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Westbury, New York 11590
I.D. No.: 11-3261335
trp-8535
asm-2780

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

Case No. 04-81814-288 (sb)

HECTOR GUEVARA,

Chapter 7

Debtor.

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ROBERT L. PRYOR, as Chapter 7 Trustee of the
Bankruptcy Estate of Hector Guevara,

Adv. Pro. No.

Plaintiff,

COMPLAINT

- against -

CHURCH OF SCIENTOLOGY INTERNATIONAL,
INTERNATIONAL ASSOCIATION OF
SCIENTOLOGISTS,
CHURCH OF SCIENTOLOGY OF NEW YORK,
US IAS MEMBERS TRUST,
CHURCH OF SCIENTOLOGY RELIGIOUS TRUST,
and CHURCH OF SCIENTOLOGY FLAG SERVICE
ORGANIZATION, INC.,

Defendants.

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Plaintiff, Robert L. Pryor, the Chapter 7 Trustee of the bankruptcy estate of Hector Guevara (“Debtor”), the debtor in the above-captioned Chapter 7 case, by his attorneys, Pryor & Mandelup, L.L.P., for his Complaint in the above adversary proceeding as against Defendants Church of Scientology International (“CSI”), International Association of Scientologists (“IAS”), Church of Scientology of New York (“CSNY”), US IAS Members Trust (“MT”), Church of Scientology Religious Trust (“CSRT”), and

Church of Scientology Flag Service Organization, Inc. ("FSO") (collectively, "Defendants"), alleges as follows:

PARTIES

1. On March 19, 2004 (the "Filing Date"), the Debtor filed a voluntary petition for relief under Chapter 7 of Title 11 of the Bankruptcy Reform Act of 1978.

2. On March 19, 2004, Robert L. Pryor was appointed interim trustee for the bankruptcy estate of the Debtor.

3. On May 3, 2004, the First Meeting of Creditors, pursuant to 11 U.S.C. §341(a), was held in the Debtor's case, at which time Robert L. Pryor became the permanent trustee of Debtor's bankruptcy estate (the "Trustee").

4. The Trustee is duly appointed, qualified and acting as trustee of the bankruptcy estate of the Debtor and, as such, is authorized to commence and prosecute this action, pursuant to 11 U.S.C. § 323(b) and Rule 6009 of the Federal Rules of Bankruptcy Procedure.

5. Upon information and belief, Defendant CSI is a religious organization having its place of business at 6331 Hollywood Boulevard, Suite 1200, Los Angeles, CA 90028-6329.

6. Upon information and belief, CSI is the mother church of the Scientology religion and is the organization which does business through and controls the activities of various Scientology entities, including the other Defendants.

7. Upon information and belief, Defendant IAS is the official membership organization of Scientology with its address at P.O. Box 899, Clearwater, FL 33757.

8. Upon information and belief, Defendant CSNY is a not-for-profit corporation organized and existing under the laws of the State of New York with its principal place of business at 227 West 46th Street, New York, NY 10036, and is the New York division of CSI.

9. Upon information and belief, Defendant MT is a trust established to raise tax-deductible contributions from IAS members in the United States for the benefit of CSI and its affiliated entities, and has a place of business at P.O. Box 899, Clearwater, FL 33757.

10. Upon information and belief, Defendant CSRT is a trust established to solicit donations for the benefit of CSI and its affiliated entities from IAS members, and has a place of business at 319 South Garden Avenue, Clearwater, FL 33756.

11. Upon information and belief, FSO is a corporation organized and existing under the laws of the State of Florida with its place of business at 503 Cleveland Street, Clearwater, FL 33755, which sells services to Scientologists.

12. Upon information and belief, Defendants IAS, CSNY, MT, CSRT, and FSO are alter egos and/or divisions of CSI.

HYTECH

13. Upon information and belief, Hytech Industries, Corp. (“Hytech”) is a corporation organized and existing under the laws of the State of Delaware and is authorized to do business in the State of New York, with an address at 27 Nicole Court, Bohemia, NY 11716.

14. Upon information and belief, at all relevant times, Debtor was the shareholder of Hytech.

15. Upon information and belief, at all relevant times, Debtor caused Hytech to operate without adherence to corporate formalities and in such a manner that Debtor and Hytech were the alter egos of each other.

LEGAL BASIS FOR COMPLAINT

16. This is an adversary proceeding commenced: (i) against Defendants, pursuant to 11 U.S.C. § 548(a), for judgment avoiding, as fraudulent conveyances, certain transfers of money by the Debtor to Defendants; (ii) against Defendants, pursuant to 11 U.S.C. § 544 and New York Debtor and Creditor Law (“DCL”) §§ 273, 273-a, 275, 276, 276-a, 278 and 279, for judgment avoiding, as fraudulent conveyances, certain transfers by the Debtor to Defendants; (iii) against Defendants pursuant to 11 U.S.C. § 550(a)(1), as transferees, for recovery of the monies transferred by Debtor to Defendants, plus interest thereon from the date of each transfer; and (iv) against Defendants, pursuant to 11 U.S.C. § 105(a), for judgment for the value of the monies transferred by the Debtor to Defendants, by which Defendants were unjustly enriched.

JURISDICTION

17. This Court has core jurisdiction over this adversary proceeding, pursuant to 28 U.S.C. § 157(b)(2)(A), (H), and (O), as it arises in and under and/or relates to the above-captioned Chapter 7 case. In the event that this Court determines that any cause of action set forth herein is not a core proceeding, then in such event, the Trustee consents to the issuance by this Court of final conclusions of law and findings of fact with respect thereto.

VENUE

18. Venue is proper in this District, pursuant to 28 U.S.C. § 1409(a).

DEBTOR'S TRANSFERS TO MT

19. Upon information and belief, the following transfers were made by Debtor to MT by the following checks drawn on Debtor's account no. 281-003609-1 at the Suffolk County National Bank ("SCNB") in the following amounts (the "MT Check Transfers"):

<u>Check No.</u>	<u>Date</u>	<u>Amount</u>
529	June 23, 2002	\$5,000.00
532	June 30, 2002	\$2,000.00
535	July 7, 2002	\$5,000.00
537	July 13, 2002	\$1,500.00
539	July 21, 2002	\$28,000.00
594	July 11, 2003	\$100.00
605	August 12, 2003	\$250.00
622	November 2, 2003	<u>\$500.00</u>
	Total:	\$42,350.00

20. Upon information and belief, on or about September 30, 2001, Debtor caused to be transferred to MT the sum of \$1,000.00 by use of an American Express credit card for which Debtor was personally liable (the "MT Amex Transfer").

21. Upon information and belief, additional transfers in amounts not yet determined were made by Debtor to MT, during the six years prior to the Filing Date (the "Additional MT Transfers"), (the MT Check Transfers, the MT Amex Transfer, and the MT Additional Transfers hereafter are referred to collectively as the "MT Transfers".)

DEBTOR'S TRANSFERS TO CSI/CSNY

22. Upon information and belief by check No. 601 dated August 12, 2003 drawn on Debtor's account No. 281-003609-1 at SCNB in the amount of \$1,000.00 and check No. 624 dated November 12, 2003 drawn on the same account in the amount of \$350.00, and by additional check or checks drawn on Debtor's accounts on or about April 1, 2003, in the aggregate amount of \$7,850.00 Debtor transferred to CSI and/or CSNY not less than \$9,200.00, (collectively the "CSI/CSNY Check Transfers").

23. Upon information and belief during the six years prior to the Filing Date, Debtor made additional transfers to CSI and/or CSNY, in presently undetermined amounts (the "CSI/CSNY Additional Transfers"). (The CSI/CSNY Check Transfers and the CSI/CSNY Additional Transfers hereafter referred to collectively as the "CSI/CSNY Transfers".)

DEBTOR'S TRANSFERS TO CSRT

24. Upon information and belief, Debtor made the following transfers to CSRT by the following checks drawn on Debtor's account No. 281-003609-1 at SCNB (the "CSRT Check Transfers"):

Check No. 531 - July 27, 2002 -	\$1,000.00
Check No. 534 - July 3, 2002 -	\$5,000.00
Check No. 536 - July 10, 2002 -	\$1,500.00
Check No. 606 - August 23, 2003 -	<u>\$ 250.00</u>

Total: \$7,750.00

25. Upon information and belief, additional transfers, in presently undetermined amounts, were made by Debtor to Defendant CSRT, during the six years prior to the Filing Date (the "Additional CSRT Transfers"). (The CSRT Check Transfers and the Additional CSRT Transfers hereafter are referred to collectively as the CSRT Transfer.)

DEBTOR'S TRANSFERS TO MT AND/OR CSRT

26. Upon information and belief, by check no. 541, dated July 29, 2002, drawn on Debtor's account no. 281-003609-1 at SCNB, Debtor transferred \$120,000.00 to MT and/or CSRT (the "MT/CSRT Transfer").

DEBTOR'S TRANSFERS TO IAS

27. Upon information and belief, by check No. 538 dated July 16, 2002 drawn on Debtor's account No. 281-00360-9-1 at SCNB, Debtor transferred to IAS the sum of \$4,643.00 (the "IAS Check Transfer").

28. Upon information and belief, during the six years prior to the Filing Date, Debtor made additional transfers to IAS in presently undetermined amounts (the "Additional IAS Transfers"). (The IAS Check Transfer and the IAS Additional Transfers hereafter are referred to collectively as the "IAS Transfers".)

DEBTOR'S TRANSFERS TO FSO

29. Upon information and belief, Debtor made the following transfers to FSO by the following checks drawn on Debtor's account No. 281-003609-1 at SCNB (the "FSO Transfers"):

Check No. 511 - February 14, 2002 -	\$ 5,180.00
Check No. 569 - January 6, 2003 -	\$ 124.99

Check No. 618 - October 28, 2003 -	\$ 2,500.00
Unknown Check Nos. - on or about January 9, 2002 -	<u>\$ 4,960.00</u>
Total:	\$12,764.99

30. Upon information and belief, by charges made on American Express and Visa credit card accounts for which Debtor was personally liable, Debtor made the following transfers to FSO (the “FSO Credit Card Transfers”):

<u>Date</u>	<u>Credit Card</u>	<u>Amount</u>
September 9, 2001	American Express	\$ 380.00
September 18, 2001	American Express	\$ 5,407.19
September 26, 2001	American Express	\$ 780.00
October 8, 2001	American Express	\$ 5,000.00
March 21, 2002	Visa	\$ 57.60
March 21, 2002	Visa	\$ 542.91
May 21, 2002	Unknown	\$ 607.86
July 11, 2002	American Express	\$ 380.00
July 12, 2002	American Express	<u>\$ 2,890.00</u>
	Total:	\$16,045.56

31. Upon information and belief, during the six years prior to the Filing Date, Debtor made additional transfers to FSO in amounts not presently determined (the “Additional FSO Transfers”). (The FSO Check Transfers, the FSO Credit Card Transfers, and the Additional FSO Transfers hereafter are referred to collectively as the “FSO Transfers”).)

THE HYTECH TRANSFERS

32. Upon information and belief, the following transfers were made by Hytech on behalf of Debtor to the following Defendants (the “Hytech Check and Credit Card Transfers”):

<u>Payee</u>	<u>Institution</u>	<u>Account No.</u>	<u>Check No.</u>	<u>Date</u>	<u>Amount</u>
MT	SCNB	281-00391-1	6	July 2, 2002	\$27,000.00
FSO	SCNB	281-00391-1	Unnumbered	October 18, 2001	\$28,187.80
FSO	American Express			September 20, 2001	\$ <u>380.00</u>
Total:					\$55,567.80

33. Upon information and belief, during the six years prior to the Filing Date, additional transfers were made to Defendant Hytech, on behalf of Debtors in amounts not yet determined (the “AdditionalHytech Transfers”). (The Hytech Check and Credit Card Transfers and the Additional Hytech Transfers hereafter are referred to collectively as the “Hytech Transfers”).)

CSI

34. Upon information and belief, all of the Transfers were received by the respective Defendants for the benefit of Defendant CSI as well as the respective Defendants receiving the Transfers.

COUNT I
(FRAUDULENT CONVEYANCE - 11 U.S.C. § 548(a))

35. The Trustee realleges each allegation contained in Paragraphs “1” through “34” herein.

36. Upon information and belief, some portion of the MT Transfers, the CSRT Transfers, the MT/CSRT Transfers, the CSI/CSNY Transfers, the IAS Transfers, the FSO Transfers, and the Hytech Transfers (collectively, the “Transfers”), in an amount not presently determined, constitutes transfers of an interest of the Debtor in property that were made on or within one (1) year prior to the Filing Date.

37. Upon information and belief, the One Year Transfers were made with actual intent

to hinder, delay or defraud one or more entities to which Debtor was or became indebted, on or after the date of the One Year Transfers.

38. Upon information and belief, Debtor received no consideration or less than a reasonably equivalent value in exchange for the One Year Transfers.

39. Upon information and belief, Debtor was insolvent on the dates of the One Year Transfers or became insolvent as a result of said Transfers.

40. Upon information and belief, at the time of each of the One Year Transfers, Debtor intended to incur, or believed that he would incur, debts that would be beyond Debtor's ability to pay as such debts matured.

41. By reason of the foregoing, the Trustee is entitled to judgment declaring each of the One Year Transfers avoided, pursuant to 11 U.S.C. § 548(a)(1).

COUNT II
(FRAUDULENT CONVEYANCE - 11 U.S.C. § 544(a)
and (b) and DCL §§ 273, 278 and 279)
(Conveyances by Insolvent)

42. The Trustee realleges each allegation contained in Paragraphs "1" through "34" herein.

43. Each of the Transfers constituted a "conveyance," as that term is defined in DCL § 270.

44. Upon information and belief, at the time of each of the Transfers, Debtor was insolvent, or was rendered insolvent thereby.

45. Upon information and belief, Debtor did not receive fair consideration for any of the Transfers.

46. By reason of the foregoing, pursuant to DCL § 273, the Transfers each were fraudulent as to Debtor's creditors.

47. Upon information and belief, at the time of each of the Transfers, Debtor had creditors with matured unsecured claims allowable under 11 U.S.C. § 502, which creditors would have been entitled to avoid the Transfers, pursuant to DCL § 278(1) and DCL § 273.

48. Upon information and belief, at the time of each of the Transfers, Debtor had creditors with unmatured unsecured claims allowable under 11 U.S.C. § 502, which creditors would have been entitled to avoid the Transfers, pursuant to DCL § 279(c) and DCL § 273.

49. By reason of the foregoing, pursuant to 11 U.S.C. § 544(b)(1), the Trustee may avoid each of the Transfers.

50. Pursuant to DCL §§ 273, 278 and 279, the Transfers would have been avoidable by: (i) a creditor that extended credit to Debtor at the time of the commencement of Debtor's bankruptcy case, and that obtained, at such time, and with respect to such credit, a judicial lien on all property on which a creditor on a simple contract could have obtained such a judicial lien; (ii) a creditor that extended credit to Debtor at the time of the commencement of Debtor's bankruptcy case, and obtained, at such time and with respect to such credit, execution against Debtor that is returned unsatisfied at such time; and (iii) a *bona fide* purchaser of real property, other than fixtures, from Debtor against whom applicable law permits

such transfer to be perfected, that obtains the status of a *bona fide* purchaser and has perfected such transfer at the time of the commencement of Debtor's bankruptcy case.

51. By reason of the foregoing, pursuant to DCL §§ 273, 278 and 279, and 11 U.S.C. § 544(a), the Trustee may avoid each of the Transfers.

52. By reason of the foregoing, the Trustee is entitled to judgment declaring each of the Transfers avoided, pursuant to 11 U.S.C. § 544(a) and (b).

COUNT III
(FRAUDULENT CONVEYANCE - 11 U.S.C. § 544(a) and (b)
and DCL §§ 275, 278 and 279)
(Conveyances by Person About to Incur Debts)

53. The Trustee realleges each allegation contained in Paragraphs "1" through "34" herein.

54. Upon information and belief, each of the Transfers made after the commencement of the action entitled "Guevara v. Guevara", in the Supreme Court of the State of New York, County of Suffolk, Index No. 02-15512 (the "Defendant Transfers") was made without fair consideration and was made when Debtor was a defendant in an action for money damages or after a judgment had been docketed against Debtor.

55. Upon information and belief, after final judgment was entered for the plaintiff in the action entitled "Guevara v. Guevara", Debtor failed to satisfy the judgment.

56. By reason of the foregoing, the Defendant Transfers were fraudulent as to the plaintiffs in the action pending against Debtor.

57. Upon information and belief, at the time of each of the Transfers, Debtor was insolvent, or was rendered insolvent thereby.

58. Upon information and belief, Debtor did not receive fair consideration for any of the Defendant Transfers.

59. Upon information and belief, at the time of each of the Defendant Transfers, Debtor had creditors with matured unsecured claims allowable under 11 U.S.C. § 502, which creditors would have been entitled to avoid the Defendant Transfers, pursuant to DCL § 278(1) and DCL § 273-a.

60. Upon information and belief, at the time of each of the Defendant Transfers, Debtor had creditors with unmatured unsecured claims allowable under 11 U.S.C. § 502, which creditors would have been entitled to avoid the Defendant Transfers, pursuant to DCL § 279(c) and DCL § 273-a.

61. By reason of the foregoing, pursuant to 11 U.S.C. § 544(b)(1), the Trustee may avoid each of the Defendant Transfers.

62. Pursuant to DCL §§ 273-a, 278 and 279, the Defendant Transfers would have been avoidable by: (i) a creditor that extended credit to Debtor at the time of the commencement of Debtor's bankruptcy case, and that obtained, at such time, and with respect to such credit, a judicial lien on all property on which a creditor on a simple contract could have obtained such a judicial lien; (ii) a creditor that extended credit to Debtor at the time of the commencement of Debtor's bankruptcy case, and obtained, at such time and with respect to such credit, execution against Debtor that is returned unsatisfied at such time; and (iii) a *bona fide* purchaser of real property, other than fixtures, from Debtor against whom applicable law permits such transfer to be perfected, that obtains the status of a *bona fide* purchaser and has perfected such transfer at the time of the commencement of Debtor's bankruptcy case.

63. By reason of the foregoing, pursuant to DCL §§ 273-a, 278 and 279, and 11 U.S.C. § 544(a), the Trustee may avoid each of the Defendant Transfers.

64. By reason of the foregoing, the Trustee is entitled to judgment declaring each of the Defendant Transfers avoided, pursuant to 11 U.S.C. § 544(a) and (b).

COUNT IV
(FRAUDULENT CONVEYANCE - 11 U.S.C. § 544(a) and (b)
and DCL §§ 275, 278 and 279)
(Conveyances by Person About to Incur Debts)

65. The Trustee realleges each allegation contained in Paragraphs “1” through “34” herein.

66. Upon information and belief, each of the Transfers was made without fair consideration.

67. Upon information and belief, at the time of each of the Transfers, Debtor intended or believed that he would incur debts beyond his ability to pay as they matured.

68. Upon information and belief, after making each of the Transfers, Debtor incurred debts which he failed to pay when they matured.

69. By reason of the foregoing, pursuant to DCL § 275, the Transfers each were fraudulent as to both present and future creditors of Debtor.

70. Upon information and belief, at the time of each of the Transfers, and thereafter Debtor had creditors with matured unsecured claims allowable under 11 U.S.C. § 502, which creditors would have been entitled to avoid the Transfers, pursuant to DCL §§ 275 and 278(1).

71. Upon information and belief, at the time of each of the Transfers and thereafter, Debtor had creditors with unmatured unsecured claims allowable under 11 U.S.C. § 502, which creditors would have been entitled to avoid the Transfers, pursuant to DCL §§ 275 and 279(c).

72. By reason of the foregoing, pursuant to 11 U.S.C. § 544(b)(1), the Trustee may avoid each of the Transfers.

73. Upon information and belief, pursuant to DCL §§ 275, 278 and 279, the Transfers would have been avoidable by: (i) a creditor that extended credit to Debtor at the time of the commencement of Debtor's bankruptcy case, and that obtained, at such time, and with respect to such credit, a judicial lien on all property on which a creditor on a simple contract could have obtained such a judicial lien; (ii) a creditor that extended credit to Debtor at the time of the commencement of Debtor's bankruptcy case, and obtained, at such time and with respect to such credit, execution against Debtor that is returned unsatisfied at such time; and (iii) a purchaser of real property, other than fixtures, from Debtor against whom applicable law permits such transfer to be perfected, that obtains the status of a purchaser and has perfected such transfer at the time of the commencement of Debtor's bankruptcy case.

74. By reason of the foregoing, pursuant to DCL §§ 275, 278 and 279, and 11 U.S.C. § 544(a), the Trustee may avoid each of the Transfers.

75. By reason of the foregoing, the Trustee is entitled to judgment declaring each of the Transfers avoided, pursuant to 11 U.S.C. § 544(a) and (b).

COUNT V
(FRAUDULENT CONVEYANCE - 11 U.S.C. § 544(a) and (b)
and DCL §§ 276, 276-a, 278 and 279)
(Conveyance with Intent to Defraud/Attorneys' Fees)

76. The Trustee realleges each allegation contained in Paragraphs "1" through "34" herein.

77. Upon information and belief, Debtor made each of the Transfers with actual intent to hinder, delay, or defraud either present or future creditors.

78. By reason of the foregoing, pursuant to DCL § 276, each of the Transfers was fraudulent as to both present and future creditors of Debtor.

79. Upon information and belief, either as of the Filing Date or at the time each of the Transfers was made, Debtor had creditors with matured unsecured claims allowable under 11 U.S.C. § 502, which creditors would have been entitled to avoid the Transfers, pursuant to DCL § 278(1) and DCL § 276.

80. Upon information and belief, either as of the Filing Date or at the time each of the Transfers was made, Debtor had creditors with unmatured unsecured claims allowable under 11 U.S.C. § 502, which creditors would have been entitled to avoid the Transfers, pursuant to DCL § 279(c) and DCL § 276.

81. By reason of the foregoing, pursuant to 11 U.S.C. § 544(b)(1), the Trustee may avoid each of the Transfers.

82. Upon information and belief, pursuant to DCL §§ 276, 278 and DCL 279, the Transfers would have been avoidable by: (i) a creditor that extended credit to Debtor at the time of the commencement of Debtor's bankruptcy case, and that obtained, at such time, and with respect to such

credit, a judicial lien on all property on which a creditor on a simple contract could have obtained such a judicial lien; (ii) a creditor that extended credit to Debtor at the time of the commencement of Debtor's bankruptcy case, and obtained, at such time and with respect to such credit, execution against Debtor that is returned unsatisfied at such time; and (iii) a purchaser of real property, other than fixtures, from Debtor against whom applicable law permits such transfer to be perfected, that obtains the status of a purchaser and has perfected such transfer at the time of the commencement of Debtor's bankruptcy case.

83. By reason of the foregoing and DCL §§ 276, 278 and 279, and 11 U.S.C. § 544(a), the Trustee may avoid each of the Transfers.

84. By reason of the foregoing, the Trustee is entitled to judgment declaring each of the Transfers avoided, pursuant to 11 U.S.C. § 544(a) and (b).

85. By reason of the foregoing, pursuant to 11 U.S.C. §§ 544(a) and DCL § 276-a, the Trustee is entitled to recover against Defendants, as the transferees of Debtor, judgment for the Trustee's reasonable attorneys' fees in this adversary proceeding in an amount to be determined by the Court.

COUNT VI
(RECOVERY AGAINST TRANSFEREE - 11 U.S.C. § 550(a))

86. The Trustee realleges each allegation contained in Paragraphs "1" through "84" herein.

87. By reason of the foregoing, pursuant to 11 U.S.C. § 550(a), the Trustee is entitled to judgment against Defendants, as the initial transferees and/or the immediate transferee of the initial transferees of the Transfers for recovery of the property transferred or the value thereof.

88. By reason of the foregoing, the Trustee is entitled to judgment against Defendants, in an amount to be determined by the Court, with interest thereon from the date of each of the transfers.

COUNT VII
(Unjust Enrichment/Constructive Trust - 11 U.S.C. § 105(a))

89. The Trustee realleges each allegation contained in Paragraphs "1" through "84" herein.

90. As a consequence of the Transfers, Defendant s, were unjustly enriched.

91. By reason of the foregoing, the Trustee is entitled to judgment against Defendants, in an amount to be determined by the Court, together with interest thereon from the date of each of the transfers.

WHEREFORE, the Trustee demands judgment against Defendants as follows:

A. On Count I, against Defendants, declaring the One Year Transfers avoided, pursuant to 11 U.S.C. § 548(a);

B. On Count II, against Defendants, declaring the Transfers avoided, pursuant to 11 U.S.C. § 544(a) and (b), and DCL §§ 273, 278 and 279;

C. On Count III, against Defendants, declaring the Defendant Transfers avoided, pursuant to 11 U.S.C. § 544(a) and (b) and DCL §§ 273-a, 278 and 279.

D. On Count IV, against Defendants, declaring the Transfers avoided, pursuant to 11 U.S.C. § 544(a) and (b), and DCL §§ 275, 278 and 279;

E. On Count V, against Defendants, declaring the Transfers avoided, pursuant to 11 U.S.C. § 544(a) and (b), and DCL §§ 276, 278 and 279, and pursuant to 11 U.S.C. § 544(a) and DCL § 276-a, awarding to the Trustee against the applicable named Defendants and Defendant CSI, the Trustee's reasonable attorneys' fees and disbursements in connection with this adversary proceeding in such amount as the Court shall determine;

F. On Count VI, against the applicable named Defendants and Defendant CSI, pursuant to 11 U.S.C. § 550(a), for the value of the Transfers, as determined by the Court, together with interest thereon from the date of each of the Transfers;

G. On Count VII, against the applicable named Defendants and Defendant CSI, pursuant to 11 U.S.C. § 105(a), in the amount of the Transfers avoided hereunder, with interest thereon from the dates of the Transfers; and

H. For such other and further relief as this Court deems just and proper.

Dated: Westbury, New York
March 13, 2006

PRYOR & MANDELUP, L.L.P.
Attorneys for Plaintiff

By: /s/ A. Scott Mandelup
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