

LaMonica Herbst & Maniscalco, LLP
3305 Jerusalem Avenue, Suite 201
Wantagh, New York 11793
(516) 826-6500
Salvatore LaMonica, Esq.
Rachel P. Stoian, Esq.
Counsel to Allan B. Mendelsohn, Chapter 11 Trustee

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----x	
In re:	Chapter 11
HAMPTON TRANSPORTATION VENTURES, INC., <i>dba</i> HAMPTON LUXURY LINER, SCHOOLMAN TRANSPORTATION SYSTEM, INC., <i>aka</i> CLASSIC COACH, and 1600 LOCUST AVENUE ASSOCIATES, LLC,	Case Nos. 15-73837 (AST) 16-71172 (AST) 16-71189 (AST)
	Jointly Administered
Debtors.	

-----x

AMENDED MOTION OF CHAPTER 11 TRUSTEE SEEKING ENTRY OF AN ORDER SCHEDULING A HEARING ON SHORTENED NOTICE TO CONSIDER: (I) APPROVING PROPOSED TERMS AND CONDITIONS TO GOVERN SOLICITATION OF COMPETING AUCTION OR SALE PROPOSALS; (II) APPROVING BREAK-UP FEE; AND (III) ENTERING AN ORDER SCHEDULING A HEARING TO CONSIDER: (A) APPROVING AUCTION AGREEMENT WITH STALKING HORSE BIDDER OR HIGHER OR BETTER PROPOSALS; (B) ESTABLISHING TERMS AND CONDITIONS TO GOVERN ULTIMATE SALE OF CERTAIN VEHICLES; AND (C) APPROVING SALE OF SUCH 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 amended motion (the “Motion”)¹ seeking entry of an Order, substantially in the form annexed hereto as Exhibit “A”, 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 Rules 6004-1 and 9077-1(c) of the E.D.N.Y. Local Bankruptcy Rules (the “Local Rules”), scheduling a hearing (the “Bid Procedures Hearing”) on shortened notice to consider: (i) approving the proposed terms and conditions to govern solicitation and submission of competing auction or sale proposals (the “Bid Procedures”); (ii) approving break-up fee to stalking horse bidder, GA Global Partners (“GAG”); (iii) entering an order scheduling a hearing (the “Sale Hearing”) to consider: (a) approving auction sale agreement (the “Auction Agreement”) with GAG, or such other higher or better proposals as the Trustee may receive; (b) establishing terms and conditions to govern ultimate sale of certain vehicles (the “Vehicles”) reflected on the schedule annexed hereto as the Auction Agreement; and (c) 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 (iv) 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.

¹ On July 28, 2016, the Trustee filed the original motion (the “Original Motion”) [Doc. No. 82] seeking similar relief to that sought in this Motion. The Trustee now seeks to amend the relief sought, and will withdraw the Original Motion. This Motion amends and supersedes the Original Motion.

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 Rules 6004-1 and 9077-1(c).

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. 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 "B".

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 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 Agreement

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 Agreement is annexed hereto as Exhibit "C".

20. Under the Auction Agreement, 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 October 15, 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.

21. The Auction Agreement provides certain bidding protections (the "Bid Protections") to GAG in exchange for acting as the stalking horse bidder with respect to the right to conduct an auction of the Vehicles on behalf of the Trustee. In particular, to be considered a qualified bidder ("Qualified Bidder"), the party submitting a competing bid ("Competing Bid")

must provide evidence of their financial ability to close under the terms of the Auction Agreement, and (a) if such party is submitting a Competing Bid to purchase the Vehicles, the party must agree to pay all cash, have no financing, and guarantee the Trustee \$2,425,000 in sale proceeds, or (b) if such party is submitting a Competing Bid for the right to conduct an auction of the Vehicles, the party must guarantee a minimum of \$2,425,000 in sale proceeds to the Trustee and execute an agreement substantially similar to the Auction Agreement. The Auction Agreement further provides that GAG is entitled to a break-up fee of \$35,000.00 in the event a competing auction or sale proposal is ultimately accepted by the Trustee (the "Break-Up Fee"). GAG required that the effectiveness of the Auction Agreement be conditioned upon entry of an Order approving the Bid Protections and Break-Up Fee by August 19, 2016.

22. 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

23. By this Motion, the Trustee seeks entry of an Order scheduling the Bid Procedures Hearing to consider: (i) approving the Bid Procedures; (ii) approving the Break-Up Fee; (iii) entering an Order scheduling the Sale Hearing to consider: (a) approving the Auction Agreement or such other higher or better proposals as the Trustee may receive; (b) establishing the terms and conditions to govern the ultimate sale of the Vehicles; and (c) 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 (iv) granting such other, further, and

different relief as this Court deems just and proper. A copy of the Trustee's proposed Order (the "Scheduling Order") is annexed hereto as Exhibit "A".

I. THE BID PROCEDURES SHOULD BE APPROVED

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

24. 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)).

25. 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.

26. 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 Proposed Bid Procedures Should be Approved

27. The Trustee proposes to solicit bids for the right to conduct a public auction of the Vehicles on behalf of the estates and for the right to purchase the Vehicles from the estates pursuant to the Bid Procedures set forth in the Trustee's proposed Bid Procedures Order, annexed hereto as Exhibit "D".

28. The Trustee proposes that the following terms and conditions of sale govern the solicitation and submission of Competing Bids:

- a. To be deemed a Qualified Bidder, with respect to either the right to conduct an auction sale of the Vehicles or to purchase the Vehicles, by the Trustee, any person or entity must submit their Competing Bid in writing and in accordance with the additional terms and conditions set forth below by August 22, 2016 at 5:00 p.m. to counsel to the Trustee.
- b. The person or entity submitting a Competing Bid must provide evidence of their financial ability to close under the under the terms of the Auction Agreement.

- c. To be considered a Qualified Bidder for the purchase of the Vehicles, the person or entity submitting a Competing Bid must agree to pay all cash, have no financing, and guarantee the Trustee \$2,425,000 in sale proceeds.
- d. To be considered a Qualified Bidder for the right to conduct an auction of the Vehicles, the person or entity submitting a Competing Bid must guarantee a minimum of \$2,425,000 in sale proceeds to the Trustee and such person or entity must execute an agreement substantially similar to the Auction Agreement.

29. As set forth in the Auction Agreement, the Trustee proposes that all Competing Bids be submitted by August 22, 2016 at 5:00 p.m. (the “Bid Deadline”). After passage of the Bid Deadline, the Trustee will determine, in his sole discretion, whether there are Qualified Bidders and, if so, which Qualified Bidder submitted the highest and best Competing Bid (the “Successful Bidder”).

30. Once the Trustee has made that determination, by August 23, 2016 at 5:00 p.m., the Trustee shall file and serve a notice and request entry of a proposed Order (the “Proposed Sale Order”): (a) approving the Auction Agreement or approving (i) the auction of the Vehicles by the Successful Bidder, or (ii) the sale of the Vehicles to the Successful Bidder; (b) establishing the terms and conditions of the sale of the Vehicles; and (c) approving the sale of the Vehicles free and clear of any liens, claims, or encumbrances.

31. 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 Procedures 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.

II. THE BREAK-UP FEE SHOULD BE APPROVED

32. As reflected in the Auction Agreement and the proposed Bid Procedures Order, the Trustee contemplates affording certain Bid Protections to GAG as consideration for GAG acting as the stalking horse bidder with respect to the Auction. In particular, in order to submit a Competing Bid, a party seeking to purchase the Vehicles must agree to pay the Trustee \$2,425,000 in all cash, and a party seeking the right to conduct an auction of the Vehicles on the Trustee's behalf must guarantee the Trustee sale proceeds of \$2,425,000. The Auction Agreement further provides that GAG is entitled to a Break-Up Fee of \$35,000.00 in the event the Trustee accepts a Competing Bid and the Vehicles are sold pursuant to an auction conducted by the Successful Bidder or are purchased by the Successful. Pursuant to the terms of the Auction Agreement, the Break-Up Fee will be paid solely out of the proceeds of the sale of the Vehicles. The Trustee requests that this Court approve the Break-Up Fee.

33. Bankruptcy Courts in this circuit 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 set forth in the Auction Agreement, 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 \$2,425,000.00, that is, \$75,000 more than GAG’s guaranteed minimum in the Auction Agreement. In the event the Vehicles are sold at auction by a party other than GAG, or purchased by a party other than GAG, 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 Agreement. Accordingly, the Trustee respectfully requests that the Break-Up Fee be approved.

III. THE COURT SHOULD SCHEDULE THE SALE HEARING

36. In addition to approving the Bid Procedures and the Break-Up Fee, the Trustee requests that this Court enters an Order scheduling the Sale Hearing to consider: (a) approving the Auction Agreement or, to the extent the Trustee has received a higher or better Competing

Bid from a Qualified Bidder, approving the auction of the Vehicles by such Qualified Bidder or the sale of the Vehicles to such Qualified Bidder; (b) establishing the terms and conditions to govern the ultimate sale of the Vehicles; and (c) approving the sale of the Vehicles free and clear of all liens, claims, and encumbrances, with such liens, claims, and encumbrances, if any, to attach to the net proceeds of sale.

A. The Auction Agreement Should Be Approved

37. 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 Auction Agreement, 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 Auction Agreement provides 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 Auction Agreement also ensures 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.

38. The Auction Agreement is the highest and best offer that the Trustee has received as of the date of this Motion. However, the Auction Agreement remains subject to higher or better proposals. In the event the Trustee receives a higher or better Competing Bid from a Qualified Bidder, the Trustee requests that this Court approve such Competing Bid as doing so will maximize the benefit to the estates. The Trustee will exercise his sound discretion and

business judgment in determining whether to accept a Competing Bid, and respectfully requests that this Court authorize and approve the Auction Agreement, or such other Competing Bid that the Trustee determines to be highest and best.

B. This Court Should Establish the Terms and Conditions for the Ultimate Sale of the Vehicles

39. Whether the Court ultimately authorizes the Trustee to complete a public auction sale of the Vehicles with GAG or such other Qualified Bidder or authorizes the Trustee to sell the Vehicles to a Qualified Bidder, the Trustee submits that the terms and conditions set forth in the Auction Agreement, to the extent applicable, should be established by this Court for such auction or sale.

40. As discussed above, under the Auction Agreement, 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. The Trustee submits that these conditions should apply to any sale or auction of the Vehicles in order to protect the estates and maximize the value obtained by the estates.

C. The Vehicles Should be Sold Free and Clear of All Liens, Claims, and Encumbrances

41. 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 Successful Bidder, or to the net proceeds to the sale to the Successful Bidder.

42. 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).

43. 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)).

44. 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).

45. The Trustee further requests that any purchaser of the Vehicles at the Vehicle Sale (or the Successful Bidder) 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).

46. Here, the Vehicles Sale will be conducted at arms' length and the Vehicles will be sold to third parties after extensive marketing efforts. Alternatively, the Vehicles will be sold to the Successful Bidder after such bidder submitted a Competing Bid. In either scenario, the ultimate purchaser(s) of the Vehicles will have acted in good faith and is entitled to a finding of good faith under Bankruptcy Code § 363(m).

IV. SHORTENED NOTICE IS APPROPRIATE

47. The Trustee is proceeding by Order scheduling a hearing to consider entering the Bid Procedures Order on shortened notice rather than by notice of motion in order to expedite the sale process with respect to the Vehicles. The Trustee believes that the expedited sale of the Vehicles is in the best interests of the Debtors' estates and the creditors of such estates. Accordingly, the trustee respectfully requests that this Court enter the Scheduling Order, a copy of which is annexed hereto as Exhibit "A"

48. 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.

49. The Trustee requests that this Court enter the Scheduling Order and hold the Bid Procedures Hearing on shortened notice in order to consider the Bid Procedures, the Break-Up Fee, and scheduling the Sale Hearing which, in turn, will expedite the sale process. 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. GAG has made approval of the Bid Procedures and Break-Up Fee by August 19, 2016 a condition to acting as the stalking horse with respect to the right to conduct an auction of the Vehicles. The Trustee believes that having a stalking horse bidder is crucial to generating interest in acquiring the right to conduct an auction of the Vehicles and in purchasing the Vehicles, which in turn, will generate value for the estates. Moreover, the estates are presently required to pay ongoing operational costs with respect to the Vehicles, such as maintenance and insurance. Accordingly, the sooner the sale or auction of the Vehicles takes place, the less liability and exposure to the estates.

50. The Trustee proposes to serve the Scheduling Order, along with the Motion, upon: (a) the Office of the United States Trustee (the “UST”); (b) the Debtors, through counsel; (c) BSC, through counsel; (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.

51. Pursuant to Local Bankruptcy Rule 9006-1(a)(ii), answering papers to any motion served on at least fourteen (14) days’ notice must be served so as to be received seven (7) days before the return date. In light of the Trustee’s request for shortened notice of the Bid Procedures Hearing, the Trustee proposes that responsive papers with respect to the relief to be sought at the Bid Procedures Hearing, if any, be filed with the Court, and served so as to be received three (3) days before the return date scheduled by this Court for the Bid Procedures Hearing. The Trustee further proposes that any such answering papers be in writing, conform with the Bankruptcy Code, Bankruptcy Rules, the Local Bankruptcy Rules, and the Scheduling Order, and be served upon: (a) the UST; (b) the Trustee, through counsel; (c) the Debtors, through counsel; and (d) BSC, through counsel. The Trustee requests that this Court treat the failure of any person or entity to timely file and serve opposition papers in accordance with the requirements set forth herein and in the Scheduling Order as a bar to such person or entity objecting to the relief sought in the Motion and to be considered at the Bid Procedures Hearing.

52. To the extent the Trustee enters the Bid Procedures Order, the Trustee requests that such order schedule the Sale Hearing to take place on August 31, 2016 at 2:00 p.m. The Trustee further proposes to serve the Bid Procedures Order by regular mail within twenty-four (24) hours of entry of the Bid Procedures Order upon: (a) the UST; (b) the Debtors, through

counsel; (c) BSC, through counsel; (d) any party that has expressed interest in conducting an auction of the Vehicles or in purchasing the Vehicles; (e) any party in interest that has served a request for special notice or a notice of appearance pursuant to Bankruptcy Rule 2002; (f) applicable taxing authorities; and (g) all of the creditors listed on the Debtors' schedules and all creditors who have filed proofs of claim.

53. With respect to any responsive papers with respect to the relief to be sought at the Sale Hearing, if any, be filed with the Court, and served so as to be received by August 26, 2016 at 5:00 p.m. upon the following: (a) the UST; (b) the Trustee, through counsel; (c) the Debtors, through counsel; and (d) BSC, through counsel. The Trustee requests that this Court treat the failure of any person or entity to timely file and serve opposition papers in accordance with the requirements set forth herein and in the Scheduling Order as a bar to such person or entity objecting to the relief sought in the Motion and to be considered at the Sale Hearing.

54. Pursuant to Local Rule 9077-1(c), an affirmation of Salvatore LaMonica, Esq. in support of the Trustee's request for a hearing on shortened notice is annexed hereto as Exhibit "E".

55. Except as set forth in the Original Motion which the Trustee intends to withdraw, no prior application for the relief sought herein has been made to this or any other court.

56. 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 scheduling a hearing on shortened notice to consider: (i) approving the Bid Procedures; (ii) approving the Break-Up Fee; (iii) scheduling the Sale Hearing to consider: (a) approving the Auction Agreement or such other higher or better Competing Bid as the Trustee may receive; (b) establishing terms and conditions to govern the ultimate sale of the Vehicles; and (c) approving the sale of the Vehicles free and clear of any liens, claims, and encumbrances; and (iv) granting such other, further, and different relief as this Court deems just and proper.

Dated: August 5, 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
3305 Jerusalem Avenue, Suite 201
Wantagh, New York 11793
(516) 826-6500

EXHIBIT “B”

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	817,144
2119	PREVOST	XL11	2001	2PCX3349X11027454	NO	51	DD Series 60	Allison B500	943,351
2712	PREVOST	X3-45	2007	2PCG3349X7 1729069	NO	44	DDSERIES 60	ZF AS TRONIC	699,045
2801	PREVOST	X3-45	2008	2PCG334938C729288	NO	44	DD SERIES 60	ALLISON 8500	610,489
2802	PREVOST	X3-45	2008	2PCG334948C729364	NO	55	DD SERIES 60	Allison 8500	462,807
2803	PREVOST	X3-45	2008	2PCG334978C729407	NO	44	DD SERIES 60	Allison 8500	640,550
2804	PREVOST	X3-45	2008	2PCG334998C729392	NO	44	DD SERIES 60	Allison 8500	647,234
2805	PREVOST	X3-45	2008	2PCG3349X8C729398	NO	44	DD SERIES 60	Allison 8500	662,698
2011	PREVOST	X3-45	2010	2PCG33494AC 729869	NO	44	Volvo D13 SCR	Allison B500	546,850
2012	PREVOST	X3-45	2010	2PCG33492AC729871	NO	44	Volvo D13 SCR	Allison B500	513,357
2013	PREVOST	X3-45	2010	2PCG33494AC729872	NO	44	Volvo D13 SCR	Allison B500	511,608
2507	PREVOST	XUI	2005	2PCX3349251028670	NO	55	DD SERIES 60	ZF AS TRONIC	736,865
2508	PREVOST	XL11	2005	2PCX3349951028682	NO	55	DD SERIES 60	ZF AS TRONIC	687,397
2701	PREVOST	X3-45	2007	2PCG3349871028935	NO	55	DD SERIES 60	ZF AS TRONIC	733,895
2702	PREVOST	X3-45	2007	2PCG3349171028940	NO	44	DD SERIES 60	ZF AS TRONIC	815,077
2703	PREVOST	X3-45	2007	2PCG3349771028943	NO	44	DD SERIES 60	ZF AS TRONIC	719,574
2704	PREVOST	X3-45	2007	2PCG3349071028945	NO	55	DD SERIES 60	ZF AS TRONIC	689,706
2705	PREVOST	X3-45	2007	2PCG3349871028949	NO	44	DD SERIES 60	ZF AS TRONIC	737,584
2706	PREVOST	X3-45	2007	2PCG3349571028956	YES	44	DD SERIES 60	ZF AS TRONIC	729,406
2707	PREVOST	X3-45	2007	2PCG334907102896 2	YES	44	DD SERIES 60	ZF AS TRONIC	727,133
2708	PREVOST	X3-45	2007	2PCG3349 471028964	YES	55	DD SERIES 60	ZF ASTRONIC	686,870
2709	PREVOST	X3-45	2007	2PCG3349671028965	NO	44	DD Series 60	ZF AS TRONIC	841,094
2710	PREVOST	X3-45	2007	2PCG3349171028968	YES	55	DD SERIES60	ZF AS TRONIC	658,134
2711	PREVOST	X3-45	2007	2PCG3349371028969	NO	44	DD SERIES 60	ZF AS TRONIC	617,950
CT2	Molly/Freightliner	Trolley	2003	4UZAAU8V44CM58996	YES	30	CUMMINS 68T	Allison AUTO	117,450
2113	FORD	E450	2001	1FDXE45F21HB03097	NO	24	Ford 7.3 Diesel	FORD AUTO	245,418
2402	FORD	E450	2004	1FDXE45P34H809844	NO	24	Ford 6.0 Diesel	FORD AUTO	138,766
Simulator	MPRI	Transim VS	W10	N/A	N/A	N/A	N/A	N/A	N/A