

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	Chapter 11
Welded Construction, L.P., <i>et al.</i> ,	Case No. 18-12378 (CSS)
Debtors. ¹	(Jointly Administered)
Welded Construction, L.P.,	Adv. No. 20-50924 (CSS)
Plaintiff,	
vs.	
Airgas USA, LLC,	
Defendant.	

**DEFENDANT AIRGAS USA, LLC’S ANSWER TO COMPLAINT TO AVOID AND
RECOVER TRANSFERS PURSUANT TO 11 U.S.C. §§ 547, 548, AND 550 AND TO
DISALLOW CLAIMS PURSUANT TO 11 U.S.C. § 502**

Airgas USA LLC (“Airgas”) hereby responds to the Complaint:

1. Airgas admits that Plaintiff filed this action seeking to avoid alleged preferential transfers and asserting causes of action under the cited statutes. It is denied that Plaintiff is entitled to any requested relief.
2. It is admitted that Plaintiff seeks to disallow Airgas’ claim. It is denied that Plaintiff is entitled to any requested relief.

Jurisdiction and Venue

3. Admitted.
4. Admitted.
5. Admitted.
6. Admitted.



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7. Airgas consents to entry of final order or judgments if it is determined that the court, absent consent cannot enter such final orders or judgments.

Procedural Background

8. Admitted.
9. Admitted.
10. It is admitted that the Court entered the referenced order.
11. Airgas is without knowledge sufficient to admit or deny the allegations in paragraph 11.
12. Airgas is without knowledge sufficient to admit or deny the allegations in paragraph 12.
13. Airgas is without knowledge sufficient to admit or deny the allegations in paragraph 13.

The Parties

14. Airgas is without knowledge sufficient to admit or deny the allegations in paragraph 14.
15. It is admitted that Airgas is a Delaware limited liability company with its offices at 259 N. Radnor-Chester Road, Radnor PA 19087. The remainder of the allegations in paragraph 15 state a legal conclusion or are otherwise denied.

Factual Background

16. Airgas is without knowledge sufficient to admit or deny the allegations in paragraph 16.
17. Airgas is without knowledge sufficient to admit or deny the allegations in paragraph 17.

18. Airgas is without knowledge sufficient to admit or deny the allegations in paragraph 18.

19. Airgas is without knowledge sufficient to admit or deny the allegations in paragraph 19.

20. Airgas is without knowledge sufficient to admit or deny the allegations in paragraph 20.

21. Airgas is without knowledge sufficient to admit or deny the allegations in paragraph 21.

22. Airgas admits that it issued invoices to one or more of the Debtors prior to the Petition Date. It is Admitted that Airgas received the payments identified in Ex. A but does not otherwise admit the accuracy of Ex. A.

23. Paragraph 23 states a legal conclusion to which no response is required. Airgas admits that it was owed a debt pre-petition by one or more of the Debtors.

24. It is Admitted that Airgas received the payments identified in Ex. A but does not otherwise admit the accuracy of Ex. A.

25. Airgas is without knowledge sufficient to admit or deny the allegations in paragraph 25.

26. Airgas is without knowledge sufficient to admit or deny the allegations in paragraph 26 as to what the Plaintiff may have determined. It is Admitted that Airgas received the payments identified in Ex. A but does not otherwise admit the accuracy of Ex. A.

27. Airgas admits that Plaintiff's counsel sent a letter dated September 22, 2020, which letter speaks for itself. Airgas is without knowledge sufficient to admit or deny the remainder of the allegations in paragraph 27.

28. Airgas is without knowledge sufficient to admit or deny the allegations in paragraph 28. It is denied that Plaintiff is entitled to avoid any of the payments.

29. Airgas denies that Plaintiff's attempt at reservations of rights is effective. To the extent that Plaintiff later seeks to amend the complaint, Airgas reserves the right, and expressly reserves all grounds, to object to any such attempted amendment.

30. It is admitted that Airgas has defenses to the claims asserted in the complaint. The remainder of paragraph 30 states a legal conclusion to which no response is required.

Count I
(Avoidance of Preference Period Transfers – 11 U.S.C. § 547)

31. Airgas incorporates its answers to paragraphs 1 through 30 herein.

32. Airgas admits that it received the payments identified in Ex. A.

33. Airgas is without knowledge sufficient to admit or deny the allegations in paragraph 33.

34. Airgas admits that the payments it received were for supplying the Debtor with goods/services. The remainder of the allegations in paragraph 34 state a legal conclusion to which no response is required.

35. Paragraph 35 states legal conclusions to which no response is required.

36. Paragraph 36 states legal conclusions to which no response is required.

37. Airgas is without knowledge sufficient to admit or deny the allegations in the first sentence of paragraph 37. The second sentence states a legal conclusion to which no response is required.

38. Admitted.

39. Airgas is without knowledge sufficient to admit or deny the allegations in paragraph 39.

40. Denied.

Count II
(Avoidance of Fraudulent Conveyances – 11 U.S.C. § 548(a)(1)(B))

41. Airgas incorporates its answers to paragraphs 1 through 40 herein.

42. Denied.

43. Denied.

Count III
(Recovery of Avoided Transfers – 11 U.S.C. § 550)

44. Airgas incorporates its answers to paragraphs 1 through 43 herein.

45. Denied.

46. It is admitted that Airgas received the payments identified on Ex. A. The remainder of the allegations in paragraph 46 are denied.

47. Denied.

Count IV
(Disallowance of all Claim – 11 U.S.C. § 502(d) and (j))

48. Airgas incorporates its answers to paragraphs 1 through 47 herein.

49. Denied.

50. Denied.

51. Denied.

52. Denied.

AFFIRMATIVE DEFENSES

First Affirmative Defense

Plaintiff has failed to allege facts with sufficient specificity that, if proven, establish a *prima facie* case for recovery under 11 U.S.C. §§ 502, 548 and 550, and by this failure has failed to state a claim upon which relief may be granted.

Second Affirmative Defense

To the extent a Debtor transferred any interest in property to or for the benefit of an alleged transferee during the Preference Period, such transfers were in payment of a debt incurred by the Debtor in the ordinary course of business or financial affairs of the Debtor and such transferee and either (i) made in the ordinary course of business or financial affairs of the Debtor and such transferee or (ii) made according to ordinary business terms. 11 U.S.C. § 547(c)(2).

Third Affirmative Defense

To the extent that a Debtor transferred any interest in property to or for the benefit of an alleged transferee during the Preference Period, such transfers were made for new value given to or for the benefit of the Debtor, not secured by an otherwise unavoidable security interest and on account of which new value the Debtor did not make an otherwise unavoidable transfer to or for the benefit of such transferee. 11 U.S.C. § 547(c)(4).

Fourth Affirmative Defense

To the extent the alleged transfers are avoidable and an alleged transferee was an immediate or mediate transferee who took for value, in good faith, and without knowledge of the voidability of the transfers avoided, pursuant to 11 U.S.C. § 550(b)(1), the Plaintiff cannot recover from the alleged transferee.

Fifth Affirmative Defense

To the extent an alleged transferee received the alleged transfers, the transferee provided value and reasonably equivalent value in exchange.

Sixth Affirmative Defense

To the extent an alleged transferee received the alleged transfers, those transfers were not made without reasonably equivalent value while the Debtors were engaged or were about to engage in a business or transaction for which the remaining assets of the Debtors were unreasonably small in relation to their business or transaction.

Seventh Affirmative Defense

To the extent an alleged transferee received the alleged transfers, those transfers were not made without reasonably equivalent value while the Debtors intended to incur, or believed or reasonably should have believed that they would incur, debts beyond their ability to pay as they became due.

Eighth Affirmative Defense

To the extent an alleged transferee received the alleged transfers, the transferee took for value and in good faith and, therefore, is entitled to a reduction in the amount of liability to the extent that the transferee gave value.

WHEREFORE, Airgas requests that judgment be entered in its favor, with an award of costs and any other relief the Court deems just.

Dated: December 10, 2020

SMITH, KATZENSTEIN & JENKINS LLP

/s/ Kathleen M. Miller

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Attorneys for Airgas USA, LLC

CERTIFICATE OF SERVICE

I certify that on this 10th day of December, 2020, I have served the foregoing
**DEFENDANT AIRGAS USA, LLC'S ANSWER TO COMPLAINT TO AVOID AND
RECOVER TRANSFERS PURSUANT TO 11 U.S.C. §§ 547, 548, AND 550 AND TO
DISALLOW CLAIMS PURSUANT TO 11 U.S.C. § 502** as follows:

By email and CM/ECF:

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