

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF ORANGE

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PAUL TEUTUL,

*Plaintiff,*

Index No. 13782/09

--against--

PAUL M. TEUTUL, ORANGE COUNTY  
CHOPPERS HOLDINGS, INC. and ORANGE  
COUNTY CHOPPERS, INC.,

**VERIFIED ANSWER  
AND COUNTERCLAIMS**

*Defendants.*  
-----x

Defendant Paul M. Teutul, by and through his undersigned counsel, as and for his answer to the plaintiff's complaint, alleges on knowledge as to his own conduct and on information and belief as to all other matters as follows:

1. Denies the allegations of Paragraph 1 of the complaint, and refers all matters of law to the Court.
2. Denies the allegations of Paragraph 2 of the complaint, and refers all matters of law to the Court.
3. Admits that plaintiff Paul Teutul and defendant Paul M. Teutul are residents of Orange County, and otherwise denies the allegation of Paragraph 3 of the complaint, and refers all matters of law to the Court.
4. Admits the allegations of Paragraph 4 of the complaint.
5. Admits the allegations of Paragraph 5 of the complaint.
6. Denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 6 of the complaint.

18. Denies the allegations of Paragraphs 18 through 24, inclusive, of the complaint.

SECOND CAUSE OF ACTION

19. Repeats, reiterates and realleges each answer contained in Paragraphs 1 through 18 above as if set forth verbatim herein.

20. Denies the allegations of Paragraphs 26 through 30, inclusive, of the complaint.

THIRD CAUSE OF ACTION

21. Repeats, reiterates and realleges each answer contained in Paragraphs 1 through 20 above as if set forth verbatim herein.

22. Denies the allegations of Paragraphs 32 through 44, inclusive, of the complaint.

FOURTH CAUSE OF ACTION

23. Repeats, reiterates and realleges each answer contained in Paragraphs 1 through 22 above as if set forth verbatim herein.

24. Denies the allegations of Paragraphs 46 through 48, inclusive, of the complaint.

**DEFENSES**

**AS AND FOR A FIRST DEFENSE**

25. The complaint in its entirety, and each cause of action contained therein, fails to state a cause of action.

**AS AND FOR A SECOND DEFENSE**

26. The purported option contained in Paragraph "9" of the January 21, 2009 document referenced in Paragraph 11 of the complaint is not an enforceable obligation but a mere "agreement to agree", which cannot be enforced because essential terms were not agreed to but left for future negotiation.

18. Denies the allegations of Paragraphs 18 through 24, inclusive, of the complaint.

SECOND CAUSE OF ACTION

19. Repeats, reiterates and realleges each answer contained in Paragraphs 1 through 18 above as if set forth verbatim herein.

20. Denies the allegations of Paragraphs 26 through 30, inclusive, of the complaint.

THIRD CAUSE OF ACTION

21. Repeats, reiterates and realleges each answer contained in Paragraphs 1 through 20 above as if set forth verbatim herein.

22. Denies the allegations of Paragraphs 32 through 44, inclusive, of the complaint.

FOURTH CAUSE OF ACTION

23. Repeats, reiterates and realleges each answer contained in Paragraphs 1 through 22 above as if set forth verbatim herein.

24. Denies the allegations of Paragraphs 46 through 48, inclusive, of the complaint.

**DEFENSES**

**AS AND FOR A FIRST DEFENSE**

25. The complaint in its entirety, and each cause of action contained therein, fails to state a cause of action.

**AS AND FOR A SECOND DEFENSE**

26. The purported option contained in Paragraph "9" of the January 21, 2009 document referenced in Paragraph 11 of the complaint is not an enforceable obligation but a mere "agreement to agree", which cannot be enforced because essential terms were not agreed to but left for future negotiation.

AS AND FOR A THIRD DEFENSE

27. The purported option contained in Paragraph "9" of the January 21, 2009 document referenced in Paragraph 11 of the complaint is not enforceable for lack of consideration.

AS AND FOR A FOURTH DEFENSE

28. The plaintiff and the co-defendants materially breached their obligations to defendant Paul M. Teutul under the January 21, 2009 document referenced in Paragraph 11 of the complaint, wherefore defendant Paul M. Teutul was discharged from any further obligations under the said document, and plaintiff may not enforce any such obligations against him.

AS AND FOR A FIFTH DEFENSE

29. The plaintiff and the co-defendants materially breached the covenant of good faith and fair dealing implicit in the January 21, 2009 document referenced in Paragraph 11 of the complaint, wherefore defendant Paul M. Teutul was discharged from any further obligations under the said document, and plaintiff may not enforce any such obligations against him.

AS AND FOR A SIXTH DEFENSE

30. The plaintiff, as well as the co-defendants, frustrated, prevented, hindered and/or obstructed defendant Paul M. Teutul's performance under Paragraph "9" of the January 21, 2009 document referenced in Paragraph 11 of the complaint by withholding and refusing to disclose material information concerning the financial condition of defendant Orange County Choppers Holdings, Inc., wherefore defendant Paul M. Teutul was discharged from any further obligations under Paragraph "9" of the said document, and plaintiff may not enforce any such obligations against him.

AS AND FOR A SEVENTH DEFENSE

31. The plaintiff lacks standing or capacity to sue on the claim alleged in the Third Cause of Action in the Complaint, since (a) the plaintiff sues therein in his individual capacity to vindicate alleged wrongs against Orange County Chopper Holdings, Inc. and Orange County Choppers, Inc., and (b) the complaint fails to allege that the plaintiff attempted to secure the initiation of legal action by those corporations or the reasons for not making such effort, as required by Business Corporation Law § 626(c).

AS AND FOR AN EIGHTH DEFENSE

32. The Fourth Cause of Action, for a Declaratory Judgment, should be dismissed as duplicative of the First, Second and Third Causes of Action in the complaint.

AS AND FOR AN NINTH DEFENSE

33. The plaintiff's claims are barred by the doctrine of unclean hands.

**COUNTERCLAIMS**

Paul M. Teutul ("PMT"), individually and as a shareholder and director of defendant Orange County Chopper Holdings, Inc. ("OCCHI"), as and for his counterclaims against plaintiff Paul Teutul a/k/a Paul Teutul, Sr. ("Teutul Senior"), herein alleges as follows:

**The Parties**

1. PMT is, and at all times hereinafter mentioned was, a resident of the County of Orange, State of New York, and the son of Teutul Senior.
2. Teutul Senior is, and at all times hereinafter mentioned was, a resident of the County of Orange, State of New York, and the father of PMT.

3. Upon information and belief, OCCHI is a Delaware "Subchapter S" corporation authorized to transact business in the State of New York, with its principal place of business located within the County of Orange, State of New York.

4. Upon information and belief, Orange County Chopper, Inc. ("OCC") is a Delaware corporation authorized to transact business in the State of New York, with its principal place of business located within the County of Orange, State of New York. Upon information and belief, OCC is a wholly owned subsidiary of OCCHI.

5. Upon information and belief, Teutul Senior is, and at all times hereinafter mentioned was, the Chief Executive Officer, the managing Director, and the majority shareholder of OCCHI, in consequence of which he was able to and did determine and direct the business policies and affairs of OCCHI and at all times had complete and exclusive control of OCCHI.

6. PMT is, and since January 1, 2007 has been, the owner of 20% of the issued and outstanding shares of OCCHI, and as such shareholder PMT had and still has an equitable interest to the extent of 20% of the value of the assets of OCCHI. Upon information and belief, PMT is also a Director of OCCHI.

#### **Background Facts**

7. OCCHI is a custom motorcycle manufacturer founded by Teutul Senior and PMT in or around 1999. In 2001, PMT developed OCCHI's first "theme bike", the "Spider Man Bike", which was a major draw for OCCHI and an integral part of the initial success of the company. As a result, OCCHI attracted the attention of the Discovery Television Network.

8. In 2002, OCCHI, working with the Discovery Network, created a popular television program called *American Chopper*, which is based on Teutul Senior, PMT and Mike Teutul (son

of Teutul Senior and brother of PMT) running a business creating custom themed motorcycles in their workshop. OCCHI is under contract with the Discovery Network through February 2010. The Discovery Network is presently seeking to renew its contract with OCCHI and to continue producing *American Chopper*.

9. OCCHI is widely regarded as a premier builder of custom motorcycles. It generates revenues from a variety of different sources, including *inter alia* the sale of custom motorcycles, the sale of associated OCCHI brand merchandise, and appearance fees for appearances by employees on *American Chopper* and at motorcycle events. The company's success is due in substantial measure to the efforts of PMT, including his design of OCCHI's distinctive logo and custom themed motorcycles, and his personal appearances on *American Chopper* and on behalf of OCCHI at motorcycle events nationally and internationally.

10. In order to retain PMT's valuable services for the business, Teutul Senior gave PMT 20% of the issued and outstanding shares of OCCHI on January 1, 2007. An appraiser retained by Teutul Senior determined the fair market value of PMT's 20% interest in OCCHI to be worth in excess of \$800,000.00.

11. In April of 2007, PMT, Teutul Senior, and OCCHI entered into an "Agreement of Shareholders of Orange County Choppers Holdings, Inc." The Agreement provided *inter alia* that:

For purposes of purchases of Shares pursuant to the provisions of this Agreement, the purchase price for each Share shall be the book value of each Share as determined pursuant to this Article 5.

The book value of each Share shall be equal to the Shareholders' equity, as set forth in the last annual financial statement of the Corporation, prepared by the Corporation's certified public accountant in accordance with generally accepted accounting principles,

divided by the number of Shares outstanding at the time of the purchase. The book value of each Share shall be further adjusted to reflect the net income or loss of the Corporation after the date of the statement through the last month immediately prior to the purchase. The computation of book value shall, in any event, only take into account occurrences affecting the financial condition of the Corporation prior to the date of death. Good will shall be deemed to be of no value unless actually paid for and carried on the books of the Corporation as an asset. [Article 5]

12. The aforesaid Shareholders Agreement further provided as follows:

The Corporation shall maintain true, complete and accurate records and books of account. All books and records of the Corporation shall at all times be made accessible and available to the parties hereto and their duly authorized representatives, for examination during reasonable hours, provided that reasonable notice of a party's intention to exercise such rights is given to the Corporation. [Article 7]

13. On or about September 29, 2008, Teutul Senior terminated PMT's status as an employee of OCCHI without cause. Although PMT remained a minority shareholder and Director of OCCHI, Teutul Senior thereafter shut him out of the running of the business. Meetings of the board of directors, which had been held approximately every thirty to sixty days, ceased altogether after September 2008, there have no meetings of the shareholders of OCCHI since that time, and PMT has been denied access to OCCHI's accountant. Mail, e-mail and telephone calls received by OCCHI for PMT have not been forwarded to him.

14. In May 2009, Teutul Senior, claiming that the fair market value of PMT's 20% interest in OCCHI was Zero (\$ 0), sought in reliance on the January 21, 2009 document referenced in his Complaint herein to compel PMT to relinquish his 20% stake in OCCHI for nothing.

15. To effectuate this end, Teutul Senior filed suit against PMT in June 2009 to compel PMT's transfer of his 20% stake in OCCHI. Although Teutul Senior was acting in his individual capacity, he employed the law firm of OCCHI's corporate counsel, Stephen R.



Markovits, Esq., to represent him in this action. Despite the palpable conflict of interest, the law firm undertook this representation.

16. In response to Teutul Senior's lawsuit, PMT sought *inter alia* to obtain disclosure of the true, complete and accurate records and books of account of OCCHI in order that he might accurately determine the true worth of his 20% stake in the company. Despite due and repeated demands, Teutul Senior and his agents and representatives failed and refused to provide PMT and his agents and representatives with the financial records necessary for PMT to properly determine the value of his shares of OCCHI, and they ultimately abandoned the June 2009 lawsuit.

17. Upon information and belief, based *inter alia* upon review of certain general ledgers and checking account records of OCCHI and various subsidiaries thereof, Teutul Senior has engaged in a course of conduct constituting self-dealing, waste of corporate assets, mismanagement and oppression of PMT as a minority shareholder, as set forth more particularly hereinbelow, in violation of his fiduciary duty to PMT.

18. Upon information and belief, for the fiscal year ending December 31, 2007, Teutul Senior, as a holder of 80% of the stock of OCCHI, received a disproportionately higher corporate distribution in relation to his ownership interest compared to PMT as a holder of 20% of the stock of OCCHI. Teutul Senior received \$2,526,917.00; PMT received \$325,000.00. Teutul Senior should have received \$2,281,533.00; PMT should have received \$570,383.00. Teutul Senior received \$245,383.00 more than he should have, and PMT received \$245,383.00 less than he should have.

19. Upon information and belief, Teutul Senior caused the aforesaid improper, disproportionate distribution of \$245,383.00 to be carried on the books of OCCHI as a loan from Teutul Senior to the corporation, and has improperly caused OCCHI to pay him a substantial amount of interest on this "loan."

20. Upon information and belief, Teutul Senior has improperly caused the expenditure of corporate funds of OCCHI to satisfy his personal liability for mortgage payments and taxes on his private residence.

21. Upon information and belief, Teutul Senior has improperly caused the expenditure of corporate funds of OCCHI to make mortgage payments and other expenditures in an amount exceeding \$180,000.00 per year on a building, wholly owned by Teutul Senior, known as the "Nabisco" building in Montgomery, New York, which OCCHI almost completely vacated in April 2008.

22. Upon information and belief, for the year beginning January 1, 2008 and ending December 31, 2008, Teutul Senior improperly caused the payment of corporate funds of OCCHI in the amount of \$105,615.00 to "PPDMC", an entity wholly owned by Teutul Senior.

23. Upon information and belief, Teutul Senior has improperly caused the expenditure of corporate funds of OCCHI to make payments of approximately \$20,000.00 per year, via a corporate credit card, for Teutul Senior's personal expenses, unrelated to the business of OCCHI, for meals and gasoline.

24. Upon information and belief, Teutul Senior, in order to deprive PMT of income generated by appearances on behalf of OCCHI at motorcycle events, has on multiple occasions acted to the detriment of PMT and OCCHI by causing OCCHI to decline lucrative opportunities

to participate, via appearances by PMT and others, in national and international motorcycle events, and has falsely advised persons making inquiries that PMT is not available for such appearances.

25. Upon information and belief, Teutul Senior has deprived PMT of substantial monies exceeding \$100,000.00, in the form of "residual payments" due and owing to him by virtue of his appearances on *American Chopper* and in other venues, by, until May 2009, causing drafts payable to PMT personally for the said residual payments to be unlawfully negotiated, and the proceeds of those drafts to be wrongfully converted, without PMT's knowledge.

26. Compounding this malfeasance, Teutul Senior has threatened to hurt PMT by issuing him a K-1 that would result in a substantial tax liability on his part, without making any concomitant distribution of OCCHI profits to the shareholders to pay for this tax liability, and to utilize corporate resources to overpower PMT in his personal lawsuit against PMT.

27. To remedy the foregoing, PMT, individually and as a shareholder and director of OCCHI, alleges the causes of action set forth hereinbelow for temporary and permanent injunctive relief, timely, unfettered and complete access to all financial records of OCCHI, an accounting, and compensatory and exemplary damages.

#### **AS AND FOR A FIRST COUNTERCLAIM**

28. Repeats, reiterates and realleges each allegation contained in Paragraphs 1 through 26 above as if set forth verbatim herein.

29. It is, and at all times hereinafter mentioned was, the fiduciary duty of Teutul Senior, as the Chief Executive Officer, managing Director, and majority shareholder of OCCHI, to OCCHI and to PMT as minority shareholder, to administer diligently and carefully the affairs

of OCCHI, to safeguard the property and assets of OCCHI, to refrain from self-dealing to waste corporate assets, to prevent corporate assets from being wasted, stolen or squandered, to make and publish true and accurate accounts and statements of the affairs of OCCHI from time to time, and to perform faithfully and diligently all the duties devolving upon him as Chief Executive Officer, managing Director, and majority shareholder of OCCHI.

30. Upon information and belief, based on the allegations set forth hereinabove, Teutul Senior has breached and will imminently breach his fiduciary duties to PMT individually and derivatively as a shareholder in OCCHI by engaging in self-dealing to waste corporate assets of OCCHI, and has otherwise failed to exercise due care, skill and diligence in conducting the affairs of OCCHI and has wasted its assets.

31. By reason of the foregoing, OCCHI and PMT as its minority shareholder have been damaged, and Teutul Senior has derived substantial benefits. The exact amount of said damages and benefits is unknown to PMT and cannot be ascertained except by an accounting herein.

32. PMT has made no demand on the board of directors of OCCHI to take action with respect to the wrongs herein alleged since Teutul Senior is the managing Director and majority shareholder and is in sole control of OCCHI, and upon information and belief has participated in, authorized, and/or approved the acts and transactions complained of herein and is liable therefor. Teutul Senior is the defendant on this counterclaim, and cannot be expected to vote to prosecute an action against himself. By reason of the foregoing, such demand would be futile, and is, therefore, unnecessary.

33. By virtue of the foregoing, Teutul Senior has violated New York Business Corporation Law ("BCL") § 717, and PMT, derivatively on behalf of OCCHI, is therefore

entitled to judgment pursuant to BCL § 626 and BCL § 720 enjoining Teutul Senior from continuing to engage in self-dealing and waste of OCCHI's corporate assets as detailed hereinabove.

**AS AND FOR A SECOND COUNTERCLAIM**

34. Repeats, reiterates and realleges each allegation contained in Paragraphs 1 through 33 above as if set forth verbatim herein.

35. PMT, Teutul Senior and OCCHI entered into a duly formed and bargained-for Shareholders Agreement, referenced in Paragraph "11" above.

36. The continued self-dealing and waste of OCCHI's corporate assets by Teutul Senior as detailed hereinabove constitutes a breach of the Shareholders Agreement and the covenant of good faith and fair dealing therein, and further, has caused PMT to suffer substantial injury and damage and will in future continue to cause additional substantial damages, the amount of which cannot be ascertained at this time.

37. If and to the extent that the January 21, 2009 document referenced in Paragraph "11" of Teutul Senior's Complaint constitutes a duly formed and bargained-for agreement, then the continued self-dealing and waste of OCCHI's corporate assets by Teutul Senior as detailed hereinabove constitutes a breach of that agreement and the covenant of good faith and fair dealing therein, and further, has caused PMT to suffer substantial injury and damage and will in future continue to cause additional substantial damages, the amount of which cannot be ascertained at this time.

38. If Teutul Senior is allowed to continue to have the uncontrolled and unaccountable ability to divert, transfer, assign or otherwise waste or dispose of the corporate assets of OCCHI,

PMT will suffer great and irreparable damage and injury, and it will be impossible to ascertain, with any degree of certainty, the exact value of OCCHI, and thus, the exact value of PMT's interest therein.

39. PMT has no adequate remedy at law.

40. By virtue of the foregoing, PMT is entitled to judgment enjoining Teutul Senior from continuing to engage in self-dealing and waste of OCCHI's corporate assets, as detailed hereinabove.

**AS AND FOR A THIRD COUNTERCLAIM**

41. Repeats, reiterates and realleges each allegation contained in Paragraphs 1 through 40 above as if set forth verbatim herein.

42. PMT, Teutul Senior and OCCHI entered into a duly formed and bargained-for Shareholders Agreement, referenced in Paragraph "11" above, by the terms of which PMT and his duly authorized representatives are entitled to access to the corporate book and records of OCCHI.

43. Based on the foregoing, PMT, through his attorneys, has sought to obtain the complete financial records of OCCHI, in order to properly determine the value of his interest in OCCHI. These records are under the complete dominion and control of Teutul Senior and his agents and representatives.

44. To date, Teutul Senior has wrongfully and without just cause refused to provide or cause to be provided to PMT and his attorneys access to the financial records necessary for PMT to place an accurate financial value on his investment in OCCHI.

45. PMT has no adequate remedy at law.

46. By virtue of the foregoing, PMT is entitled to judgment compelling Teutul Senior to provide PMT with timely, unfettered and complete access to all financial records of OCCHI, from January 1, 2007 to the present time, and that Teutul Senior provide or cause to be provided to PMT a full and complete, itemized corporate financial accounting for all moneys received and retained by OCCHI, and for all moneys removed from OCCHI.

**AS AND FOR A FOURTH COUNTERCLAIM**

47. Repeats, reiterates and realleges each allegation contained in Paragraphs 1 through 46 above as if set forth verbatim herein.

48. The severity and wanton breach of the fiduciary duties of Teutul Senior requires the appointment of a temporary receiver to protect the interests of PMT.

49. PMT has no adequate remedy at law.

50. By virtue of the foregoing, PMT is entitled to a judgment for the appointment of a temporary receiver under Article 64 of the Civil Practice Law and Rules and Article 12 of the Business Corporation Law, for the purpose of preventing Teutul Senior from wrongfully continuing to divert, secrete and waste corporate assets of OCCHI in breach of both established New York law and the Shareholders Agreement.

**AS AND FOR A FIFTH COUNTERCLAIM**

51. Repeats, reiterates and realleges each allegation contained in Paragraphs 1 through 50 above as if set forth verbatim herein.

52. Upon information and belief, Teutul Senior and entities under his sole ownership, dominion and control are the recipients of funds which have been misappropriated from OCCHI, as set forth above.

53. By virtue of the foregoing, PMT is entitled to a judgment compelling Teutul Senior to provide OCCHI and PMT with complete access to all financial records and receipts of Teutul Senior and any such entities from January 1, 2007 to the present time, and further requiring Teutul Senior to account to OCCHI and PMT for all profits, gains, and benefits derived, obtained, and secured by Teutul Senior, directly or indirectly, and for all the losses sustained by OCCHI by reason of the wrongful conduct and acts herein alleged, together with appropriate interest.

**AS AND FOR A SIXTH COUNTERCLAIM**

54. Repeats, reiterates and realleges each allegation contained in Paragraphs 1 through 53 above as if set forth verbatim herein.

55. Teutul Senior received and holds the sum of \$245,383.00 that rightfully belongs to PMT by virtue of his ownership of 20% of the issued and outstanding shares of OCCHI.

56. In equity and good conscience, Teutul Senior should not be permitted to keep the aforesaid funds.

57. By virtue of the foregoing, PMT is entitled to Judgment against Teutul Senior in the amount of \$245,383.00, with interest from December 31, 2007.

**AS AND FOR A SEVENTH COUNTERCLAIM**

58. Repeats, reiterates and realleges each allegation contained in Paragraphs 1 through 57 above as if set forth verbatim herein.

59. Teutul Senior caused drafts payable to PMT personally for "residual payments" due and owing to PMT, in an amount exceeding \$100,000.00, to be unlawfully negotiated and the proceeds of those drafts to be wrongfully converted without PMT's knowledge.



60. By virtue of the foregoing, Teutul Senior is liable to PMT, in an amount to be determined, for damages for conversion of the proceeds of said drafts.

WHEREFORE, Paul M. Teutul prays for judgment as follows:

1. Dismissal of the Plaintiff's Complaint.
2. On the First and Second Counterclaims, that a temporary injunction be granted pending the final determination of this action, enjoining and restraining Paul Teutul a/k/a Paul Teutul, Senior, and all persons and entities associated with or acting and working in concert or combination with him, from wrongfully diverting, removing, wasting, assigning, transferring or otherwise disposing of any of the assets of Orange County Chopper Holdings, Inc., and that a permanent injunction be granted, enjoining and restraining Paul Teutul a/k/a Paul Teutul, Senior, and all persons and entities associated with or acting and working in concert or combination with him, from wrongfully diverting, removing, wasting, assigning, transferring or otherwise disposing of any of the assets of Orange County Chopper Holdings, Inc.
3. On the Third Counterclaim, that Paul Teutul a/k/a Paul Teutul, Senior be compelled to provide, or cause to be provided, to Paul M. Teutul timely, unfettered and complete access to all financial records of Orange County Chopper Holdings, Inc., from January 1, 2007 to the present time; and that Paul Teutul a/k/a Paul Teutul, Senior provide, or cause to be provided, to Paul M. Teutul a full corporate financial accounting for all moneys received and retained by Orange County Chopper Holdings, Inc., and for all moneys removed from Orange County Chopper Holdings, Inc.
4. On the Fourth Counterclaim, that, pending a determination of this action, the Court appoint a temporary receiver to take possession of all the property, effects, and affairs of Orange

County Chopper Holdings, Inc., so as to prevent any further removal, diversion or waste by Paul Teutul a/k/a Paul Teutul, Senior prior to a full and complete valuation and accounting of Orange County Chopper Holdings, Inc., and enjoin Paul Teutul a/k/a Paul Teutul, Senior, pendente lite, from transacting any unauthorized business and from exercising any corporate powers, except by permission of the Court, and from collecting or receiving any debt or other property of defendant Orange County Choppers Holdings, Inc., and from paying out or otherwise transferring or delivering and property of defendant Orange County Choppers Holdings, Inc., and from interfering in any way with the business thereof.

5. On the Fifth Counterclaim, that Paul Teutul a/k/a Paul Teutul, Senior be compelled to provide Orange County Chopper Holdings, Inc. and Paul M. Teutul with complete access to all financial records and receipts of Teutul Senior, from January 1, 2007 to the present time, and further requiring Paul Teutul a/k/a Paul Teutul, Senior to account to Orange County Chopper Holdings, Inc. and its shareholder, Paul M. Teutul, for all profits, gains, and benefits derived, obtained, and secured by Paul Teutul a/k/a Paul Teutul, Senior, directly or indirectly, and for all the losses sustained by Orange County Chopper Holdings, Inc. by reason of the wrongful conduct and acts herein alleged, together with appropriate interest.

6. On the Sixth Counterclaim, that Paul M. Teutul be granted Judgment against Paul Teutul a/k/a Paul Teutul, Senior, in the amount of \$245,383.00, with interest from December 31, 2007.

7. On the Seventh Counterclaim, that Paul M. Teutul be granted Judgment against Paul Teutul a/k/a Paul Teutul, Senior, in an amount to be determined, for the wrongful conversion of the "residuals payments" belonging to Paul M. Teutul, with interest as appropriate.

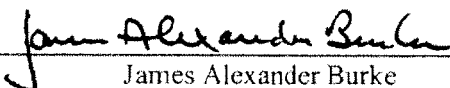
8. That Paul Teutul a/k/a Paul Teutul, Senior pay to Orange County Chopper Holdings, Inc. and its shareholder, Paul M. Teutul, exemplary damages in the sum of Ten Million Dollars (\$10,000,000.00).

9. That Paul M. Teutul be awarded the reasonable costs and disbursements of this action, including reasonable attorney's and accountants' fees.

10. That the Court grant such other and further relief as the Court deems just and proper.

Dated: Newburgh, New York  
December 30, 2009

LARKIN, AXELROD, INGRASSIA & TETENBAUM, LLP

By:   
James Alexander Burke

356 Meadow Avenue  
Newburgh, NY 12550  
(845) 562-3366

Attorneys for Defendant / Counter-Claimant Paul M. Teutul

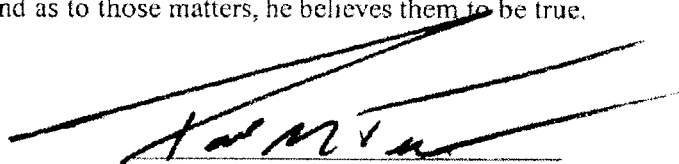
TO: Tarshis, Catania, Liberth, Mahon & Milligam, PLLC  
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Orange County Choppers Holdings, Inc.  
Orange County Choppers, Inc.  
14 Crossroads Court  
Newburgh, NY 12550


VERIFICATION

STATE OF NEW YORK)  
)..ss  
COUNTY OF ORANGE)

PAUL M. TEUTUL, being duly sworn, deposes and says that he is a defendant in this action, that he has read the foregoing Verified Answer and Counterclaims and the contents thereof, that the same is true of his own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters, he believes them to be true.

  
PAUL M. TEUTUL

Sworn to before me this  
30<sup>th</sup> day of December, 2009

  
Notary Public

RENEE HARBOLIC  
Notary Public, State of New York  
Qualified in Dutchess County  
Registration No. 01HA6113040  
Commission Expires July 19, 2012