

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

In re: MEDLY HEALTH INC., <i>et al.</i> , ¹ Debtors.	Chapter 7 Case No. 22-11257 (KBO) (Jointly Administered)
DAVID W. CARICKHOFF, solely in his capacity as Chapter 7 Trustee of Medly Health Inc., <i>et al.</i> , Plaintiff, -against- JAMES AGRESTA CARPENTRY, INC. d/b/a JA CARPENTRY, INC., Defendant.	Adv. Proc. No. 25-_____ (KBO)

**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**

David W. Carickhoff, not individually but solely in his capacity as the chapter 7 trustee (“**Plaintiff**” or “**Trustee**”) for the bankruptcy estates of Medly Health Inc., *et al.* (collectively, the “**Debtors**”), by and through his undersigned counsel, files this Complaint against James Agresta

¹ The Debtors, along with the last four (4) digits of each Debtor’s federal tax identification number are: Medly Health Inc. (3391); Care Well Pharmacy, Inc. (9048); Grubbs Care Pharmacy NW Inc. (0490); Marg Pharmacy, Inc. (5838); Medly Atlanta Inc. (7312); Medly Baltimore Inc. (2354); Medly Bedford Ave Pharmacy Inc. (3690); Medly Bristol Inc. (4556); Medly Bronx Inc. (4741); Medly Chicago Inc. (5231); Medly Dallas Inc. (7581); Medly DC Inc. (9403); Medly Enterprise LLC (8898); Medly Grand Central Inc. (1741); Medly Houston Inc. (7443); Medly Jersey City Inc. (5677); Medly Mail Service Pharmacy LLC (9203); Medly Miami Inc. (8101); Medly Orlando Inc. (7581); Medly Pharmacy Inc. (4606); Medly Pharmacy PA Inc. (8494); Medly Pittsburgh Inc. (8381); Medly Queens Inc. (9623); Medly Raleigh Inc. (5140); Medly San Antonio Inc. (9973); Medly Stamford Inc. (4966); Medly Tampa Inc. (5128); Medly UCHC Pharmacy Inc. (6672); Medly Utah Inc. (4648); Pharmaca Integrative Pharmacy, Inc. (0334); Tango340B LLC (4781); West Campbell Pharmacy Inc. (2931); Khora Health Solutions Inc. (2909); and RPH Innovations LLC (3767).

Carpentry, Inc. d/b/a JA Carpentry, Inc., (“**Defendant**”) to avoid and recover preferential and/or fraudulent transfers and to disallow any claims held by Defendant. In support of this Complaint, Plaintiff alleges as follows:

NATURE OF THE CASE

1. Plaintiff seeks to avoid and recover from the Defendant, or from any other person or entity for whose benefit the transfers were made, all preferential and/or fraudulent transfers of property that occurred during the ninety (90) day period prior to the commencement of the Debtors’ bankruptcy cases, pursuant to sections 547, 548, and 550 of title 11 of the United States Code (the “**Bankruptcy Code**”).

2. In addition, Plaintiff seeks to disallow, pursuant to section 502(d) of the Bankruptcy Code, any claim Defendant has filed or asserted against the Debtors’ estates. Plaintiff does not waive but hereby reserves all rights to object to any such claim for any reason.

JURISDICTION AND VENUE

3. The District of Delaware has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334, which has been referred to this Court pursuant to the *Amended Standing Order of Reference* of the United States District Court for the District of Delaware, dated February 29, 2012.

4. This adversary proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

5. Venue is proper in this Court pursuant to 28 U.S.C. § 1409. This adversary proceeding is related to the above-captioned chapter 7 cases pending in this district.

6. The predicates for the relief sought herein are sections 502, 547, 548, and 550 of the Bankruptcy Code and Rules 3007 and 7001 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

7. Pursuant to Bankruptcy Rule 7008 and Rule 7008-1 of the Local Rules of Bankruptcy Procedure of the United States Bankruptcy Court for the District of Delaware, Plaintiff consents to the entry of final orders and judgment by the Court in this adversary proceeding.

THE PARTIES

8. The Trustee is the duly appointed Chapter 7 Trustee for the Debtors and the Debtors' estates.

9. Upon information and belief, Defendant is, and at all relevant times was, a vendor or creditor that provided goods and/or services to or for the Debtors.

10. Upon information and belief, Defendant has an address of 150 English Street, Hackensack, New Jersey 07601.

FACTUAL ALLEGATIONS

11. On December 9, 2022 (the "**Petition Date**"), the Debtors filed with this Court voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

12. On April 26, 2023, the Court entered an Order converting the Debtors' chapter 11 cases to cases under chapter 7 of the Bankruptcy Code.

13. On April 27, 2023, David W. Carickhoff was appointed as the chapter 7 trustee in the Debtors' chapter 7 cases. David W. Carickhoff is the permanent chapter 7 trustee of the Debtors' estates.

14. Prior to the Petition Date, the Debtors operated four full service digital pharmacies, twenty-one brick-and mortar, full-service specialty pharmacies, and an e-commerce business.

15. Upon information and belief, prior to the Petition Date, the Debtors consistently suffered operating losses. The Trustee understands that during the period from January 1, 2022 through September 30, 2022, the Debtors generated net income ranging from negative \$9 million

to negative \$11 million. The Trustee further understands that, as of September 30, 2022, cash from operations was negative \$15 million.

16. As of the Petition Date, the Debtors had funded secured debt in excess of \$110 million. In addition, upon information and belief, the Debtors owed approximately \$47 million in unsecured indebtedness as of the Petition Date.

17. The Debtors were and remained insolvent at all times relevant to the allegations contained in this Complaint.

PREPETITION TRANSFERS

18. During the ninety (90) days before the Petition Date, that is between September 10, 2022 and December 9, 2022 (the “**Preference Period**”), the Debtors continued to make certain transfers of money to, among others, vendors, service providers, customers, and creditors.

19. During the Preference Period, the Debtors made one or more transfer(s) of an interest of the Debtors’ property to or for the benefit of the Defendant through payments and other credits aggregating not less than the amount set forth on **Exhibit A** hereto (each a “**Transfer**” and collectively, “**Transfers**”). The details of each Transfer are set forth on **Exhibit A** attached hereto and incorporated by reference.

20. By this Complaint, Plaintiff seeks to avoid and recover all of the Transfers and any other unknown transfers of interests of the Debtors’ property made by Debtor to the Defendant within the Preference Period.

21. Prior to Plaintiff filing this Complaint, Plaintiff performed reasonable due diligence under the circumstances of these cases and took into account the reasonably knowable affirmative defenses that may be available to Defendant.

22. Plaintiff conducted a preliminary review of, among other things, the Debtors' Schedules of Assets and Liabilities to determine whether certain prepetition transfers potentially qualified as preferential transfers. Thereafter, Plaintiff sent a letter requesting that Defendant provide support for any defenses to avoidance of the Transfers. Plaintiff has considered any response timely received to that letter prior to filing this Complaint.

23. After sending the demand letter, Plaintiff and Defendant entered into a tolling agreement which, as subsequently amended, among other things, extended certain deadlines, periods of repose and statutes of limitations, including the date by which the Trustee must bring an action to avoid and recover the Transfers, through and including September 9, 2025.

24. Based on the information reviewed by the Trustee and information provided by Defendant, if any, including any defenses asserted by Defendant in any response to Plaintiff's letter, Plaintiff believes that he may avoid the Transfers, or a portion thereof.

25. Pursuant to section 547(g), Defendant bears the ultimate burden of proof on any affirmative defense to the Transfers. Plaintiff does not concede the validity of any defense, reserves all rights in connection therewith, and leaves Defendant to its burden.

CLAIMS FOR RELIEF

First Cause of Action

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

26. Plaintiff incorporates all preceding paragraphs as if fully set forth herein.

27. During the Preference Period, the Debtors made one or more Transfers to or for the benefit of Defendant in an aggregate amount not less than the amount set forth on **Exhibit A**.

28. Each Transfer was made by the one of the Debtors and constituted a transfer of an interest in property of the Debtors.

29. Defendant was a creditor of the Debtors by virtue of supplying goods and/or services to the Debtors for which the Debtors were obligated to pay in accordance with the terms of any agreements between the parties or otherwise was a creditor of the Debtors.

30. Each Transfer was to or for the benefit of a creditor within the meaning of 11 U.S.C. § 547(b)(1) because each Transfer either reduced or fully satisfied a debt or debts then owed by the Debtors to Defendant.

31. Each Transfer was made for, or on account of, an antecedent debt owed by the Debtors to Defendant before the Transfers were made.

32. Each Transfer was made while the Debtors were insolvent. Further, Plaintiff is entitled to the presumption of the Debtors' insolvency for each Transfer made during the Preference Period pursuant to 11 U.S.C. § 547(f).

33. Each Transfer was made on or within 90 days before the Petition Date, or between ninety days and one year before the Petition Date, if Defendant at the time of such Transfer was an insider.

34. As a result of each Transfer, Defendant received more than Defendant would have received (i) through these chapter 7 cases; (ii) if the Transfers had not been made; and (iii) if Defendant received payment of such debt to the extent provided by the provisions of the Bankruptcy Code.

35. In accordance with the foregoing, each Transfer is avoidable pursuant to 11 U.S.C. § 547(b).

Second Cause of Action
(Avoidance of Fraudulent Conveyances – 11 U.S.C. § 548(a)(1)(B))

36. Plaintiff incorporates all preceding paragraphs as if fully set forth herein.

37. To the extent one or more of the Transfers identified on **Exhibit A** was not made on account of an antecedent debt, was an advance or prepayment for goods and/or services, which were never provided or which the value of such goods and/or services did not constitute reasonably equivalent value in exchange for such Transfer(s), and/or was a debt incurred by an entity other than the paying Debtor but paid for by another Debtor, Plaintiff pleads in the alternative that the Debtors did not receive reasonably equivalent value in exchange for the Transfers; and the Debtors: (a) were insolvent as of the date of the Transfers, or became insolvent as a result of the Transfers; (b) was engaged, or about to engage, in business or a transaction for which any property remaining with the Debtors was unreasonably small capital; or (c) intended to incur, or believed it would incur, debts beyond the Debtors' ability to pay upon maturity.

38. Based the foregoing, the Transfers are avoidable pursuant to 11 U.S.C. § 548(a)(1)(B).

Third Cause of Action
(Recovery of Avoided Transfers – 11 U.S.C. § 550)

39. Plaintiff incorporates all preceding paragraphs as if fully set forth herein.

40. Plaintiff is entitled to avoid the Transfers pursuant to 11 U.S.C. §§ 547(b) and/or 548(a)(1)(B).

41. Defendant was the initial transferee of the Transfers or the immediate or mediate transferee of such initial transferee or the person for whose benefit the Transfers were made.

42. Pursuant to 11 U.S.C. § 550(a), Plaintiff is entitled to recover from Defendant the Transfer, plus interest thereon to the date of payment and the costs of this action.

Fourth Cause of Action
(Disallowance of all Claims – 11 U.S.C. § 502(d))

43. Plaintiff incorporates all preceding paragraphs as if fully set forth herein.

44. Defendant is a transferee of the Transfers under sections 547 or 548 of the Bankruptcy Code, which property is recoverable under section 550 of the Bankruptcy Code.

45. Defendant has not paid the amount of the Transfers, or turned over such property, for which Defendant is liable under 11 U.S.C. § 550.

46. Pursuant to 11 U.S.C. § 502(d), any and all claims of Defendant and/or its assignee, against the Debtors' estates must be disallowed until such time as Defendant pays to Plaintiff an amount equal to the aggregate amount of the Transfers, plus interest thereon and costs.

RESERVATION OF RIGHTS

47. During the course of this proceeding, Plaintiff may learn through discovery or otherwise of additional transfers made to Defendant during the Preference Period or that otherwise may be avoidable under the provisions of the Bankruptcy Code or other applicable law. It is Plaintiff's intention to avoid and recover all avoidable transfers of property made by the Debtors to or for the benefit of Defendant or any other transferee. Plaintiff reserves all rights to amend this original Complaint to include: (i) further information regarding the Transfers, (ii) additional transfers, (iii) modifications of and/or revisions to Defendant's name, (iv) additional defendants, and/or (v) additional causes of action, if applicable (collectively, the "**Amendments**"), that may become known to Plaintiff at any time during this adversary proceeding, through formal discovery or otherwise, and for the Amendments to relate back to this original Complaint.

CONCLUSION

WHEREFORE, for the foregoing reasons, Plaintiff demands judgment against the Defendant as follows:

- A. Avoiding the Transfers pursuant to 11 U.S.C. §§ 547(b) and/or 548(a)(1)(B);
- B. Allowing the recovery of the monetary value of the Transfers, plus interest pursuant to 11 U.S.C. § 550(a);

- C. Disallowing any claims held by Defendant against the Debtors' estates until Defendant returns the Transfers to Plaintiff pursuant to 11 U.S.C. § 502(d);
- D. Awarding interest from the date of the Complaint;
- E. Awarding fees and costs; and
- F. Such other and further relief as this Court may deem just and proper.

Dated: September 5, 2025
Wilmington, Delaware

CHIPMAN BROWN CICERO & COLE, LLP

/s/ Alan M. Root

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Counsel to the Plaintiff Chapter 7 Trustee

EXHIBIT A**TRANSFERS**

Preference Period: September 10, 2022 through December 9, 2022

Debtor	Transferee	Transfer Date	Transfer Amount
Pharmaca Integrative Pharmacy, Inc.	JA Carpentry Inc	9/12/2022	\$105,982.81
Pharmaca Integrative Pharmacy, Inc.	JA Carpentry Inc	10/7/2022	\$70,000.00
Pharmaca Integrative Pharmacy, Inc.	JA Carpentry Inc	10/13/2022	\$70,000.00
Pharmaca Integrative Pharmacy, Inc.	JA Carpentry Inc	10/21/2022	\$70,000.00
Pharmaca Integrative Pharmacy, Inc.	JA Carpentry Inc	10/31/2022	\$47,856.00
Pharmaca Integrative Pharmacy, Inc.	JA Carpentry Inc	11/15/2022	\$17,244.14
		Totals:	\$381,082.95