Attorney or Party Name, Address, Telephone & FAX Numbers, and California State Bar Number
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FOR COURT USE ONLY

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

In re: THE GRIFFIN HOMEBUILDING GROUP LLC,

Debtor(s).

CASE NO.:

1:10-bk-17377-AA

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: October 17, 2012	**Time:** 10:30 a.m.
Location: Courtroom 303, 21041 Burbank Blvd., Woodland Hills, CA 91367	

Type of Sale: [x] Public [ ] Private

Last date to file objections: October 3, 2012

Description of Property to be Sold: Alter ego claims which the Debtor's estate may hold against the Defendants in the Los Angeles County Superior Court action entitled *Bank of America, et al. v. Paul E. Griffin, Jr.; Paul E. Griffin, III; John Griffin; Kristine Griffin; David Griffin; Gregory E. Griffin; Michael D. Griffin; Marsha Griffin; Dale Griffin; John Terando; Joseph E. Anderson, Jr.; Scott Ring; Richard A. Niec; Van Roberts; and Does 1-100,* case no. BC486565 (the "Debtor's Claims").

Terms and Conditions of Sale: As consideration for the sale, the Buyers shall pay to the estate 10% of any net recovery in the Superior Court action from any source, including without limitation by judgment, settlement, or other resolution, after the contingency counsel's fees and the recovery of costs advanced by the contingency counsel and the buyers. The Debtor's claims are being sold as is, where is, with no repesentations or warranties, and free of any and all liens, encumbrances, and claims.

Proposed Sale Price: See Above

Overbid Procedure (If Any): See Attached Notice of Hearing

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

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e:mail address):

Michael G. D'Alba, Esq.
Danning, Gill, Diamond & Kollitz, LLP
1900 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067-4402
Ph: 310 277-0077; Fax: 310 277-5735; email mdalba@dgdk.com

Date: September 26, 2012

ERIC P. ISRAEL (State Bar No. 132426)
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Attorneys for Brad Krasnoff, Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

SAN FERNANDO VALLEY DIVISION

In re THE GRIFFIN HOMEBUILDING GROUP, LLC, Debtor.	Case No. 1:10-bk-17377-AA Chapter 7 **TRUSTEE'S NOTICE OF HEARING ON TRUSTEE'S MOTION FOR ORDER: [1] AUTHORIZING SALE OF CERTAIN ALTER EGO CLAIMS; AND [2] FINDING THAT PURCHASERS ARE GOOD FAITH PURCHASERS UNDER 11 U.S.C. § 363(M)** Date: October 17, 2012 Time: 10:30 a.m. Place: Courtroom 303 21041 Burbank Boulevard Woodland Hills, CA 91367

TO THE HONORABLE ALAN M. AHART, THE DEBTOR, THE UNITED STATES TRUSTEE, AND ALL INTERESTED PARTIES:

PLEASE TAKE NOTICE THAT, at the above-referenced date and time, Brad D. Krasnoff, the Chapter 7 trustee (the "Trustee") for the estate of The Griffin Homebuilding Group LLC (the "Debtor"), will and hereby does move the Court (the "Motion") pursuant to sections 105 and 363 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1530, amended (the "Bankruptcy Code"), Rules 2002 and 6004, Federal Rules of Bankruptcy Procedure (each a "Bankruptcy Rule," and collectively, the "Bankruptcy Rules"), and Local Bankruptcy Rules 6004-1 and 9013-1 for the entry of an order:

1. authorizing the Trustee to:

(a) sell, convey, assign and transfer all of the Trustee's right, title and interest in alter ego claims belonging to the Debtor (the "Property") to Bank of the West, Bank of America, and Weyerhaeuser Realty Investors, Inc. (collectively, the "Buyers" or "Purchasers") pursuant to the terms of the Purchase and Sale Agreement (defined below), or to any person who appears at the hearing and submits a higher acceptable bid, on an as-is, where-is basis, without any warranties or representations, and subject to any and all liens and encumbrances; and

(b) execute any and all documents that may be necessary to consummate the sale of the Property; and

2. finding that the party to whom the Court confirms the sale is a good faith purchaser under 11 U.S.C. § 363(m).

This Motion is made on the grounds that: (1) the purchase price is fair and reasonable and the sale is in the best interests of the creditors and the estate; and (2) the Buyers, or any other person who appears at the hearing and submits a higher acceptable bid and becomes the purchaser, are good faith purchasers under 11 U.S.C. § 363(m).

The following disclosures are made pursuant to LBR 6004-1(c)(3):[1]

Date, time and place of the hearing on the proposed sale

The hearing on the Motion and an auction, to the extent that qualified overbids are received in accordance with the proposed procedures set forth below (the "Sale Hearing"), shall take place at the above-referenced date and time (the "Hearing Date") in Courtroom "303" of the above-referenced court, 21041 Burbank Boulevard, Woodland Hills, California 91367.

Name and address of the proposed buyer

Bank of the West, 300 S. Grand Ave., Ste. 500, Los Angeles, CA 90071 attn: Lawrence A. Abelson, Vice President and Senior Counsel; Weyerhaeuser Realty Investors, Inc., 8105 Irvine

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[1] The following contains general summaries of the pertinent provisions of the Purchase and Sale Agreement attached to the Trustee's Declaration in support of the Motion as Exhibit "1." It does not, nor does it intend to, in any way amend or alter the provisions contained therein. In the event of a conflict, the Purchase and Sale Agreement controls in all respects.

Center Drive, Suite 420, Irvine, CA 92618 attn: Scott R. Vokey, Senior Vice President; and Bank of America, 333 S. Hope St., 11th Floor, Los Angeles, CA 90071-1406 attn: Sara L. Allen, Vice President (collectively, the "Buyers"), or their designees.

Description of the sale and property to be sold

In summary, the Property being sold and transferred pursuant to the Purchase and Sale Agreement involves the following and the proceeds thereof:

On or about June 15, 2012, the Buyers filed a Complaint for: (1) Declaratory Relief; (2) Breach of Loan Agreements/Guarantees; (3) Fraud; (4) Fraudulent Conveyance; and (5) Judgment Debtor's Interest in Debt to Satisfy Money (the "Superior Court Complaint") in the Superior Court of California, Los Angeles County, against Paul E. Griffin, Jr., Paul E. Griffin, III, John Terando, Joseph E. Anderson, Scott Ring, Richard Niec, Van Roberts, John Griffin, Marsha Griffin, and Joseph A. Anderson, Jr. (collectively the "Superior Court Defendants"), commencing a civil action which has been assigned case no. BC486565 (the "Superior Court Action").

The Superior Court Complaint alleges that the Superior Court Defendants were, among other things, "the owning, controlling and dominating principals of [the Debtor] . . . ." The Superior Court Complaint further alleges, among other things, that the Superior Court Defendants rendered the Debtor unable to satisfy various obligations that it owed to the Buyers.

The Buyers and their counsel in the Superior Court Action have entered into a contingency fee arrangement for the representation of the Buyers in that matter (the "Contingency Agreement"). Under the terms of the Contingency Agreement, each of the Buyers will be responsible for paying a share, as set forth in the Contingency Agreement, of a cost retainer for their counsel (the "Contingency Counsel") up to $150,000. For costs in excess of $150,000, the Contingency Counsel would be responsible for advancing such costs, which would be reimbursed to the Contingency Counsel only in the event of any recovery by the Buyers.

The Buyers have asked the Trustee to contribute any and all alter ego claims which the Debtor's estate may hold against the Superior Court Defendants (the "Debtor's Claims") so that those claims may be prosecuted jointly by the Buyers in the Superior Court Action. In consideration of this contribution, the Trustee would be entitled to 10% of the net recovery in the

Superior Court Action after the Contingency Counsel's fees and the recovery of costs advanced by the Contingency Counsel and the Buyers. The Trustee would have no obligation to pay costs, as well as no responsibility to contribute to the costs retainer under the Contingency Agreement. To document the sale, the Trustee and the Buyers have entered into a Purchase and Sale Agreement (the "Sale Agreement"), a true and correct copy of which is attached to the Declaration of Brad D. Krasnoff in support of the Motion as Exhibit "1."

Terms and conditions of the proposed sale, including the price and all contingencies.

As consideration for the sale, the Buyers shall pay to the estate 10% of any net recovery in the Superior Court Action from any source, including without limitation by judgment, settlement, or other resolution, after the Contingency Counsel's fees and the recovery of costs advanced by the Contingency Counsel and the Buyers. The Trustee will not advance any costs, and shall have no responsibility to contribute to the cost retainer under the Contingency Agreement, nor will the Trustee have any authority over decisions made or to be made in prosecuting or settling the Superior Court Action.

The Buyers have each filed proofs of claim against the Debtor's estate. Bank of the West filed proofs of claim nos. 7 and 9, in the amounts of $26,930,069 and $3,688,050, respectively. Bank of America filed proof of claim no. 8 in the amount of $5,472,753. Weyerhaeuser Realty Investors, Inc., filed proof of claim no. 11 in the amount of $19,260,506. Under the terms of the agreement, the Trustee agrees to not object to, or support any reduction in, those proofs of claim. The proofs of claim filed by Bank of the West, Bank of America, and Weyerhaeuser Realty Investors, Inc. are collectively referred to as the "Proofs of Claim." By the Motion, the Trustee requests that the Court allow the Proofs of Claim.

The Trustee agrees to stipulate to judgment in the Superior Court Action in favor of the Buyers for the amounts of each of their respective claims identified above, and the Trustee, by the Motion, seeks Bankruptcy Court permission to do so. The Buyers agree that they shall not use the stipulated judgments to pursue assets of the bankruptcy estate, and the automatic stay shall remain in force as to all assets of the estate.

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The sale shall be as is, where is, with no warranty or recourse whatsoever. If cross-claims are raised, or sanctions assessed, the Trustee shall have no liability therefore, and the Creditors indemnify the Trustee from any liability thereunder.

The Trustee will cooperate with the prosecution of the Superior Court Action and assist the Buyers and Contingency Counsel in their efforts in that regard.

Whether the proposed sale is free and clear of liens, claims or interests, or subject to them, and a description of all such liens, claims or interests.

The proposed sale is free of any and all liens, encumbrances, and claims. The Trustee has investigated whether any parties have a lien in the asset of the Debtor being sold, which is any and all alter ego claims which the Debtor's estate may have against the Superior Court Defendants. The investigation, whose results are attached to the declaration of Michael G. D'Alba filed in support of the Motion, reveals no such liens. Nevertheless, the Trustee makes no representations or warranties as to the scope of the alter ego claims owned by the Trustee, if any.

Whether the proposed sale is subject to higher and better bids.

The proposed sale is subject to overbids. The Trustee recommends that the Court adopt the following procedures:

The minimum overbid amount shall be $100,000 cash, and the Trustee shall hold sole discretion in accepting and rejecting all overbids provided that no overbid below the minimum may be accepted. Any party desiring to submit an overbid must provide the Trustee at or before the hearing with a cashier's check payable to "Brad D. Krasnoff, Chapter 7 Trustee," in the amount of at least $100,000 ("Deposit"), which Deposit shall be returned to the initial overbidder within a reasonable period of time following the conclusion of the sale hearing unless the initial overbidder ultimately submits the successful bid for the Property (the "Successful Bidder"), in which case the Deposit and cash balance to be provided as further described below will be applied against the purchase price and shall be non-refundable in the event that the Successful Bidder fails for any reason to consummate the sale pursuant to the terms of the written agreement.

If no timely, conforming initial overbids are submitted, the Trustee shall request at the sale hearing that the Court approve the proposed sale of the Property to the Buyers. In the event that

one or more timely, conforming initial overbids are submitted ("Qualified Overbidders"), the Trustee shall conduct at the time of the sale hearing an auction for the Property (the "Auction"), in which the Buyers and any Qualified Overbidders, may participate. The Auction shall be governed by the following procedures:

a. All Qualified Overbidders and the Buyers shall be deemed to have consented to the core jurisdiction of the Court and to have waived any right to a jury trial in connection with any disputes relating to the Auction and/or the sale of the Property;

b. Bidding will commence at the amount of the highest bid submitted by a Qualified Overbidder, which must be at least $100,000;

c. After the initial overbid, subsequent overbids shall be made in increments of at least $5,000 in aggregate consideration above the previous bid and the process may be repeated until no overbid is thereafter made at the sale hearing;

At the conclusion of the Auction, the Trustee shall recommend that the Court authorize and approve the sale of the Property to the entity that has submitted the highest and best offer for the Property.

At the conclusion of the Auction, the Trustee may, with the consent of the affected non-prevailing Qualified Overbidder(s), including the Buyers, that has submitted the next most advantageous bid, as applicable, request that the Court authorize and approve a sale of the Property on a contingent and back-up basis to such consenting non-prevailing Qualified Overbidder at the Auction, without need for further notice and hearing or Court Order.

There shall be no break-up fee allowed to the Buyers or any bidder at the Auction.

The Trustee holds sole discretion in accepting and rejecting all overbids.

The Trustee will market the Debtor's Claims by posting a notice of their sale on the websites of the United States Bankruptcy Court for the Central District of California and of Danning, Gill, Diamond & Kollitz, LLP and by providing notice to all affected parties and related entities, including all of the Superior Court Defendants.

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The consideration to be received by the estate, including estimated commissions, fees, and other costs of sale.

There shall be no broker commission associated with this sale. The consideration that the Trustee will receive is 10% of the net recovery in the Superior Court Action from any source, including without limitation by judgment, settlement, or other resolution, after the Contingency Counsel's fees and the recovery of costs advanced by the Contingency Counsel and the Buyers.

A description of the estimated or possible tax consequences to the estate, if known, and how any tax liability generated by the sale of the property will be paid.

The tax liability to the estate for the sale of the Property, if any, is presently unknown. It is not anticipated that there will be any tax liability to the Debtor's estate generated by the sale of the Property. To the extent that there is any tax liability, it will be based on and paid from the 10% share of any recovery in the Contingency Action.

The date by which an objection must be filed and served.

NOTICE IS HEREBY FURTHER GIVEN that, pursuant to Local Bankruptcy Rule 9013-1(f), any response to the Motion shall be in writing, filed with the Court and served upon counsel for the Trustee named in the upper left-hand corner of this notice within 14 days before the hearing. Failure to do so may be deemed to be consent to the granting of the Motion.

The Motion is based upon this Notice of Hearing, the form and manner of which the Trustee seeks the Court's approval in the Motion, the Notice of Motion, the Motion, the Memorandum of Points and Authorities, the Declarations of Brad D. Krasnoff and Michael G. D'Alba, the Request for Judicial Notice, all pleadings on file with this Court, and any oral and documentary evidence that may be presented at the hearing on the Motion. For further information, see the Motion, which is filed contemporaneously herewith. A copy of the Motion may be obtained from the Clerk of the Court, or by contacting Michael G. D'Alba at Danning, Gill,

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Diamond & Kollitz, LLP, 1900 Avenue of the Stars, 11th Floor, Los Angeles, California 90067-4402, 310-277-0077, mdalba@dgdk.com.

DATED: September 26, 2012

DANNING, GILL, DIAMOND & KOLLITZ, LLP

By: Michael G. D'Alba

MICHAEL G. D'ALBA
Attorneys for Brad Krasnoff, Chapter 7 Trustee