

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

IN RE:)	
)	
HANOVER CORPORATION, LLC,)	BK No. 06-06087-KL3-7
)	
Debtor.)	
)	
SAMUEL K. CROCKER, TRUSTEE,)	
Plaintiff,)	ADV. No. _____
)	
v.)	
)	
CORNERSTONE CHURCH,)	
Defendant.)	

TRUSTEE'S COMPLAINT TO AVOID AND RECOVER FRAUDULENT TRANSFERS

PARTIES

1. Samuel K. Crocker is the duly appointed and acting Trustee in this Chapter 7 case.
2. Upon information and belief, the Defendant, Cornerstone Church, is a non-profit corporation with its principal place of business located at 726 West Old Hickory Boulevard, Madison, Tennessee 37115. Its registered agent is Maury Davis, 726 West Old Hickory Boulevard, Madison, Tennessee 37115.
3. Hanover Corporation, LLC, is the Debtor in this case, pursuant to the Order for Relief entered on November 15, 2006.

JURISDICTION

4. This Court has jurisdiction in this case pursuant to 28 U.S.C. §1334.
5. This is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(H), 11 U.S.C. §544(b), and 11 U.S.C. §548.

6. Venue is proper in this case pursuant to 28 U.S.C. §1409(a).

FACTS

7. Beginning on or about November 3, 2002, until on or about August of 2005, the Debtor made payments to the Defendant in the approximate total amount of \$176,485.40 ("Payments").

8. At the time of each Payment, the Debtor was insolvent.

9. Upon information and belief, the Debtor received no consideration or value in exchange for the Payments it made to the Defendant.

10. The Debtor had no gross annual income in any year in which the Payments were made.

11. At all times when the Payments were made to the Defendant, the Debtor was engaged in a Ponzi Scheme whereby all Payments to the Defendant, and any other payments made by the Debtor, were funded by money obtained by the Debtor from later "investors" in the Debtor's operation.

COUNT I

AVOIDANCE UNDER 11 U.S.C. §544(b)

12. The Plaintiff restates and incorporates by reference all allegations made in paragraphs 1-11.

13. Jack Weisner and Adam Hutton are creditors holding an unsecured claim in this case that is allowable under §502 of this title. The Payments are avoidable by creditors under applicable Tennessee law, specifically T.C.A. §66-3-101, et seq.

COUNT II

AVOIDANCE UNDER 11 U.S.C. §548(a)(1)(A)

14. The Plaintiff restates and incorporates by reference all allegations made in paragraphs 1-13.

15. Because the Debtor was operating a Ponzi Scheme at the time of the Payments to the Defendant, actual intent to hinder, delay, or defraud creditors may be inferred, and the Payments are avoidable under 11 U.S.C. §548(a)(1)(A).

COUNT III

AVOIDANCE UNDER §548(a)(1)(B)

16. The Plaintiff restates and incorporates by reference all allegations made in paragraphs 1-15.

17. Because the Debtor received no value in exchange for the Payments made to Defendant, and was insolvent on the date that each such payment was made, all payments made within two years prior to the Petition Date are avoidable under 11 U.S.C. §548(a)(1)(B).

COUNT III

RECOVERY UNDER 11 U.S.C §550

18. The Plaintiff restates and incorporates by reference all allegations made in paragraphs 1-17.

19. Because the Defendant was the initial transferee of the Payments which are avoidable as stated above, the Trustee may recover, for the benefit of the estate, the property transferred or the value of such property.

PRAYER FOR RELIEF

WHEREFORE, the Trustee requests the following relief:

A. For an Order avoiding the Payments of approximately \$176,485.40 from Debtor to Defendant.

B. For an Order allowing recovery by the Trustee from the Defendant, for the benefit of the estate, of \$176,485.40.

C. For a judgment in the amount of \$176,485.40 in favor of the Trustee against the Defendant, for which execution may issue.

D. For such other relief as the Court deems just and proper.

Respectfully submitted,

/s/ Samuel K. Crocker

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