

Hearing Date: February 15, 2017 at 3:00 p.m.
Objection Deadline: February 8, 2017 at 4:00 p.m.

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Counsel for the Liquidating Trust of Airfasttickets, Inc.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

Chapter 11
Case No. 15-11951 (SHL)

**NOTICE OF FIRST OMNIBUS OBJECTION TO CLAIMS
OF THE LIQUIDATING TRUST OF AIRFASTTICKETS, INC.
TO CERTAIN PROOFS OF CLAIM (AMENDED AND SUPERSEDED CLAIMS,
CLAIMS TO BE RECLASSIFIED AND/OR REDUCED, AND NO LIABILITY CLAIMS**

PLEASE TAKE NOTICE that the Liquidating Trust of Airfasttickets, Inc. (the “Liquidating Trust”), through Adam Meislik, the duly appointed liquidating trustee of the Liquidating Trust (the “Trustee”), pursuant to the *Debtor’s Second Amended Chapter 11 Plan of Liquidation* [ECF No. 251-1] (the “Confirmed Plan”) of Airfasttickets, Inc. (the “Debtor”), by its counsel, Arent Fox LLP (“Arent Fox”), filed its first omnibus objection (the “Objection”) to the

claims listed in **Exhibits 1** through **3** to the Objection. If you disagree with the proposed treatment of your claim, you must timely file a response to the Objection.

THE OBJECTION SEEKS TO DISALLOW, REDUCE, EXPUNGE, OR RECLASSIFY AND/OR REDUCE, CERTAIN SCHEDULED AND FILED PROOFS OF CLAIM.

PARTIES RECEIVING THE OBJECTION SHOULD REVIEW THE OBJECTION TO SEE IF THEIR NAME(S) AND/OR CLAIM(S) ARE LOCATED IN THE OBJECTION AND/OR THE EXHIBITS ATTACHED TO THE OBJECTION TO DETERMINE WHETHER THE OBJECTION AFFECTS THEIR CLAIM(S).

IF YOU HAVE QUESTIONS, PLEASE CONTACT COUNSEL FOR THE LIQUIDATING TRUST, GEORGE V. UTLIK OF ARENT FOX LLP AT (212) 806-5400.

PLEASE TAKE FURTHER NOTICE that a hearing on the Objection will be held before the Honorable Sean H. Lane, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, Courtroom 701, New York, New York 10004-1408 on **February 15, 2017 at 3:00 p.m.** (prevailing Eastern Time), or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that responses to the Objection, if any, must be in writing, shall conform to the Bankruptcy Rules and the Local Rules of the Bankruptcy Court, and shall be electronically filed with the Bankruptcy Court (with a hard-copy delivered directly to Chambers), and shall be served upon: (i) counsel for the Liquidating Trust, Arent Fox LLP, 1675 Broadway, New York, New York 10019 (Attn.: George V. Utlik, Esq.); (ii) the United States Trustee, 201 Varick Street, Suite 1006, New York, New York 10014, (Attn: Andrea B. Schwartz, Esq.); (iii) all parties that have requested to receive notice pursuant to Bankruptcy Rule 2002; and (iv) claimants affected by the Objection and therefore required to receive notice pursuant to the Bankruptcy Rules, so as to be received no later than **February 8, 2017 at 4:00 p.m.**

PLEASE TAKE FURTHER NOTICE that if a claimant fails to timely file and serve a response in accordance with the above requirements, such claimant will be deemed to have

concurred with and consented to the Objection and the relief requested therein, and counsel for the Liquidating Trust will present to the Court an appropriate order sustaining the Objection, without further notice to the claimant.

Dated: January 13, 2017
New York, New York

ARENT FOX LLP

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Counsel for the Liquidating Trust of Airfasttickets, Inc.

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UNITED STATES BANKRUPTCY COURT
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In re:	:
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	Chapter 11
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AIRFASTTICKETS, INC.,	:
	Case No. 15-11951 (SHL)
	:
Debtor.	:
-----X	

**FIRST OMNIBUS OBJECTION OF
THE LIQUIDATING TRUST OF AIRFASTTICKETS, INC.
TO CERTAIN PROOFS OF CLAIM (AMENDED AND SUPERSEDED CLAIMS,
CLAIMS TO BE RECLASSIFIED AND/OR REDUCED, AND NO LIABILITY CLAIMS)**

<p>THE OBJECTION SEEKS TO DISALLOW, REDUCE, EXPUNGE, OR RECLASSIFY AND/OR REDUCE, CERTAIN SCHEDULED AND FILED PROOFS OF CLAIM.</p> <p>PARTIES RECEIVING THE OBJECTION SHOULD REVIEW THE OBJECTION TO SEE IF THEIR NAME(S) AND/OR CLAIM(S) ARE LOCATED IN THE OBJECTION AND/OR THE EXHIBITS ATTACHED TO THE OBJECTION TO DETERMINE WHETHER THE OBJECTION AFFECTS THEIR CLAIM(S).</p> <p>IF YOU HAVE QUESTIONS, PLEASE CONTACT COUNSEL FOR THE LIQUIDATING TRUST, GEORGE V. UTLIK OF ARENT FOX LLP AT (212) 806-5400.</p>
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The Liquidating Trust of Airfasttickets, Inc. (the “Liquidating Trust”)¹, through Adam Meislik, the duly appointed liquidating trustee of the Liquidating Trust (the “Trustee”), pursuant to the Confirmed Plan (as defined herein) of Airfasttickets, Inc. (the “Debtor”), by its counsel, Arent Fox LLP (“Arent Fox”), files this first omnibus objection (the “Objection”) and seeks entry of an order (the “Order”), substantially in the form attached hereto as **Exhibit A**: (a) disallowing and expunging the proofs of claim identified on **Exhibit 1** attached hereto (collectively, the “Amended and Superseded Claims”); (b) reclassifying and/or reducing the proofs of claim identified on **Exhibit 2** attached hereto (collectively, the “Claims to Be Modified”); and (c) disallowing and expunging the proofs of claim identified on **Exhibit 3** attached hereto (collectively, the “No Liability Claims” and together with the Amended and Superseded Claims and the Claims to Be Modified, the “Disputed Claims”) pursuant to section 502(b) of title 11 of the United States Code (the “Bankruptcy Code”), Rules 3003 and 3007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Claims Bar Date Order (as defined herein), the Confirmed Plan, the Confirmation Order (as defined herein), and the Liquidating Trust Agreement (as defined herein). In support of this Objection, the Liquidating Trust submits the declaration of Brian S. Weiss (the “Weiss Declaration”) attached hereto as **Exhibit B** and respectfully states as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the Southern District of New York (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Further, under the Confirmed Plan, the Court has exclusive jurisdiction over any matter arising under the Bankruptcy Code, arising in or related to the Debtor’s Chapter 11 Case, or the Confirmed Plan,

¹ Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Confirmed Plan.

including objections to Claims and Interests. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested herein are sections 105(a) and 502(b) of the Bankruptcy Code and Bankruptcy Rules 3003 and 3007.

BACKGROUND

4. On July 27, 2015, certain of the Debtor's creditors filed an involuntary petition against the Debtor seeking an order for relief under chapter 7 of the Bankruptcy Code.

5. 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)*, seeking to convert the Debtor's case to one under chapter 11 of the Bankruptcy Code.

6. On October 27, 2015 the Court signed an order converting the Debtor's case to one under chapter 11 of the Bankruptcy Code, establishing October 27, 2015 as the date of the order for relief under section 301 of the Bankruptcy Code in this case (the "Chapter 11 Case").

7. On November 13, 2015, a creditors committee formation meeting was convened by the United States Trustee, but no committee was formed.

8. On November 24, 2015, the Court approved the sale of substantially all of the Debtor's intellectual property and software and certain related assets under section 363 of the Bankruptcy Code.

9. On July 11, 2016, the *Debtor's Chapter 11 Plan of Liquidation* [ECF No. 157] was filed.

10. On August 11, 2016, the Court approved the Debtor's disclosure statement.

11. On October 13, 2016, the Court held a hearing on confirmation of the *Debtor's Chapter 11 Plan of Liquidation* and confirmed the *Debtor's Second Amended Chapter 11 Plan of Liquidation* [ECF No. 251-1] (the "Confirmed Plan").

12. On October 26, 2016, the Court entered the *Findings of Fact, Conclusions of Law and Order Confirming the Debtor's Second Amended Chapter 11 Plan of Liquidation* (the "Confirmation Order") (Docket No. 251). Attached to the Confirmation Order was the Liquidating Trust Agreement [ECF No. 251] approved by the Court, which identified Adam Meislik as the Liquidating Trustee of the Liquidating Trust.

13. On December 2, 2016 (the "Effective Date"), the Debtor's Confirmed Plan became effective. On the Effective Date, under section 5.1 of the Confirmed Plan, the Debtor assigned and transferred absolutely and unconditionally to the Liquidating Trust all assets of the Debtor and its estate, including Cash, Causes of Action, and Avoidance Actions. Further, under section 5.2 of the Confirmed Plan, the Trustee was empowered to oversee the Claims resolution 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. Moreover, under section 7.1 of the Confirmed Plan, objections to, and requests for estimation of, Claims against the Debtor may be interposed and prosecuted only by the Liquidating Trustee.

SCHEDULES AND PROOFS OF CLAIM

14. On November 10, 2015, the Debtor filed its Schedules of Assets and Liabilities.

15. On February 26, 2016, this Court entered the *Order Granting Debtor's Motion Pursuant to 11 U.S.C. § 502(b)(9), Fed. R. Bankr. P. 2002 and 3003(c)(3), and Local Rule 3003-1 for Entry of an Order (i) Establishing Deadline for Filing Proofs of Claim and Procedures Related Thereto and (ii) Approving Form and Manner of Notice Thereof* [ECF No. 109] (the "Claims Bar Date Order").

16. The Claims Bar Date Order established April 6, 2016 (the “General Bar Date”) as the last date for persons or entities (including, without limitation, individuals, partnerships, corporations, joint ventures and trusts), and April 25, 2016 (the “Governmental Bar Date” and, together with the General Bar Date, the “Bar Dates”) as the last date for governmental units, to file proofs of claim asserting pre-petition claims (“Proofs of Claim”) against the Debtor.

17. Pursuant to the Claims Bar Date Order, on February 26, 2016, the Debtor’s claims agent, BMC Group, Inc. (the “Claims Agent”), mailed notice of the Bar Dates and proof of claim forms (the “Bar Date Notice”) to the Debtor’s creditors, as reflected in the Affidavit of Service [ECF No. 111].

18. Further, according to the Affidavit of Publication and attached Proof of Publication [ECF No. 116], the Notice of Deadline Requiring Filing of Proofs of Claim before the Bar Dates was published in the national edition of *The New York Times* on March 3, 2016 to the Debtor’s creditors and all potential claimants.

19. The claimants listed on Exhibits 1-3 (the “Claimants”) filed one or more Proofs of Claim and/or have their Claims scheduled against the Debtor in this Chapter 11 Case.

RELIEF REQUESTED

20. By this Objection, the Liquidating Trust seeks entry of an order pursuant to section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and the Claims Bar Date Order:

A. disallowing and expunging the Amended and Superseded Claims identified on **Exhibit 1** in their entirety because these claims have been amended and superseded by subsequently filed claims, which such subsequently filed claims survive, subject to further objection to the allowance of such surviving claims on any other ground, including to the extent set forth elsewhere in this Objection;

B. reclassifying, or reclassifying and reducing, as applicable, the Claims to Be Modified identified on **Exhibit 2** because these claims are asserted with priorities and/or in amounts that exceed the maximum amount allowed under section 507 of the Bankruptcy Code, are not supported by the Debtor's books and records, the Proofs of Claim and documentation provided by the affected Claimants, or the Bankruptcy Code and applicable Bankruptcy Rules; and

C. disallowing and expunging the No Liability Claims identified on **Exhibit 3** in their entirety because the Debtor has no liability for these claims based on the Debtor's books and records or the Proofs of Claim and documentation provided by the affected Claimants.

BASIS FOR THE RELIEF REQUESTED

21. Section 502 of the Bankruptcy Code provides, in pertinent part, as follows: "A claim or interest, proof of which is filed under section 501 of [the Bankruptcy Code], is deemed allowed, unless a party in interest . . . objects." 11 U.S.C. § 502(a).

22. Bankruptcy Rule 3007(a) provides that an objection must be in writing and that claimants must be provided with not less than 30 day notice of the hearing to be held in respect to such objection. Further, under Bankruptcy Rule 3007, objections to more than one claim may be joined in an omnibus objection if:

the objections are based solely on the grounds that the claims should disallowed, in whole or in part, because:

. . .

(3) they have been amended by subsequently filed proofs of claim;

. . .

(6) they were presented in a form that does not comply with applicable rules, and the objection states that the objector is unable to determine the validity of the claim because of the noncompliance;

. . . ; or

(8) they assert priority in an amount that exceeds the maximum amount under § 507 of the Code.

Fed. R. Bankr. P. 3007(d).

23. Bankruptcy Rule 3007(e) provides that an omnibus objection shall (a) state in a conspicuous place that claimants receiving the objection should locate their names and claims in the objection, (b) list the claimants alphabetically and by category of claims, providing a cross-reference to claim numbers, (c) clearly articulate the grounds of the objection, (d) identify the objector by name and the grounds for the objection in the title, (e) be numbered consecutively, and (f) contain objections to no more than 100 claims. Fed. R. Bankr. P. 3007(e)(1)-(6).

24. The Claims Bar Date Order and the Bar Date Notice provide that each Proof of Claim must include supporting documentation, unless voluminous, in which case a summary must be attached or an explanation provided as to why documentation is not available. Absent such documentation, a proof of claim lacks *prima facie* validity. *In re Consol. Pioneer Mortg.*, 178 B.R. 222, 226 (9th Cir. BAP 1995), *aff'd*, 91 F.3d 151 (9th Cir. 1996); *In re Taylor*, 363 B.R. 303, 308 (Bankr. M.D. Fla. 2007) (“Attaching supporting documentation is a mandatory prerequisite to establishing a claim’s *prima facie* validity.”). Moreover, if an objection refuting at least one of a proof of claim’s essential allegations is asserted, the claimant has the burden to demonstrate the validity of such claim. *See, e.g., In re Reilly*, 245 B.R. 768, 773 (B.A.P. 2d Cir. 2000); *In re Rockefeller Ctr. Props.*, 272 B.R. 524, 539 (Bankr. S.D.N.Y. 2000); *In re St. Johnsbury Trucking Co.*, 206 B.R. 318, 323 (Bankr. S.D.N.Y. 1997).

25. During the ongoing review of the Claims in the Chapter 11 Case, the Liquidating Trustee and his agents determined that certain Claims should be reduced, modified, reclassified, or disallowed and expunged. As set forth in the Weiss Declaration, each of the Disputed Claims and documentations provided in support have been reviewed and considered based on the Debtor’s books and records and for compliance with the Bankruptcy Code, Bankruptcy Rules, and Claims Bar Date Order, and the Liquidating Trust now objects to the Disputed Claims on the grounds as

set forth below and also requests that any order granting this Objection authorizes for the Liquidating Trust to join the Claim in this Objection under Bankruptcy Rule 3007(d).

OBJECTIONS

I. Amended and Superseded Claims (Exhibit 1)

26. As set forth in the Weiss Declaration annexed hereto as Exhibit B and related Exhibit 1, which are incorporated herein by reference, the Liquidating Trust objects to the Amended and Superseded Claims listed on **Exhibit 1** hereto because such claims were amended and superseded by subsequently-filed claims (collectively, the “Surviving Claims”), which are identified on **Exhibit 1**. Elimination of the Amended and Superseded Claims will result in a more accurate claims register in this Chapter 11 Case.

27. Accordingly, the Liquidating Trust requests that the Court enter an order disallowing and expunging the Amended and Superseded Claims in their entirety. This particular objection does not affect the Surviving Claims identified on **Exhibit 1** hereto, but the Liquidating Trust reserves the right to object to the Surviving Claims on any other available grounds, including the grounds that are raised elsewhere in this Objection.

II. Claims to Be Modified (Reclassified and/or Reduced (Exhibit 2))

28. The Liquidating Trust and his agents thoroughly reviewed the Debtor’s books and records (the “Books and Records”) and determined, for the reasons set forth below, that (a) the Claims to Be Modified assert an improper priority, in full or in part, and/or (b) neither the Debtor nor the Liquidating Trust is liable for the entire amount asserted in the Claims to Be Modified. Accordingly, the Liquidating Trust requests that Claims to Be Modified should be treated as indicated on Exhibit 2.

III. No Liability Claims (Exhibit 3)

32. As set forth in the Weiss Declaration annexed hereto as Exhibit B and related Exhibit 3, which are incorporated herein by reference, after reconciling the No Liability Claims identified on Exhibit 3 annexed hereto and supporting materials against the Debtor's books and records, the Liquidating Trustee and his agents determined that the Debtor is not liable with respect to all or a portion of the No Liability Claims. Thus, if such No Liability Claims are not disallowed and expunged, the claimants holding such No Liability Claims would receive unwarranted or excessive recoveries, to the detriment of the Debtor's other creditors. Accordingly, the Liquidating Trust requests that No Liability Claims be treated as indicated on Exhibit 3.

C. MOTION PRACTICE

29. This Objection includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated and a discussion of their application to this Objection. Accordingly, the Liquidating Trust submits that this Objection satisfies Rule 9013-1(a) of the Local Rules of Bankruptcy Procedure for the Southern District of New York.

RESERVATION OF RIGHTS

30. This Objection is limited to the grounds stated herein. Accordingly, it is without prejudice to the rights of the Liquidating Trust or any other party in interest to object to any of the Disputed Claims or the Surviving Claims on any grounds whatsoever and all further substantive or procedural objections are expressly reserved.

SEPARATE CONTESTED MATTER

31. To the extent that a response is filed regarding any Disputed Claim and the Liquidating Trust is unable to resolve any such response, each such Disputed Claim, and the Objection as it pertains to Disputed Claims, shall constitute a separate contested matter as

contemplated by Bankruptcy Rule 9014. Further, the Liquidating Trust requests that any order entered by the Court regarding an objection asserted in this Objection be deemed a separate order with respect to each proof of claim.

NOTICE

32. Under Bankruptcy Rule 3007, the Liquidating Trust will provide at least thirty (30) day notice of this Objection to: (a) the United States Trustee; (b) the Claimants identified on Exhibits 1-3 annexed hereto; and (c) all other parties that have requested notice in this Chapter 11 Case. No previous motion for the relief sought herein has been made to this Court or any other court. In light of the nature of the relief requested herein, the Liquidating Trust respectfully submits that no further notice is necessary.

CONCLUSION

WHEREFORE, for the reasons stated above and in the Weiss Declaration, the Liquidating Trust respectfully requests that the Court enter an order, substantially in the form attached hereto, (a) disallowing and expunging the Amended and Superseded Claims identified on **Exhibit 1**; (b) reclassifying and/or reducing the Claims to Be Modified identified on **Exhibit 2**; (c) disallowing and expunging the No Liability Claims identified on **Exhibit 3**; and (d) granting such other and further relief as the Court deems just and proper.

Dated: January 13, 2017
New York, New York

ARENT FOX LLP

/s/ George V. Utlik

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