

IN THE UNITED STATES DISTRICT COURT
FOR THE ORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

MAR 23 2009

JAMES N. HATTEN, CLERK
Deputy Clerk

PAT HUDDLESTON, II as Receiver for)
COADUM ADVISORS, INC., MANSELL)
CAPITALPARTNERS III, LLC,)
COADUM CAPITAL FUND 1, LLC)
COADUM CAPITAL FUND 11, LP)
COADUM CAPITAL FUND III,LP and)
NO.)
MANSELL ACQUISITION COMPANY,)
LP)

CIVIL ACTION FILE

1:08-CV-03597-ODE

Plaintiff,

v.

MELANIE R. MAYER, MELANIE R.)
MAYER, P.C., MAYER & ASSOCIATES,)
P.C., STEPHAN J. LOVETT, and)
HARTSFIELD CAPITAL GROUP, INC.)

Defendants.

ANSWER

Defendants, Stephan J. Lovett ("Lovett") and Hartsfield Capital Group ("Hartsfield") (collectively "Defendants"), appearing Pro Se, answer the complaint of PAT HUDDLESTON, II as Receiver for the Plaintiff parties ("Plaintiff") as follows:

1. Admitted.

2. Defendants admit that Lovett was the sole shareholder of Hartsfield Capital Group, Inc. from September 1993 until September 2008 when Hartsfield became insolvent and defunct. Accordingly, Hartsfield is unable to retain representation by counsel. Defendant Lovett can be served at 3000 Old Alabama Road Suite 119-308 Alpharetta, Georgia, 30022.

3. Defendants admit to sub paragraphs A, D, E, G, and H of paragraph 3; however, Defendants lack information sufficient to form a belief as to the truth of the allegations contained in the remaining sub paragraphs of paragraph 3 the complaint, and on that basis deny each and every allegation contained in those sub paragraphs of paragraph 3 of the complaint.

4 – 5. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraphs 4 and 5 of the complaint, and on that basis deny each and every allegation contained in paragraphs 4 and 5 of the complaint.

6. Admitted.

7. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraph 7 of the complaint, and on that basis deny each and every allegation contained in paragraph 7 of the complaint.

8. Admitted.

9. The allegations set forth in paragraph 9 of the complaint call for a legal conclusion to which no response is called for. However, to the extent that the allegations set forth facts to which a response is required, Defendants deny the allegations contained in paragraph 9 of the complaint. The Defendants deny that they received any unnecessary or unearned fees whatsoever.

10. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraph 10 of the complaint, and on that basis deny each and every allegation contained in paragraph 10 of the complaint.

11. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraph 11 of the complaint, and on that basis deny each and every allegation contained in paragraph 11 of the complaint

12. To the extent that Paragraph 12 makes any allegation with respect to the Defendants, such allegation(s) are denied. The Defendants lack information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 12 of the complaint, and on that basis deny each and every of the remaining allegations contained in paragraph 12 of the complaint.

13 - 22. Admitted.

23. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraph 23 of the complaint, and on that basis deny each and every allegation contained in paragraph 23 of the complaint

24 -25. The Defendants deny the allegations contained in paragraphs 24 and 25.

26. Defendants deny the allegations contained in paragraph 26 of the complaint with the singular exception as to Venue, which is admitted

27 - 29. Admitted

30 - 32. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraphs 30, 31, and 32 of the complaint, and on that basis deny each and every allegation contained in the subject paragraphs of the complaint.

33 - 38. Admitted

39. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraph 39 of the complaint, and on that basis deny each and every allegation contained in paragraph 39 of the complaint.

40. Admitted.

41 - 44. Defendants deny the allegations contained in paragraphs 41, 42, 43, and 44 of the complaint.

45. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraph 45 of the complaint, and on that basis deny each and every allegation contained in paragraph 45 of the complaint.

46. Admitted

47. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraph 47 of the complaint, and on that basis deny each and every allegation contained in paragraph 45 of the complaint

48 - 49. Admitted.

50. Defendants deny the allegations contained in paragraph 50.

51 - 52. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraph 51 and 52 of the complaint, and on that basis deny each and every allegation contained in paragraph 51 and 52 of the complaint.

53 - 54. Admitted.

55 - 62. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraphs 55, 56, 57, 58, 59, 60, 61, and 62 of the complaint, and on that basis deny each and every allegation contained in those paragraphs.

63. Admitted

64 - 66. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraph 64 and 65 of the complaint, and on that basis deny each and every allegation contained in paragraph 64, 65, and 66 of the complaint.

67. To the extent it is alleged in paragraph 67 of the complaint that Defendants committed any wrongdoing against Plaintiff whatsoever, said allegations are denied. The Defendants lack information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 67 of the complaint, and on that basis deny each and every of the remaining allegations contained in paragraph 67 of the complaint.

68. Defendants deny the allegations contained in paragraphs 68.

69. The Defendants specifically deny ever making any representations to investors whatsoever.

70 – 74. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraphs 70 through 74 of the complaint, and on that basis deny each and every allegation contained in paragraph 70 through 74 of the complaint.

75. To the extent it is alleged in paragraph 75 of the complaint that Defendants committed any wrongdoing against Plaintiff whatsoever, said allegations are denied. The Defendants lack information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 75 of the complaint, and on that basis deny each and every of the remaining

allegations contained in paragraph 75 of the complaint.

76 – 85. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraphs 76 through 85 of the complaint, and on that basis deny each and every allegation contained in paragraph 76 through 85 of the complaint.

86 – 87 Defendants deny the allegations contained in paragraphs 86 and 87.

88 - 96. Admitted.

97. Admitted, however, to the extent it is alleged in paragraph 97 of the complaint that Defendants committed any wrongdoing against Plaintiff whatsoever, said allegations are denied.

98. Defendants deny the allegations contained in paragraphs 98.

More specifically, Defendants entitlement to fees are clearly delineated in

both the Subscription Agreement as well as the Private Placement

Memorandum.

99 – 100. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraphs 99 and 100 of the complaint, and on that basis deny each and every allegation contained in paragraph 99 and 100 of the complaint.

101. Defendants deny the allegations contained in paragraph 101.
102. Defendants deny the allegations contained in paragraph 102. More specifically, Defendant Hartsfield received total fees of \$391,000 from the entities represented by the Receiver and Mr. Lovett received nothing.
103. Defendants deny the allegations contained in paragraph 103.
- 104 – 113. Admitted.
114. Defendants admit to the receipt of investor funds, however Defendants specifically deny that any wrong doing whatsoever occurred in the administration of the Defendants contractual obligations.
115. Admitted, however, to the extent it is alleged in paragraph 97 of the complaint that Defendants committed any wrongdoing against Plaintiff whatsoever, said allegations are denied.
- 116 Admitted.
- 117 - 119. Defendants deny the allegations contained in paragraphs 117 through 119 of the complaint.
- 120 – 122. Admitted.
- 123 – 128. Defendants deny the allegations contained in paragraphs 123 through 128 of the complaint.
- 129 -131. Admitted.
132. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraphs 132 of the complaint, and on that basis deny each and every allegation contained in paragraph 132 of the complaint.
- 133 - 134. Defendants deny the allegations contained in paragraphs 133 and 134 of the complaint.

135. Admitted.

136. Defendants deny the allegations contained in paragraph 136 of the complaint. More specifically, the cumulative amount of fees received by Hartsfield totaled \$ 391,000 from which \$130,000 was paid to Ms. Mayer for escrow services and Mr. Lovett did not receive any fees whatsoever.

137 – 138. Defendants deny the allegations contained in paragraphs 137 and 138 of the complaint.

140 - 142 Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraphs 140 through 142 of the complaint, and on that basis deny each and every allegation contained in those paragraphs.

143. Admitted. The Defendants have turned over their entire file totaling more than eight banker boxes to the Receiver.

144. Defendants lack information sufficient to form a belief as to the truth of the allegations contained in paragraph 144 of the complaint, and on that basis deny each and every allegation contained in paragraph 144 of the complaint.

145 - 161. Defendants deny the allegations contained in paragraphs 146 through 161 of the complaint.

FIRST CAUSE OF ACTION

Defendants incorporate their responses to paragraphs 1 through 161 of the complaint. Defendants have complied with a comprehensive accounting of all funds received by the Defendants and deny that any amounts should be disgorged.

SECOND CAUSE OF ACTION

Defendants incorporate their responses to paragraphs 1 through 161 of the complaint. The alleged damages to Plaintiff are not the result of any acts of commissions, wrong doings or omissions of the Defendants.

THIRD CAUSE OF ACTION

Defendants incorporate their responses to paragraphs 1 through 161 of the complaint. Plaintiff claims for punitive damages are barred because Plaintiff has failed to assert any specific cause of action warranting an award of punitive damages against Defendant Hartsfield or, specifically, Defendant Lovett.

FOURTH CAUSE OF ACTION

Defendants incorporate their responses to paragraphs 1 through 161 of the complaint. Plaintiff claims for damages are barred because Plaintiff has failed to assert any specific cause of action warranting an award of damages as the result of any mismanagement or negligence involving the escrow account.

FIRST AFFIRMATIVE DEFENSE

1. Plaintiff has failed to allege any specific action upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

2. The alleged damages to Plaintiff are not the result of any acts or omissions of the Defendants.

THIRD AFFIRMATIVE DEFENSE

3. Any acts of the Defendants for which Plaintiff seeks to hold the Defendants liable, were performed for or on behalf of defendants Hartsfield Capital Group, Inc. and not by Defendant Lovett as an individual.

FOURTH AFFIRMATIVE DEFENSE

4. If and to the extent the Defendants are to be considered responsible to Plaintiff in connection with Plaintiffs complaint, the Defendants are entitled to indemnification, representation, and payment of expenses based on the contract that Defendant Hartsfield had with the parties that the Receiver represents.

FIFTH AFFIRMATIVE DEFENSE

5. Plaintiff's complaint violates F.R.C.P. 9(b) in that the complaint fails

to plead fraud against the Defendants with particularity.

SIXTH AFFIRMATIVE DEFENSE

6. Plaintiff's complaint violates F.R.C.P. 8(a) and should, therefore, be dismissed.


WHEREFORE, defendants Stephan J. Lovett and Hartsfield Capital Group respectfully request that:

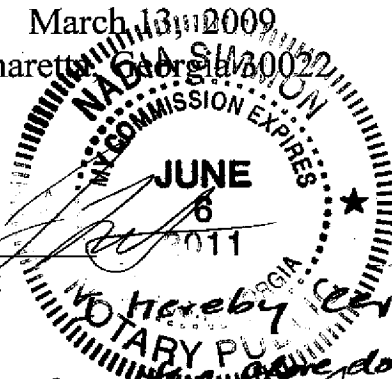
1. The Plaintiff take nothing by way of its complaint;
2. The Court dismiss Plaintiff's complaint in its entirety; and
3. Such other and further relief as this Court may deem just.

Dated:

March 13, 2009

Alpharetta, Georgia


Stephan J. Lovett



known to me, executed
hereby certify that Stephan Lovett,
agree document
Nadia Simon
Notary Public

Nadia Simon
Notary Public, Cobb County Georgia
My Commission Expires June 6 2011