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<p>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION</p>	
<p>In re:</p> <p>WHITNEY FLOOD and JULIE RETZLAFF,</p> <p style="text-align: right;">Debtor(s).</p>	<p>CASE NO.: 2:14-bk-30264-BB CHAPTER: 7</p> <p style="text-align: center;">NOTICE OF SALE OF ESTATE PROPERTY</p>

<p>Sale Date: 03/11/2015</p>	<p>Time: 10:00 am</p>
<p>Location: United States Bankruptcy Court, Courtroom 1475, 255 E. Temple Street, Los Angeles, CA 90012</p>	

Type of Sale: Public Private **Last date to file objections:** 02/25/2015

Description of property to be sold:
Type 47 On Sale General Eating Place Liquor License, No. 47-528315

Terms and conditions of sale:
See attached Motion for Order: (1) Authorizing Sale of Estate’s Right, Title and Interest in Alcoholic Beverage Control License Free and Clear of Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and (f), Subject To Overbids; (2) Approving Overbid Procedures; and (3) Granting Related Relief (“Sale Motion”).

Proposed sale price: \$ 62,500.00

Overbid procedure (if any):

Overbids Due: March 6, 2015 by 5:00 p.m. (PST)
See Sale Motion attached hereto for All Overbid Procedures

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

Hearing Date: March 6, 2015
Hearing Time: 10:00 a.m.
Courtroom: 1475
Location: United States Bankruptcy Court
Edward Roybal Federal Building
255 E. Temple Street
Los Angeles, CA 90012

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Rika M. Kido, Esq.
SHulman Hodges & Bastian LLP
100 Spectrum Center Drive, Suite 600
Irvine, California 92618
Telephone: (949) 340-3400
Email: rkido@shbllp.com

Date: 02/13/2015

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6 Attorneys for Sam S. Leslie,
7 Chapter 7 Trustee

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

10 In re

11 **WHITNEY FLOOD and JULIE**
12 **RETZLAFF,**

13 Debtors.

Case No. 2:14-bk-30264-BB

Chapter 7

**CHAPTER 7 TRUSTEE’S MOTION FOR
ORDER:**

(1) **AUTHORIZING SALE OF ESTATE’S
RIGHT, TITLE AND INTEREST IN
ALCOHOLIC BEVERAGE CONTROL
LICENSE FREE AND CLEAR OF LIENS
PURSUANT TO BANKRUPTCY CODE §§
363(b)(1) AND (f), SUBJECT TO
OVERBIDS;**

(2) **APPROVING OVERBID PROCEDURES;
AND**

(3) **GRANTING RELATED RELIEF;**

**MEMORANDUM OF POINTS AND
AUTHORITIES AND DECLARATIONS OF
SAM S. LESLIE AND LOUIE F. CANO IN
SUPPORT THEREOF**

[Type 47 On Sale General Eating Place Liquor
License, No. 47-528315]

Hearing Date:

Date: March 11, 2015

Time: 10:00 A.M.

Place: Courtroom 1475

Edward R. Roybal Federal Building and
Courthouse

255 E. Temple Street

Los Angeles, CA 90012

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1 **TO THE HONORABLE SHERI BLUEBOND, UNITED STATES BANKRUPTCY**
2 **JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE AND ALL INTERESTED**
3 **PARTIES:**

4 **I. INTRODUCTION**

5 Sam S. Leslie, Chapter 7 trustee (“Trustee”) for the bankruptcy estate (“Estate”) of
6 Whitney Flood and Julie Retzlaff (“Debtors”), hereby brings this Motion for Order: (1)
7 Authorizing Sale of Estate’s Right, Title and Interest in Alcoholic Beverage Control License
8 Free and Clear of Liens Pursuant to Bankruptcy Code §§ 363(b091) and (f), Subject to Overbids;
9 (3) Approving Overbid Procedures; and (2) Granting Related Relief (“Sale Motion”).

10 The Trustee has received an offer to purchase the Estate’s right, title and interest in a
11 Type-47 On Sale General Eating Place Liquor License No. 47-528315 (“License”) from
12 Cirdadyne, Inc. (or its nominee) (“Buyer”) for \$62,500.00 (“Purchase Price”), with Buyer paying
13 for all costs associated with the sale and purchase of the License. The Trustee has verified with a
14 prominent local broker that \$62,500.00 is a fair price for the License. Through the sale, the
15 Trustee is expected to generate proceeds of \$41,825.00, after deducting the Debtors’ claimed
16 exemption (see below), for the benefit of the Estate and its creditors. Further, in the event the
17 purchase price is increased by a successful overbid, the estimated net proceeds will increase and
18 provide greater distribution to creditors.

19 Accordingly, the Trustee believes that good cause exists to grant the Sale Motion so the
20 Trustee does not lose this favorable business opportunity.

21 **II. RELEVANT FACTS**

22 **A. Case Background**

23 On October 27, 2014, the Debtors filed a voluntary petition under Chapter 7 of the
24 Bankruptcy Code.

25 Sam S. Leslie is the duly appointed, qualified and acting Chapter 7 trustee in the Debtors’
26 bankruptcy case.

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1 **B. The License**

2 Among the assets of the Estate is a Type-47 On Sale General Eating Place Liquor
3 License No. 47-528315.

4 The Debtors' Schedule B reflects an ownership interest in a liquor license in connection
5 with their former business, Bon Melange Catering LLC ("Bon Melange"). The Debtors have
6 scheduled the value of the License at \$30,000.00 on their Schedule A and have claimed an
7 exemption under California Code of Civil Procedure Section 703.140(b)(5) in the amount of
8 \$20,675.00 on their Schedule C.

9 On their Statement of Financial Affairs, Question Number 18, the Debtors list an interest
10 Bon Melange, a restaurant and catering business which the Debtors have informed the Trustee is
11 closed and no longer operating. The Debtors are the managing members and only members of
12 Bon Melange, as provided in the Declaration of Whitney Flood attached as **Exhibit "1"** to the
13 Declaration of Sam S. Leslie ("Leslie Decl."). Accordingly, the Estate has a one hundred
14 percent (100%) interest in Bon Melange and has the rights to sell all of the assets of Bon
15 Melange. *Id.*

16 **C. Liens and Encumbrances Against the Liquor License and Their Proposed**
17 **Treatment Through the Sale**

18 The Trustee is not aware of any liens and encumbrances impacting the License. Under
19 California law, licensees are prohibited from granting a security interest in its/his/her license.
20 Specifically, California Business and Professions Code Section 24076 provides as follows:

21 No licensee shall enter into any agreement wherein he pledges the transfer of his
22 license as security for a loan or as security for the fulfillment of any agreement.
23 No license shall be transferred if the transfer is to satisfy a loan or to fulfill an
24 agreement entered into more than 90 days preceding the date on which the
transfer application is filed, or to gain or establish a preference to or for any
creditor of the transferor, except as provided by Section 24074, or to defraud or
injure any creditor of the transferor.

25 *See* Cal. Bus. & Prof. Code § 24076. However, out of an abundance of caution, the Trustee
26 seeks to sell the License free and clear of any and all liens and encumbrances.

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1 **D. The Proposed Sale**

2 Subject to Court approval and pursuant to the terms of the Escrow Instructions between
3 the parties (“Escrow Instructions”), a true and correct copy of which is attached as **Exhibit “2”**
4 to the Leslie Decl., the Trustee proposes to sell the License.

5 A summary of the essential terms of the Escrow Instructions are discussed below, but the
6 summary and discussion are not meant to be a complete review of every provision of the Escrow
7 Instructions. The Escrow Instructions itself is the legally binding document the Trustee seeks
8 approval of and, in the event of any inconsistency between the terms, provisions or effect of the
9 Escrow Instructions and the description of it in these pleadings, the Escrow Instructions alone
10 shall govern and not these pleadings or the descriptions herein.

11 In summary, the principal terms of the sale of the License shall be as follows:

- 12 • Purchaser: Cirqadyne, Inc. (or its nominee)
- 13 • Purchase Price: \$62,500.00 (“Purchase Price”). The Buyer agrees to pay 100% of
14 the escrow fees and costs in this transaction. The Buyer shall be liable for payment of the
15 License transfer fee, the License renewal fee and all fees payable to Louie Cano of Liquor
16 License Specialists, who is acting as the liquor license broker in this matter.
- 17 • Condition of License: License purchased “as-is” without any representations and
18 warranties of any kind.
- 19 • Liens: The Trustee is not aware of any liens against the Liquor License.

20 **E. Marketing of the Loans**

21 The Trustee has verified with a prominent local broker that \$62,500.00 is a fair price for
22 the Liquor License. (*See* Declaration of Louie Cano (“Cano Decl.”) ¶ 3) Mr. Cano continues to
23 market the Liquor License in order to attempt to secure overbidders for the sale of the Liquor
24 License. Additionally, concurrent with the filing of this Sale Motion, the Trustee will file a
25 Notice of Sale of Estate Property on Local Bankruptcy Form 6004-2 (“Sale Notice”), which will
26 be posted on the Court’s website.

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1 **F. Tax Consequences**

2 The Trustee is not aware of any tax consequences to the Estate for the sale of the Liquor
3 License. The Trustee has reviewed the Debtors' prior filed tax returns, which includes Bon
4 Melange. Bon Melange is treated as a single member LLC, so for tax consequences, Bon
5 Melange will be treated as a single member LLC of the Debtors.

6 **G. Notice of Bidding Procedures**

7 The Trustee has determined that it would benefit the Estate to permit all interested parties
8 to receive information and bid for the License instead of selling the License to the Buyer on an
9 exclusive basis. Accordingly, in order to obtain the highest and best offer for the benefit of the
10 creditors of this Estate, the Trustee also seeks Court approval of the following bidding
11 procedures ("Bidding Procedures"):

12 1. Potential overbidder(s) must bid an initial amount of at least \$5,000.00 over the
13 Purchase Price, or \$67,500.00. Minimum bid increments thereafter shall be \$1,000.00. The
14 Trustee shall have sole discretion in determining which overbid is the best for the Estate and will
15 seek approval from the Court of the same.

16 2. Overbids must be in writing and be received by the Trustee and the Trustee's
17 counsel, Shulman Hodges & Bastian LLP to the attention of Rika M. Kido **on or before 5:00**
18 **p.m. three business days prior to the hearing on this Sale Motion.**

19 3. Overbidders (except for the Buyer) must deliver a deposit to the Trustee's counsel
20 by way of a cashier's check made payable to "Sam S. Leslie, Chapter 7 Trustee," in the amount
21 of \$6,000.00 (the "Deposit").

22 4. The overbidder must also provide evidence of having sufficient specifically
23 committed funds to complete the transaction, or a lending commitment for the bid amount and
24 such other documentation relevant to the bidder's ability to qualify as the purchaser of the
25 License and ability to close the sale and immediately and unconditionally pay the winning bid
26 purchase price at closing.

27 5. The overbidder must seek to acquire the License on terms and conditions not less
28 favorable to the Estate than the terms and conditions to which the Buyer has agreed to purchase
the License as set forth in the Escrow Instructions attached as **Exhibit "1"** to the Leslie Decl.
including closing on the sale of the License in the same time parameters as the Buyer.

6. All competing bids must acknowledge that the License is being sold on an "AS
IS" basis without warranties of any kind, expressed or implied, being given by the Trustee. The
competing bidder must agree that upon closing of Escrow governed by the Escrow Instructions,
the competing buyer forever waives, for himself/herself, their heirs, successors and assigns, all
claims against the Debtors, their attorneys, agents and employees, the Debtors' Estate, Sam S,
Leslie as Trustee and individually, and his attorneys, agents and employees, arising or which
might otherwise arise in the future concerning the License.

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1 7. If overbids are received, the final bidding round for the License shall be held at
2 the hearing on the Sale Motion in order to allow all potential bidders the opportunity to overbid
3 and purchase the License. At the final bidding round, the Trustee or his counsel will, in the
4 exercise of their business judgment and subject to Court approval, accept the bidder who has
5 made the highest and best offer to purchase the License, consistent with the Bidding Procedures
6 (“Successful Bidder”).

7 8. At the hearing on the Sale Motion, the Trustee will seek entry of an order, *inter*
8 *alia*, authorizing and approving the sale of the License to the Successful Bidder. The hearing on
9 the Sale Motion may be adjourned or rescheduled without notice other than by an announcement
10 of the adjourned date at the hearing on the Sale Motion.

11 9. In the event the Successful Bidder fails to close on the sale of the License within
12 the time parameters approved by the Court, the Trustee shall retain the Successful Bidder’s
13 Deposit and will be released from his obligation to sell the License to the Successful Bidder and
14 the Trustee may then sell the License to the first back-up bidder approved by the Court at the
15 hearing on the Sale Motion (“First Back-Up Bidder”).

16 10. In the event First Back-Up Bidder fails to close on the sale of the License within
17 the time parameters approved by the Court, the Trustee shall retain the First Back-Up Bidder’s
18 Deposit and will be released from his obligation to sell the License to the First Back-Up Bidder
19 and the Trustee may then sell the License to the second back-up bidder approved by the Court at
20 the hearing on the Sale Motion (“Second Back-Up Bidder”).

21 **III. ARGUMENT**

22 **A. The Court May Authorize the Sale When There is a Good Faith Purchaser**

23 The Trustee, after notice and hearing, may sell property of the estate. 11 U.S.C. § 363(b).
24 The standards to establish are that there is a sound business purpose for the sale, that the sale is
25 in the best interests of the estate, i.e., the sale is for a fair and reasonable price, that there is
26 accurate and reasonable notice to creditors and that the sale is made in good faith. *In re Wilde*
27 *Horse Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*, 722 F.2d
28 1063, 1069 (2d Cir. 1983). Business justification would include the need to close a sale to one of
very few serious bidders where an asset has been shopped and a delay could jeopardize the
transaction. *See, e.g., In re Crowthers McCall Pattner, Inc.*, 114 B.R. 877, 885 (Bankr. S.D.N.Y.
1990) (extreme difficulty finding a buyer justified merger when buyer found). The Trustee’s
proposed sale of the License meets the foregoing criteria.

29 **1. Sound Business Purpose**

30 The Ninth Circuit has adopted a flexible, case-by-case test to determine whether the
31 business purpose for a proposed sale justifies disposition of property of the estate under Section
32 363(b). *In re Walter*, 83 B.R. 14 (B.A.P. 9th Cir. 1988). In *Walter*, the Ninth Circuit, adopting

1 the reasoning of the Fifth Circuit in *In re Continental Air Lines, Inc.*, 780 F.2d 1223 (5th Cir.
2 1986), and the Second Circuit in *In re Lionel Corp.*, 722 F.2d 1063 (2d Cir. 1983), set forth the
3 following standard to be applied under Bankruptcy Code Section 363(b):

4 Whether the proffered business justification is sufficient depends on the case. As
5 the Second Circuit held in *Lionel*, the bankruptcy judge should consider all salient
6 factors pertaining to the proceeding and, accordingly, act to further the diverse
7 interests of the debtor, creditors and equity holders, alike. He might, for example,
8 look to such relevant factors as the proportionate value of the assets to the estate
9 as a whole, the amount of lapsed time since the filing, the likelihood that a plan of
10 reorganization will be proposed and confirmed in the near future, the effect of the
11 proposed disposition on future plans of reorganization, the proceeds to be
12 obtained from the disposition vis-a-vis any appraisals of the property, which of
13 the alternatives of use, sale or lease the proposal envisions and, most importantly
14 perhaps, whether the asset is increasingly or decreasing in value. This list is not
15 intended to be exclusive, but merely to provide guidance to the bankruptcy judge.

16 *Walter*, 83 B.R. at 19-20 (quoting *Continental*, 780 F.2d at 1226).

17 Here, the facts surrounding the sale of the License supports the Trustee's business
18 decision that the proposed sale is in the best interests of the Estate and its creditors. First, the
19 Trustee has verified with a prominent local broker that \$62,500.00 is a fair net price for the
20 License. (*See* Cano Decl. ¶ 3) Second, the Trustee has proposed an overbid procedure to ensure
21 that the Estate receives the highest and best price for the License at the hearing on this Sale
22 Motion. Third, through the sale, the Trustee expects to generate \$41,825.00, after deducting the
23 Debtors' claimed exemption of \$20,675.00, for the benefit of the Estate. Therefore, the Trustee
24 respectfully submits that, if this Court applies the good business reason standard suggested by
25 the Second Circuit in *Lionel*, the sale should be approved.

26 2. The Sale Serves the Best Interests of the Estate and Creditors

27 The Trustee believes that it would be in the best interest of the Estate and its creditors to
28 sell the License. The benefits to the Estate, as set forth above, are significant as the proposed
sale will yield \$41,825.00 net to the Estate. If the Sale Motion is not approved, the Estate will
not receive the sale proceeds and will likely lose the Buyer. The Trustee does not want to lose
this beneficial business opportunity. Thus, the Trustee has made a business decision that it is in
the best interest of the creditors of the Estate that this Sale Motion be approved.

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1 3. Accurate and Reasonable Notice

2 It is expected that notice of this Sale Motion will satisfy the requirements for accurate
3 and reasonable notice.

4 The notice requirements for sales are set forth in Federal Rules of Bankruptcy Procedure
5 (“FRBP”) 6004 and 2002. The notice must include the time and place of any public sale and/or
6 the terms and conditions of any private sale, the time fixed for filing on objections and a general
7 description of the property. Fed. R. Bankr. P. 2002(c)(1).

8 In compliance with FRBP 2002 and Bankruptcy Code Section 102(1), the Trustee shall
9 provide notice of the proposed sale of the License to creditors and parties in interest. The Notice
10 of Sale Motion will include a summary of the terms and conditions of the proposed private sale,
11 the time fixed for filing objections, and a general description of the License. The Trustee
12 submits that the notice requirements will have been satisfied, thereby allowing creditors and
13 parties in interest an opportunity to object to the sale. Hence, no further notice should be
14 necessary.

15 4. The Sale is Made in Good Faith

16 The proposed sale has been brought in good faith and has been negotiated on an “arms
17 length” basis. The court, in *Wilde Horse Enterprises*, set forth the factors in considering whether
18 a transaction is in good faith. The court stated:

19 “Good faith” encompasses fair value, and further speaks to the integrity of the
20 transaction. Typical ‘bad faith’ or misconduct, would include collusion between
21 the seller and buyer, or any attempt to take unfair advantage of other potential
22 purchasers. . . . And, with respect to making such determinations, the court and
creditors must be provided with sufficient information to allow them to take a
position on the proposed sale.

23 *Id.* at 842 (citations omitted).

24 In the present case, the negotiation of the proposed sale was an arms-length transaction.
25 The negotiations with the Buyer resulted in a sale price for the License that will have substantial
26 benefit to the Estate. As set forth in the Notice of the Sale Motion, the creditors will have been
27 provided with sufficient notice of the sale. Accordingly, the sale is in good faith and should be
28 approved. The Trustee shall request such a finding pursuant to Bankruptcy Code Section 363(m)
at the hearing on this Sale Motion.

1 **B. The Proposed Sale Should be Allowed Free and Clear of Liens**

2 Bankruptcy Code Section 363(f) allows a trustee to sell property of the bankruptcy estate
3 “free and clear of any interest in such property of an entity,” if any one of the following five
4 conditions is met:

5 (1) applicable non-bankruptcy law permits a sale of such property free
6 and clear of such interest;

7 (2) such entity consents;

8 (3) such interest is a lien and the price at which such property is to be
9 sold is greater than the aggregate value of all liens on such property;

10 (4) such interest is in bona fide dispute; or

11 (5) such entity could be compelled, in a legal or equitable proceeding,
12 to accept money satisfaction of such interest.

13 11 U.S.C. § 363(f).

14 Section 363(f) is written in the disjunctive and thus only one of the enumerated
15 conditions needs to be satisfied for Court approval to be appropriate. The Trustee is not aware of
16 any liens and encumbrances impacting the License. In fact, California Business and Professions
17 Code § 24076 prohibits a licensee from granting a security interest in its/his/her license. *See* Cal.
18 Bus. & Prof. Code § 24076. Out of an abundance of caution, the Trustee seeks to the sell the
19 License free and clear of any and all liens and encumbrances, with all such liens and
20 encumbrances not satisfied through the sale to attach to the proceeds of the sale with the same
21 priority, validity, force and effect as they existed with respect to the License before the closing of
22 the sale pending further Court order or agreement with the parties. Accordingly, the Trustee
23 seeks to sell the Loans under Bankruptcy Code Section 363(f).

24 **C. The Court has the Authority to Approve the Bidding Procedures**

25 Implementation of the Bidding Procedures is an action outside of the ordinary course of
26 the business. Bankruptcy Code Section 363(b)(1) provides that a trustee “after notice and
27 hearing, may use, sell or lease, other than in the ordinary course of business, property of the
28 estate.” 11 U.S.C. § 363(b)(1). Furthermore, under Bankruptcy Code Section 105(a), “[t]he
court may issue any order, process, or judgment that is necessary or appropriate to carry out the

1 provisions of this title.” 11 U.S.C. § 105(a). Thus, pursuant to Bankruptcy Code Sections
2 363(b)(1) and 105(a), this Court may authorize the implementation of overbidding procedures.

3 The Ninth Circuit, in a case under the Bankruptcy Act, recognized the power of a
4 bankruptcy court to issue orders determining the terms and conditions for overbids with respect
5 to a sale of estate assets. *In re Crown Corporation*, 679 F.2d 774 (9th Cir. 1982). The *Crown*
6 *Corporation* court entered an order specifying the minimum consideration required for an
7 overbid as well as the particular contractual terms required to be offered by overbidders. *Id.* at
8 777. The *Crown Corporation* decision also approves an order requiring and setting the amount
9 of potential overbidder’s deposits and authorized courts to determine the disposition of such
10 deposits. *Id.* While the discussion is not extensive, the *Crown Corporation* decision recognizes
11 the authority of bankruptcy courts to order the implementation of bidding procedures such as
12 those proposed in the present case.

13 **1. The Overbid Procedures are Untainted by Self-Dealing**

14 The Bidding Procedures have been proposed in good faith and have been negotiated on
15 an “arms-length” basis. Therefore, there is no prospective taint in dealings between Trustee and
16 any potential bidders.

17 **2. The Overbid Procedures Encourage Bidding and are Fair in Amount**

18 The Bidding Procedures are designed to encourage, not hamper bidding and are
19 reasonable under the circumstances. The Bidding Procedures are intended to provide potential
20 overbidders with adequate information to make an informed decision as to the amount of their
21 bid and the validity of their bid.

22 **3. The Overbid Procedures are Fair, Reasonable and Serve the Best Interests of**
23 **the Estate**

24 The proposed Bidding Procedures serve the Estate in several ways. First, the Bidding
25 Procedures themselves are fair, reasonable and productive; they will permit the Trustee to
26 conduct an orderly sale and obtain the best possible price on the best possible terms for the
27 License.

28 ///

1 The Bidding Procedures will ensure that all bids will be comparable. The Trustee will
2 determine which bid is the highest and best for the Estate. The comparability requirement of the
3 Bidding Procedures will make it possible to accomplish this task.

4 The Bidding Procedures will help the Trustee to obtain the highest and best possible price
5 for the Property. The Bidding Procedures institute minimum overbid increments which the
6 Trustee believes are reasonable. Thus, the Trustee will be able to obtain substantial benefit for
7 this Estate from the sale of the License from competing bids.

8 The Bidding Procedures require that potential bidders demonstrate their capacity to
9 complete the transaction. It would be a serious loss to the Estate if it surrendered its opportunity
10 to sell the License to one buyer in favor of a competing bidder only to discover the successful
11 bidder incapable of consummating the transaction. Thus, requiring bidders to qualify as
12 qualified bidders will protect the Estate from such a loss.

13 Finally, the most important benefit of the Bidding Procedures to the Estate is that their
14 implementation will enable the consummation of the proposed sale. The proposed sale will be
15 the best way to obtain the maximum and most expedient recovery for creditors of this Estate.
16 Implementation of the Bidding Procedures is an essential component of consummating the sale
17 of the License and maximizing the value of the License for the Estate and creditors.

18 The Bidding Procedures proposed by the Trustee are fair and provide for a “level playing
19 field” for all prospective bidders with respect to the License. The proposed Bidding Procedures
20 establish a reasonable but expeditious timeline for allowing the Trustee to give notice of the
21 proposed sale and qualified bidders to conduct reasonable due diligence and submit competing
22 offers for the License, thereby potentially generating additional value for the License.
23 Furthermore, the notice that the Trustee proposes to provide to creditors and parties in interest in
24 connection with the Bidding Procedures and Sale Motion is designed to attract the most interest
25 in the acquisition of the License and is sufficient under the circumstances of this case. Thus,
26 approval of the Bidding Procedures will serve the best interests of the Estate and its creditors.

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1 **D. The Court has the Authority to Waive the Fourteen-Day Stay of Sale**

2 Federal Rule of Bankruptcy Procedure 6004(h) provides that “[a]n order authorizing the
3 use, sale or lease of property other than cash collateral is stayed until the expiration of 14 days
4 after entry of the order, unless the Court orders otherwise.” Fed. Rule Bankr. P. 6004(h).

5 The Trustee desires to close the sale of the License as soon as practicable after entry of an
6 order approving the sale. Accordingly, the Trustee requests that the Court, in the discretion
7 provided it under Federal Rule of Bankruptcy Procedure 6004(h), waive the fourteen-day stay
8 requirement.

9 **IV. CONCLUSION**

10 **WHEREFORE**, based upon the foregoing, the Trustee respectfully submits that good
11 cause exists for granting the Sale Motion and requests that the Court enter an order as follows:

- 12 1. Granting this Sale Motion;
- 13 2. Approving the Bidding Procedures set forth above for the sale of the License;
- 14 3. Authorizing the Trustee to sell the License to the Buyer (or Successful Bidder)
15 pursuant to the terms and conditions as set forth in the Escrow Instructions attached as **Exhibit**
16 **“2”** to the Leslie Decl.;
- 17 4. Authorizing the sale of the Loans free and clear of liens with liens not satisfied
18 through the sale to attach to the sale proceeds in the same validity and priority as prior to the
19 closing of the sale;
- 20 5. Authorizing the Trustee to sign any and all documents convenient and necessary
21 in pursuit of the sale as set forth above, including but not limited to any and all conveyances
22 contemplated by the Escrow Instructions attached as **Exhibit “2”** to the Leslie Decl.;
- 23 6. A determination by the Court that the Buyer is in good faith pursuant to
24 Bankruptcy Code Section 363(m);
- 25 7. Waiving the fourteen day stay of the order approving the sale of the License under
26 Federal Rules of Bankruptcy Procedure 6004(h); and

27 ///

28 ///

DECLARATION

DECLARATION OF SAM S. LESLIE

I, Sam S. Leslie, declare:

1. I am the duly appointed, qualified and acting Chapter 7 Trustee for the bankruptcy estate of Whitney Flood and Julie Retzlaff (“Debtors”). I have personal knowledge of the facts set forth herein, and if called and sworn as a witness, I could and would competently testify thereto, except where matters are stated on information and belief, in which case I am informed and believe that the facts so stated are true and correct.

2. I make this Declaration in support of my Motion for Order: (1) Authorizing Sale of Estate’s Right, Title and Interest in Alcoholic Beverage Control License Free and Clear of Liens Pursuant to Bankruptcy Code §§ 363(b)(9) and (f), Subject to Overbids; (3) Approving Overbid Procedures; and (2) Granting Related Relief (“Sale Motion”). All capitalized terms not otherwise defined herein shall have the meaning set forth in the Sale Motion.

3. I have read and I am aware of the contents of the Sale Motion and the accompanying Memorandum of Points and Authorities. The facts stated in the Sale Motion and the Memorandum of Points and Authorities are true to the best of my knowledge.

4. Among the assets of the Estate is a Type-47 On Sale General Eating Place Liquor License No. 47-528315.

5. The Debtors’ Schedule B reflects an ownership interest in a liquor license in connection with their former business, Bon Melange Catering LLC (“Bon Melange”). The Debtors have scheduled the value of the License at \$30,000.00 on their Schedule A and have claimed an exemption under California Code of Civil Procedure Section 703.140(b)(5) in the amount of \$20,675.00 on their Schedule C.

6. On their Statement of Financial Affairs, Question Number 18, the Debtors list an interest Bon Melange, a restaurant and catering business which the Debtors have informed me is closed. The Debtors are the managing members and only members of Bon Melange, as provided in the Declaration of Whitney Flood, which was provided to me by the Debtors and is attached hereto as **Exhibit “1”**. Accordingly, the Estate has a one hundred percent (100%) interest in Bon Melange and has the rights to sell all of the assets of Bon Melange. *Id.*

1 7. Through my counsel, I contacted Louie Cano, a Senior Broker/Consultant at
2 LiquorLicense.com. Mr. Cano verified that \$62,500.00 is a fair price for the License. Because of
3 the continuing marketing efforts of Mr. Cano, I propose to sell the Estate's right, title and interest
4 in the License to Cirgadyne, Inc. (or its nominee) for \$62,500.00 ("Purchase Price") pursuant to
5 the terms of the Escrow Instructions between the parties, a true and correct copy of which is
6 attached hereto as **Exhibit "2"** and incorporated herein by reference.

7 8. I received an offer from the Buyer to purchase the License for \$62,500.00. I have
8 verified with a prominent local broker that \$62,500.00 is a fair price for a Type-47 On Sale
9 General Eating Place Liquor License.

10 9. I am not aware of any tax consequences to the Estate for the sale of the Liquor
11 License.

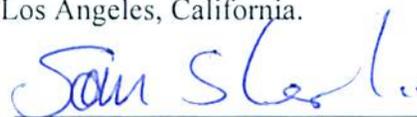
12 10. I am seeking to sell the Estate's interest in the License free and clear of all liens,
13 claims, and encumbrances and subject to the Bidding Procedures described in the Sale Motion.

14 11. As detailed in the Sale Motion, the sale of the License should generate proceeds
15 in the net amount of at least \$41,825.00 for the Estate, which will benefit the Estate by providing
16 funds for a distribution to the holders of unsecured claims.

17 12. For the reasons set forth in the Sale Motion and this Declaration, I respectfully
18 request that the Court grant the Sale Motion so that I do not lose this favorable business
19 opportunity to net a substantial amount of money for the Estate.

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

22 Executed on February 13, 2015, at Los Angeles, California.

23 

24 Sam S. Leslie

DECLARATION

DECLARATION OF LOUIE F. CANO

I, Louie F. Cano, declare:

1. I am a Senior Broker/Consultant, employed by LiquorLicense.com, broker for Cingadyne, Inc. (or its nominee) (the "Buyer"), the proposed buyer of the Estate's interest in a Type-47 On Sale General Eating Place Liquor License No. 47-528315 ("License"). I have personal knowledge of the facts set forth herein, and if called and sworn as a witness, I could and would competently testify thereto.

2. I make this Declaration in support of the Trustee's Motion for Order: (1) Authorizing Sale of Estate's Right, Title and Interest in Alcoholic Beverage Control License Free and Clear of Liens Pursuant to Bankruptcy Code §§ 363(b)(9) and (f), Subject to Overbids; (3) Approving Overbid Procedures; and (2) Granting Related Relief ("Sale Motion"). All capitalized terms not otherwise defined herein shall have the meaning set forth in the Sale Motion.

3. Based on my review of sale records, recent sales of similar licenses were as follows:

ABC Escrow # 15020-AS
License # 47-462753
Date: November 12, 2014
Sale Price: \$55,000.00

ABC Escrow # 15077-KA
License # 47-484034
Date: December 22, 2014
Sale Price: \$63,500.00

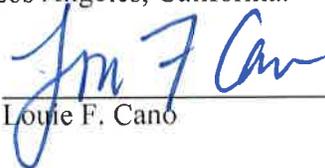
ABC Escrow # 15021-AS
License # 47-472816
Date: November 12, 2014
Sale Price: \$60,000.00

ABC Escrow # 15084-KA
License # 47-442797
Date: January 6, 2015
Sale Price: \$65,000.00

4. Based thereon, I believe that \$62,500.00 is a fair price for the License.

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

Executed on February 11, 2015, at Los Angeles, California.



Louie F. Cano

EXHIBIT "1"

FLOOD DECLARATION

DECLARATION OF WHITNEY FLOOD

I, Whitney Flood, declare as follows:

1. I have personal knowledge of the facts set forth herein and if called as witness could and would competently testify thereto. I am the debtor in this case.

2. My wife and I are the 100% equity owners of Bon Melange Catering, LLC ("Bon Melange.")

3. Upon the filing of my bankruptcy, Sam Leslie Chapter 7 Trustee acquired all the rights of a member of Bon Melange and has the rights to sell all the assets of Bon Melange including the liquor license.

4. All the creditors of Bon Melange were listed in my petition.

I declare under penalty of perjury that the foregoing is true and correct. Executed on January 30, 2015 at New Paeston, Connecticut.



Whitney Flood

EXHIBIT "2"

ESCROW INSTRUCTIONS



2222 Damon Street
Los Angeles, CA 90021
Tel: (213) 417-2341 • F: (213) 417-2339
www.abcescrow.com
kim@abcescrow.com

California Department of Corporations License 963-1735

**ESCROW INSTRUCTIONS
SALE OF ALCOHOLIC BEVERAGE CONTROL LICENSE**

Date: February 2, 2015
Officer: Kim Ables
Escrow No: 15143-KA

This instruction is given this Second day of February, 2015, by and between
BON MELANGE CATERING LLC (By: Sam S. Leslie, Chapter 7 trustee for the bankruptcy estate of Whitney Flood and Julie Retzlaff, 100% members of Bon Melange Catering LLC
PREMISE ADDRESS: 8631 WASHINGTON BLVD, Culver City, CA 90232
LIQUOR LICENSE NO: 47-528315
hereinafter known and designated as the **SELLER(S)**, and

CIRAGDYNE INC OR NOMINEE
PREMISE ADDRESS: PREMISES TO BE DESIGNATED,
hereinafter known and designated as the **BUYER(S)**,

The above mentioned liquor license is the subject of this escrow, which Seller owns and agrees to sell and Buyer agrees to purchase from Seller, described as Alcoholic Beverage License: **ON SALE GENERAL EATING PLACE License Number 47-528315** to be transferred to Buyer's said premises on the following terms and conditions:

	Terms of Transaction	
1. PURCHASE PRICE	\$	62,500.00
DEPOSIT	\$	6,000.00
BALANCE DUE	\$	56,500.00

Within thirty (30) days after application has been filed with the Department of Alcoholic Beverage Control, the Buyer agrees to deposit the balance of the purchase price as set out above plus any additional balance of funds due to Escrow Holder. Escrow Holder is instructed to then execute and forward the ABC form 226 to the Department of Alcoholic Beverage Control, indicating that the consideration has been deposited into the escrow.

- Subject to any precedent requirements, Seller and Buyer shall cause an application to be made for the transfer of the subject license at the proper office or offices of the Department of Alcoholic Beverage Control. Transfer fee to be paid by Buyer.
- Pursuant to Section 24073 of the Business and Professions Code of the State of California, Seller/Transferor and Buyer/Transferee will cause the Notice of Intended Transfer to be filed for record in the office of the county recorder in the county where the license is located, and provide a copy of said notice, certified by the county recorder, to be deposited with the Department of Alcoholic Beverage Control. The parties hereto authorize and instruct ABC Escrow to execute the Seller's signature on "Notice of Intended Transfer Liquor License" as accommodation to the parties in this escrow.
- Escrow shall close upon issuance of said license to Buyer by the Department of Alcoholic Beverage Control.
- The Escrow Holder discloses Craig Block has an affiliated interest in both ABC Escrow and Liquor License Specialists.

If notified by the Department of Alcoholic Beverage Control that any tax agency under the provisions of Section 24049 of said Act has withheld the transfer and that nothing at the time of such notification is preventing the transfer except the release of such withhold, then the Escrow Holder is authorized and instructed to pay from funds in escrow the amount of taxes claimed due by any such agency and charge the Seller's account without further authorization required for doing so.

Upon notification to Escrow Holder by the Dept. of Alcoholic Beverage Control of approval of the transfer of the license, Escrow Holder shall furnish the Seller with a list of the claims filed in escrow prior to receipt of said notification. Unless Seller notifies Escrow Holder in writing to the contrary within ten (10) days after Escrow Holder have furnished said list, all claims appearing on said list, shall be construed by Escrow Holder as being bonafide and Escrow Holder is authorized and instructed to pay the same in accordance with Section 24074 of the Business & Professions Code of California.

ADDITIONAL INSTRUCTION ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

Buyer _____

Seller 

Buyer agrees to pay 100% of the escrow fees and costs in this transaction.

Escrow Holder is authorized and instructed to disburse from Buyer's funds on deposit any amounts necessary for the payment of expenses which must be paid prior to the close of escrow, including but not limited to: recording fees, and overnight mail services. The parties acknowledge that though such disbursements are made from Buyer's funds on deposit, these payments may be made for the benefit of either the Seller or the Buyer to facilitate the closing of this escrow. These payments are not refundable whether this escrow closes or cancels and all parties acknowledge ABC Escrow shall have no responsibility or liability in connection with the recovery of Buyer's funds should a dispute arise between Buyer and Seller. At the close of escrow, Escrow Holder is authorized to charge the party for whom the expense was incurred and is released from any and all liability in connection with compliance with this instruction.

In addition to the purchase price payable to the Seller for the license, the Buyer is paying a finder's fee through this escrow per the terms of a separate agreement and instruction deposited herewith, a matter which the Seller has no responsibility.

Buyer herein understands that it is Buyer's responsibility to pay the license renewal fee in the amount of \$876.00 or the prevailing rate to the Department of Alcoholic Beverage Control on or before 6/30/2015.

Buyer Initials: _____

Escrow Holder is authorized and instructed to take a cancellation fee from funds on deposit as specified in this instruction and the additional cancellation instructions. Escrow Holder will disburse any remaining deposits to the parties specified in the instructions.

Buyer Initials: _____

Seller Initials: _____ 

BUYER RESERVES THE RIGHT TO NOMINATE A PARTY OTHER THAN HIMSELF AS THE PURCHASER IN THIS ESCROW ON THE SAME TERMS AND CONDITIONS THAT ARE HEREIN PRESCRIBED, AND MAY UNILATERALLY INSTRUCT THE ESCROW HOLDER AS TO SUCH DESIGNATED NOMINEE, IN WHICH EVENT THE ESCROW HOLDER IS HEREBY AUTHORIZED AND INSTRUCTED TO ACCEPT AND ACT UPON SUCH UNILATERAL INSTRUCTIONS AND TO ENTER THE NAME OF SUCH NOMINEE IN THESE INSTRUCTIONS AND ALL DOCUMENTS ATTENDANT HERETO AS REQUIRED TO EFFECT AN APPLICATION FOR PROCESS FOR THE LICENSE TRANSFER AND THE PROCESSING OF THIS ESCROW WITHOUT FURTHER AUTHORIZATION AND INSTRUCTIONS FROM THE SELLER. THE UNDERSIGNED BUYER HEREBY UNDERSTANDS AND ACCEPTS ALL TERMS AND CONDITIONS OF THE ESCROW INSTRUCTIONS IN ITS ENTIRETY AND AGREES TO EXECUTE SAID ESCROW INSTRUCTIONS AS THE BUYER.

The parties understand that the Escrow is subject to approval of the bankruptcy court and that the applicable judicial district of the bankruptcy court has the sole and exclusive jurisdiction to hear and decide any and all controversies or matters relating to the subject license and the parties submitted to such jurisdiction.

Anything to the contrary contained in the printed matter of these instructions notwithstanding, the parties acknowledge that none of the provisions of Section 24073 & 24074 of the Business & Professions Code apply in this escrow, and that, except for the payment of taxes, if any, as provided in Section 24049 of the Business & Professions Code as a condition precedent to the license transfer, the proceeds of this escrow are to be paid to the Trustee/Seller for the distribution pursuant to his charge and the approval of the bankruptcy court.

License is subject to overbid and court approval.

ESCROW INSTRUCTIONS: ABC Escrow, may accept Escrow Instructions executed in counterpart as separate originals, regardless of the date of their signing and delivery. Such counterparts together shall be construed as one and the same document. Escrow Agent, Seller, and Purchaser, and each of them, agree that this Agreement, all amendments hereto, notices and communications given in accordance herewith, may be executed in counterpart and transmitted by facsimile, adobe/pdf format or other similar media, each of which shall be deemed an original signed by the transmitting party, the authenticity of which signature(s) shall be deemed to be authenticity represented by the transmission.

GENERAL PROVISIONS: The Parties acknowledge that they have read, understood, and agreed to the General Provision of these Escrow Instructions, and that the Provisions as stated are fully incorporated into these Escrow Instructions. The undersigned state that they have read these instructions and understand and agree to them. Escrow Holders are not authorized to give legal advice. If you desire legal advice, consult your attorney before signing.

ADDITIONAL INSTRUCTION ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

Buyer _____

Seller 

ADDITIONAL ESCROW CONDITIONS AND INSTRUCTIONS - GENERAL PROVISIONS

1. The parties hereby enter into this escrow at ABC Escrow, 2222 Damon Street, Los Angeles, CA 90021, hereafter referred to as Escrow Holder, for the purpose of completing this transaction in accordance with Sections 6101-6107 of the Uniform Commercial Code of California, Section 3440 of the California Civil Code, or such other law as may be applicable to the subject matter of this escrow.
2. No demand, alteration or amendment shall be binding on Escrow Holder unless given in writing, signed by all parties hereto and deposited with Escrow Holder.
3. Should any dispute arise between or among the parties hereto or third parties or should Escrow Holder receive conflicting demands with reference to the escrow, Escrow Holder may, at its option, but without limiting its other rights hereafter set forth, do either of the following.
 - A. Stop all proceedings in the performance of this escrow and withhold delivery of documents or monies in its possession until such dispute or conflicting demands have been resolved and written proof thereof has been deposited in escrow.
 - B. File an interpleader suit in any court of competent jurisdiction. Upon the filing of such suit, Escrow Holder shall be fully released and discharged of and from all obligations and liability in connection with the escrow, and the parties jointly and severally agree to pay Escrow Holder all costs, expenses, charges and actual attorneys' fees expended or incurred by Escrow Holder.
4. In the event Escrow Holder receives from any third party any claim or demand against any party hereto, and such claim or demand is denied or disallowed in whole or in part, Escrow Holder may notify the said claimant of such denial or disallowance and hold the money or documents of the party against whom the claim is made for a period of twenty-five (25) days. Should the claimant fail to cause a levy on the documents, funds, or assets of said party within the time so provided, Escrow Holder may, in its discretion, distribute funds or documents to the party against whom the claim or demand was made, without liability to any person for so doing.
5. The parties authorize Escrow Holder to pay from funds deposited in escrow all charges for publications, recordings, filings, and chattel and security interest searches when incurred. The parties authorize Escrow Holder to pay from funds deposited in escrow at the close thereof; or following notice of cancellation or rescission or following a failure of the parties to comply with the terms of this escrow, all escrow fees, attorneys' fees, or other charges incurred in connection with this escrow. The parties authorize Escrow Holder to pay from funds deposited in escrow costs and expenses incurred in connection with this escrow including, but not limited to, the actual cost of wire transfers, long distance telephone calls, messenger and other delivery fees, postage, and overnight mail, and charges by Escrow Holder in connection with facsimile transmissions, photocopying and other reproductions costs, document preparation, and document change fees in accordance with Escrow Holder's current scheduled rates, which rates are available to the parties upon request.
6. The parties acknowledge that Escrow Holder is a mere stakeholder as contemplated in Section 386.5 of the California Code of Civil Procedure, and Escrow Holder shall not be required to perform any services or duties except the safekeeping of money, instruments, or other documents received by it and the disposition of same in accordance with the written instructions accepted in this escrow. However, without further authorization, Escrow Holder may accept performance from the parties hereto after the time specifically provided for performance has passed.
7. Escrow Holder shall not be liable for any of the following:
 - A. The sufficiency or correctness of form, content, execution or validity, or any instrument deposited in escrow;
 - B. The identity, authority, or right of any person to execute the documents referred to in herein;
 - C. The failure of the parties to comply with these instructions or any agreement or documents filed or referred to herein;
 - D. Any exercise of discretion by Escrow Holder provided such exercise is authorized by these instructions;
 - E. Inadvertent failure of Escrow Holder to comply with these instructions or any agreement or document filed or referred to herein;
 - F. Fraud perpetrated by any person in connection with this escrow;
 - G. Forgeries or false impersonations occurring in connection with this escrow.
8. Each party to this Escrow further warrants that any negotiable instrument ("Instrument") delivered to Escrow by or on behalf of such party ("Delivering Party") shall be honored upon presentation by Escrow. In the event such Instrument is not honored upon presentation, such Delivering Party shall be charged by Escrow a dishonored check fee of \$25.00. Upon any Instrument not being honored upon any second attempt to negotiate such Instrument, Escrow requires such Delivering Party to deliver to Escrow a replacement cashier's check in the amount of the original Instrument, plus the dishonored Instrument fee. In the event a cashier's check is required by Escrow, at its sole discretion, to replace the opening deposit funds, then only a cashier's check will be accepted for payment of all further deposits into Escrow on behalf of such party.
9. The parties jointly and severally promise to indemnify and hold Escrow Holder harmless of and from all costs, charges, damages, claims, judgments, attorneys' fees, expenditures, obligations, expenses and liabilities of every kind and nature which Escrow Holder may incur or sustain in connection with this escrow. Escrow Holder is hereby given a lien upon all of the right, title and interest of all parties hereto in all escrow papers, documents and writings and other property and monies deposited in escrow to secure performance of the promises contained in this paragraph.
10. Should any paragraph, clause, or provision of this Agreement be construed or interpreted by a court of competent jurisdiction to be void, invalid, or unenforceable, such decision shall affect only the paragraph, clause or provision so construed or interpreted and shall in no event affect the remaining paragraphs, clauses or provisions of these instructions which shall remain valid, subsisting and enforceable.
11. Should it become necessary for Escrow Holder to employ an attorney in connection with this escrow for consultation, drafting documents, sending notices or instituting, prosecuting, defending or responding to litigation (whether instituted by the parties, creditors or any third party concerning this escrow), the parties hereto do jointly and severally (a) agree to pay Escrow Holder on demand all attorney's fees and costs so incurred and reasonably determined by Escrow to be incurred (b) authorize Escrow Holder to deduct from any funds deposited with it and pay all attorney's fees and costs so incurred and reasonably determined by Escrow Holder to be incurred, and (c) if such deposited funds are unavailable due to, including but limited to, levy or execution, grant Escrow Holder a superior lien and security interest in and to all deposited funds held by Escrow Holder upon which such levy or execution applies, and which deposited funds Escrow Holder is required to deposit with any levying agency in the amount of all attorney's fees and costs so incurred and reasonably determined by Escrow Holder to be incurred.

ADDITIONAL INSTRUCTION ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

Buyer _____

Page 3

Seller 

EXHIBIT "2"

This Escrow Agreement is deemed to have been made in Los Angeles, CA and the place of performance is deemed to occur in Los Angeles, CA. Should any action be brought in connection with this Escrow Agreement, or among or between the parties to this Escrow Agreement pertaining to any matter in connection with this Escrow Agreement, venue is agreed to be proper only in Los Angeles, CA. This Escrow Agreement incorporates and contains the full and final expression of all of the terms of this Agreement, and supercedes all prior and contemporaneous oral understandings or agreements of the parties. This Agreement, and all documents requiring signature in connection with this Escrow Agreement, will be considered signed by a party when the signature of such party is delivered by mail, delivery, facsimile or electronic (i.e., e-mail) transmission. Any such signature transmission shall be treated in all respects as an original signature.

IN WITNESS WHEREOF, the parties have executed this document on February 2, 2015.

BUYER

SELLER

CIRAGDYNE INC OR NOMINEE

BON MELANGE CATERING LLC

By _____

[Signature]
By: SAM S. LESLIE, CHAPTER 7 TRUSTEE FOR
THE BANKRUPTCY ESTATE OF WHITNEY
FLOOD AND JULIE RETZLAFF, 100%
MEMBERS OF BON MELANGE CATERING LLC

Print Name & Title _____

Print Name & Title SAM S. Leslie
Trustee

** END OF INSTRUCTIONS **



2222 Damon Street
Los Angeles, CA 90021
Tel: (213) 417-2341 • F: (213) 417-2339
www.abcescrow.com
kim@abcescrow.com

California Department of Corporations License 963-1735

**ESCROW INSTRUCTIONS
SALE OF ALCOHOLIC BEVERAGE CONTROL LICENSE**

Date: February 2, 2015
Officer: Kim Ables
Escrow No: 15143-KA

This instruction is given this **Second day of February, 2015**, by and between
BON MELANGE CATERING LLC (By: Sam S. Leslie, Chapter 7 trustee for the bankruptcy estate of Whitney Flood and Julie Retzlaff, 100% members of Bon Melange Catering LLC
PREMISE ADDRESS: 8631 WASHINGTON BLVD, Culver City, CA 90232
LIQUOR LICENSE NO: 47-528315
hereinafter known and designated as the **SELLER(S)**, and

GREEN OLIVE MEDITERRANEAN CUISINE APOLLO INC.
PREMISE ADDRESS: 8830 APOLLO WAY #104, DOWNEY, CA 90242
hereinafter known and designated as the **BUYER(S)**,

The above mentioned liquor license is the subject of this escrow, which Seller owns and agrees to sell and Buyer agrees to purchase from Seller, described as Alcoholic Beverage License: **ON SALE GENERAL EATING PLACE License Number 47-528315** to be transferred to Buyer's said premises on the following terms and conditions:

Terms of Transaction

1. PURCHASE PRICE	\$	62,500.00
DEPOSIT	\$	6,000.00
BALANCE DUE	\$	56,500.00

Within thirty (30) days after application has been filed with the Department of Alcoholic Beverage Control, the Buyer agrees to deposit the balance of the purchase price as set out above plus any additional balance of funds due to Escrow Holder. Escrow Holder is instructed to then execute and forward the ABC form 226 to the Department of Alcoholic Beverage Control, indicating that the consideration has been deposited into the escrow.

2. **Subject to any precedent requirements, Seller and Buyer shall cause an application to be made for the transfer of the subject license at the proper office or offices of the Department of Alcoholic Beverage Control. Transfer fee to be paid by Buyer.**
3. Pursuant to Section 24073 of the Business and Professions Code of the State of California, Seller/Transferor and Buyer/Transferee will cause the Notice of Intended Transfer to be filed for record in the office of the county recorder in the county where the license is located, and provide a copy of said notice, certified by the county recorder, to be deposited with the Department of Alcoholic Beverage Control. The parties hereto authorize and instruct ABC Escrow to execute the Seller's signature on "Notice of Intended Transfer Liquor License" as accommodation to the parties in this escrow.
4. Escrow shall close upon issuance of said license to Buyer by the Department of Alcoholic Beverage Control.
5. The Escrow Holder discloses Craig Block has an affiliated interest in both ABC Escrow and Liquor License Specialists.

If notified by the Department of Alcoholic Beverage Control that any tax agency under the provisions of Section 24049 of said Act has withheld the transfer and that nothing at the time of such notification is preventing the transfer except the release of such withhold, then the Escrow Holder is authorized and instructed to pay from funds in escrow the amount of taxes claimed due by any such agency and charge the Seller's account without further authorization required for doing so.

Upon notification to Escrow Holder by the Dept. of Alcoholic Beverage Control of approval of the transfer of the license, Escrow Holder shall furnish the Seller with a list of the claims filed in escrow prior to receipt of said notification. Unless Seller notifies Escrow Holder in writing to the contrary within ten (10) days after Escrow Holder have furnished said list, all claims appearing on said list, shall be construed by Escrow Holder as being bonafide and Escrow Holder is authorized and instructed to pay the same in accordance with Section 24074 of the Business & Professions Code of California.

ADDITIONAL INSTRUCTION ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

Buyer *S.S*

Buyer agrees to pay 100% of the escrow fees and costs in this transaction.

Escrow Holder is authorized and instructed to disburse from Buyer's funds on deposit any amounts necessary for the payment of expenses which must be paid prior to the close of escrow, including but not limited to: recording fees, and overnight mail services. The parties acknowledge that though such disbursements are made from Buyer's funds on deposit, these payments may be made for the benefit of either the Seller or the Buyer to facilitate the closing of this escrow. These payments are not refundable whether this escrow closes or cancels and all parties acknowledge ABC Escrow shall have no responsibility or liability in connection with the recovery of Buyer's funds should a dispute arise between Buyer and Seller. At the close of escrow, Escrow Holder is authorized to charge the party for whom the expense was incurred and is released from any and all liability in connection with compliance with this instruction.

In addition to the purchase price payable to the Seller for the license, the Buyer is paying a finder's fee through this escrow per the terms of a separate agreement and instruction deposited herewith, a matter which the Seller has no responsibility.

Buyer herein understands that it is Buyer's responsibility to pay the license renewal fee in the amount of \$876.00 or the prevailing rate to the Department of Alcoholic Beverage Control on or before 6/30/2015.

Buyer Initials: S.S

Escrow Holder is authorized and instructed to take a cancellation fee from funds on deposit as specified in this instruction and the additional cancellation instructions. Escrow Holder will disburse any remaining deposits to the parties specified in the instructions.

Buyer Initials: S.S

Seller Initials: _____

BUYER RESERVES THE RIGHT TO NOMINATE A PARTY OTHER THAN HIMSELF AS THE PURCHASER IN THIS ESCROW ON THE SAME TERMS AND CONDITIONS THAT ARE HEREIN PRESCRIBED, AND MAY UNILATERALLY INSTRUCT THE ESCROW HOLDER AS TO SUCH DESIGNATED NOMINEE, IN WHICH EVENT THE ESCROW HOLDER IS HEREBY AUTHORIZED AND INSTRUCTED TO ACCEPT AND ACT UPON SUCH UNILATERAL INSTRUCTIONS AND TO ENTER THE NAME OF SUCH NOMINEE IN THESE INSTRUCTIONS AND ALL DOCUMENTS ATTENDANT HERETO AS REQUIRED TO EFFECT AN APPLICATION FOR PROCESS FOR THE LICENSE TRANSFER AND THE PROCESSING OF THIS ESCROW WITHOUT FURTHER AUTHORIZATION AND INSTRUCTIONS FROM THE SELLER. THE UNDERSIGNED BUYER HEREBY UNDERSTANDS AND ACCEPTS ALL TERMS AND CONDITIONS OF THE ESCROW INSTRUCTIONS IN ITS ENTIRETY AND AGREES TO EXECUTE SAID ESCROW INSTRUCITONS AS THE BUYER.

The parties understand that the Escrow is subject to approval of the bankruptcy court and that the applicable judicial district of the bankruptcy court has the sole and exclusive jurisdiction to hear and decide any and all controversies or matters relating to the subject license and the parties submitted to such jurisdiction.

Anything to the contrary contained in the printed matter of these instructions notwithstanding, the parties acknowledge that none of the provisions of Section 24073 & 24074 of the Business & Professions Code apply in this escrow, and that, except for the payment of taxes, if any, as provided in Section 24049 of the Business & Professions Code as a condition precedent to the license transfer, the proceeds of this escrow are to be paid to the Trustee/Seller for the distribution pursuant to his charge and the approval of the bankruptcy court.

License is subject to overbid and court approval.

ESCROW INSTRUCTIONS: ABC Escrow, may accept Escrow Instructions executed in counterpart as separate originals, regardless of the date of their signing and delivery. Such counterparts together shall be construed as one and the same document. Escrow Agent, Seller, and Purchaser, and each of them, agree that this Agreement, all amendments hereto, notices and communications given in accordance herewith, may be executed in counterpart and transmitted by facsimile, adobe/pdf format or other similar media, each of which shall be deemed an original signed by the transmitting party, the authenticity of which signature(s) shall be deemed to be authenticity represented by the transmission.

GENERAL PROVISIONS: The Parties acknowledge that they have read, understood, and agreed to the General Provision of these Escrow Instructions, and that the Provisions as stated are fully incorporated into these Escrow Instructions. The undersigned state that they have read these instructions and understand and agree to them. Escrow Holders are not authorized to give legal advice. If you desire legal advice, consult your attorney before signing.

ADDITIONAL INSTRUCTION ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

Buyer S.S

EXHIBIT "2" Seller _____

ADDITIONAL ESCROW CONDITIONS AND INSTRUCTIONS - GENERAL PROVISIONS

1. The parties hereby enter into this escrow at ABC Escrow, 2222 Damon Street, Los Angeles, CA 90021, hereafter referred to as Escrow Holder, for the purpose of completing this transaction in accordance with Sections 6101-6107 of the Uniform Commercial Code of California, Section 3440 of the California Civil Code, or such other law as may be applicable to the subject matter of this escrow.
2. No demand, alteration or amendment shall be binding on Escrow Holder unless given in writing, signed by all parties hereto and deposited with Escrow Holder.
3. Should any dispute arise between or among the parties hereto or third parties or should Escrow Holder receive conflicting demands with reference to the escrow, Escrow Holder may, at its option, but without limiting its other rights hereafter set forth, do either of the following.
 - A. Stop all proceedings in the performance of this escrow and withhold delivery of documents or monies in its possession until such dispute or conflicting demands have been resolved and written proof thereof has been deposited in escrow.
 - B. File an interpleader suit in any court of competent jurisdiction. Upon the filing of such suit, Escrow Holder shall be fully released and discharged of and from all obligations and liability in connection with the escrow, and the parties jointly and severally agree to pay Escrow Holder all costs, expenses, charges and actual attorneys' fees expended or incurred by Escrow Holder.
4. In the event Escrow Holder receives from any third party any claim or demand against any party hereto, and such claim or demand is denied or disallowed in whole or in part, Escrow Holder may notify the said claimant of such denial or disallowance and hold the money or documents of the party against whom the claim is made for a period of twenty-five (25) days. Should the claimant fail to cause a levy on the documents, funds, or assets of said party within the time so provided, Escrow Holder may, in its discretion, distribute funds or documents to the party against whom the claim or demand was made, without liability to any person for so doing.
5. The parties authorize Escrow Holder to pay from funds deposited in escrow all charges for publications, recordations, filings, and chattel and security interest searches when incurred. The parties authorize Escrow Holder to pay from funds deposited in escrow at the close thereof, or following notice of cancellation or rescission or following a failure of the parties to comply with the terms of this escrow, all escrow fees, attorneys' fees, or other charges incurred in connection with this escrow. The parties authorize Escrow Holder to pay from funds deposited in escrow costs and expenses incurred in connection with this escrow including, but not limited to, the actual cost of wire transfers, long distance telephone calls, messenger and other delivery fees, postage, and overnight mail, and charges by Escrow Holder in connection with facsimile transmissions, photocopying and other reproductions costs, document preparation, and document change fees in accordance with Escrow Holder's current scheduled rates, which rates are available to the parties upon request.
6. The parties acknowledge that Escrow Holder is a mere stakeholder as contemplated in Section 386.5 of the California Code of Civil Procedure, and Escrow Holder shall not be required to perform any services or duties except the safekeeping of money, instruments, or other documents received by it and the disposition of same in accordance with the written instructions accepted in this escrow. However, without further authorization, Escrow Holder may accept performance from the parties hereto after the time specifically provided for performance has passed.
7. Escrow Holder shall not be liable for any of the following:
 - A. The sufficiency or correctness of form, content, execution or validity, or any instrument deposited in escrow;
 - B. The identity, authority, or right of any person to execute the documents referred to in herein;
 - C. The failure of the parties to comply with these instructions or any agreement or documents filed or referred to herein;
 - D. Any exercise of discretion by Escrow Holder provided such exercise is authorized by these instructions;
 - E. Inadvertent failure of Escrow Holder to comply with these instructions or any agreement or document filed or referred to herein;
 - F. Fraud perpetrated by any person in connection with this escrow;
 - G. Forgeries or false impersonations occurring in connection with this escrow.
8. Each party to this Escrow further warrants that any negotiable instrument ("Instrument") delivered to Escrow by or on behalf of such party ("Delivering Party") shall be honored upon presentation by Escrow. In the event such Instrument is not honored upon presentation, such Delivering Party shall be charged by Escrow a dishonored check fee of \$25.00. Upon any Instrument not being honored upon any second attempt to negotiate such Instrument, Escrow requires such Delivering Party to deliver to Escrow a replacement cashier's check in the amount of the original Instrument, plus the dishonored Instrument fee. In the event a cashier's check is required by Escrow, at its sole discretion, to replace the opening deposit funds, then only a cashier's check will be accepted for payment of all further deposits into Escrow on behalf of such party.
9. The parties jointly and severally promise to indemnify and hold Escrow Holder harmless of and from all costs, charges, damages, claims, judgments, attorneys' fees, expenditures, obligations, expenses and liabilities of every kind and nature which Escrow Holder may incur or sustain in connection with this escrow. Escrow Holder is hereby given a lien upon all of the right, title and interest of all parties hereto in all escrow papers, documents and writings and other property and monies deposited in escrow to secure performance of the promises contained in this paragraph.
10. Should any paragraph, clause, or provision of this Agreement be construed or interpreted by a court of competent jurisdiction to be void, invalid, or unenforceable, such decision shall affect only the paragraph, clause or provision so construed or interpreted and shall in no event affect the remaining paragraphs, clauses or provisions of these instructions which shall remain valid, subsisting and enforceable.
11. Should it become necessary for Escrow Holder to employ an attorney in connection with this escrow for consultation, drafting documents, sending notices or instituting, prosecuting, defending or responding to litigation (whether instituted by the parties, creditors or any third party concerning this escrow), the parties hereto do jointly and severally (a) agree to pay Escrow Holder on demand all attorney's fees and costs so incurred and reasonably determined by Escrow to be incurred (b) authorize Escrow Holder to deduct from any funds deposited with it and pay all attorney's fees and costs so incurred and reasonably determined by Escrow Holder to be incurred, and (c) if such deposited funds are unavailable due to, including but not limited to, levy or execution, grant Escrow Holder a superior lien and security interest in and to all deposited funds held by Escrow Holder upon which such levy or execution applies, and which deposited funds Escrow Holder is required to deposit with any levying agency in the amount of all attorney's fees and costs so incurred and reasonably determined by Escrow Holder to be incurred.

ADDITIONAL INSTRUCTION ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

Buyer S.S

EXHIBIT "2" Seller

This Escrow Agreement is deemed to have been made in Los Angeles, CA and the place of performance is deemed to occur in Los Angeles, CA. Should any action be brought in connection with this Escrow Agreement, or among or between the parties to this Escrow Agreement pertaining to any matter in connection with this Escrow Agreement, venue is agreed to be proper only in Los Angeles, CA. This Escrow Agreement incorporates and contains the full and final expression of all of the terms of this Agreement, and supercedes all prior and contemporaneous oral understandings or agreements of the parties. This Agreement, and all documents requiring signature in connection with this Escrow Agreement, will be considered signed by a party when the signature of such party is delivered by mail, delivery, facsimile or electronic (i.e., e-mail) transmission. Any such signature transmission shall be treated in all respects as an original signature.

IN WITNESS WHEREOF, the parties have executed this document on _____, 20_____.

BUYER

SELLER

GREEN OLIVE MEDITERRANEAN CUISINE
APOLLO INC.

BON MELANGE CATERING LLC

By: 

By: _____

Print Name & Title SAM SABEEEM

Print Name & Title _____

/owner

**** END OF INSTRUCTIONS ****