

The relief described hereinbelow is SO ORDERED

Done this 4th day of October, 2012.



William R. Sawyer
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF ALABAMA, SOUTHERN DIVISION

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

ORDER GRANTING CHAPTER 11 TRUSTEE'S MOTION FOR ORDER (1) AUTHORIZING SALE OF DEBTORS' CONSUMER CREDIT ACCOUNTS, FURNITURE, FIXTURES, EQUIPMENT, AND OTHER INCIDENTAL ASSETS 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 PROCEDURES

S. Gregory Hays, the chapter 11 trustee (the "Trustee") appointed in the above captioned cases, filed a Motion for Order (1) Authorizing Sale of Debtors' Consumer Credit Accounts, Furniture, Fixtures, Equipment, and Other Incidental Assets 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. 544] (the "363 Sale Motion") in this case on September 7, 2012.

The Court scheduled a hearing on the 363 Sale Motion for October 4, 2012. For purposes of this order, the Court notes that appearances were made at the hearing by Daniel D. Sparks and Bradley R. Hightower as counsel for the Trustee, by Teresa R. Jacobs, the Bankruptcy Administrator (the "Bankruptcy Administrator"), and by John D. Elrod as counsel for the Omnibus Official Committee of Unsecured Creditors (the "Committee"). An objection to the 363 Sale Motion was filed by Bobby J. and Brenda Harrell [Docket No. 593] (the "Objection").

The Trustee requests that the Court enter an order authorizing the Trustee to sell by auction certain consumer credit accounts, notes, receivables, security instruments, insurance policies and other ancillary products, along with certain furniture, fixtures, and equipment, and other incidental assets collectively comprising the individual branch offices (collectively, the "Branches") owned and operated by Small Loans, Inc., The Money Tree, Inc., The Money Tree of Louisiana, Inc., The Money Tree of Florida Inc., and The Money Tree of Georgia Inc. (collectively, the "Debtors") to Western Shamrock Corporation ("Western Shamrock"), or to a higher bidder, free and clear of liens, claims and encumbrances. The Branches are described with more particularity in the asset purchase agreement (the "Asset Purchase Agreement") between the Trustee and Western Shamrock, which is the stalking horse bidder regarding the Branches. A copy of the Asset Purchase Agreement is attached to the 363 Sale Motion as Exhibit "A."

The Trustee further requests that the Court approve certain terms and conditions proposed by the Trustee regarding the auction of the Branches, including the procedure for the submission of competing offers by other bidders who may be interested in buying the Branches (the "Proposed Bidding Procedures"). A copy of the Proposed Bidding Procedures is attached to the 363 Sale Motion as Exhibit "B."

The Trustee further requests authorization from the Court to offer for sale at the Auction, or in any other manner or on any other date determined by the Trustee in his discretion, any and all remaining tangible assets (the "Remaining Assets") owned by the Debtors (this specifically does not include causes of action) that are not included in the Branches described in the 363 Sale Motion. The Trustee represents to the Court that the aggregate value of the Remaining Assets is less than \$100,000 and that the final price for which the Remaining Assets shall be sold is subject to being agreed upon by the Trustee, the winning bidder(s) for the Remaining Assets, and Committee. The Trustee is asking for the Court's authorization to sell the Remaining Assets at this time because the Trustee does not want the Debtors' estates to incur the additional expense that would be associated with the Trustee having to file another sale motion and obtain additional authorization from the Court to sell the Remaining Assets on a later date. Additionally, the stalking horse bidder, Western Shamrock, has offered to pay an additional \$20,000 for certain computers owned by the Debtors that are needed to operate the Debtors' business (the computers are not currently subject to the Asset Purchase Agreement described herein).

Based upon the Court's review of the 363 Sale Motion as well as the representations made by the Trustee, the Bankruptcy Administrator, and the Committee at the October 4, 2012 hearing on this matter, the Court finds that the relief requested by the Trustee in the 363 Sale Motion is due to be granted; therefore, it is ORDERED that the 363 Sale Motion is GRANTED. The Objection is OVERRULED on the grounds stated on the record at the hearing. The Trustee is AUTHORIZED to sell the Branches free and clear of all liens, claims, and encumbrances by conducting an auction in the manner described in the 363 Sale Motion. The Proposed Bidding Procedures submitted by the Trustee are APPROVED. The Court finds that so long as the Branches are sold by the Trustee in the manner described in the 363 Sale Motion, the amount

paid for the Branches shall be considered fair and reasonable and the successful bidder will be considered to have purchased the Branches in "good faith" within the meaning of Section 363(m) of the Bankruptcy Code; that the Trustee's sale of the Branches by auction is in the best interest of the Debtors' estates and the creditors of the estates; that proper and adequate notice regarding the sale has been given to all parties required by law to receive notice of the sale; that the requirements of Section 363 of the Bankruptcy Code have been met regarding the sale; and that Western Shamrock or the successful bidder for the Branches shall not be considered a successor of the Debtors.

The Court further AUTHORIZES the Trustee to offer for sale at the Auction, or in any other manner or on any other date(s) determined by the Trustee in his discretion, the Remaining Assets owned by the Debtors free and clear of all liens, claims, and encumbrances. The Remaining Assets may be sold in one or more lots as determined by the Trustee in his discretion.

Finally, the Court finds that the fourteen (14) day stay period provided by Rule 6004(h) of the Federal Rules of Bankruptcy Procedure that would normally be applicable to this order is WAIVED.

Copies of this order shall be served upon (i) the Bankruptcy Administrator, (ii) counsel for the Debtors, (iii) counsel for the Committee, (iv) the Limited Service List described in the Order Limiting Notice, Establishing Additional Notice Procedures and Approving Alternative Form of Notice Via Website [ECF Docket No. 91], (v) Western Shamrock, and (vi) those persons who have requested notice pursuant to Fed. R. Bankr. P. 2002.

###END OF ORDER###

This order prepared by:

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