

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS

In re:

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

Debtors.

Chapter 11 Cases

14-40987-MSH
14-40988-MSH
14-40989-MSH

Jointly Administered

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

Plaintiff,

Adversary Proceeding
No. 16-4028

v.

HANNA-SHEA CONSULTING, LLC,

Defendant.

**RESPONSE BY PLAINTIFF TO MOTION FOR RELIEF FROM ENTRY OF DEFAULT
AND RESPONSE TO MOTION FOR DEFAULT JUDGMENT**

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"), and the Plaintiff herein, respectfully submits this response to the *Motion for Relief from Entry of Default and Response to Motion for Default Judgment (the "Motion for Relief")*.

1. On April 1, 2016, the Trustee commenced this adversary proceeding for recovery of preferential and/or fraudulent transfers.
2. The answer deadline was set for May 2, 2016.
3. On May 16, 2016, Plaintiff was contacted by putative counsel to Hanna-Shea, requesting that any action to default the Defendant be deferred for ten (10) days so that Hanna-



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Shea could gather information and propose a resolution. The Plaintiff consented.

4. No response was forthcoming.

5. On June 15, 2016, the Trustee filed a motion for entry of default. On June 20, 2016, the Court entered a notice of default.

6. On June 23, 2016, the Trustee moved for entry of judgment in the amount of \$20,000 plus pre-judgment interest. This motion remains pending.

7. On July 12, 2016, the Defendant filed the Motion for Relief. The statement by the Defendant in the Motion for Relief of its belief that the Plaintiff would notify it before moving for default is without any basis, as the Plaintiff did nothing more than agree to forbear from acting for ten days, in mid-May, after which the Plaintiff exercised his rights.¹

8. It has now been two and a half months since the answer deadline, and more than two months since the Trustee was contacted by putative counsel, and no answer has been filed and no documents have been produced.

9. The Defendant has not demonstrated good cause for the requested relief.

WHEREFORE, the Plaintiff respectfully requests that the Court deny the Motion for Relief and enter judgment in favor of the Trustee, and for such other relief as is just and proper.

¹ The Motion for Relief also references mail being delivered to Defendant's former owners, but no affidavits have been provided as to any service issues. The address used by the Trustee matches the address on the Defendant's website.

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: July 18, 2016
712415

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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 *Response by Plaintiff to Motion for Relief from Entry of Default and Response to Motion for Default 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

F. Anthony Paganelli
Paganelli Law Group
10401 N. Meridian St.
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/s/ Andrew G. Lizotte

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DATED: July 19, 2016
712463