

UNITED STATES BANKRUPTCY COURT District of Arizona

PROOF OF CLAIM

Name of Debtor: Nutracea, a California corporation

Case Number: 09-28817

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property):

PREMIER EXECUTIVE SEARCH

Name and address where notices should be sent:

PREMIER EXECUTIVE SEARCH
WILLIAM E. BEHRING
1778 MARSH RUN
NAPLES, FL 34109-0345

FILED
DEC 10 2009

Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number: _____
(If known)

Telephone number: 952-475-2972

UNITED STATES
BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

Filed on: _____

Name and address where payment should be sent (if different from above):

Telephone number:

Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: \$ 38,000.00

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).

Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5).

Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).

Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).

Other - Specify applicable paragraph of 11 U.S.C. §507 (a)(_____).

Amount entitled to priority:

\$ _____

*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

2. Basis for Claim: SERVICES PERFORMED; HUMAN RESOURCE SOURCING

3. Last four digits of any number by which creditor identifies debtor: NAME ONLY

3a. Debtor may have scheduled account as: SAME AS ABOVE
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)

Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: Real Estate Motor Vehicle Other Describe:

Value of Property: \$ _____ Annual Interest Rate _____ %

Amount of arrearage and other charges as of time case filed included in secured claim,

if any: \$ _____ Basis for perfection: _____

Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

Date: 12/4/2009

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. William E. Behring, President

FOR COURT USE ONLY

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.



P R E M I E R
Executive Search

INVOICE #1109 (PAST DUE MAY 29, 2009)

Date: May 19, 2009

NutraCea
5090 N. 40th Street
Suite 400
Phoenix, AZ 85018

Attention: Madie Lewis

Purpose: Recruiting Fee

Candidate: Steve Dorn

Position: Sales Manager—Finished Foods (East)

Fee: \$19,000.00 (25% of base compensation of \$76,000.00)

Remit to:

Premier Executive Search Corp.
William E. Behring
1778 Marsh Run
Naples, FL 34109

Phone: 952-475-2972

Premier Executive Search Corp. **EIN#: 22-3919780**

Due on receipt.

Thank you.



P R E M I E R
Executive Search

INVOICE #1209 (PAST DUE MAY 29, 2009)

Date: May 19, 2009

NutraCea
5090 N. 40th Street
Suite 400
Phoenix, AZ 85018

Attention: Madie Lewis

Purpose: Recruiting Fee

Candidate: Marcella Stein

Position: Sales Manager—Finished Foods (West)

Fee: \$19,000.00 (25% of base compensation of \$76,000.00)

Remit to:

Premier Executive Search Corp.
William E. Behring
1778 Marsh Run
Naples, FL 34109

Phone: 952-475-2972

Premier Executive Search Corp. **EIN#: 22-3919780**

Due on receipt.

Thank you.

Bill Behring

From: Bill Behring [Bill@PESearch.com]
Sent: Tuesday, September 01, 2009 11:38 AM
To: 'bcadigan@nutracea.com'; 'bill.cadigan@tatumllc.com'
Subject: Vendor Inquiry

Mr. Cadigan,

I understand that you have recently joined the Leadership Team at NutraCea. Perhaps you can help my firm, Premier Executive Search Corp., resolve NutraCea payments for two long past due invoices for recruiting services my firm provided earlier this year. Copies of those invoices are attached.

Mr. Jerry Eggenberger had also sought your assistance to resolve these payments, as the two new employees my firm placed with NutraCea report to Jerry.

Both Jerry and I have been unsuccessful gaining answers to repeated requests for payment status, date payment is expected, or to try and resolve payment on an agreed to schedule. The chronology of key communications is described below, and as you can see, considerable time has elapsed since the invoices had been submitted to NutraCea and approved for payment by the then NutraCea Human Resource Director, Madie Lewis.

Thank you for reviewing this most recent request. Your guidance will be appreciated. My contact information is included at the bottom of this communication.

Chronology (Most recent, back to February 2009) :

9/1/09: My email to you seeking an update to resolve when payment will be processed.

8/14/09: Jerry Eggenberger requested help from your new president, John Short. Reply that Mr. Short would ask you and the SMC to determine when invoices will be paid.

8/3/09: Jerry Eggenberger sent email to you asking for an update, payment status. He received no reply.

7/28/09: Email to Anne McAninch asking for status update. Replied that there are financial issues at the company, and she would stay on top of getting these invoices paid. No further information received.

7/22/09: Email to Madie Lewis updating her on lack of response. Email reply from Anne McAninch indicating Madie no longer at NutraCea. Anne would investigate payment status.

7/7/09: Email to Linda Bailey reminding her that payment not received and requesting status update. No reply received.

6/17/09: Email to Madie Lewis keeping her apprised on the lack of communications coming from Linda or anyone else in authority at NutraCea.

6/10/09: Email to Linda Bailey requesting payment status. Replied that she would address my "concerns" with Controller. No further information provided.

6/9/09: Madie replied to inquiry as to status of payment that she did not know when payment would be made, but to contact Linda Bailey for status.

5/19/09: Invoices #1109 and #1209 submitted to Madie Lewis. Total amount due: \$38,000.00. Madie approved invoices and submitted to NutraCea Accounts Payable for processing.

5/18/09: Mr. Dorn and Ms. Stein began employment at NutraCea

11/30/2009

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of 8

12/11/2009

5/11/09: Job offers made by NutraCea to lead candidates Steve Dorn (East) and Marcella Stein (West)

2/17/09: Service Agreement (Recruiting) approved by Madie Lewis and then CFO Olga Hernandez. Recruiting process initiated on this day.

Thank you for your help on this matter.

Bill Behring
President
Premier Executive Search
Offices: (952) 475-2972
Bill@PESearch.com
Website: www.PESearch.com

Bill Behring

From: Bill Behring [BillB@PESearch.com]
Sent: Thursday, October 08, 2009 9:59 AM
To: 'bcadigan@nutracea.com'; 'bill.cadigan@tatumllc.com'
Cc: 'Jerry Eggenberger'
Subject: Vendor Inquiry—Premier Executive Search Corp.

Mr. Cadigan,

On September 1st, our firm sent to you, a chronology of key communications since we accepted and fulfilled a recruiting assignment, and the submission of two invoices, now in excess of 120 days past due.

Would you or a designate of the NutraCea SMC provide us with guidance as to when we can expect payment? In previous communications, we have offered to discuss a payment plan, provided that first payment for an agreed to plan would come immediately. So far, there has been no acknowledgement to our repeated requests for payment or to discuss a payment plan.

We would appreciate a reply from either yourself or another member of the SMC. In August, Mr. Short indicated the SMC would determine when vendor invoices will be honored with payment.

Reminder for NutraCea records:

Hiring Manager—Jerry Eggenberger

Placements in Sales Manager roles—Marcella Stein; Steven Dorn

Invoices/Dates first submitted/Approved for payment—5/19/09: Invoices #1109 and #1209 first submitted to Madie Lewis. Total amount due: \$38,000.00. Madie approved invoices and submitted to NutraCea Accounts Payable for processing.

Thank you for your attention.

Bill Behring
President
Premier Executive Search
Offices: (952) 475-2972
Bill@PESearch.com
Website: www.PESearch.com



PREMIER
Executive Search

*Re- Bill Behring
Jim M. Lewis
NUTRACEA*

February 12, 2009

Ms. Madeline Lewis
Human Resources
Nutracca, Inc.
5090 N. 40th Street, Suite 400
Phoenix, AZ 85018

Dear Madie:

Thank you for the opportunity to discover the Sales talent required to accelerate Nutracea's ongoing market development initiatives.

As part of our service to you, we are providing this copy of our **Service Agreement**. Our service fee is on a contingency basis. It would be payable only if a candidate enters into a service relationship with you or your affiliate within one year after our most recent communication relating to the candidate. Premier Executive Search will be the exclusive search agent for at least forty-five days from our receipt of the approved Position Description.

Our service fee is equal to twenty (25%) of the candidate's first year base salary. For example at \$60,000.00 the 25 % fee is \$15,000.00.

If the service relationship between you and the candidate is terminated for any reason before 180 calendar days after its start, we will provide a suitable replacement candidate within the original specifications of the job assignment. You must provide written notice of the termination and reasons within 5 business days after termination and you paid our fee when due. This guarantee is not applicable if the service relationship is terminated because the position is eliminated or because of insufficient work for the candidate.

Since you will determine whether you are satisfied that the candidate has the requisite experience and qualifications for your needs, and that information provided by the candidate and other sources, directly or through us, is accurate, this guarantee is provided as your sole remedy if you are dissatisfied.

Our service fee, which will be invoiced when you and the candidate agree to enter into the service relationship, will be due in full within 10 days after the date the candidate starts.

If collection activities should become necessary, the fee would be adjusted to include any related expenses, such as reasonable attorney's fees.

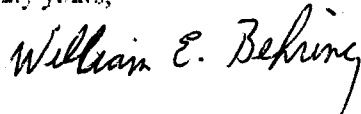
The following definitions are applicable to this Agreement: "Candidate" means a person referred to you by us, directly or indirectly. "Refer," means the disclosure by us of the identity of a candidate by any means, orally or in writing. "Service relationship" means your engagement of the services of the candidate in any capacity, including as an employee, independent contractor, consultant, or other representative.

If these terms do not reflect your understanding of our agreement, please call us immediately. Unless we provide you with a modifying letter, we will rely on your acceptance of referrals from us as establishing that you have accepted these terms.

We do not discriminate in the acceptance or referral of candidates on the basis of race, color, religion, sex, age, national origin, marital status, disability, or other protected characteristic.

Thank you for the opportunity to serve you.

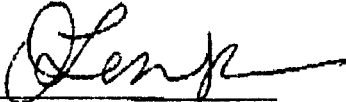
Very truly yours,



William E. Behring
President
Premier Executive Search Corp.
1778 Marsh Run
Naples, FL 34109
952-475-2972
E-mail: Bill@PESearch.com

Fax Signed Copy: 952-475-2972

We agree to the terms of this letter.

Signature: 

Title: C.F.O.

Date: 2-17-09