


B104 (FORM 104) (08/07)

EDVA

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)
PLAINTIFFS H. Jason Gold, Chapter 11 Trustee	DEFENDANTS Abolghassem Masud Gohari (aka A. Masud Gohari, M.D. and A.M. Gohari), et al. - Please see attached list of defendants	
ATTORNEYS (Firm Name, Address, and Telephone No.) Bradford F. Englander - 703.280.9081 Whiteford Taylor & Preston, LLP 3190 Fairview Park Dr., Ste. 300, Falls Church, VA 22042	ATTORNEYS (If Known)	
PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input checked="" type="checkbox"/> Trustee	PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input checked="" type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee	
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) Complaint to recover preferences and/or fraudulent transfers. 11 U.S.C. Secs. 548 and/or 550; Va. Code Secs. 55-80.		
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.)		
<p>FRBP 7001(1) – Recovery of Money/Property</p> <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input checked="" type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input checked="" type="checkbox"/> 14-Recovery of money/property - other <p>FRBP 7001(2) – Validity, Priority or Extent of Lien</p> <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property <p>FRBP 7001(3) – Approval of Sale of Property</p> <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h) <p>FRBP 7001(4) – Objection/Revocation of Discharge</p> <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e) <p>FRBP 7001(5) – Revocation of Confirmation</p> <input type="checkbox"/> 51-Revocation of confirmation <p>FRBP 7001(6) – Dischargeability</p> <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny <p style="text-align: center;">(continued next column)</p>	<p>FRBP 7001(6) – Dischargeability (continued)</p> <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65-Dischargeability - other <p>FRBP 7001(7) – Injunctive Relief</p> <input type="checkbox"/> 71-Injunctive relief – imposition of stay <input type="checkbox"/> 72-Injunctive relief – other <p>FRBP 7001(8) Subordination of Claim or Interest</p> <input type="checkbox"/> 81-Subordination of claim or interest <p>FRBP 7001(9) Declaratory Judgment</p> <input type="checkbox"/> 91-Declaratory judgment <p>FRBP 7001(10) Determination of Removed Action</p> <input type="checkbox"/> 01-Determination of removed claim or cause <p>Other</p> <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)	
<input type="checkbox"/> Check if this case involves a substantive issue of state law	<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23	
<input type="checkbox"/> Check if a jury trial is demanded in complaint	Demand \$ 403,333.43	
Other Relief Sought		

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BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR Vijay K. Taneja		BANKRUPTCY CASE NO. 08-13293
DISTRICT IN WHICH CASE IS PENDING Eastern District of Virginia	DIVISION OFFICE Alexandria	NAME OF JUDGE Stephen S. Mitchell
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/ Bradford F. Englander 		
DATE December 8, 2010	PRINT NAME OF ATTORNEY (OR PLAINTIFF) Bradford F. Englander	

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 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.

*Per LBR 7003-1, in the EDVA, a properly completed Adversary Proceeding Cover Sheet is required.

LIST OF DEFENDANTS

**Fatima Zura Gohari (aka F. Zoreh Gohari);
Ali Hasseini Shahidi (aka Ali H. Shahidi) in his capacity as trustee of
The Gohari Family Trust**

30749

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
(Alexandria Division)**

In re:	*	
VIJAY K. TANEJA, et al.,¹	*	Case No: 08-13293-SSM
Debtors,	*	Chapter 11
* * * * *	*	Jointly Administered
	*	* * * * *
H. JASON GOLD, Chapter 11 Trustee	*	
Plaintiff,	*	
v.	*	Adv. Proc. No. 10-_____
ABOLGHASSEM MASUD GOHARI	*	
(aka A. MASUD GOHARI, M.D. and	*	
A.M. GOHARI); FATIMA ZURA	*	
GOHARI (aka F. ZOREH GOHARI);	*	
ALI HASSEINI SHAHIDI (aka ALI H.	*	
SHAHIDI) in his capacity as trustee of	*	
THE GOHARI FAMILY TRUST,	*	
Defendants.	*	
* * * * *	*	* * * * *

**COMPLAINT TO AVOID TRANSFER AND TO
RECOVER PROPERTY AND FOR RELATED RELIEF**

H. Jason Gold, the Chapter 11 Trustee for the estates of the above-captioned debtors (the “Debtors”), by undersigned counsel, files this Complaint to Avoid Transfer and to Recover Property and for Related Relief pursuant to 11 U.S.C. 548, and 550 against Abolghassem Masud Gohari (also known as A. Masud Gohari, M.D.); Fatima Zura

¹The Debtors in these jointly administered cases include Elite Entertainment, Inc. (08-13286-SSM), Financial Mortgage, Inc. (08-13287-SSM), NRM Investments, Inc. (08-13290-SSM), Taneja Center, Inc. (08-13292-SSM), and Vijay K. Taneja (08-13293-SSM).

WHITEFORD, TAYLOR & PRESTON, LLP
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Special Counsel for H. Jason Gold, Chapter 11 Trustee

Gohari (aka F. Zoreh Gohari); Ali Hasseini Shahidi (aka Ali H. Shahidi) in his capacity as trustee of The Gohari Family Trust (the “Defendants”) and for cause states as follows:

JURISDICTION

1. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334.
2. Venue lies properly in this Court pursuant to 28 U.S.C. § 1409.
3. This matter is a core proceeding pursuant to 28 U.S.C. § 157.

THE PARTIES

4. On June 9, 2008 (the “Petition Date”), Vijay Taneja (“Taneja”), and his corporate affiliates, Financial Mortgage, Inc. (“FMI”), Taneja Center, Inc. (“TCI”), NRM Investments, Inc. (“NRM”), and Elite Entertainment, Inc. (“Elite” and together with FMI, TCI and NRM, the “Companies”), 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 Eastern District of Virginia (the “Bankruptcy Court”), Nos. 08-13293-SSM, 08-13287-SSM, 08-13292-SSM, 08-13290-SSM and 08-13286-SSM, respectively. Taneja and the Companies are hereinafter referred to as the “Debtors.”

5. The Plaintiff, H. Jason Gold, a resident of Virginia, was appointed as the Chapter 11 Trustee for all of the Debtors (the “Trustee”).

6. Defendants are persons as defined in 11 U.S.C. § 101(41), residing and/or conducting business in the United States.

FACTUAL BACKGROUND

The Debtors

7. FMI was a Virginia corporation owned by Taneja that originated residential home mortgages in Virginia and other states.

8. NRM was a Virginia corporation owned by Taneja that primarily engaged in residential real estate development.

9. TCI was a Virginia corporation owned by Taneja that engaged in commercial real estate development.

10. Elite was a Virginia corporation owned by Taneja that engaged in promotional and entertainment events involving the “Bollywood” music and film industry, including promoting concerts and producing a movie in a joint venture with a Bollywood movie star.

11. Taneja was, at all relevant times leading up to the Petition Date, the President and Director of the Companies, but at the time of the Petition Date, Taneja was not an officer of the Companies.

The Business of FMI

12. To facilitate its home mortgage business, FMI maintained a warehouse line of credit with one or more financial institutions that would advance funds so that FMI could originate mortgages. In exchange for providing access to funds, the warehouse lender would typically charge fees and interest on the amounts loaned to FMI. Because the interest margin on warehouse loans generally is low, and corresponding fees are nominal, the warehouse lender’s profits are driven by volume of loans financed through their credit facility.

13. Typically, within a specified time of the closing on a loan, FMI was required to sell the note and corresponding mortgage it originated to a third-party investor in the secondary mortgage market called an “end investor” or secondary market purchaser (“SMP”).

14. After acquiring a loan, certain SMPs routinely assigned the loans to a trust or other entity that would hold the loans as collateral for mortgage backed securities issued to the public.

15. As a matter of course and industry practice, those SMPs would make various representations to the trusts and other holders of FMI-originated loans regarding the SMP’s supposed due diligence of the loans, which the SMPs knew were material in the issuance of securities and would be relied upon by the investors and trust. These industry-standard representations included: that the seller of the notes to the mortgage pool, *i.e.* SMP, has not advanced funds or induced, solicited, or to their actual knowledge received any advance of funds from a party other than the owner of the related mortgaged property, directly or indirectly, for the payment of any amount required by the note or mortgage, and that the mortgages contained in the pool were not fraudulent. FMI regularly made payments to SMPs from their direct accounts mailed from FMI’s address, and FMI’s affiliated Debtors also made payments directly to SMPs. Moreover, multiple payments from a single Debtor were made to SMPs to satisfy obligations for separate and distinct notes. As a result, the SMP recipients of those payments from the Debtors accepted the fraudulent payments knowing that the loan originator, or another entity not obligated to make payment on the notes, was making the payment, thereby perpetuating the fraud. This knowledge or willful blindness of the source of payments was in direct

contravention to the representations and warranties certain SMPs were required to make to investors and the public.

16. The SMPs also established very risky loan programs in an effort to increase the volume of loans that they could acquire from FMI and other originators, and subsequently assign to investment trusts. For example, several SMPs that purchased loans from FMI used an “80-20” program that allowed approval of zero dollar down payment loans with the entire transaction funded by two loans—the first mortgage of eighty percent (80%) and the second mortgage of twenty percent (20%). The “80-20” loans have been described as one of the chief causes of the nationwide mortgage meltdown.

17. SMPs routinely made a profit on the FMI-originated loans through fees and interest.

18. The lack of due diligence on the part of the SMPs was fueled by their insatiable appetite for loans which, in turn, generated the marketplace demand for the perpetuation of FMI’s fraud.

19. Senator Patrick J. Leahy, the Chairman of the Senate Judiciary Committee aptly described the role of the banking institutions and lenders in facilitating the mortgage industry crisis when he said: “We do know that banks and private mortgage companies relaxed their standards for loans and approving ever riskier mortgage [sic], less and less due diligence, that it’s almost like opening a door and saying hey, come on in. Fraud is welcome.” Senate Judiciary Committee Hearing, *The Need for Increased Fraud Enforcement in the Wake of the Economic Downtown* (February 11, 2009).

The Fraudulent Scheme

20. In or about 1999, FMI began originating loans that it was unable to sell to SMPs. This resulted in FMI's inability to repay obligations that it owed to its then-warehouse lender(s).

21. In 2000, FMI secured a new warehouse lender that financed the origination of loans until they were sold to an SMP.

22. Because FMI could not pay its obligations as they came due in the ordinary course, Taneja began engaging in fraud no later than 2000 through the Debtors.

23. As part of the fraudulent business practices, FMI submitted false funding schedules to its warehouse lender(s) seeking advances against FMI's warehouse lines of credit on fraudulent mortgages. Upon information and belief, Terwin Advisors, LLC or one of its affiliates ("Terwin") was a warehouse lender that lent money to FMI to fund a loan to Defendant.

24. Indeed, Taneja coordinated the transfer of certain properties to multiple different owners over a short period of time so that FMI and Taneja could generate additional fraudulent loan proceeds. Often, Taneja would orchestrate such transfers with the assistance of various friends, employees of FMI and others who acted as nominal buyers and borrowers in order to generate the fraudulent loans.

25. When the fraudulent funds from the warehouse lenders were received by the title company with whom FMI had a relationship and which was usually involved in the fraud, virtually all of the funds were diverted to FMI instead of clearing title or paying off pre-existing mortgages.

26. The process of submitting fraudulent loan documentation to warehouse lenders continued for the purpose of obtaining additional advances of cash that could be used to pay down the line of credit for the previously-submitted fraudulent loans, many of which had to be sold to an investor or otherwise repurchased by FMI within ninety days of their origination, or for payment of personal or other business venture operational expenses.

27. As a result, Taneja perpetuated the fraud of the Debtors to obtain new fraudulent loan proceeds so that prior fraudulent loans could be paid back and the fraudulent scheme continued.

28. When one of FMI's warehouse lenders discovered the fraud in late 2001, it terminated its relationship with FMI, leaving an unpaid balance of approximately \$3.7 million. FMI eventually paid back this amount through additional fraudulent practices.

29. Those additional fraudulent practices included the sale by FMI of loans to multiple SMPs each of which was purportedly secured by multiple unrecorded "first" mortgages on the same pieces of real property.

30. Taneja did not disclose to the SMPs the existence of the other "first" mortgages or the failure of FMI to record the mortgages or cause the mortgages to be recorded.

31. This scheme was accomplished, in part, by having borrowers sign multiple sets of "original" loan documents. Each loan would then be sold to different SMPs by falsely representing that each loan was the only loan secured by a first mortgage on each property.

32. In many cases, the SMPs were asked to remit monthly statements for the mortgage loan amounts due to FMI's business so that FMI or one of the other Companies could make the payments on the loans in an effort to avoid discovery of the fraud.

33. Taneja, through the Debtors, continued the fraudulent selling of multiple mortgage documents because it was necessary for the Debtors to generate new funds to make monthly payments on the fraudulent loans and to buyback fraudulent loans from SMPs since the Debtors had insufficient capital to service their debts as they came due. Indeed, in some circumstances, a Debtor only paid the interest owed on the fraudulent note such that the principal debt remained, but the cash proceeds of the fraud were depleted.

34. The fraudulent actions of Taneja and the Companies constituted a Ponzi scheme that started no later than 2000.

Taneja's Criminal Plea

35. In late October 2008, the United States Attorney for the Eastern District of Virginia charged Taneja with conspiracy to engage in money laundering and subsequently filed a Criminal Information against Taneja. On November 13, 2008, Taneja pled guilty to one count of conspiracy to commit money laundering in violation of 18 U.S.C. § 1956(h).

36. In doing so, Taneja admitted the facts underlying the Plea Agreement that are contained in the Statement of Facts filed with the Plea Agreement on November 13, 2008.

37. Taneja was sentenced to 84 months in prison and ordered to pay restitution in the amount of \$33,162,291. Upon information and belief, none of the ordered restitution has been paid by Taneja.

The Transfer

38. NRM issued its check dated April 19, 2007, no. 6353 in the amount of \$403,333.43 payable to the order of A.M. Gohari (the "Transfer"). The Transfer was drawn on an account owned by NRM at Branch Banking & Trust.

39. The Transfer was delivered to Defendant Shahidi on or about April 19, 2007, endorsed by Defendant A. M. Gohari and deposited into the Goharis' bank account.

40. The Transfer cleared NRM's bank account on April 23, 2007.

Relationship of the Debtors to Defendants

41. Defendants A. Masud Gohari ("Dr. Gohari") and F. Zoreh Gohari are husband and wife. They reside in Potomac, Maryland.

42. Defendant Ali Shahidi is the trustee of the Gohari Family Trust. On information and belief, Defendants A. Masud Gohari and F. Zoreh Gohari are beneficiaries of the Gohari Family Trust.

43. At no time did the NRM or any of the other Debtors have any indebtedness or obligation owed to any of the Defendants.

44. Dr. Gohari has asserted informally that he made a personal loan to one Ali Rassoulpour, a friend of Dr. Gohari and his wife for 30 years. Mr. Rassoulpour resides in Potomac, Maryland.

45. Dr. Gohari has asserted informally that the Debtors owed money to Mr. Rassoulpour, and that the Transfer was on account of such indebtedness.

46. Neither NRM, nor any of the other Debtors, owed any amount to Mr. Rassoulpour at the time of the Transfer.

47. The Transfer did not satisfy any indebtedness or obligation of NRM or any of the other Debtors to any person.

48. The Debtors did not receive any value, much less reasonably equivalent value, in exchange for the Transfer.

The Insolvency of the Debtors

49. From at least 2000, the Debtors were actively involved in perpetuating a Ponzi scheme to defraud lenders, SMPs, and borrowers.

50. The fraudulent practices continued for the purpose of obtaining additional advances of cash needed to: (i) pay down the obligations incurred from prior fraudulent receipts; (ii) fund business operations of the Debtors as well as non-debtor affiliates; and (iii) finance Taneja's extravagant lifestyle.

51. Indeed, the Debtors had to continue the fraud because they were unable to "dig out" from obligations resulting from prior fraudulent transactions. Thus, as in a typical Ponzi scheme, the Debtors found new fraud victims to generate cash to pay off older debts obtained through their prior frauds.

52. Moreover, when either a warehouse lender or SMP questioned the practices of the Debtors, one of the Debtors made payments to such warehouse lender and/or SMP to keep them from revealing the fraud. As a result, the Debtors became more

insolvent and continually were required to originate new fraudulent notes to fund such payoffs and perpetuate the Ponzi scheme.

53. As a result of the Ponzi scheme, which began as early as 2000 when Taneja submitted fraudulent loan applications to its then-warehouse lender(s), the Debtors became insolvent prior to the five-year period preceding the Petition Date and remained insolvent at all times thereafter.

54. Further, based on the Companies' financial records and third party financial documents, the value of FMI's assets at a fair valuation from April 30, 2003 through the Petition Date was less than FMI's current and long-term debts during the same time period. Accordingly, at all times relevant to the causes of action alleged herein, FMI was insolvent.

55. Based on Taneja's financial records, the records of the Companies, and third party financial documents, the value of Taneja's assets at a fair valuation from June 8, 2003 through the Petition Date was less than Taneja's current and long term debts during the same period. Accordingly, at all times relevant to the causes of action alleged herein, Taneja was insolvent.

56. Based on the Companies' financial records and third party financial documents, the value of NRM's assets at a fair valuation from June 8, 2003 through the Petition Date was less than NRM's current and long term debts during the same period. Accordingly, at all times relevant to the causes of action alleged herein, NRM was insolvent. Moreover, NRM was never profitable.

57. Based on the Companies' financial records and third party financial documents, the value of TCI's assets at a fair valuation on January 2005 through the

Petition Date was less than TCI's current and long term debts during the same period. Accordingly, at all times relevant to the causes of action alleged herein, TCI was insolvent. Moreover, TCI was never profitable.

58. Based on the Companies' financial records and third party financial documents, the value of Elite's assets at a fair valuation on June 8, 2003 through the Petition Date was less than Elite's current and long term debts during that same period. Accordingly, at all times relevant to the causes of action alleged herein, Elite was insolvent. Moreover, Elite was never profitable.

COUNT I
(Avoidance and Recovery of Fraudulent Transfers Pursuant to 11 U.S.C. §§ 548(a)(1)(A) and 550)

59. Plaintiff incorporates by reference, as if fully restated herein, the preceding allegations contained in paragraphs 1 to 58 of the Complaint.

60. The Transfer was a transfer of the interest in property of NRM.

61. The Transfer was made to the Defendants directly in the amount of \$403,333.43.

62. Defendants A. Masud Gohari and F. Zoreh Gohari also were the intended beneficiaries of the Transfer.

63. The Transfer was made with the actual intent of the debtor Transferor to hinder, defraud or delay existing and/or subsequent creditors of the debtor Transferor. Among other reasons for the Transfer, Vijay Taneja caused NRM to make the Transfer in order to cover up fraudulent mortgage activity involving property owned by Mr. Rassoulpour and his wife.

64. The Transfer was part of an ongoing Ponzi scheme that was perpetuated by the financial dealings of the Debtors. The Transfer was made to or for the benefit of the Defendants in order to maintain the Ponzi scheme.

65. The Transfer is an avoidable transfer pursuant to 11 U.S.C. § 548(a)(1)(A).

66. The Defendants are the initial transferees of the Transfer and the persons for whose benefit the Transfer was made.

67. The Transfer is recoverable from the Defendants as the initial transferees of the debtor Transferor's property and the person for whose benefit the Transfer was made pursuant to 11 U.S.C. § 550 of the Bankruptcy Code.

WHEREFORE, Plaintiff requests that judgment be entered,

a. Avoiding Transfer as a fraudulent transfer pursuant to 11 U.S.C. § 548(a)(1)(A).

b. Granting a joint and several judgment against the Defendants pursuant to 11 U.S.C. § 550 in the amount not less than \$403,333.43, plus costs.

COUNT II
(Avoidance and Recovery of Fraudulent Transfers Pursuant to 11 U.S.C. §§ 548(a)(1)(B) and 550)

68. Plaintiff incorporates by reference, as if fully stated herein, the preceding allegations of paragraphs 1 to 67 of the Complaint.

69. The Transfer was a transfer of the interest in property of Debtor NRM.

70. Neither NRM nor any of the other Debtors had any legal obligation or indebtedness to any of the Defendants at the time of the Transfer.

71. Neither NRM nor any of the other Debtors had any legal obligation or indebtedness to Mr. Rassoulpour at the time of the Transfer.

72. In exchange for the Transfer made by NRM, NRM received less than reasonably equivalent value because NRM had no obligation to make the Transfer to the Defendant and did not receive any value from making the Transfer to the Defendant.

73. During the two-year period preceding the Petition Date, the Companies and Taneja were insolvent as set forth above.

74. Additionally, the Debtors were engaged in business that had unreasonably small capital, which remained unreasonably small following the Transfer because all of the Debtors had insufficient cash to make payment on current obligations. Indeed, the Debtors had to obtain additional cash to support their operations from new fraudulent loans.

75. Further, when making the Transfer, the applicable debtor Transferor intended to incur, or believed it would incur, debts that would be beyond its ability to pay as such debts matured because it knew it has insufficient funds to pay its debts and that its obligations resulting from its fraud prevented it from paying debts as they matured.

76. The Transfer is an avoidable transfer pursuant to 11 U.S.C. § 548(a)(1)(B).

77. The Defendants are the initial transferees and beneficiaries of the Transfer.

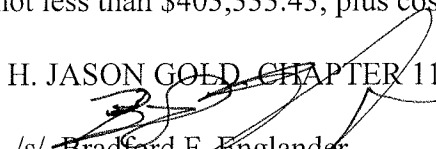
78. The Transfer is recoverable from the Defendants as the initial transferees and beneficiaries of the debtor Transferor's property pursuant to 11 U.S.C. § 550 of the Bankruptcy Code.

WHEREFORE, Plaintiff requests that judgment be entered,

a. Avoiding the Transfer as a fraudulent transfer pursuant to 11 U.S.C. § 548(a)(1)(B).

b. Granting judgment jointly and severally against the Defendants pursuant to 11 U.S.C. § 550 in the amount of not less than \$403,333.43, plus costs.

H. JASON GOLD, CHAPTER 11 TRUSTEE


/s/ Bradford F. Englander

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