

Kevin D. McCullough
State Bar No. 00788005
Kathryn G. Reid
State Bar No. 24068126
Shannon S. Thomas
State Bar No. 24088442
ROCHELLE McCULLOUGH, LLP
325 N. St. Paul Street, Suite 4500
Dallas, Texas 75201
Telephone: 214-953-0182
Facsimile: 214-953-0185
kdm@romclaw.com
kreid@romclaw.com
stomas@romclaw.com

GENERAL COUNSEL FOR SHAWN K. BROWN,
CHAPTER 11 TRUSTEE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE: §
PFO GLOBAL, INC., *et al.*,¹ § CASE NO. 17-30355-HDH-11
DEBTORS. § CHAPTER 11
§ (Jointly Administered)
§

**MOTION TO SELL CERTAIN ASSETS OF THE ESTATE BY PUBLIC AUCTION
FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES PURSUANT
TO SECTION 363 OF THE BANKRUPTCY CODE**

NO HEARING WILL BE CONDUCTED HEREON UNLESS A WRITTEN
RESPONSE IS FILED WITH THE CLERK OF THE UNITED STATES
BANKRUPTCY COURT AT 1100 COMMERCE, ROOM 1254, DALLAS,
TEXAS 75242-1496 BEFORE CLOSE OF BUSINESS ON **MONDAY,
SEPTEMBER 11, 2017**, WHICH IS AT LEAST TWENTY-FOUR (24) DAYS
FROM THE DATE OF SERVICE HEREOF.

¹ The Debtors and their respective case numbers and last four digits of U.S. tax identification numbers are as follows: PFO Global, Inc. (Case No. 17-30355, Tax ID 4332); Pro Fit Optix Holding Company, LLC (Case No. 17-30358, Tax ID 3919); Pro Fit Optix, Inc. (Case No. 17-30361, Tax ID 0492); PFO Technologies, LLC (Case No. 17-30362, Tax ID 1430); PFO Optima, LLC (Case No. 17-30363, Tax ID 5197); PFO MCO, LLC (Case No. 17-30365, Tax ID 4686). These parties shall be referred to herein, collectively, as the “Debtors.”

ANY RESPONSE SHALL BE IN WRITING AND FILED WITH THE CLERK, AND A COPY SHALL BE SERVED UPON COUNSEL FOR THE MOVING PARTY PRIOR TO THE DATE AND TIME SET FORTH HEREIN. IF A RESPONSE IS FILED A HEARING MAY BE HELD WITH NOTICE ONLY TO THE OBJECTING PARTY.

IF NO HEARING ON SUCH NOTICE OR MOTION IS TIMELY REQUESTED, THE RELIEF REQUESTED SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT OR THE NOTICED ACTION MAY BE TAKEN.

**TO THE HONORABLE HARLIN D. HALE,
UNITED STATES BANKRUPTCY JUDGE:**

COMES NOW, Shawn K. Brown, the duly qualified and acting Chapter 11 Trustee in the above-captioned jointly administered bankruptcy cases (the “Trustee”), and files this Motion to Sell Personal Property of the Estate by Public Auction, Free and Clear of All Liens, Claims, Interests and Encumbrances Pursuant to §363 of the Bankruptcy Code and for Related Relief (the “Motion”) and would respectfully show unto the Court as follows:

I. JURISDICTION AND PROCEDURAL BACKGROUND

1. On January 31, 2017 (the “Petition Date”), the above-captioned Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Court”).

2. On May 25, 2017, the Debtors filed an Emergency Motion to Convert Bankruptcy Cases to Chapter 7 Cases [Dkt. No. 197]. This motion was denied by the Court on June 13, 2017 [Dkt. No. 218]. At that time, the Court ordered the U.S. Trustee to direct the appointment of a Chapter 11 Trustee.

3. Shawn K. Brown was appointed Chapter 11 Trustee on June 21, 2017 [Dkt. No. 220].

4. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is

a core proceeding pursuant to 28 U.S.C. §157(b)(2)(A), (M), (N) and (O). Venue is proper in this District pursuant to 28 U.S.C. §§1408 and 1409.

5. This Motion is made pursuant to Section 363 of the United States Bankruptcy Code and F.R.B.P.6004.

II. STATEMENT OF FACTS

4. The Debtors have historically operated as a consolidated group of companies in the eyewear and lenses industry worldwide. The Debtors are headquartered in Farmer's Branch, Texas and have computers, furniture, fixtures and equipment, as well as significant lens inventory and assorted frames (collectively, the "Assets") at their warehouse facility at 14401 W. Beltwood Parkway, Suite 115, Farmer's Branch, TX 75244. A list of these Assets has been cataloged by the Trustee's (prospective) auctioneer, Rosen Systems, and is attached hereto and incorporated herein by reference as Exhibit A. Additionally, the investigation by the Trustee and his auctioneer as to potential additional property to include in the auction is ongoing, and the final auction catalog may include Assets in addition to or different than those listed on Exhibit A.

5. The Trustee contends that it is necessary and in the best interest of the estate and its creditors to liquidate the Assets at public sale by auction (the "Auction"). The Trustee has determined that these assets are not necessary for the type of plan of reorganization that is currently being considered.

6. The Trustee has separately sought employment of Rosen Systems, Inc. ("Rosen") to conduct the auction. Rosen is currently on the approved list of auctioneers of the Office of the United States Trustee. The gross proceeds, less buyer's premium, will be paid by the auctioneer to the Trustee for the benefit of the estate, with the auctioneer's fee and expenses being subject to Court approval. Any liens will attach to the proceeds of the Auction. The Trustee will file a Report

of Sale within 30 days of the conclusion of the Auction.

7. The joint administration of these bankruptcy cases is purely procedural and is in no way intended to affect substantive rights of creditors. Therefore, the net sales proceeds for each particular asset shall be allocated to the estate corresponding to whichever debtor owned the asset, and the auction expenses shall also be assessed on a pro-rata basis.

III. RELIEF REQUESTED

8. By this Motion and pursuant to sections 363(b) and (f) of the Bankruptcy Code and F.R.B.P. 6004, the Trustee requests this Court to authorize the Trustee to sell the Assets of the Debtor to the person(s) with the highest bid identified at the Auction. The Auction will enable the Trustee to obtain the best offer(s) for the assets, and upon their sale, maximize their value to the estate.

9. Under F.R.B.P. 6004(f)(1), the Trustee may sell the property of the estate outside the ordinary course of business by either private sale or public auction. The Trustee has determined, in his best judgment, that the Auction will maximize the value of the Assets. As such, the Auction is in the best interest of the Debtors' estates and their respective creditors.

10. By this Motion, the Trustee seeks authority to sell certain property of the Debtors on an "as is" "where is" basis, free and clear of all liens, claims, interest, and encumbrances pursuant to a public auction pursuant to section 363(f) of the Bankruptcy Code. In particular, the Trustee believes the section 363(f)(2) test is met, because each of the parties holding liens, if any, on the Assets will consent to the Auction, and otherwise could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of any such interest.

11. The Trustee and his professionals reserve the right to surcharge the Auction proceeds pursuant to Section 506(c). Section 506(c) provides that the Trustee may recover from

property securing an allowed secured claim “the reasonable, necessary costs and expenses of preserving, or disposing of, such property to the extent of any benefit to the holder of such claim, including the payment of all ad valorem property taxes with respect to the property.”

12. Subject to Court approval of the Trustee’s pending application, the Trustee intends to engage Rosen as auctioneer to conduct the aforementioned Auction. The Trustee has filed contemporaneously herewith an application to employ Rosen as auctioneer. The Trustee proposes to conduct an Auction online at the date and time specified below:

- (a) Bidding will open Sept. 12, 2017 at 9 a.m.;
- (b) Inspection of Assets on Sept. 18, 2017 from 10 a.m. to 4 p.m. at 14401 W. Beltwood Parkway, Suite 115, Farmer’s Branch, TX 75244; and
- (c) Online auction closes on Sept. 19, 2017 starting at 10 a.m.

CONTACT: Michael Rosen

13. An online auction is a timed auction that takes place on the internet and can be accessed through www.rosensystems.com. The same advertising and preparation are used that would have been with a traditional onsite auction. Each lot will be cataloged, described, photographed, and listed in the online auction catalog. Bidding for all lots will open 7 days prior to the auction's closing date. On the auction’s closing date, each lot will close at a rate of one per minute in numerical order beginning with lot number 1, and proceeding until everything has been sold.

PLEASE TAKE NOTICE THAT THE TRUSTEE MAY AVOID A SALE UNDER SECTION 363(n) OF THE BANKRUPTCY CODE IF THE SALE PRICE WAS CONTROLLED BY AN AGREEMENT AMONG POTENTIAL BIDDERS AT SUCH SALE, OR MAY RECOVER FROM A PARTY TO SUCH AGREEMENT ANY AMOUNT BY WHICH THE VALUE OF THE PROPERTY SOLD EXCEEDS THE PRICE AT WHICH SUCH SALE WAS CONSUMMATED, AND MAY RECOVER ANY COSTS, ATTORNEYS’ FEES, OR EXPENSES INCURRED IN AVOIDING SUCH

SALE OR RECOVERING SUCH AMOUNT. IN ADDITION TO ANY RECOVERY UNDER THE PRECEDING SENTENCE, THE COURT MAY GRANT JUDGMENT FOR PUNITIVE DAMAGES IN FAVOR OF THE ESTATE AND AGAINST SUCH PARTY THAT ENTERED INTO SUCH AGREEMENT IN WILLFUL DISREGARD OF THIS SUBSECTION.

WHEREFORE, PREMISES CONSIDERED, the Trustee prays that, after appropriate notice, the Court will enter an order authorizing the Trustee to sell the Assets of the bankruptcy estates by Auction; approve the sale of the Assets at the Auction to the highest bidder, on an “as is”, “where is” basis, free and clear of all liens, claims, interests and encumbrances, with any valid liens, claims, interests, and encumbrances to attach to the proceeds of the sale; and for such other relief to which the estate may be justly entitled.

Date: August 18, 2017.

Respectfully submitted,

ROCHELLE McCULLOUGH, LLP

By: /s/ Shannon S. Thomas

Kevin D. McCullough
State Bar No. 00788005
Kathryn G. Reid
State Bar No. 24068126
Shannon S. Thomas
State bar No. 24088442
325 N. St. Paul Street, Suite 4500
Dallas, Texas 75201
Telephone: (214) 953-0182
Facsimile: (214) 953-0185
kdm@romclaw.com
kreid@romclaw.com
sthomas@romclaw.com

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SHAWN K. BROWN, CHAPTER 11 TRUSTEE

EXHIBIT A

Lab Equipment	Weco E6 Linear Technology Operators Edger, S/N 00170 (New 2014)
	Weco Buchman Type 1143-0041 580 Edger
	Weco C.5 Centering Device
	Huvtz Model HLM -700, S/N 7LM11F0127 Optisource Multimeter
	CE Model HF037 Progressive Lens Marking Reader & Tenssiometer
	Microscope
	TM Model CM-5 Grinder
	Winx Model 5300-2 Plasmawave
	Viskonix Model VM-2500 Visual Lens Mapper
	Midek LT-1200 Satellite Tracer
	Santinelli LT910 Satellite Tracer
Inventory	Inventory of Assorted Lenses
	Inventory of Assorted Frames
Warehouse Equip.	Approx. 200 Sections Metal Adjustable Shelving 7'H x 4'W x 2'D
	(25) Wire Racks
	Fairbanks Electronic Scale
	Pallet Jacks
	Portable Stairs
	Better Pak Tape Dispenser
	Zebra ZP500 & ZP40 Label Printers
	Banding Outfit
	Carts
	Folding Tables
Computer & Office Equip.	(3) IMAC 2" LED 16:9 Widescreen Computers
	Ipad
	Dell Poweredge R520 & T420 Servers
	Net Gear, Unifi & Dell Switches
	HP Laserjet Printers
	(35) Assorted PCs
	Fellowes Shredders
	Telephone System: NEC w/ (21) Handsets
Office Furniture	(6) U-Shaped Executive Desks
	(16) Modular Work Stations
	(42) Upholstered Chairs
	Conference Table
	File Cabinets