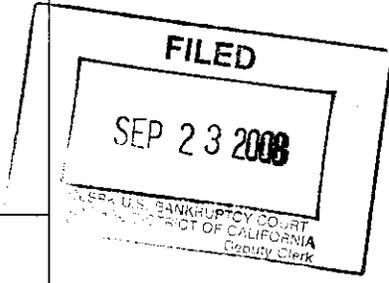


ORIGINAL

Attorney or Party Name, Address, Telephone & FAX Numbers, and California State Bar Number WEILAND, GOLDEN, SMILEY, WANG EKVALL & STROK, LLP Lei Lei Wang Ekvall, State Bar No. 163047 Robert S. Marticello, State Bar No. 244256 650 Town Center Drive, Suite 950 Costa Mesa, CA 92626 Telephone: (714) 966-1000 Facsimile: (714) 966-1002	FOR COURT USE ONLY 
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA	CASE NO. 1:08-bk-14613-MT Chapter 7 Debtor(s).
In re: WURGLER EMPIRE, INC.,	

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: N/A	Time: N/A
Location: N/A	

Type of Sale: Public Private Last date to file objections: October 7, 2008

Description of Property to be Sold: See attached Notice of Motion for Order: (1) Approving the Sale of Certain Personal Property Assets of the Estate Free and Clear of Liens and Encumbrances Pursuant to 11 U.S.C. §§ 363(b) and (f); (2) Approving the Buyer as Good Faith Purchaser Pursuant to 11 U.S.C. § 363(m); and (3) Approving Compromise of Controversy Pursuant to Federal Rule of Bankruptcy Procedure 9019 (the "Notice").

Terms and Conditions of Sale: See attached Notice.

Proposed Sale Price: See attached Notice.

Overbid Procedure (If Any): None.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e-mail address):

Lei Lei Wang Ekvall, Esq.
 Weiland, Golden, Smiley, Wang Ekvall & Strok, LLP
 650 Town Center Drive, Suite 950
 Costa Mesa, CA 92626
 (714) 966-1000 (tel); (714) 966-1002 (fax)

Date: September 22, 2008

1 **WEILAND, GOLDEN,**
2 **SMILEY, WANG EKVALL & STROK, LLP**
3 Lei Lei Wang Ekvall, State Bar No. 163047
4 Robert W. Marticello, State Bar No. 244256
5 650 Town Center Drive, Suite 950
6 Costa Mesa, California 92626
7 Telephone: (714) 966-1000
8 Facsimile: (714) 966-1002

9 Counsel for Nancy Hoffmeier Zamora,
10 Chapter 7 Trustee

11 **UNITED STATES BANKRUPTCY COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA**
13 **SAN FERNANDO VALLEY DIVISION**

14 In re

15 WURGLER EMPIRE, INC.,

16 Debtor.

Case No.: 1:08-bk-14613-MT

Chapter 7 Case

NOTICE OF MOTION FOR ORDER:

(1) APPROVING THE SALE OF CERTAIN PERSONAL PROPERTY ASSETS OF THE ESTATE FREE AND CLEAR OF LIENS AND ENCUMBRANCES PURSUANT TO 11 U.S.C. §§ 363(b) AND (f);

(2) APPROVING THE BUYER AS GOOD FAITH PURCHASER PURSUANT TO 11 U.S.C. § 363(m); AND

(3) APPROVING COMPROMISE OF CONTROVERSY PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019

[No Hearing Required Pursuant to Local Bankruptcy Rule 9013-1(g)(1)]

TO ALL PARTIES IN INTEREST:

PLEASE TAKE NOTICE that Nancy Hoffmeier Zamora, the chapter 7 trustee (the "Trustee") of the estate ("Estate") of Wurgler Empire, Inc. (the "Debtor"), has filed the motion for an order: (1) approving the sale of certain personal property assets of the Estate pursuant to 11 U.S.C. §§ 363(b) and (f), (2) approving the buyer as a good faith purchaser pursuant to 11 U.S.C. § 363(m), and (3) approving compromise of controversy pursuant to Federal Rule of Bankruptcy Procedure 9019 (the "Motion").

1 **I. BACKGROUND FACTS**

2 The Debtor commenced this bankruptcy case by filing a voluntary chapter 7
3 bankruptcy petition on July 3, 2008 (the "Petition Date"), and Nancy Hoffmeier Zamora
subsequently was appointed the chapter 7 trustee.

4 Prior to the Petition Date, the Debtor owned and operated five retail stores located
5 in Bakersfield, Canyon Country, Fresno, Oxnard, and Victorville, California, specializing
6 in the sale of adults videos and DVD's. The Debtor's Schedules list inventory totaling
\$29,833.00.

7 In March 2008, the Canyon Country store was closed and the inventory from the
8 Canyon Country store was moved to the other stores. In June 2008, the remaining four
stores closed.

9 **II. THE PROPOSED SALE**

10 The Trustee has received an offer from James Sukman Lee and Mary Eunsook
11 Lee (collectively, the "Purchaser") to purchase the following property of the Estate
(collectively, the "Property"):

- 12 1. All tangible personal property assets, including inventory, furniture,
13 furnishings, and equipment, located at the Debtor's retail store located at 1331 S.
Saviers Road, Oxnard, California (the "Oxnard Store");
- 14 2. All signs and logos located at the Oxnard Store;
- 15 3. Non-exclusive use of the name "Video Liquidators";
- 16 4. Any telephone and facsimile numbers for the Oxnard Store; and
- 17 5. Goodwill, customer lists, supplier lists, if any, associated with and
located at the Oxnard Store.

18 The Property does not include: (a) cash or cash equivalents of the Debtor,
19 wherever located; (b) all avoidance actions of a trustee under 11 U.S.C. §§ 544 - 553,
inclusive; or (c) all rights to object to claims filed or asserted against the Estate.

20 The Trustee performed a UCC-1 and judgment lien search on the Debtor and
21 located one financing statement recorded by Wells Fargo Financial Leasing ("Wells
Fargo") in 2005. The financing statement identifies a disc repair machine (the
22 "Equipment") as the collateral. The Trustee is informed by Debtor's principal, Jeff
Wurgler, that the Equipment is located at the Debtor's headquarters at the Canyon
23 Country location. The Equipment is not part of the Property that is the subject of the
Motion, and the Trustee has advised Wells Fargo of her intent to abandon the
24 Equipment.

25 The purchase price for the Property is \$7,000.00 (the "Purchase Price"). The
Trustee and the Purchaser have executed an asset purchase agreement (the
26 "Agreement"). The Purchaser has tendered a \$3,500.00 deposit (the "Deposit") to the
Trustee which is refundable only if the Trustee is unable to or fails to obtain the Court's
27 approval of the sale. The balance of the Purchase Price is \$3,500.00.

28 The Debtor leases the Oxnard Store from the Purchaser pursuant to a lease dated
August 19, 1999, including any amendments and options (collectively, the "Oxnard

1 Lease"). The original term of the Oxnard Lease was for a period of 5 ½ years, and was
2 extended until October 31, 2011. The Purchaser alleges it is owed rent for June and
3 July, plus applicable CPI.

4 The Trustee is informed and alleges that on July 7, 2008, the Purchaser, as the
5 lessor, took possession of the Oxnard Store in violation of the automatic stay and sold
6 certain of the Debtor's inventory. The Purchaser claims that it had no notice of the
7 bankruptcy and when it learned of the bankruptcy, it ceased operation of the Oxnard
8 Store.

9 The Trustee and the Purchaser have agreed to settle their dispute regarding rent
10 payments now owing, future rent, and the Purchaser's violation of the automatic stay.

11 **III. SUMMARY OF TERMS OF THE COMPROMISE**

12 The Trustee and the Purchaser desire to settle their differences with respect to the
13 Purchaser's post-petition operation of the Oxnard Store, the Purchaser's rent claims, and
14 the Deposit. Therefore, the Trustee and the Purchaser have entered into the
15 Agreement, the salient terms of which provide:

- 16 1. The Agreement is subject to Bankruptcy Court approval.
- 17 2. Upon Closing (as defined in the Agreement), the Oxnard Lease shall
18 terminate.
- 19 3. Upon Closing, the Deposit currently held by the Purchaser, as lessor, shall
20 be released to the Purchaser.
- 21 4. The Trustee and the Purchaser shall exchange mutual releases, including
22 any pre- or post-petition rent claim.

23 **IV. REASONS FOR SALE AND COMPROMISE**

24 The Trustee believes the proposed transaction has a legitimate business
25 justification and is in the best interest of the Estate. The Debtor closed its five retail
26 locations, including the Oxnard Store, prior to the bankruptcy filing. No other potential
27 purchaser has contacted the Trustee regarding the Oxnard Store. Notice of the sale is
28 being provided to all creditors.

The Trustee believes that the proposed compromise is in the best interest of the
Trustee, the Estate and creditors. Although the Purchaser, as the lessor, admits to
having taken possession of the Oxnard Store and having sold \$75 worth of the Debtor's
inventory, the Purchaser also claims that it had no notice of the bankruptcy and when it
learned of the bankruptcy, it ceased operation of the Oxnard Store. Therefore, if the
Estate elected to expend Estate resources pursuing claims against the Purchaser, any
such claim may result in minimal recovery. In addition, the Purchaser alleges it is owed
\$5,100 rent for each of June and July, plus applicable CPI. The settlement releases the
Estate from any pre- or post-petition rent claims.

A complete copy of the Motion is on file at the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that in accordance with Local Rule 9013-
1(g)(1), if you oppose the Motion you must file a written "Objection and Request for
Hearing" within 15 days of the date of this notice and serve a copy of the "Objection and
Request for Hearing" on Trustee's counsel at the address above. Failure to timely file

1 and serve the "Objection and Request for Hearing" may result in the Court's entry of an
2 order approving the Motion.

3 **PLEASE TAKE FURTHER NOTICE** that Local Bankruptcy Rule 9013-1(a)(11)
4 provides:

5 Papers not timely filed and served may be deemed by the Court
6 to be consent to the granting or denial of the motion, as the case
7 may be.

8 DATED: September 22, 2008

9 WEILAND, GOLDEN,
10 SMILEY, WANG EKVALL & STROK, LLP

11 By: 
12 LEI LEI WANG EKVALL
13 Attorneys for Nancy Hoffmeier
14 Zamora, Chapter 7 Trustee

15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA,

3 COUNTY OF ORANGE

4 I am employed in the County of Orange, State of California. I am over the age of
5 18 and not a party to the within action; my business address is 650 Town Center Drive,
Suite 950, Costa Mesa, California 92626.

6 On September 22, 2008, I served the foregoing document described as **NOTICE**
7 **OF MOTION FOR ORDER: (1) APPROVING THE SALE OF CERTAIN PERSONAL**
8 **PROPERTY ASSETS OF THE ESTATE FREE AND CLEAR OF LIENS AND**
9 **ENCUMBRANCES PURSUANT TO 11 U.S.C. §§ 363(b) AND (f); (2) APPROVING THE**
10 **BUYER AS GOOD FAITH PURCHASER PURSUANT TO 11 U.S.C. § 363(m); AND**
11 **(3) APPROVING COMPROMISE OF CONTROVERSY PURSUANT TO FEDERAL**
12 **RULE OF BANKRUPTCY PROCEDURE 9019** on the interested parties in this action by
13 placing true copies thereof enclosed in sealed envelopes addressed as stated on the
14 attached mailing list.

11 BY MAIL

12 I deposited such envelope in the mail at Costa Mesa, California. The
13 envelope was mailed with postage thereon fully prepaid.

14 I deposited such envelope with the firm for collection and processing. I am
15 "readily familiar" with the firm's practice of collection and processing
16 correspondence for mailing. It is deposited with U.S. postal service on that
17 same day with postage thereon fully prepaid at Costa Mesa, California in
18 the ordinary course of business. I am aware that on motion of the party
19 served, service is presumed invalid if postal cancellation date or postage
20 meter date is more than one day after date of deposit for mailing in
21 affidavit.

19 Executed on September 22, 2008, at Costa Mesa, California.

20 (State) I declare under penalty of perjury under the laws of the State of California
21 that the above is true and correct.

22 (Federal) I declare that I am employed in the office of a member of the bar of this
23 court at whose direction the service was made. I declare under the penalty of
perjury under the laws of the United States of America that the above is true and
correct.

24 Kelly M. Rivera
25 Type or print name

Kelly M. Rivera
Signature

SHORT SERVICE LIST

Office of the U.S. Trustee

21051 Warner Center Lane, Suite 115
Woodland Hills, CA 91367-6550

Nancy Hoffmeier Zamora
444 S. Flower Street, Suite 1550
Los Angeles, CA 90071-2916

Chapter 7 Trustee

Wurgler Empire, Inc.
26841 Ruether Avenue, #M
Canyon Country, CA 91351-6560

Debtor

Chris R. Morton, Esq.
C. Morton & Associates
14724 Ventura Blvd # 200
Sherman Oaks, CA, 91403-3501

Attorneys for Debtor

Wells Fargo Leasing, Inc.
MAC F4045-050
400 Locust Street, Suite 500
Des Moines, IA 50309

James & Mary Lee
c/o William Schneberg, Esq.
Law Offices of William Schneberg
674 County Square Drive, Suite 305
Ventura, CA 93003-9027

In re **WIRGLER EMPIRE, INC.**
Case No.: 1:08-bk-14613-MT
Revised: July 31, 2008 (TJ)

MASTER CREDITOR LIST

ACE USA (D)
145 BRADFORD DRIVE
WEST BERLIN NJ 08091-9269

AMEX
ATTN BANKRUPTCY UNIT
PO BOX 956842
ST LOUIS MO 63195-6842

ARROWHEAD DRINKING WATER
6661 DIXIE HIGHWAY STE 4
LOUISVILLE KY 40258-3950

AT&T YELLOW PAGES.COM
PO BOX 587
ST LOUIS MO 63188-0587

AVANTA BANK CORP
PO BOX 30715
SALT LAKE CITY UT 84130-0715

BAKER & TAYLOR
2550 W TYROLA ROAD STE 300
CHARLOTTE NC 28217-4579

BANK OF AMERICA NA
PO BOX 30750
LOS ANGELES CA 90030-0750

BMT LEASING INC
PO BOX 692
BRYN MAWR PA 19010-0692

CBS OUTDOOR
185 US HIGHWAY 46
FAIRFIELD NJ 07004-2321

CITY BUSINESS PLATINUM
PO BOX 44180
JACKSONVILLE FL 32231-4180

CLEAR CHANNEL LANCASTER
352 EAST AVENUE #K-4
LANCASTER CA 93535-4505

CLEAR CHANNEL OUTDOOR
19320 HARBORGATE WAY
LOS ANGELES CA 90501-1321

CUMULUS BROADCASTING
PO BOX 643207
CINCINNATI OH 45064

**EMPLOYMENT
DEVELOPMENT DEPARTMENT**
BANKRUPTCY GROUP MIC 92E
PO BOX 826880
SACRAMENTO CA 94280-0001

FEDEX
PO BOX 7221
PASADENA CA 91109-7321

FRANCHISE TAX BOARD
ATTENTION BANKRUPTCY
PO BOX 2952
SACRAMENTO CA 95812-2952

IDEARC
PO BOX 619810
DALLAS/ FW AIRPORT TX 75261-9810

INTERNAL REVENUE SERVICE
CENTRALIZED INSOLVENCY OPS
PO BOX 21126
PHILADELPHIA PA 19114-0326

JAMES & MARY LEE
2221 BEWA AVENUE
OXNARD CA 93036

JEFFREY B WURGLER
6253 DOUGHERTY RD UNIT 8204
DUBLIN CA 94568-2622

K-BEECH VIDEO
9400 EASTON AVENUE
CHATSWORTH CA 91311-5862

KENT LANDSBERG CO
1640 SO GREENWOOD AVE
MONTEBELLO CA 90640-6538

LAMAR ADVERTISING
104 ENTERPRISE WAY
LANCASTER CA 93534-7186

LANDMARK PLAZA
LANDLORD DEWAYNE ZINKIN
5 RIVER PARK PLACE W #203
FRESNO CA 93720-1557

MBNA AMERICAN PLATINUM PLUS
PO BOX 15469
WILMINGTON DE 19886-5469

OCI RETAIL COMPUTER SCIENCES
1835A S CENTRE CITY PKWY #452
ESCONDIDO CA 92025-6525

STATE BOARD OF EQUALIZATION
PO BOX 942879
SACRAMENTO CA 94279-0001

TERA GROUP INC
LANDLORD JAMES AGUILAR
4450 CALIFORNIA AVENUE #K303
BAKERSFIELD CA 93309-1152

TIME WARNER CABLE MEDIA SALES
41551 10TH STREET WEST
PALMDALE CA 93551-1405

TOYOTA LEXUS FINANCIAL SERVICES
BANKRUPTCY UNIT
PO BOX 15012
CHANDLER AZ 85244-5012

U-HAUL CANYON COUNTRY
27150 SIERRA HIGHWAY
CANYON COUNTRY CA 91351-3049

WELLS FARGO BUSINESS LINE
PO BOX 348750
SACRAMENTO CA 95834-8750

WESTERN DEVELOPMENT ASSOC III
LANDLORD DAVID P WEARY
28851 RUETHER AVENUE #B-1
SANTA CLARITA CA 91351

WESTERN REALTY
LANDLORD BRUCE COWZILL
2765 E SPRING STREET #200
LONG BEACH CA 90806

WILKS BROADCAST GROUP
PO BOX 60000
SAN FRANCISCO CA 94160-0001

YACHT CITY LLC
2852 20TH AVENUE NORTH
ST PETERSBURG FL 33713-4238