

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re	:	Chapter 11
	:	
SAMUELS JEWELERS, INC., ¹	:	Case No. 18-11818 (KJC)
	:	
Debtor.	:	(Proposed) Hearing: Oct. 22, 2018 at 11:00 a.m. (ET)
	:	(Proposed) Obj. Deadline: Oct. 17, 2018 at 4:00 p.m. (ET)
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**DEBTOR'S MOTION FOR AN ORDER
(A) APPROVING THE ASSUMPTION, ASSIGNMENT AND SALE OF
THE HEB LEASES AND RELATED ASSETS AND (B) GRANTING RELATED RELIEF**

The above-captioned debtor (the "Debtor") moves the Court, pursuant to sections 105, 363 and 365 of the Bankruptcy Code, Rules 2002, 6004 and 6006 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 District of Delaware (the "Local Rules"), for the entry of an order (the "Sale Order"), substantially in the form attached hereto Exhibit A: (a) approving the assumption, assignment and sale (the "Sale") of certain of the Debtor's leases (the "HEB Leases") and related furniture, fixture and equipment (collectively with the HEB Leases, the "Assets"), pursuant to the terms of the Assumption and Assignment Agreement, by and between Samuels Jewelers, Inc. (the "Seller") and Brilliant Fire, LLC (the "Buyer"), dated October 2, 2018 (the "Assignment and Sale Agreement"), free and clear of all liens, claims and encumbrances, except for certain assumed seller obligations; and (b) granting certain related relief as described herein.

¹ The last four digits of the Debtor's taxpayer identification number are 6316 and its address is 2914 Montopolis Drive, Suite 200, Austin, Texas 78741.

In support of this motion, the Debtor incorporates the statements contained in the Declaration of J. Scott Victor in support of the Assumption, Assignment and Sale of the HEB Leases and Related Assets, attached hereto as Exhibit D, and respectfully represents as follows:

Preliminary Statement

Pursuant to the Assignment and Sale Agreement, the Debtor is seeking to assume, assign and sell its HEB Leases and the related furniture, fixture and equipment (the "FF&E") to the Buyer for a purchase price of \$300,000. The Sale will not only provide the estate with the benefit of the purchase price but also will eliminate the ongoing costs, including rent payments, and other obligations associated with the HEB Leases, which costs and obligations the Debtor believes significantly outweigh any benefit these locations are providing to the estate. In particular, these stores are not the subject of the consulting agreement dated as of June 30, 2018, by and between the Debtor and a contractual joint venture comprised of Gordon Brothers Retail Partners and Hilco Merchant Resources, LLC (the "Consulting Agreement"), pursuant to which the Debtor's excess inventory is being sold.² In addition, sales out of these locations have been well below expectations. Finally, the Debtor has been and is committed to continue working with its key creditor constituencies to ensure their support of the Sale.

Prior to filing the above-captioned case, the Debtor entertained an offer from the Buyer to purchase the Assets; however, the parties were unable to reach a formal agreement prior to the commencement of the Debtor's chapter 11 case. Prepetition interest in the Assets was otherwise limited. Following the Petition Date (as defined below), the Debtor, with the assistance of its investment banker, SSG Advisors, LLC ("SSG"), continued discussions with the Buyer. Additionally, SSG reached out to a number of additional parties to inquire whether any

² On September 18, 2018, the Court entered a final order [D.I. 251] authorizing the Debtor to, among other things, operate under the Consulting Agreement.

would be interested in purchasing the Assets. Ultimately, interest in the Assets remained limited, and only the Buyer provided a firm offer. Given these efforts, the Debtor believes the Sale of the Assets to the Buyer best maximizes the value of the Assets under the circumstances and is in the best interest of the estate.

Background

1. On August 7, 2018 (the "Petition Date"), the Debtor commenced a case by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor is continuing in possession of its properties and is managing its businesses, as a debtor in possession, pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On August 16, 2018, the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed the Official Committee of Unsecured Creditors (the "Committee") [D.I. 108]. On October 3, 2018, the Court entered an order directing the U.S. Trustee to appoint an examiner pursuant to section 1104(c) of the Bankruptcy Code [D.I. 294]. As of the filing of this motion, the U.S. Trustee has not yet appointed such an examiner.

3. Samuels Jewelers, Inc. ("Samuels Jewelers") operates more than 100 specialty retail jewelry stores located across the United States in shopping malls, strip centers and as stand-alone stores. Samuels Jewelers sells fine jewelry items in a wide range of styles and prices, with a principal emphasis on diamond and gemstone jewelry, and has been serving jewelry customers since its founding in 1891.

4. Additional information regarding the Debtor and this case, including the Debtor's business, corporate structure, financial condition, and the reasons for and objectives of

this case, is set forth in the Declaration of Robert J. Duffy in Support of First Day Pleadings (the "First Day Declaration") filed on the Petition Date and incorporated herein.

Pre-Petition Marketing Process

5. The HEB Leases relate to stores of the Debtor located within an H-E-B supermarket.³ Each of the stores is located in Texas. The Debtor entered into the HEB Leases in late 2017. The HEB Leases run through December 31, 2022. Performance at the HEB Lease store locations has generally failed to meet the Debtor's expectations. These locations have yet to become profitable, and the costs and other obligations associated with them exceed (and have exceeded) any value they are (and have been) providing to the Debtor. The HEB Lease store locations are not the subject of the Consulting Agreement, pursuant to which the Debtor's excess inventory is being sold.

6. Prior to the Petition Date, the Debtor explored and pursued multiple avenues, with the support of its lenders, to (a) stabilize operations and enhance liquidity and (b) preserve and maximize value. In connection therewith, and in view of, among other things, the performance of the HEB Lease stores, the Debtor, contacted by the Buyer, entertained the Buyer's offer to purchase the Assets. The parties did not reach a formal agreement prior to the Petition Date, and following the Petition Date, the Debtor, with the assistance of SSG, continued discussions with the Buyer. In addition, SSG reached out to a number of additional parties to inquire whether any would be interested in purchasing the Assets. Ultimately, only one party other than the Buyer expressed any interest in the Assets, and only the Buyer provided a firm offer. The Debtor, given the ongoing costs associated with the HEB Leases, and the Buyer both desire to consummate the Sale to the Purchaser expeditiously, with closing to occur prior to

³ Two of the HEB Leases relate to locations that have not been built out and are not operating.

November 1, 2018. The Debtor understands that a delay in the Sale timing could jeopardize the Sale to the Buyer.

7. Accordingly, the Debtor, in consultation with its advisors, has determined in its business judgment that selling the Assets to the Buyer on the terms set forth in the Assignment and Sale Agreement is the best option to maximize value under the circumstances and is in the best interests of the estate.

Proposed Sale Terms

8. The principal terms of the Assignment and Sale Agreement are as follows:⁴

Seller: <i>Assignment and Sale Agreement, at 1</i>	Samuels Jewelers, Inc.
Buyer: <i>Assignment and Sale Agreement, at 1</i>	Brilliant Fire, LLC
Assets: <i>Assignment and Sale Agreement, at 1, Schedule A</i>	Subject to the terms and conditions of the Assignment and Sale Agreement, the Seller agrees to sell, transfer and convey all of the Seller's right, title and interest in and to the Seller's real property leases (set forth on Schedule A to the Assignment and Sale Agreement) and the FF&E associated with each of those leases. The Assets expressly do not include point of sale equipment or inventory.
Consideration: <i>Assignment and Sale Agreement, at 1</i>	<p>The purchase price for the Assets is \$300,000.</p> <p>Further, the Assignment and Sale Agreement imposes on the Buyer certain obligations, including, but not limited to, the Seller's obligations under each lease related to accrued but unbilled adjustments for:</p> <ul style="list-style-type: none"> • Common area maintenance, • Utilities, • Real estate taxes, • Insurance and • Other expenses (collectively, the "<u>Assumed Liabilities</u>"). <p>The Debtor will remain responsible for cure amounts associated with the HEB</p>

⁴ This summary is qualified in its entirety by the provisions of the Assignment and Sale Agreement. Unless otherwise set forth in this summary, capitalized terms used within this summary have the meanings ascribed to them in the Assignment and Sale Agreement.

	Leases, <u>provided, however</u> , that if the cure amounts exceed those set forth on the Cure Schedule (defined below), the Debtor shall have the right, but not the obligation, to determine not to proceed with the Sale of the Assets to the Buyer pursuant to the Assignment and Sale Agreement.
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Local Rule 6004-1

9. Rule 6004-1 of the Local Rules requires that certain provisions contained in the Assignment and Sale Agreement or Sale Order be highlighted and that the Debtor provides the justification for the inclusion of any such highlighted provisions.

10. Local Rule 6004-1(b)(iv) provides that a sale motion must highlight certain material terms, including whether the following provisions are included: (a) a sale to an insider, (b) agreements with management, (c) releases, (d) private sale/no competitive bidding, (e) closing and other material deadlines, (f) good faith deposit, (g) interim arrangements with the proposed buyer, (h) use of proceeds, (i) tax exemptions, (j) record retention, (k) sales of avoidance actions, (l) requested findings as to successor liability, (m) sales free and clear of unexpired leases, (n) credit bid rights and (m) relief from Bankruptcy Rule 6004(h). Each of these subparts of Local Rule 6004-1(b)(iv) is discussed below.

Local Rule 6004-1(b)(iv)(A)

11. Local Rule 6004-1(b)(iv)(A) requires that, if the proposed sale is to an insider as defined in section 101(31) of the Bankruptcy Code, the Debtor must (a) identify the insider, (b) describe the insider's relationship to the debtor, and (c) set forth any measures taken to ensure the fairness of the sale process and the proposed transaction. The proposed Buyer is not an insider as defined in section 101(31) of the Bankruptcy Code.

Local Rule 6004-1(b)(iv)(B)

12. Local Rule 6004-1(b)(iv)(B) requires that, if a proposed buyer has discussed or entered into any agreements with management or key employees regarding

compensation or future employment, the Debtor must disclose (a) the material terms of any such agreements, and (b) what measures have been taken to ensure the fairness of the sale and the proposed transaction in the light of any such agreements. The proposed Buyer has not discussed or entered into any agreements with management or key employees regarding compensation or future employment.

Local Rule 6004-1(b)(iv)(C)

13. Local Rule 6004-1(b)(iv)(C) requires that the Debtor must highlight any provisions pursuant to which an entity is being released or claims against any entity are being waived or otherwise satisfied. Pursuant to page two of the Assignment and Sale Agreement, the Debtor shall have no further obligations or duties with respect to the Assets, and the Buyer has agreed to indemnify the Debtor from and against all loss, cost and expense suffered or incurred by the Debtor as a result of any failure on the part of the Buyer to fulfill its obligations under the Assignment and Sale Agreement and with respect to the Assets.

Local Rule 6004-1(b)(iv)(D)

14. Local Rule 6004-1(b)(iv)(D) provides that the Debtor must disclose whether an auction is contemplated, and highlight any provision in which the Debtor has agreed not to solicit competing offers for the property subject to this motion or to otherwise limit shopping of the property. As discussed above, no auction is contemplated because, despite the Debtor and SSG's good faith efforts, no party other than the Buyer expressed any serious interest in purchasing the Assets. Additionally, in light of the purchase price, the minimal value the Assets provide to the estate (particularly in light of the ongoing costs and obligations associated with the Assets) and the Debtor's desire for and understanding that the Buyer requires an expeditious sale and closing, the Debtor believes the costs and time associated with devising and

implementing a bidding and auction process would outweigh any benefits therefrom and could jeopardize the Sale to the Buyer.

Local Rule 6004-1(b)(iv)(E)

15. Local Rule 6004-1(b)(iv)(E) provides that the Debtor must highlight any deadlines for the closing of the proposed sale or deadlines that are conditions to closing the proposed transaction. Other than entry of the Sale Order, the Assignment and Sale Agreement contains no deadlines for the closing of the Sale. The Assignment and Sale Agreement, however, does require that Debtor satisfy the Cure Costs (as defined below) and thus, also provides the Debtor with the right, but not the obligation, to determine not to consummate the Sale should the cure costs for the HEB Leases be determined to exceed those set forth on Exhibit B attached hereto. In addition, as set forth above, both the Debtor and the Buyer desire to consummate the transaction before November 1, 2018, and the Debtor understands that delay could jeopardize the Sale to the Buyer.

Local Rule 6004-1(b)(iv)(F)

16. Local Rule 6004-1(b)(iv)(F) provides that the Debtor must highlight whether the proposed purchaser has submitted or will be required to submit a good faith deposit and, if so, the conditions under which such deposit may be forfeited. The Assignment and Sale Agreement does not require the Buyer to submit a good faith deposit.

Local Rule 6004-1(b)(iv)(G)

17. Local Rule 6004-1(b)(iv)(G) provides that the Debtor must highlight any provision pursuant to which a debtor is entering into any interim agreements or arrangements with the proposed purchaser, such as interim management arrangements, and the terms of such

agreements. The Seller is not entering into any such interim agreements or arrangements with the Buyer.

Local Rule 6004-1(b)(iv)(H)

18. Local Rule 6004-1(b)(iv)(H) provides that the Debtor must highlight any provision pursuant to which a debtor proposes to release sale proceeds on or after the closing without further Court order, or to provide for a definitive allocation of sale proceeds between or among various sellers or collateral. The Sale Order provides that the proceeds generated from the sale of the Assets shall be subject to the DIP Liens and the Prepetition Liens (each as defined in the Final Order (I) Authorizing the Debtor to Obtain Postpetition Financing, (II) Authorizing the Debtor to Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection to the Prepetition Lenders, (V) Modifying Automatic Stay, and (VI) Granting Related Relief [D.I. 252] (the "Final DIP Order")) and all cash proceeds shall be paid to the DIP Working Capital Agent upon the closing of such sale for application against the obligations owing by the Debtor under the DIP Documents (as defined in the Final DIP Order) in accordance with the terms and conditions of the Final DIP Order.

Local Rule 6004-1(b)(iv)(I)

19. Local Rule 6004-1(b)(iv)(I) provides that the Debtor must highlight any provision seeking to have the sale declared exempt from taxes under section 1146(a) of the Bankruptcy Code and the type of tax for which the exemption is sought. The Assignment and Sale Agreement and the Sale Order do not seek to exempt the sale from any taxes.

Local Rule 6004-1(b)(iv)(J)

20. Local Rule 6004-1(b)(iv)(J) provides that, if the Debtor proposes to sell substantially all its assets, the Debtor must highlight whether the Debtor will retain, or have reasonable access to, its books and records to enable it to administer its bankruptcy case. The proposed Sale is not a sale of substantially all of the Debtor's assets.

Local Rule 6004-1(b)(iv)(K)

21. Local Rule 6004-1(b)(iv)(K) provides that the Debtor must highlight any provision pursuant to which it seeks to sell or otherwise limit rights to pursue avoidance claims under chapter 5 of the Bankruptcy Code ("Avoidance Claims"). The Assignment and Sale Agreement and the Sale Order do not seek to sell or limit rights to pursue Avoidance Claims.

Local Rule 6004-1(b)(iv)(L)

22. Local Rule 6004-1(b)(iv)(L) provides that the Debtor must highlight any provision limiting the proposed purchaser's successor liability. The Sale is not a sale of substantially all of the Debtor's assets and the parties' intent is that the Assets be sold free and clear of liens, claims and encumbrances, with any such liens, claims and encumbrances attaching to the proceeds from the Sale.

Local Rule 6004-1(b)(iv)(M)

23. Local Rule 6004-1(b)(iv)(M) provides that the Debtor must highlight any provision by which it seeks to sell property free and clear of a possessory leasehold interest, license or other right. Paragraphs 7 through 11 of the Sale Order provide that the sale of the Assets is free and clear of all interests, licenses or other rights. As described below, this provision is appropriate because the sale satisfies the requirements of section 363(f) of the Bankruptcy Code.

Local Rule 6004-1(b)(iv)(N)

24. Local Rule 6004-1(b)(iv)(N) provides that the Debtor must highlight any provision by which it seeks to allow, disallow or affect in any manner, credit bidding pursuant to Bankruptcy Code section 363(k). The Sale Order and the Assignment and Sale Agreement do not address credit bidding rights.

Local Rule 6004-1(b)(iv)(O)

25. Local Rule 6004-1(b)(iv)(O) provides that the Debtor must highlight any provision whereby it seeks relief from the fourteen-day stay imposed by Bankruptcy Rule 6004(h). Paragraph 28 of the Sale Order provides for a waiver of the fourteen-day stay period for the effectiveness of the order under Bankruptcy Rule 6004(h), as well as the fourteen-day stay period provided for in Bankruptcy Rule 6006(d). Because time is of the essence in this case, particularly with respect to monthly rent obligations that will come due from the Debtor should the Sale Order not be immediately effective, the Debtor submits that these waivers are justified.

Approval of the Sale is Warranted under Section 363 of the Bankruptcy Code

26. Section 363(b) of the Bankruptcy Code provides that a debtor "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b). A debtor must demonstrate a sound business justification for a sale or use of assets outside the ordinary course of business. See, e.g., Myers v. Martin (In re Martin), 91 F.3d 389, 395 (3d Cir. 1996) (citing In re Schipper, 933 F.2d 513, 517 (7th Cir. 1991)); In re Chateaugay Corp., 973 F.2d 141, 143, 145 (2d Cir. 1992); In re Lionel Corp., 722 F.2d 1063, 1070 (2d Cir. 1983).

27. Courts typically consider the following factors in determining whether a proposed sale meets this standard:

- a. whether a sound business justification exists for the sale;

- b. whether adequate and reasonable notice of the sale was given to interested parties;
- c. whether the sale will produce a fair and reasonable price for the property; and
- d. whether the parties have acted in good faith.

In re Decora Indus., Inc., 2002 WL 32332749, at * 2 (D. Del. May 20, 2002) (citing In re Del. & Hudson Ry. Co., 124 B.R. 169, 176 (D. Del. 1991)).

28. When a debtor demonstrates a valid business justification for a decision, a strong presumption arises "that in making [the] business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company." Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.), 147 B.R. 650, 656 (S.D.N.Y. 1990) (finding that Delaware business judgment rule has "vitality by analogy" in chapter 11) (citations omitted).

29. In the instant case, a strong business justification exists for the Sale. As previously discussed, the Debtor desires to jettison stores associated with the HEB Leases, which as set forth above are not providing value to the estate (and have never been profitable), and eliminate the monthly rent and other obligations associated with those stores. The Sale to the Buyer achieves both of those goals in an expeditious fashion, while also providing the estate with the benefit of the purchase price. The Debtor, with SSG, engaged in a postpetition marketing process, which has resulted in only one serious offer for the Assets — the Buyer's offer. Accordingly, the Debtor believes the Sale is the most value-maximizing disposition of the Assets under the circumstances, and that the potential incremental benefit that could be obtained from a bidding and auction process would likely be outweighed by the costs of pursuing such process. Moreover, in addition to resulting in increased costs to the estate, the delay such a process would entail could jeopardize the Debtor's transaction with the Buyer.

30. Second, the Debtor will provide notice of the Sale to all interested parties in accordance with the Bankruptcy Rules and the Local Rules.

31. Third, the proposed purchase price for the Assets is fair and reasonable. The stores associated with the HEB Leases are not profitable, and these store locations are not included in the Consulting Agreement. As a result, the HEB Leases are currently providing no net benefit to the estate. As set forth above, the Debtor's marketing efforts, with the postpetition assistance of SSG, an experienced investment banker, yielded just one offer for the Assets — the Sale to the Buyer at this purchase price. The Sale to the Buyer both eliminates the ongoing burdens associated with the HEB Leases, while also providing the estate with the benefit of the purchase price. Accordingly, based on these efforts, the Debtor believes that the purchase price fair and reasonable under the circumstances.

32. Finally, the Assignment and Sale Agreement and the terms of the Sale have been negotiated in good faith and at arm's length. The Debtor, with the postpetition assistance of SSG, engaged in thorough, arm's length negotiations with the Buyer both before and after the Petition Date. Based on the foregoing, the Debtor submits that there is a sound business purpose for the proposed Sale, and the Sale is in the best interest of the Debtor's estate and creditors.

Approval of the Sale Free and Clear of Liens, Claims and Encumbrances

33. The Debtor requests approval to sell the Assets free and clear of any and all liens, claims and other interests, except for the Assumed Liabilities, in accordance with section 363(f) of the Bankruptcy Code. Pursuant to section 363(f), a debtor in possession may sell estate property "free and clear of any interest in such property of an entity other than the estate" if any one of the following conditions is satisfied:

- a. applicable non-bankruptcy law permits sale of such property free and clear of such interest;
- b. such entity consents;
- c. 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;
- d. such interest is in bona fide dispute; or
- e. such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f); see Citicorp Homeowners Servs., Inc. v. Elliot (In re Elliot), 94 B.R. 343, 345 (Bankr. E.D. Pa. 1988) (because section 363(f) is written in the disjunctive, a court may approve a "free and clear" sale even if only one of the subsections is met).

34. Furthermore, it is well established that a bankruptcy court has the power, pursuant to section 363(f) of the Bankruptcy Code, to approve the sale of a debtor's assets free and clear of any claims against the debtor. In re TWA Airlines, Inc., 322 F.3d 283, 285, 288-90 (3d Cir. 2003) (holding that successor liability claims are "interests in property" within the meaning of §363(f)); United Mine Workers of Am. Benefit Plan v. Leckie Smokeless Coal Co. (In re Leckie Smokeless Coal Co.), 99 F.3d 573, 585 (4th Cir. 1996) (same).

35. The Debtor submits that the sale of the Assets free and clear of liens, claims and other interests, except for the Assumed Liabilities, will satisfy the requirements of section 363(f) of the Bankruptcy Code. All known parties in interest will be given sufficient opportunity to object to the relief requested in this motion, and any such entity that does not object to the Sale should be deemed to have consented. See Futuresource LLC v. Reuters Ltd., 312 F.3d 281, 285-86 (7th Cir. 2002) ("It is true that the Bankruptcy Code limits the conditions under which an interest can be extinguished by a bankruptcy sale, but one of those conditions is the consent of the interest holder, and lack of objection (provided of course there is notice)

counts as consent. It could not be otherwise; transaction costs would be prohibitive if everyone who might have an interest in the bankrupt's assets had to execute a formal consent before they could be sold.") (internal citations omitted); Hargrave v. Twp. of Pemberton (In re Tabone, Inc.), 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (failure to object to sale free and clear of liens, claims and encumbrances satisfies section 363(f)(2)); In re Elliot, 94 B.R. at 345 (same).

36. Accordingly, the Debtor requests that the Assets be transferred to the Buyer, free and clear of all liens, claims, encumbrances, and other interests, except for the Assumed Liabilities, with such liens, claims, encumbrances, and other interests to attach to the net sale proceeds of the Assets.

An Auction of the Assets is not Required

37. Bankruptcy Rule 6004(f)(1) permits private sales or sales conducted without an auction. Fed. R. Bankr. P. 6004(f)(1) ("All sales not in the ordinary course of business may be by private sale or by public auction."). Further, courts have generally held that a debtor has broad discretion in determining the manner in which assets are sold. Berg v. Scanlon (In re Alisa P'ship), 15 B.R. 802, 802 (Bankr. D. Del. 1981) ("[T]he manner of sale is within the discretion of the trustee . . ."); In re Bakalis, 220 B.R. 525, 531 (Bankr. E.D.N.Y. 1998) (acknowledging that a trustee has "ample discretion to administer the estate, including authority to conduct public or private sales of estate property.") (citing In re WPRV-TV, Inc., 143 B.R. 315, 319 (D.P.R. 1991)). As long as a debtor maximizes the return to its estate, a court should defer to a debtor's business judgment regarding how to structure an asset sale. Bakalis, 220 B.R. at 532 (recognizing that although a trustee's business judgment enjoys great judicial deference, a duty is imposed on the trustee to maximize the value obtained from a sale); In re NEPSICO, Inc., 36 B.R. 25, 26 (Bankr. D. Me. 1983) ("Clearly, the thrust of th[e] statutory

scheme [governing 363 sales] is to provide maximum flexibility to the trustee, subject to the oversight of those for whose benefit he acts, *i.e.*, the creditors of the estate."). Accordingly, if the Debtor concludes that conducting a private sale, as opposed to a public auction, is in the best interests of its estate, the Debtor should be permitted to do so. See Penn Mut. Life Ins. Co. v. Woodscape Ltd. P'ship (In re Woodscape Ltd. P'ship), 134 B.R. 165, 174 (Bankr. D. Md. 1991) (noting that, with respect to sales of estate property, "[t]here is no prohibition against a private sale . . . and there is no requirement that the sale be by public auction.").

38. As set forth above, the Debtor, with the assistance of SSG, explored potential sales of the Assets. The Buyer is the only interested party who has presented a viable bid for the Assets. As also set forth above, the time and expense associated with marketing the Assets for sale at a public auction would likely exceed the value of any marginal increase in purchase price or other benefits provided. Moreover, delay could jeopardize the Sale to the Buyer. Accordingly, the Debtor's decision to sell the Assets to the Buyer pursuant to the Assignment and Sale Agreement is supported by the Debtor's sound business judgment and should be approved.

Buyer Entitled to Good Faith Protections

39. The Buyer is purchasing the Assets in good faith and is entitled to the full protection of section 363(m) of the Bankruptcy Code. 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. Specifically, section 363(m) of the Bankruptcy Code states that:

The reversal or modification on appeal of an authorization under [section 363(b) of the Bankruptcy Code] of a sale . . . of property does not affect the validity of a sale . . . to an entity that purchased . . . such property in good faith, whether or not such

entity knew of the pendency of the appeal, unless such authorization and such sale . . . were stayed pending appeal.

11 U.S.C. § 363(m).

40. Section 363(m) fosters the "policy of not only affording finality to the judgment of the bankruptcy court, but . . . give[s] finality to those orders and judgments upon which third parties rely." In re Abbotts Dairies of Pa., Inc., 788 F.2d 143, 147 (3d Cir. 1986) (quoting Hoese Corp. v. Vetter Corp. (In re Vetter Corp.), 724 F.2d 52, 55 (7th Cir. 1983)); 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 on appeal of an unstayed order, whether or not the transferee knew of the pendency of the appeal."); In re Stein & Day, Inc., 113 B.R. 157, 162 (Bankr. S.D.N.Y. 1990) ("pursuant to 11 U.S.C. § 363(m), good faith purchasers are protected from the reversal of a sale on appeal unless there is a stay pending appeal").

41. The Debtor requests a finding that the Buyer is a good faith purchaser entitled to the protections of section 363(m). The terms and conditions of the Assignment and Sale Agreement have been negotiated by the Debtor and the Buyer at arm's length and in good faith. The Buyer was represented by qualified counsel and other advisors, and the Debtor believes that the Buyer has not engaged in any conduct that would indicate or constitute a lack of good faith. See Licensing by Paolo v. Sinatra (In re Gucci), 126 F.3d 380, 392 (2d Cir. 1997) ("Good faith of a purchaser is shown by the integrity of his conduct during the course of the sale proceedings . . ."); In re Tempo Tech. Corp., 202 B.R. 363, 367 (D. Del. 1996) (stating that a purchaser's good faith status would be destroyed only by conduct involving "fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.") (citing In re Rock Indus. Mach. Corp., 572 F.2d 1195, 1198

(7th Cir. 1978)). Accordingly, the Debtor believes that the Buyer is entitled to the protections that section 363(m) of the Bankruptcy Code provides to a good faith purchaser.

**Approval of the Assumption and
Assignment of the HEB Leases**

42. Pursuant to section 365 of the Bankruptcy Code, the Debtor seeks authority to assume and assign the Debtor's right, title and interest, to and under the HEB Leases to the Buyer. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession "subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a). The standard governing bankruptcy court approval of a debtor's decision to assume or reject an executory contract or unexpired lease is whether the debtor's reasonable business judgment supports assumption or rejection. See, e.g., In re HQ Global Holdings, Inc., 290 B.R. 507, 511 (Bankr. D. Del. 2003) (finding that debtor's decision to assume or reject executory contract is governed by the business judgment standard and can only be overturned if decision was product of bad faith, whim or caprice); see also In re Market Square Inn, Inc., 978 F.2d 116, 121 (3d Cir. 1992) (finding that assumption or rejection "will be a matter of business judgment by the bankruptcy court").

43. The business judgment test "requires only that the trustee [or debtor in possession] demonstrate that [assumption or] rejection of the executory contract will benefit the estate." Wheeling-Pittsburgh Steel Corp. v. West Penn Power Co., (In re Wheeling-Pittsburgh Steel Corp.), 72 B.R. 845, 846 (Bankr. W.D. Pa. 1987) (quoting In re Stable Mews Assoc., Inc., 41 B.R. 594, 596 (Bankr. S.D.N.Y. 1984)). Any more exacting scrutiny would slow the administration of a debtor's estate and increase costs, interfere with the Bankruptcy Code's provision for private control over administration of the estate, and threaten a court's ability to control a case impartially. See Richmond Leasing Co. v. Capital Bank, N.A., 762 F.2d 1303,

1311 (5th Cir. 1985). Moreover, pursuant to section 365(b)(1) of the Bankruptcy Code, for a debtor to assume an executory contract, it must "cure[], or provide[] adequate assurance that the [debtor] will promptly cure," any default. 11 U.S.C. 365(b)(1)(A).

44. Under section 365(f) of the Bankruptcy Code, a debtor, after assuming a lease, may assign its rights under the contract to a third party. 11 U.S.C. § 365(f); see also L.R.S.C. Co. v. Rickel Home Ctrs., Inc. (In re Rickel Home Center, Inc.), 209 F.3d 291, 299 (3d Cir. 2000) ("The Code generally favors free assignability as a means to maximize the value of the debtor's estate."); see also Leonard v. General Motors Corp. (In re Headquarters Dodge, Inc.), 13 F.3d 674, 682 (3d Cir. 1994) (noting that the purpose of section 365(f) is to assist the trustee in realizing the full value of the debtor's assets). Section 365(f)(2)(B) requires that the assignee provide adequate assurance of future performance. 11 U.S.C. § 365(f)(2)(B). The purpose of the adequate assurance requirement is to protect the interests of the non-debtor party to an assigned contract, as section 365(k) of the Bankruptcy Code relieves a debtor from liability for any breach of a contract that may occur after an assignment. Cinicola v. Scharffenberger, 248 F.3d 110, 120 (3d Cir. 2001). Adequate assurance of future performance is not required for every term of an executory contract or unexpired lease, but only such terms that are "material and economically" significant. In re Fleming Cos., Inc., 499 F.3d 300, 305, 307 (3d Cir. 2007). The meaning of adequate assurance of future performance depends on the facts and circumstances of each case, but should be given a "practical, pragmatic construction." In re DBSI, Inc., 405 B.R. 698, 708 (Bankr. D. Del. 2009); see also In re Decora Indus., Inc., 2002 U.S. Dist. LEXIS 27031, at *23 (D. Del. 2002) ("[A]dequate assurance falls short of an absolute guarantee of payment."). Adequate assurance may be provided by demonstrating the assignee's financial health and experience in managing the type of enterprise or property assigned. See, e.g., In re Bygaph, Inc.

56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (finding that adequate assurance is present when prospective assignee of lease from debtor has financial resources and has expressed willingness to devote sufficient funding to business to give it strong likelihood of success).

45. The assumption and assignment of the HEB Leases will benefit the estate because such assumption and assignment is the primary component of the Assignment and Sale Agreement. Additionally, the Buyer has agreed under the Assignment and Sale Agreement to provide adequate assurance of future performance regarding the assigned HEB Leases to each of the non-Debtor counterparties as soon as possible and, to the extent necessary, will demonstrate adequate assurance of future performance at the Sale Hearing (as defined below). The assumption and assignment of the HEB Leases should therefore be approved.

Proposed Assumption and Assignment Notice

46. The Debtor is filing a schedule of cure obligations (the "Cure Schedule") for the HEB Leases, which is attached hereto as Exhibit B. The Cure Schedule will identify each HEB Lease to be assumed by the Debtor and assigned to the Buyer and the amount, if any, the Debtor believes is necessary to cure such HEB Lease pursuant to section 365 of the Bankruptcy Code (the "Cure Costs"). A copy of the Cure Schedule, together with a notice of the proposed assumption and assignment of the HEB Leases (the "Assumption and Assignment Notice"), substantially in the form attached as Exhibit E to this motion, will be served on each of the non-debtor parties listed on the Cure Schedule by first class mail contemporaneously with the service of this motion. The Debtor proposes that any objections to the Cure Costs set forth on such schedule or otherwise to the assumption and assignment of the HEB Leases, including on the basis of adequate assurance of future performance, must: (a) be in writing, (b) set forth the specific monetary amount the objector asserts to be due, and the specific types of the alleged

defaults, pecuniary losses, accrued amounts and conditions to assignment and the support therefor, (c) be filed with the Clerk of the Bankruptcy Court and (d) be served so as to be actually received by (i) Samuels Jewelers, Inc., 2914 Montopolis Drive, Suite 200, Austin, Texas 78741 (Attn: Farhad Wadia), email: farhad.wadia@smjw.com; (ii) Jones Day, 17 Texas Street, Suite 3300, Houston, Texas 77002 (Attn: Paul M. Green), email: pmgreen@jonesday.com; (iii) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Zachary I. Shapiro), email: shapiro@rlf.com; (iv) Berkeley Research Group, LLC, 75 State Street, 18th Floor, Boston, Massachusetts 02109 (Attn: Kyle Richter), email: krichter@thinkbrg.com; (v) Foley & Lardner LLP, Washington Harbour, 3000 K Street, N.W., Suite 600, Washington, D.C. 20007 (Attn: Erika L. Morabito), email: emorabito@foley.com; (vi) Whiteford, Taylor & Preston LLC, The Renaissance Centre, Suite 500, 405 North King Street, Wilmington, Delaware 19801 (Attn: L. Katherine Good), email: kgood@wtplaw.com; (vii) Morgan, Lewis & Bockius LLP, One Federal Street, Boston, Massachusetts 02110 (Attn: Julia Frost-Davies and Christopher L. Carter), email: julia.frost-davies@morganlewis.com and christopher.carter@morganlewis.com; (viii) Reed Smith LLP, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (Attn: Kurt F. Gwynne), email: kgwynne@reedsmith.com; (ix) Choate, Hall & Stewart LLP, Two International Place, Boston, MA 02110 (Attn: John F. Ventola and Jonathan D. Marshall), email: jventola@choate.com and jmarshall@choate.com; (x) Womble Bond Dickinson, 222 Delaware Avenue, 15th Floor, Wilmington, Delaware 19802 (Attn: Matthew P. Ward), email: Matthew.Ward@wbd-us.com; and (xi) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn: Jane Leamy), email: jane.m.leamy@usdoj.gov, no later than October 17, 2018 at 4:00 p.m. (prevailing Eastern Time) (the "Assumption/Assignment Objection Deadline").

47. If no objections are received by the Assumption/Assignment Objection Deadline, then the proposed assumption and assignments will be authorized and the Cure Costs set forth in the Cure Schedule will be binding upon the counterparty for all purposes and will constitute a final determination of the total Cure Costs to be paid to the counterparty in connection with the assumption and assignment to the Buyer.

48. The Debtor requests that any party failing to timely object to the proposed transactions be deemed to consent to the treatment of its executory contract and/or unexpired lease under section 365 of the Bankruptcy Code. See In re Tabone, Inc., 175 B.R. at 858 (by not objecting to sale motion, creditor deemed to consent); Pelican Homestead v. Wooten (In re Gabel), 61 B.R. 661, 667 (Bankr. W.D. La. 1985) (same). Moreover, the Debtor requests that each such party be deemed to consent to the assumption and assignment of its executory contract and/or unexpired lease notwithstanding any anti-alienation provision or other restriction on assignment. See 11 U.S.C. §§ 365(c)(1)(B), (e)(2)(A)(ii), and (f). The Cure Costs set forth in the Cure Schedule will be controlling, notwithstanding anything to the contrary in any HEB Lease or any other document, and the counterparty to the HEB Lease will be deemed to have consented to the Cure Costs and will be forever barred from asserting any other claims related to such HEB Lease against the Debtor or the Buyer, or the property of either of them.

49. If a timely objection is received and such objection cannot otherwise be consensually resolved by the parties, such objection will be heard at the hearing on this motion, which the Debtor has requested be scheduled for October 22, 2018 at 11:00 a.m. (prevailing Eastern Time) (the "Sale Hearing").

Proposed Notice of the Sale Hearing

50. Pursuant to Bankruptcy Rule 2002(a), the Debtor is required to provide its creditors with twenty-one days' notice of the Sale Hearing. Contemporaneously with the filing of this motion, the Debtor filed a motion to shorten the notice period set forth in Bankruptcy Rule 2002(a) and certain related deadlines (the "Motion to Shorten"), including the deadline for objecting to approval of the proposed Sale. In the Motion to Shorten, the Debtor requests that the deadline for objecting to approval of the Sale be set for 4:00 p.m. (prevailing Eastern Time) on October 17, 2018. Pursuant to Bankruptcy Rule 2002(c), the notice required under subsection (a) must include the date, time and place of the Sale Hearing, and the deadline for filing any objections to the relief requested in this motion.

51. After the Court rules on the Motion to Shorten, the Debtor intends to serve a notice of the Sale Hearing (the "Hearing Notice"), substantially in the form attached as Exhibit F to this motion, by first-class mail, postage prepaid upon the following parties: (a) the Office of the United States Trustee for the District of Delaware; (b) Foley & Lardner LLP and Whiteford, Taylor & Preston LLC, as co-counsel to the Committee; (c) counsel to Wells Fargo Bank, National Association; (d) counsel to Gordon Brothers Finance Company; (e) all parties entitled to notice pursuant to Bankruptcy Rule 2002; (f) all parties known by the Debtor to have expressed an interest to the Debtor in a transaction with respect to the Assets; (g) all parties known to the Debtor to have asserted any lien, claim, encumbrance or other interest in the Assets (whose information and addresses are available to the Debtor); (h) municipalities in which the Assets are located; (i) any governmental entity that has a known interest in the relief requested; (j) the Office of the Attorney General in Delaware and in each state in which the Debtor operates; (k) the Securities and Exchange Commission; (l) the Internal Revenue Service; and

(m) all non-Debtor counterparties to the HEB Leases (collectively, the "Notice Parties"). In addition, the Debtor will serve this motion on the Notice Parties.

52. The Hearing Notice will include, among other things, the proposed date, time and place of the Sale Hearing and the deadline for filing any objections to the relief requested in this motion and will therefore comply with Bankruptcy Rule 2002(c). The Debtor submits that the methods of notice described herein comply fully with Bankruptcy Rule 2002 and constitute good and adequate notice of the proposed sale of the Assets.

Waiver of Rules 6004(h) and 6006(d)

53. Under Bankruptcy Rule 6004(h), unless the court orders otherwise, all orders authorizing the sale of property pursuant to section 363 of the Bankruptcy Code are automatically stayed for fourteen days after entry of the order. Similarly, Bankruptcy Rule 6006(d) stays all orders authorizing a debtor to assign an executory contract or unexpired lease pursuant to section 365(f) of the Bankruptcy Code for fourteen days, unless the court orders otherwise.

54. The Debtor requests that, upon entry of the Sale Order, the Court waive the fourteen-day stay requirements of Bankruptcy Rules 6004(h) and 6006(d). The waiver of the fourteen-day stay imposed by Bankruptcy Rules 6004(h) and 6006(d) will allow any Sale to close as soon as possible and prevent further delay in the administration of this case. The Debtor respectfully submits that the Court waive the fourteen-day stay requirements contained in Bankruptcy Rules 6004(h) and 6006(d).

Consent to Jurisdiction

55. Pursuant to Local Rule 9013-1(f), the Debtor consents to the entry of a final judgment or order with respect to this motion if it is determined that the Court would lack Article III jurisdiction to enter such final order or judgment absent consent of the parties.

Notice

56. Notice of this motion will be provided to: (a) the U.S. Trustee; (b) counsel to the Committee; (c) counsel to Wells Fargo Bank, National Association; (d) counsel to Gordon Brothers Finance Company; (e) all parties known to the Debtor to have asserted any lien, claim, encumbrance or other interest in the Assets (whose information and addresses are available to the Debtor); (f) all parties known by the Debtor to have expressed an interest to the Debtor in a transaction with respect to the Assets; (g) the Office of the Attorney General in Delaware and in each state in which the Debtor operates; (h) all non-Debtor parties to the HEB Leases; (i) municipalities in which the Assets are located; (j) any governmental entity that has a known interest in the relief requested; (k) the Securities and Exchange Commission; (l) the Internal Revenue Service; and (m) all parties entitled to notice pursuant to Bankruptcy Rule 2002. Due to the nature of the relief requested herein, the Debtor respectfully submits that no further notice of this motion is necessary.

No Prior Request

57. No prior request for the relief sought herein has been made to this Court or any other Court.

WHEREFORE, the Debtor respectfully requests that the Court (i) enter the Sale Order, in a form attached hereto as Exhibit A and (ii) grant such other and further relief to the Debtor as the Court may deem proper.

Dated: October 4, 2018
Wilmington, Delaware

Respectfully submitted,

/s/ David T. Queroli

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ATTORNEYS FOR DEBTOR

EXHIBIT A

PROPOSED SALE ORDER

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re	:	Chapter 11
	:	
SAMUELS JEWELERS, INC., ¹	:	Case No. 18-11818 (KJC)
	:	
Debtor.	:	Related to Docket No. _____
	:	

**ORDER (A) APPROVING THE ASSUMPTION,
ASSIGNMENT AND SALE OF THE HEB LEASES AND CERTAIN
RELATED ASSETS AND (B) GRANTING RELATED RELIEF**

This matter coming before the Court on the Debtor's Motion for an Order

(A) Approving the Assumption, Assignment and Sale of the HEB Leases and Related Assets and
(B) Granting Related Relief (the "Sale Motion")² filed by the above-captioned debtor (the "Debtor") seeking authority for the Debtor to assume, assign and sell certain of the Debtor's leases (the "HEB Leases") and related furniture, fixture and equipment (collectively with the HEB Leases, the "Assets"), pursuant to the terms of the Assumption and Assignment Agreement, by and between Samuels Jewelers, Inc. (the "Seller") and Brilliant Fire, LLC (the "Buyer"), dated October 2, 2018 (the "Assignment and Sale Agreement"); the Court having reviewed (a) the Sale Motion, (b) the Assignment and Sale Agreement, a copy of which is attached to the Sale Motion as Exhibit C, and (c) all other papers filed with the Court relating thereto; the Court having considered the statements of counsel with respect to the Sale Motion at the hearing (the "Sale Hearing"); and the Court having determined that the legal and factual bases set forth in the Sale Motion, the Declaration and the other papers filed by the Debtor and at the Sale Hearing establish just cause to grant the relief granted herein;

¹ The last four digits of the Debtor's taxpayer identification number are 6316 and its address is 2914 Montopolis Drive, Suite 200, Austin, Texas 78741.

² Capitalized terms used herein but not otherwise defined have the meanings given to them in the Sale Motion or the Assignment and Sale Agreement (as defined below).

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. This Court has jurisdiction and authority to hear and determine the Sale Motion pursuant to 28 U.S.C. §§ 1334 and 157(b)(2)(A) and (N). Venue of this case in this District is proper under 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are sections 105, 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 6006.

B. This Sale Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a).

C. As evidenced by the affidavits of service filed with the Court, proper, timely, adequate and sufficient notice ("Notice") of the Sale Motion, the assumption and assignment of the HEB Leases and the Sale Hearing has been provided in accordance with Bankruptcy Rules 2002, 6004, 9006 and 9014. The Notice provided to the Notice Parties was sufficient, contained sufficient disclosure of the terms and conditions of the Sale and the matters raised in the Motion, and provided reasonable, due and adequate process under the law. The Notice properly informed all interested parties that any party who does not make a timely objection to the Motion may not have their objection considered by the Court, and the Court may grant the relief requested in the Motion without further hearing and notice. No other or further notice of the Sale Motion, the Sale Hearing, the assumption and assignment of the HEB Leases (as defined below) or the entry of this Sale Order is necessary or shall be required.

D. The Seller is the sole and lawful owner of leasehold and enforceable property interests in the Assets, and title thereto is vested in the Seller's estate within the meaning of section 541(a) of the Bankruptcy Code. The Seller has all right, title and interest in the Assets

³ Any finding of fact that is actually a conclusion of law should be treated as such.

required to transfer and convey the Assets to the Buyer, pursuant to the Assignment and Sale Agreement.

E. The Seller has demonstrated a sufficient basis to enter into the Assignment and Sale Agreement, sell the Assets on the terms outlined therein and assume and assign the HEB Leases under sections 363 and 365 of the Bankruptcy Code, and all such actions are appropriate exercises of the Seller's business judgment and in the best interests of the Debtor, its creditors and its estate.

F. The offer of the Buyer, upon the terms and conditions set forth in the Assignment and Sale Agreement, including the form and the total consideration to be realized by the Seller pursuant to the Assignment and Sale Agreement: (1) is the highest and/or best offer received by the Seller after marketing the Assets; (2) is fair and reasonable; (3) is in the best interest of the Debtor, its creditors and its estate; and (4) constitutes full and adequate consideration and reasonably equivalent value for the Assets.

G. The Seller's determination that the Assignment and Sale Agreement constitutes the highest and/or best offer for the Assets constitutes a valid and sound exercise of the Seller's business judgment.

H. The Seller has demonstrated a sufficient and sound business purpose and justification for the sale prior to, and outside of, a plan of reorganization.

I. The Buyer is a buyer in good faith, as that term is used in the Bankruptcy Code, and is entitled to the protections of section 363(m) of the Bankruptcy Code with respect to the Assets. The Buyer has proceeded in good faith in all respect in that, inter alia: (i) the Buyer recognized that the Seller was free to deal with any other party interested in acquiring the Assets; (ii) no common identity of directors or officers exists among the Buyer and the Seller and (iii) all

payments to be made by the Buyer and all other material arrangements entered into by the Buyer and the Seller in connection with the Sale have been disclosed.

J. The Assignment and Sale Agreement was negotiated and entered into in good faith, based upon arm's-length negotiations and without collusion or fraud of any kind. The Seller and the Buyer have not engaged in any conduct that would cause or permit the Assignment and Sale Agreement to be avoided under section 363(n) of the Bankruptcy Code. The Buyer is not an "insider" or "affiliate" of the Debtor, as such terms are defined in the Bankruptcy Code.

K. The Seller has full power and authority to execute the Assignment and Sale Agreement and all other documents contemplated thereby, and the Sale of the Assets by the Seller has been duly and validly authorized by all necessary actions of the Seller. No consents or approvals other than those provided for in the Assignment and Sale Agreement are required for the Seller to consummate the transactions described in the Assignment and Sale Agreement.

L. The terms of the Assignment and Sale Agreement are fair and reasonable and the transaction contemplated therein is in the best interests of the Debtor's estate.

M. The Seller may sell the Assets free and clear of all interests, liens, claims and encumbrances of any kind or nature whatsoever, except as otherwise provided in the Assignment and Sale Agreement, because, in each case, one or more of the standards set forth in sections 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Those non-Debtor parties with interests in the Seller's Assets who did not object, or who withdrew their objections, to the Sale or the Sale Motion are deemed to have consented to the Sale pursuant to section 363(f)(2) of the Bankruptcy Code. Accordingly, except as expressly provided in the Assignment and Sale Agreement with respect to the Assumed Liabilities, all persons or entities having liens, claims, encumbrances or interests of any kind or nature whatsoever against or in any of the Assets shall

be forever barred, estopped and permanently enjoined from pursuing or asserting such liens, claims, encumbrances or interests against the Assets, the Buyer or any of its assets, property, successors or assigns.

N. The Seller may assume each of the HEB Leases, as identified in Schedule A to the Assignment and Sale Agreement and attached as Exhibit B to the Sale Motion, and assign each of them to the Buyer pursuant to sections 363 and 365 of the Bankruptcy Code and this Sale Order, notwithstanding any anti-assignment clause or other similar provision in the HEB Leases, as provided by section 365(f) of the Bankruptcy Code. The assumption and assignment of the HEB Leases is in the best interest of the Debtor and its estate, creditors and other parties in interest, representing the reasonable exercise of sound and prudent business judgment by the Seller. The Buyer and the Seller have provided evidence of adequate assurance of future performance by the Buyer under the HEB Leases consistent with sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code. The Debtor shall have no further liability or obligation under the HEB Leases.

O. The cure amounts, if any, set forth in the Cure Schedule with respect to each HEB Lease (collectively, the "Cure Amounts") are the sole amounts necessary under sections 365(b)(1)(A), 365(b)(1) (B) and 365(f)(2)(A) of the Bankruptcy Code to cure all defaults and pay all actual pecuniary losses under the HEB Leases.

P. The Assignment and Sale Agreement was not entered into for the purpose of hindering, delaying or defrauding creditors under the Bankruptcy Code or under the laws of the United States or any state, territory, or possession thereof, or the District of Columbia. The Seller and the Buyer are not entering into the Sale fraudulently.

Q. All findings of fact and conclusions of law announced by the Court at the Sale Hearing are incorporated herein.

R. Time is of the essence in consummating the Sale. To maximize the value of the Sale for the benefit of the Debtor's estate and creditors, it is essential that the Sale occur promptly. Accordingly, there is cause to lift the stays contemplated by Bankruptcy Rules 6004 and 6006.

THEREFORE, IT IS HEREBY ORDERED THAT:⁴

General Provisions

1. The Notice of the Sale Motion, Sale Hearing and the assumption and assignment of the HEB Leases (and related Cure Costs) is approved as being fair, reasonable, and adequate under the circumstances, and any additional notice as may otherwise be required under state and federal law is hereby deemed satisfied. The form of the Notice, including the Hearing Notice and the Assumption and Assignment Notice as mailed by the Debtor was appropriate and sufficient for all purposes and no other or further notice shall be required.

2. The Sale Motion is GRANTED, as set forth herein.

3. All objections to the Sale Motion are OVERRULED to the extent not resolved.

Approval of the Assignment and Sale Agreement

4. The Assignment and Sale Agreement and all of the terms and conditions thereof, are hereby approved.

5. The Sale of the Assets to the Buyer is approved pursuant to sections 105, 363 and 365 of the Bankruptcy Code, and the Seller and the Buyer and each of their affiliates,

⁴ Any conclusion of law that is actually a finding of fact should be treated as such.

officers, directors, employees and agents are authorized to immediately take any and all such actions as are necessary or appropriate to consummate and implement the Assignment and Sale Agreement.

6. The Debtor and its officers and agents, as applicable, are authorized to execute and deliver the Assignment and Sale Agreement, together with any additional agreements, instruments and documents that may be reasonably necessary or desirable to implement the Assignment and Sale Agreement and effectuate the provisions of this Sale Order and the transactions approved hereby, all without further order of the Court. Additionally, pursuant to section 363(b) of the Bankruptcy Code, the Debtor is hereby authorized and empowered to fully assume, perform under, consummate and implement the Assignment and Sale Agreement, together with such additional agreements, instruments and documents that may be reasonably necessary or desirable to implement the Assignment and Sale Agreement, and to take all further actions as may reasonably be requested by the Buyer for the purpose of selling, assigning, transferring, granting, conveying, conferring and delivering to the Buyer, or transferring to the Buyer's possession, any or all of the Assets, or as may be necessary or appropriate to the performance of the obligations, and make effective the transactions contemplated by, the Assignment and Sale Agreement, all without further order of this Court.

Transfer of the Assets

7. Pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, the Seller is authorized to transfer the Assets in accordance with the terms of the Assignment and Sale Agreement, and, upon the closing under the Assignment and Sale Agreement, such transfers shall: (a) be valid, legal, binding and effective transfers; (b) vest the Buyer with all right, title and interest of the Seller in and to the Assets; and (c) unless otherwise specified in the Assignment and Sale Agreement, be free and clear of all liens, claims, encumbrances and

interests, whether arising prior to or subsequent to the commencement of the Debtor's chapter 11 case, and whether imposed by agreement, law, equity or otherwise, with all such liens, claims, encumbrances and interests attaching to the proceeds of the Sale in the same order of priority as they attached to the Assets before the Sale.

8. All persons or entities holding liens, claims, encumbrances or interests of any kind or nature with respect to the Assets, except the Assumed Liabilities, are hereby barred from asserting such liens, claims, encumbrances or interests of any kind or nature against the Buyer, its successors or assigns, or the Assets.

9. All liens, claims, encumbrances, and other interests shall attach to the proceeds of the Sale with the same nature, validity, and priority as such liens, claims, encumbrances, or other interests encumbered the Assets prior to the Sale.

10. All persons and entities are prohibited and enjoined from taking any action to adversely affect or interfere with the ability of the Seller to transfer the Assets to the Buyer in accordance with this Sale Order and the terms of the Assignment and Sale Agreement.

11. Pursuant to the Assignment and Sale Agreement and this Sale Order, the transfer and assignment of the Assets shall be effectuated on the terms set forth therein and herein, and shall not be restricted or prohibited, notwithstanding any alleged approval rights, consent rights, rights of first refusal or similar rights with respect to the Debtor's transfer, sale, vesting, assumption and/or assignment of the Assets. All parties who failed to timely file and serve an objection to the Sale are deemed to consent to and approve of the transfer, sale, assumption and/or assignment of the Assets.

Assumption and Assignment of the HEB Leases to the Buyer

12. Notice of the Debtor's assumption and assignment and sale to the Buyer of the HEB Leases has been provided to all counterparties to an HEB Lease, together with a

statement therein from the Debtor (a) with respect to the Cure Costs, and (b) to otherwise comply with the requirements of section 363(b) of the Bankruptcy Code with respect to the HEB Leases. As to each HEB Lease, payment of the Cure Costs, as set forth on the Cure Schedule, is sufficient for the Debtor to comply fully with the requirements of section 365(b) of the Bankruptcy Code and the Buyer has demonstrated adequate assurance of future performance. To the extent a counterparty to the HEB Leases failed to timely object to the Cure Costs, such Cure Costs shall be deemed to be finally determined and any such counterparty shall be prohibited from challenging, objecting to, or denying the validity and finality of the Cure Costs.

13. Other than satisfying the Cure Costs, the Debtor shall have no further liability or obligation under the HEB Leases.

14. The assumption and assignment of the HEB Leases pursuant to the terms of this Sale Order is integral to and the primary component of the Assignment and Sale Agreement and is in the best interests of the Debtor and its estate, creditors and other parties in interest, and represents a reasonable exercise of sound and prudent business judgment by the Debtor.

15. In addition, the Buyer has provided adequate assurance of its ability to perform its obligations under each of the HEB Leases within the meaning of section 363(f) of the Bankruptcy Code. All other requirements and conditions under the Bankruptcy Code for the assumption by the Debtor and assignment and sale to the Buyer of the HEB Leases have been satisfied. Therefore, the HEB Leases may be assumed by the Debtor and assigned to the Buyer.

No Successor Liability

16. The Buyer and its affiliates, successors and assigns shall not be deemed, as a result of any action taken in connection with the transfer of the Assets, to (a) be a successor to the Debtor or its estate, (b) have, *de facto* or otherwise, merged or consolidated with or into the

Debtor or its estate or (c) be a continuation or substantial continuation of the Debtor or any enterprise of the Debtor, and the Buyer and their affiliates shall have no successor, transferee or vicarious liability of any kind or character, including, but not limited to, under any theory of foreign, federal, state or local antitrust, environmental, successor, tax, assignee or transferee liability, labor, product liability, employment, *de facto* merger, substantial continuity or other law, rule, or regulation, whether known or unknown as of the closing date of the Sale, now existing or hereafter arising, whether asserted or unasserted, fixed or contingent, liquidated or unliquidated with respect to the Debtor or any obligations of the Debtor arising prior to the closing date, except with respect to the Assumed Liabilities. Except as otherwise provided herein or in the Assignment and Sale Agreement and with respect to the Assumed Liabilities, the transfer of the Assets to the Buyer pursuant to the Assignment and Sale Agreement shall not result in the Buyer or its affiliates, members or shareholders, or the Assets, having any liability or responsibility for, or being required to satisfy in any manner, whether in law or in equity, whether by payment, setoff or otherwise, directly or indirectly, (a) any claim against the Debtor or against any insider of the Debtor, or (b) any lien, claim, encumbrance or other interest.

17. Except as otherwise provided in the Assignment and Sale Agreement and with respect to the Assumed Liabilities, upon the closing date of the Sale, the Buyer shall not be liable for any claims against, and liabilities of, the Debtor or any of the Debtor's predecessors or affiliates (including, without limitation, any claim against the Debtor arising out of a rejected contract).

18. The Buyer has given substantial consideration under the Assignment and Sale Agreement to the Debtor's estate. The consideration given by the Buyer shall constitute valid and valuable consideration for the releases of any potential claims of successor or

transferee liability of the Buyer, which releases shall be deemed to have been given in favor of the Buyer by all holders of liens, claims, encumbrances and other interests against the Debtor or the Assignment and Sale Agreement.

No Fraudulent Transfer

19. The consideration provided by the Buyer under the Assignment and Sale Agreement constitutes (a) reasonably equivalent value under the Bankruptcy Code and the Uniform Fraudulent Transfer Act; (b) fair consideration under the Uniform Fraudulent Conveyance Act and (c) reasonably equivalent value, fair consideration and fair value under any other applicable laws of the United States and any state thereof. The consideration provided by the Buyer for the Assets under the Assignment and Sale Agreement is fair and reasonable and may not be avoided under section 363(n) of the Bankruptcy Code.

Additional Provisions

20. The automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to implement the terms and provisions of the Assignment and Sale Agreement and the provisions of this Sale Order.

21. Each and every federal, state and local government agency or department and all filing agents, filing officers, title agents, title companies and other similar persons are hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Assignment and Sale Agreement and this Sale Order.

22. The Buyer is deemed to be a purchaser in good faith of the Assets and, thus, is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

23. The terms and provisions of the Assignment and Sale Agreement, together with the terms and provisions of this Sale Order, shall be binding in all respects upon, and shall inure to the benefit of, the Debtor, the Debtor's estate and the Debtor's creditors, the Buyer and its affiliates, successors and assigns and any affected third parties and persons or entities asserting a claim against or interest in or lien on the Debtor's estate or any of the Assets to be sold to the Buyer pursuant to the Assignment and Sale Agreement, notwithstanding any subsequent appointment of any trustee for the Debtor under any chapter of the Bankruptcy Code, as to which trustee such terms and provisions likewise shall be binding in all respects.

24. The Assignment and Sale Agreement and any other related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment or supplement is not material and any such amendment or supplement does not have a material adverse effect on the Debtor or the Debtor's estate.

25. The failure specifically to reference any particular provision of the Assignment and Sale Agreement in this Sale Order shall not diminish or impair the efficacy of such provision. In the event of a conflict between the terms of this Sale Order and the Assignment and Sale Agreement, this Sale Order shall govern.

26. The Seller and the Buyer are hereby authorized to take all actions reasonably necessary to effectuate the terms of the Assignment and Sale Agreement, the transactions contemplated thereunder and the provisions of this Sale Order, all without the necessity of any further order of the Bankruptcy Court.

27. All proceeds generated from the sale of the Assets shall be subject to the DIP Liens and the Prepetition Liens (each as defined in the Final Order) and all cash proceeds

shall be paid to the DIP Working Capital Agent upon the closing of such sale for application against the obligations owing by the Debtor under the DIP Documents (as defined in the Final DIP Order) in accordance with the terms and conditions of the Final DIP Order.

28. The provisions of Bankruptcy Rules 6004(h) and 6006(d) shall not apply to stay consummation of the sale of the Assets to the Buyer under the Assignment and Sale Agreement, as contemplated in the Sale Motion and approved by this Sale Order, and the Seller and the Buyer are hereby authorized to consummate the transactions contemplated and approved herein immediately upon entry of this Sale Order.

29. This Court retains jurisdiction to (a) enforce and implement the terms and provisions of the Assignment and Sale Agreement, all amendments thereto, any waivers and consents thereunder and any other agreements executed in connection therewith; (b) resolve any disputes arising under or related to the Assignment and Sale Agreement and transactions contemplated thereby; and (c) interpret, implement and enforce the provisions of this Sale Order.

Dated: _____, 2018
Wilmington, Delaware

THE HONORABLE KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

LEASE CURE SCHEDULE

LEASE CURE SCHEDULE

Store No.	Store Name	Cure Amount
911	HEB Corpus Christi 57 #140 - 150	\$9,102.00
912	HEB Victoria 92 #500	(\$4,401.00)
913	HEB Cypress 698 #110	\$2,574.00
914	HEB Clear lake 713 #110	\$3,967.00
915	HEB Burleson 16 #120	\$8,415.00
916	HEB Bee Cave 404 #100	\$8,151.00
917	HEB Austin 476 #100	(\$3,430.00)
918	HEB Leander 592 #101	\$8,514.00
919	HEB Round Rock 373 #110	(\$4,891.00)
920	HEB Round Rock 673 #140	\$8,199.00
921	HEB Bulverde 622 #E120	(\$4,771.00)
922	HEB Granbury 631 #110	\$8,901.00
923	HEB College Station 619 #100	\$7,200.00
TOTAL		\$47,530.00

EXHIBIT C

ASSUMPTION AND ASSIGNMENT AGREEMENT

ASSUMPTION AND ASSIGNMENT AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is made as of October 2, 2018, by and between SAMUELS JEWELERS, INC., a Delaware corporation ("Assignor"), and BRILLIANT FIRE, LLC, a Texas Limited Liability Company ("Assignee").

WHEREAS, Assignor has filed a voluntary petition for relief pursuant to chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (as amended, the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Delaware (together with any other court having proper jurisdiction, the "Bankruptcy Court"); and

WHEREAS, Assignor has agreed to assign and Assignee has agreed to assume the real property lease(s) listed on the attached Schedule A (collectively, the "Assigned Leases," and each, an "Assigned Lease") with respect to the premises set forth on Schedule A (the "Premises") on the terms and conditions set forth herein and as authorized under sections 363 and 365 of the Bankruptcy Code, and Assignor has determined that an assumption and assignment in accordance with sections 363 and 365 of the Bankruptcy Code is in the best interests of its creditors and interest holders.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, Assignor and Assignee hereby agree as follows:

Assignment and Assumption.

Assignor hereby sells, transfers, conveys, assigns and sets over to Assignee and its successors and assigns all of Assignor's right, title and interest in and to the Assigned Leases.

Assignee hereby assumes and undertakes to pay, perform and discharge all of the obligations and duties of Assignor as tenant or lessee under and with respect to the Assigned Leases, whether accruing before, on or after the date of this Agreement.

Furniture, Fixtures and Equipment. Assignor also hereby sells, transfers, conveys, assigns and sets over to Assignee and its successors and assigns all of Assignor's right, title and

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interest in and to, on an "as is" condition, and by execution and delivery of a bill of sale substantially in the form of Exhibit A attached hereto (the "Bill of Sale"), any furniture, fixtures and equipment (the "FF&E") owned by Assignor.

Payment of Purchase Price. Assignee shall, on the date hereof, deliver the purchase price for the Assigned Leases in the amount of \$300,000 in immediately available funds wired to the account specified by Assignor.

Assumption of Liabilities. Assignee shall assume all obligations on the part of the tenant or lessee under and with respect to each Assigned Lease, including, but not limited to, accrued but unbilled adjustments for common area maintenance, utilities, real estate taxes, insurance and other operating expenses.

No Further Liability of Assignor. From and after the date hereof, Assignor shall have no further obligations or duties with respect to any Assigned Lease, and Assignee agrees to indemnify Assignor, and hold Assignor harmless, from and against all loss, cost and expense suffered or incurred by Assignor as a result of any failure on the part of Assignee to fulfill its obligations as required by this Agreement under and with respect to the Assigned Leases.

Further Assurances. At any time and from time to time after the date hereof, without further consideration, (a) at the request of Assignee, Assignor shall execute and deliver such other instruments of sale, transfer, conveyance, assignment and confirmation or consents and take such other action as Assignee may reasonably request as necessary or desirable in order to more effectively transfer, convey and assign to Assignee all of Assignor's rights to the Assigned Leases, and (b) at the request of Assignor, Assignee shall execute and deliver such other instruments of assumption and confirmation and take such other action as Assignor may reasonably request as necessary or desirable in order to more effectively evidence Assignee's assumption of Assignor's obligations as tenant or lessee under and with respect to the Assigned Leases.

"As Is, Where Is" Transaction. Assignee hereby acknowledges and agrees that Assignor makes no representations or warranties whatsoever, express or implied, with respect to any matter relating to any Assigned Lease. Without in any way limiting the foregoing, Assignor hereby disclaims any warranty (express or implied) of merchantability

Assignee further acknowledges that Assignee has conducted an independent inspection and investigation of the physical condition of the Premises and all such other matters relating to or affecting the Assigned Leases as Assignee deemed necessary or appropriate and that in proceeding with its acquisition of the Assigned Leases, Assignor is doing so based upon such independent inspections and investigations. Accordingly, Assignor accepts the Premises and the Assigned Leases "AS IS" and "WHERE IS."

Miscellaneous.

This Agreement is binding upon and shall inure to the benefit of Assignor's successors and assigns, including, without limitation, a trustee, if any, subsequently appointed under chapter 7 or chapter 11 of the Bankruptcy Code, and is binding upon and shall inure to the benefit of Assignee's successors and assigns.

Each of Assignor and Assignee warrants and represents that it has the power and authority to enter into this Agreement.

This Agreement and any additional agreements delivered in connection herewith together contain the entire agreement between the parties hereto, and except as otherwise specifically set forth herein, supersede all prior agreements and undertakings between the parties hereto relating to the subject matter hereof.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument, and presentation of any copy of this Agreement, whether original or facsimile (including in portable document format (pdf)), signed by Assignor and Assignee shall constitute sufficient proof of this Agreement.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of law, and any disputes shall be resolved by the Bankruptcy Court, which shall have exclusive jurisdiction at all times during which Assignor's bankruptcy case is pending.

Any and all sales, transfer and recording taxes, stamp taxes or similar taxes or fees, if any, relating to the assignment

of the Assigned Leases shall be the sole responsibility of Assignee and shall be paid, if applicable, to the proper governing body on the date of this Agreement.

This Agreement may not be amended orally but rather may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

[Signatures are on the following page.]

NAT-1504777274v4

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first written above.

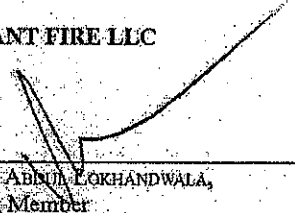
ASSIGNOR:

SAMUELS JEWELERS, INC.

By:
Name:
Title:

ASSIGNEE:

BRILLIANT FIRE LLC

By: 
SHERAZAD ABDUL LOHANDWALA,
Managing Member

NAT-1504777274v4

Schedule A**Assigned Leases**

<u>Premises</u> (street address, including suite number and store number)	<u>Lease Description</u> (description of lease instruments)
Corpus Christi 18(057) 1145 Waldron Road Corpus Christi, TX 78418	\$3,034.00 per month Commencement – December 31, 2022 \$3,489.00 per month January 1, 2023 – December 31, 2027 Renewal Term
Victoria 03 (092) 6106 N. Navarro, Victoria, TX 77904	\$2,675.00 per month Commencement – December 31, 2022 \$3,076.00 per month January 1, 2023 – December 31, 2027 Renewal Term
Houston 61 (698) 14100 Spring Cypress Rd., Houston, TX 77429	\$1,900.00 per month Commencement – December 31, 2022 \$2,185.00 per month January 1, 2023 – December 31, 2027 Renewal Term
Clear Lake 02 (713) 3501 Clear Lake City Blvd., Houston, TX 77059	\$2,950.00 per month Commencement – December 31, 2022 \$3,393.00 per month January 1, 2023 – December 31, 2027 Renewal Term
Burleson (016) 165 NW John Jones Dr., Burleson, TX 76028	\$2,805.00 per month Commencement Date to December 31, 2022 Original Term \$3,225.00 per month January 1, 2023 to December 31, 2027 Renewal Term
Austin 21 (404) 12400 State Hwy 71 West, Ste 100, Austin, Texas, 78738	\$2,717.00 per month Commencement date to December 31, 2022 Original Term \$3,125.00 per month January 1, 2023 to December 31, 2027 Renewal Term
Austin 25 (476) 500 Canyon Ridge Drive, Austin, Texas, 78753	\$2,085.00 per month Commencement Date to December 31, 2022 Original Term \$2,398.00 per month January 1, 2023 to December 31, 2027 Renewal Term

Leander (592) 651 N US Hwy 183, Leander, TX 78641	\$2,838.00 per month Commencement Date to December 31, 2022 Original Term \$3,264.00 per month January 1, 2023 to December 31, 2027 Renewal Term
Round Rock 02 (373) 16900 N. FM 620, Round Rock, TX 78681	\$2,085.00 per month Commencement Date to December 31, 2022 Original Term \$2,398.00 per month January 1, 2023 to December 31, 2027 Renewal Term
Round Rock 05 (673) 250 University Blvd., Round Rock, TX 78665	\$2,733.00 per month Commencement Date to December 31, 2022 Original Term \$3,143.00 per month January 1, 2023 to December 31, 2027 Renewal Term
Bulverde (622) 20725 HWY 46 West, Bulverde, TX 78070	\$2,900.00 per month Commencement Date to December 31, 2022 Original Term \$3,335.00 per month January 1, 2023 to December 31, 2027 Renewal Term
Granbury (631) 3804 E. Hwy 377, Granbury, TX 76049	\$2,967.00 per month Commencement Date to December 31, 2022 Original Term \$3,412.00 per month January 1, 2023 to December 31, 2027 Renewal Term
College Station 02 (619) 949 William D. Fitch Parkway, College Station, TX 77845	\$2,400.00 per month Commencement – December 31, 2022 \$2,760.00 per month January 1, 2023 – December 31, 2027 Renewal Term

NAI-1504777274v4

Exhibit A

Bill of Sale

This Bill of Sale ("**Bill of Sale**") is made as of _____, 2018, by and between **SAMUELS JEWELERS, INC.**, a Delaware corporation ("**Seller**"), and **BRILLIANT FIRE LLC**, a Texas Limited Liability Company ("**Purchaser**").

AGREEMENT

Seller, in consideration of the purchase price set forth in the Assumption and Assignment Agreement between Seller and Purchaser, to which this Bill of Sale is attached as Exhibit A and for other good and valuable consideration paid or provided to it by Purchaser, the receipt and sufficiency of which are hereby acknowledged, hereby sells, grants, bargains, transfers, assigns, conveys and delivers to Purchaser all of Seller's right, title, and interest in and to the goods and chattels more particularly described on Schedule 1 attached hereto and by reference made a part hereof (collectively, the "**Purchased Assets**"). For the avoidance of doubt, any goods and chattels not constituting Purchased Assets shall not be sold, granted, bargained, transferred, assigned, conveyed or delivered by Seller to Purchaser, including those goods and chattels identified on Schedule 1 as Excluded Assets.

THE PURCHASED ASSETS ARE SOLD, GRANTED, BARGAINED, TRANSFERRED, ASSIGNED, CONVEYED AND DELIVERED BY SELLER TO PURCHASER WITHOUT RECOURSE ON AN ABSOLUTE "AS IS, WHERE IS" BASIS, AND SELLER MAKES NO REPRESENTATION, WARRANTY, COVENANT OR UNDERTAKING, EXPRESS OR IMPLIED, WITH RESPECT TO THE EXISTENCE OF ANY SPECIFIC ITEMS CONSTITUTING THE PURCHASED ASSETS OR THE QUANTITY THEREOF, OR THE CONDITION, QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR VALUE OF THE PURCHASED ASSETS.

This Bill of Sale shall be governed by and construed in accordance with the laws of the State of Delaware without

regard to principles of conflicts of law, and any disputes shall be resolved by the United States Bankruptcy Court for the District of Delaware (or any other court having proper jurisdiction), which shall have exclusive jurisdiction at all times during which Seller's bankruptcy case is pending.

IN WITNESS WHEREOF, the parties have duly executed this Bill of Sale as of the date first written above.

SELLER:

SAMUELS JEWELERS, INC.

By:
Name:
Title:

PURCHASER:

BRILLIANT FIRE, LLC

By:
SHERAZAD ABDUL OKHANDWALA,
Managing Member

NAI- 150477274v4

Schedule 1 - Purchased Assets

HEB Fixed Assets by Location

Location	Type of Asset	Description
911	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17082302
911	Furniture & Fixtures	18717 QUALITY INTERNATIONAL PACKAGIN 91417
911	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090802R2
911	Furniture & Fixtures	WORLDWIDE SAFE & VAULT INC. 61903 15502
911	Furniture & Fixtures	BEST BUY STORES, L.P. 24295 2937632
911	Furniture & Fixtures	BEST BUY STORES, L.P. 24295 2938991
911	Furniture & Fixtures	FASTSIGNS 30105 22718
911	Furniture & Fixtures	AMERICAN 9 CONSTRUCTION 30131 1883
911	Furniture & Fixtures	AMERICAN 9 CONSTRUCTION 30131 1885
911	Furniture & Fixtures	AMERICAN 9 CONSTRUCTION 30131 1886
911	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 1023
911	Furniture & Fixtures	FASTSIGNS 30105 164-78249
911	Furniture & Fixtures	Advanced Fixtures, Inc. #1 30039
911	Leasehold Improvements	29890 ARCADIA MANAGEMENT, LLC 1018
911	Leasehold Improvements	ARCVISION, INC 170742-29597 29756
911	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1020
911	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1021
911	Leasehold Improvements	ARCADIA MANAGEMENT, LLC 29890 1022
911	Leasehold Improvements	WESTERN STATES FIRE PROTECTION 756594 30123
911	Leasehold Improvements	CASCO DIVERSIFIED CORPORATION 917507-1 29994
911	Leasehold Improvements	GOURELY CONTRACTORS,LLC 3012705 3012706 3012779 30107
912	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090803R1
912	Furniture & Fixtures	18717 QUALITY INTERNATIONAL PACKAGIN 91417
912	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090802R2
912	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 1023
912	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 18KIOSKDEP
912	Furniture & Fixtures	Advanced Fixtures, Inc. #1 30039
912	Leasehold Improvements	29890 ARCADIA MANAGEMENT, LLC 1018
912	Leasehold Improvements	ARCVISION, INC 170742-29597 29756
912	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1020
912	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1021
912	Leasehold Improvements	ARCADIA MANAGEMENT, LLC 29890 1022
912	Leasehold Improvements	Cast 30136 875 (Ceiling) 0 JE167642
913	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090803R1
913	Furniture & Fixtures	18717 QUALITY INTERNATIONAL PACKAGIN 91417
913	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090802R2
913	Furniture & Fixtures	WORLDWIDE SAFE & VAULT INC. 61905 15502
913	Furniture & Fixtures	BEST BUY STORES, L.P. 24295 2937635
913	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 1023
913	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 18KIOSKDEP
913	Furniture & Fixtures	Advanced Fixtures, Inc. #1 30039
913	Leasehold Improvements	29890 ARCADIA MANAGEMENT, LLC 1018
913	Leasehold Improvements	ARCVISION, INC 170742-29597 29756
913	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1020
913	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1021
913	Leasehold Improvements	ARCADIA MANAGEMENT, LLC 29890 1022
913	Leasehold Improvements	GV Build 30148 231017 0 JE167641
914	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090803R1
914	Furniture & Fixtures	18717 QUALITY INTERNATIONAL PACKAGIN 91417
914	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090802R2
914	Furniture & Fixtures	WORLDWIDE SAFE & VAULT INC. 61906 15502

Schedule 1 - Purchased Assets

HEB Fixed Assets by Location

Location	Type of Asset	Description
914	Furniture & Fixtures	BEST BUY STORES, L.P. 24295 2937810
914	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 1023
914	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 18KIOSKDEP
914	Furniture & Fixtures	Advanced Fixtures, Inc. #1 96940 9710430039
914	Leasehold Improvements	29890 ARCADIA MANAGEMENT, LLC 1018
914	Leasehold Improvements	ARCVISION, INC 170742-29597 29756
914	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1020
914	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1021
914	Leasehold Improvements	ARCADIA MANAGEMENT, LLC 29890 1022
914	Leasehold Improvements	GV Build 30148 231017 0 JE167641
914	Leasehold Improvements	WEST LOOP INTERIORS, LLC 40418 30179
915	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090803R1
915	Furniture & Fixtures	18717 QUALITY INTERNATIONAL PACKAGIN 91417
915	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090802R2
915	Furniture & Fixtures	WORLDWIDE SAFE & VAULT INC. 61907 15502
915	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 1023
915	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 18KIOSKDEP
915	Furniture & Fixtures	Advanced Fixtures, Inc. 96774 #2 #1 9677830039
915	Leasehold Improvements	29890 ARCADIA MANAGEMENT, LLC 1018
915	Leasehold Improvements	ARCVISION, INC 170742-29597 29756
915	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1020
915	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1021
915	Leasehold Improvements	ARCADIA MANAGEMENT, LLC 29890 1022
916	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090803R1
916	Furniture & Fixtures	18717 QUALITY INTERNATIONAL PACKAGIN 91417
916	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090802R2
916	Furniture & Fixtures	WORLDWIDE SAFE & VAULT INC. 61899 15502
916	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 1023
916	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 18KIOSKDEP
916	Furniture & Fixtures	Advanced Fixtures, Inc. #1 96775 30039
916	Leasehold Improvements	29890 ARCADIA MANAGEMENT, LLC 1018
916	Leasehold Improvements	ARCVISION, INC 170742-29597 29756
916	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1020
916	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1021
916	Leasehold Improvements	ARCADIA MANAGEMENT, LLC 29890 1022
917	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090803R1
917	Furniture & Fixtures	18717 QUALITY INTERNATIONAL PACKAGIN 91417
917	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090802R2
917	Furniture & Fixtures	WORLDWIDE SAFE & VAULT INC. 61898 15502
917	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 1023
917	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 18KIOSKDEP
917	Furniture & Fixtures	Advanced Fixtures, Inc. #1 #1 30039
917	Leasehold Improvements	29890 ARCADIA MANAGEMENT, LLC 1018
917	Leasehold Improvements	ARCVISION, INC 170742-29597 29756
917	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1020
917	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1021
917	Leasehold Improvements	ARCADIA MANAGEMENT, LLC 29890 1022
917	Leasehold Improvements	WEEMS, MICHAEL 29973 011118HEB
917	Leasehold Improvements	WEEMS, MICHAEL 29973 22118
917	Leasehold Improvements	GV Build 30148 231017 0 JE167641
917	Leasehold Improvements	CASCO DIVERSIFIED CORPORATION 917595-1 29994

Schedule 1 - Purchased Assets

HEB Fixed Assets by Location

Location	Type of Asset	Description
918	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090803R1
918	Furniture & Fixtures	18717 QUALITY INTERNATIONAL PACKAGIN 91417
918	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090802R2
918	Furniture & Fixtures	WORLDWIDE SAFE & VAULT INC. 61902 15502
918	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 1023
918	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 18KIOSKDEP
918	Furniture & Fixtures	Advanced Fixtures, Inc. #1 30039
918	Leasehold Improvements	29890 ARCADIA MANAGEMENT, LLC 1018
918	Leasehold Improvements	ARCVISION, INC 170742-29597 29756
918	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1020
918	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1021
918	Leasehold Improvements	ARCADIA MANAGEMENT, LLC 29890 1022
919	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090803R1
919	Furniture & Fixtures	18717 QUALITY INTERNATIONAL PACKAGIN 91417
919	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090802R2
919	Furniture & Fixtures	WORLDWIDE SAFE & VAULT INC. 61900 15502
919	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 1023
919	Leasehold Improvements	29890 ARCADIA MANAGEMENT, LLC 1018
919	Leasehold Improvements	ARCVISION, INC 170742-29597 29756
919	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1020
919	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1021
919	Leasehold Improvements	ARCADIA MANAGEMENT, LLC 29890 1022
919	Leasehold Improvements	GV Build 30148 231017 0 JE167641
920	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090803R1
920	Furniture & Fixtures	18717 QUALITY INTERNATIONAL PACKAGIN 91417
920	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090802R2
920	Furniture & Fixtures	WORLDWIDE SAFE & VAULT INC. 61901 15502
920	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 1023
920	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 18KIOSKDEP
920	Furniture & Fixtures	Advanced Fixtures, Inc. #1 30039
920	Leasehold Improvements	29890 ARCADIA MANAGEMENT, LLC 1018
920	Leasehold Improvements	ARCVISION, INC 170742-29597 29756
920	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1020
920	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1021
920	Leasehold Improvements	ARCADIA MANAGEMENT, LLC 29890 1022
920	Leasehold Improvements	CASCO DIVERSIFIED CORPORATION 917598-1 29994
921	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090803R1
921	Furniture & Fixtures	18717 QUALITY INTERNATIONAL PACKAGIN 91417
921	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090802R2
921	Furniture & Fixtures	WORLDWIDE SAFE & VAULT INC. 61904 15502
921	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 1023
921	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 18KIOSKDEP
921	Furniture & Fixtures	Advanced Fixtures, Inc. #1 96898 30039
921	Leasehold Improvements	29890 ARCADIA MANAGEMENT, LLC 1018
921	Leasehold Improvements	ARCVISION, INC 170742-29597 29756
921	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1020
921	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1021
921	Leasehold Improvements	ARCADIA MANAGEMENT, LLC 29890 1022
921	Leasehold Improvements	A&E AIR CONDITIONING & HEATING 30104 12018
921	Leasehold Improvements	WESTERN STATES FIRE PROTECTION 756589 30123
921	Leasehold Improvements	PREMIER WINDOW TINTING SJM121617-1 30129

Schedule 1 - Purchased Assets

HEB Fixed Assets by Location

Location	Type of Asset	Description
921	Leasehold Improvements	CASCO DIVERSIFIED CORPORATION 917505-1 29994
922	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090803R1
922	Furniture & Fixtures	18717 QUALITY INTERNATIONAL PACKAGIN 91417
922	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090802R2
922	Furniture & Fixtures	WORLDWIDE SAFE & VAULT INC. 61908 15502
922	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 1023
922	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 18KIOSKDEP
922	Furniture & Fixtures	Advanced Fixtures, Inc. #1 30039
922	Leasehold Improvements	29890 ARCADIA MANAGEMENT, LLC 1018
922	Leasehold Improvements	ARCVISION, INC 170742-29597 29756
922	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1020
922	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1021
922	Leasehold Improvements	ARCADIA MANAGEMENT, LLC 29890 1022
923	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090803R1
923	Furniture & Fixtures	18717 QUALITY INTERNATIONAL PACKAGIN 91417
923	Furniture & Fixtures	29010 LUXURY DISPLAY GROUP LLC 17090802R2
923	Furniture & Fixtures	WORLDWIDE SAFE & VAULT INC. 61909 15502
923	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 1023
923	Furniture & Fixtures	Advanced Fixtures, Inc. 30039 18KIOSKDEP
923	Furniture & Fixtures	Advanced Fixtures, Inc. #1 30039
923	Leasehold Improvements	29890 ARCADIA MANAGEMENT, LLC 1018
923	Leasehold Improvements	ARCVISION, INC 170742-29597 29756
923	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1020
923	Leasehold Improvements	ARCADIA MANAGEMENT, LLC &J605&"1021
923	Leasehold Improvements	ARCADIA MANAGEMENT, LLC 29890 1022
	All Display Fixtures	Display fixtures in display cases

Schedule 1 - Excluded Assets

HEB Fixed Assets by Location

Location	Type of Asset	Description
All	POS System	POS Hardware/Software
All	Merchandise	Inventory in stores exclusive of display fixtures
All	Cash	Cash in registers in each location

EXHIBIT D

DECLARATION OF J. SCOTT VICTOR

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re	:	
	:	Chapter 11
	:	
SAMUELS JEWELERS, INC., ¹	:	Case No. 18-11818 (KJC)
	:	
Debtor.	:	
	:	

**DECLARATION OF J. SCOTT VICTOR IN SUPPORT OF THE ASSUMPTION,
ASSIGNMENT AND SALE OF THE HEB LEASES AND RELATED ASSETS**

I, J. Scott Victor, hereby declare, under penalty of perjury, as follows:

1. I am a founding partner and Managing Director of SSG Advisors, LLC ("SSG"). SSG is an investment banking firm with its principal office at Five Tower Bridge, Suite 420, 300 Barr Harbor Drive, West Conshohocken, PA 19428. I am authorized to submit this declaration (the "Declaration") on behalf of SSG. I have over 35 years' experience in the restructuring industry and extensive experience (i) marketing companies or their assets for sale, including experience marketing companies in distress and debtors in bankruptcy cases, (ii) raising capital for special situation transactions, and (iii) restructuring companies balance sheets both in court and out of court.

2. In providing services as investment banker to the above-captioned debtor (the "Debtor"), I have learned about and become familiar with the Debtor's prepetition and postpetition sale efforts, business and financial affairs and books and records. I submit this declaration in support of the Debtor's Motion for an Order (A) Approving the Assumption, Assignment and Sale of the HEB Leases and Related Assets and (B) Granting Related Relief (the

¹ The last four digits of the Debtor's taxpayer identification number are 6316 and its address is 2914 Montopolis Drive, Suite 200, Austin, Texas 78741.

"Sale Motion").² Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge, my discussion with the Debtor's senior management, members of the SSG team or the Debtor's other professionals, my review of relevant documents or my opinion based upon experience, knowledge and information concerning the Debtor's sale efforts, operations and financial affairs. I am authorized to submit this declaration. If called upon to testify, I could and would testify to the facts set forth herein.

The Sale

The Debtor has Conducted a Reasonable Sale and Marketing Process for the Assets.

3. The HEB Leases relate to stores of the Debtor located within an H-E-B supermarket.³ Each of the stores is located in Texas. The Debtor entered into the HEB Leases in late 2017. The HEB Leases run through December 31, 2022. Performance at the HEB Lease store locations has generally failed to meet the Debtor's expectations. These locations have yet to become profitable, and the costs and other obligations associated with them exceed (and have exceeded) any value they are (and have been) providing to the Debtor. The HEB Lease store locations are not included in the Consulting Agreement.

4. It is my understanding that, prior to the Petition Date, the Debtor explored and pursued multiple avenues, with the support of its lenders, to (a) stabilize operations and enhance liquidity and (b) preserve and maximize value. In connection therewith, and in view of, among other things, the performance of the HEB Lease stores, it is my understanding that the Debtor, contacted by the Buyer prior to the Petition Date, agreed to entertain the Buyer's interest in purchasing the Assets. While the Buyer expressed interest in purchasing the Assets, a formal

² Capitalized terms used herein but not otherwise defined have the meanings given to them in the Sale Motion or the Assignment and Sale Agreement (as defined below).

³ Two of the HEB Leases relate to locations that have not been built out and are not operating.

agreement was not reached before the Debtor commenced its chapter 11 case. It is my understanding that prepetition interest in the Assets was otherwise limited.

5. Following the Petition Date, the Debtor, with the assistance of SSG, continued discussions with the Buyer. In addition, SSG reached out to a number of additional parties to inquiry whether any would be interested in purchasing the Assets. Ultimately, interest in the Assets remained limited with only one party other than the Buyer expressing interest, and only the Buyer provided a firm offer. The Debtor, given the ongoing costs associated with the HEB Leases, and the Buyer both desire to consummate the Sale to the Purchaser expeditiously, with closing to occur prior to November 1, 2018. I understand that a delay in the Sale timing could jeopardize the Sale to the Buyer.

6. Accordingly, the Debtor determined in its business judgment that selling the Assets to the Buyer on the terms set forth in the Assignment and Sale Agreement is the best option to maximize value under the circumstances and is in the best interests of the estate.

There is a Strong Business Justification for the Sale.

7. In the instant case, a strong business justification exists for the Sale. As previously discussed, the Debtor desires to jettison stores associated with the HEB Leases, which are not providing value to the estate (and have never been profitable), and eliminate the monthly rent and other obligations associated with those stores. The Sale to the Buyer achieves both of those goals in an expeditious fashion, while also providing the estate with the benefit of the purchase price.

8. Based on SSG's postpetition marketing efforts, I believe that interest in the Assets is generally limited. It is my understanding that the Sale is the most value-maximizing disposition of the Assets under the circumstances, and that the potential incremental benefit that

could be obtained from a bidding and auction process would likely be outweighed by the costs of pursuing such process. Moreover, in addition to resulting in increased costs to the estate, the delay such a process would entail could jeopardize the Debtor's transaction with the Buyer.

9. In addition, the proposed purchase price for the Assets is fair and reasonable. The stores associated with the HEB Leases are not profitable, and these locations are not included in the Consulting Agreement and related sale of the Debtor's excess inventory. As a result, the HEB Leases are currently providing no net benefit to the estate. The Sale to the Buyer both eliminates the ongoing burdens associated with the HEB Leases, while also providing the estate with the benefit of the purchase price.

An Auction of the Assets is not Required.

10. As discussed above, no auction is contemplated because no party (other than the Buyer) has expressed any serious interest in purchasing the Assets. In light of the purchase price, the minimal value the Assets provide to the estate by the Assets (particularly in light of the ongoing costs and obligations associated with the Assets) and the Debtor's desire for and understanding that the Buyer requires an expeditious sale and closing, I believe that the costs and time associated with devising and implementing a bidding and auction process would outweigh any benefits therefrom and could jeopardize the Sale to the Buyer.

The Buyer is a Good Faith Purchaser.

11. To the best of my knowledge, the Assignment and Sale Agreement and the terms of the Sale have been negotiated in good faith and at arm's length. It is my understanding that the Debtor, with the assistance of SSG, engaged in thorough, arm's length negotiations with the Buyer. Based on the foregoing, I believe that there is a sound business purpose for the

proposed Sale and do not believe that the Buyer has engaged in any conduct that would indicate or constitute a lack of good faith.

The Assumption and Assignment of the HEB Leases Will Benefit the Estate.

12. The assumption and assignment of the HEB Leases will benefit the estate because such assumption and assignment is the primary component of the Assignment and Sale Agreement. Additionally, the Buyer has agreed under the Assignment and Sale Agreement to provide adequate assurance of future performance regarding the assigned HEB Leases to each of the non-Debtor counterparties as soon as possible and, to the extent necessary, will demonstrate adequate assurance of future performance at the Sale Hearing.

Conclusion

13. For all the reasons described herein, I respectfully request that the Court grant the Sale Motion.

Dated: October 4, 2018

/s/ J. Scott Victor

J. Scott Victor
Managing Director

EXHIBIT E

ASSUMPTION AND ASSIGNMENT NOTICE

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re	:	Chapter 11
	:	
SAMUELS JEWELERS, INC., ¹	:	Case No. 18-11818 (KJC)
	:	
Debtor.	:	

**NOTICE OF (I) ASSUMPTION AND
ASSIGNMENT OF UNEXPIRED LEASES AND (II) CURE AMOUNTS**

You are receiving this notice because you may be a counterparty to a lease with Samuels Jewelers, Inc. Please read this notice carefully as your rights may be affected by the transactions described herein.

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On or about October [•], 2018, Samuels Jewelers, Inc., as debtor (the "Debtor"), filed the Debtor's Motion for an Order (A) Approving the Assumption, Assignment and Sale of the HEB Leases and Related Assets and (B) Granting Related Relief (the "Sale Motion"). The Sale Motion seeks the approval of a sale of certain of the Debtor's assets (the "Assets") to Brilliant Fire, LLC (the "Buyer"). The Sale Motion is scheduled to be heard on October [•], 2018 at 11:00 a.m. (prevailing Eastern Time) (the "Sale Hearing").

2. Pursuant to the Sale Motion, the Debtor may assume and assign to the Buyer one or more of the unexpired leases listed on Exhibit A attached hereto (collectively, the "Potentially Assigned Leases" and each, a "Potentially Assigned Lease"), pursuant to section 365 of the Bankruptcy Code.

3. The Debtor has indicated on Exhibit A attached hereto the cure amounts that the Debtor believes must be paid to cure all prepetition defaults and pay all amounts accrued under the Potentially Assigned Leases (in each instance, the "Cure Amount").

4. Any party seeking to (i) object to the validity of the Cure Amount as determined by the Debtor or otherwise assert that any other amounts, defaults, conditions or pecuniary losses must be cured or satisfied under any of the Potentially Assigned Leases in order for such lease to be assumed and assigned or (ii) object to the assumption and assignment of any Potentially Assigned Leases on any other basis (including, but not limited to, objections to adequate assurance of future performance), must file an objection (the "Assumption/Assignment Objection") that (a) is in writing, (b) sets forth the specific monetary amount the objector asserts to be due, and the specific types of the alleged defaults, pecuniary losses, accrued amounts and

¹ The last four digits of the Debtor's taxpayer identification number are 6316 and its address is 2914 Montopolis Drive, Suite 200, Austin, Texas 78741.

conditions to assignment and the support therefor, (c) is filed with the Clerk of the Bankruptcy Court and (d) is served so as to be actually received by (i) Samuels Jewelers, Inc., 2914 Montopolis Drive, Suite 200, Austin, Texas 78741 (Attn: Farhad Wadia), email: farhad.wadia@smjw.com; (ii) Jones Day, 17 Texas Street, Suite 3300, Houston, Texas 77002 (Attn: Paul M. Green), email: pmgreen@jonesday.com; (iii) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Zachary I. Shapiro), email: shapiro@rlf.com; (iv) Berkeley Research Group, LLC, 75 State Street, 18th Floor, Boston, Massachusetts 02109 (Attn: Kyle Richter), email: krichter@thinkbrg.com; (v) Foley & Lardner LLP, Washington Harbour, 3000 K Street, N.W., Suite 600, Washington, D.C. 20007 (Attn: Erika L. Morabito), email: emorabito@foley.com; (vi) Whiteford, Taylor & Preston LLC, The Renaissance Centre, Suite 500, 405 North King Street, Wilmington, Delaware 19801 (Attn: L. Katherine Good), email: kgood@wtplaw.com; (vii) Morgan, Lewis & Bockius LLP, One Federal Street, Boston, Massachusetts 02110 (Attn: Julia Frost-Davies and Christopher L. Carter), email: julia.frost-davies@morganlewis.com and christopher.carter@morganlewis.com; (viii) Reed Smith LLP, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (Attn: Kurt F. Gwynne), email: kgwynne@reedsmith.com; (ix) Choate, Hall & Stewart LLP, Two International Place, Boston, MA 02110 (Attn: John F. Ventola and Jonathan D. Marshall), email: jventola@choate.com and jmarshall@choate.com; (x) Womble Bond Dickinson, 222 Delaware Avenue, 15th Floor, Wilmington, Delaware 19802 (Attn: Matthew P. Ward), email: Matthew.Ward@wbd-us.com; and (xi) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn: Jane Leamy), email: jane.m.leafy@usdoj.gov (collectively, the "Service Parties"), **no later than October [•], 2018 at 4:00 p.m. (prevailing Eastern Time)** (the "Assumption/Assignment Objection Deadline").

6. Unless an Assumption/Assignment Objection is filed and served before the Assumption/Assignment Objection Deadline, all parties shall (a) be forever barred from objecting to the Cure Amount and from asserting any additional cure or other amounts with respect to the Potentially Assigned Leases, and the Debtor and the Buyer shall be entitled to rely solely upon the Cure Amount; (b) be deemed to have consented to the assumption and assignment; and (c) be forever barred and estopped from asserting or claiming against the Debtor or the Buyer that any additional amounts are due or other defaults exist, that conditions to assignment must be satisfied under such Potentially Assigned Leases or that there is any objection or defense to the assumption and assignment of such Potentially Assigned Leases.

7. Any hearings with respect to the Assumption/Assignment Objections may be held (i) at the Sale Hearing, or (ii) at such other date as the Bankruptcy Court may designate. Where a non-Debtor counterparty to a Potentially Assigned Lease files an objection asserting a cure amount higher than the proposed Cure Amount, (the "Disputed Cure Amount"), then (i) to the extent that the parties are able to consensually resolve the Disputed Cure Amount prior to the Sale Hearing, the Debtor shall promptly provide parties in interest notice and opportunity to object to such proposed resolution or (ii) to the extent the parties are unable to consensually resolve the dispute prior to the Sale Hearing, then the amount to be paid under section 365 of the Bankruptcy Code with respect to such Disputed Cure Amount will be determined at the Sale Hearing or at such other date and time as may be fixed by the Bankruptcy Court. All other objections to the proposed assumption and assignment of a Potentially Assigned Lease will be heard at the Sale Hearing.

8. An Assumption/Assignment Objection will not constitute an objection to the relief generally requested in the Sale Motion. Parties wishing to otherwise object to the relief requested in the Sale Motion must separately object thereto, stating with particularity such party's grounds for objection, so as to be received by each of the Service Parties listed above **no later than October [•], 2018 at 4:00 p.m. (prevailing Eastern Time)**.

9. If you agree with the Cure Amount indicated on Exhibit A, and otherwise do not object to the Debtor's assignment of your lease, you need not take any further action.

10. The Debtor's decision to assume and assign the Potentially Assigned Leases is subject to Bankruptcy Court approval and consummation of the sale of the Assets. Accordingly, the Debtor shall be deemed to have assumed and assigned each of the Potentially Assigned Leases as of the date of, and effective only upon, the closing of the sale of the Assets, and absent such closing, each of the Potentially Assigned Leases shall neither be deemed assumed nor assigned and shall in all respects be subject to further administration under the Bankruptcy Code. **Inclusion of any document on the list of Potentially Assigned Leases shall not constitute or be deemed to be a determination or admission by the Debtor or the Buyer that such document is, in fact, an unexpired lease within the meaning of the Bankruptcy Code, and all rights with respect thereto are being expressly reserved.**

11. Parties interested in receiving more information regarding the sale of the Assets and/or copies of any related document, including the Sale Motion, may make a written request to: (a) Jones Day, 2727 N. Harwood Street, Dallas, Texas 75201 (Attn: Amanda S. Rush) and (b) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Zachary I. Shapiro). In addition, copies of the Sale Motion and this Notice are on file with the Clerk of the Bankruptcy Court, Third Floor, 824 Market Street, Wilmington, Delaware 19801 or can be accessed free of charge on the Debtor's website maintained in this case: <https://cases.primeclerk.com/samuelsjewelers/>.

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Dated: _____, 2018
Wilmington, Delaware

Respectfully submitted,

Daniel J. DeFranceschi (DE 2732)
Zachary I. Shapiro (DE 5103)
David T. Queroli (DE 6318)
RICHARDS, LAYTON & FINGER, P.A.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701
E-mail: defranceschi@rlf.com
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queroli@rlf.com

-and-

Gregory M. Gordon (TX 08435300)
Amanda S. Rush (TX 24079422)
Jonathan M. Fisher (TX 24082999)
JONES DAY
2727 N. Harwood Street
Dallas, Texas 75201
Telephone: (214) 220-3939
Facsimile: (214) 969-5100
E-mail: gmgordon@jonesday.com
asrush@jonesday.com
jmfisher@jonesday.com

-and-

Paul M. Green (TX 24059854)
JONES DAY
717 Texas, Suite 3300
Houston, Texas 77002
Telephone: (832) 239-3939
Facsimile: (832) 239-3600
E-mail: pmgreen@jonesday.com

ATTORNEYS FOR DEBTOR

Exhibit A**UNEXPIRED LEASES**

Store No.	Store Name	Cure Amount
911	HEB Corpus Christi 57 #140 - 150	\$9,102.00
912	HEB Victoria 92 #500	(\$4,401.00)
913	HEB Cypress 698 #110	\$2,574.00
914	HEB Clear lake 713 #110	\$3,967.00
915	HEB Burleson 16 #120	\$8,415.00
916	HEB Bee Cave 404 #100	\$8,151.00
917	HEB Austin 476 #100	(\$3,430.00)
918	HEB Leander 592 #101	\$8,514.00
919	HEB Round Rock 373 #110	(\$4,891.00)
920	HEB Round Rock 673 #140	\$8,199.00
921	HEB Bulverde 622 #E120	(\$4,771.00)
922	HEB Granbury 631 #110	\$8,901.00
923	HEB College Station 619 #100	\$7,200.00
TOTAL		\$47,530.00

EXHIBIT F

SALE HEARING NOTICE

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re	:	Chapter 11
	:	
SAMUELS JEWELERS, INC., ¹	:	Case No. 18-11818 (KJC)
	:	
Debtor.	:	

NOTICE OF SALE HEARING

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On August 7, 2018, the above-captioned debtor (the "Debtor"), filed a voluntary petition for relief pursuant to chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").
2. On or about October [•], 2018, the Debtor filed a motion (the "Sale Motion"), pursuant to sections 363 and 365 of the Bankruptcy Code and Rules 2002, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure ("Bankruptcy Rules"), for the entry of an order (the "Sale Order"): (a) authorizing the assumption, assignment and sale (the "Sale") of certain of the Debtor's leases and related assets, pursuant to the terms of the Assumption and Assignment Agreement, by and between the Debtor and Brilliant Fire, LLC, free and clear of all liens, claims and encumbrances, except for certain assumed seller obligations; and (b) granting certain related relief.
3. The Sale Motion is scheduled to be heard on October [•], 2018 at 11:00 a.m. (prevailing Eastern Time) (the "Sale Hearing"). The Sale Hearing will be held before the Honorable Kevin J. Carey, United States Bankruptcy Judge, 824 North Market Street, Wilmington, Delaware 19801. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing.
4. Objections, if any, to the Sale, must: (a) be in writing; (b) comply with the Bankruptcy Rules and Local Rules; (c) be filed with the clerk of the Bankruptcy Court for the District of Delaware, Third Floor, 824 North Market Street, Wilmington, Delaware 19801, on or before October [•], 2018 at 4:00 p.m. (prevailing Eastern Time); and (d) be served so as to be actually received by (i) Samuels Jewelers, Inc., 2914 Montopolis Drive, Suite 200, Austin, Texas 78741 (Attn: Farhad Wadia), email: farhad.wadia@smjw.com; (ii) Jones Day, 17 Texas Street, Suite 3300, Houston, Texas 77002 (Attn: Paul M. Green), email: pmgreen@jonesday.com; (iii) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Zachary I. Shapiro), email: shapiro@rlf.com; (iv) Berkeley Research Group, LLC, 75 State Street, 18th Floor, Boston, Massachusetts 02109 (Attn: Kyle Richter),

¹ The last four digits of the Debtor's taxpayer identification number are 6316 and its address is 2914 Montopolis Drive, Suite 200, Austin, Texas 78741.

email: krichter@thinkbrg.com; (v) Foley & Lardner LLP, Washington Harbour, 3000 K Street, N.W., Suite 600, Washington, D.C. 20007 (Attn: Erika L. Morabito), email: emorabito@foley.com; (vi) Whiteford, Taylor & Preston LLC, The Renaissance Centre, Suite 500, 405 North King Street, Wilmington, Delaware 19801 (Attn: L. Katherine Good), email: kgood@wtplaw.com; (vii) Morgan, Lewis & Bockius LLP, One Federal Street, Boston, Massachusetts 02110 (Attn: Julia Frost-Davies and Christopher L. Carter), email: julia.frost-davies@morganlewis.com and christopher.carter@morganlewis.com; (viii) Reed Smith LLP, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (Attn: Kurt F. Gwynne), email: kgwynne@reedsmith.com; (ix) Choate, Hall & Stewart LLP, Two International Place, Boston, MA 02110 (Attn: John F. Ventola and Jonathan D. Marshall), email: jventola@choate.com and jmarshall@choate.com; (x) Womble Bond Dickinson, 222 Delaware Avenue, 15th Floor, Wilmington, Delaware 19802 (Attn: Matthew P. Ward), email: Matthew.Ward@wbd-us.com; and (xi) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn: Jane Leamy), email: jane.m.leamy@usdoj.gov, **no later than October [•], 2018 at 4:00 p.m. (prevailing Eastern Time).**

5. UNLESS AN OBJECTION IS TIMELY SERVED AND FILED, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED WITHOUT FURTHER HEARING AND NOTICE.

6. Parties interested in receiving more information regarding the Sale of the Assets and/or copies of any related document, including the Sale Motion, may make a written request to: (a) Jones Day, 2727 N. Harwood Street, Dallas, Texas 75201 (Attn: Amanda S. Rush) and (b) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Zachary I. Shapiro). In addition, copies of the Sale Motion and this Notice are on file with the Clerk of the Bankruptcy Court, Third Floor, 824 Market Street, Wilmington, Delaware 19801 or can be accessed free of charge on the Debtor's website maintained in this case: <https://cases.primeclerk.com/samuelsjewelers/>.

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Dated: _____, 2018
Wilmington, Delaware

Respectfully submitted,

Daniel J. DeFranceschi (DE 2732)
Zachary I. Shapiro (DE 5103)
David T. Queroli (DE 6318)
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-and-

Gregory M. Gordon (TX 08435300)
Amanda S. Rush (TX 24079422)
Jonathan M. Fisher (TX 24082999)
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ATTORNEYS FOR DEBTOR