BRETT A. AXELROD, ESQ.
Nevada Bar No. 5859
KARA B. HENDRICKS, ESQ.
Nevada Bar No. 7743
GREENBERG TRAURIG, LLP
3773 Howard Hughes Pkwy, Suite 400 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002
Email: axelrodb@gtlaw.com
hendricks@gtlaw.com
[Proposed] Special Counsel for the Unsecured Creditors Committee

Electronically filed July 27, 2009

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re

LAKE AT LAS VEGAS JOINT VENTURE, LLC, *et al.*,

Debtors.

Jointly Administered Under
Case No. BK-S-08-17814-LBR

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF LAKE LAS VEGAS JOINT VENTURE, LLC et. al, on Behalf of LAKE LAS VEGAS JOINT VENTURE, LLC, DEBTORS in Possession

Plaintiff,

v.

CREDIT SUISSE, CAYMAN ISLANDS BRANCH f/k/a CREDIT SUISSE FIRST BOSTON; CREDIT SUISSE SECURITIES (USA) LLC Individually and in its capacity as agent for secured lenders; DOES I through X; and ROE ENTITIES XI through XX,

Defendants.

Adversary No.

COMPLAINT

Jury Trial Demanded

Plaintiff, THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF LAKE LAS VEGAS JOINT VENTURE, LLC et. al, on Behalf of LAKE LAS VEGAS JOINT VENTURE, LLC, DEBTORS in Possession (“COMMITTEE”), by and through its special counsel Greenberg Traurig, hereby files its Complaint against CREDIT SUISSE, CAYMAN ISLANDS BRANCH f/k/a CREDIT SUISSE FIRST BOSTON and CREDIT SUISSE SECURITIES (USA) LLC alleging as follows:

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

JURISDICTION & VENUE

1. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 157 and 1334 because this is a proceeding relating to bankruptcy proceedings initiated on or about July 17, 2008 by Lake at Las Vegas Joint Venture ("LLJV"), LLC, LLV-1, LLC ("LLV-1") and certain of their affiliates (collectively "DEBTORS"). This action arises in and relates to DEBTORS' bankruptcy cases because it asserts causes of action that, if successful, will benefit DEBTORS' estates due to the improper nature of certain loan transactions. Accordingly, venue is proper pursuant to 28 U.S.C. §1408(1) and §1409(a).

2. This action is a core proceeding under 28 U.S.C. § 157(b)(2)(B), (H), (K), (O) because, *inter alia*:

a. This Complaint seeks the allowance of certain creditors' claims and the disallowance of claims by Credit Suisse pursuant to 28 U.S.C. § 157(b)(2)(B);

b. This Complaint asserts to avoid certain transactions and/or recover amounts due to fraudulent conveyance pursuant to 28 U.S.C. § 157(b)(2)(H);

c. This Complaint seeks a determination of the validity, extent, or priority of liens pursuant to 28 U.S.C. § 157(b)(2)(K); and

d. The resolution of this action will affect the liquidation of assets of the estate pursuant to 28 U.S.C. § 157(b)(2)(O).

3. This action is properly brought as an adversary proceeding pursuant to Fed. R. Bankr. P. 7001(1), (2) and (8).

PARTIES

4. DEBTORS filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code, in the District of Nevada, Case Number 08-171814-LBR on July 17, 2008 and are operating their business as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. On or about July 30, 2008, the acting United States Trustee appointed a committee of Creditors Holding Unsecured Claims pursuant to 11 U.S.C. § 1102(a)(1) and (b)(1) (the "Unsecured Creditors Committee" or "COMMITTEE"). The COMMITTEE prosecutes the claims herein, not

for itself, but on behalf of and for the benefit of the DEBTORS, their estates, and the creditors thereof.

6. CREDIT SUISSE, CAYMAN ISLANDS BRANCH f/k/a CREDIT SUISSE FIRST BOSTON is a foreign corporation in the business of providing financial services. It is unknown what status CREDIT SUISSE, CAYMAN ISLANDS BRANCH f/k/a CREDIT SUISSE FIRST BOSTON has with respect to doing business in the State of Nevada.

7. CREDIT SUISSE SECURITIES (USA) LLC is a Foreign Limited Liability Company, registered to do business in the state of Nevada and is sued herein in its individual capacity and in its capacity as agent for secured lenders. (CREDIT SUISSE, CAYMAN ISLANDS BRANCH f/k/a CREDIT SUISSE FIRST BOSTON and CREDIT SUISSE SECURITIES (USA) LLC are collectively referred to herein as "CREDIT SUISSE".)

8. Defendants DOES I through X and ROE ENTITIES XI through XX are persons, corporations, partnerships, limited liability companies or other business entities or associations which are sued by their fictitious names because the true identities and names are currently unknown. However, upon information and belief, the Doe and Roe defendants, and each of them, are persons or entities which are participating lenders in the loans arranged by Credit Suisse and/or are responsible in some manner for the damages alleged herein or received the benefits of Defendants' wrongful acts alleged herein. Plaintiff will seek leave to amend this Complaint once the true names or identities of the Doe and Roe defendants become known.

GENERAL ALLEGATIONS

Factual Background Regarding LLV Development

9. DEBTORS are the owner-developers of the Lake Las Vegas Resort, a 3,592 acre master-planned residential development and resort community ("LLV Development"), located approximately 20 miles east of Las Vegas, in Henderson Nevada.

10. The land encompassing the 3,592 acres of the LLV Development includes hills, mountains, canyons and other natural topographic features that make much of the land undevelopable. The LLV Development includes 29 separate neighborhoods, a man-made lake, two luxury resorts, three golf course and residential shopping areas.

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

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11. On the residential side, DEBTORS entered into contracts with and sold property for development to a number of private and public homebuilders including, but not limited to, Centex Homes, Toll Brothers, Woodside Homes, TOUSA Homes and Intrawest (collectively the "Home Builders").

12. In land transactions, DEBTORS would typically incur an obligation to complete designated infrastructure work, usually in the form of grading, construction and/or underground utilities such as water, sewer, cable and electricity, as well as backbone infrastructure and road construction and bringing utilities such as electricity, gas, cable, sewer and water to the property line, all in accordance with a contractually-specified timeframe. In so doing, DEBTORS represented they had the cash liquidity necessary to timely complete the infrastructure.

13. Some, but not all of the infrastructure DEBTORS were contractually obligated to complete was part of Local Improvement Districts ("LID") approved by the City of Henderson ("The City"). In conjunction with the sale of property for development by the Home Builders, DEBTORS were obligated to facilitate certain infrastructure projects at the LLV Development through "LID Financing", a form of public finance offered pursuant to the State of Nevada's Consolidated Local Improvements (Nevada Revised Statutes Chapter 271). This statutory scheme provides a procedure for the construction of improvement projects within the LID by levying special assessments upon the property owners within the particular LID, who would benefit from the improvement.

14. The City established at least three LIDs at the LLV Development, known as District Nos. T-1, T-12 and T-16. This public infrastructure includes water, sewer, roadway, parks and flood control improvements.

15. Although it was anticipated that the sale of municipal bonds for the LID would reimburse DEBTORS when the LID infrastructure was complete, DEBTORS were responsible for financing tens of millions of dollars in construction for the LID projects at the LLV Development.

16. In addition to the infrastructure costs, DEBTORS represented to the Home Builders that the LLV Development was an active, ongoing resort community with three 18 hole championship golf courses and clubhouses, along with all of the associated amenities that existed or

GREENBERG TRAURIG, LLP
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were proposed at the time of the purchase of the properties and that DEBTORS had the financial resources and liquidity to develop and maintain the same.

17. One of the DEBTORS is also the declarant under the Master Property Owners Association ("MPOA"), a LLV Development association comprised of property owners in all three phases that oversees lake maintenance, community security and landscaping, and general property care and maintenance. The MPOA maintains roadways, common areas and open spaces, the Lake, the dam and other areas throughout the community. It also maintains private infrastructure, community patrol service, and administers the DEBTORS' design guideline review process to ensure that all structures reflect appropriate standards. In addition the DEBTORS are required to provide employees as needed for common office services.

18. The predecessor management and equity holders of the DEBTORS managed, owned and operated the LLV Development continuously from 1987 to January 2008. The predecessors included Transcontinental Corporation, Transcontinental Land Company, a Texas Partnership, (collectively "Transcontinental"), a corporation owned and controlled by Ron Boeddeker. Additional partners with Transcontinental included Sid and Lee Bass, either individually or through one or more family trusts (the "Bass Brothers"). Collectively, Boeddeker, Transcontinental and the Bass Brothers are referred to as the "Predecessor Equityholders." Transcontinental provided the day-to-day management and oversight of the LLV Development.

19. DEBTORS currently own land at the LLV Development that was not sold to homebuilders or others. This land comprises 615 net developable acres. Separately, as of the date of the petition, DEBTORS, through their subsidiaries, owned an equity interest in the Ritz-Carlton Hotel, three golf courses and commercial lands. The unsold land includes approximately 54 net developable acres in Phase 1, 51 acres in Phase 2, and 510 acres in Phase 3.

Credit Suisse Loans & Impact on LLV Development

20. On or about November 1, 2004, DEBTORS executed a deed of trust ("Deed of Trust") in favor of CREDIT SUISSE. Under the Deed of Trust, a large portion of the LLV Development was offered as security for the payment of a loan by CREDIT SUISSE.

21. Two separate loans or lines of credit were provided to DEBTORS by CREDIT

1 SUISSE on or about November 1, 2004. The First Lien Credit Agreement was in the principal
2 amount of $435,000,000.00 The Second Lien Credit Agreement was in the principal amount of
3 $125,000,000.00. (The First Lien Credit Agreement and Second Line Credit Agreement are
4 referred to collectively herein as "November 2004 Transactions"). The November 2004
5 Transactions were executed by CREDIT SUISSE individually, as a Lender and as the
6 Administrative Agent, the Collateral Agent and Syndication Agent.

7 22. The names, identities and relationship between CREDIT SUISSE and other lenders
8 involved in the November 2004 Transactions are subject to discovery. However, upon information
9 and belief, CREDIT SUISSE was responsible for conducting due diligence in an agency capacity
10 for the other lenders involved in the November 2004 Transactions and/or sold the loans to other
11 lender after the November 2004 Transactions were complete.

12 23. The structure of the November 2004 Transactions allowed the equity holders of
13 DEBTORS to individually take out their equity, loans, as well as profits by over mortgaging the
14 LLV Development.

15 24. Upon information and belief, approximately $100,000,000.00 of the proceeds of the
16 November 2004 Transaction went to repay DEBTORS' outstanding debt. The balance of
17 $460,000,000.00 was disbursed to the Predecessor Equityholders or paid in fees for the loans.

18 25. As a result of the November 2004 Transactions, CREDIT SUISSE received fees in
19 the amount of $12,838,890.54, including $8,700,000.00 to arrange the First Lien, $3,125,000.00 to
20 arrange the Second Lien, $856,250.00 as a facilities incentive fee, $100,000.00 in administration
21 fees and $57,640.54 for reimbursement of its out-of pocket expenses. (A copy of the November
22 2004 Transactions Disbursement Authorization is attached hereto as **Exhibit A**.)

23 26. Upon information and belief, at the time of the November 2004 Transactions,
24 DEBTORS were substantially over budget and behind schedule with regard to the LID work. They
25 were also stretching out payments to vendors, contractors, etc.

26 27. Due to the structure of the November 2004 Transactions, the title insurer, First
27 American Title Company ("FATCO") refused to delete creditor rights provisions in the title policy,
28 noting that all the funds were leaving the mortgagor to pay the investors for their equity, raising

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

creditors rights and constructive fraudulent transfer issues and that "[t]he loan will bleed out almost all, if not all of the remaining equity in the entity."

28. Based on available information, it appears that CREDIT SUISSE and the LLV Development owners were the real beneficiaries of the November 2004 Transactions which left DEBTORS too thinly capitalized and without the liquidity necessary to meet their contractual obligations.

29. On or about May 4, 2005, DEBTORS executed a first amendment to the Deed of Trust in favor of CREDIT SUISSE, offering, a large portion of the LLV Development as security for the loan by CREDIT SUISSE of an additional $135,000,000.00 ("May 2005 Transaction"). The May 2005 Transaction was executed by CREDIT SUISSE individually, as a Lender and as the Administrative Agent, the Collateral Agent and Syndication Agent.

30. The names, identities and relationship between CREDIT SUISSE and other lenders involved in the May 2005 Transaction are subject to discovery. However, upon information and belief, CREDIT SUISSE was responsible for conducting due diligence in an agency capacity for the other lenders involved in the May 2005 transaction and/or sold the loans to other lenders after the May 2005 Transaction was complete.

31. Pursuant to the May 2005 Transaction, lenders received $128,750,000.00 in repayment of the Second Lien. CREDIT SUISSE received $3,712,500.00 as an arrangement fee and $20,000.00 for out of pocket expenses. After legal fees and expenses, $1,723,996.65 was wired to Lake at Las Vegas Joint Venture and $574,359.10 was wired to LLV-1. (A copy of the May 2005 Transaction Disbursement Authorization is attached hereto as **Exhibit B**.)

32. Due to the structure of the May 2005 Transaction, FATCO again refused to delete creditor rights provisions in the title policy as it presented the same risks as the November 2004 Transactions.

33. Upon information and belief, at the time of the May 2005 Transaction, DEBTORS were substantially over budget and behind schedule with regard to the LID work and were stretching out payments to vendors, contractors, etc.

34. Subsequent to May 2005, Credit Suisse First Boston began, upon information and

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

belief, operating as Credit Suisse Cayman Islands Branch and/or Credit Suisse Cayman Islands Branch assumed and/or otherwise took over the operations of Credit Suisse First Boston with respect to these loans. Details regarding the transition between the two Credit Suisse entities will be further developed during discovery.

35. Upon information and belief, Credit Suisse Cayman Islands branch was created in 2005 to facilitate a new syndicated loan product.

36. At times relevant to DEBTORS' transactions, CREDIT SUISSE was, upon information and belief, trying to break new ground with a product by assessing the corporate syndicated loan market for real estate loans. Through its new syndicated loans, CREDIT SUISSE, upon information and belief, was able to offer a loan product the size of which had previously been unavailable to borrowers, allowing the equity holders in said entities to take sizeable distributions from all or part of their equity and anticipated/projected profits from the CREDIT SUISSE loan proceeds .

37. Upon information and belief, the syndicated loan product offered by CREDIT SUISSE was based on a new form of appraisal methodology, which CREDIT SUISSE termed "Total Net Value", that did not comply with the Financial Institutions Recovery Reform Act of 1989 ("FIRREA")or other regulatory lending guidelines.

38. Upon information and belief, the Total Net Value methodology was first developed when CREDIT SUISSE was selling its syndicated loan product to DEBTORS.

39. Upon information and belief, the loan product offered by CREDIT SUISSE to DEBTORS provided DEBTORS and/or the Predecessor Equityholders the opportunity to recover their initial investment in the project through leveraging the project rather than through profits over time. CREDIT SUISSE would loan the money on a non-recourse basis, earn a substantial fee, and sell off most of the loan credit to loan participants. The development owners would take most of the money out as a return of capital as well as a profit dividend, leaving their developments saddled with enormous debt and no liquidity to honor their contractual or other obligations when they became due. CREDIT SUISSE and the development owners would benefit, while their developments- and especially the creditors of their developments- bore all the risk of loss.

1 40. The appraisal prepared at the request of CREDIT SUISSE in 2005 by Cushman &
2 Wakefield of Nevada, Inc. ("Cushman & Wakefield Appraisal") for the LLV Development does not
3 contain an As Is Value and is not compliant with FIRREA. Based on the Total Net Value analysis
4 the property (as defined in the appraisal without golf course land) was appraised at
5 $1,159,000,000.00. The Total Net Value was configured in the Cushman & Wakefield Appraisal as
6 if all of the bulk lots in the LLV Development were complete (in terms of backbone and
7 infrastructure) as of the date of the appraisal and represented the merchant builder sale revenues
8 including allowances for view lots and location premiums. In contrast, at the time of the petition
9 DEBTORS' indicated the LLV Development was not worth the $670,000,000.00 due under existing
10 loans.

11 41. A number of the assumptions made in the Cushman & Wakefield Appraisal were
12 erroneous including assumptions that the property was free of any development requirements that
13 would restrict, modify, or delay development or sale of the property. Importantly in May of 1998,
14 DEBTOR entered into an Acquisition Agreement with the City for LID District T-12 which
15 obligated DEBTOR to put infrastructure in place at the LLV Development at an estimated cost
16 exceeding $61,000,000.00. Additionally, at or near the time of the 2005 appraisal DEBTORS'
17 entered into an Acquisition Agreements with the City for LID District T-16 which obligated
18 DEBTOR to put infrastructure in place at the LLV Development at an estimated cost exceeding
19 $33,000,000.00. The Acquisition Agreements required DEBTORS to commit substantial time and
20 financial resources into the various LID districts that do not appear to have been contemplated by
21 the Cushman & Wakefield Appraisal.

22 42. Upon information and belief, CREDIT SUISSE did not conduct proper due diligence
23 prior to loaning funds secured by the LLV Development. It appears CREDIT SUISSE relied almost
24 exclusively on the future financial projections for LLV Development, even though such projections
25 had little or no relation to DEBTORS historical or present reality as in both 2002 and 2003
26 DEBTORS reported a net operating loss of nearly $31 million. Additional details regarding the
27 improper due diligence are subject to discovery.

28 43. Upon information and belief, substantial funds from CREDIT SUISSE did not

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

benefit the LLV Development as DEBTORS' Predecessor Equityholders took cash distributions of $470,000,000.00 with CREDIT SUISSE's full knowledge and consent.

44. CREDIT SUISSE knew or had reason to know that, due to the distributions to the Predecessor Equityholders, DEBTORS were left with too much debt and too little capital to develop the LLV Development , meet their financial obligations or pay their obligations when they became due.

45. Upon information and belief, this newly developed syndicated loan based on a Total Net Value analysis enriched CREDIT SUISSE, its employees and more than one luxury development owner, but it left developments like LLV Development too heavily burdened with debt to survive.

46. Upon information and belief, Credit Suisse Cayman Islands Branch took over and/or assumed the rights of the May 4, 2005 deed of trust that Credit Suisse First Boston held on Property owned by DEBTORS.

47. On or about June 22, 2007, CREDIT SUISSE sent a request for full reconveyance ("Request for Reconveyance") to FATCO. The Request for Reconveyance pertained to the Deed of Trust dated November 1, 2004 and the May 4, 2005 amendment thereto. The Request for Reconveyance states:

> You are hereby directed and ordered, upon payment to you of any sums owing to you under the terms of said Deed of Trust, to hereby extinguished [sic] as an encumbrance against the subject property, the premises in said Deed of Trust, or so much thereof as is now held by you, unto the parties designated by the terms of said Deed of Trust.

48. On or about June 22, 2007, DEBTORS and CREDIT SUISSE executed an Amended and Restated Credit Agreement in the amount of $540,000,000.00 ("June 2007 Transaction"). The June 2007 Transactions was executed by Credit Suisse, Cayman Islands Branch as the Administrative Agent, the Syndication Agent, Collateral Agent and as Fronting Bank and Paying Agent. Credit Suisse Securities (USA) LLC entered into the June 2007 Transaction as the Sole Arranger and Sole Bookrunner.

49. The names, identities and relationship between CREDIT SUISSE and other lenders involved in the June 2007 Transactions are subject to discovery. However, upon information and

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

belief, CREDIT SUISSE was responsible for conducting due diligence in an agency capacity for the other lenders involved in the June 2007 Transaction.

50. The June 2007 Transaction encumbered different parcels owned by LLV Development, involved new funding facilities and extinguished the former of Deed of Trust previously secured by the November 2004 Transactions and the May 2005 Transaction (the "Reconveyance").

51. The Reconveyance specified that although the prior Credit Agreement between DEBTORS and CREDIT SUISSE was still in effect, it was no longer secured by the subject property.

52. Of the $540,000,000.00 loan proceeds from the June 2007 Transaction, only $8,175,530.95 went to the operating account of the DEBTORS. Remaining amounts were disbursed to pay prior lenders, legal and professional fees and CREDIT SUISSE. Notably, $513,323,455.34 was paid to lenders in payment of principal and interest accrued through June 22, 2007 on the existing loans; $10,800,000.00 was paid to CREDIT SUISSE for arranging the loan, $150,000.00 was paid to CREDIT SUISSE for administration of the loans; and $48,373.94 was paid to CREDIT SUISSE for its out of pocket expenses. (A copy of the June 2007 Transaction Disbursement Authorization is attached hereto as Exhibit C.)

53. The DEBTORS' financial obligations to other entities were recorded including, but not limited to the Master Declarant, DEBTORS' LID obligations and DEBTORS' obligations and contracts with a number of the Home Builders. As a result, CREDIT SUISSE knew or had reason to know that distribution made to DEBTORS pursuant to the June 2007 Transaction was insufficient to meet DEBTORS' past due contractual obligations and current operating expenses and expenses related to completing the LID infrastructure.

54. Under the June 2007 Transaction, the interest taken by CREDIT SUISSE in DEBTORS' property was subject to any "Permitted Encumbrances."

55. The June 2007 Transaction defined Permitted Encumbrances as follows:

> "Permitted Encumbrances" is defined to include "statutory liens of …mechanics and material men… incurred in the Ordinary Course of Business for sums not yet delinquent or which are being Properly

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

Contested…"

56. On or about June 28, 2007, FATCO was requested by CREDIT SUISSE to quitclaim and reconvey the Property through a document entitled "Full Reconveyance" which was recorded on July 19, 2007. The Full Reconveyance stated:

> "that the payment of indebtedness secured by said Deed of Trust; The Deed of Trust securing the Credit Agreement and any other obligations pursuant to this Reconveyance is hereby extinguished as an encumbrance against the subject property. The Credit Agreement ***no longer secured by the subject property*** remains in full force and effect."

57. As a condition precedent to the obligation of the CREDIT SUISSE to make loans to DEBTORS pursuant to the June 2007 Transaction, LLVJV, LLV-1, LLV Holdco1, LLV Holdco2, and LLV Holdco3 entered into that certain Pledge and Security Agreement dated as of June 22, 2007 (the "Pledge Agreement") that granted to CREDIT SUISSE their security interests in, among other things, all of the membership interests in the DEBTORS. (A copy of the Pledge Agreement is attached hereto as **Exhibit D**.)

58. The June 2007 Transaction substantially restructured DEBTORS' obligations to CREDIT SUISSE. Pursuant to that restructured loan agreement, the DEBTORS agreed to sell part of the LLV Development to generate net sale proceeds and to reduce the CREDIT SUISSE debt by at least $90,000,000.00 by September 30, 2007.

59. DEBTORS did not satisfy this condition and the CREDIT SUISSE loans went into default. The Agent, Borrowers, Predecessor Equityholders and Lenders entered into a series of agreements pursuant to which, among others things, CREDIT SUISSE advanced additional funds, and DEBTORS agreed to appoint a chief restructuring officer ("CRO"), who would report to the board of directors of the Predecessor Equityholders.

60. In addition, as part of the terms of the forbearance pursuant to which CREDIT SUISSE agreed, among other things, to forbear from exercising remedies against the Predecessor Equityholders' equity interests in the DEBTORS, CREDIT SUISSE and DEBTORS entered into an Assignment Agreement Pursuant to New York Uniform Commercial Code Section 9-620 (the "Assignment Agreement") in October 2007 pursuant to which the holding companies through which the Predecessor Equityholders held their interests in LLVJV and LLV-1 agreed to convey

1 their equity holdings, which comprised a total of 100% of the outstanding equity holdings in
2 LLVJV and LLV-1, to CREDIT SUISSE or its designee if the DEBTORS failed to refinance the
3 loan by January 2, 2008.

4 61. Uniform Commercial Code Section 9-620 is commonly known as "strict foreclosure"
5 in which the secured party retains the debtor's collateral in "full or partial satisfaction" of the
6 secured debt. The Assignment Agreement states that as of its effective date on January 2, 2008,
7 LLVJV, LLV-1, LLV Holdco1, LLV Holdco2 and LLV Holdco3 shall transfer all of their right,
8 title and interests in their membership interests in the DEBTORS. Such assignment was in partial
9 satisfaction of DEBTORS' outstanding obligations equal to $1,000,000.00. The remaining portion
10 of DEBTORS' obligations, remained unsatisfied, notwithstanding the fact that all of DEBTORS'
11 interests were already pledged to CREDIT SUISSE.

12 62. Frederick E. Chin was selected as CRO on or about October 23, 2007. Between
13 October 23, 2007 and January 2, 2008, Mr. Chin was continuously employed by LLVJV and LLV-1
14 as CRO.

15 63. On January 2, 2008, CREDIT SUISSE executed a Transfer Statement Pursuant to
16 Section 9-619 of the New York Uniform Commercial Code (the "Transfer Statement")
17 acknowledging that, as a result of DEBTORS' default, CREDIT SUISSE, on behalf of the Lenders,
18 exercised its remedies by execution and delivery of the Assignment Agreement. The Transfer
19 Statement also notes that Atalon Holdco, LLC ("Atalon") was the transferee of CREDIT SUISSE
20 and acquired all right, title, interest, claim and estate of the DEBTORS.

21 64. The declaration of Mr. Chin filed in support of DEBTORS First Day Motions
22 indicates that a subsidiary of Atalon, LLV Holdco Owner, LLV ("Holdco Owner") currently owns
23 100% of the equity interests in LLVJV and LLV-1. The transfer of ownership from Atalon to
24 Holdco Owner is subject to discovery. However, upon information and belief Atalon and/or Holdco
25 Owner acted as a straw-man for CREDIT SUISSE in overseeing DEBTORS operations. (As Mr.
26 Chin represented that Holdco Owner is the 100% equity interest holder of LLVJV and LLV-1, for
27 purposes of this Complaint the 100% equity interest holder of such entities will be referred to as
28 "Holdco Owner".)

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

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GREENBERG TRAURIG, LLP
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Amendments to the June 2007 Transaction & Holdco Owner Control

65. On September 24, 2007, the first of seven amendments to the June 2007 Transactions between DEBTORS and CREDIT SUISSE was entered into, subsequent amendments followed on October 31, 2007, November 14, 2007, December 26, 2007, January 2, 2008, January 23, 2008 and June 20, 2008 ("CREDIT SUISSE Late Disbursements").

66. In conjunction with each amendment to June 2007 Transaction, amendments were made to the June 22, 2007 Deed of Trust. (The totality of the CREDIT SUISSE loans beginning in November of 2004 through the seventh amendment to the June 2007 Transaction on June 20, 2008 are collectively referred to herein as the "Existing Facility")

67. The total amount CREDIT SUISSE received as a result of the CREDIT SUISSE Late Disbursements is subject to discovery. Disbursement documents available at the time of filing this Complaint indicate a substantial amount of the funds loaned by CREDIT SUISSE did not go to DEBTORS' operating account as set forth in the table below:

Date of Amendment	Total CREDIT SUISSE Late Disbursements	Amount paid to DEBTORS' operating account	Attached Exhibit with Transaction Disbursement Authorization
09/24/07	$14,750,000.00	$293,041.83	**Exhibit E**
10/31/07	$2,500,000.00	Unknown	Not Available
11/14/07	$6,500,000.00	$ 5,720,601.66	**Exhibit F**
12/26/07	$5,600,000.00	$ 5,301,753.75	**Exhibit G**
01/02/08	$4,500,000.00	$3,994,061.51	**Exhibit H**
01/23/08	$11,520,000.00	$10,261,334.49	**Exhibit I**
06/20/08	$3,500,000.00	Unknown	Not Available
TOTAL	**$48,870,000.00**		

68. The CREDIT SUISSE Late Disbursements made to DEBTORS in the fall of 2007 and first half of 2008 were insufficient to meet the needs of the LLV Development due to the cash disbursements allowed to the equity holders of DEBTORS and exorbitant fees charged by Defendants pursuant to the November 2004 Transactions, May 2005 Transaction and June 2007 Transaction. DEBTORS representatives have described these disbursements as "minimal funding"

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

that was "plainly not sufficient" to sustain the operations of LLV Development.

69. The use of the "minimal funding" provided to DEBTORS as a result of the CREDIT SUISSE Late Disbursements was controlled by CREDIT SUISSE and/or its affiliates as was the daily operations of DEBTORS.

70. In connection with its acquisition of the equity in the DEBTORS, Holdco Owner approved the retention of new management for the DEBTORS all of which are affiliated with Atalon. In connection with the appointment of individuals from Atalon as management of the LLV Development, the DEBTORS secured directors' and officers' liability insurance for the benefit of the new management at a cost of $600,000.00 and placed $1,000,000.00 into an escrow account to cover the self-insured retention/deductible set forth in the policy. The salaries of DEBTORS new management, the $600,000.00 insurance policy costs and the $1,000,000.00 placed in escrow were paid from the proceeds of one or more of the CREDIT SUISSE Late Disbursements, notwithstanding DEBTORS' inability to pay its contractual obligations to creditors.

71. Also in connection with the appointment of new DEBTOR management, $750,000.00 was placed into an account as a management termination fee. The management termination fee was paid from one or more of the CREDIT SUISSE Late Disbursements, notwithstanding DEBTORS' inability to pay its contractual obligations to creditors.

DEBTORS Debt Structure & Post-Petition Requests

72. Upon information and belief, CREDIT SUISSE and DEBTORS' lenders existing at the time DEBTORS filed bankruptcy are owed approximately $622,000,000 plus interest through July 15, 2008 in the amount of $4,400,000.00 for the Existing Facility. In conjunction with Emergency First Day Motions, Mr. Chin advised that the LLV Development is not worth the approximately $670,000,000.00 due under its existing loan obligations.

73. DEBTORS are indebted under the Existing Facility in the principal amount of approximately $622,000,000 plus interest through July 15, 2008 in the amount of $4,400,000 in the term loan and syndicated revolving loan facility. The Existing Facility is secured by a first priority deed of trust on DEBTORS' interest in the LLV Development, exclusive of the Golf Courses and subject to the LID Liens and pledges of substantially all of DEBTORS' equity interests.

74. CREDIT SUISSE filed a proof of claim in Case Number 08-171814-LBR in the initial amount of $307,000,000.00 on March 16, 2009, which has been numbered claim 633 ("PoC #633).

75. Besides the Existing Facility, the DEBTORS have additional indebtedness in the aggregate amount of about approximately $100,000,000.00 ("Other Loans"), secured at the time DEBTORS filed for bankruptcy by the three Golf Courses, notes receivable (DEBTORS had historically provided seller carry back financing for lot acquisitions by homebuilders; the notes on such sales were transferred to third party lenders who provided additional funds to the DEBTORS), and joint venture interests in commercial land, as well as unsecured debt used for LID funding.

76. DEBTORS are also indebted on a recovery in the original principal amount of $24,000,000 secured by the Falls Golf Course (the "Falls Loan"). The Falls Golf Course is owned by The Vineyard at Lake Las Vegas, L.L.C., one of the DEBTORS herein. The balance of the Falls Loan at the time of petition was approximately $15,000,000. The original lender on the Falls Loan was Wells Fargo Bank, N.A ("Wells Fargo") but, the Falls Loan was acquired in October 2007 by Carmel Land & Cattle Co. ("Carmel Land"). Certain of DEBTORS' former insiders—the Predecessor Equityholders or their affiliates—guaranteed the Falls Loan.

77. DEBTORS are indebted on a nonrecourse loan in the original principal amount of $23,400,000 with respect to the Reflection Bay Golf Course (the "Reflection Loan"). The Reflection Loan is a nonrecourse loan secured by certain of the assets that represent the Reflection Bay Golf Course. The current balance of the Reflection Loan is approximately $13,000,000.00. The original lender on the Reflection Loan was Wells Fargo but, the Reflection Loan was acquired in October 2007 by Carmel Land. Certain of the DEBTORS' former insiders—the Predecessor Equityholders or their affiliates—guaranteed the Reflection Loan.

78. In October 2007, the Falls Loan and the Reflection Loan went into default as a result of the default under the Existing Facility. Carmel Land then acquired the Falls Loan and the Reflection Loan from Wells Fargo. The DEBTORS, under the control of prior management and the Predecessor Equityholders, agreed to turn over all the revenue from the Falls and Reflection Bay Golf Courses to Carmel Land (the "Sweep Payments"), while the DEBTORS continued to incur the

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

entire expense of operating the Golf Courses. Subsequently, the DEBTORS have abandoned their interest in The Falls Golf Course to Carmel.

79. DEBTORS' third Golf Course is SouthShore. That golf course is encumbered by a deed of trust in favor of Textron Financial Corporation ("Textron"). Textron also has personal property security interests in some of the assets related to the SouthShore Golf Course. Accordingly, after the filing, DEBTORS intended to segregate the golf course cash collateral from SouthShore Golf Course, and, as the proceeds were collected, either turn them over to Textron or hold them in a segregated account pending further Court order. The original principal amount of that loan was approximately $11,000,000.00; the balance on that loan as of the petition date was approximately $6,200,000.00.

80. DEBTORS have a separate obligation to Textron with respect to the lease of golf carts for all three golf courses. The monthly payment on the golf cart leases totals approximately $21,500.00.

81. DEBTORS have a third facility with Textron. Textron had advanced funds to DEBTORS secured by some of the notes receivable that DEBTORS had arising out of some of their land sales. DEBTORS did not perform all their obligations to the home builders in connection with those sales, and the builders stopped making payments on their notes. DEBTORS then stopped paying Textron on its note. Accordingly, Textron noticed a foreclosure sale on the promissory notes. Ultimately, DEBTORS and Textron entered into an agreement whereby DEBTORS agreed that Textron could retain the pledged notes in satisfaction of the debt.

82. DEBTORS have an independent facility that originated with Wells Fargo with respect to certain LID Financing. The total amounts due on the bonds used to finance the LIDs on property owned by the DEBTORS is approximately $29,000,000.00.

83. DEBTORS borrowed funds from Wells Fargo to help finance the cost of building the improvements that are subject to the LID. In all, DEBTORS, under the Predecessor Equityholders, borrowed a total of approximately $8,100,000.00 on LID T-16, and approximately $6,600,000.00 on LIDs T-1 and T-12 to pay for the cost of building the projects covered by the LIDs (the "LID Financing Loans"). The LID Financing Loans were guaranteed by certain of the Predecessor

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

Equityholders or their affiliates, and are secured by DEBTORS' right to receive funds from the bond proceeds upon completion of the LID improvements.

84. In addition to the foregoing secured debt, the DEBTORS owe approximately $20,000,000.00 for debt other than for borrowed money. Of that, approximately $15,000,000.00 arises out of trade payables incurred by the LLV Development.

85. In addition to the foregoing, DEBTORS are contractually obligated to various Home Builders to complete certain infrastructure development. In all, the development obligations to Home Builders total over $30,000,000.00. In many cases, DEBTORS' defaulted in their obligations to the Home Builders some time ago, and are now involved in litigation with respect to those issues. Many of the Home Builders contend that the DEBTORS' failure to complete their obligations on a timely basis resulted in significant damages to the Home Builders.

86. On August 6, 2008, this Court entered an order authorizing LLV-1 and its affiliated DEBTORS to obtain post-petition financing pursuant to 11 U.S.C. § 364, authorizing the DEBTORS' limited use of cash collateral pursuant to 11 U.S.C. § 363 and granting adequate protection to existing lenders pursuant to 11 U.S.C. §§ 361, 362, 363 and 364 (the "DIP Order").

87. In agreeing to provide DIP financing to DEBTOR, CREDIT SUISSE CREDIT SUISSE requested that $48,870,000.00 of the DIP loan proceeds be used to re-finance the CREDIT SUISSE loans to DEBTORS between September 2007 and June 2008 [referred to herein as the CREDIT SUISSE Late Disbursements] alleging the loans "were used to sustain the DEBTORS' business operations during a time of transition and crisis". However, information available to date indicates that a large portion of the funds were not distributed to DEBTORS and that funds that were provided to DEBTORS operating account were preferentially disbursed to Holdco Owner.

88. The DIP Order allows DEBTOR to use the funds loaned by CREDIT SUISSE to pay CREDIT SUISSE interest on pre-petition CREDIT SUISSE loans and allows CREDIT SUISSE to exchange the principal portion of the obligation owed to them on a dollar-for dollar basis not to exceed $48,870,000.00.

Yellowstone Comparisons

89. On May 13, 2009, the United States Bankruptcy Court for the District of Montana in

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

Case No. 089-61570-11, Adv. No. 09-00014 (Doc. No. 289) issued a partial interim order addressing the syndicated loan provided by Credit Suisse secured by the Yellowstone Club stating that "[n]umerous entities that received Credit Suisse's syndication loan product have failed financially, including Tamarack Resort, Promontory, Lake Las Vegas, Turtle Bay and Ginn. If the foregoing developments were anything like this case, they were doomed to failure once they received their loans from Credit Suisse." (A copy of the Yellowstone Club order is attached hereto as **Exhibit J** for the Court's convenience.) Details related to the LLV Development are subject to discovery.

90. In the Yellowstone Club matter, the Court also found that the "naked greed in this case combined with Credit Suisse's complete disregard for the debtors or any other person or entity who was subordinated to Credit Suisse's first lien position, shocks the conscience of this Court." Details related to the LLV Development are subject to discovery.

91. Upon information and belief the actions of CREDIT SUISSE in the Yellowstone Club matter are substantially similar to CREDIT SUISSE's actions in the LLV Development, including: the property appraisals completed for Yellowstone Club and the LLV Development were done by the same or closely related entity and both used Total Net Value methodology; the same people at CREDIT SUISSE were involved in both the Yellowstone Club and LLV Development loans; the structure of the Yellowstone Club loan and the LLV Development loan allowed the equity holders to take hundreds of millions of dollars for their personal use leaving the property burdened by debt and without sufficient assets for the intended development; CREDIT SUISSE made millions of dollars to facilitate the loans in both Yellowstone Club and the LLV Development transactions; CREDIT SUISSE sold most of the credit to loan participants in both Yellowstone Club and the LLV Development; and CREDIT SUISSE knew or should have known that the structure of the Yellowstone Club and DEBTORS loans left the developments without viable resources for development.

92. CREDIT SUISSE's predatory lending practices warrant subordinating CREDIT SUISSE's lien. Details related to the Lake Las Vegas development are subject to discovery.

93. Pursuant DIP Order, the COMMITTEE has the ability, as a party in interest with

standing and requisite authority, to challenge the amount, validity or enforceability of the existing obligations, or the perfection or priority of the existing lenders' lines on and security interest in the existing collateral in respect thereof, or otherwise assert any claims or causes of action against the existing agents or the existing lenders. The COMMITTEE's challenge period runs through July 27, 2009.

94. The COMMITTEE hereby demands a jury trial on all issues and causes of action articulated herein.

FIRST CAUSE OF ACTION

(Subordination- Pursuant to 11 U.S.C. § 510(c))

95. The COMMITTEE repeats and realleges the preceding paragraphs 1 through 94 of this Complaint and incorporates the same by reference as though fully set forth herein.

96. CREDIT SUISSE engaged in inequitable conduct in allowing the Predecessor Equityholders of DEBTORS to receive cash disbursements in excess of $470,000,000.00 pursuant to the November 2004 Transactions, the May 2005 Transaction and/or the June 2007 Transaction. Such conduct was further perpetuated by each of the seven amendments to the June 2007 Transaction.

97. The gross and egregious conduct of CREDIT SUISSE was in complete disregard of creditors rights as CREDIT SUISSE knowingly allowed the loans it provided to DEBTORS to bleed out the equity in the LLV Development and leave it burdened by unmanageable debt.

98. The actions of CREDIT SUISSE were such that CREDIT SUISSE controlled the actions of DEBTORS to the disadvantage of other creditors including the COMMITTEE.

99. The actions of CREDIT SUISSE were such that creditors of DEBTORS were defrauded by CREDIT SUISSE's actions.

100. The actions of CREDIT SUISSE, in allowing substantial cash distributions that left the LLV Development substantially under funded, resulted in harm to the COMMITTEE.

101. The COMMITTEE is entitled to a finding subordinating CREDIT SUISSE's claims to that of the COMMITTEE. Such a finding is equitable and just and not inconsistent with the Bankruptcy Code.

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

102. The COMMITTEE has been required to retain the services of an attorney to pursue this claim and is entitled to recover its costs and attorney's fees.

SECOND CAUSE OF ACTION

(Fraudulent Conveyance - Pursuant to N.R.S. 112.180(1)(a))

103. The COMMITTEE repeats and realleges the preceding paragraphs 1 through 102 of this Complaint and incorporates the same by reference as though fully set forth herein.

104. The obligation incurred by DEBTORS to CREDIT SUISSE are fraudulent as to the COMMITTEE because DEBTORS, by and through the Predecessor Equityholders, entered into the Existing Facility with actual intent to hinder, delay or defraud creditors.

105. The intent to hinder, delay or defraud is evidenced by DEBTORS' Predecessor Equityholders taking $470,000,000.00 of funds loaned to the DEBTORS and leaving the LLV Development too thinly capitalized and without the liquidity necessary to meet its contractual obligations as set forth herein.

106. As a result of such actions, the Existing Facility should be deemed fraudulent pursuant to N.R.S. 112.180(1)(a) and DEBTORS' obligations to CREDIT SUISSE should be set aside.

107. The COMMITTEE has been required to retain the services of an attorney to pursue this claim and is entitled to recover its costs and attorney's fees.

THIRD CAUSE OF ACTION

(Fraudulent Conveyance - Pursuant to NRS 112.180(1)(b))

108. The COMMITTEE repeats and realleges the preceding paragraphs 1 through 107 of this Complaint and incorporates the same by reference as though fully set forth herein.

109. The obligations incurred by DEBTORS to CREDIT SUISSE are fraudulent as to the COMMITTEE because DEBTORS did not receive reasonably equivalent value in exchange for the funds loaned by CREDIT SUISSE and DEBTORS intended to incur, or believed or reasonably should have believed that the funds loaned by the Existing Facility were beyond DEBTORS ability to pay as they became due.

110. At the time CREDIT SUISSE loaned funds to DEBTORS, DEBTORS were

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

substantially over budget and behind schedule with regard to the LID work and the manner in which the funds were disbursed left Lake at Las Vegas too thinly capitalized and without the liquidity necessary to meet their contractual obligations as set forth herein.

111. As a result of such actions, the Existing Facility should be deemed fraudulent pursuant to N.R.S. 112.180(1)(b) and DEBTORS' obligations to CREDIT SUISSE should be set aside.

112. The COMMITTEE has been required to retain the services of an attorney to pursue this claim and is entitled to recover its costs and attorney's fees.

FOURTH CAUSE OF ACTION

(Fraudulent Conveyance - Pursuant to NRS 112.190)

113. The COMMITTEE repeats and realleges the preceding paragraphs l through 112 of this Complaint and incorporates the same by reference as though fully set forth herein.

114. The obligation incurred by DEBTORS to CREDIT SUISSE are fraudulent as to the COMMITTEE because DEBTORS incurred the obligations to CREDIT SUISSE without receiving a reasonably equivalent value in exchange for the loan obligations and DEBTORS became insolvent as a result of the loan obligations.

115. The funds distributed via the November 2004 Transactions, May 2005 Transaction and June 2007 Transaction saddled the LLV Development with excessive amounts of debt such that it would been impossible for DEBTORS to perform their obligations pursuant to the LID infrastructure and development and maintenance of the LLV Development including the golf courses and the like and unable to meet their contractual obligations when they came due.

116. Funds distributed by CREDIT SUISSE in relation to each of the seven amendments to the June 2007 Transaction were insufficient to meet DEBTORS' contractual obligations. CREDIT SUISSE exercised control of the CREDIT SUISSE Late Disbursements and showed a preference to its affiliates as evidenced by actions taken by CREDIT SUISSE in January of 2008, when it agreed to pay $4,500,000.00 in interest and transaction costs; $600,000.00 for premiums for officers and directors liability for The Atalon Holdco, LLC and Atalon Group; and deposited $1,000,000.00 into escrow account as reserve for costs defending DEBTORS.

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

117. In connection with the Existing Facility as a whole and the individual loan proceeds, CREDIT SUISSE knew or should have known DEBTORS were incurring debt they would not be able to repay and that such debt would lead to DEBTORS' insolvency.

118. Under NRS §112.190, the funds transferred by CREDIT SUISSE to DEBTORS or its owners, constitute a fraudulent transfer and DEBTORS obligations to CREDIT SUISSE should be set aside.

119. The COMMITTEE has been required to retain the services of an attorney to pursue this claim and is entitled to recover its costs and attorney's fees.

FIFTH CAUSE OF ACTION

(Fraudulent Conveyance - Pursuant to 11 U.S.C. § 548(a))

120. The COMMITTEE repeats and realleges the preceding paragraphs 1 through 119 of this Complaint and incorporates the same by reference as though fully set forth herein.

121. 11 U.S.C. § 548(a) provides a mechanism to avoid certain transfers of interests of the debtor in property, or any obligation incurred by DEBTOR that was made or incurred on or within 2 years before the date of the filing of the petition if DEBTOR made such transfer or incurred such obligation with actual intent to hinder, delay or defraud any entity to which DEBTOR was or became insolvent, on or after the date such transfer was made or such obligation was incurred or DEBTOR received less than a reasonably equivalent value in exchange for such transfer or obligation and became insolvent as a result of such obligation.

122. The June 2007 Transaction and seven amendments to the June 2007 Transaction are within the reach back period. Additionally, as the November 2004 Transactions, the May 2005 Transactions are specifically referenced in the June 2007 Transaction such transactions are subject to review and potentially voidable.

123. The November 2004 Transactions, the May 2005 Transaction and the June 2007 Transaction were up-streamed to the Predecessor Equityholders of DEBTORS with CREDIT SUISSE's full knowledge and consent leaving DEBTORS too thinly capitalized and without the liquidity necessary to meet their contractual obligations as set forth herein.

124. The intent to hinder, delay or defraud is evidenced by DEBTORS' Predecessor

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

Equityholders taking $470,000,000.00 of funds loaned to the LLV Development and leaving DEBTORS too thinly capitalized and without the liquidity necessary to meet their contractual obligations as set forth herein.

125. The LLV Development received less than a reasonably equivalent value as a result of the November 2004 Transactions, the May 2005 Transaction and the June 2007 Transaction and CREDIT SUISSE Late Disbursement.

126. CREDIT SUISSE knew or had reason to know that DEBTORS would become insolvent as a result of Existing Facility as funds were not available to meet DEBTORS' ongoing financial obligations when they became due.

127. The funds distributed by CREDIT SUISSE saddled the LLV Development with excessive amounts of debt such that it would been impossible for DEBTORS to perform their obligations pursuant to the LID infrastructure and development and maintenance of the LLV Development including the golf courses and the like.

128. Funds loaned to DEBTORS by CREDIT SUISSE subsequent to June 22, 2007 were done in such a fashion that CREDIT SUISSE was directing and controlling the operations of DEBTOR as evidenced by CREDIT SUISSE's appointees receiving $4,500,000.00 in interest and transaction costs; $600,000.00 for premiums for officers and directors liability insurance (for Atalon Holdco, LLC and Atalon Group); and $1,000,000.00 being deposited into escrow account as reserve for costs defending DEBTORS.

129. CREDIT SUISSE knew or should have known DEBTORS were incurring debt they would not be able to repay and would facilitate DEBTORS' insolvency.

130. As set forth herein, the funds transferred by CREDIT SUISSE to DEBTORS via the Existing Facility were fraudulent in that the LLV Development did not receive the benefit of funds loaned by CREDIT SUISSE and DEBTORS were left unable to meet their financial obligations and doomed to failure.

131. The COMMITTEE requests that, due to the egregious nature of the CREDIT SUISSE loans, the Court declare that the CREDIT SUISSE loans were fraudulent transfers pursuant to 11 U.S.C. § 548(a) and place claims made by committee members ahead in priority to any deed

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

1 of trust held by CREDIT SUISSE.

2 132. The COMMITTEE has been required to retain the services of an attorney to pursue
3 this claim and is entitled to recover its costs and attorney's fees.

4 **SIXTH CAUSE OF ACTION**

5 **(Priority-Pursuant to 11 U.S.C. § 544(a)(1))**

6 133. The COMMITTEE repeats and realleges the preceding paragraphs 1 through 132 of
7 this Complaint and incorporates the same by reference as though fully set forth herein.

8 134. Pursuant to 11 U.S.C. § 544(a)(1), the Court can avoid any obligation incurred by the
9 DEBTOR that is voidable by a creditor that extends credit to the DEBTOR at the time of the
10 commencement of the case, and that obtains, at such time and with respect to such credit, a judicial
11 lien on all property on which a creditor on a simple contract could have obtained such a judicial
12 lien, whether or not such a creditor exists.

13 135. The funds loaned by CREDIT SUISSE pursuant to the Existing Facility and liens
14 claimed by CREDIT SUISSE within DEBTORS' Bankruptcy proceeding are voidable due to their
15 fraudulent nature in that in that the LLV Development did not receive the benefit of funds loaned by
16 CREDIT SUISSE and was left unable to meet its financial obligations.

17 136. As a result of the Existing Facility any and all claims asserted by individual creditors
18 are superior in priority over liens filed by CREDIT SUISSE.

19 137. The COMMITTEE has been required to retain the services of an attorney to pursue
20 this claim and is entitled to recover its costs and attorney's fees.

21 **SEVENTH CAUSE OF ACTION**

22 **(Declaration re: Disallowance of Credit Suisse Claims Pursuant to 11 U.S.C. § 502(d))**

23 138. The COMMITTEE repeats and realleges the preceding paragraphs 1 through 137 of
24 this Complaint and incorporates the same by reference as though fully set forth herein.

25 139. CREDIT SUISSE filed a proof of claim in Case Number 08-171814-LBR in the
26 initial amount of $307,000,000.00 on March 16, 2009, which has been numbered claim 633.

27 140. 11 U.S.C. § 502(d) provides circumstances in which claims held by creditors who
28 have recoverable property or are transferees of an avoidable transfer claims are disallowed in their

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

entirety unless such entity pays the amount or turns over the property.

141. An actual controversy has arisen between the COMMITTEE and CREDIT SUISSE regarding the allowance of the PoC # 633 as the COMMITTEE believes PoC # 633 should be disallowed and CREDIT SUISSE believes PoC # 633 should be allowed.

142. The COMMITTEE is entitled to a declaratory judgment that, pursuant to section 502(d) of the Bankruptcy Code, any and all claims that are made in DEBTORS' bankruptcy cases by CREDIT SUISSE in connection with Existing Facility between DEBTORS and CREDIT SUISSE, as articulated in PoC # 633, must be disallowed until CREDIT SUISSE releases the mortgages, liens and security interests it obtained on the DEBTORS' property.

143. Under 11 U.S.C. § 105 and 28 U.S.C. §§ 2201 and 2202, the COMMITTEE is entitled to a declaratory judgment that CREDIT SUISSE's bankruptcy claim should be disallowed pending its release of all mortgages, liens and security interests, and its return of all cash it received in connection with the Existing Facility.

144. The COMMITTEE has been required to retain the services of an attorney to pursue this claim and is entitled to recover its costs and attorney's fees.

EIGHTH CAUSE OF ACTION

(Avoidance- Pursuant to 11 U.S.C. § 551)

145. The COMMITTEE repeats and realleges the preceding paragraphs 1 through 144 of this Complaint and incorporates the same by reference as though fully set forth herein.

146. 11 U.S.C. § 551 provides that transfers avoided pursuant to certain provisions of the bankruptcy code are preserved for the benefit of the estate.

147. The actions of CREDIT SUISSE are such that Existing Facility between DEBTORS and CREDIT SUISSE should be set aside.

148. In the event any lien of CREDIT SUISSE is set aside, the COMMITTEE hereby requests that any benefits flowing there from be preserved for the benefit of the estate pursuant to 11 U.S.C. § 551.

149. The COMMITTEE has been required to retain the services of an attorney to pursue this claim and is entitled to recover its costs and attorney's fees.

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

NINTH CAUSE OF ACTION

(Lender Liability based on Instrumentality Theory)

150. The COMMITTEE repeats and realleges the preceding paragraphs 1 through 149 of this Complaint and incorporates the same by reference as though fully set forth herein.

151. CREDIT SUISSE assumed actual and/or participatory control of DEBTOR beginning in October of 2007 when Mr. Chin was selected as CRO.

152. The transfer of the Predecessor Equityholders equity interest in LLVJV and LLV-1 to Holdco Owner in January of 2008 and Holdco Owner's control of DEBTORS created a situation by which CREDIT SUISSE had control of DEBTORS and DEBTORS had no separate independent existence of its own, as CREDIT SUISSE totally dominated DEBTORS business decisions going forward.

153. CREDIT SUISSE's actions were such that a common-law instrumentality situation was created because CREDIT SUISSE exerted control of DEBTORS and DEBTORS became mere business conduits for CREDIT SUISSE.

154. The COMMITTEE has been damaged as a result of CREDIT SUISSE's actions in an amount to be determined at trial.

155. The COMMITTEE has been required to retain the services of an attorney to pursue this claim and is entitled to recover its costs and attorney's fees.

TENTH CAUSE OF ACTION

(Declaratory Judgment- requesting a declaration that CREDIT SUISSE and its agents are insiders pursuant to 11 U.S.C. § 101(31)(B)(iii) and that CREDIT SUISSE's vote for any plan of reorganization not be counted for purposes of 11 U.S.C. § 1129(a)(10))

156. The COMMITTEE repeats and realleges the preceding paragraphs 1 through 155 of this Complaint and incorporates the same by reference as though fully set forth herein.

157. An actual controversy has arisen between the COMMITTEE and CREDIT SUISSE regarding whether CREDIT SUISSE and its affiliates are insiders as defined by 11 U.S.C. § 101(31)(b)(iii).

158. Beginning in October of 2007 when Mr. Chin was selected as CRO, CREDIT

SUISSE and/or its affiliates acted as if they were the DEBTORS and/or controlled the DEBTORS.

159. Based on CREDIT SUISSE's and/or its affiliates' actions in controlling DEBTORS, CREDIT SUISSE and/or its affiliates are deemed insiders as defined by 11 U.S.C. § 101(31)(B)(iii).

160. As an insider, CREDIT SUISSE's vote for any plan of reorganization would not be counted for purposes of 11 U.S.C. § 1129(a)(10).

161. CREDIT SUISSE disputes that it is an insider, making such a determination a definite and concrete controversy.

162. As DEBTORS are expected to seek confirmation of their plan for reorganization, the COMMITTEE and CREDIT SUISSE have adverse interests that are real and immediate.

163. Under 11 U.S.C. § 105 and 28 U.S.C. §§ 2201 and 2202, the COMMITTEE is entitled to a declaratory judgment that CREDIT SUISSE is an insider and that CREDIT SUISSE's vote for any plan of reorganization will not be counted for purposes of 11 U.S.C. § 1129(a)(10).

164. The COMMITTEE has been required to retain the services of an attorney to pursue this claim and is entitled to recover its costs and attorney's fees.

WHEREFORE, The COMMITTEE respectfully requests that this Court enter judgment in favor of the COMMITTEE as follows:

1. The COMMITTEE is entitled to a finding subordinating CREDIT SUISSE's claims to those of DEBTORS' general unsecured creditors;

2. That the CREDIT SUISSE loans were fraudulent transfers and place claims made by committee members ahead in priority to any deed of trust held by Credit Suisse pursuant to N.R.S. §112.180(1)(a), N.R.S. §112.180(1)(b) and N.R.S. §112.190;

3. That the CREDIT SUISSE loans were fraudulent transfers and place claims made by the COMMITTEE and/or committee members, on behalf of the Debtors' estates ahead in priority to any deed of trust held by CREDIT SUISSE pursuant to 11 U.S.C. § 548(a);

4. That the CREDIT SUISSE loans were fraudulent transfers and place claims made by the COMMITTEE on behalf of the Debtors' estates ahead in priority to any deed of trust held by CREDIT SUISSE pursuant to 11 U.S.C. § 544(a)(1);

5. For a declaration that the CREDIT SUISSE loans are disallowed pursuant to 11

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

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3773 Howard Hughes Parkway
Suite 500 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

1 U.S.C. § 502(d);

2 6. That in the event any lien of CREDIT SUISSE is set aside, the any benefits flowing
3 there from be preserved for the benefit of the estate pursuant to 11 U.S.C. § 551.

4 7. The COMMITTEE, on behalf of the DEBTORS' general unsecured creditors, is
5 entitled to damages pursuant to common-law instrumentality theories;

6 8. For a declaration that CREDIT SUISSE's vote for any plan of reorganization will not
7 be counted for purposes of 11 U.S.C. § 1129(a)(10);

8 9. For interest, costs and attorneys' fees; and

9 10. For such other and further relief as the Court deems just or as warranted by Rule
10 7054(c) of the Federal Rules of Bankruptcy Procedure.

11 DATED this 27th day of July, 2009.

12 GREENBERG TRAURIG, LLP

13 By: *__/s/Brett A. Axelrod__*
14 BRETT A. AXELROD, ESQ.
KARA B. HENDRICKS
15 3773 Howard Hughes Parkway
Las Vegas, Nevada 89169
16 *[Proposed] Special Counsel for*
the Unsecured Creditors Committee

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