

1 RON BENDER (SBN 143364)  
2 JULIET Y. OH (SBN 211414)  
3 JOHN-PATRICK M. FRITZ (SBN 245240)  
4 LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.  
5 10250 Constellation Boulevard, Suite 1700  
6 Los Angeles, California 90067  
7 Telephone: (310) 229-1234  
8 Facsimile: (310) 229-1244  
9 Email: RB@LNBYB.COM; JYO@LNBYB.COM; JPF@LNBYB.COM

Proposed Attorneys for Chapter 11 Debtors  
and Debtors in Possession

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

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

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

- 20  
21  Affects Both Debtors  
22  Affects Zetta Jet USA, Inc., a  
23 California corporation only  
24  Affects Zetta Jet PTE, Ltd., a  
25 Singaporean corporation only  
26  
27  
28

Lead Case No.: 2:17-bk-21386-SK  
  
Joint Administration Proposed With:  
2:17-bk-21387-SK  
(Zetta Jet PTE, Ltd., a Singaporean corporation)

Chapter 11 Cases

**DEBTORS' EMERGENCY MOTION  
FOR ENTRY OF AN ORDER  
AUTHORIZING THE DEBTORS TO  
HONOR CERTAIN PREPETITION  
OBLIGATIONS TO CUSTOMERS;  
MEMORANDUM OF POINTS AND  
AUTHORITIES IN SUPPORT THEREOF**

[Omnibus Declaration of Michael A. Maher  
Filed Concurrently Herewith]

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**SUMMARY**

Pursuant to Local Bankruptcy Rules 2081-1(a)(7) and 9075-1, and 11 U.S.C. §§ 105(a), 363(c), 549, and 1108 and Rule 6003 of the Federal Rules of Bankruptcy Procedure, 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 emergency motion (the “Motion”) for the entry of an order authorizing the Debtors, in their discretion, to honor certain prepetition obligations to customers arising from the Debtors’ block hour (prepaid flight time) program (the “Customer Program”) in the ordinary course of business.

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 are a global leader in private flight operations for international business and luxury travel. The Debtors own and operate a fleet of state-of-the-art Bombardier jets, and also operate a number of jets that are leased. Using the skills of the highest level professional pilots and crews within the private airline industry, the Debtors serve 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.

The Debtors’ Customer Program, referred to as the “Block Hour Program,” offers clients who fly regularly the opportunity to pay in advance for flight hours (starting at 50 hours) at a fixed hourly rate and receive, in exchange, guaranteed availability within 48 hours of booking,

1 dedicated 24/7 world-class concierge service, and certain other benefits. Clients who participate  
2 in the Customer Program are required to utilize their prepaid flight hours within a specified term  
3 (usually a term of 12 months, 24 months, or 36 months after enrollment in the Customer  
4 Program).

5 The Debtors submit that the discretion to honor the Customer Program is essential to the  
6 Debtors' maintenance of positive customer relations, as a failure to honor the existing Customer  
7 Program is certain to detrimentally affect customer goodwill and impair the Debtors' ability to  
8 generate repeat business from the Debtors' most important clients (many of whom are current  
9 members of the Customer Program). If the Debtors are not authorized to honor the Customer  
10 Program in their discretion, the Debtors' ability to continue to generate business, successfully  
11 reorganize and/or maximize value for creditors could be seriously jeopardized, particularly  
12 where the underlying transaction involves long-standing, crucial customers.

13 Accordingly, by this Motion, the Debtors request authority to honor their prepetition  
14 obligations in connection with the Customer Program and to treat the Customer Program (and the  
15 goods and/or services they represent) in the ordinary course of business and in the same manner  
16 as the Debtors treated such Customer Program prior to the Debtors' bankruptcy filings, in the  
17 exercise of the Debtors' business judgment and at the Debtors' discretion.

18 **ADDITIONAL INFORMATION**

19 The Motion is based upon this Motion, the supporting Memorandum of Points and  
20 Authorities, the Omnibus Declaration of Michael A. Maher filed concurrently herewith, the  
21 arguments and statements of counsel made at the hearing on the Motion, and other admissible  
22 evidence properly brought before the Court. The Debtors submit that the setting of a hearing on  
23 this Motion on an emergency basis is warranted because the Debtors require the authority to  
24 honor the Customer Program as soon as possible after the commencement of their Chapter 11  
25 bankruptcy cases so as to maintain the integrity of the Customer Program and preserve as much  
26 customer goodwill as possible, notwithstanding their bankruptcy filings.

27  
28

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

8 **WHEREFORE**, the Debtors respectfully request that the Court enter an order:

- 9 1. granting the relief requested in the Motion on an interim basis;
- 10 2. granting the Debtors authority, in the exercise of their business judgment and at  
11 their discretion, to treat the Customer Program (and the goods and services they represent) in the  
12 ordinary course of business and in the same manner as the Debtors treated the Customer Program  
13 prior to the filing of the Debtors' Chapter 11 bankruptcy cases, including to honor any  
14 prepetition obligations arising under the Customer Program;
- 15 3. waiving any applicable stay, including the stay provided under Bankruptcy Rule  
16 6004, to allow the interim order granting the Motion (the "Interim Order") to become  
17 immediately effective;
- 18 4. scheduling a final hearing no later than the twenty-first (21st) day following the  
19 entry of the Interim Order to consider entry of a final order granting the relief requested in the  
20 Motion on a final basis; and

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

28

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.

3  
4 

5  
6 By: \_\_\_\_\_

7 RON BENDER  
8 JULIET Y. OH  
9 JOHN-PATRICK M. FRITZ  
10 LEVENE, NEALE, BENDER, YOO  
11 & BRILL L.L.P.  
12 Proposed Attorneys for Debtors and  
13 Debtors in Possession  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**

3 **STATEMENT OF FACTS**

4 **A. Background.**

5 1. On September 15, 2017 (the “Petition Date”), Zetta Jet USA, Inc., a California  
6 corporation (“Zetta Jet USA”), and Zetta Jet PTE, Ltd., a Singaporean corporation (“Zetta Jet  
7 PTE,” and together with Zetta Jet USA, the “Debtors”), the debtors and debtors in possession in  
8 the above-referenced Chapter 11 bankruptcy cases, which are proposed to be jointly administered  
9 under the lead case of Zetta Jet USA, each filed a voluntary petition for relief under chapter 11 of  
10 title 11 of the United States Code, sections 101 *et seq.* (the “Bankruptcy Code”).<sup>1</sup> The Debtors are  
11 operating their businesses, managing their affairs, and administering their estates as debtors in  
12 possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. As of the date of the filing  
13 of this Motion, no trustee has been appointed and no official committee has been formed in the  
14 Debtors’ cases.

15 2. The Debtors are a global leader in private flight operations for international  
16 business and luxury travel. The Debtors service routes domestically across the United States and  
17 globally to Europe, Asia, Australia, Africa, the Middle East, and North and South America, with  
18 ultra-long range intercontinental capabilities across the Pacific Rim. The Debtors provide the  
19 highest level luxury travel to A-list celebrities and an ultra-wealthy clientele base.

20  
21  
22  
23 <sup>1</sup> The Debtors have learned that certain shareholders of Zetta Jet PTE, Ltd. - namely, Asia  
24 Aviation Holdings Pte Ltd and Truly Great Global Limited - have sought and obtained on an emergency  
25 basis an injunction from a Court in Singapore in response to the commencement of the Chapter 11  
26 bankruptcy cases filed by the Debtors. The Debtors contend that (i) the actions taken by the foregoing  
27 parties in Singapore constitute violations of the automatic stay, (ii) the Singapore Court does not have any  
28 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  
2 has 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  
7 as three (3) G-IV jets, one (1) G-IV-450 jet, one (1) G-V jet, and one (1) King Air turboprop.  
8 These state-of-the-art Bombardier jets are equipped with the fastest in-flight Wi-Fi available,  
9 whisper-quiet cabins, and curated with the finest amenities. The Debtors' fleet of leased and  
10 owned aircraft is operated by the highest level professional pilots and crews within the private  
11 airline industry.

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

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

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

24 \_\_\_\_\_  
25           <sup>2</sup> 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 discerning clientele of ultra-high-net-worth individuals across the globe. Zetta Jet has enjoyed  
2 phenomenal growth over the past two years, in large part due to high client satisfaction, customer  
3 word-of-mouth, and high-profile advertising, including advertising on the ring-ropes of the recent  
4 Mayweather-McGregor boxing match.

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

13 **B. Events Leading To Bankruptcy.**

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

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

25 11. The Debtors take the alleged fraud by Mr. Cassidy very seriously and began a legal  
26 investigation and forensic accounting prepetition. As a result, on September 8, 2017, the Debtors  
27 filed a federal civil lawsuit against Mr. Cassidy and an investor in the United States District Court  
28 for the Central District of California, bearing case number 2:17-cv-06648-JAK-GJS (the “District”



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  
9 Macao; and (v) personally using the Debtors’ fleet to fly his friends and himself for free around the  
10 globe to Singapore, Melbourne, Tokyo, Los Angeles, and Nice, France (where he took possession  
11 of his new multi-million-dollar yacht, which was purchased with misappropriated funds at the  
12 Debtors’ expense), in total over 300 hours of flight time at an average cost of \$10,000 per hour in  
13 costs and 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)  
16 Bombardier Global Express aircraft utilizing the same brokerage as their agent. An employee of  
17 the brokerage is alleged to have paid kickbacks of approximately \$2 million USD for each aircraft  
18 purchased. The Debtors estimate that these alleged kickbacks, in the aggregate, represent between  
19 \$14 million USD and \$18 million USD of assets and/or opportunities misappropriated from the  
20 Debtors. These dealings harmed and continue to harm the Debtors by having inflated the price of  
21 the purchased jets, inflating the financing obligations taken on by the Debtors, including additional  
22 interest on higher 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  
24 continue the forensic work and litigation involving the District Court Lawsuit and intend to recover  
25 as much as possible to repay creditors, as well as unwind and avoid fraudulent conveyances. The  
26 Debtors will also evaluate and seek to reject certain executory contracts negotiated by Mr. Cassidy  
27 for their unfavorable business terms or otherwise avoid them as fraudulent conveyances. The FBI  
28

1 has interviewed the Debtors' officers and shareholders about these matters, and the Debtors'  
2 current 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,  
8 certainly 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 Customer Program.**

18 16. The Debtors have historically maintained a customer program, referred to as the  
19 "Block Hour Program" (the "Customer Program") in an effort to remain competitive within the  
20 private airline industry and to enhance the Debtors' customer base. The Debtors' Customer  
21 Program offers clients who fly regularly the opportunity to pay in advance for flight hours at a  
22 fixed hourly rate and receive, in exchange, guaranteed availability within 48 hours of booking,  
23 dedicated 24/7 world-class concierge service, and certain other benefits.

24 17. Clients who participate in the Customer Program are required to pay in advance for  
25 at least 50 flight hours. Clients who pay in advance for at least 100 flight hours may book more  
26 than one aircraft at a time. Client members of the Customer Program must utilize their prepaid  
27 flight hours within a specified term (usually a term of 12 months, 24 months, or 36 months after  
28

1 enrollment in the Customer Program). Historically, clients enrolled in the Customer Program  
2 utilize 100% of their prepaid flight hours prior to the end of their respective terms.

3 18. As of the Petition Date, there were a total of 22 clients actively enrolled in the  
4 Customer Program. The Debtors believe that the outstanding obligations to such clients (for  
5 unredeemed prepaid flight hours) in connection with the Customer Program total approximately  
6 \$17,000,000 as of the Petition Date. A summary of the Debtors' outstanding obligations in  
7 connection with the Customer Program is attached as **Exhibit "B"** to the Omnibus Declaration of  
8 Michael A. Maher filed concurrently herewith.

9 19. The Debtors seek authority to honor, in their discretion, the prepetition obligations  
10 incurred under the Customer Program. The Debtors also seek authority to continue to maintain, in  
11 their discretion, the Customer Program in the ordinary course of business. The Customer Program  
12 has been provided in the ordinary course of the Debtors' business and is essential for the Debtors  
13 to maintain to successfully retain longstanding customers, to continue to generate customer loyalty,  
14 and to stay competitive within the private airline industry.

15 20. Although the total amount of the outstanding obligations due to clients in  
16 connection with the Customer Program (*i.e.*, approximately \$17,000,000) appears relatively high,  
17 the nature of the Debtors' business is such that the gross revenue generated by the Debtors'  
18 business operations is typically around \$16,000,000 per month, and the operating expenses  
19 incurred by the Debtors typically total around \$13,600,000 per month. Thus, when the total  
20 amount of the outstanding obligations due to clients in connection with the Customer Program is  
21 viewed in light of the Debtors' overall level of revenue and expenses, it is equivalent to a little over  
22 one month's worth of the Debtors' gross revenue. Furthermore, the prepaid flights hours that  
23 represent the outstanding obligations are not likely to be redeemed immediately as such prepaid  
24 flights hours are typically utilized by clients over a period of time (of up to 36 months, in certain  
25 cases). Lastly, while the Debtors are requesting authority to honor the outstanding obligations  
26 incurred under the Customer Program, the Debtors will use their discretion in utilizing such  
27 authority (if given) and will only honor outstanding obligations in connection with the Customer  
28 Program when the Debtors have the financial ability to do so. Based on the foregoing, approval to

1 honor the outstanding obligations under the Customer Program will not render the Debtors'  
2 bankruptcy estates administratively insolvent.

3 21. The Debtors are seeking the relief requested herein in order to maintain customer  
4 confidence during the Debtors' Chapter 11 bankruptcy cases. Absent such relief, the Debtors  
5 believe their customer relations (and in particular, their relations with the Debtors' most important  
6 customers, who comprise many of the current members of the Customer Program) will be severely  
7 and irreparably harmed at a time when customer patronage and loyalty are extremely critical to the  
8 Debtors' reorganization efforts and ability to maximize value for the benefit of all creditors and  
9 parties in interest.

10 **II.**

11 **DISCUSSION**

12 **A. The Bankruptcy Code Provides The Court With Authority To Honor The Customer**  
13 **Program.**

14 Unless the Court orders otherwise, Bankruptcy Code section 1108 authorizes a debtor in  
15 possession "to operate the debtor's business," and section 363(c) of the Bankruptcy Code  
16 authorizes the debtor in possession to "enter into transactions and to " use property of the estate  
17 in the ordinary course of business without notice and a hearing. 11 U.S.C. §§ 363(c) and 1108.  
18 Bankruptcy Code section 105(a) provides in relevant part: "[t]he Court may issue any order,  
19 process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11  
20 U.S.C. § 105(a). Courts routinely rely upon Bankruptcy Code sections 105(a) and 363(c) for  
21 statutory authority to grant relief such as the relief requested in this Motion. *See, e.g., Burchinal*  
22 *v. Central Washington Bank (In re Adams Apple, Inc.)*, 829 F.2d 1484, 1490 (9th Cir. 1987)  
23 (courts have permitted payment of prepetition claims when necessary for rehabilitation); *In re*  
24 *Equalnet Commc'ns*, 258 B.R. 368, 369-70 (Bankr. S.D. Tex. 2000) (noting the general  
25 proscription of payment of prepetition claims, the court listed examples of exceptions to such  
26 rule such as "redemption of prepetition retail coupons in a consumer products case, the honoring  
27 of credit card debits, debits and chargebacks in a retail department store case . . . ."; *In re*  
28 *Woodside Group, LLC*, Case No. 08-20682 (Bankr. C.D. Cal. Aug. 27, 2008) [Docket No. 18]

1 (approving stipulation allowing debtors to pay ordinary course providers of goods and services in  
2 the ordinary course of business); *In re Structurlite Plastics Corp.*, 86 B.R. 922, 932 (Bankr.  
3 S.D. Ohio 1988) (finding payment of prepetition claims justified where otherwise debtor's  
4 rehabilitative effort immediately would be aborted).

5 In addition, Bankruptcy Code section 549(a)(2)(B), which governs most postpetition  
6 transfers, provides in part that “the trustee may avoid a transfer of property of the estate (1) made  
7 after the commencement of the case and, . . . that is not authorized under this title or by the  
8 court.” 11 U.S.C. § 549(a)(2)(B). It follows that the Court may authorize certain postpetition  
9 payments to satisfy prepetition debts, including the Customer Program obligations. The statute  
10 grants the Court, faced with the intricate facts and circumstances of each case, the discretion to  
11 ascertain whether a debtor’s business judgment to make a postpetition transfer inures to the  
12 benefit of the estate in the particular case, and, if so, to authorize the transfer. *See Dubuque*  
13 *Packing Co. v. Stonitsch (In re Isis Foods, Inc.)*, 37 B.R. 334, 336 n.3 (W.D. Mo.), *appeal*  
14 *dismissed*, 738 F.2d 445 (8th Cir. 1984) (“It would appear proposed transfers could be presented  
15 in advance to a bankruptcy court for its approval and would thereafter be insulated from attack  
16 under section 549 . . . “).

17 The Debtors engage in the Customer Program in the ordinary course of their business.  
18 The Debtors’ most important clients are familiar with the Customer Program and expect the  
19 benefits they receive from them. The success of the Debtors’ business and the ability of the  
20 Debtors to successfully reorganize and/or to maximize value for creditors are completely  
21 dependent upon the loyalty, confidence, and continued patronage of their clients. Any delay in  
22 honoring the Customer Program obligations likely will create immediate and irreparable  
23 customer dissatisfaction and frustration, causing clients to offer their business to the Debtors’  
24 competitors.

25 At a time when customer loyalty and patronage is critical to the Debtors’ reorganization  
26 efforts, the Debtors submit that it is entirely necessary, and appropriate, for the Court to issue an  
27 order pursuant to Bankruptcy Code sections 105(a), 363(c), and 549(a) allowing the Debtors to  
28 continue to honor the Customer Program in these circumstances.

1 **B. Necessity For Immediate Relief And Effectiveness Of The Order.**

2 Rule 6003 of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”) provides  
3 that “[e]xcept to the extent that relief is necessary to avoid immediate and irreparable harm, the  
4 court shall not, within 21 days after the filing of the petition grant . . . (b) a motion to use, sell,  
5 lease or otherwise incur an obligation regarding property of the estate, including a motion to pay  
6 all or part of a claim that arose before the filing of the petition . . . .” F. Rule Bankr. P. 6003.

7 For the reasons discussed herein, if the Debtors are not able to continue their Customer  
8 Program on an uninterrupted basis, it would cause immediate and irreparable harm to the  
9 Debtors and their business operations. The discontinuation of the Customer Program will  
10 essentially guarantee the loss of the Debtors’ most important customers, many of whom are  
11 currently enrolled in the Customer Program and book flights through the Debtors on a frequent  
12 basis. The loss of such important customers will severely jeopardize, if not eliminate altogether,  
13 the Debtors’ ability to maximize value and/or successfully reorganize. Accordingly, the relief  
14 requested herein is consistent with Bankruptcy Rule 6003.

15 Further, to implement the foregoing successfully, the Debtors seek a waiver of the notice  
16 requirements under Bankruptcy Rule 6004(a) and the fourteen-day stay of an order authorizing  
17 use sale, or lease of property under Bankruptcy Rule 6004(h), to the extent those rules are  
18 deemed applicable.

19 **III.**

20 **CONCLUSION**

21 For all of the reasons set forth above, the Debtors respectfully request that the Court enter  
22 an order:

- 23 1. granting the relief requested in the Motion on an interim basis;
- 24 2. granting the Debtors authority, in the exercise of their business judgment and at  
25 their discretion, to treat the Customer Program (and the goods and services they represent) in the  
26 ordinary course of business and in the same manner as the Debtors treated the Customer Program  
27 prior to the filing of the Debtors’ Chapter 11 bankruptcy cases, including to honor any  
28 prepetition obligations arising under the Customer Program;

1           3.       waiving any applicable stay, including the stay provided under Bankruptcy Rule  
2 6004, to allow the interim order granting the Motion (the “Interim Order”) to become  
3 immediately effective;

4           4.       scheduling a final hearing no later than the twenty-first (21st) day following the  
5 entry of the Interim Order to consider entry of a final order granting the relief requested in the  
6 Motion on a final basis; and

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

8 Dated: September 22, 2017

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

9  
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 Debtors and  
19 Debtors in Possession  
20  
21  
22  
23  
24  
25  
26  
27  
28

### PROOF OF SERVICE OF DOCUMENT

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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 AUTHORIZING THE DEBTORS TO HONOR CERTAIN PREPETITION OBLIGATIONS TO CUSTOMERS; MEMORANDUM OF POINTS AND AUTHORITIES 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 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) ustpreion16.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, 2<sup>nd</sup> 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

**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](mailto:dare.law@usdoj.gov)

**Secured Creditors:**

Bank of Utah, Owner Trustee  
Email: [cschulthies@bankofutah.com](mailto:cschulthies@bankofutah.com)

Corporate Jet Support, Inc.  
Email: [jwhelan@corpjetsupport.com](mailto:jwhelan@corpjetsupport.com)

Export Development Canada  
Email: [support@edc.ca](mailto:support@edc.ca)

Festin Management Corp.  
Email: Jimmy Jets  
[jjmt@jimmyjets.net](mailto:jjmt@jimmyjets.net)

TVPX ARS Inc.  
Email: David Wall  
[dwall@TVPX.com](mailto:dwall@TVPX.com)

TVPX ARS Inc.  
Email: David Wall  
[dwall@TVPX.com](mailto:dwall@TVPX.com)

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

Universal Weather and Aviation, Inc.  
Email: Amen Fung  
[afung@univ-wea.com](mailto:afung@univ-wea.com)

**Top 20 Unsecured Creditors:**

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

Rolls-Royce Deutschland Ltd & Co KG  
Email: Michael Mechler  
[michael.mechler@rolls-royce.com](mailto:michael.mechler@rolls-royce.com)

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

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

CAE SimuFlite, Inc  
Email: Nathan Metzler  
[nathan.metzler@cae.com](mailto:nathan.metzler@cae.com)

Hongkong & Shanghai Banking  
Corp Ltd  
Email: Ashlyn Lim  
[ashlynlim@hsbc.com.sg](mailto:ashlynlim@hsbc.com.sg)

Associated Energy Group, LLC  
(AEG Fuel)  
Email: Victor Pena  
[vpena@aegfuels.com](mailto:vpena@aegfuels.com)

Universal Weather & Aviation Inc.  
Email: Amen Fung  
[afung@univ-wea.com](mailto:afung@univ-wea.com)

Festin Management  
Email: Jimmy Jets  
[jjmt@jimmyjets.net](mailto:jjmt@jimmyjets.net)

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

Corporate Jet Support  
Email: Whitne Keenan  
[wkeenan@corpjetsupport.com](mailto:wkeenan@corpjetsupport.com)

Eurocontrol  
Email: Nancy Coveliers  
[nancy.coveliers@eurocontrol.int](mailto:nancy.coveliers@eurocontrol.int)

Tongda Air Service  
Email: [tongda@tdas-intl.com](mailto:tongda@tdas-intl.com)

WEX BANK  
Email: Kiran Patel  
[Kiran.Patel@wexinc.com](mailto:Kiran.Patel@wexinc.com)

Jeppesen Sanderson, Inc.  
Email: Doris Fuller  
[doris.fuller@jeppesen.com](mailto:doris.fuller@jeppesen.com)

UVair European Fuelling Svcs Ltd  
Email: Amen Fung  
[afung@univ-wea.com](mailto:afung@univ-wea.com)

ARINC Direct  
Email: Saira Kanchwala  
[sfk@arinc.com](mailto:sfk@arinc.com)

SN 1360, LLC  
Email: Jimmy Jets  
[jimt@jimmyjets.net](mailto:jimt@jimmyjets.net)

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