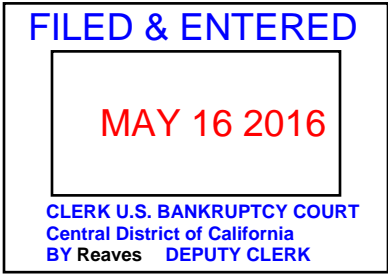


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Attorneys for Debtor,
DARIUS ENTERPRISES, LLC

CHANGES MADE BY COURT

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SAN FERNANDO VALLEY DIVISION**

In re
DARIUS ENTERPRISES, LLC,
Debtor and Debtor-in-Possession.

) CASE NO: 1:15-bk-12153-MB
)
) CHAPTER 11

) **ORDER GRANTING DEBTOR'S MOTION**
) **FOR AN ORDER:**
) **(1) APPROVING SALE OF REAL**
) **PROPERTY LOCATED AT 9621 CANOGA**
) **AVENUE, CHATSWORTH, CALIFORNIA**
) **91311 FREE AND CLEAR OF LIENS,**
) **CLAIMS, INTERESTS AND**
) **ENCUMBRANCES BUT SUBJECT TO**
) **ANY COVENANTS, CONDITIONS,**
) **RESTRICTIONS OR EASEMENTS WHICH**
) **MAY RUN WITH THE LAND PURSUANT**
) **TO 11 U.S.C. § 363 (b) AND (f);**
) **(2) FINDING THE BUYER IS A GOOD**
) **FAITH PURCHASER PURSUANT TO 11**
) **U.S.C. § 363 (m);**
) **(3) WAIVING THE STAY IMPOSED BY**
) **FED. R. BANKR. P. 6004(h);**
) **(4) APPROVING DISTRIBUTION OF**
) **SALE; AND,**
) **(5) APPROVING THE BACK-UP BIDDER**

) DATE: May 10, 2016
) TIME: 1:30 p.m.
) CTRM: 303
)
) 21041 Burbank Boulevard
) Woodland Hills, CA 91367

1 The *Motion for Order: (1) Approving Sale of Real Property located at 9621 Canoga*
2 *Avenue, Chatsworth, California 91311 Free and Clear Of Liens, Claims, Interests and*
3 *Encumbrances but subject to any Covenants, Conditions, Restrictions or Easements Which May*
4 *Run with the land Pursuant to 11 U.S.C. § 363 (b) and (f); (2) Finding the Buyer is a Good Faith*
5 *Purchaser Pursuant to 11 U.S.C. § 363 (M); (3) Waiving the Stat Imposed By Fed. R. Bankr. P.*
6 *6004(H); and (4) Approving Distribution of Sale Proceeds* (the “Motion”, Dkt. No. 194), came on
7 for hearing and auction (the “Auction”) on May 10, 2016, at 2:30 p.m., before the above-
8 referenced court (the “Court”), the Honorable Martin R. Barash, United States Bankruptcy Judge,
9 presiding (the “Sale Hearing”). R. Grace Rodriguez and Lesley B. Davis, of the Law Offices of
10 R. Grace Rodriguez, appeared on behalf of the Debtor, Darius Enterprises, LLC (the “Debtor”).
11 All other appearances were stated on the record.

12 The Court, having considered: (1) all papers filed in support of the Motion, including,
13 without limitation, the notice of the Motion, The Motion and the accompanying memorandum of
14 points and authorities, all declarations, and exhibits thereto, (2) the Purchase and Sale Agreement
15 (the “Sale Agreement”), a true and correct copy of which was attached as **Exhibit “1”** to the
16 Declaration of Craig Weisman in support of the Motion, (3) the papers and pleadings on file in this
17 case, ~~and~~ (4) all arguments, statements, and representations made by counsel and any other party
18 appearing at the hearing, and (5) the testimony of bidders Wilbur Cifuentes and Adam Saitman at
19 the May 10, 2016 hearing, and overbids having been received at the concurrent auction held May
20 10, 2016, hereby finds as follows:

- 21 1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §1334;
- 22 2. The Motion is a core proceeding pursuant to 28 U.S.C. §157(b)(2);
- 23 3. Venue of this proceeding and the Motion in this district is proper pursuant to 28
24 U.S.C. §§ 1408 and 1409;
- 25 4. The sale that is subject of the Motion (the “Sale”) may proceed pursuant to 11 U.S.
26 C. §§363(b) and (f).
- 27 5. The Sale Agreement and the terms and conditions set forth therein are fair,
28 reasonable, and appropriate.

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6. The parcel of real property commonly known as 9621 Canoga Avenue, Chatsworth, California 91311 (the “Property”) constitutes an asset of the Debtor’s bankruptcy estate (the “Estate”) pursuant to 11 U.S.C. §541(a);

7. As set forth in the order approving the bidding procedures entered by this court on April 12, 2016 (the “Bidding Procedures Order”) [Dkt. No. 186], the Debtor received one qualified overbid (the “Qualified Bid”) from Adam Saitman (“Saitman”) for the purchase of the Property. To that end, Saitman provided the Debtor with a deposit of \$90,000 (the “Saitman Deposit”). Wilber Cifuentes and Maria Arely Cifuentes were the initial bidders for the Auction (the “Purchasers” and/or the “Cifuentes”).

8. Told Partners, Inc., the real estate broker to the Estate, effectively and broadly marketed the Property for sale in accordance with industry practices and in a manner designed to elicit the highest and best offers for the Property;

9. The Auction for the sale of the Property was held on May 10, 2016, at 2:30 p.m., in Courtroom 303 of the United States Bankruptcy Court and was conducted by ~~before~~ the Court. The Cifuentes and Saitman were the only bidders who participated in the Auction;

10. The Auction was properly conducted pursuant to the terms and conditions set forth in the Bidding Procedures Order; and

11. Upon the conclusion of the bidding the Auction was closed, and the Cifuentes were designated as the successful purchasers of the Property, with a bid of \$910,000.00 (the “Purchase Price”).

12. Pursuant to 11 U.S.C. §363(m): (a) the Sale has been proposed in good faith, (b) the Sale is the result of an arms’ length transaction between the Debtor and its managing member, Masih Madani (“Madani”), on one hand, and the highest overbidder, the Cifuentes, and the back-up bidder, Saitman, on the other hand, and involves no collusion; and (c) each of Cifuentes, and Saitman has acted in good faith.

Based upon the above findings, and it appearing that no opposition or other response to the Motion has been filed or served by any party, that the Motion has been timely and properly served

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on all necessary parties, and that all parties in interest, whether or not present at the hearing, have been provided a full and complete opportunity to be heard in connection with the Motion, and good cause appearing therefor,

IT IS HEREBY ORDERED that:

1. The Motion is granted.
2. The Sale Agreement is approved but at the Purchase Price of \$910,000;
3. The Debtor is authorized to sell the Property to the Purchasers for the Purchase Price;
4. The sale of the Property shall be free and clear of all pledges, liens, security interests, claims, encumbrances, charges, options, and interests thereon and there against (collectively, the “Encumbrances”) in accordance with 11 U.S.C. §363(f), with such Encumbrances to attach to the net proceeds of the sale of the Property; however, the purchase shall be subject to any covenants, conditions, restrictions and easements which may run with the land.
5. The Purchasers are required to close the Sale on or before the fifteenth (15th) calendar day following the entry of this order (the “Sale Order”), if the Sale order has become final¹ (the “Closing Date”).
6. Saitman has agreed to serve as the back-up bidder for the Property with a purchase price of \$900,000.00 (the “Back-Up Bid”). Accordingly, the Debtor is authorized to retain the Saitman Deposit until five (5) business days after closing of the transactions with the successful bid.²
7. On or about January 13, 2016, the Purchasers delivered the initial deposit of \$23,000 (the “Purchasers Deposit”) to the escrow company. Subsequent to that time, Purchasers’ increased

¹ A Final Order shall mean an order or judgment entered on the Court’s official docket and which (a) has sufficient finality under applicable law to be appealable as of right, (b) has been entered on the court’s docket for a sufficient period of time such that the filing of any notice of appeal from it is subject to being dismissed as commencing an untimely appeal, (c) has not been reversed, (d) is not the subject of a pending motion seeking relief from it, reconsideration of it, or to alter or amend it, and (e) is not the subject of a pending appeal or a pending motion for review or rehearing on appeal for which a stay has been obtained.

² The term is further defined in the Bidding Procedures.

1 their initial deposit to \$129,000 (the “Purchasers New Deposit”). If the Purchasers fail to timely
2 close escrow on the terms set forth in the Bidding Procedures Order, and/or the Sale Order,
3 pursuant to paragraph 9 of the Addendum to the Purchase Agreement, the Purchasers New Deposit
4 in the amount of \$91,000 shall be forfeited in its entirety;

5 8. If the Debtor elects to sell the Property to Saitman as the back-up bidder, and
6 Saitman fails to close on the terms set forth in the Bidding Procedures Order, and/or the Sale Order,
7 pursuant to the “Return of Overbid Deposit” paragraph of the overbid procedures (docket no. 177,
8 p. 26), as approved by the Bidding Procedures Order, 25% of the Saitman Deposit shall be
9 forfeited;

10 9. Escrow is authorized and directed to pay the following claims, in full in accordance
11 with formal, written payoff demands (the “Payoff Demands”), from the proceeds of the sale of the
12 Property held in escrow upon the close thereof:

- 13 a. The claims asserted by secured creditor, CFS-4,III, LLC (“CFS”), the sum of
14 \$765,000;
- 15 b. The claims asserted by Peppertree Association, the sum of \$32,012.24;
- 16 c. The ~~priority~~ secured tax claims to Los Angeles County Treasurer and Tax Collector,
17 in the sum of \$9,067;
- 18 d. To Told Partners, the sum of \$22,750 on account of its selling brokers’ commission;
- 19 e. To A Team Realty Inc., the sum of \$22,750 on account of its selling brokers’
20 commission;
- 21 f. Any and all costs associated with the sale of the Property for which the Debtor is
22 liable under the Sale Agreement and applicable law, including, but not limited to,
23 escrow fees and title insurance, whether or not herein specified; and
- 24 g. All remaining funds from the sale of the Property are to remain in Escrow pending
25 further court approval.

26
27 10. The Purchasers and Saitman both constitute good faith purchasers pursuant to 11
28 U.S.C. §363(m) and are entitled to the protections associated therewith as: (a) the Purchasers and
Saitman are not insiders of the Debtor, (b) the Sale Agreement and the purchase and sale

1 transaction it memorializes are the result of an arm's length, good faith negotiation free of collusion
2 or duress, and (c) the Purchasers paid fair and reasonable consideration for the Property.

3 11. The stay provided by Rule 6004 (h) of the Bankruptcy Rules is hereby waived and
4 the instant order shall be deemed effective upon entry. The waiver of the 14-day stay imposed by
5 Rule 6004(h) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") is warranted
6 as (a) the sale of the Property pursuant to the Sale Agreement by the Closing Date, and (b) the
7 waiver of the stay shall not result in prejudice to any interested party, including, more specifically,
8 any creditor of the Estate.

9 12. This Court hereby retains jurisdiction to (a) interpret, enforce, and implement the
10 terms and conditions of the Sale Agreement and the provisions of this Order, and (b) resolve any
11 disputes, controversies, or claims in any way arising out of or relating to the Sale Agreement, the
12 Sale, or this Order.

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24 Date: May 16, 2016



Martin R Barash
United States Bankruptcy Judge