

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

-----	X	
	:	
In re:	:	
	:	Chapter 11
AIRFASTTICKETS, INC.,	:	
	:	Case No. 15-11951 (SHL)
Debtor and Debtor-	:	
In-Possession.	:	
-----	X	Adv. Pro. No. _____ (SHL)
	:	
ADAM MEISLIK, AS THE RECEIVER OF	:	
AIRFASTTICKETS, INC.,	:	
	:	
Plaintiff,	:	
v.	:	
	:	
AMERICAN EXPRESS COMPANY,	:	
	:	
Defendant.	:	
-----	X	

**COMPLAINT**

Plaintiff Adam Meislik, the Liquidating Trustee (the “Trustee”) of The Liquidating Trust (the “Liquidating Trust”) of AirFastTickets, Inc. (“Airfast” or the “Debtor”), for his Complaint against American Express Company (the “Defendant”) for: (1) Avoidance and Recovery of Fraudulent Transfers Pursuant to 11 U.S.C. §§ 548(a)(1)(A) and 550; (2) Avoidance and Recovery of Fraudulent Transfers Pursuant to 11 U.S.C. §§ 548(a)(1)(B) and 550; (3) Preservation of Transfers Pursuant to 11 U.S.C. § 551; (4) Avoidance and Recovery of Fraudulent Transfers and Recovery of Attorneys’ Fees Pursuant to New York Debtor and Creditor Law Sections 276 and 276-a; (5) Avoidance and Recovery of Fraudulent Transfers Pursuant to New York Debtor and Creditor Law Section 273; (6) Avoidance and Recovery of Fraudulent Transfers Pursuant to New

York Debtor and Creditor Law Section 274; (7) Avoidance and Recovery of Fraudulent Transfers Pursuant to New York Debtor and Creditor Law Section 275 (the “Complaint”), based on actual knowledge and information and belief, states the following:

**STATEMENT OF JURISDICTION AND VENUE**

1. The United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) has jurisdiction over this adversary proceeding under 28 U.S.C. §1134, because the claims asserted herein arise under Title 11 of the United States Code or arise in or relate to the Chapter 11 case of the debtor Airfast, currently pending in the Bankruptcy Court as case no. 15-11951 (SHL) (the “Bankruptcy Case”). The claims for relief alleged in this Complaint constitute a non-core proceeding that is related to the Airfast Bankruptcy Case because the outcome will affect the total amount of funds available to be distributed to beneficiaries of the Liquidating Trust. Accordingly, consent is hereby given to the entry of final orders and judgment by the Bankruptcy Court. The Defendant is hereby notified that Fed. R. Bankr. P. 7008(a) requires the Defendant to plead whether the claims for relief alleged against such defendant are core or non-core, and if non-core, whether consent is given to the entry of final orders and judgment by the Bankruptcy Court.

2. Venue is proper in the Bankruptcy Court pursuant to 28 U.S.C. §§ 1408 and 1409 because the Bankruptcy Case is pending in this district and division.

3. This is an adversary proceeding for avoidance and recovery of fraudulent transfers pursuant to 11 U.S.C. §§ 548(a)(1)(A), (B), and 550; for preservation of transfers pursuant to § 551, and for attorneys’ fees and costs.

### **STATEMENT OF STANDING**

4. On July 27, 2015, certain of the Debtor's creditors (the "Petitioning Creditors") filed an involuntary petition against Airfast (the "Involuntary Petition"). On September 21, 2015, the Debtor filed an answer, consenting to the entry of an order for relief under the Bankruptcy Code. Upon the Debtor's motion, its case was converted to chapter 11 of the Bankruptcy Code on October 27, 2015.

5. The Debtor's chapter 11 plan of liquidation was confirmed on October 13, 2016, and Mr. Meislik was appointed as the Liquidating Trustee.

6. The Trustee has standing to bring this action pursuant to 11 U.S.C. §§ 105, 548, 550 and 551.

### **PARTIES TO THE ACTION**

7. Plaintiff is the duly appointed and acting Liquidating Trustee of the Liquidating Trust of Airfast. This action is brought by the Trustee in his representative capacity only.

8. The Trustee is informed, believes, and alleges that Defendant is an American multinational financial services corporation headquartered in New York, New York.

### **GENERAL ALLEGATIONS**

#### **General Background**

9. The Trustee incorporates each and every allegation contained in paragraphs 1 through 8, inclusive, as though fully set forth herein.

10. The Trustee is informed, believes, and alleges that the Debtor was founded in 2011 by Nikolaos 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 Subsidiaries were also controlled by Mr. Koklonis.

11. The Trustee is informed, believes, and alleges that from early 2014 through mid-2014, the Debtor actively engaged in the business of providing low-cost domestic and international airfares to customers through its websites and wholesalers, similar to services provided by Expedia, Orbitz, Travelocity, Priceline, and other similar online travel agencies.

12. The Trustee is informed, believes, and alleges that the Debtor used proprietary software that it developed and owned to help consumers find low-cost domestic and international airfares. In order to operate in this line of business in international markets, the Debtor utilized the Subsidiaries’ licenses with the International Air Transport Association (“IATA”) to purchase international airlines tickets which the Debtor sold to the public through its United States website, “www.airfasttickets.com.” 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 held a similar license with the Airlines Reporting Corporation (“ARC”) which the Debtor used to issue domestic (United States) airline tickets.

13. The Trustee is informed, believes, and alleges that the Debtor collected the cash generated from its sale of international airlines tickets, and entered into its accounting records those revenues, the ticket costs, and the amounts it owed to the Subsidiaries for the cost of the tickets purchased through the IATA. The funds transferred by the Debtor to the Subsidiaries were substantially less than the amounts due and payable to the IATA and/or the airlines that initially sold the tickets. As a result, while the Debtor conducted its business, the Debtor's indebtedness to the Subsidiaries continually increased, as did the Subsidiaries' indebtedness to the IATA, and the airlines that initially sold the tickets.

14. The Trustee is informed, believes, and alleges that the Debtor was destined to fail because its business model provided that the Debtor sold airlines tickets for less than it paid for them, generating a net loss – on each ticket sold – before taking into account the Debtor's overhead costs of rent, payroll, utilities, advertising, etc.

#### **Events Leading to the Filing of the Chapter 11 Case**

15. The Trustee is informed, believes, and alleges that despite generating \$23.7 million and \$77.3 million in revenue, respectively, in the first and second quarters of 2014, the Debtor's cost for the tickets sold totaled \$24.6 million and \$81.9 million, respectively (excluding overhead), thereby exceeding revenue.

16. The Trustee is informed, believes, and alleges that leading up to June 2014, the Debtor and its Subsidiaries ceased remitting payment for the Debtor's ticket sales to the airlines. In June 2014, IATA revoked the Debtor's accreditation and license agreements because the Debtor failed to comply with IATA's rules, regulations, requirements, and accreditation standards by, among other things, failing to remit

payment for the Debtor's 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 more than 400 airlines, and the Debtor owed approximately \$38.5 million to its various creditors and vendors. Without IATA accreditation, the Debtor could not purchase tickets in the international market to resell, and therefore, had no way to generate revenue.

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

17. In April 2015, the Debtor retained GlassRatner Advisory & Capital Group LLC ("GlassRatner") as its restructuring financial advisor. Mr. Meislik, - then an employee of GlassRatner – was the individual involved in the engagement.

18. Mr. Koklonis filed a complaint in the Delaware Court of Chancery (the "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*. At the same time, the Chancery Court suggested that Mr. Meislik be appointed as a Receiver pursuant to 8 DEL. C. § 291. On July 21, 2015, the Court of Chancery appointed Mr. Meislik as Liquidating Trustee for the Debtor.

### **Involuntary Petition**

19. On July 27, 2015, the Petitioning Creditors filed the Involuntary Petition against Airfast. On September 21, 2015 (the "Petition Date"), 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. 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.

### **Sale of Substantially all of the Debtor’s Assets**

20. On October 26, 2015, the Debtor filed a motion (the “Sale Motion”) seeking the Bankruptcy Court’s authorization to sell substantially all of the Debtor’s intellectual property, software and certain related assets to an entity named AirTourist, Inc. (controlled by certain of the Debtor’s former insiders), free and clear of all liens, claims, and encumbrances, for \$2.5 million. This sale was approved by the Bankruptcy Court on November 24, 2015, and was fully consummated shortly thereafter.

### **Confirmation of the Plan and Appointment of the Liquidating Trustee**

21. On July 11, 2016, the Debtor filed a chapter 11 plan of liquidation (as subsequently amended, the “Plan”). On October 13, 2016, the Court held a hearing on confirmation of the Plan and confirmed the Plan. Confirmation of the Plan resulted in the appointment of Mr. Meislik as the Liquidating Trustee and the absolute and unconditional assignment to the Liquidating Trust of all assets of the Debtor and its estate, including cash and various causes of action.

### **Payments Made by the Debtor That Were Unrelated to its Business**

22. The Trustee is informed, believes, and alleges that Mr. Koklonis had a personal credit card account with the Defendant (the “Account”).

23. Based upon the Debtor’s books and records, the Trustee is informed, believes, and alleges that from February 1, 2013 through March 17, 2015, the Debtor

made \$1,750,046.86 in payments to the Defendant for amounts due on the Account relating to Mr. Koklonis' personal expenses, and that additional payments dating back to 2011 may also have been made (together, the "Transfers"). A summary of the Transfers currently known to the Trustee is attached as Exhibit "1." The Trustee has asked for turnover of records from the Defendant which may result in an amendment to the dates and amount of the Transfers.

**FIRST CAUSE OF ACTION  
TO AVOID TRANSFERS AND RECOVER INTENTIONALLY FRAUDULENTLY  
TRANSFERRED PROPERTY - 11 U.S.C. §§ 548(a)(1)(A) and 550**

24. Plaintiff incorporates each and every allegation contained in paragraphs 1 through 23, inclusive, as though fully set forth herein.

25. The Trustee is informed, believes, and alleges that the Transfers occurred during the two year period immediately preceding the Petition Date.

26. The Trustee is informed, believes, and alleges that the Transfers were made with the actual intent to hinder, delay or defraud the Debtor's creditors.

27. The Trustee is informed, believes, and alleges that creditors existed at the time of the Transfers that remained unpaid as of the Petition Date.

28. The Trustee is informed, believes, and alleges that the Debtor made the Transfers to or for the benefit of the Defendant.

29. The Trustee is informed and believes, and alleges that the Debtor received inadequate consideration from the Defendant.

30. The Trustee is informed, believes, and alleges that there was no obligation due and owing to the Defendant from the Debtor at the time of the Transfers.



31. The Trustee is informed, believes, and alleges that the Debtor was insolvent at the time of the Transfers and/or was rendered insolvent by virtue of the Transfers.

32. The Trustee is informed and believes, and on that basis alleges that, Defendants did not take the Fraudulent Transfers in good faith.

33. By reason of the foregoing, the Transfers are avoidable, Plaintiff is entitled to set aside the Transfers pursuant to 11 U.S.C. § 548(a)(1)(A), and Plaintiff is entitled to recover the Transfers or the value of the Transfers for the benefit of the Estate pursuant to 11 U.S.C. § 550.

**SECOND CAUSE OF ACTION  
TO AVOID TRANSFERS AND RECOVER CONSTRUCTIVELY FRAUDULENTLY  
TRANSFERRED PROPERTY - 11 U.S.C. §§ 548(a)(1)(B) and 550**

34. Plaintiff incorporates each and every allegation contained in paragraphs 1 through 33, inclusive, as though fully set forth herein.

35. The Trustee is informed, believes, and alleges that at the time of the Transfers, the Debtor was engaged in or was about to engage in a business or a transaction for which the Debtor's remaining assets were unreasonably small in relation to the business or transaction.

36. The Trustee is informed, believes, and alleges that at the time of the Transfers, the Debtor intended to incur, or believed or reasonably should have believed that it would incur, debts beyond its ability to pay as they became due.

37. The Trustee is informed and believes, and on that basis alleges that, the Fraudulent Transfers were made to and for the benefit of Defendants.

38. The Trustee is informed, believes, and alleges that Debtor did not make the Transfers in good faith.

39. The Trustee is informed and believes, and on that basis alleges that, the Debtor did not receive reasonably equivalent value for making the Fraudulent Transfers.

40. By reason of the foregoing, the Transfers are avoidable, Plaintiff is entitled to set aside the Transfers pursuant to 11 U.S.C. § 548(a)(1)(B), and Plaintiff is entitled to recover the Transfers or the value of the Transfers for the benefit of the Estate pursuant to 11 U.S.C. § 550.

**THIRD CAUSE OF ACTION  
TO PRESERVE TRANSFERS FOR THE BENEFIT OF THE ESTATE - 11 U.S.C. § 551**

41. Plaintiff incorporates each and every allegation contained in paragraphs 1 through 40, inclusive, as though fully set forth herein.

42. Pursuant to 11 U.S.C. § 551, the Transfers are preserved for the benefit of the Estate as the Transfers are avoidable under 11 U.S.C. §§ 547, 548 and 550 as set forth above.

**FOURTH CAUSE OF ACTION  
FRAUDULENT TRANSFERS -  
NEW YORK DEBTOR AND CREDITOR LAW §§ 276, 276-a**

43. Plaintiff incorporates each and every allegation contained in paragraphs 1 through 42, inclusive, as though fully set forth herein.

44. The Transfers were made with the actual intent to hinder, delay, or defraud the Debtor's creditors.

45. By reason of the foregoing, pursuant to Sections 276 and 276-a of the New York Debtor and Creditor Law, the Transfers are avoidable and the Trustee is entitled to recover attorneys' fees from the Defendant.

**FIFTH CAUSE OF ACTION  
FRAUDULENT TRANSFERS –  
NEW YORK DEBTOR AND CREDITOR LAW § 273**

46. Plaintiff incorporates each and every allegation contained in paragraphs 1 through 45, inclusive, as though fully set forth herein.

47. The Debtor did not receive fair consideration for the Transfers.

48. The Debtor was insolvent at the time it made each of the Transfers or, in the alternative, the Debtor became insolvent as a result of each of the Transfers.

49. By reason of the foregoing, pursuant to Section 273 of the New York Debtor and Creditor Law, the Transfers are avoidable.

**SIXTH CAUSE OF ACTION  
FRAUDULENT TRANSFERS –  
NEW YORK DEBTOR AND CREDITOR LAW § 274**

50. Plaintiff incorporates each and every allegation contained in paragraphs 1 through 49, inclusive, as though fully set forth herein.

51. The Debtor did not receive fair consideration for the Transfers.

52. At the time the Debtor made each of the Transfers, the Debtor was engaged or was about to engage in a business or transaction for which the property remaining in its hands after each of the Transfers was an unreasonably small capital.

53. By reason of the foregoing, pursuant to Section 274 of the New York Debtor and Creditor Law, the Transfers are avoidable.

**SEVENTH CAUSE OF ACTION  
FRAUDULENT TRANSFERS –  
NEW YORK DEBTOR AND CREDITOR LAW § 275**

54. Plaintiff incorporates each and every allegation contained in paragraphs 1 through 53, inclusive, as though fully set forth herein.

55. The Debtor did not receive fair consideration for the Transfers.

56. At the time the Debtor made each of the Transfers, the Debtor had incurred, was intending to incur, or believed that it would incur debts beyond its ability to pay them as the debts matured.

57. By reason of the foregoing, pursuant to Section 275 of the New York Debtor and Creditor Law, the Transfers are avoidable.

**WHEREFORE**, the Trustee prays that this Court enter a judgment against the Defendant as follows:

**On the First Claim for Relief**

1. Avoiding the Transfers and declaring that the Transfers be annulled and rendered void as fraudulent transfers and for recovery of the value of the Transfers for the benefit of the Estate.

2. Awarding the Trustee a money judgment against the Defendant in the amount of the Transfers.

**On the Second Claim for Relief**

3. Avoiding the Transfers and declaring that the Transfers be annulled and rendered void as fraudulent transfers and for recovery of the value of the Transfers for the benefit of the Estate.

4. Awarding the Estate a money judgment against the Defendant in the amount of the Transfers.

**On the Third Claim for Relief**

5. For preservation of the Transfers for the benefit of the Estate.

**On the Fourth Claim for Relief**

6. Avoiding the Transfers and declaring that the Transfers be annulled and rendered void, the Transfers are avoidable and the Trustee is entitled to recover attorneys' fees from the Defendant. Plaintiff be awarded his costs and attorneys' fees incurred in this action.

**On the Fifth Claim for Relief**

7. Avoiding the Transfers and declaring that the Transfers be annulled and rendered void.

**On the Sixth Claim for Relief**

8. Avoiding the Transfers and declaring that the Transfers be annulled and rendered void.

**On the Seventh Claim for Relief**

9. Avoiding the Transfers and declaring that the Transfers be annulled and rendered void.

**On all Claims for Relief**

7. For Plaintiff's costs and attorneys' fees incurred in this action;  
8. For pre-judgment and post-judgment interest at the maximum legal rate;  
and

9. For such other and further relief as the Court deems just and proper.

DATED: September 21, 2017

**LOBEL WEILAND GOLDEN FRIEDMAN LLP**

By: /s/ REEM J. BELLO  
REEM J. BELLO, *Pro Hac Vice*  
650 Town Center Drive, Suite 950  
Costa Mesa, CA 92626  
Telephone: (714) 966-1000  
Facsimile: (714) 966-1002  
rbello@lwgflp.com

*Counsel for Plaintiff,  
Adam Meislik, Liquidating Trustee of  
The Liquidating Trust of Airfasttickets,  
Inc.*

**EXHIBIT 1**

Cash Acct. No.	Check Dt.	Check No.	Payee	Invoice Dt.	Invoice No.	Invoice Amt
1111000100	2/1/2013	0000001321	American Express	12/31/2012	12242012	19,710.47
1111000100	3/4/2013	0000001348	American Express	2/27/2013	02-71003	8,536.08
1111000100	3/4/2013	ACH3413A	American Express	3/4/2013	AMEX3413A	10,000.00
1111000100	3/4/2013	ACH3413B	American Express	3/4/2013	AMEX3413B	11,406.47
1111000100	4/1/2013	EFT412013A	AMEX CHARGE- ACCT 72005	4/1/2013	0412013A	24,718.30
1111000100	4/5/2013	EFT452013B	American Express	3/25/2013	271003APR13	40,844.27
1111000100	5/7/2013	EFT57013A	American Express	4/22/2013	271003MAY13	37,051.42
1111000100	5/31/2013	EFT53113F	AMEX CHG- ACCT 72005	5/31/2013	5312013A	18,586.89
1111000100	6/13/2013	0000000009	American Express	2/18/2013	212-207-8453	(0.31)
1111000100	6/13/2013	0000000009	American Express	2/18/2013	212--207-8453	0.31
1111000100	6/13/2013	0000000009	American Express	5/22/2013	271003JUN13	49,541.40
1111000100	7/1/2013	EFT712013	American Express	7/1/2013	AXBC7113	73,946.61
1111000100	7/5/2013	EFT7513A	American Express	6/28/2013	271003JUL13	27,322.44
1111000100	7/30/2013	EFT73013C	American Express	7/31/2013	AXBC73113	20,611.97
1111000100	8/13/2013	ACH813	American Express	7/31/2013	AMEX73113	33,475.95
1111000100	9/3/2013	0000000027	American Express	8/17/2013	AXBC81713	55,335.60
1111000100	9/16/2013	0000000026	American Express	7/31/2013	AMEX73113	133.25
1111000100	9/16/2013	0000000026	American Express	8/31/2013	AMEXBUSC83113	51,716.61
1111000100	9/30/2013	0000000028	AMEX # 572005	9/30/2013	00093013	12,290.13
1111000100	10/16/2013	0000000046	American Express	9/30/2013	AMEXBUSC93013	50,229.06
1111000100	11/13/2013	0000000052	American Express	10/30/2013	AMEXBUSC103013	46,989.20
1111000100	12/2/2013	0000000077	American Express	11/16/2013	AXPLAT111613	135,676.11
1111000100	12/6/2013	0000000076	AMERICAN EXPRESS MERCHANT CHARGE	12/6/2013	0012613A	358.01
1111000100	12/13/2013	0000000068	American Express	10/30/2013	AMEXBUSC103013	0.09
1111000100	12/13/2013	0000000068	American Express	11/28/2013	AMEXBUSC112813	37,292.40
1111000100	1/13/2014	0000000091	American Express	12/28/2013	AMEXBUSC122813	28,225.36
1111000100	1/30/2014	0000000092	American Express	1/16/2014	AXBC11614	31,560.36
1111000100	2/13/2014	0000000130	American Express	10/30/2013	AMEXBUSC103013	483.46
1111000100	2/13/2014	0000000130	American Express	12/28/2013	AMEXBUSC122813	25,839.56
1111000100	2/13/2014	0000000130	American Express	1/29/2014	AMEXBUSC12914	50,084.90
1111000100	3/3/2014	0000000168	American Express	2/16/2014	AXBC21614	104,272.74
1111000100	3/17/2014	0000000169	American Express	2/26/2014	AMEXBUS22614	55,234.34
1111000100	3/31/2014	0000000170	American Express	3/16/2014	AXBC31614	215,404.12
1111000100	4/10/2014	0000000210	American Express	2/26/2014	AMEXBUS22614	502.30
1111000100	4/10/2014	0000000210	American Express	3/31/2014	AMEXBUS32814	185,136.70
1111000100	5/13/2014	0000000229	American Express	5/1/2014	AMEXBUS5114	86,107.56
1111000100	6/13/2014	0000000255	American Express	6/1/2014	AMEXBUS0514	84,555.39
1111000100	7/18/2014	0000000258	American Express	2/26/2014	AMEXBUS22614	85.27
1111000100	7/18/2014	0000000258	American Express	1/29/2014	AMEXBUSC12914	1,078.00
1111000100	7/18/2014	0000000258	American Express	7/18/2014	07182014	1,869.89
1111000100	7/18/2014	0000000258	American Express	6/26/2014	AMEXBUS062614	24,534.18
1111000100	7/18/2014	0000000259	American Express	6/26/2014	AMEXBUS062614	63,800.00
1111001100	10/28/2014	0000000057	American Express	8/1/2014	AMEXCC07292014	1,000.00
1111000700	11/25/2014	0000000944	American Express	11/1/2014	INV#10272014	9,000.00
1111000700	12/10/2014	0000000958	American Express	11/1/2014	INV#10272014	8,000.00
1111001100	1/16/2015	0000001014	American Express	11/1/2014	INV#10272014	500.00
1111000700	3/6/2015	0000001036	American Express	11/1/2014	INV#10272014	3,000.00
1111000300	3/17/2015	WIRE 3/17	American Express	11/1/2014	INV#10272014	4,000.00

1,750,046.86