Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address	FOR COURT USE ONLY
DAVID B. GOLUBCHIK (SBN 185520) JEFFREY S. KWONG (SBN 288239) DBG@LNBYB.com, JSK@LNBYB.com LEVENE, NEALE, BENDER, YOO & BRILL L.L.P. 10250 Constellation Boulevard, Suite 1700 Los Angeles, California 90067 ☐ *Individual appearing without attorney* ☒ *Attorney for:* Debtor	

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

In re:	CASE NO.: 2:16-bk-13575-ER CHAPTER: 11
LIBERTY ASSET MANAGEMENT CORPORATION, Debtor(s).	**NOTICE OF SALE OF ESTATE PROPERTY**

Sale Date: 10/18/2017 (Sale hearing date, see below for Auction details).	**Time:** 11:00 am
Location: 255 E. Temple St., Courtroom 1568, Los Angeles, CA 90012	

Type of Sale: ☒ Public ☐ Private **Last date to file objections**: 10/04/2017

Description of property to be sold:
Real property and improvements located at 3808 Hollins Avenue, Claremont, CA 91711

Terms and conditions of sale:
Auction to be held in Court on October 18, 2017 at 11:00 a.m.
Please see Notice attached hereto with proposed bid procedures.

Proposed sale price: $ 2,188,000.00

Overbid procedure (*if any*): Stalking Horse Bidder is Kumar Koneru with $2,188,000 bid.

The initial bid incremement is $10,000 for an overbid of $2,198,000, with $10,000 incremental bids at Auction. Alternative Bids are due October 16, 2017. Deposit of $100,000 required by October 16, 2017.

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

October 18, 2017 at 11:00 a.m.
United States Bankruptcy Court, Central District of California, Los Angeles Division
Courtroom 1568
255 East Temple Street
Los Angeles, California

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

GREG BINGHAM, The Smith Group | Coldwell Banker
p: 949.759.3760 f: 866.532.6985 m: 562.335.0145
w: smithgrouprealestate.com e: greg@timsmithgroup.com

Date: 09/27/2017

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Attorneys for Debtor and Debtor in Possession

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

LOS ANGELES DIVISION

In re LIBERTY ASSET MANAGEMENT CORPORATION Debtor and Debtor in Possession.	Case No. 2:16-bk-13575-TD Chapter 11 **NOTICE OF AUCTION AND HEARING ON MOTION FOR ORDER (A) APPROVING SALE OF PROPERY FREE AND CLEAR OF LIENS, CLAIMS AND INTERESTS; (B) APPROVING EMPLOYMENT OF COLDWELL BANKER; AND (C) GRANTING RELATED RELIEF** <u>Auction and Hearing</u> Date: October 18, 2017 Time: 11:00 a.m. Place: Courtroom 1568 255 E. Temple Street Los Angeles, CA

PLEASE TAKE NOTICE that, on October 18, 2017 at 11:00 a.m., before the Honorable Ernest Robles, United States Bankruptcy Judge, Liberty Asset Management Corporation ("Debtor"), debtor and debtor in possession in the above-captioned, chapter 11 bankruptcy case, will move the Bankruptcy Court for an order (a) approving sale of property free and clear of liens, claims and interests; (b) employing Coldwell Banker; and (c) granting related relief (the "Motion"). The Motion applies to the following single family residences:

3808 Hollins Avenue, Claremont, CA 91711 ("Property").

In summary, the Property was owned by an entity known as East Heights, LLC ("EH"), which was allegedly 100% owned by Lucy Gao. Among other proceedings in this case, the estate pursued claims against EH and Ms. Gao which resulted in, among other things, a judgment determining that the Debtor is 100% member of EH. Shortly after the entry of the judgment, Ms. Gao turned over the Property to the Debtor. Further, the Debtor, as the now 100% member of EH, executed a resolution designating Lawrence Perkins, Debtor's Chief Restructuring Officer, as the sole manager of EH with all management powers related thereto.

EH, through Mr. Perkins, engaged Coldwell Banker to market and sell the Property. Coldwell Banker evaluated the Property and commenced marketing efforts which resulted in numerous offers. The Debtor, in consultation with the Committee, selected the best offer for the Property: $2,188,000 from Kumar Koneru ("Buyer"). The contingency period has expired and Buyer is prepared to proceed with a sale to closing.

Escrow has been opened in connection with the sale transaction. A Preliminary Title Reports ("PTR") was ordered and reviewed. Pursuant to the PTR, Shanghai Bank asserts a first priority secured interest cross-collateralized by the Property and a related property in La Habra also owned by EH, which, currently, has a balance of approximately $625,000 and is expected to be paid in full from the sale proceeds.

In addition, the PTR revealed that a person by the name of Yonggang Pan purportedly holds a deed of trust on the Property to secure an obligation of $700,000. The Debtor is familiar with this name as someone associated with Ms. Gao. In fact, Yonggang Pan held a similar deed of trust in a related Chapter 11 bankruptcy case of Crystal Waterfalls (2:15-bk-27769-ER), which

Yonggang Pan stipulated to remove based on the fact that there was no extension of financing of any kind to warrant the obligation. Consistent with the foregoing mechanism previously employed, the Debtor sent a letter to Yonggang Pan together with a draft agreement to remove the deed of trust. No response was received.

Outside of the bankruptcy process, EH would be required to commence litigation in state court against Yonggang Pan to invalidate the obligation. Such litigation will take time, which may impact the market value of the Property. Such litigation will cost money which EH lacks. Finally, such litigation will delay and impede the sale efforts, which are critical to the administration of the Debtor's estate in light of the fact that the Debtor is the 100% member of EH and, therefore, the beneficial owner of the Property.

Based on the foregoing, EH executed a quitclaim deed for the Property, transferring it to the Debtor. The Debtor, as Debtor in Possession, seeks to use the benefits of the Bankruptcy Code to sell the Property free and clear of all liens and encumbrances, with all such interests to attach to the proceeds of the sale. The Debtor will then prosecute claims against Yonggang Pan to invalidate the obligations without impeding the estate's sale efforts.

Based on all of the foregoing, the Debtor seeks to sell the Property, pursuant to 11 U.S.C. § 363, free and clear of all liens, claims and encumbrances, with such interests to attach to the proceeds of the sale. Moreover, based on the fact that this is now a bankruptcy sale, the Debtor invites overbids for the Property, the opportunity for which is provided for in the sale agreement. The Debtor proposes to implement the following overbid procedures to be employed in the sale to be conducted before this Court:

a. ***Date for Auction.*** The auction ("Auction") shall be scheduled for the date and time of the hearing on the Motion, which is October 18, 2017 at 11:00 a.m. in this Courtroom.

b. ***Alternative Bid Requirements.*** Any party interested in submitting an alternative bid for the Property (an "Alternative Bid") must, not later than 5:00 p.m. (prevailing Pacific Time) on October 16, 2017 (the "Alternative Bid Deadline"), deliver such Alternative Bid in writing to counsel for the Debtor (David B. Golubchik, Esq.,

Levene, Neale, Bender, Yoo & Brill L.L.P., 10250 Constellation Blvd., Suite 1700, Los Angeles, California 90067, Email: DBG@LNBYB.com, Facsimile: (310) 229-1244), in accordance with the requirements set forth below:

i. The purchase price for the Property in any Alternative Bid must be in the sum of at least $10,000 over the Purchase Price. For example, an initial overbid for the Property would be $2,198,000 ($2,188,000 current bid plus $10,000) Any Alternative Bid must otherwise be on the same or better material terms and conditions than as set forth in the sale agreement, or as the Bankruptcy Court may determine are in the best interest of creditors and the estate.

ii. Only Qualified Bidders may tender an Alternative Bid. For the purposes of this provision, a Qualified Bidder shall be any party that, not later than the Alternative Bid Deadline, delivers to LNBYB: (I) a good funds deposit in the amount of $100,000; (II) written evidence satisfactory to the Debtor of its financial ability to perform the obligations to close the sale of the Property before, on, and after the closing; and (III) a written statement signed by the Alternate Bidder agreeing that such Alternate Bidder, if successful at the hearing on the Motion, shall be bound by the terms of its agreement. No Alternative Bids that are contingent as to due diligence or financing shall be considered. If the Debtor determines, in its sole discretion, that the proof of funds or other submission provided by the bidder to Debtor is unacceptable, the Debtor may, in its sole discretion, disqualify such proposed bidder from participating in Auction. In the event that the Debtor exercises its discretion and disqualifies a bidder from participating in the Auction, the deposit made by such bidder (if any) shall be returned to the bidder.

c. ***Bidding At Auction.*** If at least one Qualified Bidder who has submitted an Alternative Bid appears at the Auction, the Debtor shall designate what it determines, in its reasonable judgment, to be the best and highest bid received for the Property to be the leading bid at the Auction. Thereafter, the Debtor shall solicit better and higher bids

for the Property, in bidding increments of at least $10,000 from the Qualified Bidders participating in the Auction (including the Buyers if Buyer chooses to participate) until the best and highest bid for the Property has been determined.

d. ***Closing of Sale and Forfeiture of Deposits:*** The winning bidder will have until the fifteenth (15th) day after the date of entry of a Court order granting this Motion (the "Sale Order") to consummate the sale of the Property. If the winning bidder fails to do so, the winning bidder will be deemed to have forfeited its deposit unless the Court or the Debtor agrees to provide the winning bidder with an extension of time to close the sale.

As discussed above, EH retained Coldwell Banker to market and sell the Property. Based on the recent developments requiring the transfer of the Property to the Debtor, pursuant to the Motion, the Debtor seeks Court authority to employ Coldwell Banker upon the same terms and conditions as agreed upon with EH. Specifically, the listing agreement for the Property provides that Coldwell Banker shall be compensated for its services in an amount equal to five percent (5%) of the gross sales price for the sale of the Property. The Debtor is informed and believes that the commission represents the standard commission rates used within the local real estate industry for sales of similar residential real property.

In addition, Coldwell Banker has already been employed in the Debtor's case as real estate broker and has assisted the Debtor in selling other real property for the benefit of the estate and all creditors. Based on the foregoing, and the fact that the Property is already in escrow as a result of Coldwell Banker's efforts, the Debtor believes that Coldwell Banker is well qualified to be employed as real estate broker in this case. Coldwell Banker will be paid from the sale proceeds upon close of escrow and will not file a fee application.

PLEASE TAKE FURTHER NOTICE that if any party desires a copy of the Motion and all supporting pleadings filed by the Debtor, such copy will be promptly provided upon written request to the Debtor's counsel, whose contact information is set forth in the upper left hand corner of the first page of this Notice.

PLEASE TAKE FURTHER NOTICE that any objection to the entry of an order granting the Motion must be in writing in accordance with Local Bankruptcy Rule 9013-1(f)(1) and served, with a courtesy copy delivered to Chambers, no later than fourteen (14) days before the hearing on the Motion.

PLEASE TAKE FURTHER NOTICE that, pursuant to Local Bankruptcy Rule 9013-1(h), the failure to file a timely opposition or response to the Motion may be deemed by the Court to be consent to the granting of the relief requested in the Motion.

Dated: September 27, 2017 LIBERTY ASSET MANAGEMENT CORPORATION

By: *<u>/s/ David B. Golubchik</u>*
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