

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

In re: : Chapter 11
: :
ALSET OWNERS, LLC, *et al.*,¹ : Case No. 09-11960 (BLS)
: (Jointly Administered)
Debtors. :
: **Hearing: August 26, 2009 @ 12:00 PM (EST)**
: **Objections: August 19, 2009 @ 4:00 PM (EST)**
: :
: **Re: Docket Nos. 43 and 82**

**NOTICE OF (I) SOLICITATION OF INITIAL BIDS;
(II) BIDDING PROCEDURES; (III) AUCTION;
(IV) SALE HEARING AND (V) RELATED RELIEF AND DATES**

TO ALL CREDITORS AND OTHER PARTIES IN INTEREST

1. Chapter 11 Petitions. On June 5, 2009, Alset Owners, LLC, and certain of its direct and indirect subsidiaries, the debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (as amended, the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), Case No. 09-11960 (BLS).

2. The Sale Motion. On June 19, 2009, the Debtors filed a Motion For Entry Of Orders Under 11 U.S.C. §§ 105, 363, And 365 And Federal Rules Of Bankruptcy Procedure 2002, 6004, 6006 And 9014 (I) (A) Approving Bidding And Auction Procedures And Bidding Incentives For The Stalking Horse Bidder; (B) Approving Notice Procedures For The Solicitation Of Bids, An Auction, And The Assumption And Assignment Of Executory Contracts And Unexpired Leases; And (C) Scheduling An Auction For The Sale Or Sales Of All Or Substantially All Of Debtors' Assets; (II) Approving The Sale Of Substantially All Of The Debtors' Assets And Approving The Assumption And Assignment Of Executory Contracts And Unexpired Leases; And (III) Granting Related Relief (the "Sale Motion.") [Dkt. No. 43]. By the Sale Motion, the Debtors seek Bankruptcy Court approval of the Asset Purchase Agreement dated as of June 5, 2009 (as amended to date, collectively with all schedules and exhibits thereto, the "Purchase Agreement") by and between the Debtors as sellers and Checkerco, Inc. ("Checkerco") as buyer. A copy of the Purchase Agreement may be found at Docket No. 83 by accessing the Court's website at www.deb.uscourts.gov or www.bmcgroup.com, or a copy may be obtained upon written request to undersigned counsel for the Debtors.

¹ The Debtors and the last four digits of their respective tax identification numbers are: Alset Owners, LLC, a Delaware limited liability company (7520); Altes, LLC, a Delaware limited liability company (6927); Setla, LLC, a Delaware limited liability company (6752); and Checkers Michigan, LLC, a Delaware limited liability company (8016). The Debtors' service address is Altes, LLC/Setla, LLC, 1200 North Federal Highway, Boca Raton, Florida 33432.

3. The Bidding Procedures Order. Following an initial hearing held on July 7, 2009 regarding certain relief requested by the Sale Motion, the Bankruptcy Court entered an order dated July 9, 2009 (the “Bidding Procedures Order”), among other things, (a) approving sale and bidding procedures (the “Bid Procedures”) for solicitation of bids for all or substantially all of the Assets; (b) approving bidding incentives for Checkerco; (c) authorizing the Debtors’ solicitation of Initial Bids pursuant to the Bid Procedures; and (d) scheduling the Bid Deadline, the Auction, the Sale Hearing and other dates related thereto. A copy of the Bidding Procedures Order may be found at Docket No. 82 by accessing the Court's website at www.deb.uscourts.gov or www.bmcgroup.com or a copy may be obtained upon written request to undersigned counsel for the Debtors.

4. Deadline for Objections to the Sale Motion. All objections to the relief requested in the Sale Motion (including without limitation any objection to the proposed assumption and assignment of any executory contract or unexpired lease or the Cure Amount with respect thereto) must be: (a) in writing; (b) signed by counsel or attested to by the objecting party; (c) filed with the Clerk of the Bankruptcy Court, 824 Market Street, Wilmington, Delaware 19801 on or before **August 19, 2009 at 4:00 p.m. (Eastern Time)** (the “Objection Deadline”); and (d) served so as to be received on or before the Objection Deadline by the following (collectively, the “Objection Notice Parties”): (i) Altes, LLC/Setla LLC, 1200 North Federal Highway, Suite 111B, Boca Raton, FL 33432, Attn: Leonard Levitsky, Fax No: (561) 347-2842; (ii) counsel for the Debtors: Blank Rome LLP, The Chrysler Building, 405 Lexington Avenue, New York, NY 10174, Attn: Michael Z. Brownstein, Esq., Fax (212) 885-5001, and 1201 North Market Street, Suite 800, Wilmington, DE 19899, Attn: Bonnie Glantz Fatell, Esq. Fax: (302) 425-6464; (iii) Textron Financial Corporation, 40 Westminister Street, 12th Floor, Providence, RI 02903; (iv) the Office of the United States Trustee, 844 North King Street, Suite 2207, Wilmington, DE 19801, Attn: Jane Leamy, Esq., Fax (302) 573-6497; (v) counsel for Checkerco: Paul, Weiss, Rifkind, Wharton & Garrison, LLP, 1285 Avenue of the Americas, New York, NY 10019-6064, Attn: Diane Meyers, Esq., Fax (212) 492-0868; and (vi) counsel to the Official Committee of Unsecured Creditors (the “Committee”), Klehr, Harrison, Harvey, Branzburg & Ellers, 919 Market Street, Suite 1000, Wilmington, DE 19801-3062, Attn: Joanne B. Wills, Esq., Fax (302) 426-9193 (collectively, the “Notice Parties”); in each case so as to be received no later than the Objection Deadline.

5. Bidding Procedures. The Bankruptcy Court has established the following requirements for a Bidder to submit an Initial Bid:

- (a) Initial Bids. An Initial Bid must be submitted on or before the Bid Deadline which is **August 21, 2009 at 4:00 p.m. (Eastern Time)**, via electronic mail or facsimile, to the Notice Parties, in each case so as to be received not later than the Bid Deadline. The Debtors may in their sole discretion extend the Bid Deadline without further notice and for one or more bidders, but shall not be obligated to do so.
- (b) Required Terms for Initial Bids for the Acquired Assets. To qualify as an Initial Bid, the bid must, at a minimum, comply with the following requirements:

- (i) The Initial Bid must be received by the Bid Deadline;
- (ii) The Initial Bid must contain a signed definitive asset purchase agreement (together with a copy marked to show changes from the Purchase Agreement) (a “Qualified APA”) and identifying the Acquired Assets the party seeks to purchase with, at a minimum, the following requirements: (i) having terms and conditions no less favorable to the Debtors than those of the Purchase Agreement except with higher or better consideration, which can be determined by aggregating bids made on different portions of the Acquired Assets (provided that no Initial Bid shall provide for the payment to such bidder of any breakup fee, topping fee, expense reimbursement, or other similar arrangement); (ii) provide for a Purchase Price under the Purchase Agreement as follows: (a) \$1,200,000 for all of the Debtors’ Acquired Assets, except the Acquired Textron Assets, (b) \$300,000 for the Acquired Textron Assets, (c) cure costs due to the Franchisor in connection with the assumption and assignment of the Franchise Agreements equaling at least \$3,800,000 payable to Franchisor through July 31, 2009 from outstanding royalties and other payment obligations under the Franchise Agreements, and additional royalties and other payment obligations accruing after August 1, 2009 through the closing of a Sale, all as set forth in the Purchase Agreement and related schedules, (d) up to \$500,000 for restructuring costs of estate professionals payable by Buyer and Franchisor in accordance with Section 1.9 of the Purchase Agreement and the Letter Agreement which are to be paid to the Debtors’ estates for distribution in accordance with the priority scheme of the Bankruptcy Code, plus (B) the amount of the Expense Reimbursement (\$150,000), plus (C) the Assumed Liabilities including Cure Costs, plus (D) \$250,000 (the “Overbid Amount”); (iii) not being subject to any (w) financing contingency, (x) contingency relating to the completion of unperformed due diligence, (y) contingency relating to the approval of the bidder’s board of directors or other internal approvals or consents, or (z) any other conditions precedent to the bidder’s obligation to purchase the Assets other than those already included in the Purchase Agreement;
- (iii) The Initial Bid(s) must be accompanied by the provision of a certified or bank check, wire transfer, or letter of credit reasonably acceptable to the Debtors in the aggregate amount of at least \$75,000 as a good faith deposit (the ‘Deposit’), to be held in escrow by Debtors’ counsel and credited to the closing payment if the bidder(s) are ultimately determined to be the Successful Bidder(s) (as defined below) or to be returned to the bidder(s) otherwise and a written statement that the bidder(s) agree to be

bound by the terms of these Bidding Procedures and the Bidding Procedures Order;

- (iv) The Initial Bid must provide for the satisfaction of capital expenditures under the Franchise Agreements within a reasonable period of time after the closing of a Sale to the reasonable satisfaction of the Franchisor, all as set forth in the Purchase Agreement and related schedules;
- (v) The Initial Bid must identify the Assigned Contracts that the bidder(s) desires be assumed and assigned to bidder(s).
- (vi) To the extent not previously provided to Debtors, the Initial Bid must be accompanied by evidence satisfactory to Debtors in their commercially reasonable discretion that the bidder is willing, authorized, capable and qualified financially, legally and otherwise, of unconditionally performing all obligations under its Qualified APA (or its equivalent) in the event that it submits a Successful Bid (as defined below) at the Auction and within the timeframe contemplated under the Purchase Agreement;
- (vii) Remain open and irrevocable until the earlier of the end of the second business day following the closing of the transaction and fifteen (15) days after the entry of a final order by the Court approving a definitive agreement providing for the Sale of Assets;
- (viii) The Initial Bid must clearly state the range of cash consideration, in U.S. dollars, that the bidder(s) are prepared to pay for any or all of Debtors' assets. Only cash consideration will be evaluated for this purpose; the utilization of notes or other instruments to make up a portion of the cash consideration will not be evaluated as cash;
- (ix) The Initial Bid must be accompanied by information and assurances satisfactory to the Debtors that the bidder(s) can obtain all required consents, approvals and licenses to fulfill the terms, conditions and obligations under any and all related agreements, including but not limited to, sufficient information to permit the Court, the Debtors and any applicable lessors or counterparties to determine the proposed assignee's ability to comply with the requirements of section 365 of the Bankruptcy Code (to the extent applicable);
- (x) The Initial Bid(s) must state that they have been approved (subject to stated conditions) by all necessary governing bodies or investors (e.g., board of directors or minority partners) and fully disclose the identity of each entity that will be bidding for the Acquired Assets

or otherwise participating in connection with such bid, and the complete terms of any such participation;

- (xi) The Initial Bid(s) must state that they are made by the principals of the Bidder(s), and not by any person acting as agent for another, whether the principals are disclosed or undisclosed; however, a bidder(s) may appoint a representative to act on its behalf in connection with the Initial Bid(s); and
- (xii) The Initial Bid must state that bidder(s) will purchase the Acquired Assets even in the event the Acquired Textron Assets are sold separately in accordance with the Bidding Procedures.

(c) Required Terms for Initial Bids for the Acquired Textron Assets.

- (i) All of the requirements under Section 5, except Section 5(b)(ii), 5(b)(iii) and 5(b)(iv);
- (ii) The Initial Bid must contain a signed definitive asset purchase agreement (together with a copy of the signed agreement that is marked to show changes from the Purchase Agreement) (a “Qualified APA”) and identifying the Acquired Textron Assets the party seeks to purchase with, at a minimum, the following requirements: (i) having terms and conditions no less favorable to the Debtors than those of the Purchase Agreement as it relates to the Acquired Textron Assets, except with higher or better consideration (provided that no Initial Bid shall provide for the payment to such bidder of any breakup fee, topping fee, expense reimbursement, or other similar arrangement); (ii) providing for consideration that is, greater than the sum of (A) the Consideration of \$300,000 provided for in the Purchase Agreement for the Acquired Textron Assets, plus (B) \$14,000; (iii) not being subject to any (w) financing contingency, (x) contingency relating to the completion of unperformed due diligence, (y) contingency relating to the approval of the bidder's board of directors or other internal approvals or consents, or (z) any conditions precedent to the bidder's obligation to purchase the Assets other than those included in the Purchase Agreement;
- (iii) The Initial Bid must be accompanied by the provision of a certified or bank check, wire transfer, or letter of creditor reasonably acceptable to the Debtors in the aggregate amount of \$3,500 as a good faith deposit (the “Textron Deposit”) to be held in escrow and credited to the closing payment if the bidder(s) are ultimately determined to be the Successful Bidder(s) (as defined below) or to be returned to the bidder(s) otherwise and a written statement that

the bidder(s) agree to be bound by the terms of these Bidding Procedures and the Bidding Procedures Order; and

- (iv) Textron Financial Corporation ("Textron") shall be permitted to credit bid on the Acquired Textron Assets pursuant to § 363(k) of the Bankruptcy Code, without compliance with paragraphs (i), (ii), and (iii) of this section . On or prior to the Bid Deadline, which shall be established by the Bidding Procedures Order and may be extended by the Debtors but shall be no earlier than August 21, 2009 at 4:00 p.m. (EDT). Textron shall send notice via electronic mail or facsimile of its intention to credit bid to the parties required to receive an Initial Bid under the Bidding Procedures. A credit bid by Textron is a "Qualified Bid" and Textron is a "Qualified Bidder".

6. The Auction. In the event Qualified Bids are received, an auction (the "Auction") of the Debtors' assets will be held on **August 25, 2009 at 11:00 a.m. (Eastern Time)** at the offices of Blank Rome LLP, The Chrysler Building, 405 Lexington Avenue, New York, NY 10174, at which Auction the Debtors, in consultation with the Committee, may select as a Successful Bid the highest or best Qualified Bid for any particular asset of the Debtors. **ALL SALE(S) SHALL BE SUBJECT TO THE APPROVAL OF THE BANKRUPTCY COURT.** The proceedings at the Auction will be transcribed by a court reporter. Checkco, parties who submit Qualified Bids prior to the Bid Deadline, representatives of the Debtors, Textron Financial Corporation, OUST, the Committee and the professionals of the foregoing shall be entitled to attend and be heard at the Auction. Any creditors of the Debtors who wish to attend the Auction may do so but must give written notice of their planned attendance to undersigned counsel to the Debtors at least two business days prior to the Auction.

7. The Sale Hearing. The hearing on the approval of the Sale (the "Sale Hearing") to the Successful Bidder(s) shall be conducted before the Honorable Brendan L. Shannon, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 6th Floor, Wilmington, Delaware on **August 26, 2009 at 12:00 p.m. (Eastern Time)** or at such other date and time as the Bankruptcy Court directs.

8. Adjournment of Sale Hearing. The Debtors may adjourn the Sale Hearing one or more times without further notice by making an announcement in open Court or by the filing of a hearing agenda pursuant to Bankr. D. Del. L.R. 9029-3 announcing the adjournment, provided however, to the extent the Debtors seek to adjourn the Sale Hearing for more than 10 days, the Debtors will obtain the consent of Buyer, if applicable.

9. Documents. Copies of the Sale Motion, Purchase Agreement, and the Bidding Procedures Order may be examined by interested parties between the hours of 8:00 a.m. and 3:00 p.m. (Eastern Time) at the office of the Clerk of the Court, 824 Market Street, Wilmington, Delaware 19801, or by requesting such documents from undersigned counsel for the Debtors.

Additionally, copies of the foregoing may be accessed and downloaded from the Court's docket at www.deb.uscourts.gov or www.bmcgoup.com.

Dated: July 14, 2009

BLANK ROME LLP

By: /s/David W. Carickhoff
Bonnie Glantz Fatell (No. 3809)
David W. Carickhoff (No. 3715)
1201 North Market Street, Suite 800
Wilmington, DE 19801
Telephone: (302) 425-6400
Facsimile: (302) 425-6464

-and-

Michael Z. Brownstein
Rocco A. Cavaliere
The Chrysler Building
405 Lexington Avenue
New York, NY 10174
Telephone: (212) 885-5000
Facsimile: (212) 885-5001

**ATTORNEYS FOR DEBTORS AND
DEBTORS IN POSSESSION**