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

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
---X
In re:

WALL STREET LANGUAGES, LTD.,

Debtor.
---X

Chapter 11
Case No. 18-11581 (shl)

DEBTOR'S MOTION FOR ORDER (I) APPROVING A PRIVATE SALE OF THE DEBTOR'S BUSINESS AND RELATED ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES; (II) GRANTING THE PURCHASER GOOD FAITH PROTECTION; (III) ASSUMING PRE-PETITION BUSINESS BROKER AGREEMENT AND AUTHORIZING RETENTION OF BROKER; AND (IV) REQUEST FOR HEARING ON SHORTENED NOTICE

**TO: THE HONORABLE SEAN H. LANE,
UNITED STATES BANKRUPTCY JUDGE:**

Wall Street Languages Ltd., debtor and debtor-in-possession herein (the "Debtor"), by its attorneys, DelBello Donnellan Weingarten Wise & Wiederkehr, LLP , files this motion (the "Motion") seeking entry of an order pursuant to §§105, 363, and 365 of 11 U.S.C. §101, et seq. (the "Bankruptcy Code") and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure and Rules 6004-1 and 6006-1 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (i) authorizing the private sale of substantially all of the Debtor's assets related to its English as a Second Language School, Translation Business, and Career School to Berkeley Language Services LLC pursuant to (a) an ESL School Asset Purchase Agreement dated September 18, 2018 (the "ESL APA"), and (b) a Career School Asset

Purchase Agreement dated September 18, 2018 (the "Career APA", and collectively with the ESL APA, the "APAs"), free and clear of any and all claims, liens, encumbrances and other interests; (ii) granting Purchaser good faith protection; (iii) authorizing the assumption and assignment to Purchaser of certain student housing residential real property leases; (iv) assuming pre-petition business broker agreement and authorizing retention of broker; and (v) request for hearing on shortened notice. In support of this Motion, the Debtor respectfully represents as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of the Motion is a core proceeding pursuant to 28 U.S.C. 157(b)(2)(A).

2. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

3. This proceeding is initiated pursuant to Bankruptcy Code §§ 105(a), 363 and 365.

BACKGROUND

4. On May 24, 2018 (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code (the "Chapter 11 Case"). The Debtor is operating its business as debtor-in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner or statutory committee has been appointed in this Chapter 11 Case.

5. The Debtor fell into financial distress as a result of the prior downturn in the economy. Although the Debtor survived through the financial crisis, it left the Debtor in a financially weakened state with inadequate working capital. The Debtor's entire industry is suffering in the current climate with multiple similar schools closing due to challenges in world economies, strength of the US Dollar, and negative perceptions as to the friendliness and ease of achieving student visas, which has caused students to instead choose to attend language schools in

Canada, Australia, the United Kingdom and Ireland.

6. In June 2017, the Debtor began searching for a purchaser for its language school business. The Debtor entered into a contract with a business broker who specializes in marketing and selling language schools, Ricardo Belotti Consultoria Empresarial Ltda. ("Broker").

7. The Broker worked diligently to find a buyer. Pre-Petition several parties expressed interest, and one party in particular was prepared to move forward with a transaction pre-petition. However, the deal fell through when the Debtor lost its accreditation to bring foreign students to the United States. The existing accreditation was an essential element of the transaction. Although the Debtor exceeded the accreditation standards in 17 categories, it was denied re-accreditation because of its inability to ensure financial stability, despite having a memorandum of understanding with a purchaser with financial stability. The Debtor has been working through the procedural channels to reinstate its accreditation, but unfortunately recently learned its efforts were denied.

8. During this Chapter 11 case, the Broker found another prospective buyer, Linden East LLC d/b/a University of the Potomac, and out-of-state entity. A motion to authorize the sale was scheduled in on August 7, 2018. However, the potential purchaser pulled out of the deal immediately prior to the hearing.

9. Two days later the Debtor was facing a motion to lift the automatic stay by its landlord, CP/IPERS Alchemy 43rd Street Owner LLC (the "Landlord") due to non-payment of post-petition rent related to two leases – one for the 19th Floor where the Debtor had its offices, and the other for the 2nd Floor where the Debtor has its teaching facility and the 3rd Floor where the Debtor sublets to Transperfect. The Debtor and its Landlord reached a resolution whereby the Debtor has already vacated its office space on the 19th Floor. The Debtor has until

September 30, 2018 to vacate its current teaching space on the 2nd floor. There will be an attornment of subtenant Transperfect to the Landlord thereby avoiding any interruption to Transperfect's operations.[1]

10. The Debtor has successfully recovered from the disappointment with Linden East LLC by negotiating a sale of its assets to Berkeley Language Services, LLC ("Purchaser"), related to Berkeley College, a well-known entity here in New York. The Purchaser and the Landlord are discussing continued occupancy of the 2nd floor teaching space for some period of time, after which the teaching operations will be moved to the Berkeley campus.

11. In light of the Debtor's current financial situation, there is an urgency to quickly transfer the business assets to a purchaser who has an accreditation and can provide the students with their classes that have already been paid for.

12. For the last several weeks the Debtor, the Broker and Debtor's counsel have been involved in arms-length negotiations with the Purchaser. The New York State regulatory agencies have been consulted in depth. As a result of regulatory concerns, two asset purchase agreements have been drafted and signed, subject to Bankruptcy Court approval. The sale of the English as a Second Language School and the Translation business is addressed in the ESL APA dated September 18, 2018. The sale of the Career School is addressed in the Career APA dated September 18, 2018. The ESL APA and Career APA are annexed as **Exhibits A and B**, respectively.

13. The ESL APA and Career APA are the result of extensive marketing by the Broker. The Broker has specialized experience in the sale of schools such as the Debtor operates. The Broker has extensively marketed the Debtor's assets, brought several parties to the table that

[1] The Debtor did not segregate, and no longer possesses, Transperfect's security deposit which will be an issue to be addressed in this case at a later date.

did not work out for one reason or another, and was extensively involved in negotiating the details of the proposed sale.

14. The Debtor seeks to consummate an immediate private sale to the Purchaser. Without an immediate private sale, **the Debtor will be forced to vacate its teaching facilities and cease operating on September 30, 2018**. The private sale will save employee jobs, protect the students from being deported, provide the students with class instruction in many circumstances that they already paid for (which obligations are being assumed by the Purchaser under the APAs), and provide a temporary tenant for the 2nd floor while the Landlord continues to market the space. Additionally, many local businesses benefit from the continued operation of the language school, (including approximately 50% of the Debtor's creditors), in the form of students needing residential accommodations, food and entertainment, homestays, and name of the students go on to attend colleges and universities across the United States.

15. In addition to saving the jobs of many of the employees, the Purchaser has offered to retain Cesar Rennert, who has run this business for 45 years, to assist in the smooth transition of the business operations. Mr Rennert will work for the Purchaser and receive a salary.

16. The language school industry is highly regulated, and thus the process to sell the Debtor's assets is somewhat complex. After approval of the private sale, the parties must file notice of the change in ownership and get approval from the New York State Department of Education for the transfer of the school license (approximately 2 weeks), file notice of the change in ownership with the Student Exchange and Visitor Program (SEVP) (approximately of 1 week), and transfer students to the Purchaser before the Debtor's access to the database (SEVIS) expires due to the lack of ability of the Debtor to provide evidence of accreditation.

The English as a Second Language School

17. The Debtor seeks approval to sell the Assets (as defined in the ESL APA) of the English as a Second Language School to the Purchaser on the following terms and conditions:

Seller	Wall Street Languages, Ltd.
Purchaser	Berkeley Language Services LLC
Purchase Price	$32,000 of which $2,000 is earmarked for the Consumer Privacy Policy Ombudsman. Payable $10,000 deposit to Debtor's counsel, balance due at closing, Assumed Liabilities consisting of: Deferred compensation not to exceed $17,500 to cover outstanding payroll liability due to Eimear Harrison, which shall be paid no later than fifteen (15) days after Closing; Teachout and teaching obligations for all Seller's New York students for which Purchaser is authorized to teach following the Closing; and All liabilities of Seller under any Transferred Contracts (including all Cure Costs, to the extent provided herein), but such Cure Costs shall not exceed $12,000 in the aggregate.
Acquired Assets	At the closing (the "Closing") of the Acquisition, Purchaser would purchase from Debtor, and Debtor would sell to Purchaser, all of its right, title and interest, if any, in and to the following assets associated with the Business: all of Seller's assets relating to its ESL school ("ESL School") and translation and international services, including but not limited to: all equipment, fixtures and furnishings used to provide instruction and support for students, faculty and administrators located at 211 E. 43rd Street, New York, NY 10017 or stored at Berkeley College's Newark campus located at 536 Broad Street, Newark, NJ 07102 ("Berkeley College's Newark Campus");

all prepaid student tuition, student deposits, and housing deposits of the Seller under contracts or agreements relating to enrolled students for courses and instruction to be held after the Closing Date, as well as all student accounts receivable, or deposits from students received related to the same students upon the Closing Date;

all books, records, curriculum, applications (including curriculum and/or program applications), administrative forms, media, digital media, intellectual property, digital content and files, relevant to operating the Seller's education programs and Rennert Translation Assets, including, but not limited to, any intellectual property or other rights associated with the following d/b/a's Rennert Bilingual, Rennert Bilingual Translation Group, Rennert New York, Rennert Translation Group;

title to registered or unregistered trade marks, copyrights, logos and trade names held by the Seller, including but not limited to "Rennert New York" and "Rennert International";

websites including all electronic content for marketing programs, enrollment and services that support them including domains and content relevant to operating the Seller's education programs and Rennert Translation Assets;

email system to support New York staff and students;

local and worldwide network and database of agencies and agents including full, unlimited, unrestricted, non-exclusive and perpetual usage rights of all marketing databases and agent databases relevant to operating the Seller's education programs;

all textbooks and learning materials used to support New York operations relevant to operating the Seller's education programs and Rennert Translation Assets;

servers and computer assets to support all business systems, curriculum and websites relevant to operating the Seller's education programs;

Rennert Translation Assets and any intellectual property or general intangibles related to or used in connection with same;

Seller's accounts receivable for Rennert Translation Assets which was $38,090.95 as of September 14, 2018, subject to $23,682.51 due to independent contractor translators for the World Cup, and further subject to $7,961.44 due to translators' payroll, leaving a net balance in the amount of $6,447.01;

Software and software licenses for multiple English learning products, office 365, and any/all software used to support New York education programs and Rennert Translation Assets and Seller business operations related to assets acquired under this Agreement relevant to operating the Seller's education programs and Rennert Translation Assets;

usage rights for three years to all artwork at locations where a lease is assumed;

any Transferred Contracts (defined below), including but not limited to:

Excluded Property

The Purchase Price;

Cash items held by the Seller including, but not limited to, cash, cash equivalents, cash bank balances; specifically excluding any cash, cash equivalents, and cash bank balances that are held by the Seller as student deposits, prepaid student tuition, and represent payments for services to students;

Securities held by the Seller including, but not limited to, shares, notes, bonds, and debentures;

records in the possession of the Seller relating to the excluded assets and corporate and financial records which are not related to the Assets or

	carrying on the activities of the Seller; Plant, property and equipment at locations other than 211 E. 43rd Street, New York, NY 10017 or Berkeley College's Newark Campus; and Artwork at New York locations, which Artwork is owned by Cesar Rennert, not the Seller.
Representations and Warranties; Covenants	The representations and warranties and covenants are customary for a transaction of this type, including, without limitation, representations and warranties regarding the authority to enter into the sale transaction and the agreement to abide by all laws with respect to the sale, litigation, material contracts, permits, environmental matter, ownership of Property, taxes and condition of the Property, the best efforts of the parties, notices and consents, access to information and the risk of loss.
Closing Date	The closing of the transactions contemplated by this Agreement (the “Closing”) shall take place at the offices of DelBello Donnellan Weingarten Wise & Wiederkehr, LLP, no later than October 31, 2018.

<u>The Career School</u>

18. The Debtor seeks approval to sell the Assets (as defined in the Career APA) of the Career School to the Purchaser on the following terms and conditions:

Seller	Wall Street Languages, Ltd.
Purchaser	Berkeley Language Services LLC
Purchase Price	$32,000 of which $2,000 is earmarked for the Consumer Privacy Policy Ombudsman. Payable $10,000 deposit to Debtor’s counsel, balance due at closing, Assumed Liabilities consisting of: Deferred compensation not to exceed $17,500 to cover outstanding payroll liability due to Eimear Harrison, which shall be paid no later than

fifteen (15) days after Closing;

Teachout and teaching obligations for all Seller's New York students for which Purchaser is authorized to teach following the Closing;

refunds that may be due as required by policy guidance on transfers of ownership of licensed private career schools; and

all liabilities of Seller under any Transferred Contracts (including all Cure Costs, to the extent provided herein), but such Cure Costs shall not exceed $12,000 in the aggregate.

Acquired Assets At the closing (the "Closing") of the Acquisition, Purchaser would purchase from Debtor, and Debtor would sell to Purchaser, all of its right, title and interest, if any, in and to the following assets relating to the Seller's licensed private career school ("Career School"):

all equipment, fixtures and furnishings used to provide instruction and support for students, faculty and administrators located at 211 E. 43rd Street, New York, NY 10017 or stored at Berkeley College's Newark campus located at 536 Broad Street, Newark, NJ 07102 ("Berkeley College's Newark Campus");

all prepaid student tuition, student deposits, and housing deposits of the Seller under contracts or agreements relating to enrolled students for courses and instruction to be held after the Closing Date, as well as all student accounts receivable, or deposits from students received related to the same students upon the Closing Date;

all books, records, curriculum, applications (including curriculum and/or program applications), administrative forms, media, digital media, intellectual property, digital content and files, relevant to operating the Seller's education programs, including, but not limited to, any intellectual property or other rights associated with Rennert New York;

title to registered or unregistered trade marks, copyrights, logos and trade names held by the Seller, including but not limited to "Rennert TESOL

Center" and "Rennert International";

websites including all electronic content for marketing programs, enrollment and services that support them including domains and content relevant to operating the Seller's education programs;

email system to support New York staff and students;

local and worldwide network and database of agencies and agents including full, unlimited, unrestricted, non-exclusive and perpetual usage rights of all marketing databases and agent databases relevant to operating the Seller's education programs;

all textbooks and learning materials used to support New York operations relevant to operating the Seller's education programs;

servers and computer assets to support all business systems, curriculum and websites relevant to operating the Seller's education programs;

Software and software licenses for office 365, and any/all software used to support New York education programs and Seller business operations related to assets acquired under this Agreement relevant to operating the Seller's education programs;

usage rights for three years to all artwork at locations where a lease is assumed;

any Transferred Contracts (defined below), including but not limited to:

all outstanding and confirmed student agreements inclusive of education programs, enrollment agreements, and housing agreements for all New York, New York locations as of the Closing Date;

Seller's rights under leases and agreements for New York student housing to include 230 E. 44th Street, New York, NY 10017; and any further Transferred Contracts.

Excluded Property	The Purchase Price; Cash items held by the Seller including, but not limited to, cash, cash equivalents, cash bank balances; specifically excluding any cash, cash equivalents, and cash bank balances that are held by the Seller as student deposits, prepaid student tuition, and represent payments for services to students; Securities held by the Seller including, but not limited to, shares, notes, bonds, and debentures; records in the possession of the Seller relating to the excluded assets and corporate and financial records which are not related to the Assets or carrying on the activities of the Seller; Plant, property and equipment at locations other than 211 E. 43rd Street, New York, NY 10017 or Berkeley College's Newark Campus; and Artwork at New York locations, which Artwork is owned by Cesar Rennert, not the Seller.
Representations and Warranties; Covenants	The representations and warranties and covenants are customary for a transaction of this type, including, without limitation, representations and warranties regarding the authority to enter into the sale transaction and the agreement to abide by all laws with respect to the sale, litigation, material contracts, permits, environmental matter, ownership of Property, taxes and condition of the Property, the best efforts of the parties, notices and consents, access to information and the risk of loss.
Closing Date	The closing of the transactions contemplated by this Agreement (the “Closing”) shall take place at the offices of DelBello Donnellan Weingarten Wise & Wiederkehr, LLP, no later than October 31, 2018.

RELIEF REQUESTED AND BASIS FOR RELIEF

19. By this Motion, the Debtor seeks approval of a private sale of the Debtor's business assets, including the assumption and assignment of certain student housing leases to the Purchaser as a private sale transaction.

20. Pursuant to the APAs, Purchaser shall acquire, and the Debtor shall convey by private sale, all of the right, title and interest that Debtor possesses as of the Closing in and to the Assets, as such term is defined in section 1(a) of each of the APAs, free and clear of all liens, claims, interests, obligations and encumbrances whatsoever under Section 363 of the Bankruptcy Code and any other applicable sections of the Bankruptcy Code (the "Liabilities"). In consideration of the sale of the Assets covered by the APAs, the purchaser will pay the total Purchase Price $64,000 (of which $4,000 is earmarked for the Consumer Privacy Policy Ombudsman) at Closing and assume various liabilities of the Debtor.

A. Debtor's Sale Pursuant to Bankruptcy Code §363(b) and (f) is Appropriate

21. Section 363(b) of the Bankruptcy Code provides, in pertinent part, that the 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)(1). Inasmuch as the Assets constitute the Debtor's on-going business and are substantially all of the Debtor's business assets, the proposed sale is out of the ordinary course of the Debtor's business.

22. Section 363 does not set forth an express standard for determining whether a sale of property under §363(b) should be approved; however, courts that have interpreted this section consistently apply an "articulated business judgment" standard. *See, Stephen Indus., Inc. v. McClung*, 789 F.2d 386, 390 (6th Cir. 1986); *In re Continental Airlines, Inc.*, 780 F.2d 1223, 1226 (5th Cir. 1986); *In re Lionel Corp.*, 722 F.2d 1063 (2d Cir. 1983); *In re Walter*, 83 B.R. 14,

17 (Bankr. 9th Cir. 1988); *In re Channel One Communications, Inc.*, 117 B.R. 493, 496 (Bankr. E.D. Mo. 1990); *In re Ionosphere Clubs, Inc.*, 100 B.R. 670, 675 (Bankr. S.D.N.Y. 1989); *In re Baldwin United Corp.*, 43 B.R. 888, 906 (Bankr. S.D. Ohio 1984).

23. The Court of Appeals for the Second Circuit first enunciated this standard by stating: "The rule we adopt requires that a judge determining a §363(b) application expressly find from the evidence presented before him at the hearing *a good business reason* to grant such application." *Lionel*, 722 F.2d at 1070-71 (emphasis added).

24. Section 363(b) does not require that the Court substitute its business judgment for that of the Debtor, *See, e.g.*, *Ionosphere Clubs*, 100 B.R. at 676 (court will not substitute a hostile witness's business judgment for a debtor's, unless testimony "established that the [debtor] had failed to articulate a sound business justification for its chosen course"). Rather, the Court should ascertain whether a debtor has articulated a valid business justification for the proposed transaction. This is consistent with "the broad authority to operate the business of the Debtor . . . [which] indicates congressional intent to limit Court involvement in business decisions by a Trustee . . . [so that] a Court may not interfere with a reasonable business decision made in good faith by a Trustee". *In re Airlift Int'l, Inc.*, 18 B.R. 787, 789 (Bankr. S.D. Fla. 1982).

25. Other courts have approved the sale of a debtor's assets under §363(b)(1) of the Bankruptcy Code when (i) the sale is supported by the sound business judgment of the debtor's management; (ii) interested parties are provided with adequate and reasonable notice; (iii) the sale price is fair and reasonable; and (iv) the purchaser has acted in good faith. *See, e.g.*, *In re Betty Owens Schools, Inc.*, WL 188127 at *4 (S.D.N.Y. 1997) (setting forth the foregoing four elements in connection with the 363(b)(1) inquiry and citing *In re Delaware & Hudson Ry. Co.*, 124 B.R. 169 (D. Del. 1991); *In re General Bearing Corp.*, 136 B.R. 361, 365-66 (Bankr.

S.D.N.Y. 1992) (suggesting that the salient factors under *Lionel* are the foregoing elements). Moreover, "[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." *In re Ames Dept. Stores, Inc.*, 136 BR 357, 359 (Bankr. S.D.N.Y. 1992); *In re Integrated Resources, Inc.*, 147 B.R. at 656-57 (S.D.N.Y. 1992) (a debtor's business judgment is entitled to substantial deference with respect to the procedures to be used in selling assets from the estate). The Debtor has determined that the maximization of the return to creditors can best be accomplished through the proposed asset sale upon the terms contained in the APAs and that the transaction is in the best interests of its estate and creditors and should be approved by the Court.

26. In determining whether a "sound business purpose" exists with respect to a sale of assets prior to confirmation of a plan, Courts have looked at such factors as: the proportionate value of the asset to the estate as a whole, the amount of elapsed time since the filing, the likelihood that a plan of reorganization will be proposed and confirmed in the near future, the effect of the proposed disposition on future plans of reorganization, the proceeds to be obtained from the disposition vis-à-vis any appraisals of the property, which of the alternatives of use, sale or lease the proposal envisions, and most importantly perhaps, whether the asset is increasing or decreasing in value. *Lionel*, 722 F.2d at 1071.

27. In the Debtor's business judgment, the relief sought will maximize the Debtor's recovery on its assets and is therefore in the best interests of its estate and creditors. Specifically, the soundness of the Debtor's decision is supported by the fact that the Debtor will need to cease operations within less than 30 days and the Debtor has continued to accrue administrative rent, professional fees, student related obligations and expenses as each day passes. The Debtor has

extensively tested the market for interested parties and purchasers and believes that the offer received by Purchaser is the highest and best offer that can be received within the constrained time frame.

28. The Purchaser has indicated it was unwilling to enter into the APAs unless the sale was immediate and private and not made subject to higher and better offers since it will miss running the upcoming school session in August. Moreover, should the Debtor further "test" the market for other purchasers at an auction, the additional administrative expenses accrued in connection with the time delay (i.e., additional accrued rent expenses) and the costs of conducting an auction would likely diminish, and possibly completely erode any distribution to creditors.

29. The Debtor is believed to currently be administratively insolvent. Although the general unsecured creditors likely do not stand to financially benefit from the sale, many of them, such as the YWCA, will benefit from continued flow of students in need of housing.

30. The Purchaser is eager to close and the parties have discussed a closing on or before October 31, 2018. Should the Debtor "test" the market and conduct an auction, an additional month of rent and legal fees would accrue further exacerbating the Debtor's administrative insolvency and rendering the APAs terminated.

31. An immediate sale of The Debtor's assets is the only viable option that will allow for any recovery to creditors. Any additional delay will leave the estate with diminishing returns. Time is therefore of the essence with respect to approval of the proposed sale.

B. <u>Justification for Private Sale</u>

32. Time is of the essence and critical in closing on a sale of the Debtor's assets, as the administrative expenses of this Chapter 11 Case continue to accrue and there are insufficient

funds to pay them.

33. While many section 363 sales are conducted under competitive bidding procedures, there is no requirement in section 363 of the Bankruptcy Code to do so. In fact, Bankruptcy Rule 6004(f) specifically contemplates private sales with the statement that "[a]ll sales not in the ordinary course of business may be by private sale or by public auction". Courts have noted that private sales are appropriate under section 363 in circumstances similar to the instant case. *See In re Bakalis*, 220 B.R. 525, 531 (Bankr. E.D.N.Y. 1998) ("Unlike judicial sales under the Bankruptcy Act, the sale of estate property under the Bankruptcy Code is conducted by a trustee, who has ample discretion to conduct public or private sales of estate property."); *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 sales of estate property pursuant to section 363 of the Bankruptcy Code, "[t]here is no prohibition against a private sale . . . and there is no requirement that the sale be by public auction").

34. Accordingly, courts in this District have approved private sales of assets when they think the general standards for approval under section 363 of the Bankruptcy Code are satisfied. See, e.g., *In re Wellman, Inc.*, Case No. 08-10595 (SMB) (Bankr. S.D.N.Y. Oct. 6, 2009) (order approving the sales of one of the debtors' facilities' by private sale, not subject to higher and better offers); *In re Delta Air Lines, Inc.*, Case No. 05-17923 (PCB) (Bankr. S.D.N.Y. Nov. 29, 2005) (order authorizing the sale of certain aircraft by private sale and stating that "no auction was necessary with respect to sale of the [a]ircraft"); *In re Angelo & Maxie's, LLC*, Case No. 11-11112 (SCC)(private sale of famous NYC restaurant approved despite not yielding 100% recovery to creditors), *In re Macelleria Restaurant, Inc.*, Bankr. S.D.N.Y. 16-12110 (mkv) (private sale of restaurant).

35. Given (a) the substantial marketing of the Debtor's assets both pre- and post-petition, (b) the lack of any other offer to date, (c) the cash purchase price being offered by the Purchaser as well as the assumption of substantial obligations, (d) the continued deterioration of the Debtor's estate to the detriment of creditors, (e) the avoiding of significant material harm to the students, and (f) the Purchaser's desire to immediately close, the Debtor believes that the private sale is justified and the best way to maximize value and save jobs. It is extremely unlikely that an overbid process will generate higher and better offers for the Debtor's assets. Moreover, because of the substantial accruing administrative claims, conducting even an expedited overbid process would impose significant carrying costs on the Debtor's estate which the Debtor will have no ability to pay.

36. It is submitted that the Debtor and the Purchaser are proceeding in good faith and at arm's length. The Purchaser is not an insider of the Debtor and the transaction was negotiated in good faith, through separate counsel, and only entered into after protracted negotiations.

37. For all of these reasons, the private sale of the Debtor's assets as requested herein should therefore be approved.

C. <u>The Debtor Has Exercised Sound Business Judgment</u>

38. The Debtor believes that the sale to the Purchaser represents a prudent and proper exercise of its business judgment and is supported by articulated business reasons because, absent such a sale, the Debtor would likely be forced to liquidate, resulting in no distribution to unsecured creditors, the loss of jobs of the Debtor's employees (over 100) and the loss of going concern value discussed above. With the sale to Purchaser, the Debtor is maximizing the value of its assets, preserving jobs and generating proceeds for distribution to its creditor constituents. *See*, *NLRB v. Bildisco & Bildisco*, 465 U.S. 513 (1984) (the "fundamental purpose of

reorganization is to prevent the debtor from going into liquidation, with an attendant loss of jobs and possible misuse of economic resources"); *In re Chateaugay Corp.*, 201 B.R. 48, 72 (Bankr. S.D.N.Y. 1996), *aff'd in part*, 213 B.R. 633 (S.D.N.Y. 1997) ("public policy, as evidenced by Chapter 11 of the Bankruptcy Code, strongly favors the reorganization and rehabilitation of troubled companies and concomitant preservation of jobs and going concern values"). Without the sale, the Debtor has no exit scenario other than liquidation, which would result in an increase in administrative claims when the Debtor is already administratively insolvent.

D. <u>The Sale Price is Fair and Reasonable</u>

39. The sale to Purchaser represents the highest and best price for the Assets secured by the Debtor to date. The Debtor had previously received an offer from another interested party; however, once the Debtor lost its accreditation that party was no longer interested in proceeding and the pool of eligible purchasers was greatly diminished. Moreover, the Landlord has expressed a willingness to come to terms with this particular Purchaser.

40. Consequently, in the Debtor's view, the Purchase Price represents substantial value to the Debtor's estate and provides favorable terms for disposition of the assets as a going concern in exchange for fair and reasonable consideration. *See, Mellon Bank N.A. v. Metro Communications, Inc.*, 945 F.2d 635 (3d Cir. 1992); *See, also, Mellon Bank N.A. v. Official Comm. Of Unsecured Creditors*, 92 F.3d 139 (3d) Cir. 1996). Moreover, the Debtor's arm's length negotiations with the Purchaser ensured that the ultimate purchase price secured for the Assets is fair and reasonable under the circumstances.

E. <u>The Sale Terms Were Negotiated In Good Faith</u>

41. As set forth above, the APAs are the product of good faith, arm's length negotiations between unrelated parties. Consequently, the Debtor requests that this Court find

that these negotiations were in good faith and that the Purchaser is a "good faith purchaser" under §363(m) of the Bankruptcy Code.

F. Asset Sale Free and Clear of Encumbrances

42. In addition to seeking approval of a private sale outside of the ordinary course of business, the Debtor seeks approval to sell its assets as a going concern, free and clear of any and all liens, claims or encumbrances in accordance with §363(f) of the Bankruptcy Code.

43. A debtor-in-possession may sell property to §§363(b) and 363(f) "free and clear of any interest in such property of an entity other than the estate" if one of the following conditions are satisfied (1) applicable non-bankruptcy law permits sale of such property free and clear of such interest; (2) such entity consents; (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property; (4) such interest is in bona fide dispute; or (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest. 11 U.S.C. §363(f).

44. The Purchase Price will result in sufficient proceeds to pay a pro rata portion of administrative claims, will provide continuity of tenancy for the landlord, will transfer certain administrative claims to the Purchaser, will provide continuing students for outside housing providers such as the YWCA, will keep many employees employed, and will avoid disastrous results for many of the students. There are no secured creditors. Thus, the Assets can be sold free and clear of the secured claims and/or liens.

G. Modified Assumption and Assignment of the Debtor's Nonresidential Real Property Lease

45. In connection with, and ancillary to, the Debtor's request for approval of the APAs, the Debtor seeks authority to assume and assign its interest in the following Leases, subject to modification as agreed between the Purchaser and Landlord which the Debtor

understands is currently being negotiated. The Landlords will not receive cure amounts but may file administrative claims for any post-petition arrears and general unsecured claims for any pre-petition arrears in such amount to be allowed by this Court, or otherwise agreed upon between the Debtor and the landlords, and the Leases shall be deemed in full force and effect and free of any defaults or purported termination thereunder. These Leases include, subject to further direction by Purchaser: Student Housing Lease #1. Between Hillside Parsons LLC for the premises located at 202 East 110th Street, New York, NY 10017 Apartments 6A and 6B; Student Housing Lease #2. Between 44th Street Midtown Holdings LLC c/o Dalan Management for the premises located at 230 East 44th Street, New York, NY 10017, Penthouse E and Apt. 10A; Student Housing Lease #3. Between The Chetrit Group d/b/a 1760 Third Owner LLC as landlord and the Debtor as tenant for certain student room blocks located at 1760 Third Avenue, New York, NY; and Student Housing Lease #4. Between AKA United Nations Luxury Apartments as landlord and the Debtor as tenant for reservation number 543823 for the premises located at 234 East 46th Street, New York, NY.

46. The Debtor believes there are no cure amounts due with respect to any of the Student Housing Leases. However, if any of those landlords assert there are arrears they will not be paid the cure amounts, but rather may file an administrative claim for post-petition amounts due and a general unsecured claim for any pre-petition amounts due (as well as any additional claims the landlords may assert).

47. Pursuant to §365(a) of the Bankruptcy Code, a debtor may assume or reject any executory contract, subject to the approval of the Bankruptcy Court. 11 U.S.C. §365(a). Once a contract is assumed, the debtor may assign such contract to a third party. 11 U.S.C. §365(f).

48. Although §365(a) of the Bankruptcy Code does not provide a standard for

determining when it is appropriate for a court to approve a debtor's assumption or rejection of an executory contract or an unexpired lease, courts have uniformly deferred to the business judgment of the debtor. *In re Orion Pictures Corp.*, 4 F.3d 1095, 1099 (2d Cir. 1993) ("A bankruptcy court reviewing a trustee's or debtor-in-possession's decision to assume or reject an executory contract should examine a contract and the surrounding circumstances and apply its "business judgment" to determine whether it would be beneficial or burdensome to the estate to assume it."); *see, also, In re Minges*, 602 F.2d 38, 43 (2d Cir. 1979); *In re G. Survivor Corp.*, 171 B.R. 755, 757 (Bankr. S.D.N.Y. 1994), *aff'd*, 187 B.R. 111 (S.D.N.Y. 1995) ("Generally, absent a showing of bad faith, or an abuse of business discretion, the debtor's business judgment [to assume or reject an executory contract] will not be altered.").

49. A debtor's decision to assume or reject an executory contract or unexpired lease must only satisfy the "business judgment rule" and will not be subject to review unless such decision is clearly an unreasonable exercise of such judgment. *Group of Institutional Investors v. Chicago, Milwaukee, St. Paul & Pacific Ry. Co.*, 318 U.S. 523 (1943) (applying Bankr. Act section 77 subsection (b), the predecessor to Bankruptcy Code section 365) (rejecting the test of whether the executory contract was burdensome in favor of whether rejection is within the debtor's business judgment); *Lubrizol Enter., Inc. v. Richmond Metal Finishers, Inc.*, 756 F.2d 1043, 1046-47 (4th Cir. 1985).

50. Section 365(b)(1) of the Bankruptcy Code authorizes a debtor-in-possession to assume, assume and assign, or reject executory contracts and unexpired leases subject to the approval of the Bankruptcy Court, on the condition, *inter alia*, that the Debtor cures any default under the executory contract or unexpired lease and provides adequate assurance of future performance under such contract or lease.

51. With respect to the "adequate assurance of future performance" of the Purchaser, Court held that it is a subjective test, and depends on the facts and circumstances of each case, but should be given "practical, pragmatic construction." *See Carlisle Homes. Inc. v. Azzari (In re Carlisle Homes, Inc.),* 103 B.R. 524, 538 (Bankr.D.N.1. 1989). Among other things, adequate assurance may be given by demonstrating the assignee's financial health and experience in managing the type of enterprise or property assigned. *In re Bygaph, Inc*., 56 B.R. 596, 605-6 (Bankr. S.D.N.Y. 1986) (finding adequate assurance of future performance present when the prospective assignee of a lease from the debtors has the financial resources and has expressed a willingness to devote sufficient funding to the business in order to give it a strong likelihood of succeeding; "chief determinant of adequate assurance of future performance is whether rent will be paid").

52. The Purchaser is a well-established local college and is prepared to produce financial credentials to the student housing landlords. Accordingly, the Debtor submits that it has established adequate assurance of future performance pursuant to §365 of the Bankruptcy Code with respect to prospective assignment of the Lease.

53. Any assumption and assignment of the Student Housing Leases will be subject to all of the provisions of said leases to the extent required by applicable law, and will be subject to all of the applicable provisions of the Bankruptcy Code.

H. <u>Protections as a Good Faith Purchaser</u>

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

be affected by the reversal or modification of an unstayed order, whether or not the transferee knew of the pendency of the appeal”).

55. The procurement and subsequent negotiations with the Purchaser was the product of an arm’s-length, good-faith negotiation. The Debtor, nor its principals, have any prior relationships with the Purchaser, and neither have any arrangements or intentions to conduct business in the future related to the Assets. Therefore, the Debtor will request a finding that the Purchaser is a good-faith purchaser entitled to the protections of Section 363(m) of the Bankruptcy Code.

I. Retain Business Broker and Approve Broker Agreement

56. The Debtor has been working with Ricardo Belotti Consultoria Empresarial Ltda. (“Broker”) pursuant to a Services Agreement (the “Broker Agreement”) dated June 27, 2017. A copy of the Broker Agreement is annexed as **Exhibit C.**

57. An affidavit of Pedro Belotti is annexed as **Exhibit D.**

58. The Broker specializes in marketing and selling international language schools.

59. The Debtor seeks to retain Broker pursuant to Bankruptcy Code §327(a). To the best of the Debtor’s knowledge, Broker does not hold or represent any interest adverse to the Debtor’s estate, Broker is a “disinterested person” as defined in Bankruptcy Code §101(14), and Broker’s employment is necessary and in the best interest of the Debtor and its estate.

60. Broker will be paid for the legal services rendered upon application duly filed with this Court pursuant to Bankruptcy Code § 330. Pursuant to the Broker Agreement the Broker would be entitled to its minimum success fee ($150k) minus the total monthly payments made under the Broker Agreement ($48k paid so far), amounting to a total due of USD $ 102,000.00, which would be an administrative claim in the estate.

NOTICE

61. A hearing on shortened notice is necessary to avoid the cessation of the Debtor's operations when it is scheduled to turn over possession of its teaching facilities on September 30, 2018.

62. Notice of this Motion has been provided to (i) the Office of the U.S. Trustee; (ii) the Debtor's secured creditors; (iii) all taxing authorities; (iv) counsel to the Purchaser, (v) all counterparties to each of the Debtor's executory contracts and/or leases; (vi) all creditors; and (vii) all parties having filed a notice of appearance. The Debtor submits that said notice is adequate and proper.

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

Dated: White Plains, New York
September 19, 2018

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

By: *_/s/ Dawn Kirby_*_______________
Dawn Kirby

ESL SCHOOL ASSET PURCHASE AGREEMENT

THIS ESL SCHOOL ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into as of this 18th day of September, 2018 (the "Execution Date"),

BETWEEN:

Wall Street Languages LTD d/b/a Rennert International d/b/a Rennert Bilingual d/b/a Rennert Bilingual Translation Group d/b/a Rennert New York d/b/a Rennert Translation Group
of 211 E. 43rd Street, New York, NY 10017
(the "Seller")

and

Berkeley Language Services LLC
of 3 E. 43rd Street, New York, NY 10017
(the "Purchaser")

BACKGROUND

A. The Seller is a corporation which operates a business that provides language programs in English and other foreign languages for academic, professional, cultural and social purposes, with a main office at 211 E. 43rd Street, New York, NY 10017.

B. The Seller owns and desires to sell, transfer and assign certain assets of its business (the "Assets"), to the Purchaser, and Purchaser desires to purchase, acquire and assume from Seller all of the Assets, on the terms and subject to the conditions and any exclusions set out in this Agreement.

C. The Seller is currently a debtor-in-posession, having filed on May 24, 2018 a voluntary petition under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York, Case No,. 18- 11581-SHL.

D. The Seller and the Purchaser are concurrently herewith entering into a Career School Asset Purchase Agreement (the "Career School Agreement") providing for the sale of the Seller's assets relating to its Career School.

IN CONSIDERATION of the provisions contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which consideration is acknowledged, the Parties agree as follows:

Definitions

1. The following definitions apply in this Agreement:

   a. The "Assets" do not include any Excluded Assets and consist of the following assets:

      i. all of Seller's assets relating to its ESL school ("ESL School") and translation and international services, including but not limited to:

         1. all equipment, fixtures and furnishings used to provide instruction and support for students, faculty and administrators located at 211 E. 43rd Street, New York, NY 10017 or stored at Berkeley College's Newark campus located at 536 Broad Street, Newark, NJ 07102 ("Berkeley College's Newark Campus");

         2. all prepaid student tuition, student deposits, and housing deposits of the Seller under contracts or agreements relating to enrolled students for courses and instruction to be held after the Closing Date, as well as all student accounts receivable, or deposits from students received related to the same students upon the Closing Date;

         3. all books, records, curriculum, applications (including curriculum and/or program applications), administrative forms, media, digital media, intellectual property, digital content and files, relevant to operating the Seller's education programs and Rennert Translation Assets, including, but not limited to, any intellectual property or other rights associated with the following d/b/a's Rennert Bilingual, Rennert Bilingual Translation Group, Rennert New York, Rennert Translation Group;

4. title to registered or unregistered trade marks, copyrights, logos and trade names held by the Seller, including but not limited to "Rennert New York" and "Rennert International";

5. websites including all electronic content for marketing programs, enrollment and services that support them including domains and content relevant to operating the Seller's education programs and Rennert Translation Assets;

6. email system to support New York staff and students;

7. local and worldwide network and database of agencies and agents including full, unlimited, unrestricted, non-exclusive and perpetual usage rights of all marketing databases and agent databases relevant to operating the Seller's education programs;

8. all textbooks and learning materials used to support New York operations relevant to operating the Seller's education programs and Rennert Translation Assets;

9. servers and computer assets to support all business systems, curriculum and websites relevant to operating the Seller's education programs;

10. Rennert Translation Assets and any intellectual property or general intangibles related to or used in connection with same;

11. Seller's accounts receivable for Rennert Translation Assets which was $38,090.95 as of September 14, 2018, subject to $23,682.51 due to independent contractor translators for the World Cup, and further subject to $7,961.44 due to translators' payroll, leaving a net balance in the amount of $6,447.01;

12. Software and software licenses for multiple English learning products, office 365, and any/all software used to support New York education programs and Rennert Translation Assets and Seller business operations related to assets

acquired under this Agreement relevant to operating the Seller's education programs and Rennert Translation Assets;

13. usage rights for three years to all artwork at locations where a lease is assumed;

14. any Transferred Contracts (defined below), including but not limited to:

    a. all outstanding and confirmed student agreements inclusive of education programs, enrollment agreements, and housing agreements for all New York, New York locations as of the Closing Date;

    b. Seller's rights under leases and agreements for New York student housing to include 230 E. 44th Street, New York, NY 10017; and

    c. any further Transferred Contracts.

ii. any other assets of Seller which are not otherwise transferred to Purchaser pursuant to the Career School Agreement.

b. "Assumed Liabilities" means, subject to the terms and conditions set forth in this Agreement, as of the Closing, the following liabilities or obligations of Sellter related to the Assets acquired in respect of such Closing as applicable, and not others shall be assumed by Purchaser:

i. Deferred compensation not to exceed [$17,500] to cover outstanding payroll liability due to Eimear Harrison, which shall be paid no later than fifteen (15) days after Closing;

ii. Teachout and teaching obligations for all Seller's New York students for which Purchaser is authorized to teach following the Closing; and

iii. all liabilities of Seller under any Transferred Contracts (including all Cure Costs, to the extent provided herein), but such Cure Costs shall not exceed $12,000 in the aggregate.

c. "Closing" means the completion of the purchase and sale of the Assets as described in this Agreement by the payment of agreed consideration, and the transfer of the Assets upon the Closing Date.

d. "Cure Costs" means any and all amounts, costs or expenses that must be paid or actions or obligations that must be performed or satisfied pursuant to the Bankruptcy Code to effectuate the assumption by the Seller, and the assignment to Purchaser, of the Transferred Contracts, as determined by the Bankruptcy Court or agreed to by Seller and the non-Seller counterparty to the applicable Transferred Contract.

e. "Environmental Law" means any and all statutes, regulations, common laws or any other directives having force of law pertaining to protection of the environment including but not limited to all laws affecting the production, manufacture, storage, transport and disposal of Hazardous Materials.

f. "Excluded Assets" means assets that are owned by the Seller but do not form any part of the Assets for the purpose of this transaction. Excluded Assets will include the following:

i. The Purchase Price;

ii. Cash items held by the Seller including, but not limited to, cash, cash equivalents, cash bank balances; specifically excluding any cash, cash equivalents, and cash bank balances that are held by the Seller as student deposits, prepaid student tuition, and represent payments for services to students;

iii. Securities held by the Seller including, but not limited to, shares, notes, bonds, and debentures;

iv. records in the possession of the Seller relating to the excluded assets and corporate and financial records which are not related to the Assets or carrying on the activities of the Seller;

v. Plant, property and equipment at locations other than 211 E. 43rd Street, New York, NY 10017 or Berkeley College's Newark Campus; and

vi. Artwork at New York locations, which Artwork is owned by Cesar Rennert, not the Seller.

g. "Hazardous Material" means any material or substance of any description that could reasonably be expected to cause harm or damage to the health of humans or any other living organism.

h. "Parties" means both the Seller and the Purchaser and "Party" means any one of them.

i. "Rennert Translation Assets" shall mean Rennert Translation services and any intellectual property, contracts, contract rights, accounts receivable or general intangibles related to or used in conneciton with same, together with the proceeds, profits and products derived therefrom.

j. "Sale Approval Date" shall mean the date the Bankruptcy Court having jurisdiction over Seller's Chapter 11 case enters an order approving this Agreement, which order shall be in the form and substance acceptable to the Purchaser in its sole and absolute discretion and shall, among other things, (a) approve (i) this Agreement and the execution, delivery, and performance by Seller of this Agreement and the other instruments and agreements contemplated hereby, (ii) the sale of the Assets to Purchaser free and clear of all liens and liabilities (other than Assumed Liabilities), (iii) the assumption of the Assumed Liabilities by Purchaser on the terms set forth herein and (iv) the assumption and assignment to Purchaser of the Transferred Contracts on the terms set forth herein; (b) determine that Purchaser is a good faith purchaser under 363(m) of the Bankruptcy Code and has provided adequate assurance of future performance with respect to the Transferred Contracts; and (c) providing that the Closing will occur in accordance with the terms and conditions hereof ("Sale Approval Order").

k. "Transferred Contracts" has the meaning set forth in section 28 of this Agreement.

Sale

2. Subject to the terms and conditions of this Agreement, and in reliance on the representations, warranties, and conditions set out in this Agreement, the Seller agrees to sell the Assets to the Purchaser and the Purchaser agrees to purchase the Assets from the Seller.

Purchase Price

3. The Parties agree that the Purchase Price will be $32,000 (thirty-two thousand) US dollars. Within five (5) days after Execution Date, the Purchaser shall pay a $10,000 deposit (the "Deposit") to DelBello, Donnellan, Weingarten, Wise & Wiederkehr, LLP as escrow agent ("Escrow Agent"). The Deposit shall be held by the Escrow Agent in the Escrow Agent's trust account pursuant to the escrow agreement (a copy of which is annexed hereto as Exhibit A), and will not generate interest payable to either the Seller or the Purchaser. Subject to the terms of the Escrow Agreement, the Deposit shall be released as follows: (a) at the Closing, to the Seller, to be credited against the Purchase Price due from Purchaser to Seller; (b) upon the termination of this Agreement pursuant to an uncured breach of the Purchaser of its obligations under this Agreement, to the Seller, but only upon an Order of the Bankruptcy Court or with Purchaser's written consent; or (c) upon the termination of this Agreement pursuant to any other reason other than a material breach by Purchaser of its obligations under this Agreement, to the Purchaser. Upon release of the Deposit to Seller, Seller and its respective reepresentatives and affiliates will be deemed to have fully released and discharged Purchaser and its representatives and affiliates from any liability resulting from the termination of this Agreement, and neither Seller, its representatives or affiliates, nor any other person will have any other remedy or cause of action against Purchaser, its representatives or affiliates under or relating to this Agreement or any applicable Law, including for reimbursement of expenses. The release of the Deposit to Seller will constitute liquidated damages and be the sole and exclusive remedy of Seller, and its representatives and affiliates, whether at law or in equity, and upon the payment and delivery thereof to Seller, Seller and its respective representatives and affiliates will be deemed to have fully released and discharged Purchaser and its representatives and affiliates from any liability resulting from the termination of this Agreement. In the event of a Closing, wherein the Deposit shall be credited to the Purchase Price, the remainder of the Purchase Price (i.e., $22,000) shall be paid at the Closing, with $2,000 of the Purchase Price to be paid to the Court-appointed Privacy Ombudsman. The Purchase Price shall be allocated upon Closing subject to required adjustments that are agreed upon by the Parties:

Business Equipment	$5,000
Outstanding sales orders and receivables	$5,000
Outstanding business contracts	$5,000
Books, records and files	$5,000
Trade marks and trade names	$5,000
All other Assets	$5,000
Privacy Ombudsman Fee	$2,000
Sub-Total	$32,000
Purchase Price	$32,000

The parties further agree that as additional consideration for the Assets, the Purchaser shall assume the Assumed Liabilities.

4. The Parties agree to co-operate in the filing of elections under the *Internal Revenue Code* and under any other applicable taxation legislation, in order to give the required or desired effect to the allocation of the Purchase Price.

Closing

5. The Closing of the purchase and sale of the Assets will take place at the offices of the Seller or at such other time and place as the Parties mutually agree upon on the later of (i) ten (10) days after the Sale Approval Date or (ii) the date on which all conditions precedent to Closing set forth in Sections 20 and 21 of this Agreement have been satisfied (the "Closing Date"); provided, that if all such conditions have not been satisfied or waived prior to October 31, 2018 through no fault of Purchaser, Purchaser may terminate this Agreement and shall have no further obligations to Seller.

6. At Closing, the Seller will deliver the Assets to the Purchaser in reasonably the same condition as on the Execution Date with ordinary wear and tear (as applicable) excepted, and free and clear of any liens, charges, rights of third parties, or any other encumbrances, except those attached as a result of the Purchaser's obligations or assumption of the Assumed Liabilites hereunder.

7. At Closing, the Seller will provide the Purchaser with duly executed forms and documents evidencing transfer of the Assets including, but not limited to, bills of sale, assignments, assurances, and consents. The Seller will also co-operate with the Purchaser as needed in order to effect the required registration, recording, and filing with public authorities of the transfer of ownership of the Assets to the Purchaser.

Closing Deliverables Relating to Approval by the NY State Education Department

8. Seller acknowledges that certain documentation, including, but not limited to documentation described below, is required for the approval of the transfer of the school License by the NY State Education Department, and therefore agree to cooperate fully with Purchaser to complete, provide and submit such, and any further, documentation required to affect the transfers contemplated by this Agreement:

   a. An Application for a Transfer of a Certification to Operate an ESL School in New York State (FORM BPSS-4).
   b. A Notification of Ownership Change (ESL) (FORM BPSS-1T (12/12a)).
   c. An exact duplicate copy of the original, executed sales or transfer agreement containing the terms and conditions under which the equity or assets of the school will be acquired.
   d. A photocopy of the statement of revenue for the school's most recent fiscal year.
   e. The seller's audited or reviewed statement of revenue from the end of the previous fiscal year to the date of filing the transfer application, including all tuition income received and all student refunds made, and an attestation that, within 60 days following the date of the sale, a full income statement from the end of the previous fiscal year to the date of the sale will be provided.
   f. A listing of teachers, certified agents and their certificate numbers, permitted or licensed director(s), with corresponding license/permit number(s), and all registered curricula, including their effective date(s).
   g. A letter from the owner to whom the school’s certification was issued, granting permission to the transferee(s) or assignee(s) to take possession, in proportion to the percentage of its acquisition, of all registered curriculum/courses.

Seller's Representations and Warranties

9. The Seller represents and warrants to the Purchaser that:

   a. Subject to entry of the Sale Approval Order, the Seller has full legal power and authority to enter into this Agreement and all other agreements contemplated hereby to which it is a party and perform its obligations hereunder and thereunder.

   b. The Seller is a corporation duly incorporated or continued, validly existing, and in good standing under the laws of the state of its incorporation and has all requisite authority to carry on business as currently conducted and is duly qualified or licensed to do business and in good standing in each jurisdiction where the character of its business or nature of its properties makes such qualification or licensing necessary.

   c. The Seller has all necessary corporate power, authority and capacity to enter into this Agreement and to carry out its obligations. The execution and delivery of this Agreement, and this transaction has been duly authorized by all necessary corporate action on the part of the Seller.

   d. Immediately prior to Closing, the Seller will have, and upon delivery to the Purchaser at Closing, will transfer to Purchaser, good and valid title, free and clear of any liens, charges, encumbrances or rights of others, or in the case of property leased by the Seller, a valid leasehold interest in, all of the Assets.

   e. There is no pending or, to the knowldege of Seller, anticipated claim against the Assets or against the Seller's ownership or title in the Assets or against the Seller's right to dispose of the Assets which would materially adversely affect Seller's ability to close on the tranactions contemplated herein.

   f. Subject to entry of the Sale Approval Order, no third party contract is outstanding that could result in a claim against or affecting the Assets in whole or in part after the Closing Date.

   g. The Seller does not have any outstanding contracts, agreements, or commitments of any kind, written or oral, with any third party regarding the Assets, except for any material contracts described in, and/or attached to this Agreement. The Seller represents and warrants that no material default or breach exists with regard to any presently outstanding material contract which will materially affect the Seller's ability to close on the transactions contemplated herein.

h. Other than Seller's agreement with Belotti & Associados that is specifically excluded from liability transfer to the Purchaser under this agreement, there has been no act or omission by the Seller that would give rise to any valid claim relating to a brokerage commission, finder's fee or other similar payment.

i. The Seller is a resident of the United States for the purposes of the *Internal Revenue Code.*

j. The Seller is not bound by any written or oral pension plan or collective bargaining agreement or obligated to make any contributions under any retirement income plan, deferred profit sharing plan or similar plan, excluding the current IRA program that is the exclusive liability of the Seller.

k. The Seller will not dismiss any current employees to be hired by the Purchaser or hire any new employees, or substantially change the role or title of any existing employees, provide unscheduled or irregular increases in salary or benefits to employees, or institute any significant changes to the terms of any employee's employment, after signing this Agreement, unless the Purchaser provides written consent.

l. There are no claims threatened or pending against the Seller by any current or past employee relating to any matter arising from or relating to the employment of the employee, except an action alleging pre-petition employment related claims was filed on August 30, 2018, *Elizabeth Lambacker v. Wall Street Languages, Ltd.* S.D.N.Y., Case No. 1:18-cv-07940-VEC (the "Action"). Seller's counsel has made a demand of Plaintiff's counsel to withdraw the action as a violation of the automatic stay.

m. The Assets, while owned by the Seller, have been maintained at all times in accordance with standard industry practice. The Seller further warrants that all tangible assets are in as-is condition.

n. The Seller is operating in accordance with all applicable laws, rules, and regulations of the jurisdictions in which it is carried on. In compliance with such laws, the Seller has duly licensed, registered, or qualified the Seller with the appropriate authorities and agencies.

o. The Seller has not produced, manufactured, stored, transported or disposed of any Hazardous Materials of any kind and to the best knowledge of the Seller, no discharge, leakage or release of Hazardous Materials, whether accidental or otherwise, has occurred for which the Purchaser could ultimately become liable. There are no ongoing, pending, threatened or anticipated civil or criminal actions, enquiries or investigations with regard to the breach of any applicable Environmental Laws.

p. The Seller shall maintain insurance policies on the Assets up to the Closing Date and such policies are in full force and effect and of an adequate value as would be reasonable in its industry. The Seller has neither defaulted under these insurance policies, whether as a result of failure to pay premiums or due to any other cause, nor has the Seller failed to give notice or make a claim under these insurance policies in a timely manner.

q. The trademarks and trade names used in carrying on the business of the Seller are owned exclusively and validly by the Seller or its principals. The trademarks and trade names are duly registered with the appropriate public authorities in order that the rights associated with the trademarks and trade names are protected. To the knowledge of the Seller, there are no claims of infringement existing against the patents, trademarks, copyrights or any other trade names used by the Seller.

r. To the knowledge of Seller, the conduct of the Seller does not infringe on the patents, trademarks, trade names or copyrights, whether domestic or foreign, of any other person, firm or corporation.

s. The Seller owns or is licensed to use all necessary software and it can continue to use any and all computerized records, files and programs after the Closing Date in the same manner as before the Closing Date.

t. This Agreement has been duly executed and delivered by the Seller and, subject to and conditioned upon entry of the Sale Approval Order, constitutes a legal and binding obligation of the Seller, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy and insolvency, by other laws affecting the rights of creditors generally, and by equitable remedies granted by a court of competent jurisdiction.

u. That the current student census for enrolled students is approximately 118.

v. Unless otherwise agreed to by the parties hereto, all back rent, utilities and taxes payable for all assumed leases prior to the Closing Date are the responsibility of the Seller.

w. The Purchaser is not responsible for liabilities or obligations of the Seller unless expressly agreed to under this Agreement.

x. The execution and performance of this Agreement will not violate any other contract to which the Seller is a party.

y. Seller shall provide a letter from the owner to whom the ESL school's certification was issued, granting permission to the Purchaser to take possession, in proportion to the percentage of its acquisition, of all registered curriculum/courses.

10. For a period of twelve (12) months following the Closing Date, Seller, or its principal, will not (a) solicit any of Seller's prior customers or clients or (b) attempt to hire or otherwise engage any of Purchaser's employees.

11. The representations and warranties given in this Agreement are the only representations and warranties. No other representation or warranty, either expressed or implied, has been given by the Seller to the Purchaser, including, without limitation, any representations or warranties regarding the merchantability of the Assets or their fitness for a particular purpose.

12. The Seller warrants to the Purchaser that each of the representations and warranties made by it is accurate and not misleading as of the Closing Date. The Seller acknowledges that the Purchaser is entering into this Agreement in reliance on each representation and warranty.

13. Where the Purchaser has a claim against the Seller relating to one or more representations or warranties made by the Seller, the Seller will have no liability to the Purchaser unless the Purchaser provides notice in writing to the Seller containing full details of the claim on or before the third anniversary of the Closing Date.

14. Where the Purchaser has a claim against the Seller relating to one or more representations or warranties made by the Seller, and the Purchaser is entitled to recover damages from a third party then the amount of the claim against the Seller will be reduced by the recovered or recoverable

amount less all reasonable costs incurred by the Purchaser in recovering the amount from the third party.

Purchaser's Representations and Warranties

15. The Purchaser represents and warrants to the Seller the following:

    a. The Purchaser has full legal authority to enter into and exercise its obligations under this Agreement.

    b. The Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement, and this transaction has been duly authorized by all necessary corporate action on the part of the Purchaser.

    c. The Purchaser has funds available to pay the full Purchase Price and any expenses accumulated by the Purchaser in connection with this Agreement and the Purchaser has not incurred any obligation, commitment, restriction, or liability of any kind, absolute or contingent, present or future, which would adversely affect its ability to perform its obligations under this Agreement.

    d. The Purchaser is a resident of the United States for the purposes of the *Internal Revenue Code.*

    e. This Agreement has been duly executed by the Purchaser and constitutes a legal and binding obligation of the Purchaser, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy and insolvency, by other laws affecting the rights of creditors generally, and by equitable remedies granted by a court of competent jurisdiction.

    f. The Purchaser has no knowledge that any representation or warranty given by the Seller in this Agreement is inaccurate or false.

g. The Purchaser agrees to enter into a separate independent employment or consulting agreement with the President of the Seller on terms satisfactory to Purchaser in its sole and absolute discretion, including restrictive covenants.

h. The execution and performance of this Agreement will not violate any other contract to which the Purchaser is a party.

16. The representations and warranties given in this Agreement are the only representations and warranties. The Purchaser has given no other representation or warranty, either expressed or implied, to the Seller.

17. The Purchaser warrants to the Seller that each of the representations and warranties made by it is accurate and not misleading as of the Closing Date. The Purchaser acknowledges that the Seller is entering into this Agreement in reliance on each representation and warranty.

18. Where the Seller has a claim against the Purchaser relating to one or more representations and warranties made by the Purchaser, the Purchaser will have no liability to the Seller unless the Seller provides notice in writing to the Purchaser containing full details of the claim on or before the third anniversary of the Closing Date.

19. Where the Seller has a claim against the Purchaser relating to one or more representations or warranties made by the Purchaser, and the Seller is entitled to recover damages from a third party then the amount of the claim against the Purchaser will be reduced by the recovered or recoverable amount less all reasonable costs incurred by the Seller in recovering the amount from the third party.

<u>Conditions Precedent to be Performed by the Purchaser</u>

20. The obligation of the Seller to complete the sale of the Assets under this Agreement is subject to the satisfaction of the following conditions precedent by the Purchaser, on or before the Closing Date, each of which is acknowledged to be for the exclusive benefit of the Seller and may be waived by the Seller entirely or in part:

a. All of the representations and warranties made by the Purchaser in this Agreement will be true and accurate in all material respects on the Closing Date.

b. The Purchaser will obtain or complete all forms, documents, consents, approvals, registrations, declarations, orders, and authorizations from any person or any governmental or public body, required of the Purchaser in connection with the execution of this Agreement.

c. The Seller will receive a certificate from an officer of the Purchaser confirming to the best of their knowledge, information and belief (after due inquiry), the truth and correctness in all aspects of those representations and warranties given by the Purchaser in this Agreement.

Conditions Precedent to be Performed by the Seller

21. The obligation of the Purchaser to complete the purchase of the Assets under this Agreement is subject to the satisfaction of the following conditions precedent by the Seller, on or before the Closing Date, each of which is acknowledged to be for the exclusive benefit of the Purchaser and may be waived by the Purchaser entirely or in part:

a. The closing of the transactions contemplated by the Career School Agreement shall occur simultaneously herewith.

b. All of the representations and warranties made by the Seller in this Agreement will be true and accurate in all material respects on the Closing Date.

c. The Seller will obtain and complete any and all forms, documents, consents, approvals, registrations, declarations, orders, and authorizations from any person or governmental or accreditation or public body that are required of the Seller for the proper execution of this Agreement and transfer of the Assets to the Purchaser.

d. The Bankruptcy Court (i) shall have entered the Sale Approval Order, and any other order necessary to close the sale of the Assets, all in form and substance satisfactory to the Purchaser in its sole and absolute discretion, which shall not be unreasonably withheld, at least two (2) days prior to the Closing Date, (ii) no order staying, reversing, modifying or amending such orders shall be in effect as of the Closing, and (iii) the Sale Approval Order shall not be subject to any challenge of Purchaser's good faith under section 363(m) of the Bankruptcy Code;

e. The change of ownership and transfer of the ESL School, its certifications and licenses, to the Purchaser as contemplated by this Agreement shall have been approved by the New York State Education Department and any other required person or entity.

f. Seller shall had complied with sections 1113 and 1114 of the Bankruptcy Code, to the extent required by the Bankruptcy Code;

g. The Cure Costs required to be funded by Purchaser with respect to the Transferred Contracts, as approved by the Bankruptcy Court, shall not exceed $12,000 in the aggregate;

h. No substantial damage to or alteration of the Assets that would adversely affect their value will occur between the date this Agreement is signed and the Closing Date.

i. The Seller will make a good faith effort to secure any necessary consents for assigning any leases to the Purchaser as well as providing estoppel certificates from such owners or landlords that there are no arrears of rent or breaches under such leases that will be the responsibility of the Purchaser upon assignment and the amount of the security deposits held by such third parties not otherwise applied to Seller's arreears.

j. The Seller will execute and deliver bills of sale for the Assets in favor of the Purchaser.

k. The Seller will provide the Purchaser with complete information concerning the operation of the Seller, including copies of all third party contracts, in order to put the Purchaser in a position to carry on in the place of the Seller to the extent contemplated hereunder.

l. The Seller will apply for and obtain all necessary consents and authorizations required under change of control clauses in any existing third party contracts which the Seller has entered into and which are intended to subsist after the Closing.

m. The Seller will apply for and obtain all necessary consents, authorizations and approvals required by government regulators or accreditors including but not limited to New York State Education Department Bureau of Proprietary School Supervision (NYSED BPSS), Federal Student Echange and Visitor Program (SEVP) and Accrediting Council for Continuing Education and Training (ACCET), in order to allow Purchaser to continue to operate the Assets in substantially similar fashion as operated by Seller.

n. Purchaser shall have obtained an acceptabe lease/occupancy agreement to occupy the second floor of 211 E. 43rd Street, New York, NY 10017 for at least six (6) months after the Closing Date.

Conditions Precedent Not Satisfied

22. If either Party fails to satisfy any of its conditions precedent as set out in this Agreement on or before the Closing Date and that condition precedent was not waived or cured on or before October 31, 2018, then this Agreement will be null and void and there will be no further liability as between the Parties.

Disclosure

23. Upon the reasonable request of the Purchaser, the Seller will, from time to time, allow the Purchaser and its agents, advisors, accountants, employees, or other representatives to have reasonable access to the premises of the Seller and to all of the books, records, documents, and accounts of the Seller, during normal business hours, between the date of this Agreement and the Closing Date, in order for the Purchaser to confirm the representations and warranties given by the Seller in this Agreement.

Employees

24. Seller and Purchaser shall cooperate to determine which employees of Seller will receive job offers from Purchaser.

Non-Assumption of Liabilities

25. It is understood and agreed between the Parties that the Purchaser is not assuming and will not be liable for any of the liabilities, debts or obligations of the Seller arising out of the ownership or operation of the Seller prior to and including the Closing Date, save and except for the Assumed Liabilities.

26. The Seller will indemnify and save harmless the Purchaser, its officers, directors, employees, agents and shareholders from and against all costs, expenses, losses, claims, and liabilities, including reasonable legal fees and disbursements, or demands for income, sales, excise or other taxes, suffered or incurred by the Purchaser or any of the above mentioned persons arising out of

the ownership or operation of the Seller prior to and including the Closing Date, save and except for the Assumed Liabilities.

Transfer of Third Party Contracts at Closing

27. No later than two (2) days following the Execution Date, Seller shall: (x) provide to Purchaser and file on the Bankruptcy Court docket a schedule (the "Contracts Schedule") setting forth (A) each contract, lease or real property lease to which any Seller is a party or by which any Seller is bound and that is used in, useful in or related to the Seller's business or any of the Assets, (B) all Cure Costs (if any) for each such contract, lease or real property lease and (C) a description of each such contract, lease or real property lease; and (y) send a notice to each counterparty for a contract, lease or real property lease on the Contracts Schedule setting forth the proposed Cure Costs (if any) for such contracts, leases, and real property lease (the "Cure Notice"). In the Cure Notice, Seller shall (x) set forth the procedures for the assumption and assignment of contracts, leases or real property leases, and (y) notify counterparties that their contracts, leases, or real property leases may be assumed or rejected as of the Closing Date.

28. No later than two (2) business days prior to the hearing scheduled on the motion for a Sale Approval Order, Purchaser shall, by delivering written notice to Seller, designate each contract, lease or real property lease on the Contracts Schedule as "Assumed," or "Rejected." Each contract, lease, or real property lease so designated as "Assumed" is referred to herein as an "Transferred Contract"; and each contract, lease, or real property lease so designated as "Rejected" is referred to herein as a "Rejected Contract". Prior to the Sale Hearing, Seller shall file a notice with the Bankruptcy Court setting forth the Transferred Contracts and the Rejected Contracts. The Transferred Contracts shall include, but shall not be limited to the following contracts:

    a. all outstanding and confirmed student agreements inclusive of education programs, enrollment agreements, and housing agreements for all New York, New York locations as of the Closing Date; and

    b. leases and agreements for New York student housing to include 230 E. 44th Street, New York, NY 10017.

29. Seller shall take all other actions necessary to cause all Transferred Contracts to be assumed by Seller and assigned to Purchaser, and all Rejected Contracts to be rejected by Seller, pursuant to

Bankruptcy Code section 365, provided that the only contracts, leases and real property leases to be actually assumed and assigned to Purchaser at Closing will be the Transferred Contracts.

30. The Seller shall fully cooperate with Purchaser and use its best efforts to assist Purchaser in entering into new contracts with third parties where the existing contracts are not legally assignable from the Seller to the Purchaser.

31. Notwithstanding any other provision in this Agreement to the contrary, the Seller will not be liable for any losses, costs or damages of any kind including loss of revenue or decrease in value of the Seller resulting from the failure of the Purchaser to acquire any third party contracts.

Notices

32. Any notices or deliveries required in the performance of this Agreement will be deemed completed when hand-delivered or delivered by agent, or the next day when sent by national overnight courier service, to the Parties at the addresses contained in this Agreement or as the Parties may later designate in writing; provided that a copy of any notice to Purchaser shall also be delivered to BES Inc., Attention: Legal Dept, 64 E. Midland Ave., Paramus, NJ 07652.

Expenses/Costs

33. The Parties agree to pay all their own costs and expenses in connection with this Agreement.

Severability

34. The Parties acknowledge that this Agreement is reasonable, valid, and enforceable; however, if any part of this Agreement is held by a court of competent jurisdiction to be invalid, it is the intent of the Parties that such provision be reduced in scope only to the extent deemed necessary to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected or invalidated as a result.

35. Where any provision in this Agreement is found to be unenforceable, the Purchaser and the Seller will then make reasonable efforts to replace the invalid or unenforceable provision with a valid and enforceable substitute provision, the effect of which is as close as possible to the intended effect of the original invalid or unenforceable provision.

Governing Law

36. This Agreement will be governed by and construed in accordance with the laws of the State of Delaware.

37. The courts of the State of Delaware will have jurisdiction to settle any dispute arising out of or in connection with this Agreement.

General Provisions

38. This Agreement contains all terms and conditions agreed to by the Parties. Statements or representations which may have been made by any Party to this Agreement in the negotiation stages of this Agreement may in some way be inconsistent with this final written Agreement. All such statements are declared to be of no value to either Party. Only the written terms of this Agreement will bind the Parties.

39. This Agreement may only be amended or modified by a written instrument executed by all of the Parties.

40. A waiver by one Party of any right or benefit provided in this Agreement does not infer or permit a further waiver of that right or benefit, nor does it infer or permit a waiver of any other right or benefit provided in this Agreement.

41. This Agreement will not be assigned either in whole or in part by any Party without the written consent of the other Party.

42. This Agreement will pass to the benefit of and be binding upon the Parties' respective heirs, executors, administrators, successors, and permitted assigns.

43. The clauses, paragraphs, and subparagraphs contained in this Agreement are intended to be read and construed independently of each other. If any part of this Agreement is held to be invalid, this invalidity will not affect the operation of any other part of this Agreement.

44. All of the rights, remedies and benefits provided in this Agreement will be cumulative and will not be exclusive of any other such rights, remedies and benefits allowed by law or equity.

45. Time is of the essence in this Agreement.

46. This Agreement may be executed in multiple counterparts.

47. Headings are inserted for the convenience of the Parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine gender include the feminine gender and vice versa. Words in the neuter gender include the masculine gender and the feminine gender and vice versa.

48. No provision of this Agreement is intended, nor shall it be interpreted, to provide or create any third party beneficiary rights or any other rights of any kind in any person or entity other than the Parties.

IN WITNESS WHEREOF the Parties have duly affixed their signatures under hand and seal as of the date first set forth above.

Wall Street Languages LTD d/b/a Rennert New York d/b/a Rennert International d/b/a Rennert Bilingual d/b/a Rennert Bilingual Translation Group d/b/a Rennert New York d/b/a Rennert Translation Group

*/s/ César Rennert*
César Rennert, President (Seller)

BERKELEY LANGUAGE SERVICES LLC

/s/ Kevin Leung
Kevin Leung, Managing Member (Purchaser)

CAREER SCHOOL ASSET PURCHASE AGREEMENT

THIS CAREER SCHOOL ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into as of this 18th day of September, 2018 (the "Execution Date"),

BETWEEN:

Wall Street Languages LTD d/b/a Rennert International d/b/a Rennert Bilingual d/b/a Rennert Bilingual Translation Group d/b/a Rennert New York d/b/a Rennert Translation Group
of 211 E. 43rd Street, New York, NY 10017
(the "Seller")

and

Berkeley Language Services LLC
of 3 E. 43rd Street, New York, NY 10017
(the "Purchaser")

BACKGROUND

A. The Seller is a corporation which operates a business that provides language programs in English and other foreign languages for academic, professional, cultural and social purposes, with a main office at 211 E. 43rd Street, New York, NY 10017.

B. The Seller owns and desires to sell, transfer and assign certain assets of its business (the "Assets"), to the Purchaser, and Purchaser desires to purchase, acquire and assume from Seller all of the Assets, on the terms and subject to the conditions and any exclusions set out in this Agreement.

C. The Seller is currently a debtor-in-posession, having filed on May 24, 2018 a voluntary petition under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York, Case No,. 18- 11581-SHL.

D. The Seller and the Purchaser are concurrently herewith entering into an ESL School Asset Purchase Agreement (the "ESL School Agreement") providing for the sale of the Seller's assets relating to its ESL School.

IN CONSIDERATION of the provisions contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which consideration is acknowledged, the Parties agree as follows:

<u>Definitions</u>

1. The following definitions apply in this Agreement:

   a. The "Assets" do not include any Excluded Assets and consist of the following assets relating to the Seller's licensed private career school ("<u>Career School</u>");

      i. all equipment, fixtures and furnishings used to provide instruction and support for students, faculty and administrators located at 211 E. 43rd Street, New York, NY 10017 or stored at Berkeley College's Newark campus located at 536 Broad Street, Newark, NJ 07102 ("Berkeley College's Newark Campus");

      ii. all prepaid student tuition, student deposits, and housing deposits of the Seller under contracts or agreements relating to enrolled students for courses and instruction to be held after the Closing Date, as well as all student accounts receivable, or deposits from students received related to the same students upon the Closing Date;

      iii. all books, records, curriculum, applications (including curriculum and/or program applications), administrative forms, media, digital media, intellectual property, digital content and files, relevant to operating the Seller's education programs, including, but not limited to, any intellectual property or other rights associated with Rennert New York;

      iv. title to registered or unregistered trade marks, copyrights, logos and trade names held by the Seller, including but not limited to "Rennert TESOL Center" and "Rennert International";

      v. websites including all electronic content for marketing programs, enrollment and services that support them including domains and content relevant to operating the Seller's education programs;

vi. email system to support New York staff and students;

vii. local and worldwide network and database of agencies and agents including full, unlimited, unrestricted, non-exclusive and perpetual usage rights of all marketing databases and agent databases relevant to operating the Seller's education programs;

viii. all textbooks and learning materials used to support New York operations relevant to operating the Seller's education programs;

ix. servers and computer assets to support all business systems, curriculum and websites relevant to operating the Seller's education programs;

x. Software and software licenses for office 365, and any/all software used to support New York education programs and Seller business operations related to assets acquired under this Agreement relevant to operating the Seller's education programs;

xi. usage rights for three years to all artwork at locations where a lease is assumed;

xii. any Transferred Contracts (defined below), including but not limited to:

1. all outstanding and confirmed student agreements inclusive of education programs, enrollment agreements, and housing agreements for all New York, New York locations as of the Closing Date;

2. Seller's rights under leases and agreements for New York student housing to include 230 E. 44th Street, New York, NY 10017; and

3. any further Transferred Contracts.

b. "Assumed Liabilities" means, subject to the terms and conditions set forth in this Agreement, as of the Closing, the following liabilities or obligations of Sellter related to the Assets acquired in respect of such Closing as applicable, and not others shall be assumed by Purchaser:

i. Deferred compensation not to exceed [$17,500] to cover outstanding payroll liability due to Eimear Harrison, which shall be paid no later than fifteen (15) days after Closing;

ii. Teachout and teaching obligations for all Seller's New York students for which Purchaser is authorized to teach following the Closing;

iii. refunds that may be due as required by policy guidance on transfers of ownership of licensed private career schools; and

iv. all liabilities of Seller under any Transferred Contracts (including all Cure Costs, to the extent provided herein), but such Cure Costs shall not exceed $12,000 in the aggregate.

c. "Closing" means the completion of the purchase and sale of the Assets as described in this Agreement by the payment of agreed consideration, and the transfer of the Assets upon the Closing Date.

d. "Cure Costs" means any and all amounts, costs or expenses that must be paid or actions or obligations that must be performed or satisfied pursuant to the Bankruptcy Code to effectuate the assumption by the Seller, and the assignment to Purchaser, of the Transferred Contracts, as determined by the Bankruptcy Court or agreed to by Seller and the non-Seller counterparty to the applicable Transferred Contract.

e. "Environmental Law" means any and all statutes, regulations, common laws or any other directives having force of law pertaining to protection of the environment including but not limited to all laws affecting the production, manufacture, storage, transport and disposal of Hazardous Materials.

f. "Excluded Assets" means assets that are owned by the Seller but do not form any part of the Assets for the purpose of this transaction. Excluded Assets will include the following:

i. The Purchase Price;

ii. Cash items held by the Seller including, but not limited to, cash, cash equivalents, cash bank balances; specifically excluding any cash, cash equivalents, and cash bank balances that are held by the Seller as student deposits, prepaid student tuition, and represent payments for services to students;

iii. Securities held by the Seller including, but not limited to, shares, notes, bonds, and debentures;

iv. records in the possession of the Seller relating to the excluded assets and corporate and financial records which are not related to the Assets or carrying on the activities of the Seller;

v. Plant, property and equipment at locations other than 211 E. 43rd Street, New York, NY 10017 or Berkeley College's Newark Campus; and

vi. Artwork at New York locations, which Artwork is owned by Cesar Rennert, not the Seller.

g. "Hazardous Material" means any material or substance of any description that could reasonably be expected to cause harm or damage to the health of humans or any other living organism.

h. "Parties" means both the Seller and the Purchaser and "Party" means any one of them.

i. "Sale Approval Date" shall mean the date the Bankruptcy Court having jurisdiction over Seller's Chapter 11 case enters an order approving this Agreement, which order shall be in the form and substance acceptable to the Purchaser in its sole and absolute discretion and shall, among other things, (a) approve (i) this Agreement and the execution, delivery, and performance by Seller of this Agreement and the other instruments and agreements contemplated hereby, (ii) the sale of the Assets to Purchaser free and clear of all liens and liabilities (other than Assumed Liabilities), (iii) the assumption of the Assumed Liabilities by Purchaser on the terms set forth herein and (iv) the assumption and assignment to Purchaser of the Transferred Contracts on the terms set forth herein; (b) determine that Purchaser is a good faith purchaser under 363(m) of the Bankruptcy Code and has provided adequate assurance of future performance with respect to the Transferred Contracts; and (c) providing that the Closing will occur in accordance with the terms and conditions hereof ("Sale Approval Order").

j. "Transferred Contracts" has the meaning set forth in section 28 of this Agreement.

Sale

2. Subject to the terms and conditions of this Agreement, and in reliance on the representations, warranties, and conditions set out in this Agreement, the Seller agrees to sell the Assets to the Purchaser and the Purchaser agrees to purchase the Assets from the Seller.

Purchase Price

3. The Parties agree that the Purchase Price will be $32,000 (thirty-two thousand) US dollars. Within five (5) days after Execution Date, the Purchaser shall pay a $10,000 deposit (the "Deposit") to DelBello, Donnellan, Weingarten, Wise & Wiederkehr, LLP as escrow agent ("Escrow Agent"). The Deposit shall be held by the Escrow Agent in the Escrow Agent's trust account pursuant to the terms the escrow agreement (a copy of which is annexed hereto as Exhibit A), and will not generate interest payable to either the Seller or the Purchaser. Subject to the terms of the Escrow Agreement, the Deposit shall be released as follows: (a) at the Closing, to the Seller, to be credited against the Purchase Price due from Purchaser to Seller; (b) upon the termination of this Agreement pursuant to an uncured breach of the Purchaser of its obligations under this Agreement, to the Seller, but only upon an Order of the Bankruptcy Court or with Purchaser's written consent; or (c) upon the termination of this Agreement pursuant to any other reason other than a material breach by Purchaser of its obligations under this Agreement, to the Purchaser. Upon release of the Deposit to Seller, Seller and its respective reepresentatives and affiliates will be deemed to have fully released and discharged Purchaser and its representatives and affiliates from any liability resulting from the termination of this Agreement, and neither Seller, its representatives or affiliates, nor any other person will have any other remedy or cause of action against Purchaser, its representatives or affiliates under or relating to this Agreement or any applicable Law, including for reimbursement of expenses. The release of the Deposit to Seller will constitute liquidated damages and be the sole and exclusive remedy of Seller, and its representatives and affiliates, whether at law or in equity, and upon the payment and delivery thereof to Seller, Seller and its respective representatives and affiliates will be deemed to have fully released and discharged Purchaser and its representatives and affiliates from any liability resulting from the termination of

this Agreement. In the event of a Closing, wherein the Deposit shall be credited to the Purchase Price, the remainder of the Purchase Price (i.e., $22,000) shall be paid at the Closing, with $2,000 of the Purchase Price to be paid to the Court-appointed Privacy Ombudsman. The Purchase Price shall be allocated upon Closing subject to required adjustments that are agreed upon by the Parties:

Business Equipment	$5,000
Outstanding sales orders and receivables	$5,000
Outstanding business contracts	$5,000
Books, records and files	$5,000
Trade marks and trade names	$5,000
All other Assets	$5,000
Privacy Ombudsman Fee	$2,000
Sub-Total	$32,000
Purchase Price	$32,000

The parties further agree that as additional consideration for the Assets, the Purchaser shall assume the Assumed Liabilities.

4. The Parties agree to co-operate in the filing of elections under the *Internal Revenue Code* and under any other applicable taxation legislation, in order to give the required or desired effect to the allocation of the Purchase Price.

Closing

5. The Closing of the purchase and sale of the Assets will take place at the offices of the Seller or at such other time and place as the Parties mutually agree upon on the later of (i) ten (10) days after the Sale Approval Date or (ii) the date on which all conditions precedent to Closing set forth in Sections 20 and 21 of this Agreement have been satisfied (the "Closing Date"); provided, that if all such conditions have not been satisfied or waived prior to October 31, 2018 through no fault of Purchaser, Purchaser may terminate this Agreement and shall have no further obligations to Seller.

6. At Closing, the Seller will deliver the Assets to the Purchaser in reasonably the same condition as on the Execution Date with ordinary wear and tear (as applicable) excepted, and free and clear of any liens, charges, rights of third parties, or any other encumbrances, except those attached as a result of the Purchaser's obligations or assumption of the Assumed Liabilites hereunder.

7. At Closing, the Seller will provide the Purchaser with duly executed forms and documents evidencing transfer of the Assets including, but not limited to, bills of sale, assignments, assurances, and consents. The Seller will also co-operate with the Purchaser as needed in order to effect the required registration, recording, and filing with public authorities of the transfer of ownership of the Assets to the Purchaser.

Closing Deliverables Relating to Approval by the NY State Education Department

8. Seller acknowledges that certain documentation, including, but not limited to documentation described below, is required for the approval of the transfer of the school License by the NY State Education Department, and therefore agree to cooperate fully with Purchaser to complete, provide and submit such, and any further, documentation required to affect the transfers contemplated by this Agreement:

   a. Notification of Transfer of Ownership Form (BPSS -1T) (attached to online application on submission);
   b. New School Application for Transfers and Application Fee (Online Application);
   c. Updated ownership documentation, including, but not limited to:
      i. Updated Stock Certificates;
      ii. Updated Secretary's Certificate;
   d. Purchase Contract and/or Certificate of Stock Sale[1];
   e. Documentation of the new owner's purchase of or permission to use the following items:
      i. Curriculum/Program Applications;
      ii. Equipment;
      iii. Administrative Forms & Enrollment Agreements;

[1] The original, executed sales or transfer agreement (an exact duplicate will suffice) that outlines the terms and conditions under which the equity or assets will be acquired. The agreement must contain the original signatures of all parties involved in the transfer.

f. Financial Documents Demonstrating Financial Viability[2];

g. Documentation demonstrating that the new owner has agreed to take responsibility for existing student records or an agreement with BPSS in accordance with Policy Guideline 40-1115;

h. Documentation of currently enrolled students, and showing that the new owner has agreed to fulfill the terms and conditions of any existing enrollment agreements;

i. Documentation demonstrating the new owner's agreement to pay any refunds that may be due;

j. Submission of administrative forms and enrollment agreements for the new school;

k. New agent, director, and curriculum applications;

l. A statement signed by all transferees who will succeed, after the transfer takes place, to a 10% interest or more in the school's equity or assets acknowledging that the transferee will settle any liabilities to students with respect to present and past refunds due or incurred, to the extent of the transferee's acquired share, due to a student complaint submitted within the statute of limitations;

m. Letter fixing the new owners' election regarding the payment of assessments

    i. The new owner, if unable to submit the school's yearly financial statements, may start operating as a new school with school's yearly financial reporting and assessment fees. If so, then:

        1. The new owner shall have until April 15 of the year following the approval of the new license to submit its required educational reports; and

        2. The new owner shall have until July 1 of the year following the approval of the new licenses to file its required financial documentation.

n. Schools choosing to continue with their current financial reporting requirements, will not be subject to paying any additional assessments under New York's Education Law § 5007(10)(d) beyond that of the previous ownership. However, this requirement also requires the new owner to continue to submit the school's yearly financial statements and statistics without interruption.

[2] A photocopy of the financial statement covering the school's most recent fiscal year as required by § 5001(4)(e) of the Education Law, and evidence regarding adequacy of resources detailed in 8 NYCRR § 126.8 of the Commissioner's Regulations. If the transfer or assignment occurs within an existing corporation, only the most recent financial statement is required.

o. Other documents that BPSS may reasonably require to determine whether to approve the transfer of the school's license.

Seller's Representations and Warranties

9. The Seller represents and warrants to the Purchaser that:

a. Subject to entry of the Sale Approval Order, the Seller has full legal power and authority to enter into this Agreement and all other agreements contemplated hereby to which it is a party and perform its obligations hereunder and thereunder.

b. The Seller is a corporation duly incorporated or continued, validly existing, and in good standing under the laws of the state of its incorporation and has all requisite authority to carry on business as currently conducted and is duly qualified or licensed to do business and in good standing in each jurisdiction where the character of its business or nature of its properties makes such qualification or licensing necessary.

c. The Seller has all necessary corporate power, authority and capacity to enter into this Agreement and to carry out its obligations. The execution and delivery of this Agreement, and this transaction has been duly authorized by all necessary corporate action on the part of the Seller.

d. Immediately prior to Closing, the Seller will have, and upon delivery to the Purchaser at Closing, will transfer to Purchaser, good and valid title, free and clear of any liens, charges, encumbrances or rights of others, or in the case of property leased by the Seller, a valid leasehold interest in, all of the Assets.

e. There is no pending or, to the knowldege of Seller, anticipated claim against the Assets or against the Seller's ownership or title in the Assets or against the Seller's right to dispose of the Assets which would materially adversely affect Seller's ability to close on the tranactions contemplated herein.

f. Subject to entry of the Sale Approval Order, no third party contract is outstanding that could result in a claim against or affecting the Assets in whole or in part after the Closing Date.

g. The Seller does not have any outstanding contracts, agreements, or commitments of any kind, written or oral, with any third party regarding the Assets, except for any material contracts described in, and/or attached to this Agreement. The Seller represents and warrants that no material default or breach exists with regard to any presently outstanding material contract which will materially affect the Seller's ability to close on the transactions contemplated herein.

h. Other than Seller's agreement with Belotti & Associados that is specifically excluded from liability transfer to the Purchaser under this agreement, there has been no act or omission by the Seller that would give rise to any valid claim relating to a brokerage commission, finder's fee or other similar payment.

i. The Seller is a resident of the United States for the purposes of the *Internal Revenue Code.*

j. The Seller is not bound by any written or oral pension plan or collective bargaining agreement or obligated to make any contributions under any retirement income plan, deferred profit sharing plan or similar plan, excluding the current IRA program that is the exclusive liability of the Seller.

k. The Seller will not dismiss any current employees to be hired by the Purchaser or hire any new employees, or substantially change the role or title of any existing employees, provide unscheduled or irregular increases in salary or benefits to employees, or institute any significant changes to the terms of any employee's employment, after signing this Agreement, unless the Purchaser provides written consent.

l. There are no claims threatened or pending against the Seller by any current or past employee relating to any matter arising from or relating to the employment of the employee, except an action alleging pre-petition employment related claims was filed on August 30, 2018, Elizabeth Lambacker v. Wall Street Languages, Ltd. S.D.N.Y., Case No. 1:18-cv-07940-VEC (the "Action"). Seller's counsel has made a demand of Plaintiff's counsel to withdraw the action as a violation of the automatic stay.

m. The Assets, while owned by the Seller, have been maintained at all times in accordance with standard industry practice. The Seller further warrants that all tangible assets are in as-is condition.

n. The Seller is operating in accordance with all applicable laws, rules, and regulations of the jurisdictions in which it is carried on. In compliance with such laws, the Seller has duly licensed, registered, or qualified the Seller with the appropriate authorities and agencies.

o. The Seller has not produced, manufactured, stored, transported or disposed of any Hazardous Materials of any kind and to the best knowledge of the Seller, no discharge, leakage or release of Hazardous Materials, whether accidental or otherwise, has occurred for which the Purchaser could ultimately become liable. There are no ongoing, pending, threatened or anticipated civil or criminal actions, enquiries or investigations with regard to the breach of any applicable Environmental Laws.

p. The Seller shall maintain insurance policies on the Assets up to the Closing Date and such policies are in full force and effect and of an adequate value as would be reasonable in its industry. The Seller has neither defaulted under these insurance policies, whether as a result of failure to pay premiums or due to any other cause, nor has the Seller failed to give notice or make a claim under these insurance policies in a timely manner.

q. The trademarks and trade names used in carrying on the business of the Seller are owned exclusively and validly by the Seller or its principals. The trademarks and trade names are duly registered with the appropriate public authorities in order that the rights associated with the trademarks and trade names are protected. To the knowledge of the Seller, there are no claims of infringement existing against the patents, trademarks, copyrights or any other trade names used by the Seller.

r. To the knowledge of Seller, the conduct of the Seller does not infringe on the patents, trademarks, trade names or copyrights, whether domestic or foreign, of any other person, firm or corporation.

s. The Seller owns or is licensed to use all necessary software and it can continue to use any and all computerized records, files and programs after the Closing Date in the same manner as before the Closing Date.

t. This Agreement has been duly executed and delivered by the Seller and, subject to and conditioned upon entry of the Sale Approval Order, constitutes a legal and binding obligation of the Seller, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy and insolvency, by other laws affecting the rights of creditors generally, and by equitable remedies granted by a court of competent jurisdiction.

u. That the current student census for enrolled students is approximately 7.

v. Unless otherwise agreed to by the parties hereto, all back rent, utilities and taxes payable for all assumed leases prior to the Closing Date are the responsibility of the Seller.

w. The Purchaser is not responsible for liabilities or obligations of the Seller unless expressly agreed to under this Agreement.

x. The execution and performance of this Agreement will not violate any other contract to which the Seller is a party.

10. For a period of twelve (12) months following the Closing Date, Seller, or its principal, will not (a) solicit any of Seller's prior customers or clients or (b) attempt to hire or otherwise engage any of Purchaser's employees.

11. The representations and warranties given in this Agreement are the only representations and warranties. No other representation or warranty, either expressed or implied, has been given by the Seller to the Purchaser, including, without limitation, any representations or warranties regarding the merchantability of the Assets or their fitness for a particular purpose.

12. The Seller warrants to the Purchaser that each of the representations and warranties made by it is accurate and not misleading as of the Closing Date. The Seller acknowledges that the Purchaser is entering into this Agreement in reliance on each representation and warranty.

13. Where the Purchaser has a claim against the Seller relating to one or more representations or warranties made by the Seller, the Seller will have no liability to the Purchaser unless the Purchaser provides notice in writing to the Seller containing full details of the claim on or before the third anniversary of the Closing Date.

14. Where the Purchaser has a claim against the Seller relating to one or more representations or warranties made by the Seller, and the Purchaser is entitled to recover damages from a third party then the amount of the claim against the Seller will be reduced by the recovered or recoverable

amount less all reasonable costs incurred by the Purchaser in recovering the amount from the third party.

Purchaser's Representations and Warranties

15. The Purchaser represents and warrants to the Seller the following:

    a. The Purchaser has full legal authority to enter into and exercise its obligations under this Agreement.

    b. The Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement, and this transaction has been duly authorized by all necessary corporate action on the part of the Purchaser.

    c. The Purchaser has funds available to pay the full Purchase Price and any expenses accumulated by the Purchaser in connection with this Agreement and the Purchaser has not incurred any obligation, commitment, restriction, or liability of any kind, absolute or contingent, present or future, which would adversely affect its ability to perform its obligations under this Agreement.

    d. Purchaser shall take responsibility for existing student records or will sign an agreement with BPSS in accordance with Policy Guideline 40-1115, and will comply with any additional measure required by the Privacy Policy Ombudsman to the extent ordered by the Bankruptcy Court.

    e. Purchaser shall fulfill the terms and conditions of any existing enrollment agreements.

    f. Purchaser shall pay any refunds that may be due as required by policy guidance on transfers of ownership of licensed private career schools;

    g. The Purchaser has not committed any act or omission that would give rise to any valid claim relating to a brokerage commission, finder's fee, or other similar payment.

h. The Purchaser is a resident of the United States for the purposes of the *Internal Revenue Code.*

i. This Agreement has been duly executed by the Purchaser and constitutes a legal and binding obligation of the Purchaser, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy and insolvency, by other laws affecting the rights of creditors generally, and by equitable remedies granted by a court of competent jurisdiction.

j. The Purchaser has no knowledge that any representation or warranty given by the Seller in this Agreement is inaccurate or false.

k. The Purchaser agrees to enter into a separate independent employment or consulting agreement with the President of the Seller on terms satisfactory to Purchaser in its sole and absolute discretion, including restrictive covenants.

l. The execution and performance of this Agreement will not violate any other contract to which the Purchaser is a party.

16. The representations and warranties given in this Agreement are the only representations and warranties. The Purchaser has given no other representation or warranty, either expressed or implied, to the Seller.

17. The Purchaser warrants to the Seller that each of the representations and warranties made by it is accurate and not misleading as of the Closing Date. The Purchaser acknowledges that the Seller is entering into this Agreement in reliance on each representation and warranty.

18. Where the Seller has a claim against the Purchaser relating to one or more representations and warranties made by the Purchaser, the Purchaser will have no liability to the Seller unless the Seller provides notice in writing to the Purchaser containing full details of the claim on or before the third anniversary of the Closing Date.

19. Where the Seller has a claim against the Purchaser relating to one or more representations or warranties made by the Purchaser, and the Seller is entitled to recover damages from a third party then the amount of the claim against the Purchaser will be reduced by the recovered or recoverable

amount less all reasonable costs incurred by the Seller in recovering the amount from the third party.

<u>Conditions Precedent to be Performed by the Purchaser</u>

20. The obligation of the Seller to complete the sale of the Assets under this Agreement is subject to the satisfaction of the following conditions precedent by the Purchaser, on or before the Closing Date, each of which is acknowledged to be for the exclusive benefit of the Seller and may be waived by the Seller entirely or in part:

    a. All of the representations and warranties made by the Purchaser in this Agreement will be true and accurate in all material respects on the Closing Date.

    b. The Purchaser will obtain or complete all forms, documents, consents, approvals, registrations, declarations, orders, and authorizations from any person or any governmental or public body, required of the Purchaser in connection with the execution of this Agreement.

    c. The Seller will receive a certificate from an officer of the Purchaser confirming to the best of their knowledge, information and belief (after due inquiry), the truth and correctness in all aspects of those representations and warranties given by the Purchaser in this Agreement.

<u>Conditions Precedent to be Performed by the Seller</u>

21. The obligation of the Purchaser to complete the purchase of the Assets under this Agreement is subject to the satisfaction of the following conditions precedent by the Seller, on or before the Closing Date, each of which is acknowledged to be for the exclusive benefit of the Purchaser and may be waived by the Purchaser entirely or in part:

    a. The closing of the transactions contemplated by the ESL School Agreement shall occur simultaneously herewith .

    b. All of the representations and warranties made by the Seller in this Agreement will be true and accurate in all material respects on the Closing Date.

c. The Seller will obtain and complete any and all forms, documents, consents, approvals, registrations, declarations, orders, and authorizations from any person or governmental or accreditation or public body that are required of the Seller for the proper execution of this Agreement and transfer of the Assets to the Purchaser.

d. The Bankruptcy Court (i) shall have entered the Sale Approval Order, and any other order necessary to close the sale of the Assets, all in form and substance satisfactory to the Purchaser in its sole and absolute discretion, which shall not be unreasonably withheld, at least two (2) days prior to the Closing Date, (ii) no order staying, reversing, modifying or amending such orders shall be in effect as of the Closing, and (iii) the Sale Approval Order shall not be subject to any challenge of Purchaser's good faith under section 363(m) of the Bankruptcy Code;

e. The change of ownership and transfer of the Career School, its certifications and licenses, to the Purchaser as contemplated by this Agreement shall have been approved by the New York State Education Department and any other required person or entity.

f. Seller shall had complied with sections 1113 and 1114 of the Bankruptcy Code, to the extent required by the Bankruptcy Code;

g. The Cure Costs required to be funded by Purchaser with respect to the Transferred Contracts, as approved by the Bankruptcy Court, shall not exceed $12,000 in the aggregate;

h. No substantial damage to or alteration of the Assets that would adversely affect their value will occur between the date this Agreement is signed and the Closing Date.

i. The Seller will make a good faith effort to secure any necessary consents for assigning any leases to the Purchaser as well as providing estoppel certificates from such owners or landlords that there are no arrears of rent or breaches under such leases that will be the responsibility of the Purchaser upon assignment and the amount of the security deposits held by such third parties not otherwise applied to Seller's arreears.

j. The Seller will execute and deliver bills of sale for the Assets in favor of the Purchaser.

k. The Seller will provide the Purchaser with complete information concerning the operation of the Seller, including copies of all third party contracts, in order to put the Purchaser in a position to carry on in the place of the Seller to the extent contemplated hereunder.

l. The Seller will apply for and obtain all necessary consents and authorizations required under change of control clauses in any existing third party contracts which the Seller has entered into and which are intended to subsist after the Closing.

m. The Seller will apply for and obtain all necessary consents, authorizations and approvals required by government regulators or accreditors including but not limited to New York State Education Department Bureau of Proprietary School Supervision (NYSED BPSS), Federal Student Echange and Visitor Program (SEVP) and Accrediting Council for Continuing Education and Training (ACCET), in order to allow Purchaser to continue to operate the Assets in substantially similar fashion as operated by Seller.

n. Purchaser shall have obtained an acceptabe lease/occupancy agreement to occupy the second floor of 211 E. 43rd Street, New York, NY 10017 for at least six (6) months after the Closing Date.

Conditions Precedent Not Satisfied

22. If either Party fails to satisfy any of its conditions precedent as set out in this Agreement on or before the Closing Date and that condition precedent was not waived or cured on or before October 31, 2018, then this Agreement will be null and void and there will be no further liability as between the Parties.

Disclosure

23. Upon the reasonable request of the Purchaser, the Seller will, from time to time, allow the Purchaser and its agents, advisors, accountants, employees, or other representatives to have reasonable access to the premises of the Seller and to all of the books, records, documents, and accounts of the Seller, during normal business hours, between the date of this Agreement and the Closing Date, in order for the Purchaser to confirm the representations and warranties given by the Seller in this Agreement.

Employees

24. Seller and Purchaser shall cooperate to determine which employees of Seller will receive job offers from Purchaser.

Non-Assumption of Liabilities

25. It is understood and agreed between the Parties that the Purchaser is not assuming and will not be liable for any of the liabilities, debts or obligations of the Seller arising out of the ownership or operation of the Seller prior to and including the Closing Date, save and except for the Assumed Liabilities.

26. The Seller will indemnify and save harmless the Purchaser, its officers, directors, employees, agents and shareholders from and against all costs, expenses, losses, claims, and liabilities, including reasonable legal fees and disbursements, or demands for income, sales, excise or other taxes, suffered or incurred by the Purchaser or any of the above mentioned persons arising out of the ownership or operation of the Seller prior to and including the Closing Date, save and except for the Assumed Liabilities.

Transfer of Third Party Contracts at Closing

27. No later than two (2) days following the Execution Date, Seller shall: (x) provide to Purchaser and file on the Bankruptcy Court docket a schedule (the "Contracts Schedule") setting forth (A) each contract, lease or real property lease to which any Seller is a party or by which any Seller is bound and that is used in, useful in or related to the Seller's business or any of the Assets, (B) all Cure Costs (if any) for each such contract, lease or real property lease and (C) a description of each such contract, lease or real property lease; and (y) send a notice to each counterparty for a contract, lease or real property lease on the Contracts Schedule setting forth the proposed Cure Costs (if any) for such contracts, leases, and real property lease (the "Cure Notice"). In the Cure Notice, Seller shall (x) set forth the procedures for the assumption and assignment of contracts, leases or real property leases, and (y) notify counterparties that their contracts, leases, or real property leases may be assumed or rejected as of the Closing Date.

28. No later than two (2) business days prior to the hearing scheduled on the motion for a Sale Approval Order, Purchaser shall, by delivering written notice to Seller, designate each contract,

lease or real property lease on the Contracts Schedule as "Assumed," or "Rejected." Each contract, lease, or real property lease so designated as "Assumed" is referred to herein as an "Transferred Contract"; and each contract, lease, or real property lease so designated as "Rejected" is referred to herein as a "Rejected Contract". Prior to the Sale Hearing, Seller shall file a notice with the Bankruptcy Court setting forth the Transferred Contracts and the Rejected Contracts. The Transferred Contracts shall include, but shall not be limited to the following contracts:

a. all outstanding and confirmed student agreements inclusive of education programs, enrollment agreements, and housing agreements for all New York, New York locations as of the Closing Date; and

b. leases and agreements for New York student housing to include 230 E. 44th Street, New York, NY 10017.

29. Seller shall take all other actions necessary to cause all Transferred Contracts to be assumed by Seller and assigned to Purchaser, and all Rejected Contracts to be rejected by Seller, pursuant to Bankruptcy Code section 365, provided that the only contracts, leases and real property leases to be actually assumed and assigned to Purchaser at Closing will be the Transferred Contracts.

30. The Seller shall fully cooperate with Purchaser and use its best efforts to assist Purchaser in entering into new contracts with third parties where the existing contracts are not legally assignable from the Seller to the Purchaser.

31. Notwithstanding any other provision in this Agreement to the contrary, the Seller will not be liable for any losses, costs or damages of any kind including loss of revenue or decrease in value of the Seller resulting from the failure of the Purchaser to acquire any third party contracts.

Notices

32. Any notices or deliveries required in the performance of this Agreement will be deemed completed when hand-delivered or delivered by agent, or the next day when sent by national overnight courier service, to the Parties at the addresses contained in this Agreement or as the Parties may later designate in writing; provided that a copy of any notice to Purchaser shall also be delivered to BES Inc., Attention: Legal Dept, 64 E. Midland Ave., Paramus, NJ 07652.

Expenses/Costs

33. The Parties agree to pay all their own costs and expenses in connection with this Agreement.

Severability

34. The Parties acknowledge that this Agreement is reasonable, valid, and enforceable; however, if any part of this Agreement is held by a court of competent jurisdiction to be invalid, it is the intent of the Parties that such provision be reduced in scope only to the extent deemed necessary to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected or invalidated as a result.

35. Where any provision in this Agreement is found to be unenforceable, the Purchaser and the Seller will then make reasonable efforts to replace the invalid or unenforceable provision with a valid and enforceable substitute provision, the effect of which is as close as possible to the intended effect of the original invalid or unenforceable provision.

Governing Law

36. This Agreement will be governed by and construed in accordance with the laws of the State of Delaware.

37. The courts of the State of Delaware will have jurisdiction to settle any dispute arising out of or in connection with this Agreement.

General Provisions

38. This Agreement contains all terms and conditions agreed to by the Parties. Statements or representations which may have been made by any Party to this Agreement in the negotiation stages of this Agreement may in some way be inconsistent with this final written Agreement. All such statements are declared to be of no value to either Party. Only the written terms of this Agreement will bind the Parties.

39. This Agreement may only be amended or modified by a written instrument executed by all of the Parties.

40. A waiver by one Party of any right or benefit provided in this Agreement does not infer or permit a further waiver of that right or benefit, nor does it infer or permit a waiver of any other right or benefit provided in this Agreement.

41. This Agreement will not be assigned either in whole or in part by any Party without the written consent of the other Party.

42. This Agreement will pass to the benefit of and be binding upon the Parties' respective heirs, executors, administrators, successors, and permitted assigns.

43. The clauses, paragraphs, and subparagraphs contained in this Agreement are intended to be read and construed independently of each other. If any part of this Agreement is held to be invalid, this invalidity will not affect the operation of any other part of this Agreement.

44. All of the rights, remedies and benefits provided in this Agreement will be cumulative and will not be exclusive of any other such rights, remedies and benefits allowed by law or equity.

45. Time is of the essence in this Agreement.

46. This Agreement may be executed in multiple counterparts.

47. Headings are inserted for the convenience of the Parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine gender include the feminine gender and vice versa. Words in the neuter gender include the masculine gender and the feminine gender and vice versa.

48. No provision of this Agreement is intended, nor shall it be interpreted, to provide or create any third party beneficiary rights or any other rights of any kind in any person or entity other than the Parties.

IN WITNESS WHEREOF the Parties have duly affixed their signatures under hand and seal as of the date first set forth above.

Wall Street Languages LTD d/b/a Rennert TESOL Center d/b/a Rennert International d/b/a Rennert Bilingual d/b/a Rennert Bilingual Translation Group d/b/a Rennert New York d/b/a Rennert Translation Group

/s/ César Rennert
César Rennert, President
(Seller)

BERKELEY LANGUAGE SERVICES LLC

/s/ Kevin Leung
Kevin Leung, Managing Member
(Purchaser)

SERVICES AGREEMENT

This Services Agreement ("Agreement") made among **Ricardo Belotti Consultoria Empresarial Ltda.**, ("B&A"), a Limited Liability Corporation organized under the laws of São Paulo, SP, Brazil with a principal place of business at Rua: Ferreira de Araújo, 221 cj 82, São Paulo, SP, Brazil and **Wall Street Languages Ltd.** dba Rennert International and affiliates and its controlling shareholders and or owners (collectively "Client"), collectively deemed to have their principal place of business at 211 E 43rd Street, 19th Floor New York, N.Y. 10017.

WITNESSETH:

B&A provides merger and acquisition consulting services;

Client desires to engage B&A to search for and identify one or more possible Acquirers, as defined below, for its business (the "Business") and to provide general consulting services in connection with a Transaction as defined below; and

B&A is willing to provide these services, on the terms and conditions hereafter set forth.

The parties agree as follows:

1. **Best Efforts.** B&A agrees to use its best efforts during the term of this Agreement to search for and identify potential Acquirers for a Transaction or Transactions, including some or all of the services specified below ("Services"):

(a) Prepare a descriptive selling memorandum about the Client, write a one page descriptive summary about the Client; (b) research potential Acquirers; (c) mail the one page summary to potential Acquirers; call potential Acquirers; (d) screen potential Acquirers; (e) execute confidentiality agreements; (f) distribute memorandums to potential Acquirers; (g) conduct conference calls and meetings with potential Acquirers; (h) coordinate as necessary with Client's other professionals and provide general consulting services to the Client in connection with a sale, merger, or other business combination. Client will cooperate with B&A in carrying out the purpose of this Agreement, including referring immediately to B&A all inquiries regarding the availability of the Business for a merger or

CONTRATO DE PRESTAÇÃO DE SERVIÇOS

O presente Contrato de Prestação de Serviços ("Contrato") celebrado em entre a **RICARDO BELOTTI CONSULTORIA EMPRESARIAL LTDA.**, ("B&A"), com sede social na Rua Ferreira de Araújo, 221, Pinheiros - São Paulo, SP - 05428-000, inscrita no CNPJ Nº 60.400.843/0001-07 e **Wall Street Languages Ltd.**, nome fantasia Rennert International, e suas subsidiárias e seus acionistas, coletivamente denominados "Cliente", estabelecida em 211 E 43rd Street, 19th Floor New York, N.Y. 10017.

FICA ESTABELECIDO NESTE ATO:

A B&A presta serviços de consultoria de fusão e aquisição;

O Cliente deseja contratar a B&A para prestação de serviços de assessoria na busca e identificação de um ou mais de um possível Comprador, conforme definido abaixo, para seus negócios (os "Negócios") e prestar serviços gerais de consultoria em relação a uma Transação, conforme definida abaixo; e

A B&A deseja prestar os referidos serviços, de acordo os termos e condições doravante estabelecidos.

As partes têm entre si, justo e contratado, o quanto segue:

1. **Melhores Esforços.** A B&A concorda em envidar seus melhores esforços durante o prazo do presente Contrato para buscar e identificar Compradores potenciais para Transação(ões), incluindo alguns ou todos os serviços especificados abaixo ("Serviços"):

(a) Elaborar um memorando de venda descritivo sobre o Cliente; (b) escrever um resumo descritivo com uma página sobre o Cliente; (c) contatar Compradores potenciais, desde que aprovados pelo Cliente; (d) realizar a triagem de Compradores potenciais; (e) assinar contratos de confidencialidade; (f) distribuir memorando para Compradores potenciais, desde que aprovados pelo Cliente; (g) conduzir chamadas de conferência e reuniões com Compradores potenciais; (h) coordenar, conforme for o necessário, com outros profissionais do Cliente e prestar serviços gerais de consultoria ao Cliente em relação a uma venda, fusão ou outra combinação de negócios. O Cliente cooperará com a B&A na realização do propósito do presente Contrato, inclusive informando acquisition.

The Client will review and shall approve the selling memorandum and one page summary prior to B&A using such materials. Client understands that B&A makes no representations or warranties about any Acquirer or any representations or warranties other than what is contained herein.

For the purposes of this Agreement the term "Transaction" means the following without regard to the Acquirer being an unrelated party or a related party, including an existing owner, management member, or employee: (i) a sale, exchange, purchase, trade, lease, or any combination thereof, of all or part of the stock and/or assets of the Business; (ii) a merger or consolidation involving the Business; (iii) a franchise of, license of, management of, joint venture with or distributorship arrangement with, the Business.

For the purposes of this Agreement an "Acquirer" includes any person including the current principals, firm or corporation entering or proposing to enter into a Transaction, whether or not as a principal or on behalf of some other person, firm or corporation.

If the Transaction is deemed a security transaction, then the engagement will be transferred to a B&A Partner Firm, whose company name and details will be provided by B&A. The B&A Partner Firm will then provide the remaining services under this Agreement and any Closing Fee as well as all Engagement fess due after transfer that are due under this Agreement will be paid to the indicated B&A Partner Firm.

2. Exclusive Representative. Client agrees that during the term of this Agreement B&A shall be your exclusive representative in contacting potential Acquirers. During the term of this Agreement Client will refer all potential Acquirers to B&A and such parties will be subject to this Agreement. Client understands and agrees that the exclusive right to sale means that even if Client or any other person finds an Acquirer, Client must still pay to B&A the full amount of B&A's Closing Fee.

3. Disclosures. Client will furnish, or cause to be furnished, to B&A such information as B&A believes appropriate to its engagement hereunder (all such information, the "Information"), and the

imediatamente à B&A todas as dúvidas em relação à disponibilidade dos Negócios para uma fusão ou aquisição.

O Cliente irá revisar e deverá aprovar o memorando de venda, o resumo com uma página e o potencial comprador, antes que a B&A utilize os referidos materiais. O Cliente compreende que a B&A não realiza quaisquer representações ou garantias em relação a qualquer Comprador ou quaisquer representações ou garantias, exceto aquelas contidas no presente instrumento.

Para os propósitos do presente Contrato, o termo "Transação" significa o quanto segue: (i) venda, permuta, compra, comercialização, arrendamento ou qualquer combinação concernente, no todo ou em parte, das ações e/ou ativos dos Negócios; (ii) fusão ou consolidação envolvendo os Negócios; (iii) franquia, licença, administração, *joint venture* ou acordo de distribuição em relação aos Negócios.

Para os propósitos do presente Contrato, o "Comprador" inclui qualquer pessoa, inclusive diretores atuais, firma ou sociedade que celebrar ou propor a celebração de uma Transação, na qualidade ou não de diretor ou em nome de alguma outra pessoa, firma ou sociedade.

Caso a Transação seja classificada como uma transação de títulos, esse acordo será então transferido para uma empresa Parceira B&A, cujos nomes e detalhes serão providos pela B&A. A Parceira B&A fornecerá os serviços remanescentes dentro desse contrato e qualquer Taxa de Fechamento ou qualquer Taxa de Contratação após a transferência desse contrato será paga para a Parceira B&A indicada.

2. Representação Exclusiva. O Cliente concorda que durante o prazo do presente Contrato, a B&A deverá ser sua representante exclusiva para contatar Compradores potenciais. Durante o prazo do presente Contrato, o Cliente irá mencionar todos os Compradores potenciais para a B&A e as referidas partes estão sujeitas ao presente Contrato. O Cliente compreende e concorda que o direito de venda exclusivo significa que, mesmo se o Cliente ou qualquer outra pessoa encontrar um Comprador, o Cliente ainda deve pagar à B&A o valor integral da Taxa de Fechamento da B&A.

3. Divulgações. O Cliente irá fornecer ou providenciar o fornecimento das referidas informações que a B&A julgue apropriadas para sua contratação sob o presente instrumento (todas as referidas ações, as "Informações"), e o Cliente representa que todas as referidas

Client represents that all such Information will be accurate and complete in all material respects. B&A may rely on the accuracy and completeness of the Information without independent verification. It is specifically understood that B&A has not made, and will not make, any physical inspection of the properties or assets of Client or any potential Acquirer. With respect to any financial forecasts that may be furnished to or discussed with B&A by Client or any potential Acquirer, B&A will assume that they have been reasonably prepared and reflect the best then currently available estimates and judgments of Client's or such potential Acquirer's management as to the expected future financial performance of the Client or such potential Acquirer. Client will notify B&A promptly of any material change in any Information previously made available to B&A by the Client or any potential Acquirer that becomes known to Client.

Informações serão precisas e completas em todos os aspectos materiais. A B&A poderá confiar na precisão e inteireza das Informações sem verificação independente. Fica especificamente compreendido que a B&A não realizou, e não irá realizar qualquer inspeção física nas propriedades ou ativos do Cliente. A B&A fará uma triagem prévia quanto à higidez financeira do potencial comprador, sem qualquer garantia de resultado ou de solvabilidade. Em relação a quaisquer previsões financeiras que possam ser fornecidas ou discutidas com a B&A pelo Cliente ou qualquer Comprador potencial, a B&A irá assumir que as referidas previsões foram razoavelmente elaboradas e refletem as melhores estimativas e opiniões atualmente disponíveis da administração do Cliente ou do referido Comprador potencial em relação ao desempenho financeiro futuro previsto do Cliente ou do referido Comprador potencial. O Cliente irá imediatamente notificar a B&A em relação a qualquer alteração material de qualquer Informação previamente disponibilizada à B&A pelo Cliente ou qualquer Comprador potencial que o Cliente tenha conhecimento.

4. Consultant. Client agrees that B&A has been retained to act solely as a consultant to Client, and not as a consultant to or agent of any other person and that Client's engagement of B&A is not intended to confer rights upon any person not a party hereto as against B&A. B&A, as an independent contractor under this letter Agreement, shall not assume the responsibilities of a fiduciary to Client or its stockholders in connection with the performance of B&A's services hereunder, and any duties arising out of this engagement shall be owed solely to Client and B&A.

4. Consultora. O Cliente concorda que a B&A tenha sido contratada para atuar exclusivamente na qualidade de Consultora para o Cliente. A B&A se obriga a não atuar como consultora ou agente de qualquer outra pessoa participante do negócio, direta ou indiretamente. A contratação da B&A por parte do Cliente não pretende conferir direitos a qualquer pessoa que não seja uma parte contratante em relação à B&A. A B&A, na qualidade de contratada independente sob o presente Contrato, não deverá assumir as responsabilidades de uma fiduciária em relação ao Cliente ou seus quotistas em relação à prestação dos serviços da B&A sob o presente instrumento, e quaisquer obrigações decorrentes da presente contratação deverão ser exclusivamente devidas em relação ao Cliente e a B&A.

5. Compensation. Client agrees that B&A shall receive the following:

(a) Monthly Engagement Fee and Expenses. Upon execution of this Agreement, Client has paid B&A a non-refundable Monthly Engagement Fee of USD $8,000.00, the first payment should be paid upon signature of this Agreement and next payments will be due on the first day of every month following until the termination of this Agreement. Client agrees that it will promptly pay B&A reasonable travel expenses incurred by B&A to attend meetings with potential Acquirers and Client.

5. Remuneração. O Cliente concorda que a B&A deverá receber o quanto segue:

(a) Taxa de Contratação e Despesas. Mediante a assinatura do presente Contrato, o Cliente pagará à B&A uma Taxa de Contratação e despesas não reembolsável no valor de USD$ 8.000,00 (oito mil reais), o primeiro pagamento será devido na assinatura desse Contrato e os pagamentos seguintes serão devidos no primeiro dia dos meses seguintes até o Termino do Contrato. O Cliente concorda que irá imediatamente pagar à B&A despesas razoáveis de viagem incorridas pela B&A para comparecer

(b) Closing Fee. In the event any Acquirer and Client enter into a definitive agreement to complete a Transaction during the term of this Agreement, and the subject Transaction is ultimately consummated, a Closing Fee (as defined hereafter) for its services hereunder shall be payable to B&A by Client. The "Closing Fee" shall be calculated, based upon Exhibit A, attached hereto, as a percentage of the total Consideration (as defined hereafter) payable to Client or its shareholders or owners in connection with the Transaction. B&A agrees and acknowledges that Client shall retain the sole and exclusive right and discretion to make any final decision regarding the consummation of any Transaction ("Closing"). The Closing Fee to B&A hereunder shall not be payable unless and until the Closing of the applicable Transaction. The Closing Fee shall be payable at Closing via bank wire transfer of immediately available funds.

às reuniões com Compradores potenciais e o Cliente, desde que previamente consultadas pelo Cliente, do qual deverá obter autorização formal para realizá-las.

(b) Taxa de Fechamento. Se qualquer Comprador e o Cliente celebrarem um contrato definitivo para concluir uma Transação durante o prazo do presente Contrato, e se a referida Transação for, por fim, consumada, uma Taxa de Fechamento (conforme doravante definida) por seus serviços sob o presente instrumento deverá ser pagável à B&A pelo Cliente. A "Taxa de Fechamento" deverá ser calculada, com base no Anexo A do presente instrumento, como uma porcentagem sobre o total da transação (conforme doravante definida) pagável ao Cliente ou seus sócios ou proprietários em relação à Transação. A B&A concorda e reconhece que o Cliente deverá possuir o direito e critério único e exclusivo de realizar a decisão final em relação à consumação de qualquer Transação ("Fechamento"). A Taxa de Fechamento à B&A sob o presente instrumento, deverá ser paga somente no Fechamento da Transação. A Taxa de Fechamento deverá ser paga no prazo de 5 (cinco) dias úteis após o Fechamento mediante transferência bancária de fundos imediatamente disponíveis, na proporção do valor recebido a título de preço.

6. Term, Termination Rights and Survival.

a. The term of this Agreement shall be for a period of one (1) month from the date first set forth above and shall continue thereafter until terminated by either party on not less than thirty (30) days prior written notice to the other. If it is breached, this Agreement may be terminated at any time immediately by the non-breaching party on notice to the other. In the event of termination, all compensation and expense reimbursements due and payable by Client shall be immediately paid.

b. If a Closing of a Transaction occurs within eighteen (18) months after the termination of this Agreement and the acquirer closing the Transaction was engaged in discussions regarding a potential Transaction with Client or was introduced to Client by B&A during the term of this Agreement, then Client shall pay a Closing Fee to B&A in accordance with the provisions of this Agreement even though this Agreement had terminated. Client agrees to fully disclose the existence of this Agreement and the right of B&A to receive a Closing Fee as part of the documentation connected with any Transaction and to make arrangements at Closing to have the B&A Closing Fee paid to B&A simultaneous with the Closing.

6. Prazo, Direitos de Rescisão e Subsistência.

a. O prazo do presente Contrato deverá ser de 01 (um) mês a partir da assinatura do contrato, posteriormente, deverá continuar até que seja rescindido por qualquer parte com, no mínimo, 30 (trinta) dias de antecedência à outra parte. Se for quebrado, o presente Contrato poderá ser a imediatamente rescindido a qualquer momento pela parte adimplente mediante aviso à outra parte. No evento de rescisão, todos os reembolsos de remuneração e despesas devidos e pagáveis pelo Cliente deverão ser imediatamente pagos.

b. Se um Fechamento de uma Transação ocorrer no prazo de 18 (dezoito) meses após a rescisão do presente Contrato e se o Comprador que encerrar a Transação estiver empenhado em discussões em relação a uma Transação potencial com o Cliente ou tenha sido apresentado ao Cliente pela B&A durante o prazo do presente Contrato, então o Cliente deverá pagar uma Taxa de Fechamento à B&A de acordo com as disposições do presente Contrato, mesmo se o presente Contrato tiver rescindido. O Cliente concorda em divulgar, de forma integral, a existência do presente Contrato e o direito da B&A de receber uma Taxa de Fechamento como

c. Sections 3, 6b and 7 through 10 shall survive termination of this Agreement.

parte da documentação relacionada a qualquer Transação e a realizar acordos no Fechamento para que a Taxa de Fechamento da B&A seja paga à B&A de forma proporcional e subsequente ao Fechamento.

c. As Seções 3, 6b e 7 a 10 deverão subsistir à rescisão do presente Contrato.

7. Entire Agreement, etc. This Agreement constitutes the entire agreement between the parties and supersedes any prior agreements, oral and written. It may not be modified except in writing signed by both parties. It may not be assigned by Client without the consent of B&A. Interpretation and enforcement shall be governed by the laws of the City of São Paulo and the State of São Paulo, Brazil. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective personal representatives, successors and legal assigns. This Agreement shall be legally binding with signatures received by telecopier. Client hereby acknowledges that Client has read this Agreement and has received a copy of it. In the event of any dispute over the interpretation or operation of this Agreement which cannot be resolved by mediation, the parties agree to submit the dispute to arbitration at the Tribunal de Arbitragem da Câmara de Comércio Brasil-Canadá and to accept the award of the arbitrators as final and binding.

7. Acordo Integral, etc. O presente Contrato constitui o acordo integral entre as partes e substitui quaisquer contratos anteriores, verbais ou escritos. O presente instrumento não poderá ser modificado, exceto em instrumento por escrito assinado por ambas as partes. O presente instrumento não poderá ser cedido por quaisquer das partes, sem o prévio e expresso consentimento da B&A. O presente contrato é regido e interpretado pelas leis da Cidade de São Paulo e do Estado de São Paulo, Brasil. O presente Contrato deverá ser vinculante e deverá vigorar em benefício das partes contratantes e seus respectivos representantes pessoais, sucessores e cessionários legais. O presente Contrato deverá ser legalmente vinculante com assinaturas recebidas por telecópia. O Cliente, neste ato, reconhece que ter lido o presente Contrato e ter recebido uma cópia. Qualquer reivindicação, controvérsia ou litígio originado do presente Contrato ou relacionado a ele deverá ser resolvido amigavelmente pelas Partes, observando os princípios de boa-fé, e, caso não seja possível, deverá ser resolvido por arbitragem, de acordo com as Normas de Arbitragem do Tribunal de Arbitragem da Câmara de Comércio Brasil-Canadá em vigor na presente data.

8. Headings, etc. Headings are for convenience only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. All notices, demands and other communications hereunder shall be in writing and shall be deemed given if delivered personally (including delivery by any nationally recognized overnight delivery service) or three days after deposited in the mail, certified, return receipt requested, postage prepaid, to the parties at the addresses set forth at the beginning of this Agreement, or at such other address a party shall specify by like notice to the other parties. If a dispute arises between B&A and Client under this Agreement and a proceeding ensues then the prevailing party in such proceeding will be entitled to full reimbursement of reasonable attorney or other

8. Considerações gerais. Os títulos são apenas por conveniência e não devem afetar de forma alguma o significado ou a interpretação deste Contrato. Este Contrato pode ser executado em múltiplas contrapartes, cada uma das quais será considerada original, mas todas as quais em conjunto constituirão um e o mesmo instrumento. Todos os avisos, demandas e outras comunicações a seguir devem ser por escrito e serão considerados entregues pessoalmente (incluindo a entrega por qualquer serviço de entrega no dia a dia reconhecido nacionalmente) ou três dias após depositado no correio, certificado, recibo de devolução solicitado, frete postal pré-pago às partes nos endereços indicados no início deste Contrato, ou em qualquer outro endereço que uma parte especifique por aviso prévio às outras partes. Se surgir uma disputa entre B & A e Cliente de fees by the losing party.

acordo com este Contrato e um processo prosseguir, a parte prevalecente em tal processo terá direito a reembolso total de advogado razoável ou outras taxas pela parte perdedora.

The English version of this Agreement prevails over its Portuguese translation.

A versão em inglês desse contrato prevalece sobre a sua tradução em português.

IN WITNESS WHEREOF, the parties have hereunto set their hands pursuant to due authority as of the date set forth below.

E, POR ESTAREM ASSIM, JUSTAS E CONTRATADAS, as partes firmam o presente instrumento na data estabelecida abaixo.

Date: June 27th, 2017

Ricardo Belotti Consultoria Empresarial Ltda.

By: ______________________

Its: Main owner

AGREED TO AND ACCEPTED:

Wall Street Languages Ltd.

By:______________________

Mikael Poulsen, VP Finance on behalf of César Rennert, President

EXHIBIT A - CALCULATION OF CLOSING FEE	ANEXO A - CÁLCULO DE TAXA DE FECHAMENTO
Fee Amount:	**Valor da Taxa:**
If the Acquirer was originated by the Client, the Closing Fee will be 3% of Consideration;	Caso o Comprador for originado pelo Cliente a Taxa de Fechamento será de 3% (três por cento) sobre o valor da transação;
If the Acquirer was originated by B&A, the Closing Fee will be 5% of Consideration;	Caso o Comprador for originado pela B&A a Taxa de Fechamento será de 5% (cinco por cento) sobre o valor da transação;
In all circumstances the Minimum Closing Fee is USD $150,000.00.	Em qualquer circunstancia a Taxa Mínima de Fechamento será de USD $150.000,00 (cento e cinquenta mil reais).
It is understood that origination is owned to the entity, either Client or B&A, who first obtains the contact details of a key decision maker within the Acquirer's organization.	Fica entendido que a originação será determinada pela entidade, seja o Cliente ou a B&A, que primeiramente obtém os detalhes de contatos de um tomador de decisão dentro da organização do Comprador.
The total amount paid in Monthly Engagement Fees over the course of the Agreement will be deducted of the Closing Fee if and when its due. This mechanism does not generate any payable from B&A to Client in case the total Monthly Engagement Fees over the course of the Agreement are larger than the Closing Fee.	O valor total pago em Taxa de Contratação pela duração do Contrato será deduzido da Taxa de Fechamento se e quando for devida. Esse mecanismo não gerará qualquer dívida da B&A para o Cliente no caso do total da Taxa de Contratação seja maior do que a Taxa de Fechamento.
Consideration:	**Considerações**:
For the purpose of this Agreement "Consideration" shall include all payments made by an Acquirer to, or for the benefit of, Client, owners of Client or its or their designee(s) at any time, however structured, whether payable at the closing or deferred or contingent, including such elements as may be designated as purchase price for assets or stock, covenants not to compete, management or consulting fees and performance incentives or other such covenants. All payments described above shall be deemed "Consideration" without regard to form, including, but not limited to, cash, notes, financial instruments, securities, or other assets provided by an acquirer(s), retention of partial ownership, retention of operating assets and assumption of debt (excluding normal operating liabilities) in either a stock or asset transaction or any other similar arrangements. Consideration will be reduced by any operating liability retained by the Client.	Para o propósito do presente Contrato, "a transação" deverá incluir todos os pagamentos efetuados por um Comprador para, ou em benefício do Cliente, detentores do Cliente ou a(s) pessoa(s) designada(s) do Cliente, a qualquer momento, estruturada de qualquer modo, pagáveis no fechamento, diferidos ou contingentes, incluindo os referidos elementos, conforme possam ser designados como preço de compra para ações, investimentos no Cliente, acordos de não concorrência, taxas de administração ou consultoria e incentivos de desempenho ou outros referidos acordos. Todos os pagamentos descritos acima deverão ser considerados parte da "transação", sem considerar a forma, incluindo, entre outros, valor monetário, notas, instrumentos financeiros, valores mobiliários, ou outros ativos fornecidos por comprador(es), retenção de propriedade parcial, retenção de ativos operacionais e assunção de dívida (excluindo passivos operacionais normais) em qualquer transação de ações ou quaisquer outros acordos similares. O valor da transação será reduzido em relação a qualquer passivo operacional retido pelo Cliente.

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

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
---X

In re:

WALL STREET LANGUAGES, LTD., Chapter 11
Case No. 18-11581 (RDD)

Debtor.
---X

AFFIDAVIT OF NO ADVERSE INTEREST AND DISINTERESTEDNESS

COUNTRY OF BRAZIL)
) SS.:
SÃO PAULO)

Pedro Belotti, being duly sworn, deposes and says:

1. I am a partner and managing director of Ricardo Belotti Consultoria Empresarial Ltda. ("B&A" or "Belotti & Associates" or "Broker") with offices located at Rua Pascoal Vita 336 cj 71, CEP 054450-000 São Paulo, SP, Brazil.

2. I submit this Affidavit in further support of the above-referenced Debtor's Motion for an Order Authorizing the retention of Broker in connection with the sale of the Debtor's assets.

3. Specifically, by the Motion, the Debtor seeks authority to retain Broker to market and sell language school and translation business assets.

4. The State of New York does not require a license to broker the sale of business

assets.

5. B&A has been involved in the purchase and sale of middle market businesses since 1993. B&A's partners have advised in over 100 M&A and Corporate Finance Projects, closing 15 transactions over the last 10 years. B&A clients range from different sectors and countries, including education and language schools. B&A is also part of the Woodbridge International network of global partners. Woodbridge International (Woodbridge Group, LLC) is an M&A advisory firm based in Connecticut USA. Woodbridge International has closed over 730 transactions since its founding in 1993.

6. In connection with the Debtor, before the Petition Date (May 24, 2018), B&A has been engaged in a sell-side mandate, as formalized by its services agreement signed with the Debtor on June 27, 2017. Since this date B&A has undertook the following efforts (a) prepared a descriptive selling memorandum about the Debtor and a one page descriptive summary about the Debtor (b) researched potential acquirers (c) mailed the one page summary to potential acquirers; called potential acquirers; (d) screened potential Acquirers; (e) executed confidentiality agreements; (f) distributed memorandums to potential acquirers; (g) conducted conference calls and meetings with potential acquirers; (h) coordinated as necessary with Debtor's other professionals and provided general consulting services to the Debtor in connection with a sale, merger or other business combination. B&A has worked under the Debtor's instructions and consent through the period of its services. In total 70 potential acquirers were contacted, by email or by phone, including Linden East LLC. Potential acquirers were mainly firms with existing operations in the Education sector across the US, Latin America, Europe, Australia and Asia, although other investors and financial buyers were also contacted. B&A has also assisted the debtor in identifying, contacting, negotiating and executing a

Memorandum of Understanding with Multischool, LLC on February 20th 2018. Multischool LLC later communicated it had not more interest in acquiring the Debtor after its ACCET accreditation extension was denied.

7. B&A proposed to render services as more fully in the Services Agreement, which include the following:

(a) Assisting the Corporation in determining an appropriate fair market sale price for its business and assets

(b) marketing and offering the Business for sale

(c) assisting in negotiating and closing a transaction involving an asset sale or stock sale

(d) review of the Corporation's business and operations, preparation (in cooperation with the Corporation's staff and/or accountant) of financial disclosure data for distribution to potential Buyers

(e) assistance in preparing materials for Buyer's due diligence

(f) preparation of buyer lists

8. On or about June 27, 2017, the Debtor and Broker entered into a Services Agreement (the "Broker Agreement") which is annexed to the Debtor's [Sale Motion]. Pursuant to the Broker Agreement, the Broker would be entitled to a minimum success fee ($150,000.00) minus the total monthly payments made under the Broker Agreement ($48,000.00 paid so far), amounting to a total due of USD $ 102,000.00, which would be an administrative claim in the estate.

9. Deponent hereby states to the best of my knowledge, information and belief that neither I or any of my agents or employees hold or represent any interests adverse to the Debtor, its creditors, other parties in interest, its attorneys, accountants, the Office of the United States Trustee or person employed by such office, as required by Federal Rule Bankruptcy Procedure

2014 and Section 327(a) of the Bankruptcy Code.

10. To the best of my knowledge, information and belief that neither I or any of my agents or employees have any connection or relationship to the Debtor or their principals and are disinterested persons within the meaning of 11 U.S.C. Section 101(14) of the Bankruptcy Code.

11. I understand that the payment of any commission associated with the proposed retention must be authorized by the Bankruptcy Court upon a proper application.

/s/ Pedro Belotti

Pedro Belotti