

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

**Hearing Date: April 12, 2012**  
**Time: 9:30 a.m.**

**Objections Due: April 5, 2012**  
**Time: 5:00 p.m.**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK**

-----X  
In re:

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

Debtors.

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

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

Plaintiff,

-against-

Adv. Pro. No.: 10-08939 (DTE)

ANTONIO SANELLI,

Defendant.

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

Plaintiff,

-against-

Adv. Pro. No.: 11-08341 (REG)

GLORIA SANELLI,

Defendant.  
-----X

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

**PLEASE TAKE NOTICE**, that upon the application (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, the Trustee will move before the Honorable Robert E. Grossman, United States Bankruptcy Judge, United States Bankruptcy Court for the Eastern District of New York, located at 290 Federal Plaza, Room 860, Central Islip, New York on **April 12, 2012 at 9:30 p.m.** (the "Hearing"): (i) seeking approval of the Stipulation Resolving Claims Among the Trustee and Gloria Sanelli, and (ii) granting related relief. 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) electronically filed with the Bankruptcy Court; (ii) delivered to Chambers of the Honorable Robert E. Grossman; and (iii) served upon SilvermanAcampora LLP, to be received no later than **5:00 p.m. on April 5, 2012**, at 100 Jericho Quadrangle, Suite 300, Jericho, New York 11753, Attn: David J. Mahoney, Esq.

**PLEASE TAKE FURTHER NOTICE**, that the Hearing may be adjourned from time to time without further notice other than the announcement of such adjournment in open Court.

**PLEASE TAKE FURTHER NOTICE**, that you need not appear at the Hearing if you do not object to the relief requested in the Motion.

Dated: Jericho, New York  
March 8, 2012

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

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

**SILVERMANACAMPORA LLP**  
Counsel to Kenneth P. Silverman, Esq.,  
Chapter 7 Trustee  
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**Hearing Date: April 12, 2012**  
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**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK**

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In re:

AGAPE WORLD, INC.,  
AGAPE MERCHANT ADVANCE LLC,  
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KENNETH P. SILVERMAN, ESQ., as  
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Plaintiff,

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Adv. Pro. No.: 10-08939 (DTE)

ANTONIO SANELLI,

Defendant.

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

Plaintiff,

-against-

Adv. Pro. No.: 11-08341 (REG)

GLORIA SANELLI,

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 GLORIA SANELLI**

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 (annexed hereto as **Exhibit A**) approving the proposed settlement of the Trustee's claims under 11 U.S.C. §§548, 550 and 551, New York Debtor and Creditor Law §§273, 274, 275, 276 and 276-a, and New York common law against Gloria Sanelli as memorialized in the Stipulation Settling the Trustee's Claims Against Antonio Sanelli and Gloria Sanelli (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 Gloria Sanelli ("Defendant"), received net transfers from Agape in a total amount of Seventy-Four Thousand Six Hundred Twenty-Nine And 45/100 (\$74,629.45) Dollars (the "Gloria Net Transfers").

9. Additionally, based upon Navigant's analysis, the Trustee determined that Antonio Sanelli ("Antonio"), the Defendant's husband, received net transfers from Agape in a total amount of One Hundred Sixty-Eight Thousand Six Hundred Seventy And 00/100 (\$168,670.00) Dollars (the "Antonio Net Transfers" and together with the Gloria Net Transfers, collectively, the "Net Transfers").

10. On December 12, 2010, the Trustee commenced an adversary proceeding against the Defendant's husband, Antonio, (the "Antonio Adversary Proceeding") by the filing and service of a summons and complaint under Adv. Pro. No. 10-08939 seeking to, *inter alia*, avoid the Net Transfers pursuant to 11 U.S.C. §§548, 550 and 551, New York Debtor and Creditor Law §§273, 274, 275, 276 and 276-a, and New York common law and to recover the Transfers from Defendant pursuant to 11 U.S.C. §550(a) (the "Antonio Claims").

11. On January 30, 2011, the Trustee commenced an adversary proceeding against Defendant (the "Gloria Adversary Proceeding" and together with the Antonio Adversary Proceeding, collectively, the "Adversary Proceedings"), by the filing and service of a summons and complaint under Adv. Pro. No. 11-08341 seeking to, *inter alia*, avoid the Net Transfers pursuant to 11 U.S.C. §§548, 550 and 551, New York Debtor and Creditor Law §§273, 274, 275, 276 and 276-a, and New York common law and to recover the Transfers from Defendant pursuant to 11 U.S.C. §550(a) (the "Gloria Claims" and together with the Antonio Claims, collectively, the "Trustee's Claims").

12. On September 12, 2011, the Gloria Adversary Proceeding was transferred to the Honorable Robert E. Grossman pursuant to an order of the Chief Judge Carla E. Craig. See Docket of Main Case [Docket No. 3711].

13. The Trustee, the Defendant and the Defendant's husband, through their counsel, engaged in settlement discussions in an effort to consensually resolve the Adversary Proceedings and Defendant and Antonio produced verifiable documentation demonstrating that, in fact, they only received Net Transfers from Agape in the amount of \$111,299.00 (the "Revised Net Transfers"). 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.

14. For all of the reasons set forth herein, the Trustee submits that accepting Defendant's offer to remit \$55,000.00 (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**

15. 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.

16. 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 fifty percent (50%) of the Revised Net Transfers, 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 and Antonio.

17. 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**

18. 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.

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

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

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

20. 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.

21. 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).

22. By offering to voluntarily return the Settlement sum, Defendant and Antonio have offered to remit approximately fifty percent (50%) of the Revised Net 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. The Trustee believes that the Settlement is fair and equitable and in the best interest of the estate.



### **Notice**

23. 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, the former principal of the Debtors; (iii) criminal counsel to Nicholas Cosmo; (iv) Defendant; (v) Defendant's counsel; (vi) the appropriate taxing authorities; and (vii) pursuant to the Court's July 8, 2009 Order Establishing Noticing Procedures, all parties having filed a Notice of Appearance in this case, and copies have been posted on the Trustee's website located at [www.agapeworldbankruptcy.com](http://www.agapeworldbankruptcy.com). The Trustee respectfully submits that the Trustee's service complies with the Court's Order Establishing Noticing Procedures entered on July 8, 2009, and is otherwise sufficient.

24. No previous application for the relief requested herein has been made to this or any other Court. No previous application for the relief requested herein has been made to this or any other Court. However, because the Antonio Adversary Proceeding is pending before the Honorable Dorothy T. Eisenberg, a similar motion is being contemporaneously filed and served seeking Judge Eisenberg's approval of the proposed settlement in the Antonio Adversary Proceeding. That motion is scheduled for presentment on April 2, 2012 at 10:00 a.m. The Trustee recognizes that both Judge Eisenberg and Judge Grossman need to approve the proposed settlement.

**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  
March 8, 2012

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

By: s/ David J. Mahoney  
Jay S. Hellman  
David J. Mahoney  
Members of the Firm  
100 Jericho Quadrangle, Suite 300  
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-

ANTONIO SANELLI,

Defendant.

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

Plaintiff,

-against-

GLORIA SANELLI,

Defendant.

-----X

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

Upon the Notice of Hearing (the "Notice"), dated March 8, 2012, 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 Gloria Sanelli (the "Defendant"); and upon the Affidavit of Service filed with the Court; and no objections to the Application or the proposed

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

Adv. Pro. No.: 10-08939 (DTE)

Adv. Pro. No.: 11-08341 (DTE)

Order having been filed; and the Court having found that the settlement of the Trustee's claims pursuant to 11 U.S.C. §§548, 550 and 551, New York Debtor and Creditor Law §§273, 274, 275, 276 and 276-a, and New York common law 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; and upon the hearing held before the Honorable Robert E. Grossman, United States Bankruptcy Judge, United States Bankruptcy Court for the Eastern District of New York, located at 290 Federal Plaza, Room 860, Central Islip, New York on April 12, 2012 at 9:30 a.m., the transcript of which is incorporated herein by reference; and sufficient cause having been shown therefore; 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) criminal counsel to Nicholas Cosmo, (iv) Defendant; (v) Defendant's counsel; (vi) the appropriate taxing authorities, and (vii) 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 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.

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

Plaintiff,

-against-

ANTONIO SANELLI,

Defendant.

Adv. Pro. No. 10-08939 (DTE)

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

Plaintiff,

-against-

GLORIA SANELLI,

Defendant.

Adv. Pro. No. 11-08341 (DTE)

-----X  
**STIPULATION SETTLING THE  
TRUSTEE'S CLAIMS AGAINST ANTONIO SANELLI AND GLORIA SANELLI**

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 Antonio Sanelli ("Antonio") and Gloria Sanelli ("Gloria" and together with Antonio, collectively, the "Defendants") prior to the Filing Date.

VIII. Thereafter, the Trustee learned that the Defendants are husband and wife.

IX. On December 12, 2010, the Trustee commenced an adversary proceeding against Antonio (the "Antonio Action") by the filing of a complaint, wherein the Trustee asserted that certain transfers totaling \$168,670.00 (the "Antonio Net Transfers") made by the Debtors to Antonio are avoidable pursuant to 11 U.S.C. §§548, 550 and 551, New York Debtor and Creditor Law §§273, 274, 275, 276 and 276-a, and New York common law.

X. On January 30, 2011, the Trustee commenced an adversary proceeding against Gloria (the "Gloria Action") by the filing of a complaint, wherein the Trustee asserted that certain transfers totaling \$74,629.45 (the "Gloria Net Transfers") made by the Debtors to Gloria are avoidable pursuant to 11 U.S.C. §§548, 550 and 551, New York Debtor and Creditor Law §§273, 274, 275, 276 and 276-a, and New York common law (the Trustee's claims to avoid the

Antonio Net Transfers and the Trustee's claims to avoid the Gloria Net Transfers are hereafter collectively referred to as the "Trustee's Claims").

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

XII. The parties engaged in informal discovery whereby Defendants demonstrated that the disbursements they received exceeded the deposits they made by only \$111,299.00.

XIII. In the spirit of compromise and without any admission of liability, Defendants have offered to remit the sum of \$55,000.00 (the "Settlement Sum") to the Trustee in full and final settlement of the Trustee's Claims.

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

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

**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. Upon execution of the Stipulation, 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, Attention: Wade C. Wilkinson, Esq.

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

4. Upon the Approval Order becoming final and non-appealable, the fourteenth (14<sup>th</sup>) day after the date of the entry of the Approval Order, Trustee's counsel will transfer 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 Defendants' counsel without undue delay.

5. 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**

6. 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 Defendants, their affiliated entities, agents, representatives, attorneys, 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).

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

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

### **No Admission**

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 Defendants' part.

**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. 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.

13. 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.

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

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

Dated: Jericho, New York  
August 11, 2011

**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: Garden City, New York  
August 8, 2011

**Vincent M. Lentini, Esq.**  
Attorney for Antonio and Gloria Sanelli

By: s/ Vincent M. Lentini  
Vincent M. Lentini, Esq.  
600 Old Country Road, Suite 202  
Garden City NY 11530  
(516) 228-3214

s/ Antonio Sanelli  
Antonio Sanelli

s/ Gloria Sanelli  
Gloria Sanelli