

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
PAPPAS LIQUIDATING TRUST,)	Case No. 08-10949 (PJW)
)	
Debtor. ¹)	Jointly Administered
)	
)	Ref. Docket No. 1540

**ORDER (I) AUTHORIZING THE PRIVATE SALE OF THE
LIQUIDATING TRUST'S ASSETS AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of David P. Stapleton, in his capacity as successor liquidating trustee (the “Successor Liquidating Trustee”) of the liquidating trust (the “Liquidating Trust”) established pursuant to the *Debtors’ First Amended Plan of Reorganization Pursuant to Chapter 11 of the United States Bankruptcy Code*, dated as of November 7, 2011 [D.I. 1153] (the “Plan”), and this Court’s order [D.I. 1166] (the “Confirmation Order”) confirming the Plan, for entry of an order pursuant to §§ 105(a) and 1142 of the Bankruptcy Code (i) authorizing and approving the private sale (the “Sale”) of all or substantially all of the assets of the Liquidating Trust (the “Assets”) to Harry J. and Stella A. Pappas (the “Pappases”) or their nominee(s) (collectively, the “Purchaser”), in accordance with the Asset Purchase Agreement attached as Exhibit 1 hereto (the “Agreement”), and (ii) granting related relief; and it appearing that the Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 1334(b) and 157 and the *Amended Standing Order of Reference* from the United States District Court for

¹ Harry J. Pappas and Stella A. Pappas were the debtors in these jointly administered chapter 11 proceedings, but they obtained their bankruptcy discharge pursuant to 11 U.S.C. §§ 1141(d) and 524 on January 3, 2012, at which time liability for discharged claims was assigned to, and assumed by, the Pappas Liquidating Trust.

² Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Motion.

the District of Delaware dated as of February 29, 2012; and the Court having retained jurisdiction over all issues relating to the Liquidating Trust or the Chapter 11 Cases pursuant to paragraph 35 of the Confirmation Order; and it appearing that the Motion constitutes a core proceeding under 28 U.S.C. § 157(b) and that the Court may enter a final order consistent with Article III of the United States Constitution; and it appearing that venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice need be given; and it appearing that the relief requested in the Motion is necessary and appropriate and in the best interests of the Liquidating Trust and its beneficiaries; and after due deliberation thereon, and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT:

A. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Fed. R. Bankr. P. 7052, made applicable to this proceeding pursuant to Fed. R. Bankr. P. 9014.

B. As evidenced by the affidavits of service previously filed with the Court, (i) due, proper, timely, adequate and sufficient notice of the Motion, the hearing to consider the Motion on February 11, 2014 (as continued, the "Sale Hearing"), and the Sale has been provided in accordance with § 102(1) of the Bankruptcy Code and Rules 2002 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to each party entitled thereto; (ii) such notice was good and sufficient, and appropriate under the particular circumstances; and (iii) no other or further notice of the Motion, the Sale Hearing or the Sale is or shall be required.

C. The Successor Liquidating Trustee (i) has full power and authority to execute an agreement for sale consistent with the Offer Letter as amended February 10, 2014

(the “Offer Letter”) and all other documents contemplated thereby, (ii) has full power and authority under the Plan and Liquidating Trust Agreement to consummate the transactions contemplated by the Agreement, (iii) has taken all actions necessary under the Plan and Liquidating Trust Agreement to authorize and approve the Agreement and the consummation by the Successor Liquidating Trustee of the transactions contemplated thereby, and (iv) requires no consents or approvals, other than those expressly provided for in the Agreement, to consummate such transactions.

D. The Successor Liquidating Trustee has demonstrated good, sufficient, and sound business purposes and justifications for requesting authority to enter into the Agreement and it is in the best interests of the Liquidating Trust and its beneficiaries to grant the relief requested in the Motion and authorize the Successor Liquidating Trustee’s entry into the Agreement.

E. The Offer Letter and Agreement were negotiated, proposed, and entered into by the Successor Liquidating Trustee and the Purchaser, as applicable, in good faith and at arm’s length.

F. The Purchase Price to be paid by the Purchaser under the Agreement is fair and reasonable and represents the highest or otherwise best offer available for the Assets under the circumstances.

G. The Purchaser is a buyer in good faith with respect to the Assets, as that term is used in 11 U.S.C. § 363(m). The Successor Liquidating Trustee and the Purchaser meet the standard of “good faith” enumerated by the United States Court of Appeals for the Third Circuit in *In re Abbotts Dairies of Pa., Inc.*, 788 F.3d 143 (3d Cir. 1986).

H. The consideration provided by the Purchaser for the Assets pursuant to the Agreement (i) (a) is reasonably equivalent value under the Bankruptcy Code and the Uniform Fraudulent Transfer Act, (b) is fair consideration under the Uniform Fraudulent Conveyance Act, and (c) is reasonably equivalent value, fair consideration and fair value under any other applicable laws of the United States, any state, territory or possession thereof, or the District of Columbia; and (ii) will provide a greater recovery for the beneficiaries of the Liquidating Trust than would be provided by any other practical available alternative.

I. As of the Initial Closing, pursuant and subject to the terms of the Agreement, the transfer of the Assets (other than the FCC Assets) to the Purchaser will be a legal, valid, enforceable, and effective transfer of the Assets and will vest the Purchaser with all right, title, and interest of the Liquidating Trust in the Assets (other than the FCC Assets) free and clear of all liens, claims, encumbrances and interests (other than the “Permitted Liens” as defined in the Agreement).

J. As of the Final Closing, pursuant and subject to the terms of the Agreement, the transfer of the FCC Assets to the Purchaser will be a legal, valid, enforceable, and effective transfer of the Assets and will vest the Purchaser with all right, title, and interest of the Liquidating Trust in the FCC Assets free and clear of all liens, claims, encumbrances and interests (other than the “Permitted Liens” as defined in the Agreement).

K. The Purchaser would not have entered into the Agreement and would not consummate the transactions contemplated thereby, thus adversely affecting the Liquidating Trust and its beneficiaries, if the sale of the Assets was not free and clear of all liens, claims and encumbrances of any kind or nature whatsoever (other than the “Permitted Liens” as defined in the Agreement), or if the Purchaser would, or in the future could, be liable for any liabilities of the Seller (other than the “Assumed Liabilities” as defined in the Agreement).

L. The Successor Liquidating Trustee may sell the Assets free and clear of liens, claims or encumbrances because under § 1141(c) of the Bankruptcy Code, the Assets are dealt with under the Plan and thus are free and clear of all claims and interests. To the extent Bankruptcy Code § 363 is applicable, one or more of the standards set forth in § 363(f)(1)-(5) has been satisfied. In particular, those holders of liens, claims or encumbrances who did not object, or who withdrew their objections, to the Sale or the Motion are deemed to have consented pursuant to Bankruptcy Code § 363(f)(2); and those holders of liens, claims or encumbrances who did object fall within one or more of the other subsections of Bankruptcy Code Section 363(f) and are adequately protected by having their interests, if any, attach to the net proceeds of the Sale, in the order of their priority, with the same validity, force and effect which they now have as against the Assets, subject to any claims and defenses the Liquidating Trust may possess with respect thereto.

M. Neither the Purchaser nor any of the Non-Debtor Affiliates is a successor to the Seller by reason of any theory of law or equity, and neither the Purchaser nor any of the Non-Debtor Affiliates shall assume or in any way be responsible, by reason of the Sale of the Assets to the Purchaser, for any liability or obligation of the Seller, except as otherwise expressly provided in the Agreement.

N. After giving due consideration to the facts, circumstances and conditions of the Sale, no showing was made that the sale of the Assets, subject to the terms of this Order, would violate applicable nonbankruptcy law.

O. All of the requirements of the Plan and Liquidating Trust Agreement (and of Bankruptcy Code § 363, to the extent applicable) have been met with respect to the Sale.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is granted as set forth herein.
2. All objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled, and all reservations of rights included therein, hereby are overruled on the merits.

Approval of the Agreement and the Ancillary Agreements

3. The Agreement and any ancillary agreements, and all of the terms and conditions thereof (including, without limitation, the condition that the Pappases timely exercise their rights under the Purchase Option Agreement to acquire the Comerica Claims), and each of the transactions contemplated therein, are approved.

4. Pursuant to Bankruptcy Code §§ 105(a) and 1142 (and, to the extent applicable, § 363(b)), the Successor Liquidating Trustee is authorized to perform his obligations under, and comply with, the terms of the Agreement and any ancillary agreements, and to consummate the Sale of the Assets to the Purchaser pursuant to and in accordance with, the terms and conditions of the Agreement and any ancillary agreements.

5. The Successor Liquidating Trustee is authorized to execute and deliver, empowered to perform under, consummate, and implement, the Agreement and any ancillary agreements, together with all additional instruments and documents that may be reasonably

necessary or desirable to implement the Agreement and any ancillary agreements, and to take all further actions as may be reasonably requested by the Purchaser for the purpose of assigning, transferring, granting, conveying, and conferring the Assets to the Purchaser, or as may be necessary or appropriate to the performance of the obligations as contemplated by the Agreement.

6. This Order and the Agreement shall be binding in all respects upon all creditors (whether known or unknown) of the Liquidating Trust, all successors and assigns of the Purchaser, the Pappases and the Non-Debtor Affiliates, the Liquidating Trust, the Successor Liquidating Trustee and any subsequent liquidating trustees appointed in the above-captioned chapter 11 cases.

7. The Agreement, any ancillary agreements and any related agreements, documents, or other instruments may be modified, amended or supplemented by the parties thereto in a writing signed by all parties, and in accordance with the terms thereof, without further order of this Court, provided that any such modification, amendment, or supplement is permitted by the Agreement and does not have a material adverse effect on the Liquidating Trust.

8. To the extent any inconsistency arises between this Order and the Agreement or the Offer Letter, this Order shall control.

Transfer of Assets

9. The Purchaser understands and agrees that, except as expressly set forth in this Order and the Agreement, the Liquidating Trust is conveying its rights to the Assets “as is, where is,” without any representations or warranties.

10. Pursuant to § 1141(c) of the Bankruptcy Code (and, to the extent applicable, § 363(f)), the sale of the Assets to the Purchaser is free and clear of all liens, claims,

interests, or encumbrances on the Assets (other than the “Permitted Liens” as defined in the Agreement), and all such liens, claims, interests or encumbrances whatsoever shall attach to the portion of the Purchase Price ultimately attributable to the Assets that are subject to such interests, in the order of their priority, with the same validity, force and effect which they now have as against the Assets, subject to any claims and defenses the Liquidating Trust may possess with respect thereto. Other than the “Assumed Liabilities” as defined in the Agreement, the Purchaser is not assuming any liabilities of the Liquidating Trust.

11. Except as expressly permitted or otherwise specifically provided by the Agreement or this Order, all persons and entities, including, but not limited to, all lenders, debt security holders, equity security holders, governmental, tax, and regulatory authorities, parties to executory contracts, customers, lenders, trade and other creditors, holding liens, claims or interests of any kind or nature whatsoever against or in the Liquidating Trust or the Assets conveyed as of the Initial Closing Date (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated) arising under or out of, in connection with, or in any way relating to, the Pappases, the Assets, the Liquidating Trust, or the transfer of the Assets to the Purchaser, hereby are forever barred, estopped, and permanently enjoined from asserting against the Purchaser, its successors, designees or assigns, its property, or the Assets conveyed in accordance with the Agreement, such persons’ or entities’ liens, claims, interests or encumbrances.

12. The transfer of the Assets to the Purchaser pursuant to the Agreement shall constitute a legal, valid, and effective transfer of such Assets as of the Initial Closing (with respect to Assets other than the FCC Assets) or the Final Closing (with respect to the FCC Assets), as applicable, and shall vest the Purchaser with all right, title, and interest of the

Liquidating Trust in and to the Assets free and clear of all liens, claims and interests of any kind or nature whatsoever (other than the “Permitted Liens” as defined in the Agreement).

13. The Successor Liquidating Trustee is authorized to execute and file such statements, instruments, releases, and other documents on behalf of any person or entity asserting, or who has asserted, any liens, claims, interests, or encumbrances with respect to the Assets and the Purchaser is authorized to file, register, or otherwise record a certified copy of this Order which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all liens, claims, encumbrances, and interest of any kind or nature whatsoever in the Assets (other than the “Permitted Liens” as defined in the Agreement).

14. The Purchaser is hereby deemed to be a good faith purchaser of the Assets and is entitled to the protections of Bankruptcy Code § 363(m), to the extent applicable.

Additional Provisions

15. The consideration provided by the Purchaser for the Assets under the Agreement constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, and the District of Columbia.

16. The consideration provided by the Purchaser for the Assets under the Agreement is fair and reasonable and may not be avoided under Bankruptcy Code § 363(n), to the extent applicable. Neither the Purchaser nor any of its affiliates engaged in any conduct that would cause or permit the Agreement or the consummation of the transactions contemplated thereby to be avoided, or costs or damages to be imposed, under Bankruptcy Code § 363(n), to the extent applicable.

17. This Order (a) shall be effective as a determination that, upon the closing of the Sale, all interests of any kind or nature whatsoever existing as to the Assets prior to the closing of the Sale (other than the “Permitted Liens” as defined in the Agreement) have been unconditionally released, discharged and terminated, and that the conveyances described herein have been effected and (b) shall be binding upon and shall govern the acts of all entities including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Assets.

18. Other than with respect to the “Assumed Liabilities” as defined in the Agreement, the Purchaser shall have no liability or responsibility for any liability or other obligation of the Liquidating Trust arising under or related to the Assets or otherwise.

19. This Order shall be effective immediately notwithstanding any stay of effectiveness otherwise imposed by the Bankruptcy Code or the Bankruptcy Rules.

20. The terms and provisions of the Agreement and this Order shall be binding in all respects upon, and shall inure to the benefit of, the Liquidating Trust and its beneficiaries, the Purchaser, and their respective affiliates, successors and assigns, and any affected third parties including, but not limited to, all persons asserting liens, claims, interests or encumbrances in the Assets to be sold to the Purchaser pursuant to the Agreement, notwithstanding any subsequent appointment of any successor trustee(s) under the Liquidating Trust Agreement or

any chapter of the Bankruptcy Code, as to which trustee(s) such terms and provisions likewise shall be binding.

21. The Successor Liquidating Trustee and the Purchaser are authorized to take any and all actions as may be necessary or desirable to implement the Agreement and each of the transactions contemplated thereunder.

22. The failure specifically to include any particular provisions of the Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Agreement and any ancillary agreements be authorized and approved in their entirety.

23. The 60-day notice requirement for resignation under the Liquidating Trust Agreement is hereby waived to the extent necessary to permit the Successor Liquidating Trustee, if the Initial Closing occurs, to resign as and when provided by the Agreement, provided that, prior to his resignation, Successor Liquidating Trustee shall have distributed all proceeds of the Sale (other than the Resigning Trustee Reserve Amount and the Liquidating Trust Reserve Amount) in accordance with the Plan and applicable orders of the Court.

24. Subject to the occurrence of the Initial Closing and the resignation of the Successor Liquidating Trustee, Harry J. Pappas is hereby approved as the Successor Liquidating Trustee of the Liquidating Trust.

25. Notwithstanding any other provision of this Order or any other Order of this Court, no assignment of any rights and interests of the above-captioned Debtor or the Successor Liquidating Trustee in any federal license or authorization issued by the FCC shall take place prior to the issuance of FCC regulatory approval for such assignment pursuant to the Communications Act of 1934, as amended, and the rules and regulations promulgated


thereunder; the FCC's rights and powers to take any action pursuant to its regulatory authority, including, but not limited to, imposing any regulatory conditions on such assignments and setting any regulatory fines or forfeitures, are fully preserved, and nothing herein shall proscribe or constrain the FCC's exercise of such power or authority to the extent provided by law.

26. Notwithstanding anything to the contrary in the Plan, if the Initial Closing occurs, then each claim identified in Schedule 3(b) of the Agreement shall constitute an "Allowed Claim" for purposes of the Plan and shall be paid in full, in cash, by Successor Liquidating Trustee on or as soon as practicable after the Initial Closing Date, except to the extent agreed otherwise in writing between the Purchaser and the holder of such claim on or before the Initial Closing Date.

27. Notwithstanding anything contained in the foregoing paragraph or the Agreement, if the Initial Closing occurs, then claim #1083 filed by Warner Bros. Domestic Television Distribution ("WBDTD") shall be finally allowed as a general unsecured, non-priority claim in the amount of \$2,023,890.64 (the "Allowed Claim"). The Allowed Claim shall be paid in full, in cash, by Successor Liquidating Trustee on or as soon as practicable after the Initial Closing Date (but in any event, prior to Successor Liquidating Trustee's resignation).

28. This Court hereby retains jurisdiction over any matter concerning the enforcement or interpretation of this Order, the Agreement, and any ancillary agreements.

Dated: Wilmington, Delaware
March 11 2014


The Honorable Peter J. Walsh
United States Bankruptcy Judge