

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

EUGENE SCALIA, SECRETARY OF LABOR,)
United States Department of Labor,)

Plaintiff,)

v.)

FORCE CORPORATION,)
AB CONSTRUCTION GROUP, INC.,)

JULIANO FERNANDES, Individually; and,)
ANDERSON DOS SANTOS, Individually,)

Defendants.)

Civil Action No. 16-cv-40103-TSH

**SPECIAL MASTER’S
INTERIM REPORT AND PROPOSED INTERIM ORDER**

On March 31, 2020, the Court (Hillman, J.) entered its “Order on Motion for Contempt”, and appointed Paul C. Foley, Esq. as Special Master to inspect and assess the assets, income and liabilities of: Force Corporation, AB Construction Group, Inc., Juliano Fernandes, Anderson Dos Santos, Turn Key Lumber, Inc., Natalia Fernandes, Fitzwilliam, LLC, Nine Green Realty, Inc., Lunenburg Realty Trust and JI Parna, LLC¹.

To date, the Special Master has begun to gather relevant documents and, on April 16, 2020, toured the real properties detailed below. This inspection made clear that the operations of Turn Key Lumber, Inc. (“Turn Key”) have been consolidated to Fitzwilliam, NH. As a result, the Gardner and Lunenburg, Massachusetts properties are available for sale without disrupting the on-going operations and income of Turn Key. As such, the Special Master strongly recommends

¹ JI Parna, LLC was referred to in the Order as “the partnership that owns property in Dade County, Florida.”

that the Gardner and Lunenburg properties be taken over by him as Receiver with sole authority to list, market, negotiate and sell as set forth in the attached “Proposed Interim Order”.

In addition, Turn Key has been devoting material and labor to the construction of a large, up-scale single family residence in Bolton, Massachusetts. This property should also be placed in the hands of the Receiver with the understanding that Turn Key will continue to work to complete the structure this year. Upon completion and issuance of the Certificate of Occupancy, the Bolton property should also be listed, marketed, negotiated and sold by the Receiver as set forth in the attached “Proposed Interim Order”.

The real properties viewed by the Special Master and their respective details are as follows:

1. **Fitzwilliam, NH**

Address: 179 NH Route 12N, Fitzwilliam NH

Owner: Fitzwilliam, LLC (a New Hampshire LLC)

- Members – Juliano and Natalia Fernandes
- Manager – Juliano Fernandes

Occupant: Turn Key Lumber, Inc.

Value: \$860,000 – per appraisal dated November 5, 2017.

Title: A title report has not been ordered.

No mortgage seen of record.

NH DOR Tax Lien for \$38,046.

Subject to Western Surety Lien of \$3 million.

Narrative: This is a 19.5-acre industrial lot. About ½ of the property is in use either as outdoor storage, parking, or as the location of the warehouse in which Turn Key’s operations take place. The other ½ of the property is unimproved but has been cleared.

On the date of inspection, there were three crews working in the warehouse. There was also a substantial office staff on-hand. Another area is being outfitted as retail space.

2. **Gardner, MA**

Address: 115 Coburn Ave., Gardner, MA

Owner: Nine Green Realty, Inc. (a Delaware corporation)
- Juliano Fernandes (sole officer and shareholder)

Occupant: Unoccupied.

Value: \$345,000.00 – per appraisal dated December 30, 2017.

Title: A title report has not been ordered.
Subject to Western Surety Lien of \$3 million.²

Narrative: This is a 4.38-acre industrial lot. Use of the lot is divided among outdoor storage, parking, and the mill building. The mill building was used as the manufacturing area for Turn Key, prior to the move to Fitzwilliam.

The building dates from the early 1900's. Recent interior improvements are minimal, but the roof has been replaced and the top level has been re-sided. So, the building is water tight.

The sprinkler system is a dry system, which is good news for a vacant building. The building will, however, need security and insurance during the duration of the sale effort.

3. **Lunenburg, MA**

Address: 305 Leominster-Shirley Road, Lunenburg, MA

Owner: Lunenburg Realty Trust
- Trustee – Juliano Fernandes;
- Beneficiaries: Juliano Fernandes (1%) and Ryan Fernandes (99%);
- Property transferred from Juliano to Realty Trust for no consideration in 2014.

Occupant: Turn Key Lumber, Inc. (soon to be unoccupied)

Value: \$855,000.00 – per appraisal dated November 5, 2017.

Title: A title report has not been ordered.
No mortgage seen of record.

² In order to sell the properties at issue, the Court will have to order or Western Surety will have to agree to a discharge of the lien that is of record.

Subject to Western Surety Lien of \$3 million.

Narrative: This is a 2.7-acre industrial lot. There are two improvements on the property, one a large two-story home used as the office and retail space for Turn Key, the other a large, open, steel structure used as Turn Key's indoor storage. The remainder of the Lot is used for outdoor storage of raw and finished materials, and parking. Both improvements are in up-to-date and good condition.

4. **Bolton, MA**

Address: 126 Oak Trail Road, Bolton, MA

Owner: Bolton Oak, LLC (a MA LLC)

- Members – Juliano and Natalia Fernandes
- Manager – Natalia Fernandes

Occupant: Unoccupied

General

Contractor: Turn Key Lumber, Inc.

Value: Assessed value \$451,800.00.

Title: A title report has not been ordered.

Mortgage (Bk. 59262/ Pg. 380) - \$231,000 Line of Credit.

Subject to Western Surety Lien of \$3 million.

Narrative: Single family residence in very up-scale subdivision. Homes are selling and/or listed between \$1 - 2 million. The home next door is currently listed at \$999,000.00.

The home is weather tight. But there is no plumbing and no electrical. Essentially, the home has only been framed, the well dug, and the leech field/septic is in place.

The Court could also place this home with the Receiver to be sold now.

Based on the foregoing, the Special Master requests that the Court enter the attached Proposed Order to allow for the sale of the Bolton, Lunenberg, and Gardner properties.

As of April 27, 2020, the Special Master has discussed the terms of the Proposed Order and has obtained assent from the Department of Labor and from counsel for Juliano Fernandes to the requested relief. As such, the Proposed Order is marked “Assented To.”

Respectfully Submitted,
The Special Master,

/s/ Paul C. Foley
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CERTIFICATE OF SERVICE

I, Paul C. Foley, The Special Master, hereby certify that on this day I served a copy of the foregoing document on all parties herein by causing a copy of the same to be sent via first-class mail, postage prepaid, to all counsel of record or pro se parties as shown on the court docket on this date.

/s/ Paul C. Foley
Paul C. Foley

Dated: April 29, 2020