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| <p>Attorney or Party Name, Address, Telephone &amp; FAX Nos., State Bar No. &amp; Email Address</p> <p>Leonard M. Shulman – Bar No. 126349<br/>                 Ryan D. O’Dea – Bar No. 273478<br/>                 SHULMAN HODGES &amp; BASTIAN LLP<br/>                 8105 Irvine Center Drive, Suite 600<br/>                 Telephone: (949) 340-3400<br/>                 Facsimile: (949) 340-3000<br/>                 Email: lshulman@shbllp.com; rodea@shbllp.com</p> <p><input type="checkbox"/> Individual appearing without attorney<br/> <input checked="" type="checkbox"/> Attorney for: Richard A. Marshack, Chapter 7 Trustee</p> | <p>FOR COURT USE ONLY</p> |
|---|---------------------------|

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION**

|   |  |
|---|--|
| <p>In re:</p> <p>BELLE ISLE, INC.,</p> <p style="text-align: right;">Debtor(s).</p> | <p>CASE NO.: 8:13-bk-17502-MW<br/>CHAPTER: 7</p> <p style="text-align: center;"><b>NOTICE OF SALE OF ESTATE PROPERTY</b></p> |
|---|--|

|   |                             |
|---|-----------------------------|
| <p><b>Sale Date:</b> 11/25/2013</p>   | <p><b>Time:</b> 2:00 pm</p> |
| <p><b>Location:</b> Courtroom 6C, 411 West Fourth Street, Santa Ana, CA 92701</p> |                             |

**Type of Sale:**  Public  Private      **Last date to file objections:** 11/08/2013

**Description of property to be sold:**  
 The Estate’s interest in Debtor’s inventory, furniture, fixtures, equipment, and a Wells Fargo bank account.

**Terms and conditions of sale:**  
 See attached Motion for terms and conditions of sale.

**Proposed sale price:** \$ 49,000.00

**Overbid procedure (if any):**

The sale is subject to overbids. See attached Motion for information on submitting overbids.

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

November 25, 2013 at 2:00 p.m.  
United States Bankruptcy Court  
Courtroom 6C  
411 West Fourth Street  
Santa Ana, CA 92701

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

SHULMAN HODGES & BASTIAN LLP  
c/o Ryan D. O'Dea  
8105 Irvine Center Drive, Suite 600  
Irvine, CA 92618  
Telephone: (949) 340-3400  
Facsimile: (949) 340-3000  
Email: rodea@shbllp.com

Date: 11/01/2013

1 Leonard M. Shulman – Bar No. 126349  
Ryan D. O’Dea – Bar No. 273478  
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5

6 Proposed Attorneys for Richard A. Marshack,  
Chapter 7 Trustee  
7

8 **UNITED STATES BANKRUPTCY COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION**

11 In re

12 **BELLE ISLE, INC.,**

13 Debtor.

Case No. 8:13-bk-17502-MW

Chapter 7

**CHAPTER 7 TRUSTEE’S MOTION FOR  
ORDER APPROVING THE SALE OF  
ESTATE PROPERTY SUBJECT TO  
OVERBIDS, COMBINED WITH NOTICE  
OF BIDDING PROCEDURES AND  
REQUEST FOR APPROVAL OF THE  
BIDDING PROCEDURES UTILIZED  
PURSUANT TO BANKRUPTCY CODE §§  
363(b)(1) AND (f), SUBJECT TO  
OVERBIDS, COMBINED WITH NOTICE  
OF BIDDING PROCEDURES AND  
REQUEST FOR APPROVAL OF THE  
BIDDING PROCEDURES UTILIZED;  
MEMORANDUM OF POINTS AND  
AUTHORITIES AND DECLARATIONS  
OF RICHARD A. MARSHACK AND  
HASSAN KARIMIAN IN SUPPORT  
THEREOF**

**Hearing**

Date: November 25, 2013

Time: 2:00 PM

Place: Courtroom 6C

411 West Fourth Street

Santa Ana, California 92701

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1 **TO THE HONORABLE MARK WALLACE, UNITED STATES BANKRUPTCY**  
2 **JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, THE DEBTOR AND ALL**  
3 **INTERESTED PARTIES AND THEIR COUNSEL OF RECORD:**

4 **I. INTRODUCTION**

5 Richard A. Marshack, the Chapter 7 Trustee (“Trustee”) for the bankruptcy estate  
6 (“Estate”) of Belle Isle, Inc. (“Debtor”), brings this Motion for Order Approving the Sale of  
7 Estate Property Subject to Overbids, Combined with Notice of Bidding Procedures and Request  
8 for Approval of the Bidding Procedures Utilized (“Sale Motion”).

9 The Trustee received an offer to purchase the Estate’s interest in Debtor’s inventory,  
10 furniture, fixtures, equipment, and a Wells Fargo bank account (the “Property”) for \$49,000.00,  
11 subject to overbids (“Sale Agreement”). The Estate’s interest in the Property is encumbered by  
12 the secured claim held by Bank of the West (the “Bank”) for approximately \$16,000.00. The  
13 Trustee is currently negotiating with the Bank to satisfy the Bank’s secured claim through the  
14 partial liquidation of the Debtor’s corporate bank account.

15 The offer is the best offer the Estate has received for the Property. Through the sale of  
16 the Property, the Trustee anticipates that the sale of the Property will generate net proceeds to the  
17 Estate in the amount of \$49,000.00. Further, in the event the purchase price is increased by a  
18 successful overbid, the estimated net proceeds will increase and provide a greater distribution to  
19 creditors.

20 Therefore, the Trustee believes that good cause exists to grant the Sale Motion and the  
21 Stipulation so the Trustee does not lose this favorable business opportunity.

22 **II. RELEVANT FACTS**

23 **A. Case Commencement**

24 The Debtor filed a voluntary petition under Chapter 7 of the Bankruptcy Code on  
25 September 5, 2013 (“Petition Date”). Richard A. Marshack is the duly appointed, qualified and  
26 acting Chapter 7 Trustee for the Estate.

27 ///

28 ///

1 **B. The Property**

2 The Debtor's Schedule B claims the value of the inventory, furniture, fixtures, and  
3 equipment (the "Inventory and Equipment") to be \$1,500.00. However, the Trustee is informed  
4 that the Inventory and Equipment was undervalued and has a true value in excess of \$25,000.00.  
5 Attached as **Exhibit 1** to the Declaration of Richard A. Marshack (the "Marshack Declaration")  
6 is a true and correct copy of an inventory, furniture, fixtures, and equipment list created by the  
7 Debtor. **Exhibit 1** represents that the current value of the Inventory and Equipment is  
8 approximately \$27,000.00. Additionally, the Debtor has an unscheduled bank account at Wells  
9 Fargo which contains approximately \$24,000.00 (the "Bank Account").

10 The Trustee has only received one offer to purchase the Property, and as such, the  
11 \$49,000.00 offer that is the subject of this Sale Motion represents the best offer received by the  
12 Trustee. As set forth below, the Trustee believes the sale of the Property will benefit the Estate  
13 and its creditors.

14 **C. The Basis for Value of the Property**

15 The Property consists of a Wells Fargo bank account and Debtor's current inventory of  
16 hair and skincare products, as well as furniture, fixtures, and equipment related to the Debtor's  
17 business operations as a hair salon and spa. At the request of the Trustee, the Debtor provided  
18 the Trustee with an itemized list of all inventory and equipment held by the Debtor on Petition  
19 Date and each items corresponding value. By and through the Trustee's investigation of the  
20 Debtor, the Debtor's \$49,000.00 offer is within the range of the Property's fair market value. To  
21 ensure the value of the Property is maximized, the Property will be adequately marketed and, as  
22 detailed below, the sale will be subject to overbids. Based on the Trustee's marketing efforts and  
23 the overbid procedures in this Sale Motion, the Estate will received fair market value for its sale  
24 of the Property.

25 **D. Marketing of the Property**

26 Contemporaneously with the filing of this Sale Motion, the Trustee will file a Notice of  
27 Sale of Estate Property on the 6004-2 Local Bankruptcy Form (the "Sale Notice"). As a result of  
28 the Sale Notice, the Trustee's proposed sale of the Property will be listed on the Court's website.

1 Further, sale of the Property will be advertised on Shulman Hodges & Bastian’s website and will  
2 clearly list all relevant terms of the proposed sale.

3 **E. Liens and Encumbrances Against the Property and Their Proposed Treatment**  
4 **Through the Sale**

5 The following chart sets forth the only encumbrance against the Property and the  
6 proposed treatment of the encumbrance through the proposed sale:

7

| <u>Creditor</u>  | <u>Description</u>             | <u>Estimated<br/>Amount<br/>Owing</u> | <u>Treatment of Lien<br/>Through the Sale</u>  |
|------------------|--------------------------------|---------------------------------------|--|
| Bank of the West | Business Loan Secured by UCC-1 | \$16,000                              | No distribution will be made to the Bank from the sale proceeds. The Bank’s lien also covers the Debtor’s bank account, and the Trustee is currently working with the Bank to satisfy its claim through partial liquidation of the bank account. |

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16 **F. Tax Consequences**

17 The Trustee is informed that there will be no capital gains tax associated with the sale of  
18 the Property, as the Property is not a capital asset. In the event that there is any tax liability  
19 associated with the sale of the inventory it would be at Debtor’s ordinary income tax rates.  
20 Based thereon, the Trustee does not believe there will be a negative tax consequence to the  
21 Estate in relation to the proposed sale.

22 **G. The Purchase Offer and Summary of the Sale Terms**

23 The Trustee has received an offer from the Debtor to purchase the Property for  
24 \$49,000.00. The purchase price includes a deposit of \$12,250.00. Attached as **Exhibit 2** to the  
25 Marshack Declaration is a true and correct copy of the purchase agreement (the “Agreement”).

26 A summary of the Agreement’s terms are discussed below, but the summary and  
27 discussion are not meant to be a complete review of every provision of the Agreement. The  
28 Agreement itself is the legally binding document the Trustee seeks approval of, and in the event

1 of any inconsistency between the terms, provisions or effect of the Agreement and the  
2 description of it in these pleadings, the Agreement alone shall govern and not these pleadings or  
3 the descriptions herein.

4 In summary, the principal terms of the sale of the Property shall be as follows:

|   |  |
|---|--|
| 5 Buyer                                       | Belle Isle, Inc.   |
| 6 Purchase Price and<br>7 Payment Terms       | \$49,000.00 subject to the Bidding Procedures set forth below.<br>\$12,250.00 paid as a deposit, balance of the purchase price to be paid<br>8 through monthly installment payments of \$1,531.25 for months 1<br>9 through 7 and \$3,718.75.00 for months 8 through 14 (the "Monthly<br>Installments") are due on or before the first (1st) day of each month,<br>beginning November 1, 2013.   |
| 10 Bankruptcy Court<br>11 Approval            | The sale is subject to notice to creditors, approval by the Bankruptcy<br>Court, and higher and better bids received by the Trustee through and<br>including the Bankruptcy Court hearing to confirm the sale.   |
| 12 Purchase Without<br>13 Warranties          | The Buyer acknowledges and agrees that the sale of the Property<br>shall be "as-is" and without any warranties whatsoever.   |
| 14 Trustee's Liability                        | The Trustee is signing this Agreement in his capacity solely as<br>15 Chapter 7 Trustee of the Estate. Nothing contained herein shall in<br>16 any way impute liability to the Trustee, personally or as a member of<br>17 any professional organization, or anyone acting on his behalf,<br>including but not limited to his counsel, Shulman Hodges & Bastian<br>LLP. Should any dispute arise regarding this Agreement, the United<br>18 States Bankruptcy Court for the Central District of California, Santa<br>Ana Division shall have exclusive jurisdiction to determine the same. |
| 19 Hold Harmless                              | The Buyer understands the terms and conditions of the entire<br>20 purchase contract and hold the Estate, Richard A. Marshack, Trustee,<br>his attorneys including Shulman Hodges & Bastian LLP, agents and<br>employees, harmless from any liabilities arising from this contact.   |
| 21 Jurisdiction of the<br>22 Bankruptcy Court | Any and all disputes which involve in any manner the Estate or<br>Richard A. Marshack, Trustee, arising from the Agreement and/or its<br>23 addendums or relating in any manner to the Property, shall be<br>resolved only in the United States Bankruptcy Court, Central District<br>of California.   |
| 24 Sale Subject to<br>25 Overbidding          | The sale of the Property is subject to the Bidding Procedures<br>described in the Sale Motion.   |

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| Good Faith Finding | The proposed sale has been brought in good faith and has been negotiated on an “arms-length” basis. The negotiations with the Buyer have resulted in an offer to sell the Estate’s interest in the Property that will have substantial benefit. Accordingly, the sale is in good faith and should be approved. The Trustee shall request such a finding pursuant to Bankruptcy Code Section 363(m) at the hearing on this Sale Motion. |
|--------------------|--|

**H. Notice of Bidding Procedures**

The Trustee has determined that it would benefit the Estate to permit all interested parties to receive information and bid for the Property instead of selling the Property to the Debtor (referred to in this section as the “Buyers”) on an exclusive basis. Accordingly, in order to obtain the highest and best offer for the benefit of the creditors of this Estate, the Trustee also seeks Court approval of the following bidding procedures (“Bidding Procedures”):

1. Potential overbidder(s) must bid an initial amount of at least \$2,000.00 over the Purchase Price or \$51,000.00. Minimum bid increments thereafter shall be \$1,000.00. The Trustee shall have sole discretion in determining which overbid is the best for the Estate and will seek approval from the Court of the same.

2. Overbids must be in writing and be received by the Trustee and the Trustee’s counsel, Shulman Hodges & Bastian LLP to the attention of Ryan D. O’Dea on or before **4:00 p.m. (California time) on the date which is three (3) days prior to the hearing on the Sale Motion.**

3. Overbids must be accompanied by certified funds in an amount equal to twenty-five percent (25%) of the overbid purchase price.

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

///

1           5.       The overbidder must seek to acquire the Property on terms and conditions not less  
2 favorable to the Estate than the terms and conditions to which the Buyers have agreed to  
3 purchase the Property as set forth in the Agreement attached as **Exhibit 2** to the Marshack  
4 Declaration including closing on the sale of the Property in the same time parameters as the  
5 Buyers.

6           6.       All competing bids must acknowledge that the Property is being sold on an “AS  
7 IS” basis without warranties of any kind, expressed or implied, being given by the Trustee,  
8 concerning the condition of the Property or the quality of the title thereto, or any other matters  
9 relating to the Property. The competing bid buyer must represent and warrant that he/she is  
10 purchasing the Property as a result of their own investigations and are not buying the Property  
11 pursuant to any representation made by any broker, agent, accountant, attorney or employee  
12 acting at the direction, or on the behalf of the Trustee. The competing bidder must acknowledge  
13 that he/she has inspected the Property, and the competing buyer forever waives, for  
14 himself/herself, their heirs, successors and assigns, all claims against the Debtor, their attorneys,  
15 agents and employees, the Debtor’ Estate, Richard A. Marshack as Trustee and individually, and  
16 his attorneys, agents and employees, arising or which might otherwise arise in the future  
17 concerning the Property.

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

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

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1 9. In the event the Successful Bidder fails to close on the sale of the Property within  
2 the time parameters approved by the Court, the Trustee shall retain the Successful Bidder's  
3 Deposit and will be released from his obligation to sell the Property to the Successful Bidder and  
4 the Trustee may then sell the Property to the first back-up bidder approved by the Court at the  
5 hearing on the Sale Motion ("First Back-Up Bidder").

6 In the event First Back-Up Bidder fails to close on the sale of the Property within the  
7 time parameters approved by the Court, the Trustee shall retain the First Back-Up Bidder's  
8 Deposit and will be released from his obligation to sell the Property to the First Back-Up Bidder  
9 and the Trustee may then sell the Property to the second back-up bidder approved by the Court at  
10 the hearing on the Sale Motion ("Second Back-Up Bidder").

### 11 **III. LEGAL BASIS FOR THE RELIEF SOUGHT**

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

13 The Trustee, after notice and hearing, may sell property of the estate. Bankruptcy Code  
14 Section 363(b). The standards to establish are that there is a sound business purpose for the sale,  
15 that the sale is in the best interests of the estate, i.e., the sale is for a fair and reasonable price,  
16 that there is accurate and reasonable notice to creditors and that the sale is made in good faith. *In*  
17 *re Wilde Horse Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*,  
18 722 F.2d 1063, 1069 (2d Cir. 1983). Business justification would include the need to close a sale  
19 to one of very few serious bidders where an asset has been marketed and a delay could  
20 jeopardize the transaction. *See, e.g., In re Crowthers McCall Pattner, Inc.*, 114 B.R. 877, 885  
21 (Bankr. S.D.N.Y. 1990) (extreme difficulty finding a buyer justified merger when buyer found).  
22 The Trustee's proposed sale of the Property meets the foregoing criteria.

#### 23 **1. Sound Business Purpose**

24 The Ninth Circuit has adopted a flexible, case-by-case test to determine whether the  
25 business purpose for a proposed sale justifies disposition of property of the estate under Section  
26 363(b). *In re Walter*, 83 B.R. 14 (B.A.P. 9th Cir. 1988). In *Walter*, the Ninth Circuit, adopting  
27 the reasoning of the Fifth Circuit in *In re Continental Air Lines, Inc.*, 780 F.2d 1223 (5th Cir.  
28

1 1986), and the Second Circuit in *In re Lionel Corp.*, 722 F.2d 1063 (2d Cir. 1983), set forth the  
2 following standard to be applied under Bankruptcy Code Section 363(b):

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

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

11 Here, the facts surrounding the sale of the Property support the Trustee's business  
12 decision that the proposed sale is in the best interests of the Estate and its creditors. Through the  
13 sale of the Property, the Trustee expects to generate net proceeds of approximately \$49,000.00.  
14 The estimated net proceeds will benefit the Estate by providing funds for distribution to  
15 creditors. If the Sale Motion is not approved there will be a loss to the Estate because in such an  
16 event, the Estate will not receive any benefit from the Property.

17 Furthermore, the Trustee believes that the proposed sale, subject to overbids, will be at  
18 fair market value because it is the best offer the Estate has received thus far for the Property.  
19 Given that the sale is subject to overbids, it is anticipated the Trustee will receive the best and  
20 highest value for the Property and therefore the proposed sale price of the Property is fair and  
21 reasonable.

22 Therefore, the Trustee respectfully submits that, if this Court applies the "good business  
23 reason standard" suggested by the Second Circuit in *Lionel*, the sale should be approved.

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

25 The Trustee believes that it would be in the best interest of the Estate and its creditors to  
26 sell the Property. The benefits to the Estate, as set forth above, are significant as the proposed  
27 sale will yield an estimated \$49,000.00 return to the Estate. If the Sale Motion is not approved,  
28 the Estate will not receive the sale proceeds and will likely lose the buyer. If the Trustee loses

1 the Debtor as the buyer of the Property, the Trustee believes that sale of the Property to a third-  
2 party would be extremely difficult due to the limited marketability of the Inventory and  
3 Equipment. The Trustee does not want to lose this beneficial business opportunity. Thus, the  
4 Trustee has made a business decision that it is in the best interest of the creditors of the Estate  
5 that this Sale Motion be approved.

6 **3. Accurate and Reasonable Notice**

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

9 The notice requirements for sales are set forth in Federal Rules of Bankruptcy Procedure  
10 (“FRBP”) 6004 and 2002. The notice must include the time and place of any public sale, the  
11 terms and conditions of any private sale, the time fixed for filing on objections and a general  
12 description of the property. Federal Rules of Bankruptcy Procedure 2002(c)(1).

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

20 **4. The Sale is Made in Good Faith**

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

24 ‘Good faith’ encompasses fair value, and further speaks to the integrity of the transaction.  
25 Typical ‘bad faith’ or misconduct, would include collusion between the seller and buyer,  
26 or any attempt to take unfair advantage of other potential 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.

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

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1 In the present case, the negotiation of the proposed sale was an arms-length transaction.  
2 The negotiations with the Debtor resulted in a sale price for the Property that will have a net  
3 benefit to the Estate. As set forth in the Notice of the Sale Motion, the creditors will have been  
4 provided with sufficient notice of the sale. Accordingly, the sale is in good faith and should be  
5 approved. The Trustee shall request such a finding pursuant to Bankruptcy Code Section 363(m)  
6 at the hearing on this Sale Motion.

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

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

- 11 (1) applicable non-bankruptcy law permits a sale of such property free and  
12 clear of such interest;
- 13 (2) such entity consents;
- 14 (3) such interest is a lien and the price at which such property is to be sold is  
15 greater than the aggregate value of all liens on such property;
- 16 (4) such interest is in bona fide dispute; or
- 17 (5) such entity could be compelled, in a legal or equitable proceeding, to  
18 accept money satisfaction of such interest.

11 U.S.C. § 363(f).

19 Section 363(f) is written in the disjunctive and thus only one of the enumerated  
20 conditions needs to be satisfied for Court approval to be appropriate.

21 **1. Section 363(f)(3)**

22 The sale of the Property is proper pursuant to Section 363(f)(3). The sales price is for a  
23 sum that is greater than the aggregate value of the liens which show as attached to the Property.  
24 Courts have approved sales under Bankruptcy Code Section 363(f) even where the sale price did  
25 not exceed the value of the liens asserted on the property so long as the sale is for fair market  
26 value. *In re Terrace Gardens Park Partnership*, 96 B.R. 707 (Bankr. W.D. Tex. 1989); *In re*  
27 *Beker Indus. Corp.*, 63 B.R. 474, 477 (Bankr. S.D.N.Y. 1986). Thus, approval for the sale free  
28 and clear of liens and encumbrances in the manner provided herein is appropriate.

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

2 Implementation of the Bidding Procedures is an action outside of the ordinary course of  
3 the business. Bankruptcy Code Section 363(b)(1) provides that a trustee “after notice and  
4 hearing, may use, sell or lease, other than in the ordinary course of business, property of the  
5 estate.” 11 U.S.C. § 363(b)(1). Furthermore, under Bankruptcy Code Section 105(a), “[t]he  
6 court may issue any order, process, or judgment that is necessary or appropriate to carry out the  
7 provisions of this title.” 11 U.S.C. § 105(a). Thus, pursuant to Bankruptcy Code Sections  
8 363(b)(1) and 105(a), this Court may authorize the implementation of overbidding procedures.

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

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

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

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

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

28 ///



1 Furthermore, the notice that the Trustee proposes to provide to creditors and parties in interest in  
2 connection with the Bidding Procedures and Sale Motion is designed to attract the most interest  
3 in the acquisition of the Property and is sufficient under the circumstances of this case. Thus,  
4 approval of the Bidding Procedures will serve the best interests of the Estate and its creditors.

5 **IV. CONCLUSION**

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

- 8 1. Granting the Sale Motion.
- 9 2. Approving the Bidding Procedures set forth above for the sale of the Property.
- 10 3. Authorizing the Trustee to sell the Property to the Debtor (or Successful Bidder)  
11 pursuant to the terms and conditions as set forth in the Agreement attached as **Exhibit 2** to the  
12 Marshack Declaration.
- 13 4. Authorizing the Trustee to sign any and all documents convenient and necessary  
14 in pursuit of the sale as set forth above, including but not limited to any and all conveyances  
15 contemplated by the Agreement attached as **Exhibit 2** to the Marshack Declaration.
- 16 5. Finding that the Debtor is a good faith pursuant to Bankruptcy Code Section  
17 363(m).
- 18 6. For such other and further relief as the Court deems just and proper under the  
19 circumstances of this case.

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21  
22 **SHULMAN HODGES & BASTIAN LLP**

23 Dated: November 1, 2013

24 By: /s/ Ryan D. O'Dea  
Leonard M. Shulman  
Ryan D. O'Dea  
Attorneys for Richard A. Marshack, chapter 7  
Trustee for the bankruptcy estate of Belle Isle,  
25 Inc.  
26  
27  
28

**DECLARATION OF RICHARD A. MARSHACK**

I, Richard A. Marshack, declare:

1. I am the duly appointed, qualified and acting Chapter 7 Trustee for the bankruptcy estate of Belle Isle, Inc., Case No. 8:13-bk-17502-MW (“Debtor”). 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 Approving the Sale of Estate Property Free and Clear of Certain Liens Pursuant to Bankruptcy Code § 363(b)(1) and (f), Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized (“Sale Motion”).

3. Unless otherwise noted, capitalized terms herein have the meaning as set forth in the Sale Motion.

4. 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.

5. The Property that is the subject of the Sale Motion is a Well’s Fargo bank account containing \$24,000.00 and the Debtor’s furniture, fixtures, inventory and equipment.

6. A true and correct copy of the list of inventory and equipment created by the Debtor and provided to my office is attached hereto as **Exhibit 1**.

7. The Debtor’ Schedule B claims the Inventory and Equipment is worth \$1,500.00.

8. The Inventory and Equipment’s value on Schedule B is understated, and based on my experience as a Chapter 7 Trustee and my review of documents related to the Debtor’s business operations, including but not limited to **Exhibit 1**, I believe the Inventory and Equipment to be worth approximately \$25,000.00.

9. I received an offer from the Debtor to purchase the Property for \$49,000.00. The purchase price includes a deposit of \$12,250.00. Attached as **Exhibit 2** to my declaration is a true and correct copy of the purchase and sale agreement (the “Agreement”).



**DECLARATION OF HASSAN KARIMIAN**

I, Hassan Karimian, declare and state as follows:

1. I make this Declaration in relation to the bankruptcy case of *In re Belle Isle, Inc.*, Case No. 8:13-bk-17502-MW. I am over the age of eighteen years old and if called upon as witness, I could and would competently testify to the following of my own personal knowledge, information and belief.

2. I make this Declaration in support of the Chapter 7 Trustee's Motion for Order: (1) Approving the Sale of Estate Property Subject to Overbids, Combined with Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized ("Sale Motion"). ("Sale Motion").

3. I am a 50% owner of the Debtor and am authorized to make this declaration.

4. Unless otherwise noted, capitalized terms herein have the meaning as set forth in the Sale Motion.

5. As set forth in the Sale Motion, the Debtor has made an offer to purchase the Inventory and Equipment and the Bank Account for \$49,000.00.

6. The Debtor and its principals, agents, shareholders, or employees do not have a relationship with Richard A. Marshack, the Chapter 7 trustee. The Debtor does not intend to have a relationship with the Trustee after the sale.

7. There is no consideration contemplated to be transferred to the Debtor or the Trustee as part of the sale. The only consideration is the price being paid for the Inventory and Equipment and the Bank Account.

8. The Debtor, including any of its employees, agents, officers, directors, or shareholders, has not contacted any of the other potential bidders for the purchase of the Inventory and Equipment and the Bank Account in an attempt to take unfair advantage of the other bidders.

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9. As such, I am requesting that the Court make a finding that the Debtor is a buyer in good faith pursuant to Bankruptcy Code Section 363(m).

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

Executed on October 31, 2013 at Irvine California.



Hassan Karimian

# **EXHIBIT “1” INVENTORY**

Inventory Summary:

|             |           |
|-------------|-----------|
| Book #1     | \$3851.50 |
| Book #2     | \$3435.50 |
| Book #3     | \$2782    |
| Book #4     | \$1544    |
| Book #5     | \$1364    |
| Book #6     | \$4367.50 |
| Book #7     | \$2375.00 |
| Book #8     | \$3874.50 |
| Book #9     | \$823     |
| Book #10-18 | \$3412    |
| Total       | \$27829   |

| #1                          | Size   | Qty | Price   | Ext. Price |
|-----------------------------|--------|-----|---------|------------|
|                             |        |     |         |            |
| Shampure Shampoo            | 8.5 OZ | 4   | \$13.50 | \$54       |
| Shampure Shampoo            | Liter  | 3   | \$40    | \$120      |
| Shampur Conditione          | Liter  | 3   | \$40    | \$120      |
| Shampure Conditioner        | 8.5 OZ | 4   | \$13.50 | \$54       |
|                             |        |     |         |            |
| Smooth Infusions Conditione | 8.5OZ  | 4   | \$21    | \$84       |
| Smooth Infusions Conditione | Liter  | 3   | \$79    | \$234      |
| Smooth Infusions Shampoo    | Liter  | 3   | \$63    | \$189      |
| Smooth Infusions Shampoo    | 8.5 OZ | 4   | \$21    | \$84       |
|                             |        |     |         |            |
| Rosemary Mint Conditioner   | 8.5 OZ | 4   | \$13.50 | \$54       |
| Rosemary Mint Conditioner   | Liter  | 3   | \$40    | \$120      |
| Rosemary Mint Shampoo       | Liter  | 3   | \$40    | \$120      |
| Rosemary mint Shampoo       | 8.5 OZ | 4   | \$40    | \$54       |
|                             |        |     |         |            |
| Color Conserve Treatment    | 4.2 OZ | 4   | \$26    | \$104      |
| Color Conserve Conditioner  | 8.5 OZ | 4   | \$19.50 | \$78       |
| Color Conserve Conditioner  | Liter  | 3   | \$74    | \$222      |
| Color Conserve Shampoo      | Liter  | 3   | \$58    | \$174      |
| Color Conserve Shampoo      | 8.5 OZ | 4   | \$19.50 | \$78       |
|                             |        |     |         |            |
| Pure Abundance Conditioner  | 8.5 OZ | 4   | \$19.50 | \$78       |
| Pure Abundance Condioner    | Liter  | 3   | \$36    | \$108      |
| Pure Abundance Shampoo      | Liter  | 3   | \$58    | \$174      |
| Pure Abundance Shampoo      | 8.5 OZ | 4   | \$19.50 | \$78       |
| Pure Abundance Style Prep   | 3.4 OZ | 4   | \$24    | \$96       |
|                             |        |     |         |            |
| Brilliant Conditioner       | 8.5 OZ | 4   | \$17    | \$68       |
| Brilliant Conditioner       | Liter  | 3   | \$67.50 | \$202.50   |
| Brialliant Conditioner      | Liter  | 3   | \$50    | \$150      |
| Brialliant Shampoo          | 8.5 OZ | 4   | \$18    | \$72       |
|                             |        |     |         |            |
| Sun care masque             | 4.2 OZ | 4   | \$26    | \$104      |
| Sun Care Cleanser           | 8.5 OZ | 4   | \$21    | \$84       |
| Sun Care Veil               | 3.4 OZ | 4   | \$28    | \$112      |
|                             |        |     |         |            |
| Scalp Remedy                |        | 4   | \$26    | \$104      |
| Scalp Benefits Conditioner  | 8.5 OZ | 4   | \$17    | \$68       |
| Scalp Benefits Conditioner  | Liter  | 3   | \$64    | \$192      |
| Scalp Benefits Shampoo      | Liter  | 3   | \$50    | \$150      |
| Scalp Benefits Shampoo      | 8.5 OZ | 4   | \$17    | \$68       |

| Book #2                   | Size    | Qty | Price   | Ext Price |
|---------------------------|---------|-----|---------|-----------|
|                           |         |     |         |           |
| Damage remedy Tx masque   |         | 4   | \$34    | 136       |
| Damage remedy Tx masque   | 16.9 OZ | 4   | \$86    | 344       |
| Damage remedy Conditioner | 8.5 OZ  | 4   | \$27    | 108       |
| Damage remedy Conditioner | Liter   | 3   | \$102   | 306       |
| Damage remedy Shampoo     | Liter   | 3   | \$80    | 240       |
| Damage Remedy Shampoo     | 8.5 OZ  | 4   | \$27    | 108       |
|                           |         |     |         |           |
| Dry remedy Masque         | 4.2 OZ  | 4   | \$29    | 116       |
| Dry remdy Masque          | 8.5 OZ  | 4   | \$40    | 160       |
| Dry remedy conditioner    | 6.7 OZ  | 4   | \$24    | 96        |
| Dry remedy conditioner    | 16.9 OZ | 3   | \$45    | 135       |
| Dry remedy Shampoo        | 16.9 OZ | 3   |         |           |
| Dry remedy Shampoo        | 6.7 OZ  | 4   |         |           |
|                           |         |     |         |           |
| Be curly hair spray       | 6.7 OZ  | 4   | \$20    | 80        |
| Be curly curl controller  | 6.7 OZ  | 4   | \$21    | 84        |
| Be curly style prep       | 3.4 OZ  | 4   | \$24    | 96        |
| Be curly Conditioner      | 8.5 oz  | 4   | \$21    | 84        |
| Be curly conditioner      | Liter   | 3   | \$79    | 237       |
| Be curly shampoo          | Liter   | 3   | \$63    | 189       |
| Be curly shampoo          | 8.5 OZ  | 4   | \$21    | 84        |
|                           |         |     |         |           |
| Black malva conditioner   | 8.5 OZ  | 4   | \$18    | 72        |
| Black malva shampoo       | Liter   | 3   | \$31.50 | 94.5      |
| Blue malva conditioner    | 8.5 OZ  | 4   | \$18    | 72        |
| Blue malva shampoo        | Liter   | 3   | \$31.50 | 94.5      |
| Clove conditioner         | 8.5 OZ  | 4   | \$18    | 72        |
| Clove shampoo             | Liter   | 3   | \$31.50 | 94.5      |
| Camomile Conditioner      | 8.5 OZ  | 4   | \$18    | 72        |
| Camomile Shampoo          | Liter   | 3   | \$31.50 | 94.5      |
| Madder Root Conditioner   | 8.5 OZ  | 4   | \$18    | 72        |
| Madder root Shampoo       | Liter   | 3   | \$31.50 | 94.5      |
|                           |         |     |         |           |

| Book #3                  | size    | Qty | Price   | ext price |
|--------------------------|---------|-----|---------|-----------|
|                          |         |     |         |           |
| Invati Scalp revitalizer | 6.7 OZ  | 4   | \$60    | 240       |
| Invati Conditioner       | 6.7 OZ  | 4   | \$27    | 108       |
| Invati Conditioner       | Liter   | 3   | \$102   | 306       |
| Invati Shampoo           | Liter   | 3   | \$102   | 306       |
| Invati Shampoo           | 6.7 OZ  | 4   | \$27    | 108       |
|                          |         |     |         |           |
| Mens pomade              | 2.6 OZ  | 4   | \$23    | 92        |
| Mens clay                | 2.6 OZ  | 4   | \$23    | 92        |
| Mens liquid pomade       | 6.7 OZ  | 4   | \$23    | 92        |
| Mens Gel                 | 5 oz    | 4   | \$23    | 92        |
| Mens grooming cream      | 4.2 OZ  | 4   | \$23    | 92        |
| Mens conditioner         | 10 OZ   | 4   | \$20    | 80        |
| Mens conditioner         | Liter   | 3   | \$50    | 150       |
| Mens shampoo             | Liter   | 3   | \$50    | 150       |
| Mens shampoo             | 10 OZ   | 4   | \$20    | 80        |
|                          |         |     |         |           |
| Mens composition         | 1.7. OZ | 4   | \$25    | 100       |
| Mens Fragrance           | 1.7 OZ  | 4   | \$68    | 272       |
| Mens grooming essentials |         | 4   | \$32.50 | 130       |
| Mens shave cream         | 5 OZ    | 4   | \$18    | 72        |
| Mens after shave         | 2.5 OZ  | 4   | \$35    | 140       |
|                          |         |     |         |           |
| Paddle Brush             |         | 4   | \$20    | 80        |
|                          |         |     |         |           |

| Book # 4                | Size   | Qty | Price   | Ext Price |
|-------------------------|--------|-----|---------|-----------|
|                         |        |     |         |           |
|                         |        |     |         |           |
| Control Force           | 9.1 oz | 4   | \$27    | 108       |
| Pure abundance          | 6.7 oz | 4   | \$18    | 72        |
| Be curly spray          | 6.7 oz | 4   | \$20    | 80        |
| Firmata                 | 8.5 oz | 4   | \$18    | 72        |
| Air Control             | 9.1 oz | 4   | \$26    | 104       |
| Brilliant hairspray     | 8.5 oz | 4   | \$18    | 72        |
| Witch Hazel             | 8.5 oz | 4   | \$18    | 72        |
| Brilliant humectant     | 2.6 oz | 4   | \$21    | 84        |
| Brilliant anti humectan | 2.6 oz | 4   | \$21    | 84        |
| Brilliant gloss         | 2.5 oz | 4   | \$26    | 104       |
| Brilliant shine spray   | 3.4 oz | 4   | \$26    | 104       |
| Light elements fluid    | 3.4 oz | 4   | \$28    | 112       |
| Light element wax       | 2.6 oz | 4   | \$24    | 96        |
| Control paste           | 1.7 oz | 4   | \$23    | 92        |
| Light elements whip     | 4.1 OZ | 4   | \$24    | 96        |
| Hair potion             | 0.7 oz | 4   | \$24    | 96        |
| Light elements cream    | 2.6 oz | 4   | \$24    | 96        |
| Hot tools curling irons |        |     | \$42-44 |           |

| Book # 5                 | Size   | Qty | price | ext price |
|--------------------------|--------|-----|-------|-----------|
|                          |        |     |       |           |
| Daily hair repair        | 3.4 oz | 4   | \$28  | 112       |
| Be curly style prep      | 3.4 oz | 4   | \$24  | 96        |
| Smooth infusions style   | 3.4 oz | 4   | \$24  | 96        |
| Color conserve Tx        | 3.4 oz | 4   | \$24  | 96        |
| Brilliant damage contr   | 8.5 oz | 4   | \$18  | 72        |
| Be curly curl enhancer   | 6.7 oz | 4   | \$23  | 92        |
| Glossing straightener    | 4.2 oz | 4   | \$23  | 92        |
| Brilliant universal crea | 4.2 oz | 4   | \$19  | 76        |
| Mens Gel                 | 5 oz   | 4   | \$23  | 92        |
| Flax seed                | 8.5 oz | 4   | \$19  | 76        |
| Brilliant gel            | 5oz    | 4   | \$19  | 76        |
| Confixor                 | 8.5 oz | 4   | \$19  | 76        |
| Liquid pomade            | 6.7 oz | 4   | \$23  | 92        |
| Phommolient travel       | 1.7 oz |     |       |           |
| Phommolient              | 6.7 oz | 4   | \$19  | 76        |
| Phommolient refill       | 6.7 oz | 4   | \$18  | 72        |
| Volume Tonic             | 3.4 oz | 4   | \$18  | 72        |
|                          |        |     |       |           |

| Book #6                        | Size   | Qty | Price   | Ext price |
|--------------------------------|--------|-----|---------|-----------|
|                                |        |     |         |           |
| Bag with refillables           |        | 4   | \$16    | 64        |
| Line minimizers                | 1 oz   | 3   | \$85    | 255       |
| Green science face cream       | 1.7 oz | 4   | \$58    | 232       |
| Green science eye crème        | 0.5 oz | 4   | \$47    | 188       |
| Green science serum            | 1oz    | 4   | \$53    | 212       |
| Green science toner            | 4.2 oz | 4   | \$39    | 156       |
|                                |        |     |         |           |
| Enbrightenment set             |        | 2   | \$60    | 120       |
| Enbrightenment masque          | 4.2oz  | 6   | \$45    | 270       |
| Enbrightenment cream           | 1.7oz  | 4   | \$58    | 232       |
| Enbrightenment lotion          | 1.7oz  | 7   | \$53    | 371       |
| Enbrightenment serum           | 1oz    | 4   | \$53    | 371       |
| Enbrightenment toner           | 5oz    | 4   | \$42    | 168       |
| Enbrightenment Cleanser        | 4.2oz  | 4   | \$35    | 140       |
|                                |        |     |         |           |
| Outer Peace Lotion             | 1.7oz  | 4   | \$40    | 160       |
| Outer Peace pads               | 30pads | 4   | \$33    | 132       |
| Outer Peace Spot Treatment     | .5 oz  | 6   | \$29.50 | 177       |
| Outer Peace Cooling Masque     | 4.2oz  | 4   | \$37    | 148       |
| Outer Peace Cleanser Refil     | 4.2oz  | 4   | \$26    | 106       |
| Outer Peace Cleanser Refil     | 4.2oz  | 4   | \$27    | 108       |
|                                |        |     |         |           |
| Shammy Cloth                   |        | 3   | \$9.50  | 28.5      |
| Caribbean Therapy refil candle |        | 2   | \$19    | 38        |
| Shampure Candle                |        | 2   | \$34    | 68        |
| Warmth Candle                  |        | 8   | \$29    | 232       |
| Grounding Candle               |        | 2   | \$26    | 52        |
| Light the Way Candle           |        | 1   | \$12    | 12        |
| Tea Bags                       |        | 6   | \$17    | 102       |
| Loose Tea                      |        | 6   | \$27.50 | 165       |
| Invati Trial                   |        | 8   | \$7.50  | 60        |
|                                |        |     |         |           |

| Book #7                          | Size    | Quantity | Price |     |
|----------------------------------|---------|----------|-------|-----|
| Tourmaline Radiance Kit          |         | 2        | \$45  | 90  |
| Tourmaline Skin Refine           | 3.4oz   | 6        | \$40  | 240 |
| Tourmaline Masque                | 4.2oz   | 6        | \$34  | 204 |
| Tourmaline Hydrating             | 1.7oz   | 4        | \$40  | 160 |
| Tourmaline Fluid                 | 1oz     | 4        | \$43  | 172 |
| Tourmaline Exfoliating           | 5oz     | 4        | \$29  | 116 |
|                                  |         |          |       |     |
| Botanical Kinetics Kit/oily skin |         | 4        | \$38  | 52  |
| Hydrating Lotion                 | 5oz     | 5        | \$33  | 165 |
| Hydrating Lotion                 | 16.9oz  | 4        | \$77  | 308 |
| Toning Mist                      | 5oz     |          | \$20  |     |
| Toning Mist                      | 16.9oz  |          | \$48  |     |
| Gel Cleanser                     | 5oz     |          | \$21  |     |
| Gel Cleanser                     | 16.9oz  |          | \$49  |     |
|                                  |         |          |       |     |
| Botanical Kinetics Kit/dry skin  |         | 3        | \$38  | 114 |
| Exfoliant                        | 5oz     |          | \$20  |     |
| Exfoliant                        | 16.9oz  |          | \$48  |     |
| Skin Firming Toning Ag           | 5oz     |          | \$28  |     |
| Skin Firming Toning Ag           | 16.9oz  |          | \$48  |     |
| Cream Cleanser                   | 5oz     |          | \$21  |     |
| Cream Cleanser                   | 16.9 oz |          | \$49  |     |
|                                  |         |          |       |     |
| All Sensitive Kit                |         | 3        | \$20  | 60  |
| Balancing Fusion/Dry Skin        |         | 1        | \$22  | 22  |
| Balancing Fusion/Sensitive Skin  |         | 4        | \$22  | 88  |
| Deep Cleansing Clay M            | 4.2oz   | 3        | \$22  | 66  |
| Hydrating Masque                 | 5oz     | 8        | \$22  | 176 |
| Eye Makeup Remover               | 4.2oz   | 7        | \$18  | 126 |
| All Sensitive Moisturize         | 5oz     | 4        | \$33  | 132 |
| All Sensitive Cleanser           | 5oz     | 4        | \$21  | 84  |
|                                  |         |          |       |     |

| Book#8       | Size   | Quantity | Price   |      |
|--------------|--------|----------|---------|------|
|              |        |          |         |      |
| Stress Fix L | 6.7oz  | 6        | \$29.50 | 177  |
| Soaking Sal  | 16oz   | 3        | \$42    | 126  |
| Concentrat   | .24oz  | 14       | \$24    | 336  |
| Caribbean    | 6.7oz  | 6        | \$28    | 168  |
| Body Scrub   | 16oz   | 2        | \$41    | 82   |
| Body Clean   | 6.7oz  | 3        | \$25    | 75   |
|              |        |          |         |      |
| Foot Relief  | 4.2oz  | 6        | \$22.50 | 135  |
| Hand Relei   | 4.2oz  | 6        | \$22.50 | 135  |
| Breast Can   | 5oz    | 3        | \$25.50 | 76.5 |
| Ancient Att  | 1oz    | 1        | \$75    | 75   |
| Yatra Pure-  | 1oz    | 1        | \$75    | 75   |
| Cuticle Cor  | .5oz   | 6        | \$10.50 | 63   |
| Rosemary     | 7oz    | 6        | \$17    | 102  |
| Rosemary     | 6.7oz  | 7        | \$27    | 189  |
| Rosemary     | 8.5oz  | 6        | \$17    | 102  |
| Rosemary     | 33.8oz | 3        | \$51    | 153  |
|              |        |          |         |      |
| Chakra #7    | 3.4oz  | 5        | \$30    | 150  |
| Chakra #6    | 3.4oz  | 4        | \$30    | 120  |
| Chakra #5    | 3.4oz  | 6        | \$30    | 180  |
| Chakra #4    | 3.4oz  | 5        | \$30    | 150  |
| Chakra #3    | 3.4oz  | 5        | \$30    | 150  |
| Chakra #2    | 3.4oz  | 4        | \$30    | 120  |
| Chakra #1    | 3.4oz  | 2        | \$30    | 60   |
| Replenishir  | 8.5oz  | 9        | \$28    | 252  |
| Smoothing    | 8.5oz  | 7        | \$30    | 210  |
| Energizing   | 8.5oz  | 4        | \$17    | 68   |
| Calming Bo   | 8.5oz  | 6        | \$17    | 102  |
| Refreshing   | 5.2oz  | 19       | \$17    | 323  |
| Soothing A   | 16oz   | 5        | \$34    | 170  |
|              |        |          |         |      |

| Sheet 9        | Size | QTY | Price | Ext. Price |
|----------------|------|-----|-------|------------|
|                |      |     |       |            |
| Flat Iron HAI  | NA   | 3   | 50    | 150        |
| Flat Iron Croc | NA   | 7   | 40    | 280        |
| Blow Dryers    | NA   | 3   | 52    | 154        |
| Brushes        | NA   | 28  | 5.5   | 154        |
| Curling Irons  | NA   | 5   | 17    | 85         |
|                |      |     |       |            |
|                |      |     |       |            |

| Sheets 11-18                           | Size | QTY       | Price | Ext. Price |
|--|------|-----------|-------|------------|
| Travel Tower, mixed available products | NA   | 132       | NA    | 660        |
| Brush Bowl                             | NA   | 16        | 4.5   | 72         |
| Facial room, wax, chair, table, cart   | NA   | Two rooms | 610   | 1220       |
| Wait Area Chairs and table             | NA   | 3         | NA    | 250        |
| Wait area table, mirror, art           | NA   | NA        | NA    | 400        |
| Office desk and chair                  | NA   | NA        | NA    | 200        |
| Launch pad tables                      | NA   | 2         | NA    | 220        |
| Misc Art                               | NA   | NA        | NA    | 150        |
| Client Chairs                          | NA   | 9         | 125   | 1125       |

**EXHIBIT “2”  
SALE AGREEMENT**

## **ASSET PURCHASE AGREEMENT**

This Asset Purchase Agreement (the "Agreement") is entered into by and between Richard A. Marshack, solely in his capacity as the Chapter 7 Trustee ("Trustee") for the bankruptcy estate of Belle Isle, Inc. ("Debtor"), and the Debtor with respect to the following facts:

### **RECITIALS**

A. The Debtor and the Trustee have entered into an agreement which provides for the Debtor's acquisition of certain property of the estate subject to, among other things, bankruptcy court approval of this Agreement.

B. The Debtor filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code on September 5, 2013, Case No. 8:13-bk-17502-MW (the "Bankruptcy").

C. Richard A. Marshack is the duly appointed, qualified, and acting Chapter 7 Trustee for the Debtor's bankruptcy estate.

D. The Debtor's Schedule G states that the Debtor leased two Mercedes Benz automobiles approximately one month before the Debtor's filed its voluntary bankruptcy petition.

E. The Debtor does not own any real property and the Debtor's Schedule B reflects total assets of \$5,500.00. \$4,000.00 of the assets listed on Schedule B is in relation to money held in the Debtor's bank accounts. The remaining \$1,500.00 of the assets listed on Schedule B is in relation to the Debtor's inventory and furniture, fixtures, and equipment (the "Inventory and Equipment").

F. The Debtor has an unsecured bank account at Wells Fargo which contains approximately \$24,000.00 (the "Bank Account").

G. The Inventory and Equipment was undervalued on the Debtor's Schedule B and its true value is approximately \$25,000.00.

H. Pursuant to Paragraph 21 of the Debtor's Statement of Financial Affairs, Hassan and Sahereh Karimian (the "Karimians") own 100% of the Debtor.

I. The Karimians also filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code on September 5, 2013, Case No. 8:13-bk-17506-MW (the "Karimian Bankruptcy").

J. The Debtor's Schedule G does not disclose a lease for the current operating location of Belle Isle.

K. The Trustee conducted an investigation into the business operations of the Debtor and determined that the Debtor is operating at 85 Fortune Drive #323, Irvine, California 92618.

The Debtor's owners have an unexpired lease with the Irvine Company at this location (the "Lease").

L. The Lease is in the Karimians' name.

M. Based on documents and records produced by the Debtor, the Trustee has determined that the Debtor undervalued the Inventory and Equipment. The Trustee believes that the Debtor's Inventory and Equipment are worth approximately \$25,000.00, and that the Bank Account has a value of approximately \$24,000.00.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

### **ASSET DESCRIPTION AND PURCHASE**

#### **1. ASSETS DESCRIBED**

1.1. The Inventory and Equipment. The Trustee agrees that he shall sell, assign, transfer and convey to the Debtor, and the Debtor agrees that it shall purchase and acquire from the Trustee, for the consideration hereinafter provided, and subject to the terms and conditions hereinafter set forth, the Estate's interest in the Inventory and Equipment. Attached hereto as **Exhibit A** is an itemized list of all Inventory and Equipment to be sold through this Agreement.

1.2. The Bank Account. The Trustee agrees that he shall sell, assign, transfer and convey to the Debtor, and the Debtor agrees that it shall purchase and acquire from the Trustee, for the consideration hereinafter provided, and subject to the terms and conditions hereinafter set forth, the Estate's interest in the Bank Account.

#### **2. PURCHASE PRICE**

2.1. Amount of Purchase Price. In consideration for the transfer of the Inventory and Equipment and the Bank Account described in Section 1, the Debtor hereby agrees to pay a purchase price of \$49,000.00 ("Purchase Price").

2.2. Good Faith Deposit. An initial payment of Twelve Thousand Two-Hundred Fifty Dollars (\$12,250.00) the ("Good Faith Deposit") to be made contemporaneously with the execution of this Agreement. If the Bankruptcy Court approves this Agreement the Good Faith Deposit and all subsequent monthly payments, shall then become property of the Estate and shall be applied towards the Purchase Price. If the Bankruptcy Court does not approve the Agreement, then the Good Faith Deposit and all monthly payments received shall be promptly returned.

2.3. Installment Payments. Subsequent monthly installments of One Thousand Five Hundred Thirty-One Dollars and Twenty-Five Cents (\$1,531.25) for months one through seven and Three Thousand Seven Hundred Eighteen Dollars and Seventy-Five Cents (\$3,718.75) for

months eight through fourteen (the "Monthly Installments") are due on or before the first (1st) day of each month, beginning November 1, 2013. The installment payments shall be applied to the Settlement Amount until the Settlement Amount is fully satisfied, which shall occur no later than January 1, 2015. These payments will be considered late if received after the fifth (5th) day of the month.

2.4. Tendering Payments. The Debtor shall pay the Good Faith Deposit and the Monthly Installments by personal check or money order, payable to: Richard A. Marshack, Chapter 7 Trustee of the Belle Isle, Inc. Bankruptcy Estate. The Monthly Installments shall be mailed to: Richard A. Marshack, 870 Roosevelt Avenue, Irvine, California 92620.

2.5 Collateral. Within seven (7) calendar days from the Debtor's execution of this Agreement, the Debtor shall execute a UCC-1 security agreement in favor of the Trustee, giving the Trustee a blanket lien on all of the Debtor's inventory, equipment, furniture, fixtures, deposit accounts, bank accounts, money or other rights to payment, attachments, accessories, fittings, increase, tools, parts, repairs, supplies, insurance refunds, and good will related to the aforementioned property, all whether now existing or hereafter arising, whether now owned or hereafter acquired or whether now or hereafter subject to any rights in the foregoing property, and all products and proceeds (including but not limited to all insurance payments) of or relating to the foregoing property.

### **3. CONDITIONS PRECEDENT**

3.1. Bankruptcy Court Approval. This Agreement is expressly subject to approval by the Bankruptcy Court. In the event the Court does not approve the terms of this Agreement, the sale to the Debtor shall be null and void and the Trustee may take all actions necessary to collect and/or liquidate the Inventory and Equipment in accordance with applicable Bankruptcy Law and the best interests of creditors. The sale is subject to notice to creditors and higher and better bids ("Overbid") received by the Trustee through and including the Bankruptcy Court hearing to confirm the sale. The sale of the Asset is subject to the Overbid procedures detailed in the Sale Motion.

### **4. NO REPRESENTATIONS OR WARRANTIES**

4.1. The Debtor acknowledge and agree that the sale of the Asset is an "as is" sale and the Trustee is selling the Inventory and Equipment subject to all claims and liabilities thereof. The Trustee makes no representations or warranties concerning the value of the Inventory and Equipment.

### **5. EVENT OF DEFAULT**

5.1. Event of Default by the Debtor. In the event the Debtor defaults on any provision of this Agreement, including the failure to timely pay any portion of the Purchase Price, the terms of this Agreement, the sale to the Debtor shall be null and void and the Trustee is entitled to retain the Good Faith Deposit and all Monthly Installments received. Further, the Trustee may liquidate any and all property described in Section 2.5 of this Agreement or otherwise covered by the UCC-1 security agreement. In the event the Debtor defaults on any provision of this

Agreement, the Trustee shall provide the Debtor with a ten (10) day written notice to cure such default(s). Such notice shall be sent to Matthew C. Mullhofer at MCMLAW@PROTECTMYASSETS.COM, with a copy sent via United States Mail to Law Office of Matthew C. Mullhofer, Attention: Matthew C. Mullhofer, 2107 N. Broadway Suite 103, Santa Ana, California, 92706. If the Debtor fails to cure such default(s) within such ten (10) days from the date of the written notice, the Trustee may immediately file a Declaration of Default.

5.2. Jurisdiction of the Bankruptcy Court. Should any dispute arise regarding this Agreement, the United States Bankruptcy Court for the Central District of California, Santa Ana Division shall have exclusive jurisdiction to determine the same.

## **6. GENERAL PROVISIONS**

6.1. This Agreement constitutes the entire Agreement between the parties and supersedes all prior agreements, representations, and understandings of the parties. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by the parties.

6.2. This Agreement shall be binding on and shall inure to the benefit of the parties to it and their respective successors and assignees.

6.3. This Agreement shall be governed by and construed under California law and applicable provisions of the United States Bankruptcy Code.

6.4. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

6.5. In the event Trustee is compelled to commence any legal action to enforce any of the terms and provisions of this Agreement, Debtor do hereby agree to pay reasonable attorneys' fees and court costs incurred by Trustee in the enforcement of such provisions.

6.6. The Trustee is signing this Agreement in his capacity solely as Chapter 7 Trustee of the Estate. Nothing contained herein shall in any way impute liability to the Trustee, personally or as a member of any professional organization, or anyone acting on his behalf, including but not limited to his counsel, Shulman Hodges & Bastian LLP.

6.7. The Buyer understands the terms and conditions of the entire purchase contract and hold the Estate, Richard A. Marshack, Trustee, his attorneys including Shulman Hodges & Bastian LLP, agents and employees, harmless from any liabilities arising from this contact.

6.8. The Parties agree that they will execute any and all further and additional documents and take all further and additional steps, which may be necessary or convenient to consummate the terms of this Agreement and accomplish the purposes thereof.

6.9. The Parties hereto, and each of them, separately represent and warrant to each other that they have not heretofore assigned or transferred, or purported to assign or transfer, to any other person or entity any claim or other matter herein released.

6.10. The Parties hereto hereby warrant and represent that each and every recital and representation contained herein is true and correct to the best of their knowledge.

6.11. The Parties hereto hereby warrant and represent that he or she has been duly authorized to execute this Agreement and to undertake the obligations contained herein.

6.12. This Agreement may be amended and modified only by a written agreement signed by all of the Parties hereto specifically acknowledging and approving of the modification.

6.13. The failure to insist upon compliance with any term, covenant or condition contained in this Agreement shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power contained in this Agreement at any one time or more times be deemed a waiver or relinquishment of any right or power at any other time or times.

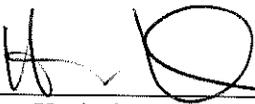
6.14. If any provision or part of a provision of this Agreement is found to be invalid or unenforceable, that provision may be stricken from the Agreement, to the extent only of the finding of invalidity, and the remainder of this Agreement shall continue in full force and effect.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement on the respective dates set forth below.

Dated: October \_\_, 2013

\_\_\_\_\_  
Richard A. Marshack, solely in his capacity as Chapter 7  
Trustee of the bankruptcy estate of Belle Isle, Inc.

Dated: October 31, 2013

  
\_\_\_\_\_  
Hassan Karimian, on behalf of Debtor Belle Isle, Inc.

Dated: October 31, 2013

  
\_\_\_\_\_  
Sahereh Karimian, on behalf of Debtor Belle Isle, Inc.

**APPROVED AS TO FORM:**

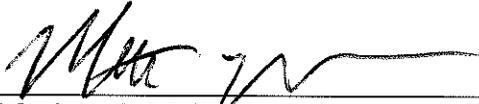
**SHULMAN HODGES & BASTIAN LLP**

Dated: October 30, 2013

/s/ Ryan D. O'Dea  
Leonard M. Shulman  
Ryan D. O'Dea  
Attorneys for Richard A. Marshack, Chapter 7 Trustee of  
the bankruptcy estate of Belle Isle, Inc.

**LAW OFFICE OF MATTHEW C. MULLHOFER**

Dated: October 31, 2013

  
Matthew C. Mullhofer  
Matthew C. Mullhofer  
Attorney for Debtor Belle Isle, Inc.

# **EXHIBIT A**

**EXHIBIT "2"**

**Page 39**

Inventory Summary:

|             |           |
|-------------|-----------|
| Book #1     | \$3851.50 |
| Book #2     | \$3435.50 |
| Book #3     | \$2782    |
| Book #4     | \$1544    |
| Book #5     | \$1364    |
| Book #6     | \$4367.50 |
| Book #7     | \$2375.00 |
| Book #8     | \$3874.50 |
| Book #9     | \$823     |
| Book #10-18 | \$3412    |
| Total       | \$27829   |

| #1                          | Size   | Qty | Price   | Ext. Price |
|-----------------------------|--------|-----|---------|------------|
|                             |        |     |         |            |
| Shampure Shampoo            | 8.5 OZ | 4   | \$13.50 | \$54       |
| Shampure Shampoo            | Liter  | 3   | \$40    | \$120      |
| Shampur Conditione          | Liter  | 3   | \$40    | \$120      |
| Shampure Conditioner        | 8.5 OZ | 4   | \$13.50 | \$54       |
|                             |        |     |         |            |
| Smooth Infusions Conditione | 8.5OZ  | 4   | \$21    | \$84       |
| Smooth Infusions Conditione | Liter  | 3   | \$79    | \$234      |
| Smooth Infusions Shampoo    | Liter  | 3   | \$63    | \$189      |
| Smooth Infusions Shampoo    | 8.5 OZ | 4   | \$21    | \$84       |
|                             |        |     |         |            |
| Rosemary Mint Conditioner   | 8.5 OZ | 4   | \$13.50 | \$54       |
| Rosemary Mint Conditioner   | Liter  | 3   | \$40    | \$120      |
| Rosemary Mint Shampoo       | Liter  | 3   | \$40    | \$120      |
| Rosemary mint Shampoo       | 8.5 OZ | 4   | \$40    | \$54       |
|                             |        |     |         |            |
| Color Conserve Treatment    | 4.2 OZ | 4   | \$26    | \$104      |
| Color Conserve Conditioner  | 8.5 OZ | 4   | \$19.50 | \$78       |
| Color Conserve Conditioner  | Liter  | 3   | \$74    | \$222      |
| Color Conserve Shampoo      | Liter  | 3   | \$58    | \$174      |
| Color Conserve Shampoo      | 8.5 OZ | 4   | \$19.50 | \$78       |
|                             |        |     |         |            |
| Pure Abundance Conditioner  | 8.5 OZ | 4   | \$19.50 | \$78       |
| Pure Abundance Condioner    | Liter  | 3   | \$36    | \$108      |
| Pure Abundance Shampoo      | Liter  | 3   | \$58    | \$174      |
| Pure Abundance Shampoo      | 8.5 OZ | 4   | \$19.50 | \$78       |
| Pure Abundance Style Prep   | 3.4 OZ | 4   | \$24    | \$96       |
|                             |        |     |         |            |
| Brilliant Conditioner       | 8.5 OZ | 4   | \$17    | \$68       |
| Brilliant Conditioner       | Liter  | 3   | \$67.50 | \$202.50   |
| Brialliant Conditioner      | Liter  | 3   | \$50    | \$150      |
| Brialliant Shampoo          | 8.5 OZ | 4   | \$18    | \$72       |
|                             |        |     |         |            |
| Sun care masque             | 4.2 OZ | 4   | \$26    | \$104      |
| Sun Care Cleanser           | 8.5 OZ | 4   | \$21    | \$84       |
| Sun Care Veil               | 3.4 OZ | 4   | \$28    | \$112      |
|                             |        |     |         |            |
| Scalp Remedy                |        | 4   | \$26    | \$104      |
| Scalp Benefits Conditioner  | 8.5 OZ | 4   | \$17    | \$68       |
| Scalp Benefits Conditioner  | Liter  | 3   | \$64    | \$192      |
| Scalp Benefits Shampoo      | Liter  | 3   | \$50    | \$150      |
| Scalp Benefits Shampoo      | 8.5 OZ | 4   | \$17    | \$68       |

| Book #2                   | Size    | Qty | Price   | Ext Price |
|---------------------------|---------|-----|---------|-----------|
|                           |         |     |         |           |
| Damage remedy Tx masque   |         | 4   | \$34    | 136       |
| Damage remedy Tx masque   | 16.9 OZ | 4   | \$86    | 344       |
| Damage remedy Conditioner | 8.5 OZ  | 4   | \$27    | 108       |
| Damage remedy Conditioner | Liter   | 3   | \$102   | 306       |
| Damage remedy Shampoo     | Liter   | 3   | \$80    | 240       |
| Damage Remedy Shampoo     | 8.5 OZ  | 4   | \$27    | 108       |
|                           |         |     |         |           |
| Dry remedy Masque         | 4.2 OZ  | 4   | \$29    | 116       |
| Dry remdy Masque          | 8.5 OZ  | 4   | \$40    | 160       |
| Dry remedy conditioner    | 6.7 OZ  | 4   | \$24    | 96        |
| Dry remedy conditioner    | 16.9 OZ | 3   | \$45    | 135       |
| Dry remedy Shampoo        | 16.9 OZ | 3   |         |           |
| Dry remedy Shampoo        | 6.7 OZ  | 4   |         |           |
|                           |         |     |         |           |
| Be curly hair spray       | 6.7 OZ  | 4   | \$20    | 80        |
| Be curly curl controller  | 6.7 OZ  | 4   | \$21    | 84        |
| Be curly style prep       | 3.4 OZ  | 4   | \$24    | 96        |
| Be curly Conditioner      | 8.5 oz  | 4   | \$21    | 84        |
| Be curly conditioner      | Liter   | 3   | \$79    | 237       |
| Be curly shampoo          | Liter   | 3   | \$63    | 189       |
| Be curly shampoo          | 8.5 OZ  | 4   | \$21    | 84        |
|                           |         |     |         |           |
| Black malva conditioner   | 8.5 OZ  | 4   | \$18    | 72        |
| Black malva shampoo       | Liter   | 3   | \$31.50 | 94.5      |
| Blue malva conditioner    | 8.5 OZ  | 4   | \$18    | 72        |
| Blue malva shampoo        | Liter   | 3   | \$31.50 | 94.5      |
| Clove conditioner         | 8.5 OZ  | 4   | \$18    | 72        |
| Clove shampoo             | Liter   | 3   | \$31.50 | 94.5      |
| Camomile Conditioner      | 8.5 OZ  | 4   | \$18    | 72        |
| Camomile Shampoo          | Liter   | 3   | \$31.50 | 94.5      |
| Madder Root Conditioner   | 8.5 OZ  | 4   | \$18    | 72        |
| Madder root Shampoo       | Liter   | 3   | \$31.50 | 94.5      |
|                           |         |     |         |           |

| Book #3                  | size    | Qty | Price   | ext price |
|--------------------------|---------|-----|---------|-----------|
|                          |         |     |         |           |
| Invati Scalp revitalizer | 6.7 OZ  | 4   | \$60    | 240       |
| Invati Conditioner       | 6.7 OZ  | 4   | \$27    | 108       |
| Invati Conditioner       | Liter   | 3   | \$102   | 306       |
| Invati Shampoo           | Liter   | 3   | \$102   | 306       |
| Invati Shampoo           | 6.7 OZ  | 4   | \$27    | 108       |
|                          |         |     |         |           |
| Mens pomade              | 2.6 OZ  | 4   | \$23    | 92        |
| Mens clay                | 2.6 OZ  | 4   | \$23    | 92        |
| Mens liquid pomade       | 6.7 OZ  | 4   | \$23    | 92        |
| Mens Gel                 | 5 oz    | 4   | \$23    | 92        |
| Mens grooming cream      | 4.2 OZ  | 4   | \$23    | 92        |
| Mens conditioner         | 10 OZ   | 4   | \$20    | 80        |
| Mens conditioner         | Liter   | 3   | \$50    | 150       |
| Mens shampoo             | Liter   | 3   | \$50    | 150       |
| Mens shampoo             | 10 OZ   | 4   | \$20    | 80        |
|                          |         |     |         |           |
| Mens composition         | 1.7. OZ | 4   | \$25    | 100       |
| Mens Fragrance           | 1.7 OZ  | 4   | \$68    | 272       |
| Mens grooming essentials |         | 4   | \$32.50 | 130       |
| Mens shave cream         | 5 OZ    | 4   | \$18    | 72        |
| Mens after shave         | 2.5 OZ  | 4   | \$35    | 140       |
|                          |         |     |         |           |
| Paddle Brush             |         | 4   | \$20    | 80        |
|                          |         |     |         |           |

| Book # 4                | Size   | Qty | Price   | Ext Price |
|-------------------------|--------|-----|---------|-----------|
|                         |        |     |         |           |
|                         |        |     |         |           |
| Control Force           | 9.1 oz | 4   | \$27    | 108       |
| Pure abundance          | 6.7 oz | 4   | \$18    | 72        |
| Be curly spray          | 6.7 oz | 4   | \$20    | 80        |
| Firmata                 | 8.5 oz | 4   | \$18    | 72        |
| Air Control             | 9.1 oz | 4   | \$26    | 104       |
| Brilliant hairspray     | 8.5 oz | 4   | \$18    | 72        |
| Witch Hazel             | 8.5 oz | 4   | \$18    | 72        |
| Brilliant humectant     | 2.6 oz | 4   | \$21    | 84        |
| Brilliant anti humectan | 2.6 oz | 4   | \$21    | 84        |
| Brilliant gloss         | 2.5 oz | 4   | \$26    | 104       |
| Brilliant shine spray   | 3.4 oz | 4   | \$26    | 104       |
| Light elements fluid    | 3.4 oz | 4   | \$28    | 112       |
| Light element wax       | 2.6 oz | 4   | \$24    | 96        |
| Control paste           | 1.7 oz | 4   | \$23    | 92        |
| Light elements whip     | 4.1 OZ | 4   | \$24    | 96        |
| Hair potion             | 0.7 oz | 4   | \$24    | 96        |
| Light elements cream    | 2.6 oz | 4   | \$24    | 96        |
| Hot tools curling irons |        |     | \$42-44 |           |

| Book # 5                 | Size   | Qty | price | ext price |
|--------------------------|--------|-----|-------|-----------|
|                          |        |     |       |           |
| Daily hair repair        | 3.4 oz | 4   | \$28  | 112       |
| Be curly style prep      | 3.4 oz | 4   | \$24  | 96        |
| Smooth infusions style   | 3.4 oz | 4   | \$24  | 96        |
| Color conserve Tx        | 3.4 oz | 4   | \$24  | 96        |
| Brilliant damage contr   | 8.5 oz | 4   | \$18  | 72        |
| Be curly curl enhancer   | 6.7 oz | 4   | \$23  | 92        |
| Glossing straightener    | 4.2 oz | 4   | \$23  | 92        |
| Brilliant universal crea | 4.2 oz | 4   | \$19  | 76        |
| Mens Gel                 | 5 oz   | 4   | \$23  | 92        |
| Flax seed                | 8.5 oz | 4   | \$19  | 76        |
| Brilliant gel            | 5oz    | 4   | \$19  | 76        |
| Confixor                 | 8.5 oz | 4   | \$19  | 76        |
| Liquid pomade            | 6.7 oz | 4   | \$23  | 92        |
| Phommolient travel       | 1.7 oz |     |       |           |
| Phommolient              | 6.7 oz | 4   | \$19  | 76        |
| Phommolient refill       | 6.7 oz | 4   | \$18  | 72        |
| Volume Tonic             | 3.4 oz | 4   | \$18  | 72        |
|                          |        |     |       |           |

| Book #6                        | Size   | Qty | Price   | Ext price |
|--------------------------------|--------|-----|---------|-----------|
|                                |        |     |         |           |
| Bag with refillables           |        | 4   | \$16    | 64        |
| Line minimizers                | 1 oz   | 3   | \$85    | 255       |
| Green science face cream       | 1.7 oz | 4   | \$58    | 232       |
| Green science eye crème        | 0.5 oz | 4   | \$47    | 188       |
| Green science serum            | 1oz    | 4   | \$53    | 212       |
| Green science toner            | 4.2 oz | 4   | \$39    | 156       |
|                                |        |     |         |           |
| Enbrightenment set             |        | 2   | \$60    | 120       |
| Enbrightenment masque          | 4.2oz  | 6   | \$45    | 270       |
| Enbrightenment cream           | 1.7oz  | 4   | \$58    | 232       |
| Enbrightenment lotion          | 1.7oz  | 7   | \$53    | 371       |
| Enbrightenment serum           | 1oz    | 4   | \$53    | 371       |
| Enbrightenment toner           | 5oz    | 4   | \$42    | 168       |
| Enbrightenment Cleanser        | 4.2oz  | 4   | \$35    | 140       |
|                                |        |     |         |           |
| Outer Peace Lotion             | 1.7oz  | 4   | \$40    | 160       |
| Outer Peace pads               | 30pads | 4   | \$33    | 132       |
| Outer Peace Spot Treatment     | .5 oz  | 6   | \$29.50 | 177       |
| Outer Peace Cooling Masque     | 4.2oz  | 4   | \$37    | 148       |
| Outer Peace Cleanser Refil     | 4.2oz  | 4   | \$26    | 106       |
| Outer Peace Cleanser Refil     | 4.2oz  | 4   | \$27    | 108       |
|                                |        |     |         |           |
| Shammy Cloth                   |        | 3   | \$9.50  | 28.5      |
| Caribbean Therapy refil candle |        | 2   | \$19    | 38        |
| Shampure Candle                |        | 2   | \$34    | 68        |
| Warmth Candle                  |        | 8   | \$29    | 232       |
| Grounding Candle               |        | 2   | \$26    | 52        |
| Light the Way Candle           |        | 1   | \$12    | 12        |
| Tea Bags                       |        | 6   | \$17    | 102       |
| Loose Tea                      |        | 6   | \$27.50 | 165       |
| Invati Trial                   |        | 8   | \$7.50  | 60        |
|                                |        |     |         |           |

| Book #7                          | Size    | Quantity | Price |     |
|----------------------------------|---------|----------|-------|-----|
| Tourmaline Radiance Kit          |         | 2        | \$45  | 90  |
| Tourmaline Skin Refine           | 3.4oz   | 6        | \$40  | 240 |
| Tourmaline Masque                | 4.2oz   | 6        | \$34  | 204 |
| Tourmaline Hydrating             | 1.7oz   | 4        | \$40  | 160 |
| Tourmaline Fluid                 | 1oz     | 4        | \$43  | 172 |
| Tourmaline Exfoliating           | 5oz     | 4        | \$29  | 116 |
|                                  |         |          |       |     |
| Botanical Kinetics Kit/oily skin |         | 4        | \$38  | 52  |
| Hydrating Lotion                 | 5oz     | 5        | \$33  | 165 |
| Hydrating Lotion                 | 16.9oz  | 4        | \$77  | 308 |
| Toning Mist                      | 5oz     |          | \$20  |     |
| Toning Mist                      | 16.9oz  |          | \$48  |     |
| Gel Cleanser                     | 5oz     |          | \$21  |     |
| Gel Cleanser                     | 16.9oz  |          | \$49  |     |
|                                  |         |          |       |     |
| Botanical Kinetics Kit/dry skin  |         | 3        | \$38  | 114 |
| Exfoliant                        | 5oz     |          | \$20  |     |
| Exfoliant                        | 16.9oz  |          | \$48  |     |
| Skin Firming Toning Ag           | 5oz     |          | \$28  |     |
| Skin Firming Toning Ag           | 16.9oz  |          | \$48  |     |
| Cream Cleanser                   | 5oz     |          | \$21  |     |
| Cream Cleanser                   | 16.9 oz |          | \$49  |     |
|                                  |         |          |       |     |
| All Sensitive Kit                |         | 3        | \$20  | 60  |
| Balancing Fusion/Dry Skin        |         | 1        | \$22  | 22  |
| Balancing Fusion/Sensitive Skin  |         | 4        | \$22  | 88  |
| Deep Cleansing Clay M            | 4.2oz   | 3        | \$22  | 66  |
| Hydrating Masque                 | 5oz     | 8        | \$22  | 176 |
| Eye Makeup Remover               | 4.2oz   | 7        | \$18  | 126 |
| All Sensitive Moisturize         | 5oz     | 4        | \$33  | 132 |
| All Sensitive Cleanser           | 5oz     | 4        | \$21  | 84  |
|                                  |         |          |       |     |

| Book#8       | Size   | Quantity | Price   |      |
|--------------|--------|----------|---------|------|
|              |        |          |         |      |
| Stress Fix L | 6.7oz  | 6        | \$29.50 | 177  |
| Soaking Sal  | 16oz   | 3        | \$42    | 126  |
| Concentrat   | .24oz  | 14       | \$24    | 336  |
| Caribbean    | 6.7oz  | 6        | \$28    | 168  |
| Body Scrub   | 16oz   | 2        | \$41    | 82   |
| Body Clean   | 6.7oz  | 3        | \$25    | 75   |
|              |        |          |         |      |
| Foot Relief  | 4.2oz  | 6        | \$22.50 | 135  |
| Hand Relei   | 4.2oz  | 6        | \$22.50 | 135  |
| Breast Can   | 5oz    | 3        | \$25.50 | 76.5 |
| Ancient Att  | 1oz    | 1        | \$75    | 75   |
| Yatra Pure-  | 1oz    | 1        | \$75    | 75   |
| Cuticle Cor  | .5oz   | 6        | \$10.50 | 63   |
| Rosemary     | 7oz    | 6        | \$17    | 102  |
| Rosemary     | 6.7oz  | 7        | \$27    | 189  |
| Rosemary     | 8.5oz  | 6        | \$17    | 102  |
| Rosemary     | 33.8oz | 3        | \$51    | 153  |
|              |        |          |         |      |
| Chakra #7    | 3.4oz  | 5        | \$30    | 150  |
| Chakra #6    | 3.4oz  | 4        | \$30    | 120  |
| Chakra #5    | 3.4oz  | 6        | \$30    | 180  |
| Chakra #4    | 3.4oz  | 5        | \$30    | 150  |
| Chakra #3    | 3.4oz  | 5        | \$30    | 150  |
| Chakra #2    | 3.4oz  | 4        | \$30    | 120  |
| Chakra #1    | 3.4oz  | 2        | \$30    | 60   |
| Replenishir  | 8.5oz  | 9        | \$28    | 252  |
| Smoothing    | 8.5oz  | 7        | \$30    | 210  |
| Energizing   | 8.5oz  | 4        | \$17    | 68   |
| Calming Bo   | 8.5oz  | 6        | \$17    | 102  |
| Refreshing   | 5.2oz  | 19       | \$17    | 323  |
| Soothing A   | 16oz   | 5        | \$34    | 170  |
|              |        |          |         |      |

| Sheet 9        | Size | QTY | Price | Ext. Price |
|----------------|------|-----|-------|------------|
|                |      |     |       |            |
| Flat Iron HAI  | NA   | 3   | 50    | 150        |
| Flat Iron Croc | NA   | 7   | 40    | 280        |
| Blow Dryers    | NA   | 3   | 52    | 154        |
| Brushes        | NA   | 28  | 5.5   | 154        |
| Curling Irons  | NA   | 5   | 17    | 85         |
|                |      |     |       |            |
|                |      |     |       |            |

| Sheets 11-18                           | Size | QTY       | Price | Ext. Price |
|--|------|-----------|-------|------------|
| Travel Tower, mixed available products | NA   | 132       | NA    | 660        |
| Brush Bowl                             | NA   | 16        | 4.5   | 72         |
| Facial room, wax, chair, table, cart   | NA   | Two rooms | 610   | 1220       |
| Wait Area Chairs and table             | NA   | 3         | NA    | 250        |
| Wait area table, mirror, art           | NA   | NA        | NA    | 400        |
| Office desk and chair                  | NA   | NA        | NA    | 200        |
| Launch pad tables                      | NA   | 2         | NA    | 220        |
| Misc Art                               | NA   | NA        | NA    | 150        |
| Client Chairs                          | NA   | 9         | 125   | 1125       |

## 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:  
8105 Irvine Center Drive, Suite 600, Irvine, CA 92618

A true and correct copy of the foregoing document entitled: **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)* 11/01/2013, 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:

Chapter 7 Trustee: Richard A Marshack (TR) pkraus@marshackhays.com, rmarshack@ecf.epiqsystems.com  
Atty for Debtor: Matthew C Mullhofer MCMLAW@PROTECTMYASSETS.COM, JUDY@PROTECTMYASSETS.COM  
Attorney for Trustee: Ryan D ODea rodea@shbllp.com, cmiranda@shbllp.com  
Interested Party: United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov

Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On *(date)* 11/01/2013, 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.

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)* 11/01/2013, 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.

US Bankruptcy Court, Attn: Mark S. Wallace, 411 W. Fourth Street, Bin Outside 5th Floor Elevators, Santa Ana, CA 92701

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.

11/01/2013 Erlanna Lohayza  
*Date Printed Name*

/s/ Erlanna Lohayza  
*Signature*

**U.S. MAIL SERVICE LIST, CONT.**

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