

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

In re:

BK Entertainment, Inc., and its  
subsidiaries, Bingo Systems & Supplies, Inc.,  
Western Bingo Supplies, Inc. and  
Video King Gaming Systems, Inc.,

Bky 01-40638 to Bky 01-40641  
Chapter 11 Bankruptcy  
Jointly Administered

Debtors.

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BK Entertainment, Inc.,

Adv. No. 02-4234

Plaintiff,

v.

Grupo Pipsamex, S.A.,

Defendant.

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**DEFENDANT'S ANSWER TO PLAINTIFF'S ADVERSARY COMPLAINT**

Grupo Pipsamex, S.A. de C.V. ("Defendant") hereby files its answers and affirmative defenses to the numbered paragraphs in the Plaintiff's Adversary Complaint to Avoid Transfers Pursuant to 11 U.S.C. § 547, to Recover Property Transferred Pursuant to 11 U.S.C. § 550 and, to the Extent a Judgment is Entered, to Disallow any and all Claims of the Defendant Until the Judgment is Paid Pursuant to 11 U.S.C. § 502(d) (the "Complaint").

1. Admitted.
2. Admitted.
3. The allegations in paragraph 3 of the Complaint state a legal conclusion and are therefore denied.

4. The Defendant admits that it is an entity doing business, and it maintains an address at Poniente 140 No. 840, Col. Industrial Vellego, 02300 Mexico, D.F. The remaining allegations in paragraph 4 of the Complaint state a legal conclusion and are therefore denied.

5. Defendant admits that proceedings to determine, avoid or recover preferential transfers are core proceedings under the Bankruptcy Code. The remaining allegations in paragraph 5 of the Complaint state a legal conclusion and are therefore denied.

6. The allegations in paragraph 6 of the Complaint state a legal conclusion and are therefore denied.

7. The allegations in paragraph 7 of the Complaint state a legal conclusion and are therefore denied.

8. Defendant is without sufficient knowledge to form a belief as to the truth or falsity of the allegations, and therefore denies said allegations.

9. Defendant admits that the Plaintiff made one or more transfers to the Defendant during the 90-day period preceding the filing of the Plaintiff's bankruptcy. Defendant is without sufficient knowledge to form a belief as to the truth or falsity of the remaining allegations, and therefore denies said allegations.

#### **COUNT I**

10. The answers to paragraphs 1 through 9 are incorporated herein.

11. Defendant admits that the Plaintiff made one or more transfers to the Defendant during the 90-day period preceding the filing of the Plaintiff's bankruptcy, and that such transfer(s) were for the benefit of the Defendant.

12. Denied.

13. Defendant is without sufficient knowledge to form a belief as to the truth or falsity of the factual allegations and therefore denies said allegations. To the extent the allegations state a conclusion of law, said allegations are denied.

14. Defendant admits that the Plaintiff made one or more transfers to the Defendant during the 90-day period preceding the filing of the Plaintiff's bankruptcy. Defendant denies the other allegations contained in paragraph 14 of the Complaint.

15. Defendant is without sufficient knowledge to form a belief as to the truth or falsity of the factual allegations and therefore denies said allegations. To the extent the allegations state a conclusion of law, said allegations are denied.

16. Denied.

17. Denied.

## **COUNT II**

18. The answers to paragraphs 1 through 17 are incorporated herein.

19. Section 502(d) of the Bankruptcy Code speaks for itself, and Defendant denies any legal conclusion contained in paragraph 19 of the Complaint.

20. The allegations state a legal conclusion and are therefore denied.

### **FIRST AFFIRMATIVE DEFENSE**

Some or all of the transfers received by the Defendant from the Plaintiff during the 90-day period preceding the Plaintiff's bankruptcy were intended to be, and were in fact, contemporaneous exchanges made for new value given to the Plaintiff. Thus, pursuant to 11 U.S.C. §547 (c) (1), the transfers are not avoidable.

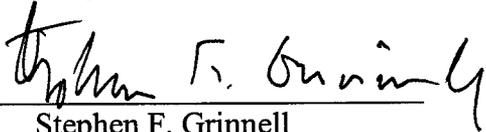
**SECOND AFFIRMATIVE DEFENSE**

Some or all of the transfers received by the Defendant from the Plaintiff during the 90-day period preceding the Plaintiff's bankruptcy case were in payment of debt incurred in the ordinary course of business of the Plaintiff and the Defendant, made in the ordinary course of business of the Plaintiff and the Defendant, and made according to ordinary business terms. Thus, pursuant to 11 U.S.C. §547 (c) (2), the transfers are not avoidable.

**THIRD AFFIRMATIVE DEFENSE**

After some or all of the transfers received by the Defendant from the Plaintiff during the 90-day period preceding the Plaintiff's bankruptcy case, Defendant gave new value to the Plaintiff. Thus, pursuant to 11 U.S.C. §547 (c) (4), the transfers are not avoidable.

Respectfully submitted,

By: 

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-and-

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**UNSWORN CERTIFICATE OF SERVICE**

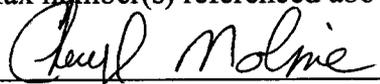
I, **CHERYL MOLINE**, declare under penalty of perjury that on July 28, 2004, I caused to be served by facsimile Defendant's Answer to Plaintiff's Adversary Complaint upon:

Clinton E. Cutler, Esq.  
Ryan T. Murphy, Esq.  
Fredrikson & Byron, P.A.  
4000 Pillsbury Center  
200 South Sixth Street  
Minneapolis, MN 55402-1425  
Facsimile: (612) 492-7077

United States Trustee's Office  
1015 U.S. Courthouse  
300 South 4<sup>th</sup> Street  
Minneapolis, MN 55415  
Facsimile: (612) 664-5516

by faxing a true and correct copy thereof at the fax number(s) referenced above.

Executed on: July 28, 2004

Signed: 

Cheryl Moline  
Employed by Gray, Plant, Mooty,  
Mooty & Bennett, P.A.  
500 IDS Center  
80 South 8<sup>th</sup> Street  
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