IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)

IN RE:	
Canton & Company LLC	**CASE NO. 23-19054-DER**
DEBTOR.	**(CHAPTER 7)**
Morgan W. Fisher, Chapter 7 Trustee	
V.	**Adv. Proc. No.: 25-_____-der**
INNOVATION REFUNDS LLC	

COMPLAINT TO AVOID AND RECOVER TRANSFERS

Plaintiff, Morgan W. Fisher, Trustee, hereby files this Complaint against Innovation Refunds, LLC (collectively or individually hereinafter, the "Defendant") to avoid and recover transfers and, in support thereof, states:

Parties

1. Morgan W. Fisher, Trustee, Plaintiff, is the Chapter 7 Trustee for the captioned bankruptcy estate.

2. The Defendant had a prepetition financial relationship with the Debtor.

3. Defendant conducts business in Maryland.

Jurisdiction

4. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and 11 U.S.C. §§ 502 and 541 - 550.

5. This is a core proceeding and the Trustee consents to entry of final orders or judgments by the Bankruptcy Judge.

6. Venue is proper in this district pursuant to 28 U.S.C. § 1409.

Background

7. Canton & Company LLC (the "Debtor") is a Maryland limited liability company, with its principal offices at 8100 Sandpiper Circle, Ste. 110, Baltimore, MD 21236.

8. The Debtor commenced this case by filing of a voluntary petition for relief under Chapter 11 (Sub-V) of the Bankruptcy Code on December 12, 2023 (the "Petition Date"). On December 3, 2025, the Court entered an Order Granting Motion to Convert to a Case Under Chapter 7 [Dkt. 208].

9. Plaintiff brings this Complaint against the Defendant to avoid and recover transfers or their value, under the Bankruptcy Code (11 U.S.C. § 101 et. seq.).

10. Upon information and belief, between September 12, 2023, and the Petition Date, the Debtor made transfers to the Defendant and/or for the benefit of someone other than the Defendant some of which transfers are identified in the Debtor's Statement of Financial Affairs in the aggregate amount of not less than $192,426.39 (the "Transfers").

11. A detailed breakdown of the Transfers including the date of the transfer, the amount of the transfer and other pertinent information is set forth in Exhibit A, attached hereto and incorporated herein.

12. The Defendant was the initial transferee of Transfers. All of the Transfers were made via Check or electronic means from the Debtor's prepetition operating account.

13. Based upon Trustee's reasonable due diligence in the circumstances of the case, including the limited time in which to act since his appointment, and taking into account Defendant's known or reasonably knowable affirmative defenses under subsection (c), under the circumstances, the Trustee has determined that he may avoid and recover some or all of the Transfers to the Defendant.

Count I – Avoidance of Transfers – 11 U.S.C. § 547

14. The allegations hereinabove set forth are incorporated by reference as though fully set forth herein.

15. Each of the 90 Day Transfers constituted the transfer of an interest of the Debtor in property.

16. The 90 Day Transfers were made to the Defendant.

17. The 90 Day Transfers were made to or for the benefit of the Defendant.

18. The 90 Day Transfers were made for or on account of antecedent debts

("Debt") owed by the Debtor before such 90 Day Transfers were made.

19. At the time the 90 Day Transfers were made the Debtor was insolvent as that term is defined and used in sections 101(32) and § 547 of the Bankruptcy Code.

20. The 90 Day Transfers were made on or within 90 days before the filing of the voluntary petition for relief that commenced this case.

21. The 90 Day Transfers enabled the Defendant to receive more than it would have received in this chapter 7 case had the 90 Day Transfers not been made and had Defendant received payment on the Debt to the extent provided by the Bankruptcy Code.

22. The 90 Day Transfers constitute voidable preferences pursuant to § 547 of the Bankruptcy Code.

Count II – Avoidance of Transfers – 11 U.S.C. § 548

23. Allegations 1-13 hereinabove set forth are incorporated by reference as though fully set forth herein.

24. Each of the Transfers constitute a transfer of the Debtor's interest in property.

25. Upon information and belief, the Debtor received less than a reasonably equivalent value in exchange for some or all of the Transfers.

26. Upon information and belief, the Transfers were made when the Debtor was insolvent or said Transfers rendered the Debtor insolvent.

27. Upon information and belief, the Transfers were made by the Debtor to pay for the purchase of goods and services for the personal use and benefit of the Debtor's principal(s).

28. Alternatively, the Transfers were made by the Debtor to pay for the purchase of goods and services for the use and benefit of one other than the Debtor.

29. The Transfers constitute avoidable fraudulent transfers pursuant to § 548(a)(1)(B) of the Bankruptcy Code.

Count III – Avoidance of Transfers
MD Commercial Law Code § 15-208 and 11 U.S.C. § 544

30. Allegations 1-13 hereinabove set forth are incorporated by reference as

though fully set forth herein.

31. Each of the Transfers was a transfer of the Debtor's interest in property.

32. Upon information and belief, the Transfers were made when the Debtor was insolvent or said Transfers rendered the Debtor insolvent.

33. Upon information and belief, the Transfers were made without fair consideration.

34. Upon information and belief, the Debtor was engaged or was about to engage in a business or transaction for which the remaining property after the Transfers was an unreasonably small capital.

35. Upon information and belief, the Debtor intended or believed that it would incur debts beyond its ability to pay as they matured.

36. Upon information and belief, the Transfers were made by the Debtor to pay for the purchase of goods and services for the personal use and benefit of the Debtor's principal(s).

37. Alternatively, the Transfers were made by the Debtor to pay for the purchase of goods and services for the use and benefit of one other than the Debtor.

38. The Transfers constitute avoidable fraudulent conveyances pursuant to § 544 of the Bankruptcy Code and Md. Code Ann., Com. Law §§ 15-204, 15-205, 15-206, and 15-207.

Count IV – Avoidance of Transfers
MD Commercial Law Code § 15-208 and 11 U.S.C. § 544

39. The preceding Paragraphs of this Complaint are incorporated by reference as if fully set forth herein.

40. The Debtor is a Maryland limited liability company.

41. At all times herein relevant the Debtor was owned at least 70% by Richard McDaniel, Jr.

42. According to the Statement of Financial Affairs 28 the Debtor is owned 30% by Passen Investments, LLC.

43. The Debtor was insolvent or rendered insolvent by the Three-Year

Transfers.

44. The Transfers were made to the Defendant, without fair consideration to the Debtor as distinguished from consideration to an individual member of the Debtor.

45. The Trustee may avoid the Transfers pursuant to MD Commercial Law Code § 15-208 and bankruptcy Code § 544.

Count V – Recovery of Transfers

46. The allegations hereinabove set forth are incorporated by reference as though fully set forth herein.

47. The Defendant was the initial transferee of the Transfers.

48. The Defendant was the initial recipient of the Transfers from the Debtor

49. The Defendant had legal dominion and control of the Transfers when and as received.

50. The Defendant is the entity for whose benefit the Transfers were made

51. The Transfers are recoverable from the Defendant pursuant to § 550 of the Bankruptcy Code.

Count VI - 11 U.S.C. § 502(d)

52. The allegations hereinabove set forth are incorporated by reference as though fully set forth herein.

53. To the extent the Defendant holds or will file an otherwise valid and enforceable claim the Trustee objects to the payment of said claim unless and until any and all avoidable transfers are returned to the Trustee.

WHEREFORE, the Trustee prays that this Honorable Court:

A. Enter judgment in favor of the Trustee and against the Defendant avoiding the Transfers;

B. Enter judgment in favor of the Trustee and direct that the Defendant pay the Trustee an amount equal to (i) the Transfer(s), (ii) any additional avoidable transfers the Trustee becomes aware of during the pendency of this proceeding, (iii) interest from the date of the filing of this Complaint and (iv) the costs of this action;

C. Disallow the claim(s), if any, of the Defendant; and

D. Order such other and further relief as is just and proper.

/s/ Zvi Guttman
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