

**UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF ALABAMA, SOUTHERN DIVISION**

<b>In Re:</b>	)	<b>Case No: 11-12254-WRS-11</b>
	)	
<b>SMALL LOANS, INC., et al.</b>	)	<b>Chapter 11</b>
	)	
<b>Debtors.</b>	)	<b>Jointly Administered</b>

**NOTICE OF DISPOSITION REGARDING AUGUST 13, 2012 AUCTION  
OF CERTAIN ASSETS OF BEST BUY AUTOS**

S. Gregory Hays, the chapter 11 trustee (the "Trustee") appointed in the above captioned cases, hereby gives notice regarding the Trustee's disposition of certain assets described in the Trustee's Motion for Order (1) Authorizing Sale of Certain of Debtors' Consumer Credit Accounts Free and Clear of Liens, Claims and Encumbrances Under Section 363 of the Bankruptcy Code and (2) Approving Terms for Submission of Competing Offers and Auction Procedure [ECF Docket No. 501] (the "363 Sale Motion").

The 363 Sale Motion sets out two (2) different types of account assets that were scheduled to be sold by auction on Monday, August 13, 2012. They are the Best Buy Accounts and the Charged Off Accounts.<sup>1</sup> Prior to the auction, however, the Trustee filed a notice with the Court indicating that the Charged Off Accounts would not be included in the auction.<sup>2</sup> That left the Best Buy Accounts as the only accounts that were sold at the auction.

The Trustee sold the Best Buy Accounts to the stalking horse bidder, DealerIndustry.com, LLC, a Florida limited liability company d/b/a Automotive Capital Corporation ("Automotive Capital"), for a gross purchase price of \$1,610,000.

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<sup>1</sup> The terms Best Buy Accounts and Charged Off Accounts are defined in the 363 Sale Motion and have the same meanings here.

<sup>2</sup> The Charged Off Accounts will be sold by auction at a later date. The Trustee will file a notice with the Court indicating the new date.

Pursuant to the Trustee's asset purchase agreement with Automotive Capital, the Trustee agreed to subtract from the \$1,610,000 gross purchase price all cash payments collected on the Best Buy Accounts during the time period from June 10, 2012 through August 13, 2012. In exchange, Automotive Capital agreed that in no event would the amount subtracted from the \$1,610,000 gross purchase price cause the purchase price to be less than \$1,300,000. In addition, the parties agreed that the \$1,300,000 purchase price would be reduced by \$8,000 for each day that closing of the sale was delayed past July 25, 2012. The reason for this additional \$8,000 per day reduction was because payments were still being received on the Best Buy Accounts and the Trustee was entitled to retain these payments on behalf of Best Buy Autos of Bainbridge, Inc.

The net result of these calculations regarding the purchase price was that the purchase price was reduced from \$1,610,000 to \$1,300,000 due to certain cash payments collected on the Best Buy Accounts from June 10, 2012 through August 13, 2012.<sup>3</sup> The purchase price was then reduced by an additional \$152,000 (July 26, 2012 through August 13, 2012 = 19 days multiplied by \$8,000 per day = \$152,000) to equal a net purchase price of \$1,148,000.<sup>4</sup> But when the \$500,000 in cash payments collected on the Best Buy Accounts is considered, the aggregate amount received by the Trustee as of the effective date for the Best Buy Accounts is \$1,648,000 (\$1,148,000 plus \$500,000 in cash payments = \$1,648,000), which exceeds the original gross purchase price by \$38,000.

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<sup>3</sup> The Trustee collected approximately \$500,000 on the Best Buy Accounts during this period. Pursuant to the asset purchase agreement, the purchase price was required to be reduced by the amount that the Trustee collected. However, because the parties agreed that even after the reduction the purchase price would not be less than \$1,300,000, the reduction was capped at \$310,000 even though the Trustee collected \$500,000.

<sup>4</sup> The \$1,148,000 net purchase price includes a \$50,000 deposit paid by Automotive Capital pursuant to the asset purchase agreement. This means that the actual cash amount paid by Automotive Capital to the Trustee was \$1,098,000 (\$1,148,000 minus \$50,000 deposit = \$1,098,000).

Respectfully submitted,

/s/ Bradley R. Hightower

Daniel D. Sparks

Eric J. Breithaupt

Bradley R. Hightower

Attorneys for S. Gregory Hays, Chapter 11 Trustee

**OF COUNSEL:**

CHRISTIAN & SMALL LLP

505 North 20<sup>th</sup> Street, Suite 1800

Birmingham, Alabama 35203

Phone: (205) 795-6588

Fax: (205) 328-7234

**CERTIFICATE OF SERVICE**

I hereby certify that I have this date served a copy of the foregoing pleading upon the following via the ECF system or by placing a copy of same in the United States mail, postage prepaid, addressed as follows on this the 22<sup>nd</sup> day of August, 2012:

Teresa R. Jacobs  
U.S. Bankruptcy Administrator  
Frank M. Johnson, Jr. Federal Building  
One Church Street, Suite 103  
Montgomery, Alabama 36104

John D. Elrod  
R. Kyle Woods  
Greenberg Traurig, LLP  
The Forum – Suite 400  
3290 Northside Parkway, NW  
Atlanta, Georgia 30327

Douglas V. Oakes  
DealerIndustry.com LLC, d/b/a Automotive Capital Corporation  
2295 South Hiawasse Road, Suite 410  
Orlando, Florida 32835

**Those persons who have requested notice pursuant to Fed. R. Bankr. P. 2002**

/s/ Bradley R. Hightower  
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OF COUNSEL