

**IN THE UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

<p>In re:</p> <p>Watt/Peterson Inc.,</p> <p style="text-align:center">Debtor</p> <hr/> <p>John R. Stuebner, Trustee,</p> <p style="text-align:center">Plaintiff,</p> <p>v.</p> <p>Dennis E. Watt, David B. Peterson, Printech Investors, Aggressive Investors, and Superior Airlines, Inc.</p> <p style="text-align:center">Defendants</p>		<p style="text-align:center">Bky. No. 01-44137 (NCD)</p>       <p style="text-align:center">Adv. No. 03-4316</p>
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**AMENDED ANSWER OF DEFENDANTS**

Defendants, for their answer to the Complaint in the above matter, state and allege as follows:

1. Defendants admit the allegations set forth in paragraph 1 of the Complaint.
2. Defendants admit the allegations set forth in paragraph 2 of the Complaint..
3. Defendants admit the allegations set forth in paragraph 3 of the Complaint.
4. Defendants admit the allegations set forth in paragraph 4 of the Complaint, and specifically allege that Watt/Peterson, Inc. was incorporated in or about 1964.
5. With respect to the allegations set forth in paragraph 5, defendants Watt and Peterson admit that they caused to be organized certain other business entities, including

Aggressive Investors, Printech Investors, and Superior Airlines, Inc., which are also defendants in this action. Defendants specifically deny that Watt or Peterson ever used the aircraft owned by Superior Airlines, Inc. for personal use.

6. Defendants deny the allegations set forth in paragraph 6 of the Complaint.

7. Defendants admit the allegations set forth in paragraph 7 of the Complaint.

8. Defendants deny the allegations set forth in paragraph 8 of the Complaint on the grounds that they are too general .

9. With respect to the allegations in paragraph 9 of the Complaint, defendants admit that on or about December 31, 1999, defendant Printech executed a promissory note to the Debtor in the approximate amount of \$1.4 million for consideration, deny the remainder of the allegations, and specifically assert that the entire amount outstanding on the promissory note was repaid in full.

10. With respect to the allegations set forth in paragraph 10 of the Complaint, defendants are currently unable to locate a copy of an Eighth Amendment to credit agreement among their business records and, accordingly, deny the allegations set forth in paragraph 10.

11. With respect to the allegations set forth in paragraph 11 of the Complaint, defendants are currently unable to locate among their business records information regarding these allegations and, accordingly, deny the allegations set forth in paragraph 11.

12. Defendants are without knowledge or information sufficient to form a belief regarding the truth of the allegations set forth in paragraph 12 of the Complaint.

13. Defendants deny the allegations set forth in paragraph 13 of the Complaint.
14. Defendants deny the allegations set forth in paragraph 14 of the Complaint.
15. With respect to the allegations set forth in paragraph 15 of the Complaint, Defendants repeat and reallege the responses set forth in paragraphs 1 to 14 above.
16. Defendants deny the allegations set forth in paragraph 16 of the Complaint.
17. With respect to the allegations set forth in paragraph 17 of the Complaint, Defendants repeat and reallege the responses set forth in paragraphs 1 to 16 above.
18. With respect to the allegations set forth in paragraph 18 of the Complaint, defendants are currently unable to locate among their business records information regarding these allegations and, accordingly, deny the allegations set forth in paragraph 18.
19. Defendants deny the allegations set forth in paragraph 19 of the Complaint.
20. Defendants deny the allegations set forth in paragraph 20 of the Complaint.
21. Defendants deny the allegations set forth in paragraph 21 of the Complaint.
22. Defendants deny the allegations set forth in paragraph 22 of the Complaint.
23. Defendants deny the allegations set forth in paragraph 23 of the Complaint.
24. Defendants deny the allegations set forth in paragraph 24 of the Complaint.
25. With respect to the allegations set forth in paragraph 25 of the Complaint, Defendants repeat and reallege the responses set forth in paragraphs 1 to 24 above.

26. Defendants deny the allegations set forth in paragraph 26 of the Complaint on the grounds that they are too general, but specifically allege that insiders received no preferential transfers within one year prior to the Petition Date.

27. Defendants deny the allegations set forth in paragraph 27 of the Complaint on the grounds that they are too general.

28. Defendants deny the allegations set forth in paragraph 28 of the Complaint on the grounds that they are too general.

29. Defendants deny the allegations set forth in paragraph 29 of the Complaint on the grounds that they are too general.

30. Defendants deny the allegations set forth in paragraph 30 of the Complaint on the grounds that they are too general.

31. Defendants deny the allegations set forth in paragraph 31 of the Complaint on the grounds that they are too general.

32. Defendants deny the allegations set forth in paragraph 32 of the Complaint on the grounds that they are too general.

33. Defendants deny the allegations set forth in paragraph 33 of the Complaint.

34. Defendants deny the allegations set forth in paragraph 34 of the Complaint.

35. Defendants deny the allegations set forth in paragraph 35 of the Complaint.

36. With respect to the allegations set forth in paragraph 36 of the Complaint, Defendants repeat and reallege the responses set forth in paragraphs 1 to 35 above.

37. Defendants admit the allegations set forth in paragraph 37 of the Complaint.

38. Defendants deny the allegations set forth in paragraph 38 of the Complaint.

39. With respect to the allegations set forth in paragraph 39 of the Complaint, Defendants repeat and reallege the responses set forth in paragraphs 1 to 38 above.

40. Defendants deny the allegations set forth in paragraph 40 of the Complaint.

41. Except as heretofore specifically admitted or qualified, Defendants deny each and every allegation set forth in the Complaint.

#### AFFIRMATIVE DEFENSES

1. The Complaint fails to state a claim which may relief may be granted.

2. The claims against defendants are barred by the doctrines of estoppel, waiver, release, ratification and/or laches.

3. All transfers received by defendants were received in good faith.

4. The claims against defendants are barred by the applicable statute of limitations.

5. The transfers received by defendants were (i) in payment of a debt incurred by the Debtor in the ordinary course of business or financial affairs of the Debtor and defendants, (ii) made in the ordinary course of business or financial affairs of the Debtor and defendants, and (iii) made according to ordinary business terms.

6. The transfers received by defendants were intended to be a contemporaneous exchange for new value.

7. The transfers received were otherwise for new value given by defendants.

WHEREFORE, defendants respectfully requests that the Court enter judgment as follows:

1. Dismissing the claims asserted in the Complaint against defendants, with prejudice;
2. Allowing defendants to cover their costs and disbursements, including reasonable attorney fees and other sanctions to the extent warranted by Bankruptcy Rule 9011 and other applicable law; and
3. Awarding such other relief as the Court deems just and equitable.

Dated: June 10, 2004

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