Docket #0009 Date Filed: 4/28/2016

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS

In Re: **TELEXFREE, LLC, et al.**

Debtors,

_____ /

Bankruptcy Cases 14-40987
14-40988
14-40989
Chapter 11

Judge Melvin S. Hoffman

STEPHEN DARR, as Trustee

Plaintiff,

vs.

ISG TELECOM CONSULTANTS, LLC

Defendant.

_____ /

Adversary Proceeding: Case No. 16-04029

DEFENDANT'S ANSWER
AND AFFIRMATIVE DEFENSES
TO TRUSTEE'S ADVERSARY COMPLAINT

Adversary Defendant, ISG TELECOM CONSULTANTS, LLC ("ISG"), by and through undersigned counsel, hereby responds to the adversary Complaint filed by STEPHEN DARR, as Trustee ("Trustee") in this case and states:

1. As to the allegations in paragraph 1 of the adversary complaint, ISG is without knowledge, and therefore denies the allegations.

2. As to the allegations in paragraph 2 of the adversary complaint, ISG admits the allegations.

3. As to the allegations in paragraph 3 of the adversary complaint, ISG is without knowledge, and therefore denies the allegations.

4. As to the allegations in paragraph 4 of the adversary complaint, ISG admits the allegations.

5. As to the allegations in paragraph 5 of the adversary complaint, ISG is without knowledge, and therefore denies the allegations.

6. As to the allegations in paragraph 6 of the adversary complaint, ISG admits the allegations.

7. As to the allegations in paragraph 7 of the adversary complaint, ISG is without knowledge, and therefore denies the allegations.

8. As to the allegations in paragraph 8 of the adversary complaint, ISG is without knowledge, and therefore denies the allegations.

9. As to the allegations in paragraph 9 of the adversary complaint, ISG is without knowledge, and therefore denies the allegations.

10. As to the allegations in paragraph 10 of the adversary complaint, ISG is without knowledge, and therefore denies the allegations.

11. As to the allegations in paragraph 11 of the adversary complaint, ISG is without knowledge, and therefore denies the allegations.

12. As to the allegations in paragraph 12 of the adversary complaint, ISG is without knowledge, and therefore denies the allegations.

13. As to the allegations in paragraph 13 of the adversary complaint, ISG is without knowledge, and therefore denies the allegations.

14. As to the allegations in paragraph 14 of the adversary complaint, ISG admits the allegations.

15. As to the allegations in paragraph 15 of the adversary complaint, ISG denies that "Transfers," as defined in paragraph 17 of the adversary complaint, were made to ISG at any time. ISG admits, however, that it received payment for services rendered in due course for valuable

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professional services provided to the Debtor in furtherance of Debtors telecom business. ISG denies it received $175,000.00 from Debtor on February 3, 2014.

16. ISG realleges and reavers its responses to the reallegations set forth in paragraph 16 as though fully set forth.

17. As to the allegations in paragraph 17 of the adversary complaint, ISG denies the allegations.

18. As to the allegations in paragraph 18 of the adversary complaint, ISG denies that "Transfers," as defined in paragraph 17 of the adversary complaint, were made to ISG at any time.

19. As to the allegations in paragraph 19 of the adversary complaint, ISG denies that "Transfers," as defined in paragraph 17 of the adversary complaint, were made to ISG at any time. ISG is and was unaware of the solvency or insolvency of the Debtors.

20. As to the allegations in paragraph 20 of the adversary complaint, ISG denies the allegations.

21. As to the allegations in paragraph 21 of the adversary complaint, ISG denies the allegations.

22. As to the allegations in paragraph 22 of the adversary complaint, ISG denies the allegations.

23. ISG realleges and reavers its responses to the reallegations set forth in paragraph 23 as though fully set forth.

24. As to the allegations in paragraph 24 of the adversary complaint, ISG denies that "Transfers," as defined in paragraph 17 of the adversary complaint, were made to ISG at any time

25. As to the allegations in paragraph 25 of the adversary complaint, ISG denies the allegations.

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26. As to the allegations in paragraph 26 of the adversary complaint, ISG denies the allegations.

27. As to the allegations in paragraph 27 of the adversary complaint, ISG denies the allegations.

28. ISG realleged and reavers its responses to the reallegations set forth in paragraph 28 as though fully set forth.

29. As to the allegations in paragraph 29 of the adversary complaint, ISG denies that "Transfers," as defined in paragraph 17 of the adversary complaint, were made to ISG at any time.

30. As to the allegations in paragraph 30 of the adversary complaint, ISG denies that "Transfers," as defined in paragraph 17 of the adversary complaint, were made to ISG at any time. ISG denies the remaining allegations in subsections (a)-(e).

31. As to the allegations in paragraph 31 of the adversary complaint, ISG denies the allegations.

32. As to the allegations in paragraph 32 of the adversary complaint, ISG denies the allegations.

33. All remaining allegations not expressly admitted are hereby denied.

AFFIRMATIVE DEFENSES

1. As an affirmative defense, ISG states that ISG was merely a vendor of Debtor owed current and antecedent debts and was never made aware of Debtor's potential insolvency or Debtor affirmatively mislead by Defendant about such insolvency.

2. As an affirmative defense, ISG states that Debtor received reasonably equivalent value for all service provided by ISG.

3. As an affirmative defense, ISG states that all services provided to the Debtor were

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provided in good faith consistent with the Debtor's long standing business objectives.

4. As an affirmative defense, ISG states that some of the funds the Trustee seeks to recover from ISG were never received by ISG.

5. As an affirmative defense, ISG states that some or all of Plaintiff's claims are barred by the statute of limitations.

WHEREFORE, Defendant having fully responded to the Complaint, requests the Court dismiss same and award Defendant any and all relief the Court deems just and proper.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on April 28, 2016, I electronically served this on all counsel of record or pro se parties, either via transmission of Notices of Electronic Filing generated by CM/ECF, BY EMAIL or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filing.

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