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Millions in oil dealer's payments questioned

MANCHESTER — Before his oil delivery business filed for bankruptcy in 2014, Fred Fuller used company funds to pay three daughters for “no show” jobs, cover \$358,000 in entertainment expenses and repay undocumented loans to family members — all while his business was insolvent, according to court records.

A bankruptcy trustee is disputing millions in company payments that occurred under Fred Fuller’s “systemic mismanagement,” according to documents filed in U.S. Bankruptcy Court.

Fuller, the sole owner of Hudson-based Fred Fuller Oil & Propane, paid himself more than \$1.5 million in compensation over the four years preceding his company’s 2014 bankruptcy filing.

According to bankruptcy trustee Harold Murphy, Fuller used corporate funds to pay hundreds of thousands of personal and family expenses, including the repayment of personal loans from other company insiders, and authorized salary payments to himself and other insiders that were “grossly exceeding the fair value” of the services they provided the company.

Fuller exercised complete control over the company’s finances and directed the



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A Fred Fuller Oil Company delivery truck is seen in this file photo. (COURTESY)



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Fred Fuller, center, seen in court in May 2016, headed a major southern New Hampshire oil company that declared bankruptcy in 2014.

Filed under 'entertainment'

A court filing in the Fred Fuller bankruptcy case tallies \$358,000 in “entertainment expenses” from Dec. 15, 2010 to Sept. 18, 2014.

company "to pay significant personal expenses and to pay excessive compensation to himself and other insiders, including his longtime companion, Dawn Coppola ... stripping the debtor (company) of cash needed to make its basic operating expenses," Murphy wrote. "These improper disbursements materially contributed to the debtor's continued losses, deteriorating financial condition and ultimate bankruptcy."

Multiple entries were listed for:

- Verizon Wireless Arena \$180,000
- New Hampshire Fisher Cats \$84,000
- Boston Red Sox \$68,254

One-time entries included:

- New England Patriots \$1,934
- New York Yankees Foundation \$6,000

In November 2014, rival Rymes Propane & Oil of Concord reached an agreement to buy the Fuller business and cover the obligations of the company's pre-buy and budget customers in a deal valued by Rymes at \$12 million to \$13 million.

"I think it's fair to say that had the company limited salaries, costs and expenses to reasonably necessary items, the company would have been solvent on a cash-flow basis in my opinion," Manchester attorney William Gannon, who previously represented Fred Fuller Oil & Propane, said in an interview Wednesday.

Gannon said he helped collect research on the company that the bankruptcy trustee eventually used to dispute millions in company expenses.

Andrea Brier, an attorney in the trustee's Boston law office, said "it is the policy of the trustee not to comment on matters that are pending before the court."

Home renovations paid for

In court papers, Fuller said he contributed a total of \$4.9 million to the company from November 2007 to April 17, 2014.

Fuller characterized the contributions as unsecured loans to the company, of which more than \$3.5 million was derived from personal loans made to Fuller by other insiders, according to court records.

An attempt to reach Fuller, who now lives in Bow, was unsuccessful.

Fred Fuller's business, which at one time grossed more than \$100 million in yearly revenues, counted nearly 100 employees and an active customer base of 30,000 when it filed for bankruptcy.

The trustee is seeking to recover \$259,650 from Fuller's son, William, who served as company vice president.

William Fuller allegedly used company funds to purchase building materials and pay for services

related to construction and renovation at the younger Fuller's Center Harbor residence, according to court documents.

The company's books and records show no record that William Fuller ever repaid the amount or any interest, records show.

Daughters paid salaries

The bankruptcy trustee is seeking to recover more than \$1.2 million from Fuller's three daughters and two of their spouses.

He said the daughters — Laurie Reed of Meredith, Alison Carter of North Andover, Mass., and Becky Beltran of St. Petersburg, Fla., — all received paychecks for "no show" jobs "requiring little more than an occasional phone call with her father and siblings," according to court records. They received company paychecks every week, regardless of whether they had performed any work, records stated.

Beltran was a New York City resident while employed for the oil company, according to court records.

Trustee Murphy said Fred Fuller "authorized and made improper distributions to himself and other insiders in the guise of 'loan' repayments."

Murphy is challenging claims made by Coppola that she loaned the company more than \$1 million, as well as nearly \$3 million that Fred Fuller's former wife, Sharen Fuller, claims she loaned the company individually and as trustee of the Sharen J. Fuller Revocable Trust of 2005.

The trustee is disputing \$4.7 million of Fuller's claims.

\$68,254 in Red Sox tickets

Records titled "entertainment expenses" showed Fuller used company money to pay \$180,000 to the Verizon Wireless Arena (now Southern New Hampshire University Arena), \$84,000 to the New Hampshire Fisher Cats and \$68,254 to the Red Sox.

Documents said the money was used for tickets.

Undocumented expenses Fuller made included \$10,000 at the Milford Fish Market and \$76.60 at "Jaguar Exeter."

Fuller said he withdrew \$190,000 from his Fidelity 401(k) and took \$60,000 from his IRA to loan the company money, but there were no promissory notes or supporting documents establishing those loans, Murphy said.

Sexual harassment payouts

In May 2016, a sex discrimination case against Fuller brought on behalf of two female employees by the Equal Employment Opportunity Commission (EEOC) was settled for \$3.76 million.

In July 2011, Fuller was charged with misdemeanor sexual assault involving a woman at his Hudson office. He entered a no-contest plea to a misdemeanor simple assault charge and was given a suspended 90-day sentence.

The EEOC also brought legal action against Fuller and his company in 2003 after five female employees complained of sexual harassment. The company settled that lawsuit for \$780,000 in 2005, but Fuller and the company admitted no wrongdoing.

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