

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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| In re: EPIC! CREATIONS, INC., <i>et al.</i> , ¹ Debtors. | Chapter 11 Case No. 24-11161 (JTD) (Jointly Administered) |
| Claudia Z. Springer, Chapter 11 Trustee, Plaintiff v. Stripe, Inc.; Wells Fargo Bank, National Association; Whitehat Education Technology LLC; and John Does 1-100, Defendants. | Adv. Pro. No. 24-50142 (JTD) Re Adv. Pro. D.I. 1 JURY TRIAL DEMANDED |

**ANSWER AND AFFIRMATIVE DEFENSES TO COMPLAINT FOR TEMPORARY
RESTRAINING ORDER, PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF,
AND AVOIDANCE AND RECOVERY UNDER 11 U.S.C. §§ 549 AND 550**

Wells Fargo Bank, National Association (“Defendant”), by and through its undersigned counsel, states for its answer (the “Answer”) and affirmative defenses to the *Complaint for Temporary Restraining Order, Preliminary and Permanent Injunctive Relief, and Avoidance and Recovery under 11 U.S.C. §§ 549 and 550* [Adv. Pro. D. I. 1] (the “Complaint”)² as follows:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Epic! Creations, Inc. (9113); Neuron Fuel, Inc. (8758); and Tangible Play, Inc. (9331).
² Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Complaint.



JURISDICTION AND VENUE

1. Paragraph 1 of the Complaint states conclusions of law to which no response is required.

2. Paragraph 2 of the Complaint states conclusions of law to which no response is required.

3. The first sentence of paragraph 3 of the Complaint states conclusions of law to which no response is required. With respect to the balance of paragraph 3, Defendant admits that the Trustee generally consents to the entry of final orders or judgments by the Court, but denies that the Trustee is entitled to such relief. Pursuant to Fed. R. Bankr. P. 7012(b) and Del. Bankr. L.R. 7012-1, Defendant states that it does not consent to the entry of final orders or judgments by the Court.

4. Paragraph 4 of the Complaint states conclusions of law to which no response is required.

THE PARTIES

5. Defendant admits the allegations contained in paragraph 5 of the Complaint.

6. Defendant does not have knowledge or information sufficient to admit or deny the allegations contained in paragraph 6 of the Complaint. To the extent a response is required, denied.

7. Defendant admits that it is headquartered in San Francisco, California and denies the balance of the allegations contained in paragraph 7 of the Complaint.

8. Defendant does not have knowledge or information sufficient to admit or deny the allegations contained in paragraph 8 of the Complaint. To the extent a response is required, denied.

9. Defendant does not have knowledge or information sufficient to admit to admit or deny the allegations contained in paragraph 9 of the Complaint. To the extent a response is required, denied.

GENERAL ALLEGATIONS

10. Defendant admits the allegations contained in paragraph 10 of the Complaint.

11. Defendant admits the allegations contained in paragraph 11 of the Complaint.

12. Defendant admits the allegations contained in paragraph 12 of the Complaint.

13. Defendant admits the allegations contained in paragraph 13 of the Complaint.

14. Defendant admits the allegations contained in paragraph 14 of the Complaint.

15. Defendant does not have knowledge or information sufficient to admit or deny the allegations contained in paragraph 15 of the Complaint. To the extent a response is required, denied.

16. Defendant does not have knowledge or information sufficient to admit or deny the allegations contained in paragraph 16 of the Complaint. To the extent a response is required, the letter referred to in paragraph 16 and attached as Exhibit A to the Complaint speaks for itself and Defendant any further characterization of such document by the Trustee.

17. With respect to paragraph 17 of the Complaint, Defendant admits that on or about October 1, 2024, a transfer of \$9,999.00 was made to a Wells Fargo Bank account ending in

0879 and on October 7, 2024, a transfer of \$484,992.50 was made to the same account. Defendant does not have knowledge or information sufficient to admit or deny the balance of the allegations contained in paragraph 17 of the Complaint nor to admit or deny the accuracy or authenticity of the screen shot at the end of paragraph 17. To the extent a response is required, denied.

18. With respect to paragraph 18 of the Complaint, Defendant admits that on September 26, 2024, a transfer of \$201,565.07 was made to a Wells Fargo Bank account ending in 0879. Defendant does not have knowledge or information sufficient to admit or deny the balance of the allegations contained in paragraph 18 of the Complaint nor to admit or deny the accuracy or authenticity of the screen shot at the end of paragraph 18. To the extent a response is required, denied.

19. With respect to paragraph 19 of the Complaint, Defendant admits that the Trustee uses the term Unauthorized Postpetition Transfers in the Complaint to refer to the September 26, 2024, October 1, 2024, and October 7, 2024 transfers, but the characterization of such transfers as “unauthorized” is a conclusion of law to which no response is required. To the extent that a response is required so such characterization, denied.

20. With respect to paragraph 20 of the Complaint, Defendant admits that Whitehat is the account holder of the Wells Fargo Bank account ending in 0879 referred to in this paragraph. Otherwise, Defendant does not have knowledge or information sufficient to admit or deny the accuracy or authenticity of the screen shot at the end of paragraph 20. To the extent a response is required, denied.

21. Defendant does not have knowledge or information sufficient to admit or deny the allegations contained in paragraph 21 of the Complaint or to admit or deny the accuracy

or authenticity of the screen shot at the end of paragraph 21. To the extent a response is required, denied.

22. Defendant does not have knowledge or information sufficient to admit or deny the allegations contained in paragraph 22 of the Complaint. To the extent a response is required, denied.

23. Paragraph 23 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, denied.

24. Defendant does not have knowledge or information sufficient to admit or deny the allegations contained in paragraph 24 of the Complaint. To the extent a response is required, the correspondence attached as Exhibit B speaks for itself and any characterization of that document or any other allegations contained in paragraph 24 are denied.

FIRST CLAIMS FOR RELIEF

(Temporary, Preliminary, and Permanent Injunction against Stripe, Wells Fargo, Whitehat, and John Does 1-100)

25. Defendant incorporates its responses to all preceding paragraphs as if fully set forth herein, to the extent they are not inconsistent with the responses contained with respect to the First Claim for Relief.

26. Paragraph 26 of the Complaint states conclusions of law to which no response is required.

27. Paragraph 27 of the Complaint states conclusions of law to which no response is required.

28. Paragraph 28 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, the Trustee has already obtained a temporary restraining order (*see* Adv. Pro. D.I. 9) and a preliminary injunction (*see* Adv Pro. D.I.

20) against Defendant, which Defendant has complied with and Defendant denies that the Trustee is entitled to permanent injunctive relief against Wells Fargo.

29. Paragraph 29 of the Complaint states conclusions of law to which no response is required and the Defendant lacks sufficient knowledge or information to admit or deny the Trustee's fears or beliefs. To the extent a response is required, denied.

30. Paragraph 30 of the Complaint states conclusions of law to which no response is required.

31. Paragraph 31 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, a preliminary injunction has already been entered (*see* Adv. Pro. D.I. 20).

SECOND CLAIM FOR RELIEF

(Action for Turnover against Stripe, Whitehat, and Wells Fargo Under 11 U.S.C §542(a))

32. Defendant incorporates its responses to all preceding paragraphs as if fully set forth herein, to the extent they are not inconsistent with the responses contained with respect to the Second Claim for Relief.

33. Paragraph 33 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, section 542(a) of the Bankruptcy Code speaks for itself.

34. Paragraph 34 of the Complaint states conclusions of law to which no response is required and the Defendant lacks sufficient knowledge or information to admit or deny the allegations contained in paragraph 34.

35. Paragraph 35 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, denied.

36. Paragraph 36 of the Complaint states conclusions of law to which no response is required and the Defendant lacks sufficient knowledge or information to admit or deny the allegations contained in paragraph 36.

THIRD CLAIM FOR RELIEF

(Stay Violation Against Whitehat, Stripe, and John Does 1-100)

37. No response is required from Defendant with respect to paragraph 37 of the Complaint, as the Third Claim for Relief is not brought against Defendant.

38. No response is required from Defendant with respect to paragraph 38 of the Complaint, as the Third Claim for Relief is not brought against Defendant.

39. No response is required from Defendant with respect to paragraph 39 of the Complaint, as the Third Claim for Relief is not brought against Defendant.

40. No response is required from Defendant with respect to paragraph 40 of the Complaint, as the Third Claim for Relief is not brought against Defendant.

41. No response is required from Defendant with respect to paragraph 41 of the Complaint, as the Third Claim for Relief is not brought against Defendant.

42. No response is required from Defendant with respect to paragraph 42 of the Complaint, as the Third Claim for Relief is not brought against Defendant.

43. No response is required from Defendant with respect to paragraph 43 of the Complaint, as the Third Claim for Relief is not brought against Defendant.

FOURTH CLAIM FOR RELIEF

(Avoidance and Recovery of Unauthorized Postpetition Transfers Against Wells Fargo and Whitehat Under 11 U.S.C. §§ 549 and 550)

44. Defendant incorporates its responses to all preceding paragraphs as if fully set forth herein, to the extent they are not inconsistent with the responses contained with respect to the Second Claim for Relief.

45. Defendant admits that the transfers to which the Trustee refers to in paragraph 45 of the Complaint occurred after the Order for Relief Date, but denies the characterization of those transfers as Unauthorized Postpetition Transfers.

46. Paragraph 46 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, denied.

47. Paragraph 47 of the Complaint states conclusions of law to which no response is required and the Defendant lacks sufficient knowledge or information to admit or deny the allegations contained in paragraph 47. Defendant denies the characterization of the transfers referred to in paragraph 47 as Unauthorized Postpetition Transfers.

48. Paragraph 48 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, denied.

49. Paragraph 49 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, denied.

50. Paragraph 50 of the Complaint states conclusions of law to which no response is required and the Defendant lacks sufficient knowledge or information to admit or deny the allegations contained in paragraph 50 with respect to Whitehat. To the extent a response is required, with respect to Wells Fargo, denied.

51. Paragraph 51 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, denied.

PRAYERS FOR RELIEF

52. Defendant incorporates its responses to all preceding paragraphs as if fully set forth herein, to the extent they are not inconsistent with the responses contained with respect to the Fourth Claim for Relief.

53. Paragraph 49 of the Complaint states conclusions of law to which no response is required. Additionally, Defendant denies the allegations contained in Paragraph 49 of the Complaint.

54. Paragraph 50 of the Complaint states conclusions of law to which no response is required. Additionally, Defendant denies that it is liable for any cause of action under chapter 5 of the Bankruptcy Code, including under section 550.

55. Paragraph 51 of the Complaint states conclusions of law to which no response is required. Additionally, Defendant denies the allegations contained in Paragraph 51 of the Complaint and further contends that Count IV of the Complaint should be denied in its entirety.

56. Paragraph 52 of the Complaint states conclusions of law to which no response is required. Additionally, Defendant denies the allegations contained in Paragraph 52 of the Complaint and further contends that Count IV of the Complaint should be denied in its entirety.

PRAYER FOR JUDGMENT

With respect to the Trustee's prayer for judgement, Defendant contends as follows:

(a) No response is required from Defendant with respect to subpart (a) of the Trustee's prayer for judgment, as this subpart is not brought against Defendant.

(b) No response is required from Defendant with respect to subpart (b) of the Trustee's prayer for judgment, as this subpart is not brought against Defendant.

(c) With respect to subpart (c) of the Trustee's prayer for judgment, a temporary restraining order and a preliminary injunction have already been entered in this case against Defendant (*see* Adv. Pro. D.I. 9 and 20) and Defendant has complied with these orders of the Court. Defendant denies that the Trustee is entitled to permanent injunctive relief against Defendant.

(d) No response is required from Defendant with respect to subpart (d) of the Trustee's prayer for judgment, as this subpart is not brought against Defendant.

(e) No response is required from Defendant with respect to subpart (e) of the Trustee's prayer for judgment, as this subpart is not brought against Defendant.

(f) No response is required from Defendant with respect to subpart (f) of the Trustee's prayer for judgment, as this subpart is not brought against Defendant.

(g) With respect to subpart (g) of the Trustee's prayer for judgment, Defendant denies that the Trustee is entitled to a judgment against Defendant pursuant to section 549 of the Bankruptcy Code.

(h) With respect to subpart (h) of the Trustee's prayer for judgment Defendant denies that the Trustee is entitled to any interest, fees or damages from Defendant.

(i) With respect to subpart (i) of the Trustee's prayer for judgment Defendant denies that the Trustee is entitled to the cost of suit or any relief against Defendant.

AFFIRMATIVE AND ADDITIONAL DEFENSES

By way of affirmative or additional defenses, the Defendant states as follows:

1. The relief sought by the Trustee in the Complaint with respect to Defendant should be denied to the extent that the Trustee has failed to state a claim upon which relief may be granted.
2. The relief sought in the Complaint with respect to Defendant should be denied to the extent that Defendant holds a valid right of setoff.
3. The relief sought in the Complaint with respect to Defendant should be denied to the extent that the Defendant holds a valid right of recoupment.
4. The relief sought by the Trustee in the Complaint with respect to Defendant should be barred, in whole or in part, to the extent called for by the doctrines of waiver, estoppel (including judicial estoppel and equitable estoppel), issue preclusion, and/or claims preclusion.
5. The relief sought by the Trustee in the Complaint with respect to Defendant should be barred, in whole or in part, to the extent called for by the doctrine of laches.
6. The relief sought in the Complaint with respect to Defendant should be denied to the extent permitted under principles of waiver and/or release.
7. The relief sought in the Complaint with respect to Defendant should be denied to the extent permitted under principles of accord and satisfaction.
8. The relief sought in the Complaint with respect to Defendant should be denied to the extent that any of the alleged Unauthorized Postpetition Transfers were not transfers of property of the Debtors' estates.

9. The relief sought in the Complaint with respect to Defendant should be denied to the extent that any of the alleged Unauthorized Postpetition Transfers occurred before the Order for Relief Date.

10. The relief sought in the Complaint with respect to Defendant should be denied to the extent that any of the alleged Unauthorized Postpetition Transfers are authorized under sections 303(f) and/or 542(c) of the Bankruptcy Code.

11. The relief sought in the Complaint with respect to Defendant should be denied to the extent that any of the alleged Unauthorized Postpetition Transfers are not avoidable pursuant to section 549(b) of the Bankruptcy Code.

12. The relief sought in the Complaint with respect to Defendant should be denied to the extent that, with respect to any of the alleged Unauthorized Postpetition Transfers, Defendant is a good faith transferee or an immediate or mediate transferee thereof pursuant to section 550(b) of the Bankruptcy Code.

13. The relief sought in the Complaint with respect to Defendant should be denied to the extent that any avoidance or recovery sought by the Trustee would not benefit the Debtors' estates.

14. Defendant reserves all of its rights to assert additional affirmative defenses based upon further investigation and discovery.

WHEREFORE, Defendant requests that this Court enter an order denying all of the relief sought in Complaint with respect to Defendant and granting it costs, attorneys' fees and such other and further relief as is just and appropriate.

DEMAND FOR JURY TRIAL

Defendant demands a jury trial for the Trustee's claims and Defendant's Affirmative Defenses.

Dated: November 15, 2024

Respectfully submitted,

TROUTMAN PEPPER HAMILTON SANDERS LLP

/s/ Kenneth A. Listwak

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Counsel for Wells Fargo Bank, National Association

CERTIFICATE OF SERVICE

I, Kenneth A. Listwak, hereby certify that on the 15th of November 2024, I caused the foregoing to be served by email upon the parties set forth below, in the manner indicated; and all ECF participants registered in this case were served electronically on the date of filing through the court's ECF system at their respective email addresses registered with the court.

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/s/ Kenneth A. Listwak

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