

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF KENTUCKY
LONDON DIVISION

IN RE:

AMERICORE HOLDINGS, LLC, *et al.*¹

Debtors.

Chapter 11
Jointly administered
Case No. 19-61608

CAROL FOX, CHAPTER 11 TRUSTEE OF
AMERICORE HEALTH, LLC

Plaintiff,

v.

JAMES BIDEN,

Defendant.

Adversary No. 22 _____ -

**COMPLAINT TO RECOVER FRAUDULENT
TRANSFER AND FOR TURNOVER**

Carol L. Fox, the Chapter 11 Trustee ("Ms. Fox" or "Trustee") of Americore Health, LLC ("Americore Health"), a debtor (Case No. 19-61607) in the Chapter 11 cases being jointly administered under the lead case of *In re Americore Holdings, LLC* (Americore Health, individually, the "Debtor" and collectively with the jointly administered cases, the "Debtors"), files this Complaint against James Biden (the "Defendant"), stating as follows:

¹ The Debtors in these Chapter 11 cases are (with the last four digits of their federal tax identification numbers in parentheses): Americore Holdings, LLC (0115); Americore Health, LLC (6554); Americore Health Enterprises, LLC (3887); Ellwood Medical Center, LLC (1900); Ellwood Medical Center Real Estate, LLC (8799); Ellwood Medical Center Operations, LLC (5283); Pineville Medical Center, LLC (9435); Izard County Medical Center, LLC(3388); Success Healthcare 2, LLC (8861); St. Alexius Properties, LLC (4610); and St. Alexius Hospital Corporation #1 (2766).

I. JURISDICTION AND VENUE

1. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157(a) and 1334(b). Further, pursuant to Local Rule 83.12, all matters arising under or arising in or related to cases arising under title 11 are referred to the Bankruptcy Court. *Amedisys, Inc., et al. v. Nat'l Century Fin. Enters., Inc. (In re Nat'l Century Fin. Enters., Inc.)*, 423 F.3d 567, 573 (6th Cir. 2005) (district courts may refer title 11 cases and related cases to bankruptcy courts).

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. This matter is a core proceeding. 28 U.S.C. § 157(b)(2).

4. Pursuant to Bankruptcy Rules 7008 and 9027(a) of the Federal Rules of Bankruptcy Procedure, Trustee consents to entry of final orders by this Court in this adversary proceeding.

II. PARTIES AND PROCEDURAL BACKGROUND

5. The Debtor is a for-profit business corporation organized under the laws of Delaware.

6. The Debtor never had direct ownership interest the rural hospital Debtors, including St. Alexius Hospital, Ellwood City Hospital, Izard Medical Center, Pineville Medical Center or the non-Debtor hospital, including Lee County Medical Center.

7. Upon information and belief, the Defendant is an individual and a Pennsylvania resident.

8. On December 31, 2019 (the "Petition Date"), each of the Debtors filed a voluntary petition with this Court under Chapter 11 of the Bankruptcy Code.²

² All references to the "Bankruptcy Code" herein refer to Title 11 of the United States Code.

9. On February 20, 2020, the Court entered an agreed order for the appointment of a Chapter 11 Trustee and directing the United States Trustee (“UST”) to immediately appoint a Chapter 11 Trustee in the Debtors’ jointly administered cases. (Doc. No. 258).

10. On February 21, 2020, the UST filed a Notice of Appointment of Ms. Fox as Chapter 11 Trustee (Doc. No. 260), and on February 24, 2020 Ms. Fox Filed her Notice of Acceptance of the Appointment as Trustee (Doc. No. 269).

III. TRANSFERS

11. On January 12, 2018, Americore Health wire transferred the sum of \$400,000.00 to Defendant’s bank account at PNC Bank, located in Philadelphia, Pennsylvania. The documentation evidencing the foregoing wire transfer prepared by Americore Health references the transfer as a “LOAN.”

12. On March 1, 2018, Americore Health wire transferred the sum of \$200,000.00 to Defendant’s bank account at PNC Bank, located in Philadelphia, Pennsylvania. The documentation evidencing the foregoing wire transfer prepared by Americore Health references the transfer as a “LOAN.”

13. On June 4, 2018, Americore Health wire transferred the sum of \$10,000.00 to Defendant’s bank account at JPMorgan Chase bank, located in New York, New York. The documentation evidencing the foregoing wire transfer prepared by Americore Health references the transfer for “Consulting & Marketing – May 2018.”

14. A summary of the foregoing transfers (the “Transfers”) is as follows:

Bank ID	Transaction Date	Clear Date	Cash Disbursements
PNC-5328	01/12/18	01/12/18	\$ 400,000.00
PNC-5328	03/01/18	03/01/18	200,000.00
ST-9958	06/04/18	06/04/18	10,000.00
Total Cash Disbursements			<u>\$ 610,000.00</u>

True and correct copies of the documents evidencing the Transfers are attached hereto as **Composite Exhibit A**.

IV. DEFENDANT'S RELATIONSHIP WITH DEBTORS

15. By information and belief, Defendant procured the \$600,000.00 in loans from Americore Health (the "Loans") based upon representations that his last name, "Biden," could "open doors" and that he could obtain a large investment from the Middle East based on his political connections.

16. Debtors even provided Defendant with business cards reflecting his position as a "Principal" with Americore Health to assist his financing efforts. A redacted copy of the Defendant's business card is attached as **Exhibit B**. As a result, Defendant became a fiduciary to Americore Health.

17. Instead, of complying with his fiduciary responsibilities, Defendant helped Debtors procure an ill-advised bridge loan from a hedge fund that had a deleterious impact on the financial affairs of the Debtor and ultimately forced Debtors into bankruptcy, as he never delivered the promised the large investment from the Middle East.

18. And worse, Defendant never repaid the Loans to Americore Health, including during the time that Debtors were strapped for cash.

19. Despite Trustee's demand, Defendant has still failed and refused to return the Transfers to the Trustee.

COUNT I **(Fraudulent Transfers pursuant to Section 548(a)(1)(B) of the Bankruptcy Code)**

20. Trustee incorporates the allegations in paragraphs 1 - 19 as if set forth fully herein.

21. Within two years of the Petition Date, that is between January 12, 2018 and June 4, 2018, Americore Health made the Transfers to Defendant.

22. The Transfers constituted the transfer of an interest of Americore Health in property.

23. Americore Health received less than reasonably equivalent value in exchange for each of the Transfers, and:

- a. Was insolvent on the dates that such transfers were made, or became insolvent as a result of such transfers;
- b. Was engaged in business or a transaction or was about to engage in business or a transaction for which any property remaining with Americore Health was an unreasonably small capital; or
- c. Americore Health intended to incur, or believed that it would incur, debts that would be beyond its ability to pay as such debts matured.

WHEREFORE, the Plaintiff respectfully requests the Court to enter a Judgment:

- a. Declaring the Transfers to have been fraudulent transfers pursuant to Section 548(a)(1)(B) of the Bankruptcy Code;
- b. Avoiding the Transfers made to the Defendant as fraudulent transfers under Section 548(a)(1)(B) of the Bankruptcy Code;
- c. Disallowing any claim that the Defendant may have against the Debtor;
- d. Requiring Defendant to repay the Transfers to the Plaintiff, plus interest; and
- e. Granting such other and further relief as may be just and proper.

COUNT II
(Turnover of Property of the Estate – 11 U.S.C. § 542)

24. Trustee incorporates the allegations in prior paragraphs 1 - 19 as if set forth fully herein.

25. The Transfers constituted the transfer of an interest of Americore Health in property.

26. Defendant received the Transfers totaling \$610,000.00 from Americore Health.

27. \$600,000.00 of the Transfers were characterized as “Loans” when the \$600,000.00 was transferred from Americore Health to Biden.

28. The \$600,000.00 is property of the estate pursuant to 11 U.S.C. § 541 of the Bankruptcy Code.

29. The Debtor is entitled the return of \$600,000.00 in Loans under 11 U.S.C. § 363 of the Bankruptcy Code.

30. The Defendant is required to turn over the Loans to the Trustee pursuant to 11 U.S.C. § 542 of the Bankruptcy Code.

WHEREFORE, the Trustee respectfully requests that this Court enter judgment in favor of the Trustee and against Defendant and order the Defendant to return the Loans in the amount of \$600,000.00 plus interest to the Trustee, and such other and further relief that the Court deems just and proper.

Dated: July 7, 2022

Respectfully submitted,

/s/ Gary M. Freedman

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Attorneys for Plaintiff/Trustee

Exhibit “A”

Americore Holdings, et al. , Debtors.

United States Bankruptcy Court - Case No. 19-61608 (Jointly Administered)

Americore Health, LLC - Transfers to James Biden

Period Analyzed from 12/01/16 through 08/31/18

Source: Debtor's bank records

Bank ID	Transaction Date	Clear Date	Cash Disbursements
PNC-5328	01/12/18	01/12/18	\$ 400,000.00
PNC-5328	03/01/18	03/01/18	200,000.00
ST-9958	06/04/18	06/04/18	10,000.00
Total Cash Disbursements			\$ 610,000.00

TRN REF #: [REDACTED] 5836

**** MESSAGE ENVELOPE ****

(Bank : 001)

SRC:PW4 CALLER:

SND DATE: 18/01/12

EXT:

RPT# AMT:400,000.00

CUR:USD RATE: 1.

T

TEST: DUE:

TYP:NDP/1000 FNDS:S CHG:DB:Y CD:N C

DBT D/[REDACTED] 5328

CDT *A/[REDACTED] 0053

DEBIT VAL: 18/01/12

CREDIT VAL: 18/01/12

AMT:400,000.00 CUR:USD

AMT:400,000.00 CUR:USD

GL RECON: 001

GL RECON: 001

DEPT:5411

DEPT:0482

AMERICORE HEALTH LLC

PNC BANK, NATIONAL ASSOCIATION

501 SE 2ND ST APT 901

PHILADELPHIA, PA

FORT LAUDERDALE FL 33301-3678

SNDR REF NUM:201801870985ISCW

BNF:/[REDACTED] 2978

REF NUM:loan

james biden

27 raynham roadmerion stationp
66

**** CREDIT PAYMENT MESSAGE TEXT ****

{1510} Type/Subtype Code:

Type Code:

10 (Transfer of funds)

Subtype Code:

00 (Regular transfer)

{2000} Amount:

\$400,000.00

{3100} Sending Bank:

ABA number:

[REDACTED] 0096

Short name:

PNCBANK PITT

ABA lookup (AUX):

PNC BANK, NATIONAL ASSOCIATION
PITTSBURGH, PA

{3320} Sender Reference:

[REDACTED] 5836

{3400} Receiving Bank:

ABA number:

[REDACTED] 0053

Short name:

PNCBANK PHIL

ABA lookup (AUX):

PNC BANK, NATIONAL ASSOCIATION
PHILADELPHIA, PA

{3600} Business Function Code:

CTP (Customer transfer plus)

{4200} Beneficiary:

D/[REDACTED] 2978

JAMES BIDEN

66

{4320} Reference for Beneficiary:

LOAN

{5000} Originator:

D/ [REDACTED] 5328
AMERICORE HEALTH LLC
501 SE 2ND ST APT 901
FORT LAUDERDALE FL 33301-3678

{5100} Originator's Bank:

/
PNC BANK PITTSBURGH

*** MESSAGE TEXT ***

DBK001A
NRPNDP 180112 0000YN30
AMT0.00USD0.000000000000
DBTD [REDACTED] 5328
TBDTBD
[REDACTED] 0301
[REDACTED] 0985
DB1USD400000.00
SRF [REDACTED] 0985ISCW
ORFloan
CDT FED
BBKA [REDACTED] 0053
PNC BANK, NATIONAL ASSOCIATION
PHILADELPHIA, PA
BNF [REDACTED] 2978
james biden
27 raynham roadmerion stationpa 190
66
CHG

TRN REF #: [REDACTED] 3119

**** MESSAGE ENVELOPE ****

(Bank : 001)

SND DATE: 18/03/01

SRC:PW2 CALLER:

EXT:

RPT# AMT:200,000.00

CUR:USD RATE: 1.

T

TEST: DUE:

TYP:NDP/1000 FNDS:S CHG:DB:Y CD:N C

DBT D/ [REDACTED] 5328

CDT *A/ [REDACTED] 0053

DEBIT VAL: 18/03/01

CREDIT VAL: 18/03/01

AMT:200,000.00 CUR:USD

AMT:200,000.00 CUR:USD

GL RECON: 001

GL RECON: 001

DEPT:5411

DEPT:0482

AMERICORE HEALTH LLC

PNC BANK, NATIONAL ASSOCIATION

501 SE 2ND ST APT 901

PHILADELPHIA, PA

FORT LAUDERDALE FL 33301-3678

SNDR REF NUM: [REDACTED] 1569ISCW

BNF:/ [REDACTED] 2978

REF NUM:loan

james biden

27 raynham roadmerion station,
19066

**** CREDIT PAYMENT MESSAGE TEXT ****

{1510} Type/Subtype Code:

Type Code:

10 (Transfer of funds)

Subtype Code:

00 (Regular transfer)

{2000} Amount:

\$200,000.00

{3100} Sending Bank:

ABA number:

[REDACTED] 0096

Short name:

PNCBANK PITT

ABA lookup (AUX):

PNC BANK, NATIONAL ASSOCIATION
PITTSBURGH, PA

{3320} Sender Reference:

[REDACTED] 3119

{3400} Receiving Bank:

ABA number:

[REDACTED] 0053

Short name:

PNCBANK PHIL

ABA lookup (AUX):

PNC BANK, NATIONAL ASSOCIATION
PHILADELPHIA, PA

{3600} Business Function Code:

CTP (Customer transfer plus)

{4200} Beneficiary:

D/ [REDACTED] 2978

JAMES BIDEN

19066

{4320} Reference for Beneficiary:

LOAN

{5000} Originator:

D/ [REDACTED] 5328
AMERICORE HEALTH LLC
501 SE 2ND ST APT 901
FORT LAUDERDALE FL 33301-3678

{5100} Originator's Bank:

/
PNC BANK PITTSBURGH

*** MESSAGE TEXT ***

DBK001A
NRPNDP 180301 0000YN30
AMT0.00USD0.000000000000
DBTD [REDACTED] 5328
GrantWhite
[REDACTED] 0301
[REDACTED] 1569
DB1USD200000.00
SRF [REDACTED] 1569ISCW
ORFloan
CDT FED
BBKA [REDACTED] 0053
PNC BANK, NATIONAL ASSOCIATION
PHILADELPHIA, PA
BNF [REDACTED] 2978
james biden
27 raynham roadmerion station, PA
19066
CHG

Run Date: 1-Apr-20
Run Time: 11:31 AM

Transaction Detail Report

Page: 1
User Name: TRAIL

BNK: 175 SND DATE: 180604
AMT: \$10,000.00
SRC: OTM ADV: FED TYP: FTR

VAL: 180604
CUR: USD
LOC: MTRANS

TRN: [REDACTED] 5119
FOR AMT: 10,000.00
CHECK NUM:

DBT: D/[REDACTED] 9958
ACC: D/[REDACTED] 9958
DEPT: 175
AMERICORE HEALTH LLC
4337 SEAGRAPE DR
FORT LAUDERDALE FL 33308

ON FILE: Y
CTRY:

SEND:
SNDR REF NUM: [REDACTED] 0762

ORIG:
REF NUM: [REDACTED] 0762

CDT: A/[REDACTED] 0021
ACC: G/[REDACTED] 1050
DEPT: 175
JPMORGAN CHASE BANK, NA
NEW YORK, NY

ON FILE: N
CTRY:

BNF: / [REDACTED] 1049
James Biden

BK: N

ORIG TO BNF INFO:
Consulting & Marketing - May 2018

Exhibit “B”

JIM BIDEN

PRINCIPAL

501 SE 2nd St.
Suite 901
Fort Lauderdale, FL 33301



AmericoreHealth.com

