

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address

FOR COURT USE ONLY

☐ Individual appearing without attorney
☒ Attorney for: Edward M. Wolkowitz, Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT

CASE NO.: 2:18-bk-12415-BR

CHAPTER: 7

Debtor(s).

Sale Date: 05/23/2018

Time: 10:00 am

Location: 255 East Temple Street, Courtroom 1668, Los Angeles, California 90012

Last date to file objections: 05/09/2018

The bankruptcy estate's right, title and interest in and to that certain Type-47 On Sale General Eating Place Liquor License (License No. 47-463507). Please see attached Notice for more details.

Please see attached Notice.

Proposed sale price: \$ 82,000.00

Overbid procedure (if any):

Please see attached Notice.

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

Date: May 23, 2018
Time: 10:00 a.m.
Place: Courtroom 1668
255 East Temple Street
Los Angeles, California 90012

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

Juliet Y. Oh, Esq.
Counsel for Edward M. Wolkowitz, Chapter 7 Trustee
10250 Constellation Boulevard, Suite 1700
Los Angeles, California 90067
Tel: (310) 229-1234
Fax: (310) 229-1244
Email: JYO@LNBYB.com

Date: 04/27/2018

JULIET Y. OH (State Bar No. 211414)
LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.
10250 Constellation Boulevard, Suite 1700
Los Angeles, California 90067
Telephone: (310) 229-1234
Facsimile: (310) 229-1244
Email: JYO@LNBYB.com

Proposed Attorneys for Edward M. Wolkowitz,
Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION

In re	)	Case No. 2:18-bk-12415-BR
)	
WOKCANO SANTA MONICA, INC.,	)	Chapter 7
)	
Debtor.	)	NOTICE OF CHAPTER 7 TRUSTEE’S
	)	MOTION FOR ENTRY OF AN ORDER:
	)	(A) APPROVING SALE OF ESTATE’S
	)	RIGHT, TITLE AND INTEREST IN
	)	LIQUOR LICENSE, FREE AND CLEAR
	)	OF LIENS, CLAIMS AND INTERESTS;
	)	AND (B) APPROVING OVERBID
	)	PROCEDURES
)	
	)	DATE: May 23, 2018
	)	TIME: 10:00 a.m.
)	PLACE: Courtroom “1668”
)	255 East Temple Street
)	Los Angeles, California 90012
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1 **PLEASE TAKE NOTICE** that a hearing will be held on May 23, 2018 at 10:00 a.m., in
2 Courtroom “1668” located at 255 East Temple Street, Los Angeles, California 90012, before the
3 Honorable Barry Russell, United States Bankruptcy Judge, for the Court to consider the motion
4 (the “Motion”) filed by Edward M. Wolkowitz, the duly appointed Chapter 7 Trustee (the
5 “Trustee”) for the bankruptcy estate (“Estate”) of Wokcano Santa Monica, Inc. (the “Debtor”),
6 seeking the entry of an order of the Court:

7 (A) pursuant to 11 U.S.C. § 363(b) and (f), authorizing the Trustee to sell the Estate’s
8 right, title and interest in a type-47 on sale general eating place liquor license
9 number 47-463507 (the “Liquor License”), in accordance with those certain
10 *Escrow Instructions Sale Of Alcoholic Beverage Control License* (the “Escrow
11 Instructions”) signed by the Trustee and proposed buyer Cirgadyne Inc. (or its
12 nominee, the “Buyer”), true and correct copies of which are attached as **Exhibit**
13 **“A”** hereto, and free and clear of all liens, claims and interests, to the Buyer or a
14 successful overbidder; and

15 (B) approving the overbid procedures described in the Motion (the “Overbid
16 Procedures”).

17 **PLEASE TAKE FURTHER NOTICE** that, pursuant to the Motion, the Trustee seeks
18 authority to sell the Estate’s right, title and interest in the Liquor License (the “License Rights”)
19 to the Buyer, for the purchase price of \$82,000.00 (the “Purchase Price”), free and clear of liens,
20 claims and interests, subject to overbid, and in accordance with the terms and conditions set forth
21 in the Escrow Instructions.

22 **PLEASE TAKE FURTHER NOTICE** that, in order to maximize the value obtained by
23 the Estate for the License Rights and induce the Buyer to submit a formal “stalking horse” offer
24 to purchase the License Rights, the Trustee is seeking Court approval of the Overbid Procedures
25 described in the Motion and summarized below:

26 a. Overbid Requirements. Any party interested in submitting an overbid for
27 the License Rights (“Overbid”) must, not later than 4:00 p.m. (Pacific time) on the date
28 that is three (3) business days before the hearing on the Motion, *i.e.*, Friday, May 18,

2018 (the “Overbid Deadline”), deliver such Overbid in writing to counsel for the Trustee (Juliet Y. Oh, Esq., Levene, Neale, Bender, Yoo & Brill L.L.P., 1025 Constellation Blvd., Suite 1700, Los Angeles, California 90067, Email: JYO@LNBYB.com, Facsimile: (310) 229-1244), in accordance with the requirements set forth below:

i. The purchase price for the License Rights in any Overbid must be in the sum of at least \$87,000.00. Any Overbid must otherwise be on the same terms and conditions set forth in the Escrow Instructions.

ii. Each party submitting an Overbid must, by the Overbid Deadline: (i) deliver a deposit in the sum of \$4,000.00, in the form of a cashier’s check, to the Trustee, so that such deposit is actually received by the Overbid Deadline, and (ii) deliver to counsel for the Trustee proof of committed funds available to the bidder sufficient to enable such bidder to consummate the sale of the License Rights, which proof shall be in the form of a letter of credit, loan commitment or other form acceptable to the Trustee in the Trustee’s sole discretion. In the event that (i) the bidder fails to timely make the deposit, (ii) the bidder fails to timely provide proof of committed funds, or (iii) the Trustee determines, in his sole discretion, that the proof of funds provided to Trustee by a bidder is unacceptable, the Trustee may, at his sole discretion, disqualify such bidder from participating in the auction, which auction shall take place at the time of the hearing on the Motion, if at all (the “Auction”). In the event that the Trustee exercises his discretion and disqualifies a bidder from participating in the Auction, the Deposit made by such bidder (if any) shall be returned to the bidder.

b. Bidding At Auction. If at least one qualified bidder who has submitted an Overbid appears at the Auction, the Trustee shall designate what he determines, in his reasonable judgment, to be the best and highest Overbid received for the License Rights to be the leading bid at the Auction. Thereafter, the Trustee shall solicit better and higher bids for the License Rights, in bidding increments of at least \$1,000.00, from the qualified bidders participating in the Auction (including the Buyer, if it chooses to

1 participate) until the best and highest bid for the License Rights has been determined by
2 the Trustee. The qualified bidder who submits the second best/highest bid for the
3 License Rights at the Auction may be designated as the backup bidder.

4 c. Backup Bidder. In the event that Buyer or the successful overbidder
5 cannot timely complete the purchase of the License Rights, the Trustee shall be
6 authorized to proceed with the sale of the License Rights to the backup bidder (if one is
7 designated at the Auction) without further notice, hearing or order of the Court.

8 **PLEASE TAKE FURTHER NOTICE** that, if you are interested in bidding for the
9 License Rights at the Auction, and you would like additional information regarding the License
10 Rights and/or the bidding process, you may contact counsel for the Trustee: Juliet Y. Oh, Esq.,
11 LNBYB, 10250 Constellation Boulevard, Suite 1700, Los Angeles, California 90067,
12 Telephone: (310) 229-1234, Facsimile: (310) 229-1244, Email: JYO@LNBYB.com.

13 **PLEASE TAKE FURTHER NOTICE** that the Trustee is not aware of any liens, claims
14 or interests asserted against the Liquor License.

15 **PLEASE TAKE FURTHER NOTICE** that, since the Buyer (or a successful
16 overbidder) will bear sole responsibility for the payment of any sales or transfer taxes arising
17 from the proposed sale and transfer of the License Rights, the Trustee does not believe there will
18 be any negative tax consequences for the Estate arising from the proposed sale of the License
19 Rights.

20 **PLEASE TAKE FURTHER NOTICE** that the Motion is based upon this Notice of the
21 Motion, the Motion and the Memorandum of Points and Authorities and Declaration of Edward
22 M. Wolkowitz annexed thereto, 11 U.S.C. § 363, Rules 2002 and 6004 of the Federal Rules of
23 Bankruptcy Procedure, and Local Bankruptcy Rules 2002 and 6004-1, the entire record of the
24 Debtor's bankruptcy case, the statements, arguments and representations of counsel to be made
25 at the hearing on the Motion, and any other evidence properly presented to the Court at, or prior
26 to, the hearing on the Motion.

1 **PLEASE TAKE FURTHER NOTICE** that complete copies of the Motion and the
2 documents submitted in support thereof will be provided upon written request to Juliet Y. Oh,
3 Esq., LNBYB, 10250 Constellation Boulevard, Suite 1700, Los Angeles, California 90067,
4 Telephone: (310) 229-1234, Facsimile: (310) 229-1244, Email: JYO@LNBYB.com.

5 **PLEASE TAKE FURTHER NOTICE** that, pursuant to Local Bankruptcy Rule 9013-
6 1(f), any interested party that wishes to oppose the relief requested in the Motion must, not later
7 than fourteen (14) days prior to the scheduled hearing date set forth above, file with the Clerk of
8 the Bankruptcy Court and serve upon counsel for the Trustee (whose name and address are set
9 forth on the upper left-hand corner of the first page of this Notice) and the Office of the United
10 States Trustee, “[a] complete written statement of all reasons in opposition thereto ...,
11 declarations and copies of all evidence on which the responding party intends to rely, and any
12 responding memorandum of points and authorities.”

13 **PLEASE TAKE FURTHER NOTICE** that, pursuant to Local Bankruptcy Rule 9013-
14 1(h), the failure to file and serve a timely opposition to the Motion may be deemed by the Court
15 to constitute consent to the relief requested in the Motion.

16 **WHEREFORE**, the Trustee respectfully requests that the Court enter an Order:

17 1. finding that the notice given by the Trustee in connection with the sale of the
18 License Rights and the hearing on the Motion is adequate, sufficient, proper and complies with
19 all applicable provisions of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure;

20 2. granting the Motion in its entirety;

21 3. approving the Overbid Procedures;

22 4. authorizing the Trustee to sell the License Rights to the Buyer (or to a successful
23 overbidder), free and clear of all liens, claims and interests, pursuant to the terms and conditions
24 set forth in the Escrow Instructions;

25 5. finding that the Buyer (or a successful overbidder) is a good faith buyer entitled
26 to all of the protections afforded by Section 363(m) of the Bankruptcy Code;

27 6. authorizing the Trustee to execute and deliver any and all documents and take
28 such actions as may be reasonably necessary to consummate the sale of the License Rights; and

1 7. granting such other and further relief as may be necessary or appropriate under
2 the circumstances.

3 Dated: April 27, 2018

EDWARD M. WOLKOWITZ,
CHAPTER 7 TRUSTEE



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5
6
7 By: _____
JULIET Y. OH
8 LEVENE, NEALE, BENDER, YOO
& BRILL L.L.P.
9 Attorneys for Edward M. Wolkowitz,
Chapter 7 Trustee
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EXHIBIT “A”

[Escrow Instructions]



2222 Damon Street
Los Angeles, CA 90021
Tel: (213) 417-2341 • F: (213) 417-2339
www.abcescrow.com
kim@abcescrow.com

State of California- Department of Business Oversight

**ESCROW INSTRUCTIONS
SALE OF ALCOHOLIC BEVERAGE CONTROL LICENSE**

Date: March 15, 2018
Officer: Kim Ables
Escrow No: 17034-KA

This instruction is given this **Fifteenth** day of **March, 2018**, by and between
WOKCANO SANTA MONICA INC (By: EDWARD WOLKOWITZ, CHAPTER 7 BANKRUPTCY TRUSTEE)
PREMISE ADDRESS: 1413 5TH ST, Santa Monica, CA 90401
LIQUOR LICENSE NO: 47-463507
hereinafter known and designated as the **SELLER(S)**, and

CIRGADYNE INC. OR NOMINEE
PREMISE ADDRESS: PREMISES TO BE DESIGNATED,
hereinafter known and designated as the **BUYER(S)**,

The above mentioned liquor license is the subject of this escrow, which Seller owns and agrees to sell and Buyer agrees to purchase from Seller, described as Alcoholic Beverage License: **ON SALE GENERAL EATING PLACE** License Number **47-463507** to be transferred to Buyer's said premises on the following terms and conditions:

Terms of Transaction		
1. PURCHASE PRICE	\$	82,000.00
DEPOSIT	\$	4,000.00
BALANCE DUE	\$	78,000.00

Within thirty (30) days after application has been filed with the Department of Alcoholic Beverage Control, the Buyer agrees to deposit the balance of the purchase price as set out above plus any additional balance of funds due to Escrow Holder. Escrow Holder is instructed to then execute and forward the ABC form 226 to the Department of Alcoholic Beverage Control, indicating that the consideration has been deposited into the escrow.

2. **Subject to any precedent requirements, Seller and Buyer shall cause an application to be made for the transfer of the subject license at the proper office or offices of the Department of Alcoholic Beverage Control. Transfer fee to be paid by Buyer.**

3. Pursuant to Section 24073 of the Business and Professions Code of the State of California, Seller/Transferor and Buyer/Transferee will cause the Notice of Intended Transfer to be filed for record in the office of the county recorder in the county where the license is located, and provide a copy of said notice, certified by the county recorder, to be deposited with the Department of Alcoholic Beverage Control. The parties hereto authorize and instruct **ABC Escrow** to execute the Seller's signature on "Notice of Intended Transfer Liquor License" as accommodation to the parties in this escrow.

4. Escrow shall close upon issuance of said license to Buyer by the Department of Alcoholic Beverage Control.

5. The Escrow Holder discloses Craig Block has an affiliated interest in both **ABC Escrow**, and **LiquorLicense.com**.

If notified by the Department of Alcoholic Beverage Control that any tax agency under the provisions of Section 24049 of said Act has withheld the transfer and that nothing at the time of such notification is preventing the transfer except the release of such withhold, then the Escrow Holder is authorized and instructed to pay from funds in escrow the amount of taxes claimed due by any such agency and charge the Seller's account without further authorization required for doing so.

Buyer agrees to pay 100% of the escrow fees and costs in this transaction.

ADDITIONAL INSTRUCTION ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

Buyer _____

Seller _____

Escrow Holder is authorized and instructed to disburse from Buyer's funds on deposit any amounts necessary for the payment of expenses which must be paid prior to the close of escrow, including but not limited to: recording fees, and overnight mail services. The parties acknowledge that though such disbursements are made from Buyer's funds on deposit, these payments may be made for the benefit of either the Seller or the Buyer to facilitate the closing of this escrow. These payments are not refundable whether this escrow closes or cancels and all parties acknowledge ABC Escrow shall have no responsibility or liability in connection with the recovery of Buyer's funds should a dispute arise between Buyer and Seller. At the close of escrow, Escrow Holder is authorized to charge the party for whom the expense was incurred and is released from any and all liability in connection with compliance with this instruction.

In addition to the purchase price payable to the Seller for the license, the Buyer is paying a finder's fee through this escrow per the terms of a separate agreement and instruction deposited herewith, a matter which the Seller has no responsibility.

Buyer herein understands that it is Buyer's responsibility to pay the license renewal fee in the amount of \$976.00 or the prevailing rate to the Department of Alcoholic Beverage Control on or before 2/28/2019.

Buyer Initials: _____

BUYER RESERVES THE RIGHT TO NOMINATE A PARTY OTHER THAN HIMSELF AS THE PURCHASER IN THIS ESCROW ON THE SAME TERMS AND CONDITIONS THAT ARE HEREIN PRESCRIBED, AND MAY UNILATERALLY INSTRUCT THE ESCROW HOLDER AS TO SUCH DESIGNATED NOMINEE, IN WHICH EVENT THE ESCROW HOLDER IS HEREBY AUTHORIZED AND INSTRUCTED TO ACCEPT AND ACT UPON SUCH UNILATERAL INSTRUCTIONS AND TO ENTER THE NAME OF SUCH NOMINEE IN THESE INSTRUCTIONS AND ALL DOCUMENTS ATTENDANT HERETO AS REQUIRED TO EFFECT AN APPLICATION FOR PROCESS FOR THE LICENSE TRANSFER AND THE PROCESSING OF THIS ESCROW WITHOUT FURTHER AUTHORIZATION AND INSTRUCTIONS FROM THE SELLER. THE UNDERSIGNED BUYER HEREBY UNDERSTANDS AND ACCEPTS ALL TERMS AND CONDITIONS OF THE ESCROW INSTRUCTIONS IN ITS ENTIRETY AND AGREES TO EXECUTE SAID ESCROW INSTRUCTIONS AS THE BUYER.

The parties understand that the Escrow is subject to approval of the bankruptcy court and that the applicable judicial district of the bankruptcy court has the sole and exclusive jurisdiction to hear and decide any and all controversies or matters relating to the subject license and the parties submitted to such jurisdiction.

Anything to the contrary contained in the printed matter of these instructions notwithstanding, the parties acknowledge that none of the provisions of Section 24073 & 24074 of the Business & Professions Code apply in this escrow, and that, except for the payment of taxes, if any, as provided in Section 24049 of the Business & Professions Code as a condition precedent to the license transfer, the proceeds of this escrow are to be paid to the Trustee/Seller for the distribution pursuant to his charge and the approval of the bankruptcy court.

Chapter 7 bankruptcy is subject to court approval.

The license is subject to \$5,000.00 overbid with \$1,000.00 increments.

Escrow Holder is authorized and instructed to take a cancellation fee from funds on deposit as specified in this instruction and the additional cancellation instructions. Escrow Holder will disburse any remaining deposits to the parties specified in the instructions.

Buyer Initials: _____

Seller Initials: _____

THIRD PARTY DEPOSITS: Each party hereto hereby authorizes Escrow to accept deposits from third parties on behalf of either Buyer or Seller. In the event any funds on deposit with Escrow are to be paid to or on behalf of either Buyer or Seller upon termination of an escrow, and any portion of said funds on deposit have been deposited by a third party, the party on whose behalf the funds are to be paid (i.e., Buyer or Seller) shall, as a condition of Escrow's payment of such funds, provide Escrow with a written direction as to the person/entity to which said funds are to be paid, which direction shall be signed by both the party on whose behalf said funds are to be paid and the third party depositor.

Buyer Initials: _____

Seller Initials: _____

ESCROW INSTRUCTIONS: ABC Escrow, may accept Escrow Instructions executed in counterpart as separate originals, regardless of the date of their signing and delivery. Such counterparts together shall be construed as one and the same document.

ADDITIONAL INSTRUCTION ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

Buyer _____

Seller _____

Escrow Agent, Seller, and Purchaser, and each of them, agree that this Agreement, all amendments hereto, notices and communications given in accordance herewith, may be executed in counterpart and transmitted by facsimile, **adobe/pdf** format or other similar media, each of which shall be deemed an original signed by the transmitting party, the authenticity of which signature(s) shall be deemed to be authenticity represented by the transmission.

GENERAL PROVISIONS: The Parties acknowledge that they have read, understood, and agreed to the General Provision of these Escrow Instructions, and that the Provisions as stated are fully incorporated into these Escrow Instructions. The undersigned state that they have read these instructions and understand and agree to them. Escrow Holders are not authorized to give legal advice. If you desire legal advice, consult your attorney before signing.

1. The parties hereby enter into this escrow at **ABC Escrow, 2222 Damon Street, Los Angeles, CA 90021**, hereafter referred to as Escrow Holder, for the purpose of completing this transaction in accordance with Sections 6101-6107 of the Uniform Commercial Code of California, Section 3440 of the California Civil Code, or such other law as may be applicable to the subject matter of this escrow.
2. No demand, alteration or amendment shall be binding on Escrow Holder unless given in writing, signed by all parties hereto and deposited with Escrow Holder.
3. Should any dispute arise between or among the parties hereto or third parties or should Escrow Holder receive conflicting demands with reference to the escrow, Escrow Holder may, at its option, but without limiting its other rights hereafter set forth, do either of the following.
 - A. Stop all proceedings in the performance of this escrow and withhold delivery of documents or monies in its possession until such dispute or conflicting demands have been resolved and written proof thereof has been deposited in escrow.
 - B. File an interpleader suit in any court of competent jurisdiction. Upon the filing of such suit, Escrow Holder shall be fully released and discharged of and from all obligations and liability in connection with the escrow, and the parties jointly and severally agree to pay Escrow Holder all costs, expenses, charges and actual attorneys' fees expended or incurred by Escrow Holder.
4. In the event Escrow Holder receives from any third party any claim or demand against any party hereto, and such claim or demand is denied or disallowed in whole or in part, Escrow Holder may notify the said claimant of such denial or disallowance and hold the money or documents of the party against whom the claim is made for a period of twenty-five (25) days. Should the claimant fail to cause a levy on the documents, funds, or assets of said party within the time so provided, Escrow Holder may, in its discretion, distribute funds or documents to the party against whom the claim or demand was made, without liability to any person for so doing.
5. The parties authorize Escrow Holder to pay from funds deposited in escrow all charges for publications, recordations, filings, and chattel and security interest searches when incurred. The parties authorize Escrow Holder to pay from funds deposited in escrow at the close thereof; or following notice of cancellation or rescission or following a failure of the parties to comply with the terms of this escrow, all escrow fees, attorneys' fees, or other charges incurred in connection with this escrow. The parties authorize Escrow Holder to pay from funds deposited in escrow costs and expenses incurred in connection with this escrow including, but not limited to, the actual cost of wire transfers, long distance telephone calls, messenger and other delivery fees, postage, and overnight mail, and charges by Escrow Holder in connection with facsimile transmissions, photocopying and other reproductions costs, document preparation, and document change fees in accordance with Escrow Holder's current scheduled rates, which rates are available to the parties upon request.
6. In the event that escrow receives cancellation instructions signed solely by the Buyer or the Seller, the parties agree that should the Escrow Holder not receive additional instructions within 120 days of receiving the initial cancellation instructions, the Escrow Holder shall deem the escrow cancelled and as such shall be authorized and entitled to collect the escrow fees due for its services and to disburse any remaining deposits in accordance with specified in the instructions.
7. The parties acknowledge that Escrow Holder is a mere stakeholder as contemplated in Section 386.5 of the California Code of Civil Procedure, and Escrow Holder shall not be required to perform any services or duties except the safekeeping of money, instruments, or other documents received by it and the disposition of same in accordance with the written instructions accepted in this escrow. However, without further authorization, Escrow Holder may accept performance from the parties hereto after the time specifically provided for performance has passed.
8. Escrow Holder shall not be liable for any of the following:
 - A. The sufficiency or correctness of form, content, execution or validity, or any instrument deposited in escrow;
 - B. The identity, authority, or right of any person to execute the documents referred to in herein;
 - C. The failure of the parties to comply with these instructions or any agreement or documents filed or referred to herein;
 - D. Any exercise of discretion by Escrow Holder provided such exercise is authorized by these instructions;
 - E. Inadvertent failure of Escrow Holder to comply with these instructions or any agreement or document filed or referred to herein;
 - F. Fraud perpetrated by any person in connection with this escrow;
 - G. Forgeries or false impersonations occurring in connection with this escrow.
9. Each party to this Escrow further warrants that any negotiable instrument ("Instrument") delivered to Escrow by or on behalf of such party ("Delivering Party") shall be honored upon presentation by Escrow. In the event such Instrument is not honored upon presentation, such Delivering Party shall be charged by Escrow a dishonored check fee of \$25.00. Upon any Instrument not being honored upon any second

ADDITIONAL INSTRUCTION ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

Buyer _____

Seller _____

ADDITIONAL ESCROW CONDITIONS AND INSTRUCTIONS - GENERAL PROVISIONS

attempt to negotiate such Instrument, Escrow requires such Delivering Party to deliver to Escrow a replacement cashier's check in the amount of the original Instrument, plus the dishonored Instrument fee. In the event a cashier's check is required by Escrow, at its sole discretion, to replace the opening deposit funds, then only a cashier's check will be accepted for payment of all further deposits into Escrow on behalf of such party.

10. The parties jointly and severally promise to indemnify and hold Escrow Holder harmless of and from all costs, charges, damages, claims, judgments, attorneys' fees, expenditures, obligations, expenses and liabilities of every kind and nature which Escrow Holder may incur or sustain in connection with this escrow. Escrow Holder is hereby given a lien upon all of the right, title and interest of all parties hereto in all escrow papers, documents and writings and other property and monies deposited in escrow to secure performance of the promises contained in this paragraph.
11. Except for claims which have been expressly disapproved by the party against whom made, or are subject to specific distribution rules (i.e., Business & Professions Code §24074, and/or paragraph 23 hereof), if the consideration to be received by such party is insufficient to pay in full the claims duly filed in escrow against such party, Escrow Holder may distribute the consideration pro rata to the claimants without further notice to, or authorization from, the parties hereto. Escrow Holder may deduct and pay from any and all monies deposited with it in this escrow the full amount of its costs, charges, expenses and fees prior to the pro rata distribution described hereinabove.
12. Should any paragraph, clause, or provision of this Agreement be construed or interpreted by a court of competent jurisdiction to be void, invalid, or unenforceable, such decision shall affect only the paragraph, clause or provision so construed or interpreted and shall in no event affect the remaining paragraphs, clauses or provisions of these instructions which shall remain valid, subsisting and enforceable.
13. Should it become necessary for Escrow Holder to employ an attorney in connection with this escrow for consultation, drafting documents, sending notices or instituting, prosecuting, defending or responding to litigation (whether instituted by the parties, creditors or any third party concerning this escrow), the parties hereto do jointly and severally (a) agree to pay Escrow Holder on demand all attorney's fees and costs so incurred and reasonably determined by Escrow to be incurred (b) authorize Escrow Holder to deduct from any funds deposited with it and pay all attorney's fees and costs so incurred and reasonably determined by Escrow Holder to be incurred, and (c) if such deposited funds are unavailable due to, including but limited to, levy or execution, grant Escrow Holder a superior lien and security interest in and to all deposited funds held by Escrow Holder upon which such levy or execution applies, and which deposited funds Escrow Holder is required to deposit with any levying agency in the amount of all attorney's fees and costs so incurred and reasonably determined by Escrow Holder to be incurred.
14. You are hereby instructed by the parties to pay from the funds deposited in escrow, without notice to Seller, either at the close of escrow or prior to the close of escrow if payment is a condition precedent to the transfer of the Alcoholic Beverage License which is the subject of your escrow, the following claims against or indebtedness of the Seller, to-wit, taxes assessed whether or not designated as a hold against the transfer of the license, including but not limited to, taxes due under the Alcoholic Beverage Tax Law, the Sales and Use Tax Law, the Personal Income Tax Law, or the Bank and Corporation Tax Law, or taxes on unsecured property as defined in Section 134 of the Revenue and Taxation Code, provided such tax liability arose in full or in part out of the conduct of a business licensed by the Department of the Alcoholic Beverage Control. Payments pursuant to the above instructions made from funds deposited in escrow by the Buyer shall be credited upon the purchase price. No notice or further instructions from the parties shall be required by the Escrow Holder to make payments pursuant to the paragraph.

This Escrow Agreement is deemed to have been made in Los Angeles, CA and the place of performance is deemed to occur in Los Angeles, CA. Should any action be brought in connection with this Escrow Agreement, or among or between the parties to this Escrow Agreement pertaining to any matter in connection with this Escrow Agreement, venue is agreed to be proper only in Los Angeles, CA. This Escrow Agreement incorporates and contains the full and final expression of all of the terms of this Agreement, and supersedes all prior and contemporaneous oral understandings or agreements of the parties. This Agreement, and all documents requiring signature in connection with this Escrow Agreement, will be considered signed by a party when the signature of such party is delivered by mail, delivery, facsimile or electronic (i.e., e-mail) transmission. Any such signature transmission shall be treated in all respects as an original signature. © ABCEscrow.com All Rights Reserved. Proprietary & Confidential. May Not Be Duplicated Without Written Permission.

IN WITNESS WHEREOF, the parties have executed this document on _____, 20_____.

BUYER

SELLER

CIRGADYNE INC. OR NOMINEE

WOKCANO SANTA MONICA INC

By: _____

By: Edward Wolkowitz, Chapter 7 Bankruptcy
Trustee

Print Name & Title _____

Print Name & Title _____

*** * END OF INSTRUCTIONS * ***

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: 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled: **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **April 27, 2018**, 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:

- Juliet Y Oh jyo@lnbrb.com, jyo@lnbrb.com
- Hamid R Rafatjoo hrafatjoo@raineslaw.com, bclark@raineslaw.com; cwilliams@raineslaw.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Edward M Wolkowitz (TR) emwtrustee@lnbyb.com, ewolkowitz@iq7technology.com

2. SERVED BY UNITED STATES MAIL: On **April 27, 2018**, 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.

Wokcano Santa Monica, Inc.
1413 5th Street
Santa Monica, CA 90401-2401

United States Trustee
915 Wilshire Blvd, Suite 1850
Los Angeles, CA 90017-3560

☐ 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 **April 27, 2018**, 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.

Served via Attorney Service

Hon. Barry Russell
United States Bankruptcy Court
Edward R. Roybal Federal Building and Courthouse
255 E. Temple Street, Suite 1660 / Courtroom 1668
Los Angeles, CA 90012

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

April 27, 2018
Date

Stephanie Reichert
Type Name

/s/ Stephanie Reichert
Signature