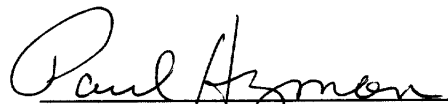




ORDERED in the Southern District of Florida on November 9, 2017.


Paul G. Hyman, Jr., Judge
United States Bankruptcy Court

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION**

IN RE:

Case No. 17-18864-PGH
Chapter 7

AA FLORIDA BRIDAL RETAIL
COMPANY, LLC, *et al.*,

(Jointly Administered)

Debtors.

ORDER APPROVING: (I) SALE OF CERTAIN PROPERTY OF THE ESTATES FREE AND CLEAR OF ALL LIENS, CLAIMS, AND ENCUMBRANCES; (II) APPROVING PLAN FOR DISTRIBUTION OF NET AUCTION PROCEEDS INCLUDING CARVE-OUT FOR THE ESTATES; AND (III) APPROVING AND ALLOWING SUPER-PRIORITY ADMINISTRATIVE CLAIMS AND REPLACEMENT LIENS IN FAVOR OF CARDCONNECT

This matter came on for hearing on November 8, 2017 at 1:30 p.m. (the "Hearing"), pursuant to the Court's Order dated October 17, 2017, (ECF 191), whereby the Court: 1) approved the sale of certain property of the Estate free and clear of all liens, claims and encumbrances through an auction process and Stalking Horse Bid, 2) approved Bidding Procedures, 3) approved a plan of distribution from sale proceeds, and 4) approved super-priority

administrative expense claim and replacement liens, and the Court having reviewed and taken judicial notice of the file, heard argument and proffers of counsel and the Trustee, due and sufficient notice of the Motion and Sale having been provided, good cause appearing and for the reasons stated on the record at the Hearing, good and sufficient cause appearing it is hereby

ORDERED and ADJUDGED:

I.FINDINGS OF FACT AND CONCLUSIONS OF LAW:

1. Unless otherwise indicated herein, all capitalized terms used but not defined herein shall have the meanings given in the Motion.

2. On July 14, 2017, Alfred Angelo filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code (the "Petition Date"). On the same date, the Affiliated Debtors each filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code.

3. Pursuant to Court Order dated July 19, 2017, the Alfred Angelo Chapter 7 case and Affiliated Debtors' Chapter 7 cases are being jointly administered (ECF No. 16).

4. Margaret J. Smith is the duly appointed Chapter 7 Trustee of Alfred Angelo and the Affiliated Debtors' bankruptcy estates (collectively, the "Debtors").

5. This Court has jurisdiction over the Chapter 11 Cases and the Motion pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Motion constitutes a core proceeding as defined in 28 U.S.C. § 157(b)(2).

6. All of the Debtors are affiliates as such term is defined under 11 U.S.C. § 101(2) and several creditors allege secured claims against substantially all of the Debtors' estates including, *inter alia*: (i) CardConnect; and (ii) FSJC V, LLC ("FSJC V"), both of which assert blanket liens against substantially all of the Debtors' assets. For avoidance of doubt, the Trustee understands that the secured claim of CardConnect, which is currently estimated at the

approximate amount of \$2.3 million has priority over the secured claim of FSJC V (which is in the asserted amount of approximately \$60 million) through an inter-creditor agreement between CardConnect and FSJC and various UCC filings.

7. Prior to the Petition Date, the Debtors were collectively in the business of purchasing and re-selling bridal dresses, bride's maid dresses, flower girl dresses and various related items and accessories (the "Inventory") through both wholesale and retail operations.

8. The majority of the Debtors' Inventory was manufactured in China and then shipped to the United States through Santa Fe Springs, California for ultimate distribution through the Debtors' wholesale and retail operations.

9. The Debtors primarily utilized the services of Dynamic Worldwide Logistics, Inc. ("Dynamic") to store the Debtors' Inventory manufactured in China in a warehouse owned or controlled by Dynamic and then ship the Inventory to Santa Fe Springs, California where the Inventory was stored in a different warehouse owned or controlled by Dynamic.

10. As of the Petition Date, the Debtors owned approximately 9,983 or more dresses and accessories held or stored by Dynamic in Santa Fe Springs, California (the "California Inventory").

11. Dynamic claims to be owed in excess of \$275,000 for past, present and future shipping and storage charges, and Customs Duties advanced (the "Dynamic Lien Claim") for which it asserts a possessory maritime and warehouseman's lien against the California Inventory pursuant to § 7-209 of the Uniform Commercial Code, maritime law, and other applicable law. Dynamic also asserts a claim against the Debtors for breach of its various agreements with the Debtors for a total claim amount in excess of \$700,000 inclusive of the Dynamic Lien Claim (the "Total Dynamic Claim").

12. On September 30, 2017, the Trustee and Dynamic (the “Stalking Horse” or “Stalking Horse Bidder”) entered into an agreement to sell the California Inventory to Dynamic through a credit bid and auction seeking higher and better offers.

13. The “Stalking Horse Bid” of Dynamic included the following material terms: A) Dynamic would purchase the California Inventory consisting of a credit bid of \$225,000 of the Dynamic Lien Claim, free of liens, claims and encumbrances; B) Dynamic would pay the Estates the sum of \$30,000 within five business days after Dynamic re-sells the California Inventory to a third party; C) to the extent an auction generated an offer greater than \$300,000, the Estates and Dynamic would split any net proceeds above \$300,000 on a 50/50 basis; and D) Dynamic would reimburse the Estates up to \$5,000 for marketing and promotional expenses.

14. The Stalking Horse Bid was negotiated in good faith and at arm’s length between the Trustee and Dynamic.

15. The Trustee exercised her sound business judgment in negotiating and entering into the Stalking Horse Bid.

16. The Bidding Procedures, including the Stalking Horse, were necessary to the efficient sale of the California Inventory and to maximize its value.

17. Pursuant to the Bidding Procedures Order, in order to participate in the proposed auction, Qualified Bidders were to submit a Bid in writing on or before November 3, 2017 at 5:00 p.m.

18. The Trustee properly marketed the California Inventory consistent with the Court’s October 17, 2017 Order. (ECF 191).

19. No competing Bids were submitted by November 3, 2017 at 5:00 p.m.

20. Any party objecting to approval of Dynamic as the Prevailing Bidder was required to file its objection by November 7, 2017 at 5:00 p.m.

21. No parties submitted objections to Dynamic as the Prevailing Bidder.

22. Based upon the foregoing findings and conclusions, and upon the record made before this Court at the Hearing, good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED, DETERMINED AND DECREED that:

23. The California Inventory is conveyed to Dynamic at Closing free and clear of all liens, claims, interests and encumbrances, and in its then present condition, **“AS IS, WITH ALL FAULTS, AND WITHOUT ANY WARRANTY WHATSOEVER, EXPRESS OR IMPLIED.”**

24. Closing of the Transaction shall take place no later than **November 11, 2017**. Closing documents shall include: (i) entry of this sale order authorizing the sale free and clear of liens, claims and encumbrances; and (ii) a bill of sale to be executed by the Trustee.

25. From the \$30,000 paid to the Estates pursuant to the Stalking Horse Bid, CardConnect shall receive 50% of the sale proceeds as a pay down on its secured claim and the Estates shall retain the other 50% for the benefit of the Estates (the “Carve-Out”).

26. Dynamic shall reimburse the Trustee its expenses up to \$5,000 for marketing the Sale and Auction.

27. CardConnect is granted super-priority administrative claims and replacement liens on all current and/or future assets of the Debtors, including any after-acquired property and the proceeds thereof, including for the avoidance of doubt, the proceeds (through insurance, settlement, or otherwise) of pending and/or future litigation, including under Chapter 5 of the

Bankruptcy Code or similar state law claims, commenced by or on behalf of the Debtors and/or the Debtors' estates.

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