

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

Chapter 11

TP REMAINCO, LLC, *et al.*,<sup>1</sup>

Case No. 20-11049 (LSS)

Debtors.

(Jointly Administered)

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Wayne R. Walker, as trustee of Liquidating Trust  
of TP RemainCo, LLC., *et al.*,

Adv. Pro. No.:

Plaintiff,

v.

George Votis, Avi Reichental, Galt  
Management, Inc., and Galt Industries, Inc.

Defendants.  
\_\_\_\_\_

**COMPLAINT**

Plaintiff Wayne R. Walker, as trustee of Liquidating Trust of TP RemainCo, LLC, et al. (“**Plaintiff**” or “**TP RemainCo Liquidating Trust**”), by and through his undersigned counsel, for his complaint against Defendants George Votis, Avi Reichental, Galt Management, Inc., and Galt Industries, Inc. alleges and states as follows:

**INTRODUCTION**

1. This case involves a member of the board of directors taking advantage of a company

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: TP RemainCo, LLC (f/k/a Techniplas, LLC) (7921); TP RemainCo DE I, LLC (f/k/a DMP Monterrey Holdings LLC) (5888); TP RemainCo DE II, LLC (f/k/a DMP International Holdings, LLC) (5922); TP RemainCo IN, Inc. (f/k/a Nyloncraft, Inc.) (6035); TP RemainCo MI, LLC (f/k/a Nyloncraft of Michigan, LLC) (9613); TP RemainCo WI, Inc. (f/k/a DMP Exports, Inc.) (2366); TP RemainCo DE III Corp. (f/k/a Techniplas Finance Corp.) (8207); and TP RemainCo DE IV, LLC (f/k/a WEIDPLASNorth America, LLC) (6945). The address of the Debtors’ corporate headquarters is N44 W33341 Watertown Plank Road, Nashotah, Wisconsin 53058.

to line his own pockets and enrich himself to the detriment of the company, its shareholders and the creditors of the company. This scheme caused the company to file for Chapter 11 protection and has caused significant damage to the bankruptcy estate.

2. Defendant George Votis (“**Votis**”) was the Chief Executive Officer (“**CEO**”), and a member of the Board of Directors of Techniplas, LLC (“**Techniplas**” or the “**Company**”), a global producer and manufacturer of plastic components primarily for the automotive and transportation industries. As an officer and fiduciary of Techniplas, Votis was obligated to make decisions that were in the best interests of the Company and its shareholders, to adequately oversee Techniplas’ operations, and to fulfill his positions with care, loyalty and in good faith. But Votis did not adhere to these duties. Instead, he failed to fulfill his duty of placing the interests and well-being of Techniplas before his own interests. Votis’ failure to act in good faith led to Techniplas filing for Chapter 11 Bankruptcy protection and resulted in significant damage to the Company.

3. Similarly, Votis’ fellow Board Member, Avi Reichental (“**Reichental**”), also failed to fulfill his fiduciary duties. Reichental, who was the Vice Chairman of the Board of Directors of Techniplas, failed to exercise appropriate care and, as a result, allowed Votis to waste corporate resources for his own benefit.

4. Additionally, Galt Management and Galt Industries, entities owned and controlled by Votis, received funds during the one-year period preceding the Chapter 11 filing of Techniplas and its affiliated entities. Plaintiff seeks to avoid and recover these payments as preferential transfers. During the two-year period preceding the Chapter 11 filing, Galt Management and Galt Industries also received transfers that may be avoided and recovered as fraudulent transfers.

### **JURISDICTION AND VENUE**

5. This adversary proceeding contains core and non-core counts under 28 U.S.C. § 157(c), and this Court has original jurisdiction under 28 U.S.C. § 1334(b) in that this is a civil

proceeding relating to the underlying case arising under Title 11 of the United States Code.

6. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper before this Court and in this District pursuant to 28 U.S.C. § 1409(a).

7. Jurisdiction and venue are also proper in this Court because Techniplas, LLC is a Delaware limited liability company.

### **BACKGROUND**

8. On May 6, 2020 (the “**Petition Date**”), Techniplas and its affiliated entities (collectively, the “**Debtors**”) commenced voluntary cases under Chapter 11 of the Bankruptcy Code in this Court. During their Chapter 11 cases, the Debtors were authorized to continue to operate their businesses and manage their properties as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On May 15, 2020, the Official Committee of Unsecured Creditors was appointed under section 102 of the Bankruptcy Code. No trustee or examiner was appointed in the Chapter 11 Cases pursuant to section 1104 of the Bankruptcy Code.

9. After the Petition Date, Debtors sold substantially all of its assets (excluding, among other things, its claims asserted in this Complaint).

10. On October 2, 2020, the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) entered its Findings of Fact, Conclusions of Law, and Order (I) Approving the First Amended Disclosure Statement Pursuant to 1125 and 1126(c) of the Bankruptcy Code and (II) Confirming the Second Amended Chapter 11 Plan of Liquidation of TP RemainCo, LLC and Its Affiliated Debtors [Docket No. 566] (the “**Confirmation Order**”).

11. The Effective Date of the Plan occurred on October 5, 2020.

12. The TP RemainCo Liquidating Trust was created pursuant to Article VI of the

Plan on October 5, 2020 in accordance with the Liquidating Trust Agreement (the “**Trust Agreement**”).

13. Pursuant to Section 6.4.2 of the Plan, Plaintiff is responsible for prosecuting causes of action for the benefit of the Debtors and their creditors.

14. Pursuant to Rule 7008-1 of the Local Rules of Bankruptcy Practice and Procedure of the Bankruptcy Court for the District of Delaware, the TP RemainCo Liquidating Trust states that it consents to the entry of final orders or judgments by the Court if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

#### **THE PARTIES**

15. Plaintiff Wayne R. Walker, is the trustee of Liquidating Trust of TP RemainCo, LLC, et al.

16. Votis resides at 3140 S. Ocean Blvd, Suite 104N, Palm Beach, Florida 33480 and served as a Director on the Techniplas board of directors and CEO of Techniplas prior to the Petition Date.

17. Reichental resides at 338 Toro Canyon Road, Carpinteria, CA 93013-3077 and was the Vice Chairman of the board of directors of Techniplas prior to the Petition Date.

18. Galt Management, Inc. (“**Galt Management**”) is a Delaware corporation with its principal place of business located at 121 East 71st Street, New York, New York, 10021. Galt Management, Inc. filed claim number 0000010101 in the Debtors’ chapter 11 cases asserting a claim of \$2,706,714.04 against Techniplas.

19. Galt Industries, Inc. (“**Galt Industries**”) is a Delaware corporation with its principal place of business located at 121 East 71st Street, New York, New York, 10021.

### **THE LIQUIDATING TRUST**

20. Under the Trust Agreement, as approved by the Court in its Order confirming the Plan of Liquidation, the Debtors transferred all of their assets, including all Litigation Claims, to the TP RemainCo Liquidating Trust (the “**TP RemainCo Liquidating Trust Agreement**”). Per the terms of the TP RemainCo Liquidating Trust Agreement, Plaintiff, as the Liquidating Trustee, is authorized to sue and be sued on behalf of the Trust, and shall be the real party in interest in any action commenced by or against the Debtors. The TP RemainCo Liquidating Trust was further authorized to prosecute and resolve objections to Claims against the Debtors’ estates, and to prosecute and resolve all Avoidance Actions or any other claim or Cause of Action, as those terms are defined in the TP RemainCo Liquidating Trust Agreement. Accordingly, under the TP RemainCo Liquidating Trust Agreement and the Orders of the Court, the TP RemainCo Liquidating Trust, as the Liquidating Trustee, is authorized to assert the claims in this adversary proceeding, on behalf of the Debtors.

21. The TP RemainCo Liquidating Trust is also authorized to bring the claims asserted herein on behalf of the Unsecured Creditors as a hypothetical creditor pursuant to 11 U.S.C. § 544(a) and/or as an actual creditor pursuant to § 544(b).

22. The TP RemainCo Liquidating Trust brings its claims herein on behalf of Debtors.

23. The TP RemainCo Liquidating Trust is a grantor trust governed by the laws of the State of Delaware.

### **FACTS**

#### **A. Techniplas’ Business.**

24. The Debtors, together with their non-Debtor affiliates, were global producers and manufacturers of plastic components primarily for the automotive and transportation industries, serving customers in the U.S. and internationally. Certain of the Debtors have roots in plastics

manufacturing in the United States going back as far as 1941. The Company produced, among other things, automotive products, such as fluid and air management components, decorative and personalization products, and structural components, as well as non-automotive products, such as power utility and electrical components and water filtration products.

25. As of the Petition Date, the Debtors had approximately 721 employees. For the year ended December 31, 2019, the Debtors had total assets of approximately \$258.6 million against approximately \$331 million in liabilities on a consolidated, book value basis. Likewise, the Debtors had net sales of \$475 million and a net loss of \$21 million for the 2019 fiscal year.

26. The Debtors' business has two main business units: (1) Techniplas Core, the Company's primary operating unit (which has historically accounted for approximately 83% of the Debtors' business), and (2) Techniplas Prime, an outsourced manufacturing model (which has historically accounted for approximately 17% of the Debtors' business).

27. The majority of Techniplas' outstanding equity, approximately 90 %, was owned by DM Plastics Partners, LLC. Defendant George Votis is the ultimate owner of DM Plastic Partners, LLC. The remainder of Techniplas' outstanding equity is owned by a trust, the beneficial interest of which was owned by certain members of Mr. Votis family.

28. Upon information and belief, by the end of 2018, the Board of Directors of Techniplas knew the company was highly leveraged. In 2017, the Company failed to secure a buyer in a sale process, and in 2018 the Company's refinancing attempts were unsuccessful.

29. Nevertheless, with limited credit availability and cash resources, on January 18, 2019, the Board of Directors of Techniplas met to discuss, among others, the approval of the revised management agreement (the "**Management Agreement**") with Galt Industries. Galt Industries is owned by Votis and, per Techniplas LLC's consolidated financial statements, is the sole source of

Mr. Votis' compensation in relation to his role as CEO of Techniplas, LLC. Mr. Votis is also chief executive officer and chairman of Galt Industries.

30. During this board meeting, Mr. Votis failed to recuse himself from the vote on approval of the Management Agreement, as would have been appropriate given his interest in Galt Industries. Moreover, Mr. Votis did not remove himself from the meeting during voting and no one made a request for the formation of an independent committee to negotiate and recommend approval of the Management Agreement. Mr. Reichental did not require Mr. Votis to recuse himself from the voting on the Management Agreement or even had discussions with the independent directors about the appropriateness of the Management Agreement.

31. The lack of independence is shown in the January 18, 2019 meeting minutes of the Techniplas LLC Board. The meeting minutes make no mention of the board adopting any protections. Rather than remove himself from the January 18, 2019 board meeting, recuse himself from the vote on approval of the Management Agreement, or delegate the negotiation and consideration of the Management Agreement to an independent committee, Mr. Votis, despite his conflicted position, "presented key aspects of" the Management Agreement, and, without taking the time to consider the Management Agreement without Mr. Votis' input, the board unanimously approved the Management Agreement.

32. On January 22, 2019, Techniplas formally entered into the Management Agreement with Galt Industries. Pursuant to the terms of the Management Agreement, Galt Industries was to provide the following services to Techniplas: consulting, marketing, management, strategic planning, operations, risk management, corporate organization and structure and financial.

33. On January 22, 2019, Techniplas also entered an Administrative Services Agreement with Galt Management (the "**Services Agreement**") and, together with the Management

Agreement, the “**Agreements**”). Galt Management is another entity owned and controlled by Votis. Pursuant to the terms of the Services Agreement, Galt Management was to provide the following services, even if already performed by existing Company employees: bookkeeping and the maintenance of corporate records, facilities upkeep and the planning and coordinating of support services.

34. The entry into the Services Agreement was not approved by the Board of Directors of Techniplas LLC and became another source of funds that could be diverted to Mr. Votis. Neither of the independent members of the Board of Directors ever objected (or even questioned) Techniplas’ entry into this agreement.

**B. Transfers to Galt Management and Galt Industries.**

35. During the one (1) year period before the Petition Date, that is, between May 6, 2019 and May 6, 2020 (the “**Preference Period**”), the Debtors continued to operate their business affairs, including the transfer of property, either by checks, cashier checks, wire transfers, ACH transfers, direct deposits or otherwise to certain entities.

36. Plaintiff has completed an analysis of all readily available information and is seeking to avoid all of the transfers of an interest of the Debtors’ property made by the Debtors to Galt Management, or entities controlled by Galt Management, within the Preference Period and/or transfers that may be determined to be fraudulent transfers under the Bankruptcy Code.

37. Plaintiff has determined that the Debtors made transfer(s) of an interest of the Debtors’ property to or for the benefit of Galt Management as set forth below (the “**Galt Management Transfers**”):

- a) On January 11, 2019, Votis directed the transfer of \$250,000 from Techniplas’s bank account to Galt Management on account of amounts due under



the Services Agreement.

b) On June 21, 2019, Votis directed the transfer of \$1,000,000 from Techniplas's bank account to Galt Management on account of amounts due under the Services Agreement.

c) On October 14, 2019, Votis directed the transfer of \$250,000 from Techniplas's bank account to Galt Management on account of amounts due under the Services Agreement.

38. Plaintiff has completed an analysis of all readily available information and is seeking to avoid all of the transfers of an interest of the Debtors' property made by the Debtors to Galt Industries, or entities controlled by Galt Industries, within the Preference Period and/or transfers that may be determined to be fraudulent transfers under the Bankruptcy Code.

39. Plaintiff has determined that the Debtors made transfer(s) of an interest of the Debtors' property to or for the benefit of Galt Industries as set forth below (the "**Galt Industries Transfers**"):

a) On January 11, 2019, Votis directed the transfer of \$24,741.50 from Techniplas's bank account to Galt Industries on account of amounts due under the Management Agreement.

b) On January 18, 2019, Votis directed the transfer of \$6,310.61 from Techniplas's bank account to Galt Industries on account of amounts due under the Management Agreement.

c) On April 26, 2019, Votis directed the transfer of \$14,294.93 from Techniplas's bank account to Galt Industries on account of amounts due under the Management Agreement.

d) On June 14, 2019, Votis directed the transfer of \$8,847.78 from Techniplas's bank account to Galt Industries on account of amounts due under the Management Agreement.

e) On October 14, 2019, Votis directed the transfer of \$38,489.27 from Techniplas's bank account to Galt Industries on account of amounts due under the Management Agreement.

40. During the course of this proceeding, Plaintiff may learn (through discovery or otherwise) of additional transfers made to Galt Management or Galt Industries during the Preference Period. It is Plaintiff's intention to avoid and recover all transfers made by the Debtors of an interest of the Debtors in property and to or for the benefit of Galt Management or Galt Industries or any other transferee. Plaintiff reserves the right to amend this Complaint to include: (i) further information regarding the Transfer(s); (ii) additional transfers; (iii) modifications of and/or revision to Defendant's name; (iv) additional defendants; and/or (v) additional causes of action (e.g., but not exclusively, 11 U.S.C. §§ 542, 544, 545, 548 and/or 549) (collectively, the "**Amendments**"), that may become known to Plaintiff at any time during this adversary proceeding, through formal discovery or otherwise, and for the Amendments to relate back to this original Complaint.

41. During the two (2) year period of time before the Petition Date, the Debtors also transferred interest in the Debtors' property to Galt Management and/or Galt Industries. It believed that these transfers were made with the actual intent to hinder, delay or defraud any entity to which the Debtors were or became indebted on or after the date such transfer was made. These transfers are also avoidable.

**COUNT I— TP RemainCo Liquidating Trust's Claim for Breach of Fiduciary Duty  
Against George Votis and Avi Reichental**

42. Plaintiff incorporates all preceding paragraphs as if fully re-alleged herein.

43. Defendants George Votis and Avi Reichental were members of Techniplas' board of directors.

44. In their positions as members of the board of Techniplas, they owed fiduciary duties and obligations to Techniplas, including:

- a. the duty to refrain from dealing with the Company in the conduct of the Company's activities as or on behalf of a person having an interest adverse to the Company;
- b. the duty to exercise the utmost trust, fairness, good faith, loyalty, candor, and honesty;
- c. the duty to make full disclosure of all material facts relevant to their business dealings;
- d. the duty to not act adversely to Techniplas; and
- e. the duty not to mismanage, waste assets or incur unnecessary debt and expenses.

45. Votis and Reichental breached the fiduciary duties they owed to Techniplas as more fully alleged and described herein. Mr. Votis failed to recuse himself from the vote approving the Management Agreement, failed to remove himself from the room during voting on the Management Agreement, and failed seek to form an independent committee to negotiate and recommend approval of the Management Agreement. To the contrary, Mr. Votis, despite his conflicted position, presented key aspects of the Management Agreement and the Techniplas board of directors approved the Management Agreement.

46. Mr. Reichental neglected and/or refused to perform his duties to Techniplas and allowed Mr. Votis to use the company in order to advance his self-serving motives and to siphon money from the company into his other business enterprises.

47. The actions of Votis and Reichental have directly and proximately caused the Debtors damage. As a result of these breaches of fiduciary duties, Techniplas entered into agreements with Galt Industries that were not negotiated in a fair manner, were over-market, had to be paid regardless of whether any services were performed, and caused Techniplas to overpay for services pursuant to the Galt Agreements. As a result, Techniplas has been damaged in the amount of millions of dollars.

48. This misconduct complained of was perpetrated in bad faith, and otherwise falls outside the exculpatory scope of 8 *Del. C.* § 102(b)(7).

**COUNT II—Liquidating Trust’s Claim for  
Corporate Waste Against George Votis and Avi Reichental**

49. Plaintiffs incorporate all preceding paragraphs as if fully re-alleged herein.

50. Votis was at all relevant times an officer and/or director of Techniplas and, as such, owed Techniplas the utmost duties of care and loyalty, and the subsidiary duty of good faith. Further to these duties, Votis was obligated to safeguard Techniplas’s assets and to otherwise take those measures necessary to maximize the value of Techniplas over the long-term for the benefit of its stakeholders.

51. The transfers from Techniplas’s bank account to Galt Management and Galt Industries, both entities owned and controlled by Votis, was tantamount to corporate waste in that it appears to have been made for zero consideration, served no corporate purpose, and deprived Techniplas of essential liquidity at a time Techniplas needed it most.

**COUNT III—Avoidance of Preference Transfers - 11 U.S.C. § 547**  
**(Defendant Galt Management)**

51. Plaintiff incorporates all preceding paragraphs as if fully re-alleged herein.

52. Techniplas made Galt Management Transfers to or for the benefit of Defendant Galt Management in an aggregate amount not less than \$1,250,000.

53. Each of the Galt Management Transfers was made from Techniplas's bank account and constituted transfers of an interest in property of Techniplas.

54. Defendant Galt Management was a creditor at the time of each of the Galt Management Transfers by virtue of supplying Techniplas goods and/or services identified in this Complaint and in the Galt Services Agreement for which Techniplas was obligated to pay following delivery in accordance with the Galt Services Agreement, or by virtue of otherwise holding a debt owed by one or more of the Debtors.

55. Each of the Galt Management Transfers was to or for the benefit of a creditor within the meaning of 11 U.S.C. § 547(b)(1) because each Transfer either reduced or fully satisfied a debt or debts then owed by Techniplas to Defendant Galt Management.

56. Each of the Galt Management Transfers was made for, or on account of, an antecedent debt or debts owed by Techniplas to Defendant Galt Management before such Galt Management Transfers were made, as asserted by Defendant Galt Management and memorialized in the Galt Services Agreement, each of which constituted a "debt" or "claim" (as those terms are defined in the Bankruptcy Code) of Defendant Galt Management prior to being paid by Techniplas.

57. Each Transfer was made while the Debtors were insolvent.

58. Each Galt Management Transfer was made during the Preference Period.

59. As a result of each Galt Management Transfer, Defendant Galt Management received more than Defendant Galt Management would have received if: (i) the Debtors' case were

under chapter 7 of the Bankruptcy Code; (ii) the Galt Management Transfers had not been made; and (iii) Defendant Galt Management received payments of its debts under the provisions of the Bankruptcy Code. As evidenced by the Debtors' schedules filed in the underlying bankruptcy case as well as the proofs of claim that have been received to date, the Debtors' liabilities exceed their assets to the point that unsecured creditors will not receive a full payout of their claims from the Debtors' bankruptcy estates.

60. In accordance with the foregoing, each Galt Management Transfer is avoidable pursuant to 11 U.S.C. § 547(b).

**COUNT IV—Avoidance of Preference Transfers - 11 U.S.C. § 547**  
**(Defendant Galt Industries)**

61. Plaintiff incorporates all preceding paragraphs as if fully re-alleged herein.

62. During the Preference Period, Techniplas made the Galt Industries Transfers to or for the benefit of Defendant Galt Industries.

63. Each Galt Industries Transfer was made from Techniplas's bank account and constituted transfers of an interest in property of Techniplas.

64. Defendant Galt Industries was a creditor at the time of each Galt Industries Transfer by virtue of supplying Techniplas goods and/or services identified in this Complaint and in the Galt Services Agreement for which Techniplas was obligated to pay following delivery in accordance with the Galt Services Agreement, or by virtue of otherwise holding a debt owed by one or more of the Debtors.

65. Each Galt Industries Transfer was to or for the benefit of a creditor within the meaning of 11 U.S.C. § 547(b)(1) because each Galt Industries Transfer either reduced or fully satisfied a debt or debts then owed by Techniplas to Defendant Galt Industries.

66. Each Galt Industries Transfer was made for, or on account of, an antecedent debt or debts owed by Techniplas to Defendant Galt Industries before such Galt Industries Transfer was made, as asserted by Defendant Galt Industries and memorialized in the Galt Services Agreement, each of which constituted a “debt” or “claim” (as those terms are defined in the Bankruptcy Code) of Defendant Galt Industries prior to being paid by Techniplas.

67. Each Galt Industries Transfer was made while the Debtors were insolvent.

68. Each Galt Industries Transfer was made during the Preference Period.

69. As a result of each Galt Industries Transfer, Defendant Galt Industries received more than Defendant Galt Industries would have received if: (i) the Debtors’ case were under chapter 7 of the Bankruptcy Code; (ii) the Transfers had not been made; and (iii) Defendant Galt Industries received payments of its debts under the provisions of the Bankruptcy Code. As evidenced by the Debtors’ schedules filed in the underlying bankruptcy case as well as the proofs of claim that have been received to date, the Debtors’ liabilities exceed their assets to the point that unsecured creditors will not receive a full payout of their claims from the Debtors’ bankruptcy estates.

70. In accordance with the foregoing, each Galt Industries Transfer is avoidable pursuant to 11 U.S.C. § 547(b).

**COUNT V—To Avoid Fraudulent Conveyances Pursuant to 11 U.S.C. § 548(a)(1)(A)  
(Defendant Galt Management)**

71. Plaintiff incorporates all preceding paragraphs as if fully re-alleged herein.

72. Plaintiff pleads in the alternative that to the extent one or more of the Galt Management Transfers were not on account of an antecedent debt or a prepayment for goods or services, the Transfers were made within two (2) years of the Petition Date with the actual intent to hinder, delay or defraud any entity to which Techniplas was or became indebted on or after the date

that such transfer was made (the “**Potentially Intentional Galt Management Fraudulent Transfers**”).

73. The Potentially Intentional Galt Management Fraudulent Transfers are avoidable pursuant to 11 U.S.C. § 548(a)(1)(B).

**COUNT VI—To Avoid Fraudulent Conveyances Pursuant to 11 U.S.C. § 548(a)(1)(A)**  
**(Defendant Galt Industries)**

74. Plaintiff incorporates all preceding paragraphs as if fully re-alleged herein.

75. Plaintiff pleads in the alternative that to the extent one or more of the Galt Industries Transfers were not on account of an antecedent debt or a prepayment for goods subsequently received, the Transfers were made within two (2) years of the Petition Date with the actual intent to hinder, delay or defraud any entity to which Techniplas was or became indebted on or after the date that such transfer was made (the “**Potentially Intentional Galt Industries Fraudulent Transfers**”).

76. The Potentially Intentional Galt Industries Fraudulent Transfers are avoidable pursuant to 11 U.S.C. § 548(a)(1)(B).

**COUNT VII—To Avoid Fraudulent Conveyances Pursuant to 11 U.S.C. § 548(a)(1)(B)**  
**(Defendant Galt Management)**

77. Plaintiff incorporates all preceding paragraphs as if fully re-alleged herein.

78. Plaintiff pleads in the alternative that to the extent one or more of the Galt Management Transfers were not on account of an antecedent debt or a prepayment for goods subsequently received, Techniplas did not receive reasonably equivalent value in exchange for such transfer(s) (the “**Potentially Constructive Galt Management Fraudulent Transfers**”); and

A. Techniplas was insolvent on the date that the Potentially Constructive Galt Management Fraudulent Transfers was made or became insolvent as a result of the Transfer(s); or



B. Techniplas was engaged in business or a transaction, or was about to engage in business or a transaction, for which any property remaining with one or more of the Debtors was an unreasonably small capital; or

C. Techniplas intended to incur, or believed that Techniplas would incur, debts that would be beyond Techniplas's ability to pay as such debts matured.

79. The Potentially Constructive Galt Management Fraudulent Transfers are avoidable pursuant to 11 U.S.C. § 548(a)(1)(B).

**COUNT VIII—To Avoid Fraudulent Conveyances Pursuant to 11 U.S.C. § 548(a)(1)(B)  
(Defendant Galt Industries)**

80. Plaintiff incorporates all preceding paragraphs as if fully re-alleged herein.

81. Plaintiff pleads in the alternative that to the extent one or more of the Galt Industries Transfers were not on account of an antecedent debt or a prepayment for goods subsequently received, Techniplas did not receive reasonably equivalent value in exchange for such transfer(s) (the “**Potentially Constructive Galt Industries Fraudulent Transfers**”); and

A. Techniplas was insolvent on the date that each of the Potentially Constructive Galt Industries Fraudulent Transfers was made or became insolvent as a result of the Transfer(s); or

B. Techniplas was engaged in business or a transaction, or was about to engage in business or a transaction, for which any property remaining with one or more of the Debtors was an unreasonably small capital; or

C. Techniplas intended to incur, or believed that Techniplas would incur, debts that would be beyond Techniplas's ability to pay as such debts matured.

82. The Potentially Constructive Galt Industries Fraudulent Transfers are avoidable pursuant to 11 U.S.C. § 548(a)(1)(B).

**COUNT IX –Recovery of Avoided Transfers - 11 U.S.C. § 550**  
**(Defendants Galt Industries and Galt Management)**

83. Plaintiff incorporates all preceding paragraphs as if fully re-alleged herein.

84. Plaintiff is entitled to avoid the Transfers pursuant to 11 U.S.C. § 547(b) and any Potentially Fraudulent Transfers pursuant to 11 U.S.C. § 548. The Galt Industries Transfers, Galt Management Transfers, Potentially Intentional Galt Management Fraudulent Transfers, Potentially Intentional Galt Industries Fraudulent Transfers, Potentially Constructive Galt Management Fraudulent Transfers, and Potentially Constructive Galt Industries Fraudulent Transfers are collectively referred to herein as “**All Avoided Transfer(s).**”

85. Galt Management and/or Galt Industries were the initial transferees of the All Avoided Transfers or the immediate or mediate transferee of such initial transferees or the person for whose benefit All Avoided Transfer(s) were made.

86. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to recover from Galt Management and/or Galt Industries All Avoided Transfer(s), plus interest thereon to the date of payment and the costs of this action.

**COUNT X—Disallowance of all Claims - 11 U.S.C. § 502(d) and (j)**  
**(Defendant Galt Management)**

87. Plaintiff incorporates all preceding paragraphs as if fully re-alleged herein.

88. Galt Management is an entity from which property is recoverable under 11 U.S.C. § 550.

89. Galt Management is a transferee of All Avoided Transfer(s) avoidable under 11 U.S.C. §§ 547, 548 and/or 549.

90. Galt Management has not paid the amount of the All Avoided Transfer(s), or turned over such property, for which it is liable under 11 U.S.C. § 550.

91. Pursuant to 11 U.S.C. § 502(d), any and all Claims of Galt Management and/or its assignee, against the Debtors' chapter 11 estates must be disallowed until such time as Galt Management pays to Plaintiffs an amount equal to the aggregate amount of All Avoided Transfers, plus interest thereon and costs.

92. Pursuant to 11 U.S.C. § 502(j), any and all Claims of Galt Management, and/or its assignee, against the Debtors' chapter 11 estates previously allowed by the Debtors, must be reconsidered and disallowed until such time as Galt Management pays to Plaintiff an amount equal to the aggregate amount of all the All Avoided Transfers.

**PRAYER**

WHEREFORE, Plaintiff respectfully requests that the Court enter judgment in favor of Plaintiff and against Defendants George Votis, Avi Reichental, Galt Management, Inc., and Galt Industries, Inc. as follows:

1. An award of compensatory damages for Votis and Reichental's various breaches of duty of loyalty and other fiduciary duties owed to the Company in an amount to be proven at trial, including prejudgment and post-judgment interest;
2. That All Avoided Transfers avoidable under 11 U.S.C. §§ 547, 548 and/or 549 be avoided;
3. That All Avoided Transfers, to the extent that they are avoided pursuant to 11 U.S.C. §§ 547, 548 and/or 549, be recovered by Plaintiff pursuant to 11 U.S.C. § 550;
4. Disallowing, in accordance with 11 U.S.C. § 502(d), any Claims held by any Defendant and/or its assignee until said Defendant satisfies the judgment;

5. Disallowing, in accordance with 11 U.S.C. § 502(j), any Claims held by any Defendant and/or its assignee until said Defendant satisfies the judgment.
6. Awarding attorneys' fees, costs and expenses incurred with prosecuting this action;
7. Awarding pre-judgment interest at the maximum legal rate running from the date of each Transfer to the date of judgment herein;
8. Awarding post judgment interest at the maximum legal rate running from the date of judgment herein until the date the judgment is paid in full, plus costs;
9. Requiring each Defendant to pay forthwith the judgment amount awarded in favor of Plaintiff; and
10. Granting Plaintiff such other and further relief as the Court deems just and proper.

Dated: November 19, 2020  
Wilmington, DE

Respectfully submitted,

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