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IN THE UNITED STATES BANKRUPTCY COURT FOR THE  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re:	)	Chapter 7
	)	Bankruptcy No. 06-14202
COURT REPORTING INSTITUTE, INC.,	)	
	)	
Debtor(s).	)	
_____	)	
BANKRUPTCY ESTATE OF COURT	)	Adversary No.
REPORTING INSTITUTE, INC., by and	)	
through Michael B. McCarty, Bankruptcy	)	
Trustee,	)	
	)	
Plaintiff,	)	
	)	PREFERENCE
v.	)	COMPLAINT
	)	
ALEN JANISCH, a single man; and	)	
KAI MOLDSKRED and JOYCE	)	
MOLDSKRED, husband and wife, and the	)	
marital community comprised thereof,	)	
	)	
Defendants.	)	
_____	)	

COMES NOW the trustee herein through counsel, The Rigby Law Firm, and James Rigby,  
and states and alleges as follows:

I. PARTIES AND JURISDICTION

- The plaintiff is the duly qualified and acting trustee of the estate of the above- named debtor.
- Defendant Alen Janisch (“Janisch”) is a single man who resides in King County, State of Washington.



1 Statement; and a partial assignment to the corporation of NetVest  
2 stock totaling \$86,575.00.”

3 The minutes adopt a resolution accordingly.

4 10. Pursuant to the aforementioned corporate resolution, defendant Janisch executed a  
5 promissory note in favor of the debtor in the amount of \$295,000 dated June 29, 2005.

6 11. Pursuant to the corporate resolution, defendant Janisch executed a second deed of  
7 trust in the amount of \$126,000 against his residence in favor of the debtor. The legal description  
8 of the residence is as follows:

9 The East 112 feet of the South 190 feet of the East 1/2 of the  
10 Southeast 1/4 of the Northeast 1/4 of the Southeast 1/4 of Section 19,  
Township 26 North, Range 4 East, Willamette Meridian, in King  
County, Washington.

11 This property is referred to herein as the “Subject Property.”

12 12. Pursuant to the aforementioned corporate resolution, defendant Janisch executed a  
13 UCC Financing Statement providing the debtor with a security interest in the personal property  
14 described on the attachment hereto. Said personal property includes one 14 karat yellow gold  
15 diamond ring, an 18 karat yellow gold diamond ring, and a 1998 Toyota Tacoma. A partial  
16 assignment of stock account was also executed by defendant Janisch.

17 13. On or about June 26, 2006, the debtor’s board of directors held a special meeting.  
18 Minutes were produced and those minutes recite:

19 “Discussion was had regarding the disclosure, by the Corporation’s  
20 Certified Public Accountant, that an audit for financial ratios for tax  
21 period ending December 31, 2005, did not meet the Department of  
Education requirements, absent an additional pledge of security. The  
additional pledge of security needed would be \$137,000.00.”

22 Those minutes adopt the following resolution:

23 “RESOLVED, that the Shareholder Promissory Note to the  
24 Corporation in the amount of \$295,000.00, given as security for the  
tax period ending December 31, 2004, be reduced to \$137,000.00.  
25 The Shareholder and Corporation will sign a Modification of  
Promissory Note to reflect the balance due from Shareholder of  
\$137,000.00. The second Deed of Trust will be reduced to  
\$76,000.00, and the UCC Financing Statement will be reduced to  
\$61,000.00. The Corporation will release the personal property set  
forth in Paragraph 1 of the UCC Financing Statement, filed June 30,

1 2005 under File Number 2005-187-2860-5, and the Corporation will  
2 release, assign, transfer and set over to Shareholder, the value of  
3 \$86,515.00 of the NetVest Stock Account Number 13641688,  
4 assigned to the Corporation June 30, 2005, to secure partial payment  
5 of the Promissory Note, dated June 29, 2005.”

6 14. Pursuant to that resolution, the debtor and Janisch entered into a Modification of  
7 Promissory Note, reducing the sum of the note to \$137,000, reducing the balance owed on the deed  
8 of trust to \$76,000, and reducing the balance on the UCC financing statement to \$61,000. The  
9 security interest in paragraph 1 of the UCC financing statement was released. The NetVest stock  
10 assignment was released.

11 15. On or about August 21, 2006, the debtor’s board of directors held a special meeting  
12 and minutes were prepared. Those minutes provided:

13 “Discussion was had regarding the Shareholder Note receivable to  
14 the Corporation in the amount of \$137,000.00, plus interest at the rate  
15 of five (5%) per annum, given as Security for the tax period of ending  
16 December 31, 2005, and the Shareholder tendering payment to the  
17 Corporation in the amount of \$165,000.00 for 2006 year-to-date; and  
18 after motion duly made, seconded and passed, the following  
19 resolution was unanimously adopted:

20 RESOLVED, that the Shareholder Note to the  
21 Corporation in the amount of \$137,000.00, given as  
22 security for the tax period ending December 31, 2005,  
23 be cancelled as fully paid, and the Deed of Trust,  
24 recorded June 30, 2005 under recording number  
25 20050630001092, be reconveyed releasing the  
secured interest, and the security interest, pursuant to  
paragraphs 2 and 3 of the UCC-1 Financing Statement  
filed June 30, 2005, under Filed Number 2005-187-  
2860-5, be released.”

16. Pursuant to the minutes in the aforementioned paragraph, the deed of trust was  
released and the UCC financing statement was released.

17. Defendant Janisch transferred the two diamond rings mentioned in the security  
agreement to defendant Moldskred for no consideration to hold for Janisch.

18. During the time frame from January 1, 2006, until September 7, 2006, the debtor  
issued a series of checks made payable to defendant Janisch, and defendant Janisch negotiated those  
checks for his benefit. Those checks are set forth as follows:

	<u>Check Number</u>	<u>Check Date</u>	<u>Amount</u>
1			
2	21202	01/02/2006	\$ 2,700.00
	21203	01/02/2006	\$ 8,000.00
3	21204	01/02/2006	\$ 10,000.00
	21205	01/02/2006	\$ 48,000.00
4	21206	01/02/2006	\$ 50,000.00
	21207	01/02/2006	\$ 50,000.00
5	21208	01/02/2006	\$ 100,000.00
	21209	01/02/2006	\$ 100,000.00
6	21279	01/12/2006	\$ 15,000.00
	21328	01/23/2006	\$ 15,000.00
7	21412	01/26/2006	\$ 15,000.00
	21464	02/02/2006	\$ 15,000.00
8	21530	02/09/2006	\$ 15,000.00
	21532	02/10/2006	\$ 5,000.00
9	21601	02/21/2006	\$ 5,000.00
	21697	03/01/2006	\$ 4,500.00
10	21706	03/02/2006	\$ 5,000.00
	21940	04/04/2006	\$ 5,000.00
11	22705	07/20/2006	\$ 5,000.00
	22775	07/31/2006	\$ 5,000.00
12	22886	09/07/2006	\$ <u>9,160.00</u>
13	TOTAL:		\$ 487,360.00

14 19. During the period of January 1, 2006, through August 2, 2006, the debtor made a  
15 series of checks payable to defendant Moldskred, which defendant Moldskred negotiated for his  
16 benefit. Those checks are as follows:

	<u>Check Number</u>	<u>Check Date</u>	<u>Amount</u>
17			
18	21199	01/01/2006	\$ 10,000.00
	21455	02/01/2006	\$ 10,000.00
19	21465	02/02/2006	\$ 50,000.00
	21696	03/01/2006	\$ 10,000.00
20	21927	04/01/2006	\$ 10,000.00
	22176	05/01/2006	\$ 10,000.00
21	22400	06/01/2006	\$ 3,000.00
	22594	07/01/2006	\$ 10,000.00
22	22806	08/02/2006	\$ <u>10,000.00</u>
23	TOTAL:		\$ 123,000.00

24 20. The checks made payable to defendant Moldskred were for the benefit of defendant  
25 Janisch. Defendant Moldskred was not a creditor of the debtor during the stated time frame.

1           21.     Upon information and belief, the transfers to defendant Moldskred were made for and  
2 on account of an antecedent debt owed by the debtor to defendant Janisch; or, the transfers were for  
3 no consideration.

4           22.     Upon information and belief, the transfers to defendant Janisch were made for and  
5 on account of an antecedent debt owed by the debtor to defendant Janisch; or, the transfers were for  
6 no consideration.

7           23.     The debtor was insolvent at all times mentioned herein, or became insolvent as the  
8 result of each transfer.

9           24.     The transfers referred to in the preceding paragraphs enabled the defendants to  
10 receive more than they would have received under Chapter 7 of the Bankruptcy Code if the transfers  
11 had not been made.

12           25.     On or about October 10, 2006, defendant Moldskred recorded a deed of trust  
13 executed by defendant Janisch encumbering the Subject Property.

14           26.     Upon information and belief, it is alleged that, of the \$487,360 in checks paid to  
15 defendant Janisch referred to above, 70 percent or \$341,152 was thereafter paid to defendant  
16 Moldskred.

17           27.     Defendant Moldskred is the immediate or mediate transferee of \$341,152, the two  
18 diamond rings and the beneficial interest of the deed of trust against the Janisch residence.

19           28.     The debtor's retained earnings on December 31, 2005, were \$182,418.

20           29.     At the time of each transaction mentioned herein, the debtor was unable to pay its  
21 liabilities as they became due in the usual course of business.

22           30.     At the time of each transfer mentioned herein, the debtor's total assets were less than  
23 the sum of its total liabilities.

24           31.     Each transfer herein was made with actual intent to hinder, delay or defraud a  
25 creditor.

1 III. CAUSE OF ACTION

2 32. By reason of the foregoing, the defendants are liable to the plaintiff in the sums above  
3 stated, pursuant to 11 U.S.C. §§ 544, 547, 548 and 550, and RCW 23B.06.400.

4 WHEREFORE, plaintiff prays for judgment against defendant Janisch as follows:

- 5 a) for the principal amount of \$905,360;
- 6 b) for the avoidance of the reconveyance of the deed of trust against the Subject  
7 Property, and for an order reestablishing the deed of trust in the amount of \$295,000;
- 8 c) for an order avoiding the release of the security agreement and reestablishing the  
9 UCC financing statement;
- 10 d) for an order avoiding the satisfaction of the promissory note and reestablishing the  
11 promissory note in its original amount of \$295,000; and
- 12 e) for such further relief as this court deems just in the premises.

13 WHEREFORE, plaintiff prays for judgment against defendant Moldskred as follows:

- 14 a) for the principal amount of \$464,152;
- 15 b) for a turnover to the estate of the two diamond rings;
- 16 c) for an order declaring that the deed of trust in favor of the debtor supercedes and has  
17 priority over the deed of trust against the Subject Property in favor of Moldskred;
- 18 d) for such further relief as this court deems just in the premises.

19 DATED this 22<sup>nd</sup> day of June, 2007.

20 THE RIGBY LAW FIRM

21 /S/ James Rigby

22 \_\_\_\_\_  
23 James Rigby, WSBA #9658  
24 Of Attorneys for Plaintiff/Trustee

EXHIBIT "A"

1104696

063005 13.28

1. One stamped 14-karat yellow gold diamond ring. The diamond is set in a 14-karat white gold plate, measuring 7.5 - 7.4 x 4.48 mm, SII clarity with H color and weighs approx. 1.40-carat, as graded in the mounting using GIA standards. The mounting weighs 9 grams.
  
2. One stamped 18-karat yellow gold diamond ring. The center stone, set in a 4-prong white gold head, is a radiant-cut stone, measuring 10.2 - 8.2 x 6.15 mm, II in clarity with I color and weighs 4.19-carat. Set around the center is (24) baguette-cut stones and (12) round brilliant-cut stones, VSI-2 in clarity with F/G color and weighs 1.49-cttw. Per Turgeon-Raine appraisal. The mounting weighs 9 grams.
  
3. 1998 Toyota Tacoma, License Number A 46515 E, Vehicle Identification Number 4TASN92N6WZ166997.