

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

In re:)	Chapter 11	
AIRFASTTICKETS, INC.,)	Case No. 15-11951 (SHL)	
Debtor.)	Hearing Date: Dec. 1, 2015 at 10:00 a.m. (EST)	
)	Objection Deadline: Nov. 26, 2015 at 5:00 p.m. (EST)	
)		

**APPLICATION TO EMPLOY AND RETAIN RICHARDS, LAYTON & FINGER, P.A.
AS SPECIAL COUNSEL TO THE DEBTOR PURSUANT TO SECTION 327(e) OF THE
BANKRUPTCY CODE *NUNC PRO TUNC* TO THE CONVERSION DATE**

The above-captioned debtor and debtor in possession (the “**Debtor**”) files this application (the “**Application**”) for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “**Proposed Order**”), authorizing the Debtor to employ and retain Richards, Layton & Finger, P.A. (“**RL&F**”) as its special counsel *nunc pro tunc* to October 27, 2015 (the “**Conversion Date**”), pursuant to 11 U.S.C. § 327(a),¹ Fed. Rule Bankr. Proc. 2014 and Local Rule 2014-1. In support of this Application, the Debtor respectfully states as follows:

JURISDICTION

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue for this matter is proper in this district pursuant to 28 U.S.C. § 1409.

¹ This Application was served on the United States Trustee in advance of filing, consistent with the Local Rules of this Court. The Application, as served, sought retention under section 327(a) of the Bankruptcy Code. RL&F received informal comments from the United States Trustee to resolve its issues with the Application, one of which was for the order to reflect retention under Section 327(e) rather than Section 327(a) while continuing the same list of services to be provided by RL&F. In the interests of time and avoiding further expenses to the estate, this Application reflects (as did the as-served draft) the higher standards of Section 327(a) even though the order will be pursuant to Section 327(e).

BACKGROUND

2. On July 28, 2015, certain of the Debtor's creditors (the "**Petitioning Creditors**") filed an involuntary petition against AirFastTickets, Inc. seeking an order for relief under chapter 7 of the Bankruptcy Code. Pursuant to the summons issued in conjunction with the involuntary petition, the Debtor had until August 21, 2015 to respond to the involuntary petition.

3. On August 20, 2015, the Petitioning Creditors filed a stipulation with the Court extending the Debtor's time to respond to the involuntary petition, through and including September 21, 2015.

4. On September 21, 2015, in lieu of resisting the involuntary petition, the Debtor consented to the entry of the order for relief and filed its *Motion to Convert Chapter 7 Case to Chapter 11 Pursuant to 11 U.S.C. § 706(a)* [Docket No. 10] seeking to convert its case to one under chapter 11 of the Bankruptcy Code.

5. On October 27, 2015 (the "**Conversion Date**"), the Court entered an order converting the Debtor's case to chapter 11 of the Bankruptcy Code (the "**Chapter 11 Case**"), which included an Order for Relief.

6. No trustee or examiner has been requested in the Chapter 11 Case and no committees have been appointed.

RELIEF REQUESTED

7. The Debtor seeks to employ and retain RL&F *nunc pro tunc* to the Conversion Date to represent it as its special counsel in connection with its Chapter 11 Case for the tasks set forth below. Accordingly, the Debtor respectfully requests that the Court enter the Proposed Order authorizing it to employ and retain RL&F as special counsel *nunc pro tunc* to the Conversion Date and as further described in the affidavit of Russell C. Silberglied, a director at RL&F (the "**Silberglied Affidavit**"), attached hereto as **Exhibit B** and the *Declaration of Adam*

Meislik in Support of Application to Employ and Retain Richards, Layton & Finger, P.A., as Special Counsel to the Debtor Nunc Pro Tunc to the Conversion Date (the “Meislik Declaration”), a copy of which is attached hereto as Exhibit C.

A. Services to be Provided

8. Subject to further order of the Court, the Debtor requests the employment and retention of RL&F to render the following professional services:

- a) to represent the Debtor in all matters concerning or relating to corporate governance;
- b) to represent the Debtor in connection with all matters arising from or relating to proceedings pending in the Delaware Court of Chancery;
- c) to engage in discovery and/or represent the Debtor in litigation arising out of any investigations commenced prior to the order for relief being entered in the Chapter 11 Case;
- d) to assist with and represent the Debtor in the transactional aspects and the preparation, prosecution, and presentation to the Court of the sale of the Debtor’s assets pursuant to section 363 of the Bankruptcy Code; and
- e) upon notice to the Court, to perform other necessary legal services in connection with the Chapter 11 Case as requested by the Debtor.

9. The Debtor does not intend to have RL&F duplicate services and RL&F will coordinate with Arent Fox and the Debtor to make every effort to avoid and/or minimize duplication of services.

BASIS FOR RELIEF

10. Under Section 327(a) of the Bankruptcy Code, a debtor in possession “with the court’s approval, may employ one or more attorneys . . . that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the [debtor in possession] in carrying out [its] duties under this title.” 11 U.S.C. § 327(a). Such employment may be based “on any reasonable terms and conditions of employment, including on a retainer,

on an hourly basis, on a fixed percentage fee basis, or on a contingent fee basis.” 11 U.S.C § 328(a).

11. The Debtor believes that RL&F is well qualified to represent it as special counsel in this bankruptcy case. The Debtor has selected RL&F as its special counsel because of the firm’s extensive experience and knowledge in corporate governance, debtors’ and creditors’ rights, business reorganizations and liquidations under Chapter 11 of the Bankruptcy Code, as well as its expertise, experience, and knowledge in the bankruptcy sale process, and its proven track record of successfully guiding debtors through the bankruptcy sale process. In addition, because it has been working on the matter since June 2015, RL&F has historical information about the company and the issues that are likely to affect this bankruptcy case and creditor recoveries. RL&F’s services will assist the Debtor in executing faithfully its duties as debtor in possession.

12. To that end, RL&F has stated its desire and willingness to act in this Chapter 11 Case and to render the necessary professional services as special counsel to the Debtor.

A. Professional Compensation

(i) Professional Fees

13. RL&F intends to apply to the Court for allowance of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any applicable orders of this Court. Subject to those provisions, the Debtor proposes to pay RL&F its customary hourly rates in effect from time to time as set forth in the Silberglied Affidavit. The Debtor submits that these rates are reasonable.

14. RL&F’s current hourly rates for matters related to this Chapter 11 Case are expected to be within the following ranges:

<u>Position</u>	<u>Range of Hourly Rates</u>
Directors	\$585 to \$825 an hour

Counsel	\$525 an hour
Associates	\$260 to \$490 an hour
Paraprofessionals	\$235 an hour

15. The principal professionals and paraprofessionals designated to represent the Debtor as special counsel and their current standard hourly rates are as follows:

- | | | |
|----|------------------------|----------------|
| a) | Daniel J. DeFranceschi | \$750 per hour |
| b) | Russell C. Silberglied | \$725 per hour |
| c) | Robert C. Maddox | \$450 per hour |
| d) | Amanda R. Steele | \$425 per hour |
| e) | Andrew M. Dean | \$260 per hour |
| f) | Rebecca V. Speaker | \$235 per hour |

16. RL&F's hourly rates are set at a level designed to compensate RL&F fairly for the work of its attorneys and paralegals and to cover fixed and routine expenses. Hourly rates vary with the experience and seniority of the individuals assigned. These hourly rates are subject to periodic adjustments to reflect economic and other conditions (which adjustments will be reflected in the first RL&F fee application following such adjustments) and are consistent with the rates charged elsewhere.

17. Other than the periodic adjustments described above, RL&F's hourly rates and financial terms for the services performed prior to the Conversion Date are identical to the hourly rates and financial terms of the postpetition engagement proposed herein. The Debtor understands that these hourly rates are consistent with the rates that RL&F charges other comparable chapter 11 clients, regardless of the location of the chapter 11 case, and are not significantly different from the rates that RL&F charges in non-bankruptcy representations. Notwithstanding the consistent hourly rates, RL&F as a practice reviews all time charges and makes adjustments as necessary to correct any inefficiencies that may appear before billing.

18. RL&F's fees and expenses prior to the petition date were subject to approval of the Delaware Court of Chancery ("Chancery Court"). On July 31, 2015, the Chancery Court approved \$95,397.59 in fees and expenses incurred through that date and the funding of a retainer in the amount of \$60,000.00. Since that time, RL&F has been working off a retainer. Subsequently, another \$47,047.65 of fees were approved and \$65,000.00 in retainer approved and funded. On October 26, 2015, the Chancery Court entered an order approving a final additional \$25,000 in retainer. RL&F was given authority to apply the retainers before the entry of an order for relief.² Accordingly, on October 29, 2015, RL&F drew down \$72,278.88 from the retainer for unpaid fees accrued prior to entry of the order for relief. As a result, in total, RL&F has been paid \$242,676.47 prior to the Conversion Date, and holds a remaining retainer of \$2,721.12.

(ii) Expenses

19. It is RL&F's policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, telephone and telecopier toll, and other charges, regular mail and express mail charges, special or hand delivery charges, document processing charges, printing/photocopying charges, travel expenses, expenses for "working meals," computerized research charges, transcription costs as well as non-ordinary overhead expenses such as secretarial and other overtime. RL&F will charge the Debtor for these expenses in a manner and at rates consistent with charges made generally to RL&F's other clients or as previously fixed by this Court. RL&F believes that it is fair to charge these expenses to the clients incurring them instead of increasing hourly rates and spreading these expenses among all clients.

² The Chancery Court's order required RL&F to seek after-the-fact Chancery Court approval of all fees for which that retainer was applied, and to move for relief from stay if necessary to effectuate that result.

B. Disinterestedness

20. To the best of the Debtor's knowledge and as disclosed herein and in the Silberglied Affidavit: (a) RL&F is a "disinterested person" under section 101(14) of the Bankruptcy Code; (b) RL&F does not hold or represent an interest adverse to the Debtor's estate; and (c) RL&F's directors and associates have no connection to the Debtor, its creditors, or its related parties except as may be disclosed in the Silberglied Affidavit.

C. Rule 5002

21. As set forth in the Silberglied Affidavit, no director or associate of RL&F is a relative of, or has been so connected with, any United States Bankruptcy Judge for the Southern District of New York, any of the District Court Judges for the Southern District of New York who handle bankruptcy cases, the United States Trustee for Region 2, the Assistant United States Trustee for the Southern District of New York, the attorney for the United States Trustee assigned to this Chapter 11 Case or any other employee of the Office of the United States Trustee. Accordingly, the appointment of RL&F is not prohibited by Bankruptcy Rule 5002.


NOTICE

22. Notice of this Application shall be provided to: (a) the Office of the United States Trustee for the Southern District of New York; (b) the Debtor's twenty (20) largest unsecured creditors; (c) counsel to the proposed purchaser; (d) counsel to Nikolaos Koklonis, the Debtor's majority stockholder; (e) counsel to the petitioning creditors; and (f) all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002. The Debtor submits that no other or further notice is necessary.

WHEREFORE, for the reasons set forth herein, the Debtor respectfully requests that the Court enter the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as the Court deems just and proper.

Dated: November ^S____, 2015

AirFastTickets Inc.
Debtor

By: 
Adam Meislik