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*Counsel to Panos Kordonouris & Associates E.E. and  
Goodwin Solutions GmbH*

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

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In re:	:	Chapter 7
	:	
AIRFASTTICKETS, INC.,	:	Case No. 15-11951 (SHL)
	:	
Debtor.	:	
	:	
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**DECLARATION OF PANOS KORDONOURIS IN SUPPORT OF  
OBJECTION OF PANOS KORDONOURIS & ASSOCIATES E.E. A/K/A NEW MEDIA  
CONCEPT LIMITED PARTNERSHIP AND GOODWIN SOLUTIONS GMBH TO  
DEBTOR’S MOTION (I) FOR AUTHORIZATION TO (A) SELL SUBSTANTIALLY ALL  
OF ITS PROPERTY FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES,  
AND OTHER INTERESTS AND (B) ASSUME AND ASSIGN CONTRACTS AND  
(II) FOR APPROVAL OF PROCEDURES FOR DETERMINING CURE AMOUNTS**

PANOS KORDONOURIS hereby declares pursuant to 28 U.S.C. § 1746 that the following  
is true and correct.

1. I am the General Manager of New Media Concept Limited Partnership (“New  
Media”). New Media and Panos Kordonouris & Associates E.E. (together, the “Company”) are the  
same entity.

2. I submit this Declaration in support of the Objection of Panos Kordonouris &  
Associates E.E. a/k/a/ New Media Concept Limited Partnership and Goodwin Solutions GmbH to  
Debtor’s Motion (I) for Authorization to (A) Sell Substantially All of Its Property Free and Clear

of All Liens, Claims, Encumbrances, and Other Interests and (B) Assume and Assign Contracts and (II) for Approval of Procedures for Determining Cure Amounts (the “Objection”).<sup>1</sup>

3. The Company created a software system that is used for on-line booking and payment of hotel rooms and air travel (the “Booking System”).

4. On May 14, 2013, the Debtor and the Company entered into that certain Agreement (the “License Agreement”) pursuant to which the Company provided the Debtor with a non-revocable and non-exclusive license to use the Booking System. License Agreement, § 1.1.<sup>2</sup>

5. On April 28, 2014, pursuant to that certain Transfer Agreement of Intangible Assets (the “Transfer Agreement”), the Company transferred to Goodwin Solutions, among other things, the Booking System (including all associated intellectual property rights) and the License Agreement.

6. The Debtor is seeking pursuant to the Sale Motion to among other things sell all of its intellectual property and software and certain related assets<sup>3</sup> to AirTourist, Inc. (the “Buyer”) free and clear of all liens, claims, encumbrances, and other interests.

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<sup>1</sup> Capitalized terms not defined herein shall have the meaning ascribed them in the Objection.

<sup>2</sup> On July 31, 2013, the Debtor and the Company entered into an Amendment to the License Agreement. The Amendment has no impact on the Objection.

<sup>3</sup> The proposed sale includes, among other things: “(a) All Intellectual Property and Software set forth on Exhibit A to the Purchase and Sale Agreement, including all designs, code, domain names, and licenses set forth on Exhibit A to the Purchase and Sale Agreement; (b) Subject to Section 1.1(e)(i) of the Purchase and Sale Agreement, Data, lists, records and other proprietary information as set forth on Exhibit A to the Purchase and Sale Agreement; (c) Seller’s rights and interests in all “Assumed Contracts” as set forth on Exhibit B to the Purchase and Sale Agreement; ...” Sale Motion, p. 12.

7. The Booking System is a key component of the Debtor's website. Such software allows a user to book and pay for travel reservations. I strongly suspect that the Debtor has decompiled, reverse-engineered, disassembled or otherwise attempted to reconstruct the Booking System and that by doing so has obtained the full source code for the Booking System.

8. Thus, the objectors believe that the Debtor intends to include the source code for the Booking System as part of its proposed sale to the Buyer. *See* Exhibit A to Purchase and Sale Agreement (which is attached to the Sale Motion) listing property subject of the Debtor's proposed sale, ¶ 2 ("All source code and rights to source code – past, present, and future – that is compiled and installed on machines that run the AirFastTickets Website, including all Amazon infrastructure and hosted data contained in or associated with it, and all configuration data necessary in order for the systems to operate properly.").

9. Moreover, as noted above the Booking System is a key component of the Debtor's website. The Debtor is also seeking to sell "[a]ll physical servers, electronic storage and computing devices in New York, including a Microsoft Team Foundation Server containing source code and project management system." Exhibit A to Purchase and Sale Agreement, ¶ 3. Thus, it appears the Debtor may also be seeking to sell the Booking System.

10. The Debtor does not have the right to sell the Booking System or the source code for the Booking System and the Booking System and the source code for the Booking System must be explicitly carved out of the property to be sold pursuant to the Debtor's proposed Purchase and Sale Agreement.

11. In addition, the Debtor seeks pursuant to the Sale Motion to establish certain procedures in connection with the Debtor's assumption and assignment of contracts to the Buyer in connection with the proposed sale. The Sale Motion provides that the Debtor shall file a notice of assumption with the Court not later than fourteen (14) days prior to the hearing on the Sale Motion

(currently scheduled for November 24, 2015), and that such notice will list all contracts of the Debtor related to the property being sold that the Debtor and the Buyer believe may be assumed and assigned in connection with the sale and a good faith estimate of the cure amount applicable to each such contract. *See* Sale Motion, ¶ 68.

12. Under the License Agreement, the Debtor is required to make certain payments to the Company, including (but not limited to) for the Booking System, License Agreement, § 2.2, items added to the Booking System at the request of the Debtor, *id.* § 6.1, and a fee of seventy-five cents (€0,75) per PNR created for a Travel Reservation (as defined in the License Agreement) (“PNR Fees”). *Id.* § 7.

13. On or about September 22, 2014, the Company provided the Debtor with a written notice of breach of the License Agreement. A copy of the breach notice is attached hereto as **Exhibit A**. Pursuant to such notice, the Company sought under the terms of the License Agreement payment by the Debtor within thirty (30) days of the breach notice of €214.688,50 (€188.452,50 of which was for PNR Fees, and €26.236,00 of which was for Development Fees) for the Debtor’s use of the Booking System and services rendered by the Company during the period May 2014 to August 2014. The Debtor has not made such payment despite its promises to do so. (The Debtor scheduled a general unsecured claim for the Company in the sum of \$321,488.68. *See* Schedule F (Sheet 18 of 25 total sheets in Schedule F).)

14. While it does not appear from the Sale Motion (and the Debtor's other filings to date) that the Debtor is seeking to assume and assign the License Agreement to the Buyer pursuant to the Purchase and Sale Agreement,<sup>4</sup> if the Debtor sought to do so it would need to comply with the requirements of section 365 of the Bankruptcy Code including (i) paying the Company the total sum owed under the License Agreement and (ii) providing the Company with adequate assurance of the Buyer's future performance under the License Agreement.

15. Although this does not appear to be the case from the Sale Motion, the objectors also object to the Sale Motion to the extent that the Debtor is including in the proposed sale any of the approximately \$40 million in receivables listed in Schedule B.

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<sup>4</sup> Indeed, the License Agreement was not included by the Debtor in its Schedules as an executory contract, it was not included in any assumption notice (which notice was never filed by the Debtor as far as the objectors are aware), and it is not included in Exhibit B to the Purchase and Sale Agreement listing assumed contracts.

I declare under penalty of perjury under the laws of the United States of America that the foregoing  
is true and correct.

**Executed on this 17<sup>th</sup> day of November, 2015.**

A handwritten signature in blue ink, consisting of a large, loopy initial 'P' followed by a vertical stroke and a wavy tail.

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Panos Kordonouris

# **EXHIBIT A**

**FROM : PANOS KORDONOURIS & ASSOCIATES E.E (NEW MEDIA CONCEPT)**  
**TO : AIRFASTICKETS INC. (875 Third Avenue, New York, NEW YPORK 10022)**  
**ATTN : MR.NIKOLAOS KOKLONIS**  
**REF : NOTICE OF A BREACH OF CONTRACT (NON-PAYMENT OF AGREED FEES)**

Dear Mr. Koklonis,

Athens, September 22' 2014

As we all know, by virtue of a private agreement dated 14.5.2013 which was drawn up in New York (hereinafter "the Contract") it has been agreed between our company and your company "AIRFASTICKETS INC" the granting of a non -exclusive license to use the specific software program for commercial use (booking air tickets & hotels) referred to in the Contract (Article 1.1), as well the rendering of maintenance and technical support services (Article 3). By virtue of the same Contract our fees have been also agreed, regularly payable by your good selves (Article 7).

By virtue of this Contract it has been also agreed that in case of a breach of any of its terms, any contracting party has the right to request this breach to be cured within a 30 days term (Article 8.2), by virtue of a specific written notice to be delivered to the other party either personally or by registered mail or by courier or via e-mail (Article 12.9). In addition it was also agreed that in case of non-treatment of the infringement within the above 30days' deadline each party may terminate the Contract without penalty (Article 8.2. case B).

By virtue of our present letter we inform you in accordance with the above terms that our fees provided for in the Contract, regarding the license to use and the rendering of our above services during the period May 2014 to August 2014, amounting to € 214.688,5 (Euros) in total, remain unpaid, as per the amounts mentioned herein below:

- PNR Fees: € 188.452,5
- Development Fees: € 26.236,0

In view of the above, by our present letter, we are kindly ask you to pay in full your above debts within the next thirty (30) days as from receipt of this notification, in accordance with the aforementioned specific terms of the Contract.

Otherwise, in the event of failure to comply within the above period, we reserve our right to exercise our rights provided for in the Contract.

*Kind Regards*

**For PANOS KORDONOURIS & ASSOCIATES E.E**

*Panos Kondonouris*

**NEW MEDIA CONCEPT**  
ΠΑΝΟΣ ΚΟΡΔΟΝΟΥΡΗΣ & ΣΥΝΕΡΓΑΤΕΣ Ε.Ε.  
ΑΝΑΠΤΥΞΗ ΛΟΓΙΣΜΙΚΟΥ  
ΣΥΜΒΟΥΛΕΥΤΙΚΕΣ ΥΠΗΡΕΣΙΕΣ  
17ης ΝΟΕΜΒΡΙΟΥ 39 - ΧΟΛΑΡΓΟΣ  
ΑΘΗΝΑ Τ.Κ. 155 62 ΤΗΛ. 215 5106828  
ΑΦΜ: 809381746 ΔΟΥ: ΑΓ. ΠΑΡΑΣΚΕΥΗΣ,  
(ΑΓ. ΠΑΡΑΣΚΕΥΗ-ΧΟΛΑΡΓΟΥ)