

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK**

**Hearing Date: May 11, 2017  
Hearing Time: 10:30 am**

-----X  
In re:

Case No. 17-40473 (NHL)  
Chapter 11

GLOBAL UNIVERSAL GROUP, LTD.,

Debtor.  
-----X

**NOTICE OF DEBTOR'S MOTION FOR AN ORDER APPROVING PRIVATE  
SALE OF THE DEBTOR'S COMMERCIAL REAL PROPERTY**

PLEASE TAKE NOTICE that, upon the application (the "Application") of GLOBAL UNIVERSAL GROUP, LTD. (the "Debtor"), by its attorneys, Spence Law Office, P.C., the Debtor shall move before the Honorable Nancy Hershey Lord, United States Bankruptcy Judge, at the United States Bankruptcy Court, Eastern District of New York, Conrad B. Duberstein Courthouse, 271-C Cadman Plaza East, Courtroom 3577, Brooklyn, NY 11201-1800, on the **11<sup>th</sup> day of May 2017, at 10:30 a.m.**, or as soon thereafter as counsel may be heard, for an order, pursuant to 11 U.S.C. §§ 363 and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure, for an Order approving the private sale of the Debtor's commercial property located at 34-20 Linden Place, Flushing, New York 11354 (a.k.a. 33-37 Farrington Street, Flushing, New York 11354) and known on the Queens County Tax Map as Block 4950, Lot 18, for a sale price of Twenty Million Five Hundred Thousand (\$20,500,000.00) Dollars, and related relief and for such other and further relief as the Court deems just and proper.

PLEASE TAKE FURTHER NOTICE that responding papers shall be filed and served upon Debtors' counsel Spence Law Office, P.C., Attention: Robert J. Spence, Esq., 55 Lumber Road, Suite 5, Roslyn, New York, 11576, with a copy to the Chambers of the Honorable Nancy Hershey Lord, United States Bankruptcy Judge, at the United States Bankruptcy Court, Eastern District of New York, Conrad B. Duberstein Courthouse, 271-C Cadman Plaza East, Brooklyn, NY 11201-1800, so as to be received by all foregoing parties not later than 4:00 p.m. Eastern Standard Time on May 5, 2017.

Dated: Roslyn, New York  
April 17, 2017

SPENCE LAW OFFICE, P.C.  
Attorneys for the Debtor

By: s/ Robert J. Spence

Robert J. Spence, Esq.  
55 Lumber Road, Suite 5  
Roslyn, New York 11576  
(516) 336-2060

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Chapter 11  
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GLOBAL UNIVERSAL GROUP, LTD.,

Debtor.  
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**MOTION TO APPROVE PRIVATE SALE OF PROPERTY**

GLOBAL UNIVERSAL GROUP, LTD., the Debtor herein, by its attorneys, Spence Law Office, P.C., respectfully alleges as follows:

**PRELIMINARY STATEMENT**

This is a motion under 11 U.S.C. §§ 363(b) to approve a sale of property (the “Sale Motion”) pursuant to an agreement dated November 10, 2016 and further memorialized in a Stipulation of Settlement (collectively, the “Agreement”) entered into by the Debtor and Linden Center, LLC (the “Purchaser”) for a property located at 34-20 Linden Place, Flushing, New York 11354 (a.k.a. 33-37 Farrington Street, Flushing, New York 11354) and known on the Queens County Tax Map as Block 4950, Lot 18 (the “Property”). The sale price is approximately Twenty Million Five Hundred Thousand (\$20,500,000.00) Dollars<sup>1</sup> (the “Sale Price”). The Property is a rental income Property. The Debtor believes that is in the best interests of the estate to sell the Property to the Purchaser as the proceeds of the anticipated sale will be sufficient to pay all non-insider claims of the estate.

**JURISDICTION, VENUE, AND STATUTORY PREDICATES**

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

2. Venue of this case is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief sought herein are sections 363(b), (f), and (m) of Title 11 of the United States Code (the “Bankruptcy Code”) and rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

### **BACKGROUND**

4. On February 2, 2017 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

5. The Debtor remains in possession of its assets and continues to manage its business as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

6. On the Petition Date, the Debtor filed its original bankruptcy schedules and statement of financial affairs [Docket No 1]. The Debtor’s bankruptcy schedules are referred to herein as the “Schedules.”

7. On April 16, 2017, the Debtor filed its Chapter 11 Disclosure Statement and its Chapter 11 Plan with the Bankruptcy Court. The Plan calls for payment in full of all allowed claims and is substantially funded by the sale of the Property.

#### **A. The Property**

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<sup>1</sup> The sale is subject to the amount due 33-37 Farrington LLC. Accordingly, the Sale Price may vary. For the purposes of this motion, the payoff amount is estimated to be \$16,500,000.00. The Debtor reserves all rights with respect to this claim.

8. In 2001, the Debtor acquired the Property for the sum of approximately \$2,525,000.00. The Property was paid for by the Debtor with cash and a purchase money mortgage from Asia Bank NA.

9. In 2004, the Debtor refinanced with Woori Bank in the principal amount of \$4,800,000.00 and again with Woori Bank in 2006 for \$9,100,000.00 through a CEMA (consolidation, modification and extension agreement) (the “2006 CEMA”). The Woori Bank Note and Mortgage from the 2006 CEMA were assigned multiple times and the Note and Mortgage are currently alleged to currently be in the possession of 33-37 Farrington, LLC (“Farrington”) who acquired the loan in or about January 2016.

10. Farrington contends that the current balance owed on the Note is \$16,680,634.10 through April 30, 2017. However, Farrington includes over \$200,000 in additional attorneys fees over and above the \$26,500 awarded in the Foreclosure Judgment.

11. At a minimum, the Debtor disputes the additional attorney’s fees sought by Farrington. The Debtor has also disputed the claim in its appeal of the Farrington Foreclosure Judgment which was pending at the time of the bankruptcy filing.

12. Since acquiring the Property in 2001, the Debtor and the Debtor’s principals invested approximately \$15,000,000 in renovating the Property in order to entice high quality tenants to lease the 73,000 square feet of rentable space. The rentable area consists of one commercial space and one community facility space.

13. The Property has been appraised by CBRE and, as of December 21, 2016, it is estimated to have a fair market value of \$21,400,000.00.

**B. Pre-Petition Litigation Regarding the 2006 CEMA**

14. Woori America Bank commenced the foreclosure action in 2012, alleging default by the Debtor. Thereafter, the Debtor and Woori America Bank worked out a deal whereby MRC RE Holdings LLC was brought in to provide the Debtor with a short-term bridge loan whereby SDF19 or its affiliate would purchase the subject loan at a discount from Woori America at a reduced rate of \$5,850,000 from the \$7,022,935.52 in principal remaining due on the loan. SDF 19 would then take back a promissory note and mortgage from the Debtor in the amount of \$6,750,000.

15. On or about On October 29, 2015, the Debtor entered a contract of sale of the Property to Linden Center LLC to pay off the Judgment. Given the prior negotiated payoff of \$7.7 million from SDF19, the purchase price was set at \$14.5 million dollars, taking in to account additional interest and real estate taxes.

16. The closing on the contract of sale to Linden Center LLC had a time of the essence closing date of December 28, 2015.

17. Needing assurances to cover the conditions of a “drop dead date” from SDF19 just in case Linden Center LLC was unable to timely close, the Debtor was introduced to J & B Grand Land Realty LLC (“J&B”) as a potential provided of bridge financing to satisfy SDF19.

18. On or about November 25, 2015, the Debtor presented an agreement to J&B entitled “*Non-Disclosure Agreement Between J & B Grand Land Realty LLC and Global Universal Group, LTD*” (the “NDA”). The Debtor, J & B and the following members and attorneys for J & B signed the agreement: Liu Yun Chen, Xian Feng (“Bill”) Zou, Esq., Andy Chan (aka “Wing Fung Chan”), Amy Shi, Wilson Shum, and Lana Choy (Summit Associates). Thereafter, the Debtor spent three weeks of negotiations with J & B for a bridge loan and allowed J & B and its members and attorneys access to confidential information, including but not limited to: access to the Property and meetings

with tenants and disclosure of confidential information regarding the Debtor's financials, confidential information regarding payoff negotiations with SDF and the Debtor's contract of sale of the Property to Linden Center LLC.

19. Unbeknownst to the Debtor, Wing Fung Chan, Liu Yun Chen, and Xian Feng Zou, Esq. formed 33-37 Farrington LLC on December 16, 2015 for the sole purpose of purchasing the note and mortgage from SDF. In or about January 2016, Farrington finalized the purchase of the mortgage note from SDF in direct competition with the Debtor and in clear violation of the NDA. According to discovery provided by Farrington, Hui Chen, Song Lin and Yao Zhang – known associates and relatives of the parties who signed the NDA - are members of Farrington.

20. The NDA, at a minimum required Wing Fung Chan, Liu Yun Chen, and Xian Feng Zou to hold and maintain the confidential information for the sole and exclusive benefit of the Debtor. Certainly, that meant that they were not supposed to pose as lenders to provide a bridge loan and then purchase the subject loan for their own benefit.

21. The Debtor submits that but for the breach of the NDA by the Farrington parties, the Debtor would have closed the loan with Linden Center LLC and received a surplus of approximately \$6,000,000.00 and avoided, at a minimum, another year of defending the Foreclosure Action and the filing of this bankruptcy case.

22. On or about November 14, 2013, the State Court issued an order of reference (the "Order of Reference") in the Foreclosure Action. Thereafter, the court appointed referee submitted his report in September 29, 2014, wherein he determined that principal of \$7,022,935.52 was owed by the Debtor on account of the CEMA as of the date of default in 2011. He also determined that interest prior to the default from 3/1/11-5/1/11 at the rate of 2.75% was due in the amount of

\$33,261.14 (62 days @ \$536.47/day) and interest after default for the period 5/2/11-3/20/14 at the rate of 18% was due in the amount of \$3,701,089.38 (1,054 days @ \$3,511.47/day).

23. On December 6, 2016, the Court signed the amended judgment of foreclosure (the “Farrington Foreclosure Judgment”) which was entered on December 13, 2016. The Farrington Foreclosure Judgment awarded Farrington a judgment in the amount of \$10,757,286.04 with interest thereon at \$3511.47/day (which is the default rate of 18%) from March 20, 2014 along with attorneys fees of \$26,465.00 and other costs of \$550.00. The Debtor appealed the Farrington Foreclosure Judgment and the appeal was pending at the time of the chapter 11 bankruptcy filing.

24. Farrington scheduled a sale date of February 3, 2017 and the Debtor filed the days before thus staying the sale.

25. On or about January 27, 2017, the Debtor commenced a lawsuit in Supreme Court, Queens County, against Farrington and its members, its counsel, its broker and affiliates entitled Global Universal Group Ltd. v. Wing F Chau, Hui Chen, Liu Y Chen, Song Lin, Yao Zhang, Xian F Zou, 33-37 Farrington LLC, J & B Grand Land Realty LLC, Maxim Credit Group, LLC (Index No. 701351) (the “State Court Action”). The causes of action include breach of contract, tortious interference with economic relations, and attorneys fees.

### **C. The Linden Center LLC Specific Performance Action**

26. Because of the Debtor’s inability to close, Linden Center LLC commenced an action in Queens Supreme Court for, among other things, breach of contract and specific performance. After significant motion practice, the parties reached a settlement wherein Linden Center LLC was awarded specific performance on renegotiated terms and conditions. The sale terms were memorialized in a certain Stipulation of Settlement by and between Debtor and Purchaser dated

November 29, 2016 and filed in the Specific Performance Action. A copy of the Stipulation is annexed hereto as **Exhibit A**. There was a separate confidential agreement by and between the parties which contained certain terms of the sale and other confidential and proprietary information.

**D. The Property and Proposed Sale**

27. As disclosed in the Debtor's schedules, the Property is owned wholly by the Debtor. A copy of the deed is annexed hereto as **Exhibit B**.

28. The estate's primary asset is the Debtor's interest in the Property, a one commercial space and one community facility space property<sup>2</sup>.

**E. The Terms of Sale**

29. The Stipulation of Settlement referenced a certain separate confidential agreement by and between the parties which contained certain terms of sale and other proprietary and confidential information. The material sale terms of the Property are summarized as follows:

Condition of Property: Purchaser is accepting the Property "As Is" subject to the current condition and any violations;

Down-Payment: Pursuant to the Stipulation of Settlement, Purchaser paid the sum of \$1,450,000.00 to the Debtor as a down payment. The Purchaser agreed that this sum was to be released immediately to the Debtor upon receipt.

Sale Price: Purchaser must pay a sale price equal to the sum of all valid and allowed secured claims against the Property, including but not limited to mortgages, real

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<sup>2</sup> The Debtor's other assets include but are not limited to cash on hand, claims against Farrington and affiliated parties of Farrington, and avoidance actions which the Debtor is reviewing.



estate tax arrears, fines for violations and, in addition, pays all closing costs, plus a “net” to the Debtor of \$3,500,000.00. The sum of the liens and costs are estimated to be \$17,000,000.00. So, the Debtor estimates a Sale Price of at least \$20,500,000. Since the transfer of the Property is expected to be in connection with a confirmed Plan, the transfer taxes of approximately \$538,125.00 will not be due and payable as provided in 11 U.S.C §1146.

Miscellaneous: There are other closing/post-closing confidential terms which include certain additional options and consideration to the parties. The gross proceeds and “net” proceeds to the Debtor from the sale would be sufficient to pay all allowed claims against the Debtor. Therefore, since the payment of all allowed claims is a condition precedent to any additional options and consideration, the Debtor considers the additional options and consideration proprietary and confidential and of no event to any other party in interest in this case.

30. It is respectfully submitted that based upon the appraisal and the payment of closing costs by the Purchaser, that the sale price of approximately \$20,500,000 is close to what the Debtor would receive at auction after the payment of auctioneer expenses and closing costs. Moreover, it is expected that the contemplated sale will be the quickest and most cost-effective way to sell the Property and to pay all allowed claims in this case. Interest is accruing at a rate of more than \$4,000 per day.

31. Purchaser has provided the Debtor with a firm signed commitment from its lender and has otherwise advised the Court and the Debtor that it is ready to close. Accordingly, there appears to be no impediment or material condition that will delay the closing.

32. Notwithstanding the foregoing, in the event the Purchaser is unwilling unable to complete the sale, the Debtor is prepared and reserves its rights to retain the down-payment from Purchaser and to proceed to sell the Property at public auction to the bidder with the highest and best offer.

#### **F. Liens and Claims**

33. The deadline to file proofs of claim in this case is May 19, 2017.

34. The following parties have asserted secured claims against the Property: Farrington, New York City Department of Taxation and Finance, and lien holder NYTL Tax.

35. There are also expected other claims for current real estate taxes, Department of Building and Environmental Control Board and attorneys fees in the aggregate estimated amount of \$200,000.00.

36. Based on the amounts the Debtor will need to satisfy claims at closing, there will be a surplus of more than \$3,200,000 even if the Debtor has to pay Farrington's full claim.<sup>3</sup>

<u>Claimant</u>	<u>Amount</u>
FARRINGTON	\$16,500,000.00
NYCDOF	\$105,000.00
NYTL Tax	\$230,000.00
Other (RE Tax, DOB, ECB, attys fees) (est)	\$200,000.00
<b>TOTAL</b>	<b>\$17,035,000.00</b>

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<sup>3</sup> Farrington has not yet filed a claim but has advised that it will demand at least \$16,680,000 which includes \$200,000 more in attorneys fees than it was awarded in the Farrington Foreclosure Judgment entered in December 2016 and additional interest through April 30, 2017 at over \$4,000 per day. The Debtor disputes the additional attorneys fees and reserves its rights to dispute the Farrington claim when filed. The Debtor also disputes a large portion of the claim based on the interest awarded in the Farrington Foreclosure Judgement. This is the subject of the appeal filed by the Debtor.

**RELIEF REQUESTED AND BASIS FOR RELIEF REQUESTED**

37. By this Sale Motion, the Debtor requests authority, pursuant to section 363 of the Bankruptcy Code, to sell the estate's interest in the Property, free and clear of all Liens, pursuant to the terms of sale with Linden Center LLC.

**A. The Private Sale of the Property Should be Approved**

38. Section 363(b) of the Bankruptcy Code provides that “[t]he trustee [or Debtor], 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). Although section 363 does not set forth a standard for determining when it is appropriate for a court to authorize the sale or disposition of a debtor's assets, the United States Court of Appeals for the Second Circuit, in applying this section, has required that it be based upon sound business judgment. See Motorola, Inc. v. Official Comm. of Unsecured Creditors (In re Iridium Operating LLC), 478 F.3d 452, 466 (2d Cir. 2007) (quoting Committee of Equity Security Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1071 (2d Cir. 1983)); Official Comm. of Unsecured Creditors of LTV Aerospace & Defense Co. v. LTV Corp. (In re Chateaugay Corp.), 973 F.2d 141, 145 (2d Cir. 1993); Parker v. Motors Liquidation Co. (In re Motors Liquidation Co.), 430 B.R. 65, 83 (S.D.N.Y. 2010) (“The overriding consideration for approval of a Section 363 sale is whether a ‘good business reason’ has been articulated.” (citations omitted)).

39. In addition to requiring sound business reasons to approve a sale pursuant to section 363(b) of the Bankruptcy Code, many courts have required a showing that the price to be obtained for assets be fair and reasonable; that the sale to the proposed purchaser was negotiated in good faith;

and that it does not unfairly benefit insiders, the purchaser, or a certain creditor or class of creditors. See, e.g., In re Channel One Communications, 117 B.R. at 494-97; In re Indus. Valley Refrig. & Air Cond. Supplies, Inc., 77 B.R. 15 (Bankr. E.D. Pa. 1987).

40. The sale is to a non-insider third party and the Agreement was negotiated by and between parties who were in litigation and were represented by their own counsel. No one is unfairly benefitted by the contemplated transaction.

41. Under Bankruptcy Rule 6004(f)(1), “[a]ll sales not in the ordinary course of business may be by private sale or by public auction.” FED. R. BANKR. P. 6004(f)(1). Here, the Debtor is exercising sound business judgment by selling the Property at the proposed private sale because the Debtor believes that it has received the highest and best offer already and because the sale as proposed benefits all interested parties of the estate.

42. For these reasons the Debtor respectfully requests that the Debtor be authorized to proceed with the private sale.

#### **B. The Property Should be Sold Free and Clear of Liens**

43. The Debtor seeks approval of the sale of the Property free and clear of all liens and for authority to satisfy certain liens at the closing.

44. Property may be sold outside the ordinary course of business under section 363(b) of the Bankruptcy Code, free and clear of all liens, claims and encumbrances under Bankruptcy Code section 363(f), only if:

1. applicable non-bankruptcy law permits 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).

45. Accordingly, a Debtor may sell property of a bankruptcy estate outside the ordinary course of business if one of the five conditions under Bankruptcy Code § 363(f) is satisfied. See In re Grubb & Ellis Co., Case No. 12-10685 (MG), 2012 Bankr. LEXIS 1279, at \*31 (Bankr. S.D.N.Y. Mar. 27, 2012) (discussing Bankruptcy Code § 363(f)); In re Borders Group, Inc., 453 B.R. 477, 483–84 (Bankr. S.D.N.Y. 2011) (discussing Bankruptcy Code § 363(f)).

46. Here, the Debtor believes that the sale price of the Property exceeds any liens against the Property and any claims against the estate by non-insiders. The Debtor intends to satisfy the mortgage and any outstanding real estate taxes, utilities, and similar charges from the sale proceeds at closing. To the extent there are any other liens, the Debtor seeks to sell the Property free and clear of such liens. The Debtor will provide all potential holders of liens with notice of this Sale Motion and they will have an opportunity to object to the relief requested in this Sale Motion. Any entity that does not object to the Sale Motion shall be deemed to have consented. See, e.g., Futuresource LLC v. Reuters, Ltd., 312 F.3d 281, 285-86 (7th Cir. 2002) (standing for the proposition that the lack of an objection to a proposed sale of assets counts as consent); Hargrave v. Township of Pemberton (In re Tabone, Inc.), 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (failure to object to sale free and clear of liens, claims and encumbrances satisfies section 363(f)(2)); In re Elliot, 94 B.R. 343, 345 (Bankr. E.D. Pa. 1988) (citing In re Gabel, 61 B.R. 661 (Bankr. W.D. La. 1985)); see also In re Enron Corp.,

2003 WL 21755006 at \*2 (AJG) (Bankr. S.D.N.Y. 2003) (order deeming all parties who did not object to proposed sale to have consented under section 363(f)(2)). Therefore, if a party holding a Lien on the Property who received notice fails to object to the sale, the Debtor's sale of the Property free and clear of all liens satisfies section 363(f)(2) of the Bankruptcy Code.

**C. The Purchasers Shall Be Entitled To 363(m) Protection**

47. Section 363(m) of the Bankruptcy Code protects good faith purchasers at sales conducted under section 363(b) by providing that:

The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale 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).

48. Although the Bankruptcy Code does not define good faith, the United States Court of Appeals for the Second Circuit has provided the following definition of good faith in the context of sales under section 363 of the Bankruptcy Code:

Good faith of a purchaser is shown by the integrity of his conduct during the course of the sale proceedings; where there is a lack of such integrity, a good faith finding may not be made. A purchaser's good faith is lost by fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders. . . . As just defined, the good-faith analysis is focused on the purchaser's conduct in the course of the bankruptcy proceedings.

Licensing by Paolo v. Sinatra (In re Gucci), 126 F.3d 380, 390 (2d Cir. 1997) (quotations and citations omitted); see In re Motors Liquidation, 430 B.R. at 78 (relying on Gucci definition of good faith in this context).

49. The Debtor submits that the sale to the Purchaser is an arm's length transaction and that the Purchaser is a good faith purchaser of the Property.

50. Accordingly, the Debtor respectfully requests that the Purchaser be afforded the protections under section 363(m) of the Bankruptcy Code.

#### **D. Waiver of Stay**

51. Under Bankruptcy Rule 6004(h), orders authorizing the sale of a debtor's assets under section 363(b) of the Bankruptcy Code are "stayed until the expiration of 14 days after entry of the order" authorizing such sale. FED. R. BANKR. P. 6004(h). Bankruptcy Rule 6006(d) similarly provides that orders authorizing the assignment of an unexpired lease under section 365(f) of the Bankruptcy Code are stayed for 14 days, unless the court orders otherwise. FED. R. BANKR. P. 6006(d).

52. A waiver of the stay requirement under Bankruptcy Rule 6004(h) will relieve the Debtor's estate of any financial burdens associated with the Property and reduce the expenditure of additional funds to maintain the Property. Additionally, such a stay could further delay the date that a new owner can take possession and control of the Property and thus could chill the sale. Conversely, the waiver of the stay will allow for a smoother transition for the new owner and unburden the Debtor and the estate from any obligations arising from the Property. Moreover, based on the representations of Farrington's counsel, the Judgment is accruing interest at the rate of more than \$3500 per day.

53. For these reasons, the Debtor respectfully requests that the Court waive the requirement under Bankruptcy Rule 6004(h).

#### **E. Tax Exempt**

54. The Debtor's Plan expressly contemplates the sale of the Property on or after the Effective Date of the Plan. The post-Effective Date sale shall therefore not be taxed under any law imposing a stamp or similar tax as provided for in Section 1146(a) of the Bankruptcy Code including (a) the transfer of the Property; (b) the creation of any mortgage, deed of trust, lien, pledge or other security interest; (c) the making or assignment of any contract, Lease or sublease; or (d) the making or delivery of any deed or other instrument or transfer under, in furtherance of, or in connection with the Plan. All such transfers, assignments and sales will not be subject to any stamp tax, or other similar tax held to be a stamp tax or other similar tax by applicable law

#### **F. Notice**

55. Bankruptcy Rule 2002(a) requires that notice of motions under Bankruptcy Code section 363(b) be given to "the debtor, the trustee, all creditors and indenture trustees . . . ." FED. R. BANKR. P. 2002(a). Accordingly, this Sale Motion shall be served on the following parties: (a) all known holders of liens against the Property; (b) all known holders of judgments against the Debtor; (c) the Purchasers' attorney (d) the Debtor's creditors; (g) all government agencies and taxing authorities required to receive notice of proceedings under the Bankruptcy Rules; (h) all parties that have filed a notice of appearance in the Debtor's case.

56. It is respectfully requested that the Court enter an Order substantially similar to the Order annexed hereto as **Exhibit C**.

57. No prior application for the within relief has been made to this or any other Court.

WHEREFORE, the Debtor respectfully requests an order pursuant to 11 U.S.C. §363(b) allowing the Debtor to sell the Property to the Purchaser and to pay all costs of closing, and for



such other and further relief as this Court deems just and proper.

Dated: Roslyn, New York  
April 17, 2017

SPENCE LAW OFFICE, P.C.  
Attorneys for the Debtor

By: s/ Robert J. Spence  
Robert J. Spence, Esq.  
55 Lumber Road, Suite 5  
Roslyn, New York 11576  
(516) 336-2060

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF QUEENS

-----X Index No. 701921/2015  
AI YING ZHENG and LINDEN CENTER LLC,

Plaintiff,  
- against -

STIPULATION OF  
SETTLEMENT

GLOBAL UNIVERSAL GROUP, LTD. and  
DAVID WONG,

Defendants.  
-----X

WHEREAS, on or about February 18, 2016 the Plaintiff, AI YING ZHENG and LINDEN CENTER LLC, (hereinafter, "Plaintiff") having commenced this action against Defendant, GLOBAL UNIVERSAL GROUP, LTD and DAVID WONG, (hereinafter, "Defendant") for, among other things, specific performance to compel the sale of real property, to wit, a commercial property located at 34-20 Linden Place and 33-37 Farrington Street in the County of Queens, City and State of New York (the "Property"), Block #4950 Lot #18 pursuant a Contract of Sale dated October 29, 2015;

WHEREAS, Plaintiff stipulated to discontinue this action and dismiss all claims as against David Wong before the Court on July 22, 2016; and

WHEREAS, on August 23, 2016, September 2, 2016 and October 5, 2016 settlement conference of this action before the Honorable Justice Ritholtz to resolve issues of fact and law and to facilitate settlement; and

WHEREAS, the parties agree to settle this matter pursuant to agreement attached hereto as Exhibit A, which should remain confidential and not be subject to the electronic filing requirements; and

WHEREAS, one million four hundred fifty thousand dollars (\$1,450,000.00)

representing the down-payment paid on the aforementioned Contract of Sale should be applied as consideration to the agreement attached as Exhibit A and the parties herein direct the escrowee to immediately release said funds to Global Universal Group, Ltd and the parties release escrowee from the contract of sale;

NOW THEREFORE, in consideration of the covenants and agreements contained in this Stipulation of Settlement, it is agreed as follows:

1. Plaintiff is hereby granted specific performance subject to the agreement herein;  
and
2. That Linden Center LLC is the real buyer in the contract of sale and that the title is to be deeded in its name; and
3. Parties enter into a Stipulation of Discontinuance; and
4. Plaintiff and Defendant hereby represent that they are authorized by their respective entities to enter into this Stipulation on their behalf.

Dated: November 29, 2016

Linden Center LLC


By: 

Global Universal Group Ltd.

By: 

By: 

Kevin Kerveng Tung, Esq.  
KEVIN KERVENG TUNG, P.C.  
*Attorneys for Plaintiff*  
136-20 38<sup>th</sup>, Suite 3D  
Flushing, New York 11354  
(718) 939-4633

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VICTOR TSAI, ESQ.  
*Attorneys for Defendant*  
562 Coney Island Avenue  
Brooklyn, NY 11218  
(212) 625-9028

SO ORDERED:

J.S.C.