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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

_____	x	
In re:)	
)	Chapter 11
Airfasttickets, Inc.,)	
)	Case No. 15-11951 (SHL)
<i>Debtor.</i>)	
_____	x	

**NIKOLAOS KOKLONIS’S OBJECTION TO CONFIRMATION OF
DEBTOR’S FIRST AMENDED CHAPTER 11 PLAN OF LIQUIDATION**

Nikolaos Koklonis (“Mr. Koklonis”), a creditor and equity interest holder in the above-captioned bankruptcy case (the “Bankruptcy Case”) of Airfasttickets, Inc. (the “Debtor”), by and through his undersigned counsel, hereby objects (this “Objection”) to confirmation of the Debtor’s proposed *First Amended Chapter 11 Plan of Liquidation* (docket no. 179, the “Plan”), and in support thereof, respectfully submits the *Declaration of Nikolaos Koklonis* (the “Koklonis Declaration”) to be filed contemporaneously herewith, and in further support thereof, respectfully represents as follows:

OBJECTION

I. Plan Unfairly and Improperly Strips Away Replacement Interests Granted in Sale Order

1. On or about October 26, 2015, the Debtor filed a motion (docket no. 27, the “Sale Motion”) seeking authority to sell a substantial bundle of intellectual property rights, software and various related and unrelated assets (the “Sale Property”) to AirTourist, Inc. for \$2.5 million (the “Sale Proceeds”).

2. The sale (the “Sale”) was approved by the Court by order entered on November 24, 2015 (docket no. 65, the “Sale Order”) and, on information and belief, was consummated shortly thereafter.

3. The Sale Order allowed the Sale Property to be sold free and clear of any and all liens, claims, interests and encumbrances against the Sale Property, but provides that “such liabilities, liens, claims, interests and encumbrances, if any, to attach to the proceeds of the Sale with the same force, effect, and priority as such liabilities, liens, claims (including those that constitute a “claim” as defined in section 101(5) of the Bankruptcy Code), interests and encumbrances have on the Property.” Sale Order, ¶ 10. Accordingly, any party that held liens, claims, interests and/or encumbrances in the Sale Property (any “Interests in Sale Property”) now holds replacement liabilities, liens, claims, interests and encumbrances on the Sale Proceeds (the “Replacement Interests”).

4. Mr. Koklonis believes that the Sale Order struck a fair balance between, on one hand, the Debtor’s need for an expedited wholesale liquidation its assets for the benefit of creditors, and, on the other hand, the rights of parties who held or may have held Interests in the Sale Property—by providing such interest holders with Replacement Interests in the Sale Proceeds.

5. While Mr. Koklonis did not file opposition to the Sale, he did assert, in the proof of claim he filed in the Bankruptcy Case (claim no. 80, the “Proof of Claim”), ownership and intellectual property interests in many of the assets that constituted the Sale Property. Accordingly, Mr. Koklonis held Interests in the Sale Property, and now holds, pursuant to the Sale Order, Replacement Interests in the Sale Proceeds. Mr. Koklonis believes that, due to the complex nature of Sale Property, there likely are other individuals and companies that held liabilities, liens, claims, interests and/or encumbrances in the Sale Property, who now hold Replacement Interests in the Sale Proceeds.

6. Mr. Koklonis objects to confirmation of the Plan because the Plan unfairly, and in violation of the Bankruptcy Code, seeks to strip away the Replacement Interests granted in the Sale Order, without providing to the holders of such Replacement Interests (i) their own separate class of interests under the Plan, or (ii) any form of compensation for the loss of their property.

7. Specifically, pursuant to Section 10.1 of the Plan, the Debtor proposed to vest all Liquidating Trust Assets—including the Sale Proceeds—in the Liquidating Trust “free and clear of all Claims, Liens, encumbrances, charges and other interests, except as provided under the Plan.” Plan, ¶ 10.1. Notwithstanding this attempt to eliminate the Replacement Interests granted in the Sale Order, Article III of the Plan fails to include, in its classification scheme, any class for the holders (or contingent holders) of Replacement Interests in the Sale Proceeds, and Article IV of the Plan fails to include, in its distributions scheme, any distributions on account of such Replacement Interests.

II. As Currently Drafted, Plan Fails to Meet the Requirements of Section 1129 of the Plan, and Cannot Be Confirmed

8. Mr. Koklonis respectfully submits that, as currently proposed, the Plan cannot

be confirmed under section 1129 of the Bankruptcy Code, for the following reasons:

9. Frist, the Plan violates section 1129(a)(1) and 1122(a) of the Bankruptcy Code by failing to separately classify the holders of Replacement Interests on the Sale Proceeds. Pursuant to section 1129(a)(1) of the Bankruptcy Code, the Plan cannot be confirmed unless it “complies with the applicable provisions of this title” including section 1122 of the Bankruptcy Code. 11 U.S.C. § 1129(a)(1). Pursuant to section 1122(a) of the Bankruptcy Code “a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class.” 11 U.S.C. 1122(a). The Plan fails to include a separate class for holders of Replacement Interests in the Sale Proceeds, and therefor impermissibly places such interests in the **same class with substantially different claims**—general unsecured claims—in violation of the Bankruptcy Code. Moreover, as a result of this impermissible classification scheme, the Plan violates the Bankruptcy Code’s absolute priority rule by treating what should be a separate class of senior interests *pari passu* with the junior class of general unsecured claims.

10. Second, the Plan violates section 1129(a)(7) of the Bankruptcy Code by providing holders of Replacement Interests with less than they would receive in a chapter 7 liquidation. Pursuant to section 1129(a)(7) of the Bankruptcy Code, a Plan cannot be confirmed unless each holder of an impaired claim has accepted the Plan or “will receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount that such holder would so receive or retain if the debtor were liquidated under chapter 7 of this title on such date.” 11 U.S.C. § 1129(a)(7). In a chapter 7 liquidation, the Sale Proceeds would not vest in the chapter 7 trustee free and clear of liens, claims, interests and encumbrances, and the chapter 7 trustee would not

be able to strip away the Replacement Interests. Accordingly, in a chapter 7 liquidation, the holder of Replacement Interests on the Sale Proceeds would retain their Replacement Interests, be paid ahead of general unsecured creditors, and enjoy a great recovery than what is proposed under the Debtors' Plan.

11. Mr. Koklonis respectfully request that the Court deny confirmation of the Plan unless and until (i) Article III of Plan is revised to include a separate class of holders of Replacement Interests in the Sale Proceeds, (ii) Article IV of the Plan is revised to include distributions to such class on account of Replacement Interests, and (iii) ¶ 10.1 of the Plan is revised to provide that the Sale Proceeds will not vest in the Liquidating Trust free and clear of liens, claim, interests and encumbrances unless and until all Replacement Interests in the Sale Proceeds are satisfied in full.

**III. Joinder in Fareportal's Objection to Plan's
Impermissible Third-Party Releases**

12. Mr. Koklonis hereby joins in the *Limited Objection of Fareportal Inc. To The Debtor's First Amended Chapter 11 Plan of Liquidation* (docket no. 232, the "Fareportal Objection") to the extent the Fareportal Objection contests the Plan's non-consensual third-party releases, which are impermissible under applicable case law.

WHEREFORE, Mr. Koklonis respectfully requests that the Court (i) sustain the Objection, (ii) deny confirmation of the Plan as currently drafted, and (iii) grant Mr. Koklonis such other relief as is just.

Dated: New York, New York
October 6, 2016

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