

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF KENTUCKY
LEXINGTON DIVISION**

In Re Lexington Blue, Inc.)))))	
)))))	
DEBTOR)))))	Case No. 25-50863- grs
)))))	Chapter 11
)))))	Small Business Case
)))))	
Lexington Blue, Inc.)))))	
PLAINTIFF)))))	Adv. Proc. No. 25-_____
)))))	
Vs.)))))	Hon. Gregory R. Schaaf
)))))	United States Bankruptcy Judge
JP Morgan Chase Bank, N.A.)))))	
DEFENDANT)))))	
)))))	

COMPLAINT TO AVOID AND RECOVER PRE-PETITION TRANSFERS

Debtor/Plaintiff, Lexington Blue, Inc. (the “Plaintiff”), by and through counsel, and for its Complaint to avoid and recover certain pre-petition transfers received by Defendant JP Morgan Chase Bank, N.A. (the “Defendant”), states and alleges as follows:

THE PARTIES

1. Plaintiff is a Kentucky corporation and a debtor in possession with the powers and authority set forth in 11 U.S.C. §§ 1107 and 1108.¹
2. Defendant is Delaware Corporation registered as a foreign national bank doing business in Kentucky whose registered agent is CT Corporation System with an address of 306 W. Main Street, Suite 512, Frankfort, KY 40601.

¹ Unless otherwise indicated, all chapter and section references are to the Bankruptcy Code, 11 U.S.C. §§ 101-1532.

3. Defendant's principal place of business is located at 1111 Polaris Parkway, Columbus, OH 43240.

JURISDICTION AND VENUE

4. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (F), and (O).
5. Venue is proper in this Court pursuant to 28 U.S.C. § 1409(a).
6. This Court has jurisdiction as to this Adversary Proceeding pursuant to 28 U.S.C. § 1334 and Rule 83.12(a)(3) of the Joint Local Rules for the United States District Courts for the Eastern and Western Districts of Kentucky.

CONSENT TO FINAL ORDERS BY THE BANKRUPTCY COURT

7. Pursuant to Federal Rule of Bankruptcy Procedure 7008, Plaintiff hereby consents to final orders or judgments entered by the Bankruptcy Court.

FACTS

8. Defendant extended credit to Plaintiff through the use of a business credit card with the account number ending 6135.
9. On April 11, 2025, Plaintiff made a payment of \$25,014.09 to Defendant on account of the balance owed under the credit card.
10. Upon information and belief, the payment was made on account of charges made by Plaintiff for debts.

COUNT I – AVOIDABLE TRANSFER UNDER 11 U.S.C. § 547

11. Plaintiff incorporates all allegations set forth above as if fully set forth below.
12. Plaintiff's transfer of \$25,014.09 to Defendant was a transfer of an interest of Plaintiff in property (the "Preference Payment"). See Exhibit A.
13. The Preference Payment was made by Plaintiff to or for the benefit of Defendant.

14. To the extent the Preference Payment paid debt owed by Plaintiff to Defendant, the Preference Payment was made by Plaintiff to Defendant for or on account of antecedent debts owed by Plaintiff to the Defendant before such Preference Payment was made.
15. The Preference Payment was made by Plaintiff to Defendant while Plaintiff was insolvent. During this time, Plaintiff was unable to pay debts as they became due and frequently over drafted as evidenced by Exhibit A.
16. The Preference Payment was made by Plaintiff to Defendant within the ninety (90) day period immediately preceding the Petition Date of June 16, 2025.
17. The Preference Payment that was made enabled Defendant to receive more than Defendant otherwise would have received if: (A) this Bankruptcy case were a case under chapter 7 of the Bankruptcy Code; (B) the Preference Payment that was made had not been made; and (C) the Defendant had received payment related to its claim to the extent provided by the Bankruptcy Code.
18. Defendant is the “Initial Transferee” of the Preference Payment from Plaintiff, as that term is used in § 550(a) of the Bankruptcy Code.
19. The Preference Payment is avoidable pursuant to § 547 of the Code.
20. Plaintiff may recover the Preference Payment from Defendant, or the value of such Preference Payment, pursuant to § 550 of the Bankruptcy Code.
21. The avoided Preference Payment shall be preserved for the benefit of the bankruptcy estate pursuant to § 551 of the Bankruptcy Code.

WHEREFORE, Plaintiff prays for the entry of a judgment:

- (i) Declaring the Preference Payment void as a preferential transfer pursuant to § 547(b).
- (ii) Directing Defendant, as the initial transferee, to pay Plaintiff \$25,014.09;

- (iii) Directing Plaintiff to preserve the recovery for the benefit of the estate.
- (iv) Ordering any other relief to which Plaintiff may be entitled.

Respectfully,

/s/ J. Christian Dennery,
J. Christian Dennery, Esq
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Attorney for Plaintiff

EXHIBIT A

FIFTH THIRD
(CENTRAL KENTUCKY)
P.O. BOX 630900 CINCINNATI OH 45263-0900

LEXINGTON BLUE INC
287 PASADENA DR
LEXINGTON KY 40503-2943

Statement Period: 4/1/2025 - 4/30/2025
Account Type: 5/3 BUS ELITE CKG
Account Number: [REDACTED] 2313

Banking Center: Nicholasville Road
Banking Center Phone: 859-276-5353
Business Banking Support: 877-534-2264

Account Summary - [REDACTED] 2313

04/01 Beginning Balance	\$(5,651.43)	Number of Days in Period	30
80 Checks	\$(96,039.64)		
39 Withdrawals / Debits	\$(97,324.47)		
29 Deposits / Credits	\$197,629.27		
04/30 Ending Balance	\$(1,386.27)		

Analysis Period: 03/01/25 - 03/31/25

Standard Monthly Service Charge	\$50.00
Standard Monthly Service Charge Waived (see below)	\$0.00
CHK RETURNED ITEM OR CHARGEBACK	\$15.00
ACCOUNT SERVICES	\$31.00
ELECTRONIC DEPOSIT ⁴	\$120.00
OFFICIAL CHECK ISSUED	\$370.00
Charge from other accounts	\$674.00
Amount charged to another account	-\$587.00
Service Charge withdrawn on 04/10/25	\$674.00

⁴Charges for Electronic Deposit Manager (EDM) include the EDM Monthly Service Fee.

Standard Monthly Service Charge waived if:

Your business maintains a total monthly average balance of \$50,000 across its business checking, savings, and certificate of deposit accounts.

OR your business has a business loan or line of credit.

OR your business spends at least \$500 per month on its business credit card **PLUS** has one of the following:
Electronic Deposit Manager **OR** Cash Management Essentials.

Current Relationship Overview:

Balance Criteria Met?	No
Total Combined Monthly Average Balance	\$22,095.55
Business Loan or Line of Credit?	No
Other Criteria Met?	No
\$500 Business Credit Card Spend?	No
Electronic Deposit Manager?	Yes
Cash Management Essentials?	Yes

Checks

80 checks totaling \$96,039.64

* Indicates gap in check sequence i = Electronic Image s = Substitute Check

Number	Date Paid	Amount	Number	Date Paid	Amount	Number	Date Paid	Amount
0000 i	04/07	22,000.00	1297*i	04/23	270.30	1334*i	04/01	269.55
0000*i	04/08	2,183.79	1297*i	04/29	270.30	1342*i	04/01	388.74
0000*i	04/08	6,000.00	1301*i	04/04	258.72	1343 i	04/04	1,088.30
0000*i	04/11	26.00	1310*i	04/01	259.67	1345*i	04/01	834.05
0000*i	04/11	7,758.89	1329*i	04/04	9,654.75	1349*i	04/01	434.52
1205*i	04/01	4,518.26	1330 i	04/03	271.20	1351*i	04/01	259.67

FIFTH THIRD

Checks - continued

* Indicates gap in check sequence i = Electronic Image s = Substitute Check

Number	Date Paid	Amount	Number	Date Paid	Amount	Number	Date Paid	Amount
1352 i	04/02	257.57	1385 i	04/08	269.24	1412 i	04/16	271.45
1359*i	04/07	1,656.03	1386 i	04/07	862.93	1413 i	04/15	269.55
1362*i	04/01	262.08	1387 i	04/07	948.66	1414 i	04/15	671.56
1363 i	04/11	262.08	1388 i	04/14	834.05	1415 i	04/15	270.70
1364 i	04/07	577.62	1389 i	04/10	827.40	1417*i	04/11	577.62
1365 i	04/07	1,751.03	1390 i	04/07	1,088.30	1419*i	04/14	835.43
1366 i	04/04	447.00	1391 i	04/16	247.57	1420 i	04/14	259.67
1367 i	04/08	259.67	1392 i	04/07	257.57	1421 i	04/14	796.01
1368 i	04/08	796.01	1393 i	04/08	821.18	1422 i	04/16	271.20
1369 i	04/16	271.20	1394 i	04/21	542.90	1423 i	04/15	1,184.92
1372*i	04/07	560.42	1395 i	04/15	269.55	1424 i	04/15	3,436.56
1373 i	04/07	893.18	1396 i	04/07	671.56	1425 i	04/15	560.42
1375*i	04/07	315.68	1397 i	04/07	541.40	1426 i	04/15	893.18
1376 i	04/10	259.20	1398 i	04/07	775.72	1427 i	04/15	666.92
1377 i	04/07	259.67	1399 i	04/21	411.87	1430*i	04/15	269.55
1378 i	04/11	257.57	1400 i	04/10	259.20	1431 i	04/15	259.67
1379 i	04/08	269.55	1405*i	04/14	269.24	1432 i	04/15	260.82
1380 i	04/07	259.67	1406 i	04/14	896.02	1433 i	04/14	257.57
1381 i	04/09	476.29	1407 i	04/14	1,006.54	1434 i	04/11	1,650.00
1383*i	04/11	257.57	1410*i	04/14	765.36	1437*i	04/15	1,633.93
1384 i	04/10	259.67	1411 i	04/15	821.18			

Withdrawals / Debits

39 items totaling \$97,324.47

Date	Amount	Description
04/01	10,276.81	AGILE PREMIUMFIN PAYMENTS 23324694 BRAD PAGEL 040125
04/01	37.00	OVERDRAFT/RETURN ITEM(S) FEE
04/02	74.00	OVERDRAFT/RETURN ITEM(S) FEE
04/03	1,855.00	STERLING CPAS PL ACH Debit 9025186509 Lexington Blue Client Accounting Services 040325
04/04	25.00	SPECTRUM RETURN FEE 888-235-4635 040425
04/04	432.59	DELTA DENT COMM COLLECTION G05730 5 8358420 KY001 58358420 KY001 040425
04/04	1,394.91	WEX INC FLEET DEBIT 9100013492899 Lexington Blue 040425
04/04	10,276.81	OUTGOING WIRE TRANS 040425 TRN 20250404014750
04/04	950.00	FUNDS TRANSFER TO CK: XXXXXX1008 REF # 00759373939
04/07	25,014.09	TELEPHONE INITIATED PAYMENT AT CHASE CREDIT CRD EPAY 8306126135 040725
04/08	171.21	NORTHWESTERN MU ISA PYMENT 4005920 040825
04/08	833.69	PAYCOR INC. 183349081625001 PaycorFees 44738557840600 LEXINGTON BLUE, INC. 040825
04/08	37.00	OVERDRAFT/RETURN ITEM(S) FEE
04/10	1,035.41	WEB INITIATED PAYMENT AT HUNTINGTON BANKS IL PAYMENT 20066895543 041025
04/10	674.00	SERVICE CHARGE
04/11	2,840.12	WEX INC FLEET DEBIT 9100013492899 Lexington Blue 041125
04/11	3,657.12	Lexington 2313 CASH DISB 4728523130 041125 OFFSET TRANSACTION
04/11	25,014.09	TELEPHONE INITIATED PAYMENT AT CHASE CREDIT CRD RETRY PYMT 8306126135 041125
04/14	320.90	INTUIT * 800-446-8848 QBooks 109 2913532 LEXINGTON BLUE 041425
04/14	3,290.17	Bluevine Capital EDI EDI PYMNTS d0000759795_1_1 Lexington Blue Inc. 041425
04/14	750.00	FUNDS TRANSFER TO CK: XXXXXX1008 REF # 00763982190
04/15	249.10	INTUIT * 800-446-8848 QBooks Onl 3638987 LEXINGTON BLUE 041525
04/16	111.00	OVERDRAFT/RETURN ITEM(S) FEE
04/16	37.00	OVERDRAFT FEE
04/17	111.00	OVERDRAFT/RETURN ITEM(S) FEE
04/17	37.00	OVERDRAFT FEE
04/21	3,290.17	Bluevine Capital EDI EDI PYMNTS d0000759795_2_1 Lexington Blue Inc. 042125
04/22	111.00	OVERDRAFT/RETURN ITEM(S) FEE
04/22	64.00	DAILY OVERDRAFT FEE
04/23	8.00	DAILY OVERDRAFT FEE
04/24	37.00	OVERDRAFT/RETURN ITEM(S) FEE
04/24	8.00	DAILY OVERDRAFT FEE
04/25	8.00	DAILY OVERDRAFT FEE

FIFTH THIRD
(CENTRAL KENTUCKY)
P.O. BOX 630900 CINCINNATI OH 45263-0900

LEXINGTON BLUE INC
287 PASADENA DR
LEXINGTON KY 40503-2943

Banking Center: Nicholasville Road
Banking Center Phone: 859-276-5353
Business Banking Support: 877-534-2264

Withdrawals / Debits - continued

Date	Amount	Description
04/28	4,179.28	Bluevine Capital EDI EDI PYMNTS d0000759795_3_1 Lexington Blue Inc. 042825
04/28	24.00	DAILY OVERDRAFT FEE
04/29	37.00	OVERDRAFT/RETURN ITEM(S) FEE
04/29	8.00	DAILY OVERDRAFT FEE
04/30	37.00	OVERDRAFT/RETURN ITEM(S) FEE
04/30	8.00	DAILY OVERDRAFT FEE

Deposits / Credits

29 Items totaling \$197,629.27

Date	Amount	Description
04/01	9,654.75	RETURN ITEM/OVERDRAFT
04/02	4,518.26	RETURN ITEM/OVERDRAFT
04/02	10,276.81	RETURN ITEM/OVERDRAFT
04/03	2,780.82	DEPOSIT
04/03	5,297.34	DEPOSIT
04/04	1,391.77	DEPOSIT
04/04	73,110.00	INCOMING WIRE TRANS 040425 TRN 20250404014215
04/08	106.87	DEPOSIT
04/08	17,320.91	DEPOSIT
04/08	25,014.09	RETURN ITEM/OVERDRAFT
04/11	5,313.23	DEPOSIT
04/11	2,000.00	FUNDS TRANSFER FROM CK: XXXXXX1008 REF # 00762690505
04/11	3,000.00	FUNDS TRANSFER FROM CK: XXXXXX1008 REF # 00762680525
04/11	14,500.00	INCOMING WIRE TRANS 041125 TRN 20250411007615
04/14	472.46	DEPOSIT
04/14	6,757.45	DEPOSIT
04/16	821.18	RETURN ITEM/OVERDRAFT
04/16	893.18	RETURN ITEM/OVERDRAFT
04/16	1,184.92	RETURN ITEM/OVERDRAFT
04/16	3,436.56	RETURN ITEM/OVERDRAFT
04/17	271.20	RETURN ITEM/OVERDRAFT
04/17	271.20	RETURN ITEM/OVERDRAFT
04/17	271.45	RETURN ITEM/OVERDRAFT
04/22	411.87	RETURN ITEM/OVERDRAFT
04/22	542.90	RETURN ITEM/OVERDRAFT
04/22	3,290.17	RETURN ITEM/OVERDRAFT
04/24	270.30	RETURN ITEM/OVERDRAFT
04/29	4,179.28	RETURN ITEM/OVERDRAFT
04/30	270.30	RETURN ITEM/OVERDRAFT

FIFTH THIRD

Daily Balance Summary

Date	Amount	Date	Amount	Date	Amount
04/01	(13,537.03)	04/10	25,427.95	04/22	(1,211.27)
04/02	926.47	04/11	7,940.12	04/23	(1,489.57)
04/03	6,878.43	04/14	4,889.07	04/24	(1,264.27)
04/04	56,852.12	04/15	(6,828.54)	04/25	(1,272.27)
04/07	(1,581.41)	04/16	(1,702.12)	04/28	(5,475.55)
04/08	29,219.12	04/17	(1,036.27)	04/29	(1,611.57)
04/09	28,742.83	04/21	(5,281.21)	04/30	(1,386.27)

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