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Attorney or Party Name, Address, Telephone & FAX Numbers, and California State Bar Number Howard J. Weg (State Bar No. 91057) Peitzman, Weg & Kempinsky LLP 10100 Santa Monica Boulevard, Suite 1450 Los Angeles, CA 90067 Phone: (310) 552-3100; Fax: (310) 552-3101 Attorneys for Debtor	FOR COURT USE ONLY  2005 APR -1 PM 3: 36  U.S. BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA JON D. CERETTO, CLERK OF COURT
<b>UNITED STATES BANKRUPTCY COURT          CENTRAL DISTRICT OF CALIFORNIA</b>	
In re: Applause, LLC   Debtor(s).	CASE NO.: SV 04-15821 MT

**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: April 7, 2005

Description of Property to be Sold: Equipment identified as a forklift and pallet rack

Terms and Conditions of Sale: \$4,200.00 due and payable after compliance with the Sale Procedures, pursuant to the Bill of Sale attached hereto as Exhibit A

Proposed Sale Price: \$4,200.00

Overbid Procedure (If Any): Debtor will consider if any higher bids received are in the best interest of the Debtor's estate.

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):

Scott F. Gautier, Esq.  
Peitzman, Weg & Kempinsky LLP  
10100 Santa Monica Blvd., Suite 1450  
Los Angeles, CA 90067  
e-mail: sgautier@pwkllp.com; facsimile: (310) 552-3101

Date: April 1, 2005



Exhibit A

1 **BILL OF SALE**

2 This Bill of Sale is made as of Mar. 31, 2005 between

3  
4 **Dream World, LLC**  
5 formerly known as  
6 Applause, LLC, Debtor and Debtor in Possession  
(the "Seller")

7 and

8 Bowery Hills Teddy Bear Co

9 (the "Purchaser")

- 10
- 11 1. The Purchaser and the Seller have entered into this Bill of Sale (the "Bill of Sale"), pursuant
- 12 to which the Seller has agreed to sell, and Purchaser has agreed to purchase, all of the
- 13 Seller's right, title and interest, if any, in and to the assets listed on Exhibit A attached hereto
- 14 and incorporated by this reference.
- 15 2. "Assets" means the Seller's right, title and interest, in and to the items listed in Exhibit A,
- 16 and the documentation relating thereto.
- 17 3. The Seller represents to the Purchaser that the Seller is debtor in possession in chapter 11
- 18 case No. SV 04-15821 AG, pending before the United States Bankruptcy Court for the
- 19 Central District of California (the "Bankruptcy Court"). This Bill of sale and the transaction
- 20 contemplated hereby are entered into pursuant to an order of the Bankruptcy Court approving
- 21 procedures for sale of the Assets (the "Sale Procedures"). After compliance with the Sale
- 22 Procedures, the Court has authorized sale to the Purchaser free and clear of liens, claims,
- 23 encumbrances and other interests without further notice or order from the Court.
- 24 4. The sale, transfer, assignment and conveyance of the Assets shall be effective, and title to
- 25 and all risk associated with the Assets shall pass to the Purchaser, when the Seller receives
- 26 the Purchase Price.
- 27 5. The purchase price for the Assets is \$ 4200<sup>00</sup> ("Purchase Price"). After compliance
- 28 with the Sale Procedures, the Purchase Price shall be due and payable. Prior to the shipment
- of the Assets, the Purchase Price must be paid to the Debtor in full.
6. It shall be the Purchaser's obligation to pay for delivery of any and all items.
7. The Purchase Price includes Sales Tax in the amount of \$ 320<sup>09</sup> that is applicable to the
- sale of the Assets to the Purchaser.
8. The Seller hereby remises, releases and forever transfers and assigns to the Purchaser all of
- its right, title and interest in and to the Assets.

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9. The Purchaser acknowledges that:

- (a) neither the Seller nor its bankruptcy estate will have any personal or corporate liability of any kind, whether in contract or in tort.
- (b) it is purchasing the Assets on an "as is, where is" and "without recourse" basis, it accepts the Assets in their current state and location and with no representations, warranties or conditions, express or implied, being made by the Seller to the Purchaser with respect to the condition, merchantability, location, description, quality, encumbrances or fitness for any particular purpose of the Assets, save and except as specifically set out in this Bill of Sale. The Purchaser waives, releases and renounces all warranties, obligations and liabilities of the Seller, express or implied, arising by law or otherwise, with respect to any non-conformance or defect in any of the Assets or other thing delivered or assigned hereunder, including, without limitation, the condition of any of the Assets;
- (c) the Purchaser has conducted such inspections of the condition of the Assets as it deemed appropriate and has satisfied itself with regard to this matter;
- (d) the description of the Assets is for the purpose of identification only and no representation, warranty or condition has or will be given by the Seller concerning the accuracy, completeness or any other matter concerning the description of the Assets; and
- (e) it is the Purchaser's own and sole responsibility to obtain and pay the cost of any consents, permits, licences or authorizations necessary or desirable for the transfer of the Assets to the Purchaser or for the operation or use of the Assets.

10. This Bill of Sale shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

11. The Seller and the Purchaser agree that any dispute arising with respect to this Bill of Sale or the transaction contemplated hereby (a "Claim") shall be resolved in the Bankruptcy Court so long as the Seller's chapter 11 case is pending and, after the chapter 11 case is concluded, in a court of competent jurisdiction in the County of Los Angeles, California. The parties submit to the jurisdiction of those courts for the purpose of resolving any Claim.

12. This Bill of Sale may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same Bill of Sale. Transmission by facsimile of an executed counterpart of this Bill of Sale shall be deemed to constitute due and sufficient delivery of such counterpart.

13. The parties have executed this Bill of Sale as of the date first written above.

Dream World, LLC  
formerly known as  
Applause, LLC, Debtor and Debtor in Possession  
(Seller)

By: 

Name: David W. Socha

Title: Manager

(Purchaser)

By: 

Name: Jeanette Socha

Title: Office Manager

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EXHIBIT A

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Addendum to Bill of Sale [DATE]

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Equipment:

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*Forklift  
Pallet Jack*

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