

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Howard M. Ehrenberg (CA Bar No. 125527) hehrenberg@sulmeyerlaw.com Asa S. Hami (CA Bar No. 210728) ahami@sulmeyerlaw.com SulmeyerKupetz A Professional Corporation 333 South Hope Street, Thirty-Fifth Floor Los Angeles, California 90071-1406 Telephone: 213.626.2311 Facsimile: 213.629.4520 <input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Timothy J. Yoo, Chapter 7 Trustee	FOR COURT USE ONLY
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION	
In re: DIRECT SHOPPING NETWORK, LLC, Debtor(s).	CASE NO.: 2:12-bk-35534-BB CHAPTER: 7 <p style="text-align: center;">NOTICE OF SALE OF ESTATE PROPERTY</p>

Sale Date: March 5, 2014	Time: 10:00 a.m.
Location: Courtroom 1475, 255 E. Temple St., Los Angeles, CA 90012	

Type of Sale: Public Private **Last date to file objections:** February 19, 2014

Description of property to be sold: Estate's interest (14%) in non-residential real property at 22600 Savi Ranch Parkway, Yorba Linda, California 92887; APN 352-114-11

Terms and conditions of sale: See attached Exhibit 1

Proposed sale price: \$380,000.00

Overbid procedure (if any): See attached Exhibit 2

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

March 5, 2014, 10:00 a.m.

Courtroom 1475 of above-entitled court at
255 E. Temple Street, Los Angeles, CA 90012

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

Asa S. Hami, Esq.

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Date: February 12, 2014

EXHIBIT 1

The following is a summary of the terms and conditions of sale:

- **Court Approval and “As Is” Sale:** The Sale is subject to Bankruptcy Court approval and shall be on an “as is,” “where is” and “with no warranty or recourse whatsoever” basis.
- **Purchase Price and Initial Deposit:** Image Properties shall pay a total purchase price of \$380,000.00, cash, subject to overbid. Any other bid for the Property that ultimately is the successful bid shall be the total purchase price to be paid by the Buyer. Image Properties already has tendered an initial deposit of \$38,000.00 as required by the Purchase Agreement, subject to forfeiture as set forth in the Purchase Agreement, and no contingencies or due diligence period remain.
- **Tender of Full Purchase Price/Closing:** The Sale shall close, with Image Properties (or other Buyer) tendering the full purchase price (the “Purchase Price”), not later than 15 calendar days after entry of an order authorizing the Sale (the “Closing Date”).
- **Transfer of Property:** The Trustee shall transfer the Estate’s interest in the Property by a Trustee’s Fiduciary Quitclaim Deed.
- **Liens, Claims, Encumbrances and Interests:** The following liens shall remain on the Property following the Sale: (1) the consensual lien in favor of Bank Leumi (or its successor or assigns) represented by a first trust deed against the Property (the “Bank Lien”); and (2) any involuntary or other nonconsensual liens against the Property that relate solely to the obligation of any party other than the Debtor. The Sale, however, shall be *free and clear* of all involuntary or other nonconsensual liens relating solely to obligations of the Debtor, with such liens to attach to the net proceeds of the Sale to the same extent, validity, enforceability and priority of such liens that existed prior to the Sale.
- **Assessments, Taxes and Escrow Fees:** Assessments, taxes and other costs shall be allocated as follows: (a) all allowable assessments and real property taxes shall be prorated through the Closing Date to the applicable accounts of the Trustee (as seller) (“Seller”) and the Buyer such that the amounts applicable to the account of the Buyer shall not be deducted from the Purchase Price; (b) escrow fees shall be split equally between the Buyer and the Seller, such that the amounts allocable to the Buyer shall not be deducted from the Purchase Price; (c) the Seller shall pay any real property transfer tax (County and State only) and the costs of a standard issue title insurance policy; and (d) any City transfer tax shall be split equally between the Buyer and

the Seller, such that the amount allocable to the Buyer shall not be deducted from the Purchase Price. All other costs are at the Buyer's sole expense and are not to be deducted from the Purchase Price.

- Overbid: The Sale is subject to higher and better bid pursuant to the Overbid Procedures (subject to Bankruptcy Court approval).

- Broker Commissions: The Trustee (as Seller) shall pay to his Broker a total commission of 6% of the Purchase Price. The Trustee is aware that the listing agreement between the Broker and the Trustee that this Court approved called for a 5% commission. This lower rate was premised on a sale of the Estate's interest in the Property at a price of approximately \$1,000,000 and free and clear of the portion of the first priority lien in the principal sum of about \$4,000,000.00 allocable to the Estate, with such share of the lien to have attached to the Sale proceeds. The Sale, however, will be at a lower price, but subject to the Bank Lien and, in turn, such lien will not attach to the Sale proceeds. As a result, the Trustee seeks approval to increase the commission payable to the Broker to 6% of the Purchase Price. Seller is not paying any commission to the Buyer's broker.

EXHIBIT 2

The proposed sale of the Property is subject to overbid pursuant to the following proposed Overbid Procedures:

(1) Overbid Amount and Purchase Agreement

Any person or entity desiring to submit an overbid for the purchase of the Estate's interest in the Property ("Overbidder") shall advise the Trustee's bankruptcy counsel (contact information above) of his, her or its intent to bid on the Property and the amount of the overbid (the "Overbid"), which must be at least \$390,000.00 (i.e., the current sales price plus the \$10,000.00 minimum overbid amount), cash, by no later than 5:00 p.m. (PST), on the business day that is at least two days prior to the hearing on the Motion (the "Overbid Deadline") (i.e., by 5:00 p.m. (PST) on March 3, 2014, based on the current hearing date). In his absolute and sole discretion, the Trustee shall have the right to accept an Overbid at any time after the Overbid Deadline.

Together with the amount of the Overbid, the Overbidder must submit a purchase agreement, signed by the Overbidder, that contains a purchase price of at least \$390,000.00, and contains other terms and conditions that are the same as, or no less favorable to the Estate (in the Trustee's sole discretion) than, the terms stated in the Purchase Agreement between the Trustee and Image Properties (Exhibit 1 to Yoo Declaration).

(2) Payment of Deposit and Evidence of Financial Ability to Perform

Any Overbidder shall submit to the Trustee's bankruptcy counsel: (a) a cashier's check, made payable to "Timothy J. Yoo, Chapter 7 Trustee," in the amount of at least \$39,000.00 (10% of the minimum total Overbid) to serve as a deposit towards the purchase of the Property (the "Deposit"); and (b) evidence that the Overbidder has the financial wherewithal to close the contemplated sale. The Deposit and evidence of financial wherewithal must be delivered so that these items are received by no later than the Overbid Deadline. In his sole and absolute discretion, the Trustee shall have the right to accept these items at any time after the Overbid Deadline. In the event of any Overbid, the \$38,000.00 initial deposit already tendered by Image Properties shall serve as its Deposit.

(3) Auction, Due Diligence, Consummation of Sale and Forfeiture of Deposit

In the event the Trustee receives any Overbid, the bidders will be able to participate in an auction to be conducted at the hearing on the Motion as is necessary in order to increase their bid.

As noted above, subject to Court approval, the Trustee recommends the first overbid be in the amount of

\$390,000.00, cash, which is \$10,000.00 higher than the initial sales price of \$380,000.00. The Trustee recommends that, thereafter, Overbids shall be made in minimal increments of \$5,000.00 (subject to adjustment as is appropriate) such that the next highest minimum overbid at any auction shall be an amount no less than \$395,000.00, cash. All due diligence is to be completed prior to the hearing on the Motion as the Sale is on an “as-is” “where is” basis with no warranties, representations, recourse or contingencies of any kind whatsoever.

The Trustee will request authority to sell the Estate’s interest in the Property to the bidder who, in the Trustee’s business judgment, makes the highest and best Overbid (the “Winning Bidder”). The Trustee shall be authorized to sell the Estate’s interest in the Property to the next highest and best Overbidder in the event the Winning Bidder fails to perform (“Backup Bidder”). The Trustee reserves the right to reject any and all overbids that, in his business judgment, are insufficient.

The Winning Bidder’s Deposit shall be applied towards the total and final purchase price. The Winning Bidder must pay the full amount of the successful overbid to the Trustee within fifteen (15) days from the date of entry of the Order authorizing the Sale, or as otherwise set forth in the applicable purchase agreement.

To the extent the Winning Bidder is unable, unwilling or otherwise fails to consummate the Sale, that bidder’s entire Deposit shall become non-refundable and forfeited to the Trustee and, in the event of a Backup Bidder, the Trustee shall be authorized to proceed with a sale to the Backup Bidder (at the Backup Bidder’s last bid at the auction).

To the extent a bidder is not the Winning Bidder, that bidder’s Deposit will be refunded by the Trustee; except that the Trustee shall retain the Deposit of any Backup Bidder until the sale to the Winning Bidder closes.

(4) Agreement to Terms and Overbid Procedures

Any bidder’s tender of a Deposit to the Trustee shall serve as that bidder’s agreement with these proposed Overbid Procedures and the terms and conditions of the Sale as set forth in the applicable purchase agreement.