

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Bky. No. 04-40580-NCD
Chapter 7 Case

George Klus and Anne Klus,

Debtors.

John R. Stoebner, Trustee of the Bankruptcy
Estate of AK Medical, Inc.,

Plaintiff,

Adv. No. 04-4142-NCD

ANSWER AND AFFIRMATIVE
DEFENSES OF GEORGE KLUS AND
ANNE KLUS

v.

George Klus and Anne Klus,

Defendants.

George Klus and Anne Klus, defendants above-named (“Defendants”), as and for their
Answer to Plaintiff’s Complaint herein, state and allege as follows:

1. Defendants deny each and every allegation of Plaintiff’s Complaint, unless admitted or otherwise specifically responded to hereinafter.
2. Defendants admit paragraphs 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13 and 15 of Plaintiff’s Complaint.
3. Defendants deny paragraphs 14, 17, 18, 20, 23, 24, 26, 27, 28, 29, 32, 33, 34, 35, 37, 38, 39, 40, 41, 42 and 43 of Plaintiff’s Complaint.

4. In response to paragraph 12 of Plaintiff's Complaint, the legal responsibilities of these answering Defendants are determined by the Court, and not by pleadings herein, and Defendants seek to hold the Plaintiff to its full burden of proof on the legal duties of Defendants relative to this case.

5. In response to paragraph 16 of Plaintiff's Complaint, Defendant states that the contract referred to therein speaks for itself.

6. In response to paragraph 19 of Plaintiff's Complaint, Defendants state that Trinity has additional employees not listed.

7. In response to paragraph 21 of Plaintiff's Complaint, Defendants state that such allegation is irrelevant.

8. In response to paragraph 22 of Plaintiff's Complaint, Defendants state that the allegation is incorrect, false and misleading. Defendants' gross sales require that the corporation pay for the cost of goods sold. Thus, the only relevant inquiry relates to the gross margin, less operating and other expenses, which would generate to Defendants far less than \$30,000.

9. By way of further explanation of Defendants' answers herein, Defendants state that they undertook the transfer of these contracts, which were not assignable, only with the permission and consent of the parties to the contracts. In addition, Defendants had consulted with an attorney concerning the proper legal procedures in order to transfer such contracts and undertake such assignment. The parties endeavored, in good faith, to value the contracts accurately, and pay fair value therefor. That Plaintiff's assumption that the gross sales proceeds are somehow the amount of money available and thus represent "profit" under these contracts is erroneous.

AFFIRMATIVE DEFENSES

As and for their affirmative defenses herein, Defendants state and allege:

10. Plaintiff has failed to state a complaint for which relief can be granted.

11. At all times relevant hereto, Defendants above-named acted pursuant to their positions as employees of a corporation, and by reason thereof, are shielded from personal liability thereby.

12. The claims brought by Plaintiff in this case have been brought in violation of the discharge injunction afforded these answering Defendants by reason of their discharge in Chapter 7, issued on May 12, 2004.

13. The allegations contained herein are not subject to any exceptions to discharge.

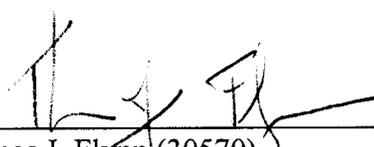
14. The position of the Plaintiff herein is not substantially justified, has been brought in violation of Rule 9011, and Defendants hereby request their reasonable costs, including attorneys' fees associated herewith.

WHEREFORE, Defendants pray that the Court:

- a. Dismiss Plaintiff's Complaint with prejudice in favor of Defendants herein,
- b. Grant to Defendants their attorneys' fees and costs of defending this action, and
- c. Grant such further relief as the Court deems just and equitable.

Dated:

5/20/04



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Attorneys for George and Anne Klus

UNSWORN CERTIFICATE OF SERVICE

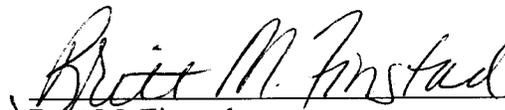
Under penalty of perjury, I declare that on May 20, 2004, I served the following document(s):

RE: Stoebner v. George and Anne Klus - Adv. No. 04-4142 NCD
Our File No. 29,068-00

1. Answer and Affirmative Defenses of George Klus and Anne Klus; and
2. Certificate of Service.

via first class mail by enclosing a copy thereof in an envelope, postage prepaid, and by depositing the same in the post office at Bloomington, Minnesota, to each party entitled to notice at the address(es) listed below.

John R. Stoebner, Esq.
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& Pusch, Chartered
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Britt M. Finstad