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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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**DEBTOR’S REPLY TO NIKOLAOS KOKLONIS’S RESPONSE TO  
DEBTOR’S OBJECTION TO PROOF OF CLAIM FILED BY NIKOLAOS KOKLONIS**

Airfasttickets, Inc., the debtor (the “Debtor”)<sup>1</sup>, by its undersigned counsel, files (a) this reply (the “Reply”) to the Response of Nikolaos Koklonis (“NK”) [ECF No. 235] (“NK’s Response”) to the Debtor’s Objection [ECF No. 216] to NK’s Proof of Claim No. 80 (“POC”), and (b) Supplemental Declaration of Brian S. Weiss of BSW & Associates, the Debtor’s financial advisor (“Supplemental Weiss Declaration”) and respectfully represents as follows:

<sup>1</sup> Unless otherwise defined herein, capitalized terms used are defined in the Debtor’s Objection [ECF No. 216].

**REPLY**

1. The burden is on NK to prove the validity of the POC by a preponderance of evidence, as a matter of law, and he has failed to do so on two separate occasions. Thus, the Debtor's Objection should be granted.

2. The Debtor's Objection, supported by Declaration of Brian S. Weiss of BSW & Associates, the Debtor's financial advisor ("Weiss Declaration"), makes clear that none of the original four components of NK's POC<sup>2</sup> has merit or has any direct written supportive documentary evidence. It is axiomatic that the failure to attach any such supportive documentation, as required by Bankruptcy Rule 3001, results in the loss of prima facie validity of the POC.

3. Worse yet, NK's Response too lacks any evidence. NK has failed to satisfy his burden to prove the validity of the POC because NK's Response is also not supported by any declaration or any documentary evidence.<sup>3</sup> As further discussed below, and in Supplemental Weiss Declaration, none of the original four components – or newly asserted three components<sup>4</sup> – of NK's POC can survive the Debtor's Objection. Thus, NK's POC should be disallowed in its entirety.

**NK's Response, in Effect, Concedes that \$27.9 Million "IPO Bonus" Should Be Disallowed**

4. First, the IPO Bonus component of NK's POC in the amount of \$27,900,000.00 cannot be allowed, for the reasons stated in the Debtor's Objection and Weiss Declaration.

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<sup>2</sup> The original four components of NK's POC are: (1) \$27 million IPO Bonus; (2) \$18 million license fees; (2) \$20,833.34 unpaid wages; and (4) \$13,880.00 20 days unpaid vacation. See POC at 7.

<sup>3</sup> It should be noted that NK's Response erroneously states that a "Declaration of Nikolaos Koklonis" is filed contemporaneously with NK's Response and further states that NK's POC is "supported by Koklonis Declaration and the documents attached thereto." NK's Response at 1-2. Neither a Declaration of Nikolaos Koklonis nor any documents was attached to, or filed contemporaneously with, NK's response.

<sup>4</sup> In the NK's Response, "Mr. Koklonis asserts three types of claim: (i) a priority claim for unpaid salary and vacation pay earned within 180 days of the Petition Date; (ii) a general unsecured claim for unpaid fees due under a licensing agreement between Mr. Koklonis and the Debtor; and (iii) an ownership interest and/or secured claim with respect to property that was sold by the Debtor during the course of this Bankruptcy Case." NK' Response at ¶ 2.

Moreover, NK's Response contains an offer to "strike and waive in its entirety his claim . . . [on account of an] IPO Bonus." NK' Response at 8. Unable to provide any factual or legal basis for this component of the POC, NK, in effect, concedes that \$27,900,000.00 of the POC should be now disallowed, and the Court thus should grant NK his wish.

**NK's Claim for \$18 Million "Claim of Rights" or "License Fees" Should Be Disallowed**

5. Second, the \$18,000,000.00 component of NK's POC on account of the "Claim of rights" or, as stated in NK's Response, "unpaid fees due under a licensing agreement between Mr. Koklonis and the Debtor", NK' Response at ¶ 2, cannot be allowed for the reasons stated in the Debtor's Objection, Weiss Declaration, and Supplemental Weiss Declaration.

6. Neither the POC nor NK's Response contains any documentary evidence regarding the alleged "License Fees." The Debtor's books and records do not show, and Brian S. Weiss, after performing a search of records held in storage, was unable to locate any license agreement between NK and the Debtor. If there ever was an intellectual property license agreement, it should have been annexed to the POC or NK's Response. Further, and most tellingly, the "Offer of Employment" attached to the POC does not mention any license agreement with, or license fees due to, NK.

7. Moreover, the Debtor's Form S-1 Registration Statement contains two separate sections titled "Related Party Transaction" and "Intellectual Property." Neither of these sections indicate or disclose any purported license agreement between the Debtor and NK, nor that NK owns such intellectual property. *See* Supplemental Weiss Declaration. Besides, a material transaction with a majority shareholder (such as a license agreement allegedly providing for annual license fees equal to 3% of the total turnover of the company) requires approval of the company's board of directors. No such documentation has been provided by NK and none exists

based upon the Debtor's careful review of its books and records. *See* Supplemental Weiss Declaration. Thus, the \$18,000,000.00 component of NK's POC should be disallowed.

**NK's Priority Claim for Unpaid Salary and Vacation Pay Should Be Disallowed**

8. Third, NK's alleged priority claim on account of "unpaid salary and vacation pay earned well within 180 days of the Petition Date", NK' Response at ¶ 2, should be disallowed. Under section 507(a)(4) of the Bankruptcy Code, unpaid salary or vacation pay in the amount of up to \$12,475 may be entitled to priority if it was "earned within 180 days before the date of the filing of the petition or the date of the cessation of the debtor's business, whichever occurs first". 11 U.S.C. § 507(a)(4) (emphasis added). In this case, it is undisputed that the cessation of the Debtor's business occurred during the second quarter of 2014, and therefore occurred first, well before the petition date and falls outside the 180 day period. *See* Supplemental Weiss Declaration. As such, NK has no basis to claim priority for any unpaid salary or vacation pay, and NK's alleged priority claim should be disallowed.

9. As for any remaining NK's general unsecured claim on account of any unpaid salary or vacation pay, NK is owed \$0.00 based on (a) the Debtor's Schedule E, which was prepared by the Debtor's Controller, Dominic J. Fennell, and (b) careful review of the Debtor's books and records by Brian S. Weiss of BSW & Associates, the Debtor's financial advisor. *See* Supplemental Weiss Declaration.

10. Specifically, as for NK's alleged unpaid vacation pay, NK's Response, stating that NK is purportedly owed 20 vacation days, would, in effect, mean that NK had not taken any vacation days within one-year anniversary from his separation date, which too has not been supported by any evidence. NK, among other things, has failed to provide even a copy of a pay

stub indicating that any vacation pay remains unpaid. Thus, this component of NK's POC should also be disallowed.

11. Similarly, as for NK's alleged unpaid salary, this component of NK's POC too should be disallowed for a lack of evidence. Even if NK had provided evidence that he is entitled to a general unsecured claim in the amount of \$31,250.00 for unpaid salary, the Debtor's books and records show that NK owes the Debtor's estate at least \$445,214.52, *see* Supplemental Weiss Declaration, and therefore, any debt for unpaid salary allegedly due to NK must first be offset by the debt NK owes to the Debtor.

**NK's Newly Alleged Ownership Interest or Secured Claim Should Be Disallowed**

12. Finally, in an apparent attempt to assert any other "new" theory in support of NK's POC, NK's Response, now for the first time, asserts that NK has some amorphous ownership interest or secured claim in the sale proceeds. Again, NK's response contains no direct written support or documentary evidence in support of such interest or claim. There is nothing in the Debtor's books and records that indicates NK owned the rights to the intellectual property used and sold by the Debtor. *See* Supplemental Weiss Declaration. As for NK's newly alleged secured claim, NK's original POC clearly indicates, in response to Question No. 9, that no part of the claim is secured. Moreover, a search of UCC-1 filings for Airfasttickets, Inc. shows that NK has no perfected security interest in any property of the Debtor. *See* Supplemental Weiss Declaration. Thus, NK has no secured claim or other interest that could attach to the sale proceeds, and, for the reasons stated in the Debtor's Objection, Weiss Declaration, and Supplemental Weiss Declaration, this newly alleged component of NK's POC should be disallowed as well.

**RESERVATION OF RIGHTS**

13. The Debtor reserves all rights to object to the POC on any grounds whatsoever, including grounds other than those stated herein. Additionally, the Debtor reserves all rights whatsoever to seek to equitably subordinate some or all of the POC; to recharacterize some of all of the POC as simply an assertion of equity interest in the Debtor; or to seek to have the POC estimated for purposes of voting on the Plan.

**CONCLUSION**

WHEREFORE, the Debtor respectfully requests that the Court enter an order reducing, expunging, and/or disallowing the POC in its entirety and such further relief as may be just and proper.

Dated: October 11, 2016  
New York, New York

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