

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW HAMPSHIRE

In Re:

William B. Woods and
Twin State Sun, LLC

Chapter 7
Case Nos. 17-10370-JMD
17-10658-JMD

(Jointly Administered)

Debtor(s)

Steven M. Notinger, Chapter 7 Trustee
for William B. Woods and Twin State Sun, LLC,
Plaintiff

v.

Adv. Pro. No. _____

Linda Woods,
Defendant

COMPLAINT

NOW COMES Steven M. Notinger, Chapter 7 Trustee (“the Plaintiff” or “the Trustee”) for the bankruptcy estates of William B. Woods (“Woods”) and Twin State Sun, LLC (“TSS”) (collectively “the Debtors”), and brings this Complaint to recover property of the Debtors and/or to recover for the benefit of the Debtors fraudulent transfers and preference payments made to the Defendant as follows:

PARTIES

1. Plaintiff Steven M. Notinger is the Chapter 7 Trustee for the bankruptcy estates of Woods and TSS, two jointly administered Chapter 7 Debtors in this Court pending under Lead Case No. 17-10370-JMD, with an address of 7A Taggart Drive, Nashua, NH 03060.

2. Defendant Linda Woods (“the Defendant”) is an individual who resides at 101 Murray Pond Road, New London, NH 03267. The Defendant is the non-filing spouse of Woods.

Prior to these bankruptcy matters, Woods was the 100% owner of TSS, a New Hampshire limited liability company.

JURISDICTIONAL STATEMENT/CONSENT TO THE ENTRY OF A FINAL ORDER

3. Jurisdiction of this Court is premised upon 28 U.S.C. §1334(b) and 28 U.S.C. §157(b)(2)(O).

4. This matter is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(A)(E)(F)(H) and (O), and venue is properly in the Bankruptcy Court for the District of New Hampshire.

5. The Trustee consents to the jurisdiction of the Bankruptcy Court and to the entry of a final judgment by the Bankruptcy Court on the matters raised in this Complaint.

FACTS

The General Bankruptcy Background

6. Woods filed a voluntary Chapter 7 petition in bankruptcy on March 21, 2017 (“the Woods Petition Date”) and the Trustee was appointed as his Chapter 7 Trustee.

7. Shortly after the Woods Petition Date the Trustee began to receive phone calls from confused customers of TSS, who had received notices in the Woods bankruptcy case, but claimed to be creditors of TSS, a dealer/installer of solar power systems for mostly individual consumers.

8. Woods listed TSS as an asset on his bankruptcy schedules and claimed that TSS had assets of approximately \$520,000.00 and liabilities of approximately \$2.3 million dollars. Woods also listed all of TSS’s creditors as his own creditors on his individual bankruptcy schedules.

9. Woods testified at his Section 341 Meeting and provided additional information to the Trustee showing that TSS had shut down in November or December, 2016 amid a series of problems, including, but not limited to, TSS being cut off by its and/or its customers’ lender;

inability to make payroll; missing financial records, allegedly erased by one or more disgruntled former employees; TSS employees and/or independent contractors leaving to start a competing business and taking TSS customers; problems and eventual litigation with its main installer of solar systems, Big Sky Renewable Energy, LLC (“Big Sky”) and other subcontractors; numerous customers demanding refunds and/or chargebacks for solar energy systems which were not completed, and/or never installed, and/or never delivered, but for which TSS had received customer deposits and/or financing proceeds.

10. Woods also disclosed that TSS had been sued by several creditors, including Big Sky (who also sued Woods and the Defendant personally), and that TSS had viable counterclaims against Big Sky and others, but there was no one to prosecute the claims and/or fund litigation on behalf of TSS.

11. In order to prevent a “rush to the courthouse” by a few creditors and to protect any remaining assets of TSS for the benefit of all creditors of Woods and TSS, as the “owner” of TSS as of the Woods Petition Date, the Trustee filed TSS into its own voluntary Chapter 7 case on May 5, 2017 (“the TSS Petition Date”) and sought joint administration of the Woods and TSS cases, which was granted by the Court. The Woods Petition Date and the TSS Petition Date are sometimes hereinafter referred to collectively as, “the Petition Dates.”

TSS Business Background

12. When it first went into business, and prior to 2015 or 2016, TSS was a home solar energy system (“Solar System”) dealer only. At some point in 2015 or 2016 when the installer of TSS’s Solar Systems ran into financial trouble, TSS started doing installations of Solar Systems too (in addition to the sales of Solar Systems) through subcontractors, mostly through Big Sky, which is run by a former project manager of TSS.

13. The business model used by TSS during this time would include a TSS salesperson contacting an interested customer, giving the customer a quote, and if a price could be agreed to, obtaining a deposit and scheduling a site visit to prepare for the installation of a Solar System. The TSS salesperson would also help the customer apply for financing for the purchase and installation of a Solar System, if needed. Financing was often needed by TSS customers because Solar Systems can cost tens of thousands of dollars to purchase and install.

14. TSS and its customers used a company called GreenSky, LLC (“GreenSky”) to finance TSS customers’ Solar Systems, when needed. In at least 2016, within a year of the Petition Dates, when GreenSky approved a TSS customer for financing, GreenSky would give TSS (and Woods as its principal) access for that customer to a “credit card,” containing the financed loan proceeds, which were supposed to be used by TSS to purchase and install the Solar System for that particular customer, including payment for all materials, installation and commissions or profits. Once loan proceeds were accessed by TSS, the customer would then be billed on a monthly basis for principal and interest by GreenSky based on its financing agreement with GreenSky.

15. It appears that whatever restrictions were supposed to be in place (notice requirements to customers; no final payment to TSS until a Solar System was completely installed, et. seq.), in fact there were no restrictions in 2016 to prevent TSS from unilaterally accessing a customer’s deposits or financing proceeds once GreenSky approved the customer’s financing. As a result, numerous TSS customers’ deposits were spent, or financing proceeds were collected from GreenSky and spent by TSS in at least 2016, even though the applicable customer had not received his/her components and/or installation and/or completed Solar System, and in fact never did receive same. Some TSS customers are presently repaying GreenSky for loans on Solar Systems they never received.

16. A particularly glaring example of this occurred on or about August 23, 2016 when Woods, as the principal of TSS, collected several hundred thousand dollars-worth of TSS customer loan proceeds from GreenSky based on an e-mail exchange with Big Sky, wherein Woods/TSS believed Big Sky had confirmed completed installations of approximately 27 customer Solar Systems, but Big Sky later claimed it was only confirming completion of 27 customer site visits, which occur before any work is done on installation of a Solar System (“the Collection”).

17. Shortly after the Collection, and at the latest by September 15, 2016, Woods and TSS became aware that customers whose funds had been collected and used by TSS and/or Woods and/or the Defendant had not been provided with Solar Systems by TSS and/or installations by TSS subcontractor Big Sky.

18. Both shortly before and shortly after the Collection, Woods engaged in what can fairly be described as a looting of TSS for his and the Defendant’s personal purposes, a lot of funds from which were transferred to or for the benefit of the Defendant, as described below.

Claims Against the Defendant

19. On or about July 1, 2016 the Defendant purchased a piece of real estate in view of Lake Sunapee and Mt. Sunapee containing a single-family home located at 29 Summer Street, Newbury, NH (“the Property”). The deed for the Property into the Defendant is recorded in the Merrimack (NH) County Registry of Deeds (“the Registry”) at Book 3521, Page 120. Tax stamps on the deed indicate that the Defendant purchased the Property for \$152,000.00.

20. There is no mortgage on the Property, meaning that the Defendant purchased the Property for cash.

21. Either at the time this Complaint was filed or shortly beforehand in 2017, the Property has been on the market for sale through the MLS system for an asking price of

\$265,000.00. The listing for the Property indicates that it was renovated extensively in 2016, including new plumbing, new electrical and a new kitchen.

22. Attached as Exhibit A is a partial list of transfers complied by the U.S. Trustee's Office from TSS's incomplete and reconstructed records provided by Woods, wherein the Defendant received, either directly, or for her benefit, numerous transfers from TSS's bank accounts within one year of the Petition Dates.

23. Specifically, the Defendant received directly a total of \$265,880.97 from TSS's bank accounts between June 30, 2016 and November 25, 2016, including a \$100,000.00 transfer on June 30, 2017, just one day before the Defendant's purchase of the Property, and \$130,380.97 by check on August 29, 2016 within a few days of the Collection ("the Block One Transfers"). See Exhibit A, Block One.

24. TSS also transferred by check to Keller Williams, the Defendant's realtor on the purchase of the Property (and the realtor on the recent MLS listing of the Property for sale), for the Defendant's benefit, a total of \$20,000.00 on May 26, 2016, which is believed to be the Defendant's deposit for the purchase of the Property ("the Block 2 Transfers"). See Exhibit A, Block Two.

25. TSS also transferred to various vendors for materials, labor or other improvements on the Property, including A&A Landscaping, LaBelle Masonry and New England Spa, between May 23, 2016 and August 13, 2016, for the benefit of the Defendant, in the amount of approximately \$76,731.50 ("the Block 3 Transfers"). See Exhibit A, Block Three. Woods testified at his Section 341 Meeting of the Creditors that at least some of the landscaping and other home-improvement-type charges paid for by TSS were for work done at the Property. Woods also testified that the Defendant's "job" has been "working" at the Property. Further, many of the

Block 3 Transfers are labeled as “personal” in TSS’s reconstructed records, and the Block 3 transfers are consistent with charges for a major renovation of a property such as the renovation of the Property in 2016.

26. According to TSS’s reconstructed records, TSS also transferred \$20,000.00 in October, 2016 to “Woods” for “Checking-Mexico” (“the Block 4 Transfers”). See Exhibit A, Block Four. According to Woods’ schedules and 341 testimony, Woods caused TSS put a large down payment on a property to be built in Mexico that was supposed to be like a retirement plan or 401K for Woods and the Defendant¹, and Woods and the Defendant visited Mexico several times in the recent past for vacation or to explore retirement opportunities. To the extent that the Block 4 Transfers went to the Defendant directly, or were paid to someone else for her benefit, they also occurred within a year of the Petition Dates, and after the Collection was known by Woods and TSS to be a big problem.

27. Woods has testified that some or all of the Transfers, particularly the Block 1 Transfers, were made to repay the Defendant for previous loans to TSS and/or Woods, but the Trustee has been unable to verify at present whether or when the Defendant made such loans. Woods, as the 100% owner of TSS, caused TSS to make any Transfers to or on behalf of the Defendant from TSS.

28. The Block 1, Block 2, Block 3 and Block 4 Transfers are sometimes hereinafter referred to collectively as “the Transfers.” TSS’s records are incomplete and had to be reconstructed. There could be other transfers from TSS to or for the benefit of the Defendant which are actionable and should be included in the Transfers. The Trustee reserves the right to

¹ It is doubtful that the Trustee can recover anything but a small percentage of the Mexico down payment for the benefit of creditors.

amend this Complaint, as permitted by the Court, to add any additional Transfers to or for the benefit of the Defendant that he discovers in discovery of this matter.

29. In addition to the Transfers, Woods has also testified at his Section 341 Meeting that prior to the Woods Petition Date, but within one year of the Woods Petition Date, he and the Defendant refinanced the marital home titled in both their names located at 101 Murray Pond Road, New London, NH 03267 (“the New London Property”) and he paid approximately \$75,000.00 of his equity in the New London Property to the Defendant (“the New London Transfer”) to repay her for previously taking out a mortgage on another property listed on the Debtor’s schedules, located at 80 Strawbrook Lane, Canaan, NH (“the Canaan Property”).

30. The Canaan Property was apparently awarded to the Defendant in a prior divorce some years ago. However, as of the Woods Petition Date the mortgage on the Canaan Property is in default and the Canaan Property has no equity in it. It is vacant; it has been damaged by previous tenants and it needs work to be rentable or saleable. The Trustee is expecting the lender on the Canaan Property to file for relief from stay soon.

31. Prior to having any of the financial records of TSS and upon learning of the Big Sky suit against TSS, Woods and the Defendant, the New London Transfer and the Property, the Trustee recorded a Notice of Lis Pendens on behalf of the Woods bankruptcy estate in the Registry on April 25, 2017 at Book 3553, Page 1200, putting all on notice of a potential claim by the Trustee in the Property.

32. It appears from the Registry records that the New London Transfer occurred in September, 2016, after the Defendant’s purchase of the Property, and after the problems with the Collection became known to Woods and TSS.

COUNT I – CLAIM TO AVOID PREFERENCE PAYMENTS UNDER 11 U.S.C. §547(b)

AND 11 U.S.C. §550 (The Transfers)

33. The allegations of Paragraphs 1 through 32 are re-alleged and incorporated herein by reference.

34. Pursuant to 11 U.S.C. §547(b):

[T]he trustee may avoid any transfer of an interest of the debtor in property (1) to or for the benefit of a creditor; (2) for or on account of an antecedent debt owed by the debtor before the transfer was made; (3) made while the debtor was insolvent; (4) made... (B) between ninety days and one year before the date of the filing of the petition, if such creditor at the time was an insider; and (5) that enables such creditor to receive more than such creditor would receive if (A) the case were a case under chapter 7 of this title; (B) the transfer had not been made; and (C) such creditor received payment of such debt to the extent provided by the provisions of this title.

35. TSS made all of the Transfers listed on Exhibit A within between 90 days and one year of the TSS Petition Date.

36. All or any of the Transfers were made directly to the Defendant or for the benefit of the Defendant.

37. The Transfers were made for or on account of an antecedent debt owed by TSS before the transfer was made, and the Transfers were made while TSS was insolvent, as evidenced by the number and amount of TSS's creditors in the year prior to the TSS Petition Date vs. the number and amount of TSS's assets in the year prior to the Petition Date.

38. As the spouse of Woods, the 100% owner of TSS who directed payments into and out of TSS, the Defendant was at the time of the Transfers or any of them, an insider of TSS as that term is defined by applicable law.

39. The Transfers or any one of them enabled the Defendant to receive more than she would have received if the TSS case were a case under Chapter 7, and if the Transfers or any one of them had not been made, and if the Defendant received payment of such debt to the extent

provided by the provisions of this title. Woods testified that the Defendant was paid in full by TSS through the Transfers and that TSS did not owe the Defendant any more funds. Given all of TSS's other unsecured creditors (approximately \$2.3 million dollars-worth) and its limited assets (mostly uncertain recoveries from litigation), the Defendant would not have been paid in full if the TSS case was in Chapter 7, the Transfers had not been made and the Defendant received a payment from TSS as an unsecured creditor in the ordinary course of the bankruptcy case.

40. Therefore, the Transfers or any of them are avoidable preferences pursuant to 11 U.S.C. §547(b), and the Trustee requests that the Court avoid the Transfers or any of them, and find that the Defendant is liable to the Trustee for the Transfers or any of them, or the value thereof, pursuant to 11 U.S.C. §550.

COUNT II – CLAIM TO AVOID PREFERENCE PAYMENTS UNDER 11 U.S.C. §547(b)

AND 11 U.S.C. §550 (The New London Transfer)

41. The allegations of Paragraphs 1 through 40 are re-alleged and incorporated herein by reference.

42. Pursuant to 11 U.S.C. §547(b):

[T]he trustee may avoid any transfer of an interest of the debtor in property (1) to or for the benefit of a creditor; (2) for or on account of an antecedent debt owed by the debtor before the transfer was made; (3) made while the debtor was insolvent; (4) made... (B) between ninety days and one year before the date of the filing of the petition, if such creditor at the time was an insider; and (5) that enables such creditor to receive more than such creditor would receive if (A) the case were a case under chapter 7 of this title; (B) the transfer had not been made; and (C) such creditor received payment of such debt to the extent provided by the provisions of this title.

43. Woods made the New London Transfer described herein within between 90 days and one year of the Woods Petition Date.

44. The New London Transfer was made directly to the Defendant or for the benefit of the Defendant.

45. The New London Transfer was made for or on account of an antecedent debt owed by Woods before the transfer was made, and the New London Transfer was made while Woods was insolvent, as evidenced by the number and amount of Woods's creditors in the year prior to the Woods Petition Date vs. the number and amount of Woods's assets in the year prior to the Petition Date.

46. As the spouse of Woods, the Defendant was at the time of the New London Transfer an insider of Woods as that term is defined by applicable law.

47. The New London Transfer enabled the Defendant to receive more than she would have received if the Woods case were a case under Chapter 7, and if the New London Transfer had not been made, and if the Defendant received payment of such debt to the extent provided by the provisions of this title. Given all of Woods's other unsecured creditors (approximately \$2.2 million dollars-worth) and its limited assets (mostly uncertain recoveries from litigation), the Defendant would not have been paid in full if the Woods case was in Chapter 7, the New London Transfer had not been made and the Defendant received a payment from Woods as an unsecured creditor in the ordinary course of the bankruptcy case.

48. Therefore, the New London Transfer is an avoidable preference pursuant to 11 U.S.C. §547(b), and the Trustee requests that the Court avoid the New London Transfer, and find that the Defendant is liable to the Trustee for New London Transfer, or the value thereof, pursuant to 11 U.S.C. §550.

COUNT III – CLAIM TO AVOID FRAUDULENT TRANSFERS PURSUANT TO 11

U.S.C. §548(a)(1)(A) (Intentional Fraud) and 11 U.S.C. §550 (The Transfers)

49. The allegations of Paragraphs 1 through 48 are re-alleged and incorporated herein by reference.

50. Pursuant to 11 U.S.C. §548(a)(1):

The trustee may avoid any transfer... of an interest of the debtor in property...that was made...within 2 years before the date of the filing of the petition... if the debtor... (A) made such transfer...with the actual intent to hinder, delay or defraud any entity to which the debtor was... indebted;

51. TSS made the Transfers to the Defendant within two of the TSS Petition Date.

52. TSS made the Transfers or any of them to the Defendant within two years of the Petition Date with the actual intent to hinder, delay or defraud creditors of TSS.

53. The following facts, which are not exhaustive, indicate TSS's intention to make the Transfers to the Defendant within two years of the Petition Date with the actual intent to hinder, delay or defraud creditors of TSS: (1) TSS accessed and spent customer deposits and loan proceeds from GreenSky, including paying substantial Transfers to or for the benefit of the Defendant, TSS's principal's spouse, without complying with notice provisions or other restrictions in TSS's agreements with its customers and/or GreenSky and/or without verifying that said customers had received their Solar Systems and/or the components or installation thereof; (2) TSS did not require that the Property to be titled in TSS, or that the Defendant give a mortgage or other security to TSS in the Property, even though it appears that TSS paid for some or all of the purchase price of the Property and the improvements and/or renovations thereon; (3) TSS paid the Defendant, an insider, the Transfers, instead of its customers and/or its subcontractors, with funds that were supposed to be used for Solar Systems and/or TSS's business operations, and continued to make some or all of the Transfers, even after TSS became aware that customers were complaining about non-delivery of Solar Systems, subcontractors were complaining about non-payment and/or that the Collection had resulted in the unauthorized release of several hundred thousand dollars-worth in customer funds to TSS, a good portion of which Woods directed to be spent for Woods' and the Defendant's personal use; (4) Woods filed for Chapter 7 bankruptcy and listed all TSS's creditors, but TSS –

the entity that made the majority of the transfers of assets to or for the benefit of the Defendant, including the Transfers, did not file until the Trustee examined available records and placed TSS into bankruptcy.

54. The Transfers or any of them made by TSS to the Defendant within two years of the Petition Date were fraudulent transfers pursuant to 11 U.S.C. §548(a)(1)(A) and must be avoided pursuant to 11 U.S.C. §548(a)(1) and §550.

COUNT IV – CLAIM TO AVOID FRAUDULENT TRANSFERS PURSUANT TO 11

U.S.C. §548(a)(1)(B)(Constructive Fraud) and 11 U.S.C. §550 (The Transfers)

55. The allegations of Paragraphs 1 through 54 are re-alleged and incorporated herein by reference.

56. Pursuant to 11 U.S.C. §548(a)(1):

The trustee may avoid any transfer... of an interest of the debtor in property...that was made...within 2 years before the date of the filing of the petition... if the debtor... (B) received less than reasonably equivalent value in exchange for such transfer...; and (ii)(I) was insolvent on the date that such transfer was made... or became insolvent as a result of such transfer... was engaged in business or a transaction, or was about to engage in business or a transaction for which any property remaining with the debtor was an unreasonably small capital intended to incur, or believed that the debtor would incur, debts that would be beyond the debtor's ability to pay as such debts matured; or made such a transaction for the benefit of an insider...

57. TSS received a less than reasonably equivalent value from the Defendant for the Transfers made to the Defendant within two years of the Petition Date.

58. To the extent that the Transfers were for payments of Woods' or the Defendants' obligations or benefit, TSS received no consideration for such Transfers.

59. In addition, at the time TSS made such Transfers, TSS was insolvent, was engaged in a business for which any property remaining with TSS was an unreasonably small capital, and/or

TSS intended to incur or believed it would incur debts beyond its ability to pay as such debts matured.

60. TSS was insolvent from at least May 23, 2016 forward and by the time it closed in December, 2016, TSS had at least a \$2,200,000.00 deficit due in part to the Transfers and other monies Woods directed TSS to spend on his and the Defendant's personal expenses rather than Solar Systems or TSS's business operations.

61. TSS's Transfers or any of them to or for the benefit of the Defendant within two years of the Petition Date, as outlined in Exhibit A were fraudulent transfers pursuant to 11 U.S.C. §548(a)(1)(B) and must be avoided pursuant to 11 U.S.C. §548(a)(1) and §550.

**COUNT V- CLAIM TO AVOID FRAUDULENT TRANSFERS PURSUANT TO 11
U.S.C. §544(b) and NH RSA 545-A:4 I(a)(Actual Fraud) and 11 U.S.C. §550 (The
Transfers)**

62. The allegations of Paragraphs 1 through 61 are re-alleged and incorporated herein by reference.

63. Pursuant to 11 U.S.C. §544(b) the Trustee may bring a fraudulent transfer action in the Bankruptcy Court under applicable state law.

64. Pursuant to New Hampshire RSA 545-A:4 I(a), the Trustee may avoid a transfer of property within 4 years of the Petition Date if the transfer was fraudulent as to any creditor of TSS, whether or not the debt was incurred before or after the transfer, if TSS made the transfer "[w]ith the actual intent to hinder, delay or defraud any creditor of the debtor..."

65. TSS made the Transfers or any of them to the Defendant within 4 years of the Petition Date with the actual intent to hinder, delay or defraud creditors of TSS, particularly consumers with deposits and/or GreenSky financing.

66. The following facts, which are not exhaustive, indicate TSS's intention to make the Transfers to the Defendant within two years of the Petition Date with the actual intent to hinder, delay or defraud creditors of TSS: (1) TSS accessed and spent customer deposits and loan proceeds from GreenSky, including paying substantial Transfers to or for the benefit of the Defendant, TSS's principal's spouse, without complying with notice provisions or other restrictions in TSS's agreements with its customers and/or GreenSky and/or without verifying that said customers had received their Solar Systems and/or the components or installation thereof; (2) TSS did not require that the Property to be titled in TSS, or that the Defendant give a mortgage or other security to TSS in the Property, even though it appears that TSS paid for some or all of the purchase price of the Property and the improvements and/or renovations thereon; (3) TSS paid the Defendant, an insider, the Transfers, instead of its customers and/or its subcontractors, with funds that were supposed to be used for Solar Systems and/or TSS's business operations, and continued to make some or all of the Transfers, even after TSS became aware that customers were complaining about non-delivery of Solar Systems, subcontractors were complaining about non-payment and/or that the Collection had resulted in the unauthorized release of several hundred thousand dollars-worth in customer funds to TSS, a good portion of which Woods directed to be spent for Woods' and the Defendant's personal use; (4) Woods filed for Chapter 7 bankruptcy and listed all TSS's creditors, but TSS – the entity that made the majority of the transfers of assets to or for the benefit of the Defendant, including the Transfers, did not file until the Trustee examined available records and placed TSS into bankruptcy.

67. TSS's Transfers to or for the benefit of the Defendant, as outlined in Exhibit A, within four years of the Petition Date were fraudulent transfers pursuant to 11 U.S.C. §544(b) and applicable state law, and must be avoided pursuant to 11 U.S.C. §544 and §550.

**COUNT VI- CLAIM TO AVOID FRAUDULENT TRANSFERS PURSUANT TO 11
U.S.C. §544(b) and NH RSA 545-A:4 I(b)(Constructive Fraud) and 11 U.S.C. §550 (The
Transfers)**

68. The allegations of Paragraphs 1 through 67 are re-alleged and incorporated herein by reference.

69. Pursuant to RSA 545-A:4 I(b), the Trustee may avoid a transfer of property within 4 years of the Petition Date if the transfer was fraudulent as to any creditor of TSS, whether or not the debt was incurred before or after the transfer, if TSS made the transfer “without receiving a reasonably equivalent value in exchange for the transfer” and while TSS’s assets were unreasonably small in relation to the business or transaction, or if TSS “intended to incur” or believed or reasonably should have believed that it would incur debts beyond its ability to pay.

70. TSS made the Transfers to the Defendant without receiving a reasonably equivalent value in exchange for the Transfers.

71. To the extent that the Transfers were for payments of the Defendant, or Woods, or the Defendant’s family’s obligations or benefit, TSS received no consideration for such Transfers.

72. At the time TSS made the Transfers or any of them to or on behalf of the Defendant, TSS was insolvent and unable to pay its debts as they came due.

73. At the time TSS made the Transfers or any of them to or for the benefit of the Defendant, TSS had assets which were unreasonably small in relation to its businesses or transactions, or TSS intended to incur, or believed, or reasonably should have believed that it would incur debts beyond its ability to pay them.

74. The Transfers to or for the benefit of the Defendant, or any of them, as outlined in Exhibit A were fraudulent and avoidable transfers pursuant to 11 U.S.C §544(b) and §550 and New Hampshire RSA 545-A:4 I(b), and therefore should be avoided.

COUNT VII – CLAIM TO AVOID FRAUDULENT TRANSFERS PURSUANT TO 11 U.S.C. §548(a)(1)(A) (Intentional Fraud) and 11 U.S.C. §550 (The New London Transfer)

75. The allegations of Paragraphs 1 through 74 are re-alleged and incorporated herein by reference.

76. Woods made the New London Transfer to the Defendant within two of the TSS Petition Date.

77. Woods made the New London Transfer to the Defendant within two years of the Petition Date with the actual intent to hinder, delay or defraud creditors of TSS.

78. The following facts, which are not exhaustive, indicate Woods' intention to make the New London Transfer to the Defendant within two years of the Petition Date with the actual intent to hinder, delay or defraud creditors of Woods: (1) Woods made the New London Transfer to the Defendant, his spouse, at a time when customers and subcontractors of his business, TSS, were complaining about the Collection, and/or lack of payment and/or delivery of Solar Systems; (2) Woods did not require that the Property to be titled in Woods, or that the Defendant give a mortgage or other security to Woods in the Property, even though it appears that Woods paid for some or all of the improvements and/or renovations on the Property; (3) Woods paid the Defendant, an insider, the New London Transfer, instead of paying back the customers and/or subcontractors of his business TSS for the Collection or other unauthorized transfers of funds that were supposed to be used for Solar Systems and/or TCC's business operations, and made the New London Transfer, even after Woods became aware that customers were complaining about non-

delivery of Solar Systems, subcontractors were complaining about non-payment and/or that the Collection had resulted in the unauthorized release of several hundred thousand-dollars-worth of customer funds to TSS, a good portion of which Woods directed to be spent for Woods' and the Defendant's personal use; (4) Woods filed for Chapter 7 bankruptcy and listed all TSS's creditors in order to obtain a discharge in bankruptcy, but did not list the New London Transfer to the Defendant on his schedules and did not place TSS – the entity that made the majority of the transfers of assets to or for the benefit of the Defendant, including the Transfers, into bankruptcy, instead making the Trustee responsible for placing TSS into bankruptcy.

79. The New London Transfer made by Woods to the Defendant within two years of the Petition Date was an intentionally fraudulent transfer pursuant to 11 U.S.C. §548(a)(1)(A) and must be avoided pursuant to 11 U.S.C. §548(a)(1) and §550.

COUNT VIII – CLAIM TO AVOID FRAUDULENT TRANSFERS PURSUANT TO 11 U.S.C. §548(a)(1)(B) (Constructive Fraud) and 11 U.S.C. §550 (The New London Transfer)

80. The allegations of Paragraphs 1 through 79 are re-alleged and incorporated herein by reference.

81. TSS received a less than reasonably equivalent value from the Defendant for the New London Transfer made to the Defendant within two years of the Petition Date.

82. To the extent that the New London Transfer was for repayment of a prior mortgage on the Canaan Property, the Canaan Property has no equity therein and Woods received no consideration for the New London Transfer.

83. In addition, at the time Woods made the New London Transfer, Woods was insolvent, was engaged in a business for which any property remaining with Woods was an

unreasonably small capital, and/or Woods intended to incur or believed he would incur debts beyond his ability to pay as such debts matured.

84. Woods was insolvent from at least August 23, 2016 forward and by the time of the Woods Petition Date, Woods had at least \$2,200,000.00 in creditors and a deficit due to the New London Transfer.

85. The New London Transfer to the Defendant within two years of the Petition Date, was a constructively fraudulent transfer pursuant to 11 U.S.C. §548(a)(1)(B) and must be avoided pursuant to 11 U.S.C. §548(a)(1) and §550.

**COUNT IX- CLAIM TO AVOID FRAUDULENT TRANSFERS PURSUANT TO 11
U.S.C. §544(b) and NH RSA 545-A:4 I(a) (Actual Fraud) and 11 U.S.C. §550 (The New
London Transfer)**

86. The allegations of Paragraphs 1 through 85 are re-alleged and incorporated herein by reference.

87. Pursuant to 11 U.S.C. §544(b) the Trustee may bring a fraudulent transfer action in the Bankruptcy Court under applicable state law.

88. Pursuant to New Hampshire RSA 545-A:4 I(a), the Trustee may avoid a transfer of property within 4 years of the Petition Date if the transfer was fraudulent as to any creditor of TSS, whether or not the debt was incurred before or after the transfer, if Woods made the transfer “[w]ith the actual intent to hinder, delay or defraud any creditor of the debtor...”

89. Woods made the New London Transfer to the Defendant within 4 years of the Petition Date with the actual intent to hinder, delay or defraud creditors of Woods, particularly consumers customers of TSS with deposits and/or GreenSky financing who are also listed as creditors on Woods’ schedules.

90. The following facts, which are not exhaustive, indicate Woods' intention to make the New London Transfer to the Defendant within two years of the Petition Date with the actual intent to hinder, delay or defraud creditors of Woods: (1) Woods made the New London Transfer to the Defendant, his spouse, at a time when customers and subcontractors of his business, TSS, were complaining about the Collection, and/or lack of payment and/or delivery of Solar Systems; (2) Woods did not require that the Property to be titled in Woods, or that the Defendant give a mortgage or other security to Woods in the Property, even though it appears that Woods paid for some or all of the improvements and/or renovations on the Property; (3) Woods paid the Defendant, an insider, the New London Transfer, instead of paying back the customers and/or subcontractors of his business TSS for the Collection or other unauthorized transfers of funds that were supposed to be used for Solar Systems and/or TCC's business operations, and made the New London Transfer, even after Woods became aware that customers were complaining about non-delivery of Solar Systems, subcontractors were complaining about non-payment and/or that the Collection had resulted in the unauthorized release of several hundred thousand-dollars-worth of customer funds to TSS, a good portion of which Woods directed to be spent for Woods' and the Defendant's personal use; (4) Woods filed for Chapter 7 bankruptcy and listed all TSS's creditors in order to obtain a discharge in bankruptcy, but did not list the New London Transfer to the Defendant on his schedules and did not place TSS – the entity that made the majority of the transfers of assets to or for the benefit of the Defendant, including the Transfers, into bankruptcy, instead making the Trustee responsible for placing TSS into bankruptcy.

91. The New London Transfer to or for the benefit of the Defendant, as outlined in herein, within four years of the Petition Date was an intentionally fraudulent transfer pursuant to

11 U.S.C. §544(b) and applicable state law, and must be avoided pursuant to 11 U.S.C. §544 and §550.

COUNT X - CLAIM TO AVOID FRAUDULENT TRANSFERS PURSUANT TO 11 U.S.C. §544(b) and NH RSA 545-A:4 I(b) (Constructive Fraud) and 11 U.S.C. §550 (The New London Transfer)

92. The allegations of Paragraphs 1 through 91 are re-alleged and incorporated herein by reference.

93. Pursuant to RSA 545-A:4 I(b), the Trustee may avoid a transfer of property within 4 years of the Petition Date if the transfer was fraudulent as to any creditor of Woods, whether or not the debt was incurred before or after the transfer, if Woods made the transfer “without receiving a reasonably equivalent value in exchange for the transfer” and while Woods’ assets were unreasonably small in relation to the business or transaction, or if Woods “intended to incur” or believed or reasonably should have believed that it would incur debts beyond its ability to pay.

94. Woods made the New London Transfer to the Defendant without receiving a reasonably equivalent value in exchange for the Transfers.

95. To the extent that the New London Transfer was for repayment of a prior mortgage on the Canaan Property, the Canaan Property has no equity and Woods received no consideration for the New London Transfer.

96. At the time Woods made the New London Transfer to the Defendant, Woods was insolvent and unable to pay his debts as they came due.

97. At the time Woods made the New London Transfer to the Defendant, Woods had assets which were unreasonably small in relation to his businesses or transactions, or Woods

intended to incur, or believed, or reasonably should have believed that he would incur debts beyond his ability to pay them.

98. The New London Transfer to the Defendant, as outlined herein was a constructively fraudulent and avoidable transfer pursuant to 11 U.S.C §544(b) and §550 and New Hampshire RSA 545-A:4 I(b), and therefore should be avoided.

RELIEF REQUESTED

WHEREFORE, the Trustee requests that this Honorable Court:

A. Grant him judgment on Count I of this Complaint and order the Defendant to pay to the Trustee for the estate of TSS all preferential Transfers to the Defendant within one year of the TSS Petition Date under 11 U.S.C. §547 and §550;

B. Grant him judgment on Count II of this Complaint and order the Defendant to pay to the Trustee for the estate of Woods as a preferential transfer the New London Transfer to the Defendant within one year of the Woods Petition Date under 11 U.S.C. §547 and §550;

C. Grant him judgment on Counts III, IV, V and VI or any one of more of them, of this Complaint and order the Defendant to pay to the Trustee for the estate of TSS all fraudulent transfers to the Defendant within two years of the TSS Petition Date under 11 U.S.C. §548 and §550, and/or within four years of the TSS Petition Date under 11 U.S.C. §544, §550 and applicable state law;

D. Grant him judgment on Counts VII, VIII, IX and X or any one of more of them, of this Complaint and order the Defendant to pay to the Trustee for the estate of Woods the New London Transfer as a fraudulent transfer to the Defendant within two years of the Woods Petition Date under 11 U.S.C. §548 and §550, and/or within four years of the Woods Petition Date under 11 U.S.C. §544, §550 and applicable state law; and

E. Grant such other and further relief as is just and necessary.

Respectfully submitted,
Steven M. Notinger, Plaintiff
Chapter 7 Trustee for William B. Woods
and Twin State Sun, LLC
By his Attorneys,

Date: June 6, 2017

/s/ Deborah A. Notinger
Deborah A. Notinger (BNH #02013)
Notinger Law, PLLC
7A Taggart Drive
Nashua, NH 03060
(603) 417-2158
debbie@notingerlaw.com

EXHIBIT A

Block 1

Date	Ch. No.	Account	Payee	Amount	Description of Transfer
6/30/16	transfer	TSS	Linda Woods	\$100,000.00	to savings
8/29/16	1627	TSS	Linda Woods	130,380.97	Due to Woods
9/27/16	1369	TSS	Linda Woods	\$8,500.00	Partner's Draw
10/3/16	1372	TSS	Linda Woods	\$10,000.00	Due to Woods
10/25/16	1382	TSS	Linda Woods	\$4,000.00	Due to Woods
10/26/16	1385	TSS	Linda Woods	\$8,000.00	Due to Woods
11/25/16	1510	TSS	Linda Woods	\$5,000.00	Due to Woods
Total:				\$265,880.97	

Block 2

Date	Check No.	Account	Payee	Amount	Description of Transfer
5/26/16	1522	TSS	Keller Williams	\$10,000.00	Member's Draw Other
5/26/16	1523	TSS	Keller Williams	\$10,000.00	Partner's Draw
Total:				\$20,000.00	

Block 3

Date	Check No.	Account	Payee	Amount	Description of Transfer
5/23/16	1502	TSS	A&A Landscaping	\$3,882.00	Landscaping
5/23/16	1510	TSS	A&A Landscaping	\$7,000.00	Landscaping
5/23/16	1514	TSS	A&A Landscaping	\$4,000.00	Landscaping
6/8/16	1486	TSS	A&A Landscaping	\$5,000.00	Landscaping
6/14/16	1499	TSS	A&A Landscaping	\$3,000.00	Landscaping
6/21/16	1551	TSS	A&A Landscaping	\$450.00	Landscaping
6/21/16	1552	TSS	A&A Landscaping	\$1,400.00	Landscaping
7/4/16	1565	TSS	A&A Landscaping	\$5,000.00	Landscaping
7/28/16	1726	TSS	A&A Landscaping	\$10,000.00	Landscaping
7/28/16	1731	TSS	A&A Landscaping	\$5,000.00	Landscaping
6/4/16	1480	TSS	LaBelle Masonry	\$12,000.00	Personal
7/28/16	1595	TSS	LaBelle Masonry	\$5,000.00	Personal
7/28/16	1727	TSS	LaBelle Masonry	\$5,000.00	Personal
8/13/16	1705	TSS	LaBelle Masonry	\$5,000.00	Personal

6/8/16	1484 TSS	New England Spa	\$4,999.50 Personal
Total			\$76,731.50

Block 4

Date	Check No.	Account	Payee	Amount	Description of Transfer
10/6/16	transfer	TSS	Woods	\$10,000.00	Checking - Mexico
10/19/16	transfer	TSS	Woods	\$10,000.00	Checking - Mexico
Total				\$20,000.00	

B1040 (FORM 1040) (12/15)

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)
PLAINTIFFS <i>Steven M. Notinger, Ch. 7 Tr. for William B. Woods and Twin State Sun, LLC</i>	DEFENDANTS <i>Linda Woods 101 Murray Pond Rd. New London, NH 03267</i>	
ATTORNEYS (Firm Name, Address, and Telephone No.) <i>Deborah A. Notinger, Notinger Law, PLLC 7A Taggart Dr., Nashua NH 03060 (603) 417-2158</i>	ATTORNEYS (If Known)	
PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input checked="" type="checkbox"/> Trustee	PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input checked="" type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee	
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) <i>Avoidance of preferential and or fraudulent transfers under 11 U.S.C. §§ 544, 547, 548 and 550.</i>		
NATURE OF SUIT (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)		
FRBP 7001(1) – Recovery of Money/Property <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input checked="" type="checkbox"/> 12-Recovery of money/property - §547 preference <input checked="" type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input type="checkbox"/> 14-Recovery of money/property - other FRBP 7001(2) – Validity, Priority or Extent of Lien <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property FRBP 7001(3) – Approval of Sale of Property <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h) FRBP 7001(4) – Objection/Revocation of Discharge <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e) FRBP 7001(5) – Revocation of Confirmation <input type="checkbox"/> 51-Revocation of confirmation FRBP 7001(6) – Dischargeability <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny (continued next column)	FRBP 7001(6) – Dischargeability (continued) <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65-Dischargeability - other FRBP 7001(7) – Injunctive Relief <input type="checkbox"/> 71-Injunctive relief – imposition of stay <input type="checkbox"/> 72-Injunctive relief – other FRBP 7001(8) Subordination of Claim or Interest <input type="checkbox"/> 81-Subordination of claim or interest FRBP 7001(9) Declaratory Judgment <input type="checkbox"/> 91-Declaratory judgment FRBP 7001(10) Determination of Removed Action <input type="checkbox"/> 01-Determination of removed claim or cause Other <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)	
<input type="checkbox"/> Check if this case involves a substantive issue of state law	<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23	
<input type="checkbox"/> Check if a jury trial is demanded in complaint	Demand \$ <i>300,000.00</i>	
Other Relief Sought <i>avoidance of preferential and/or fraudulent trans.</i>		

B1040 (FORM 1040) (12/15)

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR <i>William B. Woods and Twin State Sun, LLC</i>		BANKRUPTCY CASE NO. <i>17-10370-JMD</i>
DISTRICT IN WHICH CASE IS PENDING <i>New Hampshire</i>	DIVISION OFFICE	NAME OF JUDGE <i>J. Michael Deasy</i>
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISION OFFICE	NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF) <i>Deborah A. Notinger</i>		
DATE <i>6/6/17</i>	PRINT NAME OF ATTORNEY (OR PLAINTIFF) <i>Deborah A. Notinger</i>	

INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also must complete and file Form 1040, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court's Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 1040 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and Defendants. Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.