

**Exhibit C**

**November 27, 2018 Hearing Transcript**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

*In re:*

AIRFASTTICKETS, INC.,

*Debtor.*

Case No. 15-11951-shl  
New York, New York  
November 27, 2018  
10:45 a.m. - 11:04 a.m.

- TRANSCRIPT -

AIRFASTTICKETS, INC.  
AND LIQUIDATING TRUST OF AIRFASTTICKETS, INC.  
15-11951-SHL, CHAPTER 11  
DOC NOS 280 AND 301, STATUS CONFERENCE  
RE FAREPORTAL ORDERS CONCERNING FIRST OMNIBUS OBJECTION  
OF THE LIQUIDATING TRUST OF AIRFASTTICKETS, INC.  
TO PROOF OF CLAIM NO. 86 FILED BY FAREPORTAL INC.  
(COURTCALL APPROVED)

BEFORE THE HONORABLE SEAN H. LANE  
UNITED STATES BANKRUPTCY JUDGE

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*For the Debtor:* NICHOLAS A. MARTEN, ESQ.  
Arent Fox LLP  
1301 Avenue of the Americas, 42nd Floor  
New York, New York 10019-6040  
(212) 484-3900; (212) 484-3990 fax  
nicholas.marten@arentfox.com

*For the Debtor:* ARAM ORDUBEGIAN, ESQ.  
Arent Fox LLP  
555 West Fifth Street, 48<sup>th</sup> Floor  
Los Angeles, California 90013  
(213) 629-7410; (213) 629-7401 fax  
aram.ordubegian@arentfox.com

*For Fareportal, Inc.:* MALANI J. CADEMARTORI, ESQ.  
ROBERT FRIEDMAN, ESQ.  
Sheppard, Mullin, Richter & Hampton LLP  
30 Rockefeller Plaza  
New York, New York 10112  
(212) 653-8700; (212) 653-8701 fax

*For AFT UK,  
Administrators:* ANDREW M. CARTY, ESQ.  
Brown Rudnick LLP  
7 Times Square  
New York, New York 10036  
(212) 209-4959; (212) 938.2928 fax  
acarty@brownrudnick.com

*Transcriber:* AA EXPRESS TRANSCRIPTS  
195 Willoughby Avenue, Suite 1514  
Brooklyn, New York 11205  
(888) 456-9716  
aaexpress@court-transcripts.net

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1 THE COURT: All right. The next case that's on is  
2 Airfasttickets, Inc. and Liquidating Trust of Airfasttickets,  
3 Inc. A status conference, dealing with the issue of  
4 Fareportal's proof of claim, and proceedings happening outside  
5 this court that relate to that. So, let me get the appearances  
6 from counsel.

7 MR. ORDUBEGIAN: Good morning, Your Honor, Aram  
8 Ordubegian and Nicholas Marten, on behalf of the Liquidating  
9 Trust of the Reorganized Debtor. Thank you.

10 MS. CADEMARTORI: Good morning, Your Honor, Malani  
11 Cademartori and Robert Friedman, Sheppard, Mullin, Richter &  
12 Hampton, on behalf of Fareportal, the Claimant.

13 THE COURT: All right.

14 MR. FRIEDMAN: Good morning.

15 THE COURT: Good morning. So, we've been doing this a  
16 while now. And it all has to do with Fareportal having a claim  
17 in this case as against these Debtors, potentially, a claim, I  
18 think one's been filed. And assets were sold to an entity  
19 called Travana. And Fareportal had some issues with Travana as  
20 well and trying to get information as to what the status is of  
21 Fare portal's claim. Who, if anybody, wants to sue, and what  
22 makes sense, as well as trying to figure out the practicalities  
23 of discovery given that this is a liquidating trust at this  
24 point in this case. So, there's been some discussion back and  
25 forth, and I think Travana has a California bankruptcy, if I'm

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1 remembering this correctly, and there's been some discussion  
2 about trying to get information there. So, I think we've met in  
3 March and May and June and August, so we're back again just to  
4 see where things are.

5 MS. CADEMARTORI: Good morning, Your Honor, Malani  
6 Cademartori, Sheppard, Mullin, Richter & Hampton, on behalf of  
7 Fareportal.

8 As I believe I reported in our last telephonic status  
9 conference, and in many before that, we had spent a significant  
10 amount of time, and spent a significant amount of money frankly,  
11 trying to work out what was happening in Travana, who, as you  
12 mentioned, bought assets from Airfast to start basically the  
13 same business that Travana had undertaken, and then they went  
14 into Chapter 7. But we spent a significant amount of time with  
15 that estate in that court, with that trustee trying to do  
16 discovery, which would assist us in this case in terms of not  
17 burdening this estate with figuring out what our claim was,  
18 potentially getting the source code that they had bought from  
19 the Airfast estate so that we could do a comparison or get any  
20 other discovery that would allow us to make headway here in  
21 terms of our claim.

22 THE COURT: Yes. I also thought that the issue was  
23 that Fareportal's view was that there was an infringing use of  
24 your technology. So, I think one of the first instincts I had  
25 was to look to Travana. Because at the time, when we first

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1 started talking about this, Travana was an operating entity, and  
2 therefore, from your point of view, there was an ongoing  
3 infringement, --

4 MS. CADEMARTORI: Correct.

5 THE COURT: -- as opposed to Airfast, which was  
6 essentially mothballed.

7 MS. CADEMARTORI: Yes.

8 THE COURT: It sounds like that's no longer the case.

9 MS. CADEMARTORI: And at that time, Your Honor, the  
10 whole reason we ended up here is because we had a lawsuit  
11 against Travana and one of our former employees, who had never  
12 been at Airfast. And that's how we found out about the Airfast  
13 bankruptcy and that Travana had purchased from the Airfast  
14 Bankruptcy the source code, and what we believed was the basis  
15 for how they began their business, which was the same as our  
16 business. And at that point, we sort of looked back and we had  
17 had a previous, prior to Airfast bankruptcy, lawsuit against one  
18 of Airfast CTO at the time, who then ended up at Travana as  
19 well, as well as Airfast for infringement. That was settled  
20 out. And then the bankruptcy happened, and we didn't know about  
21 it.

22 Fast forward to Travana filing, we started to do all  
23 this work with the Travana trustee. We tried very hard, at  
24 least from my point of view, and I can say whatever I want, but  
25 to do a deal there, to do discovery to figure out what was going

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1 on, to get the source code so we could do a comparison and then  
2 come back here, so as not to burden this estate, because we were  
3 already after confirmation at that point.

4 For reasons that I frankly can't completely explain,  
5 and I think everybody is a little in the dark, that all fell  
6 apart. Part of the deal we were supposed to do, and I had  
7 previously explained this to the Court, with Travana was  
8 basically to buy those assets out of a Chapter 7, which is  
9 almost unheard of; out of a Chapter, get it, and then deal with  
10 it that way so we could come back to this Court and say, okay,  
11 we have the stuff we need, here's our evidence to support what  
12 we thought was a very colorable claim already, but clearly, you  
13 know, here's what we have, let's talk about where our claim was.

14 Because everything fell apart with Travana, and it  
15 seems that it is not resuscitatable at this point, we find  
16 ourselves back here. Discovery was done in the Travana case,  
17 but we do not have what we feel are the most important parts,  
18 which we thought we were going to get, which were copies of the  
19 source code, copies of documentation that would provide us the  
20 information, especially vis-à-vis what Airfast had sold, which  
21 was all of that stuff to Travana . So, we now find ourselves,  
22 and both sides took very seriously your suggestion at the last  
23 status conference that we get together because time had passed.  
24 That we get together and figure out a way forward.

25 So, we have had at least one conversation, besides the

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1 conversation that we had today, at least one conversation on a  
2 way forward. We are trying to figure that out. We are  
3 concerned that we will get a lot of pushback through the Travana  
4 estate, because frankly, that's where we have to go now. And I  
5 think we are trying to figure out way forward. Maybe making a  
6 motion in that court to get the protective order to cover the  
7 Airfast Liquidating Trust as well, so that we can share with  
8 them what we have received in terms of discovery in that case,  
9 potentially doing a subpoena. So, we're working all of that out  
10 right now.

11 THE COURT: Well, let me ask about it from another  
12 perspective, which is I don't know how much money is left in the  
13 Airfast estate. Because that sort of very much colors what the  
14 end game is here. So, it's another way to look at things. It's  
15 not the world you may hope to live in, but it's the world you  
16 actually live in. So, it would suggest, to borrow a concept  
17 from discovery, generally some proportionality as to what we're  
18 doing. So, I don't know if conversations have been had along  
19 those lines, and they were also had in Travana, which has a  
20 similar issue. And I don't know if these assets have gone on to  
21 some other party or not, which was from your point of view, the  
22 issue prior to Airfast and Travana. So, I don't know if there's  
23 been thoughts about either of those issues.

24 MS. CADEMARTORI: Your Honor, we have had preliminary  
25 conversations addressing exactly what you say. It is the world



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1 we live in. So, we have had preliminary conversations. We have  
2 made an offer in connection with, really just for lack of a  
3 better phrase, ending the matter, so that everybody can move on.  
4 With the knowledge and understanding of what is available in the  
5 estate, I'm not going to tell you that those discussions have  
6 foreclosed this point. I think they're ongoing. I would allow  
7 the trust counsel to explain to you their point of view with  
8 respect to actually talking about really the economics of where  
9 we are, and what is the stumbling block for them. So, if you  
10 would like, I could turn it over to --

11 THE COURT: All right. Let me hear from the trust.

12 MR. ORDUBEGIAN: Thank you, Your Honor, Aram  
13 Ordubegian, on behalf of the Trust.

14 Your Honor, I think you've hit the nail right on the  
15 head. So, there's only a few million dollars in the trust.  
16 That's nothing surprising. That's been the status at the time  
17 of confirmation, and --

18 THE COURT: And what's the creditor in terms of the  
19 claims that remain unpaid?

20 MR. ORDUBEGIAN: Hundreds of millions of dollars. And  
21 we were able to get a very solid D&O recovery, so there's a few  
22 million dollars that are there.

23 THE COURT: So, what would you expect the payout would  
24 be, putting aside any Fareportal claim?

25 MR. ORDUBEGIAN: Yeah, we did that analysis.

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1 MR. MARTEN: Your Honor, the latest analysis, putting  
2 aside the Fareportal claim and any litigation related to the  
3 Fareportal claim, is about 4.6 percent.

4 THE COURT: Right.

5 MR. ORDUBEGIAN: So, this is your classic sort of  
6 pennies type of distribution. And, Your Honor, as you saw from  
7 the status report we prepared, we're trying to be very  
8 objective. We're not trying to make this anymore expensive.  
9 The issue that we ran into, and we do want to settle, we've  
10 suggested we go to mediation and maybe the Court will order it  
11 today or down the line. But the problem has become, because  
12 there is no evidence attached to the proof of claim, it's very  
13 hard from the prospective of the trustee to cut any sort of a  
14 deal. And by the way, this is going to be an allowed unsecured  
15 claim at the end of the day. So, it's going to be a small  
16 distribution no matter what the number is. So, we're ready  
17 to --

18 THE COURT: Well, the reason I asked about the number  
19 is I remember representing the government in a large telecom  
20 case. It was a big environment claim. It was a huge  
21 environmental claim. But at the end of the day, I think that  
22 recovery was two cents on the dollar. So, taking a very large  
23 number and running it through the two-cent thing, it became, I  
24 wouldn't say a nuisance claim, but it was not a large payout.  
25 And there was really nothing left to fight about. Because it

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1 would have cost more money to fight about it, then to reach some  
2 sort of agreement as to what should be paid. So, that's why I  
3 asked what the number is. And that number is only going to go  
4 down, as I understand it, in terms of the cannibalization of the  
5 state assets to further litigate issues. And my understanding  
6 is, this is the only thing left in the estate.

7 MR. ORDUBEGIAN: This is the only thing left in the  
8 estate. And this is why we've been very sort of quiet and  
9 cooperative to allow Fareportal to hopefully resolve the issues  
10 on Travana side. And Your Honor, this plan was confirmed two  
11 years ago. So, we've actually got creditors -- there haven't  
12 been any distributions. We've got creditors calling us and  
13 saying, what's going on?

14 So, we do want to be helpful in any way that we can to  
15 help them share whatever information they've received from their  
16 litigation with Travana, so that we can have a rational  
17 discussion with the trustee and say, this is why they have X, Y  
18 or Z claim, so we could cut a deal.

19 THE COURT: Is there a face value to the Fareportal  
20 claim?

21 MS. CADEMARTORI: Your Honor, we filed the Fareportal  
22 claim as no less than 10 million simply based on what the same  
23 to prevent infringement claim would be for what we believe  
24 occurred with respect our source code and with respect to sort  
25 of getting that Airfast site up and running when it got up and

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1 running with our former CTO. So, that was the basis of the  
2 claim that we filed. We obviously made it unliquidated because  
3 it needed to be proven at trial. And a lot of that was very  
4 much based on getting the source code, finding out what  
5 documents sort of sussed out in terms of what went from Airfast  
6 to Travana with really the same people. So, it was a \$10  
7 million base amount I guess you could say.

8 When we've had our discussions, our settlement  
9 discussions, we have very much taken into account the pennies on  
10 a dollar that we would receive. Obviously, I'm not going to  
11 disclose what we've talked about.

12 THE COURT: No, no, I don't want to hear it. The  
13 problem always in this situation with the cost of litigation are  
14 the real dollars, not the pennies on the dollar.

15 MS. CADEMARTORI: Right. And we have taken that into  
16 consideration.

17 THE COURT: So, it would seem that if you could get --  
18 and my understanding is, right, that you're trying to do is get  
19 them access to the information that you have so that they can  
20 make their own evaluation. At least the parties have some  
21 reason/basis to figure out how to value the claim.

22 MS. CADEMARTORI: Yes. I mean, frankly, Your Honor,  
23 one of the biggest issues is we can't even explain to them what  
24 we've received or what we know from the Travana case because of  
25 the confidentiality. We are open to --

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1 THE COURT: Why is there such a blanket  
2 confidentiality? Well, maybe it's better off I don't even ask  
3 that question. So, it is what it is. But I would think that  
4 since that's relevant to this case, could there be like a 2004  
5 request in this case? And if somebody wants the response to be  
6 subject to -- right? It's about a liability of the estate.

7 MR. ORDUBEGIAN: Right. Your Honor, what we've  
8 discussed is that the confidentiality agreement is per  
9 stipulated order in California. We are going to do a joint  
10 motion to get our estate to be covered by that confidentiality  
11 agreement. At the same time, if we fall back on how you prove a  
12 proof of claim. Who's got the burden? At a certain point, if  
13 we move forward, Fareportal is going to have to, as the  
14 plaintiff, effectively, prove of their claim. So, they need to  
15 subpoena, if necessary, these source codes, documents, all the  
16 things that we sold, so that they could prove of their claim.  
17 We're hoping that on a two-track system like that, we'll either  
18 have enough information to cut a deal, or if we can't Fareportal  
19 does what a claimant usually does, which is supplement their  
20 proof of claim, and we have, hopefully, a short mini-trial here.  
21 Though we are trying to avoid that, Your Honor.

22 THE COURT: Right. All right. That's the line. So,  
23 what's the next step? It sounds like another status conference  
24 maybe 60 days out, given the holidays. It could be more. And  
25 certainly, if there's anything you need from me. Again, you all

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1 have thought about the sequencing of this, and so I'm just  
2 throwing out ideas that may or may not fit. But certainly, if  
3 there was a request for a 2004 about a liability of the estate,  
4 based on the proof of claim, I can't see how that wouldn't be  
5 granted. And then somebody would have to explain that they  
6 can't produce the stuff. And then at least you have a factual  
7 backdrop to say, we need this for the estate.

8 Now, you could simply site to this transcript and the  
9 understanding that you have that that's the case anyway, and  
10 you're trying to avoid the expense of doing that. So, I'll  
11 leave that to you all. But it would seem to me that that's kind  
12 of a no brainer from a 2004 perspective if you absolutely had to  
13 and decide you wanted to take an extra step that you're trying  
14 to avoid.

15 MR. ORDUBEGIAN: Your Honor, we were thinking that  
16 maybe a status conference about 30 days out. Maybe in mid --

17 THE COURT: With all due respect, given what you've  
18 told me and the holidays, I think 30 days is --

19 MR. ORDUBEGIAN: Yeah, I was thinking maybe mid-  
20 January.

21 THE COURT: I like your optimism, but -- yeah?

22 MR. ORDUBEGIAN: Mid-January, maybe, Your Honor? I  
23 guess the reason being, Your Honor, whether it's an upcoming  
24 status conference, or an evidentiary hearing, or trial date, I  
25 think I'm probably going to be the one in front of the Travana

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1 judge asking for the motion that I suggested. So, I just want  
2 there to be a hook.

3 THE COURT: That's fine. That's absolutely fine. So,  
4 why don't you do this? Why don't you talk to Ms. Ebanks on the  
5 way out? Since you're both here, pick a date that works for  
6 you.

7 MR. ORDUBEGIAN: Okay.

8 THE COURT: And what I will also say is, you pick a  
9 date, and if for some reason it makes sense to move that date  
10 off, then you call chambers and move it off.

11 MR. ORDUBEGIAN: Sure.

12 THE COURT: That's fine.

13 MR. ORDUBEGIAN: And, Your Honor, you've been very  
14 helpful in that regard. We do appreciate it.

15 THE COURT: Well, you know, you're between a rock and  
16 a hard place in many different ways. I see counsel --

17 MR. CARTY: Your Honor, may I be heard, please?

18 THE COURT: Sure.

19 MR. CARTY: Hi, Your Honor, Andrew Carty, from Brown  
20 Rudnick, on behalf of the AFT UK Administrators.

21 I just wanted to rise. We're the largest general  
22 unsecured creditor in this case. It's been two years since the  
23 plan has been confirmed, and I believe it went effective shortly  
24 thereafter. We haven't received any distribution. We've been  
25 waiting patiently. We've urged the US Trustee to maybe make an

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1 interim distribution or a partial distribution reserved for the  
2 Fareportal claim. Thus far, the Trustee hasn't seen the wisdom  
3 of that approach. But I just wanted to rise to let you know  
4 that there are other parties that are being affected by this,  
5 and we would really appreciate moving this forward so that  
6 general unsecured creditors, who, as we know, are receiving a  
7 fairly small distribution anyway, can get their distribution,  
8 and this case can be resolved.

9 THE COURT: If it makes you feel better, I am sure  
10 it's a small solve. The Trustee has been beating that drum  
11 since all during the time we've been having these status  
12 conferences. So, we're really trying to untie the Gordian knot.  
13 So, I totally agree. I think there's nobody here who would take  
14 a contrary view. I'm not going to delve into the notion of  
15 having interim distribution versus waiting. You all have more  
16 advance discussions on that line, and don't need me sort of  
17 floundering in like a bull in a china shop and throwing out glib  
18 decide. So, I'll let you work your way through that.

19 I think the idea is that in a case like this, they're  
20 probably hoping to have one distribution for purposes of the  
21 cost involved. So, since you've been hanging tight this long,  
22 maybe hang tight another round or so, and we'll see what we can  
23 do. But certainly, I know the Trustee has been saying that that  
24 time has come. And so, I certainly understand your perspective.

25 MR. CARTY: Thank you, Your Honor.



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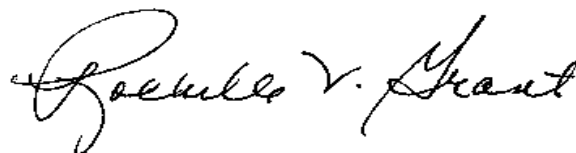
1 THE COURT: All right. Thank you. All right. So,  
2 why don't you get a date from Ms. Ebanks. If there is anything  
3 you want me to do, if you think for example, for purposes of  
4 belt and suspenders, it would be helpful to have a 2004 order,  
5 you know you can always submit an agreed upon order. There's  
6 lots of ways to do it. But you know better than I do what you  
7 actually need, and what's an efficient use of your time. So,  
8 we'll get back together in January or later, depending on how it  
9 all works out. Thank you very much for being here today. And  
10 happy holidays.

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CERTIFICATION

I, Rochelle V. Grant, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.

Dated: December 3, 2018



Signature of Approved Transcriber

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