

**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.  
Christopher J. Rubino, Esq.

**Hearing Date: January 20, 2014**  
**Time: 9:30 a.m.**

**Objections Due: January 13, 2014**  
**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-

STEVE COSTELLO,

Defendant.  
-----X

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

Adv. Pro. No.: 11-08367 (REG)

**NOTICE OF HEARING OF PROPOSED ORDER  
UNDER BANKRUPTCY RULE 9019(a) APPROVING A  
STIPULATION SETTLING THE TRUSTEE'S CLAIMS AGAINST STEVE COSTELLO**

**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 move before the Honorable Robert E. Grossman, United States Bankruptcy Judge, at the United States Bankruptcy Court, Courtroom 860, Eastern District of New York at Central Islip, 290 Federal Plaza, Central Islip, New York 11722 on **January 20, 2014 at 9:30 a.m.**, or as soon thereafter as counsel can be heard, for entry of an order granting the Trustee's Motion for an

Order Approving the Stipulation of Settlement. 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 Robert E. Grossman, United States Bankruptcy Judge, United States Bankruptcy Court, Eastern District of New York, Alfonse M. D'Amato 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 **5:00 p.m. on January 13, 2014.**

**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  
November 22, 2013

**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  
100 Jericho Quadrangle, Suite 300  
Jericho, New York 11753  
(516) 479-6300  
David J. Mahoney, Esq.  
Christopher J. Rubino, Esq.

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-

STEVE COSTELLO,

Defendant.

-----X

**TRUSTEE'S APPLICATION UNDER BANKRUPTCY  
RULE 9019(a) SEEKING THE ENTRY OF AN ORDER APPROVING A  
STIPULATION SETTLING THE TRUSTEE'S CLAIMS AGAINST STEVE COSTELLO**

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(a) for entry of an Order (annexed hereto as **Exhibit A**) approving the proposed settlement of the Trustee's claims under 11 U.S.C. §§105, 502, 544, 548, 550 and 551, New York Debtor and Creditor Law §§273, 274, 275, 276 and 276-a, and New York common law against Steve Costello, as memorialized in the Stipulation Settling the Trustee's

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

Adv. Pro. No.: 11-08367 (REG)

Claims Against Steve Costello (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 Steve Costello (“Defendant”) received transfers exceeding his deposits into Agape totaling Eighty Thousand

Nine Hundred Three and 11/100 (\$80,903.11) Dollars (the "Net Transfers") that were made by the Debtors to the Defendant and are avoidable pursuant to 11 U.S.C. §§544, 548, 550 and 551, New York Debtor and Creditor Law §§273, 274, 275, 276 and 276-a, and New York common law.

9. On January 31, 2011, the Trustee commenced an adversary proceeding against the Defendant (the "Adversary Proceeding") by the filing and service of a summons and complaint under Adv. Pro. No. 11-08367 seeking to, *inter alia*, avoid the Net Transfers pursuant to 11 U.S.C. §§105, 502, 544, 548, 550 and 551, New York Debtor and Creditor Law §§273, 274, 275, 276 and 276-a, and New York common law and to recover the Net Transfers from Defendant pursuant to 11 U.S.C. §550(a) (the "Trustee's Claims").

10. Defendant has offered to remit the total sum of Twelve Thousand One Hundred Fifty and 00/100 (\$12,150.00) Dollars (the "Settlement Sum") to the Trustee in full and final settlement of the Trustee's Claims.

11. For all of the reasons set forth herein, the Trustee submits that accepting Defendant's offer of 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**

12. 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 efforts.

13. After consultation with his retained professionals and in the exercise of his business judgment, the Trustee has determined that 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 Defendant.

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. Defendant has provided the Trustee with documentation showing additional deposits made by Defendant into Agape, reducing the Net Transfers to \$22,103.11. Defendant has also provided the Trustee with certified financial information demonstrating an inability of the Defendant to remit to the Trustee payment in an amount greater than the Settlement Sum. After taking into account the reduction in the Net Transfers and the Defendant's inability to pay more than the Settlement Sum, the Trustee believes that accepting the Settlement Sum is in the best interest of the Debtors' estate.

20. 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. The Trustee believes that the settlement is fair and equitable and in the best interest of the estate.

**Notice**

21. 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) 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](http://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.

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  
November 22, 2013

**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**

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-

STEVE COSTELLO,

Defendant.  
-----X

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

Adv. Pro. No.: 11-08367 (REG)

**ORDER UNDER BANKRUPTCY RULE 9019(a) APPROVING A  
STIPULATION SETTLING THE TRUSTEE'S CLAIMS AGAINST STEVE COSTELLO**

Upon the Notice of Hearing (the "Notice"), dated November 22, 2013, and related application (collectively, the "Application") 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 Steve Costello (the "Defendant"); and upon the Affidavit of Service filed with the Court; and no objections to the Application 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. §§105, 502, 544, 548, 550 and 551, New York Debtor and Creditor Law §§273, 274, 275, 276 and 276-a, and New York common law against Defendant 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 Application and proposed Order has been given; 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 Application 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 Application 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](http://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 Application is granted, and it is further

**ORDERED**, that the settlement of the Trustee's Claims against Defendant 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

-----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-

STEVE COSTELLO,

Defendant.  
-----X

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

Adv. Pro. No.: 11-08367 (REG)

**STIPULATION SETTLING THE TRUSTEE'S CLAIMS AGAINST STEVE COSTELLO**

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 (the "Court").

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 Debtors' financial affairs, including a detailed analysis of the extent and validity of certain transfers made to Steve Costello ("Defendant").

VIII. Thereafter, the Trustee commenced this adversary proceeding against Defendant by filing a complaint, wherein the Trustee asserted that certain transfers totaling \$80,903.11 (the "Net Transfers") made to Defendant are avoidable and recoverable pursuant to Bankruptcy Code §§105, 541, 544, 548, 550 and New York Debtor and Creditor Law §§ 273, 274, 275, 276 ("The Trustee's Claims").

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

X. In the spirit of compromise and without any admission of liability, Defendant has offered to remit \$12,150.00 (the "Settlement Sum") to the Trustee in full and final settlement of the Trustee's Claims.

XI. Based upon his review of all documentation related to the Net 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. Upon this stipulation (the "Stipulation") being "So Ordered" by the Court (the "Approval Order"), this adversary proceeding will be closed without prejudicing the Trustee's right to re-open the adversary proceeding if Defendant defaults in making any Installment Payment.

2. The Trustee has authorized Defendant to pay the Settlement Sum in (6) installments payments (the "Installment Payments") as set forth as follows:

<b>Payment Number</b>	<b>Due Date</b>	<b>Amount Due</b>
1	December 1, 2013	\$300.00
2	January 1, 2014	\$300.00
3	February 1, 2014	\$300.00
4	March 1, 2014	\$300.00
5	April 1, 2014	\$300.00
6	May 1, 2015	\$10,650.00

3. All Installment Payments shall be payable to "Kenneth P. Silverman, Esq., as Chapter 7 Trustee."

4. All Installment Payments shall be mailed to the Trustee's counsel at:

**SilvermanAcampora LLP  
100 Jericho Quadrangle, Suite 300  
Jericho, New York, 11753  
Attention: Christopher Rubino, Esq.**

5. Nothing contained herein shall preclude or penalize Defendant from pre-paying any Installment Payment or portion of any Installment Payment at any time.

6. As additional consideration for settling the Trustee's Claims, Defendant agrees to waive Claim No. 2926. A copy of the Claims Waiver is attached as Exhibit A.



7. If Defendant fails to timely pay any Installment Payment 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 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 is entitled to move before the Bankruptcy Court, without further notice and upon the Trustee's affidavit attesting to the default (a) for the entry of a judgment against Defendant for \$22,103.11, plus costs, less any sums previously paid as provided herein, and (b) for any further relief necessary to enforce his rights under this Stipulation.

8. Written notice of default shall be sent by Federal Express or other reputable overnight courier to:

Defendant at:

Steve Costello  
26 Straight Lane  
Levittown, New York 11756

Defendant's attorney at:

Frank A. Racano, Esq.  
Simonetti & Associates  
144 Woodbury Road  
Woodbury, New York 11797

9. Any portion of the Settlement Sum received prior to the Approval Order's entry shall be held in the Trustee's 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.

10. Upon the Approval Order becoming final and non-appealable, (which is the 14<sup>th</sup> day after the Approval Order's entry), the Trustee's counsel will transfer all portions of the Settlement Sum being held in the segregated "Earnest Money" account to the Trustee's estate account. If the Court declines to enter the Approval Order, the Trustee shall return any portion of the Settlement Sum being held in the segregated "Earnest Money" Account, without interest, to Defendant's counsel without undue delay.

11. If the Court declines to enter the Approval Order, this Stipulation will be null and void and nothing contained herein can be used as evidence by either party.

**Releases**

12. Upon the Approval Order becoming final and non-appealable, and the Trustee's receipt and clearance of the Settlement Sum, the Trustee and the estate release and forever discharge Defendant 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).

13. Upon the Approval 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**

14. 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 if Defendant fails to make timely payment of the Settlement Sum.

**Miscellaneous**

15. 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.

16. 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.

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

18. The 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.

19. 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.

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

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

Dated: Jericho, New York  
October \_\_, 2013

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

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

Dated: Woodbury, New York  
October \_\_, 2013  
November 11, 2013

**SIMONETTI & ASSOCIATES**  
Attorneys for Defendant

By: s/Frank A. Racano  
Frank A. Racano, Esq.  
144 Woodbury Road  
Woodbury, New York 11797  
(516) 248-5600

Dated: Levittown, New York  
October 30, 2013

**Steve Costello**  
Defendant

s/Steve Costello  
Steve Costello  
26 Straight Lane  
Levittown, New York 11756

# **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

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

**NOTICE OF WAIVER AND WITHDRAWAL WITH PREJUDICE OF CLAIM  
NUMBER 2926, IN THE AMOUNT OF \$50,000.00  
FILED BY STEVE COSTELLO**

Steve Costello, hereby waives and withdraws, with prejudice, Claim Number 2926, filed on June 3, 2009, in the amount of \$50,000.00 and any subsequent amendments thereto. SilvermanAcampora LLP, counsel to Kenneth P. Silverman, Esq., the Chapter 7 Trustee of the substantively consolidated cases of Agape World, Inc., *et al.*, is authorized to file this Notice with the Bankruptcy Court to effect the withdrawal of Claim number 2926 with prejudice. A copy of Claim number 2926 is attached hereto.

Dated: October 30, 2013

By:                   s/Steve Costello                    
Claimant: Steve Costello  
Claimant's Address: 26 Straight Lane  
                                  Levittown, New York 11756  
  
Claimant's Phone No.: 2926

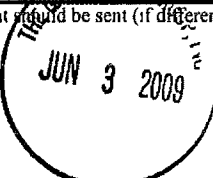


<b>UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF NEW YORK</b>	<b>PROOF OF CLAIM CHAPTER 7</b>
--	-------------------------------------

Name of Debtor <b>Agape World Inc</b>	Case Number <b>09-70660 (DTE)</b>
---------------------------------------	-----------------------------------

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case, but may be used for purposes of asserting a claim under 11 U.S.C. 503(b)(9) (see Column #5). A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property)	<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim
Name and address where notices should be sent <b>STEVEN CASTELLO 26 STRAIGHT LAKE, LEWISTOWN, NY. 11756</b>	Court Claim Number _____ (If known)
Telephone number [REDACTED]	Filed on _____

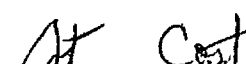
Name and address where payment should be sent (if different from above) <div style="text-align: center;">  <p><b>FILED - 02926 USBC - EASTERN DISTRICT OF NEW YORK AGAPE WORLD INC. 09-70660 (DTE)</b></p> </div>	<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars
Telephone number	<input type="checkbox"/> Check this box if you are the debtor or trustee in this case

<b>1. Amount of Claim as of Date Case Filed:</b> <u>\$ 50,000.00</u> If all or part of your claim is secured, complete item 4 below, however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.	<b>5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a)</b> <b>If any portion of your claim falls in one of the following categories, check the box and state the amount</b> Specify the priority of the claim <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B) <input type="checkbox"/> Unsecured claims allowed under § 502(f) (§507 (a)(1)(A)(3)) <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4) <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5) <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7) <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8) <input type="checkbox"/> Value of goods received by the Debtor within 20 days before the date of commencement of the case - 11 U.S.C. § 503(b)(9) (§507(a)(2)) <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)(____) <b>Amount entitled to priority</b> \$ _____
--	--

<b>2. Basis for Claim</b> <small>(See instruction #2 on reverse side)</small> _____ <b>3. Last four digits of any number by which creditor identifies debtor.</b> <u>3320</u> <b>3a Debtor may have scheduled account as</b> <small>(See instruction #3a on reverse side)</small> _____	
---	--

<b>4. Secured Claim</b> <small>(See instruction #4 on reverse side)</small> Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.  Nature of property or right of setoff <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____  Value of Property \$ _____ Annual Interest Rate % _____  Amount of arrearage and other charges as of time case filed included in secured claim, if any \$ _____ Basis for perfection. _____  Amount of Secured Claim \$ _____ Amount Unsecured \$ _____	
--	--

<b>6 Credits:</b> The amount of all payments on this claim has been credited for the purpose of making this proof of claim  <b>7 Documents:</b> Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. <i>(See definition of "redacted" on reverse side)</i>  <b>DO NOT SEND ORIGINAL DOCUMENTS ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING</b>  If the documents are not available, please explain _____	*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment
--	--

Date: <u>6/1/09</u> Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.  <div style="text-align: center;">  </div>	<b>FOR COURT USE ONLY</b>
---	---------------------------