

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

In re:	:	Jointly Administered Under
	:	Case No. 06-62966
INTERNATIONAL MANAGEMENT ASSOCIATES, LLC; INTERNATIONAL MANAGEMENT ASSOCIATES ADVISORY GROUP, LLC;	:	
INTERNATIONAL MANAGEMENT ASSOCIATES PLATINUM GROUP, LLC;	:	Chapter 11
INTERNATIONAL MANAGEMENT ASSOCIATES EMERALD FUND, LLC;	:	
INTERNATIONAL MANAGEMENT ASSOCIATES TAURUS FUND, LLC;	:	Judge Bonapfel
INTERNATIONAL MANAGEMENT ASSOCIATES GROWTH & INCOME FUND, LLC; INTERNATIONAL MANAGEMENT ASSOCIATES SUNSET FUND, LLC; IMA REAL ESTATE FUND, LLC; PLATINUM II FUND, LP; EMERALD II FUND, LP,	:	
Debtors.	:	
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WILLIAM F. PERKINS, TRUSTEE,	:	
Plaintiff,	:	Adversary Proceeding
v.	:	No. _____
KILSSIS DELOS WRIGHT,	:	
Defendant.	:	
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**COMPLAINT FOR DECLARATORY JUDGMENT AND
FOR TURNOVER**

COMES NOW Plaintiff, William F. Perkins, who is the trustee of the Chapter 11 estates of International Management Associates, LLC and Related Debtors (the “Trustee”), and, pursuant to section 542 of Title 11, United States Code (the “Bankruptcy Code”), files this Complaint for Declaratory Judgment and for Turnover and, in support thereof, shows the Court as follows:

INTRODUCTION

1. On March 16, 2006, (the “Petition Date”), the Debtors filed their respective voluntary petitions for relief under Chapter 11 of Title 11 of the Bankruptcy Code. The Debtors operated their businesses and managed their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On March 27, 2006, the United States Trustee appointed an official committee of unsecured creditors pursuant to Section 1102 of the Bankruptcy Code. On April 11, 2006, the Court ordered the appointment of a chapter 11 trustee. The Trustee, William F. Perkins, was appointed by the United States Trustee on April 20, 2006.

JURISDICTION AND VENUE

2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of the Debtors’ Chapter 11 cases in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

GENERAL BACKGROUND

3. International Management Associates, LLC (“IMA”) and International Management Associates Advisory Group, LLC (“IMA Advisory”) are Atlanta based investment advisory firms, which provided investment management services to several other of the Debtors, including: International Management Associates Platinum Group, LLC (“IMA

Platinum Group”); International Management Associates Emerald Fund, LLC (“IMA Emerald Fund”); International Management Associates Taurus Fund, LLC (“IMA Taurus Fund”); International Management Associates Growth & Income Fund, LLC (“IMA Growth & Income Fund”); International Management Associates Sunset Fund, LLC (“IMA Sunset Fund”); Platinum II Fund, LP (“Platinum II Fund”); Emerald II Fund, LP (“Emerald II Fund”) (collectively, the “Hedge Funds”). IMA Real Estate Fund, LLC (“IMA Real Estate Fund”) is a limited liability company of which Kirk S. Wright (“Wright”) was the sole member. Unless otherwise indicated, information in the General Background section of this document has been taken generally from the Affidavit of William F. Perkins in Support of Chapter 11 Petitions and First-Day Motions and Applications.

4. IMA is a limited liability company organized in the state of Virginia with its principal place of business in Atlanta, Georgia. IMA Advisory is a limited liability company organized in the State of Georgia. The principals of IMA and IMA Advisory are Wright, Dr. Nelson Keith Bond and Dr. Fitz N. Harper, Jr. According to its Form ADV filed with the Securities and Exchange Commission (“SEC”) on or about January 25, 2006, IMA and IMA Advisory, collectively, had approximately \$166 million in funds under management in the Hedge Funds.

5. IMA Platinum Group and IMA Real Estate Fund are limited liability companies organized in the State of Georgia. IMA Emerald Fund, IMA Taurus Fund, IMA Growth & Income Fund, and IMA Sunset Fund are limited liability companies organized in the State of Virginia. Platinum II Fund and Emerald II Fund are limited partnerships organized in the State of Delaware. Each of the Debtors has its principal office in Atlanta, Georgia and has operated

under the supervision and control of IMA and Wright. IMA and/or IMA Advisory were the exclusive advisors for each fund.

6. IMA managed five of the Hedge Funds (IMA Platinum Group, IMA Emerald Fund, IMA Taurus Fund, IMA Growth & Income Fund, and IMA Sunset Fund). IMA Advisory managed two of the Hedge Funds (Platinum II Fund and Emerald II Fund). IMA and IMA Advisory offered and sold interests in these seven Hedge Funds. The Debtors' books and records indicate that from 1997 through the present, IMA and IMA Advisory raised funds from approximately 500 investors through sales of membership or limited partnership interests in the Hedge Funds.

7. Wright is the founder and chief executive officer of IMA and a founder and chief executive officer of IMA Advisory. On information and belief, IMA and IMA Advisory performed their respective advisory services primarily through Wright. Hereinafter, IMA and IMA Advisory will be referred to collectively as "IMA".

8. On February 17, 2006, several investors in the Hedge Funds filed a Complaint in the Superior Court of Fulton County, State of Georgia (the "Superior Court"), commencing the lawsuit styled Atwater, et al., v. International Management Associates, LLC, et al., Civil Action No. 2006-CV-112743.

9. According to the allegations contained in the Complaint filed in the Superior Court Action, in the latter half of 2005, certain of IMA's investors became concerned regarding their positions in, and operations of, IMA and its affiliates. The stated initial primary cause for concern was the failure and refusal of IMA and Wright to provide to the investors independently verifiable information regarding the performance of the subject Hedge Funds, and of the individual accounts of the investors in the Hedge Funds. The Complaint asserts that

further concerns were raised when IMA failed and refused to honor written requests of certain investors for withdrawal or redemption of some or all of their account balances, as provided for under the governing investment contracts.

10. On February 17, 2006, the Superior Court entered the Order Granting TRO and Appointment of Receiver (the “Superior Court Order”). It is believed that Wright fabricated financial statements relating to the Hedge Funds and diverted a substantial amount of money from the Hedge Funds for his own personal use (the “Converted Monies”).

11. On February 24, 2006, the Superior Court issued an order declaring Wright in contempt of the Superior Court Order and ordering his incarceration. Nevertheless, Wright fled from authorities.

12. On February 27, 2006, the SEC filed a Complaint in the United States District Court for the Northern District of Georgia (the “District Court”), against Wright, individually, and each of the Debtors. On February 27, 2006, the District Court entered an Order to Show Cause, Temporary Restraining Order, Order Appointing Receiver, Order Prohibiting Destruction of Documents and Order Expediting Discovery. See SEC v. Wright, et. Al., Civil Action No. 06-CV-00438.

13. On March 10, 2006, the District Court entered the Order Granting Preliminary Injunction, Freezing Assets, Appointing A Receiver and Ordering Other Ancillary Relief, to which the Debtors and Wright (acting through counsel) consented. See SEC v. Wright (the “District Court Order”).

14. After successfully eluding capture by state and federal authorities for almost two months, Wright was apprehended at a Ritz Carlton in Miami, Florida on Wednesday, May 17,

2006. At the time of his arrest, Wright was poolside with the Defendant, his wife, Kilssis Delos Wright, and had on his person \$28,000.00 in cash.

15. On May 25, 2006, Wright was indicted on one count of mail fraud.

16. On June 28, 2006, a federal grand jury returned a superseding indictment against Wright adding twenty four counts of mail fraud and securities fraud. The superseding indictment expanded the scope of the fraud scheme allegedly employed by Wright.

17. The indictments allege that Wright lied to his clients about how much money their accounts were worth and how well their investments were performing. The indictments further allege that Wright lied to investors about how their funds would be used. Specifically, Wright represented that investor funds would be invested in marketable securities and cash, according to strategies designed to maximum total returns. However, Wright in fact used substantial investor funds simply to pay off earlier investors who had demanded withdrawals. Wright allegedly did this to maintain the appearance that IMA had sufficient assets. In addition, the indictments allege that Wright diverted millions of dollars of investor funds to himself and his family, including his wife, the Defendant.

18. Wright is currently incarcerated, and a substantial portion of the Converted Monies remains unaccounted for.

19. This Complaint for Declaratory Judgment and for Turnover seeks a declaration that a Range Rover and all items of jewelry that are in the possession of the Defendant and which were purchased by Wright and/or the Defendant with the Converted Monies are property of the estate, and further seeks turnover of those items from the Defendant for the benefit of the Debtors' estate.

THE RANGE ROVER

20. The Range Rover was purchased with a combination of cash (the “Cash”) and a trade-in vehicle (the “Trade-In”). The Trade-In was an IMA car and the Cash was IMA money, therefore the Range Rover is proceeds of IMA assets and is recoverable for the benefit of the estate.

The Cash

21. The Cash is traceable to funds wrongfully converted by Wright from an IMA account.

A. Wright converted money from IMA and used it to purchase an extravagant personal residence in Topanga Canyon in Los Angeles, California.

22. On May 11, 2004, Wright ordered that a wire transfer remove funds from an IMA account held with Bank of America (the “Down Payment”). The IMA account number was 003273247843 (the “IMA Account”). The amount of the Down Payment was \$200,000.00. A copy of the bank statement reflecting this Down Payment is affixed hereto as Exhibit 1.

23. On December 22, 2004, Wright ordered that three additional wire transfers remove funds from the same IMA account held with Bank of America (the “Transfers”). The first Transfer was in the amount of \$313,463.60. The second Transfer was in the amount of \$900,000.00. The third Transfer was also in the amount of \$900,000.00. The total amount of the Transfers was \$2,113,463.60. A copy of the bank statement reflecting these three Transfers is affixed hereto as Exhibit 2.

24. For the Down Payment and all three Transfers, the IMA Account was debited, and an account with East-West Bank held by Malibu Corp Trust (“Malibu”) was credited. The reason Malibu was credited was that Malibu was acting as the escrow and title company

involved in the sale to Wright of an extravagant home in Topanga Canyon in Los Angeles, California (the “Topanga Home”). See Malibu Corporation Sale Escrow Instructions, attached hereto as Exhibit 3. The seller of the Topanga Home was a Ms. Bobbie Reif.

25. Although IMA funds were used to purchase the Topanga Home, the Topanga Home was not owned by IMA, but instead was owned solely by Wright to be used by Wright as a personal residence.

B. The Topanga Home gave rise to a lawsuit which resulted in a cash settlement in favor of Wright.

26. The Topanga Home gave rise to a lawsuit filed by Wright in the Superior Court of the State of California for the County of Los Angeles styled Kirk S. Wright v. Bobbie Reif, et. al., Case No. BC333694. That suit was commenced on May 18, 2005 (the “Lawsuit”) against the seller, Ms. Bobbie Reif, and the builders of the Topanga Home. The Lawsuit alleged significant construction flaws. The Lawsuit resulted in a cash settlement in favor of Wright in the amount of \$160,000.00 (the “Settlement Monies”).

27. Wright directed that the Settlement Monies be delivered to his wife, the Defendant, Mrs. Kilssis Delos Wright, in February of 2006. (See the deposition of Kilssis Delos Wright affixed hereto as Exhibit 4 (hereinafter the “Wright Dep.”) at 20:4-23, March 22, 2006). The Settlement Monies were deposited directly into the personal checking account of Mrs. Wright, account number 003914712368, (the “Checking Account”) by wire transfer. (Wright Dep. 52:16-24 and 91:2-25).

C. The Settlement Monies were used to pay the Cash portion of the purchase price of the Range Rover.

28. On February 18, 2006, Mrs. Wright drafted a disbursement against the Checking Account in favor of Howard Orloff Imports, the car dealership that sold the Range Rover to the Defendant, in the sum of \$30,647.30. A copy of that check register journal entry is affixed hereto as Exhibit 5. A copy of the Certificate of Origin for the Range Rover is affixed hereto as Exhibit 6. That check paid the Cash portion of the purchase price of the Range Rover. (Wright Dep. 52:4-15).

The Trade-In

29. The Trade-In portion of the purchase price of the Range Rover was paid by the trade of a 2000 Mercedes Benz, vehicle number WDBPJ75J7YA001379. A copy of the Sales Tax Transaction Return is affixed hereto as Exhibit 7.

30. The Mercedes Benz was owned by IMA. (Wright Dep. 51:21-23).

31. Because the Range Rover is proceeds of funds that were wrongfully converted by Kirk Wright and a vehicle wrongfully converted from IMA, it is property of the chapter 11 estate of IMA as set forth in section 541(a) of the Bankruptcy Code and should immediately be turned over to the Trustee pursuant to section 542(a) of the Bankruptcy Code.

THE JEWELRY

32. Upon information and belief, the Defendant is in possession of a significant amount of jewelry that was purchased using IMA funds (the "Jewelry"). Several jewelry appraisals, invoices and related documents are affixed hereto as Exhibit 8 which detail and describe the Jewelry.

33. Because the Jewelry was purchased using funds wrongfully converted from IMA for the personal use of the Defendant and/or Wright, the Jewelry is property of the chapter 11

estate of IMA as set forth in section 541(a) of the Bankruptcy Code and should immediately be turned over to the Trustee pursuant to section 542(a) of the Bankruptcy Code.

COUNT I

**FOR DECLARATORY JUDGMENT THAT THE
RANGE ROVER AND THE JEWELRY
CONSTITUTE PROPERTY OF THE ESTATE**

34. Plaintiff incorporates by reference paragraphs 1-33 above as if fully set forth herein.

35. Wright's act of using IMA funds to purchase a personal residence and to purchase the Jewelry constituted a wrongful conversion of IMA assets which created a constructive trust in favor of IMA (the "Constructive Trust") at the time of the conversion in the amount of the converted funds. See Jenkins v. Lane, 115 S.E. 126, 136 (Ga. 1922) (holding that "a trust is implied where, from any fraud, one person obtains title to property which rightfully belongs to another."); see also O'Neal v. O'Neal, 168 S.E. 262, 264 (Ga. 1933) (holding that "constructive trusts are such as are raised by equity in respect of property which has been acquired by fraud, or where, though acquired originally without fraud, it is against equity that it should be retained by him who holds it").

36. Because all legal and equitable interests of the Debtor at the time of filing constitute property of the estate pursuant to section 541 of the Bankruptcy Code, and because IMA was the equitable beneficiary of the Constructive Trust upon the Petition Date, all proceeds of the Constructive Trust, in whatever form, are property of the estate. See Pittman v. Pittman, 26 S.E.2d 764, 772-3 (Ga. 1943) (holding that "the right to follow wrongfully transferred property into its product applies... wherever a person wrongfully transfers property in which another has a beneficial interest.... In any such case the person whose property is

wrongfully used in acquiring the product can reach the product by a proceeding in equity, and he can enforce a constructive trust or an equitable lien. The owner may claim the product in whatever form it may be * * * land, chattels, choses in action, or money.”)(citations omitted).

37. The proceeds of the Constructive Trust have been adequately traced in this case to the Range Rover and the Jewelry. See generally In re BMC Industries, Inc., 328 B.R. 792 (Bankr.D. Minn., 2005) (holding “to recover proceeds of an equitable trust, a claimant must trace the proceeds from the time of the underlying unjust enrichment to the point at which relief is sought”).

(a) The Constructive Trust was created when Wright wrongfully used IMA funds to purchase the Jewelry and when Wright wrongfully withdrew funds from an IMA account in order to purchase the Topanga Home. The Jewelry is still in existence and has been adequately traced to the Defendant.

(b) The Topanga Home constituted proceeds of the funds in the Constructive Trust.

(c) The Settlement Monies were proceeds of the Topanga Home.

(d) The Settlement Monies were used to pay the cash portion of the Range Rover purchase price.

(e) The Trade-In portion of the Range Rover purchase price was paid with an IMA vehicle.

38. Accordingly, the Range Rover and the Jewelry constitute property of the Debtors’ estate within the meaning of section 541(a) of the Bankruptcy Code and a Declaratory Judgment to that effect should be entered.

COUNT II

**FOR TURNOVER OF THE
RANGE ROVER AND THE JEWELRY**

39. Plaintiff incorporates by reference paragraphs 1-38 above as if fully set forth herein.

40. The Range Rover and the Jewelry constitute property of the Debtors' estate within the meaning of section 541 of the Bankruptcy Code.

41. By virtue of the foregoing, the Defendant is required pursuant to section 542(a) of the Bankruptcy Code to deliver to the Trustee, and account for, the Range Rover and the Jewelry or the value thereof.

REQUESTED RELIEF

WHEREFORE, the Plaintiff prays for relief against the Defendant as follows:

- a. For a Declaratory Judgment that the Range Rover and the Jewelry are property of Debtor IMA;
- b. For immediate delivery to the Trustee of the Range Rover and the Jewelry;
- c. For an accounting;
- d. For reasonable attorneys' fees and costs associated with the pursuit of this matter in court; and
- e. For any further relief the Court deems just and proper.

Respectfully submitted, this 13th day of July, 2006.

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Telephone: (404) 815-6500
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/s/ John W. Mills, III
John W. Mills, III, Georgia Bar No. 509705
Colleen H. Tillett, Georgia Bar No. 334296

Attorneys for William F. Perkins,
Chapter 11 Trustee

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

In re:	:	Jointly Administered Under
	:	Case No. 06-62966
INTERNATIONAL MANAGEMENT	:	
ASSOCIATES, LLC; INTERNATIONAL	:	Chapter 11
MANAGEMENT ASSOCIATES	:	
ADVISORY GROUP, LLC;	:	Judge Bonapfel
INTERNATIONAL MANAGEMENT	:	
ASSOCIATES PLATINUM GROUP, LLC;	:	
INTERNATIONAL MANAGEMENT	:	
ASSOCIATES EMERALD FUND, LLC;	:	
INTERNATIONAL MANAGEMENT	:	
ASSOCIATES TAURUS FUND, LLC;	:	
INTERNATIONAL MANAGEMENT	:	
ASSOCIATES GROWTH & INCOME	:	
FUND, LLC; INTERNATIONAL	:	
MANAGEMENT ASSOCIATES SUNSET	:	
FUND, LLC; IMA REAL ESTATE FUND,	:	
LLC; PLATINUM II FUND, LP;	:	
EMERALD II FUND, LP,	:	
	:	
Debtors.	:	
<hr/>		
WILLIAM F. PERKINS, TRUSTEE,	:	
	:	Adversary Proceeding
Plaintiff,	:	
v.	:	No. _____
	:	
KILSSIS DELOS WRIGHT	:	
	:	
Defendant.	:	
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CERTIFICATE OF SERVICE

I hereby certify that, on the 13th day of July, 2006, I served true and correct copies of the Trustee's **COMPLAINT FOR DECLARATORY JUDGMENT AND FOR TURNOVER** via the United States Mail with sufficient, first-class postage affixed thereon to insure delivery, addressed to the parties listed on Exhibit "A" attached hereto.

Dated: July 13, 2006.

/s/ John W. Mills, III
John W. Mills, III
Georgia Bar No. 509705
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Chapter 11 Trustee

Exhibit "A"

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