

4. Defendant denies each and every allegation of this paragraph of the Complaint.
5. Defendant admits the allegations of this paragraph of the Complaint.
6. Defendant admits the allegations of this paragraph of the Complaint.
7. Defendant denies each and every allegation of this paragraph of the Complaint, with the further clarification that Defendant Durango Merchant Services, LLC. does not process credit card transactions.
8. Defendant denies each and every allegation of this paragraph of the Complaint.
9. Defendant denies each and every allegation of this paragraph of the Complaint.
10. Defendant denies each and every allegation of this paragraph of the Complaint.

“PARTIES” SECTION OF COMPLAINT

11. Defendant admits the allegations of this paragraph of the Complaint.
12. Defendant admits the allegations of this paragraph of the Complaint.
13. Defendant admits the allegations of this paragraph of the Complaint.
14. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.
15. Defendant admits the allegations of this paragraph of the Complaint.
16. Defendant admits the allegations of this paragraph of the Complaint.
17. Defendant denies each and every allegation of this paragraph of the Complaint.
18. Defendant denies each and every allegation of this paragraph of the Complaint.

“JURISDICTION AND VENUE” SECTION OF COMPLAINT

19. Defendant admits the allegations of this paragraph of the Complaint.

20. Defendant admits the allegations of this paragraph of the Complaint.

21. Defendant denies each and every allegation of this paragraph of the Complaint.

22. Defendant denies each and every allegation of this paragraph of the Complaint.

23. Defendant denies each and every allegation of this paragraph of the Complaint.

“FACTUAL BACKGROUND” SECTION OF COMPLAINT

24. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

25. Defendant admits the allegations of this paragraph of the Complaint.

26. Defendant admits the allegations of this paragraph of the Complaint.

27. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

28. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

29. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

30. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

31. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

32. Defendant admits the allegations of this paragraph of the Complaint.

33. Defendant admits the allegations of this paragraph of the Complaint.

34. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

35. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

36. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

37. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

38. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations

of this paragraph of the Complaint.

39. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

40. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

41. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

42. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

43. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

44. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

45. Defendant denies each and every allegation of this paragraph of the Complaint.

46. Defendant denies each and every allegation of this paragraph of the Complaint.

47. Defendant denies each and every allegation of this paragraph of the Complaint.

48. Defendant admits the allegations of this paragraph of the Complaint.

49. Defendant admits the allegations of this paragraph of the Complaint, with the comment that all Internet or telephone transactions are considered “high risk” due to the lack of in-person customer signature and actual swipe of the customer’s credit card.

50. Defendant admits the authenticity of the document identified in this paragraph of the Complaint, but clarifies that there was no processing agreement between the merchant and Durango. Because Durango is a broker, any agreements for credit card processing services would be between the merchant and credit card processing banks.

51. Defendant admits the allegation of this paragraph of the Complaint that Durango assisted Laurette, but denies the allegation that Durango did so “for the purpose of processing payments for Counterfeit Products.”

52. Defendant admits that the e-mails were produced, but denies all remaining allegations of this paragraph of the Complaint.

53. Defendant admits the allegations of this paragraph of the Complaint.

54. Defendant admits the allegations of this paragraph of the Complaint.

55. Defendant admits the allegations of this paragraph of the Complaint.

56. Defendant denies each and every allegation of this paragraph of the Complaint, with the further comment that Durango is not an agent that is authorized to act on behalf of Frontline.

57. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

58. Defendant admits the allegations of this paragraph of the Complaint.

59. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

60. Defendant admits the allegations of this paragraph of the Complaint.

61. Defendant admits the allegations of this paragraph of the Complaint.

62. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

63. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

64. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

65. Defendant admits the allegations of this paragraph of the Complaint.

66. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

67. Defendant admits the allegations of this paragraph of the Complaint.

68. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

69. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

70. Defendant admits the allegations of this paragraph of the Complaint.

71. Defendant admits the allegations of this paragraph of the Complaint.

72. Defendant denies that it acted as Woodforest's agent, and admits the remaining allegations of this paragraph of the Complaint.

73. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

74. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

75. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

76. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

77. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

78. Defendant admits the allegations of this paragraph of the Complaint.

79. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

80. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

81. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

82. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

83. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

84. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

85. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

86. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

87. Defendant denies each and every allegation of this paragraph of the Complaint.

88. Defendant admits the allegations of this paragraph of the Complaint.

89. Defendant admits that the statements appeared on Defendant's website, and denies the remaining allegations of this paragraph of the Complaint.

90. Defendant denies each and every allegation of this paragraph of the Complaint.

"FIRST CAUSE OF ACTION" SECTION OF COMPLAINT

91. Defendants repeat and incorporate by reference its replies in Paragraphs 1 through 90 herein inclusive.

92. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

93. Defendant denies each and every allegation of this paragraph of the Complaint.

94. Defendant denies each and every allegation of this paragraph of the Complaint.

95. Defendant denies each and every allegation of this paragraph of the Complaint.

96. Defendant denies each and every allegation of this paragraph of the Complaint.

"SECOND CAUSE OF ACTION" SECTION OF COMPLAINT

97. Defendants repeat and incorporate by reference its replies in Paragraphs 1 through 96 herein

inclusive.

98. Defendant denies each and every allegation of this paragraph of the Complaint.

99. Defendant denies each and every allegation of this paragraph of the Complaint.

100. Defendant denies each and every allegation of this paragraph of the Complaint.

101. Defendant denies each and every allegation of this paragraph of the Complaint.

102. Defendant denies each and every allegation of this paragraph of the Complaint.

“THIRD CAUSE OF ACTION” SECTION OF COMPLAINT

103. Defendants repeat and incorporate by reference its replies in Paragraphs 1 through 102 herein inclusive.

104. Defendant admits the allegations of this paragraph of the Complaint.

105. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph of the Complaint, and on that basis denies the allegations of this paragraph of the Complaint.

106. Defendant denies each and every allegation of this paragraph of the Complaint.

107. Defendant denies each and every allegation of this paragraph of the Complaint.

108. Defendant denies each and every allegation of this paragraph of the Complaint.

109. Defendant denies each and every allegation of this paragraph of the Complaint.

110. Defendant denies each and every allegation of this paragraph of the Complaint.

111. Defendant denies each and every allegation of this paragraph of the Complaint.

112. Defendant denies each and every allegation of this paragraph of the Complaint.

113. Defendant denies each and every allegation of this paragraph of the Complaint.

114. Defendant denies each and every allegation of this paragraph of the Complaint.

“FOURTH CAUSE OF ACTION” SECTION OF COMPLAINT

115. Defendants repeat and incorporate by reference its replies in Paragraphs 1 through 114 herein inclusive.

116. Defendant denies each and every allegation of this paragraph of the Complaint.

117. Defendant denies each and every allegation of this paragraph of the Complaint.

118. Defendant denies each and every allegation of this paragraph of the Complaint.

119. Defendant denies each and every allegation of this paragraph of the Complaint.

120. Defendant denies each and every allegation of this paragraph of the Complaint.

121. Defendant denies each and every allegation of this paragraph of the Complaint.

122. Defendant denies each and every allegation of this paragraph of the Complaint.

123. Defendant denies each and every allegation of this paragraph of the Complaint.

124. Defendant denies each and every allegation of this paragraph of the Complaint.

“FIFTH CAUSE OF ACTION” SECTION OF COMPLAINT

125. Defendants repeat and incorporate by reference its replies in Paragraphs 1 through 124 herein inclusive.

126. Defendant denies each and every allegation of this paragraph of the Complaint.

“SIXTH CAUSE OF ACTION” SECTION OF COMPLAINT

127. Defendants repeat and incorporate by reference its replies in Paragraphs 1 through 126

herein inclusive.

128. Defendant denies each and every allegation of this paragraph of the Complaint.

DEFENDANTS' AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

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

SECOND AFFIRMATIVE DEFENSE

Plaintiffs can not demonstrate injury, impact or damage as a result of any actions by Defendants.

THIRD AFFIRMATIVE DEFENSE

Defendants had no knowledge that any of their activities constituted infringement and thus their actions were innocent.

WHEREFORE, Defendant Durango Merchant Services, LLC. respectfully requests this Court to grant judgment in its favor, order all claims of the complaint dismissed with prejudice, award Defendant all costs, expenses, disbursements and fees incurred herein, including reasonable attorneys' fees, and such other, further and different relief as the Court may deem just and proper.

Dated: Calverton, New York.
July 7, 2010

/s/ Todd Wengrovsky
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