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7 Proposed Counsel for Debtor and Debtor in Possession

8
9 **UNITED STATES BANKRUPTCY COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **LOS ANGELES DIVISION**

12 In re:

13 RAMLA USA, INC.,

14 Debtor and Debtor in Possession.
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Case No. 2:17-bk-24318-BR

Chapter 11

**MOTION FOR ENTRY OF AN ORDER:
(1) AUTHORIZING THE SALE OF
ESTATE'S INTEREST IN LIQUOR
LICENSE FREE AND CLEAR OF ALL
LIENS, INTERESTS, CLAIMS, AND
ENCUMBRANCES PURSUANT TO 11
U.S.C. §§ 363(b) AND (f); (2) APPROVING
OVERBID PROCEDURES; AND
(3) DETERMINING THAT BUYER IS
ENTITLED TO A GOOD FAITH
DETERMINATION PURSUANT TO 11
U.S.C. § 363(m)**

**MEMORANDUM OF POINTS AND
AUTHORITIES; DECLARATION OF YUJI
UENO, CHIEF EXECUTIVE OFFICER, IN
SUPPORT THEREOF**

Re: Liquor License 47-521524

Hearing:

Date: January 9, 2018

Time: 2:00 p.m.

Place: Courtroom 1668

U.S. Bankruptcy Court

255 E. Temple Street

Los Angeles, CA 90012

1 **TO THE HONORABLE BARRY RUSSELL, UNITED STATES BANKRUPTCY JUDGE,**
2 **THE OFFICE OF THE UNITED STATES TRUSTEE, AND ALL OTHER INTERESTED**
3 **PARTIES:**

4 Ramla USA, Inc., Chapter 11 Debtor and Debtor in Possession (the “**Debtor**”) in the
5 bankruptcy case identified as *In re Ramla USA, Inc.*, Bankruptcy Case Number 2:17-bk-24318-BR
6 (the “**Bankruptcy Case**”), hereby moves this Court (the “**Sale Motion**”) for an order authorizing the
7 sale (the “**Sale**”) of the interest held by the Debtor’s bankruptcy estate (the “**Estate**”) in a Type-47
8 “On-Sale General For Bona Fide Eating Place” liquor license bearing license number 47-521524
9 (the “**Liquor License**”), in accordance with those certain ABC License Escrow Instructions Dated
10 December 11, 2017 (the “**Escrow Instructions**”) and signed by the Debtor and proposed purchaser
11 L.A. Spoon, LLC, a California limited liability company (the “**Buyer**”), a true and correct copy of
12 which is attached hereto as **Exhibit “1”**. The Debtor seeks approval of the Sale to the Buyer or a
13 successful overbidder free and clear of all liens, claims, interests and encumbrances, with such liens,
14 claims, interests, and encumbrances to attach to the Sale proceeds. The Debtor additionally seeks
15 approval of overbid procedures, and requests that the Court determine that the Buyer or any
16 successful overbidder is entitled to a good faith determination pursuant to 11 U.S.C. § 363(m).

17 This Sale Motion is brought pursuant to section 363 of Title 11 of the United States Code
18 (beginning at 11 U.S.C. § 101, *et seq.*, the “**Bankruptcy Code**”), Rules 2002 and 6004 of the
19 Federal Rules of Bankruptcy Procedure (**F.R.B.P.**), and Rule 6004-1 of the Local Bankruptcy Rules
20 of the Central District of California (**L.B.R.**) on the grounds that Sale of the Liquor License is (i)
21 within the Debtor’s sound business judgment; and (ii) in the best interest of the Estate and its
22 creditors; and (iv) is an important component to the Debtor’s successful reorganization in this
23 Bankruptcy Case. The Sale Motion is based on the attached Memorandum of Points and
24 Authorities, the concurrently-filed Declaration of Yuji Ueno, Chief Executive Officer (the “**Ueno**
25 **Declaration**”), the concurrently-filed notice of Sale Motion, the arguments of counsel, and such
26 other admissible evidence as is properly brought before this Court at or before the hearing on this
27 Sale Motion.

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1 **PLEASE TAKE FURTHER NOTICE** that, pursuant to L.B.R. 9013-1(f), any opposition
2 to the Sale Motion must be filed and served at least fourteen (14) days prior to the hearing on the
3 Sale Motion. Any opposition or other response to the Sale Motion must be a “complete written
4 statement of all reasons in opposition thereto or in support, declarations and copies of all evidence
5 on which the responding party intends to rely, and any responding memorandum of points and
6 authorities.” L.B.R. 9013-1(f). Pursuant to L.B.R. 9013-1(h), a failure to timely file and serve
7 responsive documents to the Sale Motion may be deemed to be consent to the relief requested
8 herein.

9 **WHEREFORE**, the Debtor respectfully requests that the Court enter an order:

- 10 (1) Granting the Sale Motion in its entirety;
- 11 (2) Approving the Sale of the Liquor License to the Buyer or the successful overbidder
12 pursuant to the Escrow Instructions, and finding the Purchase Price is fair and reasonable and that
13 the Sale of the Liquor License is in the best interests of the Estate and its creditors;
- 14 (3) Authorizing the Sale of the Liquor License to the Buyer on an **AS-IS, WHERE-IS**
15 basis, without any representations or warranties by the Debtor;
- 16 (4) Approving the proposed overbid procedures;
- 17 (5) Approving the form and manner of notice provided by the Debtor;
- 18 (6) Authorizing the Debtor to execute any and all documents that may be necessary or
19 convenient to consummate the Sale;
- 20 (7) Authorizing the Sale of the Liquor License free and clear of liens, interests, and
21 encumbrances pursuant to 11 U.S.C. § 363(b) and (f), with such liens, claims, interests, and
22 encumbrances to attach to the Sale proceeds with the same priority and rights of enforcement as
23 previously existed;
- 24 (8) Finding the Buyer or the successful overbidder is a good-faith purchaser of the Liquor
25 License pursuant to 11 U.S.C. § 363(m) and entitled to all benefits and protections provided thereby;
- 26 (9) Waiving the 14-day stay imposed by F.R.B.P. 6004(h); and

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1 (10) Granting such other and further relief as this Court deems just and proper under the
2 circumstances.

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DATED: December 19, 2017

BRUTZKUS GUBNER

/s/ Robyn B. Sokol
By: _____
ROBYN B. SOKOL
NINA Z. JAVAN
MICHAEL W. DAVIS
Proposed Counsel for Debtor and Debtor in
Possession

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

By the Sale Motion,¹ the Debtor proposes to sell the Estate’s interest in the Liquor License to the Buyer for a purchase price of Eighty-Five Thousand Dollars (\$85,000.00) (the “**Purchase Price**”), payable in cash according to the terms of the Escrow Instructions. The Motion proposes a sale of the Liquor License subject to overbid and pursuant to the overbid procedures set forth herein. The Debtor requests that the Court find that the Buyer or successful overbidder is a good faith purchaser within the meaning of 11 U.S.C. § 363(m) and entitled to the protections thereof.

The Sale proposed herein provides maximum benefit to the Estate. As discussed more fully below, the Purchase Price provides the best return to the Estate and its creditors. Thus, the Debtor submits that this proposed Sale is in the best interest of the Estate because the consideration for the Sale of the Liquor License is reasonable, and the Estate will benefit as a result of the Sale.

II. FACTUAL BACKGROUND

A. General Case Background.

On November 20, 2017, the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtor continues to operate its business and manage its affairs as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or committee has been appointed in the Debtor’s Chapter 11 case as of the filing of this Sale Motion.

B. Description of the Debtor’s Business.

The Debtor owns and operates traditional Japanese/Izakaya-style restaurants. Along with four (4) restaurant/food service locations currently in operation (located in Monrovia, San Francisco, Palm Springs, and Los Angeles, California), the Debtor has two (2) non-operating locations in West Covina, California (the “**West Covina Location**”) and Encino, California (the “**Encino Location**”) (collectively, with the West Covina Location, the “**Defunct Locations**”) that closed in early 2017 and mid-2016, respectively. Each of the Defunct Locations still has liquor licenses associated with

¹ Unless otherwise defined, capitalized terms herein shall have the same meaning as in the Sale Motion to which this memorandum of points and authorities is annexed.

1 them. The Debtor has determined that the Liquor License associated with the Encino Location,
2 which expires on November 30, 2018, has significant value for the Estate.

3 **III. TERMS OF PROPOSED SALE**

4 The Debtor has received an offer from the Buyer to purchase the Liquor License for
5 \$85,000.00. The Debtor and the Buyer have negotiated a sale of the Estate's interest in the Liquor
6 License pursuant to the terms of the Escrow Instructions, attached hereto as **Exhibit "1"**.

7 **A. Terms of Sale**

8 The salient terms of the proposed sale are as follows:

9 1. **Sale Price:** The Debtor proposes to sell the Liquor License to the Buyer, subject to
10 Court approval, for Eighty-Five Thousand Dollars (\$85,000.00). The Purchase Price shall be
11 deposited in full into escrow by the Buyer within thirty (30) days after the application to transfer the
12 Liquor License has been filed with the ABC. In the event a party other than the Buyer is the
13 winning overbidder for the Liquor License, such overbidder shall deposit the balance of the overbid
14 amount (taking into account any deposit delivered by such overbidder) into escrow within three (3)
15 calendar days after entry of a Court order granting this Sale Motion.

16 2. **Earnest Money Deposit:** The Buyer shall deliver a good faith deposit (the "**Deposit**")
17 in the sum of \$8,500.00 to Federal Escrow, Inc. (the "**Escrow Holder**"), which deposit shall be
18 deemed non-refundable and forfeited to the Estate unless the Court denies this Motion and/or
19 declines to approve the sale of the Liquor License to the party delivering the good faith deposit. The
20 amount of any deposit paid shall be credited against the Purchase Price at the close of escrow.

21 3. **Payment of Costs, Fees, and Sale or Transfer Taxes:** The Buyer shall bear and be
22 solely responsible for the payment of any and all costs, fees, and sales or transfer taxes arising from
23 the sale and transfer of the Liquor License, including but not limited to escrow fees, recording fees,
24 and transfer fees. Commission owed to Buyer's broker, Art Rodriguez Associates, will be paid by
25 the Buyer. Any sales and use taxes payable to the State Board of Equalization ("**SBOE**") incurred
26 by the Debtor prior to the transfer of the Liquor License shall be paid by the Estate from the
27 Purchase Price through escrow, however the Debtor is not aware of any tax liens secured by the
28 Liquor License.

1 4. Sale Subject to Overbid: The proposed Sale to the Buyer is subject to overbid,
2 according to the terms proposed herein.

3 5. No Representations or Warranties: The Debtor is selling the Liquor License to the
4 Buyer on an **AS-IS, WHERE-IS** basis, without any representations or warranties by the Debtor.

5 6. Bankruptcy Court Jurisdiction: The United States Bankruptcy Court for the Central
6 District of California shall have exclusive jurisdiction to interpret and enforce over any case or
7 controversy arising from the Sale.

8 7. Tax Consequences: The Debtor expresses no opinion as to whether there are tax
9 consequences to the Sale.

10 **B. Proposed Overbid Procedures**

11 While the Debtor is prepared to consummate the Sale of the Liquor License to the Buyer
12 pursuant to the terms of the Escrow Instructions, it is obliged to seek the maximum price for the
13 Liquor License. Accordingly, the Debtor requests that the Court authorize it to implement an
14 overbid procedure regarding the sale of the Liquor License on the following terms (the “**Bid**
15 **Procedures**”):

16 1. Present at Hearing: The Buyer and each Qualified Bidder (as defined below), must
17 be either physically present at the hearing on the Sale Motion or represented by an individual or
18 individuals who is/are physically present at the hearing and have the authority to participate in the
19 overbid process;

20 2. Notice of Overbid: Any party wishing to participate in the overbid process must
21 notify the Debtor in writing directed to Robyn Sokol via email addressed to rsokol@bg.law **and**
22 Nina Z. Javan via email addressed to njavan@bg.law, of his/her/its intention to do so no later than
23 close of business two (2) calendar days before the date of the hearing on the Sale Motion;

24 3. Earnest Money Deposit: To be a qualified overbidder (“**Qualified Bidder**”), each
25 party participating in the overbid process (except for the Buyer, who has already paid the Deposit to
26 Federal Escrow Inc. as of the date of this Sale Motion), must remit to the Debtor, at or prior to the
27 hearing on the Sale Motion, payment in the form of a cashier’s check (no other form of payment
28 shall be accepted) made payable to “Federal Escrow Inc.” (payment made payable to any other party

1 may, in the sole discretion of the Debtor, be deemed inadequate and rejected) in a deposit amount of
2 **\$8,500.00** (“**Overbid Deposit**”). The Overbid Deposit shall not be refundable if such party is the
3 successful bidder and is thereafter unable to complete the purchase of the Liquor License;

4 4. Initial Overbid: The initial overbid for the Liquor License shall be **\$5,000.00**, with
5 subsequent overbids being made in minimum increments of **\$1,000.00**;

6 5. Successful Overbidder Subject to Terms of Escrow Instructions. In the event that the
7 Buyer is not the successful bidder for the Liquor License, the successful bidder (“**Successful**
8 **Bidder**”) shall then become the buyer under the same terms and conditions as set forth in the Escrow
9 Instructions (with the exception of the price to be paid for the Liquor License). Under these
10 circumstances, the Escrow Instructions with the Buyer would no longer be effective and the Buyer
11 would be entitled to full refund of its Deposit.

12 **IV. DISCUSSION**

13 **A. The Court Should Authorize the Sale of the Liquor License in Accordance with** 14 **the Escrow Instructions**

15 The Debtor submits that the Sale is in the best interest of the Estate and should be approved.
16 Section 363 of the Bankruptcy Code authorizes the Debtor to sell estate property, following notice
17 and a hearing, on terms that are fair and reasonable and the result of an arms-length transaction.
18 Specifically, Section 363(b)(1) states in pertinent part that: “The trustee, after notice and a hearing,
19 may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11
20 U.S.C. § 363(b)(1); *see also* 11 U.S.C. § 1107(a) (giving a debtor in possession the same powers as a
21 trustee).

22 In determining whether the sale of assets outside of the ordinary course of business should be
23 approved, bankruptcy courts generally consider: (1) whether a sufficient business reason exists for
24 the sale; and (2) whether the proposed sale is in the best interest of the estate, which in turn consists
25 of the following factors: (a) that terms of the sale are fair and reasonable; (b) that the proposed sale
26 has been adequately marketed; (c) that the proposed sale terms have been properly negotiated and
27 proposed in good faith; and (d) that the purchaser is involved in an arms-length transaction with the
28 seller. *See In re Wilde Horse Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991) (“In

1 approving any sale outside the ordinary course of business, the court must not only articulate a
2 sufficient business reason for the sale, it must further find it is in the best interest of the estate, *i.e.*, it
3 is fair and reasonable, that it has been given adequate marketing, that it has been negotiated and
4 proposed in good faith, and that it is an ‘arms-length’ transaction.”); *Matter of Phoenix Steel Corp.*,
5 82 B.R. 334, 335-56 (Bankr. D. Del. 1987) (In determining whether a proposed sale of equipment is
6 proper under § 363, courts should consider whether the proposed sale is fair and equitable, whether
7 there was a good business reason for completing the sale, and whether the transaction is proposed in
8 good faith.); *In re Alves*, 52 B.R. 353, 355 (Bankr. D.R.I. 1985) (whether to approve a sale under
9 § 363 depends upon the integrity of sale and the best interest of bankruptcy estate).

10 In the instant case, the Debtor has satisfied all of the applicable elements discussed above
11 concerning the proposed Sale of the Liquor License, and the Debtor has sound reasons for the Sale,
12 specifically, to maximize return to the Estate by liquidation of the Liquor License, which is not
13 otherwise being utilized by the Debtor or the Estate for business operations. The Debtor submits
14 that the Purchase Price for the Liquor License offered by the Buyer is fair and reasonable and that
15 the Liquor License was adequately marketed. Based upon the Debtor’s review of comparable sales,
16 the Debtor believes that the Purchase Price is a reasonable offer given the current market conditions.
17 In addition, the proposed overbid procedures and auction process are specifically designed to ensure
18 that the highest price possible is obtained for this asset. Given that there are no secured liens
19 asserted against the Liquor License, the Debtor submits that the proposed Sale will provide the
20 Estate with a significant benefit.

21 **B. The Court Should Authorize the Proposed Sale Free and Clear of All Liens,**
22 **Interests, and Encumbrances Pursuant to 11 U.S.C. § 363(f)**

23 Pursuant to 11 U.S.C. § 363(f), the Debtor may sell the Liquor License free and clear of
24 liens, interests, claims, and encumbrances, with such liens, interests, claims, and encumbrances to
25 attach to the Sale proceeds, with the same priority and rights of enforcement as previously existed.

26 As discussed above, the Debtor is not aware of any liens, interests, claims or encumbrances
27 asserted against the Liquor License. Thus, the Debtor submits the Court may authorize the Sale free
28 and clear of all liens, interests, claims, and encumbrances pursuant to 11 U.S.C. § 363(f).

1 **C. The Court Should Find that the Buyer is a Good Faith Purchaser**

2 Additionally, pursuant to 11 U.S.C. § 363(m), the Court should make a finding that the Buyer
3 is a good faith purchaser. A purchaser of property is protected from the effects of reversal on appeal
4 of the authorization to sell or lease as long as the Court finds that the purchaser acted in good faith
5 and the appellant fails to obtain a stay of the sale. *See* 11 U.S.C. § 363(m). Although the
6 Bankruptcy Code does not define “good faith,” courts have provided guidance as to the appropriate
7 factors to consider. *See In re Pine Coast Enterprise, Ltd.*, 147 B.R. 30, 33 (Bankr. N.D. Ill. 1992)
8 (“The requirement that a purchaser act in good faith speaks to the integrity of its conduct in the
9 course of the sale proceeding.”); *Kham and Nate’s Shoes No. 2 v. First Bank*, 908 F.2d 1351, 1355
10 (7th Cir. 1990) (The purpose of § 363(m) is to disable courts from backtracking on promises with
11 respect to bankruptcy sales in the absence of bad faith). In *T.C. Investors v. Joseph (In re M Capital*
12 *Corp.)*, 290 B.R. 743 (B.A.P. 9th Cir. 2003), the Bankruptcy Appellate Panel held that a bankruptcy
13 court may not make a finding of good faith in the absence of evidence, but may make such a finding
14 if appropriate evidence is presented. *T.C. Investors*, 290 B.R. at 746–47.

15 In the instant case, the Debtor requests that the Court make a finding that the Buyer is a good
16 faith purchaser within the meaning of Section 363(m). The Debtor has no relation to the Buyer or
17 the Buyer’s broker, and did not know the Buyer prior to its involvement in this Bankruptcy Case.
18 The Debtor has reviewed its internal records and the claims register in this Bankruptcy Case. Based
19 on this review, the Debtor has determined that neither the Buyer nor the Buyer’s broker are creditors
20 of this Estate. The Debtor submits that the Sale was negotiated at arms-length, and the proposed
21 Purchase Price is fair consideration for the Liquor License. As such, a finding of good faith within
22 the meaning of Section 363(m) is appropriate.

23 **V. NOTICE**

24 The Debtor submits that adequate notice of the proposed Sale has been given. Concurrently
25 with the filing hereof, notice on the Court-approved form F 6004-2 was submitted to the Court’s
26 clerk for publication on the Court’s website pursuant to Local Bankruptcy Rule 6004-1(f). Notice of
27 the Sale was also posted on the Danning, Gill, Diamond, & Kollitz LLP website. Notice of this Sale
28 Motion has been provided to the Office of the United States Trustee and all other interested parties

1 pursuant to Federal Rule of Bankruptcy Procedure 2002(a).

2 **VI. CONCLUSION**

3 Based on the foregoing, the Debtor respectfully requests that the Court enter an order
4 granting the Sale Motion and:

5 (1) Granting the Sale Motion in its entirety;

6 (2) Approving the Sale of the Liquor License to the Buyer or the successful overbidder
7 pursuant to the Escrow Instructions, and finding the Purchase Price is fair and reasonable and that
8 the Sale of the Liquor License is in the best interests of the Estate and its creditors;

9 (3) Authorizing the Sale of the Liquor License to the Buyer on an **AS-IS, WHERE-IS**
10 basis, without any representations or warranties by the Debtor;

11 (4) Approving the proposed overbid procedures;

12 (5) Approving the form and manner of notice provided by the Debtor;

13 (6) Authorizing the Debtor to execute any and all documents that may be necessary or
14 convenient to consummate the Sale;

15 (7) Authorizing the Sale of the Liquor License free and clear of liens, interests, and
16 encumbrances pursuant to 11 U.S.C. § 363(b) and (f), with such liens, claims, interests, and
17 encumbrances to attach to the Sale proceeds with the same priority and rights of enforcement as
18 previously existed;

19 (8) Finding the Buyer or the successful overbidder is a good-faith purchaser of the Liquor
20 License pursuant to 11 U.S.C. § 363(m) and entitled to all benefits and protections provided thereby;

21 (9) Waiving the 14-day stay imposed by F.R.B.P. 6004(h); and

22 (10) Granting such other and further relief as this Court deems just and proper under the
23 circumstances.

24 Dated: December 19, 2017

BRUTZKUS GUBNER

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By: /s/ Robyn B. Sokol

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Robyn B. Sokol

Nina Z. Javan

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Attorneys for Ramla USA, Inc., Chapter 11 Debtor
and Debtor in Possession

DECLARATION OF YUJI UENO

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I, Yuji Ueno, declare:

1. I am the Chief Executive Officer of debtor and debtor-in-possession Ramla USA Inc., a California corporation, and one of two holders of the common stock of the Debtor. I have personal knowledge of the facts contained herein, or have gained such knowledge from my review of records I normally maintain in the ordinary course of business of the Debtor, and if called as a witness, I could and would competently testify to these facts under oath.

2. I submit this declaration in support of the Sale Motion to which it is annexed. Unless otherwise defined, all capitalized terms shall have the same meaning as in the Sale Motion.

3. On November 20, 2017, the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtor continues to operate its business and manage its affairs as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or committee has been appointed in the Debtor's Chapter 11 case as of the filing of this Sale Motion.

4. The Debtor owns and operates traditional Japanese/Izakaya-style restaurants. Along with four (4) restaurant/food service locations currently in operation (located in Monrovia, San Francisco, Palm Springs, and Los Angeles, California), the Debtor has two (2) non-operating locations in West Covina, California and Encino, California that closed in early 2017 and mid-2016, respectively. Each of the Defunct Locations has liquor licenses associated with them that the Debtor intends to liquidate for the benefit of the Estate. With respect to the Encino Location, there is a Type-47 "On-Sale General For Bona Fide Eating Place" liquor license bearing license number 47-521524, which I believe has significant value for the Estate and which expires on November 30, 2018.

5. I received a prior offer, post-petition, from another potential purchaser to purchase the Liquor License for \$78,500, which is less than the Purchase Price to be paid by the Buyer. Further, based on my knowledge of the industry and the current market, the Purchase Price is fair and reasonable under the circumstances.

1 6. On or about December 15, 2017, I signed the Escrow Instructions, which contain the
2 terms of the proposed Sale. A true and correct copy of the Escrow Instructions is attached hereto as
3 Exhibit "1".

4 7. Based upon my review and analysis of the claims filed in this Bankruptcy Case, I am
5 informed and believe that there are no secured liens asserted against the Liquor License and taxes
6 owed to the SBOE are current.

7 8. It is my business judgment that the Purchase Price for the Liquor License offered by
8 the Buyer is fair and reasonable and that the sale of the Liquor License was adequately marketed. In
9 addition, the proposed overbid procedures and auction process are specifically designed to ensure
10 that the highest price possible is obtained for this asset. Given that there are no secured liens
11 asserted against the Liquor License, the proposed Sale will provide the Estate with a significant
12 benefit.

13 9. Neither the Debtor nor I have any relation to the Buyer or the Buyer's broker, with
14 the exception that I have previously dealt with the Buyer's broker on a professional level. The Sale
15 terms set forth in the Sale Motion and Escrow Instructions were negotiated at arms-length, and as
16 discussed above I believe the proposed Purchase Price is fair consideration for the Liquor License.

17 I declare under penalty of perjury that the foregoing is true and correct.

18 Executed this 19 day of December, 2017, at Monrovia, California.

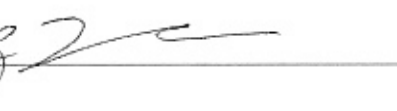
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Yuji Ueno

EXHIBIT 1



23734 Valencia Blvd., Ste 100A
Valencia, CA 91355
Phone: (661) 222-3132
Fax: (661) 254-3492

FEDERAL ESCROW, INC.

ABC LICENSE ESCROW INSTRUCTIONS

FEDERAL ESCROW, INC. IS LICENSED BY BUSINESS OVERSIGHT, STATE OF CALIFORNIA, UNDER LICENSE NO. 963-1846

Escrow Officer: Stephanie Soto
Escrow No.: 69006-SS

Date: December 11, 2017

These ABC License Escrow Instructions (hereinafter referred to as the "Escrow Instructions") are given December 11, 2017, by and between Ramla USA Inc, Chapter 11 Debtor and Debtor In Possession (hereinafter referred to as "Seller") and L.A. Spoon, L.L.C, a California limited liability company (hereinafter referred to as "Buyer"). Seller and Buyer may be collectively referred to as the "Parties," or individually as a "Party," in these Escrow Instructions.

WITNESSETH: Seller is the owner of On-Sale General Eating Place License No. 47-521524 (hereinafter referred to as "ABC License") issued to Seller's premises located at 17401 Ventura Blvd., B21, Encino, CA 91316. Furthermore, Seller agrees to sell, and Buyer agrees to purchase the ABC License from Seller under terms and conditions as stated in these Escrow Instructions. Seller and Buyer instruct Federal Escrow, Inc. (hereinafter referred to as "Escrow Holder") as follows:

THE PURCHASE PRICE for the ABC License that is to transfer to Buyer's proposed business address located at 959 Seward Street, Suite 109, Los Angeles, CA 90038

Shall be the sum of \$ 85,000.00

Payable as follows:

Buyer's Initial deposit into escrow, upon execution hereof, in the amount of \$ 8,500.00

In accordance with Section 24074.3 of the California Business & Professions Code, Buyer's additional deposit into escrow, on or before thirty (30) days after the date Buyer makes application at the Department of Alcoholic Beverage Control, in the amount of \$ 76,500.00

The balance of all monies due to Escrow shall be deposited into escrow via wire transfer on or before Escrow Holder's submission of a Statement Re Consideration to the California Department of Alcoholic Beverage Control (hereinafter referred to as "ABC").

INSTRUCTIONS:

1. **PREVIOUS ESCROW INSTRUCTIONS:** The previous Escrow Instructions dated October 24, 2017 shall be deemed null and void in its entirety.
2. **BANKRUPTCY:** Buyer is aware that the ABC License being conveyed through this transaction is subject to bankruptcy overbid and bankruptcy court approval. Seller and Buyer agree any initial overbid must be \$5,000.00 above the original purchase price of \$85,000.00. Furthermore, Seller and Buyer understand that Escrow is subject to approval of the bankruptcy court and that the applicable judicial district of the bankruptcy court has the sole and exclusive jurisdiction to hear and decide any and all controversies or matters relating to the subject ABC License and the parties submitted to such jurisdiction.
3. **CLOSE OF ESCROW:** This Escrow will be deemed "closed" upon Escrow Holder's receipt of the fully executed Statement Re Consideration from ABC Headquarters, authorizing the close of escrow following the transfer of the permanent ABC License to Buyer, or (if applicable) an executed Rule 60b Letter (ABC-236A) from ABC Headquarters, authorizing the close of escrow following the issuance of the ABC License under the provisions of Rule 64b and Section 24044 of the Alcoholic Beverage Control Act.
4. **RECORDING NOTICE / ABC RENEWAL FEE:** Upon the opening of Escrow, Escrow Holder is authorized to record a Notice of Intended Transfer of Retail Alcoholic Beverage License (hereinafter referred to as "Notice of Intended Transfer"), pursuant to Section 24073 and 24074 of the California Business & Professions Code. Buyer agrees to submit an application for the transfer of the ABC License to the proper District Office of the ABC within thirty (30) days of Buyer's receipt of a recorded or fully executed Notice of Intended Transfer. Buyer further agrees to pay all ABC License Transfer Fees and Renewal Fees in connection with Buyer's ABC application. In the event Seller's ABC License Renewal Fee becomes due during the escrow period, Buyer agrees to pay it directly to the ABC, prior to its delinquency date of November 30, 2018.
5. **ESCROW FEES & COSTS:** In addition to the purchase price, Buyer agrees to pay 100% of the escrow fees, processing fees and costs in this transaction and Buyer will deposit the total amount of said escrow fees and costs concurrently with those monies due thirty (30) days after the date Buyer makes application at the ABC. Escrow Holder is authorized to pay from funds deposited into escrow, all Third Party Vendor charges, including but not limited to charges for publications, recordings, messenger fees and other services required by this escrow, when incurred, with no further authorization on the part of any party required. Furthermore, Escrow Holder is authorized to retain its escrow fee, in the amount of \$1,000.00, from Buyer's funds on deposit in escrow, upon submission of the ABC Form 226 to the ABC with no further authorization on the part of any party required.
6. **ABC FORM 226:** Escrow Holder is instructed to withhold the Statement Re-Consideration (hereinafter referred to as the "ABC Form 226") until all conditions of these Escrow Instructions have been complied with and met insofar as Escrow Holder is to be concerned. The purpose of the ABC Form 226 is to: (a) advise the ABC that all funds required to close escrow have been deposited into escrow, and (b) advise the ABC that Escrow Holder authorizes the ABC to proceed with transferring the permanent ABC License to Buyer. The Parties are made aware by Escrow Holder and understand that, subsequent to receiving the ABC Form 226 from Escrow Holder, the ABC does not have a set period of time in which the ABC will transfer the permanent ABC License to Buyer.

Seller(s) Initials 

Buyer(s) Initials _____ / _____

- 7. **ABC ACT:** Buyer declares that Buyer is fully cognizant of the provisions of the State Alcoholic Beverage Control Act, with particular reference to qualification of licensees, and knows of no reason the ABC should deny Buyer an ABC License.
- 8. **SECTION 24049 OF CA BUSINESS & PROFESSIONS CODE:** In the event any tax agency, under the provisions of Section 24049 of the California Business & Professions Code, has a hold on the transfer of the ABC License, preventing issuance of the ABC License to Buyer, then Escrow Holder, upon receipt of the ABC Form 202A, is authorized and instructed to pay from funds on deposit in escrow, the amount of any such tax agency demands without any further authorization on the part of any party required, and deduct same from Seller's proceeds at the close of escrow.
- 9. **CALIFORNIA BUSINESS & PROFESSIONS CODE REQUIREMENTS:** Seller and Buyer understand and are made aware that Escrow Holder is required to act in accordance with the California Business & Professions Code, including but not limited to Sections 24049 and 24074 of said Code. Seller and Buyer understand and are made aware that Escrow Holder is not affiliated with any agent, finder, or consultant assisting Seller, Buyer, or both, in this Escrow. Furthermore, Seller and Buyer release Federal Escrow, Inc., its officers, and representatives from any and all liability in connection with any agreement Seller, Buyer, or both, may have with any such agent, finder, or consultant.
- 10. **COMMUNICATION WITH THIRD PARTY:** If Seller or Buyer authorizes Escrow Holder to communicate with a third party, including but not limited to an attorney, broker, agent, tax advisor or consultant on either Party's behalf, both Parties hereby indemnify and hold harmless Escrow Holder, its officers, and representatives from any and all liabilities which it/they may incur in connection with such communications, including attorney's fee, costs, and expenses, all of which shall survive the close of escrow.
- 11. **ABC LICENSE CONTINGENCY / EVENT OF ESCROW CANCELLATION:** This escrow is subject to and contingent upon the transfer of the permanent ABC License to Buyer by the ABC. In the event the ABC, or any other governmental agency having jurisdiction over the Buyer's proposed business premises, should deny a transfer of the ABC License, or not give approval for issuance of the ABC License to Buyer, this escrow is to be cancelled. Both Parties are aware that neither party can unilaterally cancel this escrow. In the event this escrow is to be cancelled for any reason, including those described herein, upon request of cancellation of escrow, Escrow Holder is authorized to deduct the escrow cancellation fee and costs from funds on deposit in escrow with no further authorization from either party required, and each party agrees to sign and deposit Escrow Cancellation Instructions into escrow within five (5) days of receipt of same from Escrow Holder. The Escrow Cancellation Instructions shall provide for a return to the Buyer of the funds deposited into escrow by the Buyer, less only the escrow cancellation fee and costs, and less any fee(s) paid by the Buyer to any consultant at the opening of escrow.
- 12. **ESCROW INSTRUCTIONS:** Escrow Holder may accept this Escrow Instruction, and documents in connection with this transaction, executed by Seller and Buyer in counterparts as separate originals, regardless of the date of their signing and delivery. Such counterparts together shall be construed as one and the same document.
- 13. **AUTHORITY TO EXECUTE ESCROW INSTRUCTIONS:** Each person signing these Escrow Instructions, as an individual or on behalf of an entity, represents and warrants that he or she is duly authorized and has the legal capacity to execute and deliver these Escrow Instructions to Escrow Holder. Each Party represents and warrants to the other that the execution and delivery of these Escrow Instructions and the performance of such Party's obligations hereunder have been duly authorized and that these Escrow Instructions are a valid and legal agreement binding on such Party and enforceable in accordance with its terms.
- 14. **OPENING OF ESCROW:** Escrow shall be deemed "open" on the date Escrow Holder receives both (a) a copy of these Escrow Instructions executed by all Parties, and (b) Buyer's opening escrow deposit. In the event Seller and Buyer execute these Escrow Instructions in counterparts and deliver same to Escrow Holder on different days, the Parties agree that escrow shall be deemed "open" on the later date that Escrow Holder receives the executed Escrow Instructions from all Parties.
- 15. **FINAL AGREEMENT:** Seller and Buyer agree that no representations have been made by any Party other than those specifically set forth herein, and these Escrow Instructions are the final agreement between the Parties hereto, superseding all prior agreements whatsoever.

ADDITIONAL ESCROW INSTRUCTIONS AND TERMS ("GENERAL PROVISIONS") ATTACHED HERETO ARE BY REFERENCE INCORPORATED HEREIN AND MADE A PART HEREOF. THE UNDERSIGNED HEREBY ACKNOWLEDGE THEY HAVE RECEIVED AND READ THESE ESCROW INSTRUCTIONS AND ATTACHED PAGES OF "GENERAL PROVISIONS" AND APPROVE, ACCEPT, AND AGREE TO BE BOUND THEREBY. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THESE ESCROW INSTRUCTIONS AND THE ATTACHED GENERAL PROVISIONS, THE TERMS OF THESE ESCROW INSTRUCTIONS SHALL GOVERN AND CONTROL.

SELLER(S):

Ramla USA Inc.,
Chapter 11 Debtor and Debtor In Possession

By: 
Yaffi Dengo, President

BUYER(S):

L.A. Spoon, LLC, a California limited liability company

By: _____
Joseph Madden, Managing Member

By: _____
Samuel Tornatore, Managing Member

By: _____
Sean Loeffel, Managing Member

GENERAL PROVISIONS CONTINUED ON NEXT PAGE

GENERAL PROVISIONS TO BUL SALE AND/OR ALCOHOLIC BEVERAGE CONTROL LICENSE TRANSFER ESCROW

1. **AGREEMENT TO BE BOUND BY GENERAL PROVISIONS:** The Parties hereto, by mutual agreement, do enter into this escrow transaction with Escrow Holder for the purpose of completing this transaction in accordance with Division 6 of the California Commercial Code and Sections 24071-24074 of the California Business and Professions Code, as appropriate. The Parties agree to execute these instructions and any supplemental instructions presented by Escrow Holder confirming their agreement to be bound to any additional terms and conditions of Escrow Holder, including Escrow Holder's general provisions, and authorize Escrow Holder to resign from processing this escrow transaction if mutual agreement cannot be reached between the Parties and Escrow Holder relative to the terms of conditions of Escrow Holder's duty.
2. **COMMENCEMENT OF ESCROW HOLDER DUTY:** This escrow transaction is deemed open, and Escrow Holder's duty commences, upon receipt of mutual or matching escrow instructions, signed by all Parties and the initial, good faith deposit are deposited with Escrow Holder. Said escrow instructions shall be incorporated in the purchase agreement or, if the purchase agreement does not include escrow instructions or no purchase agreement is entered into by the Parties, shall be drafted by Escrow Holder at the direction of the Parties.
3. **DUTIES OF ESCROW HOLDER:** The Parties agree that Escrow Holder has only those responsibilities inherent of an escrow service provider and that there are no other legal relationships established between Escrow Holder and the Parties by way of this escrow transaction. Those duties are limited to the safekeeping of such money and documents received by Escrow Holder and for the disposition and/or disbursement of same in accordance with the written instructions accepted by Escrow Holder in this Escrow. Escrow Holder shall not be liable for any damages, losses, costs, or expenses incurred by any Party in the handling and processing of this escrow transaction as a result of any act or failure to act made or omitted in good faith or for any action taken that Escrow Holder shall in good faith believe to be genuine, excepting such as may arise through or be caused by Escrow Holder's willful neglect or gross misconduct.
4. **PROMISE TO PAY AND INDEMNIFY:** The Parties hereby jointly and severally promise and agree to pay promptly on demand made by Escrow Holder, as well as to indemnify Escrow Holder and hold Escrow Holder harmless from and against all litigation and interpleader costs, damages, judgments, attorneys' fees, expenses, obligations, and liability of every kind which in good faith Escrow Holder may incur or suffer in connection with or arising out of this escrow transaction, whether said litigation, interpleader, obligation, liability or expense arises during the performance of this escrow transaction or subsequent thereto, directly or indirectly. The Parties agree to pay Escrow Holder a reasonable fee for all time spent by officers or employees of Escrow Holder in connection with any dispute resolution action taken relative to this escrow transaction including but not limited to time spent researching, reviewing and/or testifying relative thereto.
5. **UNJUST ENRICHMENT:** In the event any Party to this escrow transaction received funds or is credited funds to which they are not entitled, said Party agrees, upon written demand, to return said funds immediately to escrow for correct disbursement.
6. **DEPOSIT OF FUNDS:** Escrow Holder is instructed to deposit all funds received by Escrow Holder with any state or national bank in a trust account in the name of Escrow Holder, without any liability for payment of interest. All deposits made by personal check, cashier's check, certified check, or deposit other than cash or wire transfer are subject to clearance and payment by the financial institution upon which they are drawn. Funds deposited with Escrow Holder in the form of check or similar instrument will be identified as collected funds when the Escrow Holder's financial institution confirms that the funds are available for disbursement.
7. **GOOD FUNDS LAW:** Pursuant to California Insurance Code Section 12413.1, known as the Good Funds Law, the Parties hereto are made aware that closing funds deposited by the Parties and/or lender must be cleared funds prior to close of escrow. This law places some very specific constraints upon the time frames for funds to be made available for disbursement. Close of escrow cannot occur before funds are cleared and immediately collectible and available for withdrawal, which clearance can range from being immediately available upon receipt to seven (7) days depending on the form deposit. The Parties hereby release Escrow Holder of any responsibility, claim, and/or liability in connection with such a delay caused by the manner in which closing funds or lender's funds are deposited.
8. **PAYMENT OF COSTS:** The Parties hereby authorize Escrow Holder to pay from funds deposited into this escrow transaction, all charges for publications, recordings, filings, searches, preliminary reports, and other services required by this escrow, when incurred, with no further authorization on the part of any Party. The Parties hereto authorize Escrow Holder to pay from funds deposited into this escrow transaction, all escrow fees, attorney fees, and costs or other charges incurred by Escrow Holder in connection with this escrow transaction with no further authorization on the part of any Party.
9. **EXTRAORDINARY SERVICES/FEEs:** Escrow Holder may charge the Party benefitted additional fee(s) over and above Escrow Holder's customary escrow fee, for escrow services rendered that Escrow Holder considers extraordinary or unusual or not within the range of Escrow Holder's customary escrow processing. Said fee(s) shall be disclosed to the Party to be charged prior to close of escrow.
10. **STATUTE OF LIMITATIONS:** These instructions are to be construed and interpreted according to California Law. NO ACTION SHALL LIE AGAINST ESCROW HOLDER FOR ANY CLAIM, LOSS, LIABILITY OR ALLEGED CAUSE OF ACTION OF ANY KIND OR NATURE WHATSOEVER, HOWEVER CAUSED OR OCCURRED, IN THIS ESCROW TRANSACTION OR IN CONNECTION WITH THE HANDLING OR PROCESSING OF THIS ESCROW TRANSACTION, UNLESS BROUGHT WITHIN TWELVE (12) MONTHS AFTER THE CLOSE OF ESCROW OR ANY CANCELLATION OR TERMINATION OF ESCROW FOR ANY REASON WHATSOEVER.
11. **WRITTEN INSTRUCTIONS REQUIRED:** Pursuant to California Civil Code Section 1624, no notice, demand, supplemental escrow instruction, or amendment of the escrow instructions (hereinafter collectively "supplemental instructions") shall be effective unless given in writing by the Parties affected thereby. Escrow Holder shall not act upon or consider such supplemental instruction to have any validity until same is fully executed and delivered to Escrow Holder by all Parties concerned.
12. **AUTHORIZATION TO ACCEPT ELECTRONIC SIGNATURES AND DOCUMENTS:** In accordance with California's Uniform Electronic Transactions Act (the "Act"), the Parties hereby authorize Escrow Holder to accept electronic and/or digital signatures and records, transmitted via facsimile or other electronic means (collectively "electronic signatures") into this escrow as originals. The Parties expressly agree that this transaction can be conducted electronically, at the option of the Parties, to the fullest extent possible under the Act and recording laws. The Parties agree to transmit original, wet signatures on (1) all documents to be recorded, (2) all documents excluded from being enforceable under the Act, and (3) all documents required to be in original form by any regulatory agency. The Parties agree to verify any and all electronic signatures upon request of Escrow Holder.
13. **ACTS OUTSIDE OF ESCROW AND MEMORANDA ITEMS:** Whenever provision is made herein for the payment of any sum, the delivery of any document, or the performance of any act "outside of escrow", Escrow Holder shall have no responsibility therefore, shall not be concerned therewith, and is specifically relieved of any obligation relative thereto. Escrow Holder is expressly instructed not to act upon or be concerned with or liable for those items designated in the purchase agreement, escrow instructions, or supplemental instructions as memoranda items between the Parties, nor any other agreement between the Parties not expressly addressed to Escrow Holder in the form of a supplemental instruction.
14. **NO DUTY TO DISCLOSE OR INSPECT:** Escrow Holder's sole duty relative to disclosures shall be the payment of invoices presented to Escrow Holder. Escrow Holder is not to be concerned with the giving of any disclosures except as expressly required to be given by an escrow service provider pursuant to Federal or State law, including but not limited to those disclosures related to lending, zoning, land division, property condition, or usury. Escrow Holder urges the Parties to seek appropriate counsel from an attorney or licensed broker to ascertain what disclosures

Seller(s) Initials YM

Buyer(s) Initials _____

and/or laws, if any, need to be complied with prior to close of escrow. The Parties jointly and severally agree to indemnify and hold harmless Escrow Holder by reason of any misrepresentation or omission by a Party or agents or failure of the Parties to this escrow transaction to comply with the rules and/or regulations of any governmental agency, whether state, federal, county, municipal, or otherwise and Escrow Holder is not to be concerned with enforcement of same. If presented with an invoice in connection with any disclosure Escrow Holder is authorized to pay same without further instructions. Escrow Holder will make no physical inspection of the real property and/or personal property that is the subject of this escrow transaction, and Escrow Holder is not to be concerned with or liable for the condition of same.

15. PROPRIETARY INFORMATION: Escrow Holder is relieved of any duty, responsibility, and/or liability relative to disclosure of the proprietary information of the Parties and/or agents to this or any other escrow transaction. Such propriety information includes, but is not limited to, any (A) sale, resale, loan, exchange, or other transaction involving the real property and/or personal property that is the subject of this escrow transaction or (B) benefit, including but not limited to financial gain or profit, involving the real property and/or personal property that is the subject of this escrow transaction. Escrow Holder shall be relieved of any and all liability if such proprietary information is disclosed as necessary for Escrow Holder to comply with the instructions of the Parties or if requested by a lender, agent, governmental agency, or any other entity entitled to such propriety information. Escrow Holder is specifically authorized to furnish copies of all escrow instructions, amendments thereto, preliminary title reports, closing statements and/or related documentation to the agents and/or attorneys representing any party to this escrow transaction, as may be requested by them, without obtaining any further authorization from Buyer or Seller.

16. NOTIFICATION OF DISHONORED CHECKS: If any check submitted to Escrow Holder is dishonored upon presentment for payment, Escrow Holder is authorized to notify all Parties and/or their respective agents of such nonpayment. The Party receiving credit for the deposit agrees to pay a reasonable fee to Escrow Holder for the returned check.

17. ACCEPTANCE AND VERACITY OF SIGNATURES: Escrow Holder shall not be responsible or liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any document deposited with Escrow Holder relative to the identity, authority, or rights of any person executing the same. All signatures submitted into this escrow transaction shall be construed as unconditional approval of the within document as to form, content, terms, and conditions. Escrow Holder shall have no obligation to verify, and will not verify, the authenticity of any signature on any document made relative to this escrow transaction. Escrow Holder shall not be liable or responsible for any loss that may occur because of forgeries, fraud, or false representations made or involving the Parties to this escrow transaction, any third Parties, the agents or any other person or entity.

18. ACCEPTABILITY OF COUNTERPARTS: These instructions may be executed in counterparts, each of which shall be deemed an original regardless of the date of its execution and delivery. All such counterparts together shall constitute one and same document.

19. STANDARDIZED FORMS: Escrow Holder is to use Escrow Holder's usual document forms or the usual forms of any reliable forms company or any title company and in the instructions insert dates and terms on the instruments if incomplete when executed. Escrow Holder is authorized to use any standardized, preprinted form in order to comply with these instructions. Escrow Holder is authorized to use Escrow Holder's own form or any form produced by any reliable forms company or any title company. Excepting Escrow Holder's own form, Escrow Holder shall not be liable for the correctness or sufficiency of such standardized preprinted forms.

20. NOTIFICATION, RECORDING, PUBLICATION AND PAYMENT REQUIREMENTS: The undersigned Buyer instructs Escrow Holder to prepare, file, publish, record and Notify Tax Collector as required, a Notice to Creditors (in accordance with Section 6107 of the California Commercial Code), or Sections 24071-24074 of the California Business and Professions Code, as appropriate. **THE PARTIES ARE AWARE AND ACCEPT THAT THE RESPONSIBILITY OF (AND ANY LIABILITY IN CONNECTION WITH) PUBLISHING THE NOTICE TO CREDITORS IN THE PROPER JUDICIAL DISTRICT AND OF NOTIFYING THE PROPER COUNTY TAX COLLECTOR SHALL BE THAT OF THE NEWSPAPER SERVICE AND NOT THAT OF ESCROW HOLDER.**

Escrow Holder is instructed to pay claims filed as approved by the Seller from the consideration in the escrow transaction as provided in accordance with either Division 6 of the California Commercial Code or Sections 24071-24074 of the California Business and Professions Code as appropriate. Escrow Holder is further instructed to pay such taxes and amounts approved by Seller and as specified in California Business and Professions Code Section 24049 as are required by Department of Alcoholic Beverage Control to be paid as a condition precedent to the transfer of the Alcoholic Beverage Control license.

If the Seller disputes any claim Escrow Holder shall withhold funds from Seller's proceeds, make notifications to the disputed creditor and disburse funds as provided in either Division 6 of the California Commercial Code or Sections 24071-24074 of the California Business and Professions Code, as appropriate.

If the cash deposited is insufficient to pay all of the claims filed in full, Escrow Holder shall withhold funds from Seller's proceeds, make appropriate notifications to creditors and disburse funds as provided in Division 6 of the California Commercial Code or Sections 24071-24074 of the California Business and Professions Code of California, as appropriate.

To the extent that an obligation of the Buyer to pay cash in the future is a part of the consideration and the cash consideration is not sufficient to pay all claims filed in full, Escrow Holder is instructed to hold such Note or other instrument in escrow and receive payments thereon as they become due. Escrow Holder shall apply all principal and interest received on the obligation to the payment of claims in accordance with the above referred to code sections, as appropriate. When all claims have been paid in full, Escrow Holder is instructed to deliver such Note or other instrument to the Seller.

21. NOTE & SECURITY AGREEMENT: If a Note secured by Security Agreement is to secure any part of the purchase price, Buyer instructs Escrow Holder to prepare same and instructs Escrow Holder to prepare a UCC Financing Statement, which Escrow Holder is to file with the California Secretary of State within ten (10) days of Buyer's taking physical possession of the collateral under the Security Agreement, or close of escrow, whichever occurs first.

22. PAYMENTS OUTSIDE OF ESCROW TRANSACTION: Escrow Holder will assume no responsibility for the payment of any insurance, personal property tax, sales tax, beverage tax, social security or unemployment insurance deductions, or any other tax, it being understood that such matters will be paid or adjusted outside of this escrow transaction. It is further understood that should Escrow Holder be directed to make any such payments of taxes or insurance, same may or may not constitute full or final payment thereof.

23. ASSIGNMENT OF PROPERTY INSURANCE: Seller represents and warrants, and Escrow Holder shall be fully protected in assuming that, as to any property insurance policy handed Escrow Holder, such policy is in force, has not be hypothecated, and that all necessary premiums therefore have been paid. Escrow Holder will transmit for assignment, any insurance policy handed Escrow for use in this escrow transaction, but Escrow Holder shall not be responsible for verifying the acceptance of the assignment and policy by the insurance company. **ESCROW HOLDER WILL MAKE NO ATTEMPT TO VERIFY THE RECEIPT OF THE REQUEST FOR ASSIGNMENT BY THE ISSUING COMPANY.** The Buyer is hereby placed on notice that if the insurance company should fail to receive said assignment, the issuing company may deny coverage for any loss suffered by Buyer. **IT IS THE OBLIGATION OF THE BUYER OR HIS REPRESENTATIVE TO VERIFY THE ACCEPTANCE OF THE ASSIGNMENT OF THE POLICY BY THE ISSUING COMPANY.**

24. BUYER AUTHORITY TO REQUIRE WAIVERS: The Buyer may, at Buyer's option, instruct Escrow Holder in writing before delivery of documents or disbursement of funds, not to deliver any documents or disburse any funds until such time as Buyer advised Escrow Holder

Seller(s) Initials YU

Buyer(s) Initials _____

that Seller has obtained releases or waivers or Buyer is otherwise satisfied with the disposition of any taxes affecting the business or personal property described herein, except where closing is required, by law, to occur.

25. **PRORATIONS AND ADJUSTMENTS:** Escrow Holder is instructed to make all prorations and adjustments on the basis of a thirty (30) day month. Escrow Holder is to use information contained on latest available tax statement, rental statement, beneficiary's statement, insurance statement, or other statement as delivered to Escrow Holder for the prorations provided for herein.

26. **DELIVERY OF BILL OF SALE:** Regardless of the date of execution or transmission to Escrow Holder of the bill of sale, same shall be deemed delivered ONLY upon delivery to Buyer through this escrow transaction. The phrase "close of escrow" as used in this escrow transaction shall mean the date on which the bill of sale is delivered to the Buyer or, where a transaction is subject to Sections 24071-24074 of the California Business and Professions Code, shall mean the date Escrow Holder is authorized to disburse funds and deliver documents pursuant to the provisions set out in said California Business and Professions Code.

27. **ASSIGNMENT OF FUNDS:** If a Party unilaterally assigns or orders the proceeds of this escrow transaction to be paid to someone other than the original parties to this escrow, such assignment or order shall be subordinate to the expenses of this escrow transaction, liens of record on the subject property, and payments directed to be made by Parties to this escrow transaction. If the result of such assignment or order would leave the escrow without sufficient funds to close, then Escrow Holder is directed to close nevertheless and pay such assignments or orders only out of the net proceeds due the Party assigning their funds except for such assignments or orders, and to pay them in the order in which such assignments or orders are received by Escrow Holder. Escrow Holder is not to be concerned with the balance remaining unpaid, if any.

28. **DISBURSEMENT OF FUNDS AND DELIVERY OF DOCUMENTS:** All disbursements are to be made by the Escrow Holder's trust account check unless instructed otherwise in writing. Escrow Holder will not indemnify any payee or guarantee signatures of any person or entity at any financial institution. Generally, Escrow Holder or its sub-escrow agent will disburse funds, including net proceeds and payment for encumbrances of record, on the date the escrow closes; however, there are circumstances which may arise wherein said disbursements could be delayed by one or two business days. Any funds disbursed during or at the close of escrow will be issued jointly to the Parties designated as payee unless Escrow Holder is instructed otherwise in writing by all designated payees. The funds representing loan and/or sale proceeds will be disbursed jointly to all persons who were the record owners of the subject property. All disbursements of funds and/or delivery of other documents or instruments concerning this escrow transaction will be mailed to the entitled Party by regular first class mail, postage prepaid, at the last address provided to Escrow Holder. However, at Escrow Holder's discretion, Escrow Holder may send funds and/or other documents by certified or registered mail, overnight delivery, or messenger, in which case the Party for whom the delivery was made agrees to pay the costs.

29. **REPEAT CUSTOMERS:** Escrow Holder may provide a fee discount to customers who have completed one or more escrows with Escrow Holder within the last two (2) years, upon request. Said discount will be provided solely to the repeat customer irrespective of the agreement of the Parties relative to the division of escrow fees.

30. **SEVERABILITY:** In the event any escrow instruction or supplemental instruction in this escrow transaction, including these general provisions, is held invalid by judicial proceedings, the remaining shall continue to be operative and enforceable.

31. **CONFLICTING INSTRUCTIONS:** If conflicting demands or notices are made or served upon Escrow Holder or any controversy arises between the Parties or with any third person arising out of or relating to this escrow transaction, Escrow Holder shall have the absolute right to withhold and stop all further proceedings in, and in performance of, this escrow transaction until Escrow Holder receives written notification satisfactory to Escrow Holder of the settlement of the controversy by written agreement of the Parties, or by the final order or judgment of a court of competent jurisdiction.

32. **MUTUAL CANCELLATION INSTRUCTION REQUIREMENTS:** The Parties acknowledge that they are on notice that Escrow Holder shall exercise its discretion to require mutual or matching cancellation instructions instructing Escrow Holder on how the deposit is to be released, signed by all Parties and deposited with Escrow Holder prior to releasing any deposit held by Escrow Holder relative to this escrow transaction.

33. **CANCELLATION FEES:** In the event of cancellation or any other termination of this escrow transaction, the Parties agree to pay Escrow Holder for any costs or expenses Escrow Holder may have incurred or become obligated for pursuant to this escrow transaction and a reasonable escrow fee for the services performed to date, said cancellation fee being a minimum of five hundred dollars (\$500.00). Such costs and expenses, if any, and Escrow Holder's fee shall be deposited with Escrow Holder before any cancellation or other termination is effective. The Parties agree that said charges for costs, expenses and fees may be apportioned between the Parties in a manner which Escrow Holder, in Escrow Holder's sole discretion, consider equitable, and that Escrow Holder's decision in that regard will be binding and conclusive upon the Parties unless specifically agreed to or determined by a court of competent jurisdiction. In the event of failure to pay costs, expenses, and fees due hereunder, on demand, the Parties agree to pay reasonable fees for any attorney services which may be required to collect such fees or expenses. Upon payment of such cancellation fees, Escrow Holder is authorized to return documents and funds to the respective Parties depositing same, or for whose benefit an unconditional deposit was made, or to void executed instruments as appropriate.

34. **TIME IS OF THE ESSENCE:** Time is of the essence in these instructions. In the event that the conditions of this escrow transaction have not been complied with at the expiration of the time provided for herein, or any extension thereof, Escrow Holder is instructed to complete the same at the earliest possible date thereafter, unless written demand upon Escrow Holder to cancel this Escrow or for the return of the money and/or instruments deposited by one or more Parties. If the date by which the parties' performances are due shall be other than Escrow Holder's regular business day, such performances shall be due on Escrow Holder's next succeeding business day.

35. **ABANDONMENT OF ESCROW TRANSACTION:** Escrow Holder duties and functions related to this escrow transaction shall terminate six (6) months following the date last set for close of escrow unless the escrow transaction has closed or cancelled. At such time, Escrow Holder shall have no further obligations as Escrow Holder except to disburse funds and documents pursuant to written instructions and to interplead or otherwise dispose of funds and documents in accordance with a validly issued and validly served order from a court of competent jurisdiction.

36. **UNCASHED CHECKS:** In the event any check(s) issued through this escrow transaction or sub-escrow related hereto are uncashed or unnegotiated ("uncashed") Escrow Holder will make every effort to contact the payee and coordinate negotiation of the check(s). The Parties acknowledge that Escrow Holder incurs significant expense in tracking uncashed checks, canceling and reissuing checks, and maintaining bank and accounting records of such checks. Therefore, if re-issuance of the check is necessitated, Escrow Holder will require an instruction authorizing such re-issuance and is authorized to charge an additional services fee of twenty-five dollars (\$25.00) which will be deducted from the payee's reissued check(s).

37. **AUTHORIZATION TO INTERPLEAD FUNDS:** The Parties acknowledge that Escrow Holder has an absolute legal right to file a court action in interpleader. In the event such an action is filed, the Parties herein jointly and severally agree to pay all escrow fees, title fees, court costs, and litigation expenses, including attorney's fees, incurred in connection therewith, the amount thereof to be fixed and judgment to be reached by the court. Upon filing of such action, Escrow Holder is fully released and discharged from any further performance of duties under the terms of this Escrow.

38. **RIGHT TO RESIGN:** At any time prior to the close of escrow, Escrow Holder, as its sole and absolute discretion and without liability to the Parties to this escrow transaction, may withdraw and resign from acting as Escrow Holder providing ten (10) days prior written notice to the

Seller(s) Initials Yu

Buyer(s) Initials _____

Parties at their last known addresses. In such event, Escrow Holder shall be entitled to reasonable compensation for its escrow services performed and for all costs and expenses incurred in the resignation, including, but not limited to, attorneys' fees. Upon resignation, Escrow Holder shall return to the Parties who deposited the same the balance of any funds it holds along with any property or documents in its possession. Alternatively, at the mutual instruction of the Parties, Escrow Holder shall deliver the funds, property, and documents to a new Escrow Holder.

39. **DESTRUCTION OF DOCUMENTS:** Escrow Holder is authorized to destroy or otherwise dispose of any and all documents, papers escrow instructions, correspondence and records or other material constituting or pertaining to this escrow at any time after five (5) years from the date of close of escrow, cancellation of this transaction, or the date of the last activity (whichever comes first), without liability and without further notice to the Parties.

40. **ESCHEATMENT:** Any and all funds remaining in escrow three (3) years after the close of escrow or cancellation of this escrow transaction will be escheated to the State of California pursuant to the Unclaimed Property Law codified in California Code of Civil Procedure Section 1518.

41. **PRIVACY NOTICE:** This notification is in compliance with our obligations to comply with federal and state law to safeguard the Parties' non-public personal information. Escrow Holder collects non-public personal information about the Parties from the following sources; a) Information Escrow Holder receives from the Parties on applications or other forms; b) Information about the Parties' transactions with Escrow Holder, Escrow Holder's affiliates, or others involved in the processing of the transaction; and c) Information Escrow Holder receives from a consumer reporting agency. Escrow Holder does not disclose any non-public personal information about customers or former customers to anyone, except as permitted by law. Escrow Holder restricts access to non-public information about the Parties to those employees who need to know that information to provide products or services to the Parties. Escrow Holder maintains physical, electronic and procedural safeguards that comply with federal and state regulations to guard the Parties' non-public personal information. By signing below, the undersigned Parties acknowledge that they have read and received a copy of this notification.

42. **PROHIBITION UPON GIVING LEGAL OR FINANCIAL ADVICE:** The Parties acknowledge and understand that Escrow Holder is not authorized to practice the law nor does Escrow Holder give financial advice. The Parties are advised to seek legal and financial counsel and advice concerning the effect of this escrow transaction. The Parties acknowledge that no representations have been made by Escrow Holder about the legal sufficiency, legal consequences, financial effects, or tax consequences of the within escrow transaction.

SELLER(S):

Ramla USA Inc., a California corporation
Chapter 11 Debtor and Debtor In Possession

By: 
Yuri Ueno, President

BUYER(S):

L.A. Spoon, LLC, a California limited liability company

By: _____
Joseph Madden, Managing Member

By: _____
Samuel Tornatore, Managing Member

By: _____
Sean Loeffel, Managing Member

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: **21650 Oxnard Street, Suite 500, Woodland Hills, California 91367**

A true and correct copy of the foregoing document entitled (*specify*): **MOTION FOR ENTRY OF AN ORDER: (1) AUTHORIZING THE SALE OF ESTATE’S INTEREST IN LIQUOR LICENSE FREE AND CLEAR OF ALL LIENS, INTERESTS, CLAIMS, AND ENCUMBRANCES PURSUANT TO 11 U.S.C. §§ 363(b) AND (f); (2) APPROVING OVERBID PROCEDURES; AND (3) DETERMINING THAT BUYER IS ENTITLED TO A GOOD FAITH DETERMINATION PURSUANT TO 11 U.S.C. § 363(m) [RE: LIQUOR LICENSE 47-521524]** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by ORDER court via NEF and hyperlink to the document. On (*date*) **December 19, 2017**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Sara Chenetz schenetz@perkinscoie.com, dlax@perkinscoie.com;cmallahi@perkinscoie.com
- Michael W Davis mdavis@bg.law, ecf@bg.law
- Amir Gamliel agamliel@perkinscoie.com, cmallahi@perkinscoie.com;DocketLA@perkinscoie.com
- Nina Z Javan njavan@bg.law, ecf@bg.law
- Ron Maroko ron.maroko@usdoj.gov
- Robyn B Sokol ecf@bg.law, rsokol@bg.law
- Prince Altee Thomas pthomas@foxrothschild.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Eric R Wilson kdwbankruptcydepartment@kelleydrye.com, MVicinanza@ecf.inforuptcy.com

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) **December 19, 2017**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Chambers Copy:	Broker:	Buyer:
Honorable Barry Russell	Peter Impala, Vice President	L.A. Spoon, LLC
Edward R. Roybal Federal Building	Art Rodriguez Associates	Sean Loeffel (Agent for Service)
255 E. Temple Street, Ste 1660 / Ctrm	444 E. Huntington Drive, Suite 208	1254 S Highland Avenue
1668	Arcadia, CA 91006	Los Angeles, CA 90019
Los Angeles, CA 90012		

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

NONE.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

<u>December 19, 2017</u>	<u>JESSICA ROEL</u>	<u>/s/ Jessica Roel</u>
<i>Date</i>	<i>Printed Name</i>	<i>Signature</i>

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.