

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

IN RE:	:
	:
TRANSMISSION SOLUTIONS	: Case No. 17-23388
GROUP, INC.,	: Case No. 17-23389
Debtor,	: (Related Case) :
	: Chapter 11
	:
TRANSMISSION SOLUTIONS	: Doc No.
GROUP, INC.,	:
Movant,	:
	:
v.	:
	:
NEWTEK SMALL BUSINESS FINANCE,	:
LLC, WESTMORELAND COUNTY, HEMPFIELD	:
SCHOOL DISTRICT, HEMPFIELD TOWNSHIP,	:
EAST HUNTINGDON TOWNSHIP and the UNITED	:
STATES of AMERICA, INTERNAL REVENUE	:
SERVICE, and COMMONWEALTH of PA,	:
	:
Respondents.	:

**DEBTOR'S MOTION FOR SALE OF PROPERTY FREE AND CLEAR OF LIENS,
CLAIMS AND ENCUMBRANCES UNDER SECTION 363 (b)(1) OF THE
BANKRUPTCY CODE**

And now, comes the Debtor-in-Possession, Transmission Solutions Group, Inc., (hereinafter "Transmission" or the "Debtor"), by and through its undersigned counsel, and files the within "Motion for Sale of Property Free and Clear of Liens, Claims and Encumbrances Under Section 363(b)(1) of the Bankruptcy Code", and in support thereof, avers as follows:

1. The United States District Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334(b) because this matter arises in or is related to the instant bankruptcy case.

2. Pursuant to the standing Order of Reference of bankruptcy cases and proceedings in effect in the United States District Court for the Western District of Pennsylvania, this matter has been referred to this Court.

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C Section 157 and this is a core matter under 28 U.S.C. Section 157(b)(2)(N).

4. Venue lies in this district pursuant to 28 U.S.C. Sections 1408 (a)(2) and 1409.

5. The Debtor filed a Chapter 11 petition with this Court on August 22, 2017.

6. The Debtor, as Debtor in Possession, has the capacity of a trustee pursuant to Section 1107 of the Bankruptcy Code, 11 U.S.C. Section 1107(a).

7. The Debtor is the parent corporation of Calhoun Satellite Communications, Inc. (hereinafter Calhoun”), which is also a Debtor under Chapter 11 before this Court at Case No. 17-23389.

8. The Debtor’s assets consist primarily of Calhoun’s stock and a parcel of real estate, with two buildings erected thereon, designated as 1007 Old Route 119, in the city of Hunker, located on the border line of Hempfield and East Huntingdon Townships, in Westmoreland County in the Commonwealth of Pennsylvania (hereinafter the “Property”). A true and correct copy of the legal description of the property is attached hereto as “Exhibit A”.

9. The Debtor has never been an operating entity, and its Chapter 11 case was filed mainly to avoid judicial actions by entities to whom the Debtor and Calhoun were jointly obligated and to stay the monthly rental payments owing to it by Calhoun, which payments were being paid by Calhoun directly to the major secured creditor of both companies.

10. Calhoun has now sold substantially all of its assets and is winding up its affairs.

11. The stock of Calhoun does not have any value since all of its assets have been sold.

12. Transmission has received an offer to purchase the Property from Sunshine Acquisitions, Inc., for a price of three hundred and fifty thousand (\$350,000.00) dollars. A true and correct copy of the Sale Agreement attached hereto as “Exhibit B”.

13. Sunshine Acquisitions, Inc. is the neighboring company adjacent to the Debtor.

14. The following parties may assert liens against the Property:

- a. Newtek Small Business Finance, LLC (hereinafter “Newtek”) (the primary mortgagor of the Property);
- b. Westmoreland County, Pennsylvania (county where the Property is located);
- c. Hempfield Township (township where ½ of Property is located);
- d. East Huntingdon Township (township where ½ of Property is located);
- e. Hempfield (school district where Property is located);
- f. Internal Revenue Service (taxing authority);
- g. Commonwealth of Pennsylvania (taxing authority)

The Internal Revenue Service and the Commonwealth of Pennsylvania are not believed to have claims or liens against the Property, but are being named as Respondents for notice purposes.

15. The funds received from the sale will be insufficient to pay outstanding taxes and the mortgage lien of Newtek in full, so it is in the best interest of the Debtor’s estate for the sale to be held in the Bankruptcy Court, clear of all liens, claims, interests and encumbrances thereupon, with the liens to attach to the proceeds of said sale.

16. It is in the best interest of the creditors of the estate that the Debtor-In-Possession be authorized to sell the property listed in Paragraph 8 above pursuant to the terms set forth in the Agreement.

17. It is believed, after investigation through inquiry with a commercial broker, that the Debtor would be unlikely to obtain any substantially higher or better offers by marketing the Property through an agent, and that the advertising done in the framework of a sale pursuant to 11 U.S.C. Section 363(b) will be sufficient to attract any entity that may have an interest in commercial property in the Westmoreland County area.

18. The proposed sale is made in good faith and is free of collusion within the purview of In re Abbotts Dairies of Pennsylvania, Inc., 788 F2d 143 (3d. Cir, 1986).

WHEREFORE, the Movant requests entry of an Order Authorizing the Debtor-In-Possession to sell all of the Debtor's right, title and legal interests in the Property to Sunshine Acquisitions, Inc. under the terms of the Sale Agreement to Sunshine Acquisitions, Inc., for the price of three hundred and fifty thousand dollars (\$350,000.00) or to a competing, higher bidder, and to sell the above mentioned property free and clear and divested of all of the above mentioned liens, claims, interests and encumbrances pursuant to the terms and conditions set forth in the Sale Agreement, with the liens specified herein to be transferred to the proceeds of the sale of the Property with the sale costs and expenses be paid in priority to creditors of the estate; and granting such other and further relief as appears to be just and proper.

Dated: 09/19/2018

Respectfully Submitted,

/s/Dennis J. Spyra

Dennis J. Spyra, Esquire

PA ID # 46188

1711 Lincoln Way

White Oak, PA 15131

412-673-5228

Attorneyspyra@dennisspyra.com

Instr: 201612050039595 12/05/2016
 P: 1 of 3 F: \$110.00 8:54AM
 Tom Murphy T20160045148
 Westmoreland County RecorderC



I hereby CERTIFY
 that this document is recorded
 in the RECORDERS OFFICE
 of Westmoreland County
 Pennsylvania

Tom Murphy • Recorder of Deeds

After Recording, Please Return to:
 Transmission Solutions Group Inc.
 c/o: Feldstein Grinberg Lang & McKee, PC
 3950 William Penn Highway, Suite 5
 Murrys ville, PA 15668

Tax Parcel No. 47-02-00-0-014 and 50-41-00-0-100

201612050039595
 12/05/2016 8:54:30AM T20160045148
 PA TRF TAX \$3350.00
 HEMPFIELD \$837.50
 HEMPFIELD TWP \$837.50

SOUTHMORELAND \$837.50
 E HUNTINGDON TWP \$837.50
 TOTAL TAX \$6700.00

THIS DEED

MADE the 2nd day of December, 2016,

BETWEEN

Tri County Rehabilitations, Inc., a Pennsylvania corporation
 (hereinafter called "Grantor")

AND

Transmission Solutions Group Inc., a Pennsylvania corporation
 (hereinafter called "Grantees")

WITNESSETH, that the said Grantor in consideration of three hundred thirty-five thousand and no/100 Dollars (\$335,00.00), paid to the Grantor by the Grantees, receipt of which is hereby acknowledged, does grant, bargain, sell, and convey to the said Grantees, their heirs, and assigns, all of the Grantor's right, title, and interest in and to the following property:

ALL that certain lot or piece of ground, of which **50% IS SITUATE IN HEMPFIELD TOWNSHIP AND 50% IS SITUATE IN EAST HUNTINGDON TOWNSHIP**, County of Westmoreland, and Commonwealth of Pennsylvania, bounded and described as follows:

BEGINNING at a point marked by a railroad spike in L.R. 64125 at dividing line between property herein described and by property of Volkswagen; thence from said point of beginning, and through L.R. 64125, and by property of Volkswagen, South 53 degrees 14' 57" East, 275.88 feet to a railroad spike; thence by property of Volkswagen, North 14 degrees 45' 00" East 484.36 feet to a point; thence by remaining property of grantors, North 53 degrees 14' 57" West 275.88 feet to a point; thence by same, South 14 degrees 45' 00" West 484.36 feet to a point in L.R. 64125 at the place of beginning. Containing an area of 2.844 acres.

HAVING a one-story steel and cement block building erected thereon.

BEING specifically known and numbered as 1007 and 1009 Old Route 119, Hunker, PA 15639.

BEING designated as Tax Parcel No. 47-02-00-0-014 and 50-41-00-0-100

UPI 50-02988-00000

MAP 50-41-00-0-100

UPI 47-00564-00000

MAP 47-02-00-0-014

Exhibit A

AGREEMENT FOR SALE OF REAL ESTATE

The undersigned TRANSMISSION SOLUTIONS GROUP, INC., Debtor-in-Possession, Case No 17-23388, (herein "Seller") hereby offers to sell the real estate located at 1007 OLD ROUTE 119, in the city of HUNKER, County of WESTMORELAND, State of PENNSYLVANIA (herein the "Property") to SUNSHINE ACQUISITION, LLC, (herein "PURCHASER"), upon the following terms and conditions:

1. Purchase Price and Conditions of Payment: The purchase price shall be THREE HUNDRED FIFTY THOUSAND Dollars and no cents (350,000.00) to be paid as follows:

An earnest money deposit in the amount of TEN THOUSAND Dollars and no cents (\$10,000.00) USD (the "Deposit") to be paid on or before the 6th day of September, 2018 (the "Deposit Date"), to be deposited with a title insurance company employed by Purchaser; with the remainder of the sale price of THREE HUNDRED FORTY THOUSAND Dollars and no cents (\$340,000.00) USD to be paid in its entirety in cash at the time of closing the sale.

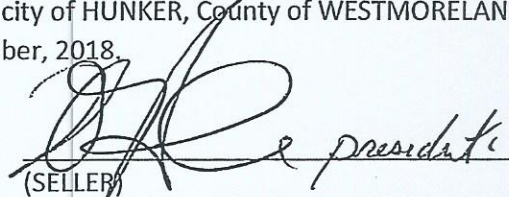
2. Real Estate Taxes, Assessments, and Adjustments: Real Estate Taxes accrued against the property shall be prorated through the date of closing the sale and Seller shall pay all taxes allocated to the property through that date of acceptance of this offer to purchase. Existing casualty insurance shall be canceled/prorated through the date of closing.
3. Title to the Property: PURCHASER IS AWARE THAT SELLER IS CURRENTLY A DEBTOR-in-POSSESSION UNDER CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE AND THAT THIS TRANSACTION IS SUBJECT TO APPROVAL OF THE BANKRUPTCY COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA. Title to property is also subject to easements, zoning and restrictions of record and free and clear of all other liens and encumbrances.
4. Possession of the Property: Purchaser shall be given possession of the property on September 30, 2018, or as soon as the Seller obtains approval of the Bankruptcy Court. A failure on the part of Seller to transfer possession as specified will not make Seller a tenant of Purchaser,
5. Risk of Loss: The risk of loss by destruction or damage to the property by fire or otherwise prior to the closing of the sale is that of Seller. If all or a substantial portion of the improvements on the property are destroyed or damaged prior to the closing and transfer of title this agreement shall be voidable at Purchaser's option and in the event Purchaser elects to avoid this agreement the earnest money deposited shall be promptly refunded.
6. Improvements and Fixtures Included: This offer to purchase includes all improvements, buildings and fixtures presently on the real estate including but not limited to electrical, gas, heating, air conditioning, plumbing equipment, built-in appliances, hot water heaters, screens, storm windows, doors, Venetian blinds, drapery hardware, awnings, attached carpeting, radio, television antennas, trees, shrubs, flowers, and fences.
7. General Conditions: It is expressly agreed that this agreement to purchase real estate includes the entire agreement of Purchaser and Seller, except that the Bankruptcy Court may impose additional

Exhibit "B"

conditions for the Sale of the Property prior to granting its approval. This agreement shall be binding upon the heirs, personal representatives, successors and assigns of both Purchaser and Seller. This agreement shall be interpreted and enforced in accordance with the laws of the State of Pennsylvania.

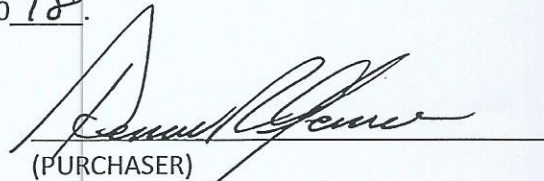
8. Special Conditions: It is understood by the Purchaser that the sale of the Property is subject to:
- (a) Prior approval of the Bankruptcy Court for the Western District of Pennsylvania;
 - (b) this agreement of sale is contingent upon buyer successfully procuring a zoning variance on the property for its intended use as a medically assisted treatment center;
 - (c) prior review and approval of this agreement of sale by Newtek Small Business Finance, LLC (hereinafter "Newtek") the primary mortgage holder of the Property (herein "Newtek");
 - (d) review and approval by Newtek of a draft HUD-1 Settlement Statement for the transaction, showing the net sale proceeds to be payable to Newtek;
 - (e) payment of the net proceeds of sale to Newtek at closing of the sale of the Property; and
 - (f) This sales agreement is contingent upon a final inspection of the property by a certified inspector.
9. Time for Acceptance: This offer is void if not accepted by Purchaser in writing on or before 12:00 P.M. of the _____ day of September, 2018.
10. Closing: Closing of the sale and delivery of the sale proceeds to Newtek shall, in any event, take place no later than (15) days after entry of an Order of the Bankruptcy Court for the Western District of Pennsylvania approving the sale of the Property on terms substantially similar to those set forth herein.
11. Buyer shall not take possession of the property until after the closing.

This offer is made at 1007 OLD ROUTE 119, in the city of HUNKER, County of WESTMORELAND, State of PENNSYLVANIA, on this 6th day of September, 2018.


(SELLER)

Acceptance by Purchaser: The foregoing offer to sell real estate is hereby accepted in accordance with the terms and conditions specified above.

Dated this 6th day of September, 2018.


(PURCHASER)

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SCHOOL DISTRICT, HEMPFIELD TOWNSHIP,	:
EAST HUNTINGDON TOWNSHIP and the UNITED	:
STATES of AMERICA, INTERNAL REVENUE	:
SERVICE, and COMMONWEALTH of PA,	:
	:
Respondents.	:

**ORDER CONFIRMING SALE OF PROPERTY FREE AND CLEAR OF LIENS,
CLAIMS AND ENCUMBRANCES**

AND NOW, This _____ day of _____, 2018, on
consideration of the Motion of the Debtor to Sell the property located at 1007 Old Route 119, in
the city of Hunker, located on the border line of Hempfield and East Huntingdon Townships, in
Westmoreland County in the Commonwealth of Pennsylvania, free and divested of all liens,
claims and encumbrances to Sunshine Acquisitions, Inc. for three hundred and fifty thousand
(\$350,000.00) Dollars cash or certified check, after hearing held in Courtroom C, 54th Floor U.S.

Steel Tower, 600 Grant Street, Pittsburgh, PA 15219, at __:__ __.m., on said Motion the Court finds:

1. The Service of the Notice of Hearing and Order Setting Hearing and bidding requirements for sale of the property located at 1007 Old Route 119, in the city of Hunker, located on the border line of Hempfield and East Huntingdon Townships, in Westmoreland County in the Commonwealth of Pennsylvania, was served on all listed Respondents herein;

2. That sufficient notice of said hearing and sale, together with the confirmation hearing thereon, was given to the creditors and parties in interest herein by the moving party as shown by the certificates of service duly filed.

3. That said sale hearing was duly advertised in the _____,
_____, _____, and
_____ On _____, _____, 2018, as shown by Proofs of
Publication to be filed upon receipt of same from the above publications.

4. That at the sale hearing no higher offers were received and no objections to the sale on the basis of fraud, collusion, or insufficient value were made which would result in cancellation of said sale.

5. That the price offered by Sunshine Acquisitions, Inc., is a full and fair price for the property set forth in the Sale Agreement.

6. That the purchaser is acting in good faith with respect to the within sale in accordance with *In re Abbotts Dairies of Pennsylvania, Inc.*, 788 F2d 143 (C.A. 3, 1986).

IT IS ORDERED, ADJUDGED AND DECREED that the Sale Agreement between the Debtor and Sunshine Acquisitions, Inc. for the property located at 1007 Old Route 119, in the city of Hunker, located on the border line of Hempfield and East Huntingdon Townships, in

Westmoreland County in the Commonwealth of Pennsylvania, for the price of three hundred and fifty thousand (\$350,000.00) Dollars is hereby CONFIRMED free and divested of the liens herein described; and, that the Debtor shall make, execute and deliver to the purchasers above named the necessary documents required to transfer title to the property purchased upon compliance of the terms of the sale;

IT IS FURTHER ORDERED, that the above recited liens, be, and they are hereby transferred to the proceeds of the sale, if and to the extent they may be determined to be valid liens against the sold property, and that the within decreed sale shall be to the lien creditors, and no objection on their parts having been made, the costs of sale and the within bankruptcy proceeding be paid in advance of any distribution to said lien creditors.

IT IS FURTHER ORDERED that the Debtor shall serve a copy of the within Order on each respondent (i.e., each party against whom relief is sought) and its attorney of record, if any, upon any attorney or party who answered the motion or appeared at the hearing, the purchaser, and the attorney for the purchaser, if any, and file a certificate of service.

UNITED STATES BANKRUPTCY COURT JUDGE