

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

Presentment Date: August 8, 2014
Time: 9:30 a.m.

Objections Due: August 5, 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.

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

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

Plaintiff,

Adv. Pro. No.: 10-08406 (AST)

-against-

LANCE ROSENBERG,

Defendant.
-----X

**NOTICE OF PRESENTMENT OF AN ORDER UNDER
FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019(a) APPROVING THE
STIPULATION SETTLING THE TRUSTEE'S CLAIMS AGAINST LANCE ROSENBERG**

PLEASE TAKE NOTICE, that upon the annexed motion (the "Motion"), Kenneth P. Silverman, Esq., the chapter 7 trustee (the "Trustee") for the substantively consolidated estate of Agape World, Inc., *et al.*, by his counsel, SilvermanAcampora LLP, will present a proposed order before the Honorable Alan S. Trust, United States Bankruptcy Judge, United States Bankruptcy Court for the Eastern District of New York, located at the Alfonse M. D'Amato Federal Courthouse, 290 Federal Plaza, Courtroom 960, Central Islip, New York 11722 on **August 8, 2014 at 9:30 a.m.**, seeking entry of an Order under Bankruptcy Rule 9019(a)

Approving the Stipulation Settling the Trustee's Claims against Lance Rosenberg. A copy of the proposed Order is attached to the Motion as **Exhibit 1**.

PLEASE TAKE FURTHER NOTICE, that objections, if any, to the relief requested in the Motion or the proposed Order must be (i) made in writing; (ii) electronically filed with the Bankruptcy Court; (iii) delivered to Chambers of the Honorable Alan S. Trust, United States Bankruptcy Judge, United States Bankruptcy Court, Eastern District of New York, Alfonse M. D'Amato Federal Courthouse, 290 Federal Plaza, Courtroom 960, 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 **August 5, 2014 at 5:00 p.m.**

PLEASE BE ADVISED, that if an objection is timely filed to the relief requested, or if the Court determines that a hearing is appropriate, the Court will schedule a hearing. Notice of such hearing will be provided by the applicant.

PLEASE BE ADVISED, that if no objection is received by the Objection Deadline, the order may be signed without a hearing.

Dated: Jericho, New York
July 10, 2014

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

By: s/ David J. Mahoney
Anthony C. Acampora
David J. Mahoney
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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 7
Case No.: 09-70660 (AST)
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AGAPE WORLD, INC.,
AGAPE MERCHANT ADVANCE LLC,
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114 PARKWAY DRIVE SOUTH LLC,

Debtors.

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

Plaintiff,

Adv. Pro. No.: 10-08406 (AST)

-against-

LANCE ROSENBERG,

Defendant.
-----X

**MOTION FOR AN ORDER UNDER FEDERAL
RULE OF BANKRUPTCY PROCEDURE 9019(a) APPROVING THE
STIPULATION SETTLING THE TRUSTEE'S CLAIMS AGAINST LANCE ROSENBERG**

Kenneth P. Silverman, Esq., the chapter 7 trustee (the "Trustee") of the substantively consolidated estate of Agape World, Inc., *et al.*, by his attorneys SilvermanAcampora LLP, respectfully submits this motion (the "Motion") under 11 U.S.C. §105 and Federal Rules of Bankruptcy Procedure 9019(a) for entry of an Order (attached as **Exhibit 1**) approving the settlement of the Trustee's claims against Lance Rosenberg (the "Defendant") as memorialized in the Stipulation Settling the Trustee's claims against Lance Rosenberg (the "Stipulation"),

which is attached as **Exhibit 2**. All parties are encouraged to review the Stipulation in its entirety for the specific terms of the 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 (Docket No. 106), the Trustee retained Navigant Consulting Inc. ("Navigant"), to, among other things, conduct a forensic analysis of Agape's books and records.

8. On April 2, 2009, Defendant and Alice Pagowska (“Pagowska”)¹ filed a general unsecured claim in the Debtors’ consolidated bankruptcy cases, assigned claim number 64 (“Claim 64”), in the amount of \$900,000.00.

9. Based upon Navigant’s analysis, the Trustee determined that Defendant received certain transfers totaling Forty-Three Thousand Eight Hundred Seventy-Five and 00/100 (\$43,875.00) Dollars from the Debtors prior to the Petition Date.

10. On August 27, 2010, the Trustee commenced this adversary proceeding against Defendant by the filing of a complaint (Adv. Pro. No. 10-08406) (the “Adversary Proceeding”), asserting that certain transfers totaling \$43,875.00 (the “Transfers”) made by the Debtors to Defendant within 90 days prior to the Petition Date are avoidable pursuant to 11 U.S.C. §§105, 547, 550 and 551 (the “Trustee’s Claims”).

11. On September 20, 2010, Defendant interposed an answer to the Complaint asserting general denials and several affirmative defenses.

12. Thereafter, the Parties engaged in informal discovery related to the Trustee’s Claims and the defenses asserted by Defendant.

13. Defendant has offered to pay \$25,200.00 (the “Settlement Sum”) to the Trustee, and voluntarily reduce Claim 64 from \$900,000.00 to the reduced amount of \$552,550.00, in full and final settlement of the Trustee’s Claims.²

14. Based the Trustee’s review of all documentation related to the Transfers and his investigation of all attendant factors, the Trustee has, in his business judgment, agreed to settle the Trustee’s Claims.

¹ Pagowska is a defendant in a separate adversary proceeding, assigned adversary proceeding number 10-08443 (AST) (the “Pagowska Adversary Proceeding”). The Pagowska Adversary Proceeding is being settled pursuant to a separate stipulation of settlement between the parties to that matter.

² A portion of the Settlement Sum has been received by the Trustee and is in the “Estates’ Earnest Monies” account, pending the Court approval of the Settlement.

15. For all the reasons set forth herein, the Trustee submits that accepting Defendant's offer to remit the Settlement Sum, and voluntary reduction of Claim 64, in full and final settlement of the Trustee's Claims is a reasonable exercise of the Trustee's business judgment and is in the best interest of the Debtors' estate.

Settlement

16. The Trustee has determined that settling this matter for the Settlement Sum and a voluntary reduction of Claim 64 is the most economical and efficient way to realize a meaningful recovery for the creditor's benefit without incurring additional legal fees and the risks inherent with prosecuting the Trustee's Claims and collecting on any resulting judgment efforts.

Basis for Relief Requested

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

On motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Notice shall be given to creditors, the United States trustee, the debtor, and indenture trustees as provided in Rule 2002 and to any other entity as the court may direct.

Fed. R. Bankr. P. 9019(a).

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

[e]ducated estimate of the complexity, expense, and likely duration of such litigation, the possible difficulties of collecting on any judgment which might be obtained, and all other factors relevant to a full and fair assessment of the wisdom of the proposed compromise. Basic to this process in every instance, of course, is the need to compare the terms of the compromise with the likely rewards of litigation.³

³ *In re Iridium Operating LLC*, 478 F.3d 452, 462 n.15 (2d Cir. 2007) (quoting *Protective Committee for Independent Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424-425, reh'g denied, 391 U.S. 909 (1968)). See *In re Arrow Air, Inc.*, 85 B.R. 886, 891 (Bankr. S.D. Fla. 1988); *In re Bell & Beckwith*, 77 B.R. 606, 611 (Bankr. N.D. Ohio), aff'd, 87 B.R. 472 (N.D. Ohio 1987); *Cf. Magill v. Springfield Marine Bank (In re Heissinger Resources Ltd.)*, 67 B.R. 378, 383 (C.D. Ill. 1986) ("the law favors compromise").

19. In making its determination on the "propriety of the settlement," the Court should consider whether the proposed settlement is in the "best interest of the estate."⁴ As stated in *Arrow Air*, the "approval of [a] proposed compromise and settlement is a matter of this Court's sound discretion."⁵ In passing upon a proposed settlement, "the bankruptcy court does not substitute its judgment for that of the trustee."⁶ 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."⁷ In passing upon the reasonableness of a proposed compromise, the Court "may give weight to the opinions of the Trustee, the parties and their counsel."

20. The Second Circuit in *In re Iridium Operating LLC*⁸ outlined the following seven factors (the "Iridium Criteria") to be considered by a court in deciding whether to approve a compromise or settlement:

- i. the balance between the litigation's possibility of success and the settlement's present and future benefits;
- ii. the likelihood of complex and protracted litigation, with its attendant expense, inconvenience, and delay, including the difficulty in collecting on the judgment if the settlement is not approved;
- iii. the paramount interest of the creditors, including the proportion of class members who do not object to or who affirmatively support the settlement;
- iv. whether other parties in interest support the settlement;

⁴ *Handler v. Roth (In re Handler)*, 386 B.R. 411, 420 (Bankr. E.D.N.Y. 2007)(quoting *In re Adelphia Communications Corp.*, 327 B.R. 143, 158 (Bankr. S.D.N.Y. 2005)); *Depo v. Chase Lincoln First Bank, N.A. (In re Depo)*, 77 B.R. 381, 383 (N.D.N.Y. 1987), *aff'd*, 863 F.2d 45 (2d Cir. 1988).

⁵ *Arrow Air*, *supra*, 85.B.R. at 891.

⁶ *In re Depo*, 77 B.R. at 384 (citations omitted).

⁷ *Bell & Beckwith*, 77 B.R. at 612; see also *In re Handler*, 386 B.R. at 421.

⁸ 478 F.3d 452, 462 (2d Cir. 2007).

- v. the competency and experience of the counsel who support the proposed settlement;
- vi. the relative benefits to be received by individuals or groups within the class; and
- vii. the extent to which the settlement is the product of arm's length bargaining.⁹

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

22. The Settlement Sum represents a guaranteed recovery of over 50% of the Transfer for which the Trustee believes Defendant may be liable in satisfaction of the Trustee's Claims. Moreover, by voluntarily reducing Claim 64, Defendant has provided additional consideration and reduced the costs associated with administering such claim, all of which provides a benefit to the Debtors' creditors.

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

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

25. The Trustee submits that considering the costs and uncertainties associated with further litigation, trial, and the resulting judgment enforcement against Defendant, 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

26. The Trustee has served the Notice of Motion, proposed Order, and Motion in support (with Exhibits) upon: (i) the Office of the United States Trustee; (ii) Nicholas Cosmo, Debtors' former principal; (iii) Defendant; (iv) Defendant's counsel; (v) the Internal Revenue Service and other governmental agencies to the extent required by the Bankruptcy Rules and the Local Rules; and (vi) all parties having filed a Notice of Appearance in this case, and copies

⁹ See *In re Iridium Operating LLC*, 478 F.3d at 462; See also *In re Handler*, 386 B.R. at 421.

have been posted on the Trustee's website located at www.agapeworldbankruptcy.com. The Trustee respectfully submits that the proposed service complies with this Court's Order Establishing Noticing Procedures entered on July 8, 2009 and is otherwise sufficient.

27. No previous application for the relief requested herein has been made to this or any other Court.

WHEREFORE, the Trustee respectfully requests that this Court grant this Motion approving the Stipulation and grant such other further and different relief as this Court deems just and proper.

Dated: Jericho, New York
July 10, 2014

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

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

EXHIBIT 1

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X
In re:

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

Debtors.

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

Plaintiff,

-against-

LANCE ROSENBERG,

Defendant.
-----X

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

Adv. Pro. No.: 10-08406 (AST)

**ORDER UNDER FEDERAL RULE OF
BANKRUPTCY PROCEDURE 9019(a) APPROVING THE
STIPULATION SETTLING THE TRUSTEE'S CLAIMS AGAINST LANCE ROSENBERG**

Upon the Notice of Motion (the "Notice"), dated July 10, 2014, and related documents (collectively, the "Motion") of Kenneth P. Silverman, Esq., the chapter 7 trustee (the "Trustee") of the substantively consolidated estate of Agape World, Inc., *et al.*, by his counsel, SilvermanAcampora LLP, seeking the entry of an Order approving the Stipulation Settling the Trustee's Claims against Lance Rosenberg (the "Defendant"), and upon the Affidavit of Service filed with the Court; and no objections to the Motion or the proposed Order having been filed; and the Court having found that settling the Trustee's claims arising under 11 U.S.C. §§105, 547, 550, and 551, is reasonable and in the best interest of the Debtors' estate; and sufficient cause having been shown therefor; and after due deliberation and consideration; and it appearing that sufficient notice of the Motion and proposed Order has been given; and it

appearing that good and sufficient cause exists for granting the Motion and proposed Order; and no additional notice being necessary or required:

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

ORDERED, that service of the Notice and Motion and proposed Order, having been provided to: (i) the Office of the United States Trustee; (ii) Nicholas Cosmo, Debtors' former principal; (iii) Defendant; (iv) Defendant's counsel; (v) the Internal Revenue Service and other governmental agencies to the extent required by the Bankruptcy Rules and the Local Rules; and (vi) all parties having filed a Notice of Appearance in this case, and copies have been posted on the Trustee's website located at www.agapeworldbankruptcy.com complies with this Court's Order Establishing Noticing Procedures entered on July 8, 2009 and is otherwise sufficient; and it is further

ORDERED, that the Motion is granted, and it is further

ORDERED, that the settlement of the Trustee's Claims against Defendant as memorialized in the Stipulation is approved, and it is further

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

EXHIBIT 2

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X
In re:

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

Debtors.

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

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

Plaintiff,

-against-

Adv. Pro. No. 10-08406 (AST)

LANCE ROSENBERG,

Defendant.
-----X

**STIPULATION SETTLING THE
TRUSTEE'S CLAIMS AGAINST LANCE ROSENBERG**

- 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 Lance Rosenberg (the "Defendant") prior to the Filing Date.

VIII. On April 2, 2009, Defendant and Alice Pagowska ("Pagowska")¹ filed a general unsecured claim in the Debtors' consolidated bankruptcy cases, assigned claim number 64 ("Claim 64"), in the amount of \$900,000.00.

IX. On August 27, 2010, the Trustee commenced this adversary proceeding against Defendant by the filing of a complaint (the "Complaint"), wherein the Trustee asserted that certain transfers totaling \$43,875.00 (the "Transfers") made by the Debtors to Defendant within 90 days prior to the Filing Date are avoidable pursuant to 11 U.S.C. §§105, 547, and 550 (the "Trustee's Claims").

X. On September 20, 2010, Defendant interposed an answer to the Complaint.

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

XII. In the spirit of compromise and without any admission of liability, Defendant has offered to remit the sum of \$25,200.00 (the "Settlement Sum") to the Trustee, and voluntarily reduce Claim 64, in full and final settlement of the Trustee's Claim.

¹ Pagowska is a defendant in a separate adversary proceeding, assigned adversary proceeding number 10-08443 (AST) (the "Pagowska Adversary Proceeding"). The Pagowska Adversary Proceeding is being settled pursuant to a separate stipulation of settlement between the parties to that matter.

XIII. Based upon the his review of all documentation related to the Transfers and his investigation of all attendant factors, the Trustee has, in his business judgment, agreed to settle the Trustee's Claim 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 Claim is resolved upon the terms and conditions set forth herein as follows:

Defendant's Obligation to Pay the Settlement Sum

1. Defendant will remit the Settlement Sum to "Kenneth P. Silverman, Esq., as Chapter 7 Trustee," by delivering a check to Trustee's counsel at SilvermanAcampora LLP, 100 Jericho Quadrangle, Suite 300, Jericho, New York, 11753, Attn: Cooper J Macco, Esq. The Trustee has authorized Defendant to pay the Settlement Sum in six (6) equal monthly installments (each, an "Installment," and collectively, the "Installments") as follows: (i) the first installment, in the amount of \$4,200.00, is due upon execution of this Stipulation; (ii) the second installment, in the amount of \$4,200.00, is due on or before June 15, 2014; (iii) the third installment, in the amount of \$4,200.00, is due on or before July 15, 2014; (iv) the fourth installment, in the amount of \$4,200.00, is due on or before August 15, 2014; (v) the fifth installment, in the amount of \$4,200.00, is due on or before September 15, 2014; and (vi) the sixth and final installment, in the amount of \$4,200.00, is due on or before October 15, 2014. Nothing contained herein shall preclude or penalize Defendant from pre-paying any Installment or any portion of any Installment.

2. If Defendant fails to make timely payment of any Installment of the Settlement Sum in accordance with paragraph 1, above, or if Defendant's payment is dishonored for any reason whatsoever and Defendant does not cure such default within ten (10) business days after written notice is sent by Federal Express or other reputable overnight courier to Defendant and Defendant's Counsel at the addresses set forth herein, then the Trustee shall be entitled to

move before the Bankruptcy Court, without further notice upon the affidavit by the Trustee attesting to the default (a) for the entry of a judgment against Defendant for Forty-Three Thousand Eight Hundred Seventy-Five and 00/100 (\$43,875.00) Dollars, together with costs, less any sums previously paid as provided herein, and (b) for any further relief necessary to enforce the Trustee's rights under this Stipulation. Written notice of default shall be sent to (i) Defendant at 566 East Beech Street, Long Beach, New York 11561; and (ii) Defendant's counsel at Long Tuminello LLP, 120 Fourth Avenue, Bay Shore, New York 11706, Attn: Harold Seligman, Esq.

3. Upon receipt of each Installment, Trustee's counsel will transfer the Installment to the Trustee to be deposited into the Trustee's estate account for Debtors' estate. Defendant acknowledges and agrees that the Installments shall become part of the Debtors' estate without Order of the Court pursuant to the "Procedures Order" entered on October 1, 2010.

Releases

4. Upon execution of this Stipulation and the Trustee's receipt and clearance of the of the Settlement Sum, the Trustee and the estate release and forever discharge Defendant, his affiliated entities, agents, representatives, present or former officers, attorneys, directors, assigns and successors-in-interest from any and all claims, claims for relief, demands, costs, expenses, damages, liabilities, and obligations of any nature arising out of or relating to the Claim. For purposes of clarification, nothing contained herein shall be construed to be a release by the Trustee of any claims that the Trustee may have or subsequently discover under 11 U.S.C. §550(a)(2) and the Trustee is specifically not releasing any claims under 11 U.S.C. §550(a)(2).

5. Upon the execution of this Stipulation, Defendant releases, discharges and waives any and all claims against the Debtors' Estate, the Trustee and the Trustee's agents, attorneys, assigns and successors-in-interest from any and all claims, claims for relief, demands, costs, expenses, damages, liabilities, and obligations of any nature. The only

exceptions to this release shall be for: (i) Defendant's proof of claim, as set forth in paragraph 6, below; and (ii) Defendant's right to file a claim under 11 U.S.C. §502(h), as set forth in paragraph 8, below.

Effect of Settlement upon Timely-Filed Proofs of Claim

6. Upon execution of this Stipulation and the Trustee's receipt and clearance of the Settlement Sum, the Trustee and the estate specifically release, discharge and waive the Second Claim for Relief to disallow any proof of claim timely filed by Defendant pursuant to 11 U.S.C. §502(d).

7. As additional consideration for settling the Trustee's Claim, and notwithstanding paragraphs 4 through 6, above, Defendant agrees to voluntarily reduce the amounts claimed in Claim 64 from \$900,000.00 to the reduced amount of \$552,550.00, which shall be memorialized by Defendant's execution of the Notice of Voluntary Reduction and Allowance of Claim 64 (the "Notice of Reduction"), annexed hereto as **Exhibit A**. Defendant authorizes the Trustee's counsel to electronically file the Notice of Reduction with the Bankruptcy Court, and deliver the Notice of Reduction to the Trustee's retained claims and noticing agent

8. The parties agree that upon: (i) Defendant and Pagowska's execution of the Notice of Reduction; (ii) Defendant's payment of the Settlement Sum; and (iii) Pagowska's payment of the amounts due under the stipulation of settlement resolving the Pagowska Adversary Proceeding, assigned adversary proceeding number 10-08443 (AST), Defendant and Pagowska shall jointly have an allowed general unsecured claim in the amount of \$552,550.00.

9. Upon the Trustee's receipt and clearance of all Installments of the Settlement Sum, but not more than sixty (60) days after delivery of the final Installment of the Settlement Sum (the "Delivery Date"),² Defendant shall have the right to file a claim in the amount of the Settlement Sum pursuant to Bankruptcy Code §502(h) (the "502(h) Claim"), as follows:

² The Delivery Date shall be the date upon which the final Installment of the Settlement Sum is post-marked.

14. 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.

15. 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.

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

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

Dated: Jericho, New York
May __, 2014
June 2

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

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

Dated: Bay Shore, New York
May __, 2014

LONG TUMINELLO LLP
Attorneys for Defendant

By: s/ Harold Seligman
Harold Seligman
120 Fourth Ave
Bay Shore, New York 11706
(631) 666-2500

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 (AST)
Substantively Consolidated

**NOTICE OF VOLUNTARY REDUCTION AND ALLOWANCE OF
CLAIM NUMBER 64 FILED BY LANCE ROSENBERG AND ALICE PAGOWSKA**

On April 2, 2009, Lance Rosenberg ("Rosenberg") and Alice Pagowska ("Pagowska," and together with Rosenberg, each, a "Claimant," and collectively, the "Claimants") filed a general unsecured claim against the above-captioned debtors (the "Debtors") in the amount of \$900,000.00, which has been designated claim number 64 ("Claim 64") on the Debtors' claims register. Pursuant to a stipulation of settlement fully and finally resolving Adv. Pro. No. 10-08406 (AST), to which this Notice is an exhibit, and a stipulation of settlement fully and finally resolving Adv. Pro. No. 10-08443 (AST), between the Trustee (defined below) and Claimants, Claimants hereby voluntarily reduce Claim 64 to \$552,550.00.

Claimants further understand and agree that the reduced Claim 64 shall only be allowed after the Trustee has received all payments due from Rosenberg under the stipulation fully and finally resolving Adv. Pro. No. 10-08406 (AST), and all payments due from Pagowska under the stipulation fully and finally resolving Adv. Pro. No. 10-08443 (AST).

SilvermanAcampora LLP, counsel to Kenneth P. Silverman, Esq., the chapter 7 trustee (the "Trustee") of the Debtors' substantively consolidated cases, is authorized to file this Notice with the Bankruptcy Court and with the Debtors' retained claims agent, in order to facilitate the reduction and allowance of Claim 64. A copy of Claim 64 is attached hereto.

Dated: May __, 2014

LANCE ROSENBERG
CLAIMANT

By: s/ Lance Rosenberg
Lance Rosenberg
566 East Beech Street
Long Beach, NY 11561

Dated: May __, 2014

ALICE PAGOWSKA
CLAIMANT

By: s/ Alice Pagowska
Alice Pagowska
566 East Beech Street
Long Beach, NY 11561