

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re

LEO STOLLER,

Debtor.

Chapter 7

Hon. Jack B. Schmetterer

Case No. 05-64075

Hearing Date: May 18, 2007

Hearing Time: 11:00 a.m.

SALE PROCEDURES ORDER

Upon consideration of the motion of Richard M. Fogel, not individually, but as chapter 7 trustee herein (the "Trustee"),¹ pursuant to 11 U.S.C. § 363(b) and Fed. R. Bankr. P. 2002, 6004 and 9006, for authority to sell the Debtors' Assets for \$7,500, or such higher amounts as may be realized through competitive bidding, and for related relief (the "Sale Motion"), it appearing to the Court as follows:

- A. Notice of the initial hearing on the Sale Motion has been timely given to all parties entitled thereto, and such notice is fair and adequate under the circumstances;
- B. This Court has core subject matter jurisdiction over the Sale Motion and jurisdiction over the Assets;
- C. Good cause has been shown to grant the relief specified in this order.

It is therefore ORDERED as follows:

- 1. The Trustee is hereby authorized to accept the Revised Offer of SPTA or such higher offer(s) that may be obtained from a Qualified Buyer at the Auction and sell the Assets free and clear of all interests, liens, claims and encumbrances.
- 2. Any competitive bidding for the Assets shall be conducted Auction in open Court on May 31, 2007.
- 3. To participate in the Auction, Potential Bidder must, 24 hours prior to the Sale Hearing, deliver to the Trustee: (i) such information as may be requested to establish such Potential Bidder's ability to close the sale of the Assets in a timely manner, including a demonstration of financial wherewithal to close such sale; (ii)

¹ Capitalized terms not defined herein shall have the meaning ascribed to them in the Motion.

a wire transfer or certified funds to the Trustee equal to \$2,500.00; and (iii) an executed asset purchase agreement in substantially the same form as the APA.

4. Any Potential Bidder meeting all of the above requirements that wishes to participate in the Auction must acknowledge in writing that it is familiar with, understands and accepts the procedures specified herein. Any person qualifying under all of the above standards shall be entitled to bid to purchase the Assets and will be hereinafter referred to as a "Qualified Bidder." Any bid made by a Qualified Bidder shall be referred to as a "Qualified Bid."
5. Provided that there is one or more Qualified Bidders, the Trustee will offer the Assets for sale at the Auction in bulk. At the conclusion of the Auction, the Trustee may seek a recess to engage in an analysis (the "Bid Analysis") to determine which Qualified Bid is, in its best judgment, the highest or otherwise best offer(s) (the "Winning Bid"). A person making a Winning Bid shall hereinafter be referred to as a "Winning Bidder". At the conclusion of the Bid Analysis, the Trustee shall ask the Bankruptcy Court to enter an order, substantially in the form of the proposed order appended to this Motion as Exhibit 2 (the "Sale Order"), authorizing the Trustee to consummate the sale(s) at the Winning Bid with the Winning Bidder and to execute such additional documentation as is reasonably necessary to close such sale.
6. Any bid submitted by a Qualified Bidder with respect to the Assets must be at least Seventy Six Hundred Dollars (\$7,600.00) with all subsequent bids in increments of One Hundred Dollars (\$100.00).
7. Any bid submitted by a Qualified Bidder with respect to any individual Asset must be at least One Hundred Dollars (\$100.00) higher than the Individual Allocation for such Asset as provided in the Sale Motion with all subsequent bids in increments of One Hundred Dollars (\$100.00).
8. The offers of all Qualified Bidders shall be irrevocable until the earlier of (i) the closing of the sale of the Assets, or (ii) the withdrawal of the Assets for sale by the Trustee.
9. In the event that a Winning Bidder defaults in the performance of its obligation to purchase the Assets pursuant to a Winning Bid, that person's Earnest Money Deposit shall be forfeited. Notwithstanding the foregoing, such a forfeiture shall not be in full satisfaction of any damages caused to any person by the Winning Bidder's default as described herein. Any person making an Earnest Money Deposit who does not become the Purchaser (*viz.*, the Winning Bidder as specified in the Sale Order as entered by the Bankruptcy Court) shall have its Earnest Money Deposit returned to it by the Debtor within two (2) business days after the conclusion of the Sale Hearing at which the Winning Bid(s) are confirmed.

10. In the event that a Winning Bidder defaults in the performance of its obligations to purchase the Assets pursuant to a Winning Bid, then the next highest bidder for the Assets shall be required to proceed as the Winning Bidder. Consequently, that person's bid (the "Back-Up Bid") will be treated as the Winning Bid without further notice and hearing and entry of any additional order by the Bankruptcy Court.
11. The Winning Bidder shall be solely responsible for any sales, transfer or other taxes, if any, applicable to its acquisition of the Assets.
12. The sale of the Assets shall be on an "as is, where is" basis and without representations or warranties of any kind, nature or description by the Trustee or his respective agents. By submitting a bid, each Qualified Bidder shall be deemed to have acknowledged and represented that (i) it has had an opportunity to inspect and examine the Assets and to conduct any and all due diligence regarding the Assets prior to making its bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents, Assets in making its bid; and (iii) it did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Assets by any person whatsoever, or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these bidding procedures or, as to the Winning Bidder, the applicable purchase agreement.
13. Notwithstanding anything to the contrary in the Sale Motion or the APA, a Winning Bid shall have been accepted by the Trustee only upon entry of the Sale Order and the Trustee will not be obligated to take any action related to the sale of the Assets unless and until the Bankruptcy Court enters the Sale Order, which must be in form and substance reasonably satisfactory to the Trustee. The Trustee's presentation to the Bankruptcy Court for approval of a Winning Bid does not constitute the Trustee's acceptance thereof.
14. Notice of the Sale Hearing, in the form annexed hereto as Exhibit 1, shall be transmitted by the Trustee to the Debtor, the Office of the United States Trustee, all counsel of record and all creditors that have filed proofs of claim against the Debtor's estate.
15. The Sale Motion, and the additional relief requested therein, is continued for further hearing at the Sale Hearing.

ENTER:

Dated: _____

United States Bankruptcy Judge

EXHIBIT 1

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re

LEO STOLLER,

Debtor.

Chapter 7

Hon. Jack B. Schmetterer

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Hearing Date: May 31, 2007

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**NOTICE OF SALE PROCEDURES AND HEARING ON MOTION FOR AUTHORITY TO
SELL DEBTOR'S INTERESTS IN CERTAIN ASSETS AND FOR RELATED RELIEF**

PLEASE TAKE NOTICE that on **May 31, 2007 at 11:00 a.m.** in Courtroom 682 in the U.S. Courthouse, 219 South Dearborn Street, Chicago, Illinois, the Honorable Jack B. Schmetterer, Bankruptcy Judge, will conduct an auction and sale hearing (the "Sale Hearing") in connection with the motion of Richard M. Fogel, chapter 7 trustee herein (the "Trustee"), for authority to sell the Debtor's interests in any and all (i) trademarks, service marks and licenses for such marks and claims relating thereto and (ii) stock in Central Mfg. Inc., Stealth Industries Inc. Sentry Industries Inc., S Industries Inc., and USA Sports Co. Inc. (collectively, the Assets") "where is, as is" and free and clear of all liens claims and encumbrances to the Society for the Prevention of Trademark Abuse ("SPTA") for \$7,500, and for certain related relief (the "Sale Motion").

PLEASE BE ADVISED that on **May 18, 2007**, the Court entered an order (the "Sale Procedures Order") that, *inter alia*, authorized the Trustee to solicit higher bids for the Assets on the terms set forth in the Sale Procedures Order. Interested bidders may obtain information about the Assets from the undersigned counsel for the Trustee and must qualify as a "Potential Bidder" at least 24 hours in advance of the Sale Hearing by delivering to the counsel for the Trustee: (i) such information as may be requested to establish such Potential Bidder's ability to close the sale of the Assets in a timely manner, including a demonstration of financial wherewithal to close such sale; (ii) a wire transfer or certified funds equal to \$2,500.00; and (iii) an executed asset purchase agreement in substantially the same form as the APA. At the conclusion of the Sale Hearing, the Trustee will seek the entry of an order approving the sales Assets in accordance with the Sale Motion.

Copies of the Sale Motion and the Sale Procedures Order, which seek and grant additional relief to the relief described herein, are available for review on the Bankruptcy Court website, www.ilnb.uscourts.gov, or may be obtained upon request to counsel for the Trustee.

Dated: May __, 2007

/s/ Patrick A. Clisham

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