

**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 and Debtor-In-	:	
Possession.	:	
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	:	
ADAM MEISLIK, AS THE RECEIVER OF	:	
AIRFASTTICKETS, INC.,	:	
	:	
Plaintiff,	:	
v.	:	Adv. Proc. No. 16-01207 (SHL)
	:	
FRANK FERRO, NIKOLAOS KOKLONIS,	:	
AND ELENI VARELI,	:	
	:	
Defendants.	:	
-----	x	

**NOTICE OF PRESENTMENT OF PROPOSED SO ORDERED
STIPULATION MODIFYING THE AUTOMATIC STAY, TO THE
EXTENT APPLICABLE, TO AUTHORIZE ADVANCEMENT,
REIMBURSEMENT AND/OR PAYMENT OF COSTS AND FEES UNDER
THE DEBTOR’S DIRECTORS AND OFFICERS INSURANCE POLICY**

PLEASE TAKE NOTICE that, pursuant to Rule 9074-1 of the Local Bankruptcy Rules for the Southern District of New York, the undersigned counsel to the Debtor in the above-captioned chapter 11 case and to the Plaintiff in the above-captioned adversary proceeding (“Counsel to the Debtor and Plaintiff”) and counsel to the Defendants in the above-captioned adversary proceeding (“Counsel to the Defendants”) will present the attached proposed *SO ORDERED STIPULATION MODIFYING THE AUTOMATIC STAY, TO THE EXTENT APPLICABLE, TO AUTHORIZE ADVANCEMENT, REIMBURSEMENT AND/OR PAYMENT OF COSTS AND FEES UNDER THE DEBTOR’S DIRECTORS AND OFFICERS*

INSURANCE POLICY (the “Stipulation”) to the Honorable Sean H. Lane, United States Bankruptcy Judge, for signature, on **January 12, 2017** (the “Presentment Date”).

PLEASE TAKE FURTHER NOTICE that objections, if any, to Stipulation must be made in writing and be filed with the Clerk of the Bankruptcy Court, with copy delivered to (i) the Bankruptcy Judge’s chambers, Honorable Sean H. Lane, One Bowling Green, New York, NY 10004; (ii) Counsel to the Debtor and Plaintiff, Aram Ordubegian Esq., Arent Fox LLP, 555 West Fifth Street, 48th Floor, Los Angeles, CA 90013; and (iii) Counsel to the Defendants, Jeremy S. Sussman Esq., The Law Offices of Jeremy S. Sussman, 225 Broadway, Suite 3800, New York, NY 10007, in all cases so as to be received no later than **January 9, 2017** (the “Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that, absent the timely filing of an objection, no hearing will be held and the Stipulation may be signed by the Court.

PLEASE TAKE FURTHER NOTICE that if an objection is timely filed, the Court will notify the moving and objecting parties of the date and time of any hearing.

Dated: December 22, 2016
New York, New York

ARENT FOX LLP

THE LAW OFFICES OF JEREMY S. SUSSMAN

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Counsel to the Debtor and the Plaintiff

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**SO ORDERED STIPULATION MODIFYING THE AUTOMATIC STAY, TO
THE EXTENT APPLICABLE, TO AUTHORIZE ADVANCEMENT,
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THE DEBTOR’S DIRECTORS AND OFFICERS INSURANCE POLICY**

WHEREAS, Airfasttickets, Inc. (the “Debtor”) is a debtor and debtor in possession in the above captioned chapter 11 case (the “Bankruptcy Case”) currently pending before the United State Bankruptcy Court for the Southern District of New York (the “Court”);

WHEREAS, effective as of May 5, 2014, National Union Fire Insurance Company of Pittsburgh, PA (“National Union” or “Insurer”) issued Private Edge Plus Policy No. 01-113-05-80 (the “Policy”) to the Debtor, with a policy period of May 5, 2014 to May 5, 2015 (the “Policy Period”), which Policy includes a directors & officers coverage section (the “D&O Coverage”);

WHEREAS, effective as of May 5, 2015, the Debtor purchased a one-year extension of the Discovery Clause (as defined in the Policy), solely with respect to the D&O Coverage;

WHEREAS, on May 4, 2016, Adam Meislik (the “Plaintiff”), in his capacity as the receiver of the Debtor duly appointed by the Court of Chancery of the State of Delaware (the “Receiver”), commenced the above captioned action (the “Action”) against Frank Ferro, Nikolaos Koklonis, and Eleni Vareli (collectively, the “Defendants” and together with the Debtor, the “Parties”) in the Supreme Court of the State of New York, New York County Division alleging that the Defendants breached their fiduciary duties to the Debtor;

WHEREAS, on August 20, 2016, the Action was removed by the Defendants to the United States District Court for the Southern District of New York;

WHEREAS, on September 15, 2016, the Action was transferred to this Court, and was assigned the above captioned adversary proceeding number;

WHEREAS, the Defendants were directors and/or officers of the Debtor during the Policy Period, and therefore are Individual Insureds (as defined in the Policy) under the Policy;

WHEREAS, the Defendants have retained The Law Offices of Jeremy S. Sussman (“Defendants’ Counsel”) to represent them in connection with the Action;

WHEREAS, the Policy provides a self-liquidating Limit of Liability (as defined in the Policy) of \$10,000,000.00, subject to its terms and conditions, including a Limit of Liability subject to the self-insured Retention of \$50,000.00. The Policy provides that, in the event the Debtor is unable to pay the Retention due to Financial Insolvency (as defined in the

Policy), the Insurer may commence advancing Loss (as defined in the Policy) irrespective of Retention;

WHEREAS, given the pendency of the Bankruptcy Case, National Union has indicated that before the it advances the Defendants' defense costs incurred in connection with the Action, subject to its reservation of rights, it requires confirmation from the Court that such payments will not violate the Automatic Stay; and

WHEREAS, the Defendants seek entry of an order permitting the Insurer to make payments under, and in accordance with, the terms of the D&O Policy to, or for the benefit of, the Defendants for reimbursement and/or payment of their defense, fees and costs.

NOW THEREFORE, in consideration of the promises contained herein and other good and sufficient consideration, the adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

1. National Union may make advancements, reimbursements, and/or payments of reasonable and necessary costs and fees incurred by the Defendants solely in connection with this Action to the Defendants or Defendants' Counsel under the Policy (collectively, "Payments"), subject to National Union's determination that such Payments and related matters are covered by the Policy.
2. The Parties agree that the following procedures will apply to any requests for Payments:
 - a. The total Payments made by the Insurer shall not exceed: (a) one hundred and fifty thousand dollars (\$150,000.00) per quarter year; or (b) six hundred thousand dollars (\$600,000.00) in the aggregate, for all Insured

Persons, without further written agreement of the Debtor or further order of this Court; and

- b. The Defendants shall, at least thirty (30) calendar days in advance of the date for Payments, give written notice to the Debtor of any request made to National Union by the Defendants for payment of any proceeds of the Policy in excess of the amounts paid pursuant to subsections (a) and (b) of this paragraph.

3. The Parties further agree that the Payments made by the Insurer shall only be for the defense of the Action and shall not be for filings made in the Bankruptcy Case or any other adversary proceeding or contested matter unrelated to this Action, or for filing any proofs of claim, responding or defending any objection to any proofs of claim, appearing and opposing or otherwise participating in the Bankruptcy Case, including the Debtor's plan confirmation process, or participating in any other aspect of the Bankruptcy Case.

4. Entry of this So Ordered Stipulation shall not modify or otherwise alter the Parties' rights under the terms and conditions of the Policy, and all such rights are expressly reserved.

5. This So Ordered Stipulation shall be effective immediately, and subject to the stay set forth in Rule 4001(a)(3) of the Federal Rules of Bankruptcy Procedure.

6. This Court shall retain jurisdiction with respect to all matters or disputes arising out of or related to this So Ordered Stipulation and Payments under the Policy.

AGREED, as of this 22nd day of December, 2016.

ARENT FOX LLP

**THE LAW OFFICES OF JEREMY S.
SUSSMAN**

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Counsel to the Debtor and the Plaintiff

SO ORDERED, this ____ day of _____, 2016.

UNITED STATES BANKRUPTCY JUDGE