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Presentment Date: September 4, 2012

Time: 10:00 a.m.

Objections Due: August 28, 2012

Time: 5:00 p.m.

RUSKIN MOSCOU FALTISCHEK, P.C.

Mark S. Mulholland
John A. DeMaro
Robert F. Regan
1425 RXR Plaza
Uniondale, New York 11556
516.663.6600 (telephone)
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*Special Counsel to Kenneth P. Silverman, Esq.
Chapter 7 Trustee of Agape World Inc., et al.*

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----x

In re:

AGAPE WORLD INC., *et al.*,

Debtors.

-----x

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

Plaintiff,

Chapter 7
Case No. 8-09-70660 (DTE)
Substantively Consolidated

Adv. Pro. No. 8-11-09019 (NHL)

-against-

R. J. O'BRIEN & ASSOCIATES, LLC,

Defendant.

-----x

**NOTICE OF PRESENTMENT OF PROPOSED ORDER
UNDER BANKRUPTCY RULE 9019(a) APPROVING A STIPULATION
SETTLING THE TRUSTEE'S CLAIMS AGAINST
R. J. O'BRIEN & ASSOCIATES, LLC**

PLEASE TAKE NOTICE, that upon the application (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, Reid Collins & Tsai LLP and Ruskin Moscou Faltischek, P.C. (“**Special Counsel**”), the Trustee will present a proposed order before the Honorable Nancy Hershey Lord, United States Bankruptcy Court for the Eastern District of New York, located at 271 Cadman Plaza East, Brooklyn, New York 11201 on **September 4, 2012 at 10:00 a.m.**, seeking approval of the Stipulation Settling Trustee’s Claims against R. J. O’Brien & Associates. A copy of the proposed Order is annexed hereto.

PLEASE TAKE FURTHER NOTICE, that objections, if any, to the relief requested in the Application or the proposed Order must be (i) made in writing; (ii) electronically filed with the Bankruptcy Court; (iii) delivered to Chambers of the Honorable Nancy Hershey Lord, United States Bankruptcy Judge, United States Bankruptcy Court, Eastern District of New York, 271 Cadman Plaza East, Brooklyn, New York 11201; (iv) mailed to SilvermanAcampora LLP, 100 Jericho Quadrangle, Suite 300, Jericho, New York 11753, Attn: David J. Mahoney, Esq.; (v) mailed to Reid Collins & Tsai, LLP, Two Wall Street, Suite 5200, New York, New York, 10005, Attn: Rachel S. Fleishman; (vi) mailed to Ruskin Moscou Faltischek, P.C., 1425 RXX Plaza, Uniondale, New York, 11556, Attn: Mark S. Mulholland; and (vii) mailed to the Office of the United States Trustee, 560 Federal Plaza, Central Islip, New York, 11722, no later than **August 28, 2012**.

PLEASE TAKE FURTHER NOTICE, that if written objections are timely filed and served in compliance with the above paragraph, a hearing will be held on September 12, 2012 at 10:30 a.m. In such event, the moving and objecting parties would be required to attend the hearing, and failure to attend in person or by counsel could result in the relief requested in the Application being granted upon default.

Dated: New York, New York
August 7, 2012

Respectfully submitted,

REID COLLINS & TSAI LLP

/s/ William T. Reid, IV

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*Special Litigation Counsel for Kenneth P. Silverman,
as Chapter 7 Trustee of Agape World, Inc., et al.*

CERTIFICATE OF SERVICE

I certify that on August 7, 2012, a true and correct copy of this document was served on counsel for Defendant listed below by the Court's electronic notification service and by email.

Therese M. Doherty
Christopher P. Greeley
HERRICK, FEINSTEIN LLP
2 Park Avenue
New York, New York 10016
(212) 592-1400

Attorneys for Defendant R. J. O'Brien & Associates, LLC

/s/ Barbara Whiten Balliette

Barbara Whiten Balliette

REID COLLINS & TSAI LLP

Two Wall Street, Suite 5200
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William T. Reid, IV, Esq.
Rachel S. Fleishman, Esq.

Presentment Date: September 4, 2012

Time: 10:00 a.m.

Objections Due: August 28, 2012

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1425 RXR Plaza
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Mark S. Mulholland, Esq.
John A. DeMaro, Esq.

*Special Counsel to Kenneth P. Silverman, Esq.
Chapter 7 Trustee of Agape World Inc., et al.*

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

AGAPE WORLD, INC., *et al.*

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

Debtors.

-----X

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

Plaintiff,

Adv. Pro. No. 8-11-09019 (NHL)

-against-

R. J. O'BRIEN & ASSOCIATES,

Defendant.

-----X

**TRUSTEE'S APPLICATION UNDER BANKRUPTCY RULE 9019(a) SEEKING THE
ENTRY OF AN ORDER (I) APPROVING A STIPULATION SETTLING ALL CLAIMS
BY AND BETWEEN KENNETH P. SILVERMAN, ESQ., CHAPTER 7 TRUSTEE OF
AGAPE WORLD, INC., *et al.*, AND R. J. O'BRIEN & ASSOCIATES, LLC
AND (II) GRANTING RELATED RELIEF**

Kenneth P. Silverman, Esq., (the "Trustee") the chapter 7 trustee of the substantively consolidated estate of Agape World, Inc., *et al.*, by his special counsel, Reid Collins & Tsai LLP

and Ruskin Moscou Faltischek P.C. (collectively “Special Counsel”), files this Application (i) seeking entry of an Order approving of the Stipulation Settling All Claims By and Between Kenneth P. Silverman, Esq., Chapter 7 Trustee of Agape World, Inc., *et al.*, and R. J. O’Brien & Associates, LLC **settling claims in this adversary proceeding for the amount of \$1,300,000.00** and (ii) granting related relief, respectfully sets forth and represents as follows:

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, 2009, 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, this 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 AWI 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 with AWI, the “Debtors”).

7. 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 as a part of their futures trading scheme to R. J. O'Brien & Associates, LLC ("RJO" or "Defendant") within the two (2) years immediately preceding the Petition Date in the aggregate amount of Fourteen Million Seven Hundred Seventy Thousand and 00/100 (\$14,770,000.00) Dollars (the "Transfers").

8. By order dated January 20, 2010, Special Counsel was retained to conduct an initial investigation to determine the viability of certain third-party claims as directed by the Trustee. These claims included potential causes of action against several Futures Commission Merchants ("FCMs"), including RJO. Over the course of the ensuing months, Special Counsel conducted extensive and on-going legal research and analysis regarding potential claims against RJO and other FCMs.

9. The Trustee and Special Counsel conducted an investigation of the Debtors' pre-petition financial affairs, including obtaining and analyzing a substantial array of documents from FCMs and other industry participants relating to the Debtors' business dealings. The Trustee served a first round of document requests pursuant to Fed. R. Bankr. P. 2004 and Orders of the Court in July 2009. The Trustee then engaged Special Counsel to analyze the documents. Upon this review, in July 2010, Special Counsel served a second round of requests for documents and witness examinations pursuant to Fed. R. Bankr. P. 2004 and Orders of the Court. Special Counsel then reviewed the additional documents produced by the FCMs and examined their designated witnesses. Thereafter, Special Counsel served a third round of requests for documents and witness examinations pursuant to Fed. R. Bankr. P. 2004 and Orders of the Court on other futures and commodities industry participants.

10. In the course of this initial, pre-suit analysis, the Trustee and Special Counsel obtained documentary discovery from RJO directly, which related to the Transfers and the Debtors' business dealings with RJO.

11. The Trustee and Special Counsel concluded that the Trustee could assert viable legal claims on behalf of the Debtors' estate to avoid and recover the Transfers from RJO pursuant to 11 U.S.C. §§548 and 550 and New York common law (the "Trustee's Claims").

12. Special Counsel prepared a draft complaint setting forth the Trustee's Claims against RJO (the "Draft Complaint") prior to commencing formal litigation and provided it to RJO as a confidential settlement communication pursuant to Fed. R. Evid. 408.

13. Through Special Counsel, the Trustee engaged in pre-suit settlement discussions with RJO, however, the parties were unable to reach a settlement. Therefore, on or about April 29, 2011, the Trustee filed this adversary proceeding against RJO in the Eastern District of New York Bankruptcy Court (the "Lawsuit").

14. In the Lawsuit, Trustee asserted that Transfers, totaling \$14,770,000 and made by the Debtors to RJO, are avoidable pursuant to 11 U.S.C. §§548 and 550 (the "Claims").

15. RJO answered the Complaint on July 26, 2011. RJO generally denied any liability related to the Claims and asserted multiple defenses to the Claims, including, *inter alia*, that RJO lacked dominion and control over the Transfers, and that it had acted in good faith in receiving the Transfers and, therefore, the Transfers were not avoidable.

16. Thereafter, the parties began conducting discovery. The parties exchanged initial disclosures pursuant to Federal Rule of Civil Procedure 26(a)(1). During discovery, the Trustee served, and Defendant responded to four requests for production of documents and four sets of interrogatories. The Trustee also responded to requests for production from Defendant.

17. After review of the written discovery the Trustee noticed depositions of party and non-party witnesses, including depositions of present and former employees of RJO and a Rule 30(b)(6) deposition of RJO. Most of the depositions took place in Chicago, Illinois.

18. Many of the depositions involved complex and highly-technical subject matter, which Special Counsel prepared for by, among other things, working with consulting experts.

19. After the completion of discovery, the parties met to discuss the possibility of resolving the case. At that meeting, and thereafter, the parties discussed their views of the factual and legal issues in the case. Over a period of months, the discussions between the parties continued concerning the substantive discussion of the legal issues. The parties exchanged and discussed various legal authorities, as well as differing views of the facts of the case.

20. During the multi-month period of discussions between the parties, the Trustee's expert began work on his expert report.

21. The parties ultimately agreed to settle the case for **One Million Three Hundred Thousand and 00/100 (\$1,300,000.00) Dollars (the "Settlement Sum")**.

22. Based upon the Trustee's and Special Counsel's investigation, legal and factual research, analysis of the relevant law, industry, and the Debtors' pre-petition financial affairs, review of the documentation produced by RJO, the testimony provided at the depositions, and the advice of Special Counsel, the Trustee, in the exercise of his business judgment, agreed to accept RJO's offer to remit the Settlement Sum in full and final settlement of any and all claims that the Trustee may have against RJO.

SETTLEMENT

23. The Trustee has determined that settling the Trustee's Claims for the Settlement Sum is in the best interests of the Debtors' estate and is the most economical and efficient way to

realize a meaningful and beneficial recovery for the benefit of creditors without the need to incur the expenses and risks inherent with the prosecution of the Trustee's Claims in continued litigation.

24. One of the issues in this case concerns whether RJO was a "transferee" of the transfers at issue. The Trustee understands that RJO would have argued – in the context of a summary judgment motion and at trial – that RJO did not have dominion and control over the transfers at issue and, thus was not a transferee. While the Trustee and Special Counsel concluded that the dominion and control issue, if litigated, was likely to be determined in favor of the Trustee, the issue is somewhat novel in the context presented by this case. However, dominion and control is a mixed question of law and fact, which the Court might not determine at summary judgment. If that were the case, the Trustee would have to litigate this issue through trial in order to prevail, which would be both time-consuming and costly.

25. The Trustee and Special Counsel also recognized that RJO would argue that, even if it had dominion and control as to some portion of the Transfers, it did not have dominion and control of all of the Transfers. Specifically, RJO would argue that, at most, it had dominion and control only over the amounts RJO received as commissions, which RJO maintains is, at most, \$700,000.

26. If the Trustee prevailed on all issues, the Transfers at issue equal \$14,770,000.00, which constitutes the entire sum of money transferred from the Debtor to RJO. However, in the event that RJO prevailed on its dominion and control argument with respect to some portion of the Transfers, it was at least theoretically possible that the Trustee could win a judgment in the amount of the trading losses suffered by Debtor in the RJO account (approximately \$8.8 million), or win a judgment that was limited to the fees and commissions deducted by RJO from

the Debtor's account (approximately \$1.4 million), or a judgment that was limited to only the amount of commissions retained by RJO (approximately \$700,000).

27. Thus, the Trustee and Special Counsel considered the range of results that might be obtained after a costly trial.

28. Similarly, the good faith defense that RJO advanced during discussions with Special Counsel is a fact-intensive issue that is often a question for trial, not summary judgment. Special Counsel considered, among other things, its prior experience litigating this same issue in other cases, which has invariably involved a factual finding made only after discovery and, often, an expensive "battle of the experts" at a trial of the case. Thus, although it would be RJO's burden to prove the defense, the good faith issue was another matter that the Trustee and Special Counsel carefully considered.

29. The Trustee and Special Counsel weighed the expenses and uncertainty of trying the issue to a successful conclusion before a fact finder, against the advantages to the estate of a certain recovery through settlement.¹

30. Taking all of the foregoing circumstances into consideration, the Trustee has exercised his considerable business judgment and determined that the benefit of receiving the certain Settlement Sum is greater than the potential benefit coupled with the uncertainty of taking the matter to a fact finder.

31. 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.

¹ As the Court knows, one of the FCM's against which the Trustee brought suit, MF Global, entered bankruptcy during the pendency of that case. During the course of settlement negotiations in this case, Peregrine Financial Group, which is another FCM that has no connection to this case or to Agape, also entered bankruptcy after a 20-year fraud involving the use of customer funds came to light. While these facts have no direct bearing on the RJO case or the settlement, the Trustee is aware of some of the problems being experienced by companies in the FCM, business, which offer perhaps another argument in favor of the certainty of settlement versus continued, protracted litigation and trial.

32. For a more comprehensive explanation of the terms and conditions of the proposed settlement, all interested parties are encouraged to review the Stipulation of Settlement “Stipulation” annexed hereto as **Exhibit A**.

BASIS FOR THE RELIEF REQUESTED

33. The clear purpose of Rule 9019 is to prevent the making of concealed agreements which are unknown to the creditors and unevaluated by the court. Federal Rule of Bankruptcy Procedure 9019(a), the Rule governing the approval of compromises and settlements, 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.²

34. The Trustee has made an “informed and independent” judgment regarding his settlement of the Trustee’s Claims against RJO. 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.³

35. The settlement set forth in the Stipulation satisfies each of the criteria outlined by the courts in *TMT Trailer Ferry*, *Arrow Air*, *Jackson Brewing* and *Holywell*. The Trustee has determined that, following an analysis of Debtors’ transactions, an extensive exchange of information and arguments with RJO, and lengthy negotiations with counsel, it is too speculative

² *In re Masters, Inc.*, 141 B.R. 13 (Bankr. E.D.N.Y. 1992).

³ *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. 606, 611 (Bankr. N.D. Ohio 1987), *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”).

to presume that prosecution of the Trustee's Claims and enforcement of resulting judgments would result in a net benefit to the estate in excess of the Settlement Sum.

36. Accordingly, after considering the foregoing factors, the Trustee believes that the settlement is fair and equitable and in the best interests of the estate and represents a reasonable exercise of the Trustee's business judgment.

37. It is respectfully submitted that settling the Trustee's Claims in accordance with the Stipulation is fair and reasonable, in the best interests of this estate, represents a reasonable exercise of the Trustee's business judgment and should be approved by the Court. Therefore, and based on the foregoing, the Trustee respectfully requests that the Court approve the Stipulation.

NOTICE OF PRESENTMENT OF PROPOSED ORDER

38. The Trustee has served this Application with Exhibit, the Notice of Presentment of Proposed Order, and the Proposed Order upon: (i) the Office of the United States Trustee; (ii) Nicholas Cosmo, former principal of the Debtors, (iii) criminal counsel to Nicholas Cosmo, (iv) counsel to RJO, (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 represents that service complies with the Bankruptcy Court's Order Establishing Noticing Procedures entered on July 8, 2009.

39. 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 enter an Order approving of the Stipulation Settling All Claims By and Between Kenneth P. Silverman, Esq.,

Chapter 7 Trustee of Agape World, Inc., *et al.*, and R. J. O'Brien & Associates, LLC and (ii) granting related relief as this Court deems just and proper.

Dated: New York, New York
August 7, 2012

REID COLLINS & TSAI LLP

/s/ William T. Reid, IV

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*Special Litigation Counsel for Kenneth P. Silverman,
as Chapter 7 Trustee of Agape World, Inc., et al.*

CERTIFICATE OF SERVICE

I certify that on August 7, 2012, a true and correct copy of this document was served on counsel for Defendant listed below by the Court's electronic notification service and by email.

Therese M. Doherty
Christopher P. Greeley
HERRICK, FEINSTEIN LLP
2 Park Avenue
New York, New York 10016
(212) 592-1400

Attorneys for Defendant R. J. O'Brien & Associates, LLC

/s/ Barbara Whiten Balliette

Barbara Whiten Balliette

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X
In re:

AGAPE WORLD, INC., *et al.*

Debtors.

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

Plaintiff,

-against-

R. J. O'BRIEN & ASSOCIATES, LLC,

Defendant.
-----X

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

Adv. Pro. No. 8-11-09019 (NHL)

**ORDER UNDER BANKRUPTCY RULE 9019(a) APPROVING A STIPULATION
SETTLING ALL CLAIMS BY AND BETWEEN KENNETH P. SILVERMAN, ESQ.,
CHAPTER 7 TRUSTEE OF AGAPE WORLD, INC., *et al.*, AND
R. J. O'BRIEN & ASSOCIATES, LLC, AND (II) GRANTING RELATED RELIEF**

Upon the (1) Trustee's Application Under Bankruptcy Rule 9019(a) (the "**Application**") and (2) Notice of Presentment of Proposed Order (the "**Notice**"), dated August 7, 2012, of Kenneth P. Silverman, Esq., in his capacity as the Chapter 7 Trustee (the "**Trustee**") of the substantively consolidated estate of for Agape World Inc., *et al.*, by his special counsel, Reid Collins & Tsai LLP, seeking the entry of an Order (i) approving of the Stipulation (the "**Stipulation**") Settling All Claims By and Between Kenneth P. Silverman, Esq., Chapter 7 Trustee of Agape World, Inc., *et al.*, and R. J. O'Brien & Associates, LLC ("**RJO**") and (ii) granting related relief; and upon the Affidavit of Service filed with the Court; and no objections to the Application having been filed; and the Court having found that the settlement of the Trustee's claims against RJO, to be fair, reasonable and in the best interest of the Debtors' estate; and the Court having found that service of the Notice of Presentment, Application with Exhibit

and Proposed Order is sufficient *and* cause having been shown therefore; and no additional notice being necessary or required;

NOW, THEREFORE, upon the Notice of Presentment and Application of the Trustee and pursuant to Federal Rule of Bankruptcy Procedure 9019(a) and other applicable law, it is hereby

ORDERED, that the Application is **granted**, and it is further

ORDERED, that the settlement of all claims by and between the Trustee and RJO, 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.

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X
In re:

AGAPE WORLD INC., *et al.*,

Debtors.

Chapter 7
Case No. 8-09-70660 (DTE)
Substantively Consolidated

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

Adv. Pro. No. 8-11-09019 (NHL)

Plaintiff,

-against-

R. J. O'BRIEN & ASSOCIATES, LLC,

Defendant.
-----X

**STIPULATION SETTLING ALL CLAIMS BY AND BETWEEN KENNETH P.
SILVERMAN, ESQ., CHAPTER 7 TRUSTEE OF AGAPE WORLD, INC., *et al.*,
AND R. J. O'BRIEN & ASSOCIATES, LLC**

Kenneth P. Silverman, Esq., Chapter 7 Trustee of Agape World, Inc., *et al.*, and R. J. O'Brien & Associates, LLC file this Stipulation Settling All Claims and show the Court as follows:

I. 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, 2009, 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 (the "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, the "Debtors").

7. 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 R. J. O'Brien & Associates, LLC ("Defendant") within the two (2) years immediately preceding the Petition Date.

8. The Trustee obtained an Order of the Bankruptcy Court authorizing the examination of the Defendant pursuant to Federal Rule of Bankruptcy Procedure ("Bankruptcy Rule") 2004. In response to the Bankruptcy Rule 2004 subpoena served by the Trustee, Defendant produced documentation related to transfers made to and from the Debtor.

9. On or about April 29, 2011, the Trustee filed an adversary proceeding against the Defendant in the Eastern District of New York Bankruptcy Court (the "Complaint").

10. In the Complaint, Trustee alleged that transfers totaling \$14,770,000 (the "**Transfers**") made by the Debtors to the Defendant are avoidable pursuant to 11 U.S.C. §§ 548 and 550 (the "**Claims**").

11. The Defendant answered the Complaint on July 26, 2011, generally denying any liability related to the Claims and asserted certain affirmative defenses to the Claims, including, *inter alia*, that Defendant did not have dominion and control over the Transfers and that Defendant acted in good faith in receiving the Transfers and, therefore, the Transfers were not avoidable.

12. Defendant and the Trustee conducted fact discovery in this litigation, including written discovery, document productions, and several depositions.

13. On July 20, 2012, the Defendant, in the spirit of compromise and without any admission of liability, offered to remit the sum of **One Million Three Hundred Thousand Dollars (\$1,300,000)** (the "**Settlement Sum**") to the Trustee in full and final settlement of the Claims in exchange for a full release of Defendant by the Trustee on behalf of himself, the Debtors, and the Debtors' Estates, and subject to approval by the Court.

14. 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 accept the Settlement Sum in full and final settlement of the 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.

II. STIPULATIONS AND AGREEMENTS

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:

A. BANKRUPTCY COURT APPROVAL OF THE SETTLEMENT

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. If the Bankruptcy Court does not enter the Approval Order or if the Approval Order is appealed and reversed, this Stipulation (including the releases contained herein) will be null and void and of no force and effect and without prejudice to the rights, claims or defenses of the parties and none of the terms herein shall be usable as evidence by either party.

B. DEFENDANT'S OBLIGATION TO PAY THE SETTLEMENT SUM

3. The Settlement Sum in the amount of **One Million Three Hundred Thousand Dollars (\$1,300,000)** shall be remitted to the Trustee immediately upon receipt by counsel for the parties of this settlement stipulation executed on behalf of each party. The Trustee shall provide wire instructions to Defendant's counsel before such payment is due to be paid.

4. Upon receipt by the Trustee, the Settlement Sum shall be held in a non-interest bearing "earnest money" estate account until the Approval Order becomes final and non-appealable under 28 U.S.C. §158(c)(2) and Bankruptcy Rule 8002.

5. Upon the Approval Order becoming final and non-appealable, the Trustee will transfer the Settlement Sum from the "earnest money" account into the Debtors' estate account. If the Bankruptcy Court does not enter the Approval Order or if the Approval Order is appealed and reversed, this Stipulation (including the releases contained herein) will be null and void and

none of the terms herein shall be usable as evidence by either party and, in such event, the Trustee shall immediately return the Settlement Sum to Defendant.

C. MUTUAL RELEASES

6. Upon the Approval Order becoming final and non-appealable, and the Trustee's receipt and clearance of the full Settlement Sum, the Trustee on behalf of himself, the Debtors, and the Debtors' Estates hereby releases and forever discharges Defendant R. J. O'Brien & Associates, LLC, its affiliated entities, and each of their present or former officers, attorneys, directors, employees, agents, representatives, assigns, predecessors-in-interest and successors-in-interest (the "Released Parties") from any and all claims, claims for relief, demands, costs, expenses, damages, liabilities, losses and obligations of any nature which the Trustee and/or the Debtors ever had, now have or hereafter can, shall or may have, whether known or unknown, suspected or unsuspected, for, upon, or by reason of any matter, claim, cause or thing whatsoever from the beginning of the world to the day of the date of this Stipulation.

7. Upon the entry of the Approval Order, the Released Parties release and discharge the Debtors' Estate, the Trustee and the Trustee's agents, attorneys, assigns and successors-in-interest from any and all claims, claims for relief, demands, costs, expenses, damages, liabilities, and obligations of any nature which the Released Parties ever had, now have or hereafter can, shall or may have, whether known or unknown, suspected or unsuspected, for, upon, or by reason of any matter, claim, cause or thing whatsoever from the beginning of the world to the day of the date of this Stipulation.

D. NO ADMISSION OF CRIMINAL OR CIVIL LIABILITY

8. 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 any admission of any liability on Defendant's part.

E. MISCELLANEOUS

9. 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.

10. Counsel 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.

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

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

13. Upon the Approval Order becoming final and non-appealable and after the payment of the Settlement Sum, the Trustee shall promptly execute, deliver and file with the Court a stipulation or other appropriate documents necessary to dismiss this adversary proceeding with prejudice and without costs.

REID COLLINS & TSAI LLP

*Special Counsel for Kenneth P. Silverman, Esq.,
the Chapter 7 Trustee*

Dated: New York, NY
7/30/12

/s/ William T. Reid, IV

William T. Reid, IV
Two Wall Street
Suite 5200
New York, New York 10005
(212) 344-5200

HERRICK, FEINSTEIN LLP

Counsel for R. J. O'Brien & Associates, LLC

Dated: New York, NY
7/31/12

/s/ Christopher P. Greeley

Therese M. Doherty
Christopher P. Greeley
2 Park Avenue
New York, New York 10016
(212) 592-1400

AGREED AND APPROVED

/s/ Kenneth P. Silverman Date: July 30, 2012
KENNETH P. SILVERMAN, ESQ.
CHAPTER 7 TRUSTEE FOR AGAPE WORLD, INC., ET AL.

/s/ Gerald F. Corcoran Date: July 30, 2012
R. J. O'BRIEN & ASSOCIATES, LLC
By: GERALD F. CORCORAN
Title: CEO

/s/ Melissa Andrews Date: July 30, 2012
R. J. O'BRIEN & ASSOCIATES, LLC
By: MELISSA ANDREWS
Title: ASSISTANT SECRETARY