

12-28-2000

IN THE UNITED STATE



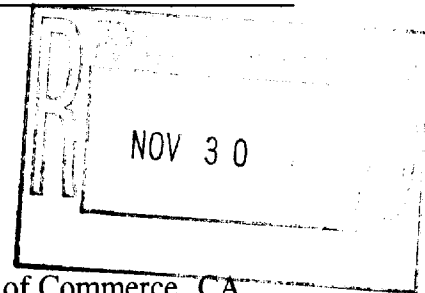
RK OFFICE

RULE 3.31 TRADEM

101564033

HEET

UICD 11-30-00



- (1) Name Of Party Conveying The Interest:
World Bazaars, Inc.
- (2) Name And Address Of Party Receiving The Interest:
Princess International, LLC, 2400 Yates Ave., City of Commerce, CA
90040.
- (3) Description Of Interest Conveyed Or Transaction To Be Recorded:
U.S. Bankruptcy Court Order Approving Sale of Trademarks
- (4) Registration Number Against Which Document Is To Be Recorded:
Registration No. 1,423,935 for "LM and DESIGN"
Registration No. 1,749,427 for "ELYSEES"
Registration No. 2,356,942 for "LOUI MICHEL CIE"
Registration No. 2,356,941 for "LOUI MICHEL"
- (5) Name And Address Of Correspondent:
Law Office of Anthony O. Cormier, 21700 Oxnard Street, #1750,
Woodland Hills, CA 91367
- (6) Number Of Registrations Affected/Fee:
Four
- (7) Date The Document Was Executed:
July 18, 2000
- (8) Designation Of Domestic Representative:
Not Applicable

To the best of the undersigned knowledge and belief, the information contained on this cover sheet is true and correct and the attached copy is a true copy of the original document.

Dated: November 28, 2000

ANTHONY O. CORMIER

ORIGINAL

1 MICHAEL L. TUCHIN (State Bar No. 150375),
2 METTE H. KURTH (State Bar No. 187100), and
3 DAVID A. FIDLER (State Bar No. 195648), Attorneys with
4 KLEE, TUCHIN, BOGDANOFF & STERN LLP
1880 Century Park East, Suite 200
Los Angeles, California 90067-1698

5 Telephone: (310) 407-4000
6 Facsimile: (310) 407-9090

7 Reorganization Counsel for
8 Debtor and Debtor in Possession

9 Debtor's Mailing Address:
2400 Yates Avenue
Commerce, CA 90040

FILED
JUL 18 2000
CLERK U.S. BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
BY [Signature] Deputy Clerk

10 UNITED STATES BANKRUPTCY COURT
11 CENTRAL DISTRICT OF CALIFORNIA
12 LOS ANGELES DIVISION

ENTERED
JUL 19 2000
CLERK U.S. BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
BY [Signature] Deputy Clerk

13 In re:

14 WORLD BAZAARS, INC., a California
15 corporation,

16 Debtor.

Case No. LA 00-24386 ES

Chapter 11

ORDER AUTHORIZING SALE OF
SUBSTANTIALLY ALL OF DEBTOR'S
ASSETS FREE AND CLEAR OF ALL
PLEDGES, LIENS, SECURITY
INTERESTS, ENCUMBRANCES,
CLAIMS, CHARGES, OPTIONS, AND
INTERESTS

Hearing

DATE: July 13, 2000
TIME: 10:30 a.m.
PLACE: 255 E. Temple St.
Courtroom 1645
Los Angeles, CA 90012

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CLERK U.S. BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
BY [Signature] DEPUTY CLERK

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JUL 19 2000
00 JUL 14 PM 4:02

1 **IN THIS DISTRICT, AT LOS ANGELES, CALIFORNIA, ON THE DATE INDICATED**
2 **BELOW:**

3 On July 13, 2000, this Court held a hearing on the Motion for Order
4 Authorizing Sale of Substantially All of Debtor's Assets (the "Motion"). The record of the
5 hearing reflects the appearances that were made by counsel.

6 The Court has considered the Motion; the notices of the Motion; the
7 Declarations of Frank Budetti and Sonia Gros that were filed in support of the Motion;
8 the Encore Group, Inc.'s objection to the sale of certain assets free and clear of alleged
9 copyright claims and the reply of World Bazaars, Inc. to that objection; the objections
10 raised by Schottenstein Stores Corporation dba Value City Furniture at the hearing as
11 well as the bid offered by Schottenstein Stores Corporation at the hearing; all
12 documents submitted in connection with the Motion; the arguments of counsel; and the
13 record in this case. Based on this review and consideration, the Court finds that: (1) the
14 assets of World Bazaars were auctioned in accordance with this Court's Order
15 Authorizing Auction Procedures Relating to Debtor's Sale of All or Substantially All of Its
16 Assets Free and Clear of All Pledges, Liens, Security Interests, Encumbrances, Claims,
17 Charges, Options, and Interests and this sale was in the best interest of the estate and
18 creditors of World Bazaars; (2) selling the company's assets to Empire Electrical
19 Supply; Princess International LLC; and the Bank Group (the "Buyers"), who were the
20 best bidders at the public auction that was held on July 12, 2000, on the terms proposed
21 in the Motion and in the Supplemental Declaration of Frank Budetti in Support of Motion
22 for Order Authorizing Sale of Substantially All of Debtor's Assets, as embodied in this
23 Order, is an exercise of the company's sound business judgment and is in the best
24 interest of World Bazaars, its creditors, and its estate; (3) the issues raised by the
25 Encore Group, Inc. have been consensually resolved among the parties upon the terms
26 set forth in this Order; (4) the objections raised by Schottenstein Stores Corporation are
27 without merit, and taking into consideration this Court's need to protect the integrity of
28 Bankruptcy Court-supervised auctions and sales, it is appropriate in this case to

1 approve World Bazaars, Inc.'s sales to the best bidder at the auction and not to require
2 World Bazaars, Inc. to accept the offer made by the Schotten Stores Corporation during
3 the sale hearing; (5) the Daley-Hodkin Corporation (the "Auctioneer") has substantially
4 completed its services in this case; (6) notice of the Motion was adequate and
5 appropriate under the particular circumstances and no other notice need be given; and
6 (7) other good and sufficient cause exists for granting the relief requested in the Motion.

7 **THEREFORE, IT IS HEREBY ORDERED THAT:**

8 1. The Motion is GRANTED in its entirety.

9 2. World Bazaars is authorized to sell its inventory, customer lists,
10 trademarks and copyrights, and vehicles to the Buyers as set forth on the Invoices
11 attached hereto as Exhibit 1 and in accordance with the Terms of Sale attached hereto
12 as Exhibits 2 and 3 with the following exception. World Bazaars, Inc. is required
13 promptly to verify the book value of any "Snow Buddies" that it holds in its inventory and
14 which may consist of the following SKEW Numbers: 81322, 81323, 88037, 88036,
15 88890, 88376, 88898, 88900, 88321, 79005, 88322, 88421, 88422, 88887, 888892,
16 88375, 88422, 88942 (the "Disputed Inventory"). If the book value of the Disputed
17 Inventory is less than \$100,000, then World Bazaars will destroy the Disputed Inventory,
18 and Princess International, LLC will be entitled to a *pro rata* refund of its purchase price
19 relating to the Disputed Inventory. The *pro rata* percentage used to calculate the refund
20 will be equal to the ratio of \$12.5 million, which is the total purchase price of the
21 inventory inclusive of the Disputed Inventory, to the total cost value of the that inventory.
22 If the Disputed Inventory exceeds \$100,000 in book value, then the Disputed Inventory
23 will be sold to Princess International, LLC as originally contemplated with the sale being
24 free and clear of any claims that the Encore Group, Inc. might have for copyright
25 infringement. Any such claims will attach to the proceeds from the sale of the Disputed
26 Inventory, and all issues relating to those claims will be resolved at a subsequent
27 evidentiary hearing before this Court. Furthermore, World Bazaars, Inc. may not sell
28 any molds relating to the Disputed Inventory. To the extent that the Disputed Inventory

1 is not destroyed in accordance with this Order, this Order does not modify the Encore
2 Group, Inc.'s copyrights in the Disputed Inventory, and this Order is not an adjudication
3 of the Buyer's right to resell the Disputed Inventory.

4 3. World Bazaars is authorized to sell its accounts receivable to its
5 Bank Group in exchange for a credit bid of \$2.837 million in accordance with this Court's
6 Order Authorizing Auction Procedures Relating to Debtor's Sale of All or Substantially
7 All of Its Assets Free and Clear of All Pledges, Liens, Security Interests, Encumbrances,
8 Claims, Charges, Options, and Interests.

9 4. Payment of the balance in full must be made within 24 hours
10 following the court hearing scheduled for Thursday, July 13, 2000 at 10:30 a.m. and the
11 entry of the Court's order approving the sale. Payment must be made by cash,
12 cashier's check, or other certified funds made payable to the Auctioneer. **If a Buyer**
13 **fails to comply with the terms of final payment, the Auctioneer may resell the**
14 **Buyer's purchases and the Buyer's deposit will be forfeited.**

15 5. The Buyers are good faith purchasers entitled to the protections of
16 Bankruptcy Code section 363(m).

17 6. All sales are "as is, where is."

18 7. Title and risk of loss will transfer to the Buyers at the time that the
19 Auctioneer receives final payment of the entire purchase price, and the risk of loss will
20 be borne by the Buyer at the docks (*i.e.*, assets will be shipped FOB).

21 8. All assets will be sold without representations, warranties, or
22 covenants of any kind.

23 9. In accordance with Bankruptcy Code section 363, all of the
24 company's rights, title, and interests in its assets will be sold free and clear of all
25 pledges, liens, security interests, encumbrances, claims, charges, options, and
26 interests, with such pledges, liens, security interests, encumbrances, claims, charges,
27 options, and interests to attach to the proceeds as set forth below.

28 10. Nothing in this Order will affect the rights of any party who cannot

1 legally be affected by the order under constitutional principles of due process, state or
2 federal law or any applicable bankruptcy rules.

3 11. The Auctioneer will promptly turn all sale proceeds (net of the
4 Auctioneer's fees and expenses) over to the World Bazaars estate. These proceeds will
5 be held by the estate in the Cash Collateral Account¹ until either a further order of this
6 Court authorizing their distribution or confirmation of a plan of liquidation providing for
7 their distribution.

8 12. Except in the case of a credit bid, in which case there will be no
9 sale proceeds, any valid pledges, liens, security interests, encumbrances, claims,
10 charges, options, or interests, will attach to the sale proceeds with the same priority,
11 validity, avoidability, and enforceability as enjoyed against the assets that were sold
12 under this order.

13 13. In the case of a credit bid, the Bank Group shall remain liable (up to
14 the amount of the credit bid) to pay in full the amount of any pledges, liens, security
15 interests, encumbrances, claims, charges, options and interests which are removed
16 from the assets and which are senior to the liens and security interests of the Bank
17 Group.

18 14. In connection with the accounts receivable, if the liens or claims of
19 the Bank Group on the accounts receivable are subsequently avoided, disallowed,
20 subordinated, or preserved for the benefit of the estate or otherwise set aside, by more
21 than the amount of any valid first priority secured claim of the Bank Group allowed
22 under Bankruptcy Code Section 506(a), then the Bank Group shall be obligated to pay
23 to World Bazaars in cash the lesser of: (a) the amount of the credit bid; (b) the amount
24 of any such judgment against the Bank Group, provided that the Bank Group shall have
25 a resulting claim for any sums paid.

26 _____
27 1 "Cash Collateral Account" has the meaning ascribed to this term in the Stipulation
28 for Interim Use of Cash Collateral and Adequate Protection filed by World Bazaars in
this case.

1 15. If the Bank Group sells the accounts receivable within 60 days from
2 the date of the auction at a higher price than the credit bid, then the higher price shall be
3 deemed the credit bid.

4 16. Notice of the auction and the sale was adequate and sufficient
5 under the circumstances, and no additional notice need be given.

6 17. Except as otherwise expressly set forth herein, nothing in this Order
7 will affect the rights of the estate or creditors of World Bazaars, which are in *personam*,
8 or are based on the identity, ownership or control of the entity purchasing assets under
9 the sale, or the entity's management and use of such assets thereafter, in furtherance of
10 which this order shall not be admissible as evidence in any case to expand, defeat, or
11 reduce the rights of the World Bazaars estate or its creditors.

12 18. This Order rescinds this Court's previous requirement that, unless a
13 representative of World Bazaars or counsel for World Bazaars, Inc. is present, neither
14 counsel for DHC nor any employee, officer, director, or agent of DHC may have any
15 communication with any employee, officer, director, or agent for SunTrust Bank, Atlanta,
16 Citizen's Business Credit, Leumi USA, Dresdner Bank Ag, Fleet Capital Corp., Bank of
17 Boston, N.A., or with any of their respective attorneys regarding the World Bazaars, Inc.
18 bankruptcy case or the pending auction and sale of the assets of World Bazaars, Inc.

19 19. The Buyers must comply with all provisions of the Terms of Sale
20 regarding reconciliation of asset counts and removal of assets from the World Bazaars,
21 Inc. properties. Specifically, all purchased assets are required to be removed by the
22 Buyer at its own risk and expense and within all applicable laws or ordinances. No
23 allowances or adjustment of any kind will be made once the purchased assets are
24 removed from the premises of World Bazaars, Inc. All assets, with the exception of the
25 vehicles and Lot 24, must be removed from the premises by 4:00 p.m. on Saturday,
26 September 30, 2000 or will be deemed abandoned. All vehicles and Lot 24 must be
27 removed from the premises within 30 days after entry of the Bankruptcy Court order

28 ///


1 approving the sale or with respect to the vehicles, upon receipt of a certified copy of an
2 order confirming the sale, whichever is later, or will be deemed abandoned. If the Buyer
3 fails to comply with the terms of final payment and removal as required, the Auctioneer
4 may resell the assets concerned without notice to the Buyer and the Buyer's payments
5 will be forfeited. The Buyer will remain liable for any deficiency as well as any expenses
6 incurred in connection with the storage, resale or removal of any abandoned or forfeited
7 items.

7/18/00

ERITHE A. SMITH

THE HONORABLE ERITHE A. SMITH
UNITED STATES BANKRUPTCY JUDGE

Presented By:



METTE H. KURTZ, an Attorney with
KLEE, TUCHIN, BOGDANOFF & STERN LLP
Reorganization Counsel for
World Bazaars, Inc.

Approved As To Form By:

HYDEE R. FELDSTEIN, an Attorney with
PAUL, HASTINGS, JANOFKY & WALKER, LLP
Counsel for SunTrust, As Agent for the Bank Group

RICHARD W. HAVEL, an Attorney with
SIDLEY & AUSTIN
Counsel to the Creditors' Committee

BARRY LAWRENCE RUDERMAN, APC, an Attorney with
RADBONE & RUDERMAN
Attorneys for creditor, the Encore Group, Inc.

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14 METTE H. KURTH, an Attorney with
 KLEE, TUCHIN, BOGDANOFF & STERN LLP
 15 Reorganization Counsel for
 World Bazaars, Inc.

17 Approved As To Form By:

19
 20 *Hydee Feldstein by Kelly A*
 21 HYDEE R. FELDSTEIN, an Attorney with
 PAUL, HASTINGS, JANOFSKY & WALKER, LLP
 22 Counsel for SunTrust, As Agent for the Bank Group

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15 Reorganization Counsel for
World Bazaars, Inc.
16

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24 James E. Patterson for
RICHARD W. HAVEL, an Attorney with
25 SIDLEY & AUSTIN
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Attorneys for creditor, the Encore Group, Inc.

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11 **THE HONORABLE ERITHE A. SMITH**
UNITED STATES BANKRUPTCY JUDGE


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14 **METTE H. KURTH, an Attorney with**
KLEE, TUCHIN, BOGDANOFF & STERN LLP
 15 **Reorganization Counsel for**
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 21 **PAUL, HASTINGS, JANOFSKY & WALKER, LLP**
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 26 **Counsel to the Creditors' Committee**

27 
 28 **BARRY LAWRENCE RUDERMAN, APC, an Attorney with**
RATHBONE & RUDERMAN
Attorneys for creditor, the Encore Group, Inc.

INVOICE

DALEY-HODKIN CORPORATION
135 PINELAWN ROAD
SUITE 210 SOUTH
MELVILLE, NEW YORK 11747-3144

(631) 293-0200 FAX: (631) 293-0328

BUYER NUMBER: 311

AUCTION NUMBER: 00-0431-000

INVOICE DATE: 07/12/2000

BANKRUPTCY

SOLD TO: PRINCESS INTERNATIONAL LLC
1532 CHAMPION HILLS LANE
LAS VEGAS, NV 89134
PHONE: (702) 804-9435 FAX: (702) 804-9437

PAGE 1

ATTN: SUDI OZKAN

LOT	QTY	DESCRIPTION	BID PRICE	EXT. PRICE
3	LOT	CUSTOMER LIST	\$ 40,000.0000	\$ 40,000.00
4	LOT	TRADEMARKS & COPYRIGHTS AS LISTED ON SCHEDULE "A"	\$ 20,000.0000	\$ 20,000.00
4A	LOT	TRADEMARKS AS LISTED ON SCHEDULE B	\$ 20,000.0000	\$ 20,000.00
5	LOT	ALL INVENTORY +/- QTY 24,578,011; +/- COST \$30,301,215 INCLUDING UPC BAR CODES (LOT #6 THROUGH LOT #25)	\$ 12,500,000.0000	\$ 12,500,000.00
6	LOT	REPRODUCTION ANTIQUE FURNITURE & MORE (COMPANY CODE "AT") - BOOKCASES, TABLES, DESKS, CLOCKS, ETC. INCLUDING UPC BAR CODES QTY 119,762, COST \$637,383	\$ 0.0000	\$ 0.00
7	LOT	RELIGIOUS (COMPANY CODE "RG") - STATUES, FIGURINES, NATIVITY SETS, ETC. INCLUDING UPC BAR CODES QTY 177,269, COST \$59,098	\$ 0.0000	\$ 0.00
8	LOT	DUNCAN ROYAL (COMPANY CODE "DR") - DECORATIVE AND COLLECTIBLE CERAMICS & FIGURINES, ETC. INCLUDING UPC BAR CODES QTY 40,457, COST \$213,595	\$ 0.0000	\$ 0.00
9	LOT	SEASONAL (OTHER THAN CHRISTMAS) (COMPANY CODE "SE") - HALLOWEEN AND THANKSGIVING DECORATIVE ITEMS, DISHWARE, ETC. INCLUDING UPC BAR CODES QTY 240,551, COST \$223,676	\$ 0.0000	\$ 0.00
10	LOT	CANDLES (COMPANY CODE "CN") - CANDLES, HOLDERS, ETC. INCLUDING UPC BAR CODES QTY 2,475,843, COST \$2,785,476	\$ 0.0000	\$ 0.00
11	LOT	EASTER ITEMS (COMPANY CODE "ES") - STUFFED, WOOD & METAL ANIMAL FIGURINES, CERAMICS, CANDLES, ETC. INCLUDING UPC BAR CODES QTY 871,712, COST \$666,751	\$ 0.0000	\$ 0.00

All purchases are subject to the terms and conditions stated in the Terms of Sale. Purchaser is responsible for making all removal arrangements. All sales are "As-Is", "Where-Is", without recourse and without any representation or warranty, whatsoever including representations or warranties as to quality, condition, description, merchantability or fitness for any particular purpose.

TRADEMARK
REEL: 002200 FRAME: 0813

INVOICE

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PAGE 2

ATTN: SUDI OZKAN

LOT	QTY	DESCRIPTION	BID PRICE	EXT. PRICE
12	LOT	FURNITURE/ACCESSORIES (COMPANY CODE "FA") - TABLES, CHAIRS, STOOLS, BASKETS, JEWELRY BOXES, PATIO FURNITURE SETS, MINIATURE FURNITURE, ETC. INCLUDING UPC BAR CODES QTY. 143,366, COST \$2,143,329	\$ 0.0000	\$ 0.00
13	LOT	GLASSWARE (COMPANY CODE "GL") - STEMWARE, TUMBLERS, GLASSWARE SETS, ANIMAL FIGURES, ETC. INCLUDING UPC BAR CODES QTY. 432,779, COST \$496,994	\$ 0.0000	\$ 0.00
14	LOT	GENERAL MERCHANDISE (COMPANY CODE "GM") - MUGS, GLASSES, FIGURINES, LAMPS, ETC. INCLUDING UPC BAR CODES QTY. 2,934,828, COST \$ 3,794,110	\$ 0.0000	\$ 0.00
15	LOT	LAWN & GARDEN (COMPANY CODE "LG") - FURNITURE, LAWN DECORATIONS, BIRDHOUSES, PLANTERS, ETC. INCLUDING UPC BAR CODES QTY 1,491,087, COST \$ 2,341,593	\$ 0.0000	\$ 0.00
16	LOT	CHRISTMAS ITEMS (COMPANY CODE "CM") - DECORATIONS, FIGURINES, LIGHTS, DISHWARE, ETC. INCLUDING UPC BAR CODES QTY 5,740,475; COST \$5,596,014	\$ 0.0000	\$ 0.00
17	LOT	METAL FURNITURE & MORE (COMPANY CODE "MI") TABLES, CHAIRS, RACKS, BRASS DECORATIVE ACCESSORIES, ETC. INCLUDING UPC BAR CODES QTY 845,251, COST \$2,032,881	\$ 0.0000	\$ 0.00
18	LOT	NAUTICAL (COMPANY CODE "NT") - MODEL SHIPS, TABLES, BRASS DECORATIVE ACCESSORIES, ETC. INCLUDING UPC BAR CODES QTY 221,059, COST \$874,458	\$ 0.0000	\$ 0.00
19	LOT	ORIENTAL (COMPANY CODE "PC") - HAND PAINTED VASES, STANDS, ETC. INCLUDING UPC BAR CODES QTY 183,384, COST \$478,502	\$ 0.0000	\$ 0.00

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TRADEMARK
REEL: 002200 FRAME: 0814

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PAGE 3

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LOT	QTY	DESCRIPTION	BID PRICE	EXT. PRICE
20	LOT	DOLLAR DAYS (COMPANY CODE "DD") - TOYS, HOUSEWARES, CHILDREN'S BOOKS, TOOLS, ETC. INCLUDING UPC BAR CODES QTY 3,408,280, COST \$1,097,260	\$ 0.0000	\$ 0.00
21	LOT	FRAMES - LOUI MICHEL (COMPANY CODE "LM") - VARIOUS SIZED GLASS, BRASS, PEWTER & WOOD PICTURE FRAMES, DECORATIVE SCREENS AND PANELS, ETC. INCLUDING UPC BAR CODES QTY 2,366,391, COST \$3,653,693	\$ 0.0000	\$ 0.00
22	LOT	CERAMICS (COMPANY CODE "CR") - VASES, DISHWARE, TEAPOTS, LAMPS, ETC. INCLUDING UPC BAR CODES QTY 2,333,574, COST \$2,475,876	\$ 0.0000	\$ 0.00
23	LOT	WOOD FURNITURE & MORE (COMPANY CODE "WD") - TABLES, CHAIRS, FIGURINES, ETC. INCLUDING UPC BAR CODES QTY 451,941, COST \$730,526	\$ 0.0000	\$ 0.00
24	LOT	DISPLAY AND RETAIL OUTLET MERCHANDISE LOCATED AT: 2400 YATES AVENUE COMMERCE, CA.	\$ 0.0000	\$ 0.00
25	LOT	OPEN ITEMS OF VARIOUS CATEGORIES LOCATED AT: 1505 SOUTH HAVEN AVENUE ONTARIO, CA.	\$ 0.0000	\$ 0.00
27	1	1998 FORD E250 VIN 1FTNS24L7WHA34107 CARGO VAN, INDICATED MILEAGE ON ODOMETER APPROX. 55,926	\$ 11,000.0000	\$ 11,000.00
28	1	1996 FORD E250 VIN 1FTFS24Y1THA56664 CARGO VAN, INDICATED MILEAGE ON ODOMETER APPROX. 42,523	\$ 9,000.0000	\$ 9,000.00
29	1	1985 FORD LN700 VIN 1FDNR74N4FVA09396, SIX-WHEEL TRUCK CHASSIS W/VAN BODY 22', ROLLUP REAR DOOR W/LIFT GATE, DIESEL ENGINE, INDICATED MILEAGE ON ODOMETER APPROX. 207,169	\$ 6,000.0000	\$ 6,000.00

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TRADEMARK

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(631) 293-0200 FAX: (631) 293-0328

BUYER NUMBER: 311

AUCTION NUMBER: 00-0431-00C

INVOICE DATE: 07/12/2000

BANKRUPTCY

SOLD TO: PRINCESS INTERNATIONAL LLC
1532 CHAMPION HILLS LANE
LAS VEGAS, NV 89134
PHONE: (702) 804-9435 FAX: (702) 804-9437

PAGE 4

ATTN: SUDI OZKAN

LOT	QTY	DESCRIPTION	BID PRICE	EXT. PRICE
30	1	1986 CHEVROLET C20 VIN 1GCEC24L1GJ181370 PICKUP TRUCK, INDICATED MILEAGE ON ODOMETER APPROX. 139,228	\$ 2,000.0000	\$ 2,000.00

SALES TAX RATE: 8.2500 %
BUYERS PREMIUM: 5.00 %

PURCHASES: \$ 12,608,000.00
DEPOSITS: \$ 2,500,000.00
SUBTOTAL: 10,108,000.00
SALES TAX: \$ 0.00
BUYERS PREMIUM: \$ 630,400.00
BALANCE DUE: \$ 10,738,400.00

All purchases are subject to the terms and conditions stated in the Terms of Sale. Purchaser is responsible for making all removal arrangements. All sales are "As-Is", "Where-Is", without recourse and without any representation or warranty whatsoever including representations or warranties as to quality, condition, description, merchantability or fitness for any particular purpose.

REEL: 002200 FRAME: 0816

INVOICE

DALEY HODKIN CORPORATION
135 PINELAWN ROAD
SUITE 210 SOUTH
MELVILLE, NEW YORK 11747-3144

(631) 293-0200 FAX: (631) 293-0328

BUYER NUMBER: 315

AUCTION NUMBER: 00-0431-000

INVOICE DATE: 07/12/2000

BANKRUPTCY

SOLD TO: EMPIRE ELECTRICAL SUPPLY
4846 VAN NUYS BLVD
SHERMAN OAKS, CA 91423
PHONE: (818) 986-2626 FAX: (818) 986-3202

PAGE 1

ATTN: MICHAEL

LOT	QTY	DESCRIPTION	BID PRICE	EXT. PRICE
26	1	2000 FREIGHTLINER FLG0 VIN 1FV3GFAC6YHB92839 6-WHEEL TRUCK CHASSIS W/VAN BODY 24' W/ROLLUP REAR DOOR AND LIFT GATE, DIESEL ENGINE. INDICATED MILEAGE ON ODOMETER APPROX. 14,435	\$ 22,500.0000	\$ 22,500.00

PURCHASES: \$ 22,500.00

DEPOSITS: \$ 0.00

SUBTOTAL: \$ 22,500.00

SALES TAX: \$ 0.00

BUYERS PREMIUM: \$ 1,125.00

BALANCE DUE: \$ 23,625.00

SALES TAX RATE: 8.2500 %

BUYERS PREMIUM: 5.00 %

All purchases are subject to the terms and conditions stated in the Terms of Sale. Purchaser is responsible for making all removal arrangements. All sales are "As-Is", "Where-Is", without recourse and without any representation or warranty whatsoever including representations or warranties as to quality, condition, description, merchantability or fitness for any particular purpose.

REEL: 002200 FRAME: 0817

FILL IN, DETACH AND DEPOSIT THIS
STUB WITH THE AUCTIONEER'S CLERK
(Please Print or Attach Business Card)

No. 315

IDENTIFICATION STUB

FIRM NAME _____

YOUR NAME _____

A

-

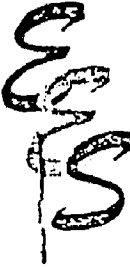
C

E

T

F

{

 Empire
Electrical
Supply Inc.

MICHAEL

4846 Van Nuys Blvd

Sherman Oaks, CA 91401

Tel: 818-986-2626 • 818-986-2626

Fax: 818-986-3200

Customer acknowledges that he has read and agrees to all of the terms of sale contained in
catalog and/or posted on sale premises.

Persons attending inspection, sale or removal assume all risks of damage or loss to personal
property and specifically release and indemnify the Auctioneer from liability thereon.
Auctioneer shall not be liable by reason of any defect in, or condition of the premises in which
sale is held.

SIGNATURE _____

EXHIBIT 2 PAGE 12

TRADEMARK
REEL: 002200 FRAME: 0818

TERMS OF SALE

The Auctioneer sells all inventory, accounts receivable, trademarks, customer list and vehicles, (collectively referred to as the "Items") "AS IS" and "WHERE IS" without any representations, warranties or covenants of any kind, including but not limited to, representations, warranties or covenants as to quality, condition, description, merchantability, assignability or fitness for any particular purpose. In accordance with Title 11, Chapter 3, Section 363 (n) of the US Code, all of the Company's rights, title and interest in the Items will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests, with such pledges, liens, security interests, encumbrances, claims, charges, options and interests to attach to the proceeds.

All bidders must register and sign an acknowledgment of receipt and agreement with these Terms of Sale to become eligible to bid. All bidders are required to provide their paddle number at time of knockdown and a minimum deposit of 25% of the Bid Price. A five (5%) percent buyer's premium will be charged on all purchases and will be added to your bill. Payment of the balance in full must be made within twenty-four hours following the court hearing scheduled for Thursday, July 13, 2000 at 10:30 am and the entry of the Court's order(s) approving the sale. If a bid is not accepted by World Bazaars or approved by the Court, neither World Bazaars nor the bidder will have any further rights, duties, or obligations under or respecting the bid other than the Debtor's obligation to refund any deposit held by the Debtor. In the event a bidder fails to give the minimum deposit the Auctioneer may resell the lot any time during the sale. All deposits and payments shall consist of cash, cashier's check, or other certified funds made payable to Daley-Hodkin Corp. Corporate or personal signed checks will be accepted only if accompanied by a bank letter which states that the bank will guarantee payment of the Bid Price or any lesser amount satisfactory to the Auctioneer and the Debtor. Signed checks not completed by the Buyer at the conclusion of the sale will be completed and deposited by Auctioneer. Title and risk of loss will transfer to the successful bidder(s) at the time that the Auctioneer receives final payment. *The purchaser(s) are responsible for all expenses incurred in connection with the purchase and transfer of title, including, without limitation, any sales taxes, use fees, transfer taxes, stamp or recording taxes, fees or other similar fees or taxes or costs associated with or arising from such transfer.*

Buyer's right to reconcile inventory counts will be at time of delivery (i.e., warehouse docks). If the buyer does not reconcile the inventory at time of delivery, the counts provided to the buyer at the auction will become final. No adjustments will be made for inventory counts that are less than 2% of the approximate counts provided at auction. Bid prices for adjustments of inventory counts greater than 2% less than the approximate counts will be prorated to reflect the final inventory count. Inventory counts determined to be more than 2% greater than the approximate inventory count will be available at the buyer's option at a prorated price. No allowances or adjustments of any kind will be made once purchased inventory has been removed from the warehouses.

The accounts receivable are sold as of the close of business Tuesday, July 11, 2000. A schedule of all payments received on account of the receivables will be provided to the buyer as well as all collections after July 11, 2000.

The Auctioneer reserves the right to group and sell the Items in bulk, consecutive lot number order, or in any order he deems suitable. To be successful, the cumulative total of the individual inventory bids must exceed the bulk inventory bid by five (5%) percent. All bids must be consistent with the lots and other asset groups that are offered by the Auctioneer. In the event of any disputed bid the Auctioneer reserves the right to put the disputed Item up for sale to the best bidder. The auction sheets and records of sale as set forth by the Auctioneer must be accepted as final by all purchasers. The Auctioneer is not bound by any actions or statements made by any person other than himself. In the event the Auctioneer is unable to release any lot to a purchaser, the extent of the Auctioneer's liability will be to refund any funds collected against that lot. The Debtor reserves the right to confirm or reject any and all bids. All bids are subject to approval by the Bankruptcy Court at a hearing scheduled for Thursday, July 13, 2000, at 10:30 am. Successful bidders must attend this hearing.

EXHIBIT 2 PAGE 13
TRADEMARK

The warehouses will be open 7 days a week, 24 hours a day to accommodate removal. Removal of the Item(s) purchased will be by appointment only and must be arranged through Daley-Hodkin Corp. Removal of the Item(s) purchased must be completed in accordance with the terms stated by the Auctioneer. All Items are required to be removed by the purchaser at its own risk and expense and within all applicable laws or ordinances. No allowances or adjustment of any kind will be made once the Items purchased are removed from the sale premises. Item CANNOT be removed the day of the sale or on the day of the Bankruptcy Court sale hearing. All Items, with the exception of the Vehicles and Lot 24, must be removed from the premises by 4:00 p.m. on Saturday, September 30, 2000 or will be deemed abandoned. All vehicles and Lot 24 must be removed from the premises within (30) days after entry of the Bankruptcy Court order approving the sale or with respect to the vehicles, upon receipt of a certified copy of an order confirming the sale, whichever is later, or will be deemed abandoned. *Buyers will be assigned, a checker, on a first come first serve basis to escort them to their purchased Items.* All inventory purchases will be staged and loaded on to the Buyer's vehicle by the Auctioneer.

If the purchaser fails to comply with the terms of final payment and removal as required, the Auctioneer reserves the right to resell the Items concerned without notice to the purchaser and the purchaser's payments will be forfeited. The purchaser will remain liable for any deficiency as well as any expenses incurred in connection with the storage, resale or removal of any abandoned or forfeited Item(s).

The Debtor is offering for sale its right, title, and interest in the following trademarks: "Loui MicheDie," "Loui Michele," "Elysees," "Venezia," "Michel Michel," and "LM & Design." These trademarks were initially assigned to World Bazaars under an Assignment dated October 30, 1998. These trademarks may be affected by a Trademark Compensation Agreement dated March 3, 1994 and an At-Will Employment Agreement dated October 30, 1998 among World Bazaars, Inc.; Michael Block; the Abulafia Trust; and OMT Enterprises, Inc. In particular, the Trademark Compensation Agreement states that "in the event WBI terminates Block's At-Will employment and such termination is not "For Cause," WBI agrees that it will grant to Block a non-exclusive license for a period of ten (10) years to sell merchandise bearing the Assigned Trademarks and private label photo products to Tuesday Morning and Price/Costco, or any successor company of Tuesday Morning and/or Price/Costco." Mr. Block was terminated by World Bazaars in May 2000. The Assignment, Trademark Compensation Agreement, and At-Will Employment Agreement are available for inspection upon request.

The obligation to obtain applicable permits, licenses and registration fees (i.e.: vehicles) are the sole responsibility of the purchaser.

All information, materials, etc., verbal or printed, that have been provided by the Auctioneer are correct to the best of our knowledge and in no other way is accuracy of same guaranteed by Auctioneer. Inventory counts provided are approximations and are correct to the best of the Auctioneer's knowledge. Purchasers shall rely on their own due diligence.

The bidder acknowledges that it has reviewed the full Terms of Sale, that the bidder agrees to comply with all terms and conditions of those procedures, that the bidder has had an opportunity to inspect and examine the company's assets and to conduct due diligence regarding the assets before making its bid; that the bidder has relied solely on its own independent review, investigation, or inspection of any documents or assets in making its bid; that the bidder did not rely on or receive any written or oral statements, representations, promises, warranties, or guaranties with respect to the assets; and that the bidder by submitting the bid, waives any rights or claims that it may have arising either in whole or in part out of the nonacceptance of its bid.

California: Applicable 8.25% percent sales tax must be paid to the Auctioneer on all purchases of Personal Property. Exceptions: Properly completed California Resale Certificates will be accepted from qualified buyers. Resale Certificates from out-of-state purchasers will not be accepted. Sales tax will be collected on all other out of state purchases. This sales tax will be refunded directly to the purchaser upon receipt of a properly completed bill of lading from a common carrier showing out of state delivery of the Items purchased if received prior to August 15, 2000. Otherwise, refunds must be obtained directly from the California Board of Equalization. IRS regulations require us to report all cash payments, as defined by the IRS, exceeding \$10,000 from any purchaser for one or more related transactions.

Under Bankruptcy Code Section 363(n), the company may avoid a sale if the sale price was controlled by an agreement among the bidders. Specifically, section 363(n) provides that;

The (debtor) may avoid a sale under this section if the sale price was controlled by an agreement among potential bidders at such sale, or may recover from a party to such agreement any amount by which the value of the property sold exceeds the price at which such sale was consummated, and may recover any costs, attorneys' fees, or expenses incurred in avoiding such sale or recovering such amount. In addition to any recovery under the preceding sentence, the court may grant judgment for punitive damages in favor of the estate and against any such party that entered into such an agreement in willful disregard of this subsection.

Notwithstanding anything to the contrary in these Terms of Sale, any current or former insider (as that term is defined in the Bankruptcy Code) or any entity that is owned, managed, affiliated with, or controlled by a current or former insider that submits a bid to purchase assets of World Bazaars will have the burden of both demonstrating to the Court that it is entitled to protection under Bankruptcy Code section 363(m) and obtaining an order containing such a finding. If that current or former insider or entity fails to obtain an order finding that it is entitled to protection under Bankruptcy Code section 363(m), that failure will not free the insider from any obligation to complete the purchase of the assets of World Bazaars in accordance with its bid.

These terms supersede any other posted or printed terms of sale. The key provisions of these Terms of Sale are read at the beginning of the sale and the full text is posted on the premises so that all prospective purchasers are deemed to have full knowledge of same regardless of what time they entered the sale premises. Any modification to these terms or additional terms and conditions must be in writing. A successful bid is considered acceptance of the above terms and is a binding contract.

Accepted and agreed to this 7-12-00 day of July, 2000

By: Mike
Signature

Name: _____

Capacity: _____

Company: _____

Buyer Number: 315

July 12, 2000

EXHIBIT 2 PAGE 15 page. 3
TRADEMARK

REEL: 002200 FRAME: 0821

FILL IN, DETACH AND DEPOSIT THIS
STUB WITH THE AUCTIONEER'S CLERK
(Please Print or Attach Business Card)

No. 311 IDENTIFICATION STUB

FIRM NAME _____

YOUR NAME _____

ADDRESS _____

CITY _____

STATE _____ ZIP _____



Sudi Özkan
President

"Zenner"
90a Billy Folly Road
Pelican Key
St. Maarten N.A.
Tel: (5995-4) 45343
Fax: (5995-4) 42743
Cel: (5995) 97790

1532 Champion Hills Lane
Las Vegas, NV 89134
Tel: (702) 804.9435
Fax: (702) 804.9437
Cel: (702) 521.7427

Istanbul Princess Hotel
Maslak, Istanbul
Turkey
Tel: 90. 212. 285 0963
Fax: 90. 212. 285 0994

SIGNATURE _____

TERMS OF SALE

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The bidder acknowledges that it has reviewed the full Terms of Sale, that the bidder agrees to comply with all terms and conditions of those procedures, that the bidder has had an opportunity to inspect and examine the company's assets and to conduct due diligence regarding the assets before making its bid; that the bidder has relied solely on its own independent review, investigation, or inspection of any documents or assets in making its bid; that the bidder did not rely on or receive any written or oral statements, representations, promises, warranties, or guaranties with respect to the assets; and that the bidder by submitting the bid, waives any rights or claims that it may have arising either in whole or in part out of the non-acceptance of its bid.

California: Applicable 8.25% percent sales tax must be paid to the Auctioneer on all purchases of Personal Property. Exceptions: Properly completed California Resale Certificates will be accepted from qualified buyers. Resale Certificates from out-of-state purchasers will not be accepted. Sales tax will be collected on all other out of state purchases. This sales tax will be refunded directly to the purchaser upon receipt of a properly completed bill of lading from a common carrier showing out of state delivery of the Items purchased if received prior to August 15, 2000. Otherwise, refunds must be obtained directly from the California Board of Equalization. IRS regulations require us to report all cash payments, as defined by the IRS, exceeding \$10,000 from any purchaser for one or more related transactions.

July 12, 2000

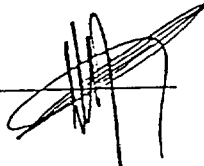
Under Bankruptcy Code Section 363(n), the company may avoid a sale if the sale price was controlled by an agreement among the bidders. Specifically, section 363(n) provides that;

The (debtor) may avoid a sale under this section if the sale price was controlled by an agreement among potential bidders at such sale, or may recover from a party to such agreement any amount by which the value of the property sold exceeds the price at which such sale was consummated, and may recover any costs, attorneys' fees, or expenses incurred in avoiding such sale or recovering such amount. In addition to any recovery under the preceding sentence, the court may grant judgment for punitive damages in favor of the estate and against any such party that entered into such an agreement in willful disregard of this subsection.

Notwithstanding anything to the contrary in these Terms of Sale, any current or former insider (as that term is defined in the Bankruptcy Code) or any entity that is owned, managed, affiliated with, or controlled by a current or former insider that submits a bid to purchase assets of World Bazaars will have the burden of both demonstrating to the Court that it is entitled to protection under Bankruptcy Code section 363(m) and obtaining an order containing such a finding. If that current or former insider or entity fails to obtain an order finding that it is entitled to protection under Bankruptcy Code section 363(m), that failure will not free the insider from any obligation to complete the purchase of the assets of World Bazaars in accordance with its bid.

These terms supersede any other posted or printed terms of sale. The key provisions of these Terms of Sale are read at the beginning of the sale and the full text is posted on the premises so that all prospective purchasers are deemed to have full knowledge of same regardless of what time they entered the sale premises. Any modification to these terms or additional terms and conditions must be in writing. A successful bid is considered acceptance of the above terms and is a binding contract.

Accepted and agreed to this 12 day of July, 2000

By: Judi Okan 
Signature

Name: _____

Capacity: _____

Company: _____

Buyer Number: 311

July 12, 2000

EXHIBIT 3 PAGE 19 page. 3

TRADEMARK
REEL: 002200 FRAME: 0825

Debtor
Sonia Gros
World Bazaars, Inc.
2400 Yates Avenue
Commerce, CA 90040

Secured Lender
SunTrust Bank, Atlanta
Attn: Susan Hall / Kathy Boozer / Andrew McGhee
25 Park Place, 26th Floor
Atlanta, GA 30303

Saunders Karp & Megrue, L.P.
Attn: Barron Fletcher
667 Madison Avenue, 21st Floor
New York, NY 10021

Counsel to the Abulafia Trust
Richard M. Pachulski, Esq.
Pachulski, Stang, Ziehl, Young & Jones
10100 Santa Monica Blvd., Suite 1100
Los Angeles, CA 90067

Creditors' Committee Member
L.E. Coppersmith, Inc.
Attn: Douglas S. Walkley, CFO
2041 Rosecrans Ave., #300
El Segundo, CA 90245

Creditors' Committee Member
Alto Freight Management, Inc.
Attn: Anthony Ioele
12910 Mulberry Drive
Whittier, CA 90602

Special Notice/The L.A. Mart, LLC
Stuart Liner, Esq. / Susan Germaise, Esq. /
Liner Yankelevitz, Esq.
Sunshine & Regenstreif LLP
3130 Wilshire Blvd., 2nd Floor
Santa Monica, CA 90403-2300

Special Notice/AmericasMart Real Estate,
LLC f/k/a Atlanta Gift Mart, L.P.
John J. Wiles, Esq.
Wiles & Wiles
800 Kennesaw Avenue, Suite 400
Marietta, GA 30060-1096

Special Notice/Tech Systems Group
David M. Poitras, Esq.
Danning, Gill, Diamond & Kollitz, LLP
2029 Century Park East, Third Floor
Los Angeles, CA 90067-2904

Ron Maroko, Esq.
Office of the U.S. Trustee
221 North Figueroa Street, Suite 800
Los Angeles, CA 90012

Counsel for SunTrust, As Agent for the
Bank Group
Chris D. Molen, Esq.
Paul, Hastings, Janofsky & Walker, LLP
600 Peachtree Street, N.E., Suite 2400
Atlanta, GA 30308

Saunders, Karp & Megrue, L.P.
Attn: David Oddi
262 Harbor Drive
Stamford, CT 06902

Internal Revenue Service
300 North Los Angeles Street
Los Angeles, CA 90012

Creditors' Committee Member
Westaff
Attn: Karolyn Silas
222 North Mountain Avenue, #101
Upland, CA 91786

Creditors' Committee Chair
Staff Mark, Inc.
Attn: Chuck Kylander, National Credit
Manager
14150 Vine Place
Cerritos, CA 90703

Special Notice/Daley-Hodkin Corp.
Cindy S. Korman, Esq.
Attorney at Law
135 Pinelawn Road
Suite 215 South
Melville, NY 11747-3144

Special Notice/Paragon Sales and
Marketing
Douglas C. Venema
Paragon Sales and Marketing
30498 Camas Swale Road
Creswell, OR 97426

Special Notice/Americasmart Real Estate,
LLC
Jeffrey E. Bjork, Esq.
King & Spalding
191 Peachtree Street
Atlanta, GA 30303-1763

Secured Lender
SunTrust Bank, Atlanta
Attn: Dennis James
711 Fifth Avenue, 16th Floor
New York, NY 10022

Counsel for SunTrust, As Agent for the
Bank Group
Paul, Hastings, Janofsky & Walker, LLP
Attn: Hydee R. Feldstein, Esq.
555 South Flower, 23rd Floor
Los Angeles, CA 90071

Counsel to Saunders Karp & Megrue, L.P.
Cindy E. Tzerman, Esq.
Jones, Day, Reavis & Pogue
599 Lexington Avenue
New York, NY 10022

Counsel to the Creditors' Committee
Richard W. Havel, Esq.
Thomas E. Patterson, Esq.
Sidley & Austin
555 West Fifth Street, 40th Floor
Los Angeles, CA 90013

Creditors' Committee Member
OOCL USA, Inc.
Attn: Adam Chin and/or Nicole Fox
4141 Hacienda Drive
Pleasanton, CA 94588

Special Notice/Counsel to Majestic Realty
Reed S. Waddell, Esq.
Pillsbury, Madison & Sutro
725 South Figueroa Street, Suite 1200
Los Angeles, CA 90017-5443

Special Notice/Gordon Brothers Retail
Partners, LLC
Eric D. Goldberg, Esq.
Stutman, Treister & Glatt
3699 Wilshire Blvd., Ste. 900
Los Angeles, CA 90010

Special Notice/Manhattan Associates
Sandra H. Young, Esq. / David W. Cranshaw, Esq.
Morris, Manning & Martin LLP
1600 Atlanta Financial Center
3343 Peachtree Road, N.E.
Atlanta, GA 30326

Special Notice
Mark J. Goldstein
M.G. Sales
Manufacturer's Representatives
2609 Edgewood Road
Beachwood, OH 44122

In re: WORLD BAZAARS, INC., a California corporation, Debtor.	CASE NUMBER: LA 00-24386 ES CHAPTER 11 BY _____ DEPUTY CLERK CLERK OF THE BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA 00 JUL 14 PM 4:04 RECEIVED
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**NOTICE OF ENTRY OF JUDGMENT OR ORDER
AND CERTIFICATE OF MAILING**

TO:

Debtor
Sonia Gros
World Bazaars, Inc.
2400 Yates Avenue
Commerce, CA 90040

Ron Maroko, Esq.
Office of the U.S. Trustee
221 North Figueroa Street, Suite 800
Los Angeles, CA 90012

Counsel for SunTrust, As Agent for the Bank Group
Paul, Hastings, Janofsky & Walker, LLP
Attn: Hydee R. Feldstein, Esq.
555 South Flower, 23rd Floor
Los Angeles, CA 90071

Counsel to Saunders Karp & Megrue, L.P.
Cindy E. Tzerman, Esq.
Jones, Day, Reavis & Pogue
599 Lexington Avenue
New York, NY 10022

Counsel to the Creditors' Committee
Richard Havel, Esq./Thomas Patterson, Esq.
Sidley & Austin
555 West Fifth Street, 40th Floor
Los Angeles, CA 90013

Special Notice/ Daley-Hodkin Corp.
Cindy S. Kornman, Esq.
Attorney at Law
135 Pinelawn Road
Suite 215 South
Melville, NY 11747-3144

Mette H. Kurth, Esq.
Klee, Tuchin, Bogdanoff & Stern LLP
1880 Century Park East, Suite 200
Los Angeles, CA 90067

1. You are hereby notified, pursuant to Local Bankruptcy Rule 9021-1(1)(a)(v), that a judgment or order entitled (specify):

ORDER AUTHORIZING SALE OF SUBSTANTIALLY ALL OF DEBTOR'S ASSETS FREE AND CLEAR OF ALL PLEDGES, LIENS, SECURITY INTERESTS, ENCUMBRANCES, CLAIMS, CHARGES, OPTIONS, AND INTERESTS

JUL 19 2000

was entered on (specify date): _____

2. I hereby certify that I mailed a copy of this notice and a true copy of the order or judgment to the persons and entities on the attached service list on (specify date):

JUL 19 2000

Dated: _____

JUL 19 2000
JON D. CERETTO
 Clerk of the Bankruptcy Court

By: Trena Johnson
 Deputy Clerk