

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

BKY No. 02-30000

Sheldahl, Inc.,

Chapter 7

Debtor.

Sheldahl, Inc. Steering Committee,

ADV. No. 04-3207

Plaintiff,

v.

**ANSWER OF DEFENDANT
PRECISION MANUFACTURING
COMPANY, INC.**

Precision Manufacturing Company, Inc.,

Defendant.

Defendant Precision Manufacturing Company, Inc. ("**Defendant**"), as and for its Answer to the Complaint of Plaintiff Sheldahl, Inc. Steering Committee ("**Plaintiff**"), states and alleges as follows:

1. Defendant admits paragraphs 1 through 3 of the Complaint.
2. Defendant denies paragraph 4 of the Complaint as it misstates Defendant's business location.
3. Defendant admits paragraph 5 of the Complaint.
4. Defendant admits paragraph 6 of the Complaint to the extent that the documents referred to therein speak for themselves.
5. Defendant admits paragraph 7 of Plaintiff's Complaint.
6. Defendant denies paragraph 8 of Plaintiff's Complaint as it does not know the source of said funds.

7. Defendant admits paragraph 9 of Plaintiff's Complaint only to the extent that Plaintiff did, in fact, attach an exhibit.

8. Defendant is without knowledge or information sufficient to form a belief as to the truth of the matters asserted in paragraphs 10 through 12 of the Complaint and therefore denies the same.

9. Defendant admits paragraph 13 of the Complaint.

10. Defendant denies paragraphs 14 and 15 of the Complaint

11. Defendant admits paragraph 16 of the Complaint.

12. Defendant submits that paragraph 17 of the Complaint does not require an Answer.

13. Defendant denies paragraphs 18 through 21 of the Complaint.

14. Any matter alleged in the Complaint not admitted or otherwise qualified is hereby denied.

AFFIRMATIVE DEFENSES

15. Plaintiff fails to state a claim upon which relief may be granted.

16. The transfers identified in the Complaint were made in the ordinary course of business pursuant to 11 U.S.C. § 547(c)(2).

17. Plaintiff cannot establish the elements of 11 U.S.C. § 547(b).

18. Defendant provided new value to the Debtor, pursuant to 11 U.S.C. § 547(c)(4), which equals or exceeds Plaintiff's claims.

19. Defendant and did not receive more than it would have received in a Chapter 7 case.

20. Defendant is entitled to all defenses provided by 11 U.S.C. § 547(c).

WHEREFORE, Defendant requests a Judgment of this Court:

1. Dismissing the Plaintiff's Complaint in its entirety;
2. Awarding Defendant its costs and disbursements herein together with any attorneys'

fees allowed by law; and,

3. Such other relief as may be just and equitable in the premises.

**LEONARD, O'BRIEN
SPENCER, GALE & SAYRE, LTD.**

/e/ Matthew R. Burton

Dated: May 26, 2004

By _____
Matthew R. Burton, #210018
Attorneys for Defendant
100 South Fifth Street
Suite 2500
Minneapolis, Minnesota 55402-1216
(612) 332-1030

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UNSWORN CERTIFICATE OF SERVICE

I, Stephanie Wood, declare under penalty of perjury that on the 28th day of May, 2004, I faxed and mailed a copy of the annexed *Answer of Defendant Precision Manufacturing Company Inc.* on:

James A. Rubenstein, Esq.
Moss & Barnett
4800 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-4129
Fax No.: 612-339-6686

by faxing and mailing to all parties copies thereof, enclosed in an envelope, postage prepaid, and by depositing the same in the post office at Minneapolis, Minnesota, directed to said party at the last known addresses of said parties.

Dated: May 28, 2004


Stephanie Wood
100 South Fifth Street, Suite 2500
Minneapolis, MN 55402
(612) 332-1030