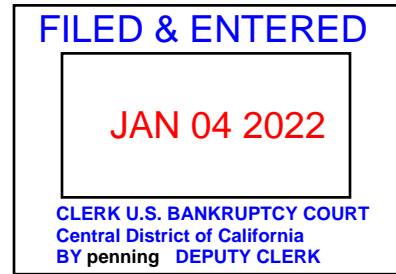


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Special Litigation Counsel
for Jonathan D. King, Chapter 7 Trustee
for Zetta Jet USA, Inc. and Zetta Jet PTE, LTD.



CHANGES MADE BY COURT

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

In re
ZETTA JET USA, INC., a California
corporation,

Debtor,

ZETTA JET PTE, LTD., a Singaporean
corporation,

Debtor.

Case No.: 2:17-bk-21386-SK
Jointly Administered with
Case No. 2:17-bk-21387-SK

Chapter 7

**ORDER APPROVING COMPROMISE
OF CONTROVERSIES BETWEEN THE
TRUSTEE AND WORLD FUEL
SERVICES, WORLD FUEL SERVICES
(SINGAPORE) AND AVINODE INC.
PURSUANT TO BANKRUPTCY RULE
9019**

[No Hearing To Be Set Unless Requested
Pursuant to LBR 9013-1]

[Relates to Adv. Case Nos.: 2:19-ap-01285-
SK]

The Court having reviewed and considered the *Motion to Approve Compromise of Controversies Between The Trustee and World Fuel Services, World Fuel Services (Singapore) and Avinode Inc. Pursuant To Bankruptcy Rule 9019* [Docket No. 1672] (“**Motion**”) and the Declaration That No Party Requested a Hearing on Motion filed on December 30, 2021 [Docket No. 1716].

Good cause appearing therefor,

IT IS HEREBY ORDERED AS FOLLOWS:

1. The Motion is approved in its entirety;
2. The Settlement Agreement entered into on September 22, 2021 is attached hereto as **Exhibit 1** and is approved; and
3. The Trustee is authorized to execute any documents or take any actions reasonably necessary to effectuate the terms of the Agreement.

###

Date: January 4, 2022



Sandra R. Klein
United States Bankruptcy Judge

Exhibit 1

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (“**Settlement Agreement**”) is entered into by and between Jonathan D. King, solely in his capacities as the Chapter 7 Trustee (and the former Chapter 11 Trustee) (the “**Trustee**”) for the Chapter 7 debtors, Zetta Jet USA, Inc. (“**Zetta USA**”) and Zetta Jet PTE, Ltd. (“**Zetta PTE**,” and together with Zetta USA, the “**Debtors**”) and as the recognized “foreign representative” of the Debtors in Singapore pursuant to the judgment entered by the Singaporean Court in *Re Zetta Jet Pte Ltd and others (Asia Aviation Holdings Pte Ltd, intervener)* [2019] SGHC 53, on the one hand, and World Fuel Services, Inc., World Fuel Services (Singapore) PTE Ltd., and Avinode Inc. (collectively referred to herein as “**Defendants**”) on the other hand. The Trustee and Defendants (together referred to as the “**Parties**”), agree as follows:

RECITALS

A. The Debtors operated as a private flight operator for international business and luxury travel, operating a fleet of private luxury jet aircrafts which it owned and leased, employing professional pilots and crews to serve routes domestically across the United States and around the world to A-list celebrities and an ultra-wealthy clientele base.

B. Zetta USA maintained its main office and hangar in Burbank, California. Zetta PTE, which had its main office in Singapore, is the parent and sole shareholder of Zetta USA, and its management was located in Burbank, California.

C. World Fuel Services is a Fortune 500 company with its headquarters and principal place of business in Miami, Florida. World Fuel Services provides energy, logistics, and technology solutions to aviation, marine, and land customers and suppliers around the world. For its aviation customers, World Fuel Services provides fuel supply, trip support and related services. World Fuel Services began providing fuel and aviation support related services to the Debtors in the ordinary course of business in October 2015 and continued to provide such services uninterrupted until the Debtors shutdown their flight operations after their unexpected bankruptcy filings.

D. The Debtors’ bankruptcy cases (the “**Cases**”) were commenced on September 15, 2017 (the “**Petition Date**”) when each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code initiating Bankruptcy Case No. 2:17-bk-21386-SK for Zetta USA and Bankruptcy Case No. 2:17-bk-21387-SK for Zetta PTE, which cases are currently pending in the Los Angeles Division of the United States Bankruptcy Court for the Central District of California (the “**Bankruptcy Court**”).

E. On or about October 11, 2017, Plaintiff Jonathan King was appointed the Chapter 11 Trustee for each of the Debtors. On December 4, 2017, the Bankruptcy Court entered orders granting the Trustee’s motions to convert the Debtors’ Chapter 11 Cases to cases under Chapter 7 [Docket No. 452 for Zetta USA and Docket No. 52 for Zetta PTE].

F. On December 5, 2017, the *Notice of Appointment of Trustee and Fixing of Bond* was filed, indicating that the U.S. Trustee appointed Plaintiff Jonathan King to serve as the Chapter 7 Interim

Trustee [Docket No. 458 for Zetta USA and Docket No. 53 for Zetta PTE]. After the Section 341(a) meeting of creditors that was held on January 8, 2018, Jonathan King became the permanent Trustee.

G. On April 13, 2018, World Fuel Services, Inc. filed Proof of Claim No. 126-1 in the Zetta PTE case in the amount of \$3,543,515.91 (“**WFS POC 126-1**”). On April 13, 2018, World Fuel Services, Inc. filed Proof of Claim 139-1 in the Zetta USA case in the amount of \$195,142.65 (“**WFS POC 139-1**” and with WFS POC 126-1, the “**WFS GUC**”).

H. On April 13, 2018, World Fuel Services, Inc. also filed on the docket in the Zetta PTE and Zetta USA cases those certain *World Fuel Services, Inc.’s Motion for Allowance and Payment of Administrative Expense Pursuant to 11 U.S.C. § 503(b)(9)* [Docket No. 678 for Zetta USA (case no. 2:17-bk-21386-SK) and Docket No. 81 for Zetta PTE (case no. 2:17-bk-21387-SK) for goods delivered to the Debtors within the twenty (20) days prior to the Petition Date in the amounts of (i) \$103,556.87 against Zetta USA, and (ii) \$1,819,284.16 against Zetta PTE (together, the “**WFS Administrative Claims**”).

I. On March 22, 2019, the Singaporean Court granted the Trustee full recognition as the “authorized representative” of the Debtors in Singapore and, among other things, authorized the Trustee to bring avoidance and other actions under Singaporean law and administer the Debtors’ insolvency in Singapore.

J. By letter dated May 16, 2019, the Trustee, acting through his authorized agent and representative AJ Capital, made demand on World Fuel Services (Singapore) PTE Ltd. for the immediate payment of \$12,761,908.08, which the Trustee alleged was the total amount of voidable preferences the Defendants received from the Debtors under Singapore insolvency law (together with any other claims the Trustee could have alleged against Defendants under Singapore law, the “**Singapore Claims**”).

K. The Trustee commenced an adversary proceeding before the Court in Adv. No. 2:19-ap-01285-SK by the filing of the *Complaint To Avoid And Recover Preferential Transfers Pursuant To 11 U.S.C. §§ 547(b), 548(a), 550 and 502* (the “**Adversary Proceeding**”) asserting that Zetta PTE made transfers to World Fuel Services (Singapore) PTE Ltd. in the total amount of \$6,700,000, that Zetta USA made transfers to World Fuel Services in the total amount of \$111,556.85 and that Zetta USA made transfers to Avinode, Inc. in the amount of \$29,550.00 (the “**Transfers**”) that are avoidable under the provisions of Sections 547-550 of the Code for the benefit of the Debtors’ estates (“**Estates**”).

L. On September 30, 2019, World Fuel Services and Avinode, Inc. filed their answer in the Adversary Proceeding, denying any liability on account of the Transfers and asserting certain affirmative defenses thereto. On February 14, 2020, World Fuel Services (Singapore) PTE Ltd. filed its answer in the Adversary Proceeding, denying any liability on account of the Transfers and asserting certain affirmative defenses thereto

M. Following good faith negotiations, the Trustee and the Defendants desire to settle and compromise this matter, on the terms set forth herein, to avoid the cost and uncertainty of further litigation.

NOW, THEREFORE, in accordance with the *Order Granting Motion of Chapter 7 Trustee for Zetta Jet USA, Inc. and Zetta jet PTE, LTD. Establishing Procedures Governing Adversary Proceedings Pursuant To Sections 547, 548 and 550 of the Bankruptcy Code* [Docket No. 967] (“**Procedures Order**”) and in consideration of the mutual terms and covenants to be performed by each party, the Parties agree as follows:

AGREEMENT

1. **Settlement Effective Date.** This Settlement Agreement shall become effective when an order approving this Settlement Agreement has been entered by the Bankruptcy Court (such date, the “**Settlement Effective Date**”).
2. **Settlement Payment.** Defendants shall pay, or cause to be paid, Nine-Thousand and 00/100 Dollars (\$9,000.00) to the Trustee in accordance with the payment instructions set forth in Exhibit A hereto. The Settlement Payment is due and payable within seven (7) days after the Settlement Effective Date.
3. **Dismissal of Adversary Proceeding.** Within seven (7) days after receipt of payment of the Settlement Payment, the Trustee shall file a notice of dismissal with prejudice in the Adversary Proceeding, dismissing the Adversary Proceeding, and all claims asserted or that could have been asserted therein, with prejudice, each party to bear its own attorneys’ fees and costs. This Settlement Agreement shall constitute a stipulation by the Parties for dismissal of the Adversary Proceeding with prejudice.
4. **Section 502(h) Waiver.** On the Settlement Effective Date, Defendants shall be deemed to have waived any claim arising under section 502(h) of the Bankruptcy Code for, or on account of, its payment of the Settlement Payment. Defendants shall not file any proofs of claim in the Debtors’ bankruptcy cases in connection with the Settlement Payment, and any such claim shall be deemed immediately expunged without any further order of the Bankruptcy Court.
5. **Mutual Releases.** Both Parties acknowledge that this Settlement Agreement is intended to fully compromise and resolve any and all claims that the Trustee may have against the Defendants in any capacity as of the Settlement Effective Date, including but not limited to, the Trustee’s claims for avoidance and recovery of the Transfers and the alleged Singapore Claims. On the Settlement Effective Date, Trustee and Defendants do forever release, acquit and forever discharge each other and all of their officers, directors, employees, representatives, agents and professionals, and all of their respective successors and assigns, from any and all liability relating to the Singapore Claims and the Transfers made by the Debtors to Defendants.
6. **Preservation of Claims.** Notwithstanding anything in this Settlement Agreement to the contrary, the Parties agree that this Settlement Agreement is not intended to compromise, waive or release the WFS GUC or the WFS Administrative Claims against the Debtors, all such claims being expressly preserved, subject only to the rights of the Trustee to review the claims and raise appropriate objections, if any, as part of the normal claims administration process in the Debtors’ cases.

7. No Admission of Liability. Each of the Parties acknowledge that this Settlement Agreement is a compromise of disputed claims and that the Settlement Payment made hereunder is not intended to be construed as an admission of any liability by either Party.

8. Attorney Fees. Each Party shall bear its own attorneys' fees and costs relating to the Transfers, the Singapore Claims, and the negotiation and execution of this Settlement Agreement. However, if either Party must commence an action to enforce the terms of this Settlement Agreement, the prevailing party shall be entitled to an award, in addition to any other claims or damages, of its costs and expenses including attorneys' fees, in connection with said enforcement action.

9. Limitation of Trustee's Liability. Any obligation or liability whatsoever of Jonathan D. King, as Trustee that may arise at any time under this Settlement Agreement shall be solely in his official capacity as Trustee and not in his personal capacity, and shall be satisfied, if at all, out of the assets vested in the Estates. No such obligation or liability shall be personally binding upon Jonathan D. King, either individually or in any other professional capacity, or of any of his agents, employees, representatives or professionals, regardless of whether such obligation of liability is in the nature of contract, tort, or otherwise, and no resort for the enforcement thereof shall ever be had to any or all of their property or assets.

10. Integration. This is an integrated Settlement Agreement. The terms of this Settlement Agreement are contractual and are not merely recitals. This Settlement Agreement supersedes all prior representations and agreements, if any, between the parties or their legal counsel and contains the entire and only understanding between the Parties with respect to the Parties settlement. It may not be altered, amended or extinguished, except by a writing which expressly refers to this Settlement Agreement and which is signed subsequent to the execution of this Settlement Agreement by the party or parties to any such alteration, amendment or extinguishment, or their successors-in-interest. Any such alteration, amendment or extinguishment must be executed by the party against whom enforcement is sought and is subject to approval by the Bankruptcy Court.

11. Severability. If any term, provision, covenant or condition of this Settlement Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

12. Construction. This Settlement Agreement shall be governed and construed in accordance with the internal laws, other than choice of law, of the State of California and, where applicable, the United States Bankruptcy Code.

13. Jurisdiction. The Bankruptcy Court shall retain jurisdiction over this Settlement Agreement.

14. Miscellaneous. As used in this Settlement Agreement, the masculine, feminine or neuter gender, or the singular or plural number, shall be deemed to include the others, whenever the text so indicates. Captions and paragraph headings are inserted solely for convenience and shall not be deemed to restrict or limit the meaning of the text. The language of all parts of this Settlement Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties.

15. Authority. Each of the signatories to this Settlement Agreement warrants that he or she has the authority to sign on behalf of those Parties for whom the signatory has signed and that no other approval or signature is required.

16. Terms Read and Understood. The Parties to this Settlement Agreement hereby certify that they have read all of the terms of the foregoing Settlement Agreement, have conferred with counsel pertaining to same, or have had the full opportunity to do so, and fully understand all of the terms hereof, and the Parties hereby acknowledge and represent that they enter into this Settlement Agreement of their own free will and not from any representation, commitment, promise, pressure or duress from any of the other Parties.

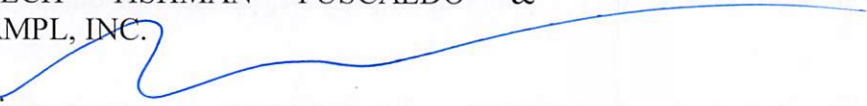
17. Counterparts and Facsimile and Pdf Signatures. This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and will become effective and binding upon the Parties at such time as all of the signatories hereto have signed a counterpart of this Settlement Agreement, subject to Court approval. All counterparts so executed shall constitute one Settlement Agreement binding on all the Parties hereto, subject to Court approval, notwithstanding that all Parties are not signatories to the same counterpart. A facsimile signature or electronically-imaged signature in “pdf” format shall, for purposes of this Settlement Agreement, be deemed to constitute an original signature and be binding as such.

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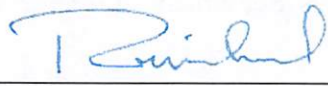
In Witness Whereof, the Parties have caused this Settlement Agreement to be executed as of September 22, 2021.

JONATHAN D. KING, solely in his capacities as Chapter 7 Trustee and Foreign Representative for Zetta Jet USA, Inc. and Zetta Jet PTE, Ltd.

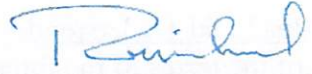
By and through his attorneys:
LEECH TISHMAN FUSCALDO &
LAMPL, INC.

By: 
Robyn B. Sokol, Partner
For the Firm

WORLD FUEL SERVICES (SINGAPORE)
PTE, LTD.

By: 
Name: Richard McMichael
Its: Director

WORLD FUEL SERVICES, INC.

By: 
Name: Richard McMichael
Its: Senior Vice President

AVINODE, INC.

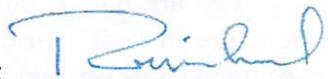
By: 
Name: Richard McMichael
Its: Senior Vice President

EXHIBIT A: Settlement Payment Instructions

If By Wire Zetta Wire Instructions

Bank Name:	Signature Bank
Address	950 Third Avenue 9 th Floor New York NY 10022
ABA	026013576
SWIFT	SIGNUS33
Account Name	Acumen Recovery Services LLC
Account Number	1503372246

If By Check

Payable To: Acumen Recovery Services, LLC with “Zetta Jet” in the memo

If By Check (Regular Mail)

Acumen Recovery Services LLC
PO Box 40, FDR Station
New York, NY 10150

If By Check (Overnight Mail)

Acumen Recovery Services LLC
909 Third Avenue
#40
New York, NY 10150