

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 <b>SulmeyerKupetz</b> 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, Ch 7 Trustee	FOR COURT USE ONLY
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**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;"><b>NOTICE OF SALE OF ESTATE PROPERTY</b></p>
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<b>Sale Date:</b> November 5, 2014	<b>Time:</b> 10:00 a.m.
<b>Location:</b> 255 East Temple St., Los Angeles, CA; Courtroom 1475	

**Type of Sale:**  Public  Private      **Last date to file objections:** October 22, 2014

**Description of property to be sold:** Sizeable lot of loose gemstones of different types and miscellaneous jewelry.  
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 \_\_\_\_\_  
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**Terms and conditions of sale:** See attached.  
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 \_\_\_\_\_  
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**Proposed sale price:** \$25,000.00

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

Overbid procedure (*if any*): See attached.

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

November 5, 2014

10:00 a.m.

255 East Temple Street

Los Angeles, CA 90012

Courtroom 1475

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

Asa S. Hami

SulmeyerKupetz, APC

333 South Hope Street

35<sup>th</sup> Floor

Los Angeles, CA 90071

Telephone: 213.626.2311

Facsimile: 213.629.4520

Email: ahami@sulmeyerlaw.com

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Date: October 15, 2014

### Summary of Terms of Sale<sup>1</sup>

By the Motion, the Trustee seeks to sell the Estate's interest in the Personal Property, free and clear of liens, claims and interests (the "Sale") to Ande Jewelry (or another Buyer who successfully overbids) on the terms and conditions summarized as follows:

- 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: Ande Jewelry shall pay a total purchase price of \$25,000.00, cash, subject to overbid (the "Purchase Price"). Any other bid for the Personal Property that ultimately is the successful bid shall be the total purchase price to be paid by the Buyer. Ande Jewelry already has tendered an initial deposit of \$5,000.00 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 Ande Jewelry tendering the full Purchase Price not later than 5 calendar days after entry of an order authorizing the Sale (the "Closing Date").
- Retrieval of Property: The Personal Property shall be delivered to or otherwise retrieved by Ande Jewelry within 10 calendar days after entry of the Closing Date. To the extent the Personal Property is delivered to Ande Jewelry, the Estate shall bear the costs or fees charged by the secured Dunbar armored facility (the "Secured Facility"), where the large majority of the Personal Property currently is being stored, and from the Trustee's Court-approved field agent (the "Trustee Agent"), for such delivery. Any other costs, fees, or charges, or any other form of liability for, relating to or arising from, the retrieval, delivery, removal or relocation of the

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<sup>1</sup> The following only is a *summary* of the terms and conditions set forth in the Purchase Agreement. The complete terms and conditions are set forth in the Purchase Agreement, which is appended to the Yoo Declaration to the Motion. In the event of an inconsistency between the Purchase Agreement and the summary set forth herein, the Purchase Agreement shall control.

Personal Property or for any and all other fees and costs associated with such tasks, shall be borne exclusively by Ande Jewelry.

- Liens, Claims, Encumbrances and Interests: The Sale shall be free and clear of all liens, claims and encumbrances. The alleged liens against the Personal Property include the following: (1) an unauthorized abstract of judgment in favor of Kathryn Ruiz recorded against the Personal Property post-petition on January 22, 2013, securing a judgment against the Debtor in the principal sum of \$2,328.40; (2) an abstract of judgment in favor of S.V.D. Gems Co., Ltd., recorded against the Personal Property on July 11, 2012 (within 90 days before the bankruptcy petition date), securing a judgment against the Debtor in the principal sum of \$651,717.18; (3) a tax lien in favor of the State of California Employment Development Department (“EDD”), recorded against the Personal Property on June 25, 2012 (within 90 days before the petition date) to secure the principal sum of \$31,759.10; and (4) a tax lien in favor of the EDD recorded on December 19, 2012 (after the petition date and order for relief) to secure the principal sum of \$39,708.90.

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

### **Proposed Overbid Procedures**

As noted above, the proposed sale of the Personal 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 Personal Property (“Overbidder”) shall advise the Trustee’s bankruptcy counsel (contact information above) of his, her or its intent to bid on the Personal Property and the amount of the overbid (the “Overbid”), which must be at least \$26,000.00, cash, by no later than 5:00 p.m. (PST), on the business day that is at least one business day prior to the hearing on the

Motion (the “Overbid Deadline”). Should the hearing on the Motion be continued, the Overbid Deadline shall be continued accordingly. 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 \$26,000.00, 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 Ande Jewelry (Exhibit 1 to Yoo Declaration). The Trustee shall have the discretion to allow an Overbidder to participate in any auction without submission of a signed purchase agreement.

**(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 \$5,000.00 to serve as a deposit towards the purchase of the Personal 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 \$5,000.00 initial deposit already tendered by Ande Jewelry 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 \$26,000.00, cash, which is \$1,000.00 higher than the initial sales price of \$25,000.00. The Trustee recommends that, thereafter, Overbids shall be made in minimal increments of \$1,000.00 (subject to adjustment as is appropriate) such that the next highest minimum overbid at any auction shall be an amount no less than \$27,000.00, 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 Personal 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 Personal 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 five (5) 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 Purchase Agreement, except as to the Purchase Price, or another applicable purchase agreement.