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Proposed Attorneys for Chapter 11 Debtors and Debtors in Possession

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

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

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

(Proposed to be) Jointly administered with:
2:17-bk-21387-SK
(Zetta Jet PTE, Ltd., a Singaporean corporation)

Chapter 11 Cases

15 In re:
16 ZETTA JET PTE, LTD., a Singaporean
17 corporation,
18 Debtor and Debtor in Possession.

**DEBTORS' EMERGENCY MOTION FOR
ENTRY OF AN ORDER: (A)
AUTHORIZING THE CONTINUED USE
OF CERTAIN PORTION OF THE
DEBTORS' CASH MANAGEMENT
SYSTEM, (B) AUTHORIZING THE
MAINTENANCE OF PRE-PETITION
BANK ACCOUNTS; AND (C) REQUIRING
BANKS TO RELEASE ADMINISTRATIVE
HOLDS AND/OR FREEZES ON THE
DEBTORS' PRE-PETITION ACCOUNTS;
MEMORANDUM OF POINTS AND
AUTHORITIES**

- 19
20 Affects both Debtors
21 Affects Zetta Jet USA, Inc., a
22 California corporation only
23 Affects Zetta Jet PTE, Ltd., a
24 Singaporean corporation only

Emergency Hearing Schedule:
Date: September 27, 2017
Time: 10:00 a.m.
Place: Courtroom 1575
255 East Temple St.
Los Angeles, CA 90012

SUMMARY

Zetta Jet USA, Inc., a California corporation ("Zetta Jet USA"), and Zetta Jet PTE, Ltd., a Singaporean corporation ("Zetta Jet PTE," and together with Zetta Jet USA, the "Debtors"), the debtors and debtors in possession in the above-referenced Chapter 11 bankruptcy cases, which cases are proposed to be jointly-administered under the lead case of Zetta Jet USA, hereby file this motion (the "Motion"), pursuant to 11 U.S.C. § 105, for the entry of an order (1) authorizing the continued use of the Debtors' existing cash management system, (2) authorizing the maintenance and continued use of the Debtors' existing bank accounts, including authorizing the clearance of checks issued from such Accounts (but only to the extent authorized by written order of this Court for, among other things, the payment of payroll and certain specifically approved pre-petition obligations), and (3) authorizing the release of any administrative freezes or holds on the bank accounts as a result of the Debtors' bankruptcy filings (or for any other reason).

On September 15, 2017 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, sections 101 *et seq.* (the "Bankruptcy Code"). The Debtors 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 the Debtors' cases.

The Debtors maintain the following accounts at The Hongkong and Shanghai Banking Corporation Limited, located at 21 Collyer Quay HSBC Building Level 7 Singapore 049320, with the following balances as of September 19, 2017 (each a "HSBC Account," and collectively, the "HSBC Accounts"), as set forth in the table below:

Account title	Acct no.	Currency	Current Ledger
ZETTA JET PTE. LTD.	*****-180	AUD	7,481.85
ZETTA JET PTE. LTD.	*****-178	EUR	4,260.25
ZETTA JET PTE. LTD.	*****-179	GBP	9,671.78
ZETTA JET PTE. LTD.	*****-001	SGD	10,919.16
ZETTA JET PTE. LTD.	*****-002	SGD	19,896.95
ZETTA JET PTE. LTD.	*****-181	USD	585,335.86
ZETTA JET PTE. LTD.	*****-182	USD	70,856.06

ZETTA JET USA INC	*****-181	USD	3,022.22
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In addition to the HSBC Accounts, the Debtors maintain the following accounts at Heritage Bank of Commerce, located at 150 South Almaden Boulevard, San Jose, California 95113, with the following current balances (each a “Heritage Account,” and collectively, the “Heritage Accounts”), as set forth in the table below:

Account title	Acct no.	Currency	Current Balance
ZETTA JET USA, INC.	*****-3226	USD	(\$2,434.34)
ANGLO AMERICAN JET CHARTER INC. C/O ADVANCED AIR MANAGEMENT INC.	*****-6385	USD	\$1,151.97

All payments by customers to the Debtors are deposited into the HSBC Accounts and/or Heritage Accounts (together, the “Accounts”), including through credit card transactions and other electronic forms of payment. The Debtors seek to maintain the Accounts to ensure that all accounts payable owing to the Debtors are collected without any disruption or delay. Closing the Accounts could result in client payments being rejected and the potential loss of millions of dollars of funds owing to the Debtors and their estates. Global private charter flights are very expensive, both in terms of the money being paid by clients to the Debtors and in terms of the expenses that the Debtors must pay for fuel, maintenance and repair, and other critical operating expenses required to be paid to keep the Debtors’ aircraft in service. If the Accounts are closed and there is any delay in, or loss of, payments to the Debtors as a result thereof, the operation of the Debtors’ entire enterprise would be seriously jeopardized.

The Debtors have already opened their debtor-in-possession bank account (“DIP Account”) at a financial institution approved by the Office of the United States Trustee, East West Bank, under the name of Zetta Jet USA, Inc., Chapter 11 Debtor in Possession. The Debtors will conduct regular sweeps of the Accounts into the DIP Account and pay all expenses through the DIP Account to ensure that all funds are received and accurately accounted for. The Debtors will

1 not make any disbursements directly from the pre-petition Accounts except to pay employees'
2 pre-petition wages and critical vendors, as discussed below. The Debtors further request that the
3 requirement to open additional debtor-in-possession bank accounts other than the DIP Account be
4 waived.

5 On September 19, 2017, each of the Debtors filed a separate motion seeking authority to
6 pay payroll for its respective non-insider employees (the "Payroll Motions"), which motions were
7 approved pursuant to orders entered by the Court on September 21, 2017. As explained in greater
8 detail in the Payroll Motions, the Debtors' U.S. payroll is anticipated to be funded and checks
9 distributed by September 22, 2017. There is insufficient time to redirect the funding and
10 distribution of payroll to the DIP Account prior to the forthcoming payroll. By way of this
11 Motion, the Debtors seek authority to distribute payroll through the existing Accounts until the
12 Debtors are able to successfully transition to the new DIP Account. The non-U.S. payroll will
13 fund and be paid on or about September 29, 2017 and, due to the logistical issues of converting
14 payroll into foreign currency for non-U.S. employees, the Debtors also request permission to pay
15 payroll through the existing Accounts until other arrangements can be made.

16 Pursuant to this Motion, the Debtors seek an order of this Court (1) authorizing the Debtors
17 to continue using the Debtors' existing cash management system; (2) authorizing the Debtors to
18 maintain and continue utilizing the Accounts and authorizing the clearance of checks and other
19 payments issued from such Accounts (but only to the extent authorized by written order of this
20 Court for, among other things, the payment of payroll and certain specific Court-approved pre-
21 petition obligations); and (3) authorizing the release of any administrative freezes or holds on the
22 Accounts as a result of the Debtors' bankruptcy filings (or for any other reason).

23 The relief requested herein will help ensure the Debtors' smooth transition into Chapter 11
24 by allowing the Debtors to keep the Accounts so that the Debtors may continue receiving client
25 payments and paying approved expenses without any disruption or delay.

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ADDITIONAL INFORMATION

This Motion is based upon this Motion, the supporting Memorandum of Points and Authorities, the Omnibus Declaration of Michael A. Maher filed concurrently herewith, the arguments and statements of counsel made at the hearing on the Motion, and other admissible evidence properly brought before the Court.

In order to provide maximum notice of this Motion, concurrently with the filing of this Motion with the Court, the Debtors have served the Motion and the notice of hearing on the Motion upon the Office of the United States Trustee, all secured creditors and their counsel (if known), the 20 largest unsecured creditors of each of the Debtors, and parties requesting special notice via overnight mail. Additional hard copies or electronic copies of this Motion are available upon request to proposed counsel for the Debtors, whose contact information is located on the upper-left hand corner of this Motion.

WHEREFORE, the Debtors respectfully request that this Court issue an order:

1. granting the Motion in its entirety;
2. authorizing the Debtors to continue using their existing cash management system and to maintain and to maintain and continue utilizing the Accounts, as set forth in the Motion;
3. authorizing the clearance of checks and other payments issued from the Accounts, but only to the extent authorized by written order of this Court for, among other things, the payment of payroll and certain specifically approved pre-petition obligations;
4. authorizing the release of any administrative freezes or holds on the Accounts as a result of the Debtors' bankruptcy filings (or for any other reason); and

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1 5. granting such other and further relief as the Court deems just and proper.

2 Dated: September 22, 2017

ZETTA JET USA, INC. and
ZETTA JET PTE, LTD..

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By: /s/ John-Patrick M. Fritz

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RON BENDER

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JULIET Y. OH

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JOHN-PATRICK M. FRITZ

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LEVENE, NEALE, BENDER, YOO

9

& BRILL L.L.P.

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Proposed Counsel for Chapter 11 Debtors
and Debtors 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 ("Zetta Jet USA"), and Zetta Jet PTE, Ltd., a Singaporean corporation ("Zetta Jet PTE," and together with Zetta Jet USA, the "Debtors"), the debtors and debtors in possession in the above-referenced Chapter 11 bankruptcy cases, which are proposed to be jointly administered under the lead case of Zetta Jet USA, 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").¹ The Debtors 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 the Debtors' cases.

2. The Debtors are a global leader in private flight operations for international business and luxury travel. The Debtors service 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. The Debtors provide the highest level luxury travel to A-list celebrities and an ultra-wealthy clientele base.

¹ The Debtors have learned that certain shareholders of 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 Debtors. The Debtors contend 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 Debtors 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).

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

4 4. The Debtors own, lease, and/or operate a fleet of 20 aircraft, including 14
5 Bombardier dual-engine jet aircraft, consisting of six (6) Global 6000 jets, three (3) Global 5000
6 jets, three (3) Global Express jets, one (1) Global XRS jet, and one (1) Challenger 650 jet, as well as
7 three (3) G-IV jets, one (1) G-IV-450 jet, one (1) G-V jet, and one (1) King Air turboprop. These
8 state-of-the-art Bombardier jets are equipped with the fastest in-flight Wi-Fi available, whisper-
9 quiet cabins, and curated with the finest amenities. The Debtors' fleet of leased and owned aircraft
10 is operated by the highest level professional pilots and crews within the private airline industry.

11 5. Together, the Debtors work as a joint enterprise in global luxury and business travel
12 with network links in key cities across the globe, including Moscow, Los Angeles, New York City,
13 London, Beijing, and Shanghai.

14 6. Other than HSBC a/k/a The Hongkong Shanghai Banking Corporation ("HSBC"),
15 which holds a possessory lien against certain cash that was maintained in the Debtors' bank
16 accounts at HSBC in Singapore as of the Petition Date (in the approximate sum of \$711,000)², the
17 Debtors have no secured lender and do not believe that any creditor has a security interest or lien in
18 the revenue and cash of the Debtors.

19 7. In December 2016, Zetta Jet PTE announced the merger/acquisition of Zetta Jet
20 USA's predecessor in interest, Advanced Air Management, Inc., a California corporation, and Asia
21 Aviation Company Pte, Ltd., a Singaporean company, which gave rise to the Zetta Jet of today.
22 Established in August 2015, Zetta Jet has provided the ultimate in bespoke luxury experience to a
23 discerning clientele of ultra-high-net-worth individuals across the globe. Zetta Jet has enjoyed

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25 ² At a hearing held on September 20, 2017 at 2:00 p.m., the Court granted the Debtors'
26 emergency motion for use of the cash maintained in the Debtors' bank accounts at HSBC in Singapore,
27 to the extent necessary to fund payroll payments, fuel purchases, maintenance and repair expenses, fly
28 permits and licenses, and other similar costs immediately required to operate chartered flights, on an
interim basis through the date and time of the continued interim hearing on such motion scheduled on
September 27, 2017 at 2:00 p.m.

1 phenomenal growth over the past two years, in large part due to high client satisfaction, customer
2 word-of-mouth, and high-profile advertising, including advertising on the ring-ropes of the recent
3 Mayweather-McGregor boxing match.

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

12 **B. Events Leading To Bankruptcy.**

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

21 10. The Debtors believe that Mr. Cassidy did not simply loot the Debtors’ coffers but
22 also entered into several contracts on behalf of the Debtors that were detrimental to the Debtors
23 (many of which the Debtors suspect involved kickbacks to Mr. Cassidy and secretive self-dealing).

24 11. The Debtors take the alleged fraud by Mr. Cassidy very seriously and began a legal
25 investigation and forensic accounting pre-petition. As a result, on September 8, 2017, the Debtors
26 filed a federal civil lawsuit against Mr. Cassidy and an investor in the United States District Court
27 for the Central District of California, bearing case number 2:17-cv-06648-JAK-GJS (the “District”
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1 Court Lawsuit”). By way of the District Court Lawsuit, the Debtors allege that Mr. Cassidy
2 engaged in self-dealing, fraud, embezzlement and enriched himself by, among other unlawful
3 activities, (i) using company funds to purchase and/or renovate personal property including two
4 yachts and related items valued conservatively between \$3 million USD and \$10 million USD; (ii)
5 purchasing and renovating real property, including homes in France and Singapore; (iii) purchasing
6 at least three luxury automobiles in Singapore valued conservatively between \$2 million USD and
7 \$3 million USD; (iv) hosting extravagant gatherings costing hundreds of thousands of dollars in
8 restaurants, bars, and social clubs around the world, including in Monaco, Los Angeles, and Macao;
9 and (v) personally using the Debtors’ fleet to fly his friends and himself for free around the globe to
10 Singapore, Melbourne, Tokyo, Los Angeles, and Nice, France (where he took possession of his new
11 multi-million-dollar yacht, which was purchased with misappropriated funds at the Debtors’
12 expense), in total over 300 hours of flight time at an average cost of \$10,000 per hour in costs and
13 lost corporate opportunity.

14 12. In 2015, Mr. Cassidy, in his capacity as an officer of the Debtors, purchased three
15 (3) Bombardier Global Express aircraft directly from an aircraft brokerage and four (4) Bombardier
16 Global Express aircraft utilizing the same brokerage as their agent. An employee of the brokerage
17 is alleged to have paid kickbacks of approximately \$2 million USD for each aircraft purchased. The
18 Debtors estimate that these alleged kickbacks, in the aggregate, represent between \$14 million USD
19 and \$18 million USD of assets and/or opportunities misappropriated from the Debtors. These
20 dealings harmed and continue to harm the Debtors by having inflated the price of the purchased jets,
21 inflating the financing obligations taken on by the Debtors, including additional interest on higher
22 principal sums borrowed, and inflating the debt service to an unsustainable level.

23 13. The Debtors will seek to employ professionals in these bankruptcy cases to continue
24 the forensic work and litigation involving the District Court Lawsuit and intend to recover as much
25 as possible to repay creditors, as well as unwind and avoid fraudulent conveyances. The Debtors
26 will also evaluate and seek to reject certain executory contracts negotiated by Mr. Cassidy for their
27 unfavorable business terms or otherwise avoid them as fraudulent conveyances. The FBI has
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1 interviewed the Debtors’ officers and shareholders about these matters, and the Debtors’ current
2 management is cooperating fully in the belief that this will advance recovery for creditors.

3 14. Additionally, in 2016, a wealthy Chinese national, Mr. Li Qi, made a substantial
4 investment in Zetta Jet with a combination of \$70 million USD loans and \$60 million USD capital.
5 The Debtors estimate that Mr. Qi was owed approximately \$70 million of debt as of the Petition
6 Date. Prior to the Petition Date, Mr. Qi sought the immediate payment of the obligations owed to
7 him. The Debtors’ management determined that the Debtors could not satisfy the demand, certainly
8 not without compromising the integrity of the Debtors’ ongoing business operations.

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

17 **C. The Debtor’s Pre-Petition Cash Management System**

18 16. The Debtors maintain the following accounts at HSBC located at 21 Collyer Quay
19 HSBC Building Level 7 Singapore 049320, with the following balances as of September 19, 2017
20 (each a “HSBC Account,” and collectively, the “HSBC Accounts”), as set forth in the table below:

Account title	Acct no.	Currency	Current Ledger
ZETTA JET PTE. LTD.	*****-180	AUD	7,481.85
ZETTA JET PTE. LTD.	*****-178	EUR	4,260.25
ZETTA JET PTE. LTD.	*****-179	GBP	9,671.78
ZETTA JET PTE. LTD.	*****-001	SGD	10,919.16
ZETTA JET PTE. LTD.	*****-002	SGD	19,896.95
ZETTA JET PTE. LTD.	*****-181	USD	585,335.86
ZETTA JET PTE. LTD.	*****-182	USD	70,856.06
ZETTA JET USA INC	*****-181	USD	3,022.22

17. In addition to the HSBC Accounts, the Debtors maintain the following accounts at Heritage Bank of Commerce, located at 150 South Almaden Boulevard, San Jose, California 95113, with the following current balances (each a “Heritage Account,” and collectively, the “Heritage Accounts”), as set forth in the table below:

Account title	Acct no.	Currency	Current Balance
ZETTA JET USA, INC.	*****-3226	USD	(\$2,434.34)
ANGLO AMERICAN JET CHARTER INC. C/O ADVANCED AIR MANAGEMENT INC.	*****-6385	USD	\$1,151.97

18. All payments by customers to the Debtors are deposited into the HSBC Accounts and/or Heritage Accounts (together, the “Accounts”), including through credit card transactions and other electronic forms of payment. The Debtors seek to maintain the Accounts to ensure that all accounts payable owing to the Debtors are collected without any disruption or delay. Closing the Accounts could result in client payments being rejected and the potential loss of millions of dollars of funds owing to the Debtors and their estates. Global private charter flights are very expensive, both in terms of the money being paid by clients to the Debtors and in terms of the expenses that the Debtors must pay for fuel, maintenance and repair, and other critical operating expenses required to be paid to keep the Debtors’ aircraft in service. If the Accounts are closed and there is any delay in, or loss of, payments to the Debtors as a result thereof, the operation of the Debtors’ entire enterprise would be seriously jeopardized.

19. The Debtors have already opened their debtor-in-possession bank account (“DIP Account”) at a financial institution approved by the Office of the United States Trustee, East West Bank, under the name of Zetta Jet USA, Inc., Chapter 11 Debtor in Possession. The Debtors will conduct regular sweeps of the Accounts into the DIP Account and pay all expenses through the DIP Account to ensure that all funds are received and accurately accounted for. The Debtors will not make any disbursements directly from the pre-petition Accounts except to pay employees’ pre-petition wages and critical vendors, as discussed below. The Debtors further request that the

1 requirement to open additional debtor-in-possession bank accounts other than the DIP Account be
2 waived.

3 20. On September 19, 2017, each of the Debtors filed a separate motion seeking
4 authority to pay payroll for its respective non-insider employees (the "Payroll Motions"), which
5 motions were granted pursuant to orders entered by the Court on September 21, 2017. As
6 explained in greater detail in the Payroll Motions, the Debtors' U.S. payroll is anticipated to be
7 funded and checks distributed by September 22, 2017. There is insufficient time to redirect the
8 funding and distribution of payroll to the DIP Account prior to the forthcoming payroll. By way
9 of this Motion, the Debtors seek authority to distribute payroll through the existing Accounts until
10 the Debtors are able to successfully transition to the new DIP Account. The non-U.S. payroll will
11 fund and be paid on or about September 29, 2017 and, due to the logistical issues of converting
12 payroll into foreign currency for non-U.S. employees, the Debtors also request permission to pay
13 payroll through the existing Accounts until other arrangements can be made.

14 21. Filed concurrently with this Motion is the Debtors' motion seeking the entry of an
15 order authorizing the Debtors to continue to pay the pre-petition claims of their most critical
16 vendors (the "Critical Vendors"), in the Debtors' discretion and in the ordinary course of the
17 Debtors' business (the "Critical Vendors Motion"). In the event the Court grants the Critical
18 Vendors Motion, given the urgent timing anticipated for making payments to the Critical
19 Vendors, by this Motion, the Debtors also seek authority to make Court-approved payments to
20 Critical Vendors through the existing Accounts until the Debtors are able to successfully
21 transition to the new DIP Account.

22 22. Pursuant to this Motion, the Debtors seek an order of this Court (1) authorizing the
23 Debtors to continue using the Debtors' existing cash management system; (2) authorizing the
24 Debtors to maintain and continue utilizing the Accounts and authorizing the clearance of checks
25 and other payments issued from such Accounts (but only to the extent authorized by written order
26 of this Court for, among other things, the payment of payroll and certain specific Court-approved
27 pre-petition obligations); and (3) authorizing the release of any administrative freezes or holds on
28 the Accounts as a result of the Debtors' bankruptcy filings (or for any other reason).

1 23. The relief requested herein will help ensure the Debtors' smooth transition into
2 Chapter 11 by allowing the Debtors to keep the Accounts so that the Debtors may continue
3 receiving client payments and paying approved expenses without any disruption or delay.

4 **II. DISCUSSION**

5 Section 105(a) of the Bankruptcy Code provides:

6 "The court may issue any order, process or judgment that is
7 necessary or appropriate to carry out the provisions of this title. No
8 provision of this title providing for the raising of an issue by a party
9 in interest shall be construed to preclude the court from, sua sponte,
10 taking any action or making any determination necessary or
11 appropriate to enforce or implement court orders or rules, or to
12 prevent an abuse of process."

11 11 U.S.C. § 105(a). All of the relief requested in this Motion is within the Court's authority to
12 grant at its discretion. The Debtors respectfully request that the Court exercise its discretion to
13 grant the relief requested herein.

14 **A. The Court Should Grant The Debtors Authority To Maintain Their Pre-Petition** 15 **Cash Management System And Existing Accounts.**

16 Courts have routinely granted chapter 11 debtors authority to continue using their existing
17 cash management systems. *See In re Pathmark Stores, Inc. et al.*, Case No. 00-02963(JJF) (D.
18 Del. July 13, 2000); *In re Safety-Kleen Corp.*, Case No. 00-02303(PJW) (Bankr. D. Del. June 13,
19 2000); *In re Eagle Food Centers, Inc.*, Case No. 00-01311(RRN) (D. Del. March 2, 2000); *In re*
20 *Philip Services (Delaware), Inc.*, Case No. 99-02385(MEW) (Bankr. D. Del. June 30, 1999); *see*
21 *also, In re Grant Broadcasting of Philadelphia, Inc.*, 75 B.R. 819 (E.D. Penn. 1987); *In re*
22 *Charter Company, et al.*, 778 F.2d 617 (11th Cir. 1985).

23 The Office of the United States Trustee has established certain operating guidelines for
24 debtors-in-possession in order to supervise the administration of chapter 11 cases. These
25 guidelines require chapter 11 debtors to, among other things; (i) close all existing bank accounts
26 and open new debtor-in-possession bank accounts; (ii) establish one debtor-in-possession account
27 for all estate monies required for the payment of taxes, including payroll taxes; (iii) maintain a
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1 separate debtor-in-possession account for cash collateral; and (iv) obtain checks for all debtor-in-
2 possession accounts which bear the designation “Debtor-in-Possession,” the bankruptcy case
3 number and the type of accounts.

4 As discussed above, all payments by customers to the Debtors are deposited into the
5 Accounts, including through credit card transactions and other electronic forms of payment. The
6 Debtors seek to maintain the Accounts to ensure that all accounts payable owing to the Debtors
7 are collected without any disruption or delay. Closing the Accounts could result in client
8 payments being rejected and the potential loss of millions of dollars of funds owing to the Debtors
9 and their estates. Global private charter flights are very expensive, both in terms of the money
10 paid by clients to the Debtors and in terms of the expenses that the Debtors must pay for fuel,
11 maintenance and repair, and other critical operating expenses required to be paid to keep the
12 Debtors’ aircraft in service. If the Accounts are closed and there is any delay in, or loss of,
13 payment to the Debtors as a result thereof, the operation of the Debtors’ entire enterprise would
14 be seriously jeopardized.

15 The Debtors have already opened their DIP Account at East West Bank under the name of
16 Zetta Jet USA. The Debtors will conduct regular sweeps of the Accounts into the DIP Account
17 and pay all expenses (other than certain payroll and certain specific Court-approved pre-petition
18 obligations, as discussed above) through the DIP Account to ensure that all funds are ultimately
19 received in the DIP Account and accurately accounted for.

20 The Debtors will not make any disbursement from the pre-petition Accounts except those
21 payments authorized by written order of the Court for, among other things, the payment of payroll
22 and certain specific Court-approved pre-petition obligations. Specifically, by way of this Motion,
23 the Debtors seek authority to distribute payroll through the existing Accounts until the Debtors
24 are able to successfully transition to the new DIP Account. In addition, due to the logistical issues
25 of converting payroll into foreign currency for non-U.S. employees, the Debtors also request
26 permission to pay payroll through the existing Accounts until other arrangements can be made.
27 Lastly, in the event the Court grants the Critical Vendors Motion, the Debtors also seek authority
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1 to make Court-approved payments to Critical Vendors through the existing Accounts until the
2 Debtors are able to successfully transition to the new DIP Account.

3 The Accounts comprise an established cash management system that the Debtors need to
4 maintain to ensure orderly and smooth collections and disbursements in the ordinary course of
5 business during the Debtors' cases. In order to avoid delays in payments and collection of
6 revenue at this early critical stage in the cases, and to ensure as smooth a transition into Chapter
7 11 as possible with minimal disruption, it is important that the Debtors be permitted to maintain
8 the Accounts. Thus, the Debtors respectfully request that the Court enter an order permitting the
9 Debtors to keep the current cash management system in place, maintain and keep open the pre-
10 petition Accounts, and authorize the clearance of checks and other payments issued on such
11 Accounts, particularly for payroll and payments to Critical Vendors, until alternative
12 arrangements can be made.

13 **B. The Court Should Authorize HSBC And Heritage Bank Of Commerce To**
14 **Immediately Release Any And All Administrative Holds And/Or Freezes That They**
15 **May Have On Any Of The Accounts.**

16 Some courts have found the placement of an administrative "freeze" or hold on the bank
17 account of a Chapter 11 debtor results in, at a minimum, "unauthorized interference with the
18 property of the Chapter 11 debtor without leave of the Court." See e.g., *In re Executive*
19 *Associates, Inc.*, 24 B.R. 171, 172 (Bankr. S.D. Tex. 1982); see accord *In re LHG Resources,*
20 *Inc.*, 34 B.R. 202, 203 (Bankr. W.D. Tex. 1983). Nevertheless, under some circumstances, some
21 courts have found such actions not to be problematic. See e.g., *In re Lough*, 163 B.R. 586 (Bankr.
22 D. Idaho 1994)(freeze which credit union placed on deposit securing its overdraft protection loan
23 to debtor depositors was not improper "setoff," in violation of automatic stay).

24 The Debtors are not seeking any determination from the Court with respect to the validity
25 or the permissibility of the policy described above. Nonetheless, as the Debtors are seeking to
26 keep its cash management system in place and requesting authority to immediately make certain
27 pre-petition payroll payments and payments to certain Critical Vendors, in an abundance of
28

1 caution, the Debtors respectfully request that the Court exercise its authority pursuant to Section
2 105 and order and direct HSBC and Heritage Bank of Commerce to immediately release any and
3 all administrative holds and/or freezes on the Accounts.

4 **III. CONCLUSION**

5 **WHEREFORE**, the Debtors respectfully request that this Court issue an order:

- 6 1. granting the Motion in its entirety;
- 7 2. authorizing the Debtors to continue using their existing cash management system
8 and to maintain and to maintain and continue utilizing the Accounts, as set forth in the Motion;
- 9 3. authorizing the clearance of checks and other payments issued from the Accounts,
10 but only to the extent authorized by written order of this Court for, among other things, the
11 payment of payroll and certain specifically approved pre-petition obligations;
- 12 4. authorizing the release of any administrative freezes or holds on the Accounts as a
13 result of the Debtors' bankruptcy filings (or for any other reason); and
- 14 5. granting such other and further relief as the Court deems just and proper.

15 Dated: September 22, 2017

ZETTA JET USA, INC. and
ZETTA JET PTE, LTD..

17 By: /s/ John-Patrick M. Fritz

18 RON BENDER
19 JULIET Y. OH
20 JOHN-PATRICK M. FRITZ
21 LEVENE, NEALE, BENDER, YOO
& BRILL L.L.P.
22 Proposed Counsel for Chapter 11 Debtors
23 and Debtors in Possession
24
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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: **DEBTORS' EMERGENCY MOTION FOR ENTRY OF AN ORDER: (A) AUTHORIZING THE CONTINUED USE OF CERTAIN PORTION OF THE DEBTORS' CASH MANAGEMENT SYSTEM, (B) AUTHORIZING THE MAINTENANCE OF PAYROLL AND RECEIVABLES BANK ACCOUNTS; AND (C) AUTHORIZING BANKS TO RELEASE ADMINISTRATIVE HOLDS AND/OR FREEZES ON THE DEBTORS' PRE-PETITION ACCOUNTS; MEMORANDUM OF POINTS AND AUTHORITIES** 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 22, 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@Inbyb.com
- Dawn M Coulson dcoulson@eppscoulson.com, cmadero@eppscoulson.com
- John-Patrick M Fritz jpf@Inbyb.com, JPF.LNBYB@ecf.inforuptcy.com
- Jeanne M Jorgensen jjorgensen@pj-law.com, cpage@pj-law.com
- Dare Law dare.law@usdoj.gov
- Juliet Y Oh jyo@Inbrb.com, jyo@Inbrb.com
- United States Trustee (LA) ustregion16.la.ecf@usdoj.gov

2. SERVED BY UNITED STATES MAIL: On **September 22, 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 22, 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 and Email attached

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

<u>September 22, 2017</u>	<u>Stephanie Reichert</u>	<u>/s/ Stephanie Reichert</u>
Date	Type Name	Signature

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
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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,
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CHICAGO, IL 60694-3500

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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

3. SERVED BY EMAIL:

Zetta Jet (8315)
OUST, Secured, Top 20

Office of the United States Trustee
Attn: Dare Law
Email: dare.law@usdoj.gov

Secured Creditors:

Bank of Utah, Owner Trustee
Email: cschulthies@bankofutah.com

Corporate Jet Support, Inc.
Email: jwhelan@corpjetsupport.com

Export Development Canada
Email: support@edc.ca

Festin Management Corp.
Email: Jimmy Jets
jjmt@jimmyjets.net

TVPX ARS Inc.
Email: David Wall
dwall@TVPX.com

TVPX ARS Inc.
Email: David Wall
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Universal Fuels, Inc.
Email: Amen Fung
afung@univ-wea.com

Universal Weather and Aviation, Inc.
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Top 20 Unsecured Creditors:

Bombardier (Learjet Inc.)
Email: Martin Bruyere
martin.bruyere@aero.bombardier.com

Rolls-Royce Deutschland Ltd & Co KG
Email: Michael Mechler
michael.mechler@rolls-royce.com

World Fuel Svcs (Singapore) Pte Ltd
Email: Calvin Chia
cchia@wfscorp.com

Universal Fuels, Inc. (UVAir)
Email: Amen Fung
afung@univ-wea.com

CAE SimuFlite, Inc
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nathan.metzler@cae.com

Hongkong & Shanghai Banking
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Associated Energy Group, LLC
(AEG Fuel)
Email: Victor Pena
vpena@aegfuels.com

Universal Weather & Aviation Inc.
Email: Amen Fung
afung@univ-wea.com

Festin Management
Email: Jimmy Jets
jjmt@jimmyjets.net

Hanergy (Yoda Aviation)
Email: John Zhang
zhangbin@hanergy.com

Corporate Jet Support
Email: Whitne Keenan
wkeenan@corpjetsupport.com

Eurocontrol
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nancy.coveliers@eurocontrol.int

Tongda Air Service
Email: tongda@tdas-intl.com

WEX BANK
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Kiran.Patel@wexinc.com

Jeppesen Sanderson, Inc.
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doris.fuller@jeppesen.com

UVair European Fuelling Svcs Ltd
Email: Amen Fung
afung@univ-wea.com

ARINC Direct
Email: Saira Kanchwala
sfk@arinc.com

SN 1360, LLC
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jimt@jimmyjets.net

Jet Support Services (JSSI)
Email: Richard Schumacher
RSchumacher@jetsupport.com