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**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA**

In re:
C.M. Meiers Company, Inc.,

Debtor(s).

CASE NO.: 1:12-bk-10229MT

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: 2/3/12

Time: 1:00 p.m.

Location: Courtroom of Judge Tighe, US Bankruptcy Court, 21041 Burbank Blvd., Ct 302, Woodland Hills, CA 91367

Type of Sale: Public Private

Last date to file objections:
2/2/12 @ 8 pm

Description of Property to be Sold: Substantially all assets; See attached Asset Purchase Agreement

Terms and Conditions of Sale: See attached Asset Purchase Agreement

Proposed Sale Price: See attached Asset Purchase Agreement paragraph 2.1

Overbid Procedure (If Any): See attached Asset Purchase Agreement paragraph 2.2

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing: 2/3/12 @ 1 pm
Contact Person for Potential Bidders (include name, address, telephone, fax and/or e:mail address): Same as sale location above.

Bradley D. Sharp, chapter 11 trustee
Development Specialists, Inc.
333 S Grand Ave, Suite 4070
Los Angeles, CA 90071-1544; 213/617-2717
Email: bsharp@dsi.biz

Date: 2/2/12

EXHIBIT 1

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (“Agreement”) is entered into as of February 3, 2012 by and between Bradley D. Sharp, solely in his capacity as Trustee (“Trustee” or “Seller”) for the estate of C.M. Meiers Company, Inc. (“Debtor”), and Affinity Global Insurance Services, a California corporation (“Affinity” or “Buyer”). This Agreement is entered into with reference to the following facts:

RECITALS

A. On January 9, 2012, Debtor commenced its bankruptcy case by filing a voluntary petition under chapter 11 of the Bankruptcy Code, in the United States Bankruptcy Court for the Central District of California (the “Bankruptcy Court”), case no. 1:12-bk-10229 MT. Trustee is the duly appointed and acting chapter 11 trustee for the Debtor’s estate.

B. Debtor has heretofore been engaged in the business of insurance brokerage. Buyer desires to purchase and Trustee is willing to sell, subject to the terms set forth in this Agreement all rights, title and interests in and to all of the assets (the “Purchased Assets”) of the Debtor listed in **Exhibit 1** attached hereto, free and clear of any and all security interests, liens, claims and encumbrances. Buyer shall not assume any of Debtor’s liabilities and obligations, except as expressly set forth herein.

C. Debtor caused to be filed with the Bankruptcy Court a Motion for Order Approving Sale Procedures which requests an order (the “Sale Procedures Order”) approving the procedures for the sale of the Purchased Assets as set forth herein, including the overbid procedure, auction procedure, and breakup fee as set forth herein, with a hearing to be set for the Court to approve the sale (the “Sale Hearing”).

Now therefore, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Trustee agree as follows:

1. PURCHASE AND SALE OF ASSETS OF THE DEBTOR

1.1 Purchase and Sale. Subject to the terms and conditions of this Agreement, and conditioned upon Bankruptcy Court approval as set forth herein, Trustee shall, upon Closing (as defined below in Section 8.1), sell, transfer, convey and assign to Buyer, and Buyer shall purchase from Trustee all rights, title and interests in and to all the Purchased Assets, free and clear of all security interests, liens, claims and encumbrances.

1.2 Buyer’s Investigation of the Assets. Buyer shall have the right at all reasonable times, and upon reasonable notice, to inspect the books and records of Debtor and to examine any and all other documents and other things it deems necessary to conduct due diligence with respect to the Purchased Assets.

1.3 Buyer's Right to Terminate. Upon notice to Trustee as set forth herein, Buyer shall have the right to terminate this Agreement, for any reason or no reason, until 8:00AM PT Friday, February 3, 2012.

2. PURCHASE PRICE

2.1 Purchase Price and Payment for Purchased Assets. As consideration for the Purchased Assets, Buyer agrees to pay to Trustee a purchase price (the "Purchase Price") equal to the sum of \$750,000, of which \$50,000 (the "Deposit") shall be deposited with the Trustee pursuant to the Sale Procedures Order, and the balance paid on Closing. The Deposit shall be fully refundable until the Bankruptcy Court enters the Sale Order approving Buyer as the purchaser of Debtor's assets and shall thereafter be forfeited as liquidated damages in the event Buyer fails to close the approved sale for any reason other than Trustee's non-performance or further court order prohibiting the sale

2.2 Overbid Procedure. An auction shall be held in open Court in accordance with the Sale Procedures Order. The initial overbid must be in an amount of no less than \$810,000 and on the same terms and conditions as this Agreement. Subsequent overbids shall be at least Twenty Five Thousand Dollars (\$25,000) over the immediate previous best offer. Buyer shall have the right but not the obligation to submit an overbid in response to any initial overbid or subsequent overbids. The date set for initial overbids to be submitted to the Trustee shall be 8:00 a.m. PT on February 3, 2012 (the "Overbid Deadline"). All parties seeking to submit overbids must qualify by, prior to the Overbid Deadline: (i) providing evidence reasonably satisfactory to the Trustee of its financial ability to consummate a sale and (ii) delivering to the Trustee a cashier's or certified check for \$50,000.

2.3 Breakup Fee. If Buyer is not the successful bidder at the auction, it shall be entitled upon closing of the sale to a break-up fee of \$35,000.

3. ASSUMPTION OF LIABILITIES

3.1 Assumption of Liabilities. Except as expressly provided at section 6.5 (b) herein, Buyer assumes no liabilities ("Assumed Liabilities") by this Agreement. For avoidance of doubt, any Debtor defined benefit pension plan is not being purchased or assumed by this Agreement.

4. REPRESENTATIONS AND WARRANTIES OF TRUSTEE

Trustee hereby represents and warrants to Buyer that:

4.1 Status and Authority of Debtor. Trustee is informed that Debtor is a corporation duly organized, validly existing and in good standing under the laws of the State of California. Subject to Bankruptcy Court approval, Trustee has full power and authority to enter into this Agreement, to enter into and consummate the transactions contemplated herein and to execute and deliver all documents necessary or appropriate to the performance herein. Except for receipt of the Sale Order as defined herein, Trustee is informed that no

authorization, approval, consent of or filing with any governmental body, department, bureau, agency, public board, authority or other third party is required for the consummation by Trustee of the sale contemplated by this Agreement.

4.2 Warranty. The Purchased Assets will be sold to Buyer at the Closing as is, where is, without any warranty or representation of any nature whatsoever as to the suitability of the Purchased Assets for any intended use, any projection, result or outcome of any business operation by Buyer using the Purchased Assets or any profit loss, expense or income that might result from Buyer's use or acquisition of the Purchased Assets.

5. REPRESENTATIONS AND WARRANTIES OF PURCHASER

Buyer hereby represents and warrants to Trustee that:

5.1 Status and Authority of Buyer. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of California. Buyer has all requisite power and authority to carry on its business as presently conducted, to own, lease and operate the assets, property and business owned, leased and operated by it and to acquire the Purchased Assets as contemplated hereby. Buyer has all requisite power and authority to execute, deliver and perform this Agreement and all documents ancillary hereto and/or referred to herein. All necessary authorizations or approvals by Buyer have been or will be obtained prior to the Closing and no other action is required in connection herewith.

6. FURTHER COVENANTS AND AGREEMENTS

6.1 Access and Information. Following the Closing, Trustee and Buyer shall afford each other reasonable access during normal business hours to any of Debtor's books and records in their possession.

6.2 Cooperation. The parties hereto will cooperate with each other in a commercially reasonable manner in carrying out the transactions contemplated by this Agreement; in furnishing the information requested pursuant to Section 6.1 above; and in executing and delivering all documents, instruments and copies hereto necessary or useful to the other party.

6.3 Tax Matters.

(a) This purchase and sale is an occasional sale and is exempt from sales and use tax pursuant to California Revenue and Taxation Code Sections 6006.5 and 6367. Buyer shall not pay any sales, use, transfer, real property transfer, recording, stock transfer and other similar Taxes ("Transfer Taxes") and fees arising out of or in connection with the transfer of the Purchased Assets effected pursuant to this Agreement. For purposes of this transaction, all fixed assets shall be valued at net book value as indicated on Debtor's books and records. The allocated value of the furniture, fixtures and equipment ("FFE") purchased by Buyer is \$10,000.

(b) Each of the parties shall provide the other with any cooperation reasonably requested by the other party in connection with the preparation of tax returns and any tax audits or controversies or other tax matters relating to this Agreement.

6.4 Payment on Retained Liabilities

Trustee shall pay, or make adequate provision for the payment of, all of the liabilities of Debtor in accordance with the provisions and priorities of the Bankruptcy Code solely to the extent the estate has assets with which to do so.

6.5 Insurance Trust Account

(a) Upon Closing, Trustee shall transfer to Buyer custody and control of any and all funds held in statutory trust accounts (“Trust Account”) for the benefit of Debtor’s insurance business.

(b) If, after an audit to be completed by an independent third party within 180 days of closing at the expense of Buyer, the form and substance of which is reasonably satisfactory to Buyer and Trustee, there is determined to be a shortfall in the Trust Account balance, Buyer will replenish the Trust Account in the amount of such shortfall within thirty (30) days after said determination is made.

6.6 Executory Contracts and Unexpired Leases

(a) Buyer has the right, but not the obligation, to identify executory contracts and unexpired leases (the “Pre-Petition Contracts”) that shall be assumed and assigned in connection with the sale if such identification is made within thirty (30) days of Closing. Once identified, Trustee shall promptly serve a notice of assumption and assignment on those parties identified by Buyer with Pre-Petition Contracts that Buyer intends to have assigned and Buyer shall pay any monetary cure requirements to effect such assumption and assignment.

(b) Upon Closing, Buyer is free to negotiate with and enter into contracts with existing employees, producers, independent contractors and any other party with whom the Debtor has an existing or prospective contractual relationship. Nothing herein shall be construed to prohibit Buyer from discussing with such parties such contracts, or the possibility thereof, prior to closing.

6.7 Confidentiality

Buyer agrees to comply with any provisions concerning confidentiality of information set forth in any applicable law or Debtor contract and agrees to comply with Debtor’s existing corporate policy concerning the confidentiality of personal information of Debtor’s customers.

7. **CONDITIONS TO CLOSING**

The obligations of each party to consummate and effect the transactions contemplated by this Agreement shall (unless waived by the other party) be subject to the satisfaction, on or prior to the Closing, of each of the following conditions:

- (a) Each party shall have made all deliveries required to be made at the Closing and shall have fulfilled all of its material obligations hereunder to be fulfilled in connection with the Closing;
- (b) all of the representations and warranties of each party shall be true and correct at the Closing in all material respects (except as to representations and warranties which relate to specific dates other than the date thereof).
- (c) Entry of the order of the Bankruptcy Court in the form attached hereto as **Exhibit 2** (the "Sale Order") (i) approving the sale on the terms set forth herein; (ii) finding the Purchased Assets to have been purchased in good faith pursuant to 11 U.S.C. 363(m); (iii) finding that this Agreement was negotiated, proposed and entered into by the parties without collusion, in good faith and from arm's length bargaining positions; (iv) providing that the Bankruptcy Court shall retain jurisdiction to resolve any controversy or claim arising out of or relating to this Agreement, the transaction provided for herein, or the breach hereof; (v) providing that this Agreement and the transactions contemplated hereby may be specifically enforced against and is binding upon, and not subject to rejection or avoidance by, Debtor or any chapter 7 or chapter 11 trustee of Debtor; (viii) denies or otherwise resolves any objections to the Sale in a manner reasonably acceptable to Trustee and Buyer. Notwithstanding anything to the contrary herein, in the event that either the Bankruptcy Court declines to enter the Sale Order, or the Sale Order is not entered by February 3, 2012, the Buyer shall have the option to terminate this agreement and the Deposit, and any Purchase Price, if paid, shall be refunded to Buyer.

8. CLOSING AND TERMINATION

8.1 Date, Time and Place of Closing. The transaction contemplated by this Agreement shall be consummated at the closing (the "Closing") to be held not later than February 6, 2012, or at such other date, time and place as may be mutually agreed upon in writing by the parties hereto.

9. GENERAL PROVISIONS

9.1 Further Deliveries. The parties agree to execute and deliver any and all other documents and instruments which may be required in order to carry out the transactions contemplated by this Agreement and to effectively transfer the Purchased Assets to Buyer.

9.2 Costs and Expenses. Except as otherwise specified in this Agreement, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions

contemplated hereunder shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

9.3 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given when delivered personally against an executed receipt, mailed by registered or certified mail, return receipt requested, sent by recognized overnight delivery service or, to the extent receipt is confirmed, by facsimile or other electronic transmission service, to the parties at the following addresses (or to such other address as a party may have specified by notice given to the other party pursuant to this provision):

If to the Buyer, to each of:

Jason Adelman, President
Affinity Global Insurance Services
21747 Erwin Street, 2nd Floor
Woodland Hills, CA 91367

with a copy (which shall not constitute notice) to:

Leib M. Lerner, Esq.
Diane C. Stanfield, Esq.
Alston & Bird LLP
333 S. Hope Street, 16th Floor
Los Angeles, CA 90071
(213) 576-1000 (phone)
(213) 576-1100 (fax)
leib.lerner@alston.com

with a copy (which shall not constitute notice) to:

Lowell W. Tatkin, Esq.
8117 Manchester Ave. #524
Playa Del Rey, CA 90293
(310) 578-8188 (phone)
(310) 578-9466 (fax)
Lowell@tatkin.com

or to such other person or address as the Buyer shall furnish to the Trustee in writing.

If to the Trustee, to:

Bradley D. Sharp, Trustee
Development Specialists, Inc.
333 S Grand Ave
Suite 4070
Los Angeles, CA 90071-1544
213/617-2717 (phone)
213/617-2718 (fax)

bsharp@dsi.biz

with a copy (which shall not constitute notice) to:

David Gould
Gould & Gould, LLP
23975 Park Sorrento, Suite 200
Calabasas, CA 91302-4011
Voice: (818)222-8092
Fax: (818)449-4803
Email: dgould@gglawllp.com

9.4 Broker Representation. Trustee and Buyer represent that they have not retained any broker or paid, or agreed to pay, any broker's or finder's fee or commission in connection with the transactions contemplated by this Agreement.

9.5 Attorneys' Fees in Case of Dispute. In the event that litigation is brought by a party to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees to be fixed by the Bankruptcy Court.

9.6 Jurisdiction and Venue. Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be subject to the jurisdiction of the Bankruptcy Court where Debtor's bankruptcy case is pending.

9.7 Neutral Interpretation and Representation by Counsel. The parties hereto each acknowledge that it has been represented by and they have availed themselves of the advice of independent counsel in the negotiation and drafting of this Agreement.

9.8 Headings. The descriptive article, section and paragraph headings are intended for convenience of reference only and to not constitute a part of this Agreement and shall not control or affect the meaning or construction of any provision of this Agreement.

9.9 Entire Agreement; Amendment. This Agreement constitutes the entire agreement between the parties pertaining to this subject matter and supersedes all prior or contemporaneous agreements or understandings of the parties. The parties hereto may by mutual agreement amend this Agreement in any respect provided that such amendment shall be in writing signed by both parties.

9.10 Severability. If any term or provision of this Agreement or any application thereof shall be invalid or unenforceable, the remainder of this Agreement and any other application of such provisions shall not be affected thereby.

9.11 Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

9.12 Parties Benefited. The terms and provisions and benefits of this Agreement shall inure solely to the benefit of the respective parties hereto and their successors and assigns.

10. **GOVERNING LAW**

10.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, this Agreement is hereby executed as of the date first hereinabove written.

Buyer

Affinity Global Insurance Services, a California corporation

By: _____
Jason Adelman
President

Trustee/Seller

Bradley D. Sharp, solely in his capacity as
Trustee for the estate of C.M. Meiers Company,
Inc.

By: _____
Bradley D. Sharp, Trustee

EXHIBIT 1

Purchased Assets

(1) All copyrights, trademarks, or other intellectual property C.M. Meiers possess under Federal and State Law;

(2) All telephone numbers, directories, customers lists that C.M. Meiers has the right to use or otherwise owns;

(3) All rights, claims, causes of actions, rights of recovery, rights of setoff, rights of recoupment, refunds, demands, defenses, judgments, accounts, rights, claims, powers or privileges, arising, in contract or tort, at law or in equity, or under any other theory of law in which C.M. Meiers or the Estate possess any interest *other than* claims and causes of action arising under 11 U.S.C. §§ 544, 545, 547, 548, or 549; for avoidance of doubt, the Estate is retaining claims arising under applicable non-bankruptcy law arising out of or in connection with breach of fiduciary duty or negligence. However, in lieu of the sale of claims and causes of action against Purchaser to Purchaser, Trustee and Buyer shall enter into a mutual general release of all claims *including but not limited to* claims and causes of action arising under 11 U.S.C. §§ 541, 544, 545, 547, 548, or 549; and

(4) All real and personal property, equipment, inventory, contract rights, rebates, refunds, commissions, general intangibles, and all accounts receivable in which C.M. Meiers or the estate possess any interest.

Notwithstanding anything herein to the contrary, Purchased Assets shall not include any executory contracts or unexpired leases that Buyer chooses to not designate for assumption and assignment prior to the Closing.

A schedule of intellectual property is attached hereto.

Schedule 1.1

Schedule of Intellectual Property

FICTITIOUS NAMES

CM Meiers of Nevada

CM Meiers of Texas

CMM Entertainment

DOMAIN NAMES

Cmmeiers.com

CMMFilmINS.com

CMMGreen.com

CMMTexas.com

CMMEntertainment.com

TRADEMARKS

None

COPYRIGHTS

None

PATENTS

None

PHONE NUMBERS

818-224-6099 through 6198 phone DIDs

818-713-2300 through 2399 fax DIDs

310-421-3070 through 3089 phone DIDs

866-644-7911

EXHIBIT 2

1 **David Gould** (SBN 37947)
2 **Gould & Gould, LLP**
3 23975 Park Sorrento, Suite 200
4 Calabasas, CA 91302-4011
5 Voice: (818)222-8092
6 Fax: (818)449-4803
7 Email: dgould@gglawllp.com
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9 Attorney for Bradley D. Sharp,
10 Chapter 11 Trustee
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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SAN FERNANDO VALLEY DIVISION

In re
C.M. Meiers Company, Inc.,
Debtor.

Case No.: 1:12-bk-10229 MT

Chapter 11

**ORDER GRANTING MOTION FOR ORDER
APPROVING THE SALE OF
SUBSTANTIALLY ALL ASSETS OF THE
ESTATE FREE AND CLEAR OF LIENS,
CLAIMS, INTERESTS AND
ENCUMBRANCES PURSUANT TO 11 U.S.C.
§ 363**

Date: February 3, 2012

Time: 1:00 p.m.

Place: Courtroom 302; Judge Tighe
US Bankruptcy Court
21041 Burbank Blvd, 3rd Floor
Woodland Hills, CA 91367

1 Came on for consideration (the “Sale Hearing”)¹ the *Motion of C.M. Meiers Company for*
2 *an Order Authorizing Debtor To Sell Substantially All Assets Pursuant to 11 U.S.C. § 363(f)* (the
3 “Sale Motion”) of C.M. Meiers, (“CMM” or the “Debtor”) originally filed by Debtor and adopted
4 as amended by Bradley D. Sharp, chapter 11 trustee (“Trustee”) pursuant to sections 105 and 363
5 of title 11 of the United States Code (as amended, the “Bankruptcy Code”), and Rules 2002, 6004,
6 9013 and 9014 of the Federal Rules of Bankruptcy Procedures (the “Bankruptcy Rules”), for the
7 entry of an order authorizing and approving the sale of the Debtor’s Property (“Property”) free and
8 clear of all Liabilities pursuant to that certain Asset Purchase Agreement by and among the
9 Trustee and Affinity Global Insurance Services, a California corporation or its designee
10 (“Affinity” or the “Purchaser”).

11 The Court having reviewed and considered (i) the Sale Motion, (ii) all briefs, evidence and
12 declarations filed in support of the Sale Motion, (ii) all briefs, evidence and declarations filed in
13 opposition to the Sale Motion, including those that were untimely filed, and (iii) the arguments of
14 counsel and parties at the Sale Hearing; and determining that the relief requested in the Sale
15 Motion and the approval of the Sale to the Purchaser of the Property identified in the Asset
16 Purchase Agreement is in the best interests of CMM, its Estate, creditors, and other parties-in-
interest herein,

17 **IT IS HEREBY FOUND AND DETERMINED:**

18 A. The Court has jurisdiction to consider the Sale Motion and the relief requested
19 therein and to enter this Order pursuant to 28 U.S.C. §§ 157 and 1334, and this is a core
20 proceeding pursuant to 28 U.S.C. § 157(b)(2).

21 B. The statutory predicates for the relief sought in the Sale Motion are sections 105(a)
22 and 363(b), (f), (m), and (n) of the Bankruptcy Code, and Bankruptcy Rules 2002, 6004, 9013, and
23 9014.

24 C. As evidenced by the certificates of service and declarations filed with the Court,
25 proper, timely, adequate, and sufficient notice of the Sale Motion, the Auction, and the Sale
26 Hearing has been provided.

27 ¹. All capitalized terms used, unless otherwise defined herein, shall have the meanings set forth in the
28 Sale Motion or in the Asset Purchase Agreement.

1 D. Such notice was good and sufficient, reasonably calculated to all potentially
2 interested parties, and appropriate for all purposes under the particular circumstances of this case
3 and no other or further notice of the Sale Motion, this Order, the Asset Purchase Agreement, or the
4 Sale Hearing is required.

5 E. A reasonable opportunity to object or be heard with respect to the Sale Motion and
6 the relief requested therein has been afforded to all interested parties and entities.

7 F. The relief requested in the Sale Motion is in the best interests of CMM, its
8 creditors, the Estate, and all other parties-in-interest in this case to preserve value that would
9 otherwise be lost in liquidation.

10 G. Through a competitive sale process open to the public in which the Trustee sought
11 higher and better offers for the Property through notice of the Sale Motion and the auction process,
12 the Debtor and later the Trustee and their professionals afforded potential purchasers a full, fair,
13 and reasonable opportunity to make a higher and better offer to purchase the Property.

14 H. The terms and conditions of the Asset Purchase Agreement, including but not
15 limited to the total consideration, are fair and reasonable. The aggregate consideration provided by
16 the Purchaser for the Property pursuant to the Asset Purchase Agreement (i) is fair and reasonable,
17 (ii) is the highest and best offer for the Property, (iii) will provide a greater recovery for CMM's
18 creditors than would be provided by any other practical, available alternative, and (iv) constitutes
19 reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws
20 of the United States, any state, territory, possession, or the District of Columbia.

21 I. The Asset Purchase Agreement was negotiated at arm's length and proposed and
22 entered into by and among Purchaser and the Trustee without collusion and in good faith.
23 Purchaser is a good faith purchaser in accordance with section 363(m) of the Bankruptcy Code
24 and is entitled to all of the protections afforded thereby. The sale price under the Asset Purchase
25 Agreement was not controlled by an agreement between potential or actual bidders within the
26 meaning of section 363(n) of the Bankruptcy Code. Neither Purchaser nor the Trustee has
27 engaged in any conduct that would cause or permit the Asset Purchase Agreement to be avoided
28 (or the validity of the sale affected) under section 363(n) of the Bankruptcy Code or any other
provisions of the Bankruptcy Code.

1 J. The good faith of Purchaser is evidenced by, among other things, the following
2 facts: (i) the Debtor, Trustee and Purchaser engaged in substantial arm's length negotiations in
3 good faith over a long process, and the Asset Purchase Agreement and related documents are the
4 product of such negotiations among the parties; (ii) there was a long marketing process during
5 which the assignment for benefit of creditors was contemplated; (iii) the Court-appointed Trustee
6 had an opportunity to provide an objective analysis of the terms of the Sale to Purchaser, and to
7 negotiate changes to the Asset Purchase Agreement; (iv) the Trustee conducted the auction during
8 which interested parties had an opportunity to submit competing bids for the Property and/or (v) at
9 the conclusion of the auction process, the Trustee determined that Purchaser's bid, as reflected in
10 the Asset Purchase Agreement, was the highest and best offer for the Property and Purchaser was
11 declared the winning bidder. In closing the Asset Purchase Agreement, the Purchaser will be
12 acting in good faith within the meaning of section 363(m) of the Bankruptcy Code and In re
13 Abbotts Dairies of Pennsylvania, Inc., 788 F.2d 143 (3d Cir. 1986).

14 K. The Trustee has advanced sound and sufficient business justification, and it is a
15 reasonable exercise of its business judgment to enter into the Asset Purchase Agreement.

16 L. The Trustee has full power and authority to execute the Asset Purchase Agreement
17 and all other documents contemplated thereby, and the Trustee has duly and validly authorized the
18 sale of the Property. Other than this Order, no consents or approvals are required for the Trustee
19 or the Purchaser to consummate the Asset Purchase Agreement.

20 M. The consummation of the Asset Purchase Agreement is properly authorized under
21 all applicable provisions of the Bankruptcy Code, including, without limitation, sections 105 and
22 363 of the Bankruptcy Code, and all of the applicable provisions of such sections have been
23 complied with in respect of the Asset Purchase Agreement.

24 N. The transfer of the Property to the Purchaser will be a legal, valid, and effective
25 transfer of such Property and will vest the Purchaser with all right, title, and interest of the Trustee
26 and CMM to such assets, free and clear of all Liabilities, including, without limitation, those (i)
27 that purport to give to any party a right or option to effect any forfeiture, modification, right of
28 first refusal, or termination of CMM', the Debtor's, or the Purchaser's interest in such assets, or
any similar rights, (ii) that relate to taxes arising under or out of, in connection with, or in any way

1 relating to the operation of CMM prior to the date of the closing of the Asset Purchase Agreement
2 (the “Closing Date”).

3 O. The Trustee may sell the Property free and clear of all Liabilities of any kind or
4 nature whatsoever because, in each case, one or more of the standards set forth in section
5 363(f)(1)- (5) of the Bankruptcy Code has been satisfied. Those non-debtor parties who assert
6 Liabilities (collectively, the “Interest Holders”) who did not timely object, or who withdrew their
7 objections, to the Asset Purchase Agreement or the Sale Motion are deemed to have consented to
8 such sale pursuant to section 363(f)(2) of the Bankruptcy Code. Those Interest Holders who did
9 object fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code,
10 and, among other things, such Interest Holders (i) could be compelled in a legal or equitable
11 proceeding to accept a money satisfaction of such liens, claims, or interests, (ii) could have had
12 their liens, claims, or interests extinguished in a foreclosure sale by Purchaser pursuant to
13 applicable state law, including the Uniform Commercial Code. To the extent that any bona fide
14 dispute regarding ownership of the Property remains pending, including but not limited to any
15 appellate dispute, the Court finds that such Property is being sold free and clear of such dispute
pursuant to 11 U.S.C. § 363(f)(4).

16 P. The sale of the Property to the Purchaser is a prerequisite to the Trustee’s ability to
17 liquidate the CMM bankruptcy Estate.

18 Q. The transfer of the Property shall not subject the Purchaser to any liability
19 whatsoever with respect to the operation of CMM prior to the Closing Date except for those
20 liabilities specifically included in the Asset Purchase Agreement or by reason of such
21 transfer under the laws of the United States, any state, territory, or possession thereof, or the
22 District of Columbia, based, in whole or in part, directly or indirectly, in any theory of law or
23 equity, including, without limitation, any theory of antitrust, successor, or transferee liability. The
24 Purchaser shall not be considered a successor of CMM and shall not assume or in any manner
25 whatsoever be liable or responsible for any liability of CMM, or any predecessors or affiliate of
26 CMM, and any of their respective representatives or any claim against any and all of the
27 foregoing, whether matured or unmatured, known or unknown, contingent or absolute, direct or
28 indirect, whensoever incurred, whether or not related to CMM.

1 R. The Purchaser would not have entered into the Asset Purchase Agreement and
2 would not consummate the Asset Purchase Agreement, thus adversely affecting CMM, its Estate,
3 and creditors, if the sale of the Property to the Purchaser were not free and clear of all Liabilities
4 of any kind or nature whatsoever, or if the Purchaser would, or in the future could, be liable for
5 any Liabilities.

6 S. The Asset Purchase Agreement must be approved and consummated promptly in
7 order to prevent the Estate from becoming administratively insolvent. Time is of the essence in
8 closing the Asset Purchase Agreement, and the Trustee and the Purchaser intend to close the Asset
9 Purchase Agreement as soon as possible. Therefore, any party objecting to this Order must
10 exercise due diligence in filing an appeal and pursuing a stay or risk their appeal being foreclosed
11 as moot.

12 T. Following consummation of the Sale, no property other than the proceeds of the
13 sale and causes of action arising under 11 U.S.C. §§ 544, 545, 547, 548, or 549 and claims arising
14 under applicable non-bankruptcy law for breach of fiduciary duty or negligence remain with
15 CMM or the Estate, as all of such property has been sold to Affinity pursuant to the APA and this
16 Order.

17 **ACCORDINGLY, THE COURT HEREBY ORDERS THAT:**

18 1. The findings of fact set forth above and the conclusions of law stated herein shall
19 constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052,
20 made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any finding
21 of fact later shall be determined to be a conclusion of law, it shall be so deemed, and to the extent
22 any conclusion of law later shall be determined to be a finding of fact, it shall be so deemed.

23 2. The Sale Motion is **GRANTED** in its entirety.

24 3. The Asset Purchase Agreement and each of the agreements, documents, exhibits,
25 and instruments executed in connection therewith (together with the Asset Purchase Agreement,
26 the "Transaction Documents") are approved in their entirety pursuant to sections 105 and 363 of
27 the Bankruptcy Code.

28 **TRANSFER OF THE PROPERTY FREE AND CLEAR**

4. Pursuant to sections 105 and 363 of the Bankruptcy Code, the Trustee and the

1 Purchaser are each hereby authorized and directed to (i) enter into, (ii) execute, and (iii) take all
2 actions and execute all documents reasonably necessary or appropriate to effectuate any
3 obligations under the Transaction Documents and to transfer the Property free and clear of all
4 Liabilities to the Purchaser and to execute and deliver such other documents and take such other
5 actions as are necessary to effectuate the transactions contemplated by the Asset Purchase
6 Agreement.

7 5. Except as otherwise specifically provided in the Asset Purchase Agreement, the
8 sale of the Property to Purchaser pursuant to this Order and the Asset Purchase Agreement will
9 vest Purchaser with good title to the Property, free and clear of all Liabilities, including all liens,
10 pledges, mortgages, deeds of trust, security interests, conditional sales, royalty rights or
11 agreements, or other title retention agreements, debts, obligations, demands, judgments, claims (as
12 that term is defined in section 101(5) of the Bankruptcy Code), interests (ownership or other),
13 encumbrances, leases, charges, options, preferential rights, easements, servitudes, transfer
14 restrictions under any shareholder or similar agreement, guaranties, contractual commitments,
15 rights of first offer, rights of first refusal (and other such similar restrictions), rights of setoff,
16 netting, deduction and recoupment, and matters of any kind and nature, whether arising prior to or
17 subsequent to the commencement of this case, whether under any theories of successor or
18 transferee liability and whether imposed by agreement, understanding, law, equity, or otherwise.
19 In addition to the other rights and protections afforded by this Order, the sale of the Property to the
20 Purchase shall entitle Purchaser to all of the benefits of a good-faith purchaser who takes the
21 Property for value in a public foreclosure auction pursuant to California Civil Code.

22 6. All persons and entities, including, but not limited to, CMM and all (a) holders of
23 CMM's indebtedness, (b) debt security holders, (c) equity security holders, (d) governmental, tax,
24 and regulatory authorities, (e) lenders, (f) current and former officers, directors, and employees,
25 (g) insiders of CMM (as defined in 11 U.S.C. § 101(31)) and (h) trade and other creditors, holding
26 claims against CMM or the Property (whether legal or equitable, secured or unsecured, matured or
27 unmatured, contingent or noncontingent, senior or subordinated), arising on or before the Closing,
28 or out of, under, in connection with, or in any way relating to, events occurring prior to the
Closing, hereby are forever barred, estopped, and permanently enjoined from asserting such

1 claims of any kind and nature against Purchaser, its members, affiliates, designees, officers,
2 directors, employees, agents, successors or assigns, financial advisors, legal professionals, or any
3 of their respective properties.

4 7. This Order (i) is and shall be effective as a determination that, upon the Closing
5 Date, in accordance with and as allowed by Sections 105 and 363 of the Bankruptcy Code, all
6 liens, claims, and interests existing as to the Property prior to the Closing have been
7 unconditionally released, discharged, and terminated in each case as to the Property; and (ii) is and
8 shall be binding upon and shall govern acts of all entities, including, without limitation, all filing
9 agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds,
10 registrars of deeds, administrative agencies, governmental departments, secretaries of state,
11 federal, state, and local officials, including the United States Patent and Trademark Office, and all
12 other persons and entities who may be required by operation of law, the duties of their office, or
13 contract, to accept, file, register or otherwise record or release any documents or instruments that
14 reflect that Purchaser is the owner and/or assignee of the Property free and clear of all liens,
15 claims, and interests.

16 8. The Purchaser shall not in any way whatsoever be liable or responsible as a
17 successor or otherwise for any claims, liabilities, debts, commitments or obligations (whether
18 known or unknown, disclosed or undisclosed, absolute, contingent, inchoate, fixed or otherwise)
19 of or against CMM or its operations, or any claims, liabilities, debts, commitments or obligations
20 in any way whatsoever relating to or arising from the Property or CMM's ownership, use or
21 control of the Property on or prior to the Closing, or any such claims, liabilities, debts,
22 commitments or obligations that in any way whatsoever relate to the Property during periods on or
23 prior to the Closing or that are to be observed, paid, discharged or performed on or prior to the
24 Closing, or any such liabilities calculable by reference to CMM or its assets or operations, or
25 relating to CMM's continuing conditions existing on or prior to the Closing, which claims,
26 liabilities, debts, commitments and obligations are hereby extinguished insofar as they may give
27 rise to such liability, without regard to whether the claimant asserting any such claims, liabilities,
28 debts, commitments or obligations has delivered a release thereof.

1 9. All entities who are presently, or on the Closing Date may be, in possession of
2 some or all of the Property are hereby directed to surrender possession of the Property either to (a)
3 the Trustee prior to the Closing Date, for subsequent transfer to the Purchaser on the Closing Date,
4 or (b) to the Purchaser on and after the Closing Date. Prior to the Closing Date the Trustee, and on
5 and after the Closing Date the Purchaser, are hereby authorized to take any lawful action necessary
6 to affect turnover of any part of the Property.

7 **TRANSFER OF PROPERTY SUBJECT TO BONA FIDE DISPUTE**

8 11. Each of the Disputed Interests constitutes a bona fide dispute within the meaning of
9 11 U.S.C. § 363(f)(4).

10 12. Each of the Disputed Interests constitutes property of CMM’s Estate; the Court
11 approves the transfer of all of the Property, including but not limited to all claims to the Disputed
12 Interests, to Purchaser free and clear of all competing claims of ownership.

13 **MISCELLANEOUS PROVISIONS**

14 13. Other than pursuing an appeal or stay of this Order, no person shall take any action
15 to prevent, interfere with or otherwise enjoin consummation of the transactions contemplated in or
16 by the Transaction Documents or this Order.

17 14. Each and every federal, state, and local governmental agency or department is
18 hereby directed to accept any and all documents and instruments necessary and appropriate to
19 consummate the transactions contemplated by the Transaction Documents, including acceptance
20 of this Order as evidence of (i) the release and termination of any liens asserted against the
21 Property, (ii) transfer of the Property to Affinity free and clear of all Liabilities, and (iii) the
22 Debtor’s authorization and obligation to dissolve CMM as a corporate entity.

23 15. The Transaction Documents may be modified, amended or supplemented by the
24 parties thereto in accordance with the terms thereof without further order of the Court; provided,
25 however, that any such modification, amendment or supplement shall not materially change the
26 economic substance of the transactions contemplated hereby without approval from this Court.

27 16. The failure to specifically include any particular provision of the Transaction
28

1 Documents in this Order shall not diminish or impair the effectiveness of such provisions, it being
2 the intent of the Court that the Transaction Documents and Trustee’s implementation of the
3 transactions contemplated therein be approved in their entirety.

4 17. The terms of this Order shall be binding on the Trustee, CMM, the Debtor, the
5 Purchaser, CMM’ creditors and shareholders, and all other parties in interest, and any successors
6 of CMM, the Purchaser, and CMM’ creditors, including any subsequent Trustee or examiner
7 appointed in these cases or any subsequent or converted cases of CMM under chapter 7 or chapter
8 11 of the Bankruptcy Code.

9 18. The Court shall retain exclusive jurisdiction (i) over the construction, performance
10 and enforcement of the terms and provisions of this Order, the Transaction Documents, all
11 amendments thereto, and any waivers and consents thereunder; (ii) to resolve any dispute relating
12 to the transfer or enforcement of any rights to any of the Property; and (iii) to resolve any disputes,
13 controversies or claims arising out of or relating to this Order or the Transaction Documents.

14 19. The provisions of this Order are nonseverable and mutually dependent.

15 20. Any conflict between the terms and provisions of this Order and the Transaction
16 Documents shall be resolved in favor of this Order.

17 21. This Order shall be effective and enforceable immediately upon entry of
18 this Order and the stay imposed by Bankruptcy Rules 6004(h) is hereby waived.

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EXHIBIT 3

1 **David Gould** (SBN 37947)
2 **Gould & Gould, LLP**
3 23975 Park Sorrento, Suite 200
4 Calabasas, CA 91302-4011
5 Voice: (818)222-8092
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9 Attorney for Bradley D. Sharp,
10 Chapter 11 Trustee
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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SAN FERNANDO VALLEY DIVISION

In re
C.M. Meiers Company, Inc.,
Debtor.

Case No.: 1:12-bk-10229 MT

Chapter 11

ORDER APPROVING SALE PROCEDURES

Date: February 3, 2012

Time: 1:00 p.m.

Place: Courtroom 302; Judge Tighe
US Bankruptcy Court
21041 Burbank Blvd, 3rd Floor
Woodland Hills, CA 91367

1 On February 3, 2012 at 1:00 p.m. the Court considered the motion by Bradley D. Sharp,
2 chapter 11 trustee (“Trustee”) to establish sale procedures. Appearances were made as noted on
3 the record.

4 Having entered findings of fact and conclusions of law upon the record, it is **ORDERED**
5 as follows:

- 6 1. The Motion is granted.
- 7 2. An auction shall be held in open Court on February 3, 2012 at 1:00 p.m
- 8 3. The initial bid is set forth in the Asset Purchase Agreement (“APA”) filed by the
9 Trustee and Affinity Global Insurance Services (“Affinity”). Any overbid must be in an amount
10 of no less than \$810,000 and on the same terms and conditions as the APA.

11 4. Subsequent overbids shall be at least Twenty Five Thousand Dollars (\$25,000)
12 over the immediate previous best offer. Affinity shall have the right but not the obligation to
13 submit an overbid in response to any initial overbid or subsequent overbids.

14 5. The date set for initial overbids to be submitted to the Trustee shall be 8:00 a.m. PT
15 on February 3, 2012 (the “Overbid Deadline”). All parties seeking to submit overbids must
16 qualify by, prior to the Overbid Deadline: (i) providing evidence reasonably satisfactory to the
17 Trustee of its financial ability to consummate a sale and (ii) delivering to the Trustee a cashier’s or
18 certified check for \$50,000.

19 6. If Affinity is not the successful bidder at the auction, it shall be entitled upon
20 closing of the sale to a break-up fee of \$35,000.

21 **IT IS SO ORDERED.**

22
23 Dated:

MAUREEN TIGHE
UNITED STATES BANKRUPTCY JUDGE