

SILVERMANACAMPORA LLP
Counsel to Kenneth P. Silverman, Esq.,
Chapter 7 Trustee
100 Jericho Quadrangle, Suite 300
Jericho, New York 11753
(516) 479-6300
Jay S. Hellman, Esq.
David J. Mahoney, Esq.

Presentment Date: August 13, 2012
Time: 10:00 a.m.

Objections Due: August 6, 2012
Time: 5:00 p.m.

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X
In re:

AGAPE WORLD, INC.,
AGAPE MERCHANT ADVANCE LLC,
AGAPE COMMUNITY LLC, AGAPE
CONSTRUCTION MANAGEMENT LLC,
AGAPE WORLD BRIDGES LLC, AND
114 PARKWAY DRIVE SOUTH LLC,

Debtors.

Chapter 7
Case No.: 09-70660 (DTE)
Substantively Consolidated

-----X
KENNETH P. SILVERMAN, ESQ., as
Chapter 7 Trustee of Agape World, Inc., *et al.*,

Plaintiff,

Adv. Pro. No.: 10-08242 (DTE)

-against-

ERNESTO CUSTODIO, JR. and
NETVALUE INC.,

Defendants.
-----X

**NOTICE OF MOTION PURSUANT
TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019
FOR AN ORDER APPROVING THE STIPULATION RESOLVING
CLAIMS AGAINST DEFENDANTS AND PROVIDING FOR RELATED RELIEF**

PLEASE TAKE NOTICE, that upon the application (the "Application") of Kenneth P. Silverman, Esq., the chapter 7 trustee (the "Trustee") for the substantively consolidated estate of Agape World, Inc., *et al.*, by his counsel, SilvermanAcampora LLP, the Trustee will present a proposed order before the Honorable Dorothy T. Eisenberg, United States Bankruptcy Court for the Eastern District of New York, located at Long Island Federal Courthouse, 290 Federal Plaza, Central Islip, New York 11722 on **August 13, 2012 at 10:00 a.m.**, seeking approval of

the Stipulation Settling Trustee's Claims against Ernesto Custodio, Jr. and Netvalue Inc. A copy of the proposed Order is annexed hereto.

PLEASE TAKE FURTHER NOTICE, that objections, if any, to the relief requested in the Application or the proposed Order must be (i) made in writing; (ii) electronically filed with the Bankruptcy Court; (iii) delivered to Chambers of the Honorable Dorothy T. Eisenberg, United States Bankruptcy Judge, United States Bankruptcy Court, Eastern District of New York, Long Island Federal Courthouse, 290 Federal Plaza, Central Islip, New York 11722; (iv) mailed to SilvermanAcampora LLP, 100 Jericho Quadrangle, Suite 300, Jericho, New York 11753, Attn: David J. Mahoney, Esq.; and (v) mailed to the Office of the United States Trustee, 560 Federal Plaza, Central Islip, New York 11722, no later than **August 6, 2012**.

PLEASE TAKE FURTHER NOTICE, that if objections to the Application are filed and served in compliance with the above-paragraph, the Court will schedule a hearing on the Application.

Dated: Jericho, New York
July 20, 2012

SILVERMANACAMPORA LLP
Attorneys for Kenneth P. Silverman, Esq.,
the chapter 7 trustee

By: s/ David J. Mahoney
Jay S. Hellman
David J. Mahoney
Members of the Firm
100 Jericho Quadrangle, Suite 300
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SILVERMANACAMPORA LLP
Counsel to Kenneth P. Silverman, Esq.,
Chapter 7 Trustee
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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 7
Case No.: 09-70660 (DTE)
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AGAPE WORLD, INC.,
AGAPE MERCHANT ADVANCE LLC,
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KENNETH P. SILVERMAN, ESQ., as
Chapter 7 Trustee of Agape World, Inc., *et al.*,

Plaintiff,

Adv. Pro. No.: 10-08242 (DTE)

-against-

ERNESTO CUSTODIO, JR. and
NETVALUE INC.,

Defendants.
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**MOTION PURSUANT TO FEDERAL
RULE OF BANKRUPTCY PROCEDURE 9019
FOR AN ORDER APPROVING THE STIPULATION RESOLVING
CLAIMS AGAINST DEFENDANTS AND PROVIDING FOR RELATED RELIEF**

Kenneth P. Silverman, Esq., the chapter 7 trustee (the "Trustee") of the substantively consolidated estate of Agape World, Inc., *et al.*, by his attorneys SilvermanAcampora LLP, seeking an Order approving the stipulation of settlement by and between the Trustee, Ernesto Custodio, Jr. ("Custodio") and Netvalue Inc. ("Netvalue" and together with Custodio, collectively, the "Defendants"), respectfully submits this motion (the "Motion") under 11 U.S.C. §105 and Federal Rule of Bankruptcy Procedure 9019 for an Order, annexed hereto as **Exhibit A**,

approving the stipulation of settlement annexed hereto (the “Stipulation”) that resolves claims against the Defendants. All parties are encouraged to review the Stipulation in its entirety for the specific terms of the settlement. A copy of the Stipulation is annexed hereto as **Exhibit B**.

Background

1. On February 5, 2009 (the “Petition Date”), an involuntary chapter 7 petition was filed by four petitioning creditors (“the Petitioning Creditors”) pursuant to 11 U.S.C. §303(b), against Agape World, Inc. (“AWI”), in the United States Bankruptcy Court for the Eastern District of New York.

2. On February 9, 2008, the Petitioning Creditors filed a motion to appoint an interim chapter 7 trustee under 11 U.S.C. §303(g).

3. On February 12, 2009, the Court granted the Petitioning Creditors’ motion and entered an order directing the United States Trustee’s Office to immediately appoint an interim chapter 7 trustee in the AWI case.

4. On February 12, 2009, Kenneth P. Silverman, Esq., was appointed the interim trustee in the AWI case, and has since duly qualified and is now the permanent Trustee in the AWI substantively consolidated case.

5. On March 4, 2009, the Court issued an Order for relief in the AWI chapter 7 case.

6. On April 14, 2009, the Court issued an Order substantively consolidating AWI, Agape Merchant Advance LLC, Agape Community LLC, Agape Construction Management, LLC, Agape World Bridges LLC, and 114 Parkway Drive South LLC (collectively the “Debtors” or “Agape”).

7. On June 6, 2010, the Trustee commenced Adv. Pro. No. 10-08242 against Defendants by the filing of a complaint (the “Adversary Proceeding”), wherein the Trustee asserted that certain transfers made by the Debtors to Custodio totaling \$111,711.00 (the “Custodio Transfers”), and certain transfers made by the Debtors to Netvalue totaling \$257,035.76 (the “Netvalue Transfers”) are avoidable pursuant to 11 U.S.C. §§548, 550 and

551, New York Debtor and Creditor Law §§273, 274, 275, 276 and 276-a, and New York common law.

8. Additionally, the Trustee asserted that certain transfers totaling \$214,035.76 (the “Netvalue Preferential Transfers”) were made by the Debtors to the Defendants within one (1) year immediately prior to the Filing Date are avoidable pursuant to 11 U.S.C. §§547 and 550 (the “Netvalue Preferential Transfers” together with the Custodio Transfers and the Netvalue Transfers collectively, the “Transfers”)(the “Trustee’s Claims”).

9. The Trustee and the Defendants, through their counsel, engaged in settlement discussions seeking a resolution of the Adversary Proceeding. In an effort to avoid the costs, expenses and uncertainty of continued litigation, the parties have now agreed to resolve the issues raised in the Trustee’s Claim upon the terms and conditions contained in the Stipulation.

10. The Trustee has agreed to accept \$80,000.00 (the “Settlement Sum”), plus a waiver of all claims by the Defendants in settlement of the Trustee’s Claims.

11. Additionally, upon receipt and clearance of the full Settlement Sum and upon approval of the Stipulation by this Court, the Trustee shall dismiss this adversary proceeding (Adv. Pro. No. 10-08242) and Adv. Pro. No. 11-09222 which is pending against Netvalue before the Honorable Alan S. Trust.

Settlement

12. The Trustee has determined that settling this matter for the Settlement Sum is in the best interests of the Debtors’ estate and is the most economical and efficient way to realize a meaningful and beneficial recovery for the benefit of creditors without the need to incur legal fees and risks inherent with the prosecution of the Trustee’s Claims and any resulting judgment efforts.

13. Indeed, after consultation with his retained professionals and in the exercise of his business judgment, the Trustee has determined that the voluntary return of the Settlement Sum outweighs the potential net recovery to the estate if the Trustee elected to prosecute the

Trustee's Claims through trial and enforce a resulting judgment against the Defendants.

14. In light of the foregoing and mindful of the costs and risks of litigating the Trustee's Claims, the Trustee has agreed to accept the Settlement Sum.

Basis for Relief Requested

15. Federal Rule of Bankruptcy Procedure 9019(a), which governs the approval of compromises and settlement, provides:

(a) **Compromise.** On motion by the trustee and after notice and hearing, the court may approve a compromise or settlement. Notice shall be given to creditors, the United States trustee, the debtor, and indenture trustees as provided in Rule 2002 and to any other entity as the court may direct.

16. In approving a compromise and settlement, the Bankruptcy Court is required to make an "informed and independent judgment" as to whether the compromise and settlement is fair and equitable based on an:

[e]ducated estimate of the complexity, expense and likely duration of [any] litigation, the possible difficulties of collecting on any judgment which might be obtained, and all other factors relevant to a full and fair assessment of the wisdom of the proposed compromise. Basic to this process, in every instance, of course, is the need to compare the terms of the compromise with the likely rewards of litigation.

Protective Committee for Independent Stockholders of TMT Trailer Ferry, Inc. v. Anderson, 390 U.S. 414, 424-425, *reh'g denied*, 391 U.S. 909 (1968). See *American Can Co. v. Herpel (In re Jackson Brewing Co.)*, 624 F.2d 605, 607 (5th Cir. 1980); *Chopin Assoc. v. Smith (In re Holywell Corp.)*, 93 B.R. 291, 294 (Bankr.S.D.Fla. 1988); *In re Arrow Air, Inc.*, 85 B.R. 886, 891 (Bankr. S.D. Fla. 1988); *In re Bell & Beckwith*, 77 B.R. 628, 611 (Bankr.N.D.Ohio), *aff'd*, 87 B.R. 472 (N.D.Ohio 1987); *Cf. Magill v. Springfield Marine Bank (In re Heissinger Resources Ltd.)*, 67 B.R. 378, 383 (C.D. Ill. 1986) ("the law favors compromise").

17. In making its determination, the Court should consider whether the proposed compromise is in the "best interest of the estate". *Depo v. Chase Lincoln First Bank, N.A. (In re Depo)*, 77 B.R. 381, 383 (N.D.N.Y. 1987), *aff'd*, 863 F.2d 45 (2d Cir. 1988). As stated in *Arrow Air*, the "approval of [a] proposed compromise and settlement is a matter of this Court's sound

discretion." *Arrow Air*, 85 B.R. at 891. In passing upon a proposed settlement, "the bankruptcy court does not substitute its judgment for that of the Trustee [or debtor in possession]". *Depo*, 77 B.R. at 384 (citations omitted). The bankruptcy court is not required "to decide the numerous questions of law and fact raised by [objectors].... [R]ather [the Court should] canvass the issues and see whether the settlement falls below the lowest point in the range of reasonableness." *Cosoff v. Rodman (In re W.T. Grant Co.)*, 699 F.2d 599, 608 (2d Cir.), *cert denied*, 464 U.S. 822 (1983) (*quoting Newman v. Stein*, 464 F.2d 689, 693 (2d Cir.), *cert denied*, 409 U.S. 1039 (1972)). See *Holywell* 93 B.R. at 294. ("In order to exercise this discretion properly, the Court must consider all the relevant facts and evaluate whether the compromise suggested falls below the 'lowest point in the range of reasonableness'") (*quoting In re Teltronics Services, Inc.*, 762 F.2d 185, 189 (2d Cir. 1985)). In passing upon the reasonableness of a proposed compromise, the Court "may give weight to the opinions of the Trustee [or debtor in possession], the parties and their counsel." *Bell & Beckwith*, 77 B.R. at 512.

18. The factors to be considered by the Court in determining whether to approve a compromise or settlement include (a) probability of success in the litigation, with due consideration for the uncertainty in fact and law, (b) the complexity and likely duration of the litigation and any attendant expense, inconvenience and delay, and (c) all other factors bearing on the wisdom of the compromise. *Arrow Air*, 85 B.R. at 891 (*citing TMT Trailer Ferry*, 390 U.S. at 424-25). See *Jackson Brewing Co.*, 624 F.2d at 507; *Holywell Corp.*, 93 B.R. at 294-95 (citations omitted).

19. Here, the Defendants have raised triable issues of fact related to the issue of whether the Trustee would be able to prove that Custodio was an "insider" of the Debtors. Specifically, Custodio deposited a total of \$98,840.00 into Agape and received a total of \$110,011.23 for a net total of \$11,171.23. As such the Settlement Sum exceeds Custodio's net

total. Additionally, Netvalue, a now defunct corporation¹, deposited a total of \$30,000.15 and received a total of \$234,873.40 for a net total of \$204,873.25. Further, while investigating the validity of the Trustee's Claims, the Defendants submitted certified financial disclosures (the "Disclosures"). The Trustee reviewed and analyzed the Disclosures to determine the financial status of the Defendants and the likelihood of enforcing a judgment. The Trustee submits that, based upon those Disclosures, it is unlikely that the Trustee would be able to enforce a judgment on the Trustee's Claims, against the Defendants, that would result in a "net-benefit" to the Debtor's estate in excess of the Settlement Sum.

20. Additionally, the with respect to the likelihood of enforcing a judgment against Netvalue, the Trustee submits that, based upon those Disclosures, it is unlikely that the Trustee would be able to enforce a judgment on the Trustee's Claims, against Netvalue, that would result in a "net-benefit" to the Debtors' estate in excess of the Settlement Sum. Likewise, if the Trustee were to litigate all of the Trustee's Claims against Defendants through trial, the associated administrative expense would likely subsume any net benefit over and above the Settlement Sum. In the sound business judgment of the Trustee, a settlement is both appropriate and warranted. The Trustee believes that the Settlement is fair and equitable and in the best interest of the estate.

Notice of Motion

21. The Trustee has served the Notice of Presentment, proposed Order, and Motion in support with Exhibits upon: (i) the Office of the United States Trustee; (ii) Nicholas Cosmo, the former principal of the Debtor, (ii) the Defendant herein and his counsel (iii) the taxing authorities, and (iv) pursuant to the Court's July 8, 2009 Order Establishing Noticing

¹ Pursuant to the Florida Division of Corporations website, http://www.sunbiz.org/scripts/cordet.exe?action=DETFIL&inq_doc_number=P07000024220&inq_came_from=NAMFWD&cor_web_names_seq_number=0000&names_name_ind=&names_cor_number=&names_name_seq=&names_name_ind=&names_comp_name=NETVALUE&names_filing_type, visited on July 11, 2012, Netvalue was dissolved on September 23, 2011 and the last annual report for Netvalue was filed on January 8, 2010. A copy of the Florida record is annexed hereto as **Exhibit C**.

Procedures, all parties having filed a Notice of Appearance in this case, and copies have been posted on the Trustee's website located at www.agapeworldbankruptcy.com.

22. No previous application for the relief requested herein has been made to this or any other Court.

WHEREFORE, the Trustee respectfully requests that this Court grant this application authorizing and approving the Stipulation and grant such other further and different relief as this Court deems just and proper.

Dated: Jericho, New York
July 20, 2012

SILVERMANACAMPORA LLP
Attorneys for Kenneth P. Silverman, Esq.,
the chapter 7 trustee

By: s/ David J. Mahoney
David J. Mahoney
A Member of the Firm
100 Jericho Quadrangle, Suite 300
Jericho, New York 11753
(516) 479-6300

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X
In re:

AGAPE WORLD, INC.,
AGAPE MERCHANT ADVANCE LLC,
AGAPE COMMUNITY LLC, AGAPE
CONSTRUCTION MANAGEMENT LLC,
AGAPE WORLD BRIDGES LLC, AND
114 PARKWAY DRIVE SOUTH LLC,

Debtors.

-----X
KENNETH P. SILVERMAN, ESQ., as
Chapter 7 Trustee of Agape World, Inc., *et al.*,

Plaintiff,

-against-

ERNESTO CUSTODIO, JR. and
NETVALUE INC.,

Defendants.
-----X

Chapter 7
Case No.: 09-70660 (DTE)
Substantively Consolidated

Adv. Pro. No.: 10-08242 (DTE)

**ORDER (I) GRANTING THE TRUSTEE'S MOTION UNDER
BANKRUPTCY RULE 9019, (II) APPROVING THE STIPULATION
RESOLVING CLAIMS AGAINST DEFENDANTS AND (III) GRANTING RELATED RELIEF**

Upon the Notice of Motion (the "Notice"), dated July 20, 2012, and related motion (collectively, the "Motion") of Kenneth P. Silverman, Esq., the chapter 7 trustee (the "Trustee") of the substantively consolidated estate of Agape World, Inc., *et al.*, by his counsel, SilvermanAcampora LLP, seeking the entry of an Order approving a Stipulation (the "Stipulation") Settling the Trustee's Claims against Ernesto Custodio, Jr. and Netvalue Inc. (the "Defendants"); and upon the Affidavit of Service filed with the Court; and no objections to the Motion or the proposed Order having been filed; and the Court having found that the settlement of the Trustee's claims pursuant to 11 U.S.C. §§547, 548, 550 and 551, New York Debtor and Creditor Law §§273, 274, 275, 276 and 276-a (the "Trustee's Claims") against Defendants to be fair, reasonable and in the best interest of the Debtors' estate; and the Court having found that

service of the Notice, Motion with exhibits and proposed Order is sufficient; and it appearing that good and sufficient cause exists for granting the Application and proposed Order; and no additional notice being necessary or required;

NOW, THEREFORE, upon the Notice and Motion of the Trustee and pursuant to Federal Rule of Bankruptcy Procedure 9019(a) and other applicable law, it is hereby

ORDERED, that service of the Notice and Motion and proposed Order, having been provided to: (i) the Office of the United States Trustee; (ii) Nicholas Cosmo, former principal of the Debtors, (iii) Defendants and their counsel, (iv) the appropriate taxing authorities, and (v) all parties having filed a Notice of Appearance in this case, and copies have been posted on the Trustee's website located at www.agapeworldbankruptcy.com complies with this Court's Order Establishing Noticing Procedures entered on July 8, 2009 and is otherwise sufficient; and it is further

ORDERED, that the Motion is granted, and it is further

ORDERED, that the settlement of the Trustee's Claims against Defendants as memorialized in the Stipulation is approved; and it is further

ORDERED, that the Trustee be, and hereby is authorized and directed to take such steps, execute such documents and expend such funds as may be reasonably necessary to effectuate and implement the terms and conditions of this Order.

SO ORDERED:

EXHIBIT B

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK
AT CENTRAL ISLIP

-----X
In re:

Chapter 7
Case No. 09-70660 (DTE)
Substantively Consolidated

AGAPE WORLD, INC.,
AGAPE MERCHANT ADVANCE LLC,
AGAPE COMMUNITY LLC, AGAPE
CONSTRUCTION MANAGEMENT LLC,
AGAPE WORLD BRIDGES LLC, AND
114 PARKWAY DRIVE SOUTH LLC,)

Debtors.

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KENNETH P. SILVERMAN, ESQ., as
Chapter 7 Trustee of Agape World, Inc., *et al.*

Plaintiff,

Adv. Pro. No. 10-08242 (DTE)

-against-

ERNESTO CUSTODIO, JR. and
NETVALUE INC.,

Defendants.
-----X

**STIPULATION SETTLING
THE TRUSTEE'S CLAIMS AGAINST
ERNESTO CUSTODIO, JR. AND NETVALUE INC.**

I. On February 5, 2009 (the "Filing Date"), an involuntary chapter 7 petition was filed by four petitioning creditors (the "Petitioning Creditors") pursuant to 11 U.S.C. §303(b), against Agape World, Inc. ("AWI"), in the United States Bankruptcy Court for the Eastern District of New York.

II. On February 9, 2009, the Petitioning Creditors filed a motion to appoint an interim chapter 7 trustee under 11 U.S.C. §303(g).

III. On February 12, 2009, the Court granted the Petitioning Creditors' motion and entered an order directing the United States Trustee's Office to immediately appoint an interim chapter 7 trustee in the AWI case.

IV. On February 12, 2009, Kenneth P. Silverman, Esq., was appointed the interim trustee in the AWI case, and has since duly qualified and is now the permanent Trustee in the Debtors' substantively consolidated case.

V. On March 4, 2009, the Court issued an Order for relief in the AWI chapter 7 case.

VI. On April 14, 2009, the Court issued an Order substantively consolidating AWI, Agape Merchant Advance LLC, Agape Community LLC, Agape Construction Management, LLC, Agape World Bridges LLC, and 114 Parkway Drive South LLC (collectively, the "Debtors").

VII. The Trustee and his counsel have investigated the financial affairs of the Debtors, including a detailed analysis of the extent and validity of certain transfers made by the Debtors to Ernesto Custodio, Jr. ("Custodio") and Netvalue Inc. ("Netvalue" and together with Custodio, collectively, the "Defendants") prior to the Filing Date.

VIII. On June 6, 2010, the Trustee commenced Adv. Pro. No. 10-08242 against Defendants by the filing of a complaint ("Complaint"), wherein the Trustee asserted that certain transfers totaling \$111,711.00 (the "Custodio Transfers") made by the Debtors to the Custodio are avoidable pursuant to 11 U.S.C. §§548, 550 and 551, New York Debtor and Creditor Law §§273, 274, 275, 276 and 276-a, and New York common law.

IX. The Trustee further asserted that certain transfers totaling \$257,849.00 (the "Netvalue Transfers") made by the Debtors to the Netvalue are avoidable pursuant to 11 U.S.C. §§548, 550 and 551, New York Debtor and Creditor Law §§273, 274, 275, 276 and 276-a, and New York common law.

X. Additionally, the Trustee asserted that certain transfers totaling \$214,035.76 (the "Netvalue Preferential Transfers") were made by the Debtors to the Defendant within 90 days prior to the Filing Date are avoidable pursuant to 11 U.S.C. §§547 and 550 (the "Netvalue Preferential Transfers" together with the Custodio Transfers and the Netvalue Transfers collectively, the "Transfers")(the "Trustee's Claims").

XI. Thereafter, Defendants retained their undersigned counsel to defend against the Trustee's Claims.

XII. The parties engaged in informal discovery related to the Trustee's Claims and the defenses asserted by Defendants.

XIII. In the spirit of compromise and without any admission of liability, Defendants have offered to remit the sum of \$80,000.00 (the "Settlement Sum") to the Trustee in full and final settlement of the Trustee's Claims.

XIV. Upon receipt and clearance of the full Settlement Sum and upon approval of this Stipulation (the "Stipulation") by the United States Bankruptcy Court for the Eastern District of New York, the Trustee shall dismiss this adversary proceeding (Adv. Pro. No. 10-08242) and Adv. Pro. No. 11-09222 which is pending against Netvalue before the Honorable Alan S. Trust.

XV. Based upon his review of all documentation related to the Transfers and his investigation of all attendant factors, the Trustee has, in his business judgment, agreed to settle the Trustee's Claims upon the following terms and conditions, which the Trustee believes are fair and reasonable, especially in light of the costs and uncertainty associated with litigation.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among the parties hereto, that the Trustee's Claims be resolved upon the terms and conditions set forth herein as follows:

Defendants' Obligation to Pay the Settlement Sum

1. This Stipulation is subject to the approval of the United States Bankruptcy Court for the Eastern District of New York (the "Approval Order").

2. The Trustee has authorized Defendants to pay the Settlement Sum in twelve (12) installments. The first installment, in the amount of \$10,000.00 is due on or before July 31, 2012. The second installment, in the amount of \$1,000.00, is due on or before August 31, 2012. The third installment, in the amount of \$1,000.00, is due on or before September 31, 2012. The

fourth installment, in the amount of \$1,000.00, is due on or before October 31, 2012. The fifth installment, in the amount of \$1,000.00, is due on or before November 30, 2012. The sixth installment, in the amount of \$1,000.00, is due on or before December 31, 2012. The seventh installment, in the amount of \$1,000.00, is due on or before January 31, 2012. The eighth installment, in the amount of \$1,000.00, is due on or before February 28, 2013. The ninth installment, in the amount of \$1,000.00, is due on or before March 31, 2013. The tenth installment, in the amount of \$1,000.00, is due on or before April 30, 2013. The eleventh installment, in the amount of \$1,000.00, is due on or before May 31, 2013. The final installment, in the amount of \$60,000.00, is due on or before June 30, 2013. All installments shall be remitted to "Kenneth P. Silverman, Esq., as Chapter 7 Trustee," by delivering a check to Trustee's counsel at SilvermanAcampora LLP, 100 Jericho Quadrangle, Suite 300, Jericho, New York, 11753, Attention: Wade C. Wilkinson, Esq. Nothing contained herein shall preclude or penalize Defendants from pre-paying any installment or portion of any installment.

3. If Defendants fail to make timely payment of any installment of the Settlement Sum in accordance with paragraph 2, above, or if Defendants' payment is dishonored for any reason whatsoever and Defendants do not cure such default within five (5) business days after written notice sent by Federal Express or other reputable overnight courier to Defendants' counsel at the address set forth herein, then the Trustee shall be entitled to move before the Bankruptcy Court, without further notice and upon the affidavit by the Trustee attesting to the default (a) for the entry of a judgment against Defendants for Two Hundred Twenty-Five Thousand Three Hundred Sixty-Three And 09/100 (\$225,363.09) Dollars¹, plus costs, less any sums previously paid as provided herein, and (b) for any further relief necessary to enforce his rights under this Stipulation. Written notice of default shall be sent by Federal Express or other

¹ This total is the agreed upon net value of all disbursements made by the Debtors to Defendants.

reputable overnight courier to Defendants' counsel at Pryor Cashman LLP, 7 Times Square, New York, New York 10036 (Attn. Seth H. Lieberman, Esq.).

4. The Settlement Sum shall be held in the escrow account of the Trustee's counsel until the Approval Order becomes final and non-appealable under 28 U.S.C. §158(c)(2) and Bankruptcy Rule 8002.

5. Upon the Approval Order becoming final and non-appealable, the fourteenth day after the date of the entry of the Approval Order, the Trustee will transfer each installment of the Settlement Sum being held in the segregated "Earnest Money" account into the Debtors' estate account. If the Bankruptcy Court denies the entry of the Approval Order, the Trustee will return the Settlement Sum to Defendants' counsel without undue delay.

6. If the Court does not enter the Approval Order, this Stipulation will be null and void and none of the terms herein shall be usable as evidence by either party.

Releases

7. Upon the entry of the Approval Order, and the Trustee's receipt and clearance of each installment of the Settlement Sum, the Trustee and the estate release and forever discharge Defendants, their affiliated entities, agents, representatives, present or former officers, attorneys, directors, assigns and successors-in-interest from any and all claims, claims for relief, demands, costs, expenses, damages, liabilities, and obligations of any nature arising out of or relating to the Trustee's Claims. For purposes of clarification, nothing contained herein shall be construed to be a release by the Trustee of any claims that the Trustee may have or subsequently discover under 11 U.S.C. §550(a)(2) and the Trustee is specifically not releasing any claims under 11 U.S.C. §550(a)(2).

8. Upon the entry of the Approval Order, and the Trustee's receipt and clearance of each installment of the Settlement Sum, the Trustee shall dismiss Adv. Pro. No. 11-09222 currently pending against Netvalue before the Honorable Alan S. Trust.

9. Upon the entry of the Approval Order, Defendants release, discharge and waive any and all claims against the Debtors' Estate, the Trustee and the Trustee's agents, attorneys, assigns and successors-in-interest from any and all claims, claims for relief, demands, costs, expenses, damages, liabilities, and obligations of any nature.

10. Nothing contained in this Stipulation can be construed as a waiver of the Trustee's right to object to any proof of claim.

No Admission

11. It is understood and agreed that this Stipulation is entered into to avoid costly and protracted litigation. Neither the execution of this Stipulation, nor the payment of the Settlement Sum shall be construed as an admission on Defendants' part of the truth of any allegation set forth in the Complaint or any claim asserted by the Trustee. For clarification, this paragraph is not intended and shall not be deemed to affect Defendants' obligation to make timely payment of the Settlement Sum or adversely affect the Trustee's rights and remedies under paragraph 2 in the event that Defendants fail to make timely payment of the Settlement Sum.

12. This Stipulation has been entered into for settlement purposes only, and is not admissible in any action or proceeding except to obtain the Approval Order and to enforce the expressed terms and conditions hereof.

Miscellaneous

13. This Stipulation may be executed in one or more counterparts, with each part being deemed a part of the original document, and facsimile or other electronic signatures shall be deemed an original signature.

14. The person executing this Stipulation on behalf of each respective party warrants and represents that she or he is authorized and empowered to execute and deliver this Stipulation on behalf of such party.

15. The Bankruptcy Court shall retain exclusive jurisdiction over the subject matter of this Stipulation, including but not limited to its enforcement and the implementation and interpretation of its terms and conditions.

16. This Stipulation shall be governed by the laws of the State of New York, except with respect to matters as to which federal law is applicable without regard to any conflicts of law principles.

17. This Stipulation may not be altered, modified, or changed unless in writing, signed by the parties or their counsel.

18. The Trustee and Defendants are each responsible for their own costs and attorneys' fees incurred in connection with this proceeding.

Dated: Jericho, New York
~~June~~ __, 2012
July 20,

SILVERMANACAMPORA LLP
Attorneys for Kenneth P. Silverman, Esq.,
The Chapter 7 Trustee

By: s/ David J. Mahoney
David J. Mahoney
Jay S. Hellman
Members of the Firm
100 Jericho Quadrangle, Suite 300
Jericho, New York 11753
(516) 479-6300

Dated: New York, New York
July 15, 2012

PRYOR CASHMAN LLP
Attorneys for Defendant

By: /s/ Seth H. Lieberman
Seth H. Lieberman
7 Times Square
New York, New York 10036
(212) 421-4100

EXHIBIT C



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Florida Profit Corporation

NETVALUE INC.

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10911 NW 13TH CT
CORAL SPRINGS FL 33071

Changed 06/20/2008

Mailing Address

10911 NW 13TH CT
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Changed 06/20/2008

Registered Agent Name & Address

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CORAL SPRINGS FL 33071

Name Changed: 06/20/2008

Address Changed: 06/20/2008

Officer/Director Detail

Name & Address

Title D

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