1 2	PEREZ								
3	LAW GROUP, PLLC								
4 5 6	7508 North 59 <sup>th</sup> Avenue Glendale, Arizona 85301 Telephone: (602) 730-7100 Fax: (602) 794-6956								
7 8 9	Cristina Perez Hesano (#027023) <u>cperez@perezlawgroup.com</u> Counsel for Plaintiff								
10	UNITED STATES BANKRUPTCY COURT								
11	DISTRICT OF ARIZONA								
12	In re:	Chapter 11							
13	In re Legacy Cares, Inc.,	Bank. Case No. 2:23-bk-02832-DPC							
14	Debtor.	Adv. No. Refer to Summons							
15 16	Jeremiah Foster as Trustee of the Legacy Cares Liquidation Trust,	COMPLAINT TO AVOID AND RECOVER TRANSFERS PURSUANT							
17	Plaintiff, Plaintiff, DISALLOW CLAIMS PURSUANT TO								
18	vs.	11 U.S.C. § 502							
19	Competitive Edge Contracting Inc.,								
20	Defendant.								
21	Disintiff Ismanish Easten in h	Tructure of the Leaser Course							
22		is capacity as Trustee of the Legacy Cares							
23	Liquidation Trust, for his Complaint to Avoid and Recover Transfers Pursuant To								
24	11 U.S.C. §§ 547 And 550, and to Disallow Claims Pursuant To 11 U.S.C. § 502								
25	("Complaint") against Competitive Edge Contracting, Inc. ("Defendant"). In								
26	support of this Complaint, Plaintiff alleges upon information and belief the								
27	following:								
28									
Case 2	23-bk-02832-DPC Doc 905 Filed 04/30/25 Entered 04/30/25 18:38:34 Desc Main Document Page 1 of 8								

1	<b>INTRODUCTION</b>						
2	1. Plaintiff seeks to avoid and recover from Defendant, or any other						
3	person or entity for whose benefit the transfers were made, preferential transfers of						
4	property that occurred during the ninety (90) day period prior to the commencement						
5	of the bankruptcy proceedings of Legacy Cares, Inc. ("Debtor") pursuant to						
6	sections 547 and 550 of the Bankruptcy Code.						
7	2. Plaintiff seeks to disallow, pursuant to section 502(d) of the						
8	Bankruptcy Code, any claim that Defendant has filed or asserted against the Debtor						
9	or that is reflected in the Debtor's Schedules. Plaintiff does not waive but hereby						
10	reserves all his rights to object to any such claim for any reason, including, but not						
11	limited to, any reason set forth in sections 502 of the Bankruptcy Code.						
12	JURISDICTION, VENUE AND PARTIES						
13	3. This Court has subject matter jurisdiction over this adversary						
14	proceeding which arises under title 11, arises in, and relates to a case under title 11,						
15	in the United States Bankruptcy Court in the District of Arizona ("Court")						
16	captioned In re Legacy Cares, Inc., Case Number 2:23-bk-02832-DPC pursuant to						
17	28 U.S.C. §§ 157 and 1334.						
18	4. This action is a core proceeding pursuant to 28 U.S.C. §§						
19	157(b)(2)(A), (B), (C), (F), (H), and (O).						
20	5. This adversary proceeding is commenced pursuant to 11 U.S.C. §§						
21	544, 547, and 550, and Bankruptcy Rules of Procedure 3007 and 7001, et seq.						
22	6. Venue of the Debtors' Chapter 11 cases and this adversary proceeding						
23	is proper in this district pursuant to 28 U.S.C. §§1408 and 1409.						
24	7. To the extent this Complaint sets forth causes of action that are not						
25	core proceedings, the Plaintiff consents, pursuant to 28 U.S.C. § 157(c)(2), to this						
26	Court hearing and determining such matters. Further, pursuant to Rule 7008 of the						
27	Federal Rules of Bankruptcy Procedure and Rule 7008-1 of the Local Rules of						
28	Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the						
Case 2	2 2:23-bk-02832-DPC Doc 905 Filed 04/30/25 Entered 04/30/25 18:38:34 Desc Main Document Page 2 of 8						

District of Arizona, Plaintiff states that it does consent to the entry of final orders 1 or judgments by the Court if it is determined that the Court, absent consent of the 2 3 parties, cannot enter final orders or judgments consistent with Article III of the 4 United States Constitution.

8. All acts which give rise to the Trustee's causes of action against 5 Defendant occurred, in whole or in part, in Maricopa County, Arizona. 6

9. 7 Plaintiff Jeremiah Foster of Resolute Commercial Services is the 8 Liquidation Trustee for the Legacy Cares Liquidation Trust (the "**Trust**").

9 10. Defendant Competitive Edge Contracting, Inc. is an Arizona 10 corporation doing business in Maricopa County Arizona.

## **GENERAL ALLEGATIONS**

11. On May 1, 2023 (the "Petition Date"), Debtor filed a Chapter 11 Voluntary Petition.

14 12. The Trust was formed pursuant to Article 8 of the First Amended Plan, Doc. No. 762 (the "Plan"), and became effective upon entry of the Court's Order Confirming Amended Plan of Liquidation, Bankr. Doc. No. 800 (the "Confirmation Order").

13. The Trustee is authorized, pursuant to the Confirmation Order and 19 Section 547(b) of the Bankruptcy Code, to avoid any transfer of an interest of the 20 debtor in property made: (a) to or for the benefit of a creditor, (b) for or on account 21 of an antecedent debt owed by the debtor in possession before such transfer was 22 made, (c) made while the debtor was insolvent, (d) made on or within 90 days, or 23 as against insiders at the time the transfer was made, within one year, before the 24 filing of the petition, and (e) that enables such creditor to receive more in 25 satisfaction of its claims than it would receive in a case under chapter 7 of the 26 Bankruptcy Code if the transfer had not been made. 27

28

11

12

13

15

16

17

18

Debtor was formed in 2018 as a limited liability company and 14. 1 2 converted to an Arizona non-profit corporation on January 14, 2020.

In August 2020, the Debtor sought financing to acquire, construct, and 3 15. operate Legacy Sports Park (the "Project"), a 300-acre sports and entertainment 4 5 complex in Mesa, Arizona.

6

On August 11, 2020, the Debtor obtained financing for the Project 16. 7 through the issuance of tax-exempt bonds by the Arizona Industrial Development 8 Authority ("AZIDA"). The borrowing was memorialized in a Loan Agreement 9 between AZIDA and the Debtor. Representations regarding the project were 10 presented to prospective bond purchasers in a Limited Offering Memorandum 11 dated August 11, 2020 (hereinafter the "Offering Memo").

- The initial bond issuance in August 2020 raised more than \$250 12 17. 13 million in loan funds that were loaned by AZIDA to the Debtor for the Project.
- 14 18. A supplemental bond offering raised an additional \$33 million in loan funds in June 2021. 15
- 16 19. Construction on the Project purportedly began at least by September 17 2020. The Project was completed by and officially opened in January 2022.

20. 18 The Project opened in January 2022 but generated less than \$30 19 million per year and operated at a nearly \$15 million loss.

20 21. On February 14, 2023, during the 90-day period prior to the Petition Date (the "Preference Period"), Debtor made a transfer (the "Transfer") to 21 22 Defendant in the aggregate amount of no less than \$12,139.00.

23 22. Using reasonably available records, the Trustee did an investigation 24 of whether the Transfer is avoidable under 11 U.S.C. § 547(b), and the likelihood 25 of potential defenses under 11 U.S.C. § 547(c) and has determined that no defenses are available to Defendant. 26

In light of his investigation, on February 1, 2025, through counsel, the 27 23. Trustee sent a letter ("Inquiry Letter") to Defendant wherein the Trustee informed 28

1 the Defendant that certain payments were made to Defendant during the 90 days prior to the Petition Date, and that he may initiate suit to avoid and recover the 2 Preferential Transfers. The Inquiry Letter provided the Defendant the opportunity 3 to discuss the Preferential Transfers. Defendant did not respond to the Inquiry 4 5 Letter.

6

12

13

14

15

16

24. During this proceeding, Plaintiff may learn (through discovery or otherwise) of additional transfers made to Defendant during the Preference Period 7 8 or that may be avoidable under provisions of the United States Bankruptcy Code. 9 Plaintiff reserves the right to amend this original Complaint to include later 10 discovered information that may become known to Plaintiff during this adversary 11 proceeding.

## FIRST CAUSE OF ACTION

## (Avoidance of the Transfer - 11 U.S.C. § 547)

Plaintiff re-alleges and fully incorporates the allegations pleaded 25. above as if fully set forth herein.

26. The Trustee may, based on reasonable due diligence in the 17 circumstances of this case and accounting for a party's known or reasonably 18 knowable affirmative defenses under 11 U.S.C. § 547(c), avoid any transfer of an 19 interest of the Debtor if the requisites of 11 U.S.C. § 547(b) are met. 20

Upon information and belief, the funds used to make the Transfer were 27. 21 property of the Debtor. 22

28. The Transfer was made to or for the benefit of Defendant, a creditor 23 within the meaning of 11 U.S.C. § 547(b)(1), because each payment either reduced 24 or fully satisfied a debt or debts owed by the Debtor to Defendant. 25

29. The Transfer was made for, or on account of, an antecedent debt or 26 debts owed by the Debtor to Defendant before such Transfer was made, each of 27 which constituted a "debt" or "claim" (as those terms are defined in the Bankruptcy 28

1	Code) of Defendant prior to being paid by the Debtor.								
2	30. The Debtor is presumed to be insolvent under 11 U.S.C. § 547(f)								
3	during the Preference Period.								
4	31. The Transfer was made during the Preference Period, while the Debtor								
5	was insolvent.								
6	32. The Transfer was not made in the ordinary course of business for the								
7	Debtor or between the Debtor and Defendant.								
8	33. As a result of the Transfer, Defendant received more than it would								
9	have received if: (i) the Debtor's case were under chapter 7 of the Bankruptcy								
10	Code; (ii) the Transfer had not been made; and (iii) Defendants received payments								
11	of its debts under the provisions of the Bankruptcy Code.								
12	34. The Transfer is avoidable pursuant to 11 U.S.C. §547(b).								
13	SECOND CAUSE OF ACTION								
14	SECOND CAUSE OF ACTION								
15	(Recovery of Avoided Transfer, 11 U.S.C. § 550)								
16	35. Plaintiff re-alleges and fully incorporates the allegations pleaded								
17	above as if fully set forth herein.								
18	36. Plaintiff is entitled to avoid the Transfer pursuant to 11 U.S.C. §§ 544								
19	and 547 (collectively, the "Avoidable Transfers").								
20	37. Defendant was the initial transferee of the Avoidable Transfers or the								
21	immediate or mediate transferees of such initial transferee or the entity/person for								
22	whose benefit the Avoidable Transfers were made.								
	38. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to recover for the								
23	benefit of the estate from the Defendant to amount of no less than <b>\$12,139.00</b> .								
24	39. The Trustee also seeks the addition of the interest thereon from the								
25	date that each payment constituting the Transfer was made to the Defendant until								
26	such amount is paid in full.								
27									
28									
I									

1	THIRD CAUSE OF ACTION							
2	(Disallowance of all Claims – 11 U.S.C. § 502(d))							
3	40. Plaintiff re-alleges and fully incorporates the allegations pleaded							
4	above as if fully set forth herein.							
5	41. Defendant is a transferee of transfers avoidable under Section 547 of							
6	the Bankruptcy Code, which property is recoverable under section 550 of the							
7	Bankruptcy Code.							
8	42. Defendant has not paid the amount of the Avoidable Transfers, o							
9	turned over such property, for which Defendant is liable under 11 U.S.C. § 550,							
10	despite demands.							
11	43. Pursuant to 11 U.S.C. § 502(d), any and all claims of Defendant and/or							
12	their assignee, against the Debtor's estate must be disallowed until such time as							
13	Defendant pays to Plaintiff an amount equal to the aggregate amount of the							
14	Transfer, plus interest thereon and costs.							
15	<b>WHEREFORE</b> , Plaintiff respectfully requests this Court enter judgment							
15	WHEREFORE, Plaintiff respectfully requests this Court enter judgment							
15	against Defendant on the above claims as follows:							
16	against Defendant on the above claims as follows:							
16 17	against Defendant on the above claims as follows: A. Avoiding the Transfer pursuant to 11 U.S.C. § 547;							
16 17 18	<ul> <li>against Defendant on the above claims as follows:</li> <li>A. Avoiding the Transfer pursuant to 11 U.S.C. § 547;</li> <li>B. Pursuant to 11 U.S.C. § 550(a), for recovery from Defendant the</li> </ul>							
16 17 18 19	<ul> <li>against Defendant on the above claims as follows:</li> <li>A. Avoiding the Transfer pursuant to 11 U.S.C. § 547;</li> <li>B. Pursuant to 11 U.S.C. § 550(a), for recovery from Defendant the amount of the Transfer by the Trust;</li> </ul>							
16 17 18 19 20	<ul> <li>against Defendant on the above claims as follows:</li> <li>A. Avoiding the Transfer pursuant to 11 U.S.C. § 547;</li> <li>B. Pursuant to 11 U.S.C. § 550(a), for recovery from Defendant the amount of the Transfer by the Trust;</li> <li>C. Granting judgment in favor of Plaintiff and against Defendant</li> </ul>							
16 17 18 19 20 21	<ul> <li>against Defendant on the above claims as follows:</li> <li>A. Avoiding the Transfer pursuant to 11 U.S.C. § 547;</li> <li>B. Pursuant to 11 U.S.C. § 550(a), for recovery from Defendant the amount of the Transfer by the Trust;</li> <li>C. Granting judgment in favor of Plaintiff and against Defendant disallowing claims held or filed by Defendant until Defendant returns the Transfer</li> </ul>							
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> </ol>	<ul> <li>against Defendant on the above claims as follows:</li> <li>A. Avoiding the Transfer pursuant to 11 U.S.C. § 547;</li> <li>B. Pursuant to 11 U.S.C. § 550(a), for recovery from Defendant the amount of the Transfer by the Trust;</li> <li>C. Granting judgment in favor of Plaintiff and against Defendant disallowing claims held or filed by Defendant until Defendant returns the Transfer pursuant to 11 U.S.C. § 502(d);</li> </ul>							
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> </ol>	<ul> <li>against Defendant on the above claims as follows:</li> <li>A. Avoiding the Transfer pursuant to 11 U.S.C. § 547;</li> <li>B. Pursuant to 11 U.S.C. § 550(a), for recovery from Defendant the amount of the Transfer by the Trust;</li> <li>C. Granting judgment in favor of Plaintiff and against Defendant disallowing claims held or filed by Defendant until Defendant returns the Transfer pursuant to 11 U.S.C. § 502(d);</li> <li>D. For Pre-judgment interest accruing at the highest lawful rate on the</li> </ul>							
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> </ol>	<ul> <li>against Defendant on the above claims as follows:</li> <li>A. Avoiding the Transfer pursuant to 11 U.S.C. § 547;</li> <li>B. Pursuant to 11 U.S.C. § 550(a), for recovery from Defendant the amount of the Transfer by the Trust;</li> <li>C. Granting judgment in favor of Plaintiff and against Defendant disallowing claims held or filed by Defendant until Defendant returns the Transfer pursuant to 11 U.S.C. § 502(d);</li> <li>D. For Pre-judgment interest accruing at the highest lawful rate on the principal amount of each payment made constituting the Transfer;</li> </ul>							
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> </ol>	<ul> <li>against Defendant on the above claims as follows:</li> <li>A. Avoiding the Transfer pursuant to 11 U.S.C. § 547;</li> <li>B. Pursuant to 11 U.S.C. § 550(a), for recovery from Defendant the amount of the Transfer by the Trust;</li> <li>C. Granting judgment in favor of Plaintiff and against Defendant disallowing claims held or filed by Defendant until Defendant returns the Transfer pursuant to 11 U.S.C. § 502(d);</li> <li>D. For Pre-judgment interest accruing at the highest lawful rate on the principal amount of each payment made constituting the Transfer;</li> <li>E. For the reimbursement to the Trustee and the estate, to the extent</li> </ul>							
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> </ol>	<ul> <li>against Defendant on the above claims as follows:</li> <li>A. Avoiding the Transfer pursuant to 11 U.S.C. § 547;</li> <li>B. Pursuant to 11 U.S.C. § 550(a), for recovery from Defendant the amount of the Transfer by the Trust;</li> <li>C. Granting judgment in favor of Plaintiff and against Defendant disallowing claims held or filed by Defendant until Defendant returns the Transfer pursuant to 11 U.S.C. § 502(d);</li> <li>D. For Pre-judgment interest accruing at the highest lawful rate on the principal amount of each payment made constituting the Transfer;</li> <li>E. For the reimbursement to the Trustee and the estate, to the extent allowed by law, for all reasonable and necessary professional fees and expenses,</li> </ul>							

Case 2 23-bk-02832-DPC Doc 905 Filed 04/30/25 Entered 04/30/25 18:38:34 Desc Main Document Page 7 of 8

1	F.	For c	cost of cour	t, and					
2	G.								
3	Trustee ma	ustee may be entitled.							
4	<b>RESPECTFULLY SUBMITTED</b> this 30th day of April 2025.								
5						ререут а	WCDOUD		
6						TEREL LA	W GROUP,	FLLC	
7							Perez Hesano		
8						Attorney for	ez Hesano, Es Plaintiff	sq.	
9						·			
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
Case 2	2:23-bk-0283	2-DPC	Doc 905 Main Doc	Filed 04/3 ument	8 0/25 Page 8	Entered 04/30, 3 of 8	/25 18:38:34	Desc	