

**LaMonica Herbst & Maniscalco, LLP**  
3305 Jerusalem Avenue, Suite 201  
Wantagh, New York 11793  
Tel: 516.826.6500  
Salvatore LaMonica, Esq.  
Jacquelyn S. Loftin, Esq.  
*Counsel to Allan B. Mendelsohn, Chapter 11 Operating Trustee*

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

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In re:	Chapter 11
HAMPTON TRANSPORTATION VENTURES, INC.,	Case Nos. 15-73837 (AST)
<i>dba</i> HAMPTON LUXURY LINER, SCHOOLMAN	16-71172 (AST)
TRANSPORTATION SYSTEM, INC., <i>aka</i> CLASSIC	16-71189 (AST)
COACH, and 1600 LOCUST AVENUE ASSOCIATES,	
LLC,	Jointly Administered
Debtors.	
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**MOTION OF THE CHAPTER 11 OPERATING TRUSTEE FOR ENTRY OF AN ORDER AUTHORIZING AND APPROVING: (I) THE SALE AGREEMENT DATED OCTOBER 13, 2016 BY AND BETWEEN THE TRUSTEE AND M & V LIMOUSINES LTD. FOR THE SALE OF INTELLECTUAL PROPERTY AND CERTAIN PERSONAL PROPERTY, FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES, WITH SUCH LIENS, CLAIMS AND ENCUMBRANCES TO ATTACH TO PROCEEDS OF SALE, SUBJECT TO HIGHER AND BETTER OFFERS; (II) THE BID PROCEDURES THAT ESTABLISH THE TERMS AND CONDITIONS FOR THE AUCTION SALE OF THE ASSETS; AND (III) FOR RELATED RELIEF**

**TO: HONORABLE ALAN S. TRUST  
UNITED STATES BANKRUPTCY JUDGE**

Allan B. Mendelsohn, the Chapter 11 Operating Trustee (the “Trustee”) of the estates of Hampton Transportation Ventures, Inc., *dba* Hampton Luxury Liner (“Hampton”), Schoolman Transportation System, Inc., *aka* Classic Coach (“Schoolman”), and 1600 Locust Avenue Associates, LLC (“Locust”) (collectively the “Debtors”), by his counsel, LaMonica Herbst & Maniscalco, LLP, hereby submits this motion (the “Motion”) seeking the entry of an Order, pursuant to 11 U.S.C. §§ 105(a) and 363 (the “Bankruptcy Code”) and Rules 2002 and

6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), authorizing and approving: (i) the Sale Agreement dated October 13, 2016 (the “Sale Agreement”)<sup>1</sup> by and between the Trustee and M&V Limousines Ltd. (the “Purchaser”), annexed to this Motion as Exhibit “A”, which provides for terms and conditions of the sale of the estates’ interest in the intellectual property and certain other personal property of the Hampton and Schoolman as set forth on Schedule “A” of the Sale Agreement (the “Assets”) for the purchase price of \$60,000.00, free and clear of all liens, claims and encumbrances (the “Liens”), if any, with such Liens to attach to the proceeds of sale in the same priority and extent as they existed on the dates the Debtors filed for bankruptcy, subject to higher or better offers; (ii) the bid procedures (the “Bid Procedures”) for the auction sale (the “Auction Sale”) of the Assets; and (iii) granting such other and further relief as this Court deems necessary, and respectfully states as follows:

**JURISDICTION, VENUE, AND STATUTORY PREDICATES**

1. 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)(2)(A).
2. Venue of this case is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory predicates for the relief sought in this Motion are Bankruptcy Code §§ 105(a), 363(b), (f) and (m), Bankruptcy Rule 6004, and Local Rules 6004-1 and 9077-1(c).

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Sale Agreement and/or the Bid Procedures.

## **BACKGROUND**

### **A. Procedural Background**

4. On September 8, 2015, Hampton filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of New York (the “Court”).

5. On March 18, 2016, Schoolman filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the Court.

6. On March 21, 2016, 1600 Locust filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the Court.

7. On May 2, 2016, the Court entered an Order directing joint administration of the Debtors’ cases [Doc. No. 58].

8. On May 2, 2016, the Court entered an Order directing the appointment of a Chapter 11 Trustee [Doc. No. 59].

9. On May 11, 2016, the Court entered an Order approving the appointment of Allan B. Mendelsohn as Chapter 11 Trustee of the Debtors’ estates [Doc. No. 70].

10. The Trustee has since duly qualified and is the permanent Chapter 11 Trustee of the Debtors’ estates.

11. No examiner has been appointed and no official committee of unsecured creditors has been formed in these cases.

### **B. The Debtors’ Operations and the Vehicles**

12. Hampton and Schoolman were in the business of offering first class motor coach service in the tristate area (the “Business”). Hampton and Schoolman operated out of the real

property located at 1600 Locust Avenue, Bohemia New York, which real property is owned by 1600 Locust and leased to Hampton and Schoolman.

13. The Vehicles are comprised of twenty-four coach buses, one trolley, two mini-buses, and one simulator utilized by Hampton and Schoolman in the operation of the Business. Big Shoulders Capital LLC (“BSC”) has a first priority lien against certain of the vehicles.

14. Hampton and Schoolman continued operating the Business subsequent to their respective bankruptcy filings, and thereafter the Trustee continued to operate the Business on the interim basis. The Trustee determined, however, that a sale of the vehicles was in the best interests of the estates. Accordingly, the Trustee is in the process of selling the vehicles in accordance with the Court Order entered on September 28, 2016 approving, among other things, the terms and conditions governing the sale of the Debtors’ vehicles.

15. Since the shutdown of operations, the Trustee, on behalf of the Debtors’ estates, has solicited offers for the Assets. The Trustee was approached by the Purchaser seeking to purchase the Assets, consisting primarily of intellectual property, including, but not limited to, the telephone numbers and websites of Hampton and Schoolman, the Hampton Trademark, service contracts and other certain office equipment as set forth in the Sale Agreement. *See* Sale Agreement, Schedule A.

**C. The Sale Agreement**

16. The Sale Agreement sets forth the terms and conditions under which the Purchaser will acquire the Assets. The salient terms of the Sale Agreement are set forth below. All parties are directed to review the Sale Agreement for its precise terms.

17. In pertinent part, the Sale Agreement provides for a Purchase Price of \$60,000.00 with a Deposit of \$20,000.00, which the Trustee is currently holding pending the Court’s

approval of a sale. The Purchaser is obligated to tender the balance of the Purchase Price at the Closing. The Purchaser is also responsible for any relicensing and/or transfer fees in connection with the transfer of the estates' rights under any services contracts with software providers. Moreover, the sale is not subject to any financing contingency and will remain subject to higher or better offers.

18. The Assets are being sold in "As Is" Condition, and includes all of the estates' right, title and interest in and to the Assets, and shall be free and clear of all the Liens, with such Liens, if any, to attach to the proceeds of the sale in the same amount and priority as they existed as of the bankruptcy filings in accordance with Bankruptcy Code § 363.

**D. Bid Procedures and Auction Sale**

19. The Sale Agreement expressly states that the sale is subject to higher or better offers that may be tendered at the Auction Sale pursuant to the terms of the Bid Procedures. The salient terms of the Bid Procedures are set forth below, but all parties are encouraged to read the Bid Procedures in their entirety.

20. In an effort to tender the highest and best offer, the Trustee will continue to market the Assets until the Auction Sale. Specifically, the Trustee intends to advertise the Auction Sale in Newsday, as well as circulate the Bid Procedures to those known third-party operators in the Debtors' industry. This will ensure that the Trustee will maximize the value of the Assets and obtain the highest and best offer. The Trustee expects to conduct the Auction Sale at the Bankruptcy Court in mid to late November with the hearing seeking the confirmation for the sale of the Assets (the "Sale Confirmation Hearing") immediately thereafter (if not the same day), subject to the Court's approval and schedule.

21. Under the terms of the proposed Bid Procedures, any Competing Offeror, who seeks to participate in the Auction Sale, must, among other things, deliver to the Trustee a Qualified Deposit of fifteen thousand dollars (\$15,000.00) prior to the commencement of the Auction Sale, which shall serve as a partial good faith deposit against payment of the purchase price. Further, at the Auction Sale, each Competing Offeror must agree to pay a minimum Competing Bid of seventy five thousand dollars (\$75,000.00) with minimum Bid Increments of \$5,000.00 higher than the previous bid. The Trustee, in his sole discretion, reserves his right to change these Bid Increments as he deems necessary.

22. The Trustee believes that the Sale Agreement provides an appropriate framework for selling the Assets in an orderly and timely fashion. Equally as important, the proposed Bid Procedures will enable the Trustee to review, analyze and compare other Competing Bids, if any, to determine which bid represents the highest or best offer made for the Assets. The sale of the Assets is subject to confirmation by the Court. Upon confirmation of the sale of the Assets, the Trustee will move forward to close on the sale of the Assets immediately.

### **LEGAL AUTHORITY FOR THE RELIEF REQUESTED**

#### **A. The Sale Should be Approved**

23. The Trustee submits that the sale of the Assets, in accordance with the Sale Agreement and the proposed Bid Procedures, will provide the estate with an opportunity to realize the greatest value from the Assets, as the sale is subject to higher and better offers pursuant to the Bid Procedures.

24. Bankruptcy Code § 105(a) provides, in relevant part: “The court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” *See* 11 U.S.C. §105(a).

25. Further, Bankruptcy Code § 363(b) 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, . . .” See 11 U.S.C. § 363(b)(1).

26. The United States Court of Appeals for the Second Circuit, in applying Bankruptcy Code § 363, has required that approval of such sales be based upon the sound business judgment of the trustee. 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)); *In re Chateaugay Corp.*, 973 F.2d 141, 145 (2d Cir. 1992); *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)). The terms of such sale are also generally within the sound discretion of the trustee. See *In re Dial-A-Mattress Operating Corp.*, 2009 Bankr. LEXIS 1801, at \*12 (Bankr. E.D.N.Y. June 24, 2009); *In re Ionosphere Clubs*, 100 B.R. 670 (Bankr. S.D.N.Y. 1989).

27. The instant sale is permissible as Bankruptcy Rule 6004(f)(1) provides in relevant part that “[a]ll sales not in the ordinary course of business may be by private sale or by public auction.” Chapter 7 Trustees often exercise authority to sell debtors’ assets. *In re Stein*, 281 B.R. 845, 848 (Bankr. S.D.N.Y. 2002 (discussing the chapter 7 trustee’s right to sell the assets of the debtor under the Bankruptcy Code); *In re Bakalis*, 220 B.R. 525, 531-32 (Bankr. E.D.N.Y. 1998) (explaining the chapter 7 trustee’s authority to conduct the sale of the debtor’s assets).

28. The Trustee has substantial business justification for the proposed sale of the Assets. The Trustee believes that a sale in accordance with the terms of the Sale Agreement and

the proposed Bid Procedures will enable the estates to provide for an expeditious sale of the Assets and the potential to realize proceeds for distribution to the Debtors' creditors.

29. For these reasons, the Trustee, in the exercise of his reasonable business judgment, recommends that the Court authorize and approve the Sale Agreement and permit the Trustee to proceed with the Auction Sale in accordance with the proposed Bid Procedures.

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

30. In accordance with Bankruptcy Code §363(f), the Sale Agreement and the Bid Procedures, the Trustee requests that he be authorized to sell the Assets free and clear of the Liens with such Liens to attach to the proceeds of Sale.

31. Pursuant to Bankruptcy Code § 363(f), a trustee may sell property under the Bankruptcy Code free and clear of liens, claims, encumbrances and other interests, provided that: (a) applicable non-bankruptcy law permits the sale of the property free and clear of such interests; (b) the entity holding the lien, claim, encumbrance or interest consents to the sale; (c) the 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 the property; (d) the interest is in bona fide dispute; or (e) the entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of its interest. *See* 11 U.S.C. § 363(f). *See Smart World Techs., LLC v. Juno Online Servs. (In re Smart World Techs., LLC)*, 423 F.3d 166, 169 n. 3 (2d Cir. 2005) (holding Bankruptcy Code § 363 permits sales of assets free and clear of claims and interests, thus allowing purchasers to acquire assets without any accompanying liabilities); *In re Dundee Equity Corp.*, No. 89-B-10233, 1992 WL 53743, at \*3 (Bankr. S.D.N.Y. Mar. 6, 1992) (“Section 363(f) is in disjunctive, such that the sale of the interest concerned may occur if any one of the conditions of § 363(f) have been met”).



32. For the reasons already set forth above, the Trustee requests that he be authorized to sell the Assets free and clear of all Liens. The Trustee, on behalf of the Debtors' estates, in the exercise of his reasonable business judgment, recommends that the Court approve the sale of the Assets.

**C. The Purchaser Should Be Entitled to Protections Under Bankruptcy Code § 363(m)**

33. Bankruptcy Code § 363(m) provides:

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.

*See* 11 U.S.C. § 363(m).

34. While the Bankruptcy Code does not define "good faith", the United States Court of Appeals for the Second Circuit has held that:

[The] good faith of a purchaser is shown by the integrity of his conduct during the course of the sale proceedings; . . . 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."

*Licensing by Paolo, Inc. v. Sinatra (In re Gucci)*, 126 F.3d 380, 390 (2d Cir. 1997) (citations omitted).

35. The Trustee submits that at all times the negotiations with the Purchaser have been conducted in good faith under applicable legal standards and the terms of the Sale Agreement represent an arm's length transaction between the parties. Equally as important, the proposed terms of the Bid Procedures with each Competing Offeror also were prepared in good faith and represent an arm's length transaction.

36. In furtherance of Bankruptcy Code § 363(m), the terms as set forth in the Sale Agreement, the Bid Procedures, and ultimately, the approval of a successful bidder are designed to ensure that maximum value is to be received by the Trustee, and simultaneously allow prospective purchasers to bid. As such, the Sale Agreement and the Bid Procedures are proposed by the Trustee in good faith. Accordingly, the Trustee submits that the ultimate purchaser is entitled to the protections of a good faith purchaser under Bankruptcy Code § 363(m).

37. In accordance with the Trustee's statutory duty and the circumstances of this case, a prompt sale of the Assets is demonstrably the best way to preserve and maximize the value of the Assets for the benefit of creditors. Accordingly, a sound business reason exists for the sale of the Assets and the Auction Sale.

**D. Bankruptcy Rule 6004(h) Should Be Waived**

38. Under Bankruptcy Rule 6004(h), an order authorizing the sale of property is "stayed until the expiration of 14 days after entry of the order" authorizing such sale. Fed. R. Bankr. P. 6004(h). The Trustee requests that the Court order that such stay shall not apply with respect to the sale of the Assets.

39. A waiver of the stay requirement under Bankruptcy Rule 6004(h) will relieve the Debtors' estates of any financial burdens associated with the sale of the Assets and will reduce the expenditure of additional funds for the benefit of the estate and its creditors. Additionally, such a stay could further delay the date that the new owner can take possession and control of the Assets and therefore, could chill the sale. As such, the Trustee respectfully requests that any Order approving the sale of the Assets include a waiver of the stay under Bankruptcy Rule 6004(h).

**E. Shortened Notice**

40. The “notice” required by Bankruptcy Code § 363(b)(1) is “such notice as is appropriate in the particular circumstances.” *See* 11 U.S.C. §102(1)(A). Due process “requires that any notice is ‘reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections.’” *Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306, 314 (1950). Creditors are entitled to notice “reasonably calculated to apprise the creditor of the pendency of the bankruptcy proceeding and give the creditor an opportunity to object or otherwise respond.” *In re Riverchase Apartments, L.P.*, 184 B.R. 35, 39 (Bankr. M.D. Tenn. 1995). Due process is satisfied if parties in interest are given “an opportunity to present their objections.” *Mullane*, 339 U.S. at 314 (emphasis added).

41. Pursuant to Local Bankruptcy Rule 9077, based upon the affirmation of Salvatore LaMonica, Esq., given the need to sell these Assets on an expedited basis to maximize the potential sale value of the Assets, the Trustee submits that cause exists for the Motion to be heard by this Court on shortened notice as set forth in the proposed Order Scheduling Hearing. The Trustee further submits that such notice is sufficient, that such notice complies with Bankruptcy Rule 2002(c), and that no further notice is required.

42. The Trustee submits that this Motion cites the relevant statutory and other authority and rules for the relief requested, and that this Motion complies with Local Bankruptcy Rule 9013-1(a). Therefore, no separate memorandum of law is required in connection with this Motion.

43. No prior application for the relief requested herein has been made to this or any other court.

**CONCLUSION**

44. Based upon the foregoing the Trustee respectfully requests entry of an Order, pursuant to, Bankruptcy Code §§ 105(a) and 363(b), (f) and (m) and Bankruptcy Rules 2002 and 6004: (i) authorizing and approving: (i) the Sale Agreement; (ii) the proposed Bid Procedures establishing the terms and conditions of the Auction Sale; and (iii) granting such other and further relief as this Court deems necessary.

**WHEREFORE**, the Trustee respectfully requests entry of an Order granting the relief requested in the Motion.

Dated: October 13, 2016  
Wantagh, New York

**LAMONICA HERBST & MANISCALCO, LLP**  
Attorneys for the Chapter 11 Operating Trustee

By: s/ Salvatore LaMonica  
Salvatore LaMonica, Esq.  
Jacquelyn S. Loftin, Esq.  
3305 Jerusalem Avenue, Suite 201  
Wantagh, New York 11793  
Tel: 516.826.6500

# EXHIBIT A

**SALE AGREEMENT**

<b><u>Seller:</u></b>	Allan B. Mendelsohn, as Chapter 11 Operating Trustee of the Estates of Hampton Transportation Ventures, Inc., d/b/a Hampton Luxury Liner, Schoolman Transportation System Inc. a/k/a Classic Coach	<b><u>Purchaser:</u></b>	M & V Limousines Ltd. 1117 Jericho Tpke Commack, New York 11725
<b><u>Subject:</u></b>	Sale of the estate's interest in certain personal property, subject to higher or better offers, and waiver of certain claims	<b><u>Date:</u></b>	October 13, 2016

Dear Mr. Mendelsohn:

This letter shall confirm the agreement of Seller and Purchaser with respect to the purchase of the intellectual property and certain other personal property of the estates of Hampton Transportation Ventures, Inc., d/b/a Hampton Luxury Liner ("Hampton Transportation") and Schoolman Transportation System, Inc., a/k/a Classic Coach ("Classic Coach" together with Hampton Transportation are collectively referred to as the "Debtors"), and a waiver of certain claims (the "Agreement"). The Agreement is subject to approval of the United States Bankruptcy Court for the Eastern District of New York (the "Bankruptcy Court") and subject to higher or better offers.

**Assets:** The assets to be conveyed consist of the estates' interest in the Debtors' intellectual property and certain other personal property as set forth in Schedule "A" annexed hereto, including, but not limited to, the customer lists, telephone numbers and trademarks (collectively, the "Assets"), all of which were used in the operation of the Debtors' business. The sale of the Assets contemplated herein does not include any assets not expressly set forth in Schedule "A".

The Assets are being sold "as is", "where is", without any representations of any kind or nature whatsoever, including as to merchantability or fitness for a particular purpose, and without warranty or agreement as to the condition of such Assets. The Assets are being sold free and clear of any and all liens, claims and encumbrances.

**Seller:** The seller of the Assets is Allan B. Mendelsohn, the Chapter 11 Operating Trustee of the Debtors' estates (the "Trustee").

**Purchaser:** The purchaser of the Assets is M & V Limousines Ltd. (the "Purchaser").

**Consideration:** The purchase price for the Assets is \$60,000.00 (the "Purchase Price"), which shall be paid to the Trustee within five (5) business days of the Bankruptcy Court approving this Agreement. Upon execution of this Agreement, the Purchaser shall pay to the Trustee, on behalf of the Debtors' estates, a deposit of \$20,000.00, which shall be held by the Trustee in one of the estates' sub-account pending Bankruptcy Court approval of this Agreement (the "Deposit"). As additional consideration for

the Assets, the Purchaser shall waive any and all claims they may have against the Debtors' estates, whether filed or filed, asserted or unasserted. The Purchaser shall be responsible for any relicensing and/or transfer fees in connection with the transfer of any of the estate's rights under any service contract with software providers.

**Sale Conditions:** The sale of the Assets is subject to: (i) higher and/or better offers that may be tendered to the Trustee pursuant to the Bid Procedures subject to Bankruptcy Court approval of such Bid Procedures; and (ii) an Order of the Bankruptcy Court confirming the sale contemplated herein.

**Closing:** Upon the entry of an Order of the Bankruptcy Court approving the transactions contemplated in this Agreement, and such Order becoming final and non-appealable, the Assets will be transferred by the Trustee to the Purchaser pursuant to a Bill of Sale (the "Closing"). The Purchaser agrees to pay any and all sales tax arising from the sale of the Assets, which sales tax shall be collected by the Trustee at the Closing..

**Remedies/Reservation:** Prior to the entry of an Order approving this Agreement, the Trustee reserves his right to cancel this Agreement as he deems necessary or appropriate. If the Bankruptcy Court declines to approve this Agreement or if the Trustee cancels this Agreement prior to the entry of a final Order of the Bankruptcy Court: (i) the Trustee's only obligation will be to refund the Deposit to the Purchaser and, upon such refund, the Purchaser will have no claim or recourse against the Debtors' bankruptcy estates, the Trustee or the Trustee's professionals relating to this Agreement; and (ii) all other terms of this Agreement shall be deemed null and void.

**AGREED AND ACCEPTED:**

**PURCHASER:**

M & V Limousines Ltd.

*s/Mark Vigliante*

Mark Vigliante, President

**SELLER:**

*s/Allan B. Mendelsohn*

Allan B. Mendelsohn

Chapter 11 Operating Trustee of the Estates of Hampton Transportation Ventures, Inc., d/b/a Hampton Luxury Liner, Schoolman Transportation System Inc. a/k/a Classic Coach

**SCHEDULE "A"**

Website identified as [www.classictrans.com](http://www.classictrans.com) registered by Classic Coach

Website identified as [www.hamptonluxuryliner.com](http://www.hamptonluxuryliner.com) registered by Hampton Transportation

Trademark identified as Hampton Transportation Ventures, Inc. (New York Corporation), d/b/a Hampton Luxury Liner, Registration No. 3,810,166 Registered on June 29, 2010 (a copy of the Trademark and Logo from the United States Patent and Trademark Office are annexed hereto)

Telephone number: 631.567.5100 registered by Classic Coach

Telephone number 631.537.5800 registered by Classic Coach

The Debtors' rights under the service contract with Commuter Reservation System identified as HWeb Reservation System operated through Hudson Ltd.

Debtors' licensing rights with Charter reservation system identified as GoChart 2000 operated through Rational Bus Systems

19 desktop computer screens, towers and all relative components

8 printers

3 photocopiers

2 computer servers

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# EXHIBIT B

## **BID PROCEDURES**

1. These bid procedures (the “**Bid Procedures**”) are being promulgated in connection with the public auction sale (the “**Auction Sale**”) of the intellectual property and certain other personal property solely listed on Schedule “A” of the Sale Agreement, a copy of which is annexed to the Motion as Exhibit A, including, but not limited to, the customer lists, telephone numbers and trademarks (collectively, the “**Assets**”) of the estates of Hampton Transportation Ventures, Inc., *d/b/a* Hampton Luxury Liner (“**Hampton Transportation**”) and Schoolman Transportation System, Inc., *a/k/a* Classic Coach (“**Classic Coach**” together with Hampton Transportation are collectively referred to as the “**Debtors**”).
2. The seller of the Assets is Allan B. Mendelsohn, Esq., solely in his capacity as the Chapter 11 Operating Trustee (the “**Trustee**”) of the Debtors’ jointly administered bankruptcy estates, which Chapter 11 cases are pending before the United States Bankruptcy Court for the Eastern District of New York (the “**Bankruptcy Court**”), assigned case number 15-73837 before the Honorable Alan S. Trust, United States Bankruptcy Judge. The sale of the Assets is being conducted pursuant to 11 U.S.C. § 363(b), (f) and (m) (the “**Bankruptcy Code**”) and is subject to approval by the Bankruptcy Court.
3. The Trustee and M & V Limousines Ltd. (the “**Purchaser**”), entered into a Sale Agreement October 13, 2016 (the “**Sale Agreement**”), which provides for, among other things, the sale of the Assets for the purchase price of sixty thousand dollars (\$60,000.00) free and clear of all liens, claims and encumbrances (collectively, “**Liens**”), if any, with such Liens to attach to the proceeds of the sale in the same priority and extend as they existed on the date the Debtors filed for bankruptcy, subject to higher and better offers pursuant to these Bid Procedures.
4. The Auction Sale will be held on November \_\_, 2016 at \_\_:00 a.m. at United States Bankruptcy Court, Eastern District, Alfonse M. D’Amato U.S. Courthouse, 290 Federal Plaza, Central Islip, New York 11722. The Trustee, in his sole discretion, reserves the right to change the location, date and/or time of the Auction Sale.
5. These Bid Procedures shall govern the solicitation and submission of competing offers for the purchase of the Assets (each, a “**Competing Offeror**”). It is understood that in order to be permitted to bid on the Assets each Competing Offeror must deliver to the Trustee, a certified or bank check, in the amount of fifteen thousand dollars (\$15,000.00) (the “**Qualifying Deposit**”), payable to the order of “Allan B. Mendelsohn, Esq., as Chapter 11 Trustee” prior to the commencement of the Auction Sale, which amount shall serve as a partial good faith deposit against payment of the purchase price.
6. At the Auction Sale, each Competing Offeror must agree to an initial competing bid of seventy five thousand dollars (\$75,000.00) for the Assets (the “**Competing Bid**”). Any bid for the Assets following the Competing Bid shall be a minimum of five thousand

(\$5,000.00) higher than the previous bid (the “**Bid Increments**”). The Trustee, in his sole discretion, reserves his right to change these Bid Increments as he deems necessary.

7. The highest bidder at the Auction Sale (the “**Successful Bidder**”) must execute and agree to be bound by (i) these Bid Procedures and (ii) a Memorandum of Sale, a copy of which is annexed hereto. The Trustee or his representative will return any Qualifying Deposit to any unsuccessful bidder(s) immediately after the conclusion of the Auction Sale.
8. The Successful Bidder shall deliver to the Trustee a certified check or bank check, payable to “Allan B. Mendelsohn, Esq. as Chapter 11 Operating Trustee”: (a) in an amount of at least 10% of the successful bid price minus the Qualifying Deposit (the “**Down Payment**”) within 48 hours of the Auction Sale; (b) pay the Balance (that being defined as the difference between the successful bid and the Qualifying Deposit and Down Payment) of the purchase price for the Assets to the Trustee by certified check or bank check at the closing of sale of the Assets (the “**Closing**”). The Closing on the sale of the Assets shall take place within thirty (30) days of the entry of the Order Confirming the Sale of the Assets by the Bankruptcy Court (the “**Closing Date**”), at the office of the attorneys for the Trustee, LaMonica, Herbst & Maniscalco LLP, 3305 Jerusalem Avenue, Suite 201, Wantagh, New York 11793. The Trustee, in his sole discretion, reserves the right to change the Closing Date as he deems necessary.
9. The Successful Bidder shall be responsible for any costs relating to the sale of the Assets.
10. There is no contingency of any kind or nature that will permit the Successful Bidder to withdraw its bid and receive a return of its deposit. In connection with the Closing and the Closing Date, the Successful Bidder is hereby given notice, and expressly acknowledges that, **TIME IS OF THE ESSENCE WITH RESPECT TO THE SUCCESSFUL BIDDER’S OBLIGATION TO PAY THE BALANCE OF THE PURCHASE PRICE ON THE CLOSING DATE. FAILURE BY THE SUCCESSFUL BIDDER TO PAY THE BALANCE OF THE PURCHASE PRICE ON THE CLOSING DATE WILL RESULT IN THE TRUSTEE RETAINING THE QUALIFYING DEPOSIT/DOWN PAYMENT AS LIQUIDATED DAMAGES AND THE TERMINATION OF THE SUCCESSFUL BIDDER’S RIGHT TO ACQUIRE THE ASSETS UNDER THESE BID PROCEDURES.**
11. The Trustee reserves the right to reject any offeror or bidder, who in the sole discretion of the Trustee, the Trustee believes is not financially capable of consummating the purchase of the Assets. Expenses incurred by the Successful Bidder, or any competing bidder concerning any due diligence shall be the sole responsibility of such bidder, and under no circumstances shall the Trustee, his professionals or the Debtors’ bankruptcy estates be responsible for, or to pay, such expenses.
12. The Successful Bidder shall be obligated to close on the sale of the Assets and there is no contingency of any kind or nature that will permit the Successful Bidder to cancel these Bid Procedures. Anything to the contrary contained in these Bid Procedures

notwithstanding, the Trustee shall have the right in his sole and absolute option to adjourn the Closing Date.

13. In the event that the Successful Bidder for the Assets fails to timely tender the Down Payment or otherwise perform its obligation under these Bid Procedures, the Trustee, at his sole and absolute option, shall be authorized to contact the second highest bidder (the “**Second Bidder**”) to sell the Assets to the Second Bidder without any further notice or approval of the Bankruptcy Court, without giving credit for the Qualifying Deposit, total Down Payment forfeited by the Successful Bidder, and upon such other terms and conditions as the Trustee deems appropriate. Thereafter, the Second Bidder shall be deemed for all benefits and obligations to be the Successful Bidder.
14. The Trustee or the Trustee’s professionals have not made and do not make any representations as to the physical condition, value of the Assets, or any other matter or thing affecting or related to the Assets or this Auction Sale, which might be pertinent to the purchase of the Assets, including, but not limited to: (i) the present and future condition and operating state of any and all Assets (ii) the presence or absence of any laws, ordinances, rules or regulations issued by any governmental authority, agency or board and any violations thereof. Each bidder hereby expressly agrees and acknowledges that no such representations about the Assets have been made. The Trustee is not liable or bound in any manner by expressed or implied warranties, guaranties, promises, statements, representations or information pertaining to the Assets, made or furnished by the Trustee or any real estate broker, agent, employee, servant or other person or professional representing or purporting to represent the Trustee unless such warranties, guaranties, promises, statements, representations or information are expressly and specifically set forth in writing by the Trustee.
15. The Assets is being sold in accordance with Bankruptcy Code § 363, “**AS IS**”, “**WHERE IS**” **IN ITS CURRENT CONDITION, WITHOUT ANY REPRESENTATIONS, COVENANTS, GUARANTEES OR WARRANTIES OF ANY KIND OR NATURE WHATSOEVER**, and free and clear of any Liens of whatever kind or nature, with such Liens, if any, to attach to the proceeds of sale.
16. By delivering the Qualifying Deposit, all bidders acknowledge that they have had the opportunity to perform his due diligence regarding the Assets and will rely solely on their own independent investigation and inspection of the Assets in making their bid. Neither the Trustee nor any of his representatives make any representations or warranties with respect to permissible uses of the Assets. All bidders acknowledge that they have conducted their own due diligence in connection with the Assets, and are not relying on any information provided by the Trustee or his professionals.
17. The Trustee shall convey the Assets with the delivery of a Bill of Sale.
18. If the Trustee is unable to Close on the sale of the Assets for any reason whatsoever, his only obligation will be to refund the Qualifying Deposit or the Down Payment to the Successful Bidder, and upon such refund, the Successful Bidder will have no claim

- against the Debtors' estates or have any recourse against the Trustee or the Trustee's professionals.
19. The Trustee, Trustee's counsel, nor the Debtors' estates are liable or responsible for the payment of fees of any broker that has not previously been approved by Order of the Bankruptcy Court.
  20. Nothing contained in these Bid Procedures is intended to supersede or alter any provisions of the Bankruptcy Code or otherwise interfere with the jurisdiction of the Bankruptcy Court. All of the terms and conditions set forth in these Bid Procedures are subject to modification as may be directed by the Trustee or by the Bankruptcy Court. The Trustee reserves the right to modify the Bid Procedures at the Auction Sale or thereafter to maintain consistency with the provisions of the Bankruptcy Code and/or prior orders of the Bankruptcy Court.
  21. These Bid Procedures may be read into the record, or specifically incorporated therein by reference, at the Auction Sale of the Assets. By making a bid for the Assets, all bidders will be deemed to have acknowledged having read these Bid Procedures and having agreed to be bound by them. Additionally, by tendering the Qualifying Deposit for the purchase of the Assets, the Successful Bidder acknowledges having read these Bid Procedures and having agreed to be bound by them.
  22. By participating in the Auction Sale, all bidders consent to the jurisdiction of the Bankruptcy Court and any disputes concerning the sale of the Assets shall be determined by the Bankruptcy Court.
  23. The Trustee reserves his right to withdraw the Assets from sale, either prior, or subsequent to the Auction Sale, for any reason whatsoever, as he, in his sole and absolute discretion, deems necessary or appropriate.
  24. The sale of the Assets is subject to confirmation by the Trustee and the Bankruptcy Court. The Trustee may, but shall not be obligated to, notify the Successful Bidder in writing regarding the Trustee's acceptance of its bid within four (4) business days of the Auction Sale.
  25. Pursuant to Bankruptcy Rule 6004-1 no appraiser, auctioneer or officer, director, stockholder, agent, employee or insider of any appraiser of auctioneer, or relative of any of the foregoing, shall purchase, directly or indirectly, or have a financial interest in the purchase of, any property of the estates that the appraiser or auctioneer has been employed to appraise or sell.
  26. These Bid Procedures are subject to the approval of the Bankruptcy Court.

I have read these Bid Procedures and agree to be bound by them.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MEMORANDUM OF SALE**

Successful Bid: \_\_\_\_\_

**Purchase Price:** \_\_\_\_\_

The undersigned has this \_\_\_\_ day of November, 2016, agreed to purchase the intellectual property and certain other personal property solely listed on Schedule "A" of Exhibit "A" to the Motion vested in Allan B. Mendelsohn, the Chapter 11 Operating Trustee of Hampton Transportation Ventures, Inc., *d/b/a* Hampton Luxury Liner and Schoolman Transportation System, Inc., *a/k/a* Classic Coach for the sum of \$\_\_\_\_\_, and hereby promises and agrees to comply with the bidding procedures of the sale of the Assets, as set forth in the annexed Bidding Procedures.

\_\_\_\_\_  
PURCHASER (Signature)

\_\_\_\_\_  
PURCHASER (Signature)

\_\_\_\_\_  
PRINT NAME OF PURCHASER

\_\_\_\_\_  
PRINT NAME OF PURCHASER

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
TELEPHONE NUMBER

\_\_\_\_\_  
TELEPHONE NUMBER

\_\_\_\_\_  
EMAIL ADDRESS

\_\_\_\_\_  
EMAIL ADDRESS

Received from \_\_\_\_\_ the sum of \$\_\_\_\_\_ as a deposit for the purchase of the Assets pursuant to the Bidding Procedures, except to the extent as provided in the annexed Bid Procedures.

Allan B. Mendelsohn, Chapter 11 Operating Trustee  
c/o LAMONICA HERBST & MANISCALCO, LLP  
Attorneys for the Trustee  
3305 Jerusalem Avenue, Suite 201  
Wantagh, New York 11793  
Tel. 516.826.6500