

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.

HANNA-SHEA CONSULTING, LLC,

Defendant.

Chapter 11 Cases

14-40987-MSH

14-40988-MSH

14-40989-MSH

Jointly Administered

Adversary Proceeding

No. 16-4028

MOTION BY PLAINTIFF FOR ENTRY OF JUDGMENT

Pursuant to Rule 55(b) of the Federal Rules of Civil Procedure, made applicable to this proceeding by Rule 7055 of the Federal Rules of Bankruptcy Procedure, Stephen B. Darr (the "Plaintiff" or "Trustee"), the duly-appointed trustee of the Chapter 11 estates of TelexFree, LLC, TelexFree, Inc., and TelexFree Financial, Inc. (the "Debtors"), hereby submits this motion (the "Motion") for entry of default judgment against the Defendant, Hanna-Shea Consulting, LLC. A proposed *Judgment* is attached to this Motion as Exhibit A. In further support of this motion, the Plaintiff respectfully states as follows:

1. On April 13, 2014 (the "Petition Date"), each of the Debtors filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code ("Bankruptcy Code")



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with the United States Bankruptcy Court for the District of Nevada (the “Nevada Bankruptcy Court”).

2. The Debtors initially operated as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

3. On the Petition Date, the Debtors filed a motion for joint administration of the cases, with TelexFree, LLC designated as the lead case. By order dated April 24, 2014, the order for joint administration was approved.

4. On or about May 6, 2014, the Nevada Bankruptcy Court entered an order approving a motion by the Securities and Exchange Commission (“SEC”) to change venue, and the cases were transferred to this Court on May 9, 2014.

5. On May 30, 2014, the Court approved the motion of the Office of the United States Trustee to appoint a Chapter 11 trustee, and the Trustee was appointed on June 6, 2014.

6. On April 1, 2016, the Trustee commenced this action by filing the Complaint.

7. The Defendant did not submit a responsive pleading.

8. On June 15, 2016, the Trustee filed a Motion for Entry of Default, accompanied by an affidavit respecting service of the Complaint, which is incorporated by reference.

9. On June 20, 2016, the Court entered a Notice of Default.

10. The Defendant is not an infant or incompetent person and, upon information and belief, is not currently in military service within the meaning of the *Servicemembers Civil Relief Act*, 50 U.S.C. § 521.

11. Based upon the foregoing, the Plaintiff is entitled to judgment against the Defendant.

WHEREFORE, the Plaintiff respectfully requests that the Court enter judgment, substantially in the form attached hereto as Exhibit A, as a final judgment in this adversary proceeding against the Defendant and grant to the Plaintiff such other and further relief as this Court deems just and proper in the circumstances.

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

/s/ Andrew G. Lizotte
Charles R. Bennett, Jr. (BBO #037380)
Andrew G. Lizotte (BBO #559609)
Murphy & King, Professional Corporation
One Beacon Street
Boston, MA 02108
(617) 423-0400
ALizotte@murphyking.com

DATED: June 23, 2016
711243

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS

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JUDGMENT

Upon consideration of the *Plaintiff's Motion for Entry of Judgment against Defendant Pursuant to Fed. R. Bankr. P. 7055(b)* (the "Motion"), and due cause appearing to me therefore, and due notice of the Motion having been provided, it is hereby ORDERED and ADJUDGED as follows:

1. The Motion is granted.
2. No just reason for delay exists to enter the Judgment as a final judgment against Defendant Hanna-Shea Consulting, LLC.
3. Pursuant to the provisions of Rule 7055(b) of the Federal Rules of Bankruptcy Procedure and MLBR 7055-1, final Judgment shall be and hereby is entered on this date in favor of the Trustee against the Defendant Hanna-Shea Consulting, LLC as follows:

- (i) On Count III of the Complaint, judgment enters in favor of the Trustee avoiding the transfers made by the Debtors to the Defendant Hanna-Shea Consulting, LLC in the aggregate amount of \$20,000 as preferential transfers. Such transfers are hereby avoided and preserved for the benefit of the Debtors' estates pursuant to the provisions of 11 U.S.C. §§547, 550, 551.

4. Defendant Hanna-Shea Consulting, LLC is directed to pay the sum of \$20,000.00 to the Trustee plus pre-judgment interest.

5. The Court shall retain jurisdiction to enter any further orders necessary for the enforcement of this Judgment.

Dated: _____, 2016

Honorable Melvin S. Hoffman
Chief United States Bankruptcy Judge

711243

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CERTIFICATE OF SERVICE

I, Andrew G. Lizotte, hereby certify that I have on this day caused to be served a copy of the *Motion by Plaintiff for Entry of Judgment* by this Court's CM/ECF System and by First Class Mail, Postage Prepaid to the following:

Hanna-Shea Consulting, LLC
2040 S. Alma School Road
Suite 1-255
Chandler AZ 85286

/s/ Andrew G. Lizotte

Andrew G. Lizotte (BBO #559609)

Murphy & King, Professional Corporation

One Beacon Street

Boston MA 02108

617-423-0400

ALizotte@murphyking.com

DATED: June 23, 2016
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