

**BANKS COMMITTEE  
PUBLIC HEARING TESTIMONY  
February 21, 2008**

**To: Senator Duff, Representative Barry- Co-Chairs  
Banking Committee Membership**

**From: Fred C. Ulbrich, Jr. and Joseph J. Vrabely, Jr.- Mountain Ridge**

**Re: House Bill 5164, "AN ACT CONCERNING BUYER PROTECTION IN FORECLOSURE  
BY SALES"**

We are the Connecticut citizens and business people who have asked Representative Noujaim to seek introduction of this bill. We felt compelled to request this due to a very unpleasant business experience that we are currently experiencing. It is our feeling that no one should ever have to experience what we have been subjected to.

On November 9<sup>th</sup>, 2006, we purchased the former assets of the special events facility – Mountainside in Wallingford, CT. We were the successful bidders of a bank forced foreclosure sale through a Committee of the New Haven Court system. The auction was conducted by a Portland, ME based auction company that was selected by the bank.

We purchased, as represented by the Committee: all land, buildings "and all personal property". We bid the dollar amount that we did because it was/is our intention to continue to run the facility as a resort, special events facility – we have subsequently re-branded the property: MountainRidge.

In the time period following the auction and the Bond to Deed date, significant quantities of personal property were removed from the facility. We felt that the property that was removed, rightfully, belonged to us. We asked, through counsel, for Judge DeMayo to hear our case in the New Haven Superior Foreclosure court. He agreed to this request, but first asked us to consider mediating the matter with Judge Martin in the New London Court system.

We agreed to Judge DeMayo's mediation request. Upon arriving at the first Mediation hearing, we learned for the first time, that all the personal property belonged to a third company upon whom the bank never had liens or UCC 1 filings, and had no right to sell. The dollar value of this personal property is significant.

Shortly after the first Mediation hearing, the former owners of the facility pulled out of the Mediation and issued a civil lawsuit against us in the New Haven Superior Court. We became defendants. In order to defend our position and our reputations, we have become Plaintiffs and have filed a civil suit in the Hartford court system. This will all be rolled up into a complex docket following the legal process.

What we have experienced over the last year, since our purchase, has been a tragedy both personally and professionally. We have both had to step down from Boards, Committees and Commissions due to the unfair allegations against us.

We are not asking this Committee to pass judgment on our current situation. We are asking for this bill to be adopted so that future matters of this nature can be avoided. With this bill's language in place, it would have allowed us the right to amend or change our purchase in the foreclosure court in the time period following the auction sale, and we could have avoided all the issues that we are experiencing.

We understand that Deed Title can not transfer at the point of auction sale to allow for the Committee to complete its tasks, allow for an appeal, etc. In that time period between auction sale and Deed transfer (30 to 60 days), it is extremely confusing as to who actually really owns the assets until the Deed is actually transferred. The former owners are still on premise and have the platform to remove, without the buyer's knowledge, whatever they want from the property. UNTIL THE DEED IS TRANSFERRED, THE BUYER HAS NO RIGHTS. If this bill was in place, all of these issues would have been resolved up front. This situation has to occur on a constant basis in foreclosure auctions where the title cannot be transferred on the spot.

We ask this Committee to support this legislation so that foreclosure buyers, in the state of Connecticut, can be afforded some rights to protect their investment.