

**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 AUCTION SCHEDULED FOR FRIDAY, OCTOBER 5, 2012  
REGARDING STORE BRANCHES, CONSUMER CREDIT ACCOUNTS, FURNITURE,  
FIXTURES, EQUIPMENT, AND OTHER ASSETS OWNED BY DEBTORS**

S. Gregory Hays, the chapter 11 trustee (the "Trustee") appointed in the above captioned cases, hereby gives notice that, subject to bankruptcy court approval,<sup>1</sup> the Trustee intends sell by auction certain assets described in the 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 [ECF Docket No. 544] (the "363 Sale Motion").

The assets that will be auctioned include all the store branches owned and operated by the Debtors as well as all of the Debtors' consumer credit accounts, notes, receivables, security instruments, insurance policies and other ancillary products (*other than* the Charged Off Accounts, which are being auctioned simultaneously, but separately as described in more detail below), plus all the furniture, fixtures, and equipment located in the branches (collectively, the "Branches") as more particularly described in the 363 Sale Motion. The bidding procedures attached hereto as **Exhibit "A"** will govern the conduct of the auction.

**The auction sale date for the Branches is Friday, October 5, 2012, with the auction commencing at 10:00 a.m. Eastern Standard Time at the offices of Greenberg Traurig,**

<sup>1</sup> The Bankruptcy Court has scheduled a hearing for Thursday, October 4, 2012, at 10:00 a.m. Central Standard Time to consider the Trustee's request for authority to sell the Branches described herein.

**LLP, Terminus 200, 3333 Piedmont Road, N.E., Suite 2500, Atlanta, Georgia 30305,  
Telephone: (678) 553-2100.**

**The auction of the Branches will take place simultaneously with the Trustee's auction of certain "Charged Off Accounts" owned by the Debtors. The Trustee previously scheduled an auction sale of the Charged Off Accounts for August 13, 2012, but that sale was postponed pursuant to the Notice of Postponement of Auction Scheduled for Monday, August 13, 2012, Regarding Certain Charged Off Accounts [ECF Docket No. 522] filed by the Trustee. As indicated in ECF Docket No. 501, the "Charged Off Accounts" are defined to also include all judgments and deficiency claims (certain records of the Debtors may refer to these as "legal accounts") owned by the Debtors.**

Both auctions will take place at the time and location listed above. Interested bidders should contact the Trustee's broker, Jerry Robinson, at (404) 891-1134 or [jerry.robinson@renovacapital.net](mailto:jerry.robinson@renovacapital.net) for additional details regarding the auction.

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 20th day of September, 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

Frank Virgin  
Slaughter Virgin PC  
1201 Peachtree Street NE Ste. 1110  
Atlanta GA 30361

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

/s/ Bradley R. Hightower  
OF COUNSEL

# **EXHIBIT A**

*In re Small Loans, Inc., et al.*  
**Auction Procedures — \_\_\_\_\_, 2012**

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This sets forth the procedures by which S. Gregory Hays, Chapter 11 Trustee (the “Seller”) for Small Loans, Inc. *et al.* (the “Debtors”), chapter 11 debtors in the jointly administered Chapter 11 Cases entitled *In re Small Loans, Inc., et al.* lead case no. 11-12254, will conduct the sale by auction or auctions (each, an “Auction”) of certain of the Debtors’ assets, comprising consumer loan businesses with branches located in Alabama, Georgia, Florida, and Louisiana. The Auction will be conducted in accordance with the order approving the “Sale Procedures” entered on October \_\_, 2012 [Docket No. \_\_\_\_]. Undefined terms in these auction procedures shall have the terms given to them in the Sale Procedures.

**I. General Procedures**

The Auction will be conducted by Seller’s bankruptcy counsel, Christian & Small, LLP, and its investment banker, Renova Partners, LLC. Seller reserves the right to adjourn the Auction and recommence it at any time.

Each Qualified Bidder has been assigned a conference room. Qualified Bidders are requested to remain in their assigned conference rooms at all times they are not in the main auction room. Representatives of each Qualified Bidder that have not appeared in person at the Auction, and of Seller and the Omnibus Official Committee of Unsecured Creditors (the “Consultation Parties”), may listen to the Auction via teleconference. Any request for assistance should be directed to representatives from Christian & Small, LLP or Renova Partners, LLC.

Each bidder should designate only one spokesperson and that spokesperson must be present in person at the Auction, *i.e.*, phone participants are not eligible to serve as a spokesperson.

**II. Bidding Procedures**

A. Qualified Bidders

Only Qualified Bidders are entitled to submit bids during the Auction. Seller has designated Western-Shamrock Corporation (“Western”), which is also the Stalking Horse Bidder, as a Qualified Bidder. Seller reserves the right to qualify other Qualified Bidders prior to commencement of the Auction.

Qualified Bidders are prohibited from discussing their bids, or otherwise conferring with each other without Seller’s prior consent. This applies even when a Qualified Bidder drops out of the Auction.

B. Seller’s Rights

Throughout the Auction, Seller, after consultation with the Consultation Parties, will determine which Qualified Bid or Bids constitute the highest and best offer. Seller will make that determination based on its business judgment in accordance with the terms of the Sale

Procedures, and after consultation with the Consultation Parties.

Seller reserves its right to reject any bid that is deemed (1) inadequate or insufficient, (2) not in conformity with the Sale Procedures, or (3) contrary to the best interest of Seller, the Debtors' estates, or its creditors. Seller shall have the right to modify these auction rules, or to impose such other terms and conditions with respect to the Auctions as it determines may be in the best interests of Seller, the Debtors' estates and their creditors.

C. Purchase Agreements

A copy of each of Western, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_'s Asset Purchase Agreements, as same have or may be modified, will be attached as an exhibit to the Auction transcript. Copies of the \_\_\_ Purchase Agreements are also available in the main Auction room.

D. Baseline Bid; Bid Increments

Seller, after consultation with the Consultation Parties, has selected \_\_\_\_\_ as the Baseline Bid. That Baseline Bid is \$ \_\_\_\_\_ in cash.

The initial minimum and all further minimum bid increments are set at \$50,000. Hence, the initial minimum bid is \$ \_\_\_\_\_. Any bids thereafter must equal or exceed \$50,000 cash increments and other than purchase price must be submitted on terms that are equal to or superior to the Baseline Bid, absent agreement by Seller. Qualified Bidders shall advise Seller should they wish to bid on terms other than price.

E. Order of Bidding

\_\_\_\_\_ is required to submit the initial bid over the Baseline Bid. Thereafter the order of bidding shall be in respective turns.

Each Qualifying Bidder, during its turn, may either (a) make a bid, (b) decline to make a bid, or (c) ask for a recess. If a Qualifying Bidder asks for a recess, up to twenty minutes will be allotted for that party to determine whether to make a bid, unless Seller in its discretion extends that period. At the end of the recess, the Qualifying Bidder must either make or decline to make a bid. If a Qualifying Bidder declines to make a bid within its allotted time, that bidder is subject to elimination from the Auction at Seller's discretion and the party with the highest and best bid as determined by Seller and the Consultation Parties shall be designated as the winning bidder.

F. Backup Bidder

At the conclusion of the Auction, Seller, after consulting with the Consultation Parties, reserves the right to designate the next highest bidder after the as the Next Highest Bidder.