

<p>Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address</p> <p>James C. Bastian, Jr. – Bar No. 175415 SHULMAN HODGES & BASTIAN LLP 8105 Irvine Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: jbastian@shbllp.com</p> <p><input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Karen S. Naylor, Chapter 7 Trustee</p>	<p>FOR COURT USE ONLY</p>
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<p>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION</p>	
<p>In re:</p> <p>MICHAEL RANDALL ARMSTRONG and LAURA EVELYN ARMSTRONG,</p> <p style="text-align: right;">Debtor(s).</p>	<p>CASE NO.: 8:13-bk-18908-SC CHAPTER: 7</p> <p style="text-align: center;">AMENDED NOTICE OF SALE OF ESTATE PROPERTY</p>

<p>Sale Date: June 12, 2014</p>	<p>Time: 10:00</p>
<p>Location: U.S. Bankruptcy Court, Courtroom 5C, 411 West Fourth Street, Santa Ana, CA 92701</p>	

Type of Sale: Public Private **Last date to file objections:** 05/29/2014

Description of property to be sold: (1) 100% stock interest in MRA2, Inc. which owns interests in the following: (a) 29.4% stock interest in Island Shade Shacks, Inc., (b) 29.4% membership interest in Island Shade Systems, LLC, and (c) Over 20% membership interest in SOL Shop LLC; (2) Debtors' claims for back wages of \$22,500 owed the Debtors from Island Shade Systems, LLC; and (3) A loan receivable of \$78,000 owed to the Debtors by Island Shade Shacks, Inc.

Terms and conditions of sale: The Buyer's purchase price for the Assets consists of (i) \$100,000 cash, (ii) Buyer's waiver of all claims against the Estate including his Claim 2 listed on the Court's Claims Register in the amount of \$18,000; and (iii) the Buyer has agreed to indemnify and hold the Estate harmless from the amounts owing under Claim 1 filed by Steve Friedman in the amount of \$2,389.
See attached for more information.

Proposed sale price: \$ 100,000.00

Overbid procedure (if any): Sale is not subject to overbids.

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

June 12, 2014 at 10:00 a.m. (sale "as is-where as", subject to liens and interests)

Courtroom 304

U.S. Bankruptcy Court

411 West Fourth Street

Sana Ana, CA 92701

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

James C. Bastian, Jr., Attorney for the Trustee

SHULMAN HODGES & BASTIAN LLP

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

Telephone: (949) 340-3400

Facsimile: (949) 340-3000

Email: jbastian@shbllp.com

Date: 06/10/2014

1 **In re Michael Randall Armstrong and Laura Evelyn Armstrong**

2 **Case No. 8:13-bk-18908-SC**

3 **Attachment to Amended Notice of Sale of Estate Property:**

4 **I. INTRODUCTION**

5 Karen S. Naylor the Chapter 7 Trustee (“Trustee”) for the bankruptcy estate (“Estate”) of
6 Michael Randall Armstrong and Laura Evelyn Armstrong (“Debtors”), is bringing a Motion for
7 Order: (1) Approving Transaction Outside the Ordinary Course of Business Pursuant to 11
8 U.S.C. Section 363(b) (Authorizing the Trustee to Sign Documents and Take Actions as an
9 Officer Of MRA2, Inc.); (2) Approving the Sale of Certain Estate Assets (Stock And Claims for
10 Back Wages and Loan Receivable); and (3) Granting Related Relief (“Sale Motion”).

11 The Trustee has received an offer from Bao Chin (“Buyer”)¹ to purchase the Estate’s
12 interest in the following assets (collectively, the “Assets”):²

- 13 1. Estate’s 100% interest in MRA2, Inc., which is the owner of the interests
14 in the following companies:
 - 15 a. 29.4% stock interest in Island Shade Shacks, Inc. The Trustee is
16 advised by the Debtors that Island Shade Shacks, Inc.'s liabilities
17 exceed its assets.
 - 18 b. 29.4% membership interest in Island Shade Systems, LLC. The
19 Trustee is advised by the Debtors that Island Shade Systems,
20 LLC's liabilities exceed its assets.
 - 21 c. Over 20% membership interest in SOL Shop LLC. The Trustee is
22 advised by the Debtors that SOL Shop, LLC's. liabilities exceed
23 its assets.
- 24 2. The Debtors’ claims for back wages of \$22,500 owed the Debtors from
25 Island Shade Systems, LLC.
- 26 3. A loan receivable of \$78,000 owed to the Debtors by Island Shade Shacks,
27 Inc.

28 The Buyer’s purchase price for the Assets consists of (i) \$100,000 cash, and (ii) the
Buyer’s waiver of all claims against the Estate including his Claim 2 listed on the Court’s Claims
Register in the amount of \$18,000. In addition, the Buyer has agreed to indemnify and hold the

¹ Buyer is listed as a general unsecured creditor in the Debtors’ Schedule F and filed a
proof of claim in the amount of \$18,000 for a loan made to the Debtors.

² The Debtors’ own 100% stock interest in MRA2, Inc. The Trustee is advised by the
Debtors that MRA2, Inc. is a holding company that owns interests in the following three
companies which the Buyer has offered to purchase: (i) Island Shade Shacks, Inc., (ii)
Island Shade Systems, LLC, and (iii) SOL Shop LLC.

1 Estate harmless from the amounts owing under the proof of claim filed in the Debtors'
2 bankruptcy case by Steve Friedman in the amount of \$2,389, listed on the Bankruptcy Court's
3 Claims Register as Claim 1, and any amendments to Claim 1.

4 As set forth below, the Trustee has received competing offers for the Assets but has
5 determined that the Buyer's offer herein would net the most amount for the Assets for the benefit
6 of the Estate and its creditors.

7 The Assets are not encumbered, however, the Debtors have claimed exemptions in the
8 assets in the total amount of \$10,057. The sale is contingent on the Debtors having agreed that
9 they shall have no claim of exemption in any of the funds paid to the Trustee under the sale
10 transaction. The Trustee anticipates that an agreement with the Debtors for waiver or
11 subordination of their exemption claims in the Assets being sold will be filed with the Court
12 prior to the hearing on this Sale Motion.

13 The claims bar date for this case was April 21, 2014. As of May 5, 2014, the Court's
14 Claims Register indicates that there have been seven claims filed totaling \$85,214.97. Under the
15 sale transaction, the Buyer's Claim 2 in the amount of \$18,000 will be waived and the Buyer has
16 agreed to indemnify the Estate from the amounts owing on Claim 1 filed by Steve Friedman in
17 the amount of \$2,389. Therefore, after reducing the amount Claims 1 and 2 as noted above, the
18 remaining allowed claims are estimated to total \$64,825.97. The administrative expenses of the
19 Estate for the Trustee and her professionals are estimated to be approximately \$48,000.³ Based
20 on this, Trustee anticipates that the sale of the Assets will result in funds being paid to the Estate
21

22 ³ Consisting of the following estimated amounts:

Trustee's Statutory Fee	\$8,250
Trustee's Expenses	\$200
Attorney Fees and Expenses for the Trustee's counsel, Shulman Hodges & Bastian LLP	\$37,500
Trustee's Accounting Fees and Expenses	\$2,000
Total Estimated	\$47,950

1 which will allow for a substantial distribution to holders of allowed claims. As such, the sale of
2 the Assets shall not be subject to overbids.

3 If the Sale Motion is not approved, (1) the Estate will not receive the cash of \$100,000,
4 (2) the waiver of claims against the Estate in the amount of \$20,389 will not occur, and (3) the
5 waiver or subordination of the Debtors' exemption claims in the Assets sold in the amount of
6 \$10,057 will not occur. In summary, the Trustee believes that good cause exists to grant the Sale
7 Motion so the Trustee does not lose this favorable business opportunity.

8 **II. FACTUAL BACKGROUND**

9 **A. Case Commencement**

10 On October 30, 2013 ("Petition Date"), the Debtors filed a voluntary petition under
11 Chapter 7 of the Bankruptcy Code. Karen S. Naylor is the duly appointed, qualified and acting
12 Chapter 7 trustee for the Debtors' Estate.

13 **B. Claims in the Case**

14 On their Schedule D (docket 1) the Debtors listed secured claims totaling \$41,542. None
15 of the secured claims listed on Schedule D impact the Assets to be sold. Attached as **Exhibit 1**
16 to the Declaration of Karen S. Naylor ("Naylor Declaration") annexed to the Sale Motion is a
17 true and correct copy of the Debtors' Schedule D.

18 The Debtors have listed no priority claims on their Schedule E (docket 1). Attached as
19 **Exhibit 2** to the Naylor Declaration annexed to the Sale Motion is a true and correct copy of the
20 Debtors' Schedule E.

21 In their Bankruptcy Schedule F, as amended (docket 19), the Debtors listed general
22 unsecured claims totaling \$119,505. Attached as **Exhibit 3** to the Naylor Declaration annexed to
23 the Sale Motion is a true and correct copy of the Debtors' Schedule F, amended.

24 As of May 5, 2014, the Court's Claims Register indicates that there have been seven
25 claims filed totaling \$85,214.97. Under the sale transaction, the Buyer's Claim 2 in the amount
26 of \$18,000 will be waived and the Buyer has agreed to indemnify the Estate from the amounts
27 owing on Claim 1 filed by Steve Friedman in the amount of \$2,389. Therefore, the allowed
28 claims are estimated to total \$64,825.97.

1 The administrative expenses of the Estate for the Trustee and her professionals are
2 estimated to be approximately \$48,000 as set forth above.

3 Based on this, Trustee anticipates that the sale of the Assets will result in funds being
4 paid to the Estate which will allow for a substantial distribution to holder of allowed claims.

5 **C. The Assets to Be Sold and Basis for their Value**

6 In their Amended Bankruptcy Schedule B filed with the Bankruptcy Court on
7 April 8, 2014 (docket 39), a true and correct copy of which is attached as **Exhibit 4** to the Naylor
8 Declaration annexed to the Sale Motion, the Debtors listed assets including the following:

9 a. 100% stock interest in MRA2, Inc. The Debtors' valued their interest in
10 MRA2, Inc. at \$1.00 asserting that although the company has account receivables, the business
11 entities that owe MRA2, Inc. money do not have funds to pay the amounts owed. The Trustee is
12 advised that MRA2, Inc. is under suspension with the Secretary of State of California. On their
13 Amended Schedule C (docket 18), a true and correct copy of which is attached as **Exhibit 5** to
14 the Naylor Declaration annexed to the Sale Motion, the Debtors claimed an exemption in the
15 stock interests of MRA2, Inc. under C.C.P. §703.140(b)(5) in the amount of \$1.00. The Trustee
16 is advised by the Debtors that MRA2, Inc. is a holding company that owns the following:

17 i. 29.4% stock interest in Island Shade Shacks, Inc. The Trustee is
18 advised by the Debtors that Island Shade Shacks, Inc.'s liabilities exceed its assets.

19 ii. 29.4% membership interest in Island Shade Systems, LLC. The
20 Trustee is advised by the Debtors that Island Shade Systems, LLC's liabilities exceed its assets.

21 iii. Over 20% membership interest in SOL Shop LLC. The Trustee is
22 advised by the Debtors that SOL Shop, LLC's liabilities exceed its assets.

23 b. Back wages owed the Debtors from Island Shade Systems, LLC. In their
24 Amended Bankruptcy Schedule B, the Debtors indicated they are owed back wages of \$22,500.
25 The Debtors have also asserted that they believe Island Shade Systems, LLC does not have the
26 funds to pay the back wages and that the back wages are uncollectable. On their Amended
27 Schedule C (docket 18), the Debtors claimed an exemption in back wages under C.C.P.
28 §703.140(b)(5) in the amount of \$10,055.

1 c. Shareholder loan owed the Debtors by Island Shade Shacks, Inc. In their
2 Amended Bankruptcy Schedule B, the Debtors indicated they are owed \$78,000 related to a loan
3 made to Island Shade Shacks, Inc. The Debtors have also asserted that they believe Island Shade
4 Shacks, Inc. does not have the funds to pay the loan and that the loan receivable is uncollectable.
5 On their Amended Schedule C (docket 18), the Debtors claimed an exemption in the loan
6 receivable under C.C.P. §703.140(b)(5) in the amount of \$1.00.

7 The Trustee has no reason to dispute the value attributed to the Assets by the Debtors in
8 their Bankruptcy Schedules and the Trustee does not have the funds to obtain an appraisal of the
9 fair market value of the Assets. Furthermore, taking into the account the disputes surrounding
10 the Assets described below, valuing the Assets is difficult.

11 **D. Issues and Disputes Regarding the Island Shade Shack Entities**

12 The Trustee is advised that Island Shade Shacks, Inc. owns certain patents and other
13 intellectual property rights related to the *Island Shade Shack*. The Trustee is advised that the
14 *Island Shade Shack* product provides a portable shelter from sun and wind at the beach.

15 The Trustee is further advised that Island Shade Systems, LLC⁴ I entered into an
16 exclusive distributor agreement with Sol Shop, LLC that provides that Sol Shop, LLC is the
17 exclusive distributor of *Island Shade Shacks* . The Trustee is further advised that there are
18 questions as to whether the exclusive distributor agreement with Sol Shop, LLC is valid and
19 enforceable or otherwise in breach. There are also legal issues between the shareholders and
20 members of Island Shade Shacks, Inc., Island Shade Systems, LLC and Sol Shop, LLC.

21 The Trustee is further advised that these entities may need to quickly generate cash to
22 preserve intellectual property rights to the *Island Shade Shack* and also get the *Island Shade*
23 *Shacks* product to market for the summer season.

24 The Trustee is further advised that several attempts by the Debtors to sell their stock
25 interests in MRA2, Inc. prior to the Petition Date were not successful.

26
27 ⁴ The exclusive distributor agreement refers to “*Island Shade Systems, Inc.*” The
28 California Secretary of State corporations website has no entity called “*Island Shade*
Systems, Inc.” It appears that the exclusive distributor agreement with Sol Shop LLC
may have crossed the company names.

1 From the Court's Claims Register and the Debtors' Schedules F, it appears that the
2 claims against the Estate are relatively small and the costs of litigating all the various issues
3 surrounding the business entities would outweigh any benefit that may be achieved through
4 litigation or otherwise. As such, the Trustee has determined the best way to proceed in the case
5 to is sell the Assets to the Buyer as contemplated herein.

6 **E. Marketing Efforts for the Assets**

7 The Trustee and her counsel have been communicating with shareholders and members
8 of the underlying business entities owned by MRA2, Inc. to solicit offers as it has been assumed
9 that because the entities in question are closely held, the other shareholders and members, or
10 parties who are familiar with the businesses would be the most logical buyers.

11 The Trustee received an offer from Bobby Friedman, one of the founders of the Island
12 Shade Shack business related entities, to purchase the Assets for \$35,000 cash.

13 In addition, the Trustee received an offer from Vern Hildebrandt, who the Trustee is
14 advised is a 40% member of Sol Shop, LLC, to purchase the Assets for \$50,000 and a royalty of
15 \$.25 per unit sold up to a cap of \$100,000. This proposal was contingent on Mr. Hilderbrandt
16 successfully paying \$75,000 for all claims and interests of the certain other stockholders of
17 Island Shade Shacks, Inc. and eliminating certain debt apparently owed by Island Shade
18 Systems, LLC to third parties and insiders.

19 The Trustee and her counsel have also attempted to broker a settlement of the underlying
20 disputes between the members and shareholders of the various entities in an effort to create an
21 environment where the interests and shares in question can be sold for the highest value. The
22 Trustee and her counsel have held extensive meetings and conference calls with all key
23 constituents in an effort to arrive at some resolution without success. As those discussions
24 proceeded, the Buyer approached the Trustee expressing his interest in purchasing the Assets
25 which resulted in a written offer accompanied by a \$100,000 deposit, by far the best and simplest
26 proposal the Trustee received. This offer was contingent on not being subject to overbid. The
27 Trustee has been advised by other parties who have an interest in the Assets that they would not
28 pay as much out of pocket cash as the Buyer is willing to pay or that they may not be interested

1 in purchasing all of the Assets, and possibly may only have interest in a portion of the stock or
2 membership interests in the business entities that are part of the Assets.

3 Further, the Debtors have advised the Trustee that they support the sale to Buyer. The
4 Debtors have advised that they intend to enter into some agreement with the Buyer post-closing
5 that will result either in consulting fees or royalties to be paid to them. As such, the Debtors
6 have advised that they do not desire for the proposed sale to be subject to overbids. Because the
7 proposed sale to the Buyer will result in the waiver of certain claims and is anticipated to provide
8 for a substantial distribution on allowed unsecured claims, and because of the positions taken by
9 other parties who have expressed interest in the Assets regarding their value and their
10 unwillingness to offer anything close to the cash to be paid by the Buyer, the Trustee does not
11 believe overbidding will produce a better result for the Estate. Moreover, this offer was made
12 with the requirement that it not be subject to overbid.

13 Based on the foregoing, after evaluation of the offers received, using her experience and
14 business judgment, the Trustee determined that the Buyer's offer that is the subject of this Sale
15 Motion would provide the most value for the Estate and its creditors.

16 **F. Liens and Encumbrances Against the Assets**

17 The Assets are not encumbered, however, the Debtors have claimed exemptions in the
18 Assets in the total amount of \$10,057.

19 The sale is contingent on the Debtors having agreed that they shall have no claim of
20 exemption in any of the funds paid to the Trustee under the sale transaction or that their
21 exemption claims in the Assets and the proceeds generated from the Assets will be subordinated
22 to allow for payment of all administrative claims of the Estate and the all allowed general
23 unsecured claims, with interest. The Trustee anticipates that an agreement with the Debtors for
24 waiver or subordination of their exemption claims in the Assets being sold will be filed with the
25 Court prior to the hearing on this Sale Motion.

26 **G. The Offer for the Purchase of the Assets and Summary of the Sale Terms.**

27 The Trustee received an offer from Bao Chin ("Buyer") to purchase the Assets. The
28 Trustee is advised that the Buyer is a business associate of the Debtors and is a creditor of the

1 Estate. Attached as **Exhibit 1** to the Declaration of James C. Bastian, Jr. annexed to the
2 Trustee’s Reply to the Opposition of Vern Hildebrandt and Robert Friedman to the Sale Motion
3 is a true and correct copy of the Purchase and Sale Agreement (“Agreement”) with the Buyer
4 that the Trustee seeks Court approval for.

5 A summary of the Agreement’s terms and highlights are discussed below, but the
6 summary and discussion are not meant to be a complete review of every provision of the
7 Agreement. The Agreement itself is the legally binding document the Trustee seeks approval of,
8 and in the event of any inconsistency between the terms, provisions or effect of the Agreement
9 and the description of it in these pleadings, the Agreement alone shall govern and not these
10 pleadings or the descriptions herein. The Agreement may be modified prior to the hearing on the
11 Sale Motion to address comments from the Buyer. Any changes to the Agreement will not
12 materially impact the sale transaction.

13 In summary, the principal terms of the sale of the Assets shall be as follows (the Trustee
14 is referred to at all times as the “Seller” in the following summary):

15	16	Buyer:	Bao Chin, or his nominee or assignee, whose address is Post Office Box 50007, Irvine, CA 92619
17	18	Purchase Price:	<ul style="list-style-type: none"> • \$100,000 cash. • Upon the Closing of the sale transaction, the Buyer shall be deemed to have waived all claims against the Debtors and their Estate, including (i) any proofs of claims that may have already been filed in the Debtors’ bankruptcy case, (ii) Claim 2 listed on the Bankruptcy Court’s Claims Register for the Debtors’ bankruptcy case in the amount of \$18,000, and (iii) any rights to a distribution from the Estate. In other words, the Buyer shall have no rights to any distribution of proceeds from the Estate or to file any claims against the Estate. The Buyer further agrees to waive any and all security interests in the Debtors’ 2006 BMW750iL described in Claim 2 filed with the Bankruptcy Court.
19	20	Hold the Estate Harmless for Amounts Owed to Steve Friedman	The Buyer shall cause to be waived and/or shall indemnify and hold the Estate harmless from the amounts owing under the proof of claim filed in the Debtors' bankruptcy case by Steve Friedman in the amount of \$2,389, listed on the Bankruptcy Court's Claims Register as Claim 1, and any amendments to Claim 1.
21	22	Bankruptcy Court	The sale is expressly conditioned on approval of the United States

1	Approval	Bankruptcy Court for the Central District of California, Santa Ana Division and entry of final order approving the Agreement.
2	No Assignment	The Agreement is between the Buyer and the Trustee. The Buyer shall have no right to assign the Escrow, the Agreement, or transfer the Assets concurrent with closing without consent of the Seller.
3		
4	Limitations of Sale	The parties acknowledge that the operation of the law has placed the Trustee in a unique role as the Seller of the Assets. Due to the nature of the Trustee's role in administering the Estate, there are limitations as to the extent, type and character of the Agreement under which the Trustee can convey the Assets. The Trustee proposes to sell Assets under certain limitations. The parties acknowledge that they understand the terms under which the Assets is to be conveyed may vary substantially from the normal customs and trade within the industry. Except where expressly mandated by operation of law, the Buyer consents to any such modifications and amendments.
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10	Purchase Without Warranties	The Buyer acknowledges that it is purchasing the Assets from the Seller on an "AS IS - WHERE IS" basis without representations or warranties of any kind, express or implied, being given by the Seller, concerning the value, condition or fitness of purpose for any use thereof, the quality of the title thereto, or any other matters relating to the Assets, subject to all Liens and Claims existing as to the Assets transferred. The Buyer acknowledges that it is familiar with the Assets and that any use of the Assets may be complicated by disputes with other stockholders or members owning portions of Island Shade Shacks, Inc., Island Shade Systems, LLC and/or SOL Shop LLC and/or any adverse parties. The Buyer acknowledges that the Buyer has inspected the Assets, and upon Bankruptcy Court approval of this Agreement, the Buyer forever waives, for itself, and its successors and assigns, any and all claims against the Estate, Karen S. Naylor, as the Trustee of the Estate and in her individual capacity, and here attorneys, agents, and employees, arising or which might otherwise arise in the future concerning the Assets.
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18	Trustee's Liability	The Buyer acknowledges that the Trustee is acting in her official capacity only. No personal liability shall be sought or enforced against the Trustee with regard to the Agreement, the Assets, or the physical condition of the Assets. In the event that the Trustee fails or refuses to complete the transaction for any reason, then the limit of the Trustee's liability is only to return any money paid to the Trustee by the Buyer, without deduction. Prior to and after the closing of escrow, the United States Bankruptcy Court shall have and retain the sole and exclusive jurisdiction over the Assets and the Agreement; and all disputes arising before and after closing shall be resolved in said Court. Further, the Trustee has agreed that if a dispute arises, such dispute may initially be resolved through the Mediation Program pending in the United States Bankruptcy Court for the Central District of California.
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25	Hold Harmless	The Buyer understands the terms and conditions of the entire purchase contact and holds the Estate and the brokers, agents, Karen S. Naylor, Trustee, and her attorneys including Shulman Hodges & Bastian LLP, agents and employees, harmless from any liabilities arising from the Agreement.
26		
27		
28	Jurisdiction of the Bankruptcy Court	Any and all disputes which involve in any manner the Estate or Karen S. Naylor, Trustee, arising from the Agreement or relating in any

1		manner to the Assets, shall be resolved only in the United States Bankruptcy Court, Central District of California.
2	Sale Not Subject to Overbidding	The sale of the Assets is not subject to overbidding.
3		
4		
5	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 Assets 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.
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7		
8	Waiver of Rule 6004(h)	The Trustee requests that the Court waive the fourteen-day stay of the order approving the sale of the Assets under Federal Rules of Bankruptcy Procedure 6004(h).
9		

10
11 The value of the consideration being paid by the Buyer for the Assets exceeds \$130,000
12 based on the following:

13		
14	Cash Consideration	\$100,000
15	Waiver of Buyer’s Claim	\$18,000
16	Waiver of Steven Freidman’s Claim	\$2,389
17	The Debtors have claimed exemptions in the Assets in the total amount of \$10,057. The Transaction with the Buyer herein is contingent on Debtors waiving their exemption claim in the funds paid to the Estate by the Buyer.	\$10,057
18		
19	Total Value	\$130,446
20		

21 **H. Tax Consequences**

22 At this time, Trustee does not know what the capital gains taxes liability will be, if any,
23 generated by the sale. In the event that there is any tax liability generated from the sale it is
24 anticipated that such taxes will be paid by the sale proceeds. The Trustee anticipates having her
25 accountant evaluate any potential capital gains liability and will advise the Court of the results of
26 the evaluation at the hearing on this Sale Motion.

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, California 92618**

A true and correct copy of the foregoing document entitled (*specify*): **AMENDED 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*) **June 10, 2014**, 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:

- **James C Bastian** jbastian@shbllp.com *Attorney for the Chapter 7 Trustee*
- **Thomas J Borchard** tborchard@borchardlaw.com, rmcdonald@borchardlaw.com *Attorney for Steve O'Sullivan*
- **D Edward Hays** ehays@marshackhays.com, ecfmarshackhays@gmail.com *NEF for Interested Party*
- **Lemuel B Jaquez** bjaquez@mileslegal.com *Attorney for Bank of America, N.A*
- **Karen S Naylor (TR)** acanzone@burd-naylor.com, knaylor@ecf.epiqsystems.com *Chapter 7 Trustee*
- **United States Trustee (SA)** ustpreion16.sa.ecf@usdoj.gov *Office of United States Trustee*

Service information continued on attached page

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

On (*date*) **June 10, 2014**, 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*) **June 10, 2014**, 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.

Judge's Copy - Via Messenger:

Honorable Scott C. Clarkson, US Bankruptcy Court, 411 W Fourth St, Bin Beside 5th Fl 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.

June 10, 2014

Date

Lorre Clapp

Printed Name

/s/ Lorre Clapp

Signature

EMAIL SERVICE LIST

**Interested Party re Island Shade Shacks, Inc.,
and Island Shade Systems, LLC**

Hunter Nicodemus julsnic@msn.com

**Interested Party re Island Shade Shacks, Inc.,
Island Shade Systems, LLC and Sol Shop, LLC**

Robert Friedman bobby@solshop.com

Attorneys for Robert Friedman

Stephen L Fingal, Esq.
sfingal@ffc-law.com

Edward Hays, Esq.
ehays@marshackhays.com

**Interested Party re Island Shade Shacks, Inc.,
and Island Shade Systems, LLC**

Nicholas Attuzarra altuzarr@usc.edu

Interested Party re Sol Shop, LLC

Vern Hildebrandt Vern@Tru-form.com

Attorney for Vern Hildebrandt

Mark D. Magarian, Esq.
mark@magarianlaw.com

**Interested Party re Island Shade Shacks, Inc.,
and Island Shade Systems, LLC**

William Morales maplastics@aol.com

Attorney for Island Shade Shacks, Inc.

Guy E. Maily, Esq. gmailly@bohmwildish.com

Interested Party

Charles Rieckhoff crieckhoff@lrisa.com

Buyer

Bao Chin baochin6@gmail.com

U.S. MAIL SERVICE LIST

Buyer

Bao Chin
PO Box 50007
Irvine, CA 92619

**Interested Party re Island Shade Shacks, Inc.,
and Island Shade Systems, LLC**

William Morales
c/o M&A Plastics, Inc.
11735 Sheldon St
Sun Valley, CA 91352

Attorney for Island Shade Shacks, Inc.

Guy E. Maily, Esq.
Maily Law
695 Town Center Drive Suite 700
Costa Mesa, CA 92626

Interested Party re Sol Shop, LLC

Vern Hildebrandt
c/o Tru-Form Industries
14511 Anson Ave.
Santa Fe Springs, CA 90670

Attorney for Vern Hildebrandt

Mark D. Magarian, Esq.
Magarian Law LLP
1265 N. Manassero Street Suite 304
Anaheim, CA 92607

Attorney for Robert Friedman

Stephen L Fingal, Esq.
Fingal Fahrney & Clark LLP
5120 Campus Drive Suite 200
Newport Beach, CA 92660

Interested Party

Charles Rieckhoff
CEO of LRISA LLC
1278 Glenneyre #419
Laguna Beach, CA 92651

CONTINUED ON FOLLOWING PAGE

U.S. MAIL SERVICE LIST CONTINUED

DEBTOR IN PRO PER

MICHAEL RANDALL ARMSTRONG
24811 PYLOS WAY
MISSION VIEJO, CA 92691-4668

COURT NOTICE MATRIX

BANK OF AMERICA, N.A....
MILES, BAUER, BERGSTROM & WINTERS,
LLP
1231 E. DYER ROAD, SUITE 100
SANTA ANA, CA 92705-5643

COURT NOTICE MATRIX

ALLY
ATTN BANKRUPTCY
PO BOX 13024
ROSEVILLE, MN 55113

COURT NOTICE MATRIX

BANK OF AMERICA
PO BOX 982238
EL PASO TX 79998-2238

ADDITIONAL NOTICE

BANK OF AMERICA
PO BOX 982236
EL PASO, TX 79998

COURT NOTICE MATRIX

BANK OF AMERICA
PO BOX 45224
JACKSONVILLE, FL 32232-5224

COURT NOTICE MATRIX

BAO CHIN
26 BOULDER VIEW
IRVINE, CA 92603-0410

ADDITIONAL NOTICE

CITICARD
CITICARD CREDIT SERVICES
ATTN CENTRALIZED BANKRUPTCY
PO BOX 20363
KANSAS CITY, MO 64195

COURT NOTICE MATRIX

COMENITY BANK
ATTENTION BANKRUPTCY
PO BOX 182686
COLUMBUS, OH 43218-2686

DEBTOR IN PRO PER

LAURA EVELYN ARMSTRONG
24811 PYLOS WAY
MISSION VIEJO, CA 92691-4668

COURT NOTICE MATRIX

1-800LOANMART
FILE 1373
1801 W OLYMPIC BLVD
PASADENA, CA 91199-0001

COURT NOTICE MATRIX

AMERICAN EXPRESS
PO BOX 0001
LOS ANGELES, CA 90096-8000

COURT NOTICE MATRIX

BANK OF AMERICA
PO BOX 982238
EL PASO TX 79998-2238

ADDITIONAL NOTICE

BANK OF AMERICA
PO BOX 9822365
EL PASO, TX 79998

COURT NOTICE MATRIX

BANK OF AMERICA
PO BOX 982238
EL PASO TX 79998-2238

COURT NOTICE MATRIX

BAO CHIN
PO BOX 50007
IRVINE, CA 92619-0007

COURT NOTICE MATRIX

CITIBANK
PO BOX 790034
ST LOUIS MO 63179-0034

COURT NOTICE MATRIX

EQUIFAX CREDIT INFORMATION INC
PO BOX 740241
ATLANTA, GA 30374-0241

INTERESTED PARTY

UNITED STATES TRUSTEE (SA)
411 W FOURTH ST., SUITE 9041
SANTA ANA, CA 92701-8000

COURT NOTICE MATRIX

ALLIANCE COLLISION
1940 PLACENTIA AVENUE
COSTA MESA CA 92627-3421

PROOF OF CLAIM FILED

AMERICAN EXPRESS BANK FSB
BECKET AND LEE LLP
ATTORNEYS/AGENT FOR CREDITOR
POB 3001
MALVERN, PA 19355-0701

ADDITIONAL NOTICE

BANK OF AMERICA
ATTENTION RECOVERY DEPARTMENT
4161 PEIDMONT PKWY
GREENSBORO, NC 27410

COURT NOTICE MATRIX

BANK OF AMERICA
PO BOX 15220
WILMINGTON, DE 19886-5220

PROOF OF CLAIM FILED

BANK OF AMERICA
4161 PIEDMONT PARKWAY
GREENSBORO, NC 27410

ADDITIONAL NOTICE

CHILDRENS PLACE/CITICORP CREDIT
SERVICES
ATTN CENTRALIZED BANKRUPTCY
PO BOX 20363
KANSAS CITY, MO 64195

COURT NOTICE MATRIX

CITIBANK
PO BOX 790034
ST LOUIS MO 63179-0034

COURT NOTICE MATRIX

EXPERIAN
2220 RITCHEY ST
SANTA ANA, CA 92705-5308

COURT NOTICE MATRIX

GECRB
ATTENTION GEMB
PO BOX 103104
ROSWELL, GA 30076-9104

COURT NOTICE MATRIX

GUARANTY GROUP
PO BOX 40
AUSTIN, TX 78767-0040

COURT NOTICE MATRIX

MACYS/FDSB
ATTN BANKRUPTCY
PO BOX 8053
MASON, OH 45040-8053

COURT NOTICE MATRIX

SEARS/CITIBANK NA
PO BOX 6282
SIOUX FALLS, SD 57117-6282

**PROOF OF CLAIM FILED FOR
STEVEN AND JULIE O'SULLIVAN**

THOMAS J BORCHARD ESQ
SEAN DUMM ESQ
BORCHARD & CALLAHAN PAC
25909 PALA, SUITE 300
MISSION VIEJO, CA 92691

COURT NOTICE MATRIX

CITIBANK
PO BOX 790034
ST LOUIS MO 63179-0034

COURT NOTICE MATRIX

VISA DEPT. STORES
ATTN BANKRUPTCY
PO BOX 8053
MASON, OH 45040-8053

COURT NOTICE MATRIX

WELLS FARGO
PAYMENT REMITTANCE CENTER
PO BOX 54349
LOS ANGELES, CA 90054-0349

COURT NOTICE MATRIX

WELLS FARGO CARD SERVICES
1 HOME CAMPUS
3RD FLOOR
DES MOINES, IA 50328-0001

COURT NOTICE MATRIX

WILSHIRE COMMERCIAL CREDIT
PO BOX 849083
LOS ANGELES, CA 90084-9083

COURT NOTICE MATRIX

GECRB/MERVYNS
PO BOX 965005
ORLANDO, FL 32896-5005

COURT NOTICE MATRIX

HSBC BANK
PO BOX 5253
CAROL STREAM, IL 60197-5253

COURT NOTICE MATRIX

ROUNDPOINT MORTGAGE
5032 PARKWAY PLAZA BLVD
CHARLOTTE, NC 28217-1918

COURT NOTICE MATRIX

STEVE FRIEDMAN
22921 TRITON WAY.,STE.231
LAGUNA HILLS, CA 92653-1236

**PROOF OF CLAIM FILED FOR
SUNCOAST AUTOCRAFT, INC. DBA**

ALLIANCE COLLISION
THOMAS J BORCHARD ESQ
SEAN DUMM ESQ
BORCHARD & CALLAHAN PAC
25909 PALA, SUITE 300
MISSION VIEJO, CA 92691

COURT NOTICE MATRIX

UNVL/CITI
ATTN CENTRALIZED BANKRUPTCY
PO BOX 20507
KANSAS CITY, MO 64195

COURT NOTICE MATRIX

WELLS FARGO
PO BOX 348750
SACRAMENTO, CA 95834-8750

COURT NOTICE MATRIX

WELLS FARGO BANK
PO BOX 29482
PHOENIX, AZ 85038-9482

COURT NOTICE MATRIX

WFFINANCIAL
ATTENTION BANKRUPTCY
PO BOX 29704
PHOENIX, AZ 85038-9704

COURT NOTICE MATRIX

WILSHIRE CONSUMER CREDIT
4727 WILSHIRE BLVD STE 100
LOS ANGELES, CA 90010-3874

COURT NOTICE MATRIX

GUARANTY BANK
450 AMERICAN STREET
SIMI VALLEY, CA 93065-6285

COURT NOTICE MATRIX

KOHL'S/CAPITAL ONE
N56 W 17000 RIDGEWOOD DR
MENOMONEE FALLS, WI 53051-5660

COURT NOTICE MATRIX

SALLIE MAE
ATTN CLAIMS DEPARTMENT
PO BOX 9500
WILKES-BARRE, PA 18773-9500

COURT NOTICE MATRIX

STEVE O'SULLIVAN
22001 ROBIN ST
LAKE FOREST, CA 92630-1850

COURT NOTICE MATRIX

TRANSUNION CONSUMER SOLUTIONS
PO BOX 2000
CRUM LYNNE, PA 19022-2000

COURT NOTICE MATRIX

VICTORIA'S SECRET
ATTENTION BANKRUPTCY
PO BOX 182125
COLUMBUS, OH 43218-2125

COURT NOTICE MATRIX

WELLS FARGO
PO BOX 6995
PORTLAND, OR 97228-6995

PROOF OF CLAIM FILED

WELLS FARGO BANK, NATIONAL
ASSOCIATION
BUSINESS DIRECT DIVISION
PO BOX 29482
MAC-4101-08C
PHOENIX, AZ 85038-8650

COURT NOTICE MATRIX

WHEELS FINANCIAL GROUP
DBA 1-800 LOAN MART
15821 VENTURA BLVD STE 280
ENCINO, CA 91436-5218

NOTICE PURPOSES

INTERNAL REVENUE SERVICE
PO BOX 7346
PHILADELPHIA, PA 19101-7346

NOTICE PURPOSES

CALIFORNIA FRANCHISE TAX BOARD
BANKRUPTCY SECTION, MS: A-340
PO BOX 2952
SACRAMENTO, CA 95812-2952

RETURNED 2/24/2014, MOVED, NO

FORWARDING

COURT NOTICE MATRIX

MRA2 INC
24605 ZENA CT
MISSION VIEJO CA 92691-4736

RETURNED MAIL

RETURNED 2/27/2014, UNDELIVERABLE

COURT NOTICE MATRIX

HSBC
1405 FOULK ROAD
WILMINGTON, DE 19803-2769

**RETURNED 2/24/2014, ATTEMPTED, NOT
KNOWN**

COURT NOTICE MATRIX

HEALTH ASSOCIATES FCU
ORANGE, CA 92856-0449

SUBSTITUTION OF ATTORNEY FILED

(DOCKET 41)

FORMER ATTORNEYS FOR THE DEBTORS

ASHLEIGH D NODA ESQ
NICASTRO PISCOPO APLC
575 ANTON BLVD STE 1050
COSTA MESA, CA 92626-7045