

B104 (FORM 104) (08/07)

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)
PLAINTIFFS ELAINE T. RUDISILL, LIQUIDATING TRUSTEE	DEFENDANTS Hendrick Motorsports, LLC and Joseph Riddick Hendrick III	
ATTORNEYS (Firm Name, Address, and Telephone No.) <small>MICHAEL J. BARRIE (admitted pro hac vice) JENNIFER R. HOOVER (admitted pro hac vice) BENESCH, FRIEDLANDER, COPLAN & ARONOFF LLP 222 DELAWARE AVENUE, SUITE 801</small>	ATTORNEYS (If Known)	
PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input checked="" type="checkbox"/> Trustee	PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input checked="" type="checkbox"/> Other Defendants <input type="checkbox"/> Trustee	
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) Avoidance of Transfers Under 11 U.S.C. §§ 544 and 548 and Recovery Under 11 U.S.C. § 550		
NATURE OF SUIT (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)		
FRBP 7001(1) – Recovery of Money/Property <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input checked="" type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input checked="" type="checkbox"/> 14-Recovery of money/property - other FRBP 7001(2) – Validity, Priority or Extent of Lien <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property FRBP 7001(3) – Approval of Sale of Property <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h) FRBP 7001(4) – Objection/Revocation of Discharge <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e) FRBP 7001(5) – Revocation of Confirmation <input type="checkbox"/> 51-Revocation of confirmation FRBP 7001(6) – Dischargeability <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny (continued next column)	FRBP 7001(6) – Dischargeability (continued) <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65-Dischargeability - other FRBP 7001(7) – Injunctive Relief <input type="checkbox"/> 71-Injunctive relief – imposition of stay <input type="checkbox"/> 72-Injunctive relief – other FRBP 7001(8) Subordination of Claim or Interest <input type="checkbox"/> 81-Subordination of claim or interest FRBP 7001(9) Declaratory Judgment <input type="checkbox"/> 91-Declaratory judgment FRBP 7001(10) Determination of Removed Action <input type="checkbox"/> 01-Determination of removed claim or cause Other <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et. seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)	
<input type="checkbox"/> Check if this case involves a substantive issue of state law	<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23	
<input type="checkbox"/> Check if a jury trial is demanded in complaint	Demand \$ 300,000.00	
Other Relief Sought		

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR DESIGNLINE CORPORATION & DESIGNLINE USA, LLC		BANKRUPTCY CASE NO. 13-31943 & 31944
DISTRICT IN WHICH CASE IS PENDING Western	DIVISION OFFICE Charlotte	NAME OF JUDGE Whitley
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISION OFFICE	NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF) <i>/s/ Kevin M. Capuzzi</i>		
DATE 08/07/2015	PRINT NAME OF ATTORNEY (OR PLAINTIFF) Kevin M. Capuzzi, Esquire (admitted pro hac vice)	

INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also must complete and file Form 104, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court's Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 104 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and Defendants. Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.

(“Hendrick” and, together with HMS, “Defendants”) to avoid and recover certain fraudulent transfers the following:

NATURE OF COMPLAINT

1. This Complaint seeks to: (i) avoid, pursuant to 11 U.S.C. § 548, all fraudulent transfers of interests of the Debtors in property made or incurred within the two-year period prior to the filing of the Debtors’ bankruptcy petitions (the “Two-Year Period”); (ii) avoid, pursuant to 11 U.S.C. § 544 and the North Carolina Uniform Fraudulent Transfer Act, all fraudulent transfers of interests of the Debtors in property made or incurred within the four-year period prior to the filing of the Debtors’ bankruptcy petitions (the “Four-Year Period”); (iii) recover, under 11 U.S.C. § 550, from Defendants, or from any other person or entity for whose benefit the fraudulent transfers were made, the value of such transfers, plus interest and costs; and (iv) obtain related relief.

2. To the extent that either or both Defendants have filed a proof of claim or have otherwise requested payment (a “Claim”) from the Debtors or their respective estates, this Complaint is not intended to be, nor should it be construed as, a waiver of Plaintiff’s right to object to such Claim for any reason, including, but not limited to, section 502(a) through (j) of title 11 of the United States Code (the “Bankruptcy Code”), and all such rights are expressly reserved. Notwithstanding this reservation of rights, certain relief pursuant to section 502 of the Bankruptcy Code may be sought by Plaintiff herein as stated below.

JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 1331, 1334(b), and 157(a), which is a civil proceeding arising under or arising in or related to a case under the Bankruptcy Code.

4. Personal jurisdiction over Defendants exists in this Court because Defendants conducted business in the United States, directed activities toward the Debtors in the United States, and/or the transfers at issue occurred in the United States. In addition, as set forth in further detail below, HMS is a North Carolina limited liability company with its principal place of business in North Carolina, and Hendrick resides in North Carolina.

5. This is a core proceeding as defined by 28 U.S.C. §§ 157(b)(2)(A), (F), and (O). Plaintiff consents to this Court's entry of a final adjudication of the merits of this Complaint in accordance with Rule 7008 of the Federal Rules of Bankruptcy Procedure.

6. Venue is proper in the Western District of North Carolina pursuant to 28 U.S.C. §§ 1408 and 1409.

7. The claims and causes of action set forth herein concern the determination, allowance, disallowance, and amount of claims under 11 U.S.C. §§ 502, 544, 548, and 550, and the North Carolina Uniform Fraudulent Transfer Act, N.C. Gen. Stat. § 39-23.1, *et seq.*

8. Defendants are subject to nationwide service of process by first-class mail, postage prepaid, pursuant to Federal Rule of Bankruptcy Procedure 7004(b) and (d).

PROCEDURAL BACKGROUND AND PARTIES

9. On August 15, 2013 (the "Petition Date"), the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Delaware Bankruptcy Court").

10. Venue of the Debtors' bankruptcy cases was transferred to this Court by Order of the Delaware Bankruptcy Court entered on September 4, 2013 [D.I. 59].

11. Pursuant to this Court's Order entered on November 15, 2013 [D.I. 203], Elaine T. Rudisill was appointed to serve as the Chapter 11 Trustee of the Debtors' estates.

12. On March 17, 2014, this Court entered an Order [D.I. 297] confirming the *Amended Liquidating Plan of the Official Committee of the Unsecured Creditors of DesignLine Corporation and DesignLine USA, LLC, Pursuant to Chapter 11 of the United States Bankruptcy Code* [D.I. 256] (the “Liquidating Plan”).

13. The Liquidating Plan became effective on March 17, 2014, and the Liquidating Trustee was appointed pursuant to the terms of the Liquidating Plan [D.I. 256, 305]. Pursuant to Article IV of the Liquidating Plan, Plaintiff has standing to bring this action.

14. Upon information and belief, HMS is a North Carolina limited liability company with its principal place of business located at 4400 Papa Joe Hendrick Boulevard, Charlotte, North Carolina 28262.

15. Upon information and belief, HMS’s registered agent is Gach Law Firm, PLLC, 6000 Monroe Road, Suite 350, Charlotte, North Carolina 28212.

16. Upon information and belief, Hendrick is a North Carolina resident who has a residence located at 3237 Seven Eagles Road, Charlotte, North Carolina 28210.

17. Upon information and belief, according to the 2012 Note (as defined herein), Hendrick maintains a business address at 6000 Monroe Road, Suite 100, Charlotte, North Carolina 28212.

FACTUAL BACKGROUND

18. At all relevant times, the Debtors were leading designers and manufacturers of electric, electric range extended, diesel, and alternative fuel transit buses serving the private transportation industry and public transportation authorities in the United States, Canada, the Middle East, and Asia.

19. Before the Petition Date, the Debtors routinely deposited, withdrew, and otherwise transferred funds to, from, and among certain bank accounts by various methods,

which included the transfer of certain property, either by checks, cashier checks, wire transfers, automated clearinghouse transfers, electronic funds transfers, direct deposits, or otherwise to certain entities, including to creditors.

20. On or about February 18, 2010, Buster C. Glosson (“Glosson”), then chairman of the Board of Directors of Debtor, DesignLine Corporation, entered into a loan agreement with Hendrick (the “2010 Loan Agreement”). A true and correct copy of the 2010 Loan Agreement is attached hereto as Exhibit A and incorporated herein by reference.

21. Pursuant to the 2010 Loan Agreement, Hendrick agreed to provide a loan in the amount of \$800,000.00 to Glosson as borrower purportedly to “provide additional capital to fund a DesignLine potential contract.” *See* 2010 Loan Agreement at p. 1. Repayment of the 2010 Loan Agreement was due on or before August 1, 2010. *Id.* at § 1.2.1. The Debtor, DesignLine Corporation, purportedly guaranteed the obligations under the 2010 Loan Agreement. *Id.* at p. 2.

22. Upon information and belief, the Debtors received no benefit from the 2010 Loan Agreement, and the loan conferred little to no value to the Debtors. Instead, upon information and belief, the 2010 Loan Agreement directly benefitted Glosson and/or an entity other than the Debtors. Nonetheless, at least \$300,000.00 of the 2010 Loan Agreement was repaid by the Debtors. Specifically, the Debtors made three separate wire transfers of \$100,000.00 to HMS on November 7, 2011, December 1, 2011, and January 11, 2012, in purported partial repayment for the 2010 Loan Agreement between Hendrick and Glosson (collectively, the “Loan Cash Transfers”). Upon information and belief, the Debtors received little or no value when they repaid the 2010 Loan Agreement by making the Loan Cash Transfers to HMS.

23. Upon information and belief, the remaining balance of \$500,000.00 from the 2010 Loan Agreement was amended and restated pursuant to a promissory note dated November 1,

2012, by and between Hendrick and Glosson (the “2012 Note”), which was not guaranteed by either of the Debtors. A true and correct copy of the 2012 Note is attached hereto as Exhibit B and incorporated herein by reference.

24. Separately, the Debtors’ books and records reference the Loan Cash Transfers to be made to HMS as part of a Memorandum of Record dated July 1, 2009 (the “Company Memorandum”). A true and correct copy of the Company Memorandum is attached hereto as Exhibit C and incorporated herein by reference. The Company Memorandum provides that:

The Hendrick Companies/HMS (Rick Hendrick) has agreed to assist DL as follows:

- Identify potential DL Parts and Service suppliers based on HMS experience
- Provide design recommendations for DL Bus Front and rear CAPs plus Exhaust Wing
- Conduct Air tunnel tests for Exhaust Wing (minimize ground level impact)
- Provide Design recommendations for DL Customer special requests (specifically, New York and Baltimore issues).

Notably, the Company Memorandum provides for compensation in the form of monthly payments of \$100,000 in 2011. The Debtors’ books and records, however, do not reflect that HMS provided any of the foregoing assistance to the Debtors. The Debtors’ books and records later reflect an amended memorandum of record providing that the Company Memorandum was not accurate, and that HMS is owed monies from the 2009-2010 time period. A true and correct copy of the Company Memorandum, as amended, is attached hereto as Exhibit D and incorporated herein by reference.

25. Upon information and belief, the Debtors were insolvent at the time they incurred the obligations set forth in the 2010 Loan Agreement and made the Loan Cash Transfers identified herein. Upon information and belief, at the time the obligations set forth in the 2010

Loan Agreement were incurred and with respect to the Loan Cash Transfers that are referenced herein, and at all points in time prior to the Petition Date, the Debtors' assets allegedly totaled no more than between \$19 million and \$33 million dollars, and its liabilities allegedly totaled at least between \$16 million and \$65 million. At all points in time relevant hereto, the Debtors' assets never exceeded its liabilities on its audited financial statements. Moreover, the Debtors' auditors expressed going concern opinions each year since 2009 because of the Debtors' perilous financial condition.

COUNT I

Avoidance of DesignLine Corporation's Guaranty of the 2010 Loan Agreement Pursuant to 11 U.S.C. § 544 and the North Carolina Uniform Fraudulent Transfer Act

26. Plaintiff hereby incorporates all preceding paragraphs as if fully set forth herein.

27. DesignLine Corporation's guaranty of Glosson's personal obligations under the 2010 Loan Agreement (the "DesignLine Guaranty") may be avoided under 11 U.S.C. § 544 and the North Carolina Uniform Fraudulent Transfer Act, N.C. Gen. Stat. § 39-23.1, *et seq.* Accordingly, to the extent that the Loan Cash Transfers totaling not less than \$300,000.00 were paid pursuant to the DesignLine Guaranty, those transfers may likewise be avoided.

28. The DesignLine Guaranty was made during the Four-Year Period.

29. The DesignLine Guaranty was made with:

(a) the actual intent to hinder, delay, or defraud any entity to which the Debtors were, or after the date that the DesignLine Guaranty was executed became, indebted; or

(b) the Debtors received less than reasonably equivalent value in exchange for the DesignLine Guaranty.

30. Specifically, upon information and belief, the Debtors received no benefit from the DesignLine Guaranty of the 2010 Loan Agreement, and it conferred little to no value to the Debtors. In fact, the 2010 Loan Agreement was a personal obligation of Glosson and, notwithstanding that, the Debtors' books and records, do not reflect that HMS or Hendrick provided any services to the Debtors

31. The Debtors were insolvent at the time the DesignLine Guaranty was executed.

32. The DesignLine Guaranty, and the Loan Cash Transfers made by the Debtors to HMS pursuant thereto, were property in which the Debtors had an interest.

33. Under 11 U.S.C. § 544 and the North Carolina Uniform Fraudulent Transfer Act, Plaintiff is entitled to entry of an order and judgment avoiding the DesignLine Guaranty and the Loan Cash Transfers made by the Debtors to HMS pursuant thereto.

COUNT II

Avoidance of Loan Cash Transfers Pursuant to 11 U.S.C. § 548

34. Plaintiff hereby incorporates all preceding paragraphs as if fully set forth herein.

35. Each transfer made by the Debtors to HMS during the Two-Year Period, including but not limited to the Loan Cash Transfers, the details of which are set forth in Exhibit E attached hereto and incorporated herein by reference, may be avoided under 11 U.S.C. § 548. The aggregate amount of the Loan Cash Transfers is not less than \$300,000.00.

36. During the course of this proceeding, Plaintiff may learn of additional transfers made by the Debtors to HMS during the Two-Year Period. Plaintiff intends to avoid and recover all fraudulent transfers made by the Debtors of an interest of the Debtors in property, and/or transfers made for the benefit of HMS or any other transferee. Plaintiff reserves the right to make amendments to this Complaint, which relate back to the date of the filing of this Complaint, to add: detail on the Loan Cash Transfers, other transfers, defendants or causes of

action that may become known to Plaintiff at any time, through formal discovery or otherwise, and/or to revise Defendants' names.

37. Each of the Loan Cash Transfers was made during the Two-Year Period.

38. Each of the Loan Cash Transfers was made with:

(a) the actual intent to hinder, delay, or defraud any entity to which the Debtors were, or after the date such Loan Cash Transfers were made became, indebted; or

(b) the Debtors received less than reasonably equivalent value in exchange for such Loan Cash Transfers.

39. Specifically, upon information and belief, the Debtors received no benefit from the 2010 Loan Agreement, and the loan conferred little to no value to the Debtors. Instead, the 2010 Loan Agreement directly benefitted Glosson. Nonetheless, the Loan Cash Transfers, totaling at least \$300,000.00, were repaid by the Debtors in purported partial repayment for the 2010 Loan Agreement between Hendrick and Glosson. Upon information and belief, the Debtors received little or no value when they repaid the 2010 Loan Agreement by making the Loan Cash Transfers to HMS.

40. The Debtors were insolvent at the time the Loan Cash Transfers were made.

41. The Loan Cash Transfers made by the Debtors to HMS were property in which the Debtors had an interest.

42. Pursuant to 11 U.S.C. § 548, Plaintiff is entitled to entry of an order and judgment avoiding the Loan Cash Transfers.

COUNT III

Avoidance of Loan Cash Transfers Pursuant to 11 U.S.C. § 544 and the North Carolina Uniform Fraudulent Transfer Act

43. Plaintiff hereby incorporates all preceding paragraphs as if fully set forth herein.

44. In the alternative, each of the Loan Cash Transfers, the details of which are set forth in Exhibit E, may also be avoided under 11 U.S.C. § 544 and the North Carolina Uniform Fraudulent Transfer Act, N.C. Gen. Stat. § 39-23.1, *et seq.* The aggregate amount of the Loan Cash Transfers is not less than \$300,000.00.

45. During the course of this proceeding, Plaintiff may learn of additional transfers made by the Debtors to HMS during the Four-Year Period. Plaintiff intends to avoid and recover all fraudulent transfers made by the Debtors of an interest of the Debtors in property, and/or transfers made for the benefit of HMS or any other transferee. Plaintiff reserves the right to make amendments to this Complaint, which relate back to the date of the filing of this Complaint, to add: detail on the Loan Cash Transfers, other transfers, defendants or causes of action that may become known to Plaintiff at any time, through formal discovery or otherwise, and/or to revise Defendants' names.

46. Each of the Loan Cash Transfers was made during the Four-Year Period.

47. Each of the Loan Cash Transfers was made with:

(a) the actual intent to hinder, delay, or defraud any entity to which the Debtors were, or after the date such Loan Cash Transfers were made became, indebted; or

(b) the Debtors received less than reasonably equivalent value in exchange for such Loan Cash Transfers.

48. Specifically, upon information and belief, the Debtors received no benefit from the 2010 Loan Agreement, and the loan conferred little to no value to the Debtors. Instead, the 2010 Loan Agreement directly benefitted Glosson. Nonetheless, the Loan Cash Transfers, totaling at least \$300,000.00, were repaid by the Debtors in purported partial repayment for the 2010 Loan Agreement between Hendrick and Glosson. Upon information and belief, the Debtors received little or no value when they repaid the 2010 Loan Agreement by making the Loan Cash Transfers to HMS.

49. The Debtors were insolvent at the time the Loan Cash Transfers were made.

50. The Loan Cash Transfers made by the Debtors to Defendant were property in which the Debtors had an interest.

51. Pursuant to 11 U.S.C. § 544 and the North Carolina Uniform Fraudulent Transfer Act, Plaintiff is entitled to entry of an order and judgment avoiding the Loan Cash Transfers.

COUNT IV

Recovery of Fraudulent Transfers Pursuant to 11 U.S.C. § 550

52. Plaintiff hereby incorporates all preceding paragraphs as if fully set forth herein.

53. HMS is the initial transferee of the Loan Cash Transfers, or the immediate or mediate transferee of such initial transferee, or the person for whose benefit the Loan Cash Transfers were made.

54. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to recover from HMS or Hendrick the value of the Loan Cash Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT V

Disallowance of all Claims Pursuant to 11 U.S.C. § 502(d) and (j)

55. Plaintiff hereby incorporates all preceding paragraphs as if fully set forth herein.

56. Hendrick is a party to the 2010 Loan Agreement, the DesignLine Guaranty of which is avoidable under 11 U.S.C. § 544.

57. HMS is a transferee of the Loan Cash Transfers, which are avoidable under 11 U.S.C. §§ 544 and/or 548.

58. Hendrick and HMS are an individual and an entity, respectively, from whom or which property is recoverable under 11 U.S.C. § 550.

59. Defendants have not paid the value of the Loan Cash Transfers, or turned over such property, for which Defendants are liable to the Liquidating Trustee under 11 U.S.C. § 550.

60. Pursuant to 11 U.S.C. § 502(d), any and all Claims of Defendants, and/or their assignees, against the estates of the Debtors must be disallowed until Defendants pay to Plaintiff an amount equal to the aggregate amount of all of the Loan Cash Transfers, plus interest thereon and costs.

61. Pursuant to 11 U.S.C. § 502(j), any and all Claims of Defendants, and/or their assignees, against the Debtors' estates previously allowed, must be reconsidered and disallowed until Defendants pay to Plaintiff an amount equal to the aggregate amount of all of the Loan Cash Transfers, plus interest thereon and costs.

62. During the course of this adversary proceeding, Plaintiff may learn of additional facts that give rise to additional claims for relief against Defendants. In the event that the statute of limitations has expired for bringing such claims under applicable law, then Plaintiff submits that the Court should toll the applicable limitations period under the doctrine of equitable tolling. Plaintiff has acted diligently in conducting her investigation into the financial affairs of the Debtors including without limitation, issuing and taking discovery under Rule 2004, including but not limited to, issuing in excess of 20 subpoenas *duces tecum* directed to

discovering assets and the true nature of various transactions that were concealed or attempted to be concealed, not listed in the Debtors' Schedules and Statement of Financial Affairs, and/or which appear to have been intentionally mischaracterized to disguise the true nature of the underlying transaction(s). Notwithstanding the foregoing, during the course of this adversary proceeding, Plaintiff may learn of additional facts that give rise to additional claims for relief against Defendants. Plaintiff reserves all rights to assert such claims, though amendment of this Complaint or otherwise.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests that this Court enter judgment in her favor:

- A. That the DesignLine Guaranty of the 2010 Loan Agreement avoidable under 11 U.S.C. § 544 and the North Carolina Uniform Fraudulent Transfer Act be avoided;
- B. That all Loan Cash Transfers avoidable under 11 U.S.C. § 548 be avoided;
- C. That all Loan Cash Transfers avoidable under 11 U.S.C. § 544 and the North Carolina Uniform Fraudulent Transfer Act be avoided;
- D. That all Loan Cash Transfers avoidable under 11 U.S.C. §§ 544 and/or 548 be recovered by Plaintiff pursuant to 11 U.S.C. § 550(a);
- E. Against Defendants in an amount not less than \$300,000.00 (the "Judgment");
- F. Disallowing, in accordance with 11 U.S.C. § 502(d), any Claims held by Defendants, and/or their assignees, if Defendants or their assignees refuse to pay to Plaintiff an amount equal to the aggregate amount of all of the Loan Cash Transfers, plus interest thereon and costs;
- G. Disallowing, in accordance with 11 U.S.C. § 502(j), any claims held by Defendants, and/or their assignees, until Defendants satisfy the Judgment;

H. Awarding pre-judgment interest at the maximum legal rate running from the date of each of the Loan Cash Transfers to the date of Judgment herein;

I. Awarding post-judgment interest at the maximum legal rate running from the date of Judgment herein until the date the Judgment is paid in full, plus costs;

J. Awarding Plaintiff her reasonable attorneys' fees and costs incurred in the prosecution of this action to the extent allowed by law or equity; and

K. Granting Plaintiff such other and further relief as the Court deems just and proper.

Dated: August 7, 2015

**BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP**

By: /s/ Michael J. Barrie
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