

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

Hearing Date: January 29, 2013
Time: 9:30 a.m.

Objections Due: January 22, 2013
Time: 5:00 p.m.

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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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,

Adv. Pro. No.: 11-08395 (REG)

-against-

SHAWN ST. JOHN,

Defendant.
-----X

**NOTICE OF MOTION FOR AN ORDER (I) REOPENING THE ADVERSARY
PROCEEDING; (II) SEEKING APPROVAL UNDER BANKRUPTCY RULE 9019(a) OF THE
SETTLEMENT AGREEMENT; AND (III) RE-CLOSING THE ADVERSARY PROCEEDING**

PLEASE TAKE NOTICE, that upon the Notice of Motion dated December 6, 2012 (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 move before the Honorable Robert E. Grossman, 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 **January 29, 2013 at 9:30 a.m.**, for an order (I) reopening the adversary proceeding; (II) seeking approval under

Bankruptcy Rule 9019(a) of the settlement agreement; and (III) re-closing the adversary proceeding. A copy of the proposed Order is attached hereto as **Exhibit "A"**.

PLEASE TAKE FURTHER NOTICE, that objections, if any, to the relief requested in the Application must be (i) made in writing; (ii) electronically filed with the Bankruptcy Court; (iii) delivered to Chambers of the Honorable Robert E. Grossman, 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: Randy J. Schaefer, Esq.; and (v) mailed to the Office of the United States Trustee, 560 Federal Plaza, Central Islip, New York 11722, no later than **January 22, 2013**.

Dated: Jericho, New York
December 6, 2012

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

By: s/ Randy J. Schaefer
Randy J. Schaefer
Counsel to the Firm
100 Jericho Quadrangle, Suite 300
Jericho, New York 11753
(516) 479-6300

To: Attorney for Defendant Shawn St. John
Tinisha M. St. Brice & Associates
45 South Main Street
West Hartford, Connecticut 06107
Attention: Tinisha M. St Brice, Esq.

Defendant:
Shawn St. John
2 Autumn Drive
South Windsor, Connecticut 06107

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

Hearing Date: January 29, 2013
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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

AGAPE WORLD, INC.,
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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,

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

Adv. Pro. No.: 11-08395 (REG)

-against-

SHAWN ST. JOHN,

Defendant.

-----X

**TRUSTEE'S APPLICATION SEEKING AN ORDER (I) RE-OPENING
THE ADVERSARY PROCEEDING; (II) APPROVING THE STIPULATION
SETTLING THE TRUSTEE'S CLAIMS AGAINST SHAWN ST. JOHN UNDER
BANKRUPTCY RULE 9019(a); AND (III) RECLOSING THE ADVERSARY PROCEEDING**

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 application (the "Application") under 11 U.S.C. §105 and Federal Rule of Bankruptcy Procedure 9019 for entry of an Order (attached as **Exhibit A**) re-opening the adversary proceeding, approving the proposed settlement of the Trustee's claims against Shawn St. John as memorialized in the Stipulation Settling the Trustee's Claims Against Shawn St. John as memorialized in the Stipulation Settling the Trustee's Claims Against Shawn St. John (the "Stipulation"), which is attached hereto as **Exhibit B**, and re-closing the adversary

proceeding. All parties are encouraged to review the 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 Shawn St. John ("Defendant") received transfers from Agape in the amount of \$21,412.40 (the "Transfers").

9. On February 1, 2011, the Trustee commenced an adversary proceeding against Defendant (the "Adversary Proceeding") by filing a complaint seeking to, *inter alia*, avoid the Transfers pursuant to 11 U.S.C. §§544, 547, 548, and New York common law and to recover the Transfers from Defendant pursuant to 11 U.S.C. §550 (the "Trustee's Claims").

10. The deadline for Defendant to answer the Complaint expired on March 2, 2011. The Trustee did not receive an answer and answer was not filed with the Clerk of the Court. As a result, the Trustee moved by motion, on notice to defendant, for a default judgment for Defendant's failure to interpose an answer.

11. On February 27, 2012, the Court entered an Order granting a Judgment by Default against Defendant in the amount of \$21,412.40, together with interest thereon at the federal rate from the date of entry of the Judgment [Docket No. 11].

12. Thereafter, the Trustee and Defendant, through their counsel, engaged in settlement discussions in an effort to consensually resolve the Adversary Proceeding and determined that Defendant deposited \$10,000.00 with the Debtors, thereby reducing his Net Transfers to \$11,412.40. 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.

13. For all of the reasons set forth herein, the Trustee submits that accepting Defendant's offer to remit \$6,000.00 (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 interests of the Debtors' estate.

Settlement

14. The Trustee has determined that settling this matter for the Settlement Sum 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 enforcement efforts.

15. Indeed, after consultation with his retained professionals and in the exercise of his business judgment, the Trustee has determined that the payment of the Settlement Sum, which is approximately 50% of the Net Transfers, outweighs the potential net recovery to the estate, potential litigation involving vacating the default or alternatively the cost of judgment enforcement.

16. In light of the foregoing, and mindful of the costs and risks of litigation, the Trustee has agreed to accept the Settlement Sum.

Basis for Relief Requested

17. 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.

18. 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").

19. 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.

20. 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).

21. By offering to voluntarily return the Settlement sum, Defendant has offered to remit approximately 50% of the Transfers in satisfaction of the Trustee's Claims without causing

the Debtors' estate to incur significant fees or expenses. 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 excess of the Settlement Sum. In the sound business judgment of the Trustee, the proposed settlement is both appropriate and warranted.

Notice

22. The Trustee has served the Notice and Motion and proposed Order on: (i) the Office of the United States Trustee; (ii) Nicholas Cosmo, the Debtors' former principal, (iii) Defendant, (iv) Defendant's counsel, (v) the appropriate taxing authorities, 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 Trustee's service complies with this Court's Order Establishing Noticing Procedures entered on July 8, 2009, and is otherwise sufficient.

23. 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 re-opening the adversary proceeding, authorizing and approving the Stipulation, re-closing the adversary proceeding, and grant such other further and different relief as this Court deems just and proper.

Dated: Jericho, New York
December 6, 2012

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

By: s/ Randy J. Schaefer
Randy J. Schaefer
Counsel to 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,

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

Adv. Pro. No. 11-08395 (REG)

-against-

SHAWN ST. JOHN,

Defendant.
-----X

**ORDER (I) RE-OPENING THE ADVERSARY PROCEEDING;
(II) APPROVING THE STIPULATION SETTLING THE TRUSTEE'S CLAIMS
AGAINST SHAWN ST. JOHN UNDER BANKRUPTCY
RULE 9019(a); AND (III) RE-CLOSING THE ADVERSARY PROCEEDING**

Upon the Notice of Motion (the "Notice"), dated December 6, 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 (i) re-opening the adversary proceeding; (ii) approving a Stipulation (the "Stipulation") Settling the Trustee's Preference Claim against Shawn St. John (the "Defendant") and (iii) re-closing the adversary proceeding; 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(b) and 550(a) (the "Preference Claim") against Defendant 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 exhibit and proposed Order is sufficient cause having been shown therefore; 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) Defendant, (iv) Defendant's Counsel, (v) the appropriate taxing authorities, 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 adversary proceeding is re-opened; and it is further

ORDERED, that the settlement of the Preference Claim against Defendant as memorialized in the Stipulation is approved; and it is further

ORDERED, that the Trustee is directed to promptly file a Satisfaction of Judgment with this Court; and it is further

ORDERED, that the Clerk of the Court is directed to re-close this adversary proceeding; 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

-----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-

SHAWN ST. JOHN,

Defendant.
-----X

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

Adv. Pro. No.: 11-08395 (REG)

**STIPULATION AND ORDER (I) SETTLING THE TRUSTEE'S CLAIMS; AND
(II) DIRECTING THE CLERK OF THE COURT TO CLOSE THE ADVERSARY PROCEEDING**

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 Shawn St. John ("Defendant").

VIII. On February 1, 2011, the Trustee commenced this adversary proceeding against Defendant by the filing of a complaint, wherein the Trustee asserted that certain transfers totaling \$21,412.40 (the "Net Transfers") made by the Debtors to the Defendant prior to the Filing Date are avoidable pursuant to 11 U.S.C. §§544, 547, 548 and 550 and New York Debtor and Creditor Law §§273 through 275 and New York Common Law (the "Trustee's Claims").

IX. On February 27, 2012, a default judgment was entered (the "Judgment") against Defendant for a sum certain of \$21,412.40. Upon execution of this Stipulation and receipt and clearance of the settlement sum (hereinafter defined), the Trustee will file a Satisfaction of Judgment.

X. Thereafter, Defendant retained his undersigned counsel to defend against the Trustee's Claims.

XI. The parties engaged in informal discovery related to the Trustee's Claims and the defenses asserted by Defendant whereby it was determined that Defendant deposited \$10,000.00 with the Debtors and received \$21,412.40 thereby reducing his Net Transfers to \$11,412.40.

XII. In the spirit of compromise and without any admission of liability, Defendant has offered to remit the sum of \$6,000.00 (the "Settlement Sum") to the Trustee in full and final settlement of the Trustee's Claims.

XIII. Based upon the 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:

Defendant's Obligation to Pay the Settlement Sum

1. Upon this Stipulation being "So Ordered" by the Court, this adversary proceeding assigned case number 11-08011-REG, will be closed (the "Approval Order").

2. The Trustee has authorized Defendant to pay the Settlement Sum in nine (9) installments. The first installment, in the amount of \$1,500.00 is due on or before March 31, 2012. The second installment, in the amount of \$562.50, is due on or before April 30, 2012. The third installment, in the amount of \$562.50, is due on or before May 31, 2012. The fourth installment, in the amount of \$562.50, is due on or before June 30, 2012. The fifth installment, in the amount of \$562.50, is due on or before July 31, 2012. The sixth installment, in the amount of \$562.50, is due on or before August 31, 2012. The seventh installment, in the amount of \$562.50, is due on or before September 30, 2012. The eighth installment, in the amount of \$562.50, is due on or before October 31, 2012. The ninth installment, in the amount of \$562.50, is due on or before November 30, 2012. 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 Defendant from pre-paying any installment or 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 five (5) business days after written notice sent by Federal Express or other reputable overnight courier to Defendant and Defendant's counsel at the addresses set forth herein, then the Trustee shall be entitled to, without further notice (a) enforce the Judgment entered against Defendant for Eleven Thousand Four Hundred Twelve And 40/100 (\$11,412.40) Dollars, 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 reputable overnight courier to (i) Defendant at 2 Autumn Drive, South Windsor, Connecticut 06074; and (ii) Defendant's counsel at Tinisha M. St. Brice & Associates, 45 South Main, West Hartford, Connecticut 06107 (Attn. Tinisha M. St. Brice).

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

5. Upon the Order becoming final and non-appealable, the fourteenth day after the date of the entry of the Approval Order, Trustee's counsel will transfer the Settlement Sum each installment of the Settlement Sum to the Trustee to be deposited into the Debtors' estate account. If the Bankruptcy Court denies the entry of the Approval Order, Trustee's counsel will return the Settlement Sum to Defendant's counsel without undue delay.

6. If the Court does not enter the 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 Order becoming final and non-appealable, and the Trustee's receipt and clearance of the full Settlement Sum, the Trustee and the estate release and forever discharge Defendant, his 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 Order becoming final and non-appealable, Defendant releases, discharges and waives 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, proofs of claim, claims for relief, demands, costs, expenses, damages, liabilities, and obligations of any nature.

No Admission

9. 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 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 under paragraph 2 in the event that Defendant fails to make timely payment of the Settlement Sum.

Miscellaneous

10. 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.

11. 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.

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

13. 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.

14. 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.

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

16. Upon the entry of this Stipulation as an Order in this proceeding, the Clerk of the Court is directed to close this adversary proceeding.

Dated: Jericho, New York
March 19, 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: South Windsor, New York
March __, 2012

SHAWN ST. JOHN
Defendant

By: s/ Shawn St. John
Shawn St. John
2 Autumn Drive
South Windsor, Connecticut 06074

Dated: West Hartford, Connecticut
March __, 2012

TINISHA M. ST. BRICE & ASSOCIATES
Attorneys for Defendant

By: s/ Tinisha M. St. Brice
Tinisha M. St. Brice
45 South Main
West Hartford, Connecticut 06107
(860) 523-4560

So-Ordered this __ day of
_____, 2012

HONORABLE ROBERT E. GROSSMAN
United States Bankruptcy Judge