IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: WOODBRIDGE GROUP OF COMPANIES, LLC, *et al.*,[1] Remaining Debtors.	Chapter 11 Case No. 17-12560 (BLS) (Jointly Administered)
MICHAEL GOLDBERG, as Liquidating Trustee of Woodbridge Liquidation Trust, successor in interest to the estates of WOODBRIDGE GROUP OF COMPANIES, LLC *et al.,* Plaintiffs, vs. JOHN FAGAN, Defendant.	Adv. Proc. No. 19-50947 (BLS) **Jury Trial Demanded**

ANSWER AND AFFIRMATIVE DEFENSES OF DEFENDANT TO COMPLAINT FOR AVOIDANCE AND RECOVERY OF AVOIDABLE TRANSFERS, FOR SALE OF UNREGISTERED SECURITIES, FRAUD, AND FOR AIDING AND ABETTING FRAUD

Defendant John Fagan (the "Defendant"), by and through undersigned counsel, hereby answers Plaintiff's Complaint and asserts affirmative defenses. All allegations not expressly admitted herein are denied.

NATURE OF THE ACTION

1. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

2. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

3. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

JURISDICTION AND VENUE

4. This paragraph states legal conclusions to which no responsive pleading is required. To the extent an answer is required, the allegations in paragraph 4 are denied. Defendant does not consent to the entry of a final order of judgment by this Court.

5. This paragraph states legal conclusions to which no responsive pleading is required. To the extent an answer is required, the allegations in paragraph 5 are denied.

THE PARTIES

6. Admitted.

7. Admitted.

8. Admitted.

9. Admitted.

10. Admitted.

11. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

12. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

Defendant

13. Denied, except to admit that Defendant resides in the State of California.

14. Denied.

FACTUAL BACKGROUND

15. This paragraph states legal conclusions to which no responsive pleading is required. To the extent an answer is required, the allegations in paragraph 15 are denied.

16. This paragraph states legal conclusions to which no responsive pleading is required. To the extent an answer is required, the allegations in paragraph 16 are denied.

17. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

18. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

19. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

The Transfers

20. Denied, except to admit that Defendant received certain transfers from one or more of the Debtors in the 90 days preceding the Petition Date.

21. Denied, except to admit that Defendant received certain transfers from one or more of the Debtors in the two years preceding the Petition Date.

FIRST CLAIM FOR RELIEF

Avoidance and Recovery of Preferential Transfers

22. Defendant incorporates his responses to the allegations in paragraphs 1-21 of the Complaint as if set forth herein.

23. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

24. This paragraph states legal conclusions to which no responsive pleading is required. To the extent an answer is required, the allegations in paragraph 24 are denied.

25. This paragraph states legal conclusions to which no responsive pleading is required. To the extent an answer is required, the allegations in paragraph 25 are denied.

26. Denied.

SECOND CLAIM FOR RELIEF

Avoidance and Recovery of Actual Intent Fraudulent Transfers – Bankruptcy Code

27. Defendant incorporates his responses to the allegations in paragraphs 1-26 of the Complaint as if set forth herein.

28. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

29. This paragraph states legal conclusions to which no responsive pleading is required. To the extent an answer is required, the allegations in paragraph 29 are denied.

30. This paragraph states legal conclusions to which no responsive pleading is required. To the extent an answer is required, the allegations in paragraph 30 are denied.

31. Denied.

THIRD CLAIM FOR RELIEF

Avoidance and Recovery of Constructive Fraudulent Transfers – Bankruptcy Code

32. Defendant incorporates his responses to the allegations in paragraphs 1-31 of the Complaint as if set forth herein.

33. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

34. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

35. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

36. Denied.

FOURTH CLAIM FOR RELIEF

Avoidance and Recovery of Actual Intent Voidable Transactions – State Law

37. Defendant incorporate his responses to the allegations in paragraphs 1-36 of the Complaint as if set forth herein.

38. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

39. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

40. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

41. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

42. This paragraph states legal conclusions to which no responsive pleading is required. To the extent an answer is required, the allegations in paragraph 42 are denied.

43. Denied.

FIFTH CLAIM FOR RELIEF

Avoidance and Recovery of Constructive Voidable Transactions – State Law

44. Defendant incorporates his responses to the allegations in paragraphs 1-43 of the Complaint as if set forth herein.

45. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

46. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

47. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

48. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

49. This paragraph states legal conclusions to which no responsive pleading is required. To the extent an answer is required, the allegations in paragraph 49 are denied.

50. Denied.

SIXTH CLAIM FOR RELIEF

Sale of Unregistered Securities (Securities Act Sections 5(a), 5(c) and 12(a))

51. Defendant incorporates his responses to the allegations in paragraphs 1-50 of the Complaint as if set forth herein.

52. This paragraph states legal conclusions to which no responsive pleading is required. To the extent an answer is required, the allegations in paragraph 52 are denied.

53. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

54. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph inclusive of subparts (a) through (c); they are therefore denied.

55. This paragraph states legal conclusions to which no responsive pleading is required. To the extent an answer is required, the allegations in paragraph 55 are denied.

56. This paragraph states legal conclusions to which no responsive pleading is required. To the extent an answer is required, the allegations in paragraph 56 are denied.

57. Denied.

SEVENTH CLAIM FOR RELIEF

Fraud

58. Defendant incorporates his responses to the allegations in paragraphs 1-57 of the Complaint as if set forth herein.

59. Denied.

60. Defendant denies any actual or constructive knowledge of the allegations contained in paragraph 60; they are therefore denied.

61. Denied.

62. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

63. Denied.

EIGHTH CLAIM FOR RELIEF

Aiding and Abetting Fraud

64. Defendant incorporates his responses to the allegations in paragraphs 1-63 of the Complaint as if set forth herein.

65. Defendant has insufficient knowledge or information to information to respond to the allegations in this paragraph; they are therefore denied.

66. Denied.

67. Denied.

68. Denied.

69. Denied.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

70. The Complaint fails to state a claim against Defendant upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

71. Any transfers to Defendant were not transfers of the Debtors' property.

THIRD AFFIRMATIVE DEFENSE

72. The claims set forth in the Complaint are barred under the doctrines of waiver, laches, unclean hands, in pari delicto, and/or estoppel.

FOURTH AFFIRMATIVE DEFENSE

73. The obligations incurred by the Debtors were incurred in the ordinary course of business.

FIFTH AFFIRMATIVE DEFENSE

74. Plaintiff may not recover the alleged preferential payments because the parties intended the transfers to be part of a contemporaneous exchange for new value given to the Debtors and the transfers were, in fact, substantially contemporaneous under 11 U.S.C. § 547(c).

SIXTH AFFIRMATIVE DEFENSE

75. Some or all payments made by the Debtors to Defendant were made in the ordinary course of business pursuant to 11 U.S.C. § 547(c)(2).

SEVENTH AFFIRMATIVE DEFENSE

76. To the extent that the transfers were otherwise avoidable under 11 U.S.C. § 547(b), after such transfers, Defendant or a creditor to or for whose benefit such transfers were made, gave new value to or for the benefit of the Debtors (A) not secured by an otherwise unavoidable security

interest; and (B) on account of which new value the Debtors did not make an otherwise unavoidable transfer to or for the benefit of Defendant or such creditor(s).

EIGHTH AFFIRMATIVE DEFENSE

77. Any transfer made by the Debtors was made in exchange for reasonably equivalent consideration and/or supported by valuable consideration.

NINTH AFFIRMATIVE DEFENSE

78. At all relevant times, Defendant was not an insider of the Debtors.

TENTH AFFIRMATIVE DEFENSE

79. At all times relevant hereto, Debtors were solvent.

ELEVENTH AFFIRMATIVE DEFENSE

The Debtors were not made insolvent as a result of any transaction described herein.

TWELFTH AFFIRMATIVE DEFENSE

80. Any transfer described in the Complaint was made to Defendant in payment of a debt in good faith, and without knowledge of the avoidability of the alleged transfer pursuant to 11 U.S.C. § 550(b).

THIRTEENTH AFFIRMATIVE DEFENSE

81. The Defendant hereby adopts and incorporates by reference any other affirmative defenses asserted by other Defendant in this action to the extent said defenses are applicable to the Defendant.

FOURTEENTH AFFIRMATIVE DEFENSE

82. The Defendant reserves the right to assert other defenses as this action proceeds and reserve the right to file an Amended Answer asserting additional affirmative defenses.

FIFTEENTH AFFIRMATIVE DEFENSE

83. The claims set forth in the Complaint are barred under the applicable statute of

limitations.

JURY TRIAL DEMANDED

84. Defendant Demands a Jury Trial in this Action.

WHEREFORE, Defendant respectfully requests this Court enter an order i) dismissing the Complaint in its entirety with prejudice and ii) granting such further relief as is fair and just to the Defendant.

Dated: December 19, 2019
Wilmington, DE

s/ Michael J. Joyce

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Counsel to Defendant John Fagan

CERTIFICATE OF SERVICE

I hereby certify that on December 19, 2019, a true and correct copy of the foregoing *Answer to Complaint* has been served on the following via this court's ECF filing system and via United States first-class mail:

Bradford J. Sandler
Andrew W. Caine
Colin R. Robinson
PACHULSKI STANG ZEIHL & JONES LLP
919 North Market Street,17th Floor
Wilmington, DE 19899-8705

/s/ Michael Joyce
Michael J. Joyce