

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

Hearing Date: November 14, 2013
Time: 2:00 p.m.

Objections Due: November 7, 2013
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.

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

Plaintiff,

-against-

JAMAROW ASSOCIATES, LLC,

Defendant.

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

Plaintiff,

-against-

JAMAROW ASSOCIATES, LLC,

Defendant.
-----X

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

Adv. Pro. No.: 10-08475 (DTE)

Adv. Pro. No.: 12-08054 (DTE)

**NOTICE OF MOTION FOR AN ORDER
UNDER FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019(a)
(I) RE-OPENING THE ADVERSARY PROCEEDING NUMBERED 10-08475;
(II) APPROVING THE STIPULATION SETTLING THE TRUSTEE'S CLAIMS AGAINST
JAMAROW ASSOCIATES, LLC; AND (III) CLOSING THE ADVERSARY PROCEEDINGS**

PLEASE TAKE NOTICE, that upon the motion (the “Motion”) dated September 27, 2013, 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, will move 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 **November 14, 2013 at 2:00 p.m.**, or as soon thereafter as counsel can be heard, seeking entry of an Order under Bankruptcy Rule 9019(a) (I) Re-Opening the Adversary Proceeding Numbered 10-08475; (II) approving the proposed settlement of the Trustee’s Claims against Jamarow Associates, LLC (the “Defendant”), as memorialized in the Stipulation Settling the Trustee’s Claims against Jamarow Associates, LLC (the “Stipulation”), which is attached as **Exhibit 2**; and (III) Closing the Adversary Proceedings. A copy of the proposed Order is attached to the Motion as **Exhibit 1**.

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, 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 **November 7, 2013 at 5:00 p.m.**

PLEASE TAKE FURTHER NOTICE, that the hearing may be adjourned without further notice other than by announcement of such adjournment in open court.

Dated: Jericho, New York
September 27, 2013

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

By: s/ David J. Mahoney
Anthony C. Acampora
David J. Mahoney
Members of the Firm
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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)
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.

-----X

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

Plaintiff,

Adv. Pro. No.: 10-08475 (DTE)

-against-

JAMAROW ASSOCIATES, LLC,

Defendant.

-----X

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

Plaintiff,

Adv. Pro. No.: 12-08054 (DTE)

-against-

JAMAROW ASSOCIATES, LLC,

Defendant.

-----X

**MOTION FOR AN ORDER UNDER
FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019(a)
(I) RE-OPENING THE ADVERSARY PROCEEDING NUMBERED 10-08475;
(II) APPROVING THE STIPULATION SETTLING THE TRUSTEE'S CLAIMS AGAINST
JAMAROW ASSOCIATES, LLC; AND (III) CLOSING THE ADVERSARY PROCEEDINGS**

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 Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") for entry of an Order (attached as **Exhibit 1**) (I) Re-Opening the Adversary Proceeding Numbered 10-08475; (II) approving the proposed settlement of the Trustee's Claims against Jamarow Associates, LLC (the "Defendant"), as memorialized in the Stipulation Settling the Trustee's Claims against Jamarow Associates, LLC (the "Stipulation"), which is attached as **Exhibit 2**; and (III) Closing the Adversary Proceedings (defined below). All parties are encouraged to review the attached 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 the Court Order dated April 21, 2009 (Docket 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 Defendant received certain transfers totaling Twenty-Three Thousand Nine Hundred Twenty-Five and 00/100 (\$23,925.00) Dollars (the “Preferential Transfers”) made by the Debtors to Defendant within 90 days prior to the Filing Date.

9. On September 2, 2010, the Trustee commenced an adversary proceeding against Defendant by the filing of a complaint (Adv. Pro. No. 10-08475) (the “547 Adversary Proceeding”), asserting that the Preferential Transfers are avoidable pursuant to 11 U.S.C. §§105, 547, and 550 (the “547 Claim”).

10. On May 4, 2011, the Trustee filed a motion for default judgment (the “547 Default Motion”) against Defendant in the 547 Adversary Proceeding. On May 25, 2011, the Court issued an Order granting the 547 Default Motion. Thereafter, the clerk of the Court entered a default judgment (the “Default Judgment”) in the amount of \$23,925.00 against Defendant.

11. Moreover, after obtaining a judgment (the “Capital Judgment”) against Capital Management Worldwide, LLC (“Capital”), in the amount of \$1,142,000.00,¹ the Trustee determined that Defendant received certain transfers totaling \$20,000.00 (the “Subsequent Transfers,” and together with the Preferential Transfers, the “Transfers”) made by Capital, that were recoverable, in partial satisfaction of the Capital Judgment.

¹ On February 15, 2011, the Court granted judgment against Capital, in adversary proceeding 10-08269 (DTE).

12. On February 15, 2012, the Trustee commenced an adversary proceeding against Defendant by the filing of a complaint (Adv. Pro. No. 12-08054) (the "550 Adversary Proceeding," and together with the 547 Adversary Proceeding, the "Adversary Proceedings"), asserting that the Subsequent Transfers are avoidable pursuant to 11 U.S.C. §§541, 542, 544 and 550(a)(2) (the "550 Claim," and collectively with the 547 Claim, the "Trustee's Claims").

13. On January 16, 2013, the Trustee filed a motion for default judgment (the "550 Default Motion") against Defendant in the 550 Adversary Proceeding. Subsequently, Defendant's counsel contacted the Trustee in an effort to resolve the Trustee's Claims and the Adversary Proceedings. Afterward, the Trustee voluntarily adjourned the hearing on the 550 Default Motion.

14. Thereafter, the parties engaged in informal discovery related to the Trustee's Claims and the defenses asserted by Defendant.

15. Defendant has offered to pay \$15,000.00 (the "Settlement Sum") to the Trustee in full and final settlement of the Trustee's Claims.

16. Based upon the Trustee's 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.

17. For all the reasons set forth herein, the Trustee submits that accepting Defendant's offer to remit the Settlement Sum 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 interest of the Debtors' estate.

Settlement

18. The Trustee has determined that settling this matter for the Settlement Sum is the most economical and efficient way to realize a meaningful recovery for the creditor's benefit without incurring additional legal fees and the risks inherent with prosecuting the Trustee's

Claims and collecting on the Default Judgment and any resulting judgment efforts in the 550 Adversary Proceeding.

Basis for Relief Requested

19. Rule 9019(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") governs the approval of compromises and settlements, and provides as follows:

On motion by the trustee and after notice and a 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.

FED. R. BANKR. P. 9019(a).

20. In approving the compromise and settlement, the 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 such 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.²

21. In making its determination on the "propriety of the settlement," the Court should consider whether the proposed settlement is in the "best interest of the estate."³ As stated in *Arrow Air*, the "approval of [a] proposed compromise and settlement is a matter of this Court's

² *In re Iridium Operating LLC*, 478 F.3d 452, 462 n.15 (2d Cir. 2007) (quoting *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 *In re Arrow Air, Inc.*, 85 B.R. 886, 891 (Bankr. S.D. Fla. 1988); *In re Bell & Beckwith*, 77 B.R. 606, 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").

³ *Handler v. Roth (In re Handler)*, 386 B.R. 411, 420 (Bankr. E.D.N.Y. 2007) (quoting *In re Adelpia Communications Corp.*, 327 B.R. 143, 158 (Bankr. S.D.N.Y. 2005)); *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).

sound discretion."⁴ In passing upon a proposed settlement, "the bankruptcy court does not substitute its judgment for that of the trustee."⁵ 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."⁶ In passing upon the reasonableness of a proposed compromise, the Court "may give weight to the opinions of the Trustee, the parties and their counsel."

22. The Second Circuit in *In re Iridium Operating LLC*⁷ outlined the following seven factors (the "Iridium Criteria") to be considered by a court in deciding whether to approve a compromise or settlement:

- i. the balance between the litigation's possibility of success and the settlement's present and future benefits;
- ii. the likelihood of complex and protracted litigation, with its attendant expense, inconvenience, and delay, including the difficulty in collecting on the judgment if the settlement is not approved;
- iii. the paramount interest of the creditors, including the proportion of class members who do not object to or who affirmatively support the settlement;
- iv. whether other parties in interest support the settlement;
- v. the competency and experience of the counsel who support the proposed settlement;
- vi. the relative benefits to be received by individuals or groups within the class; and
- vii. the extent to which the settlement is the product of arm's length bargaining.⁸

⁴ *Arrow Air*, supra, 85 B.R. at 891.

⁵ *In re Depo*, 77 B.R. at 384 (citations omitted).

⁶ *Bell & Beckwith*, 77 B.R. at 612; see also *In re Handler*, 386 B.R. at 421.

⁷ 478 F.3d 452, 462 (2d Cir. 2007).

⁸ See *In re Iridium Operating LLC*, 478 F.3d at 462; See also *In re Handler*, 386 B.R. at 421.

23. Defendant has produced documentation demonstrating a potentially meritorious defense to the 550 Claim pursuant to 11 U.S.C. §550(b). Therefore, the Settlement Sum represents a guaranteed sixty-three (63%) percent recovery of a significant portion of the Preferential Transfers for which the Trustee believes Defendant may be liable.

24. The Trustee does not anticipate that any of the Debtors' creditors will object to Stipulation or the relief requested in this Motion.

25. The Stipulation is a product of extensive arm's length bargaining and exceeds the lowest range of reasonableness consistent with the applicable law.

26. The Parties are represented by competent and experienced counsel.

27. The Trustee submits that considering the costs and uncertainties associated with trial, and the resulting litigation that would be necessary to enforce the 547 Default Judgment and any additional judgment against Defendant, it is unlikely that further litigation would result in a "net benefit" of the Debtors' estate in excess of the Settlement Sum. In the Trustee's sound business judgment, 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

28. The Trustee has served the Notice of Motion, proposed Order, and Motion in support (with Exhibits) upon: (i) the Office of the United States Trustee; (ii) Nicholas Cosmo, Debtors' former principal; (iii) Defendant; (iv) Defendant's counsel; (v) the Internal Revenue Service and other governmental agencies to the extent required by the Bankruptcy Rules and the Local Rules; and (vi) 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 and is otherwise sufficient.

29. 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 Motion approving the Stipulation and grant such other further and different relief as this Court deems just and proper.

Dated: Jericho, New York
September 27, 2013

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

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

EXHIBIT 1

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-

JAMAROW ASSOCIATES, LLC,

Defendant.

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

Plaintiff,

-against-

JAMAROW ASSOCIATES, LLC,

Defendant.

-----X
ORDER UNDER FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019(a)
(I) RE-OPENING THE ADVERSARY PROCEEDING NUMBERED 10-08475;
(II) APPROVING THE STIPULATION SETTLING THE TRUSTEE'S CLAIMS AGAINST
JAMAROW ASSOCIATES, LLC; AND (III) CLOSING THE ADVERSARY PROCEEDINGS

Upon the Notice of Motion (the "Notice"), dated September 27, 2013, and related documents (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 (I) Re-Opening the Adversary Proceeding Numbered 10-08475, (II) approving the proposed settlement of the Trustee's

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

Adv. Pro. No.: 10-08475 (DTE)

Adv. Pro. No.: 12-08054 (DTE)

Claims against Jamarow Associates, LLC (the "Defendant"), as memorialized in the Stipulation Settling the Trustee's Claims against Jamarow Associates, LLC (the "Stipulation"), which is attached as **Exhibit 2**, and (III) Closing the Adversary Proceedings; and no objections to the Motion or the proposed Order having been filed; and the Court having found that settling the Trustee's claims and judgment arising under 11 U.S.C. §§105, 502, 542, 544, 547, 550, and 551, is reasonable and in the best interest of the Debtors' estate; and sufficient cause having been shown therefor; and after due deliberation and consideration; 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 Trustee's Notice and Motion 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, Debtors' former principal; (iii) Defendant; (iv) Defendant's counsel; (v) the Internal Revenue Service and other governmental agencies to the extent required by the Bankruptcy Rules and the Local Rules; and (vi) 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 proposed satisfaction of judgment against Defendant, as memorialized in the Stipulation, is approved, and it is further

ORDERED, that the Trustee is authorized to take all actions necessary to have the Judgment marked satisfied against Jamarow Associates, LLC, including, but not limited to, filing

this Order with a County Clerk's Office and lifting the restraint on any account of Jamarow Associates, LLC; and it is further

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

EXHIBIT 2

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.

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

Plaintiff,

-against-

JAMAROW ASSOCIATES, LLC,

Defendant.

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

Plaintiff,

-against-

JAMAROW ASSOCIATES, LLC,

Defendant.

-----X

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

Adv. Pro. No. 10-08475 (DTE)

Adv. Pro. No. 12-08054 (DTE)

**STIPULATION SETTLING THE TRUSTEE'S
CLAIMS AGAINST JAMAROW ASSOCIATES, LLC**

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").

11 U.S.C. §547 Adversary Proceeding

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 Jamarow Associates, LLC (the "Defendant") within 90 days prior to the Filing Date.

VIII. On September 2, 2010, the Trustee commenced an adversary proceeding, assigned adversary proceeding number 10-08475 (DTE), against Defendant by the filing of a complaint, wherein the Trustee asserted that certain transfers totaling Twenty Three Thousand Nine Hundred Twenty-Five and 00/100 (\$23,925.00) Dollars (the "Preferential Transfers") 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 "2010 Proceeding").

IX. On May 4, 2011, the Trustee moved for a default judgment against Defendant under Bankruptcy Rule 7055 (the "2010 Default Motion") for Defendant's failure to answer or otherwise respond in the 2010 Proceeding.

X. On May 25, 2011, the Court entered an Order granting the 2010 Default Motion. Additionally, the Court issued a judgment against Defendant in favor of the Trustee in the amount of the Preferential Transfers (the "Default Judgment").

11 U.S.C. §550 Adversary Proceeding

XI. On or about June 11, 2010, the Trustee commenced an adversary proceeding against Capital Management Worldwide, LLC ("Capital") and Saverio Saverino ("Saverino"), individually, seeking to set aside fraudulent transfers from Agape to Capital and Saverino under 11 U.S.C. §§105, 502, 544, 547, 548, 550, and 550, New York Debtor and Creditor Law §§273, 274, 275, 276, and 276-a, and New York Common Law.

XII. A default judgment avoiding the fraudulent transfers to Capital and Severino (the "Capital Transfers") was entered by the Court on February 15, 2011 in the amount One Million One Hundred Forty-Two Thousand and 00/100 (\$1,142,000.00) Dollars (the "Capital Judgment").

XIII. To date, the Capital Judgment has not been satisfied.

XIV. Subsequent to the Capital Transfers, Capital made Transfers to Defendant in no event less than Twenty Thousand and 00/100 (\$20,000.00) Dollars (the "Subsequent Transfers").

XV. On February 15, 2012, the Trustee commenced an adversary proceeding, assigned adversary proceeding number 12-08054 (DTE), by the filing of a complaint wherein the Trustee asserted that the Subsequent Transfers are avoidable under 11 U.S.C. §§542, 544 and 550 (the "2012 Proceeding," and collectively with the 2010 Proceeding, the "Claims").

XVI. On January 16, 2013, Trustee moved for a default judgment against Defendant under Bankruptcy Rule 7055 (the "2012 Default Motion") for Defendant's failure to answer or otherwise respond in the 2012 Proceeding.

XVII. Thereafter, Defendant retained its undersigned counsel.

XVIII. Subsequently, Defendant's counsel contacted the Trustee in an effort to satisfy the Claims and the Default Judgment.

XIX. The parties engaged in informal discovery related to the Claims and the defenses asserted by Defendant.

XX. In the spirit of compromise and without any admission of liability, Defendant has offered to remit the sum of \$15,000.00 (the "Settlement Sum") to the Trustee in full and final settlement of the Claims.

XXI. Based upon the his review of all documentation related to the Preferential Transfers and the Subsequent 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 are resolved upon the terms and conditions set forth herein as follows:

Defendant's Obligation to Pay the Settlement Sum

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").

2. Defendant will remit the Settlement Sum 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, Attn: Cooper J Macco, Esq. The Trustee has agreed to accept the Settlement Sum in five (5) equal installments of \$3,000.00 (each an "Installment," and collectively, the "Installments") pursuant to the following schedule: (i) the first Installment is due upon or before execution of this Stipulation; (ii) the second Installment is due upon or before ~~July 24~~ October 26, 2013; (iii) the third Installment is due upon or before ~~August 24~~ November 26, 2013; (iv) the fourth Installment is due upon or before ~~September 24~~ December 26, 2013; and (v) the fifth and final Installment is due upon or before ~~October 24,~~ 2013 January 26, 2014. Nothing contained herein shall preclude or penalize Defendant from pre-paying any Installment or any portion of any Installment.

3. If Defendant fails to make timely payment of any Installment of the Settlement Sum in accordance with paragraph 2, above, or if Defendant's payment is dishonored for any reason whatsoever and Defendant does not cure such default within ten (10) business days after written notice sent by Federal Express or other reputable overnight courier to Defendant at the addresses set forth herein, then the Trustee shall be entitled to enforce the Default Judgment, 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 to: (i) Defendant at 31 Cottontail Road, Melville, NY 11747; and (ii) Defendant's counsel, Alfred E. Smith, Esq., at Alfred E. Smith, P.C., Olympic Tower, 645 Fifth Avenue, Suite 703, New York, New York 10022.

4. The Settlement Sum, shall be held by the Trustee in a segregated "Earnest Money" account 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 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 Defendant's 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 the Settlement Sum, the Trustee and the estate release and forever discharge Defendant, its 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

Claim. 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) other than those associated with the 2012 Proceeding.

8. Upon entry of the Approval Order, and except as set forth in paragraphs 7 through and including 9 below, Defendant releases, discharges and waives 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.

Effect of Settlement upon Timely-Filed Proofs of Claim

9. Upon entry of the Approval Order and the Trustee's receipt and clearance of the Settlement Sum, the Trustee and the estate specifically release, discharge and waive the Second Claim for Relief to disallow any proof of claim timely filed by Defendant pursuant to Bankruptcy Code §502(d).

10. The parties to the Stipulation acknowledge and agree that notwithstanding the release language contained in paragraphs 6 through 8, the Stipulation and the settlement memorialized herein are not intended, and should not be interpreted to otherwise release, waive or discharge either parties' rights, defenses, claims or objections with respect to any proof of claim that was timely-filed by Defendant in the Debtors' substantively-consolidated case. For the purposes of clarification, by entering into this Stipulation, the Trustee has not, is not intending and shall not be deemed to have validated, approved or otherwise allowed any proof of claim previously filed by Defendant.

No Admission of Criminal or Civil Liability

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 of any criminal or civil liability on Defendant's part. For clarification, this paragraph is not intended and shall not be deemed to affect Defendant's obligation to make timely payment of the Settlement Sum or adversely affect the Trustee's rights and remedies in the event that Defendant fails to make timely payment of the Settlement Sum.

Miscellaneous

12. 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.

13. 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.

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

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

18. Upon the entry of the Approval Order in this proceeding, the Clerk of the Court is directed to close this adversary proceeding.

Dated: Jericho, New York
June __, 2013
September 27, 2013

SILVERMANACAMPORA LLP
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Dated: New York, New York
June __, 2013
September 26, 2013

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