

UNITED STATES DISTRICT COURT FOR
THE SOUTHERN DISTRICT OF NEW YORK

SKADDEN, ARPS, SLATE, MEAGHER &
FLOM LLP,

Plaintiff,

- against -

TPR INVESTMENT ASSOCIATES, INC,
GLENCLOVA INVESTMENT CO., TR IN-
VESTORS, LLC, NEW TR EQUITY I, LLC
NEW TR EQUITY II, LLC and ARIE
GENGER,

Defendants.

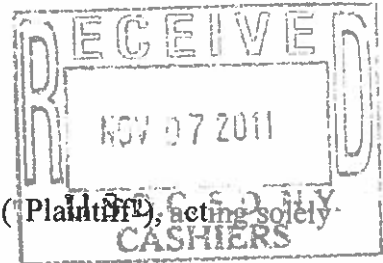
11 Case No. CIV 7923

ECF Case

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COMPLAINT

Plaintiff Skadden, Arps, Slate, Meagher & Flom LLP (Plaintiff), acting solely



in its capacity as escrow agent, for its interpleader complaint herein, alleges on knowledge as to
itself and its own actions and on information and belief as to all others, as follows:

INTRODUCTION

1. On February 2, 2011, the Trump Group (defined below) purchased certain
disputed shares of stock of Trans-Resources, Inc., a Delaware corporation ("Trans-Resources"),
and deposited the sale proceeds into escrow with two escrow agents, as described below. The
dispute over beneficial ownership of those shares presently is being litigated in three different
courts – this Court, the Court of Chancery of the State of Delaware, and the Supreme Court of
the State of New York.

2. First, the Trump Group deposited \$10,514,005 with Pedowitz & Meister
LLP, counsel to Dalia Genger as trustee of the Orly Genger 1993 Trust (the "Orly Trust"), as
escrow agent. These funds were the proceeds from the Trump Group's purchase of Trans-

Resources shares (the "Orly Trust Shares") improperly transferred at Arie Genger's direction by defendant TPR Investment Associates, Inc. ("TPR") to the Orly Trust in 2004, in a transaction that the Delaware courts have determined was void and which, therefore, gave rise to a right of defendants Glenclova Investment Co. ("Glenclova") and TR Investors, LLC ("Investors") to purchase the shares under a stockholders agreement between and among Trans-Resources, TPR, Glenclova and Investors (the "Stockholders Agreement"). In connection with an interpleader action filed in this Court on August 11, 2011, captioned *Pedowitz & Meister LLP v. TPR Investment Associates, Inc., et al.*, Case No. 11 Civ. 5602 (JFK) (the "Orly Trust Shares Interpleader Action"), the escrowed funds from the purchase of the Orly Trust Shares have been deposited with the Clerk of the Court.

3. Second, the Trump Group also purchased the Trans-Resources shares (the "Arie Shares") improperly transferred by TPR to defendant Arie Genger ("Genger") in the void 2004 transaction—which, as with the improper Orly Trust Shares transfer, also gave Glenclova and Investors the right to purchase the Arie Shares under the Stockholders Agreement. The proceeds from that purchase were deposited with Plaintiff, counsel to the Trump Group, as escrow agent, and were placed into two separate escrow accounts. Specifically, (i) \$1,500,000 was deposited into one account, and is subject to a February 17, 2011 preliminary injunction decision and order of Justice Paul G. Feinman in the New York state court action captioned *Arie and Orly Genger v. Sagi Genger, et al.*, Index No. 651089/2010 (the "New York Supreme Court Action"), and (ii) the balance of the proceeds, \$5,928,994, was deposited into a second account which is not subject to the New York state court injunction. Contemporaneously with the filing of the instant action, Plaintiff has deposited the funds from the second escrow account with the Clerk of this Court, and the Trump Group has requested the New York state court to

modify its preliminary injunction order to permit the funds from the first escrow account also to be deposited with the Clerk of this Court and made part of this interpleader action.

4. Thus, the purpose of this action is to place under the control of this Court all proceeds from the Trump Group's purchase of the disputed Trans-Resources shares in February 2011 until a final determination is made as to the beneficial ownership of those shares in whatever forum this Court ultimately determines is appropriate.

PARTIES

5. Plaintiff is a New York limited liability partnership with its principal place of business in New York City, and brings this action solely as the escrow agent under a September 2010 escrow agreement by and among Plaintiff, the Trump Group and TPR (the "Escrow Agreement").

6. Defendant TPR is a Delaware corporation with its principal place of business in New York City.

7. Defendant Glenclova is a Cayman Islands corporation.

8. Defendant Investors is a New Jersey limited liability company.

9. Defendant New TR Equity I, LLC ("Equity I") is a Delaware limited liability company.

10. Defendant New TR Equity II, LLC ("Equity II," and with Glenclova, Investors and Equity I, the "Trump Group") is a Delaware limited liability company.

11. Defendant Genger resides in the state of Florida.

JURISDICTION AND VENUE

12. This Court has jurisdiction in this action pursuant to the federal interpleader statute, 28 U.S.C. § 1335. The amount in controversy, exclusive of interest and costs, exceeds \$500, and two or more of the defendants, of diverse citizenship, claim, or may claim, entitlement to the interpleaded funds. Pursuant to 28 U.S.C. § 2361, this Court also is authorized to "enter its order restraining [all claimants] from instituting or prosecuting any proceeding in any" other court "affecting the property, instrument or obligation involved" in this action or in the Orly Trust Shares Interpleader Action.

13. Venue in this district is proper pursuant to 28 U.S.C. § 1397 because at least one of the claimants resides in this judicial district.

FACTS

14. Subsequent to making the Escrow Agreement, on February 2, 2011 the Trump Group caused \$5,928,994 to be transferred to Plaintiff, as escrow agent under the Escrow Agreement. Plaintiff, as escrow agent, holds such funds, plus accrued interest, in an account at Citibank, N.A.

15. The Escrow Agreement specifies the circumstances under which, and to whom, the escrowed funds are to be released. Those issues turn, for all intents and purposes, on who now beneficially owns 766.6089 shares of stock of Trans-Resources, Inc. that TPR purported to transfer to Genger in October 2004, *i.e.*, the Arie Shares. The Delaware courts have held that this transfer was void and that Glenclova and Investors therefore had a contractual right to purchase the Arie Shares from TPR, which the Trump Group in fact did in February 2011. The escrowed funds are a portion of the consideration paid by the Trump Group to TPR in connection with the purchase of the Arie Shares.

16. As a result of its purchase of the Arie Shares, the Trump Group claims to be the beneficial owner of the Arie Shares and, assuming this to be the case, TPR is entitled to the escrowed funds. However, on August 2, 2011, counsel for Genger notified Plaintiff that Genger asserts an interest in the escrowed funds and objects to the release of those funds. Plenary litigation to finally determine beneficial ownership of the Arie Shares, which will conclusively determine entitlement to the escrowed funds, is pending before the Delaware Court of Chancery. Issues implicating the beneficial ownership of the Arie Shares are also pending in the New York Supreme Court Action and in a separate action pending before this Court.

17. Genger has since applied to the New York state court for a preliminary injunction that would prevent Plaintiff from complying with its obligations under the Escrow Agreement regarding the disbursement of funds regardless of the determination by the Delaware Court of Chancery in the plenary litigation.

18. Plaintiff has no interest in the escrowed funds, but as explained above, two or more of the defendants are adverse claimants who may claim the escrowed funds.

19. Plaintiff has no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests judgment:

(1) determining which of the defendants is entitled to the escrowed funds that are the subject of this action after a determination is made by the Delaware Court of Chancery in the plenary action as to beneficial ownership of the Arie Shares;

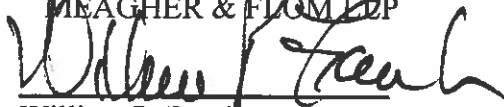
(2) discharging Plaintiff from any further obligations under the Escrow Agreement, including without limitation, disbursing funds, interest or costs upon Plaintiff depositing the escrowed funds with the Court;

(5) awarding Plaintiff its attorneys' fees and expenses; and

(6) awarding Plaintiff such other and further relief as the Court may deem proper.

Dated: November 7, 2011

SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP



William P. Frank

(william.frank@skadden.com)

Four Times Square
New York New York 10036
(212) 735-3000

- and -

Thomas J. Allingham II
(thomas.allingham@skadden.com)
Anthony W. Clark
One Rodney Square
P.O. Box 636
Wilmington, Delaware 19899-0636
(302) 651-3000

Attorneys for Plaintiff