

George V. Utlik
Arent Fox LLP
1675 Broadway
New York, NY 10019
Telephone: (212) 484-3900
Facsimile: (212) 484-3990
george.utlik@arentfox.com

Aram Ordubegian (admitted *pro hac vice*)
Andy S. Kong (admitted *pro hac vice*)
Arent Fox LLP
555 West Fifth Street, 48th Floor
Los Angeles, CA 90013
Telephone: (213) 629-7400
Facsimile: (213) 629-7401
aram.ordubegian@arentfox.com
andy.kong@arentfox.com

*General Bankruptcy and Restructuring Counsel
to the Debtor*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	
	:
In re:	:
	:
	:
AIRFASTTICKETS, INC.,	:
	:
	:
	:
Debtor.	:
	:
-----X	

**MOTION OF THE DEBTOR FOR AN ORDER (I) APPROVING
ITS DISCLOSURE STATEMENT, (II) ESTABLISHING PLAN SOLICITATION
AND VOTING PROCEDURES, (III) SCHEDULING A CONFIRMATION HEARING,
AND (IV) ESTABLISHING NOTICE AND OBJECTION PROCEDURES FOR
CONFIRMATION OF THE DEBTOR’S CHAPTER 11 PLAN OF LIQUIDATION**

TO THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE

The above-captioned debtor and debtor in possession (the “Debtor”), by and through its undersigned counsel, files this motion (the “Motion”) for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), (i) approving the Debtor’s disclosure

statement (the “Disclosure Statement”); (ii) establishing plan solicitation and voting procedures (the “Solicitation Procedures”); (iii) scheduling a confirmation hearing; and (iv) establishing notice and objection procedures for confirmation of the Debtor’s chapter 11 plan of liquidation (the “Plan”), under sections 105(a), 502, 1123, 1124, 1125, 1126, and 1128 of the Bankruptcy Code, Rules 2002, 3003, 3016, 3017, 3018, 3020, 6006, 9006, 9007, 9013, 9014, and 9021 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 2002-1, 3017-1, and 3018-1 of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”), and respectfully represents as follows:

BACKGROUND

I. Debtor’s Prepetition Operations

1. The Debtor Airfasttickets, Inc. (“Airfasttickets”) is a Delaware corporation that had its headquarters in New York, New York and operated a multi-national business, together with several of its wholly owned foreign subsidiaries, Fast Group Deutschland AG (Germany), Airfasttickets, Ltd. (United Kingdom), Air Fast Tickets Spolka z.o.o. (Poland), Air Fast Tickets Ltd. (Hong Kong), and Fast Group S.A. (Greece) (collectively, the “Subsidiaries”).

2. Airfasttickets was formed by Nikolaos Koklonis in 2011 and, at all relevant times, was managed and controlled by Nikolaos Koklonis as the President and Chief Executive Officer of Airfasttickets, the sole director and Chairman of the Board of Directors of Airfasttickets, and its controlling (90%) stockholder. Airfasttickets was also managed by two officers: (a) Frank Ferro, the Chief Financial Officer of Airfasttickets; and (b) Eleni Vareli, the Chief Operating Officer of Airfasttickets and its minority (10%) stockholder.

3. To operate its business, Airfasttickets used proprietary software that it developed and owned to help consumers find low cost domestic and international airfares. In that regard,

Airfasttickets' business model was similar to the airline ticketing services provided by Expedia.com and other online travel agencies.

4. Airfasttickets and its Subsidiaries operated in international markets pursuant to accreditation and license agreements issued by the International Air Transport Association ("IATA"). IATA is the trade association for the world's airlines, representing more than 250 airlines and approximately 85% of the world's total air traffic.

5. Upon information and belief, in connection with Airfasttickets' operations, Airfasttickets' customers purchased airline tickets from Airfasttickets' (US) website, www.airfasttickets.com, and paid for airline tickets using Airfasttickets' (US) bank accounts located at various financial institutions.

6. In 2014, IATA revoked Airfasttickets' accreditation and license agreements because Airfasttickets failed to comply with IATA's rules, regulations, requirements, and accreditation standards by, among other things, failing to remit payment for its ticket sales to the airlines. At the time the IATA accreditation and license agreements were revoked and terminated, Airfasttickets or its Subsidiaries owed over \$70 million to over 400 airlines and approximately \$25 million to vendors.

7. After IATA revoked Airfasttickets' accreditation and license agreements, Airfasttickets attempted to stay in business by purchasing airline tickets through affiliated third-party ticket consolidators, rather than directly through the airlines. Some or all of the ticket consolidators and other service providers used by Airfasttickets, including Worldwide Internet Services Limited, Lockdrive Limited, London Travel & Tours Limited, Amphion Efthymia Ltd., Travelport LP, and Worldspan (collectively, "Ticket Consolidators"), were managed by, among

others, Mr. Koklonis, or Mr. Koklonis maintained ownership or significant financial interest in some or all of the Ticket Consolidators.

8. Eventually, Airfasttickets was unable to continue operations, suffered from severe liquidity issues, and did not have sufficient funds to pay its employees, vendors, and other creditors. Under a series of agreements with Airfasttickets, certain investors loaned Airfasttickets \$15 million between October 2014 and June 2015. As a condition to the loan, Jason Chen (one of the investors) and his wife, Lisa Chen, along with Mr. Koklonis, were appointed to Airfasttickets' board of directors. Mr. Chen was appointed as the Chief Executive Officer at the same time.

9. In later May and early June 2015, Airfasttickets' board of directors, certain managers, and its legal and financial advisors met to discuss Airfasttickets' financial situation and alternatives to help the company recover from its severe insolvency, including possible restructuring or bankruptcy.

II. Debtor's Proceedings in the Delaware Court of Chancery

10. In June 2015, Mr. Koklonis filed a complaint in the Delaware Court of Chancery (the "Chancery Court"), seeking a judicial determination that he was the sole director, Chairman of the Board, CEO, President, and majority stockholder of Airfasttickets.

11. Under the Order dated July 21, 2015, Adam Meislik was duly appointed as the receiver of Airfasttickets by the Chancery Court. Under the Order, Mr. Meislik has all powers available to a receiver under 8 Del. C. § 291, including the power to take charge of the assets, estate, effects, business, and affairs of Airfasttickets; to collect the outstanding debts, claims, and property due and belonging to Airfasttickets; and prosecute and defend, in the name of Airfasttickets or otherwise, all claims or suits.

III. The Debtor's Bankruptcy Proceedings

12. On July 27, 2015, certain of the Airfasttickets' creditors filed an involuntary petition against Airfasttickets in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), seeking an order for relief under chapter 7 of title 11 of the United States Code (the "Bankruptcy Code").

13. Under the summons issued in conjunction with the involuntary petition, Airfasttickets had until August 21, 2015 to respond to the involuntary petition. Airfasttickets' time to respond to the involuntary petition was extended through and including September 21, 2015 pursuant to a stipulation filed with the Bankruptcy Court on August 20, 2015.

14. On September 21, 2015, Airfasttickets filed an answer, consenting to the entry of an order for relief under the Bankruptcy Code, and also filed its *Motion to Convert Chapter 7 Case to Chapter 11 Pursuant to 11 U.S.C. § 706(a)* (the "Motion to Convert") seeking to convert Airfasttickets' case to one under chapter 11 of the Bankruptcy Code.

15. On October 27, 2015, the Bankruptcy Court granted the Motion to Convert and entered an order for relief under the Bankruptcy Code. Thereafter, Airfasttickets has been managing its affairs as a debtor in possession under sections 1107(a) and 1108 of the Bankruptcy Code.

16. On November 24, 2015, the Bankruptcy Court entered an Order approving the Debtor's sale of its intellectual property and software and certain related assets.

17. Following the sale, Mr. Meislik and the Debtor's professionals continued to conduct investigations of the Debtor's books and records concerning the Debtor's properties and financial affairs. Currently, the Debtor has decided to pursue confirmation of the Debtor's proposed Plan, accompanied by the Disclosure Statement, seeking to create a workable process,

framework, and timeline for a confirmation of the Plan and resolution of the Debtor's chapter 11 case.

18. Therefore, the Debtor seeks approval of the Disclosure Statement as well as certain procedures and other matters central to the confirmation process and necessary to the resolution of the Debtor's chapter 11 case. As part of the process, the Debtor intends to seek, among other things, scheduling the hearing for confirmation of the Plan, establishing a deadline for voting, and setting forth procedures outlined in the Disclosure Statement that are designed to streamline the Plan confirmation process.

JURISDICTION AND VENUE

19. This Bankruptcy Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Bankruptcy Court pursuant to 28 U.S.C. §§ 1408 and 1409.

20. The statutory predicates for the relief requested in this Motion are sections 105(a), 502, 1123, 1124, 1125, 1126, and 1128 of the Bankruptcy Code, Bankruptcy Rules 2002, 3003, 3016, 3017, 3018, 3020, 6006, 9006, 9007, 9013, 9014, and 9021, and Local Rules 2002-1, 3017-1, and 3018-1.

RELIEF REQUESTED

21. By this Motion, the Debtor requests entry of the Proposed Order (i) approving the Debtor's Disclosure Statement; (ii) establishing the Solicitation Procedures; (iii) scheduling a confirmation hearing; and (iv) establishing notice and objection procedures for confirmation of the Debtor's Plan. The Debtor respectfully submits that (i) the Disclosure Statement contains "adequate information" within the meaning of section 1125(a)(1) of the Bankruptcy Code and, thus, should be approved by the Bankruptcy Court; and (ii) the proposed Solicitation Procedures

are necessary and reasonable, and in compliance with the requirements of the Bankruptcy Code, Bankruptcy Rules, and Local Rules and practice and, therefore, should be approved.

22. For the Bankruptcy Court’s ease of reference, the key dates suggested for this Motion are summarized below:

Milestone	Proposed Date
Objection Deadline to Disclosure Statement	August 4, 2016 at 5:00 p.m. (ET)
Voting Record Date	August 6, 2016
Disclosure Statement Hearing	August 11, 2016 at 2:00 p.m. (ET)
Solicitation Date	August 29, 2016
Voting Deadline	September 29, 2016 at 5:00 p.m. (ET)
Plan Objection Deadline	October 6, 2016 at 5:00 p.m. (ET)
Ballot Certification Deadline	October 6, 2016 at 5:00 p.m. (ET)
Reply Deadline	October 11, 2016 at 5:00 p.m. (ET)
Confirmation Hearing	October 13, 2016 at 11 a.m. (ET)

These proposed dates are designed to provide parties in interest with a reasonable time to act while allowing the Debtor to move towards confirmation of the Plan.

23. Also, summarized below are the exhibits cited throughout this Motion.

	Exhibit
Proposed Order Approving Disclosure Statement	Exhibit A
Disclosure Statement	Exhibit 1 to the Proposed Order Approving Disclosure Statement
Plan	Exhibit A to the Disclosure Statement

	Exhibit
Notice of Non-Voting Status – Unimpaired Class 1 (Priority Non-Tax Claims)	Exhibit 2 to the Proposed Order Approving Disclosure Statement
Notice of Non-Voting Status – Impaired Class 3 (Equity Holders)	Exhibit 3 to the Proposed Order Approving Disclosure Statement
Notice of the Confirmation Hearing	Exhibit 4 to the Proposed Order Approving Disclosure Statement
Ballot for Class 2-A	Exhibit 5 to the Proposed Order Approving Disclosure Statement
Ballot for Class 2-B	Exhibit 6 to the Proposed Order Approving Disclosure Statement

BASIS FOR RELIEF REQUESTED

I. The Disclosure Statement

24. Pursuant to section 1125 of the Bankruptcy Code, a disclosure statement must provide holders of impaired claims with “adequate information” regarding a proposed chapter 11 plan. In that regard, section 1125(a)(1) of the Bankruptcy Code provides as follows:

“[A]dequate information” means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor’s books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such hypothetical investor of the relevant class to make an informed judgment about the plan

11 U.S.C. § 1125(a).

25. Thus, a disclosure statement must, as a whole, provide information that is “reasonably practicable” to permit an “informed judgment” by impaired creditors entitled to vote on the plan. *See In re Dakota Rail, Inc.*, 104 B.R. 138, 142 (Bankr. D. Minn. 1989). The bottom-line requirement of a disclosure statement is that it “must clearly and succinctly inform the average unsecured creditor what it is going to get, when it is going to get it,

and what contingencies there are to getting its distribution.” *In re Ferretti*, 128 B.R. 16, 19 (Bankr. D.N.H. 1991). *Cf. Kirk v. Texaco, Inc.*, 82 B.R. 678, 681-82 (S.D.N.Y. 1988) (“whether a disclosure statement required under [section 1125(b)] contains adequate information is not governed by otherwise applicable nonbankruptcy law, rule, or regulation”) (citing 11 U.S.C. § 1125(d)).

26. A bankruptcy court has broad discretion to determine the adequacy of the information contained in a disclosure statement. *See Texas Extrusion Corp. v. Lockheed Corp. (In re Texas Extrusion Corp.)*, 844 F.2d 1142, 1157 (5th Cir. 1988); *In re Oxford Homes*, 204 B.R. 264 (Bankr. D. Me. 1997); *In re Copy Crafters Quickprint Inc.*, 92 B.R. 973, 979 (Bankr. N.D.N.Y. 1988) (adequacy of disclosure statement “is to be determined on a case-specific basis under a flexible standard that can promote the policy of chapter 11 towards fair settlement through a negotiation process between informed interested parties”). Accordingly, the determination of whether a disclosure statement contains adequate information is to be made on a case-by-case basis, focusing on the unique facts and circumstances of each case. *See In re Phoenix Petroleum Co.*, 278 B.R. 385, 393 (Bankr. E.D. Pa. 2001).

27. In that regard, bankruptcy courts generally examine whether the disclosure statement contains, if applicable, the following types of information:

- (a) the circumstances that gave rise to the filing of the bankruptcy petition;
- (b) an explanation of the available assets and their value;
- (c) the anticipated future of the debtor;
- (d) the source of the information provided in the disclosure statement;
- (e) a disclaimer, which typically indicates that no statements or information concerning the debtor or its assets or securities are authorized, other than those set forth in the disclosure statement;
- (f) the condition and performance of the debtor while in chapter 11;

- (g) information regarding claims against the estate;
- (h) a liquidation analysis setting forth the estimated return that creditors would receive under chapter 7;
- (i) the accounting and valuation methods used to produce the financial information in the disclosure statement;
- (j) information regarding the future management of the debtor, including the amount of compensation to be paid to any insiders, directors and/or officers of the debtor;
- (k) a summary of the plan of reorganization or liquidation;
- (l) an estimate of all administrative expenses, including attorneys' fees and accountants' fees;
- (m) the ability to collect any accounts receivable;
- (n) any financial information, valuations or *pro forma* projections that would be relevant to creditors' determinations of whether to accept or reject the plan;
- (o) information relevant to the risks being taken by the creditors and interest holders;
- (p) the actual or projected value that can be obtained from avoidable transfers;
- (q) the existence, likelihood and possible success of non-bankruptcy litigation;
- (r) the tax consequences of the plan; and
- (s) the relationship of the debtor with its affiliates.

See, e.g., In re Scioto Valley Mortgage Co., 88 B.R. 168, 170-71 (Bankr. S.D. Ohio 1988); *see also Oxford Homes*, 204 B.R. at 269 (using similar list). This list is not meant to be comprehensive nor must the disclosure statement provide all the information on the list. Rather, the bankruptcy court must decide what is appropriate in each case. *See Ferretti*, 128 B.R. at 18-19 (adopting similar list); *see also Phoenix Petroleum*, 278 B.R. at 393 (making use of similar list but cautioning that “no one list of categories will apply in every case”).

28. The Debtor respectfully submits that the Disclosure Statement contains information with respect to the applicable subject matter identified above, including, but not limited to, a discussion of:

- (a) an overview of the Plan;
- (b) an explanation of the available assets and their value;
- (c) the Debtor's operations and business;
- (d) the indebtedness of the Debtor and information regarding claims, Administrative Expenses, and Executory Contracts, and proposed treatment of thereof under the Plan;
- (e) a disclaimer indicating that no statements or information concerning the Debtor or its assets are authorized, other than those set forth in the Disclosure Statement;
- (f) key events leading to the commencement of the Debtor's chapter 11 case;
- (g) certain events that occurred in the Debtor's case;
- (h) the Debtor's sale of certain assets;
- (i) a liquidation analysis under chapter 7;
- (j) risk factors affecting the Plan;
- (k) requirements for confirmation of the Plan; and
- (l) any tax consequences of the Plan.

29. The Disclosure Statement also provides an analysis of the alternatives to confirmation and consummation of the Plan. Accordingly, the Debtor respectfully submits that the Disclosure Statement contains all or substantially all information typically considered by bankruptcy courts and thus requests that the Bankruptcy Court approve the Disclosure Statement as having adequate information and otherwise meeting the requirements of section 1125 of the Bankruptcy Code.

II. The Solicitation and Balloting Procedures

30. In connection with the Disclosure Statement and Plan, the Debtor proposes to implement the following solicitation and balloting procedures. In connection with implementing these procedures, the Debtor will use BMC Group, Inc. (the “Voting Agent”) as the claims, solicitation, and balloting agent.

A. Bar Dates and Voting Record Date

31. On November 10, 2015, the Debtor filed its Schedules of Assets and Liabilities (the “Schedules”) and Statements of Financial Affairs with the Bankruptcy Court.

32. On February 25, 2016, the Bankruptcy Court entered an order establishing (i) **April 6, 2016 at 7:00 p.m. (prevailing Eastern Time)** as the deadline for any party in interest other than Governmental Units (as defined by section 101(27) of the Bankruptcy Code) and certain other limited exceptions to file a proof of claim (the “Bar Date”) and (ii) **April 25, 2016 at 7:00 p.m. (prevailing Eastern Time)** as the deadline for any Governmental Units to file a proof of claim (the “Governmental Bar Date” and together with the Bar Date, the “Bar Dates”). The Bar Dates do not apply to administrative claims under section 503 of the Bankruptcy Code, except for claims arising under section 503(b)(9) of the Bankruptcy Code.

33. As set forth below, the Debtor proposes to set the Record Date for voting on the Plan to be a date that is five (5) calendar days prior to the Disclosure Statement Hearing (the “Voting Record Date”).

B. Parties Entitled to Vote

34. Based upon the Debtor’s Schedules, the proofs of claim filed in this chapter 11 case, and the provisions of the Plan, the Debtor proposes that holders in the Classes set forth in the tables below may vote unless –

- (a) as of the Record Date, the outstanding amount of such claim or interest is not greater than zero (\$0.00);
- (b) as of the Record Date, such claim or interest has been disallowed, expunged, disqualified, or suspended; or
- (c) unless otherwise provided herein, such claim or interest is subject to an objection or request for estimation that has been filed with this Bankruptcy Court (collectively, the "Voting Classes").

The Plan classifies the Voting Classes of the Debtor as follows:

Class	Designation
Class 2-A	General Unsecured Claims
Class 2-B	General Unsecured Claim of Airfasttickets, Ltd.

Holders of claims in Classes 2-A and 2-B are provisionally entitled to vote to accept or reject the Plan. Creditors that are not scheduled in the Debtor's Schedules or those that did not timely file a proof of claim by the Bar Dates shall not be entitled to vote.

C. Temporary Allowance of Claims

35. Bankruptcy Rule 3018(a) provides that "the court after notice and hearing may temporarily allow a claim or interest in an amount which the court deems proper for the purpose of accepting or rejecting a plan." The Debtor submits the following procedures provide for a fair and equitable voting process. Notwithstanding the foregoing, a party who seeks to have its claim or interest estimated may do so as set out further below.

36. For voting purposes, the Debtor proposes that each holder of a claim or interest in the Voting Classes be temporarily allowed for voting purposes only in an amount equal to the amount of such claim or interest set forth in the Debtor's Schedules subject to the following exceptions (unless expressly waived by the Debtor):

- (a) If a claim or interest is deemed allowed under the Plan, such claim or interest is allowed for voting purposes in the deemed allowed amount set forth in the Plan;

- (b) If a proof of claim was timely filed in an amount that is liquidated, non-contingent, and undisputed, such claim is temporarily allowed in the amount set forth on the proof of claim, unless such claim is disputed as set forth in subparagraph (g) below;
- (c) If a claim for which a proof of claim has been timely filed is wholly contingent, unliquidated, disputed, unknown, or undetermined, such claim is accorded one vote and valued at one dollar (\$1.00) for voting purposes only, and not for purposes of allowance or distribution, unless such claim is disputed as set forth in subparagraph (g) below;
- (d) If a claim or interest has been estimated or otherwise allowed for voting purposes by order of the Bankruptcy Court, such claim is temporarily allowed in the amount so estimated or allowed by the Bankruptcy Court for voting purposes only, and not for purposes of allowance or distribution;
- (e) If a claim is listed in the Schedules as contingent, unliquidated, or disputed and a proof of claim was not (a) filed by the Bar Dates for the filing of proofs of claim established by the Bankruptcy Court or (b) deemed timely filed by an order of the Bankruptcy Court prior to the Voting Deadline, the Debtor proposes that such claim be disallowed for voting purposes and for purposes of allowance and distribution pursuant to Bankruptcy Rule 3003(c);
- (f) If a claim is listed in the Schedules or on a timely filed proof of claim as contingent, unliquidated, or disputed in part, such claim is temporarily allowed in the amount that is liquidated, non-contingent, and undisputed for voting purposes only, and not for purposes of allowance or distribution, unless such claim is disputed as set forth in subparagraph (g) below;
- (g) If a party in interest has filed an objection or request for estimation as to a claim or interest, such claim is temporarily disallowed (to the extent provided in the objection or request) for voting purposes only but not for purposes of allowance or distribution, except as ordered by the Bankruptcy Court before the Voting Deadline; and
- (h) Unless temporarily allowed for voting purposes by the Bankruptcy Court, if a proof of claim asserts a claim that is not in U.S. dollars, such claim will be treated as unliquidated and allowed for voting purposes only in the amount of \$1.00.

D. The Voting Record Date

37. Bankruptcy Rule 3017(d) provides that, for the purposes of soliciting votes in connection with the confirmation of a chapter 11 plan, “creditors and equity security holders shall include holders of stock, bonds, debentures, notes, and other securities of record on the date the order approving the disclosure statement is entered or another date fixed by the court, for cause, after notice and a hearing.” Fed. R. Bankr. P. 3017(d). Bankruptcy Rule 3018(a) provides as follows: “A plan may be accepted or rejected in accordance with § 1126 of the Code within the time fixed by the Court pursuant to Rule 3017.” Fed. R. Bankr. P. 3018(a).

38. In accordance with these Bankruptcy Rules, the Debtor requests that in order to allow the Voting Agent to timely distribute solicitation packages, this Bankruptcy Court set a date that is five (5) calendar days prior to the hearing scheduled to consider this Motion as the Voting Record Date for purposes of determining which creditors are entitled to vote on the Plan. In addition, the Debtor requests that the Bankruptcy Court establish the Record Date as the date for determining which Non-Voting Classes are entitled to receive an appropriate Notice of Non-Voting Status.

39. The Debtor believes that the Voting Record Date is appropriate and the Debtor will instruct those responsible for compiling ownership lists to prepare such lists as of the Voting Record Date. To facilitate the mailing and tabulation process, the Debtor requests that the Bankruptcy Court order these parties to provide the Voting Agent an electronic file containing the names, addresses, and holdings of the respective holders as of the Voting Record Date as soon as practicable after the Voting Record Date.

E. Approving Solicitation Packages And Procedures For Distribution Thereof

40. Bankruptcy Rule 3017(d) sets forth the materials that must be provided to holders of claims and equity interests for the purpose of soliciting their votes and providing adequate notice of the hearing on confirmation of a chapter 11 plan:

Upon approval of a disclosure statement,—except to the extent that the court orders otherwise with respect to one or more unimpaired classes of creditors or equity security holders—the debtor in possession, trustee, proponent of the plan, or clerk as the court orders shall mail to all creditors and equity security holders, and in a chapter 11 reorganization case shall transmit to the United States trustee,

- (1) the plan or a court-approved summary of the plan;
- (2) the disclosure statement approved by the court;
- (3) notice of the time within which acceptances and rejections of the plan may be filed; and
- (4) any other information as the court may direct, including any court opinion approving the disclosure statement or a court-approved summary of the opinion.

Fed. R. Bankr. P. 3017(d).

41. In addition, notice of the time fixed for filing objections and the hearing on confirmation shall be mailed to all creditors in accordance with Bankruptcy Rule 2002(b), and a form of Ballot conforming to the Official Bankruptcy Form No. 314 shall be mailed to creditors entitled to vote on the Plan.¹

42. After the Bankruptcy Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code, the Debtor proposes to mail or cause to be mailed, solicitation packages (the “Solicitation Packages”) containing the

¹ Official Bankruptcy Form No. 314 can be found at <http://www.uscourts.gov/forms/bankruptcy-forms/ballot-accepting-or-rejecting-plan-0>, the Official Website for the United States Bankruptcy Courts.

information described below on or before the date set by the Court for such mailing (the “Solicitation Date”) to all parties entitled to receive notice of the Confirmation Hearing in accordance with the Bankruptcy Court’s orders and/or Bankruptcy Rule 2002, including, among others, (a) the US Trustee, (b) the U.S. Internal Revenue Services, (c) any other party requesting service of pleadings in this chapter 11 case pursuant to Bankruptcy Rule 2002, (d) all creditors listed on the Debtor’s Schedules or having filed a proof of claim, and (e) all interest holders.

43. In accordance with Rule 3017(d), Solicitation Packages shall contain a copy of –
- (a) the Confirmation Hearing Notice;
 - (b) to Voting Classes;
 - (1) the order approving the Disclosure Statement (without attachments);
 - (2) the Disclosure Statement, which shall include the Plan as an attachment; and
 - (3) a Ballot customized for such holder, in the form described herein; and
 - (c) to Non-Voting Classes, a Notice of Non-Voting Status, in the form described herein.

44. Because of significantly reduced costs and environmental benefits, the Debtor proposes to send the Solicitation Packages to Voting Classes and Non-Voting Classes in a CD-ROM format instead of printed hard copies; provided, however, that notwithstanding anything herein to the contrary, the Ballot shall be provided in printed hard copies to creditors entitled to receive such documents. The Debtor will, however, provide printed hard copies to those Voting Classes that received a CD-ROM upon request. In addition, the Debtor will provide copies of the Disclosure Statement and Plan, at the expense of the Debtor’s estate, to any party in interest who specifically requests such documents in the manner specified in the Disclosure Statement Notice and Bankruptcy Rule 3017(a). Copies of the Disclosure Statement and Plan also are on

file with the Office of the Clerk of the United States Bankruptcy Court for the Southern District of New York for review during normal business hours and available at the claims agent's website at www.bmcgroup.com/airfasttickets.

45. Although the Debtor has made, and will make, every effort to ensure that the Solicitation Packages described are in final form, the Debtor nonetheless requests authority to make non-substantive changes to the Disclosure Statement, the Plan, and related documents without further order of the Bankruptcy Court, including ministerial changes to correct typographical and grammatical errors, and to make conforming changes among the Disclosure Statement, the Plan, and any other materials in the Solicitation Packages prior to mailing. The Debtor thus submits that it has shown good cause for implementing the proposed notice and service procedures.

F. Approving Forms Of Ballots

46. Bankruptcy Rule 3017(d) requires the Debtor to mail a form of Ballot, which substantially conforms to the Official Bankruptcy Form No. 314, only to creditors or interest holders entitled to vote on the plan. The Debtor proposes to distribute to certain creditors or interest holders, as described herein, one or more Ballots substantially in the forms annexed to the Disclosure Statement Order as **Exhibits 5** and **6**, which are incorporated herein by reference. The forms for the Ballots are based on the Official Bankruptcy Form No. 314 but have been modified to address the particular aspects of this chapter 11 case and to include certain additional information that the Debtor believes is relevant and appropriate for each Class of claims or interests entitled to vote.

47. To holders of General Unsecured Claims in Class 2-A, the Debtor proposes to send a Ballot (the “Class 2-A Ballot”) substantially in the form annexed to the Disclosure Statement Order as **Exhibit 5**.

48. To Airfasttickets Ltd., the holder of General Unsecured Claim in Class 2-B, the Debtor proposes to send a Ballot (the “Class 2-B Ballot”) substantially in the form annexed to the Disclosure Statement Order as **Exhibit 6**.

49. For the Bankruptcy Court’s reference, the table below summarizes the type of Ballots the Debtor generally anticipates sending to the Voting Classes:

Class	Designation	Ballot
Class 2-A	General Unsecured Claims	Class 2-A Ballot
Class 2-B	General Unsecured Claim of Airfasttickets Ltd.	Class 2-B Ballot

G. Notice of Non-Voting Status

50. A notice of non-voting status substantially in the form attached to the Disclosure Statement Order as **Exhibit 2** (the “Notice of Non-Voting Status – Unimpaired Class”) will be sent to Class 1 (holders of Priority Non-Tax Claims), which is presumed to accept the Plan, informing the recipients of their status as a non-voting holder of Priority Non-Tax Claims.

51. A notice of non-voting status substantially in the form attached to the Disclosure Statement Order as **Exhibit 3** (the “Notice of Non-Voting Status – Impaired Class”) will be sent to Class 3 (Equity Holders), which is presumed to reject the Plan, informing the recipients of their status as a non-voting Equity Holder.

H. The Voting Deadline

52. Bankruptcy Rule 3017(c) provides that, on or before approval of a disclosure statement, the court shall fix a time within which the holders of claims or equity security

interests may accept or reject a plan. The Debtor anticipates completing substantially all mailing of the Solicitation Packages by the Solicitation Date. Based on such schedule, the Debtor proposes that in order to be counted as a vote to accept or reject the Plan, each Ballot must be properly executed, completed, and delivered to the Voting Agent (i) by first-class mail, (ii) by overnight courier, or (iii) by hand delivery, so that it is actually received by the Voting Agent by no later than the Voting Deadline. The Debtor submits that such solicitation period is a sufficient period within which creditors and interest holders can make an informed decision whether to accept or reject the Plan.

I. Tabulation Procedures

53. In addition, the Debtor requests that the following procedures apply with respect to tabulating Ballots:

- (a) if a creditor casts more than one Ballot voting the same claim(s) or interest(s) before the Voting Deadline, the last properly completed and executed Ballot received before the Voting Deadline be deemed to reflect the voter's intent, and thus, to supersede any prior Ballots.
- (b) the following Ballots shall not be counted:
 - (1) any Ballot that is properly completed, executed, and timely returned to the Voting Agent, but (i) does not indicate either an acceptance or rejection of the Plan or (ii) indicates both an acceptance and a rejection of the Plan;
 - (2) in the absence of any extension of the Voting Deadline granted by the Debtor, any Ballot received after the Voting Deadline;
 - (3) any Ballot that is illegible or contains insufficient information to permit the identification of the claimant;
 - (4) any Ballot cast by a person or entity that does not hold a claim or interest in a Class that is entitled to vote to accept or reject the Plan;
 - (5) any Ballots not bearing an original signature; or

- (6) any Ballot transmitted to the Voting Agent by facsimile, telecopy, other means of electronic transmission, or any means other than those expressly approved herein.
- (c) if a party that is entitled to vote has more than one claim or interest within the same Class against the Debtor based upon different transactions, the Debtor proposes that said party shall be entitled to one vote in the aggregate dollar amount of all of said claims or interests;
- (d) if a creditor indicates a claim amount on its Ballot that is different than the amount otherwise calculated in accordance with the procedures set forth herein, such claim shall be temporarily allowed for voting purposes in the lesser of the two said amounts; and
- (e) notwithstanding anything to the contrary contained herein, the Debtor propose that any creditor who has scheduled, filed or purchased any duplicate claims be provided with only one Solicitation Package and one Ballot and be permitted to vote only a single claim for numerosity purposes in a dollar amount based upon its claim against one of the Debtor, regardless of whether any party in interest has objected to such duplicate claims.

54. With respect to transfers of claims or interests filed pursuant to Bankruptcy Rule 3001, the Debtor proposes that the holder of a claim or interest as of the Record Date shall be the transferor of such claim and entitled to cast the Ballot with respect to that claim or interest unless the documentation evidencing such transfer was docketed by the Bankruptcy Court on or before **twenty-one (21) days** prior to the Record Date and no timely objection with respect to such transfer was filed by the transferor.

55. To assist in the solicitation process, the Debtor requests that the Bankruptcy Court (i) grant the Debtor and the Voting Agent the authority to, but not require the Debtor or the Voting Agent to, contact parties that submit incomplete or otherwise deficient Ballots to cure such deficiencies and (ii) allow the Debtor to waive such deficiencies in their discretion based on the facts and circumstances in each case.

56. Under Local Rule 3018-1, the Debtor proposes to file its certification regarding the amount and number of allowed claims or allowed interests of each class accepting or rejecting the Plan no later than seven (7) days before the Confirmation Hearing.

III. The Confirmation Hearing

57. Bankruptcy Rule 3017(c) provides that “on or before approval of the disclosure statement, the court shall fix a time within which the holders of claims and interests may accept or reject the plan and may fix a date for the hearing on confirmation.” Fed. R. Bankr. P. 3017(c). In accordance with Bankruptcy Rules 2002(b) and 3017(c), and in view of the Debtor’s proposed solicitation schedule outlined herein, the Debtor requests that the Bankruptcy Court fix a date for the Confirmation Hearing. The Confirmation Hearing may be adjourned or continued from time to time by the Bankruptcy Court or the Debtor without further notice other than adjournments announced in open Bankruptcy Court or as indicated in any notice of agenda of matters scheduled for hearing filed with the Bankruptcy Court.

58. The proposed date for the Confirmation Hearing is in compliance with the Bankruptcy Rules and the Local Rules and will enable the Debtor to pursue confirmation of the Plan in a timely fashion.

A. Confirmation Hearing Notice

59. Bankruptcy Rule 2002 requires not less than 28 days’ notice to all creditors and equity security holders of the time fixed for filing objections and the hearing to consider confirmation of a chapter 11 plan. Under Bankruptcy Rule 3020(b)(1), objections to confirmation of a plan must be filed and served “within a time fixed by the court.” In accordance with these Bankruptcy Rules, the Debtor proposes to include with each Solicitation Package a copy of the Confirmation Hearing Notice, substantially in the form annexed to the Disclosure

Statement Order as **Exhibit 4**, setting forth (i) the Voting Deadline, (ii) the Plan Objection Deadline and procedures for filing objections and responses to confirmation of the Plan, and (iii) the time, date, and place for the Confirmation Hearing. The foregoing procedures will generally provide parties in interest with more than 28 days' notice of the Plan Objection Deadline and Confirmation Hearing, and accordingly, should be approved.

B. Objection Procedures

60. The Debtor additionally requests that the Bankruptcy Court set the Plan Objection Deadline. The Debtor requests that objections and responses, if any, to confirmation of the Plan, must be in writing, must (a) conform to the Bankruptcy Rules, the Local Rules, and any orders of the Bankruptcy Court in this Debtor's chapter 11 case, (b) set forth the name of the objecting party, the nature and amount of claims or interests held or asserted by the objecting party against the Debtor's estate or property, and (c) provide the basis for the objection and the specific grounds therefor.

61. All objections and responses must be electronically filed with the Bankruptcy Court (with a hard copy delivered directly to the Chambers of the Honorable Sean H. Lane), in accordance with General Order M-399. Any objections or responses must also be served upon and received by the following parties (collectively, the "Notice Parties") no later seven (7) business days prior to the Confirmation Hearing:

<u>Office of the U.S. Trustee:</u> Office of the U.S. Trustee for the Southern District of New York 201 Varick Street, Room 1006 New York, NY 10014 Attn: Andrea B. Schwartz, Esq. Telephone: (212) 510-0500 Facsimile: (212) 668-2256	<u>Counsel to the Debtor:</u> Aram Ordubegian (admitted <i>pro hac vice</i>) Andy S. Kong (admitted <i>pro hac vice</i>) Arent Fox LLP 555 West Fifth Street, 48th Floor Los Angeles, CA 90013 Telephone: (213) 629-7400 Facsimile: (213) 629-7401
---	--

	<p>aram.ordubegian@arentfox.com andy.kong@arentfox.com</p> <p>and</p> <p>George V. Utlik Arent Fox LLP 1675 Broadway New York, NY 10019 Telephone: (212) 484-3900 Facsimile: (212) 484-3990 george.utlik@arentfox.com</p>
--	---

62. The proposed Plan Objection Deadline will provide (i) parties in interest with more than 28 days' notice of the Plan Objection Deadline, (ii) the Debtor sufficient time to consider the objections and proposed modifications and file any replies, and (iii) the Bankruptcy Court sufficient time to consider any such objections and replies before the Confirmation Hearing. The Debtor requests that it be authorized to file and serve any and all replies to objections by no later than two (2) business days prior to the Confirmation Hearing.

NOTICE

63. No trustee or examiner has been appointed in this chapter 11 case. The Debtor will serve notice of this Motion, the deadline to interpose objections to the Motion, as well as the hearing to consider the Motion on all parties entitled to such notice in accordance with Bankruptcy Rule 2002 on July 11, 2016. The Debtor submits that no other or further notice need be provided.

64. No previous request for the relief sought herein has been made by the Debtor to this or any other court.

CONCLUSION

WHEREFORE the Debtor respectfully requests that the Bankruptcy Court enter an order, substantially similar to the proposed form of order attached hereto as Exhibit A, granting the relief requested herein and such further relief as the Bankruptcy Court may deem just and appropriate.

Dated: July 11, 2016
New York, New York

ARENT FOX LLP

By: /s/ George V. Utlik
George V. Utlik
1675 Broadway
New York, New York 10019
Telephone: (212) 484-3900
Facsimile: (212) 484-3990
george.utlik@arentfox.com

Aram Ordubegian
(admitted *pro hac vice*)
Andy S. Kong
(admitted *pro hac vice*)
555 West Fifth Street, 48th Floor
Los Angeles, CA 90013
Telephone: (213) 629-7400
Facsimile: (213) 629-7401
aram.ordubegian@arentfox.com
andy.kong@arentfox.com

*General Bankruptcy and Restructuring Counsel to
the Debtor*