Docket #0009 Date Filed: 4/28/2016

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS

In re: TELEXFREE, LLC, TELEXFREE, INC. and TELEXFREE FINANCIAL, INC. Debtors. STEPHEN DARR, AS HE IS THE TRUSTEE OF THE CHAPTER 11 ESTATES OF EACH OF THE DEBTORS, Plaintiff, v. ADVENT COMMUNICATIONS CORPORATION, Defendant.	**ANSWER TO COMPLAINT** Chapter 11 Cases: 14-40987-MSH 14-40988-MSH 14-40989-MSH Jointly Administered ADVERSARY PROCEEDING No. 16-04026

Defendant, ADVENT COMMUNICATIONS CORPORATION, answers the Complaint as follows:

Parties and Jurisdiction

1. Defendant does not have sufficient information, belief or knowledge or either admit or deny the allegations set forth in this paragraph of the Complaint, and based on such lack of information, belief and/or knowledge, defendant specifically and generally denies the allegations set forth in this paragraph of the Complaint.

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2. Defendant admits the allegations set forth in this paragraph of the Complaint.

3. Defendant does not have sufficient information, belief or knowledge or either admit or deny the allegations set forth in this paragraph of the Complaint, and based on such lack of information, belief and/or knowledge, defendant specifically and generally denies the allegations set forth in this paragraph of the Complaint.

4. Defendant does not have sufficient information, belief or knowledge or either admit or deny the allegations set forth in this paragraph of the Complaint, and based on such lack of information, belief and/or knowledge, defendant specifically and generally denies the allegations set forth in this paragraph of the Complaint.

5. Defendant does not have sufficient information, belief or knowledge or either admit or deny the allegations set forth in this paragraph of the Complaint, and based on such lack of information, belief and/or knowledge, defendant specifically and generally denies the allegations set forth in this paragraph of the Complaint.

6. Defendant does not have sufficient information, belief or knowledge or either admit or deny the allegations set forth in this paragraph of the Complaint, and based on such lack of information, belief and/or knowledge, defendant specifically and generally denies the allegations set forth in this paragraph of the Complaint.

Statement of Facts

7. Defendant does not have sufficient information, belief or knowledge or either admit or deny the allegations set forth in this paragraph of the Complaint, and based on such lack of information, belief and/or knowledge, defendant specifically and generally denies the allegations set forth in this paragraph of the Complaint. In further response to this paragraph, defendant alleges that these allegations were not know to defendant nor were they defendant's impressions when defendant was providing marketing communications services to TelexFree. Further, the defendant was retained specifically to consult to the telecommunications operations, including improving customer service

and customer relations.

8. Defendant does not have sufficient information, belief or knowledge or either admit or deny the allegations set forth in this paragraph of the Complaint, and based on such lack of information, belief and/or knowledge, defendant specifically and generally denies the allegations set forth in this paragraph of the Complaint.

9. Defendant does not have sufficient information, belief or knowledge or either admit or deny the allegations set forth in this paragraph of the Complaint, and based on such lack of information, belief and/or knowledge, defendant specifically and generally denies the allegations set forth in this paragraph of the Complaint.

10. Defendant does not have sufficient information, belief or knowledge or either admit or deny the allegations set forth in this paragraph of the Complaint, and based on such lack of information, belief and/or knowledge, defendant specifically and generally denies the allegations set forth in this paragraph of the Complaint.

11. Defendant does not have sufficient information, belief or knowledge or either admit or deny the allegations set forth in this paragraph of the Complaint, and based on such lack of information, belief and/or knowledge, defendant specifically and generally denies the allegations set forth in this paragraph of the Complaint.

12. Defendant does not have sufficient information, belief or knowledge or either admit or deny the allegations set forth in this paragraph of the Complaint, and based on such lack of information, belief and/or knowledge, defendant specifically and generally denies the allegations set forth in this paragraph of the Complaint.

13. Defendant does not have sufficient information, belief or knowledge or either admit or deny the allegations set forth in this paragraph of the Complaint, and based on such lack of information, belief and/or knowledge, defendant specifically and generally denies the allegations set forth in this paragraph of the Complaint.

14. Defendant denies that it provides "marketing services" for multi-level marketing companies. It is admitted that defendant provides marketing communications services for multi-level companies.

15. Defendant admits the allegations contained in this paragraph of the Complaint.

COUNT ONE

Fraudulent Transfer – Constructive – 11 U.S.C. §§ 548, 550 and 551

16. Defendant realleges and re-states those admission, denials and other statements as set forth above and incorporates them herein as though set forth at length.

17. Defendant denies the allegations contained in this paragraph of the Complaint.

18. Defendant admits the allegations contained in this paragraph of the Complaint.

19. Defendant does not have sufficient information, belief or knowledge or either admit or deny the allegations set forth in this paragraph of the Complaint, and based on such lack of information, belief and/or knowledge, defendant specifically and generally denies the allegations set forth in this paragraph of the Complaint.

20. Defendant denies the allegations contained in this paragraph of the Complaint.

21. Defendant denies the allegations contained in this paragraph of the Complaint.

22. Defendant denies the allegations contained in this paragraph of the Complaint.

COUNT TWO

Fraudulent Transfer – Actual Intent – 11 U.S.C. 548, 550 and 551

23. Defendant realleges and re-states those admission, denials and other statements as set forth above and incorporates them herein as though set forth at length.

24. Defendant admits the allegations contained in this paragraph of the Complaint.

25. Defendant denies the allegations contained in this paragraph of the Complaint.

26. Defendant denies the allegations contained in this paragraph of the Complaint.

27. Defendant denies the allegations contained in this paragraph of the Complaint.

COUNT THREE

Preferences – 11 U.S.C. 547, 550 and 551

28. Defendant realleges and re-states those admission, denials and other statements as set forth above and incorporates them herein as though set forth at length.

29. Defendant admits the allegations contained in this paragraph of the Complaint.

30(a). Defendant denies the allegations contained in this paragraph of the Complaint.

30(b). Defendant denies the allegations contained in this paragraph of the Complaint.

30(c). Defendant does not have sufficient information, belief or knowledge or either admit or deny the allegations set forth in this paragraph of the Complaint, and based on such lack of information, belief and/or knowledge, defendant specifically and generally denies the allegations set forth in this paragraph of the Complaint.

30(d). Defendant admits the allegations contained in this paragraph of the Complaint.

30(e). Defendant denies the allegations contained in this paragraph of the Complaint.

31. Defendant denies the allegations contained in this paragraph of the Complaint.

32. Defendant denies the allegations contained in this paragraph of the Complaint.

FIRST AFFIRMATIVE DEFENSE

Defendant alleges that the Complaint fails to state claims upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

At all times mentioned in the Complaint, the injury, breach, violations of statutes and damages alleged therein were either wholly or in part proximately caused by the negligence or intentional acts and fault of persons, firms, corporations, or entities other than Defendant.

THIRD AFFIRMATIVE DEFENSE

Any and all of the events and happenings, injuries, loss, damage, and expenditure referred to in the Complaint were directly and proximately caused and contributed to by the carelessness, negligence and intentional and wrongful conduct of TelexFree and other parties.

FOURTH AFFIRMATIVE DEFENSE

This answering Defendant alleges that it has not caused Plaintiff any damage whatsoever.

FIFTH AFFIRMATIVE DEFENSE

There was a substantial contemporaneous exchange of payment for the services rendered and payment for defendant's services was made prior to the commencement of services which is the customary way defendant is paid for services in its ordinary course of business and/or payments are made COD if payment was not made prior to the commencement of services.

SIXTH AFFIRMATIVE DEFENSE

The services provided and payment for the services provided were made in the ordinary course of business of defendant and within the ordinary course of business and financial affairs of TelexFree's dealings with defendant. It is in defendant's ordinary course of business to require payment prior to rendering services or immediately and contemporaneously with the rendering of defendant's services. Defendant and/or its principals have maintained this practice for over 30 years in rendering services to the multi-level industry.

SEVENTH AFFIRMATIVE DEFENSE

Defendant is not a creditor within the definition, meaning or scope of 11 *U.S.C.* 101 *et seq.*

EIGHTH AFFIRMATIVE DEFENSE

Defendant expressly reserves all legal and equitable defenses applicable to the facts.

WHEREFORE, Defendant prays as follows:

1. That Plaintiff take nothing by way of the Complaint;
2. That Defendant have judgment for costs incurred herein;
3. For costs of suit and defense; and,
5. For such other and further relief as this Court deems just and proper.

DATED: April 27, 2016

By: _____
VERNON C. JOLLEY
Attorney for Advent Communications

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the date set forth below, and by the method indicated as such, a true and accurate copy of the foregoing document identified as ANSWER TO COMPLAINT was served on the following named individuals by overnight delivery (FEDX):

ANDREW G. LIZOTTE
Murphy &King Professional Corporation
One Beacon Street, 21st Floor
Boston, MA 02108
Las Vegas, NV 89117

DATE: April 27, 2016



JEREMY LOYOLA