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Counsel for Plaintiff

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF ARIZONA**

In re:

In re Legacy Cares, Inc.,  
Debtor.

Chapter 11

Bank. Case No. 2:23-bk-02832-DPC

Adv. No. **Refer to Summons**

Jeremiah Foster as Trustee of the  
Legacy Cares Liquidation Trust,

Plaintiff,

vs.

**Competitive Edge Contracting  
Inc.,**

Defendant.

**COMPLAINT TO AVOID AND  
RECOVER TRANSFERS PURSUANT  
TO 11 U.S.C. §§ 547 AND 550, AND TO  
DISALLOW CLAIMS PURSUANT TO  
11 U.S.C. § 502**

Plaintiff Jeremiah Foster in his capacity as Trustee of the Legacy Cares Liquidation Trust, for his Complaint to Avoid and Recover Transfers Pursuant To 11 U.S.C. §§ 547 And 550, and to Disallow Claims Pursuant To 11 U.S.C. § 502 (“Complaint”) against Competitive Edge Contracting, Inc. (“Defendant”). In support of this Complaint, Plaintiff alleges upon information and belief the following:

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2. Plaintiff seeks to disallow, pursuant to section 502(d) of the Bankruptcy Code, any claim that Defendant has filed or asserted against the Debtor or that is reflected in the Debtor's Schedules. Plaintiff does not waive but hereby reserves all his rights to object to any such claim for any reason, including, but not limited to, any reason set forth in sections 502 of the Bankruptcy Code.

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

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

7 9. 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.

11 **GENERAL ALLEGATIONS**

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

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

18 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.  
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1           14. Debtor was formed in 2018 as a limited liability company and  
2 converted to an Arizona non-profit corporation on January 14, 2020.

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

6           16. On August 11, 2020, the Debtor obtained financing for the Project  
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**”).

12           17. The initial bond issuance in August 2020 raised more than \$250  
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  
15 funds in June 2021.

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.

18           20. 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  
21 Date (the “**Preference Period**”), Debtor made a transfer (the “**Transfer**”) to  
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  
26 are available to Defendant.

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

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

6 24. During this proceeding, Plaintiff may learn (through discovery or  
7 otherwise) of additional transfers made to Defendant during the Preference Period  
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.

### 12 **FIRST CAUSE OF ACTION**

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

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

16 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 27. Upon information and belief, the funds used to make the Transfer were  
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  
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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).

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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.

23 38. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to recover for the  
24 benefit of the estate from the Defendant to amount of no less than **\$12,139.00**.

25 39. The Trustee also seeks the addition of the interest thereon from the  
26 date that each payment constituting the Transfer was made to the Defendant until  
27 such amount is paid in full.  
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- 1 F. For cost of court, and  
2 G. For such other and further relief, at law or in equity, to which the  
3 Trustee may be entitled.

4 **RESPECTFULLY SUBMITTED** this 30th day of April 2025.

5 **PEREZ LAW GROUP, PLLC**

6  
7 /s/ Cristina Perez Hesano  
8 Cristina Perez Hesano, Esq.  
9 Attorney for Plaintiff  
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