

Samuel A. Schwartz, Esq.
Nevada Bar No. 10985
Bryan A. Lindsey, Esq.
Nevada Bar No. 10662
Connor H. Shea, Esq.
Nevada Bar No. 14616
Schwartz Flansburg PLLC
6623 Las Vegas Blvd. South, Suite 300
Las Vegas, Nevada 89119
Telephone: (702) 385-5544
Facsimile: (702) 385-2741
Attorneys for the Debtors

E-Filed: July 5, 2018

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:	)	Lead Case No.: 18-10792-LEB
	)	
Lucky Dragon Hotel & Casino, LLC,	)	Joint Administration with:
	)	Case No.: 18-10850-LEB
Debtor,	)	
In re:	)	Chapter 11
	)	
Lucky Dragon, LP	)	
	)	Hearing Date: OST Pending
Debtor.	)	Hearing Time: OST Pending
	)	

**MOTION FOR THE ENTRY OF AN ORDER UNDER 11 U.S.C.
§§ 105 AND 363 AND FED. R. BANKR. P. 6004 APPROVING
THE SALE OF THE DEBTOR'S PERSONAL PROPERTY AND
DESIGNATING THE PURCHASER AS A GOOD FAITH PURCHASER**

Lucky Dragon Hotel & Casino, LLC, the debtor and debtor-in-possession in the above-referenced, jointly administered case (the “**Debtor**”), by and through its counsel of record, Schwartz Flansburg PLLC, hereby moves this Court for the entry of an order under 11 U.S.C. §§ 105 and 363; and Fed. R. Bankr. P. 6004 Approving the Sale of the Debtor’s personal property; and designating the purchaser as a good faith purchaser (the “**Motion**”). In support of the Motion, the Debtor respectfully states as follows:

JURISDICTION

1
2 1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334. This
3 is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2). Venue of this Chapter 11
4 case in this district is proper under 28 U.S.C. §§ 1408 and 1409.
5

6 2. The statutory bases for the relief requested herein are sections 105 and 363 of
7 title 11 of the United States Code (as amended, the “**Bankruptcy Code**”), and Rule 6004 of
8 the Federal Rules of Bankruptcy Procedure.
9

BACKGROUND

10
11
12 3. On February 16, 2018, Lucky Dragon Hotel & Casino, LLC (the “**LLC**”), filed
13 a voluntary petition for reorganization relief under chapter 11 of title 11 of the Bankruptcy
14 Code. On February 21, 2018, Lucky Dragon, LP (the “**LP**”) (the LLC and LP are referred to as
15 the “**Debtors**”), commenced its Chapter 11 case by filing a voluntary petition for relief under
16 Chapter 11 of the Bankruptcy Code. The Debtors continue to operate their business as debtors-
17 in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.
18
19

20
21 4. On March 8, 2018, the Office of the United States Trustee formed the Official
22 Committee of Unsecured Creditors.
23

24 5. The LLC owns a 2015 Cadillac Escalade ESV sport utility vehicle (the
25 “**Cadillac**”). Importantly, the LP does not possess any interest in the Cadillac.
26

27 6. The LLC wishes to sell the Cadillac (the “**Sale**”) to CarMax (the “**Buyer**”), and
28 expects to receive approximately \$37,000 from the sale (the “**Purchase Price**”). See CarMax
29 Appraisal Offer, a true and correct copy of which is attached hereto as **Exhibit A**.
30

31 7. The Sale will be an arm’s-length transaction, as the Sale will be conducted on
32 the open market, and the LLC expects to realize the fair market value for the Cadillac.

1 8. The LLC will supplement this Motion, if approved, with the final Purchase
2 Price once the LLC enters into a purchase agreement with the Buyer.

3 9. Importantly, the proceeds from the Sale will allow the LLC to save a significant
4 sum in terms of its monthly obligations. In turn, the LLC intends to use such savings to
5 maintain continued operations of its hotel, pay its creditors, and maximize the value of its
6 bankruptcy estate.
7

8
9 **RELIEF REQUESTED**

10 10. By this Motion, the LLC seeks an order authorizing the sale of the Cadillac, free
11 and clear of all liens, claims, encumbrances, and interests and exempt from any stamp, transfer,
12 recording or similar tax. The LLC further requests that the Buyer be designated as a good faith
13 purchaser.
14

15
16 **BASIS FOR RELIEF**

17 11. Under section 363(b) of the Bankruptcy Code, the debtor-in-possession “after
18 notice and a hearing, may use, sell or lease, other than in the ordinary course of business,
19 property of the estate.” 11 U.S.C. § 363(b).
20

21 12. Courts in this jurisdiction have stated that section 363(b) “allows the debtor-in-
22 possession to sell, other than in the ordinary course of business, ‘property of the estate.’” See
23 In re Hurt, 9 Fed.Appx. 780 (9th Cir. 2001). Fed. R. Bankr. P. 6004(f) governs the conduct of
24 a sale not in the ordinary course of business. Rule 6004(f)(1) provides that “all sales not in the
25 ordinary course of business may be by private sale or by public auction.”
26
27

28 13. Here, the Cadillac is an unencumbered asset of the LLC’s bankruptcy estate,
29 and therefore could be sold pursuant to section 363(b). Nonetheless, in an abundance of
30 caution, the LLC respectfully requests this Court enter an order authorizing the sale of the
31
32

1 Cadillac.

2 14. In addition, the expected Purchase Price for the Cadillac is likely to be
3 \$37,000.00 or more, which is based upon the Cadillac's appraised value and the offer presented
4 by the Buyer. Accordingly, the LLC submits that such purchase price is fair and reasonable,
5 particularly in light of the proceeds' anticipated benefit to the estate.
6

7 15. Moreover, under section 363(m) of the Bankruptcy Code, "[T]he reversal or
8 modification on appeal of an authorization under subsection (b) or (c) of this section of a sale
9 or lease of property does not affect the validity of a sale or lease under such authorization to an
10 entity that purchased or leased such property in good faith, whether or not such entity knew of
11 the pendency of the appeal, unless such authorization and such sale or lease were stayed
12 pending appeal." 11 U.S.C. 363(m). Here, the LLC will sell the Cadillac through an arms-
13 length transaction, and expects to receive fair market value for the vehicle. Thus, the Buyer
14 should be designated a good faith purchaser, and should be afforded the protections as
15 provided in Section 363(m) of the Bankruptcy Code.
16

17 16. Additionally, the LLC requests that the Court approve the sale of the Cadillac
18 free and clear of all liens, claims, encumbrances and interests which may be asserted against
19 the equity in the Cadillac (collectively, the "**Encumbrances**"), with all such Encumbrances
20 attaching only to the proceeds of the sale of the Cadillac.
21

22 17. Moreover, the LLC also requests that the sale be made free of transfer or stamp
23 taxes to maximize the return to the estate. 11 U.S.C. § 1146.
24

25 ///

26 ///

27 ///

1
2 WHEREFORE, the LLC respectfully requests that the Court enter an order, in the form
3 of order attached hereto as **Exhibit B:** (a) authorizing the LLC to sell the Cadillac free and
4 clear of all liens and encumbrances; (b) declaring the Buyer as a good faith purchaser; (c)
5 authorizing the sale free of transfer, stamp or other taxes; and (d) granting such other relief as
6
7 the Court deems just and proper.
8

9 Dated this 4th day of July, 2018.

10 /s/ Samuel A. Schwartz

11 Samuel A. Schwartz, Esq
12 Nevada Bar No. 10985
13 Bryan A. Lindsey, Esq.
14 Nevada Bar No. 10662
15 Connor H. Shea, Esq.
16 Nevada Bar No. 14616
17 Schwartz Flansburg PLLC
18 6623 Las Vegas Blvd. South, Suite 300
19 Las Vegas, Nevada 89119
20 Telephone: (702) 385-5544
21 Facsimile: (702) 385-2741
22 Attorneys for the Debtors
23
24
25
26
27
28
29
30
31
32

EXHIBIT A

EXHIBIT A

CarMax APPRAISAL OFFER

Name: ADAM CAMACHO
Address: 300 W SAHARA AVE
 LAS VEGAS NV 89102
Vehicle: 2015 CADILLAC ESCALADE 4D SPORT UTILITY ESV LUXU
Mileage: 56,691 **Engine:** 6.2L
VIN: 1GYS3HKJ0FR227207
Color: BLACK

Contact:
 JOSEPH DIMARCO
 7244 - WEST SAHARA, NV
Date:
 06/13/2018

FEATURES CONSIDERED

CONDITIONS ASSESSED 364640

POWER LOCKS
 SUNROOF(S)
 CD AUDIO
 BOSE SOUND SYSTEM
 REAR AIR CONDITIONING
 CRUISE CONTROL
 THIRD ROW SEAT
 POWER SEAT(S)
 FRONT SEAT HEATERS
 QUAD SEATS
 AUTOMATIC TRANSMISSION
 POWER MIRRORS, RUNNING BOARDS, NAVIGATION
 SYSTEM, DVD VIDEO SYSTEM, ALLOY WHEELS, 20 INCH
 PLUS WHEELS, TOW HITCH, TRACTION CONTROL, A/C
 SEAT(S), SATELLITE RADIO READY

POWER WINDOWS
 AM/FM STEREO
 AUXILIARY AUDIO INPUT
 AIR CONDITIONING
 REAR DEFROSTER
 ABS BRAKES
 LEATHER SEATS
 MEMORY SEAT(S)
 REAR SEAT HEATERS
 POWER FOLDING THIRD
 ROW

Front Seats:	Good Condition	Rear Seats:	Good Condition
Carpet:	Good Condition	Transmission:	Good Condition
Engine:	Good Condition	Front Tires:	Good Condition
Rear Tires:	Good Condition	Wheels:	Good Condition

APPRAISAL OFFER \$37,000

This offer is valid until the close of business on 6/20/18.

If you purchase a CarMax vehicle while selling us your vehicle,
 you could be eligible for tax savings up to \$3,053.00

This offer is good for 7 days and will be honored at all CarMax stores.

After 7 days, your vehicle will need to be reappraised and the **offer may change**.

Comments

High miles for model year.
 THANKS FOR HAVING YOUR VEHICLE APPRAISED

Your Appraiser

MANNY P.
 - CarMax Certified Appraiser

We've appraised more than 20 million vehicles. Your appraiser can provide a detailed explanation of how we determined your offer – just ask!

SELL US YOUR CAR **today!**

save time and money

AND WALK AWAY WITH PAYMENT IN HAND

When you sell to CarMax, you can avoid the hassles of selling your car yourself: • depreciation • additional car payments • costly advertising • the uncertainties of an unknown buyer (inspections, negotiations, and payment).

We'll buy your car even if you don't buy ours!®

bring these items

TO SELL US YOUR VEHICLE

Title (if it is not with a lienholder)
 Valid registration
 Valid state-issued photo ID for all titleholders
 All keys and remotes (if applicable)

See other side for important details.

EXHIBIT B

EXHIBIT B

Samuel A. Schwartz, Esq.
Nevada Bar No. 10985
Bryan A. Lindsey, Esq.
Nevada Bar No. 10662
Connor H. Shea, Esq.
Nevada Bar No. 14616
Schwartz Flansburg PLLC
6623 Las Vegas Blvd. South, Suite 300
Las Vegas, Nevada 89119
Telephone: (702) 385-5544
Facsimile: (702) 385-2741
Attorneys for the Debtors

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:	)	Lead Case No.: 18-10792-LEB
	)	
Lucky Dragon Hotel & Casino, LLC,	)	Joint Administration with:
	)	Case No.: 18-10850-LEB
Debtor,	)	
In re:	)	Chapter 11
	)	
Lucky Dragon, LP	)	
	)	Hearing Date: OST Pending
Debtor.	)	Hearing Time: OST Pending
	)	

**ORDER UNDER 11 U.S.C. §§ 105 AND 363 AND FED. R. BANKR. P. 6004
APPROVING THE SALE OF THE DEBTOR'S PERSONAL PROPERTY
AND DESIGNATING THE PURCHASER AS A GOOD FAITH PURCHASER**

1 Upon the Motion (the “**Motion**”)¹ of Lucky Dragon Hotel & Casino, LLC, the above-
2 captioned debtor and debtor-in-possession (the “**Debtor**”), for the entry of an order pursuant to
3 11 U.S.C. §§ 105 and 363 and Fed R. Bankr. P. 6004 Approving the Sale of the Debtor’s
4 Personal Property and Designating the Purchaser As A Good Faith Purchaser; and the Court
5 being satisfied with the representations made in the Motion; and it appearing that proper and
6 adequate notice of the Motion has been given and that no other or further notice is necessary;
7 and it appearing that this Court has jurisdiction over the subject matter of the Motion; and it
8 appearing that this is a core proceeding pursuant to 28 U.S.C. §157(b); and it appearing venue is
9 proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court finding the
10 Cadillac is unencumbered; and after due deliberation thereon; and good and sufficient cause
11 appearing therefore, it is hereby:

12 **ORDERED** that the Motion is **GRANTED**; and it is further

13 **ORDERED** that the Debtor is authorized to sell the Cadillac for the Purchase Price; and
14 it is further

15 **ORDERED** that pursuant to sections 105(a), 363(b) and 365 of the Bankruptcy Code,
16 the Debtor is authorized and directed to take all actions necessary to consummate the Sale; and
17 it is further

18 **ORDERED** that the Buyer is hereby designated a good faith purchaser and is
19 purchasing the Cadillac as a result of arm’s-length bargaining for the Cadillac’s fair market
20 value; and it is further

21 **ORDERED** that the sale of the Cadillac shall, upon full payment of the Purchase Price,
22 be free and clear of all liens, claims, encumbrances and interests which may be asserted against

23 ¹ Capitalized terms not otherwise defined herein shall have those meanings ascribed to them in
24 the Motion.

1 the equity in the Cadillac (collectively, the “**Encumbrances**”), with all such Encumbrances, if
2 any, attaching only to the proceeds of the sale of the Cadillac; and it is further

3 **ORDERED** that each and every federal, state and local governmental agency or
4 department be, and hereby is, authorized to accept any and all documents and instruments
5 necessary and appropriate to consummate the transactions contemplated in the Motion; and it is
6 further
7
8

9 **ORDERED** that the terms and provisions of this Order, shall be binding in all respects
10 upon, and shall inure to the benefit of, the Debtor, its creditors, the estate, the Buyer and its
11 affiliates, successors and assigns, and any affected third parties including, but not limited to, all
12 persons asserting a claim against or interest in any of the Debtor’s estate; and it is further
13

14 **ORDERED** that as provided by Fed. R. Bankr. P. 7062, this Order shall become
15 effective immediately upon its entry; and it is further
16

17 **ORDERED** that this Court shall retain jurisdiction to hear and determine all matters
18 arising from the implementation of this order.
19

20 Submitted by:

21 Schwartz Flansburg PLLC
22

23 By: /s/ Samuel A. Schwartz
24 Samuel A. Schwartz, Esq
25 Nevada Bar No. 10985
26 Bryan A. Lindsey, Esq.
27 Nevada Bar No. 10662
28 Connor H. Shea, Esq.
29 Nevada Bar No. 14616
30 Schwartz Flansburg PLLC
31 6623 Las Vegas Blvd. South, Suite 300
32 Las Vegas, Nevada 89119
Telephone: (702) 385-5544
Facsimile: (702) 385-2741
Attorneys for the Debtors

SUBMISSION TO COUNSEL FOR APPROVAL PURSUANT TO LR 9021

In accordance with LR 9021, counsel submitting this document certifies that the order accurately reflects the court's ruling and that (check one):

_____ The court has waived the requirement set forth in LR 9021(b)(1).

_____ No party appeared at the hearing or filed an objection to the motion.

_____ I have delivered a copy of this proposed order to all counsel who appeared at the hearing, and any unrepresented parties who appeared at the hearing, and each has approved or disapproved the order, or failed to respond, as indicated below [list each party and whether the party has approved, disapproved, or failed to respond to the document]:

_____ I certify that this is a case under Chapter 7 or 13, that I have served a copy of this order with the motion pursuant to LR 9014(g), and that no party has objected to the form or content of this order.

APPROVED:

DISAPPROVED:

FAILED TO RESPOND:

Submitted by:

Schwartz Flansburg PLLC

By: /s/ Samuel A. Schwartz

Samuel A. Schwartz, Esq., NBN 10985

6623 Las Vegas Blvd. South, Suite 300

Las Vegas, NV 89119

Attorneys for Debtors

###