mr. Heino to Sean Frampton's office, who thereupon also refused to turn over any loan files. This could be construed as abnormal behavior, specifically from a Standards & Practices perspective. I have spoken with Sheriff Brian Heino, and he has indicated that he

does not believe that WCU has come into lawful ownership of the Thorco Inc. property.

On January 19, 2022 – Sheriff Brian Heino requested a subpoena for Thorco Inc.'s loan files from Flathead County Attorney Travis Ahnor, as I understand it, Ahnor refused the subpoena; instead insisting Dennis Thornton be charged with Criminal Trespass on January 19, 2022. This is also irregular, as a Mortgage Holder is an owner, so a trespass would certainly be an interesting charge on its own merits – and is another area needing more focus and attention regarding the Due Process of Law, and whether or not the Thornton's were aided in their redresses or conspired against in a complicated and varied operation designed to defraud.

See: Attachment

Helena Committee Hearing:

In proceedings on February 10, 2022, at the Montana Economic Affairs Interim Committee Hearing In Helena (where I'm a sitting member), I and several of my colleagues questioned Montana's Banking Commissioner, Ms. Melanie Hall, and the Chief Legal Counsel for the Division of Banking, Ms. Kelly O'Sullivan.

Ms. Hall stated that a Mortgage Lien is a "Special Lien," and can only be used for one obligation; that when WCU vacated its judgment and dismissed its lawsuit with prejudice against Thorco Inc./Thornton's; that there was only one legal action to pursue the debt – and that action had already been taken, and effectively 'used up.' The mortgage between the parties was done and over and no longer owed as of August 2016.

Current Events Leading To Today:

I later learned that on February 14, 2022 – WCU's employee James Kenyon – sold Thorco Inc.'s property to Sean Frampton's client "MO Somers," for \$4 million dollars, using a Special Warranty Deed. As defined, a Special Warranty Deed does not guarantee 100% ownership to the buyer, so that other parties, known or unknown, may have a claim on the property described in the deed. By the nature of the WCU/Mo Somers transaction, it proceeded with no Title Insurance, and references no Power of Attorney (PoA). This property was sold while Thorco Inc.'s 2009 recorded mortgage with WCU was still in place.

I have been advised, that if there had been extant recorded mortgages in the amount of \$1,400,000.00, as stated in the prior Bankruptcy, and the property was correctly ushered through the only legitimate foreclosure process – any surplus money(s) must be returned to the borrower Thorco Inc. I have been satisfactorily convinced that the \$2,600,000.00 in surplus money – has never been turned over to Thorco Inc.

Sean Frampton then filed a motion, on behalf of his client Mo Somers, for a temporary restraining order against Dennis and Donna Thornton (Mortgage Holders) and the shareholders of Thorco Inc. – while simultaneously requesting a Quiet Title Action on Thorco Inc.'s heavy construction equipment.

Moving forward to May 12, 2022 – WCU's Credit Department, using WCU's sole-authorized PoA Agent of Record (Title Financial Specialty Services of Blackfoot, Idaho) – legally recorded, with the Flathead County Clerk and Recorder's Office, a filing to the satisfaction of Thorco Inc.'s 2009 mortgage – which also contained a Quit Claim describing the 500 acres sold to MO Somers.

Cancellation of Thorco's Debt:

It is undisputed that WCU did not complete the Cancellation of Debt until **May 12, 2022** – through its authorized Title Agent – Title Financial Specialty Services. This is almost 6 years after entering into the Debt Cancellation Agreement with Thorco Inc.

Reputedly, taxes would be due to the Montana Department of Revenue, and the IRS, for the completed Cancellation of Debt. As part of his complaint, Dennis Thornton said they have no 1099-C; one has never been issued for the Cancellation of Debt, and that this detail was also a part of the aforementioned Settlement Agreement. The perception of the Banking Regulations is, once the Cancellation of Debt has occurred, the IRS immediately receives a Statutory Lien on the property. This would proceed to a required issuance of the 1099-C for the May 12, 2022, Satisfaction of Mortgage/Cancellation of Debt, which is time-sensitive and should be done by January 15, 2023. Dennis Thornton has stated this stalemate regarding the issuance of proper tax documents, will pose a problem for Thorco Inc., because it no longer has the assets or the resources to pay the tax debt, or accompanying fines or penalties.

For all its appearances, Sean Frampton's client MO Somers, ostensibly could be an insider. Mr. Frampton represents both WCU and MO Somers at the same time, creating an interesting consideration for a Conflict of Interest. I have been told that Rusty Murphy will be representing WCU and has filed a motion to modify the stay on the District Court action in the MO Somers case.

Conclusive Statements:

Demonstrably, Sean Frampton asserts that Whitefish Credit Union is allowed to:

- 1) Use a type-and-kind of non-judicial foreclosure on Thorco Inc., to receive a partial summary judgment in order to gain ownership of Thorco's real property.
- 2) Reuse prejudiced judgments to further a Color of Law process against Thorco Inc. – and its 12 Shareholders.
- 3) Use the courts to remove the Public Record, and to deny the entry of evidence, including Expert Witness Reports.

Thank you for your time and consideration,

Representative Mark Noland
DISTRICT 10

Contact Cell: xxx-xxx-8982

Email: marknolandhd10@gmail.com
