

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

Presentment Date: June 7, 2012
Time: 10:00 a.m.

Objections Due: May 31, 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,

-against-

Adv. Pro. No.: 10-08899 (DTE)

JFE CONSULTING INC.,

Defendant.

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

Plaintiff,

-against-

Adv. Pro. No.: 11-08330 (REG)

ANTHONY GALEOTAFIORE,

Defendant.

-----X
**NOTICE OF PRESENTMENT OF PROPOSED
ORDER UNDER BANKRUPTCY RULE 9019(a)
APPROVING A STIPULATION SETTLING THE TRUSTEE'S
CLAIMS AGAINST JFE CONSULTING INC. AND ANTHONY GALEOTAFIORE**

PLEASE TAKE NOTICE, that upon the application (the "Motion") 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, in her courtroom 760, located at Long Island Federal Courthouse, 290 Federal Plaza, Central Islip, New York 11722 on **June 7, 2012 at 10:00 a.m.**, seeking approval of the stipulation settling the Trustee's claims against JFE Consulting Inc. and Anthony Galeotafiore. A copy of the proposed Order is annexed hereto.

PLEASE TAKE FURTHER NOTICE, that objections, if any, to the relief requested in the Motion 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, Courtroom 760, 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 **May 31, 2012**.

PLEASE BE ADVISED, that if an objection is timely filed to the relief requested, or if the Court determines that a hearing is appropriate, the Court will schedule a hearing. Notice of such a hearing will be provided by the applicant.

**PLEASE BE ADVISED, that if no objection is received by the Objection Deadline,
the Court may enter the attached Order approving the stipulation without further notice.**

Dated: Jericho, New York
May 14, 2012

SILVERMANACAMPORA LLP
Counsel to Kenneth P. Silverman, Esq., the
Chapter 7 Trustee

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

SILVERMANACAMPORA LLP
Counsel to Kenneth P. Silverman, Esq.,
Chapter 7 Trustee
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**UNITED STATES BANKRUPTCY COURT
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In re:

Chapter 7
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Debtors.

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

Plaintiff,

Adv. Pro. No.: 10-08899 (DTE)

-against-

JFE CONSULTING INC.,

Defendant.

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

Plaintiff,

Adv. Pro. No.: 11-08330 (REG)

-against-

ANTHONY GALEOTAFIORE,

Defendant.

-----X
**TRUSTEE'S MOTION UNDER BANKRUPTCY
RULE 9019(a) SEEKING THE ENTRY OF AN ORDER
APPROVING A STIPULATION SETTLING THE TRUSTEE'S
CLAIMS AGAINST JFE CONSULTING INC. AND ANTHONY GALEOTAFIORE**

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, respectfully submits this motion (the “Motion”) under 11 U.S.C. §105 and Federal Rule of Bankruptcy Procedure 9019 for entry of an Order approving the proposed settlement of the Trustee’s claims under §§105, 541, 544, 548, 550 and New York Debtor and Creditor Law §§ 273, 274, 275, 276 against JFE Consulting Inc. (“JFE”) and Anthony Galeotafiore (“Galeotafiore” and together with JFE, collectively, the “Defendants”), annexed hereto as **Exhibit A**, as memorialized in the Stipulation Settling the Trustee’s Claims Against Anthony Galeotafiore and JFE Consulting Inc. In Consideration For the Withdrawal of Proof of Claim #2089 (the “Stipulation”), which has been annexed hereto as **Exhibit B**. All parties are encouraged to review the annexed Stipulation in its entirety for the specific terms of the proposed settlement.

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 Debtors’ 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, “Agape” or the “Debtors”).

7. Thereafter, pursuant to an Order of this Court dated April 21, 2009 (Dkt. No. 106), the Trustee retained Navigant Consulting Inc. (“Navigant”) to, among other things, conduct a forensic analysis of Agape’s books and records.

8. Based upon Navigant’s analysis, the Trustee determined that JFE received certain transfers, totaling \$265,725.00, were made by the Debtors to JFE within 6 years prior to the Filing Date (the “JFE Net Transfers”).

9. On December 6, 2010, the Trustee commenced an adversary proceeding against JFE by filing of a complaint, wherein the Trustee asserted that the JFE Net 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. (the “JFE Adversary Proceeding”).

10. Additionally, based upon Navigant’s analysis, the Trustee determined that Galeotafiore received certain transfers totaling \$36,925.00, made by the Debtors to Galeotafiore, (the “Galeotafiore Net Transfers”).

11. On January 30, 2011, the Trustee commenced an adversary proceeding against Galeotafiore (the “Galeotafiore Adversary Proceeding” and together with the JFE Adversary Proceeding, collectively, the “Adversary Proceedings”) by the filing of a complaint, wherein the Trustee asserted that the Galeotafiore Net 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.

12. The claims asserted in the Adversary Proceedings form the basis of the Trustee’s claims (the “Trustee’s Claims”).

13. The parties engaged in informal discovery related to the Trustee’s Claims and the defenses asserted by Defendants. That discovery revealed that JFE and Galeotafiore

invested \$1,390,000.00 with Agape and received \$1,392,650.00 in return. As such, the net benefit received by Defendants totaled less than \$3,000.00.

14. The Trustee and the Defendants, through their counsel, engaged in settlement discussions in an effort to consensually resolve the Adversary Proceedings. In order to avoid the costs, expenses and uncertainty of continued litigation, the parties have now agreed to resolve the Trustee's Claims upon the terms and conditions contained in the Stipulation.

15. JFE has offered to waive the proof of claim filed against the Debtor's estate, numbered 2089, in the amount of One Million Four Hundred Seventy Thousand And 00/100 (\$1,470,000.00) Dollars (the "JFE Claim"), in full and final settlement of the Trustee's Claims.

16. For all of the reasons set forth herein, the Trustee submits that accepting Defendants' offer to waive the JFE Claim in full and final settlement of the Trustee's Claims is a reasonable exercise of the Trustee's business judgment and is in the best interests of the Debtors' estate.

Settlement

17. The Trustee has determined that settling this matter for waiver of the JFE Claim 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.

18. Indeed, after consultation with his retained professionals and in the exercise of his business judgment, the Trustee has determined that the voluntary waiver of the JFE Claim 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.

19. 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 waiver of the JFE Claim.

Basis for Relief Requested

20. 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.

21. 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 Heissing Resources Ltd.)*, 67 B.R. 378, 383 (C.D. Ill. 1986) ("the law favors compromise").

22. 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.

23. 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).

24. Based upon the informal discovery conducted by the parties, the net benefit to be derived by further prosecution of the claims is outweighed by the voluntary withdrawal of the JFE Claim. By offering to voluntarily waive the JFE Claim, other creditors of the Debtor's Estate will receive a greater distribution from their claims filed with the Estate. The Trustee submits that considering the costs and uncertainties associated with trial and judgment enforcement, and the amount of the Trustee's demand, it is unlikely that further litigation would result in a "net benefit" to the Debtors' estate. In the sound business judgment of the Trustee, the proposed 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

25. The Trustee has served the Notice of Hearing, proposed Order, and Motion in support with Exhibit upon: (i) the Office of the United States Trustee; (ii) Nicholas Cosmo, former principal of the Debtors, (iii) the appropriate taxing authorities, and (iv) 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. The Trustee respectfully submits that the proposed service complies with this Court's Order Establishing Noticing Procedures entered on July 8, 2009.

26. 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
May 14, 2012

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

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

EXHIBIT A

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

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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)
Substantively Consolidated

AGAPE WORLD, INC.,
AGAPE MERCHANT ADVANCE LLC,
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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.: 10-08899 (DTE)

-against-

JFE CONSULTING INC.,

Defendant.

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

Plaintiff,

Adv. Pro. No.: 11-08330 (REG)

-against-

ANTHONY GALEOTAFIORE,

Defendant.

-----X

**ORDER UNDER BANKRUPTCY RULE 9019(a)
APPROVING A STIPULATION SETTLING THE TRUSTEE'S
CLAIMS AGAINST JFE CONSULTING INC AND ANTHONY GALEOTAFIORE**

Upon the Notice of Presentment (the "Notice"), dated May 14, 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 JFE Consulting Inc. and Anthony Galeotafiore (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. §§544, 547, 548, 550 and 551, New York Debtor and Creditor Law §§273, 274, 275, 276 and 276-a, and New York common law against Defendants to be fair, reasonable and in the best interest of the Debtors' estate; and sufficient cause having been shown therefor; and after due deliberation and consideration having been had; and it appearing that sufficient notice of the Motion and proposed Order has been given; and it appearing that good and sufficient cause exists for granting the Motion 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) the appropriate taxing authorities, and (iv) 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 it is further

ORDERED, that the Application 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

SILVERMANACAMPORA LLP
Attorneys for 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.

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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Debtors.

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

Plaintiff,

Adv. Pro. No. 10-08899 (DTE)

-against-

JFE CONSULTING INC.,

Defendant.

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

Plaintiff,

Adv. Pro. No. 11-08330 (REG)

-against-

ANTHONY GALEOTAFIORE,

Defendant.

-----X

**STIPULATION SETTLING THE TRUSTEE'S CLAIMS
AGAINST ANTHONY GALEOTAFIORE AND JFE CONSULTING INC.
IN CONSIDERATION FOR THE WITHDRAWAL OF PROOF OF CLAIM #2089**

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. On or about May 18, 2009, defendant JFE Consulting Inc. ("JFE") filed a proof of claim against the Debtor's estate, numbered 2089, in the amount of One Million Four Hundred Seventy Thousand And 00/100 (\$1,470,000.00) Dollars (the "JFE Claim").

VIII. 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 Anthony Galeotafiore ("Galeotafiore" collectively with JFE, the "Defendants") prior to the Filing Date.

IX. On December 6, 2010, the Trustee commenced the above-captioned adversary proceeding, numbered 10-08899, against JFE by the filing of a complaint, wherein the Trustee asserted that certain transfers totaling Two Hundred Sixty-Five Thousand Seven Hundred Twenty-Five And 00/100 (\$265,725.00) Dollars (the "JFE Net Transfers") made by the Debtors to JFE 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 (the "JFE Avoidance Claims").

X. On January 30, 2011, the Trustee commenced the above-captioned adversary proceeding, numbered 11-08330, against Galeotafiore by the filing of a complaint, wherein the Trustee asserted that certain transfers totaling Thirty-Six Thousand Nine Hundred Twenty-Five And 00/100 (\$36,925.00) Dollars (the "Galeotafiore Net Transfers", and together with the JFE Net Transfers, collectively, the "Net Transfers") made by the Debtors to Galeotafiore 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 (the "Galeotafiore Avoidance Claims", and collectively with the JFE Avoidance Claims, the "Trustee's Claims").

XI. The parties have engaged in informal discovery related to the Trustee's Claims, Defendants' asserted defenses to the Trustee's Claims and the JFE Claim.

XII. In the spirit of compromise and without any admission of liability, JFE has offered to withdraw the JFE Claim in exchange for the Trustee's dismissal of the adversary proceedings against both Defendants and in full and final settlement of the Trustee's Claims.

XIII. 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:

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

2. Upon the Approval Order becoming final and non-appealable, the fourteenth day after the date of the entry of the Approval Order, (i) the JFE Claim will be expunged; and (ii) adversary proceeding nos. 10-08899 (DTE) and 11-08330 (REG) will be closed by the Clerk of the Court.

3. If either Bankruptcy Judge denies the entry of 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

4. Once the Approval Order becomes final and non-appealable, the JFE Claim is expunged and the adversary proceedings nos. 10-08899 (DTE) and 11-08330 (REG) are closed, the Trustee and the estate will be deemed to have released and discharged 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).

5. Once the Approval Order becomes final and non-appealable, the JFE Claim is expunged and the adversary proceedings nos. 10-08899 (DTE) and 11-08330 (REG) are closed, Defendants will be deemed to have released and discharged and waived any and all claims against the Debtor's 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.

No Admission

6. 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 satisfaction of the

conditions contained herein shall be construed as an admission on the Defendants' part.

Miscellaneous

7. 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.

8. The individuals 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.

9. 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.

10. 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.

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

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12. The Trustee and each Defendant are responsible for their own costs and attorneys' fees incurred in connection with these proceedings.

Dated: Jericho, New York
March 21, 2012

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: Bethpage, New York
March 21, 2012

ANTHONY GALEOTAFIORE
Individually and as an authorized
representative of **JFE Consulting, Inc.**

By: s/Anthony Galeotafiore
Anthony Galeotafiore
8 Castaldi Court
Bethpage, New York, 11714