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UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN

In Re:

GREDE FOUNDRIES, INC., et al.[1]

Debtors-in-Possession.

Case No. 09-14337 (RDM)
(Jointly administered)
Chapter 11
Hon. Robert D. Martin

GREDE FOUNDRIES, INC., et al.[1]

Plaintiff,

v.

Adversary Case No.:_____

FINNCO FABRICATING, LLC,

Defendant.

GREDE FOUNDRIES, INC.'S ADVERSARY COMPLAINT FOR (1) AVOIDANCE OF PREFERENTIAL TRANSFERS PURSUANT TO 11 U.S.C. § 547 AND (2) RECOVERY OF PROPERTY TRANSFERRED AND/OR PRESERVATION OF TRANSFERS PURSUANT TO 11 U.S.C. §§ 502(d), 550 AND 551

Grede Foundries, Inc., debtor, debtor-in-possession and plaintiff, ("Debtor"), by its attorneys, Whyte Hirschboeck Dudek S.C., pursuant to Sections 502(d), 547, 550, and 551 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"), files the following action against the Finnco Fabricating, LLC, ("Finnco"). For its complaint against Finnco, Debtor states as follows:

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[1] The Debtors in these jointly administered proceedings are Grede Foundries, Inc., Grede Transport, Inc., and Grede-Pryor, Inc. They shall be referred to collectively as Grede Foundries, Inc. and/or Debtor.

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PARTIES

1. Debtor is a Wisconsin corporation with its principal place of business at 9898 W. Bluemound Road, Milwaukee, Wisconsin 53226.

2. Finnco is a Wisconsin limited liability company with its principal place of business at 2161 S. Robinson Avenue, Milwaukee, Wisconsin 53207.

JURISDICTION AND VENUE

3. This adversary proceeding is brought under 11 U.S.C. §§ 547 and 550 of the United States Bankruptcy Code (the "Code"). It directly relates to the above-captioned Chapter 11 proceeding.

4. This Court has jurisdiction over this adversary complaint pursuant to 28 U.S.C. §§ 157 and 1334, and the Plaintiff has the authority to bring this action under §§ 547 and 550 of the Code.

5. This adversary proceeding and all relief requested herein are core proceedings over which this Court has jurisdictional authority to enter a final order pursuant to 28 U.S.C. § 157(b)(2).

6. Venue is proper in this Court pursuant to 28 U.S.C. § 1409.

BACKGROUND AND GENERAL ALLEGATIONS

7. On June 30, 2009 ("Petition Date"), Debtor filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code, 11 U.S.C., §§101 *et seq*. (the "Code").

8. Prior to the Petition Date, Finnco provided certain goods and/or services to Debtor, for which Finnco issued invoices to Debtor. Debtor paid certain of those invoices to Finnco within 90 days of the Petition Date.

9. On September 9, 2009, Finnco filed an administrative priority claim against Debtor's estate pursuant to 11 U.S.C. §503(b)(9) in the amount of $915.00 (the "Claim"). Debtor

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objects to the Claim in its entirety because the claim does not qualify as an administrative expense under § 503(b)(9) of the Code. Even if it did qualify as an administrative expense, it should be disallowed under § 502(d) of the Code because of the voidable preferential transfers described below or, alternatively, it should be deferred until the resolution of this adversary proceeding, pursuant to § 502(d) of the Code.

CAUSES OF ACTION

First Claim For Relief
(Recovery of Preferential Transfers -11 U.S.C. § 547)

10. Debtor repeats and realleges the allegations in above paragraphs 1 through 9, inclusive, as if fully set forth herein.

11. On or within the ninety days before the Petition Date, Debtor made various payments to Finnco totaling $11,675.00, subject to reduction for new value received, if any (the "Transfers"). A true schedule of the Transfers is attached hereto and incorporated herein as Exhibit A.

12. The Transfers were made to or for the benefit of Finnco, a creditor of the Debtor within the meaning of § 101(10) of the Code.

13. The Transfers were for, or on account of, an antecedent debt owed by the Debtor to Finnco before such transfers were made.

14. The Transfers were made while the Debtor was insolvent.

15. By receiving the Transfers, Finnco received more than Finnco otherwise would receive or would be entitled to receive in a Chapter 7 proceeding.

16. As a result of the Transfers, Finnco received more than it would have if the Transfers had not been made.

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17. Debtor is entitled to avoid the Transfers pursuant to §§ 547(b) and 550 of the Bankruptcy Code.

18. Based on the foregoing, Finnco must and should be required to return to the Debtor as preferential Transfers an amount not less than $11,675.00.

Second Claim For Relief
(Disallowance of Clams - 11 U.S.C. § 502(d))

19. Debtor repeats and realleges the allegations in above paragraphs 1 through 18, inclusive, as though fully set forth herein.

20. Property is recoverable from Finnco under § 550 of the Code.

21. Finnco is a transferee of one or more of the Transfers, which constitute transfers avoidable under § 547 of the Code.

22. Finnco has asserted the Claim against Debtor's estate, pursuant to 11 U.S.C. § 503(b)(9). Debtor is filing an objection to the Claim and, based on the objection, the Claim should be disallowed.

23. In the event Finnco's Claim is not disallowed for the reasons set forth in Debtor's objection, pursuant to § 502(d) of the Code, the Court should disallow Finnco's Claim until conclusion of this adversary proceeding and/or unless and until Finnco has repaid the amount of the preferential Transfers it received, as set forth in the First Claim For Relief set forth in paragraph nos. 1-18 above.

PRAYER FOR RELIEF

WHEREFORE, Debtor requests that the Court enter judgment granting Debtor the following relief against Finnco:

A. Avoiding the Transfers as preferential transfers under 11 U.S.C. § 547(b);

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B. Granting judgment in favor of Debtor and against Finnco, pursuant to § 550(a) of the Code, in the amount of the avoided Transfers, and preserving such avoided Transfers for the benefit of the estate, pursuant to § 551 of the Code;

C. Allowing the Debtor to recover from Finnco all avoided Transfers, or the value thereof, together with pre-judgment interest at the legal rate, from the date of each avoided Transfer;

D. Disallowing Finnco's Claim, under § 502(d) of the Code, until completion of this adversary proceeding and/or until such time as Finnco has paid to Debtor the total amount of all avoided Transfers; and

E. Granting Debtor such other and further relief as the Court deems just and equitable.

Dated this 13th day of November, 2009.

GREDE FOUNDRIES, INC.,
Debtor-in-Possession and Plaintiff
by its proposed counsel,
Whyte Hirschboeck Dudek S.C.

By: /s/ *Paul D. Cranley*

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