

1 David B. Shemano (State Bar No. 176020)
dshemano@pwkllp.com
2 Monsi Morales (State Bar No. 235520)
mmorales@pwkllp.com
3 Tania M. Moyron (State Bar. No. 235736)
tmoyron@pwkllp.com
4 PEITZMAN, WEG & KEMPINSKY LLP
2029 Century Park East, Suite 3100
5 Los Angeles, CA 90067
Telephone: (310) 552-3100
6 Facsimile: (310) 552-3101

7 Counsel for Debtors and Debtors in Possession

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9 **UNITED STATES BANKRUPTCY COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **SAN FERNANDO VALLEY DIVISION**

12 In re:

13
14 POLLO WEST CORP., a California corporation,
and MI POLLO, INC., a California corporation,

15 Debtors and Debtors-in-Possession.

Case No.: 1:11-11433-VK

Chapter 11

(Jointly Administered with Case No.:
1:11-11434-VK)

**NOTICE OF HEARING ON SALE OF
DEBTORS' STORES FREE AND CLEAR OF
ALL LIENS, CLAIMS, ENCUMBRANCES
AND OTHER INTERESTS PURSUANT TO
SECTIONS 363 AND 365 OF THE
BANKRUPTCY CODE**

Hearing:

Date: February 7, 2012

Time: 9:30 a.m.

Place: Courtroom 301

21041 Burbank Blvd.
Woodland Hills, CA 91367

Check One or More as Appropriate:

- 22 Affects Both Debtors:
Affects Pollo West Corp. only:
23 Affects Mi Pollo, Inc. only:

24 **PLEASE TAKE NOTICE** that Pollo West Corporation and Mi Pollo, Inc. (collectively, the
25 “Debtors”), have filed motions (the “Motions”) seeking the entry of orders, pursuant to sections 363
and 365 of title 11 of the United States Code (the “Bankruptcy Code”), Federal Rules of Bankruptcy
26 Procedure 2002, 6004, and 9014, and Local Bankruptcy Rules 6004-1(c), authorizing the Debtors to
sell seven of their “El Pollo Loco” restaurants (collectively, the “Stores”) to certain buyers
27 (collectively, the “Buyers”), as more fully set forth in those certain Asset Purchase Agreements
(collectively, the “APAs”) attached to the Motions. The Stores to be sold, the names and addresses
of the Buyers, the purchase prices and any contingencies are set forth in **Exhibit A** attached hereto.

1 As fully set forth in the Motions, the sales shall be free and clear of all liens, claims, encumbrances
2 and other interests, and the Debtors shall assume and assign to the Buyers all of the executory
3 contracts related to the Stores. The Motions further request authority to pay National Franchise
Sales, Inc. (“NFS”), the Debtors’ brokers, commission rates as set forth therein.

4 **PLEASE TAKE FURTHER NOTICE** that the Motions are scheduled for hearing on
5 **February 7, 2012, at 9:30 a.m.**, in Courtroom 301 of the above-entitled court located at 21041
Burbank Boulevard, Woodland Hills, California (the “Sale Hearing”).

6 **PLEASE TAKE FURTHER NOTICE** that, as fully set forth in the Motions, the Debtors
7 seek the entry of orders: (i) authorizing the Debtors to sell, assign and transfer the Assets¹ to the
8 Buyers pursuant to the APAs, and determining that, when the sale, assignment and transfer is
9 effective, the Debtors shall be deemed to have sold, assigned and transferred all of the Debtors’
10 rights, title and interest in and to the Assets to the Buyers free and clear of all Liens of any and every
11 kind whatsoever; (ii) directing that all Liens shall attach to the proceeds of the sales with the same
12 priority, validity and enforceability, if any, as they had against the Assets; (iii) authorizing the
13 Debtors to pay the proceeds of the sale allocable to inventory on hand to Meadowbrook Meat
Company, Inc. dba MBM Corporation at the closing on account of its security interest in the
inventory; (iv) authorizing the Debtors to assume and assign the Assigned Contracts to the Buyers;
(v) determining that Buyers acted in good faith in purchasing the Assets within the meaning of
section 363(m) of the Bankruptcy Code; (vi) authorizing the Debtors to pay from the proceeds of the
sale the commission due and owing to NFS; (vii) authorizing the Debtors to execute all documents
and instruments and to take all actions necessary to effectuate the APAs; and (viii) granting such
other and further relief as may be appropriate under the circumstances.

14 **PLEASE TAKE FURTHER NOTICE** that the Debtors will consider higher and better bids
15 at the Sale Hearing from qualified overbidders that can demonstrate the ability to timely close a
16 transaction. To have a bid considered by the Debtors at the Sale Hearing (a “Qualified Bid”), a
proposed bid must meet each of the criteria set forth in the following subparagraphs (a) through (g),
provided that the Debtors may waive any requirement in their sole and absolute discretion:

17 a. Confidentiality Agreement. The bidder must deliver an executed
18 confidentiality agreement in form and substance satisfactory to the Debtors.

19 b. Financial Information. The bidder must deliver (i) current financial
20 statements, or if the bidder is an entity formed for the purpose of acquiring the Store, current
21 financial statements of the equity holder(s) of the bidder or such other form of financial disclosure
22 acceptable to the Debtors, and (ii) copies of recent statements of bank accounts, stock accounts, or
evidence of credit facilities establishing adequate liquidity. The financial information must evidence
that the bidder has a net worth of not less than \$1,000,000 and liquidity of not less than the amount
of the bid.

23 c. Competing Brands. The bidder must disclose any ownership interests in
24 competing brands, including all chicken concepts and similar competitors.

25 d. El Pollo Loco Application. If the bidder intends to acquire an El Pollo Loco
26 franchise license, the bidder must deliver a completed El Pollo Loco Franchise Application, and
other franchisee application materials that may be required by the Debtors’ franchisor, El Pollo

27 ¹ Capitalized terms used herein shall have the meanings ascribed to them in the Motions, unless
28 otherwise defined.

1 Loco, Inc., along with a resume of each proposed equity holder and officer of the bidder setting forth
2 relevant business and professional experience.

3 e. Form and Content of Bid. The bid must be in the form of a letter pursuant to
4 which the bidder irrevocably offers to purchase the Store upon the terms and conditions set forth in
5 the APA. The Debtors shall have no obligation to consider a bid that materially changes the APA.
6 The bid must be at least \$10,000 higher than the Buyer's purchase price set forth in Exhibit A
7 attached hereto.

8 f. Deposits. In order to be a Qualified Bid, the bid must be accompanied by a
9 deposit (the "Deposit") in the form of a cashiers' check or wire transfer of immediately available
10 funds to the Debtors in the amount set forth in the column entitled "Deposit Amount for
11 Overbidders" in Exhibit A attached hereto. The Debtors and/or NFS shall hold the Deposit in a
12 segregated account with other Deposits, subject to Court order, to defray all costs, expenses and
13 damages arising as a result of the failure of the bidder to close for any reason other than the default
14 of the Debtors. The Debtors and/or NFS shall return the Deposit to the bidder as soon as practicable
15 after the earlier to occur of (i) the Debtors' delivery of notice to a bidder that its bid is not a
16 Qualified Bid, or (ii) closing of the Store sale to an entity other than the bidder, but in any event not
17 later than forty-five (45) days after the hearing approving the sale of the Store without the consent of
18 the bidder. Interest that accrues on the successful bidder's Deposit, if any, shall be credited toward
19 the purchase price or returned to the bidder with the Deposit.

20 g. Timing. All of the documents and information required to be submitted
21 pursuant to subparagraphs (a) through (f) must be received by the Debtors' financial advisor and
22 broker, Michael Ingram of NFS, prior to 12:00 p.m., on January 31, 2012, via email at
23 mi@nationalfranchisesales.com or by mail at 1601 Dove Street, Suite 150, Newport Beach, CA
24 92660.

25 **PLEASE TAKE FURTHER NOTICE** that copies of the Motions, related papers and the
26 APAs can be obtained upon a written or telephonic request to: Peitzman, Weg & Kempinsky LLP;
27 c/o Matthew M. Dryer; 2029 Century Park East, Suite 3100, Los Angeles, California; (310) 552-
28 3100; mdryer@pwkllp.com.

PLEASE TAKE FURTHER NOTICE that, pursuant to Local Bankruptcy Rule 9013-1(f),
any formal response to the Motions must be filed with the Bankruptcy Court and served on counsel
for the Debtors at least fourteen (14) days before the Sale Hearing. Pursuant to Local Bankruptcy
Rule 9013-1(h), failure to file and serve timely a response in accordance with the Local Bankruptcy
Rules may be deemed by the Bankruptcy Court to be consent to the granting of the relief requested
in the Motions.

Dated: January 10, 2012

PEITZMAN, WEG & KEMPINSKY LLP

By: /s/ David B. Shemano

David B. Shemano

Tania M. Moyron

Counsel for the Debtors and Debtors-in-Possession

~~EXHIBIT A, SALE OF STORES~~
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Stores to be Sold	Location	Names and Addresses of Proposed Buyers	Purchase Prices; Contingency	Deposit Amount for Overbidders¹
Paso Robles (Store #3556)	2354 Theater Drive Paso Robles, CA 93446	Gurpreet Boparai 216 Kennedy Avenue Ventura, CA 93003 Ashish K. Verma 626 River Street #38 Fillmore, CA 93015	\$360,000	\$36,000
Thousand Oaks (Store #3410)	591 N. Moorpark Road Thousand Oaks, CA 91360	Maurice Pack Phong Huynh 10193 Tall Oak Drive Escondido, CA 92026-7214	\$1,100,000	\$110,000
Van Nuys (Store #3457)	17240 Saticoy Street Van Nuys, CA 91406	JPA Holdings, LLC Attn: Paul R. Hendifar 419 N. Bundy Drive Los Angeles, CA 90049	\$1,350,000 and Lease Contingency ²	\$135,000
Glendale (Store #3496)	1437 W. Glenoaks Blvd. Glendale, CA 91201	Mike Ara 1671 Glenwood Avenue Upland, CA 91784 Rosa Pinuelas Victor Grayr 18746 Maplewood Lane Northridge, CA 91326	\$575,000 and Lease Contingency (Total Price for Glendale and CSUN pursuant to APA is \$775,000) ³	\$57,500 (Deposit amount for purchase of Glendale and CSUN is \$77,500)
CSUN (Store #3640)	18111 Nordoff St. Northridge, CA 91325	Mike Ara 1671 Glenwood Avenue Upland, CA 91784 Rosa Pinuelas Victor Grayr 18746 Maplewood Lane Northridge, CA 91326	\$200,000 (Total Price for Glendale and CSUN pursuant to APA is \$775,000)	\$20,000 (Deposit amount for purchase of Glendale and CSUN is \$77,500)
Newbury Park (Store #3402)	2750 Camino Dos Rios Newbury Park, CA 91320	Ali Ghomizadeh 28532 Rancho Cristiano Laguna Niquel, CA 92677	\$605,000 (Total Price for Newbury Park and Santa Maria is \$1,280,000)	\$60,500 (Deposit amount for purchase of Newbury Park and Santa Maria is \$128,000)
Santa Maria (Store #3629)	305 E. Betteravia Road Santa Maria, CA 93454	Ali Ghomizadeh 28532 Rancho Cristiano Laguna Niquel, CA 92677	\$675,000 (Total Price for Newbury Park and Santa Maria is \$1,280,000)	\$67,500 (Deposit amount for purchase of Newbury Park and Santa Maria is \$128,000)

¹ The deposit amounts are equal to 10 percent of the allocated purchase price for each store. Overbids must be at least \$10,000 higher than the buyer's allocated price for each store.

² The sale of this store under the current APA is contingent on the buyer receiving a lease extension or a new lease from the landlord. Overbids without a lease contingency may be submitted and must be at least \$1,195,000 (\$10,000 higher than the back-up bid with no lease contingency). The Debtors reserve the right, in their sole and absolute discretion, to designate the highest and best bid.

³ Certain bids are joint bids for multiple stores. Thus, while the amount of an overbid may be higher for a single store than the allocated price, the overbid may not be deemed the highest and best bid. The Debtors reserve the right, in their sole and absolute discretion, to designate the highest and best bid.

NOTE: When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

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:

PEITZMAN, WEG & KEMPINSKY LLP
2029 Century Park East, Suite 3100
Los Angeles, CA 90067

A true and correct copy of the foregoing document described as **NOTICE OF HEARING ON SALE OF DEBTORS' STORES FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS PURSUANT TO SECTIONS 363 AND 365 OF THE BANKRUPTCY CODE** 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 indicated below:

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On **January 10, 2012**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

- Martin J Brill mjb@lnrb.com
- Alicia Clough alicia.clough@kayescholar.com
- Brian L Davidoff b davidoff@rutterhobbs.com, calendar@rutterhobbs.com;jreinglass@rutterhobbs.com
- Kristin Knox Esche kristinknoxesche@dwt.com, lisahernandez@dwt.com
- John D. Faucher john@hf-bklaw.com, FaucherECF@gmail.com
- Robert A Faucher rfaucher@hollandhart.com
- Brian D Fittipaldi brian.fittipaldi@usdoj.gov
- Jerome Bennett Friedman jfriedman@jbflawfirm.com, bbalonick@jbflawfirm.com;jmartinez@jbflawfirm.com
- Leslie S Gold LGold@GershuniKatz.com
- Mary H Haas maryhaas@dwt.com, melissastrobels@dwt.com;laxdocket@dwt.com
- Ira Benjamin Katz IKatz@GershuniKatz.com
- Raffi Khatchadourian raffi@hemar-rousso.com
- Andy Kong Kong.Andy@ArentFox.com
- Duane Kumagai dkumagai@rutterhobbs.com, calendar@rutterhobbs.com;mshabpareh@rutterhobbs.com
- Mette H Kurth kurth.mette@arentfox.com
- Steven N Kurtz lgreenstein@laklawyers.com, rfeldon@laklawyers.com;lkaplan@laklawyers.com
- Christopher N Lachowicz nik@lachowiczlaw.com
- David B Lally davidlallylaw@gmail.com
- Jordan A Lavinsky jlavinsky@hansonbridgett.com, kfooster@hansonbridgett.com;nnewman@hansonbridgett.com
- Jennifer Leland jleland@pwkllp.com
- Leib M Lerner leib.lerner@alston.com
- Gwendolen D Long gdl@lnbyb.com
- Lee David Lubin Leelubin@aol.com
- Anne C Manalili acmecf@laklawyers.com
- Craig Miller craigmiller@dwt.com, susanallan@dwt.com;seadocket@dwt.com
- Monserrat Morales mmorales@pwkllp.com
- Susan K Seflin sseflin@wrslawyers.com
- David B Shemano dshemano@pwkllp.com
- United States Trustee (SV) ustpreion16.wh.ecf@usdoj.gov
- Joseph M VanLeuven joevanleuven@dwt.com

Service information continued on attached page

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

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL(indicate method for each person or entity served):

On **January 10, 2012**, I served the following person(s) and/or entity(ies) at the last known address(es) 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/or with an overnight mail service 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.

Served by U.S. Mail:

Hon. Victoria S. Kaufman
United States Bankruptcy Court - Central District of California
21041 Burbank Boulevard, Suite 354
Woodland Hills, CA 91367

Service information continued on attached page

III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on _____, I served the following person(s) and/or entity(ies) by personal delivery, 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 the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

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

January 10, 2012

Date

Matthew M. Dryer

Type Name

/s/ Matthew M. Dryer

Signature

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

[The NOTICE OF HEARING ON SALE OF DEBTORS' STORES FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS PURSUANT TO SECTIONS 363 AND 365 OF THE BANKRUPTCY CODE (the "Notice") was served on approximately 87 potential buyers, as identified by National Franchise Sales, Inc. ("NFS"). At the request of NFS, the names and addresses of the potential buyers are being kept confidential. If a question should arise with respect to service of the Notice or the identity of the potential buyers, the Debtors shall make such information available to the Court upon request.]