

**EXHIBIT C**

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:	:
	:
	: Chapter 11
AIRFASTTICKETS, INC.,	:
	:
	: Case No. 15-11951 (SHL)
Debtor.	:
	:
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**FIRST AMENDED DISCLOSURE STATEMENT  
FOR DEBTOR’S FIRST AMENDED CHAPTER 11 PLAN OF LIQUIDATION**

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Dated: August 8, 2016

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**THE DEBTOR AND ITS FINANCIAL ADVISORS HAVE REVIEWED THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT. ALTHOUGH THE DEBTOR HAS USED ITS REASONABLE BUSINESS JUDGMENT TO ENSURE THE ACCURACY OF THIS FINANCIAL INFORMATION, THE**

**FINANCIAL INFORMATION CONTAINED IN, OR INCORPORATED BY REFERENCE INTO, THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED.**

**THE DEBTOR IS MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTOR MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTOR HAS NO AFFIRMATIVE DUTY TO DO SO. HOLDERS OF CLAIMS AND INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THIS DISCLOSURE STATEMENT WAS FILED.**

**THE DEBTOR HAS NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTOR HAS NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTOR OR THE VALUE OF ITS PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. BEFORE DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER OF A CLAIM IN A VOTING CLASS SHOULD CONSIDER CAREFULLY ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS, ALTERNATIVES TO CONFIRMATION, AND CONSUMMATION OF THE PLAN, ALL DESCRIBED IN GREATER DETAIL HEREIN.**

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## ARTICLE I

### INTRODUCTION

The Debtor prepared this Disclosure Statement in connection with the solicitation of votes for acceptance of the Plan.<sup>1</sup> This Disclosure Statement is intended to provide adequate information of a kind, and in sufficient detail, to enable the Debtor's creditors to make an informed judgment about the Plan, including whether to vote to accept or reject the Plan. A copy of the Plan is attached hereto as **Exhibit A** and is incorporated by this reference.

To the extent that the information provided in this Disclosure Statement and the Plan (including any attached exhibits and thereto) are in conflict, the terms of the Plan (including any attached exhibits thereto) will control. Creditors should refer only to this Disclosure Statement and the Plan to determine whether to vote to accept or reject the Plan.

After a careful consideration of the Debtor's business and prospects, the Debtor, in consultation with its legal and financial advisors, concluded that a liquidation was in the best interest of the Debtor and its Estate and would maximize recoveries for creditors in this Chapter 11 Case. The Debtor believes that approval of the Plan is in the best interests of the Debtor, its Estate, and its creditors and other parties in interest.

Creditors may access additional copies of this Disclosure Statement from the Debtor's claims and noticing agent, BMC Group, Inc. (the "Solicitation Agent").

**UNDER THE BANKRUPTCY CODE, ONLY CREDITORS WHO ACTUALLY VOTE ON THE PLAN WILL BE COUNTED FOR PURPOSES OF DETERMINING WHETHER THE REQUIRED NUMBER OF ACCEPTANCES HAS BEEN OBTAINED. FAILURE TO DELIVER A PROPERLY COMPLETED BALLOT BY THE VOTING DEADLINE WILL RESULT IN AN ABSTENTION AND, CONSEQUENTLY, THE VOTE WILL NOT BE COUNTED AS EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN. ANY EXECUTED BALLOT RECEIVED THAT DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN OR INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN SHALL BE DEEMED TO CONSTITUTE AN ACCEPTANCE OF THE PLAN.**

#### **A. Overview of Chapter 11**

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. In addition to permitting debtor rehabilitation, chapter 11 promotes equality of treatment for similarly situated holders of claims and equity interests, subject to the priority of distributions prescribed by the Bankruptcy Code.

The commencement of a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the commencement of the chapter 11 case. The

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<sup>1</sup> All capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan.

Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a “debtor in possession.”

Consummating a plan is the principal objective of a chapter 11 case. A bankruptcy court’s confirmation of a plan binds the debtor, any entity acquiring property under the plan, any holder of a claim or equity interest in a debtor and all other entities as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code, to the terms and conditions of the confirmed plan. Subject to certain limited exceptions, the order issued by the bankruptcy court confirming a plan provides for the treatment of claims and equity interests in accordance with the terms of the confirmed plan.

Prior to soliciting acceptances of a proposed chapter 11 plan, § 1125 of the Bankruptcy Code requires a debtor to prepare a disclosure statement containing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the chapter 11 plan. This Disclosure Statement is being submitted in accordance with the requirements of § 1125 of the Bankruptcy Code.

## **B. Rules of Interpretation and Construction**

Unless otherwise specified, all section or exhibit references in the Disclosure Statement are to the respective section in, or exhibit to, the Disclosure Statement, as the same may be amended, waived, or modified from time to time. The words “herein,” “hereof,” “hereto,” “hereunder,” and other words of similar import refer to the Disclosure Statement as a whole and not to any particular section, subsection, or clause contained therein. The rules of construction contained in § 1102 of the Bankruptcy Code shall apply to the Disclosure Statement. The headings in this Disclosure Statement are for convenience of reference only and shall not limit or otherwise affect the interpretation of the Disclosure Statement. Unless otherwise provided, any reference in this Disclosure Statement to an existing document, exhibit, or schedule means such document, exhibit, or schedule as it may have been amended, restated, revised, supplemented or otherwise modified. Further, where appropriate from a contextual reading of a term, each term includes the singular and plural form of the term regardless of how the term is stated and each stated pronoun is gender neutral. In computing any period of time set forth in the Disclosure Statement, the provisions of Bankruptcy Rule 9006(a) shall apply.

## **C. Recommendation of the Debtor**

The Debtor believes that the Plan will maximize the value of the Debtor’s Estate and accomplish the objectives of chapter 11 of the Bankruptcy Code and that acceptance of the Plan is in the best interests of the Debtor, its Estate, creditors, and all parties in interest. Accordingly, the Debtor urges creditors to vote to accept the Plan.

## ARTICLE II

### BACKGROUND INFORMATION

#### A. The Debtor's Operations

The Debtor was founded in 2011 by Nikoloas Koklonis, who served as the Debtor's sole director, sole officer, and controlling stockholder from its formation until approximately December 2014. The Debtor 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").

The Debtor used proprietary software that it developed and owned to help consumers find low cost domestic and international airfares. In that regard, the Debtor's model was similar to the airline ticketing services provided by Expedia.com and other online travel agencies. In order to operate in this line of business in international markets, the Debtor was required to be accredited 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.

The Debtor operated a multi-national business, together with several of its wholly owned foreign Subsidiaries. None of the Subsidiaries are a debtor in this case. Airfasttickets, Ltd. had an administrator appointed in the United Kingdom.

#### B. Events Leading to the Filing of This Chapter 11 Case

Leading up to June 2014, the Debtor and its Subsidiaries ceased remitting payment for its ticket sales to the airlines. In June 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 the Debtor owed approximately \$38.5 million to its various creditors and vendors.

IATA revoked the Debtor's accreditation and license agreements, which — for all intents and purposes — put the Debtor and Subsidiaries out of business as it knew it. Without IATA accreditation, the Debtor could not purchase tickets in the international market to resell, and therefore, had no way to earn money.

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. Generally, ticket consolidators purchase tickets directly from the airlines at specially negotiated rates and then resell the tickets to customers for less than published fares; the Debtor and/or Subsidiaries attempted to purchase from the consolidators at these discounted rates and sell to customers for a profit. Some or all of the ticket consolidators and other service providers or marketing companies used by

Airfasttickets, including, without limitation, 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.

After IATA revoked Airfasttickets' accreditation and license agreements, and without proper accreditation, the Debtor was unable to continue operations, suffered from severe liquidity issues, and did not have sufficient funds to pay its employees, vendors, and other creditors. The Debtor's insolvency and eventual bankruptcy were precipitated by, among other things, the loss of the IATA's accreditation and license agreements and the shutdown of the Debtor's operations and business.

### **C. Bridge Loan**

After June 2014, it was alleged by Mr. Koklonis that due to the delay in payment by certain consolidators, the Debtor was suffering from severe liquidity issues and did not have sufficient funds to pay its employees or continue operations.

From October 2014 through January 2015, Jason Chen and certain other investors ("Bridge Loan Investors") entered into a series of agreements with the Debtor for a purportedly secured loan (the "Bridge Loan"). Under the Bridge Loan, the investors loaned the Debtor \$15 million between October 2014 and June 2015, allegedly secured solely by the Debtor's receivables. In accordance with the terms of the Bridge Loan, Mr. Koklonis provided the investors with monthly or bi-monthly reports summarizing ticket sales. These reports indicated that the Debtor recorded a total of \$36 million in accounts receivable from July to December of 2014, and an additional \$58 million of accounts receivable during the first quarter of 2015.

As a condition for the Bridge Loan, the Debtor and Mr. Koklonis agreed that the Debtor would have a three-member Board of Directors, and that both Mr. Chen and his wife, Lisa Chen, would be appointed as two of the three directors of on the Board of Directors. On December 15, 2014, the Chens were appointed to the Board of Directors by written consent of Mr. Koklonis, the sole director at the time. Mr. Chen was also appointed as the Chief Executive Officer.

The receivable payments from the consolidators were not received by the due date in April 2015. At this time, Mr. Chen insisted that the Debtor retain a financial consultant to assist with the restructuring of the Debtor and to look into the Debtor's operations and finances. On April 15, 2015, the Debtor retained GlassRatner Advisory & Capital Group LLC ("GlassRatner") as its restructuring financial advisor.

When the receivable payment was not made by the due date, Edgar D. Park, the collateral agent under the Bridge Loan, insisted on speaking directly to the consolidators. Mr. Koklonis provided Mr. Park with the contact information for the consolidators which, it was later learned, was fabricated. Despite Mr. Park's efforts to contact the consolidators, the receivables were never paid. At this time, GlassRatner conducted additional diligence on the Debtor's accounting processes.

In addition, in April 2015, Mr. Koklonis represented to Mr. Chen that the Debtor needed to pay a critical vendor named Amphion Efthymia Ltd. (“Amphion”) to avoid serious business disruption. After discussions between Mr. Chen and a purported representative of Amphion, Mr. Chen caused the Debtor to wire \$400,000 to the Debtor’s Greek subsidiary to pay Amphion.

In late May and early June 2015, the Debtor’s Board of Directors, certain managers, restructuring legal, and financial advisors met to discuss alternatives to help the Debtor recover from its severe insolvency, including a possible restructuring or bankruptcy. While those discussions were underway a game changing event occurred: on June 4, 2015, the Debtor’s Chief Technology Officer/Head of IT informed Mr. Chen that Mr. Koklonis had been perpetrating a fraud on the investors that continues to be investigated.

The alleged fraud is that Mr. Koklonis allegedly created fake receivables, contacts and communications to trick investors into loaning the Debtor money and thwart an investigation, and then created at least one fake vendor to siphon the money that the Debtor received from investors out of the Debtor and into his own pocket.

#### **D. State Court Actions and Appointment of Mr. Meislik as Receiver**

On June 6, 2015, the other two directors of the Debtor (Mr. and Mrs. Chen) gave notice of an emergency special meeting of the Board of Directors to be held on June 7, 2015. That same day, Mr. Koklonis purported to terminate Mr. Chen as the Chief Executive Officer, remove Mr. Chen and Ms. Chen as directors, terminate several professionals retained by the Debtor and cancel the emergency meeting. Notwithstanding Mr. Koklonis’ efforts, the June 7 meeting went forward. At that meeting, among other decisions, the Board of Directors approved emergency resolutions (a) to the extent Mr. Koklonis was the Debtor’s CEO, to immediately remove him from his position at the Debtor for cause, and (b) to appoint Adam Meislik, as the Debtor’s Chief Restructuring Officer, which would place Mr. Meislik in charge of the Debtor’s operations and authorize him to take all actions necessary to protect the Debtor’s creditors and the Debtor’s assets (if any). Mr. Meislik did not attend the special meeting and did not accept an appointment in light of the competing governance efforts. Mr. and Mrs. Chen also filed suit in Los Angeles to appoint a receiver for Airfasttickets, Inc. The case was dismissed for lack of proper venue.

Concurrently, Mr. Koklonis filed a complaint in the Delaware Court of Chancery (“Chancery Court”), seeking a judicial determination that he was the sole director, Chairman of the Board of Directors, CEO, President and majority stockholder of the Debtor (the “225 Action”).

On June 19, 2015, the Chancery Court *sua sponte* appointed Mr. Meislik as custodian *pendente lite*. The Chancery Court also, in that same order, dismissed Mr. Meislik as a defendant because “[t]he petition named Adam Meislik as a defendant based on a misapprehension of the facts under which he was believed to serve as a director. He is not serving as a director and is therefore dismissed as a defendant.” At the same time, the Chancery Court suggested that Mr. Meislik be appointed as a receiver pursuant to 8 DEL. C. § 291.

On June 27, 2015, Mr. Park filed an action in the Chancery Court to appoint Mr. Meislik as receiver for the Debtor. On July 21, 2015, the Court of Chancery appointed Mr. Meislik as

receiver for the Debtor. As Receiver, Mr. Meislik promptly took over cash management and reduced the Debtor's operating expenses primarily through headcount reductions, and secondarily through curtailing third-party services and rationalizing a real property lease. Mr. Meislik reduced the Debtor's exposure to the acts of the Subsidiaries, including reducing headcount in the Greek subsidiary and hiring insolvency professionals in Greece and Germany.

The Debtor and Subsidiaries have not sold any airline tickets in 2015. While the Debtor attempted to continue operating after losing its IATA accreditation by instead using Ticket Consolidators, even those efforts were abandoned long ago.

#### **E. The Involuntary Petition and Entry of the Order for Relief**

On July 27, 2015, certain of the Debtor's creditors (the "Petitioning Creditors") filed an involuntary petition against the Debtor seeking an order for relief under chapter 7 of the Bankruptcy Code. Pursuant to the summons issued in conjunction with the involuntary petition, the Debtor had until August 21, 2015 to respond to the involuntary petition. On August 20, 2015, the Petitioning Creditors filed a stipulation with the Court extending the Debtor's time to respond to the involuntary petition, through and including September 21, 2015. On September 21, 2015, the Debtor filed an answer, consenting to the entry of an order for relief under the Bankruptcy Code. The Debtor 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 the Debtor's case to one under chapter 11 of the Bankruptcy Code. The Motion to Convert was filed to accomplish the Debtor's intent to effectuate the sale at issue in this Motion under chapter 11. On October 27, 2015 the Court entered an order converting the Debtor's case to chapter 11 of the Bankruptcy Code, which included an Order for Relief.

The Debtor is managing its affairs as a debtor in possession under sections 1107(a) and 1108 of the Bankruptcy Code and no trustee, examiner, or committee has been appointed.

#### **F. Retention and Employment of Professionals**

During the Chapter 11 Case, the Debtor sought and obtained authority to retain and employ the following Professionals to assist in the administration of the Debtor's Chapter 11 Case: (i) Arent Fox LLP as primary bankruptcy counsel to the Debtor (employment order entered 12/2/2015); (ii) Richards, Layton & Finger, P.A. as special counsel to the Debtor (employment order entered 12/2/2015); (iii) BSW & Associates as financial advisor to the Debtor (employment order entered 12/2/2015); (iv) BMC Group, Inc. as claims and noticing agent (employment order entered 12/2/2015); (v.) Wright Ford Young & Co. as tax accountants to the Debtor (employment order entered 3/30/2016); and (vi.) U Turn Business Recovery Consultants Ltd. as Debtor's financial advisor in the country of Greece (employment order entered 5/4/2016).

#### **G. Filing of Schedules and Statements**

On November 10, 2015, the Debtor filed its schedules of assets and liabilities and statements of financial affairs [Dkt. No. 37] (collectively, the "**Schedules**").



## **H. Claims Bar Dates**

On February 25, 2016 the Bankruptcy Court entered an order establishing deadlines for filing Proofs of Claim [Dkt No. 109] (the “**Bar Date Order**”). Pursuant to the Bar Date Order, the Court set April 6, 2016 at 7:00 p.m. (prevailing Eastern Time) as the deadline for each person or entity (including without limitation, each individual, partnership, joint venture, corporation, estate, or trust) other than a governmental unit (as defined in § 101(27) of the Bankruptcy Code) (a “**Governmental Unit**”) to file a Proof of Claim in respect of a prepetition Claim against the Debtor (the “**General Bar Date**”). Additionally, the Bankruptcy Court set April 25, 2016 at 7:00 p.m. (prevailing Eastern Time) as the deadline for Governmental Units to file a Proof of Claim in respect of a prepetition Claim against the Debtor (together with the General Bar Date, the “**Bar Dates**”). Under the Plan, the Debtor also has proposed to establish the Administrative Expense Claims Bar Date for any Administrative Expense Claim as the date which is thirty (30) days after the Confirmation Date or such earlier deadline that has been or may be set by an order of the Bankruptcy Court for filing a request for allowance of Administrative Expense Claims. Professional Compensation and Reimbursement Claims shall not be subject to the Administrative Expense Claims Bar Date.

## **I. Section 363 Sale**

On October 26, 2015, the Debtor filed the *Motion (i) for Authorization to (a) Sell Substantially All of Its Property Free and Clear of All Liens, Claims, Encumbrances, and Other Interests and (b) Assume and Assign Contracts and (ii) for Approval of Procedures for Determining Cure Amounts* [Dkt No. 27] seeking an order authorizing the private sale of substantially all of the Debtor’s intellectual property and software and certain related assets to AirTourist, Inc. free and clear of all liens, claims, encumbrances for \$2.5 million. This sale was approved by the Court by order entered on November 24, 2015 [Dkt No. 65] and fully consummated shortly thereafter. This sale generated approximately \$2.5 million in cash for the Estate.

## **J. Pending Bankruptcy Court Litigation**

On or about March 14, 2016, the Debtor filed a complaint against Citibank, N.A. and Nikoalas Koklonis seeking turnover of certain property that the Debtor believes is property of the estate including but not limited to \$35,000 transferred to his Koklonis’ personal account for use as collateral as well as a \$200,000 certificate of deposit the Debtor understands was paid for with the Debtor’s funds. This adversary proceeding is pending before the Bankruptcy Court as Adv. No. 16-01040-SHL. A pre-trial conference in this matter is currently scheduled for August 3, 2016 at 10:00 a.m.

## **K. Pending Litigation in Other Courts**

In May 2016, Adam Meislik, as the Receiver for the Debtor, filed a complaint in the Supreme Court of the State of New York, County of New York; Commercial Division [Index No. 652392/2016 seeking to recover damages for mismanagement and self-dealing in violation of the fiduciary duties of due care, loyalty, and good faith against Nikolas Kokloanis, Eleni Vareli, and Frank Ferro. The Debtor maintained a Directors and Officer insurance policy with a

limit of \$10,000,000 and has tendered the claim to the insurance carrier. The actual amount of recovery cannot be reasonably estimated at this time and as a result, no amounts have been estimated as recoverable in the Chapter 7 Liquidation Analysis.

#### **L. Additional Contemplated Litigation**

The Debtor and its professionals continue to investigate and evaluate Causes of Action and other assets of the Estate to determine which litigation should be pursued before or after the Effective Date. As such, the Debtor reserves all of its rights to pursue all Causes of Action, including, without limitation, Avoidance Actions, whatsoever, whether pending or forthcoming, against the Debtor's former officers, directors, managers, employees, Existing Equity Holders, affiliates, insiders, agents, consultants, and professionals (except the Released Parties), and other litigation targets, whether or not these Entities are identified in the Plan or in this Article II of the Disclosure Statement. More specifically, the Debtor is currently investigating (a) potential claims based on actual fraud and fraudulent conveyances against Mr. Koklonis; (b) potential claims against BDO USA LLP; (c) potential claims against Ticket Consolidators; (d) potential claims against Subsidiaries; and (e) potential claims against other third parties and former employees with respect to collection of receivables. However, as the Debtor's investigation into various Causes of Action are still ongoing, the actual amount of potential recovery on account of such Causes of Action cannot be reasonably estimated at this time.

#### **M. Other Significant Motions**

The Debtor filed several Motions under Bankruptcy Rule 2004, seeking production of documents and examinations against Citibank, N.A., New York Community Bank and its subsidiary, Atlantic Bank, and PayPal, Inc. The Debtor has identified several additional targets for further discovery and examination under Bankruptcy Rule 2004 against Wells Fargo, American Express, National Bank of Greece, among other entities. The Debtor reserves all of its rights to pursue an examination of any of these Entities or any other Entity under Bankruptcy Rule 2004 before or after the Effective Date.

### **ARTICLE III**

#### **SUMMARY OF THE PLAN**

##### **A. Treatment of Claims and Interest Under the Plan**

The following table designates the Classes of Claims against and Interests in the Debtor's Estate, and specifies which of those Classes are (i) Impaired or Unimpaired by the Plan, (ii) entitled to vote to accept the Plan in accordance with § 1126 of the Bankruptcy Code, (iii) deemed to reject the Plan, or (iv) deemed to accept the Plan. A Claim or Interest is classified in a particular Class only to the extent that any such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, settled, or otherwise satisfied before the Effective Date.

<b>Class</b>	<b>Description</b>	<b>Treatment</b>	<b>Entitled to Vote</b>	<b>Estimated Range of Recovery under the Plan</b>
---	Administrative Expense Claims	Payment in full or consent to other treatment	No	100%
---	Section 502(f) Gap Period Claims	Payment in full or consent to other treatment	No	100%
---	Priority Tax Claims	Payment in full or consent to other treatment	No	100%
---	United States Trustee Fees	Payment in full or consent to other treatment	No	100%
1	Priority Non-Tax Claims	Unimpaired	Yes	100%
2-A	General Unsecured Claims	Impaired	Yes	< 1% - 4% <sup>2</sup>
2-B	General Unsecured Claim of Airfasttickets, Ltd.	Impaired	Yes	< 1% - 4% <sup>3</sup>
3	Interests	Impaired	No (deemed to reject)	0%
4	Secured Claim of American Contractors	Impaired	Yes	0%

<sup>2</sup> The estimated recoveries on account of Claims in Class 2-A are estimates only. Actual distributions on account of such Claims may vary significantly from the stated estimates depending on, among other things, amounts actually recovered by the Liquidating Trust after the Effective Date and final resolution of Contingent Claims, Subordinated Claims, Intercompany Claims, Litigation Claims and Insured Litigation Claims. All rights of the Debtor and the Liquidating Trust with respect to the classification of Claims and Interests, estimated recoveries, and/or allowance or disallowance of Claims and Interests, are reserved in the Plan.

<sup>3</sup> The estimated recoveries on account of Claims in Class 2-B are estimates only. Actual distributions on account of such Claims may vary significantly from the stated estimates depending on, among other things, amounts actually recovered by the Liquidating Trust after the Effective Date and final resolution of Contingent Claims, Subordinated Claims, Intercompany Claims, Litigation Claims and Insured Litigation Claims. All rights of the Debtor and the Liquidating Trust with respect to the classification of Claims and Interests, estimated recoveries, and/or allowance or disallowance of Claims and Interests, are reserved in the Plan.

<b>Class</b>	<b>Description</b>	<b>Treatment</b>	<b>Entitled to Vote</b>	<b>Estimated Range of Recovery under the Plan</b>
	Indemnity Company			

**B. Treatment of Unclassified Claims under the Plan**

3.1 Administrative Expense Claims.

Except to the extent that an Allowed Administrative Expense Claim is not yet due or to the extent a holder of an Allowed Administrative Expense Claim has been paid before the Effective Date or agrees to a different treatment, in full satisfaction, settlement, and release of an in exchange for each Allowed Administrative Expense Claim (excluding any Professional Compensation and Reimbursement Claim), the holder thereof shall receive Cash from the Debtor or the Liquidating Trustee, as applicable, equal to the amount of such Administrative Expense Claim on or as soon as reasonable practicable after the later of (a) the Effective Date or (b) the date on which such Administrative Expense Claim becomes Allowed by Final Order. Allowed Administrative Expense Claims not yet due and owing as of the Effective Date shall be paid by the Liquidating Trustee in the ordinary course of business, unless otherwise agreed to in writing by the Liquidating Trustee and the holder. Cash in the Administrative/Priority/Tax Claims Reserve shall be used to pay all Allowed Administrative Expense Claims.

Except as other provided herein, requests for payment of Administrative Claims must be filed and served on the Debtor and the Liquidating Trustee no later than the applicable Administrative Expense Claims Bar Date (unless previously properly filed and served in accordance with the applicable Bankruptcy Rules, Local Rules and practice). Holders of Administrative Expense Claims (other than Professional Compensation and Reimbursement Claims) that are required to, but do not, file and serve a request for payment of such Administrative Expense Claims by such date shall be forever barred, estopped and enjoined from asserting such Administrative Expense Claims against the Debtor, the Liquidating Trust or the Liquidating Trustee, or their property, and such Administrative Expense Claims shall be deemed satisfied as of the Effective Date. Objections to requests for payment of Administrative Expense Claims shall be filed no later than five (5) Business Days before the hearing on such Claims. Notwithstanding the foregoing, no request for payment of an Administrative Expense Claim need be filed with respect to (i) any Administrative Expense Claim previously Allowed by a Final Order, including any Administrative Expense Claim expressly Allowed under the Plan.

3.2 Professional Compensation and Reimbursement Claims.

All Entities seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 327, 328, 329, 330, 331, 503, or 1103 of the Bankruptcy Code (i) shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred by the date that is sixty (60) days after the Confirmation Date, and (ii) shall be paid in full in such amounts as are Allowed by the Bankruptcy Court (A)

on the date on which the order relating to any such Professional Compensation and Reimbursement Claim is entered or (B) upon such other terms as may be mutually agreed upon between the holder of such an Professional Compensation and Reimbursement Claim and the Liquidating Trustee. Holders of Professional Compensation and Reimbursement Claims that do not file and serve such application by the required deadline shall be forever barred from asserting such Professional Compensation and Reimbursement Claims against the Debtor, its properties, or the Liquidating Trust, and such Claims shall be deemed discharged as of the Effective Date. Objections to Professional Compensation and Reimbursement Claims shall be filed no later than five (5) Business Days before the hearing on such Claims. The Liquidating Trust is authorized to pay compensation for professional services rendered and reimbursement of expenses incurred after the Confirmation Date in the ordinary course and without the need for Bankruptcy Court approval, including the reasonable fees and expenses of professionals employed subsequent to the Effective Date by the Liquidating Trustee.

The following chart sets forth the Professional Compensation and Reimbursement Claims in this case:

<b>Airfasttickets, Inc.</b>	
<b>Schedule of Outstanding Professional Fees</b>	
<b>Professional</b>	<b>Fees Outstanding as of June 30, 2016</b>
Arent Fox	\$228,285.00
BSW & Associates	\$38,502.00
Richards, Layton & Finger	\$29,347.00
Wright Ford Young	\$250.00

### 3.3 *Priority Tax Claims.*

Except to the extent that a holder of an Allowed Priority Tax Claim has not been paid by the Debtor before the Effective Date, each holder of an Allowed Priority Tax Claim shall receive, on account of and in full and complete settlement, release, and discharge of, and in exchange for, such Allowed Priority Tax Claim, one of the following treatments: (i) Cash in an amount equal to such Allowed Priority Tax Claim on the later of the Effective Date and the date such Priority Tax Claim becomes an Allowed Priority Tax Claim, or as soon thereafter as practicable, (ii) in accordance with section 1129(a)(9)(C) of the Bankruptcy Code, equal semi-annual Cash payments in an aggregate amount equal to such Allowed Priority Tax Claim, together with interest at a fixed annual rate equal to the statutory rate, over a period ending not later than five (5) years after the Petition Date, (iii) upon such other terms determined by the Bankruptcy Court to provide the holder of such Allowed Priority Tax Claim deferred Cash payments having a value, as of the Effective Date, equal to such Allowed Priority Tax Claim, or (iv) upon such other terms as may be agreed to by the Liquidating Trustee and the holder of such Allowed Priority Tax Claim.

The following chart sets forth the Priority Tax Claims in this case:

<b>Airfasttickets, Inc.</b>				
<b>Schedule of Projected Priority Tax Claims</b>				
<b>Class</b>	<b>Claimant</b>	<b>Amount of Filed Proof of Claim</b>	<b>Amount of Debtor's Estimated Claim</b>	
	Internal Revenue Service	\$60,492.18	\$0.00	The claim (Docket No. 15) is an estimate for FICA taxes from 10/27/15 to 12/31/15. The Debtor filed its payroll tax returns through 11/30/15 and paid the resulting obligation (post-petition). The Debtor does not believe it owes the amount as set forth in the proof of claim. The Debtor anticipated that the IRS will be amending their proof of claim to reflect zero liability on account of this claim.
	Internal Revenue Service, Dept of the Treasury, 296 Broadway, New York, NY 10007	\$5,055.65	\$0.00	The claim (Docket No. 14) includes \$1,000 for a penalty for the Debtor not filing its 2014 tax return and unassessed amounts for projected FUTA taxes for 12/31/15. The Debtor filed its payroll tax returns, then paid such taxes for the period ended 12/31/15. As a result, the Debtor does not believe it owes the priority claim as set forth in the proof of claim. The Debtor anticipated that the IRS will be amending their proof of claim to reflect zero liability on account of this claim.
	NYC Department of Finance, Attn: Bankruptcy Unit, Tax Audit & Enforcement Division, 345 Adams Street, 10th Floor, Brooklyn, NY 11201	\$31,007.61	\$31,007.61	
	NYC Commercial Rent Tax NYC Dept of Finance Corr. Unit One Centre	\$3,659.85	\$3,659.85	

	Street, 22nd Floor New York, NY 10007			
	Delaware Franchise Tax The Delaware Department of State Division of Corporations PO Box 898, Dover, DE 19903	\$52,941.18	TBD	The claim is under review by the Debtor.

### 3.4 *United States Trustee Fees*

All fees payable pursuant to § 1930 of title 28 of the United States Code and any applicable interest thereon that are due and payable as of the Effective Date shall be paid on the Effective Date or as soon thereafter as is reasonably practicable. All such fees and any applicable interest thereon that become due and payable after the Effective Date shall be paid by the Liquidating Trustee with funds from the Liquidating Trust Assets when such fees become due and payable. All such fees and any applicable interest thereon shall continue to become due and payable until the entry of a final decree closing the Chapter 11 Case or conversion or dismissal of the Chapter 11 Case, whichever is earlier.

## C. **Treatment of Classified Claims and Interests Under the Plan**

### 3.1 *Priority Non-Tax Claims (Class 1).*

Except to the extent that a holder of an Allowed Priority Non-Tax Claim has agreed to a less favorable treatment of such Claim, and only to the extent that any such Allowed Priority Non-Tax Claim has not been paid in full before the Effective Date, each such holder shall receive, in full satisfaction of such Allowed Priority Non-Tax Claim, Cash in an amount equal to such Allowed Priority Non-Tax Claim, on or as soon as reasonably practicable after the later of (i) the Effective Date; (ii) the date the Priority Non-Tax Claim becomes an Allowed Claim; or (iii) the date for payment provided by any agreement or arrangement between the Debtor or the Liquidating Trustee, as the case may be, and the holder of the Allowed Priority Non-Tax Claim.

The Debtor estimates that the aggregate amount of Allowed Priority Non-Tax Claims does not exceed \$186,146.<sup>4</sup> Class 1 is not impaired and is not entitled to vote to accept or reject the Plan.

### 3.2 *General Unsecured Claims (Class 2-A).*

Except to the extent that a holder of an Allowed General Unsecured Claim has agreed to a less favorable treatment of such Claim, and only to the extent that any such Allowed General Unsecured Claim has not been paid in full before the Effective Date, in full and final satisfaction,

<sup>4</sup> The amount of Priority Non-Tax Claims filed currently is approximately \$186,146 and based on the amounts set forth in the Debtor's Schedules. However, the Debtor is in the process of evaluating these claims and believes that the amount will be significantly reduced after the appropriate objections are filed.

settlement, release, and discharge of each Allowed General Unsecured Claim, each holder of an Allowed General Unsecured Claim shall receive, on a distribution date, its Pro Rata Share of the Net Available Cash from the Liquidating Trust, after full and final satisfaction of or release of all Administrative Expense Claims, Professional Compensation and Reimbursement Claims, Priority Tax Claims, and Class 1 Priority Non-Tax Claims, in accordance with the terms of the Plan and the Liquidating Trust Agreement, as full and complete satisfaction of such holder's Claims against the Liquidating Trust. The Liquidating Trust shall make subsequent distributions to holders of Disputed General Unsecured Claims as of the Distribution Record Date whose Claims are subsequently Allowed in accordance with the terms of the Plan and the Liquidating Trust Agreement.

The Debtor estimates that the aggregate amount of Allowed General Unsecured Claims will be approximately \$38,319,472 based on the Debtor's Schedules.<sup>5</sup>

Class 2-A is Impaired and is entitled to vote to accept or reject the Plan. Any recovery under the Plan to Holders of Allowed General Unsecured Claims is contingent upon the continued investigative efforts of the Debtor and any recoveries by the Liquidating Trust on account of the Causes of Action transferred to the Liquidating Trust. It is impossible to estimate at this time the amount, if any, of recoveries by the Liquidating Trust.

### 3.3 ***General Unsecured Claim of Airfasttickets Ltd.(Class 2-B).***

Except to the extent that Airfasttickets, Ltd. has agreed to a less favorable treatment of its Claim, and only to the extent that any Allowed General Unsecured Claim of Airfasttickets, Ltd. has not been paid in full before the Effective Date, in full and final satisfaction, settlement, release, and discharge of each Allowed General Unsecured Claim of Airfasttickets, Ltd., Airfasttickets, Ltd. shall receive, on a distribution date, its Pro Rata Share of the Net Available Cash from the Liquidating Trust, after full and final satisfaction of or release of all Administrative Expense Claims, Professional Compensation and Reimbursement Claims, Priority Tax Claims, and Class 1 Priority Non-Tax Claims, in accordance with the terms of the Plan and the Liquidating Trust Agreement, as full and complete satisfaction of Airfasttickets, Ltd.'s Claims against the Liquidating Trust. The Liquidating Trust shall make subsequent distributions to Airfasttickets, Ltd. of any of its Disputed General Unsecured Claims as of the Distribution Record Date when such Claims are subsequently Allowed in accordance with the terms of the Plan and the Liquidating Trust Agreement.

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<sup>5</sup> This approximation of Allowed General Unsecured Claims necessarily contains an estimate of the amount of General Unsecured Claims which will ultimately become Allowed Claims. This estimate is based solely upon the Debtor's review of its books and records and the Debtor's estimates as to additional General Unsecured Claims that have been or may be filed in this Chapter 11 Case. See Schedule 1 attached hereto, Schedule of Creditor Claims Scheduled by Debtor & Filed by Claimant (containing, among other things, alleged unsecured claims of the Debtor's two insiders: Airfasttickets, Ltd.'s General Unsecured Claim in the amount of \$55,876,330.22 and Nikolas Koklonis's General Unsecured Claim in the amount of \$45,902,999.96). The review and reconciliation of Claims is ongoing as of the date hereof. No order or finding has been entered by the Bankruptcy Court or any other court estimating or otherwise fixing the amount of General Unsecured Claims at this approximated amount. The Debtor reserves all rights to object to the creditors' Claims, including alleged Claims of Airfasttickets, Ltd. and Nikolas Koklonis.



The Debtor estimates that Airfasttickets, Ltd.'s General Unsecured Claim is approximately \$55,876,330.22 based on the Proof of Claim asserted against the Estate by Airfasttickets, Ltd. Airfasttickets, Ltd.'s is being evaluated by the Debtor and requests for additional information concerning such claim and supporting documentation have been made to counsel for Airfasttickets, Ltd.

Class 2-B is Impaired and is entitled to vote to accept or reject the Plan. Any recovery under the Plan to Holders of Allowed General Unsecured Claims is contingent upon the continued investigative efforts of the Debtor and any recoveries by the Liquidating Trust on account of the Causes of Action transferred to the Liquidating Trust. It is impossible to estimate at this time the amount, if any, of recoveries by the Liquidating Trust.

### 3.4 *Existing Equity Interests (Class 3)*

On the Effective Date, all Existing Equity Interests shall be cancelled. As such, Class 3 Holders of Allowed Existing Equity Interests shall receive nothing under the Plan. Class 3 is Impaired and is deemed to reject the Plan.

### 3.5 *Secured Claim of American Contractors Indemnity Company ("ACIC") (Class 4)*

Class 4 consists of unliquidated and contingent Claim of American Contractors Indemnity Company ("ACIC") related to certain travel surety bonds and general indemnity agreements, as particularly identified in Proof of Claim No. 32 ("ACIC's Claim"). Class 4 is impaired by the Plan and is entitled to vote to accept or reject the Plan. Under the Plan, and except to the extent that ACIC has agreed to a different treatment of ACIC's Claim, and only to the extent that any Allowed ACIC's Claim has not been paid in full before the Effective Date, ACIC's Claim is limited to ACIC's surviving liens or security interests solely with respect to \$70,000 pledged by the Debtor to ACIC as cash collateral (the "Collateral"), which ACIC is currently holding to satisfy any third party claims against the travel surety bonds issued by ACIC in favor of four states (the "Surety Bonds") as follows:

- (1) California, Bond No. 1000937867, in the penal sum of \$25,000;
- (2) Florida, Bond No. 1000937865, in the penal sum of \$25,000;
- (3) Iowa, Bond No. 1000937868, in the penal sum of \$10,000; and
- (4) Washington, Bond No. 1000937866, in the penal sum of \$10,000.

As of the Effective Date, the Debtor is not aware of any third party claim against the Surety Bonds and therefore ACIC's Claim against the Estate is unliquidated and contingent, without any recourse against the Debtor, its Estate, or the Liquidation Trust. Under the Plan, ACIC is authorized and directed to cancel the Surety Bonds by sending requisite notices or cancellation letters to the appropriate agencies of the four states under applicable non-bankruptcy law as of the Effective Date. Upon the expiration of any applicable statutory period within which any third party claim may be asserted against ACIC under the Surety Bonds, ACIC must transfer the Collateral, subject to a reduction for any reasonable fees and costs incurred by ACIC

under Surety Bonds, to the Liquidation Trust, or any Entity or a charitable organization, as may be designated by the Liquidating Trustee under the Liquidating Trust Agreement.

## ARTICLE IV

### VOTING PROCEDURES AND REQUIREMENTS

Please refer to information provided with the ballot in the Solicitation Package sent to you by the Solicitation Agent for further detailed voting instructions. Only Impaired Classes of Claims are entitled to vote to accept or reject the Plan. Please refer to Section 3 of the Plan and Article IV of the Disclosure Statement for estimated recovery for Impaired Classes. If the Claim or Claims you hold are not in one of those Impaired Classes, you are not entitled to vote on the Plan and thus you will not receive a ballot from the Solicitation Agent. Holders of Claims that are entitled to vote should read the ballot provided by the Solicitation Agent and follow the accompanying instructions carefully.

**IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT OR THE PROCEDURES GENERALLY, OR IF YOU NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE SOLICITATION AGENT BY TELEPHONE AT (888) 909-0100 OR BY EMAIL AT [airfasttickets@bmcgroup.com](mailto:airfasttickets@bmcgroup.com) (PLEASE REFERENCE "AIRFASTTICKETS" IN THE SUBJECT LINE OF YOUR EMAIL)**

#### **A. Vote Required for Acceptance by a Class**

A Class of Claims entitled to vote to accept or reject the Plan shall be deemed to accept the Plan if the Holders of Claims in such voting Class that hold at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Claims that vote in such Class vote to accept the Plan. A Class of Interests is deemed to accept the Plan if the Plan has been accepted by Holders of at least 2/3 of the amount of the Allowed Interests held by Holders of such Interests in who vote in such Class.

#### **B. Impaired Class of Claims Entitled to Vote**

Pursuant to § 1126 of the Bankruptcy Code, each Impaired Class of Claims or Interests that will receive a Distribution pursuant to the Plan may vote separately to accept or reject the Plan. Each Holder of an Allowed Claim in such an Impaired Class as of the Voting Record Date shall receive a ballot and may cast a vote to accept or reject the Plan.

Class 3 is not entitled to receive or retain any Distributions or property under the Plan and is, therefore, conclusively presumed to have rejected the Plan pursuant to § 1126(g) of the Bankruptcy Code. Classes 2-A, 2-B and 4 are Impaired and are the only Classes of Claims or Interests entitled to vote on the Plan.

**C. Claims and Interests Not Entitled to Vote**

A Holder of a Claim is not entitled to vote on account of such Claim if, as of the Voting Record Date, the Claim (a) has been disallowed, (b) is the subject of a pending objection, or (c) (i) was not listed on the Debtor’s Schedules or was listed on the Debtor’s Schedules as unliquidated, contingent or disputed, and (ii) a Proof of Claim was not filed or was filed for an unliquidated, contingent or disputed Claim, unless on or before the Voting Record Date the Bankruptcy Court enters a Final Order directing otherwise. However, if a Claim is disallowed in part, the Holder shall be entitled to vote the Allowed portion of the Claim. Insiders are entitled to vote on the Plan subject to and in accordance with the Bankruptcy Code.

**D. Voting Procedures**

The Solicitation Agent will facilitate the solicitation and voting process. If you have any questions regarding voting procedures or your eligibility to vote to accept or reject the Plan, or if you need additional copies of documents included in the Solicitation Package, please contact the Solicitation Agent at (i) by first class mail, BMC Group, Inc., Attn: Airfasttickets, Inc., P.O. Box 90100, Los Angeles, CA 90009; (ii) by email at [airfasttickets@bmcgroup.com](mailto:airfasttickets@bmcgroup.com) (please reference “Airfasttickets” in the subject line of your email); or (iii) by telephone at **(888) 909-0100**.

Ballots must be returned by only one of the following methods: (i) via first class mail as set forth below; or (ii) via hand delivery or overnight courier as set forth below.

IF BY REGULAR/USPS EXPRESS MAIL	IF BY HAND DELIVERY OR OVERNIGHT COURIER (FEDEX OR UPS)
BMC Group, Inc. Attn: AirFastTickets, Inc. P.O. Box 90100 Los Angeles, CA 90009	BMC Group, Inc. Attn: AirFastTickets, Inc. 3732 West 120th Street Hawthorne, CA 90250

**BALLOTS CAST BY HOLDERS OF CLAIMS AND/OR INTERESTS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN MUST BE ACTUALLY RECEIVED BY THE SOLICITATION AGENT AT THE ABOVE ADDRESS BY THE VOTING DEADLINE. THE DEBTOR RESERVES THE RIGHT TO DECIDE WHETHER OR NOT TO COUNT BALLOTS RECEIVED BY THE SOLICITATION AGENT AFTER THE VOTING DEADLINE.**

Please note that if the instructions on your ballot require you to return the ballot to your agent, financial institution, broker, or other nominee, or to their agent, you must deliver your ballot to the relevant party in sufficient time for the designated party to process the ballot and return it to the Solicitation Agent before the Voting Deadline. If a ballot is damaged or lost, you may contact the Solicitation Agent to request another ballot. Any ballot received by the

Solicitation Agent that does not indicate an acceptance or rejection of the Plan will not be counted.

**E. Cramdown**

In the event that any Impaired Class of Claims does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Debtor if, as to each such Impaired Class or Classes, the Plan “does not discriminate unfairly” and is “fair and equitable.” The Debtor intends to invoke the cramdown provisions of § 1129(b) of the Bankruptcy Code as to any Impaired Class that does not accept the Plan. In the event one or more Classes does not accept the Plan, the Bankruptcy Court will determine at the Plan Confirmation Hearing whether the Plan is fair and equitable and does not discriminate unfairly against any such Impaired Classes of Claims.

**ARTICLE V**

**MEANS FOR IMPLEMENTATION OF THE PLAN**

**A. Creation of the Liquidating Trust and Appointment of Liquidating Trust and the Liquidating Trustee.**

(a) The Liquidating Trust Agreement shall govern the rights and responsibilities of the Liquidating Trustee, who shall be (i) selected by the Debtor and (ii) identified either in the Liquidating Trust Agreement or by no later than the Confirmation Hearing.

(b) The salient terms of the Liquidating Trustee’s employment, including the Liquidating Trustee’s duties and compensation, shall be set forth in the Liquidating Trust Agreement and shall be consistent with that of similar functionaries in similar types of bankruptcy proceedings.

(c) On the Effective Date, (i) the authority, power, and incumbency of the persons who are or were acting as directors and officers of the Debtor shall be terminated and such directors and officers shall be deemed to have resigned, (ii) Adam Meislik, as the duly appointed receiver of Airfasttickets, Inc. by the Court of Chancery of the State of Delaware under Order dated July 21, 2015, shall be terminated and shall be deemed to have resigned, without further order of the Bankruptcy Court or the Court of Chancery of the State of Delaware, (iii) the Liquidating Trustee shall have the powers of an officer of the Debtor, and (iv) the Debtor after the Effective Date is authorized to be (and, by the conclusion of the winding up of its affairs, shall be) dissolved by the Liquidating Trustee.

(d) On the Effective Date, the Debtor shall assign and transfer absolutely and unconditionally to the Liquidating Trust, on behalf of the Debtor and the Estate, all assets of the Debtor and the Estate, including, without limitation, Cash, Causes of Action and Avoidance Actions.

(e) In the event the Liquidating Trustee dies, is terminated, or resigns for any reason, or is terminated for cause, a successor shall be designated as set forth in the Liquidating Trust Agreement.

(f) The Liquidating Trust Advisory Board shall have the rights and duties as set forth in the Liquidating Trust Agreement.

(g) The Liquidating Trustee shall carry out the duties set forth in Section 5.4 of the Plan and in the Liquidating Trust Agreement. The fees and expenses of the Liquidating Trustee will be paid in accordance with the Liquidating Trust Agreement and the Liquidating Trustee shall be authorized to retain professionals necessary to carry out its duties and to compensate such professionals in accordance with the Liquidating Trust Agreement.

(h) For federal income tax purposes, it is intended that the Liquidating Trust be classified as a liquidating trust under Treasury Regulation section 301.7701-4 and that such trust be owned by its beneficiaries. Accordingly, for federal income tax purposes, it is intended that the beneficiaries be treated as if they had received a distribution of an undivided interest in the Liquidating Trust Assets and then contributed such interests to the Liquidating Trust. The Liquidating Trust Agreement shall (i) state that the primary purpose of the Liquidating Trust is to liquidate the Liquidating Trust Assets with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, its liquidating purpose and (ii) contain a fixed or determinable termination date that is not more than ten (10) years from the date of creation of the Liquidating Trust, which termination date may be extended for one or more finite terms subject to the approval of the Bankruptcy Court upon a finding that the extension is necessary to its liquidating purpose. Each such extension must be approved by the Bankruptcy Court within six (6) months of the beginning of the extended term.

(i) The Liquidating Trustee shall be responsible for filing all federal, state and local tax returns for the Liquidating Trust. The Liquidating Trustee shall file all federal tax returns for the Liquidating Trust as a grantor trust under Treasury Regulation section 1.671-4 unless otherwise required by applicable law. The Liquidating Trustee also will annually send to each Liquidating Trust beneficiary a separate statement regarding the receipts and expenditures of the Liquidating Trust as relevant for U.S. federal income tax purposes and will instruct all such holders to use such information in preparing their U.S. federal income tax returns or to forward the appropriate information to such holder's underlying beneficial holders with instructions to utilize such information in preparing their U.S. federal income tax returns. The Liquidating Trustee shall also file (or cause to be filed) any other statement, return or disclosure relating to the Liquidating Trust that is required by any Governmental Unit.

(j) As soon as practical after the Effective Date and to the extent reasonably possible, the Liquidating Trustee shall estimate the fair market value, as of the Effective Date, of all other Liquidating Trust Assets, and shall make all such values available from time to time, to the extent relevant, and such values shall be used consistently by all parties to the Liquidating Trust (including, without limitation, the Debtor, the Liquidating Trustee, and Liquidating Trust beneficiaries) for all United States federal income tax purposes.

(k) Allocations of Liquidating Trust taxable income among the Liquidating Trust beneficiaries shall be determined by reference to the manner in which an amount of cash representing such taxable income would be distributed (were such cash permitted to be distributed at such time) if, immediately before such deemed distribution, the Liquidating Trust had distributed all its assets (valued at their tax book value) to the holders of the Liquidating Trust beneficiaries, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Liquidating Trust. Similarly, taxable loss of the Liquidating Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a hypothetical liquidating distribution of the remaining Liquidating Trust Assets. The tax book value of the Liquidating Trust Assets for purpose of this paragraph shall equal their fair market value on the Effective Date, adjusted in accordance with tax accounting principles prescribed by the Tax Code, the applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements.

(l) Interests in the Liquidating Trust shall be non-transferrable and any such transfer shall be disregarded by the Liquidating Trustee, except with respect to a transfer by will or under laws of descent and distribution; provided, however, such transfer will not be effective until and unless the Liquidating Trustee receives written notice of such transfer under the law of descent and distribution.

**B. Duties and Powers of the Liquidating Trustee.**

(a) General Authority. The Liquidating Trustee, together with its representatives and professionals, shall administer the Plan. In such capacity, the powers of the Liquidating Trustee, set forth more fully in the Liquidating Trust Agreement, shall include any and all powers necessary to implement the Plan and to administer and distribute the assets and wind up the business and affairs of the Debtor, including, without limitation, (i) overseeing the Claims resolution, distribution, and objection process (including, without limitation, the ability to object to, seek to subordinate, compromise, or settle any or all Claims against the Debtor or the Estate, other than Claims that are Allowed under the Plan), (ii) evaluating and, if appropriate, commencing, prosecuting, and continuing to pursue on behalf of the Debtor's Estate the Avoidance Actions and other Causes of Action, (iii) winding down the affairs of the Debtor, including through the sale or abandonment of the Estate's remaining assets which shall be transferred to the Liquidating Trust, (iv) dissolving the Debtor at the appropriate time post-confirmation, (v) maintaining books and records, and (vi) investing and managing Cash of the Liquidating Trust.

(b) Tax Obligations. The Liquidating Trustee shall be further authorized to (i) administer and pay any domestic and foreign taxes, including filing domestic and foreign tax returns for the Debtor and the Liquidating Trust, as applicable, (ii) request an expedited determination of any unpaid tax liability of the Debtor or the Estate under section 505 of the Bankruptcy Code for all taxable periods of the Debtor through the liquidation of the Debtor as determined under applicable tax laws, and (iii) represent the interest and account of the Debtor or the Estate before any taxing authority in all matters including, without limitation, any action, suit, proceeding, or audit.

**C. Dissolution of the Debtor After the Effective Date.**

The Debtor shall be dissolved as soon as practicable after the Effective Date. The Liquidating Trustee shall cause to be filed with the State of Delaware and any other governmental authority such certificate of dissolution or cancellation and other certificates or documents as may be or become necessary to implement the termination of the legal existence of the Debtor after the Effective Date.

**D. Method of Distributions Under the Plan.**

(a) All distributions to holders of Allowed Claims and Existing Equity Interests in the Debtor shall be made by the Liquidating Trustee in accordance with the terms of the Plan and the Liquidating Trust Agreement.

(b) As Claims become Allowed and to the extent of Available Cash, the Liquidating Trustee shall pay the holders of such Allowed Claims in Cash as provided hereunder.

(c) At reasonable periodic intervals determined by the Liquidating Trustee, in its sole discretion, the Liquidating Trustee shall make payments to holders of Allowed Claims in accordance with the Plan, but in no event shall the first distribution occur later than the Initial Distribution Date. The Liquidating Trustee shall maintain Net Available Cash sufficient to pay holders of Class 2-A and Class 2-B Claims in the amount such holders would be entitled to receive under the Plan if such Claims were to become Allowed General Unsecured Claims. Upon completion of all duties of the Liquidating Trustee, and after the satisfaction of all outstanding obligations of the Liquidating Trust, all Net Available Cash at such time, if any, shall be distributed in accordance with the Plan.

(d) Notwithstanding anything in this Plan or the Disclosure Statement to the contrary, the Liquidating Trustee shall have the authority to object to the allowance or payment of any Disputed Claims on any grounds in accordance with the procedures set forth herein; provided, however, that the Liquidating Trustee shall make distributions in accordance with the Plan with respect to the undisputed portion of any Allowed Priority Non-Tax Claim, Allowed General Unsecured Claim, or Allowed General Unsecured Claim of Airfasttickets, Ltd.

**E. Closing of the Debtor's Chapter 11 Case.**

When all Disputed Claims have become Allowed Claims or have been disallowed by Final Order, the Liquidating Trustee may seek authority from the Bankruptcy Court to close the Chapter 11 Case in accordance with the Bankruptcy Code and the Bankruptcy Rules. However, the Liquidating Trustee in his business judgment may also determine that the Chapter 11 Case should remain open and pending before the Bankruptcy Court for any reason (including to facilitate discovery by way of Rule 2004 motion(s) or to pursue any Causes of Actions, including without limitation any Cause of Action on account of pending or forthcoming adversary proceedings).

**F. Cancellation of Existing Agreements.**

Except (a) as otherwise expressly provided in the Plan, (b) with respect to executory contracts or unexpired leases that have been assumed and assigned by the Debtor, (c) for purposes of evidencing a right to distributions under the Plan, or (d) with respect to any Claim that is reinstated and rendered unimpaired under the Plan (if any), on the date of closing of the Chapter 11 Case in accordance with the Plan, all instruments evidencing any Claims against the Debtor, including, without limitation, existing agreements and other contracts, shall be deemed automatically cancelled without further act or action under any applicable agreement, contract, law, regulation, order, or rule and the obligations of the Debtor thereunder shall be discharged under the Plan.

**G. Cancellation of Liens.**

Except as otherwise provided for pursuant to the Plan, upon the occurrence of the Effective Date, any Lien securing any Secured Claim shall be deemed released, and the holder of such Secured Claim shall be authorized and directed to release any Collateral or other property of any Debtor (including any cash Collateral) held by such holder and to take such actions as may be requested by the Debtor or the Liquidating Trustee to evidence the release of such Lien, including the execution, delivery, and filing or recording of such releases.

**H. Compromise of Controversies.**

In consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement of all Claims and controversies resolved under the Plan, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under Bankruptcy Rule 9019.

**ARTICLE VI**

**PROVISIONS GOVERNING VOTING AND DISTRIBUTIONS UNDER THE PLAN**

**A. Voting.**

Each holder of an Allowed Claim or Interest in an impaired class of Claims or Interests that is entitled to vote on the Plan under Articles III and IV of the Plan shall be entitled to vote separately to accept or reject the Plan, as provided in an order of the Bankruptcy Court establishing procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan or any other order of the Bankruptcy Court.

**B. Disbursing Agent**

All Distributions under the Plan shall be made by the Debtor or the Liquidating Trustee, or their named successor or assign, as Disbursing Agent, on or after the Effective Date or as otherwise provided in the Plan. For the avoidance of doubt, (i) the Debtor shall act as Disbursing Agent with respect to all Effective Date Distributions, and (ii) the Liquidating Trustee, or such other entity designated by the Liquidating Trustee, shall act as Disbursing Agent



with respect to all Distributions after the Effective Date. A Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court, and, in the event that a Disbursing Agent is so ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Disbursing Agent.

The Disbursing Agent may (i) effect all actions and execute all agreements, instruments, and other documents necessary to carry out the provisions of the Plan; (ii) make all Distributions contemplated hereby; and (iii) perform such other duties as may be required of the Disbursing Agent pursuant to the Plan.

**C. Distributions on Allowed General Unsecured Claims.**

All Allowed General Unsecured Claims in a single Class held by a single creditor shall be aggregated and treated as a single Claim. At the written request of the Disbursing Agent, any creditor holding multiple Claims shall provide to the Liquidating Trustee, as the case may be, a single address to which any distributions shall be sent.

**D. Date of Distributions.**

Except as otherwise provided herein, any distributions and deliveries to be made hereunder shall be made on the Effective Date or as soon thereafter as is reasonably practicable. Whenever any distribution to be made under this Plan shall be due on a day other than a Business Day, such distribution shall instead be made, without interest, on the immediately succeeding Business Day and shall be deemed to have been made on the date due.

**E. Delivery of Distributions.**

(a) Last Known Address. Subject to the provisions of Bankruptcy Rule 9010, distributions and deliveries to holders of Allowed Claims or Existing Equity Interests shall be made at the address of such holders as set forth on the Schedules filed with the Bankruptcy Court unless superseded by the address set forth on proofs of claim filed by such holders, or at the last known address of such holders if no proof of claim is filed or if the Debtor or the Liquidating Trustee have been notified in writing of a change of address.

(b) Undeliverable Distributions. In the event that any distribution to any holder of a Claim or Existing Equity Interest is returned to the Liquidating Trustee as undeliverable, no further distributions shall be made to such holder unless and until the Liquidating Trustee is notified, in writing, of such holder's then-current address. Undeliverable distributions shall remain in the possession of the Liquidating Trustee until such time as a distribution becomes deliverable; provided, however, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of ninety (90) days from the Distribution Date. After such date, all unclaimed property or interest in property shall become Net Available Cash for distribution under the terms of the Plan, and the Claim of any other holder to such property or interest in property shall be discharged and forever barred, notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary. All Entities ultimately receiving undeliverable Cash shall not be entitled to any interest or other accruals of any kind. Nothing contained in the Plan shall require the Liquidating

Trustee to attempt to locate any holder of an Allowed Claim. The proceeds from undeliverable distributions shall be retained by the Liquidating Trust and then distributed to other creditors on account of their Allowed Claims.

**F. Time Bar to Cash Payments; Unclaimed Distributions.**

Checks issued by the Liquidating Trust on account of Allowed Claims shall be null and void if not negotiated within ninety (90) days from and after the date of issuance thereof. Requests for re-issuance of any check shall be made directly to the Liquidating Trustee by the holder of the Allowed Claim with respect to which such check originally was issued. All distributions under the Plan that are unclaimed for a period of six (6) months after distribution thereof shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and any entitlement of any holder of any Claims to such distributions shall be extinguished and forever barred. Subject to the conditions set forth in the Plan, any distributions that remain unclaimed after the expiration of the six (6) month period set forth in the immediately preceding sentence shall be redistributed to holders of Claims or Interests under the terms of the Plan.

**G. Distribution Record Date.**

With respect to holders of all Claims, on the Distribution Record Date, the Claims register shall be closed and any transfer of any Claim thereafter shall be prohibited. The Debtor or the Liquidating Trustee, as applicable, shall have no obligation to recognize any transfer of any such Claims occurring after the close of business after such date.

**H. Manner of Payment under the Plan.**

Unless otherwise specified herein or unless the Entity receiving a payment agrees otherwise, any payment in Cash to be made by the Liquidating Trustee shall be made, at the election of the Liquidating Trustee, by check drawn on a domestic bank or by wire transfer from a domestic bank; provided, however, that for administrative convenience, the Liquidating Trustee shall not be required to make distributions in an amount less than One Hundred Dollars (\$100.00).

**I. Distributions After Effective Date.**

Distributions made after the Effective Date to holders of Disputed Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims shall be deemed to have been made on the Effective Date.

**J. Setoffs and Recoupment.**

Other than with respect to Claims Allowed hereunder, the Debtor may, but shall not be required to, setoff against or recoup from any Claim and the payments to be made under the Plan in respect of such Claim any Claims of any nature whatsoever that the Debtor may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor of any such Claim it may have against such claimant.

**K. Allocation of Plan Distributions Between Principal and Interest.**

To the extent that any Allowed Claim entitled to a distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall be allocated first to the principal amount of the Claim (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claim, to accrued but unpaid interest.

**ARTICLE VII**

**PROVISION FOR TREATMENT OF DISPUTED CLAIMS UNDER THE PLAN**

**A. Objections to Claims; Filing of Late Claims.**

(a) As of the Effective Date, objections to, and requests for estimation of, Claims against the Debtor may be interposed and prosecuted only by the Liquidating Trustee. Such objections and requests for estimation shall be served on the respective claimant and filed with the Bankruptcy Court on or before the latest of: (i) the later of one hundred and eighty (180) days after the Effective Date or sixty (60) days after the date on which such Claim was filed (provided that any Claims filed after the Effective Date shall be deemed null and void and no further action shall be required by the Debtor in respect thereof) or (ii) such later date as may be fixed by the Bankruptcy Court.

(b) Except for timely-filed damage claims arising from the rejection of executory contracts and unexpired leases rejected pursuant to Section 8.1 of the Plan, any holder of a Claim or Interest shall be barred from filing a proof of claim after the Confirmation Date without first seeking and obtaining leave from the Bankruptcy Court to do so after notice to the Liquidating Trustee and a hearing on notice.

**B. No Distributions Pending Allowance.**

Notwithstanding any other provision hereof, if any portion of a Claim is Disputed, no payment or distribution provided hereunder shall be made on account of such Claim unless and until such Disputed Claim becomes Allowed.

**C. Distributions After Allowance.**

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions, if any, shall be made to the holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court Allowing any Disputed Claim becomes a Final Order (which date may be, at the option of the Liquidating Trustee, the next Distribution Date to holders of Allowed General Unsecured Claims), the Liquidating Trustee will provide to the holder of such Allowed Claim the distribution to which such holder is entitled under the Plan.

**D. Resolution of Claims.**

On and after the Effective Date, the Liquidating Trustee shall have the authority to compromise, settle, otherwise resolve, or withdraw any objections to Claims and to compromise, settle, or otherwise resolve any Disputed Claims without approval of the Bankruptcy Court.

**E. Estimation of Claims.**

The Debtor or the Liquidating Trustee may at any time request that the Bankruptcy Court estimate any Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether any of the Debtor or the Liquidating Trustee previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection (for the avoidance of doubt, however, to the extent a Claim has been Allowed by a Bankruptcy Court order, such Claim is no longer subject to estimation), and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Debtor or the Liquidating Trustee may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation, and resolution procedures are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

**F. Postpetition Interest on Claims.**

Except as may be otherwise expressly provided in the Plan, postpetition interest shall not accrue or be paid on any Claims against the Debtor, and no Holder of any such Claim against the Debtor shall be entitled to payment or Distributions on account of interest accruing on or after the Petition Date.

**ARTICLE VIII**

**EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**A. Rejection of Any Remaining Executory Contracts and Unexpired Leases.**

Under sections 365(a) and 1123(b)(2) of the Bankruptcy Code, all executory contracts and unexpired leases that exist between the Debtor and any Entity shall be deemed rejected by the Debtor as of the Effective Date, except for any executory contract or unexpired lease (a) that has been rejected by a Final Order of the Bankruptcy Court before the Effective Date, (b) that has been assumed or assumed and assigned under a Final Order of the Bankruptcy Court, including the Sale Order, before the Effective Date, (c) as to which a motion for approval of the assumption or assumption and assignment of such executory contract or unexpired lease has been filed and served before the Confirmation Date, or (d) that is listed by the Debtor in the Liquidating Trust Agreement. With respect to those executory contracts and unexpired leases set

forth in the Liquidating Trust Agreement, the period for the assumption, assumption and assignment, or rejection of such executory contracts and unexpired leases shall be extended until the date of closing of the Chapter 11 Case.

**B. Approval of Rejection of Executory Contracts and Unexpired Leases.**

Entry of the Confirmation Order shall, subject to and upon the occurrence of the Effective Date, constitute the approval by the Bankruptcy Court, under sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption or rejection of the executory contracts and unexpired leases as of the Effective Date that are assumed or rejected under Section 8.1 of the Plan.

**C. Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan.**

Claims arising out of the rejection of an executory contract or unexpired lease under Section 8.1 of the Plan must be filed with the Bankruptcy Court and served upon the Debtor (or, on and after the Effective Date, upon the Liquidating Trustee) no later than thirty (30) days after the later of (i) notice of entry of an order approving the rejection of such executory contract or unexpired lease and (ii) notice of entry of the Confirmation Order. All such Claims not filed within such time will be forever barred from assertion against the Debtor, its Estate, or Liquidating Trust.

**D. Insurance Policies.**

Unless specifically assumed or rejected by order of the Bankruptcy Court, or unless listed in the Liquidating Trust Agreement as set forth in Section 8.1 of the Plan, all of the Debtor's insurance policies and any agreements, documents, or instruments relating thereto, are treated as executory contracts under the Plan and shall be rejected in accordance with Section 8.1 of the Plan. Nothing contained in this section shall constitute or be deemed a waiver of the right to assert and collect on claims relating to the period before the Effective Date or any Cause of Action that the Debtor may hold against any Entity, including, without limitation, the insurer, under any of the Debtor's policies of insurance, and all such rights and Causes of Action shall be assigned and shall vest in the Liquidating Trust on the Effective Date. For the avoidance of any doubt, nothing herein shall affect the rights or ability of the Debtor and its Estate, or the Liquidating Trustee, as successor in interest of the Debtor and its Estate, to assert, prosecute, or settle, by litigation or otherwise, any Causes of Action of the Debtor and its Estate covered, or the availability of coverage, under of the Debtor's insurance policies, and any agreements, documents, or instruments relating thereto, and all rights under the Debtor's insurance policies, and any agreements, documents, or instruments relating thereto shall be preserved and shall vest with the Liquidating Trust and shall remain in full force and effect after the Effective Date for the term thereof. Further, for the avoidance of any doubt, the Liquidating Trustee may assert, prosecute, or settle Causes of Action under any of the Debtor's director and officer liability, employment practices, liability, or fiduciary liability insurance policies, as an insolvency trustee, receiver, examiner, liquidator, or similar official, as those terms are used in the polices.

## ARTICLE IX

### CONDITIONS PRECEDENT TO CONFIRMATION AND EFFECTIVE DATE

#### A. Conditions Precedent to Confirmation.

The occurrence of the Confirmation Date is subject to satisfaction of the following conditions precedent:

(a) Entry of the Disclosure Statement Order. The Clerk of the Bankruptcy Court shall have entered the Disclosure Statement Order in form and substance acceptable to the Plan Proponent, the effectiveness of which shall not have been stayed fourteen (14) days following the entry thereof.

(b) Proposed Confirmation Order. The proposed Confirmation Order shall be in form and substance acceptable to the Plan Proponent.

(c) Plan Documents. All Plan Documents shall be in form and substance acceptable to the Plan Proponent.

(d) Absence of Adverse Action. The absence of any pending or threatened action by any Governmental Unit or Entity or any law that has the effect of or actually does prevent consummation of any material transaction under the Plan.

#### B. Conditions Precedent to Effective Date.

The occurrence of the Effective Date and the substantial consummation of the Plan are subject to satisfaction of the following conditions precedent:

(a) Entry of the Confirmation Order. The Clerk of the Bankruptcy Court shall have entered the Confirmation Order in form and substance acceptable to the Plan Proponent, the effectiveness of which shall not have been stayed within fourteen (14) days following the entry thereof, and the Confirmation Order shall be a Final Order.

(b) Consents Obtained. The Debtor shall have received all authorizations, consents, legal and regulatory approvals, rulings, letters, no-action letters, opinions, or documents that are necessary to implement and consummate the Plan and that are required by law, regulation, or order.

(c) Satisfaction of Conditions in Plan. The Debtor shall have satisfied all other conditions set forth in the Plan.

(d) Liquidating Trust Assets. The Liquidating Trust Assets shall have been transferred to the Liquidating Trust under the Plan and the Liquidating Trust Agreement.

(e) Execution of Documents; Other Actions. All other actions and documents necessary to implement the Plan shall have been effected or executed.

**C. Waiver of Conditions.**

The Debtor may, to the extent not prohibited by applicable law, waive one or more of the conditions precedent to the Effective Date set forth in Section 9.2 of the Plan without notice to any party in interest or the Bankruptcy Court and without a hearing.

**D. Satisfaction of Conditions.**

Except as expressly provided or permitted in the Plan, any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred before the taking of any other such action. If one or more of the conditions specified in Section 9.1 and 9.2 of the Plan have not occurred or otherwise been waived under Section 9.3 of the Plan within 120 days after the Confirmation Date, which period may be extended by the Debtor, then (a) the Confirmation Order shall be vacated, (b) no distributions under the Plan shall be made; (c) the Debtor and all holders of Claims and Interests shall be restored to the status quo ante as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred, and (d) the Debtor's obligations with respect to Claims and Interests shall remain unchanged and nothing contained herein shall constitute or be deemed a waiver or release of any Claims or Interests by or against the Debtor or any other person or to prejudice in any manner the rights of the Debtor or any Entity in any further proceedings involving the Debtor.

**ARTICLE X**

**EFFECT OF CONFIRMATION**

**A. Vesting of Assets.**

On the Effective Date, under sections 1141(b) and (c) of the Bankruptcy Code, all Liquidating Trust Assets shall vest in the Liquidating Trust, subject to the rights and interest of the Liquidating Trust's beneficiaries, and the Debtor's and its Estate's assets, properties, and interests shall be released from the custody and jurisdiction of the Bankruptcy Court, and all such assets, properties, and interests shall vest in the Liquidating Trust free and clear of all Claims, Liens, encumbrances, charges and other interests, except as provided under the Plan.

**B. Binding Effect.**

Subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Plan shall bind any present and former holder of a Claim against, or Interest in, the Debtor and its Estate and such holder's respective related Entities, successors and assigns, whether or not such holder's Claim or Interests is impaired under the Plan, whether or not such holder has voted or failed to vote to accept or reject the Plan, and whether or not such holder is entitled to receive any distribution under the Plan.

**C. Discharge of Claims and Termination of Interests.**

To the fullest extent permitted by section 1141 of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or the Confirmation Order, the rights

afforded in the Plan and the payments and distributions to be made hereunder shall be in exchange for and in complete satisfaction and discharge of all existing debts, liabilities, and Claims, and shall terminate all Interests, of any kind, nature, or description whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtor and its Estate, or any of its assets or properties, regardless of whether any property shall have been distributed or retained under this Plan on account of such Claims and Interests, including demands, liabilities, and causes of action that arose before the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in §§ 502(g), 502(h), or 502(i) of the Bankruptcy Code. Except as provided in the Plan, on the Effective Date, all existing Claims against the Debtor and Interests in the Debtor, shall be, and shall be deemed to be satisfied and discharged, and all holders of Claims and Interests shall be precluded and enjoined from asserting against the Liquidating Trust or any of its respective assets or properties, any other or further Claim or Interest based upon any act or omission, transaction, or other activity of any kind or nature that occurred before the Effective Date, whether or not such holder has filed a proof of Claim or proof of Interest. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring, except as otherwise specifically provided in the Plan or the Confirmation Order.

**D. Injunction or Stay on Claims.**

**Except as otherwise expressly provided in the Plan, the Confirmation Order, or such other order of the Bankruptcy Court that may be applicable, all Entities who have held, hold, or may hold Claims or other debt or liability that is discharged or Interests or other right of equity interest that is discharged under the Plan are permanently enjoined, from and after the Effective Date, from (a) commencing or continuing in any manner any action or other proceeding of any kind on any such Claim or other debt or liability or Interest or other right of equity interest that is terminated or cancelled under the Plan against the Debtor, the Debtor's Estate, properties or interests in properties of the Debtor, or the Liquidating Trust, (b) the enforcement, attachment, collection, or recovery by any manner or means of any judgment, award, decree, or order against the Debtor, the Debtor's Estate, properties or interests in properties of the Debtor, or the Liquidating Trust, (c) creating, perfecting, or enforcing any encumbrance of any kind against the Debtor, the Debtor's Estate, properties or interests in properties of the Debtor, or the Liquidating Trust, (d) except to the extent provided, permitted, or preserved by sections 553, 555, 556, 559, 560, or 561 of the Bankruptcy Code or under the common law right of recoupment, asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from or against the Debtor, the Debtor's Estate, properties or interests in properties of the Debtor, or the Liquidating Trust with respect to any such Claim or other debt or liability that is discharged or Interest or other right of equity interest that is terminated or cancelled under the Plan, and (e) taking any actions to interfere with the implementation or consummation of the Plan. Such injunction shall extend to all successors of the Debtor and its properties and interests in property of all of the successors.**



**E. Terms of Existing Injunctions or Stays.**

Except as otherwise provided in this Plan, to the extent permitted by applicable law and subject to the Bankruptcy Court's post-confirmation jurisdiction to modify the injunctions and stays under this Plan, (a) all injunctions with respect to or stays against an action against property of the Debtor's Estate arising under or entered during the Chapter 11 Case under §§ 105 or 362 of the Bankruptcy Code, and in existence on the Confirmation Date, shall remain in full force and effect until such property is no longer property of the Debtor's Estate; and (b) all other injunctions and stays arising under or entered during the Chapter 11 Case under §§ 105 or 362 of the Bankruptcy Code shall remain in full force and effect until the earlier of (i) the date that the Chapter 11 Case is closed pursuant to a Final Order of the Bankruptcy Court or (ii) the date that the Chapter 11 Case is dismissed pursuant to a Final Order of the Bankruptcy Court.

**F. Exculpation.**

(a) **None of (i) the Debtor; (ii) Adam Meislik, as the duly appointed receiver of Airfasttickets, Inc. by the Court of Chancery of the State of Delaware under Order dated July 21, 2015 (the "Receiver"); or (iii) attorneys, financial advisors, accountants, and other professionals retained by the Debtor or the Debtor's Estate, and each of their respective members, officers, directors, employees, advisors, professionals, counsel, agents, and other affiliated Persons, including, without limitation, (a) Arent Fox LLP, the Debtor's general bankruptcy and restructuring counsel, (b) Richards, Layton & Finger, P.A., the Debtor's special counsel, (c) BSW & Associates, the Debtor's financial advisor, (d) Wright Ford Young & Co., the Debtor's tax accountants, (e) U Turn Business Recovery Consultants Ltd., the Debtor's financial advisor in the country of Greece, (f) BMC Group, Inc., the Debtor's claims and noticing agent (collectively, the "Released Parties") shall have or incur any liability to any Holder of any Claim or Interest for any act or omission in connection with, relating to, or arising out of the Chapter 11 Case and related proceedings, including, but not limited to, filing of the Chapter 11 Case, administration of the Chapter 11 Case, the Sale, formulation, negotiation, preparation, dissemination, approval, execution, administration, confirmation, implementation, or consummation of, as well as the solicitation of votes for, the Plan (including all distributions thereunder), the Disclosure Statement, the Plan Supplement, or any contract, instrument, document, or other agreement related thereto, except for, and as determined by a Final Order entered by a court of competent jurisdiction, bad faith, willful misconduct, reckless disregard of duty, criminal conduct, gross negligence, fraud, or self-dealing, or, in the case of an attorney professional and as required under Rule 1.8(h)(1) of the New York State Rules of Professional Conduct or other applicable rule, malpractice; and, in all respects, the Released Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under this Plan.**

(b) **From and after the Effective Date, the Liquidating Trustee and any professionals retained by the Liquidating Trustee (including, without limitation, attorneys, accountants, and financial advisors), all solely in their capacity as such, shall be exculpated by holders of Claims and Interests from any and all Claims, Causes of Action, and other assertions of liability arising out of the discharge of the powers and duties conferred upon the Liquidating Trustee by the Plan, the Liquidating Trust Agreement, or any order of the**

**Bankruptcy Court entered under or in furtherance of the Plan, or applicable law, except for, and as determined by a Final Order entered by a court of competent jurisdiction, bad faith, willful misconduct, reckless disregard of duty, criminal conduct, gross negligence, fraud, or self-dealing, or, in the case of an attorney professional and as required under Rule 1.8(h)(1) of the New York State Rules of Professional Conduct or other applicable rule, malpractice; and, in all respects, the Liquidating Trustee and any professionals retained by the Liquidating Trustee shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under this Plan and the Liquidating Trust Agreement.**

**G. Preservation of Causes of Action / Reservation of Rights.**

Except with respect to Released Actions, nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver, release, or the relinquishment of any Causes of Action that the Debtor or the Estate may have. The Causes of Action (including, without limitation, Avoidance Actions) shall vest in the Liquidating Trust, and the Liquidating Trustee may choose to assert any such Causes of Action on behalf of the Debtor or its Estate under any provision of the Bankruptcy Code or any applicable non-bankruptcy law. For purposes of clarity, the Liquidating Trustee shall have, retain, reserve, and be entitled to assert all such Claims, Causes of Action (including, without limitation, Avoidance Actions), rights of setoff, recoupment, and other legal or equitable defenses which the Debtor had immediately before the Petition Date fully as if the Chapter 11 Case had not been commenced, and all of the Debtor's and the Estate's legal and equitable rights and remedies respecting any Claim left unimpaired by the Plan may be asserted by the Liquidating Trustee after the Confirmation Date to the same extent as if the Chapter 11 Case had not been commenced.

**H. Injunction on Causes of Action.**

Except as provided in the Plan, as of the Effective Date, all non-Debtor entities are permanently enjoined from commencing or continuing in any manner, any Causes of Action, whether directly, derivatively, on account of or respecting any debt or Cause of Action of the Debtor which the Liquidating Trustee retains sole and exclusive authority to pursue in accordance with the Plan and the Liquidating Trust Agreement or which have been released pursuant to the Plan.

**I. Releases By The Debtor.**

**EFFECTIVE AS OF THE CONFIRMATION DATE, BUT SUBJECT TO THE OCCURRENCE OF THE EFFECTIVE DATE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FOR GOOD AND VALUABLE CONSIDERATION, THE DEBTOR AND ITS ESTATE SHALL BE DEEMED TO COMPLETELY AND FOREVER RELEASE, WAIVE, VOID, EXTINGUISH, AND DISCHARGE EACH OF THE FOLLOWING: (I) ADAM MEISLIK, AS THE DULY APPOINTED RECEIVER OF AIRFASTTICKETS, INC. BY THE COURT OF CHANCERY OF THE STATE OF DELAWARE UNDER ORDER DATED JULY 21, 2015 (THE "RECEIVER"); AND (II) ATTORNEYS, FINANCIAL ADVISORS, ACCOUNTANTS, AND OTHER PROFESSIONALS RETAINED BY THE DEBTOR OR THE ESTATE, AND EACH OF**

**THEIR RESPECTIVE MEMBERS, OFFICERS, DIRECTORS, EMPLOYEES, ADVISORS, PROFESSIONALS, COUNSEL, AGENTS, AND OTHER AFFILIATED PERSONS, INCLUDING, WITHOUT LIMITATION, (A) ARENT FOX LLP, THE DEBTOR'S GENERAL BANKRUPTCY AND RESTRUCTURING COUNSEL, (B) RICHARDS, LAYTON & FINGER, P.A., THE DEBTOR'S SPECIAL COUNSEL, (C) BSW & ASSOCIATES, THE DEBTOR'S FINANCIAL ADVISOR, (D) WRIGHT FORD YOUNG & CO., THE DEBTOR'S TAX ACCOUNTANTS, (E) U TURN BUSINESS RECOVERY CONSULTANTS LTD., THE DEBTOR'S FINANCIAL ADVISOR IN THE COUNTRY OF GREECE, (F) BMC GROUP, INC., THE DEBTOR'S CLAIMS AND NOTICING AGENT (COLLECTIVELY, THE "RELEASED PARTIES") FROM ANY AND ALL RELEASED ACTIONS, CLAIMS, CAUSES OF ACTIONS, AND OTHER LIABILITIES, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THEN EXISTING OR THEREAFTER ARISING, IN LAW, EQUITY OR OTHERWISE, ARISING BEFORE OR DURING THIS CHAPTER 11 CASE AND BEFORE THE EFFECTIVE DATE FROM ANY ACT OR OMISSION IN CONNECTION WITH, RELATING TO, OR ARISING OUT OF THIS CHAPTER 11 CASE AND RELATED PROCEEDINGS, INCLUDING, BUT NOT LIMITED TO, FILING OF THIS CHAPTER 11 CASE, ADMINISTRATION OF THIS CHAPTER 11 CASE, THE SALE, FORMULATION, NEGOTIATION, PREPARATION, DISSEMINATION, APPROVAL, EXECUTION, ADMINISTRATION, CONFIRMATION, IMPLEMENTATION, OR CONSUMMATION OF, AS WELL AS THE SOLICITATION OF VOTES FOR, THE PLAN (INCLUDING ALL DISTRIBUTIONS THEREUNDER), THE DISCLOSURE STATEMENT, AND THE PLAN SUPPLEMENT; PROVIDED, HOWEVER, THAT THE DEBTOR AND THE ESTATE SHALL NOT BE DEEMED TO HAVE RELEASED ANY SUCH ENTITY FROM LIABILITY FOR GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR FRAUD AS DETERMINED BY A FINAL ORDER ENTERED BY A COURT OF COMPETENT JURISDICTION.**

**J. Releases By The Holders of Claims and Interests.**

**EFFECTIVE AS OF THE CONFIRMATION DATE, BUT SUBJECT TO THE OCCURRENCE OF THE EFFECTIVE DATE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FOR GOOD AND VALUABLE CONSIDERATION, EACH HOLDER OF A CLAIM (WHETHER OR NOT ALLOWED) AGAINST THE DEBTOR THAT (A) VOTES TO ACCEPT THE PLAN (OR IS DEEMED TO ACCEPT THE PLAN) OR HOLDER OF AN INTEREST IN THE DEBTOR (WHETHER OR NOT ALLOWED), AND EACH PERSON OR ENTITY PARTICIPATING IN EXCHANGES AND DISTRIBUTIONS UNDER THIS PLAN, FOR ITSELF AND ITS RESPECTIVE SUCCESSORS, ASSIGNS, TRANSFEREES, CURRENT AND FORMER OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES, IN EACH CASE IN THEIR CAPACITY AS SUCH, SHALL BE DEEMED TO RELEASE, WAIVE, VOID, EXTINGUISH, AND DISCHARGE, UNCONDITIONALLY AND FOREVER, ANY AND ALL CLAIMS, CAUSES OF ACTION, AND RELEASED ACTIONS AGAINST THE DEBTOR AND THE RELEASED PARTIES (OTHER THAN THE RIGHTS TO ENFORCE THE PLAN, AND ANY RIGHT OR OBLIGATION UNDER THE PLAN, AND THE SECURITIES,**

**CONTRACTS, INSTRUMENTS, RELEASES, INDENTURES, AND OTHER AGREEMENTS OR DOCUMENTS DELIVERED HEREUNDER OR CONTEMPLATED HEREBY), WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THEN EXISTING OR THEREAFTER ARISING, IN LAW, EQUITY OR OTHERWISE, THAT ARE BASED IN WHOLE OR IN PART ON ANY ACT, OMISSION, TRANSACTION, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE IN ANY WAY RELATING TO THE DEBTOR, THIS CHAPTER 11 CASE AND RELATED PROCEEDINGS, INCLUDING, BUT NOT LIMITED TO, FILING OF THIS CHAPTER 11 CASE, ADMINISTRATION OF THIS CHAPTER 11 CASE, THE SALE, FORMULATION, NEGOTIATION, PREPARATION, DISSEMINATION, APPROVAL, EXECUTION, ADMINISTRATION, CONFIRMATION, IMPLEMENTATION, OR CONSUMMATION OF, AS WELL AS THE SOLICITATION OF VOTES FOR, THE PLAN (INCLUDING ALL DISTRIBUTIONS THEREUNDER), THE DISCLOSURE STATEMENT, AND THE PLAN SUPPLEMENT; PROVIDED, HOWEVER, THAT THE FOREGOING SHALL NOT OPERATE AS A WAIVER OF OR RELEASE FROM ANY CAUSES OF ACTION ARISING FROM LIABILITY FOR GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR FRAUD OF ANY OF THE RELEASED PARTIES AS DETERMINED BY A FINAL ORDER ENTERED BY A COURT OF COMPETENT JURISDICTION.**

## **ARTICLE XI**

### **RETENTION OF JURISDICTION**

The Bankruptcy Court shall retain and have exclusive jurisdiction over any matter arising under the Bankruptcy Code, arising in or related to the Chapter 11 Case or the Plan, or that relates to the following purposes:

- (a) to resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which a Debtor is a party or with respect to which a Debtor may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;
- (b) to enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan;
- (c) to determine any and all adversary proceedings, contested matters, applications, motions (including motions under Bankruptcy Rule 2004), or litigation matters that may be pending on the Effective Date or that, under the Plan, may be commenced by the Liquidating Trustee after the Effective Date (which jurisdiction shall be non-exclusive as to any non-core matters);
- (d) to ensure that distributions to holders of Allowed Claims are accomplished as provided herein;

(e) to hear and determine any timely objections to Claims and Interests, including any objections to the classification of any Claim or Interest, and to allow, disallow, subordinate, recharacterize, determine, liquidate, classify, estimate, compromise, settle, or establish the priority, or secured or unsecured status, of any Claim, including Disputed Claims, in whole or in part;

(f) to resolve any Disputed Claims;

(g) to enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, reversed, or vacated;

(h) to hear and determine any matters or disputes arising under or in connection with the Liquidating Trust Agreement;

(i) to issue such orders in aid of consummation of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code;

(j) to consider any modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(k) to hear and determine all applications for awards of compensation for services rendered and reimbursement of expenses incurred before or after the Effective Date under sections 330, 331, and 503(b) of the Bankruptcy Code;

(l) to hear and determine all requests for payment of Administrative Expense Claims;

(m) to hear and determine any disputes over matters relating to the indemnification of the Liquidating Trustee and any professionals retained by the Liquidating Trustee under the Liquidating Trust Agreement;

(n) to hear and determine and adjudicate any litigation involving Causes of Action, Avoidance Actions, or any other Liquidating Trust Assets;

(o) to hear and determine disputes arising in connection with or relating to the Plan or the interpretation, implementation, or enforcement of the Plan or the extent of any Entity's obligations incurred in connection with or released under the Plan;

(p) to issue restraining orders or injunctions and to enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with the consummation, implementation, or enforcement of the Plan, the Confirmation Order, or any other order of the Bankruptcy Court;

(q) to determine any other matters that may arise in connection with or are related to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, agreement, or document created in connection with the Plan, the Disclosure Statement, or the Liquidating Trust Agreement;

(r) to hear and determine any actions to recover assets of the Debtor and property of the Debtor's Estate, wherever located;

(s) to hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including the expedited determination of tax under section 505(b) of the Bankruptcy Code);

(t) to hear and determine any other matters related hereto for any purpose that is not inconsistent with the Bankruptcy Code and title 28 of the United States Code; and

(u) to enter a final decree closing the Chapter 11 Case.

## ARTICLE XII

### MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

#### A. Modification of the Plan.

The Plan Proponent reserve its right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan, or any exhibits to the Plan at any time before entry of the Confirmation Order. Upon entry of the Confirmation Order, the Plan Proponent may, upon order of the Bankruptcy Court, jointly amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan. A holder of a Claim that has adopted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim of such holder.

#### B. Revocation or Withdrawal of the Plan.

(a) The Plan may be revoked or withdrawn by the Plan Proponent prior to the Effective Date.

(b) If the Plan is revoked or withdrawn prior to the Effective Date, the Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any claims by the Debtor or any other Entity or to prejudice in any manner the rights of the Debtor or any other Entity in any further proceedings involving the Debtor.

## ARTICLE XIII

### MISCELLANEOUS PROVISIONS

#### A. Effectuating Documents and Further Transactions.

On or before the Effective Date, and without the need for any further order or authority, the Debtor shall file with the Bankruptcy Court or execute, as appropriate, such agreements and other documents as may be necessary or appropriate to effectuate and further

evidence the terms and conditions of the Plan. The Debtor or the Liquidating Trustee, as applicable, is authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and to dissolve the Debtor as provided by the Plan.

**B. Withholding and Reporting Requirements.**

In connection with the consummation of the Plan and all instruments issued in connection herewith and distributed hereunder, any party issuing any instrument or making any distribution under the Plan shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all distributions under the Plan shall be subject to any such withholding or reporting requirements. Notwithstanding the above, each holder of an Allowed Claim or Existing Equity Interest that is to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on such holder by any governmental unit, including income, withholding and other tax obligations, on account of such distribution. Any party issuing any instrument or making any distribution under the Plan has the right, but not the obligation, to not make a distribution until such holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations.

**C. United States Trustee Fees and Reports.**

After the Effective Date and until the Chapter 11 Case is closed, all fees incurred under 28 U.S.C. § 1930(a)(6) by reason of disbursements made by the Liquidation Trust shall be paid by the Liquidation Trustee. After the Confirmation Date, the Liquidation Trustee shall prepare, file, and serve on the Office of the United States Trustee such quarterly disbursement reports for the Liquidation Trust as required by the Office of the United States Trustee for as long as the Chapter 11 Case remains open.

**D. Expedited Tax Determination.**

The Liquidating Trustee may request an expedited determination of taxes under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, such Debtor for all taxable periods through the Effective Date.

**E. Exemption from Transfer Taxes.**

Under section 1146(a) of the Bankruptcy Code, the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition of assets contemplated by the Plan shall not be subject to any stamp, real estate transfer, mortgage recording, sales, use, or other similar tax.

**F. Substantial Consummation.**

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

**G. Severability of Plan Provisions.**

If, prior to the Confirmation Date, any term or provision of the Plan shall be held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall, at the request of the Plan Proponent, have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

**H. Governing Law.**

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent that an exhibit hereto provides otherwise, the rights, duties, and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the Bankruptcy Code and, to the extent not inconsistent therewith, the laws of the State of New York, without regard to any conflicts of law provisions that would require the application of the law of any other jurisdiction.

**I. Time.**

In computing any period of time prescribed or allowed by the Plan, unless otherwise set forth herein or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

**J. Solicitation of the Plan.**

As of and subject to the occurrence of the Confirmation Date, the Plan Proponent shall be deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including without limitation, section 1125(a) and (e) of the Bankruptcy Code, and any applicable non-bankruptcy law, rule, or regulation governing the adequacy of disclosure in connection with such solicitation.

**K. Exhibits/Schedules**

All exhibits and schedules to the Plan and Disclosure Statement, including the Liquidating Trust Agreement, are incorporated into and are a part of the Plan and this Disclosure Statement as if set forth in full therein and herein.

**L. Notices.**

All notices, requests, and demands to or upon the Debtor shall, to be effective, be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of



notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Debtor, to:

Airfasttickets, Inc.  
20341 Birch Street, Suite 220  
Newport Beach, CA 92660  
Attn: Adam Meislik

with a copy to:

Arent Fox LLP  
1675 Broadway  
New York, New York 10019  
Facsimile: (212) 484-3990  
Telephone: (212) 484-3900  
Attn: George V. Utlik, Esq.

and

Arent Fox LLP  
555 West Fifth Street, 48th Floor  
Los Angeles, CA 90013  
Telephone: (213) 629-7400  
Facsimile: (213) 629-7401  
Attn: Aram Ordubegian, Esq.

**M. Section Headings.**

The section headings contained in this Disclosure Statement are for reference purposes only and shall not affect in any way the meaning or interpretation of the Disclosure Statement.

**N. Inconsistencies.**

To the extent of any inconsistencies between the information contained in this Disclosure Statement and the terms and provisions of the Plan, the terms and provisions contained in the Plan shall govern.

**ARTICLE XIV**

**RISKS AND CONSIDERATIONS**

**A. Bankruptcy Considerations**

Although the Debtor believes that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will

confirm the Plan as proposed. Moreover, there can be no assurance that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate the re-solicitation of votes.

In addition, the occurrence of the Effective Date is conditioned on the satisfaction (or waiver) of the certain conditions set forth in Article IX of the Plan, and there can be no assurance that such conditions will be satisfied or waived. In the event the conditions precedent described in the Plan have not been satisfied or waived (to the extent possible) by the Debtor (as provided for in the Plan) within 120 days after the Plan Confirmation Date, which period may be extended by the Debtor, then the Confirmation Order will be vacated, no Distributions will be made pursuant to the Plan, and the Debtor and all holders of Claims and Interests will be restored to the *status quo ante* as of the day immediately preceding the Plan Confirmation Date as though the Plan Confirmation Date had never occurred.

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtor believes that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtor created the Classes of Claims and Interests, each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims and Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

The Plan provides for no Distribution to Class 3. The Bankruptcy Code conclusively deems this Class to have rejected the Plan. Pursuant to § 1129(a)(10) of the Bankruptcy Code, notwithstanding the fact that this Class is deemed to have rejected the Plan, the Bankruptcy Court may confirm the Plan if at least one Impaired Class votes to accept the Plan (with such acceptance being determined without including the vote of any “insider” in such class). As to each Impaired Class that has not accepted the Plan, the Plan may be confirmed if the Bankruptcy Court determines that the Plan “does not discriminate unfairly” and is “fair and equitable” with respect to these Classes. The Debtor believes that the Plan satisfies these requirements.

#### **B. No Duty to Update Disclosures**

The Debtor has no duty to update the information contained in this Disclosure Statement as of the date hereof, unless otherwise specified in the Plan, or unless the Debtor is required to do so pursuant to an order of the Bankruptcy Court. Delivery of the Disclosure Statement after the date hereof does not imply that the information contained herein has remained unchanged.

#### **C. Representations Outside this Disclosure Statement**

This Disclosure Statement contains representations concerning or related to the Debtor and the Plan that are authorized by the Bankruptcy Code and the Bankruptcy Court. Please be advised that any representations or inducements outside this Disclosure Statement and any related documents which are intended to secure your acceptance or rejection of the Plan should not be relied upon by holders of Claims or Interests that are entitled to vote to accept or reject the Plan.

**D. No Admission**

The information and representations contained in the Plan shall not be construed to constitute an admission of, or be deemed evidence of, any legal effect of the Plan on the Debtor or holders of Claims and Interests.

**ARTICLE XV**

**PLAN CONFIRMATION AND CONSUMMATION**

**A. Plan Confirmation Hearing**

Bankruptcy Code § 1128(a) requires the Bankruptcy Court, after appropriate notice, to hold a hearing on confirmation of a Plan. In this case the Court will hold a hearing on confirmation of the Plan on **October 13, 2016 at 11:00 a.m. (ET)**. Notice of the Plan Confirmation Hearing will be provided to all known creditors, equity holders, or their representatives. The Plan Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Plan Confirmation Hearing or any subsequent adjourned Plan Confirmation Hearing.

Pursuant to Bankruptcy Code § 1128(b), any party in interest may object to confirmation of the Plan. Any objection to confirmation of the Plan must be in writing, must conform to the Bankruptcy Rules, must set forth the name of the objector, the nature and amount of Claims or Interests held or asserted by the objector against the Debtor, the basis for the objection and the specific grounds of the objection, and must be filed with the Bankruptcy Court, with a copy to Chambers of the Honorable Sean H. Lane, Chief United States Bankruptcy Judge, in the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004, together with proof of service thereof, and served upon: (i) the attorneys for the Debtor, (i) Arent Fox LLP, 1675 Broadway, New York, New York 10019-5820 (Attn: George V. Utlik, Esq.), (ii) Arent Fox LLP, 555 West Fifth Street, 48th Floor, Los Angeles, CA 90013 (Attn: Aram Ordubegian, Esq. and Andy S. Kong, Esq.); (ii) the Office of the United States Trustee for the Southern District of New York, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Andrea B. Schwartz, Esq.); and (iii) all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002 or such other parties as the Bankruptcy Court may order.

Bankruptcy Rule 9014 governs objections to confirmation of the Plan. **UNLESS AN OBJECTION TO CONFIRMATION OF THE PLAN IS TIMELY SERVED UPON THE PARTIES LISTED ABOVE AND FILED WITH THE BANKRUPTCY COURT, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT IN DETERMINING WHETHER TO CONFIRM THE PLAN.**

**B. Plan Confirmation Requirements under the Bankruptcy Code**

At the Plan Confirmation Hearing, the Bankruptcy Court will consider the terms of the Plan and determine whether the Plan terms satisfy the requirements set out in § 1129 of the Bankruptcy Code. The Debtor believes that the Plan satisfies or will satisfy the following requirements of § 1129, certain of which are discussed in more detail below:

- (a) The Plan complies with the applicable provisions of the Bankruptcy Code.
- (b) The Debtor, as proponent of the Plan, has complied with the applicable provisions of the Bankruptcy Code.
- (c) The Plan is proposed in good faith and not by any means forbidden by law.
- (d) Any payment made or promised by the Debtor or by a person acquiring property under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Case, or in connection with the Plan and incident to the Chapter 11 Case, has been disclosed to the Bankruptcy Court, and any such payment: (i) made before the confirmation of the Plan is reasonable; or (ii) is subject to the approval of the Bankruptcy Court as reasonable, if such payment is to be fixed after confirmation of the Plan.
- (e) Each holder of an Impaired Claim or Interest either has accepted the Plan or will receive or retain under the Plan, on account of such holder's Claim or Interest, property of a value as of the Effective Date that is not less than the amount such holder would receive or retain if the Debtor was liquidated on the Effective Date under chapter 7 of the Bankruptcy Code.
- (f) Except to the extent the Plan meets the requirements of § 1129(b) of the Bankruptcy Code, each Class of Claims or Interests either has accepted the Plan or is not an Impaired Class under the Plan.
- (g) Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Allowed Administrative Expense Claims, Allowed Priority Tax Claims and Allowed Priority Non-Tax Claims will be paid in full as required by the Bankruptcy Code.

**C. Plan Consummation**

Upon confirmation of the Plan by the Bankruptcy Court, the Plan will be deemed consummated on the Effective Date. Distributions to holders of Claims receiving a Distribution pursuant to the terms of the Plan will follow consummation of the Plan.

**D. Best Interests of Creditors Test**

The Bankruptcy Code requires that, with respect to an impaired class of claims or interests, each holder of an impaired claim or interest in such class either (i) accept the plan or (ii) receive or retain under the plan property of a value, as of the effective date of the plan, that is

not less than the amount (value) such holder would receive or retain if the Debtor were liquidated under chapter 7 of the Bankruptcy Code on the effective date.

The Debtor's costs of a chapter 7 liquidation would necessarily include fees payable to a trustee in bankruptcy, as well as fees likely to be payable to attorneys, advisors, and other professionals that such chapter 7 trustee may engage to carry out his duties under the Bankruptcy Code. Other costs of liquidating the Debtor's assets would include the expenses incurred during the bankruptcy case and allowed by the Bankruptcy Court in the chapter 7 case, such as reimbursable compensation for the Debtor's professionals, including, but not limited to, attorneys, financial advisors, appraisers, accountants.

The foregoing types of claims, costs, expenses, and fees that may arise in a chapter 7 liquidation case would be paid in full before payments would be made towards pre-chapter 11 priority and unsecured claims. The Debtor believes that in a chapter 7 liquidation, Holders of Claims and Interests would receive less distribution than such Holders would receive under the Plan.

#### **E. Liquidation Analysis**

As noted above, the Debtor believes that under the proposed terms of the Plan all holders of Impaired Claims and Interests will receive property with a value not less than the value such Holders would receive in a chapter 7 liquidation of the Debtor's assets. The Debtor's belief is based primarily on (i) consideration of the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to holders of Impaired Claims and Interests, including (a) the increased costs and expenses of a liquidation under chapter 7 arising from fees payable to a chapter 7 trustee and professional advisors to the trustee and (b) the substantial delay in Distributions to the holders of Impaired Claims and Interests that would likely ensue in a chapter 7 liquidation, and (ii) the liquidation analysis (the "**Liquidation Analysis**") prepared by the Debtor's financial advisor, which is attached as **Exhibit B** to this Disclosure Statement.

The Debtor believes that any liquidation analysis is speculative, as such an analysis necessarily is premised on assumptions and estimates which are inherently subject to significant uncertainties and contingencies, many of which would be beyond the control of the Debtor. Thus, there can be no assurance as to values that would actually be realized in a chapter 7 liquidation, nor can there be any assurance that a Bankruptcy Court would accept the Debtor's conclusions or concur with such assumptions in making its determinations under § 1129(a)(7) of the Bankruptcy Code.

For example, the Liquidation Analysis necessarily contains an estimate of the amount of Claims, which is based on the Debtor's books and records and Claims in the amounts scheduled in the Debtor's Schedules, as well as Administrative Expense, Priority, and Professional Claims in the amounts as of May 31, 2016. This estimate is based solely upon the Debtor's review of its books and records and the Debtor's estimates as to additional Claims that would arise in the event of a conversion of the case from chapter 11 to chapter 7. No order or finding has been entered by the Bankruptcy Court or any other court estimating or otherwise fixing the amount of Claims at the projected amounts of Allowed Claims set forth in the Liquidation Analysis. In preparing the Liquidation Analysis, the Debtor has projected an amount of Allowed Claims that

is at the lower end of a range of reasonableness such that, for purposes of the Liquidation Analysis, the largest possible liquidation dividend to holders of Allowed Claims can be assessed. The estimate of the amount of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including any determination of the value of any Distribution to be made on account of Allowed Claims under the Plan.

The Liquidation Analysis is being provided solely to disclose to holders of Claims the effects of a hypothetical chapter 7 liquidation of the Debtor, subject to the assumptions set forth therein.

#### **F. Feasibility**

Pursuant to § 1129(a)(11) of the Bankruptcy Code, a debtor must demonstrate that a bankruptcy court's confirmation of a plan is not likely to be followed by the liquidation or need for further financial reorganization of the debtor or its successor under the plan, unless such liquidation or reorganization is proposed under the plan. Pursuant to the Plan, all of assets of the Debtor and its Estate are being transferred to the Liquidating Trust to be liquidated and distributed to the Liquidating Trust's beneficiaries. Therefore, the Bankruptcy Court's confirmation of the Plan is not likely to be followed by liquidation or the need for any further reorganization other than as provided for herein.

#### **G. Acceptance by Impaired Classes**

The Bankruptcy Code requires, as a condition to confirmation, that, except as described in herein, each class of claims or equity interests that is impaired under a plan accept the plan. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. As a general matter under the Bankruptcy Code, a class is "impaired," unless the plan: (a) leaves unaltered the legal, equitable and contractual rights to which the claim or the equity interest entitles the holder of such claim or equity interest; (b) cures any default and reinstates the original terms of such claim or equity interest; or (c) provides that, on the consummation date, the holder of such claim or equity interest receives cash equal to the allowed amount of that claim or, with respect to any equity interest, any fixed liquidation preference to which the holder of such equity interest is entitled to any fixed price at which the debtor may redeem the security.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of claims in that class, but for that purpose counts only those who actually vote to accept or to reject the plan. Thus, a class of claims will have voted to accept the plan only if two-thirds (2/3) in amount and a majority in number actually voting cast their ballots in favor of acceptance. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

The Claims in Class 2-A, Class 2-B, and Class 4 are Impaired under the Plan and, as a result, are entitled to vote on the Plan. Class 3 receives nothing under the Plan and therefore is deemed to reject the Plan. Any Class of Claims that is not occupied as of the commencement of

the Plan Confirmation Hearing by an Allowed Claim shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to § 1129(a)(8) of the Bankruptcy Code. If no votes to accept or reject the Plan are received with respect to a Class whose votes have been solicited under the Plan (other than a Class that is deemed eliminated under the Plan), such Class shall be deemed to have voted to accept the Plan.

#### **H. Section 1129(b)**

Section 1129(b) of the Bankruptcy Code provides that the Bankruptcy Court may confirm a plan even if a class of impaired claims or interests votes to reject the plan if the plan does not unfairly discriminate and is fair and equitable with respect to each impaired class of claims or interests that has not accepted the plan.

The “no unfair discrimination” test requires that the plan not provide for unfair treatment with respect to classes of claims or interests that are of equal priority, but are receiving different treatment under the plan.

The fair and equitable requirement applies to classes of claims of different priority and status, such as secured versus unsecured. The plan satisfies the fair and equitable requirement if no Class of Claims receives more than 100% of the allowed amount of the Claims in such Class. Further, if a Class of Claims is considered a dissenting Class (“**Dissenting Class**”), *i.e.*, a Class of Claims that is deemed to reject the Plan because the required majorities in amount and number of votes is not received from the Class, the following requirements apply:

(a) **Secured Claims:** Each holder of an impaired secured Claim either (i) retains its liens on the subject property, to the extent of the allowed amount of its secured Claim and receives deferred cash payments having a value, as of the effective date of the plan of at least the allowed amount of such Claim, (ii) has the right to credit bid the amount of its Claim if its property is sold and retains its liens on the proceeds of the sale (or if sold, on the proceeds thereof), or (iii) receives the “indubitable equivalent” of its allowed secured Claim.

(b) **Unsecured Claims:** Either (i) each holder of an impaired unsecured Claim receives or retains under the plan property of a value equal to the amount of its allowed Claim or (ii) the Holders of Claims and Interests that are junior to the Claims of the Dissenting Class will not receive any property under the Plan.

(c) **Interests:** Either (i) each interest holder will receive or retain under the plan property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such stock and (b) the value of the stock, or (ii) the holders of interests that are junior to the interests of the Dissenting Class will not receive any property under the plan.

The Debtor believes the Plan does not “discriminate unfairly” and will satisfy the “fair and equitable” requirement notwithstanding that certain Class of Interests deemed to reject the Plan because no Class that is junior to such Class will receive or retain any property on account

of the Claims and Interests in such Class and the Plan not provide for unfair treatment with respect to Classes of Claims or Interests that are of equal priority.

## ARTICLE XVI

### ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtor believes the Plan is in the best interests of the Estate and its creditors and should accordingly be accepted and confirmed. If the Plan as proposed, however, is not confirmed, the following alternatives may be available to the Debtor: (i) a liquidation of the Debtor's assets pursuant to chapter 7 of the Bankruptcy Code; (ii) an alternative chapter 11 plan may be proposed and confirmed; or (iii) the Debtor's Chapter 11 Case may be dismissed.

#### A. Chapter 7 Liquidation

If a plan pursuant to chapter 11 of the Bankruptcy Code is not confirmed by the Bankruptcy Court, the Chapter 11 Case may be converted to a liquidation case under chapter 7 of the Bankruptcy Code, in which case a trustee would be elected or appointed pursuant to applicable provisions of chapter 7 of the Bankruptcy Code to liquidate the assets of the Debtor for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effect that a chapter 7 liquidation would have on the recoveries of holders of Claims is set forth in The Liquidation Analysis. The Debtor believes that such a liquidation would result in smaller distributions being made to the Debtor's creditors than those provided for in the Plan because (i) the Debtor's litigation claims would be monetized in a less orderly fashion, (ii) additional administrative expenses attendant to the appointment of a chapter 7 trustee and the trustee's employment of attorneys and other professionals, and (iii) additional expenses and Claims, some of which would be may be entitled to priority, which would be generated during the chapter 7.

#### B. Alternative Plan Pursuant to Chapter 11 of the Bankruptcy Code

If the Plan is not confirmed, the Debtor, or any party in interest (if, pursuant to § 1121 of the Bankruptcy Code, the Debtor has not filed a plan within the time period prescribed under the Bankruptcy Code) may propose a different plan. Such a plan might involve an alternative means for the liquidation of the Debtor's assets in a chapter 11 bankruptcy proceeding. However, in light of the negotiations with the key parties in this Chapter 11 Case, the Debtor believes that the terms of the Plan provide for an orderly and efficient liquidation of the Debtor's assets and will result in the realization of the most value for holders of Claims and Interests against the Debtor's Estate.

#### C. Dismissal of the Debtor's Chapter 11 Case

Dismissal of the Debtor's Chapter 11 Case would have the effect of restoring (or attempting to restore) all parties to the *status quo ante*. Upon dismissal of the Debtor's Chapter 11 Case, the Debtor would lose the protection of the Bankruptcy Code, thereby requiring, at the very least, an extensive and time-consuming process of negotiation with the various creditors of the Debtor, and possibly resulting in costly and protracted litigation in various jurisdictions.



Dismissal will also permit unpaid unsecured creditors to obtain and enforce judgments against the Debtor. As such, the Debtor believes that these actions could lead ultimately to the liquidation of the Debtor under chapter 7 of the Bankruptcy Code. Therefore, the Debtor believes that dismissal of the Debtor's Chapter 11 Case is not a preferable alternative to the Plan.

## ARTICLE XVII

### CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain United States federal income tax consequences of the Plan to the Debtor and certain Holders of Allowed Claims. This summary is based on the Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**"), Treasury Regulations thereunder ("**Treasury Regulations**"), and administrative and judicial interpretations and practice, all as in effect on the date of this Disclosure Statement and all of which are subject to change, with possible retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained and the Debtor does not intend to seek a ruling from the Internal Revenue Service as to any of the tax consequences of the Plan discussed below. There can be no assurance that the Internal Revenue Service will not challenge one or more of the tax consequences of the Plan described below.

This summary does not apply to holders of Allowed Claims that are not United States persons (as such term is defined in the Internal Revenue Code) or that are otherwise subject to special treatment under United States federal income tax law (including, without limitation, banks, governmental authorities or agencies, financial institutions, insurance companies, pass-through entities, tax-exempt organizations, brokers and dealers in securities, mutual funds, small business investment companies, employees, persons holding Allowed Claims that are a hedge against, or that are hedged against, currency risk or that are part of a straddle, constructive sale, or conversion transaction, and regulated investment companies). Moreover, this summary does not purport to cover all aspects of United States federal income taxation that may apply to the Debtor and holders of Allowed Claims based upon their particular circumstances. Additionally, this summary does not discuss any tax consequences that may arise under any laws other than United States federal income tax law, including under state, local, or foreign tax law.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF ALLOWED CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

**INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, ANY TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR WRITTEN TO BE**

**USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER THE INTERNAL REVENUE CODE. TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THIS DISCLOSURE STATEMENT. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

**A. Certain United States Federal Income Tax Consequences to Holders of Allowed Claims**

Pursuant to the Plan, the Debtor will liquidate and distribute certain assets to the Liquidating Trust. Each Holder of an Class 2-A and Class 2-B Claim will be exchanged for their *Pro Rata* share of the beneficial interests in the Liquidating Trust.

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary, pursuant to Treasury Regulation Section 301.7701-4(d) and related regulations, the Debtor believes that the Liquidating Trust should be treated as a grantor trust setup for the benefit of the holders of Class 2-A and Class 2-B Claims. Holders that receive Liquidating Trust interests will be treated for United States federal income tax purposes as receiving their pro rata share of the Liquidating Trust Assets from the Debtor in a taxable exchange and then depositing them in the Liquidating Trust in exchange for Liquidating Trust interests. Each such holder should recognize gain or loss equal to the difference between (a) the fair market value of the Liquidating Trust interests received in exchange for such Claims and (b) such holder's adjusted tax basis in the Claims surrendered by such holder.

The character of such gain or loss as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the holder, the nature of the Claim in such holder's hands, whether the Claim constitutes a capital asset in the hands of the holder, whether the Claim was purchased at a discount, and whether and to what extent the holder has previously claimed a bad debt deduction with respect to its Claim. See the discussions of "accrued interest" and "market discount" below. A holder's tax basis in the Liquidating Trust interests should equal their fair market value as of the Effective Date. A holder's holding period for the Liquidating Trust interests should begin on the day following the Effective Date.

Holders of Class 2-A and Class 2-B Claims that receive Liquidating Trust interests will be required to report in their United States federal income tax returns their share of the Liquidating Trust's items of income, gain, loss, deduction, and credit in the year recognized by the Liquidating Trust, which may include partnership income, gain, loss, deduction, and credit attributable to the equity consideration held by Liquidating Trust. This requirement may result in holders being subject to tax on their allocable share of the Liquidating Trust's taxable income prior to receiving any cash distributions from the Liquidating Trust.

As noted above, this summary does not apply to holders of Allowed Claims that are not United States persons, as such term is defined in the Internal Revenue Code ("Non-U.S.

**Holders**”). The tax consequences to Non-U.S. holders is complex and will vary depending on the circumstances and activities of such Holder. Each Non-U.S. Holder of a Class 2-A or Class 2-B Claim is urged to consult with its own tax advisor regarding the U.S. federal, state local and non-U.S. tax consequences of receipt of the Liquidating Trust interests, including any tax consequences attributable to the equity consideration held by the Liquidating Trust.

It is plausible that a holder receiving the Liquidating Trust interests could treat the transaction as an “open” transaction for United States federal tax purposes, in which case the recognition of any gain or loss on the transaction might be deferred pending the determination of the amount of the proceeds ultimately received from the Liquidating Trust. The United States federal income tax consequences of an open transaction are uncertain and highly complex, and a holder should consult with its own tax advisor if it believes open transaction treatment might be appropriate.

**HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE RECOGNITION OF GAIN OR LOSS, FOR FEDERAL INCOME TAX PURPOSES, ON THE SATISFACTION OF THEIR CLAIMS.**

**B. Accrued Interest**

A portion of the consideration received by holders of Allowed Claims may be attributable to accrued interest on such Claims. Such amount should be taxable to that holder as interest income if such accrued interest has not been previously included in the holder’s gross income for United States federal income tax purposes. Conversely, holders of Claims may be able to recognize a deductible loss to the extent any accrued interest on the Claims was previously included in the holder’s gross income but was not paid in full by the Debtor.

If the fair value of the consideration is not sufficient to fully satisfy all principal and interest on Allowed Claims, the extent to which such consideration will be attributable to accrued interest is unclear. Under the Plan, the aggregate consideration to be distributed to holders of Allowed Claims in each Class will be allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid interest that accrued on such Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan is binding for United States federal income tax purposes, while certain Treasury Regulations generally treat payments as allocated first to any accrued but unpaid interest and then as a payment of principal. The Internal Revenue Service could take the position that the consideration received by the holder should be allocated in some way other than as provided in the Plan. Holders of Claims should consult their own tax advisors regarding the proper allocation of the consideration received by them under the Plan.

**HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE ALLOCATION OF CONSIDERATION RECEIVED IN SATISFACTION OF THEIR CLAIMS AND THE FEDERAL INCOME TAX TREATMENT OF ACCRUED INTEREST.**

### **C. Market Discount**

Under the “market discount” provisions of the Internal Revenue Code, some or all of any gain realized by a holder of a Claim who exchanges the Claim for an amount may be treated as ordinary income (instead of capital gain), to the extent of the amount of “market discount” on the debt instruments constituting the exchanged Claim. In general, a debt instrument is considered to have been acquired with “market discount” if it is acquired other than on original issue and if its holder’s adjusted tax basis in the debt instrument is less than (a) the sum of all remaining payments to be made on the debt instrument, excluding “qualified stated interest” or (b) in the case of a debt instrument issued with original issue discount, its adjusted issue price, in each case, by at least a *de minimis* amount (equal to 0.25% of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity).

Any gain recognized by a holder on the taxable disposition of Allowed Claims (determined as described above) that were acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while the Allowed Claims were considered to be held by the holder (unless the holder elected to include market discount in income as it accrued).

### **D. Information Reporting and Backup Withholding**

In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a holder of a Claim may be subject to backup withholding (currently at a rate of 28%) with respect to distributions or payments made pursuant to the Plan unless that holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact; or (b) timely provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the holder is not subject to backup withholding because of a failure to report all dividend and interest income. Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; provided that the required information is timely provided to the Internal Revenue Service.

The Debtor, or the applicable withholding agent, will withhold all amounts required by law to be withheld from payments of interest. The Debtor will comply with all applicable reporting requirements of the Internal Revenue Service.

**THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF UNITED STATES FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF A CLAIM IN LIGHT OF SUCH HOLDER’S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AGAINST THE DEBTOR SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTION CONTEMPLATED BY THE RESTRUCTURING, INCLUDING THE**

**APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, OR FOREIGN TAX LAWS,  
AND OF ANY CHANGE IN APPLICABLE TAX LAWS.**

**E. Certain United States Federal Income Tax Consequences to the Debtor**

The Debtor may recognize taxable gain or loss as a result of consummation of the Plan and the liquidation of its assets in an amount equal to the difference between the fair market value of the assets sold, if any, and the Debtor's tax basis in such assets. Thus the amount of gain or loss recognized will depend on the value of the assets sold, which cannot be known with certainty until the Plan is consummated and the assets liquidated. It is possible the Debtor will recognize taxable income or gain in connection with consummation of the Plan and may not have sufficient net operating losses or other tax attributes to fully offset the amount of gain recognized, in which case the Debtor will be required to pay cash income taxes (federal and state) with respect to the amount of net income (and the Debtor's ability to apply net operating losses against the alternative minimum taxable income may subject to limitation) and will reduce the amount of Cash proceeds available to be distributed to holders of the Allowed Claims.

Under the Internal Revenue Code, a taxpayer generally recognizes cancellation of debt income ("CODI") to the extent that indebtedness of the taxpayer is cancelled for less than the amount owed by the taxpayer, subject to certain judicial or statutory exceptions. The most significant of these exceptions with respect to the Debtor is that taxpayers who are operating under the jurisdiction of a federal bankruptcy court are not required to recognize such income. In that case, however, the taxpayer must reduce its tax attributes, such as its net operating losses, general business credits, capital loss carryforwards, and tax basis in assets, by the amount of the CODI avoided. In this case, the Debtor expects that it may recognize significant CODI from the implementation of the Plan. As a result, the Debtor expects that their net operating losses will be reduced on account of such CODI. However, since the Debtor intends to liquidate, any remaining net operating losses will have no ongoing value to the Debtor or to the Holders of Claims or Holdings Interests.

**ARTICLE XVIII**

**RECOMMENDATION AND CONCLUSION**

The Debtor believes the Plan is in the best interests of all creditors and the Estate and urges the holders of Impaired Claims entitled to vote to accept the Plan and to evidence such acceptance by properly voting and timely returning their ballots.

Dated: New York, New York  
August 8, 2016

Airfasttickets, Inc.



By:

\_\_\_\_\_  
Adam Meislik for the Debtor and Debtor In  
Possession