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*Counsel for Anthony H. N. Schnelling,
Trustee of the AgriBioTech Creditors' Trust*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re AgriBioTech, Inc.,

Debtor.

ANTHONY H. N. SCHNELLING, as the
Trustee of the AgriBioTech Creditors'
Trust, the Duly Appointed and Authorized
Representative of the Chapter 11 Estates
of AGRIBIOTECH, INC., LAS VEGAS
FERTILIZER CO., INC., GARDEN
WEST DISTRIBUTORS, INC., and
GEO. W. HILL & CO., INC.,
Plaintiff,

v.

RICHARD P. BUDD, SYLVIA S. BUDD,
BUDD-FIGURE EIGHT, LLC, BUDD
FARM, LLC, BUDD-BENT TREE, LLC,
NORTH STATE INDUSTRIAL PARK, LLC,
WOMBLE CARLYLE, SANDRIDGE &
RICE, PLLC, JOSEPH R. BUDD,
INDIVIDUALLY AND AS CUSTODIAN
FOR HIS MINOR CHILDREN, and wife

BK-S-00-10533-LBR
ADV 04-01334-LBR

**TRUSTEE'S FIRST AMENDED
ADVERSARY COMPLAINT**

Date: January 27, 2005

Time: 11:00 A.M.

AMANDA M. BUDD, JOHN D. BUDD,
INDIVIDUALLY AND AS CUSTODIAN
FOR HIS MINOR CHILDREN and wife
KAREN P. BUDD, THEODORE BUDD,
INDIVIDUALLY AND AS CUSTODIAN
FOR HIS MINOR CHILDREN, and wife
AMY BUDD, SARAH E. BUDD, RICHARD
G. BUDD, MARY G. BUDD, ALEXANDER
BUDD, NATHANIEL J. BUDD, JORDAN P.
BUDD, NICHOLAS D. BUDD, JOSHUA T.
BUDD, KATHRYN E. BUDD, MACY
BUDD, KENNETH BUDD, GERALD S.
CHRSICO and wife LEEANN CHRISCO,
KRB SEED COMPANY, LLC D/B/A BUDD
SEED, SYLCO AVIATION, INC., and
BUDD FAMILY MANAGEMENT, INC.

Defendants.

TRUSTEE'S FIRST AMENDED ADVERSARY COMPLAINT

Anthony H. N. Schnelling, Trustee of the AgriBioTech Creditors' Trust ("Trustee"), complains of Richard P. Budd, Sylvia S. Budd, Budd-Figure Eight, LLC, Budd Farm, LLC, Budd-Bent Tree, LLC, North State Industrial Park, LLC, Womble Carlyle Sandridge & Rice, PLLC, Joseph R. Budd, individually and as custodian for his minor children, and wife Amanda M. Budd, John D. Budd, individually and as custodian for his minor children, and wife Karen P. Budd, Theodore Budd, individually and as custodian for his minor children, and wife Amy Budd, Sarah E. Budd, Richard G. Budd, Mary G. Budd, Alexander Budd, Nathaniel J. Budd, Jordan P. Budd, Nicholas D. Budd, Joshua T. Budd, Kathryn E. Budd, Macy Budd, Kenneth Budd, Gerald S. Chrisco and wife Leeann Chrisco, KRB Seed Company, LLC Doing Business As Budd Seed, Sylco Aviation, Inc., ABT Group, LLC, and Budd Family Management, Inc., Defendants, as follows:

I.

PARTIES

1. Anthony H.N. Schnelling is the Trustee of the AgriBioTech Creditors' Trust (the "Trustee") created pursuant to the Order of this Court dated April 10, 2001, approving and confirming the First Amended Plan of Reorganization of AgriBioTech, Inc., Las Vegas Fertilizer Co., Garden West Distributors and Geo. W. Hill & Co., Inc. (the "Plan").

2. Richard P. Budd is a resident of North Carolina who formerly was Chairman and Chief Executive Officer of AgriBioTech, Inc. ("ABT"). Mr. Budd is a defendant in Adv. No. 02-1025-LBR pending in this Court, *Schnelling v. Budd et al.* (the "Budd Preference Case") and is subject to the jurisdiction of this Court. Pursuant to Fed. R. Bankr. P. 7004, Defendant Richard P. Budd may be served with process via first class mail on his counsel of record, William K. Davis, Bell Davis & Pitt, P.A., P.O. Box 21029, Winston-Salem, North Carolina 27120-1029.

3. Sylvia S. Budd is a resident of North Carolina and is and has at all times relevant hereto been the wife of Defendant Richard P. Budd. Sylvia S. Budd has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding and holds purported title as a "tenant by the entirety" of real property that has been fraudulently transferred as set forth herein. Pursuant to Fed. R. Bankr. P. 7004, Sylvia S. Budd may be served with process via first class mail on her counsel of record, William K. Davis, Bell Davis & Pitt, P.A., P.O. Box 21029, Winston-Salem, North Carolina 27120-1029.

4. Budd-Figure Eight, LLC is a North Carolina limited liability company that was created by or at the direction of Defendant Richard P. Budd. Defendant Richard P. Budd is the registered agent for Budd-Figure Eight, LLC. Budd-Figure Eight, LLC has acted in concert and participation with Defendant Richard P. Budd in connection with one or more of the fraudulent transfers that are the subject of this proceeding. Pursuant to Fed. R. Bankr. P. 7004, Budd-Figure Eight LLC may be served with process via first class mail on its counsel of record, William M. Noall, Gordon & Silver, Ltd., 3960 Howard Hughes Parkway, Ninth Floor, Las Vegas, Nevada 89109.

5. Budd Farm, LLC is a North Carolina limited liability company that was created by or at the direction of Defendant Richard P. Budd. Defendant Richard P. Budd is the registered agent for Budd Farm, LLC. Budd Farm, LLC has acted in concert and participation with Defendant Richard P. Budd in connection with one or more of the fraudulent transfers that are the subject of this proceeding. Pursuant to Fed. R. Bankr. P. 7004, Budd Farm, LLC may be served with process via first class mail on its counsel of record, William M. Noall, Gordon & Silver, Ltd., 3960 Howard Hughes Parkway, Ninth Floor, Las Vegas, Nevada 89109.

6. Budd-Bent Tree, LLC is a North Carolina limited liability company that was created by or at the direction of Defendant Richard P. Budd. Defendant Richard P. Budd is the registered agent for Budd-Bent Tree, LLC. Budd-Bent Tree, LLC has acted in concert and participation with Defendant Richard P. Budd in connection with one or more of the fraudulent transfers that are the subject of this proceeding. Pursuant to Fed. R. Bankr. P. 7004, Budd-Bent Tree, LLC may be served with process via first class mail

on its counsel of record, William M. Noall, Gordon & Silver, Ltd., 3960 Howard Hughes Parkway, Ninth Floor, Las Vegas, Nevada 89109.

7. North State Industrial Park, LLC is a North Carolina limited liability company that was created by or at the direction of Defendant Richard P. Budd. North State Industrial Park, LLC has acted in concert and participation with Defendant Richard P. Budd in connection with one or more of the fraudulent transfers that are the subject of this proceeding. Pursuant to Fed. R. Bankr. P. 7004, North State Industrial Park, LLC may be served with process via first class mail on its counsel of record, William M. Noall, Gordon & Silver, Ltd., 3960 Howard Hughes Parkway, Ninth Floor, Las Vegas, Nevada 89109.

8. Womble, Carlyle, Sandridge & Rice, PLLC ("Womble") is a North Carolina professional limited liability company that has provided legal services to Defendant Richard P. Budd and others for over twenty years. Womble served as special counsel for the Debtors in the ABT bankruptcy proceeding, and represented to this Court that it would not represent Defendant Richard P. Budd or related persons or entities in any matter adverse to the Debtors. However, Womble has represented Defendant Richard P. Budd in matters adverse to the Debtors and the Trustee, and has acted in concert and participation with Defendant Richard P. Budd in connection with his efforts to frustrate the jurisdiction and judgment of this Court in the Budd Preference Case. Pursuant to Fed. R. Bankr. P. 7004, WCSR may be served with process via first class mail on its counsel of record, Patrick G. Byrne, Snell & Wilmer LLP, 3800 Howard Hughes Parkway, Suite 1000, Las Vegas, Nevada 89109.

9. Joseph R. Budd is a resident of North Carolina and is the son of Defendants Richard P. Budd and Sylvia S. Budd. Joseph R. Budd has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding and has been a recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Joseph R. Budd may be served with process via first class mail at 815 Merry Acres Court, Winston-Salem, North Carolina 27106-5124.

10. Amanda M. Budd is a resident of North Carolina and is the daughter-in-law of Defendants Richard P. Budd and Sylvia S. Budd. Amanda M. Budd, directly or through her husband as her agent, has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Amanda M. Budd may be served with process via first class mail at 815 Merry Acres Court, Winston-Salem, North Carolina 27106-5124.

11. John D. Budd is a resident of North Carolina and is the son of Defendants Richard P. Budd and Sylvia S. Budd. John D. Budd has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, John D. Budd may be served with process via first class mail at 321 Rooster Trail, Advance, North Carolina 27006.

12. Karen P. Budd is a resident of North Carolina and is the daughter-in-law of Defendants Richard P. Budd and Sylvia S. Budd. Karen P. Budd, directly or through her husband as her agent, has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding,

and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Karen P. Budd may be served with process via first class mail at 321 Rooster Trail, Advance, North Carolina 27006.

13. Theodore Budd is a resident of North Carolina and is the son of Defendants Richard P. Budd and Sylvia S. Budd. Theodore Budd has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Theodore Budd may be served with process via first class mail at 2431 Tanglewood Lane, Charlotte, North Carolina 28211.

14. Amy Budd is a resident of North Carolina and is the daughter-in-law of Defendants Richard P. Budd and Sylvia S. Budd. Amy Budd, directly or through her husband as agent, has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Amy Budd may be served with process via first class mail at 2431 Tanglewood Lane, Charlotte, North Carolina 28211.

15. Sarah E. Budd is a resident of North Carolina and is the granddaughter of Defendants Richard P. Budd and Sylvia S. Budd. Sarah E. Budd, directly or through her father as custodian, has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Sarah E. Budd may be served with process via first class mail at 815 Merry Acres Court, Winston-Salem, North Carolina 27106.

16. Richard G. Budd is a resident of North Carolina and is the grandson of Defendants Richard P. Budd and Sylvia S. Budd. Richard G. Budd directly or through his father as custodian, has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Richard G. Budd may be served with process via first class mail at 815 Merry Acres Court, Winston-Salem, North Carolina 27106.

17. Mary G. Budd is a resident of North Carolina and is the granddaughter of Defendants Richard P. Budd and Sylvia S. Budd. Mary G. Budd, directly or through her father as custodian, has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Mary G. Budd may be served with process via first class mail at 815 Merry Acres Court, Winston-Salem, North Carolina 27106.

18. Alexander Budd is a resident of North Carolina and is the grandson of Defendants Richard P. Budd and Sylvia S. Budd. Alexander Budd, directly or through her father as custodian, has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Alexander Budd may be served with process via first class mail at 815 Merry Acres Court, Winston-Salem, North Carolina 27106.

19. Nathaniel J. Budd is a resident of North Carolina and is the grandson of Defendants Richard P. Budd and Sylvia S. Budd. Nathaniel J. Budd, directly or through

his father as custodian, has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Nathaniel J. Budd may be served with process via first class mail at 321 Rooster Trail, Advance, North Carolina 27006.

20. Jordan P. Budd is a resident of North Carolina and is the granddaughter of Defendants Richard P. Budd and Sylvia S. Budd. Jordan P. Budd, directly or through her father as custodian, has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Jordan P. Budd may be served with process via first class mail at 321 Rooster Trail, Advance, North Carolina 27006.

21. Nicholas D. Budd is a resident of North Carolina and is the grandson of Defendants Richard P. Budd and Sylvia S. Budd. Nicholas D. Budd has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Nathaniel J. Budd may be served with process via first class mail at 321 Rooster Trail, Advance, North Carolina 27006.

22. Joshua T. Budd is a resident of North Carolina and is the grandson of Defendants Richard P. Budd and Sylvia S. Budd. Joshua T. Budd, directly or through her father as custodian, has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Joshua

T. Budd may be served with process via first class mail at 2431 Tanglewood Trail, Charlotte, North Carolina 28211.

23. Kathryn E. Budd is a resident of North Carolina and is the granddaughter of Defendants Richard P. Budd and Sylvia S. Budd. Kathryn E. Budd, directly or through her father as custodian, has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004. Kathryn E. Budd may be served with process via first class mail at 321 Rooster Trail, Advance, North Carolina 27006.

24. Macy Budd is a resident of North Carolina and is the granddaughter of Defendants Richard P. Budd and Sylvia S. Budd. Macy Budd, directly or through her father as custodian, has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004. Macy Budd may be served with process via first class mail at 321 Rooster Trail, Advance, North Carolina 27006.

25. Kenneth Budd is a resident of North Carolina and is the nephew of Defendant Richard P. Budd. Kenneth Budd formerly acted as the President of ABT, is the President and controlling owner of Defendant KRB Seed Company, LLC, and has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the direct or indirect recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Kenneth Budd

may be served with process via first class mail at Budd Seed, 199 Budd Boulevard, Winston-Salem, North Carolina 27103.

26. Gerald S. Chrisco is a resident of North Carolina and is a long-time associate of Defendant Richard P. Budd. Gerald S. Chrisco has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Gerald S. Chrisco may be served with process via first class mail at P.O. Box 25128, Winston-Salem, North Carolina, 27103.

27. Leeann Chrisco is a resident of North Carolina and is the wife of Gerald S. Chrisco, a long-time associate of Defendant Richard P. Budd. Leeann Chrisco, directly or through her husband as agent, has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Leeann Chrisco may be served with process via first class mail at P.O. Box 25128, Winston-Salem, North Carolina, 27103.

28. KRB Seed Company, LLC, doing business as Budd Seed, is an entity existing under the laws of North Carolina that is owned by Defendants Kenneth Budd and Gerald S. Chrisco. KRB Seed Company LLC has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, KRB Seed Company, LLC may be served with process via first class mail by service on its registered agent, Gerald S. Chrisco, at P.O. Box 25128, Winston-Salem, North Carolina 27103.

29. Sylco Aviation, Inc. is a corporation existing under the laws of North Carolina that is owned by Defendant Richard P. Budd and/or Sylvia S. Budd. Sylco Aviation, Inc. has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Sylco Aviation, Inc. may be served with process via first class mail by service on its registered agent, Richard P. Budd, at P.O. Box 25128, Winston-Salem, North Carolina 27103.

30. ABT Group, LLC is an entity formed under the laws of North Carolina, and is owned primarily by Defendant Richard P. Budd. ABT Group, LLC has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, ABT Group, LLC may be served with process via first class mail by service on its registered agent, Richard P. Budd, at P.O. Box 25128, Winston-Salem, North Carolina 27103.

31. Budd Family Management, Inc. is a corporation formed under the laws of North Carolina, and is owned primarily by Defendant Richard P. Budd and/or Sylvia S. Budd. Budd Family Management, Inc. has acted in concert and participation with Defendant Richard P. Budd in connection with the fraudulent transfers that are the subject of this proceeding, and has been the recipient of such transfers. Pursuant to Fed. R. Bankr. P. 7004, Budd Family Management, Inc. may be served with process via first class mail by service on its registered agent, Richard P. Budd, at P.O. Box 25128, Winston-Salem, North Carolina 27103.

II.

JURISDICTION AND VENUE

32. This Court has jurisdiction of this action pursuant to 28 U.S.C. Section 1334 in that this action is a core proceeding under 28 U.S.C. Section 157 and also is related to the ABT bankruptcy case, under 28 U.S.C. §§ 1331, 1651, and 2201 et seq., and under principles of pendent, ancillary, supplemental, and inherent jurisdiction. The Court has personal jurisdiction over all Defendants because all actions alleged herein took place in the United States of America, and all Defendants are subject to nationwide service of process in this action. In addition, many of Defendants have filed proofs of claim in the ABT bankruptcy, acted as attorneys in the ABT bankruptcy, directly or indirectly participated in asset sales in the ABT bankruptcy, or otherwise submitted to the jurisdiction of this Court. All Defendants have engaged in actions that have had or will have the purpose and/or effect of impeding or frustrating the jurisdiction and judgment of this Court in the Budd Preference Case, of reducing the recoveries to the AgriBioTech Creditors' Trust, and frustrating the effectuation of the Plan in the ABT Bankruptcy. Defendants' actions have caused and will cause foreseeable injury in this District.

33. Venue of this action in this Court is proper because the bankruptcy case of ABT is in this Court, the Budd Preference Case is pending in this Court, and the Trustee is appointed by this Court. The actions of the Defendants described herein were undertaken with a view to frustrating the jurisdiction and judgment of this Court in the Budd Preference Case, to reducing the recoveries to the AgriBioTech Creditors' Trust, and to frustrating the effectuation of the Plan in the ABT Bankruptcy. The injuries resulting from Defendants' actions foreseeably have occurred in this District.

34. Plaintiff consents to the entry of a final order for relief by the Bankruptcy Court.

III.

FACTS

A. The Subsequent Transferees as to the June 8 Transfer.

35. Defendant Richard P. Budd was the Chairman and Chief Executive Officer of AgriBioTech, Inc (“ABT”) from late February 1999 until ABT filed bankruptcy on January 25, 2000 (the “ABT Bankruptcy”).

36. Sylvia S. Budd, Richard P. Budd’s wife, was active in business matters relating to ABT. She owned an aviation company, Sylco Aviation, Inc., that leased aircraft to ABT in 1999, and derived substantial revenue from leases to ABT.

37. During the year prior to the date when ABT filed bankruptcy, ABT made various preferential transfers to Richard P. Budd and an entity that he managed and largely owned, ABT Group, LLC. These preferential transfers, that are the subject of the Budd Preference Case, included a transfer on June 8, 1999 from ABT to Richard P. Budd of approximately \$10.054 million in payment of an antecedent debt (the “June 8 Transfer”). With the knowledge and consent of Richard P. Budd, the June 8 Transfer was made to an account of Richard P. Budd at Branch Bank & Trust (“BB&T”), and BB&T then swept those funds from that account to repay an outstanding loan from BB&T in the principal amount of \$10 million (the “BB&T Loan”).

38. The co-makers of the BB&T Loan (the “Co-Makers”) were Defendants Richard P. Budd, Sylvia S. Budd, Joseph R. Budd and his wife, Theodore Budd and his wife, John D. Budd and his wife, and Gerald S. Chrisco and his wife. As collateral for

the BB&T Loan, these Co-Makers had pledged to BB&T marketable securities in the approximate aggregate amount of \$12.5 million. Each of these Co-Makers knew, expected, and intended that funds of ABT, obtained through the preferential June 8 Transfer, would be used to repay their debt and to cause the release of their marketable securities from the pledge to BB&T. ABT had the same knowledge, expectation, and intention at the time it made the June 8 Transfer.

39. Upon receipt of the funds that ABT transferred to Richard P. Budd in the June 8 Transfer, BB&T notified the Co-Makers of the BB&T Loan that the Loan had been repaid, and caused the approximately \$12.5 million in marketable securities to be released from the pledge and thereby made available without restriction to the Co-Makers of the BB&T Loan.

40. As a result of the foregoing, the June 8 Transfer effectively was made not only to Defendant Richard P. Budd, but also to and for the benefit of Defendants Sylvia S. Budd, Joseph R. Budd and his wife, John D. Budd and his wife, to Theodore Budd and his wife, and to Gerald S. Chrisco and his wife. Each of such Defendants is a mediate and/or immediate transferees with respect to the preferential June 8 Transfer under Section 550 of the Bankruptcy Code.

B. The Subsequent Transferees of the ABT Group Transfer.

41. Additional preferential transfers were made to Defendant ABT Group, LLC on or about November 2, 1999, and January 18, 2000. ABT or its wholly-owned subsidiaries transferred to ABT Group, LLC deeds of trust and security interests in real estate in Oregon and California (the "ABT Group Transfer") to secure notes payable by

ABT to ABT Group, LLC in the principal amount of \$1.3 million that were otherwise unsecured.

42. After ABT's bankruptcy, ABT Group, LLC and a newly-formed entity, Defendant KRB Seed Company, LLC, arranged to use the allegedly secured debt owed by ABT to ABT Group, LLC to credit-bid for operating assets of the Debtor ABT. KRB Seed Company, LLC was owned 80 percent by Defendant Kenneth Budd, also a part owner of ABT Group, LLC and the nephew of Richard P. Budd, and 20 percent by Defendant Gerald S. Chrisco. KRB Seed Company, LLC used the credit-bid in part to acquire assets of the Debtor worth millions of dollars in July 2000. Thus, Defendants KRB Seed Company, LLC, Kenneth Budd, and Gerald Chrisco effectively got the financial benefit of the ABT Group Transfer, and are mediate or immediate transferees of the ABT Group Transfer under Section 550 of the Bankruptcy Code.

43. After the sale of ABT assets to KRB Seed Company, LLC in July 2000, KRB Seed Company, LLC effectively caused the amount of the ABT Group Transfer, plus interest, to be further transferred to or for the benefit of Defendants Richard P. Budd and/or Kenneth Budd. On August 1, 2000, KRB Seed Company LLC made what Richard P. Budd refers to as a "Loan" to ABT Group, LLC in the principal amount of \$3,750,000. Thereafter during 2000, KRB Seed Company, LLC made "loan" payments to ABT Group, LLC of approximately \$50,000 each in August, September, October, and November. On December 29, 2000, KRB Seed Company, LLC made a loan payment to ABT Group, LLC of approximately \$2.737 million. Loan payments from KRB Seed Company, LLC to ABT Group, LLC continued in the first half of 2001.

44. On or about August 1, 2001, ABT Group, LLC purportedly assigned to KRB Seed Company, LLC certain "conversion rights." On that date, KRB Seed Company, LLC executed a promissory note payable to ABT Group, LLC in the principal amount of approximately \$2.864 million, purportedly in payment for the assignment of such "conversion rights". On that date, KRB Seed Company, LLC also executed a separate promissory note payable to ABT Group, LLC in the principal amount of \$1 million.

45. Throughout the remainder of 2001, 2002, and 2003, KRB Seed Company, LLC made monthly "Note Payments" and/or "Loan Payments" to ABT Group, LLC. On or about November 1, 2001, KRB Seed Company, LLC paid ABT Group, LLC \$1 million, purportedly a payment of the "Loan Balance".

46. At the end of 2003, monthly payments from KRB Seed Company, LLC to ABT Group, LLC stopped. No such monthly payments were made in the first half of 2004. However on June 30, 2004, KRB Seed Company, LLC purportedly made a payment to ABT Group, LLC of \$2,744,212 to "Pay Off Note". However, that payment was in fact made to or for the benefit of Defendant Richard P. Budd and used by him in fraudulent transfers on June 30 and/or July 1, 2004 (the "June 30, 2004 Fraudulent Transfers") that are described hereinafter.

47. KRB Seed Company, LLC, Kenneth Budd, Gerald Chrisco, ABT Group, LLC and Richard P. Budd were mediate or immediate transferees of the ABT Group Transfer and/or obtained the benefit of the ABT Group Transfer under Section 550 of the Bankruptcy Code.

48. In addition, the recipients and beneficiaries of the June 2004 Fraudulent Transfers also were mediate or immediate transferees of the ABT Group Transfers and/or obtained the benefit of the ABT Group Transfer under Section 550 of the Bankruptcy Code.

C. The Budd Fraudulent Transfers – Budd Group Stock Transfers

49. As soon as ABT filed bankruptcy, it was clear that Richard P. Budd and entities primarily owned or controlled by him, including ABT Group, LLC, were likely targets of claims to be brought as a result of events that caused losses of tens of millions of dollars to ABT and/or its creditors.

50. In February 2000, WCSR applied to serve as special counsel to the Debtors in the ABT bankruptcy. In connection with WCSR's application to serve as special counsel to the Debtors in the ABT Bankruptcy, WCSR's partner, William Sullivan, declared to this Court under penalty of perjury that WCSR would not in the future represent Defendant Richard P. Budd or related persons or entities in any matter adverse to the Debtors. Based upon this declaration, this Court approved WCSR to serve as Special Counsel to the Debtors.

51. WCSR later applied to this Court for payment of its fees without further disclosure of any representation of Defendant Richard P. Budd or related persons or entities, and, upon information and belief, received approximately fifty thousand dollars in fees for such services.

52. Defendant Richard P. Budd received written notice of the potential claims against him by or on behalf of ABT no later than June 2000. Representatives of ABT creditors sent to Budd and others a letter dated June 6, 2000, outlining potential claims

against him and other former officers and directors of ABT. These claims specifically included a potential preference claims under the Bankruptcy Code relating to the June 8 Transfer of over \$10 million. This is a claim that was in fact asserted in the Budd Preference Action in this Court.

53. Thereafter, Richard P. Budd made a series of transfers of his stock in Budd Group, Inc., the janitorial, security, and landscaping services business that he had built and led for decades (the "Budd Group Transfers"). Budd Group, Inc. had revenues of almost \$50 million, and cash flow from operations of about \$2.7 million in 2001.

54. On or about December 31, 2000, Richard P. Budd made a gift of 2926 shares of stock in Budd Group, Inc., or about 2 percent of the stock, to his son, Defendant Theodore Budd. On or about April 30, 2001, Richard P. Budd transferred 31,687 shares of stock in Budd Group, Inc. to his son, Defendant Joseph R. Budd (over 20 percent); 31,687 shares of stock in Budd Group, Inc. to his son, Defendant Theodore Budd (over 20 percent); and 13,587 shares of stock in Budd Group, Inc. to Gerald Chrisco (9 percent). These transfers were made in return for promissory notes payable to Richard P. Budd in the approximate amounts of \$1,011,000 (Joseph R. Budd), \$1,008,000 (Theodore Budd), and \$212,000 (Gerald Chrisco). The principal amount of these promissory notes payable to Richard P. Budd, approximately \$2.2 million, was substantially less than the value of the 49 percent of Budd Group stock transferred by Richard P. Budd. Moreover, the notes signed by Joseph R. Budd and Theodore Budd were never paid to Richard P. Budd in accordance with their terms.

D. Budd Fraudulent Transfers – The LLC Transfers

55. The Plan in the ABT Bankruptcy was confirmed on April 10, 2001. The Disclosure Statement for this Plan outlined potential claims of ABT against ABT directors and officers, including claims that are part of the Budd Preference Case. The Plan provided for creation of the AgriBioTech Creditors' Trust (the "Trust"), the transfer to that Trust of all of ABT's litigation claims against Defendant Richard P. Budd and other ABT directors and officers, and the appointment of the Trustee to pursue such claims. The Trustee proceeded to retain attorneys to pursue such claims. This Court approved retention of such attorneys after a hearing in November 2001.

56. In or about December, 2001, Defendant Richard P. Budd with the advice and assistance of WCSR, created various entities to facilitate the transfer of various assets that would have been otherwise available to satisfy claims of his creditors, including the Trustee. Defendant Richard P. Budd created these entities with the active concert and participation of Defendants Sylvia S. Budd, Joseph R. Budd, John D. Budd, and Theodore Budd.

57. A purported purpose of the creation of these entities was for Richard P. Budd and Sylvia S. Budd to make purported gifts for the benefit of their children and grandchildren (while maintaining effective control of the properties "gifted") and minimizing taxes. An additional purpose for the creation of the entities was to hinder, delay, and/or defraud creditors of Richard P. Budd and Sylvia S. Budd, including the Trustee.

58. In connection with this plan, Defendant Richard P. Budd with the advice and assistance of WCSR caused the creation of Defendants Budd-Figure Eight, LLC,

Budd Farm, LLC, Budd-Bent Tree, LLC, North State Industrial Park, LLC, and Budd Family Management, Inc. as vehicles to carry out this plan. On December 20, 2001, Defendant Richard P. Budd and Sylvia Budd gratuitously transferred to these entities, without consideration, the following real estate: Richard P. Budd's and Sylvia S. Budd's residence valued at \$1,150,000 was transferred for no consideration to Budd-Bent Tree, LLC; Richard P. Budd's and Sylvia S. Budd's 290-acre farm valued at \$1,965,000 was transferred for no consideration to Budd Farm, LLC; and Richard P. Budd's and Sylvia S. Budd's resort home, valued at \$1,262,500 was transferred for no consideration to Budd-Figure Eight, LLC.

59. Despite these purported transfers to related entities in December 2001, Richard P. Budd and Sylvia S. Budd continued to possess and use each of these properties. Richard P. Budd also effectively controlled Budd-Bent Tree, LLC, Budd Farm, LLC, and Budd-Figure Eight, LLC through his control of Budd Family Management, Inc., the Manager of each such entity. These transactions were carefully structured with the advice and assistance of WCSR to give the appearance that there had been a transfer of these properties by Richard P. and Sylvia S. Budd, when in fact Richard P. Budd and Sylvia S. Budd retained effective possession, use and control of each property.

60. On or about December 28, 2001, as Richard P. Budd and WCSR had pre-planned, Richard P. Budd and Sylvia S. Budd made purported gifts of interests in Budd-Bent Tree, LLC, Budd Farm, LLC, and Budd-Figure Eight, LLC to their children, daughters-in-law, and grandchildren.

61. On or about January 2, 2002, as Richard P. Budd and WCSR had pre-planned, Richard P. Budd and Sylvia S. Budd made purported gifts of interests in Budd-Bent Tree, LLC, Budd Farm, LLC, and Budd-Figure Eight, LLC to their children, daughters-in-law, and grandchildren. Richard P. Budd and Sylvia S. Budd made similar sets of gifts of LLC interests to their children, daughters-in-law, and grandchildren on or about February 21, 2003, and January 2, 2004.

62. On or about January 22, 2002, the Trustee filed the Budd Preference Case, asserting a right to recover over \$10 million as a result of the June 8 Transfer to Defendant Richard P. Budd by ABT and over \$1.3 million as a result of the ABT Group Transfer.

63. Defendant Richard P. Budd and ABT Group, LLC appeared in this Court and answered the claims in the Budd Preference Case on April 16, 2002. This Court continues to have jurisdiction over Defendant Richard P. Budd, ABT Group LLC, and the Budd Preference Case today.

E. Budd Fraudulent Transfers – the North State Deal

64. Richard P. Budd and Sylvia S. Budd owned valuable commercial real estate (“North State Industrial Park”) that was used by Budd Group, KRB Seed Company, LLC, and other commercial users. With the advice and assistance of WCSR, Richard P. Budd caused the creation of North State Industrial Park, LLC in mid-2002. North State Industrial Park, LLC was owned by Joseph R. Budd, Theodore Budd, Kenneth Budd, and Gerald Chrisco.

65. In July 2002, Richard P. Budd and Sylvia S. Budd transferred the North State Industrial Park to the newly created North State Industrial Park, LLC. In return,

North State Industrial Park assumed approximately \$3 million in debt to Bank of America secured by North State Industrial Park and executed a note payable to Richard P. Budd in the approximate amount of \$1.8 million. This "North State Transfer" was for less than reasonably equivalent value and was made with the purpose to hinder, delay, and defraud creditors, including the Trustee. North State Industrial Park did not begin making payments on the note to Richard P. Budd until October 2002, and discontinued any such payments in February 2003. North State Industrial Park, LLC never paid the note to Richard P. Budd.

F. Budd Fraudulent Transfers – The 2004 Fraudulent Transfers

66. In the Budd Preference Case, Richard P. Budd and ABT Group, LLC took various actions for the purpose of delaying the progress of the case to a conclusion, and evading this Court's jurisdiction of that case. These actions included Motions to Stay Ruling that were filed in this Court and the United States District Court for the District of Nevada in late 2003. Both motions sought a delay in the consideration of a Motion for Partial Summary Judgment that the trustee filed with respect to the \$10 million preference claim arising out of the June 8 Transfer.

67. This Court scheduled a hearing for December 12, 2003 in the Budd Preference Case on the Trustee's Motion for Partial Summary Judgment and the Motion to Stay Rulings. On December 9, 2003, WCSR traveled to Richard P. Budd's office at his request for a "long conference." During this conference, Richard P. Budd provided WCSR with "factual information" and he "verbalized his objectives" regarding "the type of advice he was seeking."

68. On the next day, December 10, 2003, WCSR attorneys began work “regarding Richard Budd and the possibility of a lawsuit effecting his interests in three of his Limited Liability Companies.” This included an analysis of the “rights of a judgment creditor” who successfully attached Richard Budd’s interests in those limited liability companies.

69. At the hearing on December 12, 2003, the Court partially granted the Trustee’s Motion for Partial Summary Judgment against Richard P. Budd and denied the Motion to Stay Rulings, noting that they appeared to have been filed for purposes of delay.

70. On that same day of December 12, Richard P. Budd conferred with WCSR. Concerned that the Trustee would soon get a judgment against Richard P. Budd for over \$10 million, Budd and WCSR reviewed and discussed “multiple actions” they could take to hinder, delay, or defraud the Trustee as a creditor. After that meeting, Richard P. Budd and WCSR arrived at decisions on actions that they would take to hinder, delay, or defraud the Trustee, and WCSR promptly prepared a “list of action items.”

71. One of these “action items” was an attempt to disguise the fact that Richard P. Budd was and always had been in control of Budd-Bent Tree, LLC, Budd Farm, LLC, and Budd-Figure Eight, LLC (the “Family LLCs”) through Budd Family Management, Inc. Richard P. Budd and WCSR decided to do this by transferring Richard P. Budd’s stock in Budd Family Management Inc. to Sylvia S. Budd; making Sylvia S. Budd the nominal President of Budd Family Management, Inc.; and nominally removing Richard P. Budd as an officer of Budd Family Management, Inc. These

actions, allegedly taken on or about January 2, 2004, were a subterfuge, and Richard P. Budd continued to effectively control Budd Family Management, Inc. and these Family LLCs.

72. An additional “action item” was to transfer from Richard P. Budd and/or Sylvia S. Budd to these Family LLCs of valuable personal property and other “untitled assets.” WCSR and Richard P. Budd effected such transfers in January 2004 for no consideration or less than reasonably equivalent value.

73. On March 3, 2003, WCSR and Richard P. Budd brought in William Sullivan, the head of its bankruptcy practice, to further the efforts of Richard P. Budd and WCSR to hinder, delay, and defraud the Trustee as a creditor. WCSR thereafter began researching ways to exempt Richard P. Budd’s life insurance policies from creditors; to evade the Trustee and other creditors by titling property as “tenants by the entireties”; and ways to exempt “deferred compensation” from creditors.

74. On March 17 and 18, 2004, WCSR specifically researched and discussed whether “transferring non-exempt assets into exempt property could be considered a fraudulent conveyance.” On March 19, 2004, WCSR met with Richard P. Budd to discuss “bankruptcy planning” and to discuss the “risks attendant” to the actions they were considering to hinder, delay, and defraud the Trustee as a creditor. During the remainder of March 2004, WCSR researched and discussed “document retention requirements for documents showing assets.”

75. Thereafter, Richard P. Budd and WCSR agreed on an “asset protection plan” to defraud the Trustee as a creditor. A major part of this “asset protection plan” was for Richard P. Budd (and ABT Group, LLC) to fraudulently transfer to the Family

LLCs and to North State Industrial Park, LLC most of his remaining assets that would be available to the Trustee as a creditor. Richard P. Budd and WCSR planned to exchange these assets in return for a re-conveyance to Richard P. and Sylvia S. Budd “as tenants by the entirety” of their Budd-Bent Tree residence, the Budd Farm, the Budd resort property, and the North State Industrial Park.

76. One goal of Richard P. Budd and WCSR was to purportedly transfer assets of Richard P. Budd to the Family LLCs and North State Industrial Park, LLC and thereby evade the Trustee as a creditor with respect to those assets, while maintaining effective control of those LLCs. Another goal of Richard P. Budd and WCSR was to evade the Trustee as a creditor with respect to the remaining interests in the Family LLCs owned by Richard P. Budd and Sylvia S. Budd. Another goal of Richard P. Budd and Sylvia S. Budd was to place the Budd-Bent Tree residence, the Budd Farm, the Budd resort property, and North State Industrial Park, all of which were available to the Trustee as a creditor by reason of the earlier fraudulent transfers, in a purportedly “exempt” form of ownership that would further hinder, delay, and defraud the Trustee as a creditor.

77. On May 16, 2004, this Court conducted a further hearing on the Trustee’s Motion for Partial Summary Judgment with respect to the \$10 million preference claim against Richard P. Budd. The Court at the hearing announced that it would grant the Trustee’s Motion, and set forth on the record the Court’s findings. On June 10, 2004, the Court in the Budd Preference Case entered its Order (the “Summary Judgment Order”) granting partial summary judgment to the Trustee on all liability issues except the issues of insolvency and prejudgment interest in the Trustee’s claim arising out of the June 8 Transfer to Defendant Richard P. Budd in the amount of \$10,053,854.83.

78. On or about June 30, 2004, about three weeks after this Court entered the Summary Judgment Order in the Budd Preference Case, Defendant Richard P. Budd caused North State Industrial Park, LLC to transfer the North State Tract to Defendants Richard P. Budd and Sylvia S. Budd purportedly as “tenants by the entireties” (the “North State Transfer”). This action was taken with the active assistance and participation of WCSR, which then represented one or more of the Defendants in a manner adverse to the Trustee and ABT.

79. On or about June 30, 2004, about three weeks after this Court entered the Summary Judgment Order in the Budd Preference Case, Defendant Richard P. Budd caused Budd-Bent Tree, LLC to transfer the Budd Bent Tree Residence to Defendants Richard P. Budd and Sylvia S. Budd purportedly as “tenants by the entireties” (the “Residence Transfer”). These actions were taken with the active assistance and participation of WCSR, which then represented one or more of the Defendants in a manner adverse to the Trustee and ABT. The funds used in the 2004 Fraudulent Transfers were deposited in the bank accounts of WCSR, and WCSR actually disbursed the fraudulently transferred funds from its own bank account.

80. On or about June 30, 2004, about three weeks after this Court entered the Summary Judgment Order in the Budd Preference Case, on information and belief, Defendant Richard P. Budd caused Budd Farm, LLC to transfer the Budd Farm to Defendants Richard P. Budd and Sylvia S. Budd purportedly as “tenants by the entireties” (the “Farm Transfer”). These actions were taken with the active assistance and participation of WCSR, which then represented one or more of the Defendants in a manner adverse to the Trustee and ABT.

81. On or about June 30, 2004, about three weeks after this Court entered the Summary Judgment Order in the Budd Preference Case, on information and belief, Defendant Richard P. Budd caused Budd Figure Eight, LLC, to transfer the Budd resort property to Defendants Richard P. Budd and Sylvia S. Budd purportedly as “tenants by the entireties” (the “Figure Eight Transfer”). This action was taken with the active assistance and participation of WCSR, which then represented one or more of the other Defendants in a manner adverse to the Trustee and ABT.

82. In connection with these 2004 Fraudulent Transfers, Richard Budd transferred approximately \$4.8 million in cash to or on behalf of the Family LLCs and North State Industrial Park, LLC, all of which would otherwise have been available to satisfy the amounts owed to the Trustee as a creditor. Over \$2.7 million of this cash was transferred directly from KRB Seed Company, LLC in purported repayment of amounts it owed to ABT Group, LLC.

83. In connection with these 2004 Fraudulent Transfers, Richard Budd transferred approximately \$2 million in promissory notes owed by his sons to or on behalf of the Family LLCs, all of which would otherwise have been available to satisfy the amounts owed to the Trustee as a creditor. In connection with these 2004 Fraudulent Transfers, Richard Budd forgave approximately \$1.7 million in promissory notes owed by North State Industrial Park, LLC, all of which would otherwise have been available to satisfy the amounts owed to the Trustee as a creditor. In connection with these 2004 Fraudulent Transfers, Richard P. Budd transferred and caused the transfer to the Family LLCs of ownership interests in those Family LLCs with a purported value of \$2 million,

all of which would otherwise have been available to satisfy the amounts owed to the Trustee as a creditor.

84. Thus, in the 2004 Fraudulent Transfers, Richard P. Budd caused the transfer of property having an aggregate value of over \$10 million, and obtained in return only real estate that Budd claims is exempt from creditors such as the Trustee.

85. Richard P. Budd and ABT Group, LLC did not disclose the 2004 Fraudulent Transfers to the Trustee, but instead concealed them. Richard P. Budd and ABT Group, LLC, through their counsel, have asserted to the Trustee and his counsel that there are insufficient assets available to satisfy the expected judgment in favor of the Trustee in the Budd Preference Case, and therefore that Richard P. Budd effectively is insolvent.

IV.

FIRST CAUSE OF ACTION

(Violation of Section 550 of the Bankruptcy Code)

86. The Trustee realleges Paragraphs 1 through 85 herein.

87. Defendants Sylvia S. Budd, Joseph R. Budd and his wife Amanda, Theodore Budd and his wife Amy, John D. Budd and his wife Karen, and Gerald Chrisco and his wife Leeann, were mediate and/or immediate transferees of the funds that were the subject of the June 8 Transfer, and are liable to the Trustee for the value thereof pursuant to Section 550 of the Bankruptcy Code.

88. Defendants Sylvia S. Budd, Joseph R. Budd and his wife Amanda, Theodore Budd and his wife Amy, John Budd and his wife Karen, and Gerald Chrisco

and his wife Leeann are persons who received the benefit of the June 8 Transfer, and are liable to the Trustee for the value thereof pursuant to Section 550 of the Bankruptcy Code.

89. The funds transferred pursuant to the June 8 Transfer were used to satisfy a debt to BB&T that was secured by a lien on approximately \$12.5 million in marketable securities owned by Richard P. Budd, Sylvia S. Budd, Joe Budd and his wife, Ted Budd and his wife, John Budd and his wife, and Gerald Chrisco and his wife. The Trustee is entitled to and seeks the imposition and foreclosure of an equitable lien in an amount in excess of \$10 million on such marketable securities, and all property of such Defendants traceable thereto, in order to prevent unjust enrichment of such Defendants.

SECOND CAUSE OF ACTION

(Violation of Section 550 of the Bankruptcy Code)

90. The Trustee realleges Paragraphs 1 through 89 herein.

91. Defendants KRB Seed Company, LLC, Kenneth, Budd, Gerald Chrisco, ABT Group, LLC, and Richard P. Budd were mediate and/or immediate transferees of the funds that were the subject of the ABT Group Transfer, and are liable to the Trustee for the value thereof pursuant to Section 550 of the Bankruptcy Code.

92. Defendants KRB Seed Company, LLC, Kenneth, Budd, Gerald Chrisco, ABT Group, LLC, and Richard P. Budd are persons who received the benefit of the June 8 Transfer, and are liable to the Trustee for the value thereof pursuant to Section 550 of the Bankruptcy Code.

THIRD CAUSE OF ACTION

(Violation of Section 550 of the Bankruptcy Code)

93. The Trustee realleges Paragraphs 1 through 92 herein.

94. The proceeds of the ABT Group Transfer were owed by KRB Seed Company, LLC to ABT Group, LLC. In connection with the 2004 Fraudulent Transfers, more than \$2.7 million of such proceeds were transferred to Richard P. Budd and WCSR, and then to or for the benefit of the Family LLCs and North State Industrial Park, LLC. Defendants Budd-Bent Tree, LLC, Budd Farm, LLC, Budd-Figure Eight, LLC, North State Industrial Park, LLC, and WCSR were mediate and/or immediate transferees of the funds that were the subject of the ABT Group Transfer, and are liable to the Trustee for the value thereof pursuant to Section 550 of the Bankruptcy Code.

95. Defendants Budd-Bent Tree, LLC, Budd Farm, LLC, Budd-Figure Eight, LLC, North State Industrial Park, LLC, and WCSR are persons who received the benefit of the June 8 Transfer, and are liable to the Trustee for the value thereof pursuant to Section 550 of the Bankruptcy Code.

FOURTH CAUSE OF ACTION

(Transfers to Hinder, Delay or Defraud Creditors)

96. The Trustee realleges Paragraphs 1 through 95 herein.

97. The Budd Group Stock Transfers, the LLC Transfers, the North State Deal, and the 2004 Fraudulent Transfers were transfers of property made by debtors with

respect to the Trustee with the intent to hinder, delay, and/or defraud creditors of Defendant Richard P. Budd, including the Trustee.

98. The Trustee is entitled under the Uniform Fraudulent Transfer Act, as enacted in applicable states, to avoid the Budd Group Stock Transfers, the LLC Transfers, the North State Deal, and the 2004 Fraudulent Transfers, and all other fraudulent transfers referred to herein, and to recover from the transferees the property so transferred or the value thereof, to the extent necessary to satisfy the Trustee's claims against Defendant Richard P. Budd and ABT Group, LLC, including any judgment of this Court to be entered against Richard P. Budd and/or ABT Group, LLC in the Budd Preference case. The Trustee further is entitled to all other appropriate relief against any and all Defendants under the Uniform Fraudulent Transfer Act and the principles of equity.

FIFTH CAUSE OF ACTION

(Transfers for Less Than Reasonably Equivalent Value)

99. The Trustee realleges Paragraphs 1 through 98 herein.

100. The Budd Group Stock Transfers, the LLC Transfers, the North State Deal, and the 2004 Fraudulent Transfers were transfers made by debtors with respect to the Trustee without receiving reasonably equivalent value in exchange for the transfer, and the applicable debtor was insolvent at that time or the debtor became insolvent as a result of the transfer.

101. The Trustee is entitled under the Uniform Fraudulent Transfer Act, as enacted in applicable states, to avoid the Budd Group Stock Transfers, the LLC

Transfers, the North State Deal, and the 2004 Fraudulent Transfers, and all other fraudulent transfers referred to herein, and to recover from the transferees the property so transferred or the value thereof, to the extent necessary to satisfy the Trustee's claims against Defendant Richard P. Budd and ABT Group, LLC, including any judgment of this Court to be entered against Richard P. Budd and the ABT Group, LLC in the Budd Preference case. The Trustee further is entitled to all other appropriate relief against any and all Defendants under the Uniform Fraudulent Transfer Act and the principles of equity.

SIXTH CAUSE OF ACTION

(Inter-Spousal Transfers for Less Than Reasonably Equivalent Value)

102. The Trustee realleges Paragraphs 1 through 101 herein.

103. The transfers of property described herein after June 6, 2000 from Richard P. Budd to Sylvia S. Budd were transfers made by debtors with respect to the Trustee with the intent to hinder, delay, and/or defraud creditors and were transfers made without receiving reasonably equivalent value in exchange for the transfer, and the applicable debtor was insolvent at that time or the debtor became insolvent as a result of the transfer.

104. The Trustee is entitled under the Uniform Fraudulent Transfer Act, as enacted in applicable states, to avoid such fraudulent transfers referred to herein, and subsequent fraudulent transfers by Sylvia S. Budd of property fraudulently transferred to her, and to recover from the transferees the property so transferred or the value thereof, to the extent necessary to satisfy the Trustee's claims against Defendant Richard P. Budd and ABT Group, LLC, including any judgment of this Court to be entered against

Richard P. Budd and the ABT Group, LLC in the Budd Preference case. The Trustee further is entitled to all other appropriate relief against any and all Defendants under the Uniform Fraudulent Transfer Act and the principles of equity.

SEVENTH CAUSE OF ACTION

(Civil Conspiracy)

105. The Trustee realleges Paragraphs 1 through 104 hereof.

106. On information and belief, Defendants each conspired with each other, directly or through their agents or custodians, to defraud creditors of Defendant Richard P. Budd and ABT Group, LLC, including the Trustee, with the intention to cause tortious injury to the Trustee and to frustrate the jurisdiction and expected judgment of this Court in the Budd Preference Case.

107. On information and belief, Defendants directly or through their agents or custodians, committed one or more overt acts pursuant to the conspiracy among them, including but not limited to effecting the transfers described herein and engaging in acts in this District with the purpose and effect of delaying the entry and/or collection of judgment by this Court against Richard P. Budd and ABT Group, LLC in the Budd Preference Case

108. As a direct and proximate result of such conspiracy, Defendants have damaged the Trustee in an amount in excess of \$10 million, and each Defendant is jointly and severally liable to the Trustee for such damage.

109. Defendants engaged in such conspiracy with that state of mind for which the law permits the imposition of exemplary or punitive damages. The Trustee is entitled

to recover exemplary or punitive damages from each of Defendants in an amount in excess of \$10 million.

EIGHTH CAUSE OF ACTION

(Aiding, Abetting, and Facilitating Fraudulent Transfers)

110. The Trustee realleges Paragraphs 1 through 109 herein.

111. On information and belief, Defendants, directly or through their agents or custodians, each aided and abetted each other to hinder, delay, and/or defraud creditors of Defendant Richard P. Budd, including the Trustee, and facilitated fraudulent transfers, with the intention to cause tortious injury to the Trustee in this District and to frustrate the jurisdiction and expected judgment of this Court in the Budd Preference Case.

112. As a direct and proximate result of such aiding, abetting, and facilitation, Defendants have damaged the Trustee in an amount in excess of \$10 million, and each Defendant is jointly and severally liable to the Trustee for such damage.

113. Defendants engaged in such tortuous conduct with that state of mind for which the law permits the imposition of exemplary or punitive damages. The Trustee is entitled to recover exemplary or punitive damages from each of Defendants in an amount in excess of \$10 million.

NINTH CAUSE OF ACTION

(Alter Ego)

114. The Trustee realleges Paragraphs 1 through 113 hereof.

115. On information and belief, Defendant Richard P. Budd created and/or used North State Industrial Park, LLC, Budd-Figure Eight, LLC, Budd-Bent Tree, LLC, Budd Farm, LLC, Budd Family Management, Inc., Sylco Aviation, Inc., and ABT Group, LLC as a sham to perpetrate a fraud on his creditors, including the Trustee, and as his alter ego.

116. As a result, the purported separate entity status of North State Industrial Park, LLC, Budd-figure Eight, LLC, Budd-Bent Tree, LLC, Budd Farm, LLC, Budd Family Management, Inc., Sylco Aviation, Inc., and ABT Group, LLC should be disregarded if and to the extent necessary for this Court to do equity and provide the relief to the Trustee to which he is entitled.

TENTH CAUSE OF ACTION

(Violation of Professional and Fiduciary Duties Including Duties under the Bankruptcy Code and Rules of this Court)

117. The Trustee realleges Paragraphs 1 through 116 hereof.

118. WCSR undertook to represent ABT in its bankruptcy case and represented to this Court that it would not represent Defendant Richard P. Budd or related persons or entities in the future in any matter adverse to the Debtors. WCSR further sought and obtained admission *pro hac vice* to practice law in this Court in connection with its representation of the Debtors in the ABT bankruptcy. In so doing, WCSR obligated itself to comply with the applicable rules of this Court, including the Model Rules of

Professional Conduct applicable pursuant to the Rules of the Supreme Court of Nevada, and subjected itself to the supervision and jurisdiction of this Court.

119. In its actions on behalf of Defendant Richard P. Budd and related persons and entities described herein, including but not limited to those actions of WCSR in or about June 2004 described herein, Womble acted inconsistently with its representation to this Court and its professional duties to ABT and the Trustee, who has succeeded to the rights and claims of the Debtors. WCSR further violated its duties under applicable rules to refrain from interference with the processes, proceedings, and judgment of this Court in the Budd Preference Case; to refrain from impermissible conflicts of interest; violated 11 U.S.C. §§ 327, 328, 330; and to refrain from actions that constitute or result in a fraud on the Court, ABT, and the Trustee.

120. As a result of such conduct, WCSR should be required to disgorge all amounts paid to it by ABT in connection with its representation of the Debtors in the ABT bankruptcy case, and WCSR is liable to the Trustee for all damages proximately caused to the Trustee as a result of such conduct, which exceed \$10 million.

ELEVENTH CAUSE OF ACTION

(Preliminary and Permanent Injunction and Other Equitable Relief)

121. The Trustee realleges Paragraphs 1 through 120 herein.

122. The Trustee is entitled under the Uniform Fraudulent Transfer Act as enacted in applicable states, under 28 U.S.C. § 1651, under Section 105 of the Bankruptcy Code, and under principles of equity, to preliminary and permanent injunctive relief against all Defendants to restrain them from further dispositions of real

property (and/or the proceeds of any such dispositions) without leave of this Court, prior to final judgment in the Budd Preference Case and satisfaction of any judgment in favor of Trustee that may result from the Budd Preference Case

123. The Trustee is further entitled to such permanent injunctive and other equitable relief against Defendants as is necessary or appropriate under the Uniform Fraudulent Transfer Act, Section 105 of the Bankruptcy Code, and other principles of law and equity.

124. Such preliminary and permanent injunctive and other equitable relief is necessary to prevent immediate and irreparable harm to the Trustee for which there is no adequate remedy at law, in that further such transfers of real property may result in the judgments to be rendered in favor of the Trustee to become uncollectable, and/or because further transfers will result in substantial delay and unrecoverable expense to the Trustee in collecting amounts owed to him for the benefit of the beneficiaries of the AgriBiotech Creditors' Trust.

125. If and when the Trustee recovers judgments in the Budd Preference Case or otherwise against Defendant Richard P. Budd and/or ABT Group, LLC which are enforceable but are not satisfied, the Trustee is entitled under the Uniform Fraudulent Transfer Act as enacted in applicable states, and under principles of equity, to (a) injunctive relief as necessary to cause the application of any property that has been the subject of a fraudulent transfer as set forth above to levy of execution or otherwise to satisfaction of the debts owed to the Trustee; and/or (b) declaratory relief to establish judicially that the purported transfers that are the subject of this action are void and of no effect, to declare the true ownership of property purportedly transferred, to declare that

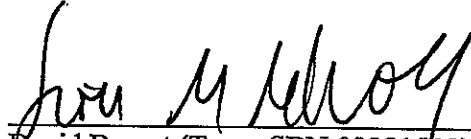
property purportedly held by spouses as tenants by the entireties is subject to the debts and/or judgments owed to the Trustee; and to declare and foreclose on equitable liens on property purportedly held by Defendants; (c) an award of the Trustee's reasonable attorney's fees herein by reason of the bad faith, wanton, and vexatious conduct of Defendants and (d) such other equitable relief as is necessary to ensure that justice is done and the enforceable judgments lawfully owed to the Trustee by Defendant Richard P. Budd and ABT Group, LLC are fully satisfied and that the costs of this proceeding, including reasonable attorneys fees, are borne by the Defendants, rather than by the beneficiaries of the AgriBiotech Creditors Trust for whom the Trustee acts.

WHEREFORE Anthony H. N. Schnelling, Trustee of the AgriBioTech Creditors' Trust, prays that each Defendant be required to appear and answer herein, and that upon hearing and trial of this matter, he shall recover as follows:

- i. preliminary and permanent injunctive and other relief as set forth above;
- ii. judgment for actual and exemplary damages as set forth above;
- iii. judgment against Defendants for recovery of all assets transferred in violation of law and/or the application of such assets to satisfaction of the amounts owed by Defendants to the Trustee; for declaratory relief; for disgorgement; and for all other relief set forth above;
- iv. for reasonable attorney's fees and costs of suit; and
- v. such other and further equitable or other relief as may be appropriate.

Dated this 6th day of December 2004.

Respectfully submitted,



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