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UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 11

HAMPTON TRANSPORTATION VENTURES, INC.,  
*dba* HAMPTON LUXURY LINER, SCHOOLMAN  
TRANSPORTATION SYSTEM, INC., *aka* CLASSIC  
COACH, and 1600 LOCUST AVENUE ASSOCIATES,  
LLC,

Case Nos. 15-73837 (AST)  
16-71172 (AST)  
16-71189 (AST)

Jointly Administered

Debtors.

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**MOTION OF CHAPTER 11 TRUSTEE SEEKING ENTRY OF AN ORDER: (I)  
APPROVING AUCTION PROPOSAL BY STALKING HORSE BIDDER; (II)  
APPROVING PROPOSED TERMS AND CONDITIONS TO GOVERN SOLICITATION  
OF COMPETING AUCTION PROPOSALS; (III) SCHEDULING A HEARING ON  
SHORTENED NOTICE TO CONSIDER HIGHER OR BETTER AUCTION  
PROPOSALS; AND (IV) APPROVING THE SALE OF CERTAIN VEHICLES FREE  
AND CLEAR AND ALL LIENS, CLAIMS, AND ENCUMBRANCES**

**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 entry of an Order, pursuant to sections 105(a), 363(b), and 363(f) of Title 11 of the United States Code (the “Bankruptcy Code”), Rule 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 6004-1 of the E.D.N.Y. Local Bankruptcy Rules (the “Local Rules”), (i) approving auction

sale proposal (the “Auction Proposal”) with stalking horse bidder, GA Global Partners (“GAG”), subject to higher or better proposals, a copy of which is annexed hereto as Exhibit “A”;<sup>1</sup> (ii) approving the proposed terms and conditions to govern solicitation and submission of competing auction proposals (the “Bid Procedures”); (iii) scheduling a hearing on shortened notice to consider any higher or better auction proposals (the “Sale Hearing”), substantially in the form annexed hereto as Exhibit “B” (the “Scheduling Order”); (iv) approving the sale of the Vehicles free and clear of all liens, claims, and encumbrances, with such liens, claims, and encumbrances to attach to the net proceeds of the sale; and (v) granting such other, further, and different relief as this Court deems just and proper, 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), and 363(f), Bankruptcy Rule 6004, and Local Rule 6004-1.

### **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”).

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<sup>1</sup> The Auction Proposal has not yet been formalized by the Trustee and GAG as they continue to negotiate the final terms thereof. In order to expedite the sale process, the Trustee is filing this Motion with the Auction Proposal in its current form, and will supplement this Motion with the formalized Auction Proposal once it is executed.

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. Both Hampton and Schoolman are in the business of offering first class motor coach service in the tri-state area (the "Business"). Hampton and Schoolman operate out of the real property located at 1600 Locust Avenue, Bohemia New York (the "Premises"), 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. A schedule of the Vehicles is annexed hereto as Exhibit "C".

14. Big Shoulders Capital LLC (“BSC”) has a first priority lien against certain of the Vehicles.

15. Hampton and Schoolman continued operating the Business subsequent to their respective bankruptcy filings, and the Trustee has continued to operate the Business since his appointment.

16. The Trustee has determined that it is no longer in the best interests of the Debtors’ estates to continue operation of the Business.

17. Accordingly, the Trustee determined that a sale of the Vehicles described on the Schedule is in the best interests of the estates.

18. Upon information and belief, BSC has consented to the sale of the Vehicles free and clear of its liens.

**C. The Auction Proposal**

19. Subsequent to his appointment, the Trustee was contacted by numerous parties who expressed interest in purchasing the Vehicles and interest in conducting an auction of the Vehicles. BSC, the secured creditor, has insisted that any auction proposal contain a guaranteed minimum for the sale of the Vehicles. To date, GAG’s proposal to conduct a public auction of the Vehicles is the highest and best offer received by the Trustee which provides for a guaranteed minimum of \$2,350,000.00. A copy of the Auction Proposal is annexed hereto as Exhibit “A”.

20. While the general terms and conditions of the auction sale that GAG proposes to conduct are set forth in the Auction Proposal, the Trustee and GAG are presently engaged in arms’ length negotiations in order to finalize those terms and conditions. The Trustee anticipates that he will execute a formal finalized proposal (the “Final Proposal”) with GAG in the coming days and will supplemental this Motion with the Final Proposal once it is executed. In order to

expedite the sale process, the Trustee has proceeded with filing the Motion with the Auction Proposal in its current form.

21. Under the Auction Proposal and as will be set forth in the Final Proposal, GAG has agreed to act as the stalking horse bidder with respect to the right to conduct an auction of the Vehicles. GAG proposes to conduct an online auction of the Vehicles at the Premises, free of rent and utilities, until September 30, 2016. The following terms and conditions will govern the auction sale of the Vehicles:

- a. GAG will guarantee a minimum aggregate price for the Vehicles of \$2,350,000.00. The next \$75,000.00 in proceeds from the auction shall be retained by GAG for expenses.
- b. GAG will implement a comprehensive multi-tiered marketing and advertising campaign through direct mail, internet postings, and search engines, and media advertising place in targeted publications and newspapers, providing international reach.
- c. GAG will offer the Vehicles individually and/or in any combination that would add the most value to the estates.
- d. The Vehicles will be 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 the Vehicles, and free and clear of any and all liens, claims, and encumbrances.
- e. A 10% buyer’s premium will be added onto all sales for auction fees (the “Buyer’s Premium”).
- f. GAG shall earn a 3% commission off of the base proceeds throughout the auction.

22. The Auction Proposal (and the Final Proposal) will provide certain bidding protections to GAG in exchange for acting as the stalking horse bidder. In particular, there will be a minimum bid of \$2,420,000.00 for competing auction proposals, with bidding increments of \$20,000.00. The Auction Proposal, and the Final Proposal, will further provide that GAG is

entitled to a break-up fee of \$35,000.00 in the event a competing auction proposal is ultimately accepted by the Trustee.

23. GAG is a well-known and highly experienced auctioneer that has conducted auctions for a wide range of wholesale and industrial clients utilizing state-of-the-art web technologies, real-time digital communications, and proven marketing expertise to reach the largest network of qualified buyers from around the world. GAG has conducted numerous auction sales of motor coaches in the past resulting in proceeds in the tens of millions of dollars.

### **RELIEF REQUESTED AND BASIS THEREFOR**

24. By this Motion, the Trustee seeks an Order: (i) approving the Final Proposal with GAG, subject to higher or better proposals; (ii) approving the Bid Procedures for the right to conduct the auction of the Vehicles; (iii) scheduling a hearing on shortened notice to consider any higher or better auction proposals; (iv) approving the sale of the Vehicles free and clear of all liens, claims, and encumbrances, with such liens, claims, and encumbrances to attach to the net proceeds of the sale; and (v) granting such other, further, and different relief as this Court deems just and proper.

#### **I. THE AUCTION PROPOSAL SHOULD BE APPROVED**

##### **A. Sale of the Vehicles Represents a Reasonable Exercise of the Trustee's Business Judgment and Should be Approved**

25. 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”. 11 U.S.C. § 363(b)(1). Although Bankruptcy Code § 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 Second Circuit, in applying this section, has required that it 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)); 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)).

26. Under Bankruptcy Rule 6004(f)(1), a trustee is permitted to sell property of the estate pursuant to Bankruptcy Code § 363(b) by private sale or public auction. FED. R. BANKR. P. 6004(f)(1). In practice, the preferred method is to conduct a public sale because a public sale will most often result in a greater number of potential bidders in the shortest amount of time. That is, in order to determine that a private sale has yielded the highest or best offer, property generally must remain on the market for a significantly longer period of time than when offered at a public sale.

27. Here, the Trustee has determined, in his sound business judgment, that selling the Vehicles outside the ordinary course of business at a public auction is justified, necessary, and appropriate. The Debtors do not utilize all of the Vehicles in the operation of the Business, but all of the Vehicles generate administrative costs, such as insurance and maintenance. The Trustee has determined that the operational costs of operating the Business will soon exceed the income generated by operation of the Business. As such, the Trustee exercised his sound business judgment to conclude that sale of the Vehicles is in the best interests of the estates and all creditors of the estates.

**B. The Final Proposal Should be Approved**

28. Rather than have the estates bear the costs associated with conducting an auction of the Vehicles, the Trustee has concluded that having a third party conduct the auction would be in the best interest of the estates. Under the Final Proposal, GAG will conduct a public auction of the Vehicles after significant and thorough advertising. The Vehicles will be 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 the Vehicles, and free and clear of all liens, claims and encumbrances. GAG will guarantee a minimum of \$2,350,000.00 in proceeds to the estates. The Final Proposal will provide that GAG’s primary source of compensation and reimbursement for expenses will be derived from the 10% Buyer’s Premium to be added to all sales and the 3% commission on all sale proceeds. The Final Proposal will also ensure that all proceeds obtained in excess of the guaranteed minimum of \$2,350,000.00, except for the first \$75,000.00, will go to the estates.

29. The Auction Proposal is the highest and best offer that the Trustee has received as of the date of this Motion. However, the Auction Proposal remains subject to the Final Proposal and subject to higher or better proposals. Accordingly, the value to be realized from the auction of the Vehicles ultimately conducted will be maximized for the benefit of the estates. Authorizing the Trustee to execute the Final Proposal, to the extent it conforms with the terms and conditions set forth herein, will ensure that the Vehicles are sold in the most effective way possible and with the greatest benefit to the estates. The Trustee exercised his sound business judgment in accepting the Auction Proposal and respectfully requests that this Court authorize and approve the Auction Proposal, and the Final Proposal once it is executed.

## II. THE PROPOSED BID PROCEDURES SHOULD BE APPROVED

30. The Trustee proposes to follow the Bid Procedures which are incorporated into the proposed Scheduling Order, annexed hereto as Exhibit “B”. The Trustee proposes that the following terms and conditions of sale govern the solicitation and submission of competing auction proposals (“Competing Bids”):

- a. A Competing Bid must provide for a minimum aggregate sale price for the Vehicles of \$2,420,000.00 (the “Initial Competing Bid”);
- b. A Competing Bid must be substantially similar to the terms and conditions set forth in the Final Proposal;
- c. A bidder submitting a Competing Bid (“Competing Bidder”) must sign an agreement agreeing to be bound by the terms and conditions of the Final Proposal (subject only to identifying the Competing Bidder and incorporating economic terms advanced at the Sale Hearing);
- d. A Competing Bidder must demonstrate, to the satisfaction of both the Trustee and the Court, in their discretion, evidence of its ability to conclude the transaction on the terms and conditions of the Final Proposal without material delay; and
- e. In the case of any subsequent Competing Bid after the Initial Competing Bid to be made by a third party (which may include GAG), the bidding will be in increments of \$20,000.00.

31. The Trustee proposes to conduct an auction in accordance with the Bid Procedures on **August 17, 2016 at 11:00 a.m.** as the offices of Trustee’s counsel, LaMonica Herbst & Maniscalco, LLP, 3305 Jerusalem Avenue, Wantagh, New York, 11793, with all rights reserved as set forth herein and in any Order entered by the Court (the “Auction”).<sup>2</sup>

32. As reflected in the Bid Procedures, the Trustee contemplates affording certain bid protections to GAG as consideration for GAG acting as the stalking horse bidder with respect to the Auction (the “Bid Protections”), which Bid Protections will be formalized in the Final

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<sup>2</sup> The date of the Auction remains subject to change.

Proporal. In particular, the Initial Competing Bid must be at least \$2,420,000.00, with bidding increments of \$20,000.00 for subsequent bids. The Final Proposal will further provide that GAG is entitled to a break-up fee of \$35,000.00 in the event the Trustee accepts a Competing Bid (the “Break-Up Fee”). The Trustee requests that this Court approve the Bid Protections.

33. Bankruptcy Courts in this district are guided by the principles of the “business judgment” rule in evaluating a debtor’s decision to offer bidding protections. See Integrated Official Comm. of Subordinated Bondholders v. Integrated Resources, Inc. (In re Integrated Resources, Inc.), 147 B.R. 650, 658 (S.D.N.Y. 1992) (“A bankruptcy court should uphold a break-up fee which was not tainted by self-dealing and was the product of arm’s-length negotiations.” (citation omitted)). Bidding protections for purchasers of Chapter 11 debtors and/or their assets constitute appropriate compensation for the risk and expense involved in preparing and proposing a bid, which thereby enhances the value of the debtor’s estate by attracting initial bids and establishing a minimum standard for competing bids. See Gey Assocs. Gen. P’ship v. 310 Assocs. (In re 310 Assocs.), 346 F.3d 31, 33 (2d Cir. 2003) (“The purpose of a breakup fee is to compensate the would-be buyer for its expenses and efforts in negotiating the sale and to provide an added incentive for the seller to carry through on the contract.”); In re Metaldyne Corp., 409 B.R. 661, 670 (Bankr. S.D.N.Y. 2009) (“Bidder protections are granted when a bidder provides a floor for bidding by expending resources to conduct due diligence and allowing its bid to be shopped around for a higher offer” (citation omitted)).

34. Bidding protections may take many different forms, including paying the out-of-pocket expenses incurred by a bidder in arranging the deal, including due diligence expenses, or compensating a bidder for its lost opportunity costs. See In re Hupp Indus., Inc., 140 B.R. 191,

194 (Bankr. N.D. Ohio 1992). A break-up fee should be “reasonably related to the bidder’s efforts and the transaction’s magnitude.” Integrated Resources, 147 B.R. at 662-63.

35. Here, as will be set forth in the Final Proposal, the Break-Up Fee shall be paid out of the proceeds generated from the sale of the Vehicles. In order for GAG to be entitled to the Break-Up Fee, the Trustee will have to have accepted a Competing Bid, which bid must have guaranteed a minimum aggregate sale price of \$2,420,000.00, that is, \$70,000 more than GAG’s guaranteed minimum in the Auction Proposal. In the event the Vehicles are sold at auction by a Competing Bidder, the Break-Up Fee will be \$35,000.00, which is significantly less than the additional value generated for the estates. The Trustee submits that the Break-Up Fee is reasonable based upon the time, energy, and expense undertaken GAG in making its offer and submitting the Auction Proposal. Meanwhile the minimums set for the Initial Competing Bid and the minimum bidding increments will ensure that the highest and best proposals are submitted to the Trustee.

36. The Trustee submits that the proposed Bid Procedures are intended to, and will, ensure that solicitation of competing bids will be fair and orderly. Moreover, the Bid Protections are reasonable and appropriate, and will maximize the value obtained by the estates for the benefits of creditors. Accordingly, the Trustee respectfully requests that this Court approve the Bid Procedures.

### **III. SCHEDULING HEARING ON SHORTENED NOTICE IS APPROPRIATE**

37. The Trustee requests that the Court enter the Scheduling Order which sets forth the Bid Procedures and schedules a hearing on shortened notice to consider any higher or better offers submitted at the Auction substantially in the form annexed hereto as Exhibit “B”.

38. Pursuant to Bankruptcy Rules 2002(c) and 6004(a), the Trustee is required to give 21 days' notice of any proposed sale of property not in the ordinary course of business to the Debtors and all creditors. See FED. R. BANKR. P. 2002(c) and 6004(a). Bankruptcy Rule 2002(c) provides that such notice must include the time and place of any auction, a sale hearing, and the time fixed for objections to the sale. See FED. R. BANKR. P. 2002(c). Bankruptcy Rule 9006(c)(1) permits a court to reduce the time required for notice "for cause shown". FED. R. BANKR. P. 9006(c)(1). Bankruptcy Rule 9006(c)(2) lists particular situations in which a reduction of time is not permitted, but sale motions are not among those prohibited situations. Accordingly, the Court, in its discretion, may shorten the time required for notice of the Motion.

39. Here, the Trustee is duty bound to preserve the estates' assets for the benefit of the creditors of the Debtors' estates. The Trustee has determined that an expedited hearing will assist the Trustee and the estates in maximizing the value of the Vehicles to the estates. The estates are presently required to pay ongoing operational costs with respect to the Vehicles, such as maintenance and insurance. Accordingly, the sooner the Auction takes place, the less liability and exposure to the estates.

40. The Trustee proposes to serve the Scheduling Order, substantially in the form annexed hereto as Exhibit "B", not less than fourteen (14) days prior to the Auction on August 17, 2016, or such other date set for the Auction, upon the following parties: (a) the Office of the United States Trustee (the "UST"); (b) the Debtors, through counsel; (c) any party that has expressed interest in conducting an auction of the Vehicles; (d) any party in interest that has served a request for special notice or a notice of appearance pursuant to Bankruptcy Rule 2002; (e) applicable taxing authorities; and (f) all of the creditors listed on the Debtors' schedules and all creditors who have filed proofs of claim. The Trustee further proposes that the Sale Hearing

be held within one (1) week of the Auction in order to consider any higher or better proposals obtained at the Auction.

41. As reflected in the Scheduling Order, such Order will advise the noticed parties of, among other things: (a) the date, time, and location of the Auction; (b) the Bid Procedures, including that the sale will be free and clear of all liens, claims, and encumbrances; and (c) the Vehicles to be sold.

42. Under Bankruptcy Rule 6006(h), orders authorizing the sale of a debtor's assets under Bankruptcy Code § 363(b) are "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 this Court waive the stay under Bankruptcy Code 6004(h) in the Scheduling Order in order to expedite the sale process contemplated by this Motion.

43. The Trustee submits that the Scheduling Order, as proposed, substantially complies with Bankruptcy Rule 2002, and Local Rule 6004-1, and constitutes good and adequate notice of the Auction. Therefore, the Trustee respectfully requests that the Court approve the proposed Scheduling Order.

#### **IV. THE VEHICLES SHOULD BE SOLD FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES**

44. The Trustee requests that this Court approve the sale of the Vehicles free and clear of all liens, claims, and encumbrances, with such liens, claims, and encumbrances to attach to the net proceeds of the public auction sale (the "Vehicle Sale") that is ultimately conducted by GAG or the party that whose Competing Bid is accepted by the Trustee and approved by the Court at the Sale Hearing (the "Successful Bidder").

45. Under Bankruptcy Code § 363(f), property may be sold under subsection (b)

free and clear of any interest in such property of an entity other than the estate, only if—

- (1) applicable nonbankruptcy 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).

46. Accordingly, a trustee may sell property of a bankruptcy estate outside the ordinary court of business if one of the five conditions under section 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)).

47. Here, BSC holds first priority liens against the Vehicles and, upon information and belief, has consented to the sale of the Vehicles free and clear of its liens. Accordingly, the Trustee submits that the Vehicle Sale may proceed under Bankruptcy Code § 363(f)(2).

48. The Trustee further requests that GAG (or the Successful Bidder) and any purchaser of the Vehicles at the Vehicle Sale be entitled to the protections of Bankruptcy Code § 363(m). Bankruptcy Code § 363(m) protects good faith purchasers at sales conducted under Bankruptcy Code § 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). Although the Bankruptcy Code does not define good faith, the Second Circuit Court of Appeals has provided the following definition of good faith in the context of sales under section 363:

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. Here, the Trustee and GAG negotiated the Auction Proposal at arms' length and in good faith (and continue to negotiate the Final Proposal in good faith), and GAG (or the Successful Bidder) are entitled to a finding of good faith under Bankruptcy Code § 363(m). The Vehicle Sale will be conducted by GAG (or the Successful Bidder), and will take place after GAG (or the Successful Bidder) have completed extensive marketing and advertising of the Vehicles, and the Vehicles will be sold at public auction. Accordingly, the sale of the Vehicles will be completed at arms' length and should be afforded the protections of Bankruptcy Code § 363(b). The Trustee respectfully requests that this Court find that the purchasers of the Vehicles at the Vehicle Sale acted in good faith.

**NO PRIOR REQUEST**

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

51. For all of the foregoing reasons, the Trustee respectfully submits that the relief requested herein is appropriate and in the best interests of all interested parties, this estate and its creditors.

**WHEREFORE**, the Trustee respectfully requests that the Court an Order: (i) approving the Final Proposal, subject to higher or better proposals; (ii) approving the Bid Procedures and scheduling the Auction; (iii) schedules the Sale Hearing on shortened notice to consider any higher or better auction proposals; (iv) approving the sale of the Vehicles free and clear of any liens, claims, and encumbrances; and (v) granting such other, further, and different relief as this Court deems just and proper.

Dated: July 28, 2016  
Wantagh, New York

**LaMonica Herbst & Maniscalco, LLP**  
Attorneys for Allan B. Mendelsohn, Chapter 11  
Trustee

By: s/ Salvatore LaMonica  
Salvatore LaMonica, Esq.  
A Member of the Firm  
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Wantagh, New York 11793  
(516) 826-6500

# **EXHIBIT “A”**



GA GLOBAL PARTNERS

ADVISORY · VALUATION · LIQUIDATION · CAPITAL · AUCTION · REAL ESTATE

July 27, 2016

Salvatore LaMonica, Esq.  
LaMonica Herbst & Maniscalco, LLP  
3305 Jerusalem Ave.  
Wantagh, New York 11793

Re: Hampton Transportation Bankrupt Assets

Dear Mr. LaMonica

In the matter of the Hampton Transportation assets which are currently in bankruptcy, please find our below offer. This arrangement contemplates an online auction with said assets remaining on the premises in Bohemia, New York, free of rent and utilities until September 30<sup>th</sup> 2016.

GA Global Partners (Auctioneer) shall provide Trustee a Proceeds Guarantee (Net Minimum Guarantee) of \$2,350,000.00. The next 75,000.00 in proceeds from the auction shall be retained by Auctioneer for expenses. Auctioneer shall charge and retain a Buyer's Premium (limited to 10% by local jurisdiction) throughout and auctioneer shall earn a 3% commission off of base proceeds throughout all levels.

Additionally, Auctioneer requests a break-up fee of \$35,000.00 and bid protection of the same during any bid-off between the relevant parties.

Please let us know if you have any questions and we look forward to being of service.

Sincerely,

Paul Brown, VP  
GA Global Partners  
(203) 313-8935

# **EXHIBIT “C”**

**Schedule of Vehicles**

Hampton Transportation Ventures, Inc. and Schoolman Transportation System, Inc.

Fleet No.	Make	Model	Year	VIN	ADA	Pass.	Engine	Transmission	Mileage
2116	PREVOST	XL11	2001	2PCX3349411027563	No	51	DD Series 60	Allison B500	809,797
2119	PREVOST	XL11	2001	2PCX3349X11027454	NO	51	DD Series 60	Allison B500	937,933
2712	PREVOST	X3-45	2007	2PCG3349X7 1729069	NO	44	DDSERIES 60	ZF AS TRONIC	679,361
2801	PREVOST	X3-45	2008	2PCG334938C729288	NO	44	DD SERIES 60	ALLISON 8500	603,044
2802	PREVOST	X3-45	2008	2PCG334948C729364	NO	55	DD SERIES 60	Allison 8500	438,307
2803	PREVOST	X3-45	2008	2PCG334978C729407	NO	44	DD SERIES 60	Allison 8500	623,526
2804	PREVOST	X3-45	2008	2PCG334998C729392	NO	44	DD SERIES 60	Allison 8500	632,923
2805	PREVOST	X3-45	2008	2PCG3349X8C729398	NO	44	DD SERIES 60	Allison 8500	649,045
2011	PREVOST	X3-45	2010	2PCG33494AC 729869	NO	44	Volvo D13 SCR	Allison B500	529,558
2012	PREVOST	X3-45	2010	2PCG33492AC729871	NO	44	Volvo D13 SCR	Allison B500	502,132
2013	PREVOST	X3-45	2010	2PCG33494AC729872	NO	44	Volvo D13 SCR	Allison B500	500,613
2507	PREVOST	XUI	2005	2PCX3349251028670	NO	55	DD SERIES 60	ZF AS TRONIC	722,903
2508	PREVOST	XL11	2005	2PCX3349951028682	NO	55	DD SERIES 60	ZF AS TRONIC	672,617
2701	PREVOST	X3-45	2007	2PCG3349871028935	NO	55	DD SERIES 60	ZF AS TRONIC	702,125
2702	PREVOST	X3-45	2007	2PCG3349171028940	NO	44	DD SERIES 60	ZF AS TRONIC	797,455
2703	PREVOST	X3-45	2007	2PCG3349771028943	NO	44	DD SERIES 60	ZF AS TRONIC	692,837
2704	PREVOST	X3-45	2007	2PCG3349071028945	NO	55	DD SERIES 60	ZF AS TRONIC	N/A
2705	PREVOST	X3-45	2007	2PCG3349871028949	NO	44	DD SERIES 60	ZF AS TRONIC	716,196
2706	PREVOST	X3-45	2007	2PCG3349571028956	YES	44	DD SERIES 60	ZF AS TRONIC	N/A
2707	PREVOST	X3-45	2007	2PCG334907102896 2	YES	44	DD SERIES 60	ZF AS TRONIC	N/A
2708	PREVOST	X3-45	2007	2PCG3349 471028964	YES	55	DD SERIES 60	ZF ASTRONIC	N/A
2709	PREVOST	X3-45	2007	2PCG3349671028965	NO	44	DD Series 60	ZF AS TRONIC	N/A
2710	PREVOST	X3-45	2007	2PCG3349171028968	YES	55	DD SERIES60	ZF AS TRONIC	N/A
2711	PREVOST	X3-45	2007	2PCG3349371028969	NO	44	DD SERIES 60	ZF AS TRONIC	597,505
CT2	Molly/Freightliner	Trolley	2003	4UZA AU8V44CM58996	YES	30	CUMMINS 68T	Allison AUTO	116,524
2113	FORD	E450	2001	IFDXE45F21HB03097	NO	24	Ford 7.3 Diesel	FORD AUTO	N/A
2402	FORD	E450	2004	1FDXE45P34H809844	NO	24	Ford 6.0 Diesel	FORD AUTO	139,101
Simulator	MPRI	Transim VS	W10	UNKNOWN	N/A	N/A	N/A	N/A	N/A