

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

In re:

CHICAGO CENTRAL, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 17-13704-SAH

Jointly Administered

**DEBTORS' MOTION FOR AN ORDER APPROVING THE SALE
OF THE EDMOND LOCATION'S FURNITURE, FIXTURES, AND
EQUIPMENT FREE AND CLEAR OF ALL LIENS, CLAIMS,
ENCUMBRANCES, AND INTERESTS; BRIEF IN SUPPORT; NOTICE OF
OPPORTUNITY FOR HEARING; NOTICE OF HEARING AND NOTICE OF
OPPORTUNITY TO BID**

NOTICE OF OPPORTUNITY FOR HEARING

Your rights may be affected. You should read this document carefully and consult your attorney about your rights and the effect of this document. If you do not want the Court to grant the requested relief, or you wish to have your views considered, you must file a written response to the motion with the Clerk of the United States Bankruptcy Court for the Western District of Oklahoma, 215 Dean A. McGee Avenue, Oklahoma City, OK 73102 **no later than 21 days from the date of the filing of the motion.** You should also serve a file-stamped copy of the response to the undersigned [and others who are required to be served] and file a certificate of service with the Court. A hearing on the motion has been set for December 13, 2017 at 9:30 a.m. before the Honorable Sarah A. Hall, 9th Floor Courtroom, 215 Dean A McGee Avenue, Oklahoma City, Oklahoma 73102. If no response is timely filed, the court may grant the motion without further notice.

**NOTICE OF HEARING
(TO BE HELD IF A RESPONSE IS FILED)**

Notice is hereby given that if a response to the above-titled Motion is filed, the hearing on the matter will be held on December 13, 2017 at 9:30 a.m. in the 9th Floor Courtroom of the United States Bankruptcy Court for the Western District of

¹ The affiliated Debtors are Chicago Central, LLC (Case No. 17-13704-SAH); CC Ops - Springfield, LLC (17-13705-SAH); CC Ops - Midwest City, LLC (17-13706-SAH); CC Ops - I240, LLC (17-13707-SAH); and CC Ops - Edmond, LLC (17-13708-SAH).

Oklahoma, 215 Dean A. McGee Avenue, Oklahoma City, OK 73102. If no response is timely filed and the court grants the requested relief prior to the above-referenced hearing date, the hearing will be stricken from the docket of the Court.

NOTICE OF OPPORTUNITY TO BID

Notice is hereby given that if any person is willing to offer a higher price for the Assets that are the subject of this Motion, you are invited to do so but you must do so no later than 21 days from the date of the filing of the motion by filing an response to this Motion and therein state your willingness to offer a higher price than the Purchase Price described in this Motion and upon the same terms as set forth in the Edmond FF&E Purchase Agreement attached hereto as Exhibit “B”.

Chicago Central, LLC (“Chicago Central”), CC Ops - Edmond, LLC (“Edmond Ops”), CC Ops - I240, LLC (“I240”), CC Ops - Midwest City, LLC (“MWC”), and CC Ops - Springfield, LLC (“Springfield”), debtors and debtors-in-possession in the above-captioned cases (collectively, “Debtors”), file this motion (the “Sale Motion”) for entry of an order (the “Sale Order”²) approving the Sale of the Edmond Location’s Furniture, Fixtures and Equipment Free and Clear of All Liens, Claims, Encumbrances, and Interests to BTB Edmond Ops LLC, an Oklahoma limited liability company, or its nominee (the “Purchaser”³).

In support of this Sale Motion, the Debtors respectfully represents as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over the Sale Motion pursuant to 28 U.S.C. §§ 1334 and 157. This Sale Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

² A proposed form of Sale Order is attached hereto as Exhibit “A.”

³ Capitalized terms used herein and not otherwise defined have the meaning set forth in the Edmond FF&E Purchase Agreement attached hereto as Exhibit “B.”

2. The statutory bases for the relief requested herein are §§ 105, 363, 364, and 365 of Title 11 of the United States Code (the “Bankruptcy Code”), and Rules 2002, 4001, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”⁴).

BACKGROUND

3. On September 15, 2017 (the “Petition Date”), the Debtors filed a voluntary petitions for relief pursuant to Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Western District of Oklahoma (the “Bankruptcy Court”). The Debtors continue to operate and manage their business as debtors-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. As of the date hereof, an official committee of unsecured creditors (the “Creditors Committee”) has not yet been appointed in the Case. No request has been made for the appointment of a trustee or examiner.

4. A description of the Debtors’ businesses, the reasons for filing these Chapter 11 Cases, and the relief sought from the Bankruptcy Court to allow for a smooth transition into operations under Chapter 11 of the Bankruptcy Code are set forth in the Affidavit of William C. Liedtke, III, in Support of the Debtors’ Chapter 11 Petitions and First Day Motions (the “First Day Affidavit”) [Dkt. # 32]. The Debtors hereby adopt and incorporate the First Day Affidavit as if fully set forth herein.

5. The Debtors filed these cases to facilitate the closing of two locations and re-branding of the other two. One of the two locations the Debtors planned to close was the Edmond location at 1150 East 2nd Street, Edmond, Oklahoma 73034 (the “Premises”). The filing of the Chapter 11 cases facilitated negotiations with the Premises’ landlord, Later L.L.C. (the “Landlord”); whereby the lease and related personal property could be sold and most of the

⁴ Unless otherwise indicated, all chapter and section references are to the Bankruptcy Code, 11 U.S.C. §§ 101-1532. “Rule” references are to the Federal Rules of Bankruptcy Procedure.

Landlord's claims could be eliminated. Specifically, the Debtors have negotiated an agreement with the Landlord and the Purchaser to modify the lease of the Premises (the "Lease") and then assign the Lease to the Purchaser and sell the personal property located within the Premises (the "Edmond FF&E")⁵ to the Purchaser. The Purchaser has agreed to buy the Edmond FF&E for \$20,000.00 cash pursuant to the Edmond FF&E Purchase Agreement (the Edmond FF&E Purchase Agreement, the Lease Modification Agreement, and the Lease Assignment are collectively referred to as the "Agreement"). The Agreement provides a much better outcome for the Debtors and their creditors compared to the only other available option known to the Debtors—to close the Edmond restaurant, reject the Lease, remove the Edmond FF&E, and sell the Edmond FF&E at an auction.⁶ It is important to note that all items bearing the "Old Chicago" trademark will be removed from the Premises at the Purchaser's expense and delivered to the Debtors. Pursuant to §2.2 of the Edmond FF&E Purchase Agreement, cash, food & beverage inventory and all "Old Chicago" trademarked items are specifically excluded from the Sale.

6. Edmond Ops is the tenant under a commercial lease of the premises wherein it operates under the "Old Chicago Pizza & Taproom" franchise (the "Existing Franchise") which Chicago Central has guaranteed. Simultaneously with the filing of this Sale Motion, the Debtors have filed a Motion to reject the Existing Franchise related to the Edmond location (the "Edmond Franchise Rejection Motion"). In addition, the Debtors have negotiated an agreement

⁵ A list of the Edmond FF&E is attached to the Edmond FF&E Purchase Agreement, which is Exhibit B hereto.

⁶ To avoid any ambiguity, the sale of the Edmond FF&E pursuant to this Motion and the approval of the motion to assume and assign the Lease are independent. That is, the Debtors and the Assignee intend to proceed with assumption and assignment of the Lease by separate motion regardless of whether this Motion is granted or if the Court approves the sale of the Edmond FF&E to another party who offers to pay more than \$20,000.00 for such personal property.

for the assumption and assignment of the lease agreement for the Edmond location (the “Edmond Lease”) that is the subject of a separate and simultaneously filed a Motion to assume and assign the Edmond Lease (the “Edmond Lease Motion”) whereby the Purchaser will assume the Edmond Lease upon renegotiated terms. The instant Sale Motion is filed to approve the Sale of the Edmond FF&E pursuant to the attached sale agreement (the “Edmond FF&E Purchase Agreement”) to the Purchaser.

7. Debtors do not have funds available to re-brand the Edmond location, therefore the alternative to the Agreement is to shut-down the Edmond location and reject the Edmond Lease, remove the Edmond FF&E, and sell the Edmond FF&E at an auction. In such event, Edmond would incur \$422,540.00 in estimated rejection damages claim and Chicago Central, as guarantor of the Edmond Lease, would potentially incur an unsecured claim of approximately \$2,000,000.00. The Sale that is the subject of this Sale Motion along with the Edmond Lease Motion and the Edmond Franchise Rejection Motion will result in a much better result for the Debtors than any alternative known to the Debtors.

8. The Debtors’ primary secured creditors are an affiliated group of private equity lenders, Praesidian Capital Opportunity Fund III, LP, a Delaware limited partnership (“Fund III”), in its individual lender capacity and its capacity as agent, and Praesidian Capital Opportunity Fund III-A, LP, a Delaware limited partnership (“Fund III-A” collectively, “Praesidian”), as lender. Fund III through a wholly owned subsidiary, PCOF III RI Corp., a Delaware corporation, owns warrants by which it may acquire 36.7535% of the equity in the parent company of Chicago Central, and Fund III-A, through a wholly owned subsidiary, PCOF III-A RI Corp., a Delaware corporation, owns warrants by which it may acquire 14.2465% of the equity in the parent company of Chicago Central. Debtors’ secured obligations to Praesidian are

set forth in certain documents executed and delivered to Praesidian as a secured creditor by the Debtors and a number of other non-debtor affiliates (“Praesidian Credit Agreement”).

9. The Praesidian Credit Agreement and all notes, security agreements, assignments, pledges, mortgages, deeds of trust, guaranties, forbearance agreements, letters of credit, warrant agreements, and other instruments or documents executed in connection therewith or related thereto are referred to herein collectively as the “Praesidian Pre-Petition Claim Documents.” Pursuant to the Praesidian Pre-Petition Claim Documents and applicable law, Praesidian holds a valid, enforceable, and allowable claim against the Debtors and a number of other non-debtor affiliates, as of the Petition Date, in an aggregate amount of at least \$20,800,000 of unpaid principal, plus any and all accrued and unpaid interest, fees, costs, expenses, charges, and other claims, debts or obligations of the Debtors to Praesidian that have accrued as of the Petition Date under the Praesidian Pre-Petition Claim Documents and applicable law. The Praesidian claim as described in the preceding sentence together with all Post-Petition Date interest, fees, costs, and charges allowed to Praesidian on such claim pursuant to Bankruptcy Code § 506(b) shall collectively be referred to hereunder as the “Praesidian Pre-Petition Claim.”

10. On October 17, 2017, the Court entered a final order [Dkt. # 129] authorizing the Debtors to obtain post-petition loans and other extensions of credit from OT Cap Partners LLC, an Oklahoma Limited Liability Company (“Lender”), an insider and affiliated entity in which some of the Lender’s principals are also Managers of the Debtors, in an amount not to exceed \$1,500,000.00 (the “DIP Loan”). The DIP Loan is secured, among other and additional liens, by a second priority lien upon the FF&E.

11. In addition, under the Agreement the Purchaser is paying \$20,000.00 cash to the Debtors for the Edmond FF&E. Debtors estimate that if they had to remove the Edmond FF&E from the Edmond location and sell the same as used restaurant equipment, that their net recovery would be no more than \$10,000.00. Further, the Debtors have negotiated an agreement with Praesidian and the Lender to consent to the use of the \$20,000.00 in sale proceeds to fund their post-petition operations. This sale is less than substantially all of the Debtor's assets and represents, at best, only approximately 1% of the Debtor's total assets.

12. Accordingly, the Debtors proposes to sell, subject to the terms of the Agreement between the Debtors and the Purchaser,⁷ the Edmond FF&E which constitutes substantially all of the Edmond's assets and are defined in the Edmond FF&E Purchase Agreement in accordance with §§ 363 and 365 of the Bankruptcy Code and pursuant to the entry of the Sale Order, in exchange for \$20,000.00 (the "Sale").

13. The Edmond location is losing approximately \$9,600.00 per month and the \$20,000.00 price for the FF&E is at least twice the amount that the Debtors believe they could recover if the FF&E were sold by any other means. As such, the transaction proposed herein is better than the Debtors could obtain if they hired a broker and marketed the Edmond FF&E, and the Debtors receive an additional benefit by not having to continue to fund the operating losses due to the time necessary for a traditional sale process.

14. As a result of the above and foregoing, the Debtors allege the Purchase Price is in fact the highest and best price anyone can reasonably expect to obtain for the Edmond FF&E. Consequently, the Debtors submit no further marketing is reasonable or necessary to ensure that the Sale to the Purchaser is fair and reasonable. The Debtor alleges the Purchase Price is the fair

⁷ Collectively, the Purchaser and the Debtors shall be referred to herein as the "Parties."

market value of the Assets because “an asset is worth what someone will pay for it...” *In re Kandel*, 2015 WL 1207014, at 2 (Bankr. N.D. Ohio Mar. 13, 2015).

15. Further marketing efforts or another auction are not necessary as discussed above. However, in the event a legitimate higher offer is received from a ready, willing, and able alternative buyer upon the same terms as set forth in the Edmond FF&E Purchase Agreement (the “Alternate Buyer”), then the Purchaser has agreed that it will allow the Alternate Buyer to be substituted in its place and acquire the Edmond FF&E.

RELIEF REQUESTED

16. By this Sale Motion, the Debtors respectfully request this Court approve the Sale to the Purchaser upon the terms of the Edmond FF&E Purchase Agreement by entry of the Sale Order without the need for a hearing unless an objection is received. The proposed form of the Sale Order is attached hereto and provides for the approval of the Sale of the Edmond FF&E free and clear of all liens, claims, encumbrances, and interests of any kind to the Purchaser.

BRIEF IN SUPPORT

I. THE DEBTORS-IN-POSSESSION HAVE NEGOTIATED TERMS OF A PROPOSED SALE TO THE PURCHASER.

17. The Debtors believe that it is in the best interests of the Debtors’ estates and creditors to pursue a Sale of the Edmond FF&E under §§ 105, 363, and 365. The Debtors believe that marketing for higher and better offers and is not necessary and that the proposed Sale will enable the Debtors to maximize value for all creditors.

18. Significant terms of the Sale are set forth in the Edmond FF&E Purchase Agreement summarized the are as follows:⁸

- **Purchase Price:** The Purchaser for the Purchase Price of \$20,000.00 cash, to be allocated among the Edmond FF&E as set forth in the Edmond FF&E Purchase Agreement.
- **Closing Conditions:** Primary conditions necessary to close this transaction require the execution of the Edmond FF&E Purchase Agreement, approval by entry of an order from the Bankruptcy Court approving the Sale that has not been stayed, modified or reversed (the “Closing Contingencies”).
- **Effective Date of the Sale:** The Effective Date of the Sale shall be the entry of an order granting this Sale Motion.

19. The Debtors believe the parties claiming valid and perfected liens, claims, or encumbrances to the Edmond FF&E are Praesidian and the Lender as described above (collectively the “Lien Holders”). The Lien Holders have consented to the Sale on the terms stated herein and in the Edmond FF&E Purchase Agreement and to the Debtors use of the proceeds of the Sale.

20. To the best of Debtors’ knowledge, information and belief after due inquiry, the Purchaser is a known insider of the Debtors.

21. Purchaser has demonstrated to Debtors it is purchasing the Edmond FF&E in good faith and for fair value.

22. The Edmond FF&E Purchase Agreement is the product of substantial, extensive, and good faith negotiations conducted at arm’s length, without collusion and with all parties being represented by independent counsel.

⁸ To the extent this summary of significant terms differs from the terms in the Edmond FF&E Purchase Agreement, the Edmond FF&E Purchase Agreement controls.

23. Purchaser has demonstrated to Debtors that it has the financial ability to consummate the Sale and is a ready, willing, and able buyer for the Edmond FF&E.

24. Purchaser understands that it is purchasing the Edmond FF&E in the context of a distressed seller and a bankruptcy. Details of such representations and warranties are set forth in detail herein and in the Edmond FF&E Purchase Agreement and are limited thereby. Except as provided herein and in the Edmond FF&E Purchase Agreement, none of the representations, warranties, covenants, and agreements contained therein or herein shall survive the closing of the Sale of the Edmond FF&E.

25. In the exercise of its business judgment, Debtors believe the Sale is in the best interest of all parties and represents the highest and best price received prior to the filing of this Sale Motion.

II. THE DEBTORS-IN-POSSESSION'S SALE OF THE EDMOND FF&E TO THE ASSIGNEE SHOULD BE APPROVED PURSUANT TO § 363(B)(1) OF THE BANKRUPTCY CODE.

26. Section 363(b)(1) provides that “[t]he trustee, after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Courts have uniformly held that approval of a proposed sale of property pursuant to § 363(b) is appropriate if a Court finds that the transaction represents a reasonable business judgment on the part of the debtor or trustee. *See Institutional Creditors of Continental Air Lines, Inc. v. Continental Air Lines, Inc.*, 780 F.2d 1223, 1226 (5th Cir. 1986) (applying reasonable business judgment standard to sale of assets under § 363(b)); *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983) (same); *In re Donohue*, 410 B.R. 311, 315 (Bankr. D. Kan. 2009) (requiring “sound business reason” for authorization of sale under § 363(b)); *In re Buerge*, 479

B.R. 101, 106 (Bankr. D. Kan. 2012) (requiring “sound business reason”); *In re Med. Software Solutions*, 286 B.R. 431, 439–40 (Bankr. D. Utah 2002) (requiring “sound business reason”).

27. Courts have made clear that a Chapter 11 debtor-in-possession’s business judgment is entitled to substantial deference with respect to the procedures to be used in selling assets of the estate. *See, e.g., Official Committee of Subordinated Bondholders v. Integrated Resources, Inc. (In re Integrated Resources, Inc.)*, 147 B.R. 650, 656-57 (Bankr. S.D.N.Y. 1992) (noting that overbid procedures and break-up fee arrangements that have been negotiated by a debtor are to be reviewed according to the deferential “business judgment” standard, under which such procedures and arrangements are “presumptively valid”). Here, the Debtors’ proposed sale is reasonable, appropriate, and within Debtors’ sound business judgment because it will serve to maximize the value of the Debtors’ estate.

28. In addition to a sound business purpose, courts require that there be adequate and reasonable notice of the sale and a fair and reasonable price and good faith negotiations with the Buyer. *See In re Abbotts Dairies*, 788 F.2d 143, 147 (3d Cir. 1986); *Buerge*, 479 B.R. at 106; *In re JL Bldg., LLC*, 452 B.R. 854, 859 (Bankr. D. Utah 2011); *Med. Software Solutions*, 286 B.R. at 439-40; *In re Tempo Tech Corp.*, 202 B.R. 363, 367 (D. Del. 1996).

29. The Debtors submit that the proposed Sale of the Edmond FF&E is a reasonable business decision in light of the circumstances and is in the best interest of the estate and its creditors. Further, the Debtors submit that the proposed Sale presents the best opportunity to realize the maximum value of the estate’s assets for distribution to creditors and is necessary to preserve the value of the estate’s assets for the estate and its creditors. Additionally, Debtors allege the Sale has been and will continue to be conducted in good faith and at arm’s length, be subject to proper notice, and will yield the highest and best price for the Edmond FF&E.

Accordingly, the Debtors submit that the Sale is an appropriate exercise of the Debtors' business judgment.

30. The Debtors requests authority to pay customary closing costs as provided in the Edmond FF&E Purchase Agreement and herein without the need for any further authorization from this Court.

III. DEBTORS' SALE OF THE EDMOND FF&E SHOULD BE APPROVED PURSUANT TO § 363(F).

31. By this Sale Motion, the Debtors seek entry of the Sale Order authorizing and approving the sale of the Edmond FF&E to the Purchaser subject to the receipt of a higher price from the Alternate Buyer. Except as expressly provided in the Agreement or the Sale Order, the Edmond FF&E are to be sold to the Purchaser, free and clear of all liens, claims, encumbrances, and interests pursuant to § 363(f).

32. Pursuant to § 363(f), a debtor may sell property under § 363(f) "free and clear of any interest in such property" if one of the following conditions is satisfied:

- (1) applicable non-bankruptcy law permits the sale of such property free and clear of such interest;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f); *see also In re Elliot*, 94 B.R. 343, 345 (E.D. Pa. 1988) (holding that § 363(f) is written in disjunctive; court may approve sale "free and clear" provided at least one of the requirements is met).

33. The Debtors submit that one or more of the conditions set forth in § 363(f) will be satisfied with respect to the Sale of the Edmond FF&E. In particular, the Debtors believe that

§ 363(f) will be satisfied because each of the parties holding liens on the Edmond FF&E consent to the Sale as described above.

34. Applicable case law provides that a sale of a debtor's assets free and clear of all liens, claims, encumbrances, and interests is permissible under § 363(f) as long as the liens, claims, encumbrances, and interests attach to the net proceeds of the sale. *Folger Adam Security, Inc. v. DeMatteis/MacGregor, JV*, 209 F.3d 252, 259 (3d Cir. 2000) ("The holdings of the courts suggest that any interest in property that can be reduced to a money satisfaction constitutes a claim for purposes of § 363(f) and, therefore, attaches to the proceeds of the sale"); *In re Elliot*, 94 B.R. 343, 345 (E.D. Pa. 1988).

35. As such, the Debtors respectfully request this court approve the Sale of the Edmond FF&E, free and clear of all liens, claims, encumbrances, and interests pursuant to § 363(f).

IV. THE PURCHASER SHOULD BE FOUND TO BE A GOOD FAITH BUYER.

36. Section 363(m) of the Bankruptcy Code states:

The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. § 363(m).

37. While the Bankruptcy Code does not define "good faith," the Tenth Circuit has held that the standard for a good faith purchaser is one who buys (i) in "good faith," i.e., through a sale that does not involve fraud or collusions, and (ii) for value. *See In re Indep. Gas & Oil Producers, Inc.*, 80 Fed. Appx. 95, 99-100 (10th Cir. 2003) (citing *Tompkins v. Frey (In re Bel Air Associates, Ltd.)*, 706 F.2d 301 (10th Cir. 1983)); *Plotner v. AT&T*, 172 B.R. 337, 341 (W.D.

Okla. 1994) (“A sale lacks good faith when it ‘involves fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.’”)(citations omitted); *In re Abbotts Dairies*, 788 F.2d at 147 (“The requirement that a purchaser act in good faith . . . speaks to the integrity of his conduct in the course of the sale proceedings. Typically, the misconduct that would destroy a buyers good faith status at a judicial sale involves fraud, collusion between the buyer or the trustee, or an attempt to take grossly unfair advantage of other bidders.”); *see also In re Sasson Jeans, Inc.*, 90 B.R. 608, 610 (S.D.N.Y. 1988) (quoting *In re Bel Air Assocs., Ltd.*, 706 F.2d 301, 305 (10th Cir. 1983)).

38. The Debtors submit the Edmond FF&E Purchase Agreement with the Purchaser is in fact “for value” as it will result in a net benefit to the Debtors substantially greater and upon a much shorter period of time than can be obtained by any alternative sale process. The Debtors thus requests that the Court make a finding in the Sale Order that the Purchaser has acted in good faith within the meaning of § 363(m).

V. THE FOURTEEN (14) DAY STAY PROVIDED FOR IN BANKRUPTCY RULE 6004(H) SHOULD BE WAIVED.

39. Due to the necessity to facilitate the orderly and more importantly, timely sale of the Edmond FF&E, the Debtors request that the Court lift the stay provided by Federal Rule of Bankruptcy Procedure 6004(h) which provides that an order authorizing the sale of property is stayed for fourteen (14) days after the entry of such order, unless the Court orders otherwise. Given the sufficiency of notice to all parties in interest, the Debtors request that the Court relieve it of the stay provided by the rule.

NOTICE

40. Each creditor and party in interest listed on the consolidated creditor matrix [Dkt. # 116] and the Master Service List [Dkt. # 90] will be served with a full and complete copy of this Sale Motion. The Debtors therefore request that the Court find that all parties who receive actual notice of this Sale Motion be bound by the Order granting the relief requested herein.

CONCLUSION

The Debtors respectfully requests that the Court grant the relief requested herein and such other and further relief as is just and proper.

Respectfully submitted this 16th day of November, 2017.

Respectfully submitted,

CROWE & DUNLEVY

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**COUNSEL FOR DEBTORS AND
DEBTORS-IN-POSSESSION**

EXHIBIT “A”

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

In re:

CHICAGO CENTRAL, LLC, *et al.*,¹
Debtors.

Chapter 11

Case No. 17-13704-SAH

Jointly Administered

**ORDER GRANTING MOTION FOR AUTHORITY TO SELL
PERSONAL PROPERTY AT PRIVATE SALE
(This Order is related to the Motion at Doc. ____)**

(Edmond, OK FF&E)

NOW, date inscribed below, this matter came on before me, the undersigned Judge of the United States Bankruptcy Court, for consideration of the Motion filed on November 16, 2017 [Doc. ____] by the above Debtors and Debtors In Possession (the "Debtors"), pursuant to 11 U.S.C. §363(c)(2) and Fed. R. Bankr. P. 2002 (the "Motion"), moving this Court to grant it the authority to sell at a private sale the Edmond FF&E as defined herein below. The Court having reviewed the pleadings and the Court's file, finds the Motion should be granted as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over the Sale Motion pursuant to 28 U.S.C. §§ 1334 and 157. This Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
2. The statutory bases for the relief requested herein are §§ 105, 363, 364, and 365 of Title 11 of the United States Code (the "Bankruptcy Code"), and Rules 2002, 4001, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

¹ The affiliated Debtors are Chicago Central, LLC (Case No. 17-13704-SAH); CC Ops - Springfield, LLC (17-13705-SAH); CC Ops - Midwest City, LLC (17-13706-SAH); CC Ops - I240, LLC (17-13707-SAH); and CC Ops - Edmond, LLC (17-13708-SAH).

3. On September 15, 2017 (the “Petition Date”), the Debtors filed a voluntary petitions for relief pursuant to Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Western District of Oklahoma (the “Bankruptcy Court”). The Debtors continue to operate and manage their business as debtors-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. As of the date hereof, an official committee of unsecured creditors (the “Creditors Committee”) has not yet been appointed in the Case. No request has been made for the appointment of a trustee or examiner.

4. The Edmond FF&E is comprised of the personal property located at 1150 East 2nd Street, Edmond, Oklahoma 73034 (the “Premises”), a list of which is attached hereto as Exhibit “A.” The Purchaser hereunder is BTB Edmond Ops LLC, an Oklahoma limited liability company, or its nominee and the price to be paid for the Edmond FF&E by the Purchaser is \$20,000.00 (the “Purchase Price”). Pursuant to §2.2 of the Edmond FF&E Purchase Agreement, cash, food & beverage inventory and all “Old Chicago” trademarked items are specifically excluded from the Sale. All items bearing the “Old Chicago” trademark will be removed from the Premises at the Purchaser’s expense and delivered to the Debtors.

5. The factual allegations in the Motion are deemed admitted for purposes of this Order and based upon such facts, the Court makes the following findings of fact and conclusions of law.

6 The Debtors have made a determination that the Edmond FF&E is not essential to its operations and the Purchaser has agreed to buy the Edmond FF&E as provided in the written offer to purchase the Property as set forth in Exhibit “B” to the Motion (the “Contract”). This sale is less than substantially all of the Debtor’s assets and represents, at best, only approximately 1% of the Debtor’s total assets. The Buyer is an insider but otherwise not a creditor of the Debtor. The contract was negotiated at arm’s length and in good faith between the Debtor and the Buyer.

7. The Court finds the Buyer is a good faith purchaser for fair value and is therefore entitled to the protections of 11 U.S.C. §363(m). No warranty will be made other than that the sale is a sale free and clear of liens and encumbrances as provided herein. There are no brokers involved in the sale and no commissions are due by the Debtor to any party.

8. Debtor is hereby authorized to sell, transfer, and deliver the Property to the Purchaser on or before 14 days after the entry of this Order. Receipt of the Property and delivery of possession shall be deemed accomplished upon delivery of a bill of sale and title certificate with appropriate endorsement by the Debtor to the Purchaser. The terms of the sale are customary and usual for restaurant equipment of this type in the area. The Court finds the terms are fair and reasonable.

9. The Court finds the sale shall be a sale free and clear of liens, claims and encumbrances pursuant to 11 U.S.C. §363(f). There are two lenders with liens on the Edmond FF&E: (1) a Prepetition lien held by an affiliated group of private equity lenders, Praesidian Capital Opportunity Fund III, LP, a Delaware limited partnership (“Fund III”), in its individual lender capacity and its capacity as agent, and Praesidian Capital Opportunity Fund III-A, LP, a Delaware limited partnership (“Fund III-A” collectively, “Praesidian” and (2) a post-petition lien pursuant to final order [Dkt. # 129] authorizing the Debtors to obtain post-petition loans and other extensions of credit from OT Cap Partners LLC, an Oklahoma Limited Liability Company (“Lender”) (Praesidian and Lender are collectively, the “Lien Holders”). The Lien Holders have consented to the sale as set forth herein and their claims are such that they could be compelled to accept cash in satisfaction of their claim, therefore, the Debtors may sell the Edmond FF&E free and clear of the claims of the Bank and all other parties to this case. The Lien Holders liens against the Edmond FF&E shall attach to the proceeds of the sale without prejudice to the assertion of such claims against the proceeds of the sale as if the Edmond FF&E had not been sold, however, the Lien Holders have affirmatively consented to the Debtors use of such proceeds in accordance with the DIP Budget.

10. The Court finds the Purchaser has acted in good faith within the meaning of § 363(m).

11. The Court therefore authorizes the Debtors to sell the Edmond FF&E at a private sale to the Purchaser outside the ordinary course of business as provided in this Order and pursuant to the Contract, all as provided in 11 U.S.C. §363(c)(2), free and clear of liens, claims and encumbrances pursuant to 11 U.S.C. §363(f).

12. The stay provided by Federal Rule of Bankruptcy Procedure 6004(h) is hereby waived.

It is so ordered.

APPROVED FOR ENTRY:

CROWE & DUNLEVY, P.C.

/s/Mark A. Craige

Mark A. Craige, OBA No. 1992
Andrew J. Hofland, WI Bar No. 1065503
500 Kennedy Building
321 South Boston Avenue
Tulsa, Oklahoma 74103-3313
918.592.9800 Telephone Number
918.592.9801 Facsimile Number
mark.craige@crowedunlevy.com

-and-

Lysbeth L. George, OBA No. 30562
Braniff Building
324 North Robinson, Suite 100
Oklahoma City, Oklahoma 73102
405.235.7700 Telephone Number
405.272.5203 Facsimile Number
lysbeth.george@crowedunlevy.com

*COUNSEL FOR DEBTOR AND
DEBTOR-IN-POSSESSION*

EXHIBIT “B”

RESTAURANT EQUIPMENT PURCHASE AGREEMENT

This RESTAURANT EQUIPMENT PURCHASE AGREEMENT (the “Agreement”) is entered into effective as of November 9, 2017, between CC OPS - EDMOND, LLC, an Oklahoma limited liability company (“Seller”) and BTB EDMOND OPS LLC, an Oklahoma limited liability company (“Buyer”). Buyer and Seller are each a “Party” and are collectively, the “Parties.”

RECITALS:

A. Seller owns and operates a restaurant as an **Old Chicago**[®] franchisee (the “Business”) which is located at 1150 East 2nd Street, Edmond, Oklahoma (the “Premises”);

B. Seller, along with Chicago Central LLC, an Oklahoma limited liability company, CC Ops - I240, LLC, an Oklahoma limited liability company, CC Ops - Midwest City, LLC, an Oklahoma limited liability company, and CC Ops - Springfield, LLC, a Missouri limited liability company, (collectively, “Debtors”) filed 5 voluntary Chapter 11 bankruptcy petition on September 14, 2017 in the United States Bankruptcy Court for the Western District of Oklahoma (the “Bankruptcy Court”), Case Nos. Chicago Central, LLC (Case No. 17-13704-SAH); CC Ops - Springfield, LLC (17-13705-SAH); CC Ops - Midwest City, LLC (17-13706-SAH); CC Ops - I240, LLC (17-13707-SAH); and CC Ops - Edmond, LLC (17-13708-SAH);

C. Seller intends to cease operating the Business and by separate agreement, Seller has agreed to assign and Buyer has agreed to assume the lease covering the Premises (the “Lease”).

D. Seller wishes to sell and Buyer wishes to purchase, certain personal property, being the furniture, fixtures and equipment and smallwares located on the Premises and listed on *Attachment A* to this Agreement (the “FF&E”).

AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Seller and Buyer agree as follows:

1. Recitals Incorporated In Agreement. The above recitals are hereby incorporated into and made a part of this Agreement

2. Purchase and Sale of the FF&E.

2.1 The FF&E. Subject to the terms and conditions of this Agreement, the Seller agrees to sell to the Buyer, and the Buyer agrees to purchase the FF&E from Seller in accordance with all of the terms and conditions of this Agreement (the “Transaction”).

2.2 Excluded Assets. The Buyer is not purchasing and Seller is not selling any cash on the premises, any food or beverage inventory or any **Old Chicago**® signs, trademarked items, manuals, recipes or similar items related to Seller's prior business as an Old Chicago® franchisee; provided that Buyer at its expense shall remove and deliver to Seller the **Old Chicago**® signage on the Premises. (the "Excluded Assets").

2.3 No Assumption of Liabilities. Buyer shall not assume or be liable for or subject to any debts, liabilities or obligations of any kind arising out of the Business.

2.4 FF&E Purchase Price. The Buyer shall pay Seller \$20,000.00 by company check for the FF&E (the "Purchase Price").

2.5 Sales Taxes. All sales taxes on the sale of the FF&E, if any, shall be borne by the Buyer.

3. Representations and Warranties of the Seller. The Seller represents and warrants to the Buyer that the statements contained in this Section 3 are correct and complete as of the date of this Agreement and will be correct and complete as of the Effective Date.

3.1 Authorization of Transaction. Upon approval by the Bankruptcy Court, Seller has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

3.2 Title to FF&E. Seller has good title to all of the FF&E, which at Closing will be free and clear of all liens, mortgages, or other security interests or restrictions on transfer.

4. Representations and Warranties of the Buyer. The Buyer represents and warrants to the Seller that it has inspected and reviewed all of the FF&E to its satisfaction. Other than is set forth in this Agreement, the Buyer is purchasing the FF&E as is, where is and in its present condition. No representations or warranties have been made by the Seller to the Buyer as to the condition of the FF&E.

5. Approval by Bankruptcy Court This Agreement and consummation of the transactions contemplated thereby are subject to approval by the Bankruptcy Court. Upon execution of this Agreement, Seller will cause Debtors to file a motion to approve the sale contemplated by this agreement pursuant to Section 363 of the United States Bankruptcy Code (the "Sale Motion") and if a hearing is necessary, Seller will schedule the hearing to consider the Sale Motion as soon as possible. Seller and Buyer shall cooperate with filing, serving and prosecuting the Sale Motion and Seller shall deliver to Buyer prior to filing copies of all proposed pleadings, motions (including the Sale Motion), notices, statements, schedules, applications, reports and other papers to be filed by the Seller in connection with the Sale Motion and the relief requested therein.

6. The Closing. This Agreement shall be effective at close of business on the day that the Bankruptcy Court has entered an order authorizing the approval of this Assignment (the

“***Effective Date***”). . Seller will transfer the FF&E to Buyer in consideration of payment of the Purchase Price to be made within 5 business days following the Effective Date, at which time Seller will deliver a Bill of Sale in the form attached hereto and made a part hereof as ***Attachment B***, transferring ownership and possession to the Buyer of all of the FF&E, free and clear of all liens, claims, or encumbrances of whatsoever nature.

7. **General**. The parties will use their reasonable best efforts to take all actions and to do all things necessary in order to consummate and make effective the Transaction as contemplated by this Agreement. The parties intend that the sale and transfer of the FF&E to Buyer be an absolute sale and transfer in effect as well as form, and that the Bill of Sale to be delivered at Closing shall not serve or operate as a security agreement, trust conveyance or financing or trust arrangement of any kind, nor as a preference or fraudulent conveyance against any creditors of Seller.

8. **Notices**. All notices required or permitted herein must be in writing and shall be deemed to have been duly given the first business day following the date of service if served personally or by telecopier or other similar communication (with confirmation of receipt of the transmission) to the party or parties to whom notice is to be given, or on the third business day after mailing if mailed to the party or parties to whom notice is to be given by registered or certified mail, return receipt requested, postage prepaid, to the party to whom notice is to be given at the address or addresses set forth below or to such other addresses as any party hereto may designate to the other by notice from time to time for this purpose. All notices and other communications to the parties shall be given as follows:

SELLER: CC Ops – Edmond, LLC.
14504 Hertz Quail Springs Parkway
Oklahoma City, OK 73134
Attention: William C. Liedtke III

BUYER: BTB Edmond Ops LLC
14504 Hertz Quail Springs Parkway
Oklahoma City, OK 73134
Attentions: Buck Warfield

9 **Construction**. This Agreement shall be construed, enforced and governed in accordance with the laws of the State of Oklahoma. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter gender thereof or to the plurals of each, as the identity of the person or persons or the context may require. The descriptive headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision contained herein.

10. **Binding Effect**. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective heirs, executors, personal representatives, successors and permitted assigns.

11. Legal Expense. Each of the Parties will pay their own attorney fees and costs.

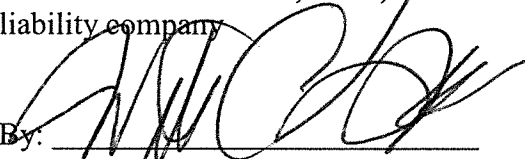
12. Time of Essence. Time shall be of the essence with respect to the performance by the parties hereto of their respective obligations hereunder.

[Remainder of page intentionally blank, signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first stated above.

SELLER:

CC OPS - EDMOND, LLC, an Oklahoma limited liability company

By: 

Name: William C. Liedtke III

Title: Manager

BUYER:

BTB EDMOND OPS LLC, an Oklahoma limited liability company

By: 

Name: Buck Warfield

Title: Manager

Attachment A

The FF&E

Furniture, fixtures and equipment and smallwares located at 1150 East 2nd Street, Edmond, Oklahoma including but not limited to the following:

EQUIPMENT DESCRIPTION

Kitchen and Bar Equipment

- 4 72" Roll Top sandwich unit
- 1 60" Roll Top sandwich unit
- 3 2 door work top freezer under counter
- 3 Reach in refrigerator stand up one door
- 3 60" ref equipment stand
- 1 48" ref equipment stand
- 2 2 door under counter ref 800 each
- 3 1 door under counter ref 500 each
- 1 2 door slide cooler
- 1 Mautowoc ice machine 1800 lb
- 1 bin and leg
- 1 Bar sink
- 1 ice cream freezer 7.4 cu feet
- 1 48" chargrill
- 1 6 burner stove w/ oven
- 3 fryer 800 each
- 1 Proffing upright two door box
- 1 3 door bottle cooler
- 1 36 salamander
- 1 Hobart mixer/blender
- 1 meat slicer
- 1 Steamer
- 1 Walk-in cooler
- 3 warmer drawer two stock (burn warmer)
- 1 Walk-in freezer
- 2 Microwave
- 2 18x24" under box ice bin w/ cold plate
- 1 4 camp bar sink
- 1 124" 3 camp s.s sink
- 2 2 camp s.s. prep sink 450
- 1 Blender
- 1 8 tap draught system
- 6 ss hand sinks 150

- 1 s.s speedbar with sink and rack
- 1 Middleby Marshall Pizza oven
- 3 3' prep table w/ under shelf
- 5 6' prep table w/ under shelf 175
- 2 high speed blenders
- 1 6 foot beer bottle display case
- 1 10 foot beer walk in cooler
- 1 14 foot kitchen hood and exhaust fan
- 15 metro shelving 3 shelve systems
- Smallwares kitchen; pots/pans cooking utensils
- Smallwares front of house for 500 pp

Tables and Chairs

- 45 4 top booths
- 6 6 top booths
- 6 4 top tables
- 200 dining room chairs
- 1 10 foot beer display back bar case
- 1 8 person high top bar table
- 45 bar stools
- 6 50 inch TV's and mounts/1 60 inch
- 5 Patio tables and chairs

Point of Sale System

Attachment B

BILL OF SALE

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, between **CC OPS-EDMOND, LLC** an Oklahoma limited liability company ("**Seller**"), and **BTB EDMOND OPS LLC**, an Oklahoma limited liability company ("**Buyer**"), pursuant to that certain Restaurant Equipment Purchase Agreement dated November 9, 2017 (the "**Purchase Agreement**") does hereby bargain, grant, sell, convey, transfer, assign, and deliver to Buyer, any and all of Seller's right, title, and interest in, to and under the restaurant furniture, fixtures and equipment and smallwares described on Schedule A hereto (the "**FF&E**"), insofar at the Premises, but expressly excepting and excluding the Excluded Assets. All defined terms used in this Bill of Sale but not defined herein shall have the meanings ascribed to them in the Purchase Agreement.

SELLER HEREBY WARRANTS TO BUYER THAT SELLER IS THE LAWFUL OWNER OF THE FF&E AND THE FF&E IS FREE FROM THE RIGHTS AND CLAIMS OF OTHERS, BUT MAKES NO OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE FF&E, EXCEPT TO THE EXTENT SET FORTH IN THE PURCHASE AGREEMENT. SELLER MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE WITH RESPECT TO THE ASSETS, AND THE SAME ARE SOLD IN AN "AS IS, WHERE IS" CONDITION, WITH ALL FAULTS; AND (B) THERE ARE NO REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED.

TO HAVE AND TO HOLD the FF&E unto the Buyer, its successors and assigns forever.

This instrument shall be governed by, and construed in accordance with, the laws of the State of Oklahoma.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Bill of Sale as of November [], 2017.

SELLER: **CC OPS - EDMOND, LLC**, an Oklahoma limited liability company

By: _____

Name: William C. Liedtke III

Title: Manager

BUYER: **BTB EDMOND OPS LLC**, an Oklahoma limited liability company

By: _____

Name: Buck Warfield

Title: Manager

Schedule A

Furniture, fixtures and equipment and smallwares located at 1150 East 2nd Street, Edmond, Oklahoma including but not limited to the following:

The FF&E

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- 1 bin and leg
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Point of Sale System