

DISTRICT COURT, CITY AND COUNTY OF DENVER, STATE OF COLORADO

1437 Bannock Street
Denver, Colorado 80202
Telephone: (303) 606-2300

Plaintiffs: Ross Berman, an individual; Jason H. Karp, an individual; IMJ I LLC, a Delaware limited liability company; Rachel Farber as trustee for the Rachel Farber Revocable Trust; Stephen Farber as trustee for the Stephen Farber Revocable Trust; and Red Cloud Capital, LLC, a Connecticut limited liability company;

and Plaintiff-Intervenors: Trevor Gallup, an individual; and Lynn Honderd, an individual.

v.

Defendants: Bellrock Brands Inc., a British Columbia corporation; BRB DB Holdings, Inc., a Delaware corporation; BRB Mary's Holdings Corp., a Delaware corporation; Dixie Brands (USA) Inc., a Delaware corporation; Mary's Operations, LLC, a Colorado limited liability company; Mary's Pets, LLC, a Colorado limited liability company; Mary's Nutritionals, LLC, a Colorado limited liability company; DB Finance, Nevada, LLC, a Nevada limited liability company; and DB Oklahoma, LLC, a Colorado limited liability company.

v.

Third-Party Defendants: Andrew Schweibold, an individual; James Harvey, an individual; Rise Investments International II Series 7, LLC, a Georgia limited liability company; High Street Capital Partners, LLC, a New York limited liability company; and Acreage Holdings America, Inc., a Nevada Corporation.

Attorneys for Third-Party Defendant:

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Division: 466

**ANSWER AND AFFIRMATIVE DEFENSES OF RISE INVESTMENTS
INTERNATIONAL II SERIES 7, LLC**

Third-Party Defendant Rise Investments International II Series 7, LLC (“Third-Party Defendant” or “Rise”) hereby files this Answer and Affirmative Defenses to the Joint Amended Complaint in Intervention, Third-Party Complaint in Intervention, and Jury Demand (the “Complaint”) filed by Trevor Gallup (“Gallup”) and Lynn Honderd (“Honderd”, together with “Gallup”, “Third-Party Plaintiffs”), respectfully showing the Court as follows:

PARTIES, JURISDICTION AND VENUE

The Plaintiffs in Intervention

1. Rise states that Paragraph 1 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 1. To the extent that a further response is required, the allegations in Paragraph 1 are denied.

2. Rise states that Paragraph 2 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 2. To the extent that a further response is required, the allegations in Paragraph 2 are denied.

3. Rise states that Paragraph 3 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 3. To the extent that a further response is required, the allegations in Paragraph 3 are denied.

The Plaintiffs

4. Rise states that Paragraph 4 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 4. To the extent that a further response is required, the allegations in Paragraph 4 are denied.

5. Rise states that Paragraph 5 does not contain any allegations about Rise. To the extent that a further response is required, the allegations in Paragraph 5 are denied.

The Defendants

6. Rise states that Paragraph 6 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 6. To the extent that a further response is required, the allegations in Paragraph 6 are denied.

7. Rise states that Paragraph 7 does not contain any allegations about Rise. To the extent that a further response is required, the allegations in Paragraph 7 are denied.

8. Rise states that Paragraph 8 does not contain any allegations about Rise. To the extent that a further response is required, the allegations in Paragraph 8 are denied.

Third-Party Defendants

9. Rise admits that it is a secured creditor of Defendant Companies. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the remaining allegations in Paragraph 9. To the extent that a further response is required, the remaining allegations in Paragraph 9 are denied.

10. Rise admits that Rise is a limited liability company with its principal place of business at 333 Piedmont Road, NE, Suite 2000, Atlanta, Georgia 30305. Rise is without sufficient

knowledge or information upon which to form a belief as to the truth or accuracy of the remaining allegations in Paragraph 10. To the extent that a further response is required, the remaining allegations in Paragraph 10 are denied.

11. Rise states that Paragraph 11 does not contain any allegations about Rise. To the extent that a further response is required, the allegations in Paragraph 11 are denied.

Jurisdiction and Venue

12. Rise states that Paragraph 12 contains legal conclusions to which no response is required. To the extent that a further response is required, Rise states that it is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the remaining allegations in Paragraph 12 as it relates to any party, other than Rise. To the extent that a further response is required, the remaining allegations in Paragraph 12 are denied.

13. Rise states that Paragraph 13 contains legal conclusions to which no response is required. To the extent that a further response is required, Rise states that it is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the remaining allegations in Paragraph 13 as it relates to any party, other than Rise. To the extent that a further response is required, the remaining allegations in Paragraph 13 are denied.

14. Rise states that Paragraph 14 contains legal conclusions to which no response is required. To the extent that a further response is required, Rise states that it is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the remaining allegations in Paragraph 14 as it relates to any party, other than Rise. To the extent that a further response is required, the remaining allegations in Paragraph 14 are denied.

GENERAL ALLEGATIONS

I. Ms. Honderd's Founding of Mary's Brands and Sale of Ms. Honderd's and Mr. Gallup's Respective Membership Interests under Duress.

15. Rise states that Paragraph 15 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 15. To the extent that a further response is required, the allegations in Paragraph 15 are denied.

16. Rise states that Paragraph 16 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 16. To the extent that a further response is required, the allegations in Paragraph 16 are denied.

17. Rise states that Paragraph 17 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 17. To the extent that a further response is required, the allegations in Paragraph 17 are denied.

18. Rise states that Paragraph 18 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 18. To the extent that a further response is required, the allegations in Paragraph 18 are denied.

19. Rise states that Paragraph 19 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 19. To the extent that a further response is required, the allegations in Paragraph 19 are denied.

20. Rise states that Paragraph 20 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 20. To the extent that a further response is required, the allegations in Paragraph 20 are denied.

21. Rise states that Paragraph 21 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 21. To the extent that a further response is required, the allegations in Paragraph 21 are denied.

22. Rise states that Paragraph 22 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 22. To the extent that a further response is required, the allegations in Paragraph 22 are denied.

23. Rise states that Paragraph 23 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 23. To the extent that a further response is required, the allegations in Paragraph 23 are denied.

24. Rise states that Paragraph 24 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 24. To the extent that a further response is required, the allegations in Paragraph 24 are denied.

25. Rise states that Paragraph 25 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy

of the allegations in Paragraph 25. To the extent that a further response is required, the allegations in Paragraph 25 are denied.

26. Rise states that Paragraph 26 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 26. To the extent that a further response is required, the allegations in Paragraph 26 are denied.

27. Rise states that Paragraph 27 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 27. To the extent that a further response is required, the allegations in Paragraph 27 are denied.

28. Rise states that Paragraph 28 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 28. To the extent that a further response is required, the allegations in Paragraph 28 are denied.

29. Rise states that Paragraph 29 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 29. To the extent that a further response is required, the allegations in Paragraph 29 are denied.

30. Rise states that Paragraph 30 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 30. To the extent that a further response is required, the allegations in Paragraph 30 are denied.

31. Rise states that Paragraph 31 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 31. To the extent that a further response is required, the allegations in Paragraph 31 are denied.

II. The Gallup Agreement and Note's Terms Render It Void and/or Voidable

32. Rise states that Paragraph 32 does not contain any allegations about Rise. Rise states that the Gallup Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 32. To the extent that a further response is required, the allegations in Paragraph 32 are denied.

33. Rise states that Paragraph 33 does not contain any allegations about Rise. Rise states that the Gallup Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 33. To the extent that a further response is required, the allegations in Paragraph 33 are denied.

34. Rise states that Paragraph 34 does not contain any allegations about Rise. Rise states that the Gallup Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 34. To the extent that a further response is required, the allegations in Paragraph 34 are denied.

35. Rise states that Paragraph 35 does not contain any allegations about Rise. Rise states that the Gallup Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 35 contains legal conclusions to which no response is required.

Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 35. To the extent that a further response is required, the allegations in Paragraph 35 are denied.

36. Rise states that Paragraph 36 does not contain any allegations about Rise. Rise states that the Gallup Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 36. To the extent that a further response is required, the allegations in Paragraph 36 are denied.

37. Rise states that Paragraph 37 does not contain any allegations about Rise. Rise states that the Gallup Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 37 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 37. To the extent that a further response is required, the allegations in Paragraph 37 are denied.

38. Rise states that Paragraph 38 does not contain any allegations about Rise. Rise states that the Gallup Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 38 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 38. To the extent that a further response is required, the allegations in Paragraph 38 are denied.

39. Rise states that Paragraph 39 does not contain any allegations about Rise. Rise states that the Gallup Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 39 contains legal conclusions to which no response is required.

Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 39. To the extent that a further response is required, the allegations in Paragraph 39 are denied.

40. Rise states that Paragraph 40 does not contain any allegations about Rise. Rise states that the Gallup Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 40 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 40. To the extent that a further response is required, the allegations in Paragraph 40 are denied.

41. Rise states that Paragraph 41 does not contain any allegations about Rise. Rise states that Paragraph 41 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 41. To the extent that a further response is required, the allegations in Paragraph 41 are denied.

42. Rise states that Paragraph 42 does not contain any allegations about Rise. Rise states that the Gallup Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 42 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 42. To the extent that a further response is required, the allegations in Paragraph 42 are denied.

43. Rise states that Paragraph 43 does not contain any allegations about Rise. Rise states that the Gallup Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 43 contains legal conclusions to which no response is required.

Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 43. To the extent that a further response is required, the allegations in Paragraph 43 are denied.

44. Rise states that Paragraph 44 does not contain any allegations about Rise. Rise states that the Gallup Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 44 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 44. To the extent that a further response is required, the allegations in Paragraph 44 are denied.

45. Rise states that Paragraph 45 does not contain any allegations about Rise. Rise states that the Gallup Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 45 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 45. To the extent that a further response is required, the allegations in Paragraph 45 are denied.

46. Rise states that Paragraph 46 does not contain any allegations about Rise. Rise states that Paragraph 46 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 46. To the extent that a further response is required, the allegations in Paragraph 46 are denied.

47. Rise states that Paragraph 47 does not contain any allegations about Rise. Rise states that the Gallup Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 47 contains legal conclusions to which no response is required.

Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 47. To the extent that a further response is required, the allegations in Paragraph 47 are denied.

III. The Honerd Agreement and Note's Terms

48. Rise states that Paragraph 48 does not contain any allegations about Rise. Rise states that the Honerd Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 48 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 48. To the extent that a further response is required, the allegations in Paragraph 48 are denied.

49. Rise states that Paragraph 49 does not contain any allegations about Rise. Rise states that the Honerd Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 49 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 49. To the extent that a further response is required, the allegations in Paragraph 49 are denied.

50. Rise states that Paragraph 50 does not contain any allegations about Rise. Rise states that the Honerd Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 50 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 50. To the extent that a further response is required, the allegations in Paragraph 50 are denied.

51. Rise states that Paragraph 51 does not contain any allegations about Rise. Rise states that the Honderd Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 51 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 51. To the extent that a further response is required, the allegations in Paragraph 51 are denied.

52. Rise states that Paragraph 52 does not contain any allegations about Rise. Rise states that the Honderd Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 52 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 52. To the extent that a further response is required, the allegations in Paragraph 52 are denied.

53. Rise states that Paragraph 53 does not contain any allegations about Rise. Rise states that the Honderd Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 53 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 53. To the extent that a further response is required, the allegations in Paragraph 53 are denied.

54. Rise states that Paragraph 54 does not contain any allegations about Rise. Rise states that the Honderd Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 54 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or

accuracy of the allegations in Paragraph 54. To the extent that a further response is required, the allegations in Paragraph 54 are denied.

55. Rise states that Paragraph 55 does not contain any allegations about Rise. Rise states that the Honderd Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 55 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 55. To the extent that a further response is required, the allegations in Paragraph 55 are denied.

56. Rise states that Paragraph 56 does not contain any allegations about Rise. Rise states that the Honderd Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 56. To the extent that a further response is required, the allegations in Paragraph 56 are denied.

57. Rise states that Paragraph 57 does not contain any allegations about Rise. Rise states that the Honderd Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 57 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 57. To the extent that a further response is required, the allegations in Paragraph 57 are denied.

58. Rise states that Paragraph 58 does not contain any allegations about Rise. Rise states that the Honderd Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 58 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or

accuracy of the allegations in Paragraph 58. To the extent that a further response is required, the allegations in Paragraph 58 are denied.

59. Rise states that Paragraph 59 does not contain any allegations about Rise. Rise states that the Honderd Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise states that Paragraph 59 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 59. To the extent that a further response is required, the allegations in Paragraph 59 are denied.

60. Rise states that Paragraph 60 does not contain any allegations about Rise. Rise states that Paragraph 60 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 60. To the extent that a further response is required, the allegations in Paragraph 60 are denied.

61. Rise states that Paragraph 61 does not contain any allegations about Rise. Rise states that Paragraph 61 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 61. To the extent that a further response is required, the allegations in Paragraph 61 are denied.

IV. The Sale of the Companies

62. Rise states that Paragraph 62 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 62. To the extent that a further response is required, the allegations in Paragraph 62 are denied.

63. Rise states that Paragraph 63 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 63. To the extent that a further response is required, the allegations in Paragraph 63 are denied.

64. Rise states that Paragraph 64 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 64. To the extent that a further response is required, the allegations in Paragraph 64 are denied.

65. Rise states that Paragraph 65 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 65. To the extent that a further response is required, the allegations in Paragraph 65 are denied.

66. Rise states that Paragraph 66 does not contain any allegations about Rise. Rise states that the Gallup Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 66. To the extent that a further response is required, the allegations in Paragraph 66 are denied.

67. Rise states that Paragraph 67 does not contain any allegations about Rise. Rise states that the Honderd Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 67. To the extent that a further response is required, the allegations in Paragraph 67 are denied.

68. Rise states that Paragraph 68 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 68. To the extent that a further response is required, the allegations in Paragraph 68 are denied.

69. Rise states that Paragraph 69 does not contain any allegations about Rise. Rise states that the Honderd Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 69. To the extent that a further response is required, the allegations in Paragraph 69 are denied.

70. Rise states that Paragraph 70 does not contain any allegations about Rise. Rise states that the Gallup Note is the highest and best evidence of the contents thereof and shall speak for itself. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 70. To the extent that a further response is required, the allegations in Paragraph 70 are denied.

71. Rise states that Paragraph 71 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 71. To the extent that a further response is required, the allegations in Paragraph 71 are denied.

72. Rise states that Paragraph 72 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 72. To the extent that a further response is required, the allegations in Paragraph 72 are denied.

73. Rise states that Paragraph 73 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 73. To the extent that a further response is required, the allegations in Paragraph 73 are denied.

74. Rise states that Paragraph 74 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 74. To the extent that a further response is required, the allegations in Paragraph 74 are denied.

75. Rise states that Paragraph 75 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 75. To the extent that a further response is required, the allegations in Paragraph 75 are denied.

76. Rise states that Paragraph 76 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 76. To the extent that a further response is required, the allegations in Paragraph 76 are denied.

77. Rise states that Paragraph 77 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 77. To the extent that a further response is required, the allegations in Paragraph 77 are denied.

78. Rise states that Paragraph 78 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy

of the allegations in Paragraph 78. To the extent that a further response is required, the allegations in Paragraph 78 are denied.

79. Rise states that Paragraph 79 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 79. To the extent that a further response is required, the allegations in Paragraph 79 are denied.

80. Rise states that Paragraph 80 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 80. To the extent that a further response is required, the allegations in Paragraph 80 are denied.

V. Fraudulent Transfers and Preferential Payments to Insiders and Resulting Failures to Pay Ms. Honderd and Mr. Gallup

81. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 81. To the extent that a further response is required, the allegations in Paragraph 81 are denied.

82. Rise states that Paragraph 82 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 82. To the extent that a further response is required, the allegations in Paragraph 82 are denied.

83. Rise states that Paragraph 83 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 83. To the extent that a further response is required, the allegations in Paragraph 83 are denied.

84. Rise states that Paragraph 84 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 84. To the extent that a further response is required, the allegations in Paragraph 84 are denied.

85. Rise states that Paragraph 85 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 85. To the extent that a further response is required, the allegations in Paragraph 85 are denied.

86. Rise states that Paragraph 86 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 86. To the extent that a further response is required, the allegations in Paragraph 86 are denied.

87. Rise states that Paragraph 87 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 87. To the extent that a further response is required, the allegations in Paragraph 87 are denied.

88. Rise states that Paragraph 88 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 88. To the extent that a further response is required, the allegations in Paragraph 88 are denied.

89. Rise states that Paragraph 89 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy

of the allegations in Paragraph 89. To the extent that a further response is required, the allegations in Paragraph 89 are denied.

90. Rise states that Paragraph 90 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 90. To the extent that a further response is required, the allegations in Paragraph 90 are denied.

91. Rise states that Paragraph 91 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 91. To the extent that a further response is required, the allegations in Paragraph 91 are denied.

92. Rise states that Paragraph 92 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 92. To the extent that a further response is required, the allegations in Paragraph 92 are denied.

93. Rise states that Paragraph 93 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 93. To the extent that a further response is required, the allegations in Paragraph 93 are denied.

94. Rise states that Paragraph 94 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 94. To the extent that a further response is required, the allegations in Paragraph 94 are denied.

95. Rise states that Paragraph 95 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 95. To the extent that a further response is required, the allegations in Paragraph 95 are denied.

96. Rise states that Paragraph 96 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 96. To the extent that a further response is required, the allegations in Paragraph 96 are denied.

97. Rise states that Paragraph 97 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 97. To the extent that a further response is required, the allegations in Paragraph 97 are denied.

98. Rise states that Paragraph 98 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 98. To the extent that a further response is required, the allegations in Paragraph 98 are denied.

99. Rise states that Paragraph 99 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 99. To the extent that a further response is required, the allegations in Paragraph 99 are denied.

100. Rise states that Paragraph 100 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy

of the allegations in Paragraph 100. To the extent that a further response is required, the allegations in Paragraph 100 are denied.

VI. Additional Problematic Transactions

101. Rise states that Paragraph 101 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 101. To the extent that a further response is required, the allegations in Paragraph 101 are denied.

102. Rise states that Paragraph 102 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 102. To the extent that a further response is required, the allegations in Paragraph 102 are denied.

103. Rise states that Paragraph 103 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 103. To the extent that a further response is required, the allegations in Paragraph 103 are denied.

104. Rise states that Paragraph 104 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 104. To the extent that a further response is required, the allegations in Paragraph 104 are denied.

105. Rise states that Paragraph 105 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 105. To the extent that a further response is required, the allegations in Paragraph 105 are denied.

106. Rise states that Paragraph 106 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 106. To the extent that a further response is required, the allegations in Paragraph 106 are denied.

107. Rise states that Paragraph 107 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 107. To the extent that a further response is required, the allegations in Paragraph 107 are denied.

108. Rise states that Paragraph 108 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 108. To the extent that a further response is required, the allegations in Paragraph 108 are denied.

109. Rise states that Paragraph 109 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 109. To the extent that a further response is required, the allegations in Paragraph 109 are denied.

110. Rise states that Paragraph 110 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 110. To the extent that a further response is required, the allegations in Paragraph 110 are denied.

VII. Third-Party Defendants Holding Purportedly Secured Interests as Subsequent Creditors Who Are Necessary for a Complete Resolution of Intervenors' Claims

111. Rise states that Paragraph 111 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy

of the allegations in Paragraph 111. To the extent that a further response is required, the allegations in Paragraph 111 are denied.

112. Rise states that Paragraph 112 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 112. To the extent that a further response is required, the allegations in Paragraph 112 are denied.

113. Rise states that Paragraph 113 contains legal conclusions to which no response is required. Rise denies that it is liable to Intervenors and denies that Rise is necessary for a complete resolution of Intervenors' claims. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the remaining allegations in Paragraph 113. To the extent that a further response is required, the remaining allegations in Paragraph 113 are denied.

114. Rise states that Paragraph 114 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 114. To the extent that a further response is required, the allegations in Paragraph 114 are denied.

115.

116. Rise states that Paragraph 116 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 116. To the extent that a further response is required, the allegations in Paragraph 116 are denied.

117. Rise states that Paragraph 117 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy

of the allegations in Paragraph 117. To the extent that a further response is required, the allegations in Paragraph 117 are denied.

118. Rise states that Paragraph 118 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 118. To the extent that a further response is required, the allegations in Paragraph 118 are denied.

119. Rise states that Paragraph 119 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 119. To the extent that a further response is required, the allegations in Paragraph 119 are denied.

120. Rise states that Paragraph 120 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 120. To the extent that a further response is required, the allegations in Paragraph 120 are denied.

121. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 121. To the extent that a further response is required, the allegations in Paragraph 121 are denied.

122. Rise denies that it entered into a security agreement with one or more of the Defendant Companies with knowledge of the terms of Ms. Honderd's and Mr. Gallup's Notes and Agreements with the Defendant Companies. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the remaining allegations in Paragraph 122. To the extent that a further response is required, the remaining allegations in Paragraph 122 are denied.

123. Rise denies that it took its security interests knowing that Defendant Companies were in default under the Honderd and Gallup Notes and Agreements. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the remaining allegations in Paragraph 123. To the extent that a further response is required, the remaining allegations in Paragraph 123 are denied.

124. Rise denies that its security interest constitutes a fraudulent transfer. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the remaining allegations in Paragraph 124. To the extent that a further response is required, the remaining allegations in Paragraph 124 are denied.

VIII. West 4th Holdings

125. Rise states that Paragraph 125 does not contain any allegations about Rise. Rise admits that West 4th Holdings has been named as Receiver-Manager of the Defendant Companies and that it has a history with the Defendant Companies. Rise states that Paragraph 125 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the remaining allegations in Paragraph 125. To the extent that a further response is required, the remaining allegations in Paragraph 125 are denied.

126. Rise states that Paragraph 126 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 126. To the extent that a further response is required, the allegations in Paragraph 126 are denied.

127. Rise states that Paragraph 127 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy

of the allegations in Paragraph 127. To the extent that a further response is required, the allegations in Paragraph 127 are denied.

128. Rise states that Paragraph 128 does not contain any allegations about Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 128. To the extent that a further response is required, the allegations in Paragraph 128 are denied.

CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF

(Duress – Gallup and Honderd Agreements and Notes – Against Defendant Companies)

129. The responses contained in paragraphs 1 through 128 are incorporated by reference as if fully set forth herein.

130. Rise states that Paragraph 130 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 130. To the extent that a further response is required, the allegations in Paragraph 130 are denied.

131. Rise states that Paragraph 131 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 131. To the extent that a further response is required, the allegations in Paragraph 131 are denied.

132. Rise states that Paragraph 132 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 132. To the extent that a further response is required, the allegations in Paragraph 132 are denied.

133. Rise states that Paragraph 133 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 133. To the extent that a further response is required, the allegations in Paragraph 133 are denied.

134. Rise states that Paragraph 134 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 134. To the extent that a further response is required, the allegations in Paragraph 134 are denied.

135. Rise states that Paragraph 135 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 135. To the extent that a further response is required, the allegations in Paragraph 135 are denied.

136. Rise states that Paragraph 136 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 136. To the extent that a further response is required, the allegations in Paragraph 136 are denied.

137. Rise states that Paragraph 137 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 137. To the extent that a further response is required, the allegations in Paragraph 137 are denied.

138. Rise states that Paragraph 138 does not contain any allegations against Rise. Rise states that Paragraph 138 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy

of the allegations in Paragraph 138. To the extent that a further response is required, the allegations in Paragraph 138 are denied.

SECOND CLAIM FOR RELIEF
(Void Contract – Illusory and Unconscionable – Gallup Agreement and Note – Against Defendant Companies)

139. The responses contained in paragraphs 1 through 128 are incorporated by reference as if fully set forth herein.

140. Rise states that Paragraph 140 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 140. To the extent that a further response is required, the allegations in Paragraph 140 are denied.

141. Rise states that Paragraph 141 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 141. To the extent that a further response is required, the allegations in Paragraph 141 are denied.

142. Rise states that Paragraph 142 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 142. To the extent that a further response is required, the allegations in Paragraph 142 are denied.

143. Rise states that Paragraph 143 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 143. To the extent that a further response is required, the allegations in Paragraph 143 are denied.

144. Rise states that Paragraph 144 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 144. To the extent that a further response is required, the allegations in Paragraph 144 are denied.

145. Rise states that Paragraph 145 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 145. To the extent that a further response is required, the allegations in Paragraph 145 are denied.

146. Rise states that Paragraph 146 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 146. To the extent that a further response is required, the allegations in Paragraph 146 are denied.

147. Rise states that Paragraph 147 does not contain any allegations against Rise. Rise states that Paragraph 147 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 147. To the extent that a further response is required, the allegations in Paragraph 147 are denied.

THIRD CLAIM FOR RELIEF

(In the Alternative – Breach of Contract – Gallup Agreement and Note – Against Defendant Companies)

148. The responses contained in paragraphs 1 through 128 are incorporated by reference as if fully set forth herein.

149. Rise states that Paragraph 149 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or

accuracy of the allegations in Paragraph 149. To the extent that a further response is required, the allegations in Paragraph 149 are denied.

150. Rise states that Paragraph 150 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 150. To the extent that a further response is required, the allegations in Paragraph 150 are denied.

151. Rise states that Paragraph 151 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 151. To the extent that a further response is required, the allegations in Paragraph 151 are denied.

152. Rise states that Paragraph 152 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 152. To the extent that a further response is required, the allegations in Paragraph 152 are denied.

153. Rise states that Paragraph 153 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 153. To the extent that a further response is required, the allegations in Paragraph 153 are denied.

154. Rise states that Paragraph 154 does not contain any allegations against Rise. Rise states that Paragraph 154 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 154. To the extent that a further response is required, the allegations in Paragraph 154 are denied.

FOURTH CLAIM FOR RELIEF

(In the Alternative – Breach of Contract – Honderd Agreement and Note – Against Defendant Companies)

155. The responses contained in paragraphs 1 through 128 are incorporated by reference as if fully set forth herein.

156. Rise states that Paragraph 156 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 156. To the extent that a further response is required, the allegations in Paragraph 156 are denied.

157. Rise states that Paragraph 157 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 157. To the extent that a further response is required, the allegations in Paragraph 157 are denied.

158. Rise states that Paragraph 158 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 158. To the extent that a further response is required, the allegations in Paragraph 158 are denied.

159. Rise states that Paragraph 159 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 159. To the extent that a further response is required, the allegations in Paragraph 159 are denied.

160. Rise states that Paragraph 160 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or

accuracy of the allegations in Paragraph 160. To the extent that a further response is required, the allegations in Paragraph 160 are denied.

161. Rise states that Paragraph 161 does not contain any allegations against Rise. Rise states that Paragraph 161 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 161. To the extent that a further response is required, the allegations in Paragraph 161 are denied.

FIFTH CLAIM FOR RELIEF
(In the Alternative – Breach of the Covenant of Good Faith and Fair Dealing – Gallup Agreement and Note – Against Defendant Companies)

162. The responses contained in paragraphs 1 through 128 are incorporated by reference as if fully set forth herein.

163. Rise states that Paragraph 163 does not contain any allegations against Rise. Rise states that Paragraph 163 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 163. To the extent that a further response is required, the allegations in Paragraph 163 are denied.

164. Rise states that Paragraph 164 does not contain any allegations against Rise. Rise states that Paragraph 164 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 164. To the extent that a further response is required, the allegations in Paragraph 164 are denied.

165. Rise states that Paragraph 165 does not contain any allegations against Rise. Rise states that Paragraph 165 contains legal conclusions to which no response is required. Rise is

without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 165. To the extent that a further response is required, the allegations in Paragraph 165 are denied.

166. Rise states that Paragraph 166 does not contain any allegations against Rise. Rise states that Paragraph 166 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 166. To the extent that a further response is required, the allegations in Paragraph 166 are denied.

167. Rise states that Paragraph 167 does not contain any allegations against Rise. Rise states that Paragraph 167 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 167. To the extent that a further response is required, the allegations in Paragraph 167 are denied.

168. Rise states that Paragraph 168 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 168. To the extent that a further response is required, the allegations in Paragraph 168 are denied.

169. Rise states that Paragraph 169 does not contain any allegations against Rise. Rise states that Paragraph 169 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 169. To the extent that a further response is required, the allegations in Paragraph 48 are denied.

SIXTH CLAIM FOR RELIEF

(In the Alternative – Breach of the Covenant of Good Faith and Fair Dealing – Honderd Agreement and Note – Against Defendant Companies)

170. The responses contained in paragraphs 1 through 128 are incorporated by reference as if fully set forth herein.

171. Rise states that Paragraph 171 does not contain any allegations against Rise. Rise states that Paragraph 171 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 171. To the extent that a further response is required, the allegations in Paragraph 171 are denied.

172. Rise states that Paragraph 172 does not contain any allegations against Rise. Rise states that Paragraph 172 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 172. To the extent that a further response is required, the allegations in Paragraph 172 are denied.

173. Rise states that Paragraph 173 does not contain any allegations against Rise. Rise states that Paragraph 173 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 173. To the extent that a further response is required, the allegations in Paragraph 173 are denied.

174. Rise states that Paragraph 174 does not contain any allegations against Rise. Rise states that Paragraph 174 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy

of the allegations in Paragraph 174. To the extent that a further response is required, the allegations in Paragraph 174 are denied.

175. Rise states that Paragraph 175 does not contain any allegations against Rise. Rise states that Paragraph 175 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 175. To the extent that a further response is required, the allegations in Paragraph 175 are denied.

176. Rise states that Paragraph 176 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 176. To the extent that a further response is required, the allegations in Paragraph 176 are denied.

177. Rise states that Paragraph 177 does not contain any allegations against Rise. Rise states that Paragraph 177 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 177. To the extent that a further response is required, the allegations in Paragraph 177 are denied.

SEVENTH CLAIM FOR RELIEF
(In the Alternative – Unjust Enrichment – Against Defendants)

178. The responses contained in paragraphs 1 through 128 are incorporated by reference as if fully set forth herein.

179. Rise states that Paragraph 179 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 179. To the extent that a further response is required, the allegations in Paragraph 179 are denied.

180. Rise states that Paragraph 180 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 180. To the extent that a further response is required, the allegations in Paragraph 180 are denied.

181. Rise states that Paragraph 181 does not contain any allegations against Rise. Rise states that Paragraph 181 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 181. To the extent that a further response is required, the allegations in Paragraph 181 are denied.

182. Rise states that Paragraph 182 does not contain any allegations against Rise. Rise states that Paragraph 182 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 182. To the extent that a further response is required, the allegations in Paragraph 182 are denied.

EIGHTH CLAIM FOR RELIEF
(Violations of Colorado Uniform Fraudulent Transfer Act – Against Plaintiffs, Defendants, and Third-Party Defendants)

183. The responses contained in paragraphs 1 through 128 are incorporated by reference as if fully set forth herein.

184. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 184. To the extent that a further response is required, the allegations in Paragraph 184 are denied.

185. Rise admits that one or more of the Defendant Companies granted Rise a security interest to secure the amounts owed to Rise. Rise is without sufficient knowledge or information

upon which to form a belief as to the truth or accuracy of the remaining allegations in Paragraph 185. To the extent that a further response is required, the remaining allegations in Paragraph 185 are denied.

186. Rise states that Paragraph 186 does not contain any allegations against Rise. Rise states that Paragraph 186 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 186. To the extent that a further response is required, the allegations in Paragraph 186 are denied.

187. Rise states that Paragraph 187 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 187. To the extent that a further response is required, the allegations in Paragraph 187 are denied.

188. Rise states that Paragraph 188 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 188. To the extent that a further response is required, the allegations in Paragraph 188 are denied.

189. Rise states that Paragraph 189 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 189. To the extent that a further response is required, the allegations in Paragraph 189 are denied.

190. Rise states that Paragraph 190 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to

the truth or accuracy of the allegations in Paragraph 190. To the extent that a further response is required, the allegations in Paragraph 190 are denied.

191. Rise states that Paragraph 191 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 191. To the extent that a further response is required, the allegations in Paragraph 191 are denied.

192. Rise states that Paragraph 192 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 192. To the extent that a further response is required, the allegations in Paragraph 192 are denied.

193. Rise denies the allegation that Defendants encumbered one or more of the Defendant Companies with a security interest in favor of Rise without receiving reasonably equivalent value in exchange therefor. Rise states that Paragraph 193 contains legal conclusions to which no response is required. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the remaining allegations in Paragraph 193. To the extent that a further response is required, the remaining allegations in Paragraph 193 are denied.

194. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 194. To the extent that a further response is required, the allegations in Paragraph 194 are denied.

195. Rise states that Paragraph 195 does not contain any allegations against Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the allegations in Paragraph 195. To the extent that a further response is required, the allegations in Paragraph 195 are denied.

196. Rise denies that it did not take the security interest in one or more of the Defendant Companies in good faith. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the remaining allegations in Paragraph 196. To the extent that a further response is required, the remaining allegations in Paragraph 196 are denied.

197. Rise denies the allegations in Paragraph 197 to the extent that they relate to Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the remaining allegations in Paragraph 197. To the extent that a further response is required, the remaining allegations in Paragraph 197 are denied.

198. Rise denies the allegations in Paragraph 198 to the extent that they relate to Rise. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the remaining allegations in Paragraph 198. To the extent that a further response is required, the remaining allegations in Paragraph 198 are denied.

199. Rise states that Paragraph 199 contains legal conclusions to which no response is required. Rise denies that the security interests held by Rise in one or more of the Defendant Companies should be set aside and/or avoided. Rise is without sufficient knowledge or information upon which to form a belief as to the truth or accuracy of the remaining allegations in Paragraph 199. To the extent that a further response is required, the remaining allegations in Paragraph 199 are denied.

AFFIRMATIVE DEFENSES

Without assuming the burden of proof where it otherwise rests with Third-Party Plaintiffs and without admitting that Rise bears the burden of persuasion or presentation of evidence on each or any of these matters, and subject to discovery, Rise pleads the following defenses to the Complaint:

First Defense

The Complaint fails to state a claim upon which relief can be granted.

Second Defense

The Complaint fails to state a claim upon which relief can be granted because any security interest and/or lien received by or granted to Rise was received for value, in good faith and without knowledge of the alleged voidability of the transfer(s).

Third Defense

To the extent that any transfer to Rise is avoided, Rise is entitled to setoff and/or recoupment against any claim for amounts owed to Rise and/or for the amount of any value provided by Rise.

Fourth Defense

Third-Party Plaintiffs' claims against Rise are barred due to lack of standing.

Fifth Defense

Third-Party Plaintiffs' claims fail or are barred because Rise was not the cause or proximate cause of Third-Party Plaintiffs' alleged injury or alleged damages.

Sixth Defense

Third-Party Plaintiffs' claims are barred, in whole or in part, because any claim and/damages asserted by Third-Party Plaintiffs is the result of acts or omissions of third-parties over who, and/or events or conditions over which, Rise had no control.

Seventh Defense

Third-Party Plaintiffs' claims are barred, in whole or in part, as a result of Third-Party Plaintiffs' failure to mitigate damages.

Eighth Defense

Third-Party Plaintiffs' claims are barred, in whole or in part, by the doctrines of waiver, estoppel, laches and/or unclean hands.

Ninth Defense

Rise denies each and every allegation of the Complaint that is not expressly admitted or otherwise controverted or qualified and Rise further denies that Third-Party Plaintiffs are entitled to any relief whatsoever from Rise.

Tenth Defense

Rise hereby gives notice that it intends to rely upon any other defense that may become available or appear during the proceedings in this case and reserves the right to amend its answer to assert any such defense.

PRAYER FOR RELIEF

WHEREFORE, Third-Party Defendant Rise Investments International II Series 7, LLC respectfully requests that the Court deny the relief requested in the Joint Amended Complaint in Intervention, Third-Party Complaint in Intervention, and Jury Demand, dismiss with prejudice the Joint Amended Complaint in Intervention, Third-Party Complaint in Intervention, and Jury Demand, and grant Rise Investments International II Series 7, LLC such other and further relief as is just and proper.

[SIGNATURE ON FOLLOWING PAGE]

Respectfully submitted this 18th day of September, 2024.

BARNES & THORNBURG LLP

/s/ James R. Eirich-Robinson

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*Attorneys for Third-Party Defendant Rise
Investments International II Series 7, LLC*

CERTIFICATE OF SERVICE

I hereby certify that on this 18th day of September, 2024, a true and correct copy of the foregoing **ANSWER AND AFFIRMATIVE DEFENSES OF RISE INVESTMENTS INTERNATIONAL II SERIES 7, LLC** was e-filed via the Colorado Court E-Filing System and served via the Colorado Court's E-Filing System upon all counsel of record.

BARNES & THORNBURG LLP

/s/ James R. Eirich-Robinson

James R. Eirich-Robinson, # 59986