

OVERBID PROCEDURES

1. Eligibility/Qualifications to Make Competing Bids

A party may submit an overbid if such party provides the following to the Trustee/Seller no later than December 11, 2012:

- a. A cash deposit in the amount of at least \$175,000, paid by cashier's check payable to the seller, "John J. Menchaca, Chapter 7 Trustee."
- b. A purchase agreement, signed by the bidder, that contains a purchase price of at least \$735,000 (the "Minimum Initial Overbid Amount"), and contains other terms that are the same as, or no less favorable to the Estate (in the Trustee/Seller's sole discretion), to the terms stated in an Asset Purchase Agreement between the Trustee and the current proposed buyer of the property. You may obtain a copy of such agreement by contacting the Trustee/Seller's attorney, whose name and contact information are indicated on page 1 of this notice.
- c. Evidence reasonably satisfactory to the Trustee/Seller that the bidder has the financial and other ability to consummate a purchase/sale of the property (examples of such evidence include, without limitation, a current bank statement or financial statement, or a letter from a lender indicating that the bidder has been pre-approved for a loan).

2. Auction

If the Trustee/Seller receives a bid from a qualified bidder (a "Qualified Overbid"), an auction will be conducted on the sale date (the "Auction"). At the commencement of the Auction, the Trustee/Seller will announce the opening bid, which will be the Qualified Overbid that the Trustee/Seller determines, in his sole discretion, is the highest and/or best Qualified Overbid. During the Auction, any participant may increase his/her/its bid by another bid that provides for consideration that exceeds the then highest bid by at least \$20,000.00 (the "Minimum Bid Increment").

At the conclusion of the Auction, the Trustee will request authority to sell the property to the bidder who makes the highest and/or best Qualified Overbid (the "Winning Bidder"), and for authority to sell the property to the next highest bidder if the Winning Bidder fails to timely perform.

3. Application or Forfeiture of Deposit

The deposit of every bidder other than the Winning Bidder will be returned to the bidder. The deposit of the Winning bidder will be applied towards the purchase price upon consummation of the purchase/sale. If, however, the Winning Bidder fails to close the sale by the closing date agreed to by the Trustee/Seller and the Winning Bidder, for any reason other than a material breach by the Trustee/Seller, then \$50,000 of the deposit tendered by the Winning Bidder shall be non-refundable and forfeited to the Trustee/Seller.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 333 South Hope Street, Thirty-Fifth Floor, Los Angeles, California 90071-1406.

A true and correct copy of the foregoing document entitled (*specify*): NOTICE OF SALE OF ESTATE PROPERTY will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) November 17, 2012 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Jon R Barker on behalf of Debtor Kenneth Schacter
jon@jonbarkerlaw.com

Guy R Bayley on behalf of Other Professional Guy Bayley
bayleyco@sbcglobal.net

David I Brownstein on behalf of Creditor Robert Manheim
brownsteinlaw@gmail.com

John J Menchaca (TR)
igaeta@menchacacpa.com, ca87@ecfbis.com;igaeta@menchacacpa.com

James B Smith on behalf of Debtor Kenneth Schacter
jim@jamesbsmithlaw.com

Marcus Tompkins on behalf of Interested Party Courtesy NEF
mtompkins@sulmeyerlaw.com, jbartlett@sulmeyerlaw.com

United States Trustee (LA)
ustpreion16.la.ecf@usdoj.gov

Darlene C Vigil on behalf of Creditor Courtesy NEF
cdcaecf@bdfgroup.com

Kristin S Webb on behalf of Creditor Courtesy NEF
bknotice@rcolegal.com

Jeffrey N Williams on behalf of Creditor Courtesy NEF
jwilliams@wargofrench.com

Hatty K Yip on behalf of U.S. Trustee United States Trustee (LA)
hatty.yip@usdoj.gov

Christine Zarifian on behalf of Creditor State Board Of Equalization
christine.zarifian@doj.ca.gov

Service information continued on attached page.

2. SERVED BY UNITED STATES MAIL:

On *(date)* November 17, 2012, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

The Honorable Ernest M. Robles
U.S. Bankruptcy Court
Roybal Federal Building
Bin outside of Suite 1560
255 E. Temple Street
Los Angeles, CA 90012-3332

Service information continued on attached page.

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on *(date)*

_____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page.

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

<u>November 17, 2012</u>	<u>Marcus A. Tompkins</u>	<u>/s/ Marcus A. Tompkins</u>
<i>Date</i>	<i>Printed Name</i>	<i>Signature</i>