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and Debtor in Possession

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9 **UNITED STATES BANKRUPTCY COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION**

11 In re:
12 ZETTA JET USA, INC., a California
13 corporation,
14 Debtor and Debtor in Possession.

Case No.: 2:17-bk-21386-SK

Chapter 11

**DEBTOR'S EMERGENCY MOTION FOR
AUTHORITY TO (1) PAY PRE-PETITION
PRIORITY WAGES; AND (2) HONOR
EMPLOYMENT AND BENEFIT
POLICIES; MEMORANDUM OF POINTS
AND AUTHORITIES IN SUPPORT
THEREOF; DECLARATION OF
MICHAEL A. MAHER IN SUPPORT
THEREOF**

Emergency Hearing:

Date: [To be set]

Time: [To be set]

Place: Courtroom 1575

255 East Temple Street

Los Angeles, CA 90012

1 Pursuant to Local Bankruptcy Rules 2081-1(a)(6) and 9075-1, 11 U.S.C. §§ 105(a) and
2 507(a)(4), and Rule 6003 of the Federal Rules of Bankruptcy Procedure, Zetta Jet USA, Inc., a
3 California corporation and the debtor and debtor in possession in the above-captioned Chapter 11
4 bankruptcy case (the “Debtor”), hereby files this emergency motion (the “Motion”) for the entry
5 of an order authorizing the Debtor to (1) pay pre-petition priority wages, including all applicable
6 federal and state withholding taxes and payroll taxes (collectively, “Wages”), to its non-insider
7 employees and independent contractors (collectively, “Employees,” and each, an “Employee”),
8 provided that no Employee shall receive more than \$12,850 for such Wages; and (2) continue to
9 honor the Debtor’s employment and benefit policies in the ordinary course of the Debtor’s
10 business. The Debtor is not seeking authority to pay the pre-petition priority Wages of any
11 employees who are “insiders” as defined in the Bankruptcy Code; approval to pay insider
12 compensation will be sought pursuant to Notices of Setting Insider Compensation which will be
13 filed with the Office of the United States Trustee.

14 On September 15, 2017 (the “Petition Date”), the Debtor and its parent company, Zetta
15 Jet PTE, Ltd., a Singaporean corporation (“Zetta Jet PTE,” and together, with the Debtor, “Zetta
16 Jet”), each filed a voluntary petition for relief under chapter 11 of title 11 of the United States
17 Code, sections 101 *et seq.* (the “Bankruptcy Code”). The Debtor and Zetta Jet PTE are operating
18 their businesses, managing their affairs, and administering their estates as debtors in possession
19 pursuant to sections 1107 and 1108 of the Bankruptcy Code. As of the date of the filing of this
20 Motion, no trustee has been appointed and no official committee has been formed in either the
21 Debtor’s case or Zetta Jet PTE’s case.

22 Zetta Jet is a global leader in private flight operations for international business and
23 luxury travel. Zetta Jet owns and operates a fleet of state-of-the-art Bombardier jets, and also
24 operates a number of jets that are leased. Using the skills of the highest level professional pilots
25 and crews within the private airline industry, Zetta Jet serves routes domestically across the
26 United States and globally to Europe, Asia, Australia, Africa, the Middle East, and North and
27 South America, with ultra-long range intercontinental capabilities across the Pacific Rim. Zetta
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1 Jet provides the highest level luxury travel to A-list celebrities and an ultra-wealthy clientele
2 base.

3 As of the Petition Date, the Debtor employed a total of eighty-four (84) Employees, who
4 are generally based in the United States. Seventy-eight (78) of the Employees are paid on a
5 semi-monthly basis (*i.e.*, on the 7th and 22nd of each month), approximately one week in arrears.
6 The remaining six (6) Employees are paid on a monthly basis (*i.e.*, on the 7th of each month),
7 approximately one week in arrears. So, for example, the payroll paid on or about September 7,
8 2017 (prior to the commencement of the Debtor's bankruptcy case) covered the period from
9 August 16-31, 2017 for the seventy-eight (78) Employees who are paid on a semi-monthly basis,
10 and covered the period from August 1-31, 2017 for the six (6) Employees who are paid on a
11 monthly basis. The Debtor utilizes a payroll service, Intuit, to process the payment of Wages to
12 its Employees. The funds necessary for the payment of Wages must be transferred to Intuit at
13 least one (1) business day before each payroll date to ensure that the Wages are paid to the
14 Employees (either by check or direct deposit into the Employees' bank accounts) by the payroll
15 date.

16 By Thursday, September 21, 2017, the Debtor will be required to transfer funds to Intuit
17 in an amount sufficient to cover the Wages due to the seventy-eight (78) Employees who are
18 paid on a semi-monthly basis on Friday, September 22, 2017 (for the pre-petition payroll period
19 of September 1-15, 2017), which amount the Debtor estimates will total approximately
20 \$335,194.44. To ensure that there is no interruption or delay in the payment of Wages to the
21 Employees who are paid on a semi-monthly basis, **the Debtor requests that the Court set an**
22 **emergency hearing on the Motion such that it may be heard and approved by the Court on**
23 **or before Thursday, September 21, 2017, or as soon thereafter as possible.**

24 In addition, by Thursday, October 5, 2017, the Debtor will be required to transfer funds
25 to Intuit in an amount sufficient to cover the Wages due to all Employees on Friday, October 6,
26 2017. The October 6, 2017 payroll will include, among other things, the Wages due to the six
27 (6) Employees who are paid on a monthly basis for the payroll period of September 1-30, 2017
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1 (15 days of which will constitute pre-petition obligations). The Debtor estimates that the total
2 amount of the Wages due to the six (6) Employees who are paid on a monthly basis on Friday,
3 October 6, 2017 will be approximately \$29,584, and that approximately half of that total sum
4 (*i.e.*, \$14,792) constitutes pre-petition obligations.¹ To ensure that there is no interruption or
5 delay in the payment of Wages to the six (6) Employees who are paid on a monthly basis, the
6 Debtor request that the Court also grant the Debtor authority to pay the pre-petition Wages of
7 these six (6) Employees that will come due on or about October 6, 2017.

8 The Debtor also provides its Employees with certain employment and benefit programs
9 comparable to the programs that are typically offered by other employers within its industry, as
10 described in detail in the Memorandum of Points and Authorities annexed hereto.

11 By the Motion, the Debtor seeks authority to (i) pay and/or honor all pre-petition Wages
12 of the Employees (including those Wages which are unpaid as a result of a pre-petition payroll
13 check being returned for insufficient funds which may be caused by, among other things, the
14 conversion of the Debtor's pre-petition bank account to a debtor-in-possession bank account),
15 provided that no Employee shall receive more than \$12,850 for such Wages; and (ii) continue to
16 honor the Debtor's employment and benefit policies in the ordinary course of the Debtor's
17 business.

18 The source of the funds to be used to pay and/or honor the pre-petition Wages and to
19 continue honoring the Debtor's employment and benefit policies will be the Debtor's revenue
20 and cash on hand, which the Debtor does not believe constitute any party's cash collateral.
21 Approval to pay and/or honor the Employees' Wages will not render the Debtor's bankruptcy
22 estate administratively insolvent.

23 Needless to say, the Debtor cannot maintain its business operations without its
24 Employees. As a private airline operator, it is crucial for the Debtor to retain its Employees,
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26 ¹ The October 6, 2017 payroll also includes the Wages due to the seventy-eight (78) Employees
27 who are paid on a semi-monthly basis for the post-petition payroll period of September 16-30, 2017.
28 Since this payroll period is entirely post-petition, the Debtor is not seeking relief with respect to the
payment of those Wages pursuant hereto.

1 many of whom are pilots, flight crew members, and maintenance staff who provide highly
2 specialized services, to operate the Zetta Jet jets and manage the Debtor's business. If the Debtor
3 does not continue to pay the Employees their ordinary and earned Wages and continue to honor
4 employee benefits which are customary within the private airline industry, the morale of the
5 Employees will drop significantly, and the Employees will likely quit. Without the Employees,
6 the Debtor's operations and the value of the Debtor's business will be severely impaired, if not
7 eviscerated altogether. The Debtor must retain its Employees to continue serving its clients
8 without disruption, remain in business, and preserve the value of its assets. Based on the
9 foregoing, the Debtor respectfully submits that the relief requested in the Motion is necessary to
10 avoid immediate and irreparable harm.

11 **ADDITIONAL INFORMATION**

12 This Motion is based upon Local Bankruptcy Rules 2081-1(a)(6) and 9075-1, 11 U.S.C.
13 §§ 105(a) and 507(a)(4), and Rule 6003 of the Federal Rules of Bankruptcy Procedure, this
14 Motion, the supporting Memorandum of Points and Authorities and Declaration of Michael A.
15 Maher annexed hereto, the arguments and statements of counsel made at the hearing on the
16 Motion, and other admissible evidence properly brought before the Court.

17 In order to provide maximum notice of this Motion, concurrently with the filing of this
18 Motion with the Court, the Debtor has served the Motion upon the Office of the United States
19 Trustee, all secured creditors and their counsel (if known), the 20 largest unsecured creditors of
20 the Debtor, and parties requesting special notice via overnight mail. Hard copies of this Motion
21 are available upon request to proposed counsel for the Debtor, whose contact information is
22 located on the upper-left hand corner of this Motion. Upon obtaining a hearing date/time from
23 the Court, the Debtor will serve notice of the hearing on this Motion via overnight mail.

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1 **WHEREFORE**, the Debtor respectfully requests that this Court hold an emergency
2 hearing on the Motion and issue an order:

3 (1) granting the Motion in its entirety;

4 (2) finding that the relief requested in the Motion is necessary to avoid immediate and
5 irreparable harm;

6 (3) authorizing the Debtor to pay and/or honor all pre-petition Wages of the
7 Employees (including those Wages which are unpaid as a result of a pre-petition payroll check
8 being returned for insufficient funds which may be caused by, among other things, the
9 conversion of the Debtor's pre-petition bank account to a debtor in possession bank account),
10 provided that no individual Employee shall receive more than \$12,850 for such Wages;

11 (4) authorizing the Debtor to continue to honor the Debtor's employment and benefit
12 policies in the ordinary course of the Debtor's business; and

13 (5) granting such other and further relief as the Court deems just and proper.

14 Dated: September 19, 2017

ZETTA JET USA, INC.

15 

16
17 By: _____

18 RON BENDER
19 JULIET Y. OH
20 JOHN-PATRICK M. FRITZ
21 LEVENE, NEALE, BENDER, YOO
22 & BRILL L.L.P.

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25 Proposed Attorneys for Debtor and
26 Debtor in Possession
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MEMORANDUM OF POINTS AND AUTHORITIES

I.

STATEMENT OF FACTS

A. Background.

1. On September 15, 2017 (the “Petition Date”), Zetta Jet USA, Inc., a California corporation and the debtor and debtor in possession herein (the “Debtor”), and the Debtor’s parent company, Zetta Jet PTE, Ltd., a Singaporean corporation (“Zetta Jet PTE,” and together with the Debtor, “Zetta Jet”), each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, sections 101 *et seq.* (the “Bankruptcy Code”).² The Debtor and Zetta Jet PTE are operating their businesses, managing their affairs, and administering their estates as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. As of the date of the filing of this Motion, no trustee has been appointed and no official committee has been formed in either the Debtor’s case or Zetta Jet PTE’s case.

2. Zetta Jet is a global leader in private flight operations for international business and luxury travel. Zetta Jet services routes domestically across the United States and globally to Europe, Asia, Australia, Africa, the Middle East, and North and South America, with ultra-long range intercontinental capabilities across the Pacific Rim. Zetta Jet provides the highest level luxury travel to A-list celebrities and an ultra-wealthy clientele base.

² The Debtor has learned that certain shareholders of the Debtor's parent company, Zetta Jet PTE, Ltd. - namely, Asia Aviation Holdings Pte Ltd and Truly Great Global Limited - have sought and obtained on an emergency basis an injunction from a Court in Singapore in response to the commencement of the Chapter 11 bankruptcy cases filed by the Debtor and Zetta Jet PTE. Counsel for the Debtor has thus far not yet been provided with a copy of any such injunction. The Debtor contends that (i) the actions taken by the foregoing parties in Singapore constitute violations of the automatic stay, (ii) the Singapore Court does not have any jurisdiction over the Debtor or this Bankruptcy Court, and (iii) as a result of the foregoing, the actions taken by such parties are null and void as a matter of law. *See In re Gold & Honey, Ltd.*, 310 B.R. 357, 369 (Bankr.E.D.N.Y.2009) (determining foreign receivership proceeding commenced in Israel for Israeli corporation to have violated the automatic stay when New York corporation and Israeli corporation had already commenced chapter 11 proceedings). In any event, the Debtor believes that the failure to pay its payroll when due will likely cause irreparable harm to the Debtor and its estate, and the Debtor has provided counsel to the shareholders with a copy of the motion and notice of the hearing thereon.

1 3. Zetta Jet PTE is the parent and sole shareholder of the Debtor. The Debtor has
2 its main office and hangar base in Burbank, California, and Zetta Jet PTE has its main office in
3 Singapore.

4 4. Zeta Jet owns and operates a fleet of state-of-the-art Bombardier dual-engine jet
5 aircraft, which are equipped with the fastest in-flight Wi-Fi available, whisper-quiet cabins, and
6 curated with the finest amenities. Additionally, Zetta Jet operates a number of leased jets. Zetta
7 Jet's fleet of leased and owned aircraft is operated by the highest level professional pilots and
8 crews within the private airline industry.

9 5. Together, the Debtor and Zetta Jet PTE operate as a joint enterprise in global
10 luxury and business travel with network links in key cities across the globe, including Moscow,
11 Los Angeles, New York City, London, Beijing, and Shanghai.

12 6. The Debtor and Zetta Jet PTE have no secured lender and do not believe that any
13 creditor has a security interest or lien in the revenue and cash of the Debtor and/or Zetta Jet
14 PTE.

15 7. In December 2016, Zetta Jet PTE announced the merger/acquisition of the
16 Debtor's predecessor in interest, Advanced Air Management, Inc., a California corporation, and
17 Asia Aviation Company Pte, Ltd., a Singaporean company, which gave rise to the Zetta Jet of
18 today. Established in August 2015, Zetta Jet has provided the ultimate in bespoke luxury
19 experience to a discerning clientele of ultra-high-net-worth individuals across the globe. Zetta
20 Jet has enjoyed phenomenal growth over the past two years, in large part due to high client
21 satisfaction, customer word-of-mouth, and high-profile advertising, including advertising on the
22 ring-ropes of the recent Mayweather-McGregor boxing match.

23 8. Zetta Jet has the highest safety ratings and credentials from major aero-safety
24 rating agencies, including Wingman and ARG/US Air Charter. Zetta Jet is certified by the
25 International Business Aviation Council and is a member of Air Charter Safety Foundation.
26 Pursuant to Title 14 of the Code of Federal Regulations, Part 135, the Debtor holds an Air
27 Carrier Certificate issued by the Federal Aviation Administration ("FAA") to conduct domestic
28 and international charter flights. All domestic and international air charter operations of the

1 Debtor and Zetta Jet PTE are conducted under the Air Carrier Certificate issued by the FAA to
2 the Debtor.

3 **B. Events Leading To Bankruptcy.**

4 9. In August 2017, Zetta Jet's management learned that one of its officers, Geoffrey
5 Cassidy (who has since been removed from office), was engaged in what Zetta Jet alleges to be
6 fraud, embezzlement, breaches of fiduciary duty, defalcation, and self-dealing at a loss of
7 millions of dollars to Zetta Jet. On August 17, 2017, Zetta Jet held special board meetings and
8 removed Mr. Cassidy and his wife from their respective positions with Zetta Jet. At a special
9 board meeting held on September 5, 2017, the board of directors appointed Michael Maher as
10 Zetta Jet's new Chief Executive Officer and President and authorized Mr. Maher to explore
11 bankruptcy options and file bankruptcy cases for the Debtor and Zetta Jet PTE.

12 10. Zetta Jet believes that Mr. Cassidy did not simply loot Zetta Jet's coffers but also
13 entered into several contracts on behalf of Zetta Jet that were detrimental to Zetta Jet (many of
14 which Zetta Jet suspects involved kickbacks to Mr. Cassidy and secretive self-dealing).

15 11. Zetta Jet takes the alleged fraud by Mr. Cassidy very seriously and began a legal
16 investigation and forensic accounting prepetition. As a result, on September 8, 2017, Zetta Jet
17 filed a federal civil lawsuit against Mr. Cassidy and an investor in the United States District
18 Court for the Central District of California, bearing case number 2:17-cv-06648-JAK-GJS (the
19 "District Court Lawsuit"). By way of the District Court Lawsuit, Zetta Jet alleges that Mr.
20 Cassidy engaged in self-dealing, fraud, embezzlement and enriched himself by, among other
21 unlawful activities, (i) using company funds to purchase and/or renovate personal property
22 including two yachts and related items valued conservatively between \$3 million USD and \$10
23 million USD; (ii) purchasing and renovating real property, including homes in France and
24 Singapore; (iii) purchasing at least three luxury automobiles in Singapore valued conservatively
25 between \$2 million USD and \$3 million USD; (iv) hosting extravagant gatherings costing
26 hundreds of thousands of dollars in restaurants, bars, and social clubs around the world,
27 including in Monaco, Los Angeles, and Macao; and (v) personally using Zetta Jet's fleet to fly
28 his friends and himself for free around the globe to Singapore, Melbourne, Tokyo, Los Angeles,

1 and Nice, France (where he took possession of his new multi-million-dollar yacht, which was
2 purchased with misappropriated funds at Zetta Jet's expense), in total over 300 hours of flight
3 time at an average cost of \$10,000 per hour in costs and lost corporate opportunity.

4 12. In 2015, Mr. Cassidy, in his capacity as an officer of Zetta Jet, purchased seven
5 (7) Bombardier Global Express aircraft from a company called Jetcraft and is alleged to have
6 made secret deals with the Jetcraft broker for illegal kickbacks of approximately \$2 million
7 USD for each aircraft purchased. Later, in 2017, Mr. Cassidy ordered seven (7) more
8 Bombardier jets from Jetcraft with similar alleged illegal secret kickbacks. Zetta Jet estimates
9 that these alleged illegal kickbacks, in the aggregate, represent between \$14 million USD and
10 \$18 million USD of assets and/or opportunities misappropriated from Zetta Jet. These dealings
11 harmed and continue to harm Zetta Jet by having inflated the price of the purchased jets,
12 inflating the financing obligations taken on by Zetta Jet, including additional interest on higher
13 principal sums borrowed, and inflating the debt service to an unsustainable level.

14 13. Both the Debtor and Zetta Jet PTE will seek to employ professionals in their
15 bankruptcy cases to continue the forensic work and litigation involving the District Court
16 Lawsuit and intend to recover as much as possible to repay creditors, as well as unwind and
17 avoid fraudulent conveyances. The Debtor and Zetta Jet PTE will also evaluate and seek to
18 reject certain executory contracts negotiated by Mr. Cassidy for their unfavorable business terms
19 or otherwise avoid them as fraudulent conveyances. The FBI has interviewed Zetta Jet's
20 officers and shareholders about these matters, and Zetta Jet's current management is cooperating
21 fully in the belief that this will advance recovery for creditors.

22 14. Additionally, in 2016, a wealthy Chinese national, Mr. Li Qi, made a substantial
23 investment in Zetta Jet with a combination of \$70 million USD loans and \$60 million USD
24 capital. Zetta Jet estimates that Mr. Qi was owed approximately \$70 million of debt as of the
25 Petition Date. Prior to the Petition Date, Mr. Qi sought the immediate payment of the
26 obligations owed to him. Zetta Jet's management determined that Zetta Jet could not satisfy the
27 demand, certainly not without compromising the integrity of Zetta Jet's ongoing business
28 operations.

1 15. With the mounting pressure on cash flow, payments due to legitimate creditors
2 for debts incurred in the ordinary course of Zetta Jet’s business, and fraudulent claims being
3 lodged by illegitimate creditors, the Debtor and Zetta Jet PTE determined in their reasonable
4 business judgment that they should file Chapter 11 bankruptcy cases and utilize the protections
5 of the Bankruptcy Code to keep their business operations running without disruption, purge any
6 fraudulent debt, analyze and reject those contracts negotiated by Mr. Cassidy which are
7 determined by the Debtor and Zetta Jet PTE to be unfavorable, pursue claims against Mr.
8 Cassidy and potentially other parties, and provide for the greatest recovery possible for the
9 legitimate creditors of the Debtor and Zetta Jet PTE.

10 **C. Necessity To Pay Pre-Petition Priority Wages And Honor Employment And Benefit**
11 **Policies.**

12 16. As of the Petition Date, the Debtor employed a total of 84 non-insider employees
13 and independent contractors (collectively, the “Employees,” and each, an “Employee”), who are
14 generally based in the United States. A list of the Employees and their respective wages is
15 attached as **Exhibit “A”** to the Declaration of Michael A. Maher annexed hereto (the “Maher
16 Declaration”).

17 17. Seventy-eight (78) of the Employees are paid on a semi-monthly basis (*i.e.*, on
18 the 7th and 22nd of each month), approximately one week in arrears. The remaining six (6)
19 Employees are paid on a monthly basis (*i.e.*, on the 7th of each month), approximately one week
20 in arrears. So, for example, the payroll paid on or about September 7, 2017 (prior to the
21 commencement of the Debtor’s bankruptcy case) covered the period from August 16-31, 2017
22 for the seventy-eight (78) Employees who are paid on a semi-monthly basis, and covered the
23 period from August 1-31, 2017 for the six (6) Employees who are paid on a monthly basis.

24 18. The Debtor utilizes a payroll service, Intuit, to process the payment of wages,
25 including all applicable federal and state withholding taxes and payroll taxes (“Wages”) to its
26 Employees. The funds necessary for the payment of Wages must be transferred to Intuit at least
27 one (1) business day before each payroll date to ensure that the Wages are paid to the
28

1 Employees (either by check or direct deposit into the Employees' bank accounts) by the payroll
2 date.

3 19. By Thursday, September 21, 2017, the Debtor will be required to transfer funds
4 to Intuit in an amount sufficient to cover the Wages due to the seventy-eight (78) Employees
5 who are paid on a semi-monthly basis on Friday, September 22, 2017 (for the pre-petition
6 payroll period of September 1-15, 2017), which amount the Debtor estimates will total
7 approximately \$335,194.44. To ensure that there is no interruption or delay in the payment of
8 Wages to the Employees who are paid on a semi-monthly basis, **the Debtor requests that the**
9 **Court set an emergency hearing on the Motion such that it may be heard and approved by**
10 **the Court on or before Thursday, September 21, 2017, or as soon thereafter as possible.**

11 20. In addition, by Thursday, October 5, 2017, the Debtor will be required to transfer
12 funds to Intuit in an amount sufficient to cover the Wages due to all Employees on Friday,
13 October 6, 2017. The October 6, 2017 payroll will include, among other things, the Wages due
14 to the six (6) Employees who are paid on a monthly basis for the payroll period of September 1-
15 30, 2017 (15 days of which will constitute pre-petition obligations). The Debtor estimates that
16 the total amount of the Wages due to the six (6) Employees who are paid on a monthly basis on
17 Friday, October 6, 2017 will be approximately \$29,584, and that approximately half of that total
18 sum (*i.e.*, \$14,792) constitutes pre-petition obligations.³ To ensure that there is no interruption
19 or delay in the payment of Wages to the six (6) Employees who are paid on a monthly basis, the
20 Debtor request that the Court also grant the Debtor authority to pay the pre-petition Wages of
21 these six (6) Employees that will come due on or about October 6, 2017.

22 21. The Debtor is *not* seeking authority to pay the pre-petition priority Wages of any
23 employees who are, or may be considered, "insiders" within the definition of Section 101(31) of
24 the Bankruptcy Code. The Employees who are the subject of this Motion do not include any
25 "insider" employees of the Debtor. Approval to pay compensation to the Debtor's "insider"
26

27 ³ The October 6, 2017 payroll also includes the Wages due to the seventy-eight (78) Employees
28 who are paid on a semi-monthly basis for the post-petition payroll period of September 16-30, 2017.
Since this payroll period is entirely post-petition, the Debtor is not seeking relief with respect to the
payment of those Wages pursuant hereto.

1 employees will be sought pursuant to Notices of Setting Insider Compensation which will be
2 filed with the United States Trustee.

3 22. The Debtor also provides its Employees with certain employment and benefit
4 programs comparable to the programs that are typically offered by other employers within the
5 private airline industry. The following employment and benefit programs are proposed to be
6 continued to be offered to the Debtor's Employees post-petition:

7 a. Medical Insurance Policy. All Employees are eligible to receive
8 company-subsidized medical insurance coverage under a basic medical insurance plan
9 through Blue Shield of California. The Debtor subsidizes 100% of the premiums for
10 insurance coverage under the basic plan through Blue Shield of California for
11 participating Employees. The Employees may opt to receive coverage under a premium
12 medical insurance plan through Blue Shield of California – however, the Debtor covers
13 only the amount of the premium that would be payable for each such Employee under
14 the basic plan, and the Employee is responsible for covering the balance of the premium
15 due under the premium plan. As of the Petition Date, approximately 61 of the
16 Employees were receiving company-subsidized medical insurance coverage. Family
17 members of the Employees are provided with an opportunity to obtain coverage through
18 either the basic plan or premium plan through Blue Shield of California. However, other
19 than for one (1) Employee, Kevin Cheek (charter sales department) and his dependents,
20 the Debtor does not subsidize any portion of the premiums for medical insurance
21 coverage for the Employees' family members. The Debtor agreed to subsidize the
22 medical insurance coverage for Mr. Cheek, who is an integral member of the Debtor's
23 charter sales department, and his dependents as a material term of Mr. Cheek's
24 employment with the Debtor. The Debtor desires to continue having its medical
25 insurance coverage policy in effect and therefore, seeks authority to continue to honor
26 such policy post-petition (including with respect to the continued payment of the medical
27 insurance premiums for Mr. Cheek and his dependents).

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1 b. Optional Insurance Policies. The Debtor also offers Employees optional
2 dental insurance coverage through Standard Dental, vision insurance coverage through
3 VSP, long term disability insurance coverage, and life insurance coverage. However,
4 other than for one (1) Employee, Kevin Cheek, and his dependents, the Debtor does not
5 subsidize any portion of the premiums for the foregoing optional insurance coverage for
6 the Employees or their family members who opt to participate. The Debtor agreed to
7 subsidize the dental and vision insurance coverage for Mr. Cheek, who is an integral
8 member of the Debtor's charter sales team, and his dependents as a material term of Mr.
9 Cheek's employment with the Debtor. The Debtor desires to continue having the
10 foregoing insurance coverage policy in effect and therefore, seeks authority to continue
11 to honor such policy post-petition (including with respect to the continued payment of
12 the dental and vision insurance premiums for Mr. Cheek and his dependents).

13 c. 401(K) Plan Contribution Policy. The Debtor offers Employees after six
14 (6) months of employment the opportunity to participate in the Debtor's 401(k) plan
15 through Merrill Edge. The 401(k) plan allows Employees to contribute to the 401(k)
16 plan (up to the current IRS maximum) through payroll deductions. The Employees'
17 contributions to the 401(k) plan are invested in employee-participant directed accounts.
18 The Debtor desires to continue having its existing 401(k) policy in effect and therefore,
19 seeks authority to continue to honor such policy post-petition.

20 d. Business Expense Reimbursement. The Debtor reimburses eligible
21 Employees for reasonable business travel expenses and other business related expenses.
22 All Employees who travel are entitled to a per diem at a rate of \$100 per day, and
23 reimbursement of travel related expenses. All pilot Employees are required to submit
24 their per diem and travel related expenses via a program called WebExpenses, and
25 receive reimbursement of all approved per diem and travel related expenses once per
26 month (*i.e.*, on the 7th of each month). All non-pilot Employees are required to submit
27 an expense report and copies of all receipts/invoices supporting their per diem and travel
28 related expenses to the Debtor's human resources department, and receive

1 reimbursement of all approved per diem and travel related expenses at the following
2 payroll date. The Debtor desires to continue having its existing business expense
3 reimbursement policy in effect and therefore, seeks authority to continue to honor such
4 policy post-petition.

5 23. In summary, by this Motion, the Debtor seeks authority to:

6 a. pay pre-petition priority Wages to the 78 Employees who are paid on a
7 semi-monthly basis on Friday, September 22, 2017 for the pre-petition payroll period of
8 September 1-15, 2017;

9 b. pay pre-petition priority Wages to the 6 Employees who are paid on a
10 monthly basis on Friday, October 6, 2017 for the payroll period of September 1-30, 2017
11 (15 days of which will constitute pre-petition obligations);

12 c. honor pre-petition priority Wages of the Employees, including those
13 outstanding checks for Wages that were issued to such Employees prior to the Petition
14 Date but were not yet deposited as of the Petition Date or that were returned for
15 insufficient funds due to the conversion of the Debtor's pre-petition bank accounts to
16 debtor in possession bank accounts, and to issue replacement checks to the extent
17 necessary to pay such Wages; and

18 c. continue to honor the Debtor's employment and benefit policies as
19 described above.

20 24. The source of the funds to be used to pay and/or honor the pre-petition Wages
21 and to continue honoring the Debtor's employment and benefit policies will be the Debtor's
22 revenue and cash on hand, which the Debtor does not believe constitute any party's cash
23 collateral. Approval to pay and/or honor the Employees' Wages will not render the Debtor's
24 bankruptcy estate administratively insolvent.

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1 **II.**

2 **DISCUSSION**

3 **A. Payment Of Certain Pre-Petition Wages Is Permissible Under Section 507(a)(4).**

4 11 U.S.C. § 507(a)(4) provides priority to claimants, up to \$12,850 per individual, for
5 wages, salaries, or bonuses, including vacation, insurance, and sick leave earned by individuals
6 within 180 days prior to the filing of a case under chapter 11 of the Bankruptcy Code.

7 **B. This Court Has The Authority To Grant The Relief Requested Herein.**

8 Pursuant to Section 105(a) of the Bankruptcy Code, “the court may issue any order,
9 process, or judgment that is necessary or appropriate to carry out the provisions of this title.”
10 The basic purpose of Section 105(a) is “to assure the bankruptcy courts power to take whatever
11 action is appropriate or necessary in aid in their jurisdiction.” 2 *Collier on Bankruptcy* ¶ 105.01
12 at 105-3 (15th ed. rev. 1998). Essentially, Section 105(a) codifies the bankruptcy court’s
13 inherent equitable powers. *See Green v. Drexler (In re Feit & Drexler, Inc.)*, 760 F.2d 406 (2d
14 Cir. 1985).

15 Where business exigencies require, courts have authorized debtors to pay the pre-petition
16 claims of particular creditors. *In re Ionosphere Clubs, Inc.*, 98 B.R. 174 (Bankr. S.D.N.Y. 1989).
17 The “Necessity of Payment Rule” empowers a court to authorize a debtor to pay pre-petition
18 claims essential to continued operations. *Id.* at 175-76, *citing Miltenberger v. Logansport, C. &*
19 *S. W.R. Co.*, 106 U.S. 286 (1882):

20 “The ‘necessity of payment’ doctrine permits immediate payment of
21 claims of creditors where those creditors will not supply services or
22 materials essential to the conduct of the business until their pre-
23 reorganization claims have been paid.”

24 *Ionosphere Clubs*, 98 B.R. at 176, *quoting In re Leigh and New England Railway Company*, 657
25 F.2d 570, 581 (3rd Cir. 1981). This rule applies in all Chapter 11 cases because “the rationale
26 for the necessity of payment rule, i.e., facilitating the continued operation and rehabilitation of
27 the debtor . . . is . . . a paramount goal of chapter 11.” *Ionospere Clubs*, 98 B.R. at 176, *citing*
28 *Dudley v. Mealey*, 147 F.2d 268 (2d Cir. 1945), *cert. den’d*, 325 U.S. 873 (1945). Therefore,

1 where continued operation and rehabilitation of the debtor require payment of pre-petition
2 wages, the Court may authorize such payment under Sections 363 (b) and/or 105(a) of the
3 Bankruptcy Code.

4 In *Armstrong World Industries, Inc. v. James A. Phillips, Inc. (In re James A. Phillips,*
5 *Inc.)*, 29 B.R. 391, 394 (S.D.N.Y. 1983), the district court recognized the “special status” of
6 suppliers holding unstayed lien rights, and authorized the debtor to pay their claims in the
7 ordinary course of its business activities. *See also Dave Noake, Inc. v. Harold’s Garage, Inc. (In*
8 *re Dave Noake, Inc.)*, 45 B.R. 555 (Bankr. D. Vt. 1984) (rejecting a challenge under section 549
9 to post-petition payments made to creditor holding lien rights under local law). Similarly, one
10 former bankruptcy judge has recognized that when “confronted with special circumstances
11 . . . particularly in the early stages of the case, a court may preserve the potential for
12 rehabilitation.” Ordin, *Finality of Order of Bankruptcy Court*, 54 Am. Bankr. L.J. 173 (1980).

13 In *In re Gulf Air, Inc.*, 112 B.R.152 (Bankr. W.D. La. 1989), the court noted that cases
14 decided both under the Act and the Code have recognized the “necessity of payment” doctrine
15 under which payment of pre-petition employee claims is authorized prior to the time a plan of
16 reorganization is confirmed so long as absent such payment there is a risk that the services of
17 key employees will be lost to the debtor and without such employees, the debtor’s going
18 concern value will be impaired. *Id.* at 153.

19 **C. Sufficient Evidence Has Been Provided, In Compliance With Local Bankruptcy**
20 **Rule 2081-1(a)(6), To Grant The Relief Requested Herein.**

21 Local Bankruptcy Rule 2081-1(a)(6) provides that motions to pay pre-petition payroll
22 and to honor pre-petition employment procedures must be supported with evidence that
23 establishes:

- 24 (i) The employees are still employed;
- 25 (ii) The necessity for payment;
- 26 (iii) The benefit of the procedures;
- 27 (iv) The prospect of reorganization;
- 28 (v) Whether the employees are insiders;

1 (vi) Whether the employees' claims are within the limits established by 11 U.S.C.
2 § 507; and that

3 (vii) The payment will not render the estate administratively insolvent.

4 The foregoing factors are discussed individually below:

5 1. The employees are still employed. As set forth in the Maher Declaration, all of
6 the Employees who are the subject of this Motion are still employed by the Debtor.

7 2. The necessity for payment. The Debtor believes that significantly all of the
8 Employees will quit if they are not paid their salaries and benefits in full in a timely fashion. As
9 a private airline operator, it is crucial for the Debtor to retain its Employees, many of whom are
10 pilots, flight crew members, and maintenance staff who provide highly specialized services, to
11 operate the Zetta Jet jets and manage the Debtor's business. The Debtor must retain the
12 Employees to continue its business operations without interruption and to preserve and
13 maximize the value of its assets during this Chapter 11 case. The Debtor's personnel is familiar
14 with the Debtor's business operations, vendors, and client base, and is thus essential to the
15 preservation of the Debtor's business. Therefore, the Debtor's failure to pay pre-petition Wages
16 to the Employees and honor the Debtor's employment and benefit policies will likely result in
17 severe disruptions to the Debtor's operations to the detriment of creditors. The Debtor's ability
18 to preserve the full value of its business and assets and ultimately successfully reorganize
19 depends upon the Debtor's continued operations, which cannot occur without the efforts of the
20 Employees.

21 3. The benefit of the procedures. In order to attract and retain the Employees, the
22 Debtor maintains what it believes are competitive and reasonable employment and benefit
23 policies. The Debtor believes that maintaining good relationships with, and the morale of, the
24 Employees requires continuing to honor the employment and benefit policies described above
25 which are currently in effect for the Employees.

26 4. The prospect of reorganization. As noted above, through their bankruptcy cases,
27 the Debtor and Zetta Jet PTE intend to keep their business operations running without
28 disruption, purge any fraudulent debt, analyze and reject those contracts negotiated by Mr.

1 Cassidy, Zetta Jet's former officer, which are determined by Zetta Jet to be unfavorable, and
2 pursue claims against Mr. Cassidy and potentially other parties, all of which the Debtor and
3 Zetta Jet PTE believe will enable them to formulate and pursue confirmation of a plan(s) of
4 reorganization which allows the Debtor and Zetta Jet PTE to restructure their existing debt in a
5 cohesive and efficient manner and provide recovery for creditors while maintaining the integrity
6 of their business. Therefore, the continued operation of Zetta Jet's business, which requires the
7 retention of the Employees, is critical for the Debtor to preserve and maximize the value of its
8 business and assets for the benefit of creditors and its bankruptcy estate.

9 5. Whether the employees are insiders. As discussed above, the Debtor is not
10 seeking authority to pay the pre-petition priority Wages of any employees who are "insiders" (as
11 defined in the Bankruptcy Code). Approval to pay compensation to "insider" employees will be
12 sought pursuant to Notices of Setting Insider Compensation which will be filed with the United
13 States Trustee.

14 6. Whether the employees' claims are within the limits established by 11 U.S.C. §
15 507. As set forth in the Maher Declaration and **Exhibit "A"** thereto, most, if not all, of the
16 Employees' claims for pre-petition Wages are within the \$12,850 limit established by 11 U.S.C.
17 § 507(a)(4). Notwithstanding the foregoing, the Motion expressly provides that none of the
18 Employees shall receive more than \$12,850 on account of pre-petition priority claims for Wages
19 so, if any Employee has a pre-petition priority claim for Wages which exceeds \$12,850, such
20 Employee shall receive only \$12,850 on account of such claim at this time.

21 7. The payment will not render the estates administratively insolvent. As set forth
22 in the Maher Declaration, the Debtor does not believe that the payment of pre-petition priority
23 claims for its Employees' Wages and the honoring of employment and benefit policies will
24 render its bankruptcy estate administratively insolvent.

25 ///

26 ///

27 ///

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1 **D. The Relief Requested Herein Is Necessary To Avoid Immediate And Irreparable**
2 **Harm And Is Therefore Warranted Under Rule 6003 Of The Federal Rules Of**
3 **Bankruptcy Procedure.**

4 Rule 6003 of the Federal Rules of Bankruptcy Procedure states, in relevant part:

5 “Except to the extent that relief is necessary to avoid immediate
6 and irreparable harm, the court shall not, within 21 days after the
7 filing of the petition, grant relief regarding the following:
8 [...]

9 (b) a motion to use, sell, lease, or otherwise incur an
10 obligation, regarding property of the estate, including a motion to
11 pay all or part of a claim that arose before the filing of the petition,
12 but not a motion under Rule 4001; [...].”

13 Fed. R. Bankr. Pro. 6003.

14 For the reasons noted above, the Debtor’s failure to pay pre-petition Wages to the
15 Employees on September 22, 2017 (for those 78 Employees who are paid on a semi-monthly
16 basis) and on October 6, 2017 (for those 6 Employees who are paid on a monthly basis), and to
17 continue to honor the Debtor’s employment and benefit policies will likely result in severe
18 disruptions to the Debtor’s business and may jeopardize the Debtor’s ability to preserve and
19 maximize the value of its business and assets. Accordingly, the Debtor respectfully submits that
20 the payment of the Employees’ pre-petition Wages and the honoring of the Debtor’s
21 employment and benefit policies within the first twenty one (21) days after the Petition Date are
22 necessary to avoid immediate and irreparable harm, and are therefore warranted under Rule
23 6003 of the Federal Rules of Bankruptcy Procedure.

24 **III.**

25 **CONCLUSION**

26 **WHEREFORE**, the Debtor respectfully requests that this Court hold an emergency
27 hearing on the Motion and issue an order:

- 28 (1) granting the Motion in its entirety;
- (2) finding that the relief requested in the Motion is necessary to avoid immediate
and irreparable harm;

1 (3) authorizing the Debtor to pay and/or honor all pre-petition Wages of the
2 Employees (including those Wages which are unpaid as a result of a pre-petition payroll check
3 being returned for insufficient funds which may be caused by, among other things, the
4 conversion of the Debtor's pre-petition bank account to a debtor in possession bank account),
5 provided that no individual Employee shall receive more than \$12,850 for such Wages;

6 (4) authorizing the Debtor to continue to honor the Debtor's employment and benefit
7 policies in the ordinary course of the Debtor's business; and

8 (5) granting such other and further relief as the Court deems just and proper.

9 Dated: September 19, 2017

ZETTA JET USA, INC.

10 

11
12 By: _____

13 RON BENDER
14 JULIET Y. OH
15 JOHN-PATRICK M. FRITZ
16 LEVENE, NEALE, BENDER, YOO
17 & BRILL L.L.P.
18 Proposed Attorneys for Debtor and
19 Debtor in Possession
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DECLARATION OF MICHAEL A. MAHER

I, Michael A. Maher, hereby declare as follows:

1. I am over 18 years of age. I have personal knowledge of the facts set forth herein, and, if called as a witness, could and would testify competently with respect thereto.

2. At a special board meeting held by Zetta Jet USA, Inc., a California corporation and the debtor and debtor in possession herein (the "Debtor"), and Zetta Jet PTE, Ltd., a Singaporean corporation ("Zetta Jet PTE," and together with the Debtor, "Zetta Jet"), on September 5, 2017, the board of directors of Zetta Jet appointed me as Zetta Jet's new Chief Executive Officer and President. I have reviewed and am familiar with and am knowledgeable about the books and records of Zetta Jet, which books and records are made in the regular practice of business, kept in the regular course of business, made by a person with knowledge of the events and information related thereto, and made at or near the time of events and information recorded.

3. I submit this declaration in support of the emergency motion (the "Motion") for the entry of an order authorizing the Debtor to (A) pay pre-petition priority wages, including all applicable federal and state withholding taxes and payroll taxes (collectively, "Wages"), to its non-insider employees and independent contractors (collectively, "Employees," and each, an "Employee"), provided that no Employee shall receive more than \$12,850 for such Wages; and (B) continue to honor the Debtor's employment and benefit policies in the ordinary course of the Debtor's business, to which Motion this declaration is attached.

4. The Debtor and Zetta Jet PTE each filed a Voluntary Petition for relief under Chapter 11 of the Bankruptcy Code on September 15, 2017 ("Petition Date").⁴ The Debtor and

⁴ The Debtor's management has learned that certain shareholders of the Debtor's parent company, Zetta Jet PTE, Ltd. - namely, Asia Aviation Holdings Pte Ltd and Truly Great Global Limited - have sought and obtained on an emergency basis an injunction from a Court in Singapore in response to the commencement of the Chapter 11 bankruptcy cases filed by the Debtor and Zetta Jet PTE. Neither the Debtor nor its counsel has thus far been provided with a copy of any such injunction. The Debtor contends that (i) the actions taken by the foregoing parties in Singapore constitute violations of the automatic stay, (ii) the Singapore Court does not have any jurisdiction over the Debtor or this Bankruptcy Court, and (iii) as a result of the foregoing, the actions taken by such parties are null and void as a matter of law. In any event, the Debtor's management believes that the failure to pay the

1 Zetta Jet PTE are operating their businesses, managing their affairs, and administering their
2 estates as debtors in possession. To date, no trustee has been appointed and no official
3 committee has been formed in either the Debtor's case or Zetta Jet PTE's case.

4 5. Zetta Jet is a global leader in private flight operations for international business
5 and luxury travel. Zetta Jet services routes domestically across the United States and globally to
6 Europe, Asia, Australia, Africa, the Middle East, and North and South America, with ultra-long
7 range intercontinental capabilities across the Pacific Rim. Zetta Jet provides the highest level
8 luxury travel to A-list celebrities and an ultra-wealthy clientele base.

9 6. Zetta Jet PTE is the parent and sole shareholder of the Debtor. The Debtor has
10 its main office and hangar base in Burbank, California, and Zetta Jet PTE has its main office in
11 Singapore.

12 7. Zeta Jet owns and operates a fleet of state-of-the-art Bombardier dual-engine jet
13 aircraft, which are equipped with the fastest in-flight Wi-Fi available, whisper-quiet cabins, and
14 curated with the finest amenities. Additionally, Zetta Jet operates a number of leased jets. Zetta
15 Jet's fleet of leased and owned aircraft is operated by the highest level professional pilots and
16 crews within the private airline industry.

17 8. Together, the Debtor and Zetta Jet PTE operate as a joint enterprise in global
18 luxury and business travel with network links in key cities across the globe, including Moscow,
19 Los Angeles, New York City, London, Beijing, and Shanghai.

20 9. The Debtor and Zetta Jet PTE have no secured lender, and I do not believe that
21 any creditor has a security interest or lien in the revenue and cash of the Debtor and/or Zetta Jet
22 PTE.

23 10. In December 2016, Zetta Jet PTE announced the merger/acquisition of the
24 Debtor's predecessor in interest, Advanced Air Management, Inc., a California corporation, and
25 Asia Aviation Company Pte, Ltd., a Singaporean company, which gave rise to the Zetta Jet of
26

27
28 Debtor's payroll when due will likely cause irreparable harm to the Debtor and its estate, and the Debtor
has provided counsel to the shareholders with a copy of the motion and notice of the hearing thereon.

1 today. Established in August 2015, Zetta Jet has provided the ultimate in bespoke luxury
2 experience to a discerning clientele of ultra-high-net-worth individuals across the globe. Zetta
3 Jet has enjoyed phenomenal growth over the past two years, in large part due to high client
4 satisfaction, customer word-of-mouth, and high-profile advertising, including advertising on the
5 ring-ropes of the recent Mayweather-McGregor boxing match.

6 11. Zetta Jet has the highest safety ratings and credentials from major aero-safety
7 rating agencies, including Wingman and ARG/US Air Charter. Zetta Jet is certified by the
8 International Business Aviation Council and is a member of Air Charter Safety Foundation.
9 Pursuant to Title 14 of the Code of Federal Regulations, Part 135, the Debtor holds an Air
10 Carrier Certificate issued by the Federal Aviation Administration (“FAA”) to conduct domestic
11 and international charter flights. All domestic and international air charter operations of the
12 Debtor and Zetta Jet PTE are conducted under the Air Carrier Certificate issued by the FAA to
13 the Debtor.

14 12. In August 2017, Zetta Jet’s management learned that one of its officers, Geoffrey
15 Cassidy (who has since been removed from office), was engaged in what Zetta Jet alleges to be
16 fraud, embezzlement, breaches of fiduciary duty, defalcation, and self-dealing at a loss of
17 millions of dollars to Zetta Jet. On August 17, 2017, Zetta Jet held special board meetings and
18 removed Mr. Cassidy and his wife from their respective positions with Zetta Jet. At a special
19 board meeting held on September 5, 2017, the board of directors appointed me as Zetta Jet’s
20 new Chief Executive Officer and President and authorized me to explore bankruptcy options
21 and file bankruptcy cases for the Debtor and Zetta Jet PTE.

22 13. Zetta Jet alleges that Mr. Cassidy did not simply loot Zetta Jet’s coffers but also
23 entered into several contracts on behalf of Zetta Jet that were detrimental to Zetta Jet (many of
24 which Zetta Jet’s management suspects involved kickbacks to Mr. Cassidy and secretive self-
25 dealing).

26 14. Zetta Jet’s management takes the alleged fraud by Mr. Cassidy very seriously
27 and began a legal investigation and forensic accounting prepetition. As a result, on September
28 8, 2017, Zetta Jet filed a federal civil lawsuit against Mr. Cassidy and an investor in the United

1 States District Court for the Central District of California, bearing case number 2:17-cv-06648-
2 JAK-GJS (the “District Court Lawsuit”). By way of the District Court Lawsuit, Zetta Jet alleges
3 that Mr. Cassidy engaged in self-dealing, fraud, embezzlement and enriched himself by, among
4 other unlawful activities, (i) using company funds to purchase and/or renovate personal property
5 including two yachts and related items valued conservatively between \$3 million USD and \$10
6 million USD; (ii) purchasing and renovating real property, including homes in France and
7 Singapore; (iii) purchasing at least three luxury automobiles in Singapore valued conservatively
8 between \$2 million USD and \$3 million USD; (iv) hosting extravagant gatherings costing
9 hundreds of thousands of dollars in restaurants, bars, and social clubs around the world,
10 including in Monaco, Los Angeles, and Macao; and (v) personally using Zetta Jet’s fleet to fly
11 his friends and himself for free around the globe to Singapore, Melbourne, Tokyo, Los Angeles,
12 and Nice, France (where he took possession of his new multi-million-dollar yacht, which was
13 purchased with misappropriated funds at Zetta Jet’s expense), in total over 300 hours of flight
14 time at an average cost of \$10,000 per hour in costs and lost corporate opportunity.

15 15. It is my understanding and belief that, in 2015, Mr. Cassidy, in his capacity as an
16 officer of Zetta Jet, purchased seven (7) Bombardier Global Express aircraft from a company
17 called Jetcraft and is alleged to have made secret deals with the Jetcraft broker for illegal
18 kickbacks of approximately \$2 million USD for each aircraft purchased. It is further my
19 understanding and belief that later, in 2017, Mr. Cassidy ordered seven (7) more Bombardier
20 jets from Jetcraft with similar alleged illegal secret kickbacks. Zetta Jet’s management
21 estimates that these alleged illegal kickbacks, in the aggregate, represent between \$14 million
22 USD and \$18 million USD of assets and/or opportunities misappropriated from Zetta Jet. I
23 believe these dealings harmed and continue to harm Zetta Jet by having inflated the price of the
24 purchased jets, inflating the financing obligations taken on by Zetta Jet, including additional
25 interest on higher principal sums borrowed, and inflating the debt service to an unsustainable
26 level.

27 16. Both the Debtor and Zetta Jet PTE will seek to employ professionals in their
28 bankruptcy cases to continue the forensic work and litigation involving the District Court

1 Lawsuit and intend to recover as much as possible to repay creditors, as well as unwind and
2 avoid fraudulent conveyances. The Debtor and Zetta Jet PTE will also evaluate and seek to
3 reject certain executory contracts negotiated by Mr. Cassidy for their unfavorable business terms
4 or otherwise avoid them as fraudulent conveyances. The FBI has interviewed Zetta Jet's
5 officers and shareholders about these matters, and Zetta Jet's current management is cooperating
6 fully in the belief that this will advance recovery for creditors.

7 17. Additionally, in 2016, a wealthy Chinese national, Mr. Li Qi, made a substantial
8 investment in Zetta Jet with a combination of \$70 million USD loans and \$60 million USD
9 capital. Zetta Jet estimates that Mr. Qi was owed approximately \$70 million of debt as of the
10 Petition Date. Prior to the Petition Date, Mr. Qi sought the immediate payment of the
11 obligations owed to him. Zetta Jet's management determined that Zetta Jet could not satisfy the
12 demand, certainly not without compromising the integrity of Zetta Jet's ongoing business
13 operations.

14 18. With the mounting pressure on cash flow, payments due to legitimate creditors
15 for debts incurred in the ordinary course of Zetta Jet's business, and fraudulent claims being
16 lodged by illegitimate creditors, the Debtor and Zetta Jet PTE determined in their reasonable
17 business judgment that they should file Chapter 11 bankruptcy cases and utilize the protections
18 of the Bankruptcy Code to keep their business operations running without disruption, purge any
19 fraudulent debt, analyze and reject those contracts negotiated by Mr. Cassidy which are
20 determined by the Debtor and Zetta Jet PTE to be unfavorable, pursue claims against Mr.
21 Cassidy and potentially other parties, and provide for the greatest recovery possible for the
22 legitimate creditors of the Debtor and Zetta Jet PTE.

23 19. As of the Petition Date, the Debtor employed a total of 84 Employees, who are
24 generally based in the United States. A list of the Employees and their respective wages is
25 attached as **Exhibit "A"** hereto. To the best of my knowledge, most, if not all, of the
26 Employees' claims for pre-petition Wages are within the \$12,850 limit which I am advised is
27 established by the Bankruptcy Code. In any case, none of the Employees shall receive more
28 than \$12,850 on account of pre-petition priority claims for Wages and, if any Employee has a

1 pre-petition priority claim for Wages which exceeds \$12,850, such Employee shall receive only
2 \$12,850 on account of such claim at this time.

3 20. All of the Employees listed in Exhibit "A" hereto, who are the subject of the
4 Motion, are still employed by the Debtor.

5 21. To the best of my knowledge, none of the Employees listed in Exhibit "A" hereto
6 is an "insider" of the Debtor as that term is defined in the Bankruptcy Code.

7 22. Seventy-eight (78) of the Debtor's Employees are paid on a semi-monthly basis
8 (*i.e.*, on the 7th and 22nd of each month), approximately one week in arrears. The remaining six
9 (6) Employees are paid on a monthly basis (*i.e.*, on the 7th of each month), approximately one
10 week in arrears. So, for example, the payroll paid on or about September 7, 2017 (prior to the
11 commencement of the Debtor's bankruptcy case) covered the period from August 16-31, 2017
12 for the seventy-eight (78) Employees who are paid on a semi-monthly basis, and covered the
13 period from August 1-31, 2017 for the six (6) Employees who are paid on a monthly basis.

14 23. The Debtor utilizes a payroll service, Intuit, to process the payment of Wages to
15 its Employees. The funds necessary for the payment of Wages must be transferred to Intuit at
16 least one (1) business day before each payroll date to ensure that the Wages are paid to the
17 Employees (either by check or direct deposit into the Employees' bank accounts) by the payroll
18 date.

19 24. By Thursday, September 21, 2017, the Debtor will be required to transfer funds
20 to Intuit in an amount sufficient to cover the Wages due to the seventy-eight (78) Employees
21 who are paid on a semi-monthly basis on Friday, September 22, 2017 (for the pre-petition
22 payroll period of September 1-15, 2017), which amount I estimate will total approximately
23 \$335,194.44. To ensure that there is no interruption or delay in the payment of Wages to the
24 Employees who are paid on a semi-monthly basis, the Debtor is requesting that the Court set an
25 emergency hearing on the Motion such that it may be heard and approved by the Court on or
26 before Thursday, September 21, 2017, or as soon thereafter as possible.

27 25. In addition, by Thursday, October 5, 2017, the Debtor will be required to transfer
28 funds to Intuit in an amount sufficient to cover the Wages due to all Employees on Friday,

1 October 6, 2017. The October 6, 2017 payroll will include, among other things, the Wages due
2 to the six (6) Employees who are paid on a monthly basis for the payroll period of September 1-
3 30, 2017 (15 days of which will constitute pre-petition obligations). I estimate that the total
4 amount of the Wages due to the six (6) Employees who are paid on a monthly basis on Friday,
5 October 6, 2017 will be approximately \$29,584, and that approximately half of that total sum
6 (*i.e.*, \$14,792) constitutes pre-petition obligations. To ensure that there is no interruption or
7 delay in the payment of Wages to the six (6) Employees who are paid on a monthly basis, the
8 Debtor is also requesting that the Court grant the Debtor authority to pay the pre-petition Wages
9 of these six (6) Employees that will come due on or about October 6, 2017.

10 26. The Debtor is *not* seeking authority to pay the pre-petition priority Wages of any
11 employees who are, or may be considered, “insiders” within the definition of Section 101(31) of
12 the Bankruptcy Code. The Employees who are the subject of the Motion do not include any
13 “insider” employees of the Debtor. Approval to pay compensation to the Debtor’s “insider”
14 employees will be sought pursuant to Notices of Setting Insider Compensation which will be
15 filed with the United States Trustee.

16 27. The Debtor also provides its Employees with certain employment and benefit
17 programs comparable to the programs that are typically offered by other employers within the
18 private airline industry. The following employment and benefit programs are proposed to be
19 continued to be offered to the Debtor’s Employees post-petition:

20 a. Medical Insurance Policy. All Employees are eligible to receive
21 company-subsidized medical insurance coverage under a basic medical insurance plan
22 through Blue Shield of California. The Debtor subsidizes 100% of the premiums for
23 insurance coverage under the basic plan through Blue Shield of California for
24 participating Employees. The Employees may opt to receive coverage under a premium
25 medical insurance plan through Blue Shield of California – however, the Debtor covers
26 only the amount of the premium that would be payable for each such Employee under
27 the basic plan, and the Employee is responsible for covering the balance of the premium
28 due under the premium plan. As of the Petition Date, approximately 61 of the

1 Employees were receiving company-subsidized medical insurance coverage. Family
2 members of the Employees are provided with an opportunity to obtain coverage through
3 either the basic plan or premium plan through Blue Shield of California. However, other
4 than for one (1) Employee, Kevin Cheek (charter sales department) and his dependents,
5 the Debtor does not subsidize any portion of the premiums for medical insurance
6 coverage for the Employees' family members. The Debtor agreed to subsidize the
7 medical insurance coverage for Mr. Cheek, who is an integral member of the Debtor's
8 charter sales department, and his dependents as a material term of Mr. Cheek's
9 employment with the Debtor. The Debtor desires to continue having its medical
10 insurance coverage policy in effect and therefore, seeks authority to continue to honor
11 such policy post-petition (including with respect to the continued payment of the medical
12 insurance premiums for Mr. Cheek and his dependents).

13 b. Optional Insurance Policies. The Debtor also offers Employees optional
14 dental insurance coverage through Standard Dental, vision insurance coverage through
15 VSP, long term disability insurance coverage, and life insurance coverage. However,
16 other than for one (1) Employee, Kevin Cheek, and his dependents, the Debtor does not
17 subsidize any portion of the premiums for the foregoing optional insurance coverage for
18 the Employees or their family members who opt to participate. The Debtor agreed to
19 subsidize the dental and vision insurance coverage for Mr. Cheek, who is an integral
20 member of the Debtor's charter sales team, and his dependents as a material term of Mr.
21 Cheek's employment with the Debtor. The Debtor desires to continue having the
22 foregoing insurance coverage policy in effect and therefore, seeks authority to continue
23 to honor such policy post-petition (including with respect to the continued payment of
24 the dental and vision insurance premiums for Mr. Cheek and his dependents).

25 c. 401(K) Plan Contribution Policy. The Debtor offers Employees after six
26 (6) months of employment the opportunity to participate in the Debtor's 401(k) plan
27 through Merrill Edge. The 401(k) plan allows Employees to contribute to the 401(k)
28 plan (up to the current IRS maximum) through payroll deductions. The Employees'

1 contributions to the 401(k) plan are invested in employee-participant directed accounts.
2 The Debtor desires to continue having its existing 401(k) policy in effect and therefore,
3 seeks authority to continue to honor such policy post-petition.

4 d. Business Expense Reimbursement. The Debtor reimburses eligible
5 Employees for reasonable business travel expenses and other business related expenses.
6 All Employees who travel are entitled to a per diem at a rate of \$100 per day, and
7 reimbursement of travel related expenses. All pilot Employees are required to submit
8 their per diem and travel related expenses via a program called WebExpenses, and
9 receive reimbursement of all approved per diem and travel related expenses once per
10 month (*i.e.*, on the 7th of each month). All non-pilot Employees are required to submit
11 an expense report and copies of all receipts/invoices supporting their per diem and travel
12 related expenses to the Debtor's human resources department, and receive
13 reimbursement of all approved per diem and travel related expenses at the following
14 payroll date. The Debtor desires to continue having its existing business expense
15 reimbursement policy in effect and therefore, seeks authority to continue to honor such
16 policy post-petition.

17 28. In order to attract and retain the Employees, the Debtor maintains what I believe
18 are competitive and reasonable employment and benefit policies. I believe that maintaining
19 good relationships with, and the morale of, the Employees requires continuing to honor the
20 employment and benefit policies described above which are currently in effect for the
21 Employees.

22 29. The source of the funds to be used to pay and/or honor the pre-petition Wages
23 and to continue honoring the Debtor's employment and benefit policies will be the Debtor's
24 revenue and cash on hand, which I do not believe constitute any party's cash collateral.
25 Approval to pay and/or honor the Employees' Wages will not render the Debtor's bankruptcy
26 estate administratively insolvent.

27 ///

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1 30. Based upon my experience within the private airline industry and my knowledge
2 of the Debtor's business and personnel, I believe the Employees will quit if they are not paid
3 their salaries and benefits in full in a timely fashion. As a private airline operator, I believe it is
4 crucial for the Debtor to retain its Employees, many of whom are pilots, flight crew members,
5 and maintenance staff who provide highly specialized services, to operate the Zetta Jet jets and
6 manage the Debtor's business. The Debtor must retain the Employees to continue its business
7 operations without interruption and to preserve and maximize the value of its assets during this
8 Chapter 11 case. The Debtor's personnel is familiar with the Debtor's business operations,
9 vendors, and client base, and is thus essential to the preservation of the Debtor's business. I
10 believe that the Debtor's failure to pay pre-petition Wages to the Employees and honor the
11 Debtor's employment and benefit policies will likely result in severe disruptions to the Debtor's
12 operations to the detriment of creditors. Therefore, I believe that the Debtor's ability to preserve
13 the full value of its business and assets and ultimately successfully reorganize depends upon the
14 Debtor's continued operations, which cannot occur without the efforts of the Employees.

15 I declare and verify under penalty of perjury under the laws of the United States of
16 America that the foregoing is true and correct to the best of my knowledge.

17 Executed on this 19th day of September 2017, at Burbank, California.

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MICHAEL A. MAHER

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EXHIBIT “A”

Employee Last Name	Employee First Name	Hire Date	State of Residence	Department	Semi-Monthly Payroll Amount (Paid on 22nd)	Monthly Payroll Amount (Paid on 7th)	Notes
Acs	Peter			PILOT		\$6,250.00	* Monthly Salary Amount (paid on 7th of month)
Adams	Chad	19-Dec-16	AZ	OPS	\$4,375.00	\$4,375.00	
Alvarado	Vincent	21-Mar-16	CA	PILOT	\$2,000.00	\$2,000.00	
Anderson	Casey	7-Sep-16	NV	PILOT	\$6,250.00	\$6,250.00	
Barkley	Melissa	20-Mar-17	CA	CHARTER - SALES	\$1,979.17	\$1,979.17	
Bartholomae	William	19-Jan-15	CA	PILOT	\$7,000.00	\$7,000.00	
Blanco	Orlando	1-Aug-17	CA	ADMINISTRATION	\$1,875.00	\$1,875.00	
Blount	Steven	26-Jul-16	FL	PILOT	\$5,500.00	\$5,500.00	
Brioso	Omar	1-Dec-16	CA	MAINTENANCE	\$2,916.67	\$2,916.67	
Carvalho	Mathews	1-Sep-15	NH	PILOT	\$5,208.33	\$5,208.33	
Carwile	Justin	16-Feb-17	TX	OPS	\$4,166.67	\$4,166.67	
Cheek	Catherine	10-Sep-17	CA	FINANCE MANAGER-USA	\$2,708.33	\$2,708.33	
Cheek	Kevin	10-Oct-12	CA	CHARTER - SALES	\$4,166.67	\$4,166.67	
Cooper	David	1-Jan-17	NY	MAINTENANCE	\$5,208.33	\$5,208.33	
Csanyi	Veronika	17-Aug-15	CA	PILOT	\$2,291.67	\$2,291.67	
Cummings	Aaron	1-Aug-11	NY	HEAD OF CHARTER	\$9,375.00	\$9,375.00	
De Asis	Sean	Independent Contractor		FLIGHT CREW	\$5,491.97	\$5,491.97	
Easton	Alex	14-Aug-17	CA	CHARTER - SALES	\$1,666.67	\$1,666.67	
Erickson	Daniel	3-Jan-17	UT	PILOT	\$5,500.00	\$5,500.00	
Esquibel	Kyle	1-May-15	AZ	PILOT	\$2,708.33	\$2,708.33	
Fisch	David	15-Mar-16	CA	PILOT	\$3,500.00	\$3,500.00	

Employee Last Name	Employee First Name	Hire Date	State of Residence	Department	Semi-Monthly Payroll Amount (Paid on 22nd)	Monthly Payroll Amount (Paid on 7th)	Notes
Fletcher	Hollie	1-Jun-17	TX	HR & PAYROLL ADMINISTRATOR	\$1,708.33	\$1,708.33	
Fontana	Lawrence	5-Jul-16	FL	PILOT	\$5,750.00	\$5,750.00	
Fouri	Gerhard			PILOT		\$5,833.33	* Monthly Salary Amount (paid on 7th of month)
Fouri	Shelley			PILOT		\$4,167.00	* Monthly Salary Amount (paid on 7th of month)
Fox	David	5-Jul-16	OR	PILOT	\$6,250.00	\$6,250.00	
Gadashevich	Helena			FLIGHT CREW		Will vary based on hours	* Monthly Salary Amount (paid on 7th of month)
Gonzalez	Joseph	28-Nov-16	CA	MAINTENANCE	\$3,000.00	\$3,000.00	
Greene	Darrin	16-Apr-16	CA	CHARTER - SALES	\$3,500.00	\$3,500.00	
Grippin	Abigail	7-Sep-16	TX	PILOT	\$2,000.00	\$2,000.00	
Gutierrez	Pablo	25-Apr-16	FL	PILOT	\$5,625.00	\$5,625.00	
Harris	Steven	1-Nov-16	MO	PILOT	\$6,666.67	\$6,666.67	
Harrison	William	1-Oct-16	AZ	OPS	\$4,375.00	\$4,375.00	
Johnson	Jo H.	22-Aug-16	VA	FLIGHT CREW ADMIN & LOGISTIC COORDINATOR	\$1,875.00	\$1,875.00	
Jouvence	Pascal	1-Sep-15	TN	PILOT	\$6,041.67	\$6,041.67	
Khachatryan	Ruben	1-May-15	CA	PILOT	\$6,458.33	\$6,458.33	
King	Shelby	7-Sep-16	CO	PILOT	\$2,000.00	\$2,000.00	
Lampman	Bryan	14-Oct-14	VA	MAINTENANCE	\$5,416.67	\$5,416.67	
Love	Greg	1-Sep-11	FL	PILOT	\$7,291.67	\$7,291.67	
Luengo	Joseph	1-Mar-16	CA	CHARTER - SALES	\$6,250.00	\$6,250.00	
MacPhee	Amy	24-Apr-17	CA	CUSTOMER SERVICE	\$2,708.33	\$2,708.33	

Employee Last Name	Employee First Name	Hire Date	State of Residence	Department	Semi-Monthly Payroll Amount (Paid on 22nd)	Monthly Payroll Amount (Paid on 7th)	Notes
Madrid	Joe	15-Mar-15	CA	MAINTENANCE	\$4,166.67	\$4,166.67	
Marrow	Lukas	6-Jun-16	TX	OPS	\$2,916.67	\$2,916.67	
Mateo	Reynoldo	15-Jun-16	CA	MAINTENANCE	\$4,375.00	\$4,375.00	
McCoach	Matthew	15-Jun-14	TX	PILOT	\$7,400.00	\$7,400.00	
McCombs	Dale	26-Jul-16	TX	PILOT	\$5,500.00	\$5,500.00	
McCombs	Jason	7-Sep-16	TX	PILOT	\$5,500.00	\$5,500.00	
Mendoza	Anibal	3-Jan-17	FL	MAINTENANCE	\$3,750.00	\$3,750.00	
Meyer	Benjamin	27-Jul-16	AR	PILOT	\$3,958.33	\$3,958.33	
Mills	Ansel	4-Oct-16	CA	PILOT	\$2,833.33	\$2,833.33	
Moffett	Richard	Independent Contractor		FLIGHT CREW	\$4,000.00	\$4,000.00	
Nevarez	Juan	16-Apr-16	CA	MAINTENANCE	\$4,104.17	\$4,104.17	
Nichols	Autumn	Independent Contractor		FLIGHT CREW	\$3,744.64	\$3,744.64	
Ojeda	Vianney	Independent Contractor		FLIGHT CREW	\$2,288.00	\$2,288.00	
O'Neill	Jesse	3-Oct-16	FL	PILOT	\$5,500.00	\$5,500.00	
Orozco	Jesse	17-Mar-14	NV	PILOT	\$6,041.67	\$6,041.67	
Ortiz	Marilenny	Independent Contractor		FLIGHT CREW	\$1,000.00	\$1,000.00	
Ovespian	Andranik	16-Apr-16	CA	MAINTENANCE	\$2,041.67	\$2,041.67	
Pacheco	Samuel	22-Mar-15	AZ	MAINTENANCE	\$4,583.33	\$4,583.33	
Parker	Anna	Independent Contractor		FLIGHT CREW	\$1,424.00	\$1,424.00	

Employee Last Name	Employee First Name	Hire Date	State of Residence	Department	Semi-Monthly Payroll Amount (Paid on 22nd)	Monthly Payroll Amount (Paid on 7th)	Notes
Peterson	G. Noal	22-Mar-15	AZ	PILOT	\$2,570.83	\$2,570.83	
Pino	Marilyn	9-Jan-17	NY	MAINTENANCE	\$3,750.00	\$3,750.00	
Pochettino	Michael	25-Apr-15	MD	PILOT	\$2,958.33	\$2,958.33	
Ponce	Joe	7-Nov-13	CA	MAINTENANCE	\$6,875.00	\$6,875.00	
Purcell	Jordan	7-Sep-16	GA	PILOT	\$2,000.00	\$2,000.00	
Purcell	Ryan	1-Sep-15	MD	PILOT	\$5,208.33	\$5,208.33	
Rastler	Eric	1-Aug-11	GA	PILOT	\$7,750.00	\$7,750.00	
Reed	Gary	4-Jan-16	CA	PILOT	\$4,583.33	\$4,583.33	
Rhymes	Dustin	22-Feb-13	CA	PILOT	\$6,500.00	\$6,500.00	
Riihiluoma	Mika	7-Sep-16	MI	PILOT	\$6,250.00	\$6,250.00	
Rodriguez	Samuel	26-Jan-17	CA	MAINTENANCE	\$1,458.33	\$1,458.33	
Shields	Thomas			PILOT		\$7,916.67	* Monthly Salary Amount (paid on 7th of month)
Smith	Christopher	4-Oct-16	FL	PILOT	\$3,125.00	\$3,125.00	
Spence	Vincent	2-Oct-16	WI	PILOT	\$4,500.00	\$4,500.00	
Stawicki	Paige	5-Jul-16	TX	PILOT	\$2,000.00	\$2,000.00	
Sugiyama	Yuki	21-Apr-17	CA	PILOT	\$3,500.00	\$3,500.00	
Tate	R. Keith	14-Oct-13	NC	PILOT	\$7,000.00	\$7,000.00	
Terhorst	Tara	17-Nov-14	CA	PILOT	\$5,833.33	\$5,833.33	
Terlecki	Cassandra	1-Aug-14	CA	MAINTENANCE	\$4,166.67	\$4,166.67	
Van den berg	Nathan	4-Aug-16	ME	MAINTENANCE	\$4,166.67	\$4,166.67	
Vega	Belinda	22-Aug-17	CA	ATTORNEY	\$10,416.67	\$10,416.67	
Wallentin	Mads			PILOT		\$5,417.00	* Monthly Salary Amount (paid on 7th of month)

Employee Last Name	Employee First Name	Hire Date	State of Residence	Department	Semi-Monthly Payroll Amount (Paid on 22nd)	Monthly Payroll Amount (Paid on 7th)	Notes
Waterhouse	Matthew	3-Jan-17	AZ	PILOT	\$2,500.00	\$2,500.00	
Woodruff	Brenton	3-Oct-16	CA	PILOT	\$2,150.00	\$2,150.00	
				TOTAL:	\$335,194.44	\$364,778.44	

PROOF OF SERVICE OF DOCUMENT

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I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled: **DEBTOR'S EMERGENCY MOTION FOR AUTHORITY TO (1) PAY PRE-PETITION PRIORITY WAGES; AND (2) HONOR EMPLOYMENT AND BENEFIT POLICIES; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF; DECLARATION OF MICHAEL A. MAHER IN SUPPORT THEREOF** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **September 19, 2017**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Ron Bender** rb@lnbyb.com
- **John-Patrick M Fritz** jpf@lnbyb.com, JPF.LNBYB@ecf.inforruptcy.com
- **Dare Law** dare.law@usdoj.gov
- **United States Trustee (LA)** ustpreion16.la.ecf@usdoj.gov

2. SERVED BY UNITED STATES MAIL: On **September 19, 2017**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **September 19, 2017**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Served via Attorney Service
The Honorable Sandra R. Klein
United States Bankruptcy Court
Edward R. Roybal Federal Building and Courthouse
255 E. Temple Street, Suite 1582 / Courtroom 1575
Los Angeles, CA 90012

Service List served by Overnight Mail attached

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

September 19, 2017	Stephanie Reichert	/s/ Stephanie Reichert
<i>Date</i>	<i>Type Name</i>	<i>Signature</i>

3. **SERVED BY OVERNIGHT MAIL:**

Zetta Jet (8315)
OUST, Secured, Top 20

Office of the United States Trustee
Attn: Dare Law
915 Wilshire Blvd., Suite 1850
Los Angeles, CA 90017

Secured Creditors:

Bank of Utah, Owner Trustee
200 East South Temple
Suite 210
Salt Lake City, UT 84111

Corporate Jet Support, Inc.
1 Graphic Place
Moonachie, NJ 07074

Export Development Canada
150 Slater Street
Ottawa
Ontario, Canada K1A 1K3

Festin Management Corp.
200 East South Temple
Suite 210
Salt Lake City, UT 84111

Festin Management Corp.
P.O. Box 958
Pasea Estate
Road Town, Tortola, BVI

TVPX ARS Inc.
39 East Eagle Ridge Drive
Suite 201
North Salt Lake, UT 84054

TVPX ARS Inc.
2352 Main Street
Suite 201
Concord, MA 01742

Universal Fuels, Inc.
1150 Gemini Street
Houston, TX 77058

Universal Weather and Aviation, Inc
1150 Gemini Street
Houston, TX 77058

Wells Fargo Bank Northwest, N.A.
299 S. Main Street
5th Floor
Salt Lake City, UT 84111

Top 20 Unsecured Creditors:

Bombardier (Learjet Inc.)
7761 West Kellogg
Coldwater, KS 67029

Rolls-Royce
Deutschland Ltd & Co KG
PO Box 31
Derby, DE24 8BJ
UNITED KINGDOM

World Fuel Svcs (Singapore) Pte Ltd
238A Thomson Road #08-01/10
Novena Square Tower A 307684
SINGAPORE

Universal Fuels, Inc. (UVAir)
1150 Gemini Street
Houston, TX 77058

CAE SimuFlite, Inc
POB 619119 2929 W. Airfield TX
Dallas, TX 75261

Hongkong & Shanghai Banking
Corp Ltd
Robinson Road P.O.Box 896
901746
SINGAPORE

Scout Aviation II, LLC
Trafalgar Court, 2nd Floor East Wing
Admiral Park, Saint Peter Port
Guernsey, GY1 3EL
GUERNSEY

Universal Weather & Aviation Inc.
(UWA)
1150 Germini Street
Houston, TX 77058-2708

Festin Management
2808 NE 1st Avenue
Wilston Manners, FL 33334

Hanergy [Yoda Aviation]
10th Fl, KeJi Mansion
#28 of TianZhu Rd
ShunYi District, Beijing
CHINA

Corporate Jet Support
1 Graphic Place
Moonachie, NJ 07074

Eurocontrol
Rue De la Fusee 96
Bruxelles, Bruxelles-Capitale 1130
BELGIUM

Tongda Air Service
B-7-D, Fuhua Mansion,
No.8 Chaoyangmen North Street
Dongcheng District, Beijing 100027
CHINA

WEX BANK
33548 TREASURY CENTER
CHICAGO, IL 60694-3500

Jeppesen Sanderson, Inc.
55 Inverness Drive East
Englewood, CO 80112-5498

UVair European Fuelling Svcs Ltd
Office 10-14, Wing 5 Shannon Arprt
Shannon, Co. Clare
IRELAND

ARINC Direct
2551 Riva Road
M/S 6-2566
Annapolis, MD 21401-7465

SN 1360, LLC
2808 NE 1st Avenue
Wilston Manners, FL 33334

Jet Support Services (JSSI)
180 N. Stetson Ave. 29th Floor
Chicago, IL 60601-6704

Associated Energy Group, LLC
(AEG Fuel)
PO Box 5606, 165 Hwy 50
Stateline, NV 89449