

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

In Re:

Sheldahl, Inc.

Debtor

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Bky Case No. 02-31674  
Chapter 11

Sheldahl, Inc. Steering Committee,

Plaintiff,

Adv. Pro. No. 04-3138

v.

AMERICA II ELECTRONICS, INC.,

Defendant.

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**ANSWER AND AFFIRMATIVE DEFENSES TO COMPLAINT**

**COMES NOW**, Defendant, America II Electronics, Inc. ("America II") by and through its undersigned counsel and in answer to the complaint filed by Plaintiff herein, states as follows:

**ANSWER**

1. Without knowledge, therefore denied.
2. Admitted for jurisdictional purposes only.
3. Without knowledge, therefore denied.
4. Admitted for jurisdictional purposes only.
5. Without knowledge, therefore denied.
6. America II is without knowledge as to the details concerning the appointment of the Sheldahl, Inc. Steering Committee and its counsel.

7. Denied.

**FIRST CAUSE OF ACTION**  
**(Avoidance of Preferential Transfer Pursuant to 11 U.S.C. §547)**

8. Admitted that the payments made on Exhibit "A" were made to America II on or about the dates set forth on Exhibit "A". The remaining allegations are denied.

9. Admitted that this paragraph references a document attached to Plaintiff's Complaint as Exhibit "A". That document is a writing that speaks for itself and the remaining allegations are denied.

10. Denied

11. Denied

12. Denied

13. Admitted that the payments made on Exhibit "A" were made to America II on or about the date set forth on Exhibit "A". The remaining allegations are denied.

14. Denied

15. Denied

**SECOND CAUSE OF ACTION**  
**(Recovery of Preferential Transfer Pursuant to 11 U.S.C. §550)**

16. Admitted that the payments made on Exhibit "A" were made to Defendant on or about the date set forth on Exhibit "A". The remaining allegations are denied.

17. Denied

18. Denied

**THIRD CAUSE OF ACTION**  
**(Disallowance of Claim Pursuant to 11 U.S. C. §502(d))**

19. Denied. A claim may not be disallowed under 11 U.S.C. § 502(d) until there has been a judicial determination that the creditor received an avoidable transfer. As

a determination as to the liability of America II to the estate under 11 U.S.C. § 547 has not yet been made, Plaintiff's request should be overruled at this time, without prejudice to the ability of Plaintiff to renew its request if, in the unlikely event, America II is found liable to the Plaintiff for a preference.

20. Denied.

21. Denied

### **AFFIRMATIVE DEFENSES**

1. America II is not a creditor within the meaning of Section 101(10) of the Code.
2. Any such transfer between the parties hereto was contemporaneous exchange for new value given to the Debtor and, as such, is not a preference within the meaning of Section 547(c)(1) of the Code.
3. Any such transfer between the parties hereto was in payment of the debt incurred by the Debtor in the ordinary course of its business or financial affairs between it and America II, and such payment or transfers made in the ordinary course of the business or financial affairs between the Debtor and the transferee are according to ordinary business terms and, as such, is not a preference within the meaning of Section 547(c)(2) of the Code.
4. Any transfer between the parties hereto was such that after any transfer, new value was given to or for the benefit of the Debtor, not secured by an otherwise unavoidable security interest, in an account of which new value of the Debtor did not make an otherwise unavoidable transfer to or for the benefit of the defendant and thus, any such transfer is not a preference within the meaning of Section 547(c)(4) of the Code.

5. Any transfers sought to be avoided in this case were not on account of an antecedent debt and therefore are not preferential.

6. The Debtor was not insolvent at the time of the transfers.

7. America II is entitled to a set-off against any amount claimed in this matter for its claim against the bankruptcy estate.

8. The Plaintiff does not have standing to pursue the claims brought in this case.

**WHEREFORE**, America II Electronics respectfully requests this Court dismiss the complaint in this case, award its reasonable attorney's fees and costs, together with such other or further relief as may be necessary or appropriate.

Dated 10<sup>th</sup> day of June, 2004.



Cassandra N. Culley

Florida Bar No. 590703

(Admitted pro hac vice pursuant to Rule 9010-3(c) of the Local Rules of Bankruptcy Procedure of the United States Bankruptcy Court for the District of Massachusetts on June 4, 2004)

HILL, WARD & HENDERSON, P.A.

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Co-Counsel for America II Electronics

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the foregoing Answer and Affirmative Defenses to Complaint has been provided by  U.S. Mail;  Facsimile; and/or  Hand Delivery to Robert D. Raicht, Halperin & Associates, 1775 Broadway, Suite 515, New York, New York, 10019, Ethan D. Ganc, Halperin & Associates, 1775 Broadway, Suite 515, New York, New York, 10019, Neal Cohen, Halperin & Associates, 1775 Broadway, Suite 515, New York, New York, 10019, James A. Rubenstein, MOSS & BARNETT, 4800 Wells Fargo Center, 90 South Seventh Street, Minneapolis, MN 55402-4129 and Lorie A. Klein, MOSS & BARNETT, 4800 Wells Fargo Center, 90 South Seventh Street, Minneapolis, MN 55402-4129 this 10<sup>th</sup> day of June, 2004.

  
Cassandra N. Culley

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June 10, 2004

**VIA U.S. MAIL**

Lori Vosejka, Deputy-in-Charge  
United States Bankruptcy Court  
District of Minnesota  
301 U.S. Courthouse  
300 South Fourth Street  
Minneapolis, Minnesota 55415

Re: Sheldahl, Inc. vs. America II Electronics, Inc.  
Case No: 02-31674, Chapter 11  
Adv. No: 04-3138

Dear Ms. Ovsejka:

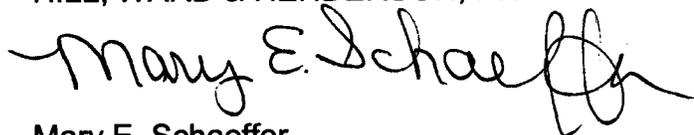
Enclosed for filing in the above referenced matter is the Answer and Affirmative Defenses to Complaint for America II Electronics, Inc.

A stamped self-addressed envelope along with a copy of the Answer and Affirmative Defenses to Complaint is attached for your convenience in returning a date stamped copy to our office.

Thank you for your prompt attention to this matter.

Sincerely,

HILL, WARD & HENDERSON, P. A.



Mary E. Schaeffer  
Assistant to Cassandra N. Culley

/mes  
Enclosures