B104 (FORM 104) (08/07)

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)	ADVERSARY PROCEEDING NUMBER (Court Use Only)

PLAINTIFFS	DEFENDANTS
ELAINE T. RUDISILL, LIQUIDATING TRUSTEE	BUSTER GLOSSON, ET AL., (SEE SECOND PAGE FOR LIST OF ALL DEFENDANTS)
ATTORNEYS (Firm Name, Address, and Telephone No.) MICHAEL J. BARRIE (admitted pro hac vice) JENNIFER R. HOOVER (admitted pro hac vice) BENESCH, FRIEDLANDER, COPLAN & ARONOFF LLP 222 DELAWARE AVENUE, SUITE 801	**ATTORNEYS** (If Known)
PARTY (Check One Box Only) ☐ Debtor ☐ U.S. Trustee/Bankruptcy Admin ☐ Creditor ☐ Other ☑ Trustee	**PARTY** (Check One Box Only) ☐ Debtor ☐ U.S. Trustee/Bankruptcy Admin ☐ Creditor ☑ Other Defendants ☐ Trustee

CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED)

Breaches of fiduciary duty, waste of corporate assets, constructive fraud, fraud, negligent misrepresentation, tortious interference with contract, tortious interference with prospective business or economic advantage, misappropriation of trade secrets, breach of contract, conversion, unjust enrichment, unfair and deceptive practices(in violation of North Carolina and Federal law), civil conspiracy, violation of Federal and North Carolina RICO Acts, avoidance of fraudulent transfers under 11 U.S.C. §§ 544 and 547, recovery of avoidable transfers, disallowance of proofs of claim filed against the Debtors under 11 U.S.C. § 507, re-characterization of debt to equity, equitable subordination under U.S.C. § 510, and successor liability.

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
- ☐ 11-Recovery of money/property - §542 turnover of property
- ☐ 12-Recovery of money/property - §547 preference
- ☑ 13-Recovery of money/property - §548 fraudulent transfer
- ☑ 14-Recovery of money/property - other

FRBP 7001(2) – Validity, Priority or Extent of Lien
- ☐ 21-Validity, priority or extent of lien or other interest in property

FRBP 7001(3) – Approval of Sale of Property
- ☐ 31-Approval of sale of property of estate and of a co-owner - §363(h)

FRBP 7001(4) – Objection/Revocation of Discharge
- ☐ 41-Objection / revocation of discharge - §727(c),(d),(e)

FRBP 7001(5) – Revocation of Confirmation
- ☐ 51-Revocation of confirmation

FRBP 7001(6) – Dischargeability
- ☐ 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims
- ☐ 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud
- ☐ 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny

(continued next column)

FRBP 7001(6) – Dischargeability (continued)
- ☐ 61-Dischargeability - §523(a)(5), domestic support
- ☐ 68-Dischargeability - §523(a)(6), willful and malicious injury
- ☐ 63-Dischargeability - §523(a)(8), student loan
- ☐ 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support)
- ☐ 65-Dischargeability - other

FRBP 7001(7) – Injunctive Relief
- ☐ 71-Injunctive relief – imposition of stay
- ☐ 72-Injunctive relief – other

FRBP 7001(8) Subordination of Claim or Interest
- ☐ 81-Subordination of claim or interest

FRBP 7001(9) Declaratory Judgment
- ☐ 91-Declaratory judgment

FRBP 7001(10) Determination of Removed Action
- ☐ 01-Determination of removed claim or cause

Other
- ☐ SS-SIPA Case – 15 U.S.C. §§78aaa *et.seq.*
- ☐ 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)

☑ Check if this case involves a substantive issue of state law	☐ Check if this is asserted to be a class action under FRCP 23
☐ Check if a jury trial is demanded in complaint	Demand $ AMOUNT TO BE PROVED IN COURT

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) */s/ Kevin M. Capuzzi*		
DATE 08/13/2015	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.

ALL DEFENDANTS

BUSTER GLOSSON
BRAD GLOSSON
VICTORIA GLOSSON
EAGLE LTD
EAYD ALAEDDIN
FOUAD ALAEDDIN
GARRIEN MICHAEL FLOYD, JR.
GLOBAL BUS VENTURES, LLC F/K/A DL PACIFIC VENTURES, LLC
DESIGNLINE BUS PACIFIC LIMITED
JAMES FADIMAN
MURRAY GEORGE ALLOTT
MODERN ARABIAN BUSINESS CORPORATION
LIBERTY AUTOMOBILES CO., LLC
ODELL INTERNATIONAL LLC
DL EV TECHNOLOGY, LLC
SABRE SERVICES INTERNATIONAL, LLC
CHANDLER MIDDLE EAST, LLC
RAY E. CHANDLER

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re:	:	Case No. 13-31943
	:	Chapter 11
DESIGNLINE CORPORATION,	:	
	:	
Debtor.	:	
	:	
In re:	:	Case No. 13-31944
	:	Chapter 11
DESIGNLINE USA, LLC,	:	(Jointly Administered)
	:	
Debtor.[1]	:	
	:	
ELAINE T. RUDISILL, as Liquidating Trustee,	:	
	:	
Plaintiff,	:	Adversary No.
	:	
v.	:	
	:	
BUSTER GLOSSON, BRAD GLOSSON, VICTORIA GLOSSON, EAGLE LTD., EYAD ALAEDDIN, FOUAD ALAEDDIN, GARRIEN MICHAEL FLOYD, JR., GLOBAL BUS VENTURES, LLC F/K/A DL PACIFIC VENTURES, LLC, DESIGNLINE BUS PACIFIC LIMITED, JAMES FADIMAN, MURRAY GEORGE ALLOTT, MODERN ARABIAN BUSINESS CORPORATION, LIBERTY AUTOMOBILES CO., L.L.C., ODELL INTERNATIONAL LLC, DL EV TECHNOLOGY, LLC, SABRE SERVICES INTERNATIONAL, LLC, CHANDLER MIDDLE EAST, LLC, AND RAY E. CHANDLER	:	
	:	
Defendants.	:	

[1] The Debtors, along with the last four digits of each Debtor's tax identification number, are as follows: DesignLine Corporation (3294) (Case No. 13-31943) and DesignLine USA, LLC (3957) (Case No. 13-31944).

COMPLAINT[2]

Plaintiff Elaine T. Rudisill, the Liquidating Trustee (the "Trustee") appointed under the Amended Liquidating Plan (the "Plan") of the Official Committee of Unsecured Creditors of DesignLine Corporation ("DesignLine Corp.") and DesignLine USA, LLC ("DesignLine USA" and, together with DesignLine Corp., the "Debtors"), by and through her undersigned counsel, hereby brings this complaint ("Complaint") against the above-captioned defendants (collectively, the "Defendants") for breaches of fiduciary duty, waste of corporate assets, constructive fraud, fraud, negligent misrepresentation, tortious interference with contract, tortious interference with prospective business or economic advantage, misappropriation of trade secrets, breach of contract, conversion, unjust enrichment, unfair and deceptive trade practices (in violation of North Carolina and Federal law), civil conspiracy, violation of the Federal and North Carolina Racketeer Influenced and Corrupt Organizations Acts, avoidance of fraudulent transfers, recovery of avoidable transfers, disallowance of proofs of claim filed against the Debtors, recharacterization of debt to equity, equitable subordination, and successor liability. In support thereof, the Trustee avers as follows:

NATURE OF COMPLAINT

1. The Trustee brings this Complaint against Defendant Buster Glosson and certain members of his family and his network who have worked in concert over the course of a decade to pilfer assets of the Debtors (and their predecessors-in-interest) and to siphon monies and opportunities belonging to the Debtors, their creditors, and their investors. Despite the fact that the Debtors never turned a profit — and were insolvent at all times — the Defendants constructed an elaborate pattern and scheme to defraud the Debtors' debt and equity investors,

[2] Given the complexity of the factual allegations asserted herein, the length of the Complaint, and the number of parties involved, Plaintiff has attached a table of contents to this Complaint as **Schedule 1**.

siphon off funds designated for the Debtors' businesses for their personal uses, and divert millions of dollars of the Debtors' business opportunities to their other businesses. This Complaint seeks to recover, among other things, the value of the money, property, and business opportunities taken by the Defendants that rightfully belonged to these Debtors and their creditors.

2. Beginning in 2006, Defendants Brad Glosson and Buster Glosson, through material misrepresentations and concealments, caused unwitting investors to make *indirect* debt and equity investments in the Debtors (or their predecessors-in-interest). Defendants Brad Glosson and Buster Glosson, despite their promises that these funds would initially capitalize the Debtors and then provide the Debtors with working capital and operational support, did not provide the Debtors with the full proceeds of these investments. These investments, rather, were used, either in whole or in part, to supplement the lifestyles of Defendants Brad Glosson and Buster Glosson, and other members of their family.

3. Then, through an intricate and surreptitious web involving dozens of bank accounts spanning numerous countries, Defendants Buster Glosson and Brad Glosson, with the able assistance of others (including certain of the other Defendants), some of whom include Defendant Buster Glosson's former military colleagues, worked in concert with other of the Defendants to funnel millions of dollars belonging to the Debtors to themselves and their other businesses, to divert multiple and lucrative business opportunities belonging to the Debtors to their other businesses, and to transfer valuable assets, rights, and property from the Debtors to their other entities utilizing, along the away, unlawful conduct and unlawful means, such as bribery, forgery, mail fraud, and wire fraud, to accomplish their goals.

4. When the debt structure became too great for the Debtors, and when Defendants Buster Glosson and Brad Glosson realized that they would be forced from their dominion and control over the Debtors, they used their network, the Debtors' business opportunities, and monies belonging to the Debtors and their creditors to build themselves a new business. Now, a group of these Defendants — Brad Glosson, Buster Glosson, E. Alaeddin, F. Alaeddin, Fadiman, Allott, and Floyd — with the able assistance of certain of the other Defendants, are manufacturing buses identical to the ones that the Debtors once manufactured using a factory that the Debtors had built. They are even using the Debtors' name. Worse yet, these same Defendants are selling these buses through distribution and sales channels that the Debtors had established to customers and through contacts that once belonged to the Debtors.

5. The Defendants' actions have caused substantial harm to the Debtors and their bankruptcy estates and this civil action has been filed to remedy those harms caused at the hands of the Defendants.

PROCEDURAL BACKGROUND

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

7. By Order dated September 4, 2013, venue of the Debtors' bankruptcy cases was transferred to this Court. (*See* Docket No. 59.)[3]

8. On March 17, 2014, this Court entered an Order confirming the Plan. (*See* Docket No. 297.) The Trustee was appointed as Trustee pursuant to the terms and conditions of the Plan and the ancillary documents relating to the Plan. (*See* Docket Nos. 256, 305.)

[3] All references to the Docket shall refer to the docket in Case No. 13-31943.

JURISDICTION AND VENUE

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

10. The causes of action set forth herein pursuant to 11 U.S.C. §§ 502, 510, 544, 548, and 550 and for recharacterization constitute core proceedings as defined by 28 U.S.C. § 157(b)(2)(A), (H), and (O). To the extent this proceeding is deemed a non-core proceeding, 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.

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

12. The Court has personal jurisdiction over each Defendant because each Defendant conducted business in the United States, directed activities toward the Debtors in the United States, and/or the conduct at issue occurred in the United States.

PARTIES

13. Plaintiff Elaine T. Rudisill is the liquidating trustee appointed pursuant to the terms and conditions of the Plan and is a Managing Director of The Finley Group which has a business address of 212 South Tryon Street, Suite 1050, Charlotte, North Carolina 28202. The Trustee has standing to bring this action under Article IV of the Plan.

14. Upon information and belief, Defendant Buster Glosson is an individual and citizen of the State of North Carolina residing at 6935 N. Baltusrol Lane, Charlotte, North Carolina 28210. From 2006 through December 3, 2012, Defendant Buster Glosson served as a director and chairman of the board of DesignLine Corp., its predecessors-in-interest, and certain

subsidiaries and affiliates of DesignLine Corp. as described herein. Defendant Buster Glosson is the husband of Defendant Victoria Glosson, father of Defendant Brad Glosson, and father-in-law of Defendant Floyd.

15. Upon information and belief, Defendant Brad Glosson is an individual and citizen of the State of North Carolina residing at 7610 Quail Park Drive, Charlotte, North Carolina 28210. From 2006 through March 9, 2012, Defendant Brad Glosson served as president and chief executive officer of DesignLine Corp., its predecessors-in-interest, and certain subsidiaries and affiliates of DesignLine Corp. as described herein. From approximately July 2009 through March 9, 2012, Defendant Brad Glosson served as a director of DesignLine Corp. and certain of its predecessors-in-interest. Defendant Brad Glosson is the son of Defendants Buster Glosson and Victoria Glosson and brother-in-law of Defendant Floyd.

16. Upon information and belief, Defendant Victoria Glosson is an individual and citizen of the State of North Carolina residing at 6935 N. Baltusrol Lane, Charlotte, North Carolina 28210. Defendant Victoria Glosson is the wife of Defendant Buster Glosson, mother of Defendant Brad Glosson, and mother-in-law of Defendant Floyd.

17. Upon information and belief, Defendant Eagle LTD ("Eagle") is a corporation organized under the laws of the State of North Carolina having a registered office at Three Wachovia Center, 401 S. Tyron Street, Suite 3000, Charlotte, North Carolina 28202, and a registered mailing address of 6935 N. Baltusrol Lane, Charlotte, North Carolina 28210. Eagle is wholly owned and/or controlled by Defendant Buster Glosson.

18. Upon information and belief, Defendant Eyad Alaeddin ("E. Alaeddin") is an individual and a citizen of The Hashemite Kingdom of Jordan. E. Alaeddin maintains a place of business at 300 King Abdullah II Street, Amman, Jordan. From approximately November 15,

2010 through March 26, 2012, E. Aladdin served as Director, Middle East for DesignLine Corp. E. Alaeddin is related to Defendant F. Alaeddin.

19. Upon information and belief, Defendant Fouad Alaeddin ("F. Alaeddin") is an individual and a citizen of The Hashemite Kingdom of Jordan. F. Alaeddin maintains a place of business at 300 King Abdullah II Street, Amman, Jordan. From November 10, 2009 through November 11, 2012, F. Alaeddin served as a director of DesignLine Corp. F. Alaeddin is related to Defendant E. Alaeddin.

20. Upon information and belief, Defendant Garrien Michael Floyd, Jr. ("Floyd") is an individual and citizen of the State of North Carolina residing at 8349 Bar Harbor Lane, Charlotte, North Carolina 28210. From approximately September 25, 2009, through the Petition Date, Defendant Floyd served as an officer of DesignLine Corp. and DesignLine USA, holding at various times the following titles: Vice President, Human Resources and Administration; Executive Vice President, Contracts, Purchasing, and Information Technology; Executive Vice President, Contracts and Administration; and Assistant Secretary. Floyd is the son-in-law of Defendants Buster Glosson and Victoria Glosson and brother-in-law of Defendant Brad Glosson.

21. Upon information and belief, Defendant Global Bus Ventures, LLC f/k/a DL Pacific Ventures, LLC ("Global Bus Ventures") is a limited liability company organized under the laws of the State of Delaware having a registered address at National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware 19904. At all relevant times, Defendant Buster Glosson and Defendant Fadiman owned and/or controlled Defendant Global Bus Ventures. Defendant Brad Glosson served as chief executive officer of Defendant Global Bus Ventures during his tenure with the Debtors and immediately following his departure from the

Debtors in March of 2012 through October 1, 2014. On October 1, 2014, Defendant Floyd was appointed chief executive officer of Defendant Global Bus Ventures.

22. Upon information and belief, Defendant DesignLine Bus Pacific Limited ("Bus Pacific") is a corporation organized under the laws of New Zealand having a registered address at Ground Floor, 14B Leslie Hills Drive, Riccarton, Christchurch 8011, New Zealand. Defendant Bus Pacific is a wholly owned subsidiary of Defendant Global Bus Ventures.

23. Upon information and belief, Defendant James Fadiman ("Fadiman") is an individual and citizen of the State of California residing at 1070 Colby Avenue, Menlo Park, California 94025.

24. Upon information and belief, Defendant Murray George Allott ("Allott") is an individual and a citizen of New Zealand residing at 18 Hamilton Avenue, Ilam, Christchurch 8041, New Zealand. Defendant Allott served as the investigative accountant for the receivership of DesignLine International Holdings NZ, a former subsidiary of the Debtors that Defendants Buster and Brad Glosson improperly acquired through Defendants Bus Pacific and Global Bus Ventures on August 19, 2011. Defendant Allott became a director of Defendant Bus Pacific on or about August 25, 2011.

25. Upon information and belief, Modern Arabian Business Corporation ("MABCO") is a limited liability company established under the laws of The Hashemite Kingdom of Jordan, having a place of business at 300 King Abdullah II Street, Amman, Jordan. MABCO is owned and/or controlled by Defendant F. Alaeddin.

26. Upon information and belief, Liberty Automobiles Co., L.L.C., ("Liberty Automobiles") is a corporation organized under the laws of the United Arab Emirates, having a

registered office at Post Box 5506, Sharjah, United Arab Emirates and a business address at King Abdul Aziz Road, Industrial Area 4, Sharjah, United Arab Emirates.

27. Upon information and belief, Defendant Odell International LLC ("Odell") is a limited liability company organized under the laws of the State of North Carolina with a principal place of business at 13620 Reese Boulevard, Huntersville, North Carolina 28078, and a registered office at 3296 Hawick Commons Drive, Concord, North Carolina 28027.

28. Upon information and belief, Defendant DL EV Technology, LLC ("DL EV Technology") is a limited liability company organized under the laws of the State of Delaware having a registered address at 615 S. DuPont Highway, Dover, Delaware 19901.

29. Upon information and belief, Defendant Sabre Services International, LLC ("Sabre Services") is a limited liability company organized under the laws of Florida with a principal place of business or address at 992 Shalimar Pointe Drive, Shalimar, Florida 32579, and a registered office at the same address.

30. Upon information and belief, Defendant Chandler Middle East, LLC ("CME") is a limited liability company organized under the laws of South Carolina with a principal place of business in Manning, South Carolina and a registered agent of Ray E. Chandler, 2 North Brooks Street, Manning, South Carolina 29102.

31. Upon information and belief, Defendant Ray E. Chandler ("Chandler") is an individual and citizen of the State of South Carolina residing at 130 Ocean Park Loop LO, Georgetown, South Carolina 29440. Upon information and belief, Defendant Chandler is the Chief Executive Office and Registered Agent of Defendant CME, with a principal place of business at 1060 E. Montague Avenue, Suite 301, North Charleston, SC 29405.

32. Certain 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). Certain international Defendants, including Bus Pacific and Allott, are subject to service of process by international registered/certified mail, return receipt requested, pursuant to Federal Rule of Civil Procedure 4(f)(2)(C)(ii), which is incorporated in this adversary proceeding by Federal Rule of Bankruptcy Procedure 7004(a)(1). Other international defendants, including E. Alaeddin, F. Alaeddin, MABCO, and Liberty Automobiles are subject to service of process as prescribed by the respective foreign country's law for service, pursuant to Federal Rule of Civil Procedure 4(f)(2)(A), which is incorporated in this adversary proceeding by Federal Rule of Bankruptcy Procedure 7004(a)(1), or as directed by the respective foreign country in response to a letter rogatory or letter of request, pursuant to Federal Rule of Civil Procedure 4(f)(2)(B), which is incorporated in this adversary proceeding by Federal Rule of Bankruptcy Procedure 7004(a)(1). Notwithstanding the foregoing, Plaintiff reserves all rights to extend any applicable time limit for service pursuant to Federal Rule of Civil Procedure 4(m), which is incorporated in this adversary proceeding by Federal Rule of Bankruptcy Procedure 7004(a)(1).

FACTUAL BACKGROUND

I. The Origins of the Debtors and Their Business.

33. The Debtors have their origins as a bus designer and manufacturer founded in New Zealand in 1985 and known originally as DesignLine Engineering Limited. DesignLine Engineering Limited was incorporated under the laws of New Zealand on October 17, 1985. DesignLine Engineering Limited subsequently changed its name to DesignLine Limited on August 20, 1993, and reregistered to become a company on June 10, 1997. Thereafter,

DesignLine Limited changed its name to DesignLine Citibus Limited (together with its predecessors, "DesignLine Citibus") on October 22, 2003.[4]

34. DesignLine Citibus's core business was the manufacture and sale of diesel buses for the New Zealand market.

35. DesignLine Citibus began developing a line of hybrid buses in the early 1990s and introduced its first prototype hybrid bus, and placed its first fleet of hybrid buses into service, in 1998.

36. In 2006, Defendant Buster Glosson caused DesignLine International Holdings, LLC ("DesignLine International Holdings") to be formed under the laws of the State of Delaware. Since 2006, and at all relevant times thereafter until his resignation on or about December 3, 2012, Defendant Buster Glosson served as a director and chairman of DesignLine International Holdings and its various successors-in-interest including, but not limited to, DesignLine Corp. (DesignLine International Holdings and its various successors-in-interest are collectively referred to as the "DesignLine Entities").

37. Since 2006, and at all relevant times thereafter until his resignation on or about March 9, 2012, Defendant Brad Glosson served as president and chief executive officer of the DesignLine Entities. From approximately July 2009 through March 9, 2012, Defendant Brad Glosson also served as a director of DesignLine Corp. and its predecessors-in-interest.

38. In August 2006, DesignLine International Holdings acquired substantially all of the assets of DesignLine Citibus and DesignLine Developments Limited, another corporation organized under the laws of New Zealand, for the purpose of leveraging their hybrid and electric

[4] The shareholders of DesignLine Citibus were John Turton (owning 1.2 million shares of DesignLine Citibus stock) and Elaine Clark, John Clark, and Robin Hughes (collectively owning 1.2 million shares of DesignLine Citibus stock).

bus technologies into greater market share internationally, including, but not limited to, the United States and the Middle East.[5]

39. As of August 2006, the board of directors of the DesignLine Entities consisted of Defendant Buster Glosson, Wesley Jones, William Beck, Hugh McColl, John Turton, and James G. Martin. Wesley Jones served as a director until his resignation on or about February 24, 2009. William Beck, Hugh McColl, and John Turton served as directors until their resignations on or about July 22, 2009. James G. Martin served as a director until his resignation on or about December 8, 2011. Upon information and belief, each director was to have received — and many of the directors did receive — an annual fee of $25,000 to attend the meetings of the board of directors, even though DesignLine Corp. and its operations outside of New Zealand were in their infancy and were, at all times, insolvent.

40. On April 27, 2007, Defendant Brad Glosson entered into an Employment Agreement with DesignLine International Holdings regarding his position as chief executive officer (the "Glosson Employment Agreement"). The Glosson Employment Agreement contains, among other things, covenants not to compete with the DesignLine Entities.

41. The Glosson Employment Agreement, to the extent that it was executory, was not disclosed on the Debtors' Schedule G of its Schedules of Assets and Liabilities.

42. On September 25, 2009, Defendant Brad Glosson and Defendant Floyd each executed a Long-Form Service Provider Confidentiality, Non-Competition and Non-Solicitation Agreement with DesignLine Corp. (respectively, the "Brad Glosson Confidentiality Agreement" and "Floyd Confidentiality Agreement"). On November 10, 2009, Defendant Buster Glosson

[5] After this transaction, DesignLine Citibus changed its name to Range 3 Limited and John Turton, a member of the board of directors of DesignLine International Holdings, was and remained an owner and director of DesignLine Citibus and of Range 3 Limited.

executed a similar Long-Form Service Provider Confidentiality, Non-Competition and Non-Solicitation Agreement with DesignLine Corp. (the "Buster Glosson Confidentiality Agreement"). The Brad Glosson Confidentiality Agreement, the Buster Glosson Confidentiality Agreement, and the Floyd Confidentiality Agreement each contain, among other provisions: (i) covenants not to disclose trade secrets; (ii) covenants not to disclose confidential information; (iii) covenants not to compete with the DesignLine Entities; (iv) covenants not to solicit customers of the DesignLine Entities; and (v) covenants not to recruit employees of the DesignLine Entities. The DesignLine Entities required that Defendants Buster Glosson and Floyd each execute their respective confidentiality agreement to protect the trade secrets, intellectual property and know how, among other things, of the DesignLine Entities.

43. The Buster Glosson Confidentiality Agreement, Brad Glosson Confidentiality Agreement, and Floyd Confidentiality Agreement, to the extent that they were executory, were not disclosed on the Debtors' Schedule G of its Schedules of Assets and Liabilities.

44. Additionally, on May 10, 2010, Defendant Floyd entered into an employment contract with DesignLine Corp. to serve as "Executive Vice President, Contracts, Purchasing and Information Technology" (the "Floyd Employment Agreement").

45. The Floyd Employment Agreement contains, among other things, a covenant not to compete with DesignLine Corp. similar to that contained in the Glosson Employment Agreement. Pursuant to the Floyd Employment Agreement, Defendant Floyd received an annual salary of $180,000.

46. Floyd Employment Agreement, to the extent that it was executory, was not disclosed on the Debtors' Schedule G of its Schedules of Assets and Liabilities.

47. In late 2006 or early 2007, DesignLine International Holdings began its operations and preparation to build hybrid buses in the United States through facilities located in Charlotte, North Carolina.

48. In January 2007, DesignLine International Holdings formed a wholly-owned subsidiary called DesignLine International Holdings NZ to serve as its operating entity in New Zealand ("DesignLine NZ"). On January 9, 2008, DesignLine International Holdings formed DesignLine USA as a wholly-owned subsidiary to serve as its operating entity in the United States.

49. From its inception, DesignLine International Holdings and its successor DesignLine Entities, including DesignLine Corp., chronically suffered from a lack of capitalization, burdensome debt obligations, constant insolvency, and severe corporate mismanagement (as described at length herein).

50. In order to finance the operations of the DesignLine Entities and contemporaneously fund their extravagant lifestyles and other businesses, Defendants Buster Glosson and Brad Glosson developed a calculated scheme to induce unwitting investors to make debt and equity investments by convincing those investors that they were making debt and equity investments into the DesignLine Entities through various other entities that Defendants Buster Glosson and Brad Glosson owned and/or controlled, including, but not limited to, Phoenix Capital Ventures, LLC, and Defendant Eagle.

51. Instead of these invested funds going to their stated purpose as promised by Defendants Buster Glosson and Brad Glosson — to fund the DesignLine Entities — Defendants Brad Glosson and Buster Glosson received these invested funds through other entities under their ownership and/or control, commingled those funds with other funds, and used these monies for

personal uses and/or business uses wholly unrelated to the DesignLine Entities, all to the detriment of the DesignLine Entities and all of their stakeholders.

II. Defendants Buster Glosson and Brad Glosson Purport to Establish Phoenix Capital Ventures, LLC to Fund Their Personal Lifestyles and Their Other Businesses to the Detriment of the DesignLine Entities.

52. The operations of DesignLine International Holdings initially were funded by a variety of private investors, many or all of whom invested in or through Phoenix Capital Ventures, LLC, a North Carolina limited liability company ("Phoenix Capital") owned and/or controlled by Defendants Buster and Brad Glosson.

53. Phoenix Capital was formed on July 19, 2005. Public filings with the Secretary of State of the State of North Carolina reflect that the initial members of Phoenix Capital were David G. Parrish (who was the managing member), Robert C. Hunt, and Nancy D. Hunt, and that the business purpose of the entity was real estate investments. According to public records, Phoenix Capital was administratively dissolved on August 25, 2010 due to its failure to file and deliver three (3) annual reports.

54. In 2007 and particularly in August 2007, Defendants Brad Glosson and Buster Glosson solicited potential investors to finance the operations of DesignLine International Holdings. But, instead of having investors directly invest in DesignLine International Holdings, Defendants Brad Glosson and Buster Glosson required these investors to invest their monies in Phoenix Capital. In connection with their solicitations and in an effort to secure investments, Defendants Brad Glosson and Buster Glosson utilized the wires and mails of the United States to communicate, among other things, the following false information to potential investors:

a) that Defendants Brad Glosson and Buster Glosson were the initial members of Phoenix Capital, even though the records of the Secretary of State of the State of North Carolina indicate that they were not;

b) that Defendants Brad Glosson and Buster Glosson had each made initial capital contributions of $4,000,000 into Phoenix Capital, for a total of $8,000,000, when, upon information and belief, Defendants Brad Glosson and Buster Glosson had never made such initial contributions;

c) that the initial manager of Phoenix Capital was Defendant Buster Glosson, even though the records of the Secretary of State of the State of North Carolina reflect that David G. Parrish was the initial managing member and, upon information and belief, Defendant Buster Glosson was neither the initial nor a subsequent manager of Phoenix Capital;

d) that the investments that were made into Phoenix Capital would solely be used for the working capital and operational needs of DesignLine International Holdings, when, upon information and belief, such funds were commingled with the other funds then held by Phoenix Capital and used by Defendants Brad Glosson and Buster Glosson to fund their excessive lifestyles and other of their businesses unrelated to DesignLine International Holdings.

55. At the time Defendants Buster and Brad Glosson communicated such false statements to potential investors, Defendants Brad Glosson and Buster Glosson knew them to be false, and intended for the unknowing potential investors to rely on the false information that they communicated about Phoenix Capital and DesignLine International Holdings in order to secure payment into Phoenix Capital.

56. Investors did, in fact, rely on the false information conveyed to them by Defendants Brad Glosson and Buster Glosson and paid millions of dollars into Phoenix Capital based upon these misrepresentations.

57. The funds that were paid into Phoenix Capital on account of Defendants Brad Glosson and Buster Glossons' misrepresentations were commingled with the other funds of Phoenix Capital and used, if at all, only in part for the initial capitalization and for the working capital and operational needs of DesignLine International Holdings.

58. Defendants Buster Glosson and Brad Glosson exercised control over the funds that were paid into Phoenix Capital for the purported benefit of DesignLine International Holdings and converted such funds, either in whole or in part, for their personal uses and/or for the use of other businesses of Defendants Brad and Buster Glosson unrelated to DesignLine International Holdings.

59. Defendants Brad Glosson and Buster Glosson concealed from these potential investors that they were using monies that were to have been invested for DesignLine International Holdings' working capital and operational needs for their own personal benefit and/or for their other business ventures.

60. By way of example of this fraudulent scheme, in or around October 2007, Defendants Buster Glosson and Brad Glosson induced one particular investor, Dr. Robert Seymour ("Dr. Seymour"), to invest in Phoenix Capital on the following terms:

a) Dr. Seymour agreed to loan $500,000 to Phoenix Capital;

b) Phoenix Capital agreed to repay the $500,000 loan either (i) in full, plus 10% interest *per annum*, or (ii) by providing Dr. Seymour with a 3.6% equity interest in Phoenix Capital; and

c) A 3.6% equity interest in Phoenix Capital equaled a 1% interest in DesignLine International Holdings.

61. In connection with Dr. Seymour's investment, Defendants Buster Glosson and Brad Glosson, using the mails and the wires in the United States, intentionally conveyed the following false information to Dr. Seymour:

a) that Defendants Brad Glosson and Buster Glosson were the initial members of Phoenix Capital, even though the records of the Secretary of State of the State of North Carolina indicate that they were not;

b) that Defendants Brad Glosson and Buster Glosson each had made initial capital contribution of $4,000,000 into Phoenix Capital, for a total of $8,000,000, when, upon information and belief, Defendants Brad Glosson and Buster Glosson never had made such initial contributions;

c) that the initial manager of Phoenix Capital was Defendant Buster Glosson, even though the records of the Secretary of State of the State of North Carolina reflect that David G. Parrish was the initial managing member and, upon information and belief, Defendant Buster Glosson was neither the initial nor the subsequent manager of Phoenix Capital; and

d) that the investments that were made into Phoenix Capital would solely be used for the working capital and operational needs of DesignLine International Holdings, when, upon information and belief, such funds were commingled with other funds of Phoenix Capital at the direction of Defendants Buster Glosson and Brad Glosson and used by Defendants Brad Glosson and Buster Glosson, either in whole or in part, to fund their personal lifestyles and their other businesses that were unrelated to DesignLine International Holdings.

62. Defendants Buster Glosson and Brad Glosson made these statements to Dr. Seymour knowing they were false and with the intent of having Dr. Seymour rely on them to make a $500,000 loan to Phoenix Capital.

63. Dr. Seymour did, in fact, rely upon the false representations and made a $500,000 loan to Phoenix Capital.

64. Despite Defendants Buster Glosson and Brad Glosson's representations, however, Phoenix Capital did not use all of the proceeds from Dr. Seymour's loan for the working capital and operational needs of DesignLine International Holdings. Upon information and belief, they instead used the funds, either in whole or in part, for their personal use and/or for their other businesses not related to DesignLine International Holdings.

65. Upon information and belief, Defendants Brad Glosson and Buster Glosson solicited numerous other individuals to invest various amounts in a manner similar to the solicitation of Dr. Seymour (all of the investors in Phoenix Capital solicited in this manner or a similar manner are collectively referred to as the "Phoenix Capital Investors").

66. Upon information and belief, the funds invested by the Phoenix Capital Investors were not, in whole or in part, contributed, provided, loaned, or otherwise given to or for the benefit of DesignLine International Holdings. Instead, some or all of the proceeds of these investments were used by Defendants Brad Glosson and Buster Glosson for their personal use or for the use of their other businesses, to the detriment of DesignLine International Holdings and its creditors and to the detriment of the Phoenix Capital Investors in an amount to be determined at trial.

67. Upon information and belief, a majority of the funds received from the Phoenix Capital Investors were not fully repaid, nor did Phoenix Capital or Defendants Brad Glosson and

Buster Glosson ever intend to fully repay the loans made to (and investments made into) Phoenix Capital, which purportedly were made for the benefit of DesignLine International Holdings.

68. The foregoing misrepresentations by Defendant Buster Glosson and Defendant Brad Glosson, the diversion of the Phoenix Capital funds to their own personal use or the use of their other businesses unrelated to the Debtors, and/or the concealment from the Phoenix Capital Investors of the true use of the invested funds, among other things, shall be referred to herein as the "Phoenix Capital Scheme."

III. Defendants Brad Glosson and Buster Glosson Attempt to Make DesignLine a Public Corporation to Erase the Debts of Phoenix Capital.

69. By the summer of 2009, Defendants Brad Glosson and Buster Glosson were unable to support the massive debt service and other demands and obligations owed to the Phoenix Capital Investors. DesignLine International Holdings was not then (or ever) solvent, nor did it generate sufficient revenue to service the obligations owed by Phoenix Capital to the Phoenix Capital Investors.

70. In order to deal with the crushing obligations owed to the Phoenix Capital Investors, and address the increasing demands of individual, vocal investors, and creditors, Defendants Brad Glosson and Buster Glosson hatched a plan for DesignLine International Holdings to become a public company.

71. The plan had five steps:

a) Convey false information about the success and outlook of DesignLine International Holdings and its future as a public company;

b) Encourage all of the Phoenix Capital Investors and investors in DesignLine International Holdings, who had invested either in debt or equity, to rely on communicated information to accept, as full repayment of their existing investments in Phoenix

Capital and/or DesignLine International Holdings, shares of stock in a new, public DesignLine Entity;

c) Merge with an existing public company for the price of $300,000 plus significant out-of-pocket legal and transactional expenses;

d) Encourage all of the Phoenix Capital Investors and investors in DesignLine International Holdings to rely on communicated false information to "double down" on other previous outstanding investments and purchase additional shares of stock in the new, public DesignLine Entity for "bargain" prices; and

e) After becoming a publicly traded company, tell investors of intentions to obtain a new investor through a "private placement in public equity" or "PIPE" transaction, even though, as Defendants Brad Glosson and Buster Glosson knew or should have known, there never was any realistic prospect for a PIPE transaction.

72. By executing their five step plan, Defendants Brad Glosson and Buster Glosson would avoid the obligations owed to the Phoenix Capital Investors (and other investors in DesignLine International Holdings) and continue their scheme to defraud the DesignLine Entities and their various direct and indirect debt and equity investors out of millions of dollars.

73. Defendants Brad Glosson and Buster Glosson instituted their plan against the advice of counsel and recommendation of the DesignLine Entities' own finance and legal team. Even DesignLine International Holdings' former chief financial officer, William Cave, believed "DesignLine is not a company…that should be public."

74. Likewise, on September 30, 2009, the Debtors' auditors, LBB & Associates Ltd., LLP, sent a letter to the board of directors of DesignLine International Corporation (as defined

below) cautioning against going public without first making significant changes to the company's financial reporting controls. The letter informed the board, among other things, that:

> [w]ithout going into details of each of our observations during our audits…, we observed inadequate record keeping of several key financial statement classifications including, but not limited to, materials and work in process inventory, fixed assets, intangibles, equity, and revenue recognition. There were material adjustments to the financial statements relating to each of these areas. We feel these adjustments are a byproduct of a significant lack of trained resources in the accounting and financial reporting area of the Company during the periods audited, and an absence of sufficient oversight of this function of the Company.

75. Other advisors of the DesignLine Entities similarly advised against International Holdings becoming a public company.

76. Nonetheless, Defendants Buster Glosson and Brad Glosson pushed forward with their plan to attempt to erase the obligations owed to the existing debt and equity investors in DesignLine International Holdings and Phoenix Capital.

77. Specifically, Defendants Brad Glosson and Buster Glosson caused the following events to occur to convert DesignLine International Holdings into a public company:

a) On July 22, 2009, DesignLine International Holdings was merged with and into DesignLine International Corporation, a Delaware corporation ("DesignLine International Corporation"). At all relevant times, Defendant Brad Glosson served as president and chief executive officer of DesignLine International Corporation; and

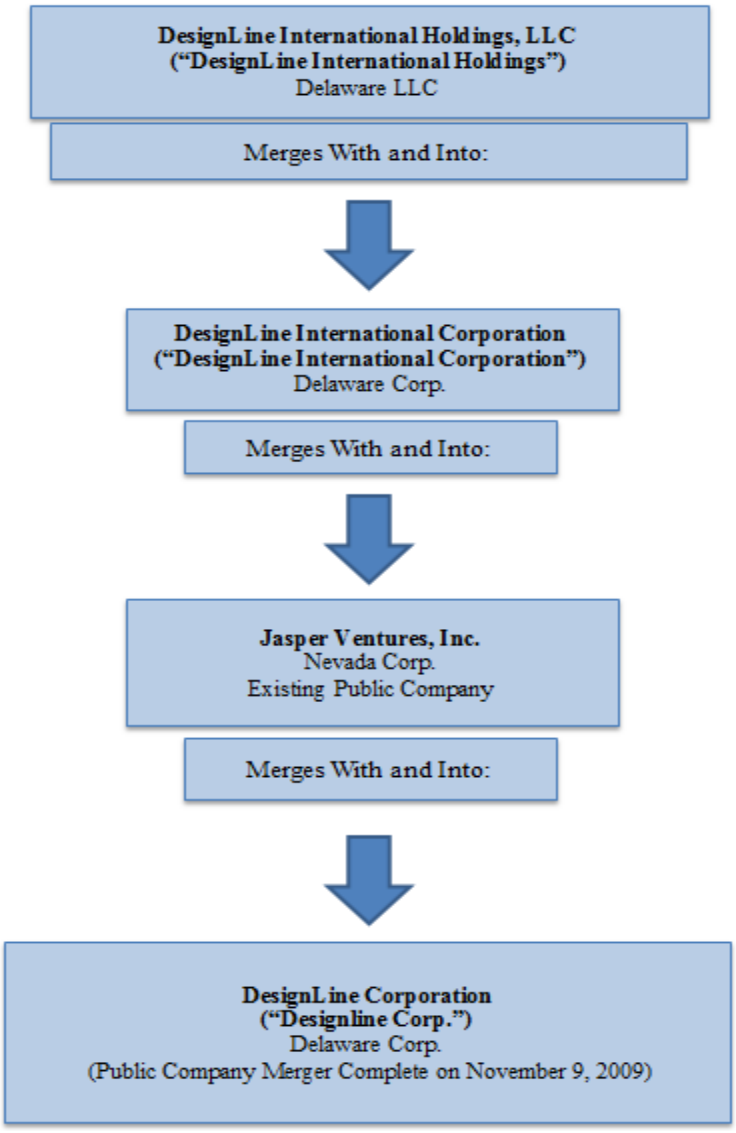
b) All of the members of the board of directors of DesignLine International Holdings resigned except for James Martin and Defendant Brad Glosson, who had continued to serve as the only directors of DesignLine International Corporation;

c) On October 5, 2009, in lieu of a traditional public offering, DesignLine International Corporation had merged with and into Jasper Ventures, Inc., an existing publicly

traded Nevada shell corporation, with Jasper Ventures, Inc., being the surviving corporation. DesignLine International Corporation had paid $300,000 to the owners of Jasper Ventures, Inc., for the shell corporation; and

d) On or about November 9, 2009, Jasper Ventures, Inc., had merged with and into DesignLine Corp., a newly formed Delaware corporation, with DesignLine Corp. being the surviving entity (the "Public Company Merger").

78. An accurate depiction of the various corporate mergers and transformations from DesignLine International Holdings to DesignLine Corp. is set forth below:



79. In connection with the Public Company Merger, Defendants Buster Glosson and Brad Glosson, using the mails and wires in the United States, solicited the potential initial purchasers of the stock of Jasper Ventures, Inc. Many, if not all, of these potential investors were the Phoenix Capital Investors and/or direct individual investors of DesignLine International Holdings. Although the investors were offered an initial price of one half of one cent ($0.005) per share, their total shares related approximately to their initial investment (in dollars) in Phoenix Capital.

80. For example, Dr. Seymour, who loaned $500,000 to Phoenix Capital, under the belief that such funds would be used for the working capital and operational needs of DesignLine International Holdings, received approximately 778,574 shares of Jasper Ventures, Inc., in two separate issuances of stock in the amounts of 650,000 shares and 128,574 shares, with the former resulting from Dr. Seymour's additional investment and the latter relating to the balance owed under Dr. Seymour's investment in Phoenix Capital.

81. Upon information and belief, all of the Phoenix Capital Investors and other debt and equity investors in and of DesignLine International Holdings, whether directly or indirectly, who did not have their debt and/or investments fully repaid were given shares of stock in Jasper Ventures, Inc., mostly in an approximate amount that equaled one share per each dollar of outstanding investment.

82. On September 21, 2009, in advance of the Public Company Merger, Defendant Brad Glosson, using the mails and wires in the United States, solicited each DesignLine "initial investor" via memorandum by making the following false representations:

a) that after DesignLine International Corporation's reverse merger into a public company, that public company would then raise additional equity via a PIPE transaction, when in reality there was no real prospect for a PIPE transaction;

b) that the current valuation of DesignLine International Corporation calculated by investment banks employed by DesignLine International Corporation was $130 million, yielding a share price of $3 per share, when, in fact, the DesignLine Entities were always insolvent and could never support such a valuation;

c) that the legal and financial advisors of DesignLine International Corporation counseled that it was in the best interest of DesignLine International Corporation and its shareholders to have a strong cash position on the balance sheet to: (i) improve the valuation of DesignLine International Corporation, and (ii) protect DesignLine International Corporation from a devaluation in connection with an eventual PIPE transaction, when, in reality, the legal and financial advisors of DesignLine International Holdings and DesignLine International Corporation counseled against becoming a public corporation;

d) in light of the foregoing, the board of directors of DesignLine International Corporation, which then was comprised only of Defendant Brad Glosson and James G. Martin, approved an offer that allowed shareholders to "double down" on their initial investments in DesignLine International Holdings by acquiring additional shares of common stock of Jasper Ventures, Inc. at the price of $1 per share, up to an amount not exceeding their initial investment; and

e) that preliminary interest in this opportunity exceeded expectations with over $1.4 million in new equity raised from the initial investors or, in other words, "act fast; this offer won't last."

83. Defendant Brad Glosson made these false statements to induce potential investors to make additional investments in connection with DesignLine International Corporation and its eventual successors-in-interest, Jasper Ventures, Inc., and DesignLine Corp. Some or all of the recipients of these misstatements did, in fact, rely on them and contribute cash for the benefit of the DesignLine Entities.

84. For example, Dr. Seymour, in response to those misstatements, invested an additional $500,000 to purchase 500,000 additional shares of common stock of Jasper Ventures, Inc.

85. Upon information and belief, however, many of these investments were not contributed to the DesignLine Entities; instead, Defendants Brad Glosson and Buster Glosson converted them, either in whole or in part, for their personal use and/or for the use of their other businesses not related to the DesignLine Entities.

86. Despite the infancy and insolvency of the DesignLine Entities and their constant lack of capital, in connection with his services as president and chief executive officer, Defendant Brad Glosson and DesignLine Corp. purportedly amended the Glosson Employment Agreement "effective" May 1, 2009, to provide Defendant Brad Glosson with a three year term and initial base salary of $240,000 for the first eighteen months, a $300,000 annual salary after the first eighteen months, $360,000 on the second anniversary of the employment contract, $420,000 after thirty months, and $480,000 on the third anniversary of the employment agreement.

87. On or about November 10, 2009, the following individuals joined James G. Martin and Defendant Brad Glosson to comprise the full board of DesignLine Corp.: Defendant Buster Glosson (chairman), Defendant F. Alaeddin, Dr. Linda M. Combs, Joseph Cox, Arnold L.

Punaro, Bill R. Tillett, and Edward I. Weisiger.[6] Darren C. Wallis joined the DesignLine Corp. board of directors on April 12, 2010.

88. Despite the representations of Defendant Brad Glosson, there never was a PIPE transaction that followed the Public Company Merger.

89. Upon information and belief, in light of the gross mismanagement of DesignLine Corp. and Defendants Brad Glosson's and Buster Glosson's improper uses of the Debtors' assets for personal benefit (as described in more detail below), on January 28, 2010, just months after completing the Public Company Merger and related transactions, Defendants Brad Glosson and Defendant Buster Glosson caused DesignLine Corp. to be delisted from NASDAQ, a transaction purportedly approved by the board of directors of DesignLine Corp. Defendant Brad Glosson, acting as CEO of DesignLine Corp., commented to all shareholders of DesignLine Corp. by mentioning that the board of directors unanimously decided to deregister DesignLine Corp.'s common stock.

90. As a consequence, DesignLine Corp. was converted back to a private company and remained a private company through the Petition Date.

91. The misrepresentations by Defendant Buster Glosson and Defendant Brad Glosson regarding, among other things, (i) the financial outlook of DesignLine International Holdings following the Public Company Merger, (ii) the existence of a PIPE transaction; (iii) inducing additional investments and the "double down"; (iv) the failure by Defendants Buster Glosson and Brad Glosson to disclose that DesignLine International Holdings' legal and financial advisors and auditors opposed the Public Company Merger; (v) the diversion of DesignLine International Holdings' funds to the personal use of Defendants Buster and Brad

[6] Dr. Linda M. Combs, Joseph Cox, James G. Martin, Bill R. Tillett, Darren C. Wallis, and Edward I. Weisiger are the subject of a separate complaint by the Trustee for breach of their fiduciary duties of loyalty and good faith.

Glosson or to the use of their other businesses unrelated to the Debtors; and (vi) the corporate waste associated with the Public Company Merger, including but not limited to, the fees and costs associated therewith and the amendment of the Glosson Employment Agreement, shall be referred to herein collectively as the "Public Company Merger Scheme."

IV. Insolvent DesignLine Corp. Continues to Underperform in Fall 2009 and Early 2010 Despite Representations to the Contrary.

92. Despite DesignLine Corp.'s constant state of insolvency, both before and after the Public Company Merger, Defendants Brad Glosson and Buster Glosson, using the mails and wires of the United States, conveyed a rosy, but false, picture concerning the finances and outlook of DesignLine Corp.[7]

93. Specifically, in a November 2009 "Management Presentation," Defendant Brad Glosson, using the mails and wires of the United States, falsely represented to creditors, investors, and directors, that DesignLine Corp. had a strong backlog of 589 bus orders in the United States and New Zealand representing $271,000,000 in future revenue.

94. Also in the November 2009 Management Presentation, Defendant Brad Glosson, using the mails and wires of the United States, falsely boasted that New York City Transit placed an order with DesignLine Corp. for ninety (90) buses and was in discussions with DesignLine Corp. for a second order of over 600 buses.

95. In reality, DesignLine Corp. delivered to New York City Transit no more than approximately five (5) test buses. Those five (5) test buses were returned from New York City Transit to DesignLine Corp. due to mechanical issues and any funds remaining from the initial deposit from New York City Transit was returned.

[7] Upon information and belief, no creditors or investors of the DesignLine Entities ever saw any financial statements despite their requests. Instead, Defendants Brad Glosson and Buster Glosson provided them with positive projections that were false and misleading.

96. Defendant Brad Glosson continued to distort and misrepresent the financial picture of DesignLine Corp. in 2010.

97. Specifically, in a memorandum to all DesignLine Corp. shareholders titled "Company Update" and dated January 28, 2010 (the "January 2010 Company Update"), Defendant Brad Glosson, using the mails and wires of the United States, falsely "forecasted" that in 2010 there would be: (i) 644 buses under contract; (ii) 227 additional buses potentially under contract with "at least" a 75% likelihood of a signed contract; and (iii) 575 additional buses potentially under contract with a likelihood of 50% to 75% of a signed contract. The January 2010 Company Update also represented that "the Company expects to turn cash flow positive from operations in the second quarter of 2010." This was neither realistic nor did it occur.

98. A few months later, Defendant Brad Glosson, using the mails and wires of the United States, told investors that revenues would top $172,000,000 in 2010. This too was neither realistic nor did it occur.

99. Additionally, in a memorandum to DesignLine Corp. shareholders dated March 30, 2010 regarding "Potential Financial Transactions," Defendant Brad Glosson, using the mails and wires of the United States, falsely reported on DesignLine Corp.'s "continued success," representing that DesignLine Corp. was purportedly awarded two (2) additional contracts (for a total of $50,000,000), increasing DesignLine Corp.'s backlog to over $300,000,000.

100. These statements were false (or, at best, materially misleading). At this time, and at all times, DesignLine Corp. was in dire financial straits and was insolvent. Defendants Brad Glosson and Buster Glosson concealed DesignLine Corp.'s true state of insolvency and falsely represented and/or misrepresented its financial condition and outlook.

101. Notwithstanding the continued and constant insolvency of DesignLine Corp., Defendants Brad Glosson and Buster Glosson used DesignLine Corp. to provide "jobs" and pay "salaries" to persons when, in reality, those persons provided no lawful services to DesignLine Corp.

102. For example, Defendants Buster Glosson and Brad Glosson required DesignLine Corp. to provide a job and a salary to Anthony Foxx. Mr. Foxx was employed as the Deputy General Counsel of DesignLine Corp. DesignLine Corp. never had an in-house general counsel.

103. At the time of Mr. Foxx's "employment," which was from December 1, 2009 through July 1, 2013, he was either the Mayor of the City of Charlotte, North Carolina or the nominee for Secretary of the United States Department of Transportation. Mr. Foxx resigned from DesignLine Corp. one (1) day prior to becoming Secretary of the United States Department of Transportation.

104. At the time of Mr. Foxx's "employment," he provided little or no lawful services for the Debtors.

105. Despite the fact that Mr. Foxx provided essentially no services to the Debtors, Defendants Brad Glosson and Buster Glosson had the Debtors pay Mr. Foxx a total of not less than $420,997.21.[8]

106. During the same period of time as Mr. Foxx's "employment," the Debtors also engaged two law firms (the "Outside Firms") to assist the Debtors with, among other things, obtaining financing, board meetings, collection issues, contract negotiations, and general legal counsel. The Outside Firms received millions of dollars from the Debtors during the same

[8] Plaintiff filed a complaint against Mr. Foxx seeking to avoid the transfers that he received from the Debtors in his role as Deputy General Counsel, which complaint is pending at Docket No. 554/Adv. Proc. No. 15-03129.

period of time that Mr. Foxx received transfers from the Debtors in his purported role as Deputy General Counsel.

107. The Debtors' books and records do not reflect any communications between Mr. Foxx and the Outside Firms, nor do they reflect any activities or actions of Mr. Foxx in his role as Deputy General Counsel. Upon information and belief, Mr. Foxx spent little to no time at the Debtors' facilities during the relevant time period.

108. Defendants Buster Glosson and Brad Glosson instead had the Debtors pay Mr. Foxx these sums of money in order, upon information and belief, to attempt to influence Mr. Foxx, as Mayor of Charlotte and then as nominee as Secretary of the United States Department of Transportation, to secure government contracts and/or other benefits for the Debtors.

109. In addition, Defendant Brad Glosson, also in November 2009, caused the Debtors to replicate their manufacturing facilities in other places in the world.

110. In fact, Defendant Brad Glosson told investors in November 2009 that DesignLine Corp.'s manufacturing facilities in the United States and in New Zealand were virtually identical and could be replicated anywhere in the world.

111. Defendant Brad Glosson touted the opening of new manufacturing facilities in the United States (in November 2008) and in New Zealand (in April 2009).

112. As described further below, Defendants Brad Glosson and Buster Glosson caused these facilities to be replicated at DesignLine Corp.'s sole expense and then, as discussed below, perpetrated a fraudulent scheme to steal these factories and the Debtors' intellectual property from the Debtors and continue the business of DesignLine Corp. without any of its liabilities, leaving DesignLine Corp. and its creditors and investors responsible for all of the construction and start-up costs of those facilities, while Defendants Brad Glosson, Buster Glosson, and others

reaped the benefit of the Debtors' assets, or otherwise wrongfully took the opportunities associated therewith.

113. Indeed, Defendants Brad Glosson and Buster Glosson did, in fact, replicate DesignLine Corp.'s manufacturing facilities in New Zealand and, represented that they were building a manufacturing facility, in Jordan, where DesignLine Corp. had a sales office, at DesignLine Corp.'s sole expense. Those facilities are being used today to manufacture buses identical to the ones that DesignLine Corp. manufactured, but by a new set of companies owned and/or controlled by Defendants E. Alaeddin, F. Alaeddin, Allott, Brad Glosson, Buster Glosson, Fadiman, and Floyd. These companies are Defendants Global Bus Ventures and Bus Pacific.

114. The foregoing misrepresentations regarding the corporate outlook and finances of DesignLine Corp., including, but not limited to, the state of its backlogs, its orders, its revenues and projections, the concealment of the true financial condition of DesignLine Corp., the payment of bribes and corporate waste with respect to Anthony Foxx, and the commencement of the replication of DesignLine Corp. facilities and mechanisms to take DesignLine Corp.'s intellectual property and assets without receiving value collectively shall be referred to herein as the "2009-2010 Wrongful Acts."

V. The Glossons Repeat the Phoenix Capital Scheme with Eagle and Otherwise Use Eagle to Defraud the Debtors, their Creditors, and Investors.

115. Defendant Brad Glosson made materially misleading statements regarding DesignLine Corp.'s condition to induce additional debt and equity investments into another company, similar to Phoenix Capital, that he and Defendant Buster Glosson owned and/or controlled so that they, and not DesignLine Corp., could continue to use those invested funds for their personal use and for the use of their other businesses. This entity was Defendant Eagle.

116. Defendant Buster Glosson founded Defendant Eagle on April 1, 1994, and served as Defendant Eagle's chairman and chief executive officer at all relevant times thereafter. At all relevant times, Defendant Eagle was wholly owned and under the control of Defendant Buster Glosson.

117. Defendant Buster Glosson used Defendant Eagle to solicit and receive millions of dollars from unwitting investors who were led to believe by Defendant Buster Glosson that they were investing in the DesignLine Entities. Instead, Defendant Buster Glosson comingled those monies with the other funds of Defendant Eagle and used the investors' money for his personal benefit and the benefit of his other businesses, including, but not limited to:

a) his real estate ventures in Colorado, Florida, North Carolina, and South Carolina;

b) his improper acquisition of DesignLine NZ's assets and the start-up of Defendant Global Bus Ventures and Defendant Bus Pacific; and

c) the benefit of his family members, including Defendants Brad Glosson, Victoria Glosson, and Floyd.

118. For example, Defendant Buster Glosson, using the wires and/or mails of the United States, solicited and obtained the following payments to Defendant Eagle from third parties on account of DesignLine Corp. investments, even though, unbeknownst to the investors, DesignLine Corp. did not receive the benefits of such funds. Notwithstanding their diversion of funds away from DesignLine Corp., Defendants Buster Glosson and Brad Glosson caused DesignLine Corp., in most or all cases, to issue stock to such investors. Examples of these transactions are as follows:

a) Defendant Eagle received $15,000 from Janet Martin on May 6, 2010, and Janet Martin, and in return for such payments to Eagle, received 15,000 shares of stock in DesignLine Corp.

b) Defendant Eagle received $1,000 from Joan Martin on April 24, 2010, and Joan Martin, in return for such payment to Eagle, received shares of stock in DesignLine Corp.

c) Defendant Eagle received $50,000 from Mack Mitchell on October 14, 2009, on account of an investment in DesignLine Corp.

d) Defendant Eagle received $10,000 from Benson McAulay on May 12, 2010, and, in return for such payment to Eagle, Benson McAulay received shares of stock in DesignLine Corp.

e) Defendant Eagle received $10,000 from "McCartha" on May 6, 2010, and, in return for such payment to Eagle, "McCartha" received shares of stock in DesignLine Corp.

f) Defendant Eagle received $6,500 from Neal Martin on May 6, 2010, and, in return for such payment to Eagle, Neal Martin received shares of stock in DesignLine Corp.

g) Defendant Eagle received $250,000 from Arnold Punaro on February 24, 2010, on account of an investment in DesignLine Corp.

h) Defendant Eagle received $200,000 from The Punaro Group on July 12, 2011, on account of an investment in DesignLine Corp.

i) Defendant Eagle received $180,000 from the Punaro Group on September 30, 2010, on account of an investment in DesignLine Corp.

j) Defendant Eagle received $150,000 from Julia Punaro on March 3, 2010, on account of an investment in DesignLine Corp.

k) Defendant Eagle received $250,000 from Robert Glaser on September 3, 2010, on account of an investment in DesignLine Corp.

l) Defendant Eagle received $500,000 from Dr. Seymour on January 7, 2010, on account of an investment in DesignLine Corp.

m) Defendant Eagle received $500,000 from Dr. Seymour on May 26, 2010, on account of an investment in DesignLine Corp.

n) Defendant Eagle received $5,000 from Melanie Scott on May 6, 2010, and, in return for such payment to Eagle, Melanie Scott received shares of DesignLine Corp. stock.

o) Defendant Eagle received $26,200 from an unidentified person on February 23, 2010, on account of an investment in DesignLine Corp.

p) Defendant Eagle received $173,800 from an unidentified person on February 23, 2010, on account of an investment in DesignLine Corp.

q) Defendant Eagle received $2,500 from Susan D. Abbott on May 6, 2010, and, in return for such payment to Eagle, Susan D. Abbott received shares of stock in DesignLine Corp.

r) Defendant Eagle received $50,000 from Terrence Tallent on May 12, 2010 and $50,000 from Terrance Tallent on January 13, 2012, and, in return for such payments, Terrence Tallent received shares of stock in DesignLine Corp.

119. In addition to the foregoing equity investments, Defendant Buster Glosson also used Defendant Eagle to solicit, using the wires and mails of the United States, purported debt obligations for DesignLine Corp. For example, in 2009, Cameron and Dorothy Harris loaned $1.5 million to Defendant Eagle but were not repaid. In a July 2011 e-mail, Defendant Buster

Glosson told Dorothy Harris that *DesignLine* was in the process of closing a deal, and that once the deal closed, he would update her regarding repayment of the *Eagle* loan.

120. By way of an additional example, in early 2010, Defendant Buster Glosson, using the wires and mails of the United States, requested that General David Deptula provide a loan of $200,000 for a term of sixty (60) days with a repayment on or before April 30, 2010. In return, Defendant Buster Glosson promised 50,000 shares of DesignLine Corp. stock. Defendant Buster Glosson executed the loan in his personal capacity and as chairman of DesignLine Corp. Despite numerous representations that repayment would be forthcoming, Defendant Buster Glosson failed to repay the Deptula loan in full.

121. None of the above monies paid into Defendant Eagle were ever put directly into DesignLine for the operational and working capital needs of the Debtors, as represented. Upon information and belief, most, if not all, of the funds that were supposed to be used to support the Debtors were diverted to Defendant Buster Glosson and his personal accounts, as he did with Phoenix Capital.

122. Upon information and belief, Defendant Buster Glosson orchestrated a continuous and intricate pattern and series of wire transfers by and between no less than fifteen Eagle-related bank accounts, twelve Defendant Buster Glosson related personal bank accounts, and twelve DesignLine Corp. related bank accounts in order to conceal the reality of such transactions.

123. These funds were used to finance Defendants Brad Glosson's and Buster Glosson's personal lifestyles, their other businesses unrelated to the Debtors, and, in part, their plan to take all of the assets of the Debtors and commence operations overseas outside of the Debtors' corporate structure.

124. Defendant Buster Glosson also used his position as a director of the Debtors and his control over Defendant Eagle to defraud the Debtors out of substantial amounts of money. For example, on November 17, 2009, without proper approval of the board of directors, Defendant Buster Glosson purportedly caused DesignLine Corp. to enter into a "support" agreement with Defendant Eagle (the "DL Support Agreement"). The DL Support Agreement provides that as part of Eagle's "financial services" Eagle would:

a) Establish an "Eagle LTD – DL Support" account with Regions Bank with a $500,000 reserve (the "Reserve") to support DesignLine Corp. with its vendors;

b) Dispense funds within forty-eight (48) hours of CEO/CFO request via wire or check;

c) Dispense funds as directed to pay or fund the debt, accounts payable, and operations of the Debtors' United States, Middle East, and New Zealand operations; and

d) Maintain a ledger of all expenditures of funds from said account and sources of funds deposited.

125. The DL Support Agreement, to the extent that it was executory, was not disclosed on the Debtors' Schedule G of its Schedules of Assets and Liabilities.

126. For providing these "financial services," Eagle was to receive the following from DesignLine Corp.: (i) five percent (5%) monthly interest to Eagle on all funds provided (with a maximum cap of fifteen percent (15%) annually); (ii) five percent (5%) fee to Eagle on all "third party" funds raised via debt and ten percent (10%) fee on all "third party" funds raised via equity; and (iii) twenty-five percent (25%) stock coverage to Defendant Eagle for funds provided annually.

127. The DL Support Agreement was purportedly executed by William Cave, DesignLine Corp.'s chief financial officer at the time, on the behalf of DesignLine Corp.

128. Mr. Cave testified under oath, however, that he had never reviewed or approved the DL Support Agreement. Specifically, when asked if he recalled "ever signing a document that provided that DesignLine would borrow up to $500,000 from Eagle," Mr. Cave responded, "[n]o, I don't." Cave Dep. at 169:6-9. When asked if he thinks he would have recalled executing an agreement with Eagle, he responded "Yes." *Id.* at 170:2-7. DesignLine Corp. did, however, have a mechanism for affixing his signature to documents outside of his presence. *Id.* at 169:13-17.

129. Mr. Cave further testified that had he been presented with the DL Support Agreement while CFO, he would have consulted the chairman of the board's audit committee, *id.* at 172:3-6, and that he "certainly" would not have recommended to the board that DesignLine Corp. borrow funds on the terms set forth in the DL Support Agreement because, among other things, "15 percent during that time period was twice the normal rate." *Id.* at 171:1-3, 172:3-23.

130. Upon information and belief, Defendant Buster Glosson caused Mr. Cave's signature on the DL Support Agreement to be forged.

131. Within weeks of the "execution" of the DL Support Agreement, on or around December 11, 2009, Edward I. Weisiger took out a loan with Regions Bank in the amount of $2,000,000.00. On or around December 14, 2009, the entire proceeds of Weisiger's loan with Regions Bank was deposited into an Eagle LTD – DL Support account.

132. On or around December 23, 2009, Defendant Fadiman took out a loan with Regions Bank in the amount of $1,000,000.00. On or around December 28, 2009, the entire

proceeds of Defendant Fadiman's loan with Regions Bank was deposited into an Eagle LTD – DL Support account.

133. On or around December 15, 2009, Dr. Seymour took out a loan with Regions Bank, jointly with Defendant Glosson, in the amount of $2,000,000.00. In or around December 2009, the entire proceeds of Dr. Seymour and Defendant Buster Glosson's loan with Regions Bank was deposited into an Eagle LTD – DL Support account.

134. Upon information and belief, DesignLine Corp. did not receive all, or substantially all, of the funds deposited in the Eagle LTD – DL Support account by Weisiger, Dr. Seymour, and Defendants Fadiman and Buster Glosson. Rather, Defendants Buster Glosson and Brad Glosson used all or part of the proceeds of these foregoing loans for their personal use and for the use of their other businesses. Nonetheless, Defendants Buster Glosson and Brad Glosson collected and, though a fraudulent proof of claim filed in the Debtors' bankruptcy cases (as discussed below), sought from the Debtors additional "fees" purportedly owing under the DL Support Agreement.

135. Upon information and belief, Eagle did not provide the Debtors with the benefit of the Reserve.

136. Upon information and belief, Defendants Buster Glosson and Brad Glosson, while a director and director and officer, respectively, of the Debtors, also used Defendant Eagle to exploit corporate opportunities in the Middle East for their benefit and at the expense of DesignLine Corp. and its investors and creditors.

137. On January 1, 2010, DesignLine Corp. and Defendant Eagle entered into a purported consulting agreement (the "Eagle Consulting Agreement"). The Eagle Consulting Agreement was signed by Defendant Buster Glosson, as manager of Defendant Eagle, and

purportedly by James G. Martin, as chairman of the executive committee of the board of directors of DesignLine Corp.

138. The Eagle Consulting Agreement, to the extent that it was executory, was not disclosed on the Debtors' Schedule G of its Schedules of Assets and Liabilities.

139. Under the terms of the Eagle Consulting Agreement, Defendant Eagle agreed to provide DesignLine Corp. with the following "services":

a) Assistance in developing DesignLine Corp.'s international business platform in the Middle East;

b) Assistance in identifying and sourcing international, national, regional, and local government and agency programs and grants to benefit DesignLine Corp.; and

c) Such other projects identified by the DesignLine Corp.'s board of directors and/or its chief executive officer.

140. Defendant Eagle was to devote a minimum of eighty hours per month to provide these services, and in return was to be compensated through a fee of $20,000 per month.

141. Rather than provide the Debtors with any benefit of the Eagle Consulting Agreement, and despite collecting substantial fees thereunder, Defendant Eagle and Defendants Buster Glosson and Brad Glosson funneled monies of Middle Eastern investors, and potential business partners that they identified, including Defendant (and fellow DesignLine Corp. director) F. Alaeddin and Defendant E. Alaeddin (director of the Debtors' Middle Eastern operations) away from the Debtors, such that Defendants Brad Glosson and Buster Glosson, along with Defendants Fadiman, Floyd, and Allott, could replicate the Debtors' manufacturing facilities, at the Debtors' sole cost, and then steal that operation from the Debtors through

another business – namely, Defendants Pacific Bus and Global Bus Ventures (as discussed further herein).

142. Defendants Buster Glosson and Brad Glosson, and, upon information and belief, other named defendants, also used Defendant Eagle to steal money from DesignLine Corp. through complex financial transactions.

143. For example, on October 8, 2010, Defendant Buster Glosson reported that Walter West ("West") loaned $80,000 to support DesignLine USA.

144. Thereafter, on October 12, 2010, West funded $80,000 into an Eagle bank account at Regions Bank.

145. Then, on November 4, 2010, Defendant Eagle transferred $180,000 from its bank account into an account of DesignLine USA.

146. On November 17, 2010, Defendant Buster Glosson then caused DesignLine USA to wire $260,000 to Sabre Services, a company owned by West, as a "prepayment" for batteries and chargers for electric buses.

147. Sabre Services does not manufacture or sell batteries or chargers for electric buses. Rather, it is an infrastructure and support services company, providing operational logistics life support contact in areas experiencing natural disasters, humanitarian crises, or austere environments.

148. That same day, on November 17, 2010, Defendant Buster Glosson caused DesignLine USA to transfer back to Eagle the $180,000 it received ten (10) days prior.

149. Three days later, on November 20, 2010, Defendant Buster Glosson cancelled the $260,000 order with Sabre Services and instructed Sabre Services to return to Defendant Eagle

$180,000 of the $260,000 that DesignLine USA wired and to give $80,000 to West for repayment of his loan.

150. Defendants Brad Glosson and Buster Glosson then had DesignLine USA write off the $260,000 prepayment order.

151. While the Debtors' books and records reflected that DesignLine USA received a $180,000 loan from Defendant Eagle that was repaid, and a write-off of $260,000 for undelivered parts, in reality, Defendant Eagle stole $260,000 from DesignLine USA because DesignLine USA repaid the $80,000 that West originally loaned, and Defendant Eagle received and retained $260,000 for DesignLine USA's "prepayment" cancellation.

152. Upon information and belief, Sabre Services also received transfers in the amount of no less than $795,308.55 in the four years prior to the Petition Date, and the Debtors received no reasonably equivalent value in exchange for such transfers.

153. As another example, Defendants Brad Glosson and Buster Glosson caused the Debtors to transfer to Defendant Eagle $250,000 on or about November 1, 2011 for the purpose of "reimbursing" Defendant Eagle for having previously sent those monies to an alleged creditor of DesignLine Corp.: Defendant Odell. While Defendant Eagle did send $250,000 to Defendant Odell, Defendant Odell refunded that money to Defendant Eagle, but Defendant Eagle never reimbursed the Debtors for such sums. Thus, Defendants Eagle and Buster Glosson converted $250,000 to their own use.

154. In addition to the more elaborate schemes referenced above, Defendant Buster Glosson also just took money from DesignLine Corp. For example, on January 6, 2012, DesignLine Corp. wired $400,000 to Defendant Buster Glosson's bank account. DesignLine Corp., under the management of CEO Defendant Brad Glosson, recorded the transaction in the

general ledger as a deposit return to a Middle East customer. Upon information and belief, there was no such customer and Defendant Buster Glosson simply kept the $400,000 for his own personal uses.

155. Upon information and belief, Defendant Eagle received not less than $11,168,495.11 in transfers from the Debtors during the four year period prior to the bankruptcy filing.[9] All of these payments were made while the Debtors were insolvent and while Defendant Buster Glosson was an insider.

156. Neither Defendant Eagle nor Defendant Buster Glosson provided any value to the Debtors, let alone reasonably equivalent value, to have received such payments.

157. On October 10, 2013, Defendants Buster Glosson and Eagle filed a fraudulent proof of claim (the "Eagle Proof of Claim") in the Debtors' bankruptcy cases in the amount of $7,385,621.21. *See* Claim No. 9-1 (filed in Case No. 13-31943).

158. The purported agreement that forms the basis of the Eagle Proof of Claim — the DL Support Agreement — is a fraud.

159. Upon information and belief, the DL Support Agreement was never approved by the board of directors of the Debtors and the signature that purports to bind the Debtors to the DL Support Agreement was forged.

160. Moreover, the DL Support Agreement is nothing more than an improper, self-interested and insider transaction under which no monies are owed to Defendant Eagle by the Debtors.

[9] According to DesignLine Corp.'s draft audited financial statements, Defendant Eagle had received more than $15 million in transfers from the Debtors from 2009 to 2012.

161. The Eagle Proof of Claim contains false accounts and statements of monies purportedly owed by the Debtors to Defendant Eagle — accounts and statements known to be false by Defendants Buster Glosson and Eagle.

162. Additionally, on March 14, 2014, Defendant Eagle and Defendant Buster Glosson filed a response in support of the Eagle Proof of Claim with this Court (Docket No. 256), which response (the "Response") also contained fraudulent statements in support of the Eagle Proof of Claim.

163. Defendant Buster Glosson and Defendant Eagle, having filed the Eagle Proof of Claim, committed bankruptcy fraud as that term is defined under section 157 of title 18 of the United States Code, as follows:

a) Defendants Buster Glosson and Eagle devised and intended to devise a scheme to defraud the Debtors' bankruptcy estates to receive distributions on account of debts that simply are not owed to them. For the purpose of executing such a scheme or attempting to do so, Defendants Buster Glosson and Eagle filed the false Eagle Proof of Claim and the Response (containing false information) on October 13, 2013, and March 14, 2014, respectively, in a proceeding under title 11 of the United States Code.

b) Defendants Buster Glosson and Eagle devised and intended to devise a scheme to defraud the Debtors' bankruptcy estates to receive distributions on account of debts that simply are not owed to them. For the purpose of executing such a scheme or attempting to do so, Defendants Buster Glosson Eagle, through the Eagle Proof of Claim and Response, made false or fraudulent representations and false claims concerning or in relation to a proceeding under title 11.

164. The foregoing (i) misrepresentations of DesignLine Corp.'s financial condition; (ii) diversion of funds by Defendants Buster Glosson, Brad Glosson, and Eagle for their personal use and/or other businesses; (iii) misrepresentations that debt and equity investments made into Defendant Eagle would be used solely for the working capital and operational support of DesignLine Corp.; (iv) entry into the self-interested, improper, and forged DL Support Agreement; (v) entry into the self-interested Eagle Consulting Agreement; (vi) usurpation of DesignLine Corp.'s corporate opportunities in the Middle East; (vii) conversion of funds relating to the loan made by West to Defendant Eagle; (viii) false prepayment of goods to Defendant Sabre Services; (ix) false reimbursement of funds relating to Defendant Odell; (x) conversion of DesignLine Corp. funds by masking them as "deposit returns"; (xi) conversion of over $11 million belonging to DesignLine Corp. by Defendant Eagle; and (xii) filing of the fraudulent Eagle Proof of Claim and Response, among other things, collectively shall be referred to herein as the "Eagle Scheme."

VI. Defendant Buster Glosson Uses Defendants Odell and DL EV Technology to Strip DesignLine Corp. of Valuable Intellectual Property and Take the Proceeds and Value from those Transactions for Himself.

A. The Joint Venture with Defendant Odell and Accompanying License Agreement.

165. On May 27, 2010, DesignLine Corp. entered into a joint venture agreement (the "JV Agreement") with Defendant Odell. DesignLine Corp. was purportedly interested in selling products in China and wished to avail itself of certain offset programs world-wide. Defendant Odell purportedly had significant contacts in China with offset programs.

166. The JV Agreement, to the extent that it was executory, was not disclosed on the Debtors' Schedule G of its Schedules of Assets and Liabilities.

167. The JV Agreement provided that the parties would create a joint venture company, the initial ownership of which would be fifty percent (50%) DesignLine Corp. and fifty percent (50%) Defendant Odell.

168. Pursuant to the JV Agreement, the joint venture would, subject to the terms and conditions of the JV Agreement and license agreement (as further described herein), have the authority, as stated in the JV Agreement's preamble, to "(a) grant sublicenses to major bus manufacturers within China, (b) sell DesignLine products in China, and (c) consummate participated in Offset Programs including partnering with major bus manufacturers within the subject country for the production of buses with DesignLine hybrid or electric drives."

169. DesignLine Corp. contributed a portion of its valuable battery management system patents in Hong Kong and China to the joint venture. The parties valued these patents at $2,400,000. DesignLine Corp. intended to contribute $800,000 of the patent value to the joint venture. The remaining $1,600,000 of the patent value was due and owing from the joint venture to DesignLine Corp. in accordance with the terms of the JV Agreement. Defendant Odell was to provide $600,000 in capital to the joint venture.

170. The parties formed Defendant DL EV Technology under the laws of the State of Delaware on July 9, 2010 as their joint venture.

171. Upon information and belief, Defendant Odell provided no capital to Defendant DL EV Technology. It either was not paid or it was improperly paid to and retained by Defendants Eagle, Brad Glosson and/or Buster Glosson.

172. Defendants DL EV Technology and Odell received the benefit of DesignLine Corp.'s technology and intellectual property and DesignLine Corp. received nothing in return for contributing its valuable intellectual property to Defendant DL EV Technology. As a result of

DesignLine Corp.'s contributions, by Defendant Odell's valuation, Defendant DL EV Technology had an initial valuation of $15,000,000.

173. At the time DesignLine Corp. contributed its intellectual property to Defendant DL EV Technology, which was an insider of the Debtors, it was insolvent.

174. Pursuant to the JV Agreement, the parties were to enter into a license agreement governing the use of all DesignLine Intellectual Property (as defined in the JV Agreement) by the joint venture or any sub-licensee. On July 9, 2010, DesignLine Corp. and Defendant DL EV Technology entered into a License and Distribution Agreement (the "License Agreement"), pursuant to which Defendant DL EV Technology obtained an exclusive license to utilize the licensed information in connection with its manufacturing, marketing, distribution, sublicense, use and sale in an exclusive territory — namely, China and, with regard to Offset Programs, such other geographic regions as were necessary for the consummation of the Offset Program, including regions where the licensor already operated — such as the Middle East. This License Agreement provided Defendant DL EV Technology with an expansive license of all trade secrets, proprietary and confidential information, etc. — whether patented or not — relating to the manufacture, marketing or distribution, use, or sale of the Products in the Field in the Territory (as defined in the License Agreement). The license grants provided for in the License Agreement included the right to grant sublicenses as well as the right of Defendant DL EV Technology as licensee to sell products under a "private label."

175. The License Agreement, to the extent that it was executory, was not disclosed on the Debtors' Schedule G of its Schedules of Assets and Liabilities.

176. Pursuant to the License Agreement, Defendant DL EV Technology was prohibited from granting a sublicense unless (a) it provided for an upfront licensing fee of at least

$2 million; or (b) the sublicense agreement is approved by DesignLine Corp., in its sole discretion.

177. Defendant DL EV Technology, as licensee, further agreed to pay DesignLine Corp. eighty percent (80%) of any upfront licensing fee earned by Defendant DL EV Technology for a sublicense. If the sublicense was one that was approved by DesignLine Corp. in its sole discretion, the approval was to be conditioned upon receiving payment of at least $1.6 million through profits, ongoing, or per unit license fees over time as set forth in the License Agreement.

178. DesignLine Corp. received nothing — let alone reasonably equivalent value — for their intellectual property that it contributed to Defendant DL EV Technology or for the license it granted to Defendant DL EV Technology under the License Agreement. Rather, upon information and belief, it either was not paid – or was improperly paid to and retained by – Defendants Eagle, Brad Glosson, and/or Buster Glosson.

179. At the time DesignLine Corp. contributed its intellectual property and granted a license to Defendant DL EV Technology, which was an insider of the Debtors, it was insolvent.

B. The Odell Business Development Agreement.

180. Separately, on or about January 1, 2011, DesignLine Corp. entered into a business development agreement with Defendant Odell (the "Odell Business Development Agreement"). Defendant Odell purported to be particularly well-qualified to assist with business development in the United States Government, the Middle East, and China. Upon information and belief, Defendant Odell is owned and controlled by Richard Cantwell, a former military colleague of Defendant Buster Glosson. The Odell Business Development Agreement was to extend through December 31, 2013, unless earlier terminated. Defendant Odell was to receive $30,000 per

quarter, plus flat fees for pre-approved travel to Washington D.C., the Middle East, and China (in the amounts of $2,000, $20,000, and $25,000, respectively).

181. The Odell Business Agreement, to the extent that it was executory, was not disclosed on the Debtors' Schedule G of its Schedules of Assets and Liabilities.

182. Any transfers made by the Debtors on account of the Odell Business Development Agreement were not made for reasonably equivalent value because Defendant Odell neither developed business for the Debtors, intended to develop business for the Debtors, nor had the capabilities to develop business for the Debtors.

C. Defendant Odell Receives Monies from the Debtors for the Debts of Eagle.

183. Specifically, in or around October 2010, Defendant Eagle borrowed $500,000 from Defendant Odell and, in connection with such loan, Defendant Eagle was required to pay Defendant Odell an $88,000 fee. Rather than Defendant Eagle repaying its obligations to Defendant Odell, Defendants Buster Glosson and Brad Glosson caused the Debtors pay Defendant Odell as follows:

a) The Debtors paid the $88,000 fee to Defendant Odell by transferring such sum to Defendant Eagle on November 1, 2010, which Defendant Eagle then paid over to Defendant Odell on November 1, 2010;

b) The Debtors paid Defendant Eagle $250,000 on November 1, 2011, which Defendant Eagle then paid over to Defendant Odell. Defendant Odell then paid those same funds back to Defendant Eagle, but Defendant Eagle never reimbursed the Debtors for such sums and, upon information and belief, Defendant Buster Glosson converted $250,000 to his own use;

c) The Debtors paid Defendant Eagle $150,000 on November 7, 2011, which Defendant Eagle then paid over to Defendant Odell on November 9, 2011; and

d) The Debtors paid Defendant Eagle $100,000 on November 8, 2011, which Defendant Eagle then paid over to Defendant Odell on November 9, 2011.

184. The Debtors received no value — let alone reasonably equivalent value — for making the transfers that they made on account of the loan from Defendant Odell to Defendant Eagle, all of which such transfers were made while the Debtors were insolvent.

185. The Debtors also made substantial, other transfers to Defendant Odell without the Debtors receiving any value for such transfers, let alone reasonably equivalent value, all while the Debtors were insolvent.

VII. The Glossons, Among Other Defendants, Exploit Their Middle Eastern Connections to the Detriment of the Debtors and Ultimately for the Benefit of Themselves and Defendants Global Bus Ventures, Bus Pacific, E. Alaeddin, F. Alaeddin, Floyd, Fadiman, and Allott.

A. MABCO.

186. Defendant MABCO purportedly was an "experienced Business Development Company with especially close relationships with several third party bus manufacturing operations in [the Middle East and North Africa]."

187. Upon information and belief, at all relevant times hereto, Defendant E. Alaeddin was a principal of MABCO. Simultaneously, Defendant E. Alaeddin also was an officer and employee of DesignLine Corp., having the position of "Director, Middle East," and the nephew of Defendant F. Alaeddin, who was a director of DesignLine Corp. (and chairman of DesignLine Corp.'s audit committee). As such, Defendant MABCO was an insider.

188. On or about December 30, 2008, prior to the Public Company Merger, DesignLine International Holdings, as licensor, entered into a license agreement (the "2008 License Agreement") with Defendant MABCO, as licensee, whereby DesignLine International

Holdings was to transfer to MABCO the know-how for the reproduction of proprietary hybrid and electric drive systems and overall vehicle designs ("Contractual Products").

189. Pursuant to the 2008 License Agreement, MABCO, as licensee, was permitted to: (i) sell buses within a defined territory in the Middle East and North Africa ("MENA"); (ii) sell buses in said territory for manufacture by a third party manufacturing company contracted by MABCO; (iii) issue exclusive or non-exclusive sublicenses for said territory; and (iv) assign this license to one or more third parties. All of the foregoing was to be pre-approved by DesignLine International Holdings in its sole discretion.

190. Further, DesignLine International Holdings assigned the right to reproduce the Contractual Products under the terms of the 2008 License Agreement (*i.e.*, the "Licensed Products").

191. In order to provide for the foregoing, MABCO was to make payment of license fees in the total amount of $3 million. An initial license fee in the amount of $300,000 was to be paid to DesignLine International Holdings upon execution of the 2008 License Agreement. Pursuant to the 2008 Agreement, the "Initial License Fee and all Follow-on License Fees will be transferred as directed by the Chairman or DesignLine CEO" — namely, Defendants Buster Glosson and Brad Glosson.

192. Upon information and belief, DesignLine International Holdings never received the initial $300,000 license fee. It either was not paid or it was improperly paid to and retained by Defendants Eagle, Brad Glosson and/or Buster Glosson.

193. The 2008 License Agreement was amended on or about March 29, 2009. By way of the amendment, the license's territory was expanded to include France. Moreover, except for the initial license fee of $300,000 (which was never received by the Debtors), all remaining

license fees (in an amount of no less than $2.7 million) were waived until certain approvals to operate and sell DesignLine International Holdings hybrid and electric buses were received.

194. Subsequently, on June 3, 2009, DesignLine International Holdings and Defendant MABCO entered into a license purchase agreement (the "2009 License Purchase Agreement"). Pursuant to the 2009 License Purchase Agreement, MABCO agreed to sell all rights, duties, and obligations under the 2008 License Agreement to DesignLine International Holdings for $5 million (the "Purchase Amount"). The Purchase Amount was to be paid by: (i) *an offset of the $2.7 million that MABCO owed to DesignLine International Holdings under the 2008 License Agreement for use of the Licensed Products in the territory*; plus (ii) 1,533,00 shares of stock in DesignLine Corp. (as compensation for the remaining $2.3 million due). The 2009 License Purchase Agreement terminated the 2008 License Agreement and all prior agreements.

195. The 2009 License Purchase Agreement, to the extent that it was executory, was not disclosed on the Debtors' Schedule G of its Schedules of Assets and Liabilities.

196. In essence, pursuant to the 2009 License Purchase Agreement, DesignLine International Holdings bought back/bought out the same rights that were provided under the 2008 License Agreement for $5 million through a purported offset under the 2008 License Agreement and the issuance of stock when Defendant MABCO never compensated DesignLine International Holdings under the 2008 License Agreement in the first place.

197. Additionally, the Debtors' audited financial statements reflected that the stock compensation exceeded the purported fair market value of the "customer relationships" that Defendant MABCO had purportedly developed in the Middle East, which were purportedly valued at $3,185,000 (the "Middle East Relationships").

198. Defendants Brad Glosson and Buster Glosson caused DesignLine Corp. to record the Middle East Relationships as an intangible asset — and then later wrote off the $3,185,000.

199. All of the transfers made under and in connection with 2008 License Agreement and the 2009 License Purchase Agreement were made while the Debtors were insolvent, were made to or for the benefit of insiders of the Debtors, and for which the Debtors did not receive reasonably equivalent value. Moreover, upon information and belief, DesignLine International Holdings did not receive the benefit of the Middle East Relationships and instead any and all opportunities arising out of the Middle East Relationships flowed to, among others, Defendants Buster Glosson and/or Brad Glosson or their related entities, including Defendants Global Bus Ventures and Bus Pacific, which continue to operate today in the Middle East, among other places.

200. Upon information and belief, Defendants Buster Glosson, Brad Glosson, F. Alaeddin, E. Alaeddin, Fadiman, Floyd, Allott, and MABCO used property of the Debtors and the proceeds therefrom — property transferred under or in connection 2008 License Agreement and the 2009 License Purchase Agreement — to the detriment of the Debtors and their estates, for their own personal uses and other businesses not related to the Debtors. The Debtors received nothing for the 2008 License Agreement and the 2009 License Purchase Agreement.

201. Further, pursuant to an agreement dated November 15, 2010, which was amended on June 30, 2011, DesignLine Corp. engaged Defendant MABCO to provide certain business development services and operational support in the Middle East and in North Africa. Upon information and belief, Defendant MABCO received not less than $115,000 in transfers from the Debtors during the four-year period prior to the Petition Date.

202. Each transfer to MABCO, an insider of the Debtors, was made when the Debtors were insolvent.

203. The Debtors received nothing of value, let alone reasonably equivalent value, for these transfers to Defendant MABCO. Contrary to being an "experienced Business Development Company with especially close relationships with several third party bus manufacturing operations in MENA;" however, upon information and belief, Defendant MABCO is in the business of providing office equipment solutions directly to businesses, including copiers, printers, fax machines, and other office equipment. In other words, Defendant MABCO provides services wholly unrelated to bus manufacturing operations.

204. Defendant Floyd, who was the son-in-law of Defendant Buster Glosson, as Executive Vice President, Contracts, Purchasing, and Information Technology of the Debtors, assisted Defendant Buster Glosson's and Brad Glosson's conduct in connection with the transactions with MABCO.

B. Liberty Automobiles.

205. On May 20, 2010, Defendants Brad Glosson and Buster Glosson required DesignLine Corp. to enter into that certain "Sole Distributorship and After Sales Service Agreement" with Defendant Liberty Automobiles (the "Liberty Agreement").

206. The Liberty Agreement, to the extent that it was executory, was not disclosed on the Debtors' Schedule G of its Schedules of Assets and Liabilities.

207. Under the Liberty Agreement, Defendant Liberty Automobiles agreed to be the sole distributor for the sales of DesignLine Corp.'s hybrid and electric buses "of U.S. or New Zealand origin" in the territories of the United Arab Emirates and the Sultanate of Oman.

208. In 2011, Defendants Brad Glosson and Buster Glosson also required DesignLine Corp. to sign a manufacturing agreement (the "2011 Manufacturing Agreement") with Defendant Liberty Automobiles. Under the 2011 Manufacturing Agreement, DesignLine Corp. provided an exclusive license to Defendant Liberty Automobiles, which included all of the intellectual property of DesignLine Corp., whereby Defendant Liberty Automobiles received an exclusive license to use and exploit the licensed information anywhere in the specified territory (Middle East, Africa, Turkey, Pakistan, and India) in the electric bus market (the "Liberty License"). As licensor, DesignLine Corp. was to continue to coordinate marketing and sales efforts within the territory through its operating division, DesignLine Middle East.

209. The 2011 Manufacturing Agreement, to the extent that it was executory, was not disclosed on the Debtors' Schedule G of its Schedules of Assets and Liabilities.

210. DesignLine Corp. provided Defendant Liberty Automobiles with the Liberty License and was to receive a one-time license fee of $10 million, as provided for in the 2011 Manufacturing Agreement, to an account designated by DesignLine Corp.

211. DesignLine Corp. received no value for the property it transferred to Liberty Automobiles, let alone reasonably equivalent value. Instead, upon information and belief, Defendants Eagle, Brad Glosson, and Buster Glosson kept all or part of the value paid on account of the Liberty License and Defendants Buster Glosson, Brad Glosson, Bus Pacific, Global Bus Ventures, F. Alaeddin, E. Alaeddin, Fadiman, Floyd, and Allott used these funds and other property of the Debtors, either in whole or in part, to the detriment of the Debtors and their estates, for their own personal use and to further their own business purposes unrelated to the Debtors. The Debtors received nothing for these transactions.

212. Moreover, in 2011, DesignLine Corp., through its Middle East operations, delivered two of its 100 percent electric buses through a sale from Liberty Automobiles to the Tourism Development & Investment Co. ("TDIC") for use on the Sir Bani Yas Island in Abu Dhabi, United Arab Emirates. A $1 million payment for these two buses was recorded in the books and records of DesignLine Corp.; however, the accounting entry for the $1 million payment was later reversed as having not been received and no additional orders or payments for additional bus sales under this program were ever recorded.

213. Yet, during this same time period, Defendant Eagle received $1,357,925 from the DesignLine Corp. Middle East bank account in Abu Dhabi. This transfer was never recorded in the books and records of DesignLine Corp.

214. Additionally, in 2011, DesignLine Corp.'s Middle East operations were alleged to have been commenced. DesignLine Corp. received nothing from and no value on account of these Middle East operations.

215. Upon information and belief, either DesignLine Corp.'s Middle Eastern facility is currently being used by Defendants Buster Glosson, Brad Glosson, E. Alaeddin, F. Alaeddin, Fadiman, Floyd, Allott, to sell buses identical to the buses manufactured and sold by the Debtors or Defendants Buster Glosson, Brad Glosson, E. Alaeddin, F. Alaeddin, Fadiman, Floyd, Allott are currently using Bus Pacific, and Global Bus Ventures to manufacture buses for distribution and sale in the Middle East. None of these Defendants paid any value to the Debtors to have control of DesignLine Corp.'s Middle Eastern operations and facility or to manufacture DesignLine Corp.'s buses for Middle Eastern (or, for that matter, any) customers.

216. Defendants Buster Glosson, Brad Glosson, E. Alaeddin, F. Alaeddin, Fadiman, Floyd, and Allott usurped DesignLine Corp.'s opportunities and diverted bus manufacturing and

sales to Defendants Global Bus Ventures and Bus Pacific, in breach of their duties to the Debtors, in order for those Defendants to manufacture and sell buses identical to the buses manufactured and sold by the Debtors, but to do so outside of the corporate structure of the Debtors for their own benefit. None of these Defendants paid any value to the Debtors for this these opportunities.

217. As discussed below, Defendant Liberty Automobiles is now the exclusive distributor for Defendant Global Bus Ventures in the Middle East, as touted on Global Bus Venture's own website.

218. Defendant Floyd, who was the son-in-law of Defendant Buster Glosson, as Executive Vice President, Contracts, Purchasing, and Information Technology of the Debtors, and later the chief executive officer of Defendant Global Bus Ventures, assisted Defendants Buster Glosson's and Brad Glosson's conduct in connection with the transactions with Defendant Liberty Automobiles.

C. Chandler Middle East.

219. On or around April 26, 2012, DesignLine Corp. and Defendant CME entered into a Sole Distributorship and Services Agreement (as may have been amended from time to time, the "CME Agreement"). At the time the CME Agreement was executed, Defendant Buster Glosson was Chairman of DesignLine Corp.

220. The CME Agreement, to the extent that it was executory, was not disclosed on the Debtors' Schedule G of its Schedules of Assets and Liabilities.

221. The CME Agreement was executed by Joseph J. Smith as chief executive officer of DesignLine Corp. and by Defendant Ray E. Chandler on behalf of Defendant CME.

222. The CME Agreement provided, among other things, that DesignLine Corp. appointed Defendant CME as its sole distributor for sales of the Eco-Saver Range Extended Electric Vehicle ("Eco-Saver REEV") and the EcoSmart Electric Vehicle ("EcoSmart EV" and together with Eco-Saver REEV, the "CME Licensed Products") in the MENA region for a two-year period.

223. Under the CME Agreement, DesignLine Corp. agreed to sell 42' Eco-Saver REEV to Defendant CME for $650,000.00 and to sell 42' EcoSmart EV to Defendant CME for $700,000.00.

224. Defendant CME also agreed to pay DesignLine Corp. an additional fee of $25,000.00 per bus for each bus order above fifty (50) buses.

225. Defendant CME further agreed to pay DesignLine Corp. an additional fee of $25,000.00 per bus on the first six buses sold by Defendant CME and $10,000.00 per bus on the next five buses sold by Defendant CME.

226. The CME Agreement further provided that CME would establish operations in the MENA with an initial office located in Amman, Jordan in the facility that was occupied at that time by DesignLine Middle East.

227. DesignLine Corp. further agreed not to appoint any other distributor in the MENA for the CME Licensed Products during the term of the CME Agreement or directly or indirectly sell the CME Licensed Products to a third party in the MENA.

228. The CME Agreement also provided that the parties understood that Defendant CME would assume all of DesignLine Corp.'s financial and other obligations under the current distribution agreement between DesignLine Corp. and Defendant Liberty Automobiles regarding distribution of the CME Licensed Products in the United Arab Emirates.

229. The CME Agreement further provided that Defendant CME would assume all of DesignLine Corp.'s financial and other obligations under the current support agreement between DesignLine Corp. and Defendant MABCO.

230. Under the CME Agreement, Defendant CME received from DesignLine Corp. the right to be the sole distributor of the CME Licensed Products in the MENA for no less than two (2) years, and upon information and belief, DesignLine Corp. never received any value for this opportunity, nor did it otherwise receive any benefits under the CME Agreement.

231. An amendment to the CME Agreement dated October 4, 2012 was executed by Defendant Chandler on behalf of Defendant CME and DL CME, LLC ("DL CME").

232. In any event, the October 4, 2012 document purports to amend the CME Agreement to add DL CME, an operating subsidiary of Defendant CME, as a party to the CME Agreement and further provides that in the event *DesignLine Corp.* cannot meet the production schedule for orders procured by DL CME, then DL CME shall be able to utilize the production capacity of *Defendant Global Bus Ventures* and its subsidiary *Defendant Bus Pacific* to meet the delivery requirements.

233. At that time, Defendant Chandler had, along with Defendants Fadiman, Buster Glosson, and Allott, an ownership interest in an entity that owned a majority interest in Defendant Global Bus Ventures.

234. DesignLine Corp. received no value for entering into the CME Agreement. Instead, upon information and belief, Defendants Buster Glosson, Brad Glosson, and/or Eagle kept all or part of any value paid on behalf of the CME Agreement.

235. The foregoing (i) entry into the JV Agreement without any benefit or value to the Debtors; (ii) Defendants Eagle, Brad Glosson, and/or Defendant Buster Glosson, among others,

improperly benefitting from the JV Agreement; (iii) entry into the License Agreement without any benefit or value to the Debtors; (iv) Defendants Eagle, Brad Glosson, and/or Buster Glosson, among others, improperly benefitting from the License Agreement; (v) entry into the Odell Business Development Agreement without any benefit or value to the Debtors, and any payments made thereunder; (vi) Debtors' repayment of Defendant Eagle's loan from Defendant Odell from which the Debtors received no value; and (vii) the transfer of the Debtors' personal property in connection with the JV Agreement and the License Agreement without value or benefit shall collectively be referred to as the "Odell Transaction."

236. The foregoing (i) entry into the 2008 License Agreement (and any amendment thereto) without any benefit or value to the Debtors; (ii) Defendants Eagle, Brad Glosson, and/or Buster Glosson, among others, improperly benefitting personally from the 2008 License Agreement; (iii) entry into the 2009 License Purchase Agreement without any benefit or value to the Debtors; (iv) usurpation of the corporate opportunities created under the 2008 License Agreement and the 2009 License Purchase Agreement by and for the benefit of Defendants Eagle, Brad Glosson, Buster Glosson, Bus Pacific, Global Bus Ventures, E. Alaeddin, F. Alaeddin, Fadiman, Floyd, Allott, and MABCO, among others; and (v) the transfer of the Debtors' personal property in connection with the 2008 License Agreement and the 2009 License Purchase Agreement without value or benefit to the Debtors shall collectively be referred to as the "MABCO Transaction."

237. The foregoing (i) entry into the Liberty Agreement without any benefit or value to the Debtors; (ii) entry into the 2011 Manufacturing Agreement without any value or benefit to the Debtors; (iii) transfer of any personal property of the Debtors in connection with the Liberty Agreement or the 2011 Manufacturing Agreement without any benefit or value; (iv) usurpation

of the corporate opportunities created under the Liberty Agreement and the 2011 Manufacturing Agreement by and for the benefit of Defendants Eagle, Brad Glosson, Buster Glosson, Bus Pacific, Global Bus Ventures, E. Alaeddin, F. Alaeddin, Fadiman, Floyd, Allott, and Liberty Automobiles, among others; (v) Defendants Eagle, Brad Glosson, and Buster Glosson improperly benefitting personally from the Liberty Agreement and the 2011 Manufacturing Agreement; (vi) improper use of funds paid under the Liberty Agreement and/or the 2011 Manufacturing Agreement for the personal and non-DesignLine Corp. use of Defendants Buster Glosson, Brad Glosson, Bus Pacific, Global Bus Ventures, E. Alaeddin, F. Alaeddin, Floyd, and Allott; (vii) Defendant Eagle's conversion of $1,357,925 from DesignLine Corp., and (viii) the taking of DesignLine Corp.'s Middle East operations for the benefit of the foregoing without any value or benefit to the Debtors shall collectively be referred to as the "Liberty Transaction."

238. The foregoing (i) entry into the CME Agreement without value or benefit to the Debtors, (ii) usurpation of DesignLine Corp.'s corporate opportunities by diverting bus manufacturing and sales from DesignLine Corp. to Defendants Global Bus Ventures and Bus Pacific, and (iii) Defendants Eagle, Brad Glosson, and Buster Glosson improperly benefitting personally from the CME Agreement shall collectively be referred to as the "Chandler Transaction."

239. Collectively, the Odell Transaction, the MABCO Transaction, the Liberty Transaction, and the Chandler Transaction shall be referred to herein as the "IP and Corporate Opportunity Theft Scheme."

VIII. Defendant Buster Glosson's Complete Theft of DesignLine Corp.'s Only Profitable Business Segment.

240. As described above, DesignLine NZ was created in 2007 to be the New Zealand operating entity of DesignLine Corp.

241. According to the Debtors' former chief financial officer, William Cave, DesignLine NZ could have been profitable if it was spun off of and operated separately from the Debtors' U.S. businesses. Specifically, William Cave testified that as of April 2009 "[t]he New Zealand side was operating. And with the right changes, they were profitable…..They needed to – they needed to get the U.S. group out of the way and just operate in New Zealand." Cave Dep. 31: 5-9.

242. Moreover, Mr. Cave testified that "New Zealand was viewed as a potential profit center for DesignLine." *Id.* at 31:18-20. Although "[t]here was [sic] periods of time where New Zealand was [in the] red,…there were periods of time where it was making a profit. It had the ability to make a profit." *Id.* at 37:22-24.

243. Nonetheless, in an April 14, 2011, memorandum to DesignLine Corp.'s shareholders, Defendant Brad Glosson stated that DesignLine Corp. was looking to divest itself of DesignLine NZ, and represented that the Debtors were in active discussions with three (3) groups for a strategic partnership or possible sale of DesignLine NZ.

244. On June 1, 2011, DesignLine NZ entered receivership under the laws of New Zealand.

245. Keiran Horne was appointed as receiver of DesignLine NZ.

246. Defendant Allott was appointed or otherwise was retained as investigating accountant for the DesignLine NZ receivership.

247. Similar to the testimony of the Debtors' former CFO that DesignLine NZ could have been profitable, Ms. Horne stated that DesignLine NZ had a strong order book and substantial customer base.

248. In fact, one of DesignLine NZ's customers, Ritchies Bus Company, had placed a large order for about 120 buses and still had eighty (80) buses that it was to receive from DesignLine NZ over the next few years.

249. On, June 1, 2011, the same date that DesignLine NZ was put into receivership in New Zealand, Defendant Brad Glosson, using the mails and wires in the United States, lied to DesignLine Corp. shareholders in a memorandum, stating: "I realize there has been a recent spate of news reports indicating that DesignLine NZ is in liquidation. This is not true."

250. Defendant Brad Glosson made these statements knowing them to be false when he made them.

251. In addition, in a June 1, 2011 e-mail memorandum, Defendant Brad Glosson represented to stockholders that DesignLine NZ was entering into an asset purchase agreement for which DesignLine Corp. would yield a substantial benefit: "The good news continues. DesignLine NZ is finalizing an asset purchase agreement with closing scheduled no later than 14 June. The general terms of the deal are that we are selling a 50% stake in [DesignLine] NZ for $2.7 million. We will retain a 50% ownership stake and share operational control. Our partner in this venture is a very large Asian company."

252. Defendant Brad Glosson further represented to shareholders in the June 1, 2011 memorandum that "[DesignLine] NZ had been working closely with the Bank of New Zealand on this sale transaction because in the asset sale all existing liabilities will be cut-off" and that "[i]n simplest terms, the asset sale will be approved by [the Bank of New Zealand] thereby insulating DesignLine [Corp.] against any potential claims."

253. Each of the foregoing statements were false when made and Defendant Brad Glosson knew them to be false.

254. As described below, Defendants Brad Glosson and Buster Glosson never intended for DesignLine Corp. to retain a fifty percent (50%) ownership stake in DesignLine NZ or to share continuing operational control of DesignLine NZ.

255. As described below, there never was a "very large Asian company."

256. As described below, no sale transaction that "cut off" existing liabilities or that "insulat[ed]" DesignLine Corp. against any potential claims was contemplated or implemented.

257. Instead, contrary to these representations, Defendants Brad Glosson and Buster Glosson, through a maze of complex transactions, arranged improperly to "purchase" the assets of DesignLine NZ out of the receivership, free and clear of all liabilities, through a new shell entity that they created in the State of Delaware.

258. In the end, while DesignLine Corp. was forced to assume millions of dollars in liabilities for the failed operations of DesignLine NZ, Defendants Buster Glosson, Brad Glosson, E. Alaeddin, F. Alaeddin, Fadiman, Floyd, Allott, Bus Pacific, and Global Bus Ventures took the profitable assets of the Debtors' wholly owned subsidiary, did not give anything to the Debtors for doing so, and left the Debtors and their creditors responsible for significant liabilities of DesignLine NZ.

259. Specifically, on June 2, 2011, *one day after* the receivership was instituted against DesignLine NZ, Defendant Brad Glosson executed a Stock Transfer Agreement purportedly transferring "100 Ordinary Shares" of DesignLine NZ from DesignLine Corp. to DL Australiasia Holdings, LLC. Defendant Brad Glosson executed the agreement on behalf of both parties—in his capacity as President and Chief Executive Officer of DesignLine Corp., the "Seller," and in his capacity as Manager of DL Australasia Holdings, LLC, the "Buyer."

260. Also on June 2, 2011, Defendants Brad Glosson, Buster Glosson, and Fadiman caused DL Pacific Ventures, LLC ("DL Pacific Ventures") to be formed in the State of Delaware. DL Pacific Ventures was formed for the sole purpose of acquiring, directly or indirectly, the assets of DesignLine NZ out of receivership. The initial members of DL Pacific Ventures were Defendant Jim Fadiman, Defendant Buster Glosson, and Lim Chai Chang (a/k/a "C.C. Lim"). According to the operating agreement of DL Pacific Ventures, the place of business of DL Pacific Ventures was to be Kuala Lumpur, Malaysia.

261. Then, on June 23, 2011, Defendants Brad Glosson and Buster Glosson caused Defendant Bus Pacific to be incorporated under the laws of New Zealand. Initially, an individual named Barry Charles Jones was identified as the sole shareholder and director of Defendant Bus Pacific.

262. Mr. Jones was merely a strawman.

263. On July 8, 2011, Defendant Bus Pacific entered into an agreement of sale and purchase for the assets of DesignLine NZ out of receivership. Closing of this agreement was scheduled to occur on August 19, 2011.

264. On July 21, 2011, Defendant Allott — the investigative accountant for the DesignLine NZ receivership — sent a letter to Defendant Buster Glosson (addressed to the Debtors' mailing address, but using Defendant Buster Glosson's Eagle e-mail account) opining that New Zealand law would allow the creditors of DesignLine NZ to seek to hold DesignLine Corp. as well as the directors of DesignLine NZ liable for the debts of DesignLine NZ, but that under the circumstances he "concluded" that likelihood of "any action against DesignLine Corp. or the non resident Directors of DesignLine [NZ] to be minimal."

265. On August 10, 2011, the shareholder of Defendant Bus Pacific was changed such that DL Pacific Ventures — the Delaware entity formed by Defendants Buster Glosson and Brad Glosson and owned by Defendant Buster Glosson, Defendant Fadiman, and C.C. Lim — became a shareholder of Defendant Bus Pacific, along with strawman Barry Charles Jones.

266. On August 18, 2011, Defendant Buster Glosson sent a fax to Defendant Allott confirming Defendant Buster Glosson's verbal promise to provide and guarantee the following:

- "Payment of 20% discount that you provided for referenced support
- Ten Percent premium payment for rolling due date of your DL Corps invoices (60 to 90 days)
- $50,000 bonus for negotiating final sale of DL International Holding (NZ)"

267. This was, upon information and belief, a bribe to Defendant Allott so that Defendant Allott, as the investigating accountant for the New Zealand receivership estate, would approve the terms of the improper sale of the assets of the DesignLine NZ receivership estate to Defendant Buster Glosson's shell entity and to "conclude" that any action against DesignLine Corp. or the non-resident Directors of DesignLine [NZ] should not be brought.

268. In furtherance of this unlawful scheme, Defendant Buster Glosson offered not less than $50,000 to Defendant Allott, the investigating accountant for the receivership estate of DesignLine NZ, to influence Defendant Allott's actions in the discharge of his duties.

269. On August 19, 2011, the sale of DesignLine NZ's assets to Defendant Bus Pacific closed. The final purchase price was approximately $3,335,984.95 NZD.

270. Days later, on August 24, 2011, strawman Barry Charles Jones was removed as a shareholder of Defendant Bus Pacific, thereby leaving DL Pacific Ventures (owned by Defendant Buster Glosson, Defendant Fadiman, and C.C. Lim) as the sole shareholder of

Defendant Bus Pacific, which, as a result of the receivership sale, now owned the assets (without any of the liabilities) of DesignLine NZ.

271. Also on August 24, 2011, Defendant Brad Glosson sent a memo (the "August 2011 Memo"), using the wires and mails in the United States, to all of the shareholders of DesignLine Corp. purporting to "update" them on the status of the DesignLine NZ receivership. In the August 2011 Memo, Defendant Brad Glosson made the following false statements:

a) "[w]e diligently sought potential suitors and, as noted in the June Shareholder Update, identified a Malaysian Company";

b) "it is with great pleasure that we announce the sale of [DesignLine] NZ to DL Bus Pacific…was finalized earlier this week. [DL] Bus Pacific is a New Zealand company established by the aforementioned Malaysian entity to acquire [DesignLine] NZ";

c) "[t]he sale of [DesignLine] NZ to [DesignLine] Bus Pacific provided over $8.0 million NZD in benefit to [DesignLine] Corp. from the payoff of the existing line of credit with Bank of New Zealand and the assumption of certain liabilities previously guaranteed by [DesignLine] Corp.";

d) "[i]t is important to note that the assets of [DesignLine] NZ sold to [DesignLine] Bus Pacific in this transaction are solely limited to diesel bus manufacturing assets and do not include any of the electric drive intellectual property" (emphasis in original);

e) "[DesignLine] Corp. is not involved in [DesignLine] Bus Pacific" (emphasis in original);

f) "This is a change from the prior Shareholder Update precipitated by two factors. First, and foremost, this was the preferred outcome for [DesignLine] Corp. as we sought to exit a smaller market with difficult to predict demand cycles and no political mandate to

transition to the 'green' vehicles which are the focus of our strategic growth plans. Second, under the terms of our current credit agreement, [DesignLine] Corp. could not invest any additional cash into [DesignLine] NZ operations"; and

g) "Again, after this transition period, [DesignLine] Corp. will not be involved with [DesignLine] Bus Pacific going forward other than through any hybrid or electric buses [DesignLine] Bus Pacific may build under license with [DesignLine] Corp."

272. Each and every one of these statements were false or, at best, materially misleading and known by Defendant Brad Glosson, then CEO of DesignLine Corp., to be false and/or materially misleading when made.

273. At no time did Defendants Brad Glosson and Buster Glosson seek (let alone diligently seek) potential suitors. Nor did they identify a Malaysian Company to be a buyer of the Debtors' New Zealand operations. In reality, the buyer was a shell company created just days before the August 24, 2011 memo and owned and controlled by (i) Defendant Buster Glosson, who was a director of the Debtors, (ii) Defendant Floyd, who was an officer of the Debtors and a director of Defendant Bus Pacific, (iii) Defendant Fadiman, and, (iv) purportedly, "C.C. Lim."

274. At no time did the sale proceeds payoff liabilities guaranteed by the Debtors. Rather, after the improper sale of the Debtors' New Zealand operations to Defendant Buster Glosson's newly formed Delaware entity, the Debtors were responsible for millions of dollars relating to the DesignLine NZ operations to the detriment of the Debtors and their estate:

a) By way of example, on November 22, 2012, and notwithstanding that the purported purchase price exceeded the Bank of New Zealand's current debt of approximately $2.9 million, the Bank of New Zealand sent a letter to DesignLine Corp. demanding repayment

of $1,602,782.83 NZD, representing the outstanding debt of DesignLine NZ following the conclusion of the receivership, pursuant to a guaranty executed by DesignLine Corp. on April 29, 2010;

b) Moreover, the Debtors paid significant sums of money to another creditor of DesignLine NZ, National Bus Company, on account of a guaranteed obligation, which Defendant Buster Glosson caused DesignLine Corp. to enter into despite the fact that DesignLine Corp. was insolvent and received no benefit or value for the guaranty.

275. At no time was the sale transaction limited solely to diesel bus manufacturing assets. Contrary to Defendant Brad Glosson's statement, the sale did include the Debtors' electric drive intellectual property.

276. Defendants Brad Glosson and Buster Glosson were able to accomplish the foregoing because they had earlier caused the Debtors to enter into an exclusive and unlimited license agreement with a yet to be formed company so that they could use all of the Debtors' intellectual property *without any compensation to the Debtors*.

277. Specifically, on May 19, 2011, a few weeks before DL Pacific Ventures was formed, Defendants Brad Glosson and Buster Glosson caused DesignLine Corp. to enter into a License and Distribution Agreement by and between DesignLine Corp. and DL Pacific Ventures (the "DL Pacific Ventures License Agreement"), even though they had yet to form that entity.

278. The DL Pacific Ventures License Agreement, to the extent executory, was not disclosed on Schedule G of the Debtors' Schedules of Assets and Liabilities.

279. Under the DL Pacific Ventures License Agreement, DesignLine Corp. purportedly provided a license of all of its proprietary information regarding the design and manufacture of hybrid and electric vehicles to DL Pacific Ventures so that DL Pacific Ventures

could manufacture, market, distribute, sublicense and use and sell the information and the products of the information licensed to it.

280. Upon information and belief, the Debtors received absolutely nothing for this transaction. Rather, the former DL Pacific Ventures — now known as Defendant Global Bus Ventures — stole the Debtors' intellectual property and is using it today to market and sell the same exact products manufactured by the Debtors with the Debtors' intellectual property.

281. The use of the Debtors' intellectual property – and other assets – was done through an intentional scheme by Defendants Buster Glosson, Brad Glosson, E. Alaeddin, F. Alaeddin, Floyd, Fadiman, and Allott, which was done to strip the Debtors' estates of valuable assets and provide nothing in return

282. Defendant Brad Glosson's statement purporting to justify a sale of DesignLine's New Zealand's assets — "we sought to exit a smaller market with difficult to predict demand cycles and no political mandate to transition to the 'green' vehicles which are the focus of our strategic growth plans" — also was false. This statement directly contradicts the testimony given by the Debtors' former chief financial officer.

283. Finally, Defendant Brad Glosson's statement that DesignLine Corp. is not involved in DesignLine Bus Pacific was false or, at best, materially misleading.

284. On August 25, 2011, Defendant Allott and Defendant Floyd, the son-in-law of Defendant Buster Glosson, were installed as directors of Defendant Bus Pacific. And Defendants Buster Glosson, Brad Glosson and Fadiman, at all relevant times, controlled Bus Pacific, the parent of DL Pacific Ventures. DL Pacific Ventures changed its name to Global Bus Ventures on June 2, 2013.

285. Moreover, the participation of "C.C. Lim" in Defendant Bus Pacific's acquisition of DesignLine NZ was a sham.

286. Specifically, DesignLine International LLC, a Delaware limited liability company, was formed, upon information and belief, in 2011. According to the operating agreement of DesignLine International LLC, dated August 9, 2011, the purpose of DesignLine International LLC was to "invest $1.8 million US to own 49% of DL Pacific Ventures LLC."

287. As of the effective date of its operating agreement, DesignLine International LLC was equally owned by Defendant Buster Glosson and Defendant Fadiman, not C.C. Lim.

288. On or around December 1, 2011, DesignLine International LLC purported to own 49% of the equity of Defendant Global Bus Ventures (f/k/a DL Pacific Ventures), with C.C. Lim purporting to own 51%. Yet, beginning on or around November 30, 2012, C.C. Lim purported to "sell" all of his equity in Global Bus Ventures such that, as of December 19, 2013, DesignLine International LLC was owned as follows: (i) Jim Fadiman, as Trustee of James Fadiman Revocable Trust – 70%; (ii) TMAG LLC – 20% (an entity controlled by Defendants Buster Glosson, Brad Glosson and Michael Floyd); (iii) Defendant Ray Chandler – 7%; and (iv) Defendant Allott – 3%.

289. At that time, on or around December 19, 2013, upon information and belief, DesignLine International LLC held 100% of the equity of Defendant Global Bus Ventures (f/k/a DL Pacific Ventures).

290. Also at or around that time, the board of directors of DesignLine International LLC was comprised as follows: (i) Defendant Buster Glosson (Chairman); (ii) Defendant Fadiman (member); (iii) Defendant Allott (member); and (iv) Defendant Floyd (secretary/treasurer).

291. Also at or around that time, the Board of Directors of DesignLine International LLC also appointed Defendant Floyd as Chief Executive Officer of Defendant Global Bus Ventures.

292. Defendant Bus Pacific and its parent company Defendant Global Bus Ventures are a mere continuation of the business operations of the Debtors:

a) They sell the same exact buses manufactured by the Debtors, as shown by the following:

i) The Debtors:

ii) Defendants Global Bus Ventures and Bus Pacific:

b) They use the same exact intellectual property owned by the Debtors, due to, among other undisclosed and improper license agreements, the DL Pacific Ventures License Agreement;

c) They actually hold themselves out as DesignLine, using the very same name and a very similar logo that the Debtor had used, as shown on their website:

i) Defendants Bus Pacific and Global Bus Ventures:

ii) The Debtors:

d) They deal with the same trade vendors as the Debtors. In a September 2, 2011 letter from Mark Bond, a New Zealand attorney with the law firm of Saunders Robinson Brown, to Defendant Buster Glosson (sent to the Debtors' mailing address but addressed to Defendant Glosson's Eagle Ltd. e-mail account), Mr. Bond recited his understanding that Bus Pacific would continue an "ongoing business relationship with former trade creditors of [DesignLine NZ]" so long as they agree not to pursue any claims against DesignLine NZ. According to Mr. Bond, Bus Pacific "probably represents an important business partner for the majority of these trade creditors";

e) They have the same international distribution partners and agreements as the Debtors, including Defendant Liberty Automobiles. On or around August 12, 2014,

Defendants Global Bus Ventures and Liberty Automobiles entered into a Sole Distributorship and After Sales Service Agreement whereby Defendant Global Bus Ventures appointed Defendant Liberty Automobiles as its exclusive distributor of electric buses in the MENA territories, as shown by their website:

EXCLUSIVE DISTRIBUTOR
LIBERTY AUTOMOBILES CO., L.L.C
Sharjah, United Arab Emirates

GLOBAL BUS VENTURES, LLC
Dubai, United Arab Emirates
Managing Director, Middle East, Asia & Africa
Eyad Alaeddin
+971 50 463 1659
alaeddin@globalbusventures.com

f) They are owned by the same individuals as the Debtors, including, Defendant Buster Glosson, Defendant Brad Glosson, and Defendant Fadiman;

g) They use the same consultants as the Debtors; and

h) They have the same officers and directors as the Debtors, including Defendants Brad Glosson, Buster Glosson, Floyd, and E. Alaeddin. In fact, as noted above, Defendant E. Alaeddin is now the managing director of Defendant Global Bus Ventures for the Middle East, Asia, and Africa, just as he was for the Debtors.

293. Defendant Buster Glosson continues to use Defendant Global Bus Ventures, and, therefore, the Debtors' assets, for his own personal benefit.

294. The foregoing (i) entry into the DL Pacific Ventures License Agreement without any value or benefit to the Debtors, (ii) the transactions (and misrepresentations) in connection with the DesignLine NZ receivership resulting in the transfer of assets to Defendants Bus Pacific

and Global Bus Ventures, for the benefit of Defendants Buster Glosson, Brad Glosson, E. Alaeddin, F. Alaeddin, Fadiman, Floyd, Allott, Bus Pacific, and Global Bus Ventures, (iii) the bribery of Allott, and (iv) the resulting mere continuation of the Debtors' business operations by Defendants Bus Pacific and Global Bus Ventures shall collectively shall be referred to as the "DesignLine NZ Theft Scheme."

IX. Defendants Brad Glosson and Buster Glosson Resign From their Positions at the Debtors After Acquiring the Debtors' Profitable New Zealand Assets.

295. Defendant Brad Glosson was forced to resign from his positions at the Debtors on March 9, 2012.

296. Defendant Buster Glosson ultimately was forced to resign as chairman of the board of Directors of DesignLine Corp. on December 3, 2012.

297. Defendants Buster Glosson and Brad Glosson left DesignLine Corp. as they found it and kept it: insolvent.

298. Contemporaneously with the resignation of Defendant Buster Glosson, Defendants E. Alaeddin and F. Alaeddin also resigned their positions with the Debtors.

299. Upon information and belief, at the time of their resignations, Defendants Brad Glosson and Buster Glosson destroyed and/or retained records associated with the various transactions described herein and other transactions relating to the Debtors' businesses.

300. As discussed above, upon information and belief, despite their resignations, Defendants Buster Glosson and Brad Glosson continue the Debtors' operations in a different name: Defendants Global Bus Ventures and Bus Pacific.

X. Fraudulent Transfers.

301. In addition to any transfers of the Debtors' property described above, all the while that the Debtors were insolvent, the Debtors also made following additional monetary transfers to or for the benefit of the following defendants, in amounts of no less than the following:

a) The Debtors made transfers to or for the benefit of Defendant Buster Glosson as further described on **Exhibit A**;

b) The Debtors made transfers to or for the benefit of Defendant Brad Glosson as further described on **Exhibit B**;

c) The Debtors made transfers to or for the benefit of Defendant Victoria Glosson as further described on **Exhibit C**;

d) The Debtors made transfers to or for the benefit of Defendant Eagle as further described on **Exhibit D**;

e) The Debtors made transfers to or for the benefit of Defendant Global Bus Ventures and/or Defendant Bus Pacific, jointly and severally, as further described on **Exhibit E**;

f) The Debtors made transfers to or for the benefit of Defendant Fadiman as further described on **Exhibit F**;

g) The Debtors made transfers to or for the benefit of Defendant Allott as further described on **Exhibit G**;

h) The Debtors made transfers to or for the benefit of Defendant E. Alaeddin as further described on **Exhibit H**;

i) The Debtors made transfers to or for the benefit of Defendant MABCO as further described on **Exhibit I**;

j) The Debtors made transfers to or for the benefit of Defendant Odell as further described on **Exhibit J**;

k) The Debtors made transfers to or for the benefit of Defendant Sabre Services as further described on **Exhibit K**;

l) The Debtors made transfers to or for the benefit of Defendants Chandler and/or CME, jointly and severally, as further described on **Exhibit L**;

302. All of the above transfers were made while the Debtors were insolvent.

303. At the times following each of the above transfers, the Debtors were left with unreasonably small capital.

304. The Debtors did not receive reasonably equivalent value for making any of the above transfers.

RESERVATION OF RIGHTS

305. Plaintiff has acted diligently in conducting her investigation into the financial affairs of the Debtors including, without limitation, issuing in excess of 20 subpoenas *duces tecum* under Bankruptcy Rule 2004 directed to discovering: (1) assets and executory contracts not scheduled in the Debtors' Schedules of Assets and Liabilities and Statement of Financial Affairs, and/or which appear to have been intentionally mischaracterized to disguise the true nature of the underlying transaction(s), and (2) the true nature of various transactions that were concealed or attempted to be concealed (and/or the records for which had been improperly destroyed or concealed). 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 one or more of the Defendants. Plaintiff reserves all rights to assert such claims, though amendment of this Complaint or otherwise.

COUNTS AGAINST DEFENDANT BUSTER GLOSSON

COUNT ONE – Breach of Fiduciary Duty

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

307. DesignLine Corp. is incorporated in Delaware, making Delaware law applicable to this claim pursuant to the internal affairs doctrine.

308. At all relevant times, Defendant Buster Glosson was a director and/or person in control of the Debtors. As a result, he owed the Debtors fiduciary duties of loyalty and good faith.

309. Defendant Buster Glosson breached his fiduciary duties of loyalty and good faith by, among other things, entering into and causing the Debtors to enter into the various self-interested and unfair transactions described herein, including, but not limited to, in the Phoenix Capital Scheme, the Eagle Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

310. Defendant Buster Glosson breached his fiduciary duties of loyalty and good faith by, among other things, intentionally and/or recklessly misleading and failing to disclose material facts to the Debtors' directors and shareholders regarding the various transactions described herein, along with the Debtors' true financial condition, including in connection with the Phoenix Capital Scheme, the Eagle Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

311. Defendant Buster Glosson breached his fiduciary duties of loyalty and good faith by, among other things, repeatedly and habitually usurping and seizing for himself (and others)

corporate opportunities of the Debtors, including, but not limited to, in connection with the Phoenix Capital Scheme, the Eagle Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

312. Defendant Buster Glosson breached his fiduciary duties of loyalty and good faith by, among other things, failing to act in good faith, and failing to adequately oversee the Debtors' financial and business affairs.

313. The Debtors were damaged by Defendant Buster Glosson's breaches of fiduciary duty.

314. Plaintiff is entitled to an order and judgment that Defendant Buster Glosson is liable for breach of fiduciary duty.

COUNT TWO – Waste of Corporate Assets

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

316. Defendant Buster Glosson caused the Debtors to exchange corporate assets for consideration so disproportionately small that no business person of ordinary, sound judgment would have entered into such transactions. Specifically, waste occurred in connection with the Phoenix Capital Scheme, the Eagle Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

317. Such transfers serve no corporate purpose.

318. The Debtors received little or no consideration for such transfers, effectively making such transfers as a gift, and the Debtors were damaged by such waste.

319. Plaintiff is entitled to an order and judgment that Defendant Buster Glosson is liable for corporate waste.

COUNT THREE – Constructive Fraud

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

321. At all relevant times, Defendant Buster Glosson held a position of trust and confidence in relation to the Debtors by virtue of his status as a director and/or person in control of the Debtors.

322. Defendant Buster Glosson took advantage of his position of trust and benefitted himself by engaging, and causing the Debtors to engage, in the various self-interested transactions described herein, including but not limited to, the Phoenix Capital Scheme, the Eagle Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

323. Defendant Buster Glosson's conduct harmed the Debtors.

324. Plaintiff is entitled to an order and judgment that Defendant Buster Glosson is liable for constructive fraud.

COUNT FOUR – Fraud

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

326. Defendant Buster Glosson made false representations and concealed material facts in connection with the Phoenix Capital Scheme, the Eagle Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

327. Defendant Buster Glosson's false representations and concealment of material facts were reasonably calculated to deceive, made with the intent to deceive, and did in fact deceive.

328. The recipients of the false information justifiably relied upon it.

329. The Debtors and/or their creditors were injured by Defendant Buster Glosson's fraudulent statements.

330. Plaintiff is entitled to an order and judgment that Defendant Buster Glosson is liable for fraud.

COUNT FIVE – Negligent Misrepresentation

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

332. Defendant Buster Glosson supplied false information for the guidance of others in various business transactions in connection with the Phoenix Capital Scheme, the Eagle Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

333. Defendant Buster Glosson failed to exercise reasonable care in obtaining or communicating the false information.

334. The recipients of the false information justifiably relied upon the false information to their detriment.

335. The Debtors and/or their creditors were injured by Defendant Buster Glosson's misrepresentations.

336. Plaintiff is entitled to an order and judgment that Defendant Buster Glosson is liable for negligent misrepresentation.

COUNT SIX – Tortious Interference with Contract

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

338. A valid, enforceable contract existed between the Debtors or their predecessors, as applicable, and third parties, namely, the Liberty Agreement, the 2011 Manufacturing Agreement, the CME Agreement, and the License Agreement (collectively, the "Interfered Contracts").

339. Defendant Buster Glosson was aware of the Interfered Contracts.

340. Defendant Buster Glosson purposefully and unjustifiably interfered with the Interfered Contracts and induced the respective counterparties not to perform under the Interfered Contracts, by inducing those counterparties to enter into alternative or substitute business relationships with Defendant Bus Pacific and/or Defendant Global Bus Ventures which Defendant Buster Glosson owned or controlled.

341. The Debtors suffered actual damages as a proximate result of Defendant Buster Glosson's interference and the counterparties failure to perform under the Interfered Contracts.

342. Plaintiff is entitled to an order and judgment that Defendant Buster Glosson is liable for tortiously interfering with the Interfered Contracts.

COUNT SEVEN – Tortious Interference with Prospective Business or Economic Advantage

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

344. Defendant Buster Glosson was aware of specific and definite business opportunities of the Debtors, namely, the manufacture and sale of electric and hybrid buses in the Middle East and New Zealand through, among other things, exploitation of the Middle East Relationships and the Debtors' business relationships in New Zealand (the "Prospective Business Opportunities").

345. Defendant Buster Glosson, through the operations of Defendants Global Bus Ventures and Bus Pacific, which he owned or controlled, purposefully and unjustifiably interfered with the Prospective Business Opportunities and induced the respective counterparties to refrain from entering into a contract or other business relation with the Debtors in connection with the Prospective Business Opportunities.

346. Absent such interference by Defendant Buster Glosson, the Prospective Business Opportunities would have ensued, and the Debtors and the respective counterparties would have entered into a contract or other business relation in connection with the Prospective Business Opportunities.

347. The Debtors suffered actual damages as a proximate result of Defendant Buster Glosson's interference.

348. Plaintiff is entitled to an order and judgment that Defendant Buster Glosson is liable for tortiously interfering with a prospective business or economic opportunity of the Debtors.

COUNT EIGHT – Misappropriation of Trade Secrets

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

350. The Debtors possessed secret information that they used to their commercial and economic advantage. Specifically, such secret information consisted of business or technical information in connection with the manufacturing, distribution, and sale of electric and hybrid buses, including but not limited to formulas, patterns, programs, devices, compilations of information, methods, techniques, or processes (the "Trade Secrets").

351. The Trade Secrets were known to only a small number of the Debtors' employees, and were not known to unauthorized people or entities outside of the Debtors. The Debtors went

to great lengths to protect against disclosure of the Trade Secrets, including by causing, upon information and belief, all directors and officers of the Debtors to enter into confidentiality agreements, requiring third parties with access to certain licensed trade secret information to enter into confidentiality agreements, and implementing reasonable security measures to prevent their theft or publication.

352. The Trade Secrets have great value to the Debtors' business and the Debtors' competitors. The Debtors spent significant effort and resources to develop the Trade Secrets. Consequently, the Debtors' Trade Secrets could not easily be acquired or duplicated by others.

353. Defendant Buster Glosson was given access to the Debtors' Trade Secrets because of his position of confidence within the Debtors arising from his status as a director and/or person in control of the Debtors.

354. Defendant Buster Glosson wrongly abused his position of confidence and misappropriated the Debtors' Trade Secrets for his own benefit and the benefit of third parties, including certain of the other Defendants, in connection with the IP and Corporate Opportunity Theft Scheme and the DesignLine NZ Theft Scheme.

355. The Debtors have suffered damages as a result of Defendant Buster Glosson's wrongful misappropriation of the Debtors' Trade Secrets.

356. Plaintiff is entitled to an order and judgment that Defendant Buster Glosson is liable for misappropriation of trade secrets.

COUNT NINE – Breach of Buster Glosson Confidentiality Agreement

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

358. The Buster Glosson Confidentiality Agreement is a valid and enforceable contract.

359. The Buster Glosson Confidentiality Agreement contained, among other provisions, (i) covenants not to disclose trade secrets; (ii) covenants not to disclose confidential information; (iii) covenants not to compete with the DesignLine Entities; (iv) covenants not to solicit customers of the DesignLine Entities; and (v) covenants not to recruit employees of the DesignLine Entities.

360. Defendant Buster Glosson breached the Buster Glosson Confidentiality Agreement through, among other things, the IP and Corporate Opportunity Theft Scheme and the DesignLine NZ Theft Scheme.

361. Plaintiff is entitled to an order and judgment that Defendant Buster Glosson is liable for breach of contract.

COUNT TEN – Conversion

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

363. Defendant Buster Glosson assumed and exercised ownership and control over property of the Debtors without authority. Specifically, Defendant Buster Glosson exercised control over funds intended for the Debtors and other property in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme (collectively, the "Buster Glosson Converted Property").

364. The Buster Glosson Converted Property was property of the Debtors.

365. Defendant Buster Glosson exercised ownership and control over the Buster Glosson Converted Property to the alteration or exclusion of the Debtors' rights to the Buster Glosson Converted Property.

366. Defendant Buster Glosson was not authorized to exercise ownership and control over the Buster Glosson Converted Property.

367. The Debtors were damaged by Defendant Buster Glosson's conversion of the Buster Glosson Converted Property for his benefit.

368. To the extent that the Buster Glosson Converted Property consists of cash, which it does, in part, the Debtors' books and records, together with the evidence that will be identified in discovery, will be able to identify and describe the Buster Glosson Converted Property.

369. Plaintiff is entitled to an order and judgment that Defendant Buster Glosson is liable for conversion.

COUNT ELEVEN – Unjust Enrichment

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

371. The Debtors conferred a benefit upon Defendant Buster Glosson in the form of money or property received in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

372. Such benefit was not conferred gratuitously or by an interference in the affairs of Defendant Buster Glosson.

373. Defendant Buster Glosson consciously accepted such benefit.

374. It would be unjust to allow Defendant Buster Glosson to retain such benefit.

375. Plaintiff is entitled to an order and judgment that Defendant Buster Glosson is liable for unjust enrichment.

COUNT TWELVE – Unfair and Deceptive Trade Practices in Violation of N.C. Gen. Stat. §§ 75-1.1, *et seq.*

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

377. Defendant Buster Glosson committed an unfair or deceptive act or practice, or engaged in an unfair method of competition by, among other things, interfering with the Debtors' contracts and prospective business advantages, fraudulently and negligently misrepresenting material facts regarding the Debtors' business and financial affairs, converting property of the Debtors to his own use, misappropriating the Debtors' Trade Secrets, and committing various other violations of applicable statute and common law in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

378. Defendant Buster Glosson's unfair and deceptive acts affected commerce.

379. Defendant Buster Glosson's unfair and deceptive acts proximately caused actual injury to the Debtors.

380. Plaintiff is entitled to judgment that Defendant Buster Glosson is liable for violations of N.C. Gen. Stat. §§ 75-1.1 *et seq.*

COUNT THIRTEEN – Unfair and Deceptive Trade Practices in Violation of Section 43(a) of the Lanham Act

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

382. In connection with the IP and Corporate Opportunity Theft Scheme and the DesignLine NZ Theft Scheme, Defendant Buster Glosson made false or misleading statements regarding, among other things, buses produced and sold by Defendant Bus Pacific and Defendant Global Bus Ventures that confused or misled hypothetical customers as to their affiliation, connection, or association with the Debtors.

383. Defendant Buster Glosson used pictures of buses designed and/or manufactured by the Debtors, the Debtors' name, and the Debtors' logo, to market and sell buses purportedly designed and/or manufactured by Defendant Bus Pacific and Defendant Global Bus Ventures.

384. Defendant Buster Glosson used designs and other intellectual property of the Debtors to manufacture, market, and sell identical buses under the Defendant Bus Pacific and Defendant Global Bus Ventures names, and caused Defendant Global Bus Ventures to use a logo similar to that of the Debtors.

385. Defendant Buster Glosson's conduct confused or misled customers as to the origin, sponsorship, or approval of Defendant Global Bus Ventures' and Defendant Bus Pacific's goods, services, and commercial activities.

386. Plaintiff is entitled to an order and judgment that Defendant Buster Glosson is liable for violation of section 43(a) of the Lanham Act.

COUNT FOURTEEN – Civil Conspiracy

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

388. Defendant Buster Glosson and Defendants Brad Glosson, F. Alaeddin, E. Alaeddin, Floyd, Allott, Fadiman, and Liberty Automobiles agreed to commit the wrongful and unlawful acts in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

389. Plaintiff is entitled to an order and judgment that Defendant Buster Glosson and such other conspiring Defendants are liable for civil conspiracy.

COUNT FIFTEEN – Violation of the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. §§ 1961, *et seq.*

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

391. Defendant Buster Glosson has committed at least two acts of racketeering activity since October 15, 1970, the last of which occurred within 10 years after the commission of a

prior act of racketeering activity. Such acts of racketeering activity include, but are not limited to, the following:

a. Fraud in connection with a case under title 11 of the United States Code, namely, the Debtors' bankruptcy cases, consisting of the filing of the Eagle Proof of Claim;

b. Fraud in connection with a case under title 11 of the United States Code, namely, the Debtors' bankruptcy cases, consisting of the filing of the Response in support of the Eagle Proof of Claim;

c. Bribery of a public official in violation of 18 U.S.C. § 201, consisting of payments in an amount not less than $16,041.86 made to Anthony Foxx from and after the date he was officially informed that he would be nominated to serve as U.S. Secretary of Transportation for the purpose of attempting to influence Foxx in connection with the securing of government contracts;

d. Bribery under N.C. Gen. Stat. § 14-218, consisting of payments in an amount not less than $419,278.45 made to Anthony Foxx while Foxx was Mayor of Charlotte, North Carolina, for the purpose of attempting to influence Foxx in connection with the securing of government contracts, which is punishable as a Class F felony under North Carolina law;

e. Bribery under N.C. Gen. Stat. § 14-218, consisting of payments in an amount not less than $50,000 made to Defendant Allott while Defendant Allott was the investigative accountant for the receivership of DesignLine NZ, for the purpose of attempting to influence Defendant Allott in connection with the DesignLine NZ Theft Scheme;

f. Acts of mail fraud in violation of 18 U.S.C. § 1341, consisting of the fraudulent misrepresentations in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme; and

g. Acts of wire fraud in violation of 18 U.S.C. § 1343, consisting of the fraudulent misrepresentations in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

392. These acts of racketeering, along with other acts that Plaintiff may discover during the course of this action, constitute a pattern of racketeering activity.

393. Defendant Buster Glosson used or invested, directly or indirectly, income or any part of such income or the proceeds of such income, which was derived, directly or indirectly, from this pattern of racketeering activity, in which he has participated as a principal, to acquire an interest in or establish or operate an enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce.

394. Defendant Buster Glosson, through a pattern of racketeering activity has acquired or maintained, directly or indirectly, an interest in or control of an enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce.

395. Defendant Buster Glosson is a person employed by or associated with an enterprise engaged in, or the activities of which affect, interstate or foreign commerce, and has conducted or participated, directly or indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity.

396. Defendant Buster Glosson has conspired to violate the provisions of 18 U.S.C. § 1962(a), (b), or (c).

397. The Debtors were damaged by Defendant Buster Glosson's acts of racketeering, the pattern of racketeering, and the investment of income received through racketeering in one or more enterprises engaged in interstate and/or foreign commerce.

398. Plaintiff is entitled to an order and judgment that Defendant Buster Glosson is liable under the Racketeer Influenced and Corrupt Organizations Act.

COUNT SIXTEEN – Violation of the North Carolina Racketeer Influenced and Corrupt Organizations Act, N.C. Gen. Stat. §§ 75D-1, *et seq.*

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

400. Defendant Buster Glosson has committed at least two acts of racketeering activity, the last of which occurred within 4 years after the commission of a prior act of

racketeering activity. Such acts of racketeering activity include, but are not limited to, the following:

a. Fraud in connection with a case under title 11 of the United States Code, namely, the Debtors' bankruptcy cases, consisting of the filing of the Eagle Proof of Claim;

b. Fraud in connection with a case under title 11 of the United States Code, namely, the Debtors' bankruptcy cases, consisting of the filing of the Response in support of the Eagle Proof of Claim;

c. Bribery of a public official in violation of 18 U.S.C. § 201, consisting of payments in an amount not less than $16,041.86 made to Anthony Foxx from and after the date he was officially informed that he would be nominated to serve as U.S. Secretary of Transportation for the purpose of attempting to influence Foxx in connection with the securing of government contracts;

d. Bribery under N.C. Gen. Stat. § 14-218, consisting of payments in an amount not less than $419,278.45 made to Anthony Foxx while Foxx was Mayor of Charlotte, North Carolina, for the purpose of attempting to influence Foxx in connection with the securing of government contracts, which is punishable as a Class F felony under North Carolina law;

e. Bribery under N.C. Gen. Stat. § 14-218, consisting of payments in an amount not less than $50,000 made to Defendant Allott while Defendant Allott was the investigative accountant for the receivership of DesignLine NZ, for the purpose of attempting to influence Defendant Allott in connection with the DesignLine NZ Theft Scheme;

f. Acts of mail fraud in violation of 18 U.S.C. § 1341, consisting of the fraudulent misrepresentations in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme; and

g. Acts of wire fraud in violation of 18 U.S.C. § 1343, consisting of the fraudulent misrepresentations in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

401. These acts of racketeering, along with other acts that Plaintiff may discover during the course of this action, constitute a pattern of racketeering activity.

402. Defendant Buster Glosson used or invested, directly or indirectly, income or any part of such income or the proceeds of such income, which was derived, directly or indirectly, from this pattern of racketeering activity, in which he has participated as a principal, to acquire an interest in or establish or operate an enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce.

403. Defendant Buster Glosson, through a pattern of racketeering activity has acquired or maintained, directly or indirectly, an interest in or control of an enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce.

404. Defendant Buster Glosson is a person employed by or associated with an enterprise engaged in, or the activities of which affect, interstate or foreign commerce, and has conducted or participated, directly or indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity.

405. Defendant Buster Glosson has conspired to violate the provisions of N.C. Gen. Stat. §§ 75D-1, *et seq*.

406. The Debtors were damaged by Defendant Buster Glosson's acts of racketeering, the pattern of racketeering, and the investment of income received through racketeering in one or more enterprises engaged in interstate and/or foreign commerce.

407. Plaintiff is entitled to an order and judgment that Defendant Buster Glosson is liable under the North Carolina Racketeer Influenced and Corrupt Organizations Act.

COUNT SEVENTEEN – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 548

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

409. Each of the transfers made during the two-year period before the Petition Date (the "Code Transfer Period") identified on **Exhibit A** hereto (the "Buster Glosson Code Fraudulent Transfers") may be avoided under 11 U.S.C. § 548.

410. The Buster Glosson Code Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Buster Glosson Code Fraudulent Transfers were made, indebted.

411. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Buster Glosson Code Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Buster Glosson Code Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction, or were about to engage in business or a transaction, for which any property remaining with the Debtors was an unreasonably small capital;
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as such debts matured; and/or
d. The Debtors made the Buster Glosson Code Fraudulent Transfers to or for the benefit of an insider, or incurred such obligation for the benefit of an insider, under an employment contract and not in the ordinary course of business.

412. Pursuant to 11 U.S.C. § 548, Plaintiff is entitled to entry of an order and judgment avoiding the Buster Glosson Code Fraudulent Transfers.

COUNT EIGHTEEN – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5,

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

414. Alternatively, each of the transfers made during the four-year period before the Petition Date (the "State Transfer Period") identified on **Exhibit A** hereto (the "Buster Glosson State Fraudulent Transfers") may be avoided under 11 U.S.C. § 544(b) and N.C. Ged. Stat. §§ 39-23.4, 39-23.5.

415. The Buster Glosson State Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Buster Glosson State Fraudulent Transfers were made, indebted.

416. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Buster Glosson State Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Buster Glosson State Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction for which the remaining assets of the Debtors were unreasonably small in relation to the business or transaction; and/or
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as they became due.

417. Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4 and 39-23.5, Plaintiff is entitled to entry of an order and judgment avoiding the Buster Glosson State Fraudulent Transfers.

COUNT NINETEEN – Recovery of Transfers Pursuant to 11 U.S.C. § 550

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

419. Defendant Buster Glosson is the initial transferee of the Buster Glosson Code Fraudulent Transfers and Buster Glosson State Fraudulent Transfers (together, the "Buster Glosson Transfers"), or the immediate or mediate transferees of such initial transferee, or the person for whose benefit the Buster Glosson Transfers were made.

420. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to an order and judgment recovering from Defendant Buster Glosson the property transferred or the value of the Buster Glosson Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT TWENTY – Disallowance of Claims Pursuant to 11 U.S.C. § 502(d)

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

422. The Buster Glosson Transfers (or their value) are recoverable from Defendant Buster Glosson pursuant to 11 U.S.C. § 550.

423. Additionally, Defendant Buster Glosson is the transferee of a transfer avoidable under 11 U.S.C. §§ 544, 547, and/or 548.

424. Defendant Buster Glosson has not paid the amount, or turned over any property, for which he is liable under 11 U.S.C. § 550.

425. Pursuant to 11 U.S.C. § 502(d), Plaintiff is entitled to an order and judgment disallowing all claims of Defendant Buster Glosson.

COUNTS AGAINST DEFENDANT BRAD GLOSSON

COUNT TWENTY ONE – Breach of Fiduciary Duty

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

427. DesignLine Corp. is incorporated in Delaware, making Delaware law applicable to this claim pursuant to the internal affairs doctrine.

428. At all relevant times, Defendant Brad Glosson was an officer, director, and/or person in control of the Debtors. As a result, he owed the Debtors fiduciary duties of loyalty and good faith.

429. Defendant Brad Glosson breached his fiduciary duties of loyalty and good faith by, among other things, entering into and causing the Debtors to enter into the various self-interested and unfair transactions described herein, including, but not limited to, in the Phoenix Capital Scheme, the Eagle Scheme, the Public Company Merger Scheme, the 2009-2010

Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

430. Defendant Brad Glosson breached his fiduciary duties of loyalty and good faith by, among other things, intentionally and/or recklessly misleading and failing to disclose material facts to the Debtors' directors and shareholders regarding the various transactions described herein, along with the Debtors' true financial condition, including in connection with the Phoenix Capital Scheme, the Eagle Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

431. Defendant Brad Glosson breached his fiduciary duties of loyalty and good faith by, among other things, repeatedly and habitually usurping and seizing for himself (and others) corporate opportunities of the Debtors, including, but not limited to, in connection with the Phoenix Capital Scheme, the Eagle Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

432. Defendant Brad Glosson breached his fiduciary duties of loyalty and good faith by, among other things, failing to act in good faith, and failing to adequately oversee the Debtors' financial and business affairs.

433. The Debtors were damaged by Defendant Brad Glosson's breaches of fiduciary duty.

434. Plaintiff is entitled to an order and judgment that Defendant Brad Glosson is liable for breach of fiduciary duty.

COUNT TWENTY TWO – Waste of Corporate Assets

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

436. Defendant Brad Glosson caused the Debtors to exchange corporate assets for consideration so disproportionately small that no business person of ordinary, sound judgment would have entered into such transactions. Specifically, waste occurred in connection with the Phoenix Capital Scheme, the Eagle Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

437. Such transfers serve no corporate purpose.

438. The Debtors received little or no consideration for such transfers, effectively making such transfers as a gift, and the Debtors were damaged by such waste.

439. Plaintiff is entitled to an order and judgment that Defendant Brad Glosson is liable for corporate waste.

COUNT TWENTY THREE – Constructive Fraud

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

441. At all relevant times, Defendant Brad Glosson held a position of trust and confidence in relation to the Debtors by virtue of his status as an officer, director, and/or person in control of the Debtors.

442. Defendant Brad Glosson took advantage of his position of trust and benefitted himself by engaging, and causing the Debtors to engage, in the various self-interested transactions described herein, including but not limited to, Phoenix Capital Scheme, the Eagle Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

443. Defendant Brad Glosson's conduct harmed the Debtors.

444. Plaintiff is entitled to an order and judgment that Defendant Brad Glosson is liable for constructive fraud.

COUNT TWENTY FOUR – Fraud

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

446. Defendant Brad Glosson made false representations and concealed material facts in connection with the Phoenix Capital Scheme, the Eagle Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

447. Defendant Brad Glosson's false representations and concealment of material facts were reasonably calculated to deceive, made with the intent to deceive, and did in fact deceive.

448. The recipients of the false information justifiably relied upon it.

449. The Debtors and/or their creditors were injured by Defendant Brad Glosson's fraudulent statements.

450. Plaintiff is entitled to an order and judgment that Defendant Brad Glosson is liable for fraud.

COUNT TWENTY FIVE – Negligent Misrepresentation

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

452. Defendant Brad Glosson supplied false information for the guidance of others in various business transactions in connection with the Phoenix Capital Scheme, the Eagle Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

453. Defendant Brad Glosson failed to exercise reasonable care in obtaining or communicating the false information.

454. The recipients of the false information justifiably relied upon the false information to their detriment.

455. The Debtors and/or their creditors were injured by Defendant Brad Glosson's misrepresentations.

456. Plaintiff is entitled to an order and judgment that Defendant Brad Glosson is liable for negligent misrepresentation.

COUNT TWENTY SIX – Tortious Interference with Contract

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

458. A valid, enforceable contract existed between the Debtors or their predecessors, as applicable, and third parties, namely, the Liberty Agreement, the 2011 Manufacturing Agreement, the CME Agreement, and the License Agreement (collectively, the "Interfered Contracts").

459. Defendant Brad Glosson was aware of the Interfered Contracts.

460. Defendant Brad Glosson purposefully and unjustifiably interfered with the Interfered Contracts and induced the respective counterparties not to perform under the Interfered Contracts, by inducing those counterparties to enter into alternative or substitute business relationships with Defendant Bus Pacific and/or Defendant Global Bus Ventures which Defendant Brad Glosson owned or controlled.

461. The Debtors suffered actual damages as a proximate result of Defendant Brad Glosson's interference and the counterparties failure to perform under the Interfered Contracts.

462. Plaintiff is entitled to an order and judgment that Defendant Brad Glosson is liable for tortiously interfering with the Interfered Contracts.

COUNT TWENTY SEVEN – Tortious Interference with Prospective Business or Economic Advantage

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

464. Defendant Brad Glosson was aware of specific and definite business opportunities of the Debtors, namely, the manufacture and sale of electric and hybrid buses in the Middle East and New Zealand through, among other things, exploitation of the Middle East Relationships and the Debtors' business relationships in New Zealand (the "Prospective Business Opportunities").

465. Defendant Brad Glosson, through the operations of Defendants Global Bus Ventures and Bus Pacific, which he owned or controlled, purposefully and unjustifiably interfered with the Prospective Business Opportunities and induced the respective counterparties to refrain from entering into a contract or other business relation with the Debtors in connection with the Prospective Business Opportunities.

466. Absent such interference by Defendant Brad Glosson, the Prospective Business Opportunities would have ensued, and the Debtors and the respective counterparties would have entered into a contract or other business relation in connection with the Prospective Business Opportunities.

467. The Debtors suffered actual damages as a proximate result of Defendant Brad Glosson's interference.

468. Plaintiff is entitled to an order and judgment that Defendant Brad Glosson is liable for tortiously interfering with a prospective business or economic opportunity of the Debtors.

COUNT TWENTY EIGHT – Misappropriation of Trade Secrets

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

470. The Debtors possessed secret information that they used to their commercial and economic advantage, i.e., the Trade Secrets.

471. The Trade Secrets were known to only a small number of the Debtors' employees, and were not known to people or entities outside of the Debtors. The Debtors went to great lengths to protect against disclosure of the Trade Secrets, including by causing, upon information and belief, all directors and officers of the Debtors to enter into confidentiality agreements, requiring third parties with access to certain licensed trade information to enter into confidentiality agreements, and implementing reasonable security measures to prevent their theft or publication.

472. The Trade Secrets have great value to the Debtors' business and the Debtors' competitors. The Debtors spent significant effort and resources to develop the Trade Secrets. Consequently, the Debtors' Trade Secrets could not easily be acquired or duplicated by others.

473. Defendant Brad Glosson was given access to the Debtors' Trade Secrets because of his position of confidence within the Debtors arising from his status as an officer, director and/or person in control of the Debtors.

474. Defendant Brad Glosson wrongly abused his position of confidence and misappropriated the Debtors' Trade Secrets for his own benefit and the benefit of third parties, including certain of the other Defendants, in connection with the IP and Corporate Opportunity Theft Scheme and the DesignLine NZ Theft Scheme.

475. The Debtors have suffered damages as a result of Defendant Brad Glosson's wrongful misappropriation of the Debtors' Trade Secrets.

476. Plaintiff is entitled to an order and judgment that Defendant Brad Glosson is liable for misappropriation of trade secrets.

COUNT TWENTY NINE – Breach of Brad Glosson Confidentiality Agreement

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

478. The Brad Glosson Confidentiality Agreement is a valid and enforceable contract.

479. The Brad Glosson Confidentiality Agreement contained, among other provisions, (i) covenants not to disclose trade secrets; (ii) covenants not to disclose confidential information; (iii) covenants not to compete with the DesignLine Entities; (iv) covenants not to solicit customers of the DesignLine Entities; and (v) covenants not to recruit employees of the DesignLine Entities.

480. Defendant Brad Glosson breached the Brad Glosson Confidentiality Agreement through, among other things, the IP and Corporate Opportunity Theft Scheme and the DesignLine NZ Theft Scheme.

481. Plaintiff is entitled to an order and judgment that Defendant Brad Glosson is liable for breach of contract.

COUNT THIRTY – Breach of Brad Glosson Employment Agreement

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

483. The Brad Glosson Employment Agreement is a valid and enforceable contract.

484. The Brad Glosson Employment Agreement contained, among other provisions, a covenant not to compete with the DesignLine Entities.

485. Defendant Brad Glosson breached the Brad Glosson Employment Agreement through, among other things, the IP and Corporate Opportunity Theft Scheme and the DesignLine NZ Theft Scheme.

486. Plaintiff is entitled to an order and judgment that Defendant Brad Glosson is liable for breach of contract.

COUNT THIRTY ONE – Conversion

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

488. Defendant Brad Glosson assumed and exercised ownership and control over property of the Debtors without authority. Specifically, Defendant Brad Glosson exercised control over funds intended for the Debtors and other property in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme (collectively, the "Brad Glosson Converted Property").

489. The Brad Glosson Converted Property was property of the Debtors.

490. Brad Glosson exercised ownership and control over the Brad Glosson Converted Property to the alteration or exclusion of the Debtors' rights to the Brad Glosson Converted Property.

491. Defendant Brad Glosson was not authorized to exercise ownership and control over the Brad Glosson Converted Property.

492. The Debtors were damaged by Defendant Brad Glosson's conversion of the Brad Glosson Converted Property for his benefit.

493. To the extent that the Brad Glosson Converted Property consists of cash, which it does, in part, the Debtors' books and records, together with evidence that will be identified in discovery, will be able to identify and describe the Brad Glosson Converted Property.

494. Plaintiff is entitled to an order and judgment that Defendant Brad Glosson is liable for conversion.

COUNT THIRTY TWO – Unjust Enrichment

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

496. The Debtors conferred a benefit upon Defendant Brad Glosson in the form of money or property received in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

497. Such benefit was not conferred gratuitously or by an interference in the affairs of Defendant Brad Glosson.

498. Defendant Brad Glosson consciously accepted such benefit.

499. It would be unjust to allow Defendant Brad Glosson to retain such benefit.

500. Plaintiff is entitled to an order and judgment that Defendant Brad Glosson is liable for unjust enrichment.

COUNT THIRTY THREE – Unfair and Deceptive Trade Practices in Violation of N.C. Gen. Stat. §§ 75-1.1, *et seq.*

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

502. Defendant Brad Glosson committed an unfair or deceptive act or practice, or engaged in an unfair method of competition by, among other things, interfering with the Debtors' contracts and prospective business advantages, fraudulently and negligently misrepresenting material facts regarding the Debtors' business and financial affairs, converting property of the Debtors to his own use, misappropriating the Debtors' Trade Secrets, and committing various other violations of applicable statute and common law in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

503. Defendant Brad Glosson's unfair and deceptive acts affected commerce.

504. Defendant Brad Glosson's unfair and deceptive acts proximately caused actual injury to the Debtors.

505. Plaintiff is entitled to judgment that Defendant Brad Glosson is liable for violations of N.C. Gen. Stat. §§ 75-1.1 *et seq.*

COUNT THIRTY FOUR – Unfair and Deceptive Trade Practices in Violation of Section 43(a) of the Lanham Act

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

507. In connection with the IP and Corporate Opportunity Theft Scheme and the DesignLine NZ Theft Scheme, Defendant Brad Glosson made false or misleading statements regarding, among other things, buses produced and sold by Defendant Bus Pacific and Defendant Global Bus Ventures that confused or misled hypothetical customers as to their affiliation, connection, or association with the Debtors.

508. Defendant Brad Glosson used pictures of buses designed and/or manufactured by the Debtors to market and sell buses purportedly designed and/or manufactured by Defendant Bus Pacific and Defendant Global Bus Ventures.

509. Defendant Brad Glosson used designs and other intellectual property of the Debtors to manufacture, market, and sell identical buses under the Defendant Bus Pacific and Defendant Global Bus Ventures names and caused Defendant Global Bus Ventures to use a logo similar to that of the Debtors.

510. Defendant Brad Glosson's conduct confused or misled customers as to the origin, sponsorship, or approval of Defendant Global Bus Ventures' and Defendant Bus Pacific's goods, services, and commercial activities.

511. Plaintiff is entitled to an order and judgment that Defendant Brad Glosson is liable for violation of section 43(a) of the Lanham Act.

COUNT THIRTY FIVE – Civil Conspiracy

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

513. Defendant Brad Glosson and Defendants Buster Glosson, F. Alaeddin, E. Alaeddin, Floyd, Allott, Fadiman, and Liberty Automobiles agreed to commit the wrongful and unlawful acts in connection with the Phoenix Capital Scheme, the Eagle Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

514. Plaintiff is entitled to an order and judgment that Defendant Brad Glosson and such other conspiring Defendants are liable for civil conspiracy.

COUNT THIRTY SIX – Violation of the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. §§ 1961, *et seq.*

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

516. Defendant Brad Glosson has committed at least two acts of racketeering activity since October 15, 1970, the last of which occurred within 10 years after the commission of a prior act of racketeering activity. Such acts of racketeering activity include, but are not limited to, the following:

a. Fraud in connection with a case under title 11 of the United States Code, namely, the Debtors' bankruptcy cases, consisting of the filing of the Eagle Proof of Claim;

b. Fraud in connection with a case under title 11 of the United States Code, namely, the Debtors' bankruptcy cases, consisting of the filing of the Response in support of the Eagle Proof of Claim;

c. Bribery of a public official in violation of 18 U.S.C. § 201, consisting of payments in an amount not less than $16,041.86 made to Anthony Foxx from and after the date he was officially informed that he would be nominated to serve as U.S. Secretary of Transportation for the purpose of attempting to influence Foxx in connection with the securing of government contracts;

d. Bribery under N.C. Gen. Stat. § 14-218, consisting of payments in an amount not less than $419,278.45 made to Anthony Foxx while Foxx was Mayor of Charlotte, North Carolina, for the purpose of attempting to influence Foxx in connection with the securing of government contracts, which is punishable as a Class F felony under North Carolina law;

e. Bribery under N.C. Gen. Stat. § 14-218, consisting of payments in an amount not less than $50,000 made to Defendant Allott while Defendant Allott was the investigative accountant for the receivership of DesignLine NZ, for the purpose of attempting to influence Defendant Allott in connection with the DesignLine NZ Theft Scheme;

f. Acts of mail fraud in violation of 18 U.S.C. § 1341, consisting of the fraudulent misrepresentations in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme; and

g. Acts of wire fraud in violation of 18 U.S.C. § 1343, consisting of the fraudulent misrepresentations in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

517. These acts of racketeering, along with other acts that Plaintiff may discover during the course of this action, constitute a pattern of racketeering activity.

518. Defendant Brad Glosson used or invested, directly or indirectly, income or any part of such income or the proceeds of such income, which was derived, directly or indirectly, from this pattern of racketeering activity, in which he has participated as a principal, to acquire an interest in or establish or operate an enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce.

519. Defendant Brad Glosson, through a pattern of racketeering activity has acquired or maintained, directly or indirectly, an interest in or control of an enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce.

520. Defendant Brad Glosson is a person employed by or associated with an enterprise engaged in, or the activities of which affect, interstate or foreign commerce, and has conducted or participated, directly or indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity.

521. Defendant Brad Glosson has conspired to violate the provisions of 18 U.S.C. § 1962(a), (b), or (c).

522. The Debtors were damaged by Defendant Brad Glosson's acts of racketeering, the pattern of racketeering, and the investment of income received through racketeering in one or more enterprises engaged in interstate and/or foreign commerce.

523. Plaintiff is entitled to an order and judgment that Defendant Brad Glosson is liable under the Racketeer Influenced and Corrupt Organizations Act.

COUNT THIRTY SEVEN – Violation of the North Carolina Racketeer Influenced and Corrupt Organizations Act, N.C. Gen. Stat. §§ 75D-1, *et seq.*

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

525. Defendant Brad Glosson has committed at least two acts of racketeering activity, the last of which occurred within 4 years after the commission of a prior act of racketeering activity. Such acts of racketeering activity include, but are not limited to, the following:

a. Fraud in connection with a case under title 11 of the United States Code, namely, the Debtors' bankruptcy cases, consisting of the filing of the Eagle Proof of Claim;

b. Fraud in connection with a case under title 11 of the United States Code, namely, the Debtors' bankruptcy cases, consisting of the filing of the Response in support of the Eagle Proof of Claim;

c. Bribery of a public official in violation of 18 U.S.C. § 201, consisting of payments in an amount not less than $16,041.86 made to Anthony Foxx from and after the date he was officially informed that he would be nominated to serve as U.S. Secretary of Transportation for the purpose of

attempting to influence Foxx in connection with the securing of government contracts;

d. Bribery under N.C. Gen. Stat. § 14-218, consisting of payments in an amount not less than $419,278.45 made to Anthony Foxx while Foxx was Mayor of Charlotte, North Carolina, for the purpose of attempting to influence Foxx in connection with the securing of government contracts, which is punishable as a Class F felony under North Carolina law;

e. Bribery under N.C. Gen. Stat. § 14-218, consisting of payments in an amount not less than $50,000 made to Defendant Allott while Defendant Allott was the investigative accountant for the receivership of DesignLine NZ, for the purpose of attempting to influence Defendant Allott in connection with the DesignLine NZ Theft Scheme;

f. Acts of mail fraud in violation of 18 U.S.C. § 1341, consisting of the fraudulent misrepresentations in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme; and

g. Acts of wire fraud in violation of 18 U.S.C. § 1343, consisting of the fraudulent misrepresentations in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

526. These acts of racketeering, along with other acts that Plaintiff may discover during the course of this action, constitute a pattern of racketeering activity.

527. Defendant Brad Glosson used or invested, directly or indirectly, income or any part of such income or the proceeds of such income, which was derived, directly or indirectly, from this pattern of racketeering activity, in which he has participated as a principal, to acquire an interest in or establish or operate an enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce.

528. Defendant Brad Glosson, through a pattern of racketeering activity has acquired or maintained, directly or indirectly, an interest in or control of an enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce.

529. Defendant Brad Glosson is a person employed by or associated with an enterprise engaged in, or the activities of which affect, interstate or foreign commerce, and has conducted or participated, directly or indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity.

530. Defendant Brad Glosson has conspired to violate the provisions of N.C. Gen. Stat. §§ 75D-1, *et seq*.

531. The Debtors were damaged by Defendant Brad Glosson's acts of racketeering, the pattern of racketeering, and the investment of income received through racketeering in one or more enterprises engaged in interstate and/or foreign commerce.

532. Plaintiff is entitled to an order and judgment that Defendant Brad Glosson is liable under the North Carolina Racketeer Influenced and Corrupt Organizations Act.

COUNT THIRTY EIGHT – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 548

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

534. Each of the transfers made during the two-year period before the Petition Date (the "Code Transfer Period") identified on **Exhibit B** hereto (the "Brad Glosson Code Fraudulent Transfers") may be avoided under 11 U.S.C. § 548.

535. The Brad Glosson Code Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Brad Glosson Code Fraudulent Transfers were made, indebted.

536. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Brad Glosson Code Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Brad Glosson Code Fraudulent Transfer was made, or became insolvent as a result of such transfer;

b. The Debtors were engaged in business or a transaction, or were about to engage in business or a transaction, for which any property remaining with the Debtors was unreasonably small capital;
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as such debts matured; and/or
d. The Debtors made the Brad Glosson Code Fraudulent Transfers to or for the benefit of an insider, or incurred such obligation for the benefit of an insider, under an employment contract and not in the ordinary course of business.

537. Pursuant to 11 U.S.C. § 548, Plaintiff is entitled to entry of an order and judgment avoiding the Brad Glosson Code Fraudulent Transfers.

COUNT THIRTY NINE – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5,

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

539. Alternatively, each of the transfers made during the four-year period before the Petition Date (the "State Transfer Period") identified on **Exhibit B** hereto (the "Brad Glosson State Fraudulent Transfers") may be avoided under 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5.

540. The Brad Glosson State Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Brad Glosson State Fraudulent Transfers were made, indebted.

541. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Brad Glosson State Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Brad Glosson State Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction for which the remaining assets of the Debtors were unreasonably small in relation to the business or transaction; and/or

c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as they became due.

542. Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4 and 39-23.5, Plaintiff is entitled to entry of an order and judgment avoiding the Brad Glosson State Fraudulent Transfers.

COUNT FORTY – Recovery of Transfers Pursuant to 11 U.S.C. § 550

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

544. Defendant Brad Glosson is the initial transferee of the Brad Glosson Code Fraudulent Transfers and Brad Glosson State Fraudulent Transfers (together, the "Brad Glosson Transfers"), or the immediate or mediate transferees of such initial transferee, or the person for whose benefit the Brad Glosson Transfers were made.

545. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to an order and judgment recovering from Defendant Brad Glosson the property transferred or the value of the Brad Glosson Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT FORTY ONE – Disallowance of Claims Pursuant to 11 U.S.C. § 502(d)

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

547. The Brad Glosson Transfers (or their value) are recoverable from Defendant Brad Glosson pursuant to 11 U.S.C. § 550.

548. Additionally, Defendant Brad Glosson is the transferee of a transfer avoidable under 11 U.S.C. §§ 544, 547, and/or 548.

549. Defendant Brad Glosson has not paid the amount, or turned over any property, for which he is liable under 11 U.S.C. § 550.

550. Pursuant to 11 U.S.C. § 502(d), Plaintiff is entitled to an order and judgment disallowing all claims of Defendant Brad Glosson.

COUNTS AGAINST DEFENDANT VICTORIA GLOSSON

COUNT FORTY TWO – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 548

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

552. Each of the transfers made during the two-year period before the Petition Date (the "Code Transfer Period") identified on **Exhibit C** hereto (the "Victoria Glosson Code Fraudulent Transfers") may be avoided under 11 U.S.C. § 548.

553. The Victoria Glosson Code Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Victoria Glosson Code Fraudulent Transfers were made, indebted.

554. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Victoria Glosson Code Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Victoria Glosson Code Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction, or were about to engage in business or a transaction, for which any property remaining with the Debtors was unreasonably small capital;
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as such debts matured; and/or
d. The Debtors made the Victoria Glosson Fraudulent Transfers to or for the benefit of an insider, or incurred such obligation for the benefit of an insider, under an employment contract and not in the ordinary course of business.

555. Pursuant to 11 U.S.C. § 548, Plaintiff is entitled to entry of an order and judgment avoiding the Victoria Glosson Code Fraudulent Transfers.

COUNT FORTY THREE – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5,

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

557. Alternatively, each of the transfers made during the four-year period before the Petition Date (the "State Transfer Period") identified on **Exhibit C** hereto (the "Victoria Glosson State Fraudulent Transfers") may be avoided under 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5.

558. The Victoria Glosson State Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Victoria Glosson State Fraudulent Transfers were made, indebted.

559. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Victoria Glosson State Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Victoria Glosson State Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction for which the remaining assets of the Debtors were unreasonably small in relation to the business or transaction; and/or
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as they became due.

560. Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4 and 39-23.5, Plaintiff is entitled to entry of an order and judgment avoiding the Victoria Glosson State Fraudulent Transfers.

COUNT FORTY FOUR – Recovery of Transfers Pursuant to 11 U.S.C. § 550

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

562. Defendant Victoria Glosson is the initial transferee of the Victoria Glosson Code Fraudulent Transfers and Victoria Glosson State Fraudulent Transfers (together, the "Victoria Glosson Transfers"), or the immediate or mediate transferees of such initial transferee, or the person for whose benefit the Victoria Glosson Transfers were made.

563. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to an order and judgment recovering from Defendant Victoria Glosson the property transferred or the value of the Victoria Glosson Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT FORTY FIVE – Disallowance of Claims Pursuant to 11 U.S.C. § 502(d)

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

565. The Victoria Glosson Transfers (or their value) are recoverable from Defendant Victoria Glosson pursuant to 11 U.S.C. § 550.

566. Additionally, Defendant Victoria Glosson is the transferee of a transfer avoidable under 11 U.S.C. §§ 544, 547, and/or 548.

567. Defendant Victoria Glosson has not paid the amount, or turned over any property, for which she is liable under 11 U.S.C. § 550.

568. Pursuant to 11 U.S.C. § 502(d), Plaintiff is entitled to an order and judgment disallowing all claims of Defendant Victoria Glosson.

COUNTS AGAINST DEFENDANT EAGLE

COUNT FORTY SIX – Conversion

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

570. Defendant Eagle assumed and exercised ownership and control over property of the Debtors without authority. Specifically, Defendant Eagle exercised control over funds intended for the Debtors in connection with the Public Company Merger Scheme, the IP and Corporate Opportunity Theft Scheme, the Eagle Scheme, and the DesignLine NZ Theft Scheme (the "Eagle Converted Property").

571. The Eagle Converted Property was property of the Debtors.

572. Defendant Eagle exercised ownership and control over the Eagle Converted Property to the alteration or exclusion of the Debtors' rights to the Eagle Converted Property.

573. Defendant Eagle was not authorized to exercise ownership and control over the Eagle Converted Property.

574. The Debtors were damaged by Defendant Eagle's conversion of the Eagle Converted Property for its benefit.

575. To the extent that the Eagle Converted Property consists of cash, which it does, in part, the Plaintiff, to the extent practicable and possible, based on the condition of the Debtors' books and records will be able to identify and describe the Eagle Converted Property.

576. Plaintiff is entitled to an order and judgment that Defendant Eagle is liable for conversion.

COUNT FORTY SEVEN – Unjust Enrichment

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

578. The Debtors conferred a benefit upon Defendant Eagle in the form of money or property received in connection with the Public Company Merger Scheme, the IP and Corporate Opportunity Theft Scheme, the Eagle Scheme, and the DesignLine NZ Theft Scheme

579. Such benefit was not conferred gratuitously or by an interference in the affairs of Defendant Eagle.

580. Defendant Eagle consciously accepted such benefit.

581. It would be unjust to allow Defendant Eagle to retain such benefit.

582. Plaintiff is entitled to an order and judgment that Defendant Eagle is liable for unjust enrichment.

COUNT FORTY EIGHT– Violation of the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. §§ 1961, *et seq.*

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

584. Defendant Eagle has committed at least two acts of racketeering activity since October 15, 1970, the last of which occurred within 10 years after the commission of a prior act of racketeering activity. Such acts of racketeering activity include, but are not limited to, the following:

a. Fraud in connection with a case under title 11 of the United States Code, namely, the Debtors' bankruptcy cases, consisting of the filing of the Eagle Proof of Claim;

b. Fraud in connection with a case under title 11 of the United States Code, namely, the Debtors' bankruptcy cases, consisting of the filing of the Response in support of the Eagle Proof of Claim;

c. Bribery of a public official in violation of 18 U.S.C. § 201, consisting of payments in an amount not less than $16,041.86 made to Anthony Foxx from and after the date he was officially informed that he would be nominated to serve as U.S. Secretary of Transportation for the purpose of attempting to influence Foxx in connection with the securing of government contracts;

d. Bribery under N.C. Gen. Stat. § 14-218, consisting of payments in an amount not less than $419,278.45 made to Anthony Foxx while Foxx was Mayor of Charlotte, North Carolina, for the purpose of attempting to influence Foxx in connection with the securing of government contracts, which is punishable as a Class F felony under North Carolina law;

e. Bribery under N.C. Gen. Stat. § 14-218, consisting of payments in an amount not less than $50,000 made to Defendant Allott while Defendant Allott was the investigative accountant for the receivership of DesignLine NZ, for the purpose of attempting to influence Defendant Allott in connection with the DesignLine NZ Theft Scheme;

f. Acts of mail fraud in violation of 18 U.S.C. § 1341, consisting of the fraudulent misrepresentations in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme; and

g. Acts of wire fraud in violation of 18 U.S.C. § 1343, consisting of the fraudulent misrepresentations in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

585. These acts of racketeering, along with other acts that Plaintiff may discover during the course of this action, constitute a pattern of racketeering activity.

586. Defendant Eagle used or invested, directly or indirectly, income or any part of such income or the proceeds of such income, which was derived, directly or indirectly, from this pattern of racketeering activity, in which it has participated as a principal, to acquire an interest in or establish or operate an enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce.

587. Defendant Eagle, through a pattern of racketeering activity has acquired or maintained, directly or indirectly, an interest in or control of an enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce.

588. Defendant Eagle has conspired to violate the provisions of 18 U.S.C. § 1962(a), (b), or (c).

589. The Debtors were damaged by Defendant Eagle's acts of racketeering, the pattern of racketeering, and the investment of income received through racketeering in one or more enterprises engaged in interstate and/or foreign commerce.

590. Plaintiff is entitled to an order and judgment that Defendant Eagle is liable under the Racketeer Influenced and Corrupt Organizations Act.

COUNT FORTY NINE – Violation of the North Carolina Racketeer Influenced and Corrupt Organizations Act, N.C. Gen. Stat. §§ 75D-1, *et seq.*

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

592. Defendant Eagle has committed at least two acts of racketeering, the last of which occurred within 4 years after the commission of a prior act of racketeering activity. Such acts of racketeering activity include, but are not limited to, the following:

a. Fraud in connection with a case under title 11 of the United States Code, namely, the Debtors' bankruptcy cases, consisting of the filing of the Eagle Proof of Claim;

b. Fraud in connection with a case under title 11 of the United States Code, namely, the Debtors' bankruptcy cases, consisting of the filing of the Response in support of the Eagle Proof of Claim;

c. Bribery of a public official in violation of 18 U.S.C. § 201, consisting of payments in an amount not less than $16,041.86 made to Anthony Foxx from and after the date he was officially informed that he would be nominated to serve as U.S. Secretary of Transportation for the purpose of attempting to influence Foxx in connection with the securing of government contracts;

d. Bribery under N.C. Gen. Stat. § 14-218, consisting of payments in an amount not less than $419,278.45 made to Anthony Foxx while Foxx was Mayor of Charlotte, North Carolina, for the purpose of attempting to influence Foxx in connection with the securing of government contracts, which is punishable as a Class F felony under North Carolina law;

e. Bribery under N.C. Gen. Stat. § 14-218, consisting of payments in an amount not less than $50,000 made to Defendant Allott while Defendant Allott was the investigative accountant for the receivership of DesignLine NZ, for the purpose of attempting to influence Defendant Allott in connection with the DesignLine NZ Theft Scheme;

f. Acts of mail fraud in violation of 18 U.S.C. § 1341, consisting of the fraudulent misrepresentations in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme; and

g. Acts of wire fraud in violation of 18 U.S.C. § 1343, consisting of the fraudulent misrepresentations in connection with the Phoenix Capital Scheme, the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

593. These acts of racketeering, along with other acts that Plaintiff may discover during the course of this action, constitute a pattern of racketeering activity.

594. Defendant Eagle used or invested, directly or indirectly, income or any part of such income or the proceeds of such income, which was derived, directly or indirectly, from this pattern of racketeering activity, in which it has participated as a principal, to acquire an interest in or establish or operate an enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce.

595. Defendant Eagle, through a pattern of racketeering activity has acquired or maintained, directly or indirectly, an interest in or control of an enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce.

596. Defendant Eagle has conspired to violate the provisions of N.C. Gen. Stat. §§ 75D-1, *et seq.*

597. The Debtors were damaged by Defendant Eagle's acts of racketeering, the pattern of racketeering, and the investment of income received through racketeering in one or more enterprises engaged in interstate and/or foreign commerce.

598. Plaintiff is entitled to an order and judgment that Defendant Eagle is liable under the North Carolina Racketeer Influenced and Corrupt Organizations Act.

COUNT FIFTY – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 548

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

600. Each of the transfers made during the two-year period before the Petition Date (the "Code Transfer Period") identified on **Exhibit D** hereto (the "Eagle Code Fraudulent Transfers") may be avoided under 11 U.S.C. § 548.

601. The Eagle Code Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Eagle Code Fraudulent Transfers were made, indebted.

602. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Eagle Code Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Eagle Code Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction, or were about to engage in business or a transaction, for which any property remaining with the Debtors was unreasonably small capital;
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as such debts matured; and/or
d. The Debtors made the Eagle Code Fraudulent Transfers to or for the benefit of an insider, or incurred such obligation for the benefit of an insider, under an employment contract and not in the ordinary course of business.

603. Pursuant to 11 U.S.C. § 548, Plaintiff is entitled to entry of an order and judgment avoiding the Eagle Code Fraudulent Transfers.

COUNT FIFTY ONE – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5,

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

605. Alternatively, each of the transfers made during the four-year period before the Petition Date (the "State Transfer Period") identified on **Exhibit D** hereto (the "Eagle State Fraudulent Transfers") may be avoided under 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5.

606. The Eagle State Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Eagle State Fraudulent Transfers were made, indebted.

607. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Eagle State Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Eagle State Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction for which the remaining assets of the Debtors were unreasonably small in relation to the business or transaction; and/or
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as they became due.

608. Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4 and 39-23.5, Plaintiff is entitled to entry of an order and judgment avoiding the Eagle State Fraudulent Transfers.

COUNT FIFTY TWO – Recovery of Transfers Pursuant to 11 U.S.C. § 550

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

610. Defendant Eagle is the initial transferee of the Eagle Code Fraudulent Transfers and Eagle State Fraudulent Transfers (together, the "Eagle Transfers"), or the immediate or mediate transferees of such initial transferee, or the person for whose benefit the Eagle Transfers were made.

611. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to an order and judgment recovering from Defendant Eagle the property transferred or the value of the Eagle Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT FIFTY THREE – Disallowance of Claims Pursuant to 11 U.S.C. § 502(d)

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

613. The Eagle Transfers (or their value) are recoverable from Defendant Eagle pursuant to 11 U.S.C. § 550.

614. Additionally, Defendant Eagle is the transferee of a transfer avoidable under 11 U.S.C. §§ 544, 547, and 548.

615. Defendant Eagle has not paid the amount, or turned over any property, for which he is liable under 11 U.S.C. § 550.

616. Pursuant to 11 U.S.C. § 502(d), Plaintiff is entitled to an order and judgment disallowing all claims of Defendant Eagle.

COUNT FIFTY FOUR – Recharacterization

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

618. Alternatively, to the extent Defendant Eagle's claims are not disallowed, Defendant Eagle's claims against the Debtors must be recharacterized as equity.

619. Defendant Eagle intended that its contributions to the Debtors be treated as equity rather than debt in light of the following factors:

a. the informality or complete lack of any loan documentation or other evidence of indebtedness;
b. the absence of a fixed maturity date and schedule of payments;
c. the absence of fixed interest payments;
d. the source of repayments;
e. the inadequacy of capitalization of the Debtors;
f. the insider relationship of Defendant Eagle and the Debtors;
g. the lack of any security for the advances;
h. the failure to seek financing from outside lending institutions;
i. the extent to which the advances were used to acquire capital assets; and
j. the absence of a sinking fund to provide payments.

620. Plaintiff is entitled to an order and judgment recharacterizing Defendant Eagle's claims as equity.

COUNT FIFTY FIVE – Equitable Subordination Pursuant to 11 U.S.C. § 510(c)

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

622. Alternatively, to the extent Defendant Eagle's claims against the Debtors are not disallowed or recharacterized as equity, Defendant Eagle's claims against the Debtors must be equitably subordinated to all other allowed claims against the Debtors pursuant to 11 U.S.C. § 510(c).

623. Defendant Eagle is an insider of the Debtors.

624. Defendant Eagle has engaged in inequitable conduct, including in connection with the Eagle Scheme, the Public Company Merger Scheme, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

625. As a result of Defendant Eagle's inequitable conduct, the Debtors' other creditors have been injured.

626. As a result of Defendant Eagle's inequitable conduct, Defendant Eagle has gained an unfair advantage over the Debtors' other creditors.

627. Equitable subordination is not inconsistent with the provisions of the Bankruptcy Code.

628. Pursuant to 11 U.S.C. § 510(c), Plaintiff is entitled to an order and judgment subordinating Defendant Eagle's claims to the claims of all other creditors of the Debtors.

COUNTS AGAINST DEFENDANT F. ALAEDDIN

COUNT FIFTY SIX – Breach of Fiduciary Duty

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

630. DesignLine Corp. is incorporated in Delaware, making Delaware law applicable to this claim pursuant to the internal affairs doctrine.

631. At all relevant times, Defendant F. Alaeddin was a director and/or person in control of the Debtors. As a result, he owed the Debtors fiduciary duties of loyalty and good faith.

632. Defendant F. Alaeddin breached his fiduciary duties of loyalty and good faith by, among other things, entering into and causing the Debtors to enter into the various self-interested and unfair transactions described herein, including, but not limited to, in the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

633. Defendant F. Alaeddin breached his fiduciary duties of loyalty and good faith by, among other things, intentionally and/or recklessly misleading and failing to disclose material facts to the Debtors' directors and shareholders regarding the various transactions described herein, along with the Debtors' true financial condition, including in connection with the 2009-

2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

634. Defendant F. Alaeddin breached his fiduciary duties of loyalty and good faith by, among other things, repeatedly and habitually usurping and seizing for himself (and others) corporate opportunities of the Debtors, including, but not limited to, in connection with the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

635. Defendant F. Alaeddin breached his fiduciary duties of loyalty and good faith by, among other things, failing to act in good faith, and failing to adequately oversee the Debtors' financial and business affairs.

636. The Debtors were damaged by Defendant F. Alaeddin's breaches of fiduciary duty.

637. Plaintiff is entitled to an order and judgment that Defendant F. Alaeddin is liable for breach of fiduciary duty.

COUNT FIFTY SEVEN – Misappropriation of Trade Secrets

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

639. The Debtors possessed secret information that they used to their business and economic advantage, i.e., the Trade Secrets.

640. The Trade Secrets were known to only a small number of the Debtors' employees, and were not known to people or entities outside of the Debtors. The Debtors went to great lengths to protect against disclosure of the Trade Secrets, including by causing, upon information and belief, all directors and officers of the Debtors to enter into confidentiality agreements, requiring third parties with access to certain licensed trade information to enter into

confidentiality agreements, and implementing reasonable security measures to prevent their theft or publication.

641. The Trade Secrets have great value to the Debtors' business and the Debtors' competitors. The Debtors spent significant effort and resources to develop the Trade Secrets. Consequently, the Debtors' Trade Secrets could not easily be acquired or duplicated by others.

642. Defendant F. Alaeddin was given access to the Debtors' Trade Secrets because of his position of confidence within the Debtors arising from his status as a director and/or person in control of the Debtors.

643. Defendant F. Alaeddin wrongly abused his position of confidence and misappropriated the Debtors' Trade Secrets for his own benefit and the benefit of third parties, including certain of the other Defendants.

644. The Debtors have suffered damages as a result of Defendant F. Alaeddin's wrongful misappropriation of the Debtors' Trade Secrets.

645. Plaintiff is entitled to an order and judgment that Defendant F. Alaeddin is liable for misappropriation of trade secrets.

COUNT FIFTY EIGHT – Civil Conspiracy

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

647. Defendant F. Alaeddin and Defendants Buster Glosson, Brad Glosson, E. Alaeddin, Floyd, Allott, Fadiman, and Liberty Automobiles agreed to commit the wrongful and unlawful acts in connection with the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

648. Plaintiff is entitled to an order and judgment that Defendant F. Alaeddin and such other conspiring Defendants are liable for civil conspiracy.

COUNTS AGAINST DEFENDANT FLOYD

COUNT FIFTY NINE – Breach of Fiduciary Duty

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

650. DesignLine Corp. is incorporated in Delaware, making Delaware law applicable to this claim pursuant to the internal affairs doctrine.

651. At all relevant times, Defendant Floyd was an officer of the Debtors. As a result, he owed the Debtors fiduciary duties of loyalty and good faith.

652. Defendant Floyd breached his fiduciary duties of loyalty and good faith by, among other things, entering into and causing the Debtors to enter into the various self-interested and unfair transactions described herein, including, but not limited to, in the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

653. Defendant Floyd breached his fiduciary duties of loyalty and good faith by, among other things, intentionally and/or recklessly misleading and failing to disclose material facts to the Debtors' directors and shareholders regarding the various transactions described herein, along with the Debtors' true financial condition, including in connection with the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

654. Defendant Floyd breached his fiduciary duties of loyalty and good faith by, among other things, repeatedly and habitually usurping and seizing for himself (and others) corporate opportunities of the Debtors, including, but not limited to, in connection with the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

655. Defendant Floyd breached his fiduciary duties of loyalty and good faith by, among other things, failing to act in good faith, and failing to adequately oversee the Debtors' financial and business affairs.

656. The Debtors were damaged by Defendant Floyd's breaches of fiduciary duty.

657. Plaintiff is entitled to an order and judgment that Defendant Floyd is liable for breach of fiduciary duty.

COUNT SIXTY – Breach of Floyd Employment Agreement

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

659. The Floyd Employment Agreement is a valid and enforceable contract.

660. The Floyd Employment Agreement contained, among other provisions, a covenant not to compete with the DesignLine Entities.

661. Defendant Floyd breached the Floyd Employment Agreement through, among other things, the IP and Corporate Opportunity Theft Scheme and the DesignLine NZ Theft Scheme.

662. Plaintiff is entitled to an order and judgment that Defendant Floyd is liable for breach of contract.

COUNT SIXTY ONE – Breach of Floyd Confidentiality Agreement

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

664. The Floyd Confidentiality Agreement is a valid and enforceable contract.

665. The Floyd Confidentiality Agreement contained, among other provisions, (i) covenants not to disclose trade secrets; (ii) covenants not to disclose confidential information; (iii) covenants not to compete with the DesignLine Entities; (iv) covenants not to solicit

customers of the DesignLine Entities; and (v) covenants not to recruit employees of the DesignLine Entities.

666. Defendant Floyd breached the Floyd Confidentiality Agreement through, among other things, the IP and Corporate Opportunity Theft Scheme and the DesignLine NZ Theft Scheme.

667. Plaintiff is entitled to an order and judgment that Defendant Floyd is liable for breach of contract.

COUNTS AGAINST DEFENDANT GLOBAL BUS VENTURES

COUNT SIXTY TWO – Successor Liability

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

669. Defendant Global Bus Ventures acquired substantially all of the assets of DesignLine NZ, a former subsidiary of the Debtors and the principal entity through which the Debtors did business in New Zealand and Asia.

670. Defendant Global Bus Ventures gave inadequate value for the assets of DesignLine NZ and was not a good faith purchaser for value.

671. Defendant Global Bus Ventures is a mere continuation of DesignLine NZ in that it operates substantially the same business as DesignLine NZ in the New Zealand and Asia markets:

a) They sell the same exact buses manufactured by the Debtors, as shown by advertisements found on the companies' respective websites;

b) They use the same exact intellectual property owned by the Debtors, due to the DL Pacific Ventures License Agreement;

c) They deal with the same trade vendors as the Debtors. In a September 2, 2011 letter from Mark Bond, a New Zealand attorney with the law firm of Saunders Robinson Brown, to Defendant Buster Glosson (sent to the Debtors' mailing address but addressed to Defendant Glosson's Eagle Ltd. e-mail account), Mr. Bond recited his understanding that Bus Pacific (the parent of Defendant Global Bus Ventures) would continue an "ongoing business relationship with former trade creditors of [DesignLine NZ]" so long as they agree not to pursue any claims against DesignLine NZ. According to Mr. Bond, Bus Pacific "probably represents an important business partner for the majority of these trade creditors";

d) They have the same international distribution partners and agreements as the Debtors, including Defendant Liberty Automobiles. On or around August 12, 2014, Defendants Global Bus Ventures and Liberty Automobiles entered into a Sole Distributorship and After Sales Service Agreement whereby Defendant Global Bus Ventures appointed Defendant Liberty Automobiles as its exclusive distributor of electric buses in the MENA territories;

e) They use the same name;

f) They are owned by the same individuals as the Debtors, including Defendant Buster Glosson, Defendant Brad Glosson, and Defendant Fadiman; and

g) They have the same officers and directors as the Debtors, including Defendants Brad Glosson, Buster Glosson, Floyd, and E. Alaeddin. In fact, Defendant E. Alaeddin is now the managing director of Defendant Global Bus Ventures for the Middle East, Asia, and Africa, just as he was for the Debtors.

672. DesignLine NZ was dissolved after its assets were transferred to Defendant Global Bus Ventures. Upon information and belief, DesignLine NZ has ceased its business

operations and Defendant Global Bus Ventures was formed at the same time DesignLine NZ was wound down for the purposes of hindering, delaying, and defrauding the recovery of debts and obligations owed by DesignLine NZ and the Debtors to their creditors.

673. Plaintiff is entitled to an order and judgment that Defendant Global Bus Ventures is liable as the successor to DesignLine NZ.

COUNT SIXTY THREE – Breach of DL Pacific Ventures License Agreement

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

675. In the alternative, to the extent that Defendants Global Bus Ventures and/or Bus Pacific are not mere continuations of the Debtors and liable for the Debtors' debts as successors-in-interest to the Debtors, the DL Pacific Ventures License Agreement is a valid and enforceable contract.

676. The DL Pacific Ventures License Agreement contained, among other provisions, provisions requiring Defendant Global Bus Ventures and/or Defendant Bus Pacific to make certain royalty and other payments to the Debtors.

677. Defendant Global Bus Ventures breached the DL Pacific Ventures License Agreement through, among other things, failing to pay to the Debtors the amounts due under the DL Pacific Ventures License Agreement.

678. Plaintiff is entitled to an order and judgment that Defendant Global Bus Ventures is liable for breach of contract.

COUNT SIXTY FOUR – Conversion

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

680. Defendant Global Bus Ventures assumed and exercised ownership and control over property of the Debtors without authority. Specifically, Defendant Global Bus Ventures

exercised control over funds and property of the Debtors in connection with the IP and Corporate Opportunity Theft Scheme and the DesignLine NZ Theft Scheme (the "GBV Converted Property").

681. The GBV Converted Property was property of the Debtors.

682. Defendant Global Bus Ventures exercised ownership and control over the GBV Converted Property to the alteration or exclusion of the Debtors' rights to the GBV Converted Property.

683. Defendant Global Bus Ventures was not authorized to exercise ownership and control over the GBV Converted Property.

684. The Debtors were damaged by Defendant Global Bus Venture's conversion of the GBV Converted Property for its benefit.

685. Plaintiff is entitled to an order and judgment that Defendant Global Bus Ventures is liable for conversion.

COUNT SIXTY FIVE – Unjust Enrichment

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

687. The Debtors conferred a benefit upon Defendant Global Bus Ventures in the form of money or property received in connection with the IP and Corporate Opportunity Theft and DesignLine NZ Theft Scheme.

688. Such benefit was not conferred gratuitously or by an interference in the affairs of Defendant Global Bus Ventures.

689. Defendant Global Bus Ventures consciously accepted such benefit.

690. It would be unjust to allow Defendant Global Bus Ventures to retain such benefit.

691. Plaintiff is entitled to an order and judgment that Defendant Global Bus Ventures is liable for unjust enrichment.

COUNT SIXTY SIX – Unfair and Deceptive Trade Practices in Violation of N.C. Gen. Stat. §§ 75-1.1, *et seq.*

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

693. Defendant Global Bus Ventures committed an unfair or deceptive act or practice, or engaged in an unfair method of competition by, among other things, fraudulently and negligently misrepresenting material facts regarding its relationship to the Debtors and the origin of its products, converting property of the Debtors to its own use, and committing various other violations of applicable statute and common law in connection with the IP and Corporate Opportunity Theft and DesignLine NZ Theft Scheme.

694. Defendant Global Bus Ventures' unfair and deceptive acts affected commerce.

695. Defendant Global Bus Ventures' unfair and deceptive acts proximately caused actual injury to the Debtors.

696. Plaintiff is entitled to judgment that Defendant Global Bus Ventures is liable for violations of N.C. Gen. Stat. §§ 75-1.1 *et seq.*

COUNT SIXTY SEVEN – Unfair and Deceptive Trade Practices in Violation of Section 43(a) of the Lanham Act

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

698. In connection with the IP and Corporate Opportunity Theft and DesignLine NZ Theft Scheme, Defendant Global Bus Ventures made false or misleading statements regarding, among other things, buses produced and sold by Defendant Bus Pacific and Defendant Global Bus Ventures that confused or misled hypothetical customers as to its affiliation, connection, or association with the Debtors.

699. Defendant Global Bus Ventures used pictures of buses designed and/or manufactured by the Debtors to market and sell buses purportedly designed and/or manufactured by Defendant Global Bus Ventures.

700. Defendant Global Bus Ventures used designs and other intellectual property of the Debtors to manufacture, market, and sell identical buses under the Defendant Bus Pacific and Defendant Global Bus Ventures' names, and caused Defendant Global Bus Ventures and Defendant Bus Pacific to use a logo similar to that of the Debtors.

701. Plaintiff is entitled to an order and judgment that Defendant Global Bus Ventures is liable for violation of section 43(a) of the Lanham Act.

COUNT SIXTY EIGHT – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 548

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

703. Each of the transfers made during the two-year period before the Petition Date (the "Code Transfer Period") identified on **Exhibit E** hereto (the "GBV Code Fraudulent Transfers") may be avoided under 11 U.S.C. § 548.

704. The GBV Code Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such GBV Code Fraudulent Transfers were made, indebted.

705. Additionally, the Debtors received less than reasonably equivalent value in exchange for the GBV Code Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each GBV Code Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction, or were about to engage in business or a transaction, for which any property remaining with the Debtors was unreasonably small capital;

c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as such debts matured; and/or

d. The Debtors made the GBV Code Fraudulent Transfers to or for the benefit of an insider, or incurred such obligation for the benefit of an insider, under an employment contract and not in the ordinary course of business.

706. Pursuant to 11 U.S.C. § 548, Plaintiff is entitled to entry of an order and judgment avoiding the GBV Code Fraudulent Transfers.

COUNT SIXTY NINE – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5,

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

708. Alternatively, each of the transfers made during the four-year period before the Petition Date (the "State Transfer Period") identified on **Exhibit E** hereto (the "GBV State Fraudulent Transfers") may be avoided under 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5.

709. The GBV State Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such GBV State Fraudulent Transfers were made, indebted.

710. Additionally, the Debtors received less than reasonably equivalent value in exchange for the GBV State Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each GBV State Fraudulent Transfer was made, or became insolvent as a result of such transfer;

b. The Debtors were engaged in business or a transaction for which the remaining assets of the Debtors were unreasonably small in relation to the business or transaction; and/or

c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as they became due.

711. Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4 and 39-23.5, Plaintiff is entitled to entry of an order and judgment avoiding the GBV State Fraudulent Transfers.

COUNT SEVENTY – Recovery of Transfers Pursuant to 11 U.S.C. § 550

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

713. Defendant Global Bus Ventures is the initial transferee of the GBV Code Fraudulent Transfers and GBV State Fraudulent Transfers (together, the "GBV Transfers"), or the immediate or mediate transferees of such initial transferee, or the person for whose benefit the GBV Transfers were made.

714. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to an order and judgment recovering from Defendant Global Bus Ventures the property transferred or the value of the GBV Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT SEVENTY ONE – Disallowance of Claims Pursuant to 11 U.S.C. § 502(d)

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

716. The GBV Transfers (or their value) are recoverable from Defendant Global Bus Ventures pursuant to 11 U.S.C. § 550.

717. Additionally, Defendant Global Bus Ventures is the transferee of a transfer avoidable under 11 U.S.C. §§ 544, 547, and/or 548.

718. Defendant Global Bus Ventures has not paid the amount, or turned over any property, for which it is liable under 11 U.S.C. § 550.

719. Pursuant to 11 U.S.C. § 502(d), Plaintiff is entitled to an order and judgment disallowing all claims of Defendant Global Bus Ventures.

COUNTS AGAINST DEFENDANT BUS PACIFIC

COUNT SEVENTY TWO – Successor Liability

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

721. Defendant Bus Pacific acquired substantially all of the assets of DesignLine NZ, a former subsidiary of the Debtors and the principal entity through which the Debtors did business in New Zealand and Asia.

722. Defendant Bus Pacific gave inadequate value for the assets of DesignLine NZ and was not a good faith purchaser for value.

723. Defendant Bus Pacific is a mere continuation of DesignLine NZ in that it operates substantially the same business as DesignLine NZ in the New Zealand and Asia markets:

a) They sell the exact same buses manufactured by the Debtors, as shown by advertisements found on the companies' respective websites;

b) They use the exact same intellectual property owned by the Debtors, due to the DL Pacific Ventures License Agreement;

c) They deal with the same trade vendors as the Debtors. In a September 2, 2011 letter from Mark Bond, a New Zealand attorney with the law firm of Saunders Robinson Brown, to Defendant Buster Glosson (sent to the Debtors' mailing address but addressed to Defendant Glosson's Eagle Ltd. e-mail account), Mr. Bond recited his understanding that Bus Pacific would continue an "ongoing business relationship with former trade creditors of [DesignLine NZ]" so long as they agree not to pursue any claims against DesignLine NZ. According to Mr. Bond, Bus Pacific "probably represents an important business partner for the majority of these trade creditors";

d) They have the same international distribution partners and agreements as the Debtors, including Defendant Liberty Automobiles. On or around August 12, 2014, Defendant Global Bus Ventures (a wholly owned subsidiary of Defendant Bus Pacific) and Defendant Liberty Automobiles entered into a Sole Distributorship and After Sales Service Agreement whereby Defendant Global Bus Ventures appointed Defendant Liberty Automobiles as its exclusive distributor of electric buses in the MENA territories;

e) They use the same name;

f) They are owned by the same individuals as the Debtors, including Defendant Buster Glosson, Defendant Brad Glosson, and Defendant Fadiman; and

g) They have the same officers and directors as the Debtors, including Defendants Brad Glosson, Buster Glosson, Floyd, and E. Alaeddin. In fact, Defendant E. Alaeddin is now the managing director of Defendant Global Bus Ventures for the Middle East, Asia, and Africa, just as he was for the Debtors.

724. DesignLine NZ was dissolved after its assets were transferred to Defendant Bus Pacific. Upon information and belief, DesignLine NZ has ceased its business operations and Defendant Bus Pacific was formed at the same time DesignLine NZ was wound down for the purposes of hindering, delaying, and defrauding the recovery of debts and obligations owed by DesignLine NZ and the Debtors to their creditors.

725. Plaintiff is entitled to an order and judgment that Defendant Bus Pacific is liable as the successor to DesignLine NZ.

COUNT SEVENTY THREE – Breach of DL Pacific Ventures License Agreement

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

727. In the alternative, to the extent that Defendants Global Bus Ventures and/or Bus Pacific are not mere continuations of the Debtors and liable for the Debtors' debts as successors-in-interest to the Debtors, the DL Pacific Ventures License Agreement is a valid and enforceable contract.

728. The DL Pacific Ventures License Agreement contained, among other provisions, provisions requiring Defendant Global Bus Ventures and/or Defendant Bus Pacific to make certain royalty and other payments to the Debtors.

729. Defendant Bus Pacific breached the DL Pacific Ventures License Agreement through, among other things, failing to pay to the Debtors the amounts due under the DL Pacific Ventures License Agreement.

730. Plaintiff is entitled to an order and judgment that Defendant Bus Pacific is liable for breach of contract.

COUNT SEVENTY FOUR – Conversion

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

732. Defendant Bus Pacific assumed and exercised ownership and control over property of the Debtors without authority. Specifically, Defendant Bus Pacific exercised control over funds and property of the Debtors in connection with the IP and Corporate Opportunity Theft Scheme and the DesignLine NZ Theft Scheme (the "Bus Pacific Converted Property").

733. The Bus Pacific Converted Property was property of the Debtors.

734. Defendant Bus Pacific exercised ownership and control over the Bus Pacific Converted Property to the alteration or exclusion of the Debtors' rights to the Bus Pacific Converted Property.

735. Defendant Bus Pacific was not authorized to exercise ownership and control over the Bus Pacific Converted Property.

736. The Debtors were damaged by Defendant Bus Pacific's conversion of the Bus Pacific Converted Property for its benefit.

737. Plaintiff is entitled to an order and judgment that Defendant Bus Pacific is liable for conversion.

COUNT SEVENTY FIVE – Unjust Enrichment

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

739. The Debtors conferred a benefit upon Defendant Bus Pacific in the form of money or property received in connection with the IP and Corporate Opportunity Theft and DesignLine NZ Theft Scheme.

740. Such benefit was not conferred gratuitously or by an interference in the affairs of Defendant Bus Pacific.

741. Defendant Bus Pacific consciously accepted such benefit.

742. It would be unjust to allow Defendant Bus Pacific to retain such benefit.

743. Plaintiff is entitled to an order and judgment that Defendant Bus Pacific is liable for unjust enrichment.

COUNT SEVENTY SIX – Unfair and Deceptive Trade Practices in Violation of N.C. Gen. Stat. §§ 75-1.1, *et seq.*

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

745. Defendant Bus Pacific committed an unfair or deceptive act or practice, or engaged in an unfair method of competition by, among other things, fraudulently and negligently misrepresenting material facts regarding its relationship to the Debtors and the origin of its products, converting property of the Debtors to its own use, and committing various other

violations of applicable statute and common law in connection with the IP and Corporate Opportunity Theft and DesignLine NZ Theft Scheme.

746. Defendant Bus Pacific's unfair and deceptive acts affected commerce.

747. Defendant Bus Pacific's unfair and deceptive acts proximately caused actual injury to the Debtors.

748. Plaintiff is entitled to judgment that Defendant Bus Pacific is liable for violations of N.C. Gen. Stat. §§ 75-1.1 *et seq.*

COUNT SEVENTY SEVEN – Unfair and Deceptive Trade Practices in Violation of Section 43(a) of the Lanham Act

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

750. In connection with the IP and Corporate Opportunity Theft and DesignLine NZ Theft Scheme, Defendant Bus Pacific made false or misleading statements regarding, among other things, buses produced and sold by Defendant Bus Pacific and Defendant Global Bus Ventures that confused or misled hypothetical customers as to its affiliation, connection, or association with the Debtors.

751. Defendant Bus Pacific used pictures of buses designed and/or manufactured by the Debtors to market and sell buses purportedly designed and/or manufactured by Defendant Bus Pacific.

752. Defendant Bus Pacific used designs and other intellectual property of the Debtors to manufacture, market, and sell identical buses under the Defendant Bus Pacific and Defendant Global Bus Ventures' name and caused Defendant Global Bus Ventures and Defendant Bus Pacific to use a logo similar to that of the Debtors.

753. Plaintiff is entitled to an order and judgment that Defendant Bus Pacific is liable for violation of section 43(a) of the Lanham Act.

COUNT SEVENTY EIGHT – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 548

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

755. Each of the transfers made during the two-year period before the Petition Date (the "Code Transfer Period") identified on **Exhibit E** hereto (the "DLBP Code Fraudulent Transfers") may be avoided under 11 U.S.C. § 548.

756. The DLBP Code Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such DLBP Code Fraudulent Transfers were made, indebted.

757. Additionally, the Debtors received less than reasonably equivalent value in exchange for the DLBP Code Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each DLBP Code Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction, or were about to engage in business or a transaction, for which any property remaining with the Debtors was unreasonably small capital;
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as such debts matured; and/or
d. The Debtors made the DLBP Code Fraudulent Transfers to or for the benefit of an insider, or incurred such obligation for the benefit of an insider, under an employment contract and not in the ordinary course of business.

758. Pursuant to 11 U.S.C. § 548, Plaintiff is entitled to entry of an order and judgment avoiding the DLBP Code Fraudulent Transfers.

COUNT SEVENTY NINE – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5,

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

760. Alternatively, each of the transfers made during the four-year period before the Petition Date (the "State Transfer Period") identified on **Exhibit E** hereto (the "DLBP State

Fraudulent Transfers") may be avoided under 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5.

761. The DLBP State Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such DLBP State Fraudulent Transfers were made, indebted.

762. Additionally, the Debtors received less than reasonably equivalent value in exchange for the DLBP State Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each DLBP State Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction for which the remaining assets of the Debtors were unreasonably small in relation to the business or transaction; and/or
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as they became due.

763. Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4 and 39-23.5, Plaintiff is entitled to entry of an order and judgment avoiding the DLBP State Fraudulent Transfers.

COUNT EIGHTY – Recovery of Transfers Pursuant to 11 U.S.C. § 550

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

765. Defendant Bus Pacific is the initial transferee of the DLBP Code Fraudulent Transfers and DLBP State Fraudulent Transfers (together, the "Bus Pacific Transfers"), or the immediate or mediate transferees of such initial transferee, or the person for whose benefit the Bus Pacific Transfers were made.

766. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to an order and judgment recovering from Defendant Bus Pacific the property transferred or the value of the Bus Pacific Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT EIGHTY ONE – Disallowance of Claims Pursuant to 11 U.S.C. § 502(d)

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

768. The Bus Pacific Transfers (or their value) are recoverable from Defendant Bus Pacific pursuant to 11 U.S.C. § 550.

769. Additionally, Defendant Bus Pacific is the transferee of a transfer avoidable under 11 U.S.C. §§ 544, 547, and/or 548.

770. Defendant Bus Pacific has not paid the amount, or turned over any property, for which it is liable under 11 U.S.C. § 550.

771. Pursuant to 11 U.S.C. § 502(d), Plaintiff is entitled to an order and judgment disallowing all claims of Defendant Bus Pacific.

COUNTS AGAINST DEFENDANT FADIMAN

COUNT EIGHTY TWO – Civil Conspiracy

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

773. Defendant Fadiman and Defendants Buster Glosson, Brad Glosson, F. Alaeddin, E. Alaeddin, Floyd, Allott, and Liberty Automobiles agreed to commit the wrongful and unlawful acts in connection with the Public Company Merger Scheme, the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

774. Plaintiff is entitled to an order and judgment that Defendant Fadiman and such other conspiring Defendants are liable for civil conspiracy.

COUNT EIGHTY THREE – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 548

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

776. Each of the transfers made during the two-year period before the Petition Date (the "Code Transfer Period") identified on **Exhibit F** hereto (the "Fadiman Code Fraudulent Transfers") may be avoided under 11 U.S.C. § 548.

777. The Fadiman Code Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Fadiman Code Fraudulent Transfers were made, indebted.

778. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Fadiman Code Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Fadiman Code Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction, or were about to engage in business or a transaction, for which any property remaining with the Debtors was unreasonably small capital;
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as such debts matured; and/or
d. The Debtors made the Fadiman Code Fraudulent Transfers to or for the benefit of an insider, or incurred such obligation for the benefit of an insider, under an employment contract and not in the ordinary course of business.

779. Pursuant to 11 U.S.C. § 548, Plaintiff is entitled to entry of an order and judgment avoiding the Fadiman Code Fraudulent Transfers.

COUNT EIGHTY FOUR – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5,

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

781. Alternatively, each of the transfers made during the four-year period before the Petition Date (the "State Transfer Period") identified on **Exhibit F** hereto (the "Fadiman State Fraudulent Transfers") may be avoided under 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5.

782. The Fadiman State Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Fadiman State Fraudulent Transfers were made, indebted.

783. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Fadiman State Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Fadiman State Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction for which the remaining assets of the Debtors were unreasonably small in relation to the business or transaction; and/or
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as they became due.

784. Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4 and 39-23.5, Plaintiff is entitled to entry of an order and judgment avoiding Fadiman State Fraudulent Transfers.

COUNT EIGHTY FIVE– Recovery of Transfers Pursuant to 11 U.S.C. § 550

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

786. Defendant Fadiman is the initial transferee of the Fadiman Code Fraudulent Transfers and Fadiman State Fraudulent Transfers (together, the "Fadiman Transfers"), or the immediate or mediate transferees of such initial transferee, or the person for whose benefit the Fadiman Transfers were made.

787. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to an order and judgment recovering from Defendant Fadiman the property transferred or the value of the Fadiman Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT EIGHTY SIX – Disallowance of Claims Pursuant to 11 U.S.C. § 502(d)

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

789. The Fadiman Transfers (or their value) are recoverable from Defendant Fadiman pursuant to 11 U.S.C. § 550.

790. Additionally, Defendant Fadiman is the transferee of a transfer avoidable under 11 U.S.C. §§ 544, 547, and/or 548.

791. Defendant Fadiman has not paid the amount, or turned over any property, for which he is liable under 11 U.S.C. § 550.

792. Pursuant to 11 U.S.C. § 502(d), Plaintiff is entitled to an order and judgment disallowing all claims of Defendant Fadiman.

COUNTS AGAINST DEFENDANT ALLOTT

COUNT EIGHTY SEVEN – Civil Conspiracy

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

794. Defendant Allott and Defendants Brad Glosson, Buster Glosson, F. Alaeddin, E. Alaeddin, Floyd, Fadiman, and Liberty Automobiles agreed to commit the wrongful and unlawful acts in connection with the IP and Corporate Opportunity Theft Scheme and the DesignLine NZ Theft Scheme.

795. Plaintiff is entitled to an order and judgment that Defendant Allott and such other conspiring Defendants are liable for civil conspiracy.

COUNT EIGHTY EIGHT – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 548

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

797. Each of the transfers made during the two-year period before the Petition Date (the "Code Transfer Period") identified on **Exhibit G** hereto (the "Allott Code Fraudulent Transfers") may be avoided under 11 U.S.C. § 548.

798. The Allott Code Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Allott Code Fraudulent Transfers were made, indebted.

799. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Allott Code Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Allott Code Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction, or were about to engage in business or a transaction, for which any property remaining with the Debtors was unreasonably small capital;
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as such debts matured; and/or
d. The Debtors made the Allott Code Fraudulent Transfers to or for the benefit of an insider, or incurred such obligation for the benefit of an insider, under an employment contract and not in the ordinary course of business.

800. Pursuant to 11 U.S.C. § 548, Plaintiff is entitled to entry of an order and judgment avoiding the Allott Code Fraudulent Transfers.

COUNT EIGHTY NINE – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5,

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

802. Alternatively, each of the transfers made during the four-year period before the Petition Date (the "State Transfer Period") identified on **Exhibit G** hereto (the "Allott State

Fraudulent Transfers") may be avoided under 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5.

803. The Allott State Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Allott State Fraudulent Transfers were made, indebted.

804. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Allott State Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Allott State Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction for which the remaining assets of the Debtors were unreasonably small in relation to the business or transaction; and/or
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as they became due.

805. Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4 and 39-23.5, Plaintiff is entitled to entry of an order and judgment avoiding Allott State Fraudulent Transfers.

COUNT NINETY – Recovery of Transfers Pursuant to 11 U.S.C. § 550

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

807. Defendant Allott is the initial transferee of the Allott Code Fraudulent Transfers and Allott State Fraudulent Transfers (together, the "Allott Transfers"), or the immediate or mediate transferees of such initial transferee, or the person for whose benefit the Allott Transfers were made.

808. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to an order and judgment recovering from Defendant Allott the property transferred or the value of the Allott Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT NINETY ONE – Disallowance of Claims Pursuant to 11 U.S.C. § 502(d)

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

810. The Allott Transfers (or their value) are recoverable from Defendant Allott pursuant to 11 U.S.C. § 550. Defendant Allott is the transferee of a transfer avoidable under 11 U.S.C. §§ 544, 547, and/or 548.

811. Defendant Allott has not paid the amount, or turned over any property, for which he is liable under 11 U.S.C. § 550.

812. Pursuant to 11 U.S.C. § 502(d), Plaintiff is entitled to an order and judgment disallowing all claims of Defendant Allott.

COUNTS AGAINST DEFENDANT E. ALAEDDIN

COUNT NINETY TWO – Misappropriation of Trade Secrets

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

814. The Debtors possessed secret information that they used to their business and economic advantage, i.e., the Trade Secrets.

815. The Trade Secrets were known to only a small number of the Debtors' employees, and were not known to people or entities outside of the Debtors. The Debtors went to great lengths to protect against disclosure of the Trade Secrets, including by causing, upon information and belief, all directors and officers of the Debtors to enter into confidentiality agreements, requiring third parties with access to certain licensed trade information, and implementing reasonable security measures to prevent their theft or publication.

816. The Trade Secrets have great value to the Debtors' business and the Debtors' competitors. The Debtors spent significant effort and resources to develop the Trade Secrets. Consequently, the Debtors' Trade Secrets could not easily be acquired or duplicated by others.

817. Defendant E. Alaeddin was given access to the Debtors' Trade Secrets because of his position of confidence within the Debtors arising from his status as an officer, director and/or person in control of the Debtors, through its Middle Eastern operations.

818. Defendant E. Alaeddin wrongly abused his position of confidence and misappropriated the Debtors' Trade Secrets for his own benefit and the benefit of third parties, including certain of the other Defendants, in connection with the IP and Corporate Opportunity Theft Scheme and the DesignLine NZ Theft Scheme.

819. The Debtors have suffered damages as a result of Defendant E. Alaeddin's wrongful misappropriation of the Debtors' Trade Secrets.

820. Plaintiff is entitled to an order and judgment that Defendant E. Alaeddin is liable for misappropriation of trade secrets.

COUNT NINETY THREE – Civil Conspiracy

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

822. Defendant E. Alaeddin and Defendants Brad Glosson, Buster Glosson, F. Alaeddin, Floyd, Allott, Fadiman, and Liberty Automobiles agreed to commit the wrongful and unlawful acts in connection with the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

823. Plaintiff is entitled to an order and judgment that Defendant E. Alaeddin and such other conspiring Defendants are liable for civil conspiracy.

COUNT NINETY FOUR – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 548

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

825. Each of the transfers made during the two-year period before the Petition Date (the "Code Transfer Period") identified on **Exhibit H** hereto (the "Alaeddin Code Fraudulent Transfers") may be avoided under 11 U.S.C. § 548.

826. The Alaeddin Code Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Alaeddin Code Fraudulent Transfers were made, indebted.

827. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Alaeddin Code Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Alaeddin Code Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction, or were about to engage in business or a transaction, for which any property remaining with the Debtors was unreasonably small capital;
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as such debts matured; and/or
d. The Debtors made the Alaeddin Code Fraudulent Transfers to or for the benefit of an insider, or incurred such obligation for the benefit of an insider, under an employment contract and not in the ordinary course of business.

828. Pursuant to 11 U.S.C. § 548, Plaintiff is entitled to entry of an order and judgment avoiding the Alaeddin Code Fraudulent Transfers.

COUNT NINETY FIVE – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5,

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

830. Alternatively, each of the transfers made during the four-year period before the Petition Date (the "State Transfer Period") identified on **Exhibit H** hereto (the "Alaeddin State Fraudulent Transfers") may be avoided under 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5.

831. The Alaeddin State Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Alaeddin State Fraudulent Transfers were made, indebted.

832. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Alaeddin State Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Alaeddin State Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction for which the remaining assets of the Debtors were unreasonably small in relation to the business or transaction; and/or
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as they became due.

833. Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4 and 39-23.5, Plaintiff is entitled to entry of an order and judgment avoiding Alaeddin State Fraudulent Transfers.

COUNT NINETY SIX – Recovery of Transfers Pursuant to 11 U.S.C. § 550

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

835. Defendant E. Alaeddin is the initial transferee of the Alaeddin Code Fraudulent Transfers and Alaeddin State Fraudulent Transfers (together, the "Alaeddin Transfers"), or the immediate or mediate transferees of such initial transferee, or the person for whose benefit the Alaeddin Transfers were made.

836. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to an order and judgment recovering from Defendant E. Alaeddin the property transferred or the value of the Alaeddin Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT NINETY SEVEN – Disallowance of Claims Pursuant to 11 U.S.C. § 502(d)

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

838. The Alaeddin Transfers (or their value) are recoverable from Defendant E. Alaeddin pursuant to 11 U.S.C. § 550. Defendant E. Alaeddin is the transferee of a transfer avoidable under 11 U.S.C. §§ 544, 547, and 548.

839. Defendant E. Alaeddin has not paid the amount, or turned over any property, for which he is liable under 11 U.S.C. § 550.

840. Pursuant to 11 U.S.C. § 502(d), Plaintiff is entitled to an order and judgment disallowing all claims of Defendant E. Alaeddin.

COUNTS AGAINST DEFENDANT MABCO

COUNT NINETY EIGHT – Unjust Enrichment

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

842. The Debtors conferred a benefit upon Defendant MABCO in the form of money or property received in connection with the IP and Corporate Opportunity Theft Scheme.

843. Such benefit was not conferred gratuitously or by an interference in the affairs of Defendant MABCO.

844. Defendant MABCO consciously accepted such benefit.

845. It would be unjust to allow Defendant MABCO to retain such benefit.

846. Plaintiff is entitled to an order and judgment that Defendant MABCO is liable for unjust enrichment.

COUNT NINETY NINE – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 548

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

848. Each of the transfers made during the two-year period before the Petition Date (the "Code Transfer Period") identified on **Exhibit I** hereto, (collectively, the "MABCO Code Fraudulent Transfers") may be avoided under 11 U.S.C. § 548.

849. The MABCO Code Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such MABCO Code Fraudulent Transfers were made, indebted.

850. Additionally, the Debtors received less than reasonably equivalent value in exchange for the MABCO Code Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each MABCO Code Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction, or were about to engage in business or a transaction, for which any property remaining with the Debtors was unreasonably small capital;
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as such debts matured; and/or
d. The Debtors made the MABCO Code Fraudulent Transfers to or for the benefit of an insider, or incurred such obligation for the benefit of an insider, under an employment contract and not in the ordinary course of business.

851. Pursuant to 11 U.S.C. § 548, Plaintiff is entitled to entry of an order and judgment avoiding the MABCO Code Fraudulent Transfers.

COUNT ONE HUNDRED – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5,

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

853. Alternatively, each of the transfers made during the four-year period before the Petition Date (the "State Transfer Period") identified on **Exhibit I** hereto (the "MABCO State Fraudulent Transfers") may be avoided under 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5.

854. The MABCO State Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such MABCO State Fraudulent Transfers were made, indebted.

855. Additionally, the Debtors received less than reasonably equivalent value in exchange for the MABCO State Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each MABCO State Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction for which the remaining assets of the Debtors were unreasonably small in relation to the business or transaction; and/or
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as they became due.

856. Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4 and 39-23.5, Plaintiff is entitled to entry of an order and judgment avoiding the MABCO State Fraudulent Transfers.

COUNT ONE HUNDRED ONE – Recovery of Transfers Pursuant to 11 U.S.C. § 550

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

858. Defendant MABCO is the initial transferee of the MABCO Code Fraudulent Transfers and MABCO State Fraudulent Transfers (together, the "MABCO Transfers"), or the immediate or mediate transferees of such initial transferee, or the person for whose benefit the MABCO Transfers were made.

859. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to an order and judgment recovering from Defendant MABCO the property transferred or the value of the MABCO Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT ONE HUNDRED TWO – Disallowance of Claims Pursuant to 11 U.S.C. § 502(d)

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

861. The MABCO Transfers (or their value) are recoverable from Defendant MABCO pursuant to 11 U.S.C. § 550.

862. Additionally, Defendant MABCO is the transferee of a transfer avoidable under 11 U.S.C. §§ 544, 547, and/or 548.

863. Defendant MABCO has not paid the amount, or turned over any property, for which it is liable under 11 U.S.C. § 550.

864. Pursuant to 11 U.S.C. § 502(d), Plaintiff is entitled to an order and judgment disallowing all claims of Defendant MABCO.

COUNTS AGAINST DEFENDANT LIBERTY AUTOMOBILES

COUNT ONE HUNDRED THREE – Misappropriation of Trade Secrets

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

866. The Debtors possessed secret information that they used to their business and economic advantage, i.e., the Trade Secrets.

867. The Trade Secrets were known to only a small number of the Debtors' employees, and were not known to people or entities outside of the Debtors. The Debtors went to great lengths to protect against disclosure of the Trade Secrets, including by causing, upon information and belief, all directors and officers of the Debtors to enter into confidentiality agreements, requiring third parties with access to certain licensed trade information, and implementing reasonable security measures to prevent their theft or publication.

868. The Trade Secrets have great value to the Debtors' business and the Debtors' competitors. The Debtors spent significant effort and resources to develop the Trade Secrets. Consequently, the Debtors' Trade Secrets could not easily be acquired or duplicated by others.

869. Defendant Liberty Automobiles was given access to the Debtors' Trade Secrets because of its position of confidence with the Debtors arising from their status as an agent for the Debtors in the Middle East.

870. Defendant Liberty Automobiles wrongly abused its position of confidence and misappropriated the Debtors' Trade Secrets for their own benefit and the benefit of third parties, including certain of the other Defendants in connection with the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

871. The Debtors have suffered damages as a result of Defendant Liberty Automobiles' wrongful misappropriation of the Debtors' Trade Secrets.

872. Plaintiff is entitled to an order and judgment that Defendant Liberty Automobiles is liable for misappropriation of trade secrets.

COUNT ONE HUNDRED FOUR – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 548

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

874. Each of the transfers made during the two-year period before the Petition Date (the "Code Transfer Period"), including transfers made pursuant to the Liberty Agreement and the 2011 Manufacturing Agreement (collectively, the "Liberty Code Fraudulent Transfers"), may be avoided under 11 U.S.C. § 548.

875. The Liberty Code Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Liberty Code Fraudulent Transfers were made, indebted.

876. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Liberty Code Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Liberty Code Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction, or were about to engage in business or a transaction, for which any property remaining with the Debtors was unreasonably small capital;
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as such debts matured; and/or
d. The Debtors made the Liberty Code Fraudulent Transfers to or for the benefit of an insider, or incurred such obligation for the benefit of an insider, under an employment contract and not in the ordinary course of business.

877. Pursuant to 11 U.S.C. § 548, Plaintiff is entitled to entry of an order and judgment avoiding the Liberty Code Fraudulent Transfers.

COUNT ONE HUNDRED FIVE – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5,

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

879. Alternatively, each of the transfers made during the four-year period before the Petition Date (the "State Transfer Period") including transfers made pursuant to the Liberty

Agreement and the 2011 Manufacturing Agreement (the "Liberty State Fraudulent Transfers") may be avoided under 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5.

880. The Liberty State Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Liberty State Fraudulent Transfers were made, indebted.

881. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Liberty State Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Liberty State Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction for which the remaining assets of the Debtors were unreasonably small in relation to the business or transaction; and/or
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as they became due.

882. Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4 and 39-23.5, Plaintiff is entitled to entry of an order and judgment avoiding the Liberty State Fraudulent Transfers.

COUNT ONE HUNDRED SIX – Recovery of Transfers Pursuant to 11 U.S.C. § 550

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

884. Defendant Liberty Automobiles is the initial transferee of the Liberty Code Fraudulent Transfers and Liberty State Fraudulent Transfers (together, the "Liberty Transfers"), or the immediate or mediate transferees of such initial transferee, or the person for whose benefit the Liberty Transfers were made.

885. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to an order and judgment recovering from Defendant Liberty Automobiles the property transferred or the value of the Liberty Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT ONE HUNDRED SEVEN – Disallowance of Claims Pursuant to 11 U.S.C. § 502(d)

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

887. The Liberty Transfers (or their value) are recoverable from Defendant Liberty Automobiles pursuant to 11 U.S.C. § 550.

888. Additionally, Defendant Liberty Automobiles is the transferee of a transfer avoidable under 11 U.S.C. §§ 544, 547, and/or 548.

889. Defendant Liberty Automobiles has not paid the amount, or turned over any property, for which it is liable under 11 U.S.C. § 550.

890. Pursuant to 11 U.S.C. § 502(d), Plaintiff is entitled to an order and judgment disallowing all claims of Defendant Liberty Automobiles.

COUNT ONE HUNDRED EIGHT – Civil Conspiracy

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

892. Defendant Liberty Automobiles and Defendants Brad Glosson, Buster Glosson, E. Alaeddin, F. Alaeddin, Floyd, Allott, and Fadiman agreed to commit the wrongful and unlawful acts in connection with the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

893. Plaintiff is entitled to an order and judgment that Defendant Liberty Automobiles and such other conspiring Defendants are liable for civil conspiracy.

COUNTS AGAINST DEFENDANT ODELL

COUNT ONE HUNDRED NINE – Unjust Enrichment

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

895. The Debtors conferred a benefit upon Defendant Odell in the form of money or property received in connection with the Eagle Scheme and the IP and Corporate Opportunity Theft Scheme.

896. Such benefit was not conferred gratuitously or by an interference in the affairs of Defendant Odell.

897. Defendant Odell consciously accepted such benefit.

898. It would be unjust to allow Defendant Odell to retain such benefit.

899. Plaintiff is entitled to an order and judgment that Defendant Odell is liable for unjust enrichment.

COUNT ONE HUNDRED TEN – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 548

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

901. Each of the transfers made during the two-year period before the Petition Date (the "Code Transfer Period") identified on **Exhibit J** hereto, along with the transfers of property in connection with the JV Agreement, the License Agreement, and Odell Business Development Agreement (collectively, the "Odell Code Fraudulent Transfers") may be avoided under 11 U.S.C. § 548.

902. The Odell Code Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Odell Code Fraudulent Transfers were made, indebted.

903. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Odell Code Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Odell Code Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction, or were about to engage in business or a transaction, for which any property remaining with The Debtors was unreasonably small capital;
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as such debts matured; and/or
d. The Debtors made the Odell Code Fraudulent Transfers to or for the benefit of an insider, or incurred such obligation for the benefit of an insider, under an employment contract and not in the ordinary course of business.

904. Pursuant to 11 U.S.C. § 548, Plaintiff is entitled to entry of an order and judgment avoiding the Odell Code Fraudulent Transfers.

COUNT ONE HUNDRED ELEVEN – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5,

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

906. Alternatively, each of the transfers made during the four-year period before the Petition Date (the "State Transfer Period") identified on **Exhibit J** hereto, and the transfers of property pursuant to the JV Agreement, the License Agreement, and Odell Business Development Agreement (the "Odell State Fraudulent Transfers") may be avoided under 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5.

907. The Odell State Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Odell State Fraudulent Transfers were made, indebted.

908. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Odell State Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Odell State Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction for which the remaining assets of the Debtors were unreasonably small in relation to the business or transaction; and/or
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as they became due.

909. Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4 and 39-23.5, Plaintiff is entitled to entry of an order and judgment avoiding the Odell State Fraudulent Transfers.

COUNT ONE HUNDRED TWELVE– Recovery of Transfers Pursuant to 11 U.S.C. § 550

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

911. Defendant Odell is the initial transferee of the Odell Code Fraudulent Transfers and Odell State Fraudulent Transfers (together, the "Odell Transfers"), or the immediate or mediate transferees of such initial transferee, or the person for whose benefit the Odell Transfers were made.

912. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to an order and judgment recovering from Defendant Odell the property transferred or the value of the Odell Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT ONE HUNDRED THIRTEEN – Disallowance of Claims Pursuant to 11 U.S.C. § 502(d)

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

914. The Odell Transfers (or their value) are recoverable from Defendant Odell pursuant to 11 U.S.C. § 550.

915. Additionally, Defendant Odell is the transferee of a transfer avoidable under 11 U.S.C. §§ 544, 547, and/or 548.

916. Defendant Odell has not paid the amount, or turned over any property, for which it is liable under 11 U.S.C. § 550.

917. Pursuant to 11 U.S.C. § 502(d), Plaintiff is entitled to an order and judgment disallowing all claims of Defendant Odell.

COUNTS AGAINST DEFENDANT DL EV TECHNOLOGY

COUNT ONE HUNDRED FOURTEEN – Unjust Enrichment

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

919. The Debtors conferred a benefit upon Defendant DL EV Technology in the form of money or property received in connection with the IP and Corporate Opportunity Theft Scheme.

920. Such benefit was not conferred gratuitously or by an interference in the affairs of Defendant DL EV Technology.

921. Defendant DL EV Technology consciously accepted such benefit.

922. It would be unjust to allow Defendant DL EV Technology to retain such benefit.

923. Plaintiff is entitled to an order and judgment that Defendant DL EV Technology is liable for unjust enrichment.

COUNT ONE HUNDRED FIFTEEN – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5,

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

925. Alternatively, each of the transfers made during the four-year period before the Petition Date (the "State Transfer Period"), including the transfers of property in connection with the JV Agreement and the License Agreement (the "DL EV Technology Transfers"), may be avoided under 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5.

926. The DL EV Technology Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such DL EV Technology Transfers were made, indebted.

927. Additionally, the Debtors received less than reasonably equivalent value in exchange for the DL EV Technology Transfers and:

a. The Debtors were insolvent on the date that each DL EV Technology Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction for which the remaining assets of the Debtors were unreasonably small in relation to the business or transaction; and/or
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as they became due.

928. Pursuant to 11 U.S.C. § 544(b) and N.C. GEN. STAT. §§ 39-23.4 and 39-23.5, Plaintiff is entitled to entry of an order and judgment avoiding the DL EV Technology Transfers.

COUNT ONE HUNDRED SIXTEEN – Recovery of Transfers Pursuant to 11 U.S.C. § 550

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

930. Defendant DL EV Technology is the initial transferee of the DL EV Technology Transfers, or the immediate or mediate transferees of such initial transferee, or the person for whose benefit the DL EV Technology Transfers were made.

931. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to an order and judgment recovering from Defendant DL EV Technology the property transferred or the value of the DL EV Technology Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT ONE HUNDRED SEVENTEEN – Disallowance of Claims Pursuant to 11 U.S.C. § 502(d)

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

933. The DL EV Technology Transfers (or their value) are recoverable from Defendant DL EV Technology pursuant to 11 U.S.C. § 550.

934. Additionally, Defendant DL EV Technology is the transferee of a transfer avoidable under 11 U.S.C. §§ 544, 547, and 548.

935. Defendant DL EV Technology has not paid the amount, or turned over any property, for which he is liable under 11 U.S.C. § 550.

936. Pursuant to 11 U.S.C. § 502(d), Plaintiff is entitled to an order and judgment disallowing all claims of Defendant DL EV Technology.

COUNTS AGAINST DEFENDANT SABRE SERVICES

COUNT ONE HUNDRED EIGHTEEN – Unjust Enrichment

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

938. The Debtors conferred a benefit upon Defendant Sabre Services in the form of money or property received in connection with the Eagle Scheme.

939. Such benefit was not conferred gratuitously or by an interference in the affairs of Defendant Sabre Services.

940. Defendant Sabre Services consciously accepted such benefit.

941. It would be unjust to allow Defendant Sabre Services to retain such benefit.

942. Plaintiff is entitled to an order and judgment that Defendant Sabre Services is liable for unjust enrichment.

COUNT ONE HUNDRED NINETEEN – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5,

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

944. Alternatively, each of the transfers made during the four-year period before the Petition Date (the "State Transfer Period") identified on **Exhibit K** hereto (the "Sabre Services Transfers") may be avoided under 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5.

945. The Sabre Services Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Sabre Services Transfers were made, indebted.

946. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Sabre Services Transfers and:

a. The Debtors were insolvent on the date that each Sabre Services Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction for which the remaining assets of the Debtors were unreasonably small in relation to the business or transaction; and/or
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as they became due.

947. Pursuant to 11 U.S.C. § 544(b) and N.C. GEN. STAT. §§ 39-23.4 and 39-23.5, Plaintiff is entitled to entry of an order and judgment avoiding the Sabre Services Transfers.

COUNT ONE HUNDRED TWENTY – Recovery of Transfers Pursuant to 11 U.S.C. § 550

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

949. Defendant Sabre Services is the initial transferee of the Sabre Services Transfers, or the immediate or mediate transferees of such initial transferee, or the person for whose benefit the Sabre Services Transfers were made.

950. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to an order and judgment recovering from Defendant Sabre Services the property transferred or the value of the Sabre Services Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT ONE HUNDRED TWENTY ONE – Disallowance of Claims Pursuant to 11 U.S.C. § 502(d)

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

952. The Sabre Services Transfers (or their value) are recoverable from Defendant Sabre Services pursuant to 11 U.S.C. § 550.

953. Additionally, Defendant Sabre Services is the transferee of a transfer avoidable under 11 U.S.C. §§ 544, 547, and 548.

954. Defendant Sabre Services has not paid the amount, or turned over any property, for which he is liable under 11 U.S.C. § 550.

955. Pursuant to 11 U.S.C. § 502(d), Plaintiff is entitled to an order and judgment disallowing all claims of Defendant Sabre Services.

COUNTS AGAINST DEFENDANT CHANDLER

COUNT ONE HUNDRED TWENTY TWO – Unjust Enrichment

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

957. The Debtors conferred a benefit upon Defendant Chandler in the form of money or property received in connection with the 2009-2010 Wrongful Acts, the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

958. Such benefit was not conferred gratuitously or by an interference in the affairs of Defendant Chandler.

959. Defendant Chandler consciously accepted such benefit.

960. It would be unjust to allow Defendant Chandler to retain such benefit.

961. Plaintiff is entitled to an order and judgment that Defendant Chandler is liable for unjust enrichment.

COUNT ONE HUNDRED TWENTY THREE – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 548

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

963. Each of the transfers made during the two-year period before the Petition Date (the "Code Transfer Period") identified on **Exhibit L** hereto (collectively, the "Chandler Code Fraudulent Transfers") may be avoided under 11 U.S.C. § 548.

964. The Chandler Code Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Chandler Code Fraudulent Transfers were made, indebted.

965. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Chandler Code Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Chandler Code Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction, or were about to engage in business or a transaction, for which any property remaining with the Debtors was unreasonably small capital;
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as such debts matured; and/or
d. The Debtors made the Chandler Code Fraudulent Transfers to or for the benefit of an insider, or incurred such obligation for the benefit of an insider, under an employment contract and not in the ordinary course of business.

966. Pursuant to 11 U.S.C. § 548, Plaintiff is entitled to entry of an order and judgment avoiding the Chandler Code Fraudulent Transfers.

COUNT ONE HUNDRED TWENTY FOUR – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5,

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

968. Alternatively, each of the transfers made during the four-year period before the Petition Date (the "State Transfer Period") identified on **Exhibit L** hereto (the "Chandler State Fraudulent Transfers") may be avoided under 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5.

969. The Chandler State Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such Chandler State Fraudulent Transfers were made, indebted.

970. Additionally, the Debtors received less than reasonably equivalent value in exchange for the Chandler State Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each Chandler State Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction for which the remaining assets of the Debtors were unreasonably small in relation to the business or transaction; and/or
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as they became due.

971. Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4 and 39-23.5, Plaintiff is entitled to entry of an order and judgment avoiding the Chandler State Fraudulent Transfers.

COUNT ONE HUNDRED TWENTY FIVE – Recovery of Transfers Pursuant to 11 U.S.C. § 550

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

973. Defendant Chandler is the initial transferee of the Chandler Code Fraudulent Transfers and Chandler State Fraudulent Transfers (together, the "Chandler Transfers"), or the immediate or mediate transferees of such initial transferee, or the person for whose benefit the Chandler Transfers were made.

974. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to an order and judgment recovering from Defendant Chandler the property transferred or the value of the Chandler Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT ONE HUNDRED TWENTY SIX– Disallowance of Claims Pursuant to 11 U.S.C. § 502(d)

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

976. The Chandler Transfers (or their value) are recoverable from Defendant Chandler pursuant to 11 U.S.C. § 550.

977. Additionally, Defendant Chandler is the transferee of a transfer avoidable under 11 U.S.C. §§ 544, 547, and/or 548.

978. Defendant Chandler has not paid the amount, or turned over any property, for which he is liable under 11 U.S.C. § 550.

979. Pursuant to 11 U.S.C. § 502(d), Plaintiff is entitled to an order and judgment disallowing all claims of Defendant Chandler.

DEFENDANT CME

COUNT ONE HUNDRED TWENTY SEVEN – Unjust Enrichment

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

981. The Debtors conferred a benefit upon Defendant CME in the form of money or property received in connection with the IP and Corporate Opportunity Theft Scheme, and the DesignLine NZ Theft Scheme.

982. Such benefit was not conferred gratuitously or by an interference in the affairs of Defendant CME.

983. Defendant CME consciously accepted such benefit.

984. It would be unjust to allow Defendant CME to retain such benefit.

985. Plaintiff is entitled to an order and judgment that Defendant CME is liable for unjust enrichment.

COUNT ONE HUNDRED TWENTY EIGHT – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 548

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

987. Each of the transfers made during the two-year period before the Petition Date (the "Code Transfer Period") including transfers made pursuant to the CME Agreement (collectively, the "CME Code Fraudulent Transfers"), may be avoided under 11 U.S.C. § 548.

988. The CME Code Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such CME Code Fraudulent Transfers were made, indebted.

989. Additionally, the Debtors received less than reasonably equivalent value in exchange for the CME Code Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each CME Code Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction, or were about to engage in business or a transaction, for which any property remaining with the Debtors was unreasonably small capital;
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as such debts matured; and/or
d. The Debtors made the CME Code Fraudulent Transfers to or for the benefit of an insider, or incurred such obligation for the benefit of an insider, under an employment contract and not in the ordinary course of business.

990. Pursuant to 11 U.S.C. § 548, Plaintiff is entitled to entry of an order and judgment avoiding the CME Code Fraudulent Transfers.

COUNT ONE HUNDRED TWENTY NINE – Avoidance of Fraudulent Transfers Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4, 39-23.5,

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

992. Alternatively, each of the transfers made during the four-year period before the Petition Date (the "State Transfer Period") including transfers made pursuant to the CME Agreement (the "CME State Fraudulent Transfers") may be avoided under 11 U.S.C. § 544(b) and N.C. GEN. STAT. §§ 39-23.4, 39-23.5.

993. The CME State Fraudulent Transfers were made with the actual intent to hinder, delay, or defraud entities to which the Debtors were or became, after the date such CME State Fraudulent Transfers were made, indebted.

994. Additionally, the Debtors received less than reasonably equivalent value in exchange for the CME State Fraudulent Transfers and:

a. The Debtors were insolvent on the date that each CME State Fraudulent Transfer was made, or became insolvent as a result of such transfer;
b. The Debtors were engaged in business or a transaction for which the remaining assets of the Debtors were unreasonably small in relation to the business or transaction; and/or
c. The Debtors intended to incur, or believed that the Debtors would incur, debts that would be beyond the Debtors' ability to pay as they became due.

995. Pursuant to 11 U.S.C. § 544(b) and N.C. Gen. Stat. §§ 39-23.4 and 39-23.5, Plaintiff is entitled to entry of an order and judgment avoiding the CME State Fraudulent Transfers.

COUNT ONE HUNDRED THIRTY – Recovery of Transfers Pursuant to 11 U.S.C. § 550

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

997. Defendant CME is the initial transferee of the CME Code Fraudulent Transfers and CME State Fraudulent Transfers (together, the "CME Transfers"), or the immediate or

mediate transferees of such initial transferee, or the person for whose benefit the CME Transfers were made.

998. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to an order and judgment recovering from Defendant CME the property transferred or the value of the CME Transfers, plus interest thereon to the date of payment, and the costs of this action.

COUNT ONE HUNDRED THIRTY ONE – Disallowance of Claims Pursuant to 11 U.S.C. § 502(d)

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

1000. The CME Transfers (or their value) are recoverable from Defendant CME pursuant to 11 U.S.C. § 550.

1001. Additionally, Defendant CME is the transferee of a transfer avoidable under 11 U.S.C. §§ 544, 547, and/or 548.

1002. Defendant CME has not paid the amount, or turned over any property, for which it is liable under 11 U.S.C. § 550.

1003. Pursuant to 11 U.S.C. § 502(d), Plaintiff is entitled to an order and judgment disallowing all claims of Defendant CME.

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WHEREFORE, the Plaintiff demands that judgment be entered in its favor and against Defendants, as follows:

A. Against all Defendants for avoidance of any fraudulent transfers that were paid to them or for their benefit;

B. Against all Defendants for the recovery of any fraudulent transfers that were paid to them;

C. Against Defendants Buster Glosson, Brad Glosson, F. Alaeddin, and Floyd, jointly and severally, for their breaches of fiduciary duty in an amount to be proven at trial;

D. Against Defendants Buster Glosson and Brad Glosson, jointly and severally, for corporate waste in an amount to be proven at trial;

E. Against Defendants Buster Glosson and Brad Glosson, jointly and severally, for constructive fraud in an amount to be proven at trial;

F. Against Defendants Buster Glosson and Brad Glosson, jointly and severally, for fraud in an amount to be proven at trial;

G. Against Defendants Buster Glosson and Brad Glosson, jointly and severally, for negligent misrepresentation in an amount to be proven at trial;

H. Against Defendants Buster Glosson and Brad Glosson, jointly and severally, for tortious interference with contract in an amount to be proven at trial;

I. Against Defendants Buster Glosson and Brad Glosson, jointly and severally, for tortious interference with prospective business or economic advantage in an amount to be proven at trial;

J. Against Defendants Buster Glosson, Brad Glosson, F. Alaeddin, E. Alaeddin and Liberty Automobiles, jointly and severally, for misappropriation of trade secrets in an amount to be proven at trial;

K. Against Defendant Buster Glosson for breach of the Buster Confidentiality Agreement, in an amount to be proven at trial;

L. Against Defendant Brad Glosson for breach of the Glosson Employment Agreement and the Brad Glosson Confidentiality Agreement, in an amount to be proven at trial;

M. Against Defendant Floyd for breach of the Floyd Employment Agreement and the Floyd Confidentiality Agreement, in an amount to be proven at trial;

N. Against Defendants Buster Glosson, Brad Glosson, Eagle, Global Bus Ventures and Bus Pacific, jointly and severally, for conversion in an amount to be proven at trial;

O. Against Defendants Buster Glosson, Brad Glosson, Eagle, Global Bus Ventures, Bus Pacific, MABCO, Odell, DL EV Technology, Sabre Services, CME and Chandler for unjust enrichment in an amount to be proven at trial;

P. Against Defendants Buster Glosson, Brad Glosson, F. Alaeddin, Fadiman, Allott, E. Alaeddin, and Liberty Automobiles jointly and severally, for civil conspiracy in an amount to be proven at trial;

Q. Against Defendants Buster Glosson, Brad Glosson, Global Bus Ventures and Bus Pacific, jointly and severally, for violation of North Carolina's Unfair and Deceptive Trade Practices Act in an amount to be proven at trial;

R. Against Defendants Buster Glosson, Brad Glosson, Global Bus Ventures and Bus Pacific, jointly and severally, for unfair and deceptive trade practices in violation of the Lanham Act in an amount to be proven at trial;

S. Against Defendants Buster Glosson, Brad Glosson and Eagle, jointly and severally, for violation of the Racketeer Influenced and Corrupt Organizations Act in an amount to be proven at trial;

T. Against Defendants Buster Glosson, Brad Glosson and Eagle, jointly and severally, for violation of the North Carolina Racketeer Influenced and Corrupt Organizations Act in an amount to be proven at trial;

U. Against all Defendants disallowing any claims they may have filed against the Debtors and their bankruptcy estates;

V. Against Defendant Eagle recharacterizing its claims against the Debtors from a claim of a debt of the Debtors to an interest of equity in the Debtors;

W. Against Defendant Eagle equitably subordinating any claim it may have against the Debtors to the claims belonging to each and every other creditor of the Debtors;

X. Against Defendants Global Bus Ventures and Bus Pacific, jointly and severally, for successor liability such that all of the debts of the Debtors are also debts of Defendants Global Bus Ventures and Bus Pacific;

Y. Against Bus Pacific and Global Bus Ventures, jointly and severally, for breach of the DL Pacific Ventures License Agreement;

Z. Imposition of a constructive trust against any and all assets of Defendants Bus Pacific and Global Bus Ventures;

AA. Permanently enjoining Defendants Bus Pacific and Global Bus Ventures from using the assets and property of the Debtors without compensation therefore;

BB. Against all Defendants for an accounting of property of the Debtors that they have received;

CC. Against all Defendants, jointly and severally, for punitive damages and/or treble damages where appropriate and authorized under law;

DD. Against all Defendants, jointly and severally, for costs and attorneys' fees where appropriate and authorized under law;

EE. Against all Defendants, jointly and severally, for pre-judgment interest at the maximum legal rate;

FF. Against all Defendants, jointly and severally, for post-judgment interest at the maximum rate; and

GG. Against all Defendants, jointly and severally, for such other and further relief as the Court deems just and proper under the circumstances.

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Dated: August 13, 2015

BENESCH, FRIEDLANDER, COPLAN & ARONOFF LLP

By: */s/ Michael J. Barrie*

Michael J. Barrie (admitted *pro hac vice*)
Jennifer R. Hoover (admitted *pro hac vice*)
222 Delaware Avenue, Suite 801
Wilmington, DE 19801
302-442-7010 telephone
302-442-7012 facsimile
mbarrie@beneschlaw.com
jhoover@beneschlaw.com

- and -

MOON WRIGHT & HOUSTON, PLLC
Travis W. Moon (Bar No. 3067)
Andrew Houston (Bar No. 36208)
227 W. Trade Street, Suite 1800
Charlotte, North Carolina 28202
704-944-6560 telephone
704-944-0380 facsimile
tmoon@mwhattorneys.com

Counsel for Elaine T. Rudisill, Liquidating Trustee

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