

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In. Re: Bjugan, Britt L.)
)
 Debtor,)
)
 Bruce Kreofsky and Sons, Inc.,)
 A Minnesota corporation,)
 D/b/a Kreofsky Building)
 Supplies,)
)
 Plaintiff,)
)
 v.)
)
 Britt Bjugan,)
)
 Defendant)

Case No. 03-37358
Chapter 7

ANSWER AND THIRD PARTY COMPLAINT

Adv 04-3033

Bky 3-37358

and

Susan Bjugan,

Third Party Defendant

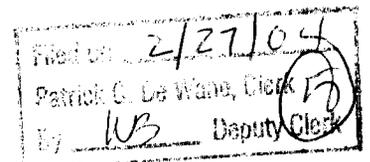
Britt L. Bjugan, by JoMarie L. Morris, Answering the Complaint of the Plaintiff:

I.

Except as otherwise admitted, qualified or otherwise answered herein, denies each and every allegation of the Complaint.

II.

Admits the allegations of paragraphs 1-7, 10(a), 10(b), 10(d), 10(e), 10(h), 15, 16.



III.

Denies specifically paragraphs 10(c), 10(g), 10(j), 11, 17, 18, 22(a), 22(b), 24, 25, 27, 29, 30, 31.

IV.

As to paragraph 14 of the Complaint, admits that Defendant's income was calculated incorrectly on his Bankruptcy Petition but specifically denies that the omission was intentional.

V.

As to paragraph 28 of the Complaint, Defendant admits that he knew Susan Bjugan was sentenced to pay restitution for the Pine Haven theft but specifically denies that he knew Susan Bjugan paid the Pine Haven restitution with money she stole from Plaintiff.

VI.

Pursuant to Bankruptcy Rule 7012(b), Defendant admits the allegation in the Complaint that the proceeding is core.

VII.

As and for his affirmative defenses, Defendant, Britt Bjugan, states:

1. Plaintiff fails to state a cause of action upon which relief can be granted.
2. Plaintiff's Complaint fails to plead fraud with the requisite particularity.

THIRD PARTY COMPLAINT

Defendant Britt Bjugan for his Third Party Complaint against Susan Bjugan states and alleges as follows:

1. Defendant Britt Bjugan is and at all times relevant hereto was a resident of Pine Island, Goodhue County, Minnesota.

2. Susan Bjugan at all times relevant hereto was a resident of Pine Island, Goodhue County, Minnesota.

3. Susan Bjugan and Defendant Britt Bjugan at all times relevant hereto were a married couple.

4. Susan Bjugan has a Bachelor's Degree in Accounting.

5. Throughout the Susan Bjugan and Britt Bjugan' marriage, Susan Bjugan exercised complete control over the their finances paying the majority of their expenses and maintaining their financial accounts.

6. Britt Bjugan had no personal knowledge of Susan Bjugan's criminal activities while she was employed with Kreofsky Building Supplies. ("KBS").

7. Britt Bjugan did not conspire with, assist, or in any way participate in Susan Bjugan's criminal activity at KBS.

8. Susan Bjugan's criminal activity was conducted entirely and solely to benefit herself.

9. Plaintiff has alleged that Susan Bjugan's criminal, fraudulent or other unlawful conduct, or the benefits of such conduct, may be imputed by law or equity to Defendant Britt Bjugan. If Britt Bjugan is found to have any liability to Plaintiff by or through the conduct of Susan Bjugan, then he is entitled to and does hereby claim a right to be indemnified by Susan Bjugan for any such loss or liability.

WHEREFORE, Defendant Britt Bjugan requests Judgment of this Court in his favor and against Susan Bjugan as follows:

1. Denying Plaintiff's Complaint in its entirety;
2. In the event Defendant Britt Bjugan is held liable to Plaintiff for any amount of money, then awarding on third party claim to Britt Bjugan and against Susan Bjugan full indemnification for all losses sustained;
3. Awarding Defendant Britt Bjugan his cost and expenses incurred herein;
4. Awarding such further and other relief as the Court may find just and equitable.

Dated: February 25, 2004

KLAMPE, DELEHANTY & MORRIS

By: _____

JoMarie L. Morris (266784)

Attorneys for Defendant, Britt Bjugan

300 First Avenue NW, Suite 300

Rochester, MN 55901

Phone: (507) 288-2447

Fax: (507) 288-4412

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AFFIDAVIT OF SERVICE

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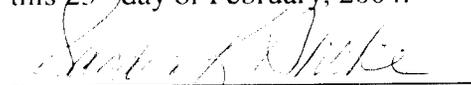
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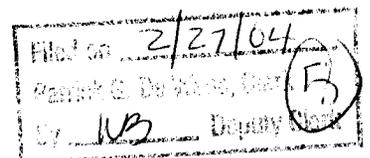
STATE OF MINNESOTA)
) ss.
COUNTY OF OLMSTED)

Deborah J. Schmidt, being duly sworn, on oath says that at 300 Wells Fargo Center, 21 First Street SW, City of Rochester, in said County and State, on the 25th day of February, 2004, she served the attached Answer and Third Party Complaint upon Jeffery A. Mintz, attorney for Plaintiff, personally, by then and there handing to and leaving with Krista, his receptionist, a true and correct copy of said documents.



Subscribed and sworn to before me
this 25th day of February, 2004.



Notary Public

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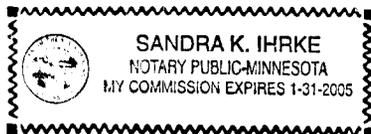
STATE OF MINNESOTA)
) ss.
COUNTY OF OLMSTED)

Linda Ovrebo, being first duly sworn on oath, says that on the 25th day of February, 2004, she served the attached Answer and Third Party Complaint on Susan Bjugan, by mailing to her a copy thereof, enclosed in an envelope, postage prepaid, and by depositing same in the post office at Rochester, Minnesota, directed to her at 11 Oak Leaf Lane, Arden, NC 28704, her last known address.

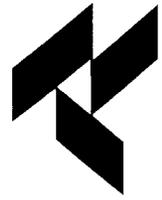
Linda Ovrebo

Subscribed and sworn to before
me this 25th day of February, 2004.

Sandra K. Ihrke
Notary Public



personal care from lawyers who care



Attorneys

Mark W. Delehanty
JoMarie L. Morris
Carole A. Pasternak
Michael Spindler-Krage

Michael D. Klampe
(1947-2001)

February 25, 2004

United States Bankruptcy Court
200 Federal Building
316 North Roberts Street
St. Paul, MN 55101

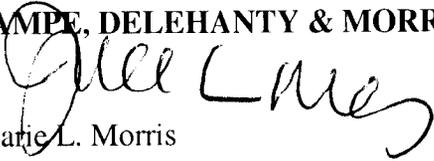
Re: Britt L. Bjugan, Debtor
Bruce Kreofsky and Sons, Inc., Plaintiff vs. Britt L. Bjugan, Defendant
ADV 04-303BKY 3-37358

Dear Court Administrator:

Enclosed for filing please find the Answer and Third Party Complaint of Debtor and Defendant Britt L. Bjugan together with the Affidavits of Service.

Sincerely,

KLAMPE, DELEHANTY & MORRIS


JoMarie L. Morris

JLM/lo

Enclosure

cc: Britt L. Bjugan
Jeffery A. Mintz
Susan Bjugan
Tom Healy

LAW OFFICES OF **KLAMPE, DELEHANTY & MORRIS**

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