

1 DAVID B. FARKAS (SBN 257137)
2 david.farkas@us.dlapiper.com
3 DLA PIPER LLP (US)
4 2000 Avenue of the Stars
5 Suite 400 North Tower
6 Los Angeles, California 90067-4704
7 Tel: (310) 595-3000
8 Fax: (310) 595-3300

9 JOHN K. LYONS (*Pro Hac Vice*)
10 john.lyons@us.dlapiper.com
11 JEFFREY S. TOROSIAN (*Pro Hac Vice*)
12 jeffrey.torosian@us.dlapiper.com
13 JOSEPH A. ROSELIUS (*Pro Hac Vice*)
14 joseph.roselius@us.dlapiper.com
15 DLA PIPER LLP (US)
16 444 West Lake Street, Suite 900
17 Chicago, Illinois 60606-0089
18 Tel: (312) 368-4000
19 Fax: (312) 236-7516

20 Attorneys for Jonathan D. King as Chapter 7 Trustee

21 **UNITED STATES BANKRUPTCY COURT**
22 **CENTRAL DISTRICT OF CALIFORNIA**
23 **LOS ANGELES DIVISION**

24 In re:
25 ZETTA JET USA, INC., a California
26 corporation,
27 Debtor.

24 Lead Case No.: 2:17-bk-21386-SK
25 Chapter 7
26 Jointly Administered With:
27 Case No.: 2:17-bk-21387-SK

28 In re:
29 ZETTA JET PTE, LTD., a Singaporean
30 corporation,
31 Debtor.

28 Adv. Proc. No. 2:18-ap-01340-SK

32 JONATHAN D. KING, solely in his capacity
33 as Chapter 7 Trustee of Zetta Jet USA, Inc. and
34 Zetta Jet PTE, Ltd.,
35 Plaintiff,

32 **TRUSTEE'S AMENDED MOTION FOR**
33 **DEFAULT JUDGMENT AGAINST NEW**
34 **TARGET INVESTMENTS LIMITED,**
35 **LINKAGE ACCESS LIMITED, DRAGON**
36 **PEARL LIMITED, AND KEBU WU AND**
37 **MEMORANDUM OF POINTS AND**
38 **AUTHORITIES IN SUPPORT THEREOF**

39 v.
40 NEW TARGET INVESTMENTS LIMITED,
41 KEBU WU, LINKAGE ACCESS LIMITED,
42 and DRAGON PEARL LIMITED,
43 Defendants.

39 Hearing:
40 Date: May 19, 2021
41 Time: 9:00 a.m. (PDT)
42 Place: Courtroom 1575
43 255 East Temple Street
44 Los Angeles, CA 90012

MEMORANDUM OF POINTS AND AUTHORITIES

1
2 Plaintiff Jonathan D. King (the “Trustee”), Chapter 7 Trustee in the above-captioned
3 bankruptcy cases, respectfully files this amended motion for default judgment (the “Motion”)
4 against defendants New Target Investments Limited (“New Target”), Linkage Access Limited
5 (“Linkage”), Kebo Wu (“Wu” and, collectively with New Target, and Linkage, the “Wu
6 Defendants”), and Dragon Pearl Limited (“DPL” and, collectively with the Wu Defendants, the
7 “Defendants”).

8 The Trustee filed the complaint [Docket No. 1] and amended complaint (the “Amended
9 Complaint”) [Docket No. 60] alleging claims relating to the Dragon Pearl, a 70-foot luxury yacht
10 that Geoffrey Cassidy (“Cassidy”), the Debtors’ former managing director, purchased using
11 US\$3,594,481.34 (as of the Petition Date) of Debtor Zetta PTE’s¹ funds within two years of the
12 Petition Date. Cassidy then illegally titled the Dragon Pearl, Zetta’s asset, in DPL, a substantively
13 consolidated alter ego entity that Cassidy created to conceal Zetta PTE’s ownership of the Dragon
14 Pearl and to place this asset beyond the reach of Zetta PTE’s stakeholders. After Zetta PTE filed its
15 Chapter 11 petition, Cassidy transferred his shares in DPL to Du Yan (“Du”), the nominee of New
16 Target, and defendant Wu, to confer control over the Dragon Pearl to the Defendants in a further
17 attempt to place the Dragon Pearl beyond the reach of Zetta PTE’s creditors. Du, at Wu’s direction
18 and full knowledge of Zetta PTE’s beneficial ownership of the Dragon Pearl and applicability of
19 the automatic stay, then transferred formal legal title of the Dragon Pearl to Linkage in June 2018.
20 Rather than turn over the Dragon Pearl to the Trustee, Wu engaged in protracted litigation to block
21 the Trustee’s recovery of the Dragon Pearl, causing the expenditure of significant estate resources
22 in further violation of the automatic stay.

23 In this Motion, the Trustee seeks to recover the value of the Dragon Pearl, as well as
24 approved attorneys’ fees incurred by the Trustee and other costs, from the Defendants, through the
25 entry of default judgment on Counts III through VIII against the Defendants.²

26 _____
¹ Capitalized terms not otherwise defined herein are defined as in the Amended Complaint.

27 ² The Trustee does not seek entry of judgment on Counts I and II of the Amended Complaint, which seek to avoid the
28 transfers from Zetta PTE for the Dragon Pearl, and any subsequent transfers of the Dragon Pearl, as actually or
constructively fraudulent under 11 U.S.C. § 548(a)(1)(A) and (B), and, pursuant to 11 U.S.C. § 550(a)(1)-(2) against

1 In Count III, the Trustee seeks a declaratory judgment that DPL is an alter ego of debtor
2 Zetta PTE because Cassidy, as Zetta PTE's CEO, created and used the DPL corporate entity, with
3 assistance of Zetta PTE's lawyer, as a corporate shell to conceal the Dragon Pearl from Zetta PTE's
4 stakeholders in his attempt to place this Zetta PTE asset – an asset that was wrongfully purchased
5 with Zetta PTE's funds and titled in DPL's name, insured under Zetta PTE's insurance policies,
6 and operated by employees on Zetta PTE's payroll – beyond the reach of Zetta PTE's creditors. As
7 such, there was a unity of interest between DPL and Zetta PTE such that there is no real separateness
8 between the two entities and, if the acts of DPL are treated as those of the corporation alone, *i.e.*,
9 holding nominal title to Dragon Pearl in its own right and not on behalf of Zetta PTE – the true
10 owner – an inequitable result will follow.

11 In Count V, the Trustee seeks a declaratory judgment against all of the Defendants that legal
12 title in the name of DPL was void by reason of Cassidy's use of Zetta PTE's funds to purchase the
13 Dragon Pearl and instead, was vested with the Debtors and, in Count VI, that the defendants
14 violated the automatic stay by continuing to exercise possession of, interfering with, or exercising
15 control over the Dragon Pearl, an asset of DPL in which the Debtors held legal and equitable
16 interests due to (a) DPL's title to the Dragon Pearl was void and, alternatively, (b) DPL was
17 property of the estate due to the substantive consolidation of DPL with Zetta PTE's estate.

18 In Count VI, the Trustee seeks entry of judgment against the Defendants in the total amount
19 of US\$4,839,043.26, comprised of: (a) US\$3,594,481.34 (the value of the Dragon Pearl on the
20 Petition Date), (b) attorneys' fees in the amount of US\$691,741.50 and costs in the amount of
21 US\$116,455.42, (c) US\$325,165.00 in undertakings posted in connection with the Dragon Pearl
22 proceeding, and (d) US\$111,200.00 for posting a bond in the Dragon Pearl proceeding. The Trustee
23 reserves the right seek an amended judgment to include additional damages, including attorneys'
24 fees that may be awarded by the Court in subsequent fee applications.

25 In Count VII, the Trustee seeks to avoid the Postpetition Transfers under 11 U.S.C. § 549
26 and, pursuant to 11 U.S.C. § 550(a)(1)-(2), entry of judgment in the amount of US\$3,594,481.34

27
28 _____
DPL, Linkage, New Target, and Wu.

1 against DPL, Linkage, New Target, and Wu. Count VII is predicated upon the following alternative
2 grounds: (1) the declaratory judgment in Count V that the Dragon Pearl was the property of Zetta
3 PTE's estate as of the Petition Date because it was purchased with Zetta PTE's funds and, under
4 relevant law, all transfers of title were null and void, (2) a declaration that, DPL is a mere alter ego
5 of Zetta PTE (Count III), and (3) the order dated __ substantively consolidating the estate of Zetta
6 PTE with the estate of DPL as of the Petition Date (Count VII), the Dragon Pearl is part of the
7 combined estate of Zetta PTE and DPL as of the Petition Date.

8 Finally, in Count IV, the Trustee also seeks a declaration that the Wu Defendants are all
9 alter egos of one another and thus are jointly and severally liable.

10 Each of the Defendants was properly served with the Amended Complaint. None of them
11 responded and each Defendant has been defaulted [Docket Nos. 88, 89, 103, 142]. Because the
12 Defendants failed to respond to the Complaint or Amended Complaint, all of the allegations against
13 them are taken as true. The Trustee is submitting a declaration supporting his damages along with
14 this Motion. The Trustee respectfully requests that the Court enter default judgments against the
15 Defendants to enable him to pursue and collect judgments against them in other jurisdictions and
16 recover the value of the assets that the Defendants wrongfully and fraudulently transferred.

17 **FACTUAL BACKGROUND**

18 **A. Cassidy uses Zetta PTE funds to purchase the Dragon Pearl, but titles it in**
19 **the name of DPL.**

20 Between April 18, 2016, and December 16, 2016, Cassidy caused Zetta PTE to make
21 transfers to Maritimo in the amount of AU\$4,492,034.82 (US\$3,594,481.34 in US dollars on the
22 Petition Date) for the purchase of the Dragon Pearl. (Am. Compl. ¶ 45.)³ Notably, at all relevant
23 times, Cassidy and Choo had sole control of the Zetta PTE's bank accounts.

24 On or about July 28, 2016, Cassidy formed DPL as an offshore holding company to hold
25 the title to the Dragon Pearl, which was to be its only asset. In forming DPL, Cassidy used the

26 ³ To pay for the Dragon Pearl, Cassidy caused Zetta PTE to make the following payments (collectively, the "Transfers")
27 to Maritimo between April 18, 2016 and December 16, 2016: (a) on April 18, 2016, Zetta PTE paid AU\$ 20,000; (b)
28 on May 24, 2016, Zetta PTE paid AU\$549,018.87; (c) on August 12, 2016, Zetta PTE paid AU\$910,031.45; (d) on
September 27, 2016, Zetta PTE paid AU\$910,031.45; and (e) on December 16, 2016, Zetta PTE paid
AU\$2,102,953.05. (Am. Compl. ¶ 45.)

1 Debtors’ insurance, funds, and counsel, Salem Ibrahim. DPL’s only purpose was to maintain and
2 operate the Dragon Pearl. Cassidy also signed employment agreements on behalf of Zetta PTE to
3 employ staff for the Dragon Pearl and to have Zetta PTE pay their salaries despite the employees
4 providing services for the operations of the Dragon Pearl and not being involved in any of Zetta
5 PTE’s operations. (Am. Compl. ¶ 51.) Cassidy used Zetta PTE funds to pay Philippe Crevier
6 Services Conseils Inc./Philippe Crevier Consulting Services Inc. (“Philippe Crevier”) to manage
7 the Dragon Pearl. (Am. Compl. ¶ 52.)

8 At all material times until about September 28, 2017, Cassidy was the sole director and
9 shareholder of DPL. (Am. Compl. ¶ 42.)

10 Cassidy caused title of the Dragon Pearl to be vested in the name of DPL. (Am. Compl.
11 ¶ 13.) Cassidy created DPL to serve as his nominee to take legal title in the Dragon Pearl as the
12 initial transferee. DPL’s sole asset was the Dragon Pearl, and its only purpose was to hold the
13 Dragon Pearl. (Am. Compl. ¶ 42.)

14 On or about December 5, 2016 (exactly one year before the Trustee was appointed to
15 oversee the liquidation of the Debtors’ estates), Maritimo transferred ownership and possession of
16 the Dragon Pearl to DPL, as the nominee or representative of Cassidy. (Am. Compl. ¶ 44.)

17 On the same day, DPL became the registered owner of the Dragon Pearl under the laws of
18 the Marshall Islands. At all times, the sole purported asset of DPL was the Dragon Pearl. (Am.
19 Compl. ¶ 44.)

20 Cassidy’s transfer of the title to the Dragon Pearl from Maritimo to DPL constituted a theft
21 by Cassidy of the Debtors’ asset – the Dragon Pearl – since the Debtors’ funds were used to
22 purchase the boat. Accordingly, DPL’s purported title to the Dragon Pearl is void.

23 **B. Cassidy enters into the Falconwing transaction with Wu.**

24 On August 10, 2017, Cassidy caused the Debtors to purchase Wu’s and Fok’s personal jet
25 for US\$5.5 million in exchange for “block hours” that Fok, Wu, and New Target could redeem for
26 flight time on the Debtors’ private luxury jet aircraft fleet. (Am. Compl. ¶ 53.) At the same time,
27 Cassidy extended personal guarantees to each of Fok, Wu and New Target, under which he
28 guaranteed Zetta PTE’s performance on the “block hours.” (Am. Compl. ¶ 55.)

1 **C. The Debtors suspend and remove Cassidy, and file for bankruptcy.**

2 On August 17, 2017 – the same day Cassidy executed the personal guarantees and the block
3 hour agreements in the Falconwing transaction – the board of directors of Zetta PTE voted to
4 remove Cassidy from all positions he held within the Debtors. (Am. Compl. ¶ 60.) Five days later,
5 on August 22, 2017, Cassidy was removed as director of Zetta PTE. (Am. Compl. ¶ 61.) The
6 Debtors filed for bankruptcy on September 15, 2017. (Am. Compl. ¶ 64.)

7 New Target filed its appearance in the Chapter 11 Cases on September 27, 2017. The
8 Debtors’ filings during the 12 days between commencement of the Chapter 11 Cases and the date
9 of New Target’s appearance were replete with allegations about Cassidy’s fraud in general, and his
10 misappropriations related to the Dragon Pearl in particular – and also specifically mentioned a
11 lawsuit the Debtors had filed in this District on September 8, 2017, which alleged that Cassidy used
12 the Debtors’ funds to purchase the Dragon Pearl. New Target thus had actual or constructive
13 knowledge that Cassidy purchased the Dragon Pearl with misappropriated Zetta PTE funds and
14 was thus an asset of the Debtors protected by the imposition of the automatic stay. (Am. Compl.,
15 ¶ 6.)

16 **D. Post-petition, Cassidy transferred control over the Dragon Pearl to New
17 Target, which transferred it to Linkage.**

18 On or after September 28, 2017, Cassidy transferred all of the issued and outstanding equity
19 of DPL (and thereby, the Dragon Pearl, its sole asset), to Du, New Target’s nominee, for US\$1.00,
20 which enabled New Target and Wu (who controlled New Target) to take indirect ownership of the
21 Dragon Pearl (the “DPL Transfer”). (Am. Compl., ¶ 68.) The DPL transfer allowed Cassidy to
22 satisfy the personal guaranty that he issued to Wu for the block hours issued in the Falconwing
23 transaction. Thus, Cassidy issued Wu block hours, then when Wu demanded that he be made whole
24 on the block hours, Cassidy gave Wu the Dragon Pearl, which Wu knew had been purchased by
25 Cassidy with stolen funds from Zetta PTE. The portion of this scheme done after the Petition Date
26 was done with full knowledge of the bankruptcy cases by New Target and Wu, to the detriment of
27 other creditors.

28 The Trustee took immediate steps to recover the Dragon Pearl for the benefit of the estates

1 and commenced an arrest proceeding in Australia against the Dragon Pearl. (Am. Compl., ¶¶ 72-
2 73.) The Defendants actively opposed the Trustee’s efforts and engaged in protracted litigation to
3 defeat his efforts. Following the inability to secure two key live witnesses at trial, the Australian
4 court dismissed the arrest proceeding. (Am. Compl., ¶¶ 75-78.)

5 Thereafter, on June 8, 2018, Du, at the direction of New Target, caused DPL to transfer the
6 Dragon Pearl to Linkage for US\$1.00, which enabled Wu to retain ownership of the Dragon Pearl
7 (the “Linkage Transfer”, and together with the DPL Transfer, the “Post-Petition Transfers”). (Am.
8 Compl., ¶ 79.)

9 Neither the DPL Transfer nor the Linkage Transfer was a legitimate, arm’s-length
10 transaction for value made in good faith. The Defendants undertook the Post-Petition Transfers in
11 bad faith, with full and actual knowledge that (i) the Trustee asserted both legal and equitable
12 interests in the Dragon Pearl under 11 U.S.C. § 541, (ii) the transfers were made in violation of the
13 automatic stay, (iii) the transfers were fraudulent (as they were aware that Cassidy purchased the
14 Dragon Pearl with misappropriated Zetta PTE funds and that Cassidy had engaged in fraudulent
15 conduct), and with the actual intent to hinder, delay, or defraud Zetta PTE.

16 Rather than voluntarily turning over possession of the Dragon Pearl to the Trustee and
17 purging his stay violation, Wu fought and successfully blocked the Trustee’s attempts to regain
18 possession of the Dragon Pearl in protracted litigation, causing the expenditure of significant estate
19 resources to pursue this estate asset. (Am. Compl., ¶ 10.)

20 In particular, the Trustee incurred significant attorneys’ fees and costs including (1)
21 US\$691,741.50 in attorney’s fees and US\$116,455.42 in costs incurred prior to the June 2018 arrest
22 hearing that the Bankruptcy Court approved [Docket Nos. 1219, 1404], (2) US\$111,200 in funds
23 deposited with the Australian court, and (3) US\$325,165 in undertakings posted in connection with
24 the Dragon Pearl proceeding.⁴ (King Decl. ¶¶ 9-10.)⁵

25
26
27 ⁴ The amount of the court deposit and solicitor’s undertakings totaled AU\$569,200, which is approximately
US\$436,365, which the Trustee was required to deposit with DLA Australia to hold in trust in connection with the
Australian litigation.

28 ⁵ References to “King Decl.” refer to the *Declaration of Jonathan D. King* [Docket No. 161-2].

1 **E. Procedural History**

2 On September 13, 2019, the Trustee filed an amended complaint (the “Amended
3 Complaint”) against New Target, Linkage, Wu, and DPL [Docket No. 60]. Each of the Defendants
4 was properly served. None of the Defendants responded to the Amended Complaint. The Clerk
5 entered default against New Target on December 20, 2019 [Docket No. 88]. The Clerk entered
6 default against Linkage on December 20, 2019 [Docket No. 89]. The Clerk entered default against
7 DPL on February 6, 2020 [Docket No. 103]. The Clerk entered default against Wu on August 17,
8 2020 [Docket No. 142].

9 On February 11, 2021, the Trustee filed the *Trustee’s Motion for Default Judgment Against*
10 *New Target Investments Limited, Linkage Access Limited, Dragon Pearl Limited, and Kebu Wu*
11 *and Memorandum of Points and Authorities in Support Thereof* [Docket No. 161] (the “Original
12 Default Judgment Motion”).

13 On March 26, 2021, the Trustee filed the *Chapter 7 Trustee’s Motion for Adjournment*
14 [Docket No. 173] (the “Continuance Motion”), which sought to adjourn the March 31, 2021 hearing
15 on the Original Default Judgment Motion in order to allow time to prepare this Motion.

16 On March 31, 2020, the Court held a status conference and hearing on the Original Default
17 Judgment Motion and, on April 5, 2021, entered a scheduling order continuing the hearing on the
18 Original Default Judgment Motion and the Continuance Motion to May 19, 2021 [Docket No. 180].

19 **ARGUMENT**

20 **A. The Trustee has satisfied the procedural requirements of FRCP 55(b)(2) and Local**
21 **Bankruptcy Rule 7055-1(b).**

22 The Trustee has satisfied the procedural requirements of FRCP 55(b)(2) and Local
23 Bankruptcy Rule 7055-1(b).

24 Under Civil Rule 55(b)(2), incorporated by Bankruptcy Rule 7055, the court may enter a
25 default judgment after the clerk enters default against a party “against whom a judgment for
26 affirmative relief is sought [and who] has failed to plead or otherwise defend . . .” Fed. R. Civ. P.
27 55(a). Subsection (b) of the rule provides, in pertinent part, as follows:

28 (b) Entering a Default Judgment:

1 (2) **By the Court.** In all other cases, the party must apply to the court for a
2 default judgment. A default judgment may be entered against a minor or
3 incompetent person only if represented by a general guardian, conservator, or other
4 like fiduciary who has appeared. If the party against whom a default judgment is
5 sought has appeared personally or by a representative, that party or its
6 representative must be served with written notice of the application at least 7 days
7 before the hearing. The court may conduct hearings or make referrals-preserving
8 any federal statutory right to a jury trial-when, to enter or effectuate judgment, it
9 needs to:

- 6 (A) conduct an accounting;
- 7 (B) determine the amount of damages;
- 8 (C) establish the truth of any allegation by evidence; or
- 8 (D) investigate any other matter.

9 Motions for default judgment in this Court are subject to the additional requirements of
10 Local Bankruptcy Rule 7055-1(b)(1), which provides as follows:

11 (1) **Form of Motion.** A motion for default judgment must state:

- 12 (A) The identity of the party against whom default was entered and the
13 date of entry of default;
- 14 (B) Whether the defaulting party is an infant or incompetent person and,
15 if so, whether that person is represented by a general guardian,
16 committee, conservator, or other representative;
- 17 (C) Whether the individual defendant in default is currently on active
18 duty in the armed forces of the United States, based upon an
19 appropriate declaration in compliance with the Servicemembers
20 Civil Relief Act (50 U.S.C. §§ 3901–4043).
- 21 (D) [. . .]
- 22 (E) That notice of the motion has been served on the defaulting party, if
23 required by F. R. Civ. P. 55(b)(2).

19 The Trustee has satisfied each of these requirements.

20 Default was entered against New Target and Linkage on December 20, 2019; against DPL
21 on February 6, 2020; and against Wu on August 17, 2020 [Docket Nos. 88, 89, 103, 142].

22 Three of the Defendants are corporate entities. Wu is the only individual defendant and he
23 is not an incompetent person. (King Decl. ¶ 3.)

24 Wu, the only individual defendant, is not currently on active duty in the armed forces of the
25 United States or otherwise entitled to the protection of the Servicemembers Civil Relief Act. (King
26 Decl. ¶ 4.)

27 The Trustee will provide appropriate notice in accordance with Civil Rule 55 and Local
28 Bankruptcy Rule 7055-1. Contemporaneously with the filing of this Motion, the Trustee (1) will

1 serve each of the Defendants by mail at their last known address; (2) will serve New Target and
2 Linkage through their counsel, K&L Gates; and (3) will serve Wu by email, consistent with the
3 Court’s order granting alternative service [Docket No. 125]. (King Decl. ¶ 5.)

4 **B. The *Eitel* factors weigh in favor of granting a default judgment.**

5 Under *Eitel v. McCool*, 782 F.2d 1470, 1471-72 (9th Cir. 1986), the court must consider seven
6 factors when determining whether to grant a default judgment:

- 7 (1) the possibility of prejudice to the plaintiff;
8 (2) the merits of plaintiff’s substantive claim;
9 (3) the sufficiency of the complaint;
10 (4) the sum of money at stake in the action;
11 (5) the possibility of a dispute concerning material facts;
12 (6) whether the default was due to excusable neglect; and
13 (7) the strong policy underlying the Federal Rules of Civil Procedure favoring decisions on
14 the merits.

15 *Eitel*, 782 F.2d at 1472; *see also NewGen, LLC v. Safe Cig, LLC*, 840 F.3d 606, 616 (9th Cir. 2016).
16 “In applying this discretionary standard, default judgments are more often granted than denied.”
17 *PepsiCo v. Triunfo-Mex, Inc.*, 189 F.R.D. 431, 432 (C.D. Cal. 1999).

18 After the Clerk enters default, the factual allegations of the complaint are taken as true,
19 except with respect to the amount of damages. *Sprint Nextel Corp. v. Thuc Ngo*, 2014 WL 869486,
20 at *1 (N.D. Cal. 2014). In determining damages, a court may rely on declarations or order a full
21 evidentiary hearing. *Id.* at *2.

22 As explained below, the *Eitel* factors weigh in favor of entering a default judgment.

23 **1. Possibility of prejudice to the plaintiff.** The first *Eitel* factor is satisfied because if the
24 Motion is not granted, the Trustee “will likely be without other recourse for recovery.” *See PepsiCo,*
25 *Inc. v. Cal. Sec. Cans*, 238 F. Supp. 2d 1172, 1177 (C.D. Cal. 2002). Here, New Target and Linkage
26 have twice defaulted and DPL and Wu have each defaulted once. The Defendants have failed to
27 appear, have failed to contribute to joint status reports have failed to respond to the Amended
28 Complaint, and have failed to address the Court’s entry of default against them. There is no

1 indication that this pattern will change, and any additional delay will be to the detriment of the
2 Debtors' estates and their creditors. *See Getty Images (US), Inc. v. Virtual Clinics*, 2014 WL
3 358412, at *3 (W.D. Wash. Jan. 31, 2014) (granting default judgment where prejudice could result
4 where it was unclear that the defendant would ever choose to participate in the litigation). Further,
5 as the facts in the Amended Complaint are deemed true, the Trustee would suffer prejudice if
6 default is not entered. *See Landstar Ranger, Inc., v. Parth Enterprises, Inc.*, 725 F. Supp. 2d 916,
7 920 (C.D. Cal. 2010).

8 **2/3. Substantive merits and sufficiency of claims.** The second and third *Eitel* factors are
9 often analyzed together. *PepsiCo*, 238 F. Supp. 2d at 1175. These factors are satisfied by "stat[ing]
10 a claim on which the [plaintiff] may recover." *Id.* at 1175-1176. In this case, taking into account
11 that the allegations in the Amended Complaint are deemed true, the Trustee has firmly established
12 liability against the Defendants on each of his claims.

13 **Count III: Alter Ego (DPL and Zetta PTE)**

14 The Trustee has established that DPL and Zetta PTE are alter egos. The alter ego doctrine
15 may be invoked when two elements are present (i) there is a unity of interest between the
16 corporation and the person, such that there is no real separateness between the two and (ii) if the
17 acts are treated as those of the corporation alone, an inequitable result will follow. *See In re*
18 *Schwarzkopf*, 626 F.3d 1032, 1038 (9th Cir. 2010).

19 There is a unity of interest between Zetta PTE and DPL such that there was no real
20 separateness between the two entities. In forming DPL, Cassidy, Zetta PTE's CEO, used the
21 Debtors' insurance, funds, and counsel, Salem Ibrahim. DPL's only purpose was to maintain and
22 operate the Dragon Pearl, an asset that was purchased with Zetta PTE's funds. DPL and Zetta PTE,
23 among other things, failed to observe corporate formalities, commingled resources, and diverted
24 assets. *Id.* at ¶ 107. Cassidy also signed employment agreements on behalf of Zetta PTE to employ
25 staff for the Dragon Pearl and to have Zetta PTE pay their salaries despite the employees providing
26 services for the operations of the Dragon Pearl and not being involved in any of Zetta PTE's
27 operations. (Am. Compl. ¶ 51.) Cassidy also used Zetta PTE funds to pay Philippe Crevier to
28 manage the Dragon Pearl. (Am. Compl. ¶ 52.) DPL had no separate existence apart from Zetta

1 PTE.

2 Moreover, an inequitable result will result if the legal separateness of DPL and Zetta PTE
3 is maintained to countenance Cassidy's fraudulent and illegal attempt to conceal the transfer of title
4 of the Dragon Pearl to a shell entity set up to defeat the rights of Zetta PTE's creditors. Specifically,
5 Cassidy used DPL as a mere conduit to conceal this asset from Zetta PTE's stakeholders and, after
6 the bankruptcy cases were filed, place the Dragon Pearl under the control of the Defendants and
7 beyond the reach of the Trustee and Zetta PTE's legitimate creditors. (*See* Am. Compl. ¶¶ 13, 46-
8 47, 68, 79, 85, 89.)

9 In short, DPL and Zetta PTE acted in concert and not as separate entities, and, to the extent
10 they did act separately, they did so for an improper purposes and abused their corporate forms for
11 the improper purpose to obtain title to the Dragon Pearl, conceal ownership in DPL, and transfer it
12 out of the reach of the Trustee, Zetta PTE, and Zetta PTE's legitimate creditors. Under these
13 circumstances, the Court should disregard the separate entity structure of DPL and Zetta PTE and
14 enter a default judgment against DPL under Count III. (*Id.* at ¶ 108.)

15 **Count IV: Alter Ego (The Wu Defendants)**

16 The Trustee has established that the Wu Defendants are alter egos. Defendant Wu, through
17 the companies he controlled, including New Target and Linkage, and any future company Wu
18 causes to be created to further transfer ownership of the Dragon Pearl to avoid being sued for its
19 return, used property of Zetta PTE's estate to perpetrate a fraud and circumvent applicable law,
20 including 11 U.S.C. § 362, to accomplish a wrongful or inequitable purpose.

21 Specifically, Wu used multiple companies (DPL, New Target and Linkage) and individuals
22 (Du, Huang, and Go) as mere conduits to place the Dragon Pearl out of the reach of the Trustee,
23 Zetta PTE, and Zetta PTE's legitimate creditors. (*Id.* at ¶ 111.) Wu, New Target, and Linkage,
24 among other things, failed to observe corporate formalities, commingled resources, and diverted
25 assets. *Id.*

26 In short, the Wu Defendants acted in concert and not as separate entities, and, to the extent
27 the corporate entities did act separately, they did so for the improper purpose to obtain title to the
28 Dragon Pearl and transfer it out of the reach of the Trustee, Zetta PTE, and Zetta PTE's legitimate

1 creditor. Under these circumstances, the Court should disregard the corporate structure of New
2 Target, Linkage, and its current and future affiliates.

3 **Count V: Title to the Dragon Pearl**

4 The Defendants' title to the Dragon Pearl is void. Under California law,⁶ "a thief cannot
5 pass title to stolen property." *Regent Alliance Ltd. v. Rabizadeh*, 231 Cal. App. 4th 1177, 1184
6 (Cal. Ct. App. 2014). As set forth in the Amended Complaint, Cassidy stole the Dragon Pearl by
7 using Debtor funds to purchase the vessel and then placed the title to the Dragon Pearl in DPL, and
8 not Zetta PTE. (Am. Compl. ¶¶ 114-118.)

9 Because the Dragon Pearl was stolen, DPL's title to the boat is void; therefore, any
10 subsequent transfer of title by DPL is also void. Accordingly, Linkage only holds void title to the
11 Dragon Pearl. For the foregoing reasons, the Court should declare that all transfers of title to the
12 Dragon Pearl—including to DPL and Linkage, and any subsequent transfers—are void.

13 **Count VI: 11 U.S.C. §§ 362, 541(a)—Willful Violation of the Stay**

14 The Trustee has established that the Wu Defendants willfully violated of the automatic stay.
15 Upon Zetta PTE's filing of its chapter 11 petitions on September 15, 2017, the automatic stay under
16 11 U.S.C. § 362 was instituted over Zetta PTE's estate. All legal and equitable interests of a debtor
17 in property as of the petition date, wherever located and by whomever held, is property of such
18 debtor's estates. 11 U.S.C. § 541(a). The bankruptcy court has exclusive jurisdiction to determine
19 what constitutes property of the estate, which includes the determination that the Dragon Pearl is
20 property of Zetta PTE's estate as a result of DPL being substantively consolidated with Zetta PTE.
21 *Menk v. Lapaglia (In re Menk)*, 241 B.R. 896, 903-04 (B.A.P. 9th Cir. 1999). Interest in the Dragon
22 Pearl was held by DPL, whose property is substantively consolidated with Zetta PTE's estate.
23 Accordingly, the Trustee can avoid DPL's postpetition transfer of the Dragon Pearl to Linkage
24 under Section 549 of the Bankruptcy Code,

25 _____
26 ⁶ "By default, California courts apply California law unless a party litigant timely invokes the law of a foreign state, in
27 which case it is the foreign law proponent who must shoulder the burden of demonstrating that foreign law, rather than
28 California law, should apply . . ." *Senne v. Kansas City Royals Baseball Corp.*, 934 F.3d 918, 928 (9th Cir. 2019). But
even if Singapore law applied, the result would be the same. Under Singapore law, a thief cannot pass title to stolen
goods, and the sale of a vessel is a sale of goods. See *Caterpillar Far East Ltd v CEL Tractors Pte Ltd* [1995] 1 SLR(R)
605; [1995] SGCA 34 (applying section 21(1) of the Singapore Sale of Goods Act (Ch 393)).

1 The Wu Defendants willfully violated the automatic stay by obtaining possession of,
2 interfering with, or exercising control over, the Dragon Pearl and attempting to retain possession
3 of property of the estate. (Am. Compl. ¶¶ 121-125.) In doing so, the Wu Defendants have violated,
4 and continue to violate, Zetta PTE’s automatic stay under 11 U.S.C. § 362(a).

5 Zetta PTE has been damaged by the Wu Defendants’ willful violations of the stay in the
6 amount of US\$3,594,481.34 (the value of the Dragon Pearl on the Petition Date), plus
7 US\$691,741.50 in fees and US\$116,455.42 in costs, plus US\$325,165.00 in undertakings posted
8 in connection with the Dragon Pearl proceeding, plus US\$111,200.00 for posting a bond in the
9 Dragon Pearl proceeding. *Knupfer v. Lindblade (In re Dyer)*, 322 F.3d 1178, 1190-92 (9th Cir.
10 2003) (holding that a trustee could recover for a violation of the automatic stay under section 105(a)
11 as a sanction for ordinary civil contempt and that a bankruptcy court could award compensatory
12 damages, including attorneys’ fees and costs). The Trustee reserves the right seek an amended
13 judgment to include additional damages, including attorneys’ fees that may be awarded by the
14 Court in subsequent fee applications.

15 **Count VII: 11 U.S.C. §§ 549, 550—Avoidance and Recovery of Postpetition Transfer**

16 The Trustee has established a claim to avoid and recover a postpetition transfer under 11
17 U.S.C. §§ 549 and 550 against all Defendants. As stated above, the Dragon Pearl constitutes
18 property of the estate under 11 U.S.C. § 541. Under section 549, the Trustee may avoid a transfer
19 of property of the estate that occurs after the commencement of the case and is not authorized by
20 the Court or the Bankruptcy Code. *See, e.g., In re Icenhower*, 757 F.3d 1044, 1049 (9th Cir. 2014)
21 (affirming a bankruptcy court order substantively consolidating a debtor with a non-debtor nunc
22 pro tunc to the petition date and avoiding an unauthorized post-petition transfer of estate property
23 by the non-debtor under section 549 of the Bankruptcy Code); *In re Mora*, 199 F.3d 1024, 1026
24 (9th Cir. 1999) (citing section 549). The Bankruptcy Code defines “transfer” as “each mode, direct
25 or indirect, absolute or condition, voluntary or involuntary, of disposing or parting with (i) property
26 or (ii) an interest in property.” 11 U.S.C. § 101(54).

27 According to 11 U.S.C. § 550, to the extent a transfer is avoided under Section 549, the
28 trustee may recover the transferred property or its value from an initial transferee of such transfer

1 or the entity for whose benefit such transfer was made or any immediate or mediate transferee of
2 such initial transferee.

3 The Defendants are initial, intermediate, or mediate transferees. (Am. Compl, ¶ 79.)
4 Further, the Defendants undertook the transfers in bad faith with full knowledge that Cassidy
5 bought the Dragon Pearl with stolen funds. New Target, Linkage, and Wu paid no value for the
6 Dragon Pearl. The Defendants had full and actual knowledge that the transfers were fraudulent.
7 The Defendants each acted with actual intent to hinder, delay, or defraud Zetta PTE and its
8 creditors. (Am. Compl, ¶ 86.)

9 Accordingly, the Trustee is entitled to entry of default judgment against the Defendants
10 under 11 U.S.C. §§ 549(a) and 550(a)(1) and (2) in the amount of US\$3,594,481.34 (the value of
11 the Dragon Pearl on the Petition Date) under Count VII of the Amended Complaint.⁷

12 **Count VIII: Disallowance of Claims**

13 Finally, the Court should disallow New Target’s claims [Zetta PTE Claim Register Nos. 2
14 and 200] under 11 U.S.C. § 502(d). As set forth above, property is recoverable from New Target
15 under Sections 548, 549, and 550. (Am. Compl. ¶¶ 137-138.) New Target has not paid Zetta PTE’s
16 estate the value of the transfers or Dragon Pearl and the Court should disallow any claim of any of
17 the Defendants against Zetta PTE’s estate.

18 **4. Sum of money at stake in the action.** The fourth *Eitel* factor considers the amount of
19 money at stake in relation to the seriousness of the defendant’s conduct. *PepsiCo*, 238 F. Supp. 2d
20 at 1176-1177. The Trustee seeks to avoid and recover the amount of Here, DPL’s conduct—taking
21 title to the Dragon Pearl which was purchased with embezzled funds—is undoubtedly serious. The
22 Wu Defendants’ conduct likewise is undoubtedly serious. The Wu Defendants made the transfers
23 with knowledge of the Debtors’ ongoing bankruptcy proceedings (as the Defendants were active
24 participants) *and* with knowledge that the Dragon Pearl had been purchased with Zetta PTE’s
25 misappropriated funds, which New Target learned through at least twelve pleadings that had been
26 publicly filed at the time of the fraudulent transfer. (*See* Am. Compl. ¶63.)

27 _____
28 ⁷ The Trustee reserves the right to assert additional grounds, if necessary, to seek entry of default judgments against the Defendants.

1 **5. Possibility of a dispute concerning material facts.** There is no genuine dispute
2 concerning the material facts in this action. The Defendants have not submitted an answer. The
3 well-pleaded facts in the Amended Complaint (except with respect to damages amounts) are
4 deemed true. *TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917-18 (9th Cir. 1987) (holding
5 that all factual allegations in the plaintiff’s complaint are deemed to be true, except those relating
6 to the amount of damages.); *see also DirecTV, Inc. v. Huynh*, 503 F.3d 847, 854 (9th Cir. 2007)
7 (same). The facts with respect to damages are set forth in the Trustee’s sworn declaration, and also
8 are not subject to genuine dispute because the amount of the transfer to Maritimo is beyond dispute
9 and the Court has awarded, and the Trustee has, in fact, paid attorney’s fees and costs. *See Sprint*
10 *Nextel Corp. v. Thuc Ngo*, 2014 WL 869486, at *2 (N.D. Cal. 2014).

11 **6. Possibility of excusable neglect.** The Defendants’ defaults were not the result of
12 excusable neglect. Each of the Defendants was properly served with the relevant service
13 documents. Further, New Target, through its counsel K&L Gates, has previously participated in
14 the bankruptcy cases, served on the Committee, and filed and prosecuted a motion to set aside a
15 default on February 15, 2019 in this Adversary Proceeding [Docket No. 23]. Linkage, also through
16 its counsel, K&L Gates, filed and prosecuted a motion to set aside entry of default on February 15,
17 2019 in this Adversary Proceeding [Docket No. 24]. Since then, however, the Defendants have
18 done nothing to participate in this case. In short, the Defendants are aware of the Adversary
19 Proceeding, but chose not to appear or participate substantively.

20 **7. Policy favoring decisions on the merits.** The Defendants’ failure to respond to the
21 Complaint and the Amended Complaint makes a decision on the merits impractical, if not
22 impossible. *PepsiCo*, 238 F. Supp. 2d at 1177. The preference for deciding cases on their merits
23 therefore should not prevent this Court from granting the Trustee a default judgment in its favor.
24 Apart from the seventh factor, each of the *Eitel* factors weighs in favor of a default judgment against
25 each of the Defendants.

26 //

27 //

28 //

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

CONCLUSION

The Trustee respectfully requests that the Court enter a default judgment against the Defendants in the form attached as Exhibit 1.

DATED: April 28, 2021

DLA PIPER LLP (US)

By: /s/ John K. Lyons

DAVID B. FARKAS (SBN 257137)

JOHN K. LYONS (*Pro Hac Vice*)

JEFFREY S. TOROSIAN (*Pro Hac Vice*)

JOSEPH A. ROSELIUS (*Pro Hac Vice*)

Attorneys for Jonathan D. King as
Chapter 7 Trustee

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

EXHIBIT 1
(Proposed Default Judgment)

1 DAVID B. FARKAS (SBN 257137)
2 david.farkas@us.dlapiper.com
3 DLA PIPER LLP (US)
4 2000 Avenue of the Stars
5 Suite 400 North Tower
6 Los Angeles, California 90067-4704
7 Tel: (310) 595-3000
8 Fax: (310) 595-3300

9 JOHN K. LYONS (*Pro Hac Vice*)
10 john.lyons@us.dlapiper.com
11 JEFFREY S. TOROSIAN (*Pro Hac Vice*)
12 jeffrey.torosian@us.dlapiper.com
13 JOSEPH A. ROSELIUS (*Pro Hac Vice*)
14 joseph.roselius@us.dlapiper.com
15 DLA PIPER LLP (US)
16 444 West Lake Street, Suite 900
17 Chicago, Illinois 60606-0089
18 Tel: (312) 368-4000
19 Fax: (312) 236-7516

20 Attorneys for Jonathan D. King as Chapter 7 Trustee

21 **UNITED STATES BANKRUPTCY COURT**
22 **CENTRAL DISTRICT OF CALIFORNIA**
23 **LOS ANGELES DIVISION**

24 In re:
25 ZETTA JET USA, INC., a California
26 corporation,
27 Debtor.

24 Lead Case No.: 2:17-bk-21386-SK
25 Chapter 7
26 Jointly Administered With:
27 Case No.: 2:17-bk-21387-SK

28 In re:
29 ZETTA JET PTE, LTD., a Singaporean
30 corporation,
31 Debtor.

31 Adv. Proc. No. 2:18-ap-01340-SK

32 **[PROPOSED] DEFAULT JUDGMENT**
33 **AGAINST NEW TARGET**
34 **INVESTMENTS LIMITED, LINKAGE**
35 **ACCESS LIMITED, DRAGON PEARL**
36 **LIMITED, AND KEBU WU**

37 JONATHAN D. KING, solely in his capacity
38 as Chapter 7 Trustee of Zetta Jet USA, Inc. and
39 Zetta Jet PTE, Ltd.,

37 Hearing:
38 Date: May 19, 2021
39 Time: 9:00 a.m. (PDT)
40 Place: Courtroom 1575
41 255 East Temple Street
42 Los Angeles, CA 90012

43 Plaintiff,
44 v.
45 NEW TARGET INVESTMENTS LIMITED,
46 KEBO WU, LINKAGE ACCESS LIMITED,
47 and DRAGON PEARL LIMITED,
48 Defendants.

[PROPOSED] DEFAULT JUDGMENT

The Court, having considered the Trustee’s Amended Motion for Default Judgment (the “**Motion**”) against New Target Investments Limited (“**New Target**”), Linkage Access Limited (“**Linkage**”), and Kebu Wu (“**Wu**,” and collectively with New Target and Linkage, the “**Wu Defendants**”) and Dragon Pearl Limited (“**DPL**,” and collectively with the Wu Defendants, the “**Defendants**”), filed by Plaintiff Jonathan D. King, Chapter 7 Trustee for Zetta Jet PTE, Ltd. (“**Zetta PTE**”) and Zetta Jet USA, Inc. (the “**Trustee**”), Docket No. ____, the Memorandum of Points and Authorities in Support of the Trustee’s Motion for Default Judgment against the Defendants, the supporting declaration of the Trustee, and all files and records on file in the cases, and it appearing that the Defendants were properly served with the summons and complaint herein, and that the Motion was duly served on all interested parties, no timely oppositions to the Motion having been filed, and good cause appearing therefor:

IT IS HEREBY ORDERED THAT:

1. The Motion is granted in its entirety;
2. The Trustee has satisfied the procedural requirements of FRCP 55(b)(2) and Local Bankruptcy Rule 70551-1(b);
3. Final judgment shall be entered against all Defendants on all Counts of the Amended Complaint, as follows:
 4. Judgment is entered against DPL on Count III. The Court declares that DPL is the alter ego of Zetta PTE. Accordingly, DPL’s assets, including the Dragon Pearl, constituted “property of the estate” of debtor Zetta Jet PTE under Section 541 of the Bankruptcy Code.
 5. Judgment is entered against New Target, Linkage, and Wu on Count IV. The Court declares that New Target, Linkage, and Wu are each alter egos of one another.
 6. Judgment is entered against all Defendants on Count V. The Court hereby declares that Zetta PTE has held title to the Dragon Pearl since December 16, 2016 and all subsequent transfers of title, including to DPL, Linkage, New Target, Wu, or any other entity controlled by Wu are void.
 7. Judgment is entered against New Target, Linkage, and Wu (“Wu Defendants”) on

1 Count VI in the amount of US\$4,839,043.26, plus post judgment interest at the federal judgment
2 rate. Because the transfers of title to the Dragon Pearl were void, or, in the alternative, constitutes
3 “property of the estate by reason of paragraph 4 above, and the order dated __substantively
4 consolidating the estate of DPL with the estate of Zetta PTE, the Court hereby expressly determines
5 in the exercise of its exclusive jurisdiction under *Menk v. Lapaglia (In re Menk)*, 241 B.R. 896,
6 903-04 (B.A.P. 9th Cir. 1999), that the Dragon Pearl was part of the estate under 11 U.S.C. § 541.
7 Accordingly, the Wu Defendants violated the automatic stay by obtaining possession of, interfering
8 with, or exercising control over the Dragon Pearl and attempting to retain property of Zetta PTE,
9 Ltd.’s estate.

10 8. Judgment is entered against all Defendants on Count VII in the amount of
11 US\$3,594,481.34, plus post judgment interest at the federal judgment rate. Because the transfers
12 of title to the Dragon Pearl were void, or, in the alternative, constitutes “property of the estate by
13 reason of paragraph 4 above, and the order dated __ substantively consolidating the estate of DPL
14 with the estate of Zetta PTE, the Court hereby expressly determines in the exercise of its exclusive
15 jurisdiction under *Menk v. Lapaglia (In re Menk)*, 241 B.R. 896, 903-04 (B.A.P. 9th Cir. 1999),
16 that the Dragon Pearl was part of the estate under 11 U.S.C. § 541. Accordingly, the transfers of
17 the Dragon Pearl from DPL to New Target and from New Target to Linkage are avoided under 11
18 U.S.C. § 549. The Trustee thus is entitled to recover the amount of the transfers or the value of the
19 Dragon Pearl from the Defendants, jointly and severally, under 11 U.S.C. § 550.

20 9. Judgment is entered against all Defendants on Count VIII. Proof of Claim No. 2 (as
21 amended) filed by New Target in *In re Zetta Jet PTE, Ltd.*, Case No. 2:17-bk021387-SK, in the
22 amount of US\$11,000,000 is disallowed in its entirety until such judgment is paid in full. Proof of
23 Claim No. 200 filed by New Target in *In re Zetta Jet PTE, Ltd.*, Case No. 2:17-bk021387-SK, in
24 the amount of US\$40,736.88 is disallowed in its entirety until such judgment is paid in full.

25 **IT IS SO ORDERED.**

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

EXHIBIT A
(Redline of Amended Motion to Original Motion)

1 DAVID B. FARKAS (SBN 257137)
david.farkas@us.dlapiper.com
2 DLA PIPER LLP (US)
2000 Avenue of the Stars
3 Suite 400 North Tower
4 Los Angeles, California 90067-4704
Tel: (310) 595-3000
5 Fax: (310) 595-3300

6 JOHN K. LYONS (*Pro Hac Vice*)
john.lyons@us.dlapiper.com
7 JEFFREY S. TOROSIAN (*Pro Hac Vice*)
jeffrey.torosian@us.dlapiper.com
8 JOSEPH A. ROSELIUS (*Pro Hac Vice*)
joseph.roselius@us.dlapiper.com
9 DLA PIPER LLP (US)
444 West Lake Street, Suite 900
10 Chicago, Illinois 60606-0089
Tel: (312) 368-4000
11 Fax: (312) 236-7516

Attorneys for Jonathan D. King as Chapter 7 Trustee

12 **UNITED STATES BANKRUPTCY COURT**
13 **CENTRAL DISTRICT OF CALIFORNIA**
14 **LOS ANGELES DIVISION**

15 In re:
16 ZETTA JET USA, INC., a California
corporation,
17 Debtor.

Lead Case No.: 2:17-bk-21386-SK
Chapter 7
Jointly Administered With:
Case No.: 2:17-bk-21387-SK

18 In re:
19 ZETTA JET PTE, LTD., a Singaporean
corporation,
20 Debtor.

Adv. Proc. No. 2:18-ap-01340-SK

21 JONATHAN D. KING, solely in his capacity
as Chapter 7 Trustee of Zetta Jet USA, Inc.
and Zetta Jet PTE, Ltd.,
22 Plaintiff,

**TRUSTEE'S AMENDED MOTION FOR
DEFAULT JUDGMENT AGAINST NEW
TARGET INVESTMENTS LIMITED,
LINKAGE ACCESS LIMITED, DRAGON
PEARL LIMITED, AND KEBU WU AND
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT THEREOF**

23 v.
24 NEW TARGET INVESTMENTS LIMITED,
25 KEBO WU, LINKAGE ACCESS LIMITED,
and DRAGON PEARL LIMITED,
26 Defendants.

Hearing:
Date: ~~March 31~~ May 19, 2021
Time: 9:00 a.m. (PDT)
Place: Courtroom 1575
255 East Temple Street
Los Angeles, CA 90012

MEMORANDUM OF POINTS AND AUTHORITIES

1
2 Plaintiff Jonathan D. King (the “Trustee”), Chapter 7 Trustee in the above-captioned
3 bankruptcy cases, respectfully ~~moves~~files this amended motion for default judgment (the
4 “Motion”) against defendants New Target Investments Limited (“New Target”), Linkage Access
5 Limited (“Linkage”), Kebo Wu (“Wu” and, collectively with New Target, and Linkage, the “Wu
6 Defendants”), and Dragon Pearl Limited (“DPL” and, collectively with the Wu Defendants, the
7 “Defendants”).

8 The Trustee filed the complaint [Docket No. 1] and amended complaint (the “Amended
9 Complaint”) [Docket No. 60] alleging claims relating to the Dragon Pearl, a 70-foot luxury yacht
10 that Geoffrey Cassidy (“Cassidy”), the Debtors ~~Zetta PTE’s⁺~~’ former managing director,
11 purchased using US\$3,594,481.34 (as of the Petition Date) of Debtor Zetta PTE’s¹ funds within
12 two years of the Petition Date. Cassidy then illegally titled the Dragon Pearl, Zetta’s asset, in
13 DPL, ~~an~~a substantively consolidated alter ego entity that Cassidy created to conceal Zetta PTE’s
14 ownership of the Dragon Pearl and to place this asset beyond the reach of Zetta PTE’s
15 stakeholders. After Zetta PTE filed its Chapter 11 petition, Cassidy transferred his shares in DPL
16 to Du Yan (“Du”), the nominee of New Target, and defendant Wu, to confer control over the
17 Dragon Pearl to the Defendants in a further attempt to place the Dragon Pearl beyond the reach
18 of Zetta PTE’s creditors. Du, at Wu’s direction and full knowledge of Zetta PTE’s beneficial
19 ownership of the Dragon Pearl and applicability of the automatic stay, then transferred formal
20 legal title of the Dragon Pearl to Linkage in June 2018. Rather than turn over the Dragon Pearl to
21 the Trustee, Wu engaged in protracted litigation to block the Trustee’s recovery of the Dragon
22 Pearl, causing the expenditure of significant estate resources in further violation of the automatic
23 stay.

24 In this Motion, the Trustee seeks to recover the value of the Dragon Pearl, as well as
25
26

27 ⁺ Capitalized terms not otherwise defined herein are defined as in the Amended Complaint.

28 ¹ Capitalized terms not otherwise defined herein are defined as in the Amended Complaint.

1 approved attorneys' fees incurred by the Trustee and other costs, from the Defendants, through
2 the entry of default judgment on Counts III through VIII against the Defendants.²

3 In Count III, the Trustee seeks a declaratory judgment that DPL is an alter ego of debtor
4 Zetta PTE because Cassidy, as Zetta PTE's CEO, created and used the DPL corporate entity,
5 with assistance of Zetta PTE's lawyer, as a corporate shell to conceal the Dragon Pearl from
6 Zetta PTE's stakeholders in his attempt to place this Zetta PTE asset – an asset that was
7 wrongfully purchased with Zetta PTE's funds and titled in DPL's name, insured under Zetta
8 PTE's insurance policies, and operated by employees on Zetta PTE's payroll – beyond the reach
9 of Zetta PTE's creditors. As such, there was a unity of interest between DPL and Zetta PTE such
10 that there is no real separateness between the two entities and, if the acts of DPL are treated as
11 those of the corporation alone, *i.e.*, holding nominal title to Dragon Pearl in its own right and not
12 on behalf of Zetta PTE – the true owner – an inequitable result will follow.

13 In Count V, the Trustee seeks a declaratory judgment against all of the Defendants that
14 legal title in the name of DPL was void by reason of Cassidy's use of Zetta PTE's funds to
15 purchase the Dragon Pearl and instead, was vested with the Debtors and, in Count VI, that the
16 defendants violated the automatic stay by continuing to exercise possession of, interfering with, or
17 exercising control over the Dragon Pearl, an asset of DPL in which the Debtors held legal and
18 equitable interests due to (a) DPL's title to the Dragon Pearl was void and, alternatively, (b) DPL
19 was property of the estate due to the substantive consolidation of DPL with Zetta PTE's estate.

20 In Count VI, the Trustee seeks entry of judgment against the Defendants in the total
21 amount of US\$4,839,043.26, comprised of: (a) US\$3,594,481.34 (the value of the Dragon Pearl
22 on the Petition Date), (b) attorneys' fees in the amount of US\$691,741.50 and costs in the amount
23 of US\$116,455.42, (c) US\$325,165.00 in undertakings posted in connection with the Dragon
24

25
26
27 ² The Trustee does not seek entry of judgment on Counts I and II of the Amended Complaint, which seek to avoid
28 the transfers from Zetta PTE for the Dragon Pearl, and any subsequent transfers of the Dragon Pearl, as actually or
constructively fraudulent under 11 U.S.C. § 548(a)(1)(A) and (B), and, pursuant to 11 U.S.C. § 550(a)(1)-(2)
against DPL, Linkage, New Target, and Wu.

1 Pearl proceeding, and (d) US\$111,200.00 for posting a bond in the Dragon Pearl proceeding.
2 The Trustee reserves the right seek an amended judgment to include additional damages,
3 including attorneys' fees that may be awarded by the Court in subsequent fee applications.

4 In Count VII, the Trustee seeks to avoid the Postpetition Transfers under 11 U.S.C. § 549
5 and, pursuant to 11 U.S.C. § 550(a)(1)-(2), entry of judgment in the amount of US\$3,594,481.34
6 against DPL, Linkage, New Target, and Wu. Count VII is predicated upon the following
7 alternative grounds: (1) the declaratory judgment in Count V that the Dragon Pearl was the
8 property of Zetta PTE's estate as of the Petition Date because it was purchased with Zetta PTE's
9 funds and, under relevant law, all transfers of title were null and void, ~~and~~ (2) a declaration that,
10 ~~because~~ DPL is ~~merely~~ an alter ego of Zetta PTE (Count III), and (3) the other
11 ~~requirements for substantive consolidation have been met~~ order dated ___ substantively
12 consolidating the estate of Zetta PTE with the estate of DPL as of the Petition Date (Count VII),
13 the Dragon Pearl ~~was~~ is part of the combined estate of Zetta PTE and DPL as of the Petition Date.

14 Finally, in Count IV, the Trustee also seeks a declaration that the Wu Defendants are all
15 alter egos of one another and thus are jointly and severally liable.

16 Each of the Defendants was properly served with the Amended Complaint. None of them
17 responded and each Defendant has been defaulted [Docket Nos. 88, 89, 103, 142]. Because the
18 Defendants failed to respond to the Complaint or Amended Complaint, all of the allegations
19 against them are taken as true. The Trustee is submitting a declaration supporting his damages
20 along with this Motion. The Trustee respectfully requests that the Court enter default judgments
21 against the Defendants to enable him to pursue and collect judgments against them in other
22 jurisdictions and recover the value of the assets that the Defendants wrongfully and fraudulently
23 transferred.

24 FACTUAL BACKGROUND

25 **A. Cassidy uses Zetta PTE funds to purchase the Dragon Pearl, but titles it in** 26 **the name of DPL.**

27 Between April 18, 2016, and December 16, 2016, Cassidy caused Zetta PTE to make
28 transfers to Maritimo in the amount of AU\$4,492,034.82 (US\$3,594.481.34 in US dollars on the

1 Petition Date) for the purchase of the Dragon Pearl. (Am. Compl. ¶ 45.)³ Notably, at all relevant
2 times, Cassidy and Choo had sole control of the Zetta PTE's bank accounts.

3 On or about July 28, 2016, Cassidy formed DPL as an offshore holding company to hold
4 the title to the Dragon Pearl, which was to be its only asset. In forming DPL, Cassidy used the
5 Debtors' insurance, funds, and counsel, Salem Ibrahim. DPL's only purpose was to maintain and
6 operate the Dragon Pearl. Cassidy also signed employment agreements on behalf of Zetta PTE to
7 employ staff for the Dragon Pearl and to have Zetta PTE pay their salaries despite the employees
8 providing services for the operations of the Dragon Pearl and not being involved in any of Zetta
9 PTE's operations. (Am. Compl. ¶ 51.) Cassidy used Zetta PTE funds to pay Philippe Crevier
10 Services Conseils Inc./Philippe Crevier Consulting Services Inc. ("Philippe Crevier") to manage
11 the Dragon Pearl. (Am. Compl. ¶ 52.)

12 At all material times until about September 28, 2017, Cassidy was the sole director and
13 shareholder of DPL. (Am. Compl. ¶ 42.)

14 Cassidy caused title of the Dragon Pearl to be vested in the name of DPL. (Am. Compl.
15 ¶ 13.) Cassidy created DPL to serve as his nominee to take legal title in the Dragon Pearl as the
16 initial transferee. DPL's sole asset was the Dragon Pearl, and its only purpose was to hold the
17 Dragon Pearl. (Am. Compl. ¶ 42.)

18 On or about December 5, 2016 (exactly one year before the Trustee was appointed to
19 oversee the liquidation of the Debtors' estates), Maritimo transferred ownership and possession of
20 the Dragon Pearl to DPL, as the nominee or representative of Cassidy. (Am. Compl. ¶ 44.)

21 On the same day, DPL became the registered owner of the Dragon Pearl under the laws of
22 the Marshall Islands. At all times, the sole purported asset of DPL was the Dragon Pearl. (Am.
23 Compl. ¶ 44.)

24
25
26 ³ To pay for the Dragon Pearl, Cassidy caused Zetta PTE to make the following payments (collectively, the
27 "Transfers") to Maritimo between April 18, 2016 and December 16, 2016: (a) on April 18, 2016, Zetta PTE paid
28 AUS 20,000; (b) on May 24, 2016, Zetta PTE paid AUS\$49,018.87; (c) on August 12, 2016, Zetta PTE paid
AUS\$910,031.45; (d) on September 27, 2016, Zetta PTE paid AUS\$910,031.45; and (e) on December 16, 2016, Zetta
PTE paid AUS\$2,102,953.05. (Am. Compl. ¶ 45.)

1 Cassidy's transfer of the title to the Dragon Pearl from Maritimo to DPL constituted a
2 theft by Cassidy of the Debtors' asset – the Dragon Pearl – since the Debtors' funds were used to
3 purchase the boat. Accordingly, DPL's purported title to the Dragon Pearl is void.

4 ~~To pay for the Dragon Pearl, Cassidy caused Zetta PTE to make the following payments~~
5 ~~(collectively, the "Transfers") to Maritimo between April 18, 2016 and December 16, 2016: (a)~~
6 ~~on April 18, 2016, Zetta PTE paid AU\$ 20,000; (b) on May 24, 2016, Zetta PTE paid~~
7 ~~AU\$549,018.87; (c) on August 12, 2016, Zetta PTE paid AU\$910,031.45; (d) on September 27,~~
8 ~~2016, Zetta PTE paid AU\$910,031.45; and (e) on December 16, 2016, Zetta PTE paid~~
9 ~~AU\$2,102,953.05. (Am. Compl. ¶ 45.)~~

10 ~~Thus, the Debtors paid for the Dragon Pearl, and they paid dearly: the total price paid by~~
11 ~~the Debtors for the Dragon Pearl was US\$3,594,481.34 (the value in US dollars on the Petition~~
12 ~~Date). Notably, at all relevant times, Cassidy and Choo had sole control of the Zetta PTE's bank~~
13 ~~accounts.~~

14 **B. Cassidy enters into the Falconwing transaction with Wu.**

15 On August 10, 2017, Cassidy caused the Debtors to purchase Wu's and Fok's personal jet
16 for US\$5.5 million in exchange for "block hours" that Fok, Wu, and New Target could redeem
17 for flight time on the Debtors' private luxury jet aircraft fleet. (Am. Compl. ¶ 53.) At the same
18 time, Cassidy extended personal guarantees to each of Fok, Wu and New Target, under which he
19 guaranteed Zetta PTE's performance on the "block hours." (Am. Compl. ¶ 55.)

20 **C. The Debtors suspend and remove Cassidy, and file for bankruptcy.**

21 On August 17, 2017 – the same day Cassidy executed the personal guarantees and the
22 block hour agreements in the Falconwing transaction – the board of directors of Zetta PTE voted
23 to remove Cassidy from all positions he held within the Debtors. (Am. Compl. ¶ 60.) Five days
24 later, on August 22, 2017, Cassidy was removed as director of Zetta PTE. (Am. Compl. ¶ 61.)
25 The Debtors filed for bankruptcy on September 15, 2017. (Am. Compl. ¶ 64.)

26 New Target filed its appearance in the Chapter 11 Cases on September 27, 2017. The
27 Debtors' filings during the 12 days between commencement of the Chapter 11 Cases and the date
28

1 of New Target’s appearance were replete with allegations about Cassidy’s fraud in general, and
2 his misappropriations related to the Dragon Pearl in particular – and also specifically mentioned a
3 lawsuit the Debtors had filed in this District on September 8, 2017, which alleged that Cassidy
4 used the Debtors’ funds to purchase the Dragon Pearl. New Target ~~was thus well-aware, or~~
5 ~~should have been aware,~~had actual or constructive knowledge that Cassidy purchased the Dragon
6 Pearl with misappropriated Zetta PTE funds and was thus an asset of the Debtors protected by the
7 imposition of the automatic stay. (Am. Compl., ¶ 6.)

8 **D. Post-petition, Cassidy transferred control over the Dragon Pearl to New**
9 **Target, which ~~transfers~~transferred it to Linkage.**

10 On or after September 28, 2017, Cassidy transferred all of the issued and outstanding
11 equity of DPL (and thereby, the Dragon Pearl, its sole asset), to Du, New Target’s nominee, for
12 US\$1.00, which enabled New Target and Wu (who controlled New Target) to take indirect
13 ownership of the Dragon Pearl (the “DPL Transfer”). (Am. Compl., ¶ 68.) The DPL transfer
14 allowed Cassidy to satisfy the personal guaranty that he issued to Wu for the block hours issued in
15 the Falconwing transaction. Thus, Cassidy issued Wu block hours, then when Wu demanded that
16 he be made whole on the block hours, Cassidy gave Wu the Dragon Pearl, which Wu knew had
17 been purchased by Cassidy with stolen funds from Zetta PTE. The portion of this scheme done
18 after the Petition Date was done with full knowledge of the bankruptcy cases by New Target and
19 Wu, to the detriment of other creditors.

20 The Trustee took immediate steps to recover the Dragon Pearl for the benefit of the
21 estates and commenced an arrest proceeding in Australia against the Dragon Pearl. (Am. Compl.,
22 ¶¶ 72-73.) The Defendants actively opposed the Trustee’s efforts and engaged in protracted
23 litigation to defeat his efforts. Following the inability to secure two key live witnesses at trial, the
24 ~~Australia~~Australian court dismissed the arrest proceeding. (Am. Compl., ¶¶ 75-78.)

25 Thereafter, on June 8, 2018, Du, at the direction of New Target, caused DPL to transfer
26 the Dragon Pearl to Linkage for US\$1.00, which enabled Wu to retain ownership of the Dragon
27 Pearl (the “Linkage Transfer”, and together with the DPL Transfer, the “Post-Petition
28

1 Transfers”). (Am. Compl., ¶ 79.)

2 Neither the DPL Transfer nor the Linkage Transfer was a legitimate, arm’s-length
3 transaction for value made in good faith. The Defendants undertook the Post-Petition Transfers
4 in bad faith, with full and actual knowledge that (i) the Trustee asserted both legal and equitable
5 interests in the Dragon Pearl under 11 U.S.C. § 541, ~~they~~(ii) the transfers were made in violation
6 of the automatic stay, ~~they~~(iii) the transfers were fraudulent (as they were aware that Cassidy
7 purchased the Dragon Pearl with misappropriated Zetta PTE funds and that Cassidy had engaged
8 in fraudulent conduct), and with the actual intent to hinder, delay, or defraud Zetta PTE.

9 Rather than voluntarily turning over possession of the Dragon Pearl to the Trustee and
10 purging his stay violation, Wu fought and successfully blocked the Trustee’s attempts to regain
11 possession of the Dragon Pearl in protracted litigation, causing the expenditure of significant
12 estate resources to pursue this estate asset. (Am. Compl., ¶ 10.)

13 In particular, the Trustee incurred significant attorneys’ fees and costs including (1)
14 US\$691,741.50 in attorney’s fees and US\$116,455.42 in costs incurred prior to the June 2018
15 arrest hearing that the Bankruptcy Court approved [Docket Nos. 1219, 1404], (2) US\$111,200 in
16 funds deposited with the Australian court, and (3) US\$325,165 in undertakings posted in
17 connection with the Dragon Pearl proceeding.³⁴ (King Decl. ¶¶ 9-10.)⁵

18 **E. Procedural History**

19 On September 13, 2019, the Trustee filed an amended complaint (the “Amended
20 Complaint”) against New Target, Linkage, Wu, and DPL [Docket No. 60]. Each of the
21 Defendants was properly served. None of the Defendants responded to the Amended Complaint.
22 The Clerk entered default against New Target on December 20, 2019 [Docket No. 88]. The
23 Clerk entered default against Linkage on December 20, 2019 [Docket No. 89]. The Clerk entered
24 default against DPL on February 6, 2020 [Docket No. 103]. The Clerk entered default against

25
26
27 ³⁴ The amount of the court deposit and solicitor’s undertakings totaled AU\$569,200, which is approximately
US\$436,365, which the Trustee was required to deposit with DLA Australia to hold in trust in connection with the
Australian litigation.

28 ⁵ References to “King Decl.” refer to the Declaration of Jonathan D. King [Docket No. 161-2].

1 Wu on August 17, 2020 [Docket No. 142].

2 On February 11, 2021, the Trustee filed the Trustee’s Motion for Default Judgment
3 Against New Target Investments Limited, Linkage Access Limited, Dragon Pearl Limited, and
4 Kebu Wu and Memorandum of Points and Authorities in Support Thereof [Docket No. 161] (the
5 “Original Default Judgment Motion”).

6 On March 26, 2021, the Trustee filed the Chapter 7 Trustee’s Motion for Adjournment
7 [Docket No. 173] (the “Continuance Motion”), which sought to adjourn the March 31, 2021
8 hearing on the Original Default Judgment Motion in order to allow time to prepare this Motion.

9 On March 31, 2020, the Court held a status conference and hearing on the Original
10 Default Judgment Motion and, on April 5, 2021, entered a scheduling order continuing the
11 hearing on the Original Default Judgment Motion and the Continuance Motion to May 19, 2021
12 [Docket No. 180].

13 **ARGUMENT**

14 **A. The Trustee has satisfied the procedural requirements of FRCP 55(b)(2) and Local**
15 **Bankruptcy Rule 70551-1(b).**

16 The Trustee has satisfied the procedural requirements of FRCP 55(b)(2) and Local
17 Bankruptcy Rule 7055-1(b).

18 Under Civil Rule 55(b)(2), incorporated by Bankruptcy Rule 7055, the court may enter a
19 default judgment after the clerk enters default against a party “against whom a judgment for
20 affirmative relief is sought [and who] has failed to plead or otherwise defend . . .” Fed. R. Civ. P.
21 55(a). Subsection (b) of the rule provides, in pertinent part, as follows:

22 (b) Entering a Default Judgment:

23 (2) **By the Court.** In all other cases, the party must apply to the court for a
24 default judgment. A default judgment may be entered against a minor or
25 incompetent person only if represented by a general guardian, conservator, or
26 other like fiduciary who has appeared. If the party against whom a default
27 judgment is sought has appeared personally or by a representative, that party or its
28 representative must be served with written notice of the application at least 7 days
before the hearing. The court may conduct hearings or make referrals-preserving
any federal statutory right to a jury trial-when, to enter or effectuate judgment, it
needs to:

- 1 (A) conduct an accounting;
- 2 (B) determine the amount of damages;
- 3 (C) establish the truth of any allegation by evidence; or
- 4 (D) investigate any other matter.

5 Motions for default judgment in this Court are subject to the additional requirements of
6 Local Bankruptcy Rule 7055-1(b)(1), which provides as follows:

7 (1) **Form of Motion.** A motion for default judgment must state:

- 8 (A) The identity of the party against whom default was entered and the
9 date of entry of default;
- 10 (B) Whether the defaulting party is an infant or incompetent person and,
11 if so, whether that person is represented by a general guardian,
12 committee, conservator, or other representative;
- 13 (C) Whether the individual defendant in default is currently on active
14 duty in the armed forces of the United States, based upon an
15 appropriate declaration in compliance with the Servicemembers
16 Civil Relief Act (50 U.S.C. §§ 3901–4043).
- 17 (D) [. . .]
- 18 (E) That notice of the motion has been served on the defaulting party, if
19 required by F. R. Civ. P. 55(b)(2).

20 The Trustee has satisfied each of these requirements.

21 Default was entered against New Target and Linkage on December 20, 2019; against DPL
22 on February 6, 2020; and against Wu on August 17, 2020 [Docket Nos. 88, 89, 103, 142].

23 Three of the Defendants are corporate entities. Wu is the only individual defendant and he
24 is not an incompetent person. (King Decl. ¶ 3.)

25 Wu, the only individual defendant, is not currently on active duty in the armed forces of
26 the United States or otherwise entitled to the protection of the Servicemembers Civil Relief Act.
27 (King Decl. ¶ 4.)

28 The Trustee will provide appropriate notice in accordance with Civil Rule 55 and Local
Bankruptcy Rule 7055-1. Contemporaneously with the filing of this Motion, the Trustee (1) will
serve each of the Defendants by mail at their last known address; (2) will serve New Target and
Linkage through their counsel, K&L Gates; and (3) will serve Wu by email, consistent with the
Court’s order granting alternative service [Docket No. 125]. (King Decl. ¶ 5.)

B. The *Eitel* factors weigh in favor of granting a default judgment.

Under *Eitel v. McCool*, 782 F.2d 1470, 1471-72 (9th Cir. 1986), the court must consider seven

1 factors when determining whether to grant a default judgment:

- 2 (1) the possibility of prejudice to the plaintiff;
- 3 (2) the merits of plaintiff's substantive claim;
- 4 (3) the sufficiency of the complaint;
- 5 (4) the sum of money at stake in the action;
- 6 (5) the possibility of a dispute concerning material facts;
- 7 (6) whether the default was due to excusable neglect; and
- 8 (7) the strong policy underlying the Federal Rules of Civil Procedure favoring decisions on
- 9 the merits.

10 *Eitel*, 782 F.2d at 1472; *see also NewGen, LLC v. Safe Cig, LLC*, 840 F.3d 606, 616 (9th Cir.

11 2016). “In applying this discretionary standard, default judgments are more often granted than

12 denied.” *PepsiCo v. Triunfo-Mex, Inc.*, 189 F.R.D. 431, 432 (C.D. Cal. 1999).

13 After the Clerk enters default, the factual allegations of the complaint are taken as true,

14 except with respect to the amount of damages. *Sprint Nextel Corp. v. Thuc Ngo*, 2014 WL

15 869486, at *1 (N.D. Cal. 2014). In determining damages, a court may rely on declarations or

16 order a full evidentiary hearing. *Id.* at *2.

17 As explained below, the *Eitel* factors weigh in favor of entering a default judgment.

18 **1. Possibility of prejudice to the plaintiff.** The first *Eitel* factor is satisfied because if the

19 Motion is not granted, the Trustee “will likely be without other recourse for recovery.” *See*

20 *PepsiCo, Inc. v. Cal. Sec. Cans*, 238 F. Supp. 2d 1172, 1177 (C.D. Cal. 2002). Here, New

21 Target and Linkage have twice defaulted and DPL and Wu have each defaulted once. The

22 Defendants have failed to appear, have failed to contribute to joint status reports have failed to

23 respond to the Amended Complaint, and have failed to address the Court’s entry of default

24 against them. There is no indication that this pattern will change, and any additional delay will be

25 to the detriment of the Debtors’ estates and their creditors. *See Getty Images (US), Inc. v. Virtual*

26 *Clinics*, 2014 WL 358412, at *3 (W.D. Wash. Jan. 31, 2014) (granting default judgment where

27 prejudice could result where it was unclear that the defendant would ever choose to participate in

28

1 the litigation). Further, as the facts in the Amended Complaint are deemed true, the Trustee
2 would suffer prejudice if default is not entered. *See Landstar Ranger, Inc., v. Parth Enterprises,*
3 *Inc.*, 725 F. Supp. 2d 916, 920 (C.D. Cal. 2010).

4 **2/3. Substantive merits and sufficiency of claims.** The second and third *Eitel* factors are
5 often analyzed together. *PepsiCo*, 238 F. Supp. 2d at 1175. These factors are satisfied by
6 “stat[ing] a claim on which the [plaintiff] may recover.” *Id.* at 1175-1176. In this case, taking into
7 account that the allegations in the Amended Complaint are deemed true, the Trustee has firmly
8 established liability against the Defendants on each of his claims.

9 **Count III: Alter Ego (DPL and Zetta PTE)**

10 The Trustee has established that DPL and Zetta PTE are alter egos. The alter ego
11 doctrine may be invoked when two elements are present (i) there is a unity of interest between the
12 corporation and the person, such that there is no real separateness between the two and (ii) if the
13 acts are treated as those of the corporation alone, an inequitable result will follow. *See In re*
14 *Schwarzkopf*, 626 F.3d 1032, 1038 (9th Cir. 2010).

15 There is a unity of interest between Zetta PTE and DPL such that there was no real
16 separateness between the two entities. In forming DPL, Cassidy, Zetta PTE’s CEO, used the
17 Debtors’ insurance, funds, and counsel, Salem Ibrahim. DPL’s only purpose was to maintain and
18 operate the Dragon Pearl, an asset that was purchased with Zetta PTE’s funds. DPL and Zetta
19 PTE, among other things, failed to observe corporate formalities, commingled resources, and
20 diverted assets. *Id.* at ¶ 107. Cassidy also signed employment agreements on behalf of Zetta PTE
21 to employ staff for the Dragon Pearl and to have Zetta PTE pay their salaries despite the
22 employees providing services for the operations of the Dragon Pearl and not being involved in any
23 of Zetta PTE’s operations. (Am. Compl. ¶ 51.) Cassidy also used Zetta PTE funds to pay
24 Philippe Crevier to manage the Dragon Pearl. (Am. Compl. ¶ 52.) DPL had no separate
25 existence apart from Zetta PTE.

26 Moreover, an inequitable result will result if the legal separateness of DPL and Zetta PTE
27 is maintained to countenance Cassidy’s fraudulent and illegal attempt to conceal the transfer of
28

1 title of the Dragon Pearl to a shell entity set up to defeat the rights of Zetta PTE's creditors.
2 Specifically, Cassidy used DPL as a mere conduit to conceal this asset from Zetta PTE's
3 stakeholders and, after the bankruptcy cases were filed, place the Dragon Pearl under the control
4 of the Defendants and beyond the reach of the Trustee and Zetta PTE's legitimate creditors. (*See*
5 *Am. Compl.* ¶¶ 13, 46-47, 68, 79, 85, 89.)

6 In short, DPL and Zetta PTE acted in concert and not as separate entities, and, to the
7 extent they did act separately, they did so for an improper purposes and abused their corporate
8 forms for the improper purpose to obtain title to the Dragon Pearl, conceal ownership in DPL,
9 and transfer it out of the reach of the Trustee, Zetta PTE, and Zetta PTE's legitimate creditors.
10 Under these circumstances, the Court should disregard the separate entity structure of DPL and
11 Zetta PTE and enter a default judgment against DPL under Count III. (*Id.* at ¶ 108.)

12 **Count IV: Alter Ego (The Wu Defendants)**

13 The Trustee has established that the Wu Defendants are alter egos. Defendant Wu,
14 through the companies he controlled, including New Target and Linkage, and any future company
15 Wu causes to be created to further transfer ownership of the Dragon Pearl to avoid being sued for
16 its return, used property of Zetta PTE's estate to perpetrate a fraud and circumvent applicable
17 law, including 11 U.S.C. § 362, to accomplish a wrongful or inequitable purpose.

18 Specifically, Wu used multiple companies (DPL, New Target and Linkage) and individuals
19 (Du, Huang, and Go) as mere conduits to place the Dragon Pearl out of the reach of the Trustee,
20 Zetta PTE, and Zetta PTE's legitimate creditors. (*Id.* at ¶ 111.) Wu, New Target, and Linkage,
21 among other things, failed to observe corporate formalities, commingled resources, and diverted
22 assets. *Id.*

23 In short, the Wu Defendants acted in concert and not as separate entities, and, to the
24 extent the corporate entities did act separately, they did so for the improper purpose to obtain title
25 to the Dragon Pearl and transfer it out of the reach of the Trustee, Zetta PTE, and Zetta PTE's
26 legitimate creditor. Under these circumstances, the Court should disregard the corporate
27 structure of New Target, Linkage, and its current and future affiliates.

28 **Count V: Title to the Dragon Pearl**

1 The Defendants’ title to the Dragon Pearl is void. Under California law,⁴⁶ “a thief cannot
2 pass title to stolen property.” *Regent Alliance Ltd. v. Rabizadeh*, 231 Cal. App. 4th 1177, 1184
3 (Cal. Ct. App. 2014). As set forth in the Amended Complaint, Cassidy stole the Dragon Pearl by
4 using Debtor funds to purchase the vessel and then placed the title to the Dragon Pearl in DPL,
5 and not Zetta PTE. (Am. Compl. ¶¶ 114-118.)

6 Because the Dragon Pearl was stolen, DPL’s title to the boat is void; therefore, any
7 subsequent transfer of title by DPL is also void. Accordingly, Linkage only holds void title to the
8 Dragon Pearl. For the foregoing reasons, the Court should declare that all transfers of title to the
9 Dragon Pearl—including to DPL and Linkage, and any subsequent transfers—are void.

10 **Count VI: 11 U.S.C. §§ 362, 541(a)—Willful Violation of the Stay**

11 The Trustee has established that the Wu Defendants willfully violated of the automatic
12 stay. Upon Zetta PTE’s filing of its chapter 11 petitions on September 15, 2017, the automatic
13 stay under 11 U.S.C. § 362 was instituted over Zetta PTE’s estate. All legal and equitable
14 interests of a debtor in property as of the petition date, wherever located and by whomever held,
15 is property of such debtor’s estates. 11 U.S.C. § 541(a). The bankruptcy court has exclusive
16 jurisdiction to determine what constitutes property of the estate, which includes the determination
17 that the Dragon Pearl is property of Zetta PTE’s estate as a result of DPL being substantively
18 consolidated with Zetta PTE. *Menk v. Lapaglia (In re Menk)*, 241 B.R. 896, 903-04 (B.A.P. 9th
19 Cir. 1999). ~~This includes whatever form the property is in at any time during the debtor’s~~
20 ~~bankruptcy proceedings, provided that the property can be traced to estate assets. Thus,~~
21 ~~while~~ Interest in the Dragon Pearl was ~~fraudulently and illegally titled in the name of DPL and~~
22 ~~Linkage, Zetta PTE at all times had an equitable interest in the Dragon Pearl. In addition, DPL~~

23
24
25 ⁴⁶ "By default, California courts apply California law unless a party litigant timely invokes the law of a foreign
26 state, in which case it is the foreign law proponent who must shoulder the burden of demonstrating that foreign
27 law, rather than California law, should apply . . ." *Senne v. Kansas City Royals Baseball Corp.*, 934 F.3d 918, 928
28 (9th Cir. 2019). But even if Singapore law applied, the result would be the same. Under Singapore law, a thief
cannot pass title to stolen goods, and the sale of a vessel is a sale of goods. See *Caterpillar Far East Ltd v CEL
Tractors Pte Ltd* [1995] 1 SLR(R) 605; [1995] SGCA 34 (applying section 21(1) of the Singapore Sale of Goods
Act (Ch 393)), attached as Exhibit 2.

1 ~~and all subsequent transferees only hold void title to the Dragon Pearl~~ held by DPL, whose
2 property is substantively consolidated with Zetta PTE's estate. Accordingly, the Trustee can
3 avoid DPL's postpetition transfer of the Dragon Pearl to Linkage under Section 549 of the
4 Bankruptcy Code,

5 The Wu Defendants willfully violated the automatic stay by obtaining possession of,
6 interfering with, or exercising control over, the Dragon Pearl and attempting to retain possession
7 of property of the estate. (Am. Compl. ¶¶ 121-125.) In doing so, the Wu Defendants have
8 violated, and continue to violate, Zetta PTE's automatic stay under 11 U.S.C. § 362(a).

9 Zetta PTE has been damaged by the Wu Defendants' willful violations of the stay in the
10 amount of US\$3,594,481.34 (the value of the Dragon Pearl on the Petition Date), plus
11 US\$691,741.50 in fees and US\$116,455.42 in costs, plus US\$325,165.00 in undertakings posted
12 in connection with the Dragon Pearl proceeding, plus US\$111,200.00 for posting a bond in the
13 Dragon Pearl proceeding. *Knupfer v. Lindblade (In re Dyer)*, 322 F.3d 1178, 1190-92 (9th Cir.
14 2003) (holding that a trustee could recover for a violation of the automatic stay under section
15 105(a) as a sanction for ordinary civil contempt and that a bankruptcy court could award
16 compensatory damages, including attorneys' fees and costs). The Trustee reserves the right seek
17 an amended judgment to include additional damages, including attorneys' fees that may be
18 awarded by the Court in subsequent fee applications.

19 **Count VII: 11 U.S.C. §§ 549, 550—Avoidance and Recovery of Postpetition Transfer**

20 The Trustee has established a claim to avoid and recover a postpetition transfer under 11
21 U.S.C. §§ 549 and 550 against all Defendants. As stated above, the Dragon Pearl constitutes
22 property of the estate under 11 U.S.C. § 541. Under section 549, the Trustee may avoid a
23 transfer of property of the estate that occurs after the commencement of the case and is not
24 authorized by the Court or the Bankruptcy Code. *See, e.g., In re Icenhower*, 757 F.3d 1044,
25 1049 (9th Cir. 2014) (affirming a bankruptcy court order substantively consolidating a debtor
26 with a non-debtor nunc pro tunc to the petition date and avoiding an unauthorized post-petition
27 transfer of estate property by the non-debtor under section 549 of the Bankruptcy Code); *In re*
28

1 *Mora*, 199 F.3d 1024, 1026 (9th Cir. 1999) (citing section 549). The Bankruptcy Code defines
2 “transfer” as “each mode, direct or indirect, absolute or condition, voluntary or involuntary, of
3 disposing or parting with (i) property or (ii) an interest in property.” 11 U.S.C. § 101(54).

4 According to 11 U.S.C. § 550, to the extent a transfer is avoided under Section 549, the
5 trustee may recover the transferred property or its value from an initial transferee of such transfer
6 or the entity for whose benefit such transfer was made or any immediate or mediate transferee of
7 such initial transferee.

8 The Defendants are initial, intermediate, or mediate transferees. (Am. Compl, ¶ 79.)
9 Further, the Defendants undertook the transfers in bad faith with full knowledge that Cassidy
10 bought the Dragon Pearl with stolen funds. New Target, Linkage, and Wu paid no value for the
11 Dragon Pearl. The Defendants had full and actual knowledge that the transfers were fraudulent.
12 The Defendants each acted with actual intent to hinder, delay, or defraud Zetta PTE and its
13 creditors. (Am. Compl, ¶ 86.)

14 Accordingly, the Trustee is entitled to entry of default judgment against the Defendants
15 under 11 U.S.C. §§ 549(a) and 550(a)(1) and (2) in the amount of US\$3,594,481.34 (the value of
16 the Dragon Pearl on the Petition Date) under Count VII of the Amended Complaint.⁵⁷

17 **Count VIII: Disallowance of Claims**

18 Finally, the Court should disallow New Target’s claims [Zetta PTE Claim Register Nos. 2
19 and 200] under 11 U.S.C. § 502(d). As set forth above, property is recoverable from New Target
20 under Sections 548, 549, and 550. (Am. Compl. ¶¶ 137-138.) New Target has not paid Zetta
21 PTE’s estate the value of the transfers or Dragon Pearl and the Court should disallow any claim
22 of any of the Defendants against Zetta PTE’s estate.

23 **4. Sum of money at stake in the action.** The fourth *Eitel* factor considers the amount of
24

25
26 ⁵⁷ The Trustee reserves the right to assert additional grounds, if necessary, to seek entry of default judgments
27 against the Defendants including on the basis that the Dragon Pearl is property of the estate since grounds exist to
28 substantively consolidate the estates of Zetta PTE and DPL as of the Petition Date. *See Kismet Acquisition, LLC v. Icenhower (In re Icenhower)*, 757 F.3d 1044, 1050 (9th Cir. 2014) (upholding substantive consolidation of non-debtor foreign shell company with debtors’ estates nunc pro tunc to petition date that was set up to hold title to a villa that was later transferred postpetition to buyers; transfer avoided under Section 549).

1 money at stake in relation to the seriousness of the defendant’s conduct. *PepsiCo*, 238 F. Supp.
2 2d at 1176-1177. The Trustee seeks to avoid and recover the amount of Here, DPL’s
3 conduct—taking title to the Dragon Pearl which was purchased with embezzled funds—is
4 undoubtedly serious. The Wu Defendants’ conduct likewise is undoubtedly serious. The Wu
5 Defendants made the transfers with knowledge of the Debtors’ ongoing bankruptcy proceedings
6 (as the Defendants were active participants) *and* with knowledge that the Dragon Pearl had been
7 purchased with Zetta PTE’s misappropriated funds, which New Target learned through at least
8 twelve pleadings that had been publicly filed at the time of the fraudulent transfer. (*See Am.*
9 *Compl.* ¶63.)

10 **5. Possibility of a dispute concerning material facts.** There is no genuine dispute
11 concerning the material facts in this action. The Defendants have not submitted an answer. The
12 well-pleaded facts in the Amended Complaint (except with respect to damages amounts) are
13 deemed true. *TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917-18 (9th Cir. 1987) (holding
14 that all factual allegations in the plaintiff’s complaint are deemed to be true, except those relating
15 to the amount of damages.); *see also DirecTV, Inc. v. Huynh*, 503 F.3d 847, 854 (9th Cir. 2007)
16 (same). The facts with respect to damages are set forth in the Trustee’s sworn declaration, and
17 also are not subject to genuine dispute because the amount of the transfer to Maritimo is beyond
18 dispute and the Court has awarded, and the Trustee has, in fact, paid attorney’s fees and costs.
19 *See Sprint Nextel Corp. v. Thuc Ngo*, 2014 WL 869486, at *2 (N.D. Cal. 2014).

20 **6. Possibility of excusable neglect.** The Defendants’ defaults were not the result of
21 excusable neglect. Each of the Defendants was properly served with the relevant service
22 documents. Further, New Target, through its counsel K&L Gates, has previously participated in
23 the bankruptcy cases, served on the Committee, and filed and prosecuted a motion to set aside a
24 default on February 15, 2019 in this Adversary Proceeding [Docket No. 23]. Linkage, also
25 through its counsel, K&L Gates, filed and prosecuted a motion to set aside entry of default on
26 February 15, 2019 in this Adversary Proceeding [Docket No. 24]. Since then, however, the
27 Defendants have done nothing to participate in this case. In short, the Defendants are aware of
28

1 the Adversary Proceeding, but chose not to appear or participate substantively.

2 **7. Policy favoring decisions on the merits.** The Defendants’ failure to respond to the
3 Complaint and the Amended Complaint makes a decision on the merits impractical, if not
4 impossible. *PepsiCo*, 238 F. Supp. 2d at 1177. The preference for deciding cases on their merits
5 therefore should not prevent this Court from granting the Trustee a default judgment in its favor.
6 Apart from the seventh factor, each of the *Eitel* factors weighs in favor of a default judgment
7 against each of the Defendants.

8 **CONCLUSION**

9 The Trustee respectfully requests that the Court enter a default judgment against the
10 Defendants in the form attached as Exhibit 1.

11
12 DATED: ~~February 10~~April 28, 2021 **DLA PIPER LLP (US)**

13 By: /s/ John K. Lyons
14 DAVID B. FARKAS
15 JOHN K. LYONS (*Pro Hac Vice*)
16 JEFFREY S. TOROSIAN (*Pro Hac Vice*)
JOSEPH A. ROSELIUS (*Pro Hac Vice*)

17 Attorneys for Jonathan D. King as
18 Chapter 7 Trustee

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

EXHIBIT 1
(Proposed Default Judgment)

1 DAVID B. FARKAS (SBN 257137)
david.farkas@us.dlapiper.com
2 DLA PIPER LLP (US)
2000 Avenue of the Stars
3 Suite 400 North Tower
4 Los Angeles, California 90067-4704
Tel: (310) 595-3000
5 Fax: (310) 595-3300

6 JOHN K. LYONS (*Pro Hac Vice*)
john.lyons@us.dlapiper.com
7 JEFFREY S. TOROSIAN (*Pro Hac Vice*)
jeffrey.torosian@us.dlapiper.com
8 JOSEPH A. ROSELIUS (*Pro Hac Vice*)
joseph.roselius@us.dlapiper.com
9 DLA PIPER LLP (US)
444 West Lake Street, Suite 900
10 Chicago, Illinois 60606-0089
Tel: (312) 368-4000
11 Fax: (312) 236-7516

Attorneys for Jonathan D. King as Chapter 7 Trustee

12 **UNITED STATES BANKRUPTCY COURT**
13 **CENTRAL DISTRICT OF CALIFORNIA**
14 **LOS ANGELES DIVISION**

15 In re:
16 ZETTA JET USA, INC., a California
corporation,
17 Debtor.

Lead Case No.: 2:17-bk-21386-SK
Chapter 7
Jointly Administered With:
Case No.: 2:17-bk-21387-SK

Adv. Proc. No. 2:18-ap-01340-SK

18 In re:
19 ZETTA JET PTE, LTD., a Singaporean
corporation,
20 Debtor.

**[PROPOSED] DEFAULT JUDGMENT
AGAINST NEW TARGET
INVESTMENTS LIMITED, LINKAGE
ACCESS LIMITED, DRAGON PEARL
LIMITED, AND KEBU WU**

21 JONATHAN D. KING, solely in his capacity
as Chapter 7 Trustee of Zetta Jet USA, Inc.
and Zetta Jet PTE, Ltd.,

Hearing:
Date: ~~March 31~~ May 19, 2021
Time: 9:00 a.m. (PDT)
Place: Courtroom 1575
255 East Temple Street
Los Angeles, CA 90012

22 Plaintiff,
23
24 v.
25 NEW TARGET INVESTMENTS LIMITED,
26 KEBO WU, LINKAGE ACCESS LIMITED,
and DRAGON PEARL LIMITED,
27 Defendants.

[PROPOSED] DEFAULT JUDGMENT

The Court, having considered the Trustee’s [Amended](#) Motion for Default Judgment (the “**Motion**”) against New Target Investments Limited (“**New Target**”), Linkage Access Limited (“**Linkage**”), and Kebu Wu (“**Wu**,” and collectively with New Target and Linkage, the “**Wu Defendants**”) and Dragon Pearl Limited (“**DPL**,” and collectively with the Wu Defendants, the “**Defendants**”), filed by Plaintiff Jonathan D. King, Chapter 7 Trustee for Zetta Jet PTE, Ltd. (“**Zetta PTE**”) and Zetta Jet USA, Inc. (the “**Trustee**”), Docket No. ____, the Memorandum of Points and Authorities in Support of the Trustee’s Motion for Default Judgment against the Defendants, the supporting declaration of the Trustee, and all files and records on file in the cases, and it appearing that the Defendants were properly served with the summons and complaint herein, and that the Motion was duly served on all interested parties, no timely oppositions to the Motion having been filed, and good cause appearing therefor:

IT IS HEREBY ORDERED THAT:

1. The Motion is granted in its entirety;
2. The Trustee has satisfied the procedural requirements of FRCP 55(b)(2) and Local Bankruptcy Rule 70551-1(b);
3. Final judgment shall be entered against all Defendants on all Counts of the Amended Complaint, as follows:
4. Judgment is entered against DPL on Count III. The Court declares that DPL is the alter ego of Zetta PTE. Accordingly, DPL’s assets, including the Dragon Pearl, constituted “property of the estate” of debtor Zetta Jet PTE under Section 541 of the Bankruptcy Code.
5. Judgment is entered against New Target, Linkage, and Wu on Count IV. The Court declares that New Target, Linkage, and Wu are each alter egos of one another.
6. Judgment is entered against all Defendants on Count V. The Court hereby declares that Zetta PTE has held title to the Dragon Pearl since December 16, 2016 and all subsequent transfers of title, including to DPL, Linkage, New Target, Wu, or any other entity controlled by Wu are void.

1 7. Judgment is entered against New Target, Linkage, and Wu (“Wu Defendants”) on
2 Count VI in the amount of US\$4,839,043.26, plus post judgment interest at the federal judgment
3 rate. Because the transfers of title to the Dragon Pearl were void, or, in the alternative,
4 constitutes “property of the estate by reason of paragraph 4 above, and the order dated
5 substantively consolidating the estate of DPL with the estate of Zetta PTE, the Court hereby
6 expressly determines in the exercise of its exclusive jurisdiction under *Menk v. Lapaglia (In re*
7 *Menk)*, 241 B.R. 896, 903-04 (B.A.P. 9th Cir. 1999), that the Dragon Pearl was part of the estate
8 under 11 U.S.C. § 541. Accordingly, the Wu Defendants violated the automatic stay by obtaining
9 possession of, interfering with, or exercising control over the Dragon Pearl and attempting to
10 retain property of Zetta PTE, Ltd.’s estate.

11 8. Judgment is entered against all Defendants on Count VII in the amount of
12 US\$3,594,481.34, plus post judgment interest at the federal judgment rate. Because the transfers
13 of title to the Dragon Pearl were void, or, in the alternative, constitutes “property of the estate by
14 reason of paragraph 4 above, and the order dated substantively consolidating the estate of DPL
15 with the estate of Zetta PTE, the Court hereby expressly determines in the exercise of its
16 exclusive jurisdiction under *Menk v. Lapaglia (In re Menk)*, 241 B.R. 896, 903-04 (B.A.P. 9th
17 Cir. 1999), that the Dragon Pearl was part of the estate under 11 U.S.C. § 541. Accordingly, the
18 transfers of the Dragon Pearl from DPL to New Target and from New Target to Linkage are
19 avoided under 11 U.S.C. § 549. The Trustee thus is entitled to recover the amount of the
20 transfers or the value of the Dragon Pearl from the Defendants, jointly and severally, under 11
21 U.S.C. § 550.

22 9. Judgment is entered against all Defendants on Count VIII. Proof of Claim No. 2
23 (as amended) filed by New Target in *In re Zetta Jet PTE, Ltd.*, Case No. 2:17-bk021387-SK, in
24 the amount of US\$11,000,000 is disallowed in its entirety until such judgment is paid in full.
25 Proof of Claim No. 200 filed by New Target in *In re Zetta Jet PTE, Ltd.*, Case No. 2:17-
26 bk021387-SK, in the amount of US\$40,736.88 is disallowed in its entirety until such judgment is
27 paid in full.

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

IT IS SO ORDERED.

Summary report:	
Litera® Change-Pro for Word 10.8.2.11 Document comparison done on 4/29/2021 2:24:04 AM	
Style name: DLA Piper	
Intelligent Table Comparison: Active	
Original DMS: iw://USDMS.PIPER.ROOT.LOCAL/EAST/180875317/1	
Modified DMS: iw://USDMS.PIPER.ROOT.LOCAL/EAST/180875317/3	
Changes:	
Add	49
Delete	32
Move From	5
Move To	5
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	91

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
DLA Piper LLP (US)
2000 Avenue of the Stars, Suite 400 North Tower
Los Angeles, CA 90067-4704

A true and correct copy of the foregoing document entitled *Trustee's Amended Motion for Default Judgment Against New Target Investments Limited, Linkage Access Limited, Dragon Pearl Limited, and Kebu Wo and 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 April 28, 2021, 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:

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On April 28, 2021, 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 April 28, 2021, 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.

OVERNIGHT DELIVERY

VIA ELECTRONIC MAIL

(Party, who is being served if different, and email address for each)

Service information continued on attached page

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

April 2, 2021
Date

William L. Countryman, Jr.
Printed Name

/s/ William L. Countryman, Jr.
Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

<u>Service by Electronic Mail</u>	
<p>Attorneys for New Target Investments Limited (in the Chapter 7 Cases) Attn.: Michael Lubic Email: michael.lubic@klgates.com</p>	<p>United States Trustee Attn.: Dare Law Email: dare.law@usdoj.gov Attn.: Ron Maroko Email: ron.maroko@usdoj.gov Attn.: Jill Sturtevant Email: jill.sturtevant@usdoj.gov Attn.: Peter C. Anderson Email: peter.c.anderson@usdoj.gov</p>
<p>Attorney for New Target Investments Limited and Linkage Access Limited in Asia Attn.: Henry Fung Email: henry.fung@hfw.com</p>	<p>Kebo Wu kbwu@orange-sky.cn bkwu@chikou5.com Attn.: Henry Fung Email: henry.fung@hfw.com</p>

<u>Defendants by International Service</u>	
<p>Linkage Access Limited (Company No. BVI 1954083) OMC Chambers, Wickham's Cay 1 Road Town, Torola British Virgin Islands</p>	<p>Kebo Wu c/o Orange Sky Golden Harvest Entertainment (Holdings) Limited 124h Floor, AXA Centre 151 Gloucester Road, Wanchai Hong Kong (SAR)</p>
<p>New Target Investments Limited Vistra Corporate Services Centre Ground Floor NPF Building, Beach Road Apia, Samoa</p>	<p>Dragon Pearl Limited The Trust Company of the Marshall Islands, Inc. Trust Company Complex, Ajeltake Road Ajeltake Island, Majuro Republic of the Marshall Islands, MH 96960</p>

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

Defendants by Overnight Service

Kebo Wu Attn.: Michael Lubic, Esq. K&L Gates 10100 Santa Monica Boulevard Suite 800 Los Angeles, California 90067	
--	--

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.