

**United States Bankruptcy Court  
Southern District of New York  
Manhattan Division**

**Voluntary Petition**

Name of Debtor (if individual, enter Last, First, Middle): <b>Varacchi, John,</b>	Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN(if more than one, state all): <b>3755</b>	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN(if more than one, state all):
Street Address of Debtor (No. & Street, City, and State): <b>233 West 26th Street, #8W New York, NY</b>	Street Address of Joint Debtor (No. & Street, City, and State):
ZIP CODE <b>10001</b>	ZIP CODE
County of Residence or of the Principal Place of Business: <b>New York</b>	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address):	Mailing Address of Joint Debtor (if different from street address):
ZIP CODE	ZIP CODE
Location of Principal Assets of Business Debtor (if different from street address above):	ZIP CODE

<b>Type of Debtor</b> (Form of Organization) (Check one box.) <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i></li> <li><input type="checkbox"/> Corporation (includes LLC and LLP)</li> <li><input type="checkbox"/> Partnership</li> <li><input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.) _____</li> </ul>	<b>Nature of Business</b> (Check one box) <ul style="list-style-type: none"> <li><input type="checkbox"/> Health Care Business</li> <li><input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B)</li> <li><input type="checkbox"/> Railroad</li> <li><input type="checkbox"/> Stockbroker</li> <li><input type="checkbox"/> Commodity Broker</li> <li><input type="checkbox"/> Clearing Bank</li> <li><input checked="" type="checkbox"/> Other _____</li> </ul>	<b>Chapter of Bankruptcy Code Under Which the Petition is Filed</b> (Check one box) <table style="width:100%; border: none;"> <tr> <td><input type="checkbox"/> Chapter 7</td> <td><input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding</td> </tr> <tr> <td><input type="checkbox"/> Chapter 9</td> <td><input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding</td> </tr> <tr> <td><input checked="" type="checkbox"/> Chapter 11</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Chapter 12</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Chapter 13</td> <td></td> </tr> </table>	<input type="checkbox"/> Chapter 7	<input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding	<input type="checkbox"/> Chapter 9	<input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding	<input checked="" type="checkbox"/> Chapter 11		<input type="checkbox"/> Chapter 12		<input type="checkbox"/> Chapter 13	
<input type="checkbox"/> Chapter 7	<input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding											
<input type="checkbox"/> Chapter 9	<input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding											
<input checked="" type="checkbox"/> Chapter 11												
<input type="checkbox"/> Chapter 12												
<input type="checkbox"/> Chapter 13												
<b>Tax-Exempt Entity</b> (Check box, if applicable) <ul style="list-style-type: none"> <li><input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code.)</li> </ul>		<b>Nature of Debts</b> (Check one box) <table style="width:100%; border: none;"> <tr> <td><input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose."</td> <td><input checked="" type="checkbox"/> Debts are primarily business debts.</td> </tr> </table>	<input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose."	<input checked="" type="checkbox"/> Debts are primarily business debts.								
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<b>Filing Fee</b> (Check one box) <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Full Filing Fee attached</li> <li><input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b) See Official Form 3A.</li> <li><input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.</li> </ul>	<b>Chapter 11 Debtors</b> Check one box: <ul style="list-style-type: none"> <li><input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D).</li> <li><input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).</li> </ul> Check if: <ul style="list-style-type: none"> <li><input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,343,300 (amount subject to adjustment on 4/01/13 and every three years thereafter).</li> </ul> Check all applicable boxes <ul style="list-style-type: none"> <li><input type="checkbox"/> A plan is being filed with this petition</li> <li><input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).</li> </ul>
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<b>Statistical/Administrative Information</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors.</li> <li><input checked="" type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.</li> </ul>	<b>THIS SPACE IS FOR COURT USE ONLY</b>																				
<b>Estimated Number of Creditors</b> <table style="width:100%; border: none;"> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>1-49</td> <td>50-99</td> <td>100-199</td> <td>200-999</td> <td>1,000-5,000</td> <td>5,001-10,000</td> <td>10,001-25,000</td> <td>25,001-50,000</td> <td>50,001-100,000</td> <td>Over 100,000</td> </tr> </table>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1-49	50-99	100-199	200-999	1,000-5,000	5,001-10,000	10,001-25,000	25,001-50,000	50,001-100,000	Over 100,000	
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**B1 (Official Form 1) (4/10)**

<b>Voluntary Petition</b> <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): <b>John Varacchi</b>	
All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet.)			
Location Where Filed: <b>NONE</b>	Case Number:	Date Filed:	
Location Where Filed:	Case Number:	Date Filed:	
Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheet)			
Name of Debtor: <b>NONE</b>	Case Number:	Date Filed:	
District:	Relationship:	Judge:	
<p style="text-align:center;"><b>Exhibit A</b></p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>	<p style="text-align:center;"><b>Exhibit B</b></p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by 11 U.S.C. § 342(b).</p> <p><b>X Not Applicable</b></p> <p>Signature of Attorney for Debtor(s) _____ Date _____</p>		

**Exhibit C**

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

Yes, and Exhibit C is attached and made a part of this petition.

No

**Exhibit D**

(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)

Exhibit D completed and signed by the debtor is attached and made a part of this petition.

If this is a joint petition:

Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.

**Information Regarding the Debtor - Venue**  
(Check any applicable box)

- Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.
- There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.
- Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.

**Certification by a Debtor Who Resides as a Tenant of Residential Property**  
(Check all applicable boxes.)

Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following).

\_\_\_\_\_  
(Name of landlord that obtained judgment)

\_\_\_\_\_  
(Address of landlord)

Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and

Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.

Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).

**Voluntary Petition**

*(This page must be completed and filed in every case)*

Name of Debtor(s):

**John Varacchi**

**Signatures**

**Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X \_\_\_\_\_  
Signature of Debtor **John Varacchi**

X **Not Applicable**  
Signature of Joint Debtor

Telephone Number (If not represented by attorney)  
**7122/10**  
Date

**Signature of Attorney**

X \_\_\_\_\_  
Signature of Attorney for Debtor(s)

**Douglas J. Pick Bar No.**  
Printed Name of Attorney for Debtor(s) / Bar No.

**Pick & Zabicki**  
Firm Name  
**369 Lexington Avenue 12th Floor**  
Address  
**New York, NY 10017**

**(212) 695-6000** **(212) 695-6007**  
Telephone Number  
**7/22/10**  
Date

\*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

**Signature of Debtor (Corporation/Partnership)**

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests the relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X **Not Applicable**  
Signature of Authorized Individual

Printed Name of Authorized Individual

Title of Authorized Individual

Date

**Signature of a Foreign Representative**

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

I request relief in accordance with chapter 15 of Title 11, United States Code. Certified Copies of the documents required by § 1515 of title 11 are attached.

Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the Chapter of title 11 specified in the petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X **Not Applicable**  
(Signature of Foreign Representative)

(Printed Name of Foreign Representative)

Date

**Signature of Non-Attorney Petition Preparer**

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

**Not Applicable**  
Printed Name and title, if any, of Bankruptcy Petition Preparer

Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social-Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

Address

X **Not Applicable**

Date  
Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social-Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual.

If more than one person prepared this document, attach to the appropriate official form for each person.

*A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.*

Douglas J. Pick, Esq.  
Eric C. Zabicki, Esq.  
**PICK & ZABICKI LLP**  
Proposed Counsel to the Debtor  
369 Lexington Avenue, 12<sup>th</sup> Floor  
New York, New York 10017  
(212) 695-6000  
dpick@picklaw.net

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:  
JOHN VARACCHI,

Chapter 11  
Case No. 10-

Debtor

-----X

**AFFIDAVIT PURSUANT TO LOCAL BANKRUPTCY RULE 1007-2**

STATE OF NEW YORK     )  
  ) ss.:  
COUNTY OF NEW YORK    )

JOHN VARACCHI, being duly sworn, deposes and says:

1. I am the debtor herein. This affidavit is submitted pursuant to Rule 1007-2 of the Local Bankruptcy Rules of this Court.

2. On July 23, 2010, I filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") with this Court. No committee of creditors has been appointed.

3. My chapter 11 filing was precipitated by the entry of a money judgment against me (among others) in a lawsuit titled *Air China Limited v. Nelson LI, et al.*, Docket No. 07-cv-11128 (LTS) (DFE), pending before the United States District Court for the Southern District of New York (the "Air China Litigation"). The Air China Litigation involved allegations of a

purported scheme to defraud Air China in connection with a real property development project. My portion of the judgment amount totals approximately \$ ~~7,400,000~~ <sup>27,100,000</sup> representing compensatory and punitive damages.

4. My personal assets are located at 233 West 26<sup>th</sup> Street, #8W, New York, New York.

5. Pursuant to LBR 1007-2 (a)(4), a list containing the names and addresses of what I believe to be the twenty largest unsecured creditors, excluding insiders, has been or shortly will be filed with the Court.

6. Pursuant to LBR 1007-2 (a)(5), a list containing the names and addresses of what I believe are all of my secured creditors have been listed in my Schedule D which has been or shortly will be filed with the Court.

7. Pursuant to LBR 1007-2 (a)(6), an approximate summary of my assets and liabilities are set forth in my Schedules B, D, E and F which have been or shortly will be filed with the Court..

8. LBR 1007-2(a)(7) is not applicable.

9. Pursuant to LBR 1007-2(a)(8), to the best of my knowledge, there is no property of ours in the possession or custody of any public officer, receiver, trustee, pledgee, assignee of rents, liquidator, secured creditor, or agent of any such person.

10. Pursuant to LBR 1007-2(a)(9), I do not lease any real or personal property.

11. Pursuant to LBR 1007-2(a)(10), all of my assets and books and records are maintained by me and/or my accountant.

12. Pursuant to LBR 1007-2(a)(11), other than the Air China Litigation, I am not a party to any pending or threatened action or proceeding.

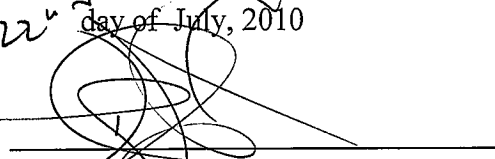
13. LBR 1007-2(a)(12) is not applicable.

14. It is my intention to file a plan of reorganization subsequent to a determination of the merits of the jury verdict entered in the Air China Litigation concerning punitive damages. I anticipate that my gross net salary for the 30 day period following the filing of the Chapter 11 Petition will be \$13,284.00. Expenses and disbursements for the same period are anticipated to total approximately \$11,800.00.

15. I believe that under the supervision of the Bankruptcy Court, I will be able to pay my creditors substantially more than they would receive if I went through a forced Chapter 7 liquidation.

  
JOHN VARACCHI

Sworn to before me this  
22<sup>nd</sup> day of July, 2010

  
\_\_\_\_\_  
Douglas J. Pick  
Notary Public, State of New York  
No. 02PI4758430 Qualified in New York County  
Commission Expires February 26, 2011