

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS**

In Re:

TELEXFREE, LLC
TELEXFREE, INC.
TELEXFREE FINANCIAL, INC.,

Debtors,

STEPHEN DARR, AS HE IS TRUSTEE OF
THE CHAPTER 11 ESTATES OF EACH OF
THE DEBTORS

Plaintiff,

v.

GERALD P. NEHRA, NEHRA & WAAK

Defendant

Chapter 11 Cases

14-40987-MSH

14-40988-MSH

14-40989-MSH

Jointly Administered

Adversary Proceeding No. 16-04025

**ANSWER AND AFFIRMATIVE DEFENSES OF GERALD P. NEHRA AND NEHRA &
WAAK TO THE COMPLAINT**

Parties and Jurisdiction

1. Gerald P. Nehra and Law Offices Of Nehra & Waak ("Nehra") has insufficient knowledge and information necessary to form a belief as to the allegations contained in paragraph 1 of the Complaint.
2. Nehra admits the allegations contained in paragraph 2 of the Complaint.
3. Nehra admits the allegations contained in paragraph 3 of the Complaint.
4. The allegations contained in paragraph 4 of the Complaint are legal conclusions as to which no answer is required. To the extent an answer is required, Nehra denies the allegations contained in paragraph 4 of the Complaint.
5. The allegations contained in paragraph 5 of the Complaint are legal conclusions as to which no answer is required. To the extent an answer is required, Nehra denies the allegations contained in paragraph 5 of the Complaint.



6. The allegations contained in paragraph 6 of the Complaint are legal conclusions as to which no answer is required. To the extent an answer is required, Nehra denies the allegations contained in paragraph 6 of the Complaint.
7. The allegations contained in paragraph 7 of the Complaint are legal conclusions as to which no answer is required. To the extent an answer is required, Nehra denies the allegations contained in paragraph 7 of the Complaint.

Statement of Facts

8. Nehra has insufficient knowledge and information necessary to form a belief as to the allegations contained in paragraph 8 of the Complaint.
9. Nehra has insufficient knowledge and information necessary to form a belief as to the allegations contained in paragraph 9 of the Complaint.
10. Nehra has insufficient knowledge and information necessary to form a belief as to the allegations contained in paragraph 10 of the Complaint.
11. Nehra has insufficient knowledge and information necessary to form a belief as to the allegations contained in paragraph 11 of the Complaint.
12. Nehra has insufficient knowledge and information necessary to form a belief as to the allegations contained in paragraph 12 of the Complaint.
13. Nehra has insufficient knowledge and information necessary to form a belief as to the allegations contained in paragraph 13 of the Complaint.
14. Nehra has insufficient knowledge and information necessary to form a belief as to the allegations contained in paragraph 14 of the Complaint.
15. Nehra has insufficient knowledge and information necessary to form a belief as to the allegations contained in paragraph 15 of the Complaint.
16. Nehra has insufficient knowledge and information necessary to form a belief as to the allegations contained in paragraph 16 of the Complaint.
17. Nehra admits the allegations contained in paragraph 17 of the Complaint.
18. Nehra admits the allegations contained in paragraph 18 of the Complaint.
19. Nehra denies the allegations contained in paragraph 19 of the Complaint.
20. Nehra denies the allegations contained in paragraph 20 of the Complaint.
21. Nehra has insufficient knowledge and information necessary to form a belief as to the allegations contained in paragraph 21 of the Complaint.

22. Nehra has insufficient knowledge and information necessary to form a belief as to the allegations contained in paragraph 22 of the Complaint.
23. The allegations contained in paragraph 23 of the Complaint are legal conclusions as to which no answer is required. To the extent an answer is required, Nehra denies the allegations contained in paragraph 23 of the Complaint.
24. Nehra has insufficient knowledge and information necessary to form a belief as to the allegations contained in paragraph 24 of the Complaint.
25. Nehra has insufficient knowledge and information necessary to form a belief as to the allegations contained in paragraph 25 of the Complaint.
26. Nehra has insufficient knowledge and information necessary to form a belief as to the allegations contained in paragraph 26 of the Complaint. Plaintiff has not identified the Transferee.

COUNT ONE

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

27. Nehra repeats and incorporates herein its answers to paragraphs 1 through 26.
28. Nehra denies the allegations contained in paragraph 28 of the Complaint.
29. Nehra denies the allegations contained in paragraph 29 of the Complaint.
30. Nehra denies the allegations contained in paragraph 30 of the Complaint.
31. Nehra denies the allegations contained in paragraph 31 of the Complaint.
32. Nehra denies the allegations contained in paragraph 32 of the Complaint.
33. Nehra denies the allegations contained in paragraph 33 of the Complaint.

COUNT TWO

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

34. Nehra repeats and incorporates herein its answers to paragraphs 1 through 33.
35. Nehra denies the allegations contained in paragraph 35 of the Complaint.
36. Nehra denies the allegations contained in paragraph 36 of the Complaint.

37. Nehra denies the allegations contained in paragraph 37 of the Complaint.
38. Nehra denies the allegations contained in paragraph 38 of the Complaint.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

Debtors' claims are barred for failure to meet the pleading standards under FED. R. CIV. P. RULE 8, made applicable by FED. R. BANKR. P. 7008.

SECOND AFFIRMATIVE DEFENSE

Debtors' claims are barred to the extent Debtors are not injured.

THIRD AFFIRMATIVE DEFENSE

Debtors' claims are barred to the extent they are not the transferee.

FOURTH AFFIRMATIVE DEFENSE

Debtors received reasonably equivalent value for any transfers.

FIFTH AFFIRMATIVE DEFENSE

Debtors' claims fails to state a claim upon which relief may be granted.

SIXTH AFFIRMATIVE DEFENSE

Debtors' claims against Nehra are barred by their unclean hands, including misrepresentation of facts regarding their business and operations.

SEVENTH AFFIRMATIVE DEFENSE

If Debtors sustained any damages as alleged in the Complaint, which Nehra denies, such damages were caused by Debtors' own conduct or the conduct of third parties for which Nehra is not liable.

EIGHTH AFFIRMATIVE DEFENSE

If Debtors sustained any damages as alleged in the Complaint, which Nehra denies, such damages, if any, must be dismissed or reduced due to Debtors' failure to avoid or mitigate them.

NINTH AFFIRMATIVE DEFENSE

Nehra reserves the right to assert any other claims and/or defense as may be available or may become available to it during the course of these proceedings.

JURY DEMAND

Nehra hereby asserts its right to formally request a trial by jury on all issues presented in this matter, including but not limited to those issues identified in Debtors' Complaint and Nehra's Answer and Affirmative Defenses. Nehra does not consent to a jury trial conducted by the bankruptcy court.

NON-CONSENT TO JURISDICTION

By filing its Answer and Affirmative Defenses, Lender does not waive any right (a) to have final orders in non-core matters entered only after de novo review by a District Court Judge, (b) to trial by jury in any proceeding so triable in this case or any case, controversy, or proceeding related to this issue, (c) to have the District Court withdraw the reference in any matter subject to mandatory or discretionary withdrawal, or (d) to any other rights, claims, actions, defenses, setoffs or recoupments, under agreements, in law, in equity, or otherwise, all of which rights, claims, actions, defenses, setoffs, and recoupments are expressly reserved.

WHEREFORE, Nehra requests dismissal of the Complaint with prejudice, and such other and further relief as is just and equitable.

Respectfully submitted,

GERALD P. NEHRA AND NEHRA & WAAK

By their attorneys,

/s/ William J. Hanlon

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June 1, 2016

CERTIFICATE OF SERVICE

I, William J. Hanlon, counsel for Gerald P. Nehra and Nehra & Waak, certify that on June 1, 2016, I served a true copy of this pleading via electronic service upon the persons and attorneys of record.

/s/ William J. Hanlon

William J. Hanlon