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Sale Procedures Hearing Date:
October 4, 2017
Sale Procedures Hearing Time:
10:00 a.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

METRO NEWSPAPER ADVERTISING
SERVICES, INC.

Chapter 11
Case No. 17-22445 (RDD)

Debtor.

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**DEBTOR'S MOTION SEEKING ENTRY OF
(I) SALE PROCEDURES ORDER: (A) APPROVING BIDDING
PROCEDURES, (B) APPROVING THE FORM AND MANNER OF
NOTICE, (C) SCHEDULING AN AUCTION AND SALE HEARING, AND;
(II) SALE APPROVAL ORDER: (A) AUTHORIZING THE SALE OF THE
DEBTOR'S COMIC AND ART ASSETS FREE AND CLEAR OF ALL
LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES, AND (B)
GRANTING THE SUCCESSFUL BIDDER GOOD FAITH STATUS**

**TO: THE HONORABLE ROBERT D. DRAIN,
UNITED STATES BANKRUPTCY JUDGE:**

Metro Newspaper Advertising Services, Inc., the above captioned debtor and debtor-in-possession (the "Debtor"), by its attorneys, DelBello Donnellan Weingarten Wise & Wiederkehr, LLP, files this motion (the "Motion") pursuant to sections 105(a), 363(b), (f) and (m) of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq., (the "Bankruptcy Code"), Rules 2002(a)(2), 6004(a), (b), (c), (e), and (f), and 9007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 6004-1 of the Local Rules for the United States Bankruptcy Court

for the Southern District of New York (the “Local Rules”) and Administrative Guideline Order GM-331 for the United States Bankruptcy Court for the Southern District of New York, for entry of two (2) Orders:

- **Sale Procedures Order** (substantially in the form annexed hereto as **Exhibit C**): (i) approving bidding procedures; (ii) approving the form and manner of notice of the Sale, the Bidding Procedures, the Auction and the Sale Hearing; (iii) scheduling an auction to sell the Assets (as defined below), subject to higher and better bids (the “Auction”); and (iv) scheduling a hearing to approve the Sale of the Assets in accordance with the Auction (the “Sale Hearing”); and
- **Sale Approval Order**: (i) authorizing and approving the Sale of the Debtor’s Assets in accordance with the results of the Auction to the highest bidder (the “Successful Bidder”), and (ii) granting the Successful Bidder good faith status.

JURISDICTION AND VENUE

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of the Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).
2. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.
3. This proceeding has been initiated pursuant to Bankruptcy Code §§ 105(a), 363(b), (f) and (m), Bankruptcy Rules 2002(a)(2), 6004(a), (b), (c), (e), (f) and (g), and Local Rules 2014-1, and 6004-1.

BACKGROUND

4. On March 27, 2017 (the “Filing Date”), the Debtor filed a voluntary petition for reorganization pursuant to Chapter 11 of the Bankruptcy Code (the “Chapter 11 Case”). Thereafter the Debtor’s proceeding was referred to Your Honor for administration under the

Bankruptcy Code.

5. The Debtor was a national newspaper planning and buying agency which services national advertisers in both traditional print and digital newspaper platforms.

6. Subsequent to the Filing Date, the Debtor ceased operating. Further, the Debtor has vacated its offices and sent its books and records to storage. Additionally, the Debtor has been working to liquidate its assets and file a liquidating plan by September 30, 2017.

7. In furtherance of the Debtor's efforts to liquidate its assets and wind down its chapter 11 proceeding, by this Motion the Debtor is seeking authority to sell certain personal property, specifically: (i) comic art and signed letters (15 pieces), (ii) office art (9 pieces), and (iii) Sunday newspaper comics archives (115 pieces) (the "Assets").

8. The Debtor is seeking to further maximize the value of the Assets by seeking to retain Maltz Auctions ("Auctioneer") to, *inter alia*, market the Assets and conduct an auction sale. Auctioneer will conduct an accelerated marketing campaign and implement an auction sale of the Assets in late October, 2017 (the "Auction"). The Debtor has received an Auction Consignment Agreement – Personal Property from the Auctioneer (the "Auction Agreement"), a copy of which is annexed hereto as **Exhibit A**. The Debtor will be seeking authority to retain Auctioneer and approval of the Auction Agreement pursuant to §327(a) of the Bankruptcy Code and LBR 6005-1 by separate motion.

RELIEF REQUESTED AND BASIS FOR RELIEF

9. By this Motion, the Debtor is seeking entry of two orders: (i) Sale Procedures Order, and (ii) Sale Approval Order.

I. The Sale Procedures Order

A. The Proposed Bidding Procedures

10. The Debtor is seeking to sell the Assets subject to higher and/or better offers. In order to ensure that the highest and best offer is received for the Assets, the Debtor has established the proposed Bidding Procedures consistent with the Auction Agreement to govern the submission of competing bids at the Auction. A copy of the proposed Bidding Procedures are annexed hereto as **Exhibit B**.

11. In summary, the Bidding Procedures provide that the auction will be an ascending, “live/open outcry” auction with bidders placing bids live at the Auction, or by proxy. The Auction will be conducted in Auctioneer’s gallery located at 39 Windsor Place, Central Islip, New York. Bidders must be prepared to post a hard deposit of 25% in cash or certified funds. Auctioneer shall have the discretion to adjust bidding increments at the Auction, based up on the bidding activity. Auctioneer shall set a minimum acceptable process, i.e., the Reserve Price, for each lot to be sold. To encourage competitive bidding and maximizing the sale price, the Reserve Price will be confidential and shall not be disclosed.

12. The Debtor believes that this aforementioned proposed Bidding Procedures are fair and reasonable and will encourage all parties interested in acquiring the Assets to submit bids.

13. In determining whether bidding procedures governing the sale of a debtor’s assets are adequate, Court have consistently deferred to the debtor’s business judgment for their specific industry. *See, In re Integrated Resources, Inc.*, 147 B.R. 650, 656-57 (Bankr. S.D.N.Y. 1992)(holding that where overbid procedures are negotiated by the chapter 11 debtor, the business judgment rule applies and said procedures are “presumptively valid”).

14. Furthermore, the purpose of bidding procedures is to solicit the highest and best bid, which would in turn best benefit the creditors. *In re Financial News Network Inc.*, 980 F.2d

165 (2nd. Cir., 1992)(stating that the bankruptcy court's principal responsibility relating to bidding procedures that govern sale is to secure best possible bid for benefit of creditors).

15. Thus, courts deem appropriate those bidding procedures intended to maximize the value of the debtor's estate. *See, e.g., Financial News*, 980 F.2d at 170-71 (allowing bidder to supplement one of two bids for Chapter 11 debtor's assets after bidding was closed since the revision was consistent with both rules by which particular auction was being conducted and reasonable expectations of bidders); *Integrated Resources*, 147 B.R. at 656-57.

16. The Debtor believes that the Bidding Procedures proposed will additionally procure serious parties interested in acquiring the Assets and will result in realizing the full value of the Assets.

17. The Debtor's Bidding Procedures are designed to facilitate a competitive bidding process in an expeditious manner, especially in light of the fact that the Debtor has already vacated its premises and is trying to avoid the costs of storing the Assets.

18. The Bidding Procedures will allow the Debtor to conduct the Auction in an open fashion that will encourage participation from those bidders that demonstrate they are financially capable to consummate the transaction.

19. The Debtor believes, in its business judgment, that the Bidding Procedures are adequate and will result in maximizing the value of the Assets and are therefore appropriate under the relevant standards governing auction proceedings.

B. The Form and Manner of Notice of the Action is Proper

20. Bankruptcy Rule 2002(a) and (c) requires the Debtor to notify creditors of the proposed sale of the Assets, including the date, time and place of the Auction, terms of the Sale, and the deadline for filing any objections.

21. To notice the Sale and Auction, upon entry of the Sale Procedures Order, but in no less than twenty (20) days before the Auction, the Auctioneer will effectuate a marketing campaign, which may include marketing the Assets by use of such means as direct telephone and fax solicitation, internet advertising, newspaper, trade publication and/or journal advertising, design and distribution of informational flyers and other such marketing methods as may be necessary in order to properly market the Assets. Auctioneer will create an Auction Catalog with detailed descriptions of the Assets, which will be available to prospective bidders via fax, the internet or at Auctioneer's office. Auctioneer will design an auction-specific web page and place it on its corporate website, www.MaltzAuctions.com, which receives 100,000+ pages views each month. Photographs of the Assets and the Auction Catalog will be posted on the web page. Auctioneer will send weekly direct e-mail notification of the Auction to more than 20,000 subscribers on the www.MaltzAuctions.com e-mail mailing list.

22. Additionally, the Debtor will serve via first class mail within three (3) days of entry of the Sale Procedures Order copies of: (a) Sale Procedures Order; (c) Bidding Procedures; and (c) this Motion upon: (i) the Office of the U.S. Trustee; (ii) Counsel to the Official Committee of Unsecured Creditors, (iii) all taxing authorities; (iv) all known creditors, whether disputed, unliquidated or contingent, of the Debtor; (v) all entities known or reasonably believed to have asserted a lien, claim, interest, or encumbrance in any of the Assets, and (vi) all parties that have requested notice pursuant to Bankruptcy Rule 2002.

23. The Debtor submits that the foregoing notice fully complies with the requirements set forth in Bankruptcy Rule 2002 and 6004. Based upon the foregoing, the Debtor respectfully requests that this Court approve the form and manner of the notice proposed above.

C. The Auction

24. If the Seller receives one or more Qualified Competing Bids, the Seller will conduct the Auction to select the highest or best bid for the Sale Assets (the "Successful Bid"). The Auction shall be held late October, 2017, at a specific date and time to be determined, at the offices of Maltz Auctioneers, 39 Windsor Place, Central Islip, New York.

25. The Auctioneer will conduct the Auction in any manner will in its business judgment it believes will achieve the maximum value for the Sale Assets. Such terms and conditions may include, by way of example, one or more rounds of sealed or open bids from bidders.

26. At the conclusion of the Auction, the Debtor shall submit the Successful Bid to the Court at the Sale Hearing, for entry of a Sale Approval Order. Any Bid that fails to comply with the Bidding Procedures or any other procedures established at the Auction will be refused.

27. Prior to the conclusion of the Auction, the Debtor will (a) review and evaluate all bids, (b) identify the highest or otherwise best offer for the Sale Assets received at the Auction (such bid, the "Successful Bid" and the bidder making such bid, the "Successful Bidder") and (c) communicate the identity of the Successful Bidder and the details of the Successful Bid. The determination of the Successful Bid by the Purchaser shall be final, subject to approval by the Court.

28. The Debtor will sell the Sale Assets to the Successful Bidder pursuant to the terms of the Successful Bid upon the approval of such Successful Bid by the Court at the Sale Hearing.

29. If, following the entry of the Sale Approval Order, the Successful Bidder fails to consummate the Sale because of a breach or failure to perform on the part of the Successful Bidder, the highest or otherwise best bid ("Back-Up Bid") will be deemed the new Successful

Bid, and the Debtor will be authorized, but not required, to consummate the Sale with the bidder who submitted the Back-Up Bid without further order of the Court. In such case, the good faith deposit of the Successful Bidder shall be forfeited to the Debtor and the Debtor shall have the right to seek any and all other remedies and damages from the defaulting Successful Bidder to the extent permissible under the applicable purchase agreement and applicable law. Notwithstanding the foregoing, the Purchaser shall not be obligated to consummate the Sale if it is not the Successful Bidder, and its bid shall not be considered a Back-Up Bid, unless it otherwise consents in writing.

II. The Sale Approval Order

A. This Court Should Approve the Sale of the Debtor's Sale Assets to the Successful Bidder

30. Following the Auction, the Debtor will seek this Court's approval of the sale of the Debtor's Assets free and clear of all liens, claims, interests and encumbrances to the Successful Bidder.

31. All of the sale proceeds will be held in escrow by Debtor's counsel, with all liens, claims, interests and encumbrances, if any, to attach to the proceeds in accordance with Section 363(f) of the Bankruptcy Code, pending further Order of the Court.

32. Pursuant to Section 363 (b) and (f) of the Bankruptcy Code, the Debtor seeks entry of an order authorizing the sale, assignment and transfer the Assets. Section 363(b)(1) of the Bankruptcy Code provides, in pertinent part, "The trustee, after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate." §363(f) of the Code states as follows:

(f) The trustee may sell property under subsection (b) or (c) of this section 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.

33. The conditions set forth in 11 U.S.C. §363(f) are in the disjunctive, which means that only one of the tests must be met. The Debtor believes that the sale of the Assets in this manner is in the best interests of the estates and their creditors, for a variety of reasons, including the following: (i) the Debtor believes that an immediate sale of the Assets is in the best interests of creditors and the estate at large; (ii) the auction process will hopefully incentivize other bidders to come forward; and (iii) the sale proceeds will be used to fund a liquidating plan and distribution to creditors.

34. It is therefore submitted that Section 363(f) is satisfied and an immediate sale of the Assets is in the best interests of creditors and the estate and will prevent unnecessary, irreparable harm to the creditors and the estate.

35. In connection with this motion, the Debtor proposes to invite interested parties to make higher or better offers by way of conducting an auction of the Assets in contemplation of sales free and clear of all liens, claims, interests and encumbrances, with all such liens, claims, interests and encumbrances to attach to the sale proceeds.

36. The Debtor seeks authority to conduct the Auction free and clear of all liens with the liens to attach to the proceeds of sale (i.e., gross proceeds, less expenses) pursuant to 11 U.S.C. §363(f). Since the Auction contemplated hereby is not in the ordinary course, its authorization requires notice and a hearing pursuant to Section 363(b) of the Code. Auction sales are specifically authorized under the Bankruptcy Code and F.R.B.P. Rule 6004(f) provides that, “All sales not in ordinary course of business may be by private sale or public auction.”

37. It is within the discretion of the Court to determine whether to approve or disapprove of a method for the disposition of property. *In re Alves*, 52 B.R. 353 (Bankr. D.R.I. 1985); *See, generally, In re Stogsdill*, 102 B.R. 587 (Bankr. W.D. Tex. 1989). The Debtor respectfully submits that the Auction process will provide the greatest recovery for the Debtor’s estate than would be provided by any other available alternative. In addition, the value of the Assets will be tested in the market through an auction process, which will support the fairness and reasonableness of the consideration being received. Therefore, the Debtor requests that the Court authorize and approve the Sale of the Assets.

B. Protections as a Good Faith Purchaser

38. Section 363(m) of the Bankruptcy Code protects a good-faith purchaser’s interest in property purchased from a debtor notwithstanding that the sale conducted under Section 363(b) is later reversed or modified on appeal. *See Allstate Ins. Co. v. Hughes*, 174 B.R. 884, 888 (S.D.N.Y. 1994) (“Section 363(m) . . . provides that good faith transfers of property will not be affected by the reversal or modification of an unstayed order, whether or not the transferee knew of the pendency of the appeal”).

39. The selection of the Successful Bidder will be the product of an arm’s-length, good-faith negotiation in a competitive purchasing process. Based on the record to be made at

the Sale Hearing, the Debtor will request a finding that the Successful Bidder is a good-faith purchaser entitled to the protections of Section 363(m) of the Bankruptcy Code.

NOTICE

40. Notice of this Motion has been provided to (i) the Office of the U.S. Trustee; (ii) the Debtor's secured creditors and their respective counsel; (iii) all taxing authorities; (iv) counsel to the Official Committee of Unsecured Creditors, (v) all creditors; and (vi) all parties having filed a notice of appearance. The Debtor submits that said notice is adequate and proper.

CONCLUSION

41. No prior Motion for the relief requested herein has been made to this or any other Court.

42. For all of the foregoing reasons, the Debtor respectfully requests entry of (i) the Sale Procedures Order, and (ii) after the Auction and a Sale Hearing, entry of the Sale Approval Order.

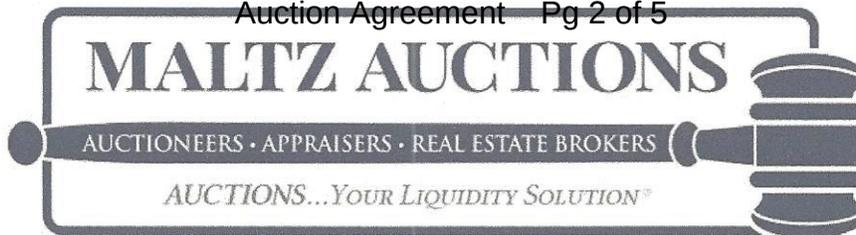
WHEREFORE, the Debtor respectfully requests that the Court grant all of the relief requested herein, together with such other and further relief as is just and proper under the circumstances.

Dated: White Plains, New York
September 13, 2017

DELBELLO DONNELLAN WEINGARTEN
WISE & WIEDERKEHR, LLP
Attorneys for the Debtor
One North Lexington Avenue
White Plains, New York 10601
(914) 681-0200

By: /s/ Julie Cvek Curley
Julie Cvek Curley

Exhibit “A”



AUCTION CONSIGNMENT AGREEMENT – PERSONAL PROPERTY

Name: Metro Newspaper Ado. Serv. Inc (“Seller”)
 Address: 28 Well Ave Yonkers NY 10701
 Phone: 914-557-7295
 E-Mail: KNPC@OPTONLINE.NET Date 7 / 7 / 17

WHEREAS, Seller desires to sell at auction certain personal property described in attached Exhibit A (the “Assets”) and for that purpose to employ Maltz Auctions, Inc. (“Maltz”). Seller grants Maltz the sole and exclusive right to sell the Assets. Seller further represents and warrants that there are no other outstanding contracts or agreements of any kind for the sale or auction of such Assets. Seller additionally represents that he/she is authorized to enter into an agreement to sell said Assets.

AUTHORITY OF MALTZ: Seller hereby authorizes Maltz to sell the Assets at public auction within ninety (90) days from the above date on behalf of Seller under the terms within this agreement.

Seller warrants and represents the Assets consigned for auction as described on Exhibit A are owned by the Seller “free & clear”, without any liens, claims or encumbrances on the Assets.

Seller warrants and represents the Assets consigned for auction are genuine and authentic unless described as a reproduction, copy or otherwise properly described to inform bidders of the authenticity of the Assets. Certificates of Authenticity or Letters of Authenticity will only be accepted from recognized sources. Maltz will not accept replica/forged items including but not limited to replica watches, replica name-brand designer items or items with forged signatures.

Maltz will perform the following services in connection with the marketing of the Assets:

Marketing

1. Maltz will create a marketing program, which may include marketing the Assets by use of such means as direct telephone and fax solicitation, internet advertising, newspaper, trade publication and/or journal advertising, design and distribution of informational flyers and other such marketing methods as may be necessary in order to properly market the Assets.
2. Maltz will create an Auction Catalog with detailed descriptions of the Assets. The Auction Catalog will be available to prospective bidders via Fax, the internet or at the Auctioneer’s office in Central Islip, NY.
3. Maltz will design an auction-specific web page and place it on our corporate website, www.MaltzAuctions.com, which receives 100,000+ page views each month. Photographs of the Assets and the Auction Catalog will be posted on the web page. Prospective bidders will be able to freely and easily download the Auction Catalog and other pertinent documents.
4. Maltz will send weekly direct e-mail notification of the auction to more than 20,000 subscribers on the www.MaltzAuctions.com e-mail mailing list.
5. Maltz will communicate with parties who have expressed an interest in the Assets.

6. Maltz will arrange for physical inspection of the Assets by prospective purchasers the morning of the auction.

Inventory/Lotting

7. Maltz will supply all of the necessary personnel to lot and catalog the Assets prior to the Public Auction Sale. The Assets shall be lotted in a manner deemed most beneficial to the Seller. Maltz will not guarantee lot number position in the auction.
8. Each Asset will be described in detail in the Auction Catalog and on the corresponding lot ticket affixed to the Asset.

Auction Sale Day

9. Maltz will provide the necessary labor to conduct the Public Auction Sale including, but not limited to an auctioneer, bookkeeper, security personnel, and auction assistants.
10. A Public Auction Sale will be conducted in Maltz's Gallery in Central Islip within 90 days following Seller's execution of this agreement.
11. Bidders will have the ability to place bids live at the Public Auction Sale or by proxy. Online bidding fees, if applicable, shall be borne by successful bidders.
12. Maltz shall use best efforts to collect from the successful bidders a 25% deposit in cash or certified funds upon knockdown of bid. Maltz may pre-approve remote bidders to bid without a deposit at Maltz's sole and absolute discretion. Should any successful bidder(s) fail to complete, or default on, any transaction, Seller shall have no recourse against Maltz or successful bidder(s). Maltz's sole responsibility shall be to return the Assets related to the incomplete, or defaulted transaction to the Seller. In the event of forfeiture by prospective Purchaser(s) of any earnest money payment, said earnest money shall be divided equally between the parties in portions, one-half to Seller and one-half to Maltz.

Post-Auction

13. Maltz will provide a bookkeeping staff to collect the balance of payments as well as any applicable sales tax.
14. Maltz will provide the labor necessary to oversee the removal of the Assets. The removal of the Assets shall be conducted by the successful bidders at their own cost, risk and expense.

Summary

15. In sum, Maltz will perform all services necessary to accomplish the disposition of the Assets in an attempt to maximize the overall proceeds for the benefit of the Seller.

Reserve Prices

16. Seller shall set a minimum acceptable price ("Reserve Price") for each lot consigned for auction. The Seller is legally obligated to accept any bid at or above the Reserve Price and Seller is obligated to approve the sale of the Assets should the bid(s) received equal or exceed the Reserve Price. The Reserve Price is confidential and shall not be disclosed without Maltz's prior written consent.
17. Seller reserves the right to lower the Reserve Price at any time prior to the auction. All adjustments must be made in writing and confirmed by Maltz.
Maltz retains the right to accept or refuse the consignment of any Assets for any reason whatsoever.

Seller's Fees

18. Seller shall pay Maltz the following fees for handling the disposition of the Assets as provided for shall be computed and paid as follows:
 - a. Ten Percent (10%) sales commission.
 - b. Five Percent (5%) marketing & labor fee.
 - c. Minimum fee (sale commission + marketing labor fee) of \$20.00 per lot shall be applied to any individual lot that sells for less than \$133.33. Any Assets consigned for auction and subsequently "pulled" from sale by Seller prior to the auction shall be assessed the greater of either 15% of the Reserve Price or the \$20.00 per lot minimum fee.
Expenses not ordinarily incurred by Maltz in the auction preparation process, such as, additional insurance, extraordinary advertising, etc... shall be borne by Seller. No such expenses shall be incurred without Seller's written consent.
 - d. All fees shall be deducted from the gross sale proceeds from the sale of the Seller's Assets.

Settlement

19. Maltz shall forward net sale proceeds to the Seller within 10 business days subsequent to final payment by the successful bidders. An Auctioneer's Summary containing a per-lot high bid summary shall be sent to Seller at the time of settlement.

Other

- 20. Compliance with Laws: Maltz agrees to perform all of its obligations under this agreement in compliance with all applicable federal, state and local laws, rules and regulations, including the UCC with the exception of any noticing requirements of the public auction sale. Maltz has all appropriate licenses including, without limitation, all necessary auction and brokerage licenses required by applicable law.
- 21. Indemnification: Seller agrees to indemnify and hold harmless Maltz, its affiliates and their respective clients, directors, officers, employees, agents, and subcontractors from and against any and all claims, expenses, losses or damages (including reasonable attorneys' fees) and against any action or threatened action, suit or proceeding arising out of, or resulting from, the indemnifying party's performance under this Agreement, including any breach, or claim of breach, by the indemnifying party of any representation, warranty or covenant in this Agreement, whether such results from the actions or inaction of Seller or any of its subcontractors. However, in no event shall a party to this Agreement be obligated for any claims, expenses, losses, or damages resulting from the gross negligence or willful misconduct of Maltz.
- 22. Suit Limitations: Any Action or suit of any kind must be commenced within one (1) year from the date when the cause of action or suit accrued or it will be forever barred. The right of action or suit will accrue, and the one (1) year limitation period will begin to run, on the date of the breach, damage, or injury is sustained and not when the resulting cost, damage, harm or loss is discovered.
- 23. Independent Parties: This Agreement shall not be construed to create a partnership or joint venture.
- 24. Arbitration. In the event of any dispute, claim, question, or disagreement arising from or relating to this Agreement or the breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, the parties shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If the parties do not reach such solution within a period of thirty (30) days, the parties agree to initiate arbitration pursuant to the Commercial Rules of the American Arbitration Association (the "Rules") in effect at the time any arbitration proceeding is commenced, which Rules are hereby incorporated by reference hereto and made a part of this Agreement.
- 25. Counterparts; Facsimile Signatures: This Agreement may be executed in any number of counterparts, each of which, when executed, will be deemed an original and all of which, when taken together, will be deemed to be but one and the same legally enforceable and binding instrument. Delivering signatures via facsimile or e-mail in PDF shall be an acceptable means of executing this Agreement, and signatures so delivered shall be treated as originals and be fully binding on the signing party.
- 26. Governing Law; Jurisdiction: This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of the County of Suffolk, State of New York as applied to agreements made in the County of Suffolk, State of New York, without regard to choice of law principles.
- 27. Severability: The provisions of this Agreement shall be severable. Should any part, term or provision of this Agreement be construed by any court of competent jurisdiction to be illegal, invalid or unenforceable for any reason, the legality, validity and enforceability of the remaining parts, terms and provisions shall not be affected thereby.
- 28. Complete Agreement: This Agreement constitutes the entire understanding between the parties and replaces any and all prior agreements related to the auction set forth herein. This Agreement may not be modified or amended except in writing signed by both parties.
- 29. Insurance: Maltz does not maintain or provide insurance coverage against loss or damage of any Assets consigned for auction. It is strongly recommended that Seller maintain insurance on his/her/their Assets consigned for auction.
- 30. Gem Enhancements: Any gem that has been enhanced by any treatment or process to affect its value, including but not limited to Color and/or Clarity Enhancements must be properly described by the Seller as a Treated Gemstone.

Agreed and Accepted this 7th day of July, ~~2016~~ 2017

Signature Phyllis Cavaliere Print Name PHYLLIS CAVALIERE

EXHIBIT A

AUCTION CONSIGNMENT WORKSHEET			
Item #	Description	Reserve Price	Notes
1	Comic Art		
2	Signed Lithos 15 Pieces		
2	Office Art 9 Pieces		
3	Sunday Newspaper		
5	Comics Archives 115 Pieces		
6			
7			
8			
9			
10			
11			
12			
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14			
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18			

Exhibit “B”

Bidding Procedures

Set forth below are the bidding procedures (the “Bidding Procedures”) to be employed with respect to the sale of certain art of Metro Newspaper Advertising Services, Inc. (the “Seller” or “Debtor”) as described below (the “Assets”):

Comic Art and Signed Letters (15 pieces)
Office Art (9 pieces)
Sunday Newspaper Comics Archives (115 pieces)

Any person or entity interested in the specific terms of the Sale (defined below) should contact Auctioneer:

Bob Gangi
Maltz Auctions
39 Windsor Place
Central Islip, New York 11722
Office: 516-349-7022
Fax: 516-349-0105
bg@maltzauctions.com

or Attorneys to the Seller:

Julie Cvek Curley, Esq. *Partner*
DelBello Donnellan Weingarten Wise & Wiederkehr, LLP
One North Lexington Avenue, 11th Floor
White Plains, New York 10601
Phone: (914) 607-3153
Fax: (914) 684-0288
E-mail: JCurley@ddw-law.com

The Seller has determined that: (A) the transactions contemplated (the “Sale”) shall be subject to competitive bidding as set forth in these Bidding Procedures; and (B) the transfer of the Seller’s rights, title and interests in and to the Assets (as defined below) shall be subject to approval by the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) pursuant to Sections 363 and 365 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended (the “Bankruptcy Code”).

Bidding Process

These Bidding Procedures describe, among other things, the Assets available for sale, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Assets, the manner in which bids become Qualified Competing Bids (as defined below), the receipt and negotiation of bids received, the conduct of any Auction (as defined below), the ultimate selection of the Successful Bidder (as defined below), and the Bankruptcy Court’s approval thereof (collectively, the “Bidding Process”).

Assets To Be Sold

Comic Art and Signed Letters (15 pieces)
Office Art (9 pieces)
Sunday Newspaper Comics Archives (115 pieces)

Notice And Solicitation Of Bids

Within one (1) Business Days following the entry of the Bidding Procedures Order, the Seller shall provide notice, in form and substance satisfactory to the Buyer, of the Sale, the Bidding Procedures, the time and place of the Auction (as defined below), the time and place of the Sale Hearing (as defined below), and the objection deadline for the Sale Hearing to all parties who have expressed any interest in the Assets as well as other potential bidders who may wish to participate in the Bidding Process by submitting higher and better offers ("Competing Bids") to purchase the Assets.

Any person or entity that desires to submit a Competing Bid (a "Bidder") must do so in writing, provided that such Competing Bid satisfies all of the requirements for Qualified Competing Bids (as set forth below) and is received by Maltz Auctions (the "Auctioneer") at the following address by **October __, 2017 not later than 11:00 a.m. (ET)** (the "Bid Deadline").

Qualified Competing Bids and Auction

To be considered a qualified Competing Bid (a "Qualified Competing Bid"), Bidders must be prepared to post a hard deposit of 25% in cash or certified funds. Auctioneer shall have the discretion to adjust bidding increments at the Auction, based up on the bidding activity.

The auction will be an ascending, "live/open outcry" auction with Bidders placing bids live at the Auction, or by proxy. The Auction will be conducted in Auctioneer's gallery located at **39 Windsor Place, Central Islip, New York**. Auctioneer shall have the discretion to adjust bidding increments at the Auction, based up on the bidding activity. Auctioneer shall set a minimum acceptable process, i.e., the Reserve Price, for each lot to be sold, which will be confidential and shall not be disclosed.

At the conclusion of the Auction, the Seller shall submit the Successful Bid to the Court at the Sale Hearing (as defined below), for entry of a Sale Approval Order. Any Bid that fails to comply with the Bidding Procedures or any other procedures established at the Auction will be refused.

Selection Of Successful Bid

Prior to the conclusion of the Auction, the Seller will (a) review and evaluate the Buyer's bid and each Qualified Competing Bid, (b) identify the highest or otherwise best offer for the Assets received at the Auction (such bid, the "Successful Bid" and the bidder making such bid, the "Successful Bidder") and (c) communicate to the Buyer and the Qualified Competing Bidders the identity of the Successful Bidder and the details of the Successful Bid. The

determination of the Successful Bid by the Seller shall be final, subject to approval by the Bankruptcy Court.

The Seller will sell the Assets to the Successful Bidder pursuant to the terms of the Successful Bid upon the approval of such Successful Bid by the Bankruptcy Court at the Sale Hearing. For the avoidance of doubt, the Seller shall not solicit, consider, support or facilitate any bid (whether or not such bid is a Qualified Competing Bid) for any of its Assets received after the close of the Auction.

If, following the entry of the Sale Approval Order, the Successful Bidder fails to consummate the Sale because of a breach or failure to perform on the part of the Successful Bidder, the highest or otherwise best bid ("Back-Up Bid") will be deemed the new Successful Bidder and legally obligated and bound to consummate the transaction, and the Seller will be authorized, but not required, to consummate the Sale with the bidder who submitted the Back-Up Bid without further order of the Court. In such case, the good faith deposit of the Successful Bidder shall be forfeited to the Seller and the Seller shall have the right to seek any and all other remedies and damages from the defaulting Successful Bidder to the extent permissible under the applicable APA and applicable law.

Bid deposits for any unsuccessful bidder (including the Buyer) will be returned within three (3) business days of conclusion of the Auction, except in the case of the Back-Up Bidder, if any, whose deposit shall be released 3 days after closing in the event it is not deemed the new Successful Bidder.

Sale Hearing

A hearing to approve the sale of the Assets to the Successful Bidder will be held on **November 7, 2017 at 10:00 a.m. (EST)** before the Honorable Robert D. Drain at the United States Bankruptcy Court for the Southern District of New York (White Plains Division), 300 Quarropas Street, White Plains, New York 10601 (the "Sale Hearing").

Free Of Any And All Liens, Claims, Interests, and Encumbrances

All of the rights, title, and interests of the Seller in and to the Assets, or any portion thereof, to be acquired will be sold, conveyed, transferred, and assigned free and clear of all Liens, Claims, Interests, and Encumbrances pursuant to Sections 363 and 365 of the Bankruptcy Code, such Liens, Claims, Interests, and Encumbrances to attach to the net proceeds of the sale of such Asset.