

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MASSACHUSETTS  
CENTRAL DIVISION

**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**

**v.**

**No. 16-04035-MSH**

**CRAFT FINANCIAL SOLUTIONS, LLC,  
CRAFT TRUST FINANCIAL, LLC, a/k/a  
CRAFT TRUST SERVICES, LLC,  
JOSEPH CRAFT,**

**Defendants.**

**ANSWER**

Defendants Craft Financial Solutions, LLC, (“CFS”) Craft Trust Financial, LLC, a/k/a Craft Trust Services, LLC, (“CTS”) and Joseph Craft (“**Craft**”) (collectively, “**Defendants**”), by and through its undersigned counsel, hereby answers the plaintiff’s Complaint (“**Complaint**”) as follows:

**Parties and Jurisdiction**

1. Defendants are without sufficient information to admit or deny the allegations in this paragraph and therefore deny same.



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2. Admitted.

3. Denied. CTS was a limited liability company with a place of business at 825 E. Main Street, Boonville, IN 47601.

4. Denied. Craft resides at 5032 Gage Road, Kevil, KY 42053.

5. Admitted.

6. Admitted.

7. Admitted.

8. Admitted.

### **Statement of Facts**

9. Defendants admit that the Debtors operated a “multi-level marketing” company with its headquarters in Marlborough, Massachusetts. Defendants admit that Debtors sold telephone service plans that use “voice over internet protocol” (“VoIP”) technology. Defendants relied upon various legal and other professionals hired by Debtors and upon statements by agents of Debtors to form an opinion that Debtors were operating a legal entity. Defendants deny the other allegations in this paragraph that may relate to them and in answering further state that they had no knowledge at the relevant times that Debtors allegedly engaged in any illegal activities. Defendants are without sufficient information to admit or deny the remaining allegations in this paragraph and therefore deny same.

10. Denied.

11. Denied.

12. Denied. Craft is a 90% partner of CFS, along with two other partners, and was a 90% partner of CTS, along with two other partners.

13. Denied.

14. Denied.

15. Denied.

16. Denied.

17. Denied.

18. Denied.

19. Denied.

20. Denied.

21. Denied.

22. Denied.

23. Admitted.

24. This paragraph references documents that speak for themselves, and as such, no response is required.

25. This paragraph references documents that speak for themselves, and as such, no response is required.

26. This paragraph references documents that speak for themselves, and as such, no response is required.

27. Denied.

28. Denied.

29. Denied.

**Count One**

30. Defendants reallege and repeat their responses to the allegations contained in the foregoing paragraphs and by reference incorporate them herein.

31. This paragraph contains a conclusion of law for which no response is required. But to the extent a response is deemed necessary, Defendants deny the allegations in this paragraph.

32. Admitted.

33. Denied.

34. Denied.

35. This paragraph contains a conclusion of law for which no response is required. But to the extent a response is deemed necessary, Defendants deny the allegations in this paragraph.

36. Denied.

### **Count Two**

37. Defendants reallege and repeat their responses to the allegations contained in the foregoing paragraphs and by reference incorporate them herein.

38. Admitted.

39. Denied.

40. This paragraph contains a conclusion of law for which no response is required. But to the extent a response is deemed necessary, Defendants deny the allegations in this paragraph.

41. Denied.

### **Count Three**

42. Defendants reallege and repeat their responses to the allegations contained in the foregoing paragraphs and by reference incorporate them herein.

43. Admitted.

44.

(a) Admitted.

(b) Admitted.

(c) Denied.

(d) Admitted.

(e) Denied.

(f) Denied.

45. This paragraph contains a conclusion of law for which no response is required. But to the extent a response is deemed necessary, Defendants deny the allegations in this paragraph.

46. Denied.

#### **Count Four**

47. Defendants reallege and repeat their responses to the allegations contained in the foregoing paragraphs and by reference incorporate them herein.

48. Denied.

49. Denied.

50. Denied.

51. Denied.

#### **General Denial**

Each and every allegation of the Complaint not specifically admitted is hereby denied.

#### **Reservation of Rights**

Defendants have not knowingly or intentionally waived any applicable affirmative defenses and reserve the right to assert and rely on such other applicable affirmative defenses as may become available or apparent during discovery proceedings. Defendants further reserve the right to amend their answer and/or affirmative defenses accordingly during the course of subsequent discovery.

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

Respectfully submitted,  
CRAFT FINANCIAL SOLUTIONS, LLC, CRAFT  
TRUST FINANCIAL, LLC, A/K/A CRAFT TRUST  
SERVICES, LLC, AND JOSEPH CRAFT,

By their attorneys,

/s/ Jonathan C. Crafts

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Dated: July 26, 2016

### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on this 26th day of July, 2016, the foregoing Answer was served via ECF and via electronic mail upon counsel for the Plaintiff, as listed below:

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/s/ Jonathan C. Crafts

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Dated: July 26, 2016