

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
ALEXANDRIA DIVISION

IN RE:

ALEXANDRIA INVESTMENT GROUP, LLC

CASE NO. 18-80416

DEBTOR

CHAPTER 11

**MOTION FOR ENTRY OF ORDER AUTHORIZING
THE SALE OF COMMERCIAL PAPERS OF THE ESTATE UNDER § 363**

NOW INTO COURT, through undersigned counsel, comes **Alexandria Investment Group, LLC** (“Debtor”), who, pursuant to 11 U.S.C. §§ 105 and 363 and Federal Rules of Bankruptcy Procedure 2002, 6004, and 9014 files this *Motion for Entry of Order Authorizing the Sale of Commercial Papers of the Estate Under § 363*. In support of this Motion, Debtor states as follows:

I. PRELIMINARY STATEMENT

1. The Debtor is the holder of rights and interest under a multiple indebtedness mortgage secured by property located at 3801 Halsey St., Alexandria, LA (“Red River Inn Alexandria”), pursuant to an *Act of Assignment of Mortgages, Security Agreements, Guarantees and Claims, and Asset Transfer Agreement* by Red River Bank dated July 8, 2016 (“Act of Assignment”). An exemplar photograph of the Red River Inn Alexandria is attached as **Exhibit 1** hereto, and the Act of Assignment is attached as **Exhibit 2** hereto.

2. Pursuant to the Act of Assignment, all of Red River Bank’s remaining rights, title, and interest in said mortgage, with certain notes, security interests, guarantees, and indebtedness (the “Commercial Papers”) were assigned and/or transferred to the Debtor. The Commercial Papers are specifically identified in Exhibit A to **Exhibit 2**.

3. The Debtor is the sole owner of all rights, title, and interest in the Commercial Papers, and has been engaged in the process of soliciting potential buyers for the Commercial Papers.

4. Matt Ritchie and Todd Morrow (the “Proposed Buyers”) have submitted an offer to purchase the Commercial Papers for the total sum of \$50,000.00, on the condition that Gold, Weems, Bruser, Sues & Rundell handle all legal services related to the enforcement of rights and interest in the Commercial Papers by the Proposed Buyers.

5. Said enforcement of the Commercial Papers may include, but not be limited to, the claims of Debtor pending in *In re: KAP Enterprises, LLC*, Case Number 12-81464, and *In re: Sainath, LLC*, Case Number 12-81465, both in the United States Bankruptcy Court, Western District of Louisiana, Lafayette Division, which claims were transferred to Debtor in the Act of Assignment (see **Exhibit 2**), and which claims will be transferred to the Proposed Buyers or their designee(s) in connection with the proposed sale of the Commercial Papers.

6. After considering available options, Debtor requests this Court approve the sale procedures herein.

7. By this Motion, Debtor requests entry of an Order under Section 363 of the Bankruptcy Code, effectuating a sale of the Commercial Papers “free and clear” of all claims and liabilities to the Proposed Buyers or their designee(s).

II. JURISDICTION AND VENUE

8. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Debtor confirms its consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in

connection herewith consistent with Article III of the United States Constitution.

9. Venue of this case and this Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

10. The statutory predicate for the relief requested herein is Bankruptcy Code §§ 105 and 363, and FRBP 2002, 6004, and 9014.

III. BACKGROUND

A. Introduction

11. On April 23, 2018 ("Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code").

12. The Debtor is operating its business and managing its property as debtor-in-possession pursuant to Bankruptcy Code §§1107 and 1108.

13. No trustee or examiner has been appointed, and no unsecured creditors' committee has been established.

B. The Need to Sell the Commercial Papers

14. As set forth in the Declaration in Support of First Day Motions, members of the Debtor previously funded losses of Debtor's business, a hotel and convention center, in excess of \$30,000 per month for approximately 18 months. Pursuant to Orders of this Court, Debtor previously sold the hotel and convention center via auction. [Docs. 42, 74].

15. However, the proceeds of the sale of the hotel and convention center did not satisfy Debtor's indebtedness to Red River Bank.

16. Members of the Debtor who guaranteed the secured debt to Red River Bank received a guarantor payoff quote of \$661,005.09. All guarantors (excluding Dr. Dinesh Shaw's estate, which is involved with litigation with Red River Bank), satisfied their respective obligations to RRB.

17. Further, Debtor has outstanding obligations to certain general unsecured creditors. Considering the outstanding obligations to general unsecured creditors, and given the members' own equity interests in the Debtor, the Debtor has a significant interest in assuring the Commercial Papers command as great a sales price as possible.

18. Reviewing the available options, the Debtor has elected to sell the Commercial Papers to the Proposed Buyers; the Commercial Papers are not an easily salable asset, as to realize the value of the same, foreclosure proceedings are necessary, subject to the risk that the owner of the property mortgaged under the Commercial Papers could seek Chapter 11 relief.

IV. SALE PROCEDURES

19. By this Motion, the Debtor asks the Court approving the sale of all rights, title and interest in its Commercial Papers as set forth in Exhibit A to **Exhibit 2** to the Proposed Buyers or their designee(s) for the total sum of \$50,000.00.

20. Further, Debtor asks that the Court approve the sale:

A. without warranty of title and without warranty as to the existence or continuing validity of any rights in the Commercial Papers;

B. free and clear of all liens and encumbrances; and

C. on the condition that the law firm of Gold, Weems, Bruser, Sues & Rundell handle all legal services related to the enforcement of rights and interest in the Commercial Papers.

21. Said enforcement of the Commercial Papers may include, but not be limited to, the

claims of Debtor pending in *In re: KAP Enterprises, LLC*, Case Number 12-81464, and *In re: Sainath, LLC*, Case Number 12-81465, both in the United States Bankruptcy Court, Western District of Louisiana, Lafayette Division, which claims will be transferred to the Proposed Buyers or their designee(s) in connection with the sale of the Commercial Papers.

22. Debtor shows that all proceeds of the sale will be deposited in an FDIC-insured bank deposit account specifically designated by the Debtor-in-Possession for these sales proceeds, and held in said account pending further order of this Court.

23. The Debtor would submit that this sale of Commercial Papers is in the best interest of its estate and its creditors. To realize a value on the Commercial Papers would require the retention of legal services for an uncertain return, and no other parties have submitted to Debtor any offer to purchase the Commercial Papers.

24. Likewise, Debtor submits that it is in the best interests of its estate to close the sale as soon as possible after all closing conditions have been met or waived, given the financial status of Debtor, danger of losing interest of the Proposed Buyers (by whom legal proceedings will be required to realize any value in the Commercial Papers), and further the risk of damage to or other loss of market value of the real estate which serves as collateral for the Commercial Papers. Accordingly, Debtor hereby requests that the Court eliminate the 14-day stay period under Bankruptcy Rule 6004(h).

WHEREFORE, Debtor prays that after due proceedings are had, that this Motion be granted, (a) allowing the sale of its Commercial Papers addressed above under the conditions contained in this Motion; (b) waiving the stay imposed by Bankruptcy Rule 6004; and (c) for such other and further relief as is justified under the premises.

Alexandria, Louisiana, this 2nd day of August, 2018.

Respectfully submitted,

GOLD, WEEMS, BRUSER, SUES & RUNDELL

By: /s/Bradley L. Drell

Bradley L. Drell (Bar Roll #24387)

Heather M. Mathews (Bar Roll # 29967)

B. Gene Taylor, III (Bar Roll #33407)

P. O. Box 6118

Alexandria, LA 71307-6118

Telephone: (318) 445-6471

Facsimile: (318) 445-6476

e-mail: bdrell@goldweems.com

**ATTORNEYS FOR DEBTOR AND DEBTOR IN
POSSESSION, ALEXANDRIA INVESTMENT
GROUP, LLC**

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
ALEXANDRIA DIVISION**

IN RE:

ALEXANDRIA INVESTMENT GROUP, LLC

CASE NO. 18-80416

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CHAPTER 11

CERTIFICATE OF SERVICE

This is to certify that the *Motion for Entry of Order Authorizing the Sale of Commercial Papers of the Estate Under § 363* was served on the following:

1. Office of the United States Trustee, Richard Drew, 300 Fannin Street, Room 3196, Shreveport, LA 71101;
2. Red River Bank, through counsel, Stephen D. Wheelis, P.O. Box 13199, Alexandria, LA 71315-3199;
3. Red River Bank, through counsel, Barbara Melton, 105 Yorktown Dr., Alexandria, LA 71303;
4. Succession of Dinesh Shaw, MD, c/o John Munsterman, Independent Executor, 5501-A John Eskew Dr., Alexandria, LA 71303;
5. Succession of Dinesh Shaw, MD, through counsel, Alan Pesnell, 400 Travis St. #1100, Shreveport, LA 71101;
6. United States of America/Internal Revenue Service, through counsel, Cristina Walker, 300 Fannin Street, Ste 3201, Shreveport, LA 71101;
7. The twenty (20) largest creditors of the Debtor; and
8. Any party requesting notice by CM/ECF,

by placing a copy of same in the U.S. Mail, property addressed, with prepaid postage affixed, or by CM/ECF.

Alexandria, Louisiana, this 2nd day of August, 2018.

/s/Bradley L. Drell

OF COUNSEL



EXHIBIT

1

STATE OF LOUISIANA

PARISH OF RAPIDES

**ACT OF ASSIGNMENT OF MORTGAGES, SECURITY AGREEMENTS,
GUARANTEES AND CLAIMS, AND ASSET TRANSFER AGREEMENT**

BE IT KNOWN, that on this 8th day of July, 2016, before us, the undersigned Notaries Public duly commissioned and qualified in and for the Parish of Rapides, State of Louisiana, and in the presence of the two competent witnesses hereinafter named and undersigned, personally came and appeared Red River Bank, a Louisiana Banking Corporation ("Bank"), through its President, R. Blake Chatelain, who executed this Act of Assignment of Mortgages, Security Agreements, Guarantees and Claims and Asset Transfer Agreement ("Agreement") assigning all of Bank's right title and interest in and to the items described on the attached Exhibit "A," which is incorporated herein by reference, to Alexandria Investment Group, LLC, a Louisiana limited liability company ("AIG"), as assignee and transferee herein.

RECITALS

WHEREAS, the Bank is the owner of all rights, title and interest in certain claims and loans owed by KAP Enterprises, LLC and Sainath, LLC; and

WHEREAS in accordance with the terms and conditions detailed in that certain POST CLOSING AGREEMENT executed February 29, 2016, by and between the Bank and AIG, the Bank desires to assign and transfer to AIG all of the Bank's remaining right, title and interest in and to the KAP Enterprises, LLC and Sainath, LLC notes, mortgages, security interests, guarantees, claims and indebtedness; and

WHEREAS said assignment and transfer is in furtherance of those Orders dated December 14, 2015 (docket #706) and February 23, 2016 (docket # 728) entered on the docket of the United States Bankruptcy Court, Western District of Louisiana, Lafayette Division, Case Number 12-81464.

NOW THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the Bank and AIG hereby agree as follows:

1. Transfer of Proofs of Claim

The Bank hereby transfers, assigns and conveys to AIG all remaining right, title and interest in and to its Proofs of Claim as amended in case number 12-81464, KAP Enterprises, LLC bearing claims numbered 2-1 and 3-1 on the Claims Register of the United States Bankruptcy Court, Western District of Louisiana, Lafayette Division. Likewise, the Bank assigns, transfers and conveys all right, title and interest to AIG in and to its Proof of Claim bearing claim number 4-1 in the case of Sainath, LLC, case number 12-81465 on the docket of the United States Bankruptcy Court, Western District of Louisiana, Lafayette Division.

2. Assignment and Transfer of Security Documents

In furtherance of the assignment, conveyance and transfer of its Proofs of Claim to AIG, the Bank hereby assigns, transfers and conveys all remaining right, title and interest in and to all remaining notes, mortgages, security agreements and guarantees executed by KAP Enterprises, LLC and Sainath, LLC and/or their members, owners or principals all as are more fully detailed on Exhibit "A" attached hereto and incorporated herein.

3. Perfection of Transfer, Assignment and Conveyance

In furtherance of the Assignment, Transfer and Conveyance of the claims, notes, mortgages and security agreements, the Bank agrees to execute all documents requested by AIG as necessary to perfect the assignment, transfer and conveyance.

4. Intent of Transfer

It is the intent of the Bank and AIG that the Bank transfer all remaining rights to AIG including the right to pursue and collect on the obligations due and owing under all documents transferred including the recovery of any remaining collateral pledged to secure the indebtedness. It is the intent of the parties that the Bank make no further claim against the obligors, KAP Enterprises or Sainath, LLC, or the guarantors and/or principals of same.

5. Bank's Representations, Warranties and Recourse

The Bank makes no warranties regarding the enforceability, validity or extent of the transferred claims, notes, mortgages, security instruments and guarantees and the transfer assignment and conveyance by this Agreement is made without recourse against the Bank and without any expressed, implied or legal warranty of any kind or nature. The Bank and AIG acknowledge that any and all rights transferred by the Bank herein to AIG are subject to the provisions of the United States Bankruptcy Code, the jurisdiction of the United States Bankruptcy Court, Western District of Louisiana, Lafayette Division and the laws of the State of Louisiana.

6. Acknowledgment of AIG

AIG acknowledges that the Bank makes no representation as to the enforceability or collectability of any rights transferred herein including the right to collect any balances due on the claims transferred or the right to successfully recover any mortgaged or pledged collateral.

[Signatures on following page]

Thus done and passed in Alexandria, Louisiana, in the presence of the undersigned competent witnesses, who have signed this instrument with said appearer and me, Notary Public.

WITNESSES:

Rebecca Crooks
Printed Name: Rebecca Crooks

Melinda McLain
Printed Name: Melinda McLain

Red River Bank, a Louisiana
Banking Corporation

R. Blake Chatelain
By: R. Blake Chatelain,
Its: President & CEO

Amanda W Barnett

NOTARY PUBLIC

Printed Name of Notary Public: Amanda W Barnett
Notary Identification Number or Bar Roll Number: 19225
My commission expires: at death

Thus done and passed in Alexandria, Louisiana, in the presence of the undersigned competent witnesses, who have signed this instrument with said appearer and me, Notary Public.

WITNESSES:

Sheila Batey
Printed Name: Sheila Batey

Charlotte A. Snow
Printed Name: Charlotte A. Snow

Alexandria Investment Group, LLC

Reymond Meadaa
By: Reymond Meadaa, M.D.
Its: Manager

Amanda W Barnett

NOTARY PUBLIC

Printed Name of Notary Public: Amanda W Barnett
Notary Identification Number or Bar Roll Number: 19225
My commission expires: at death

Exhibit A

ASSIGNMENT OF CLAIMS AND ASSET TRANSFER AGREEMENT

<i>Exhibit</i>	<i>Document Description</i>
A	Term Note - \$6,700,000.00 dated December 7, 2006
B	Loan Agreement
C	Multiple Indebtedness Mortgage - Mortgagor: Sai, L.L.C.
D	Commercial Guaranty - Arun Karsan
E	Commercial Guaranty - Versha Karsan
F	Assignment of Leases and Rents
G	Assignment of Life Insurance Policy - MetLife
H	Assignment of New York Life insurance policy fo Arun Karsan
I	Commercial Security Agreement and UCC filings - Proceeds of JAVs, LLC. Executed December 7, 2006.
J	Amendment/Allonge to Term Note - Executed January 23, 2012.
K	Amendment to Loan Agreement - Executed January 23, 2012.
L	Acknowledgment of Collateral - Executed January 23, 2012.
M	Acknowledgment and Amendment of Commercial Guaranty of Arun Karsan.
N	Acknowledgment and Amendment of Commercial Guaranty of Versha Karsan.
O	Business Loan Agreement - Sainath 10/25/2010
P	Commercial Guaranty Versha A. Patel, Sainath
Q	Commercial Guaranty, Arun Karsan, Sainath
R	Promissory Note, Sainath 10/25/2010
S	Business Loan Agreement, Arun and Versha Karsan 10/25/2010
T	Promissory Note, Arun and Versha Karsan 10/25/10