

RE

05-09-2002

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)

REC 7



U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

IBM Credit Corporation 2707 W. Butterfield Road Oakbrook IL 60521

- Individual(s) Association General Partnership Limited Partnership Corporation-State Delaware Other

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: Inacom Corp. Internal (Formerly of 10810 Farnam Drive, Omaha Address: NE 68154)

Street Address: P.O. Box 1617

City: Alpharetta State: GA Zip: 30009

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Delaware Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other Order Release of Security Interest through Bankruptcy

Execution Date: August 29, 2000

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 1,311,389

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Angelo J. Bufalino

Internal Address:

Vedder Price Kaufman & Kammholz

Street Address:

222 N. LaSalle Street

City: Chicago State: Illinois Zip: 60601

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41) \$ 40.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number: 22-0259

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Angelo J. Bufalino Name of Person Signing

Signature

4/5/2002 Date

Total number of pages including cover sheet, attachments, and document: 2

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

TRADEMARK REEL: 002501 FRAME: 0603

01-18-2002



U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

J-1594
(Rev. 01)
OMB No. 0651-0027 (exp. 5/31/2002)
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- Individual(s)
- General Partnership
- Corporation-State Delaware
- Other
- Association
- Limited Partnership

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3. Nature of conveyance:

- Assignment
- Security Agreement
- Other Order
- Merger
- Change of Name
- Release of Security Interest through Bankruptcy

Execution Date: August 29, 2000

2. Name and address of receiving party(ies)

Name: Professional Computer Center, Inc.

Internal

Address:

Street Address:

City: State: Zip:

Individual(s) citizenship

Association

General Partnership

Limited Partnership

Corporation-State Illinois

Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
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Date

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ORIGINAL

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

INACOM CORP., et al.¹

Debtors.

Case No. 00-2426 (PJW)

Chapter 11

Jointly Administered

**ORDER (I) AUTHORIZING SALE OF CERTAIN DE MINIMIS ASSETS AND
(II) ESTABLISHING PROCEDURES FOR THE SALE, OR ABANDONMENT, OF
ASSETS HAVING A DE MINIMIS VALUE**

Upon consideration of the motion (the "Motion") of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), seeking entry of an order pursuant to section 363 of the Bankruptcy Code authorizing, and approving a procedure for, the sale of assets having a de minimis value (the "De Minimis Assets") and for related relief; and the Court being satisfied that the relief requested therein is in the best interests of the Debtors, their estates and their creditors; and notice of the Motion having been given pursuant to an order of this Court; and it appearing that no other or further notice need be given; and after due deliberation and sufficient cause appearing therefor; it is hereby:

ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

1. The Motion is granted in its entirety, except as set forth below.

¹ The Debtors are the following entities: Inacom Corp.; Inacom Latin America; Inacom Solutions, Inc.; Inacom Communications, Inc.; Inacomp Financial Services, Inc.; Perigee Communications, Inc.; Networks, Inc.; Gorham Clark, Inc.; Inacom International, Inc.; Inacom Tennessee, Inc.; Inacom Professional Services, Inc.; Kure Associates, Inc.; Office Products of Minnesota, Inc.; Boston Computer Exchange Corporation; PC Technical Services, Inc.; Vanstar Corporation; Computerland International Development, Inc.; Computerport World Trade, Inc.; Vanstar International Corporation; VST West, Inc.; VST Illinois, Inc.; VSTNC, Inc.; Cland Tex, Inc.; Inacom Government Systems, Inc.; Contract Data, Inc.; Computer Professionals, Inc.; and Vanstar Professional Technical Services, Inc.

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2. The following procedure is approved in connection with the sale of De

Minimis Assets:

(A) Debtors will provide facsimile notice of any agreement or transaction for the Sale or abandonment of De Minimis Assets ("Sale Notice") to: (i) the Office of the United States Trustee; (ii) counsel to the Official Committee of Creditors Holding Unsecured Claims; (iii) counsel to Deutsche Bank AG, New York branch, as Administrative Agent for the lenders under the Debtors' prepetition revolving credit facility; (iv) the prospective purchaser of the De Minimis Assets, (v) any party that the Debtors have identified as a holder of a lien on, or security interest in, the De Minimis Assets. (vi) any party that has made a written purchase offer, other than the offer noticed in the Sale Notice, on the De Minimis Assets, (vii) Bridgestone/Firestone, Inc., O/E Systems, Inc. d/b/a M/C Leasing, SunTrust Banks, Inc., STSC Leasing Corporation, SunTrust Service Corporation, Blue Cross Blue Shield of Michigan, Banc of America Vendor Finance, Inc., IBM Credit Corporation, Compaq Computer Corporation and Custom Edge, Inc. and any other party submitting a written request for service of sale Notices and (viii) the owner or owner's agent of the real property where the De Minimis Assets are located (the "Noticed Parties").

(B) The Sale Notice shall set forth the following information, where applicable and to the extent that the Debtors, exercising reasonable efforts, can provide such information: (i) the identity of the prospective purchaser, (ii) the purchase price, (iii) the shipment, delivery or abandonment date, (iv) any delivery or other charges borne by the Debtors in connection with the Sale or abandonment, (v) a description of the De

Minimis Assets proposed to be sold or abandoned, (vi) the book or fair market value of the items to be sold or abandoned (if ascertainable), (vii) the identity of the holder of a lien on, or security interest in, if any, the De Minimis Assets to be sold or abandoned and the amount of such lien or security interest, (viii) the date and time upon which the Debtors, exercising reasonable business judgment, will make the De Minimis Assets subject to inspection, (ix) the name, address and telephone number of the owner (or owner's agent) of the real property where the De Minimis Assets are located and (x) a disclosure describing the procedures for filing objections, if any, to the Sale Notice or for making credit bids on the De Minimis Assets.

(C) The Noticed Parties shall have no less than three (3) business days ("Notice Period") from the date of the Sale Notice to serve on Debtors' counsel and the other Noticed Parties an objection, if any, to the sale or abandonment of the De Minimis Assets and a request to inspect the De Minimis Assets. If no party requests the opportunity to inspect the De Minimis Assets, the Debtor is not required to make them available for inspection pursuant to the Sale Notice. To the extent that the De Minimis Assets consist of intangible assets that are not related to tangible personal property located at a leased premises that is the subject of a lease rejection notice, the Notice Period shall be no less than seven (7) days.

(D) Any Sale pursuant to the Sale Notice shall be subject to credit bid pursuant to section 363(k) of the Bankruptcy Code ("Credit Bid") by those prepetition allowed secured creditors of the Debtors asserting a lien on, or security interest in, the De Minimis Assets being sold provided, however, that any such credit bid must be greater than the proposed purchase price of the proposed Sale and must contain terms that are

otherwise equivalent or superior to the terms of the proposed Sale, including, but not limited to, the proposed date of shipment or delivery of the De Minimis Assets. Such Credit Bid is exercisable by facsimile notice to Debtors' counsel and the Noticed Parties within two (2) business days of the date and time of the Sale Notice.

(E) If a Credit Bid is received by the Debtors, the Debtors shall, not less than one (1) business day thereafter, by facsimile, distribute to the Noticed Parties and the party submitting the Credit Bid an amended Sale Notice ("Amended Sale Notice") providing for the Debtors' acceptance or rejection of the Credit Bid. If the Debtors reject the Credit Bid, no further credit bidding will be allowed and the Debtor shall restate its intention to sell or abandon the De Minimis Assets and the terms as set forth in the Sale.

(F) If a timely objection (based on the Sale Notice) is not received by the Debtors' counsel to the Sale Notice or the Amended Sale Notice, Debtors may complete the Sale or abandonment of the De Minimis Assets without further notice, hearing, or order of the Court. Abandonment of the De Minimis Assets may, at the Debtors' sole discretion, include abandonment of the De Minimis Assets to the landlord or may include disposing of the De Minimis Assets as rubbish. Notwithstanding the foregoing, the Debtor shall not sell, transfer or abandon any computer back-up tapes to anyone other than their owner, or the owner of the data on such back-up tapes, and will exercise reasonable efforts to dispose of all other computer back-up tapes not transferred or abandoned to their owners as rubbish, but the Debtor is not required to warrant that it will dispose of all computer back-up tapes as rubbish. All such unclaimed back-up tapes at Tempe, Arizona will be abandoned to Bridgestone/Firestone, Inc. at its sole expense. Debtors shall provide Bridgestone/Firestone, Inc. reasonable access to the leased

premises at Tempe, Arizona, to remove or dispose of such back-up tapes, in Bridgestone/Firestone, Inc.'s reasonable discretion, provided that such access shall terminate upon rejection of the Debtors' lease for such premises.

(G) If an objection is received within the Notice Period, Debtors will file a copy of the Sale Notice and objection with the Court and will schedule a hearing to consider the Sale Notice pursuant to this Motion.

(H) Holders of a lien on, or security interest in, the De Minimis Assets shall be entitled to a lien on the proceeds of the Sales with the same priority and enforceability as the lien on, or security interest in, the De Minimis Assets as of the Petition Date.

(I) Unless the Sale Notice otherwise provides, there shall be no disbursement of proceeds of the sale of De Minimis Assets to holders of allowed secured claims without further order of the Court.

3. If a party contends that personal property comprising all or part of the De Minimis Assets is its property, not property of the estate and /or should not be subject to sale, the Debtors shall not sell such personal property. The Debtors may abandon such property without further notice or hearing, provided that the party claiming ownership thereof is provided with the name, address and telephone number of the owner or manager of the real property where such property is located. The Debtor, at its option, may seek to sell such property pursuant to further order of this Court after notice and hearing.

4. Parties in interest, if any, having a lien on, or other security interest in, the De Minimis Assets are granted limited relief from the automatic stay only to allow such

parties to exercise any and all remedies available to such parties as to the De Minimis Assets but no such rights and remedies may be exercised to liquidate or enforce any unsecured claims against the Debtors.


5. No single De Minimis Sale shall exceed \$100,000.

6. Upon written demand by the Official Committee of Creditors Holding Unsecured Claims, the Debtors shall not serve any subsequent Sale Notices without further order of the Court.

7. Nothing in this Order shall modify the "Order Authorizing (1) The Debtors To Employ And Retain Schottenstein Bernstein Capital Group, LLC And Continental Plants Valuation Services, LLC as Debtors' Personal Property Liquidation Agent; And (2) The Sale Of The Debtors' Personal Property Free And Clear Of Liens, Interest and Encumbrances Pursuant to Section 363(f) of the Bankruptcy Code."

Wilmington, Delaware

Dated: August 29, 2000


The Honorable Peter J. Walsh
United States Bankruptcy Court

In re

INACOM CORP., et al.,¹

Debtors.

Case No. 00-2426 (PJW)

Chapter 11

Jointly Administered

SALE OF DE MINIMIS ASSETS NOTICE

THIS NOTICE IS PROVIDED TO YOU PURSUANT TO AN ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE ENTERED ON AUGUST 29, 2000 ("COURT ORDER"). YOU MUST ADHERE TO THE TERMS OF THIS NOTICE IN ORDER TO PROTECT YOUR RIGHTS. PLEASE READ THE FOLLOWING PROCEDURES CAREFULLY.

The proposed sale ("Sale"), which shall take place in accordance with the procedures established by the Court Order, is with respect to the assets listed in the chart below ("Assets"). In support of the Sale, the following information is provided:

Identity of Purchaser:	Professional Computer Center, Inc.
Purchase Price:	\$20,000.00
Description of Assets:	All of InaCom Corp.'s interest in the name and trademark "Valcom," subject to the rights of existing InaCom franchisees.
Shipment Delivery or Abandonment Date:	By September 17, 2001.
Shipment, Delivery or Other Charges Borne by Debtors:	None.
Book or Fair Market Value of Assets:	\$20,000.00 Fair Market Value
Identity of Holder of Lien on Assets:	None.
Date Assets are Available for Inspection and Location of Assets ("Inspection Period"):	For further information concerning InaCom Corp.'s interest in the aforementioned name and trademark "Valcom," please contact Dan Pape, Esq., McGrath, North, Mullin & Kratz, P.C., Suite 1400, One Central Park Plaza, 222 South Fifteenth Street, Omaha, Nebraska 68102; telephone (402) 341-3070; facsimile (402) 341-0216.
Name/Address and Telephone Number of Owner or Owner's Agent of Real Property Where Assets are Located:	N/A.

¹ The Debtors are the following entities: Inacom Corp.; Inacom Latin America; Inacom Solutions, Inc.; Inacom Communications, Inc.; Inacom Financial Services, Inc.; Perigee Communications, Inc.; Networks, Inc.; Gorham Clark, Inc.; Inacom International, Inc.; Inacom Tennessee, Inc.; Inacom Professional Services, Inc.; Kure Associates, Inc.; Office Products of Minnesota, Inc.; Boston Computer Exchange Corporation; PC Technical Services, Inc.; Vanstar Corporation; Computerland International Development, Inc.; Computerport World Trade, Inc.; Vanstar International Corporation; VST West, Inc.; VST Illinois, Inc.; VSTNC, Inc.; Cland Tex, Inc.; Inacom Government Systems, Inc.; Contract Data, Inc.; Computer Professionals, Inc.; and Vanstar Professional Technical Resources, Inc.

Debtors make no representations or warranties regarding the nature, quality, or physical condition of the Assets. Each party receiving this notice is afforded an opportunity to bid on the Assets and inspect the Assets. If you want to inspect the Assets you must request the opportunity to inspect the Assets in Writing.

If you oppose the Sale of the Assets, you must follow the procedures delineated below. Please note that objections, oppositions or comments to the procedures set forth herein shall not be deemed an objection to the Sale of the Assets and will, therefore, not be considered.

Opposition Procedures:

- If you oppose the Sale of the Assets, you **MUST** serve on Debtors' counsel and the other parties listed herein below (the "Noticed Parties") a written opposition to this Sale Notice. All oppositions and responses must be received by the Noticed Parties at the facsimile numbers identified on the distribution list attached hereto by September 7, 2001 at 5:00 p.m. (prevailing eastern time).
- If a timely opposition is not received by the Debtors' counsel, the Sale shall be deemed rejected effective as of the date of this Sale Notice without further notice, hearing, or order of the Court.
- The Sale is subject to credit bid pursuant to section 363(k) of the Bankruptcy Code ("Credit Bid") by those prepetition allowed secured creditors of the Debtors asserting a lien on, or security interest in, the Assets provided, however, that any such credit bid must be greater than the proposed purchase price of the proposed Sale and must contain terms that are otherwise equivalent or superior to the terms of the proposed Sale, including, but not limited to, the proposed date of shipment or delivery of the Assets. Such Credit Bid is exercisable by facsimile notice to Debtors' counsel and the Noticed Parties within two (2) business days of the date and time of the Sale Notice.
- If a Credit Bid is received by Debtors, Debtors shall, not less than one (1) business day thereafter, by facsimile, distribute to the Noticed Parties and the party submitting the Credit Bid an amended Sale Notice ("Amended Sale Notice") providing for Debtors' acceptance or rejection of the Credit Bid. If Debtors reject the Credit Bid, no further credit bidding will be allowed and Debtors shall restate their intention to sell or abandon the Assets and the terms as set forth in the Sale.
- If Debtors' counsel receives a timely opposition, Debtors will file a copy of the Sale Notice and your opposition with the Court and will schedule a hearing to consider the Sale Notice. Unless otherwise ordered by the Court, if such opposition is overruled or withdrawn, the Sale shall be deemed to have occurred on the date of this Sale Notice.

Miscellaneous Provisions:

- Holders of a lien on, or security interest in, the Assets shall be entitled to a lien on the proceeds of the Sale with the same priority and enforceability as the lien on, or security interest in, the Assets as of June 16, 2000 (the "Petition Date").
- Unless this Sale Notice provides otherwise, there shall be no disbursement of proceeds of the Sale to holders of allowed secured claims without further order of the Court.
- If a party contends that personal property comprising all or part of the Assets is its property, not property of the estates and /or should not be subject to Sale, Debtors will not sell such personal property. Debtors may abandon such property without further notice or hearing, provided that the party claiming ownership thereof is provided with the name, address and telephone number of the owner or manager of the real property where such property is located. Debtors, at their option, may seek to sell such property pursuant to further order of the Court after notice and hearing.
- Parties in interest, if any, having a lien on, or other security interest in, the Assets are granted limited relief from the automatic stay only to allow such parties to exercise any and all remedies available to such parties as to the Assets but no such rights and remedies may be exercised to liquidate or enforce any unsecured claims against Debtors.

Any questions or comments regarding the foregoing procedures may be forwarded to Samuel R. Maizel of Pachulski, Stang, Ziehl, Young & Jones P.C. at (310) 277-6910.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

INACOM CORP., et al.¹

Debtors.

Case No. 00-2426 (PJW)

Chapter 11

Jointly Administered

**MOTION FOR ORDER APPROVING PROCEDURES FOR THE SALE, OR
ABANDONMENT, OF ASSETS HAVING A DE MINIMIS VALUE**

The above captioned debtors and debtors-in-possession (the "Debtors"), by and through their counsel, respectfully move ("Motion") this Court for an Order approving procedures for the future sale, or abandonment, of assets having a de minimis value pursuant to sections 363(b) and 554(a) of title 11 of the United States Code (the "Bankruptcy Code"). In support of this Motion, the Debtors respectfully represent as follows:

Jurisdiction

1. The Court has jurisdiction over this Motion under 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A), (B) and (N).
2. The statutory bases of relief requested herein are sections 105, 362, 363(b), and 554(a) of the Bankruptcy Code.

¹ The Debtors are the following entities: Inacom Corp.; Inacom Latin America; Inacom Solutions, Inc.; Inacom Communications, Inc.; Inacom Financial Services, Inc.; Perigee Communications, Inc.; Networks, Inc.; Gorham Clark, Inc.; Inacom International, Inc.; Inacom Tennessee, Inc.; Inacom Professional Services, Inc.; Kure Associates, Inc.; Office Products of Minnesota, Inc.; Boston Computer Exchange Corporation; PC Technical Services, Inc.; Vanstar Corporation; Computerland International Development, Inc.; Computerport World Trade, Inc.; Vanstar International Corporation; VST West, Inc.; VST Illinois, Inc.; VSTNC, Inc.; Cland Tex, Inc.; Inacom Government Systems, Inc.; Contract Data, Inc.; Computer Professionals, Inc.; and Vanstar Professional Technical Services, Inc.

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Background

3. On June 16, 2000 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Since the Petition Date, the Debtors have continued in the possession of their respective properties and the management of their respective businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. The Debtors' cases have been consolidated for procedural purposes only and are being jointly administered pursuant to an order of this Court.

4. Prior to February 16, 2000 (the "Compaq Closing Date"), the Debtors were a leading single-source provider of information technology products and technology management services to primarily Fortune 1000 clients. The Debtors distributed their products and services through a marketing network of approximately ninety (90) business centers owned by the Debtors throughout the United States. At that time, the Debtors also operated a network of approximately 875 independent dealers, each of which typically had a regional, industry, or specific service focus.

5. The industry in which the Debtors operated suffered significant shifts, including the reduction of incentives from manufacturers of information technology products, many of which have transitioned to direct sale strategies. These industry shifts resulted in reduced margins and acute liquidity difficulties for the Debtors.

6. In light of these developments, during the 1999 fiscal year, the Debtors re-evaluated their assets, systems, organizational structure and competitive strategy. As a result of such re-evaluation, the Debtors determined to sell their business product distribution assets and to focus on the service-related aspects of their business. On the Compaq Closing Date, the Debtors sold their business product distribution assets to Compaq Computer Corporation

("Compaq") for approximately \$369.5 million in cash (subject to certain post-closing adjustments) plus Compaq's assumption of certain liabilities. The Debtors entered into the Compaq transaction in order to implement their strategy, reduce long-term indebtedness, increase liquidity and position themselves primarily as providers of information technology services.²

7. After the Compaq Closing Date, however, the Debtors experienced significantly reduced service-business revenues (and, hence, much greater than expected losses) and other financial difficulties. These factors, among others, resulted in a new liquidity crisis. As a result, prior to the Petition Date, the Debtors pursued a sale of their remaining businesses and assets. The inability to consummate a purchase of the Debtors' service-related business, which represented a vast majority of the Debtors' remaining business and revenue, coupled with the Debtors' acute liquidity crisis and inability to meet operating liabilities, ultimately led to the filing of these chapter 11 cases.

8. Subsequent to the filing of these cases, the Debtors ceased their business operations and are in the process of liquidating their assets. As part of their liquidation efforts, the Debtors are in the process of rejecting certain non-residential real property leases ("Leases"). In connection with the rejection of the Leases, the Debtors need to remove, sell, or otherwise abandon certain personal property located at the premises underlying the Leases; provided, however, that such personal property shall not include personal property which shall be sold pursuant to the terms of that certain Agency Agreement between Debtors, on the one hand, and Schottenstein Bernstein Capital Group, LLC and Continental Plants Valuation Services, LLC, on

² Certain of the Debtors, and various non-debtor affiliates of the Debtors, have international locations in Central America, South America and Mexico and international affiliations in Europe, Asia, the

the other hand (collectively, the "Schottenstein Group").

9. With respect to personal property, the Debtors have pending before this Court an application to retain the Schottenstein Group to dispose of personal property through auctions, private sales and otherwise. Debtors have also retained NAI Progress West ("Progress West") as leasing consultants. Progress West is attempting to negotiate waivers of claims by landlords in exchange for sale of personal property. Schottenstein Group will sell most of the personal property. Progress West will sell some of the personal property to the landlords. This Motion deals with the personal property that Progress West will be selling but also deals with the sale of other assets which will be sold by the Debtors.

10. On August 1, 2000, the Debtors filed their consolidated Schedules of Assets and Liabilities and Statement of Financial Affairs (collectively, the "Schedules"). The Schedules indicate that the Debtors have \$929,652,817.53 in assets based on net book value. The Schedules also indicate that the Debtors have approximately \$59,706,741 in secured debt, \$21,392,012.44 in priority unsecured claims, and \$507,670,576.96 in general unsecured claims. The foregoing claims are held by approximately 7722 creditors, which consists of trade creditors and current and past employees.

Relief Requested

11. By this Motion, Debtors seek the Court's authority to implement a procedure ("Sale Procedures") to effectuate future sales (each, a "Sale" and collectively, "Sales") of certain assets having a de minimis value, with an aggregate fair market value per transaction of no more than \$100,000 (the "De Minimis Amount") that are of little or no operating use to the Debtors' estates in light of the Debtors' ongoing liquidation efforts (each, a "De Minimis Asset" and Caribbean, the Middle East, Africa and Canada. In addition, certain of Debtors' affiliates provide

collectively, "De Minimis Assets"). The De Minimis Assets may include personal property other than furnishings, fixtures, and equipment, including, but not limited to, the Debtors' equity interests in various non-debtor entities. The Sales will be free and clear of all liens, claims, interests and encumbrances (collectively, "Liens"), if any, at the highest price offered with the net proceeds of the Sale (the "Net Proceeds") to be distributed and/or set aside in accordance with this Motion and the Proposed Order without further order of the Court.

12. Debtors will also utilize the Sale Procedures to abandon De Minimis Assets where the costs associated with the Sale or such De Minimis Assets would exceed the Net Proceeds available for Debtors' estates. In order to make a determination regarding the terms and conditions of the sale of the De Minimis Assets, the Debtors rely on the knowledge of their employees and the expertise of the Schottenstein Group and Progress West in the sale of assets similar to the De Minimis Assets.

13. The majority, though not all, of the Sales or abandonments contemplated by this Motion and the Sales Procedures will be Sales or abandonments in conjunction with the rejection of non-residential real property leases pursuant to Debtors' Motion for Order (i) Rejection Certain Unexpired Leases and (ii) Establishing Procedures for the Rejection of Executory Contracts and Unexpired Leases.

**Authorizing the Sale or Abandonment of Assets Having a De Minimis Value Is
in the Best Interests of the Debtors' Estates**

14. On and after the Petition Date, the Debtors ceased business operations from their various distribution centers around the United States. As a result of the Debtors' liquidation efforts, the amount of equipment, inventory, fixtures and other assets needing to be sold has

international logistics and customization services in Mexico, the Caribbean and South America.

significantly increased and will continue to increase. Accordingly, the Debtors are seeking Court authority under sections 363(b) and 554(a) of the Bankruptcy Code to sell or abandon these De Minimis Assets when appropriate pursuant to the procedures described herein.

Sale of Assets

15. The Court's general equitable powers are codified in section 105(a) of the Bankruptcy Code. Section 105(a) empowers the Court to "issue any order, process, or judgment that is necessary to carry out the provisions of this title," 11 U.S.C. § 105(a) (2000).

Accordingly, the Court may enter the Order requested by this Motion in order to establish procedures for the sale or abandonment of assets pursuant to sections 363(b) and 554(a) of the Bankruptcy Code.

16. Section 363(b)(1) of the Bankruptcy Code provides that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1) (2000). Whether a sale of assets pursuant to section 363(b) of the Bankruptcy Code should be approved in a particular case is a matter left to the Court's discretion, giving due discretion to the business reason asserted by the proponent of the sale. *In re Lionel Corn*, 722 F.2d 1063, 1071 (2d Cir. 1983).

17. Section 363(f)(2) of the Bankruptcy Code provides, in pertinent part, that the debtor "may sell property . . . free and clear of any interest in such property of an entity other than the estate only if . . . such entity consents" 11 U.S.C. § 363(f)(1) (2000). The absence of an objection by the Noticed Parties, as that term is defined below, constitutes consent to the Sales. See generally, Veltman v. Whetzal, 93 F.3d 517 (8th Cir. 1996); Citicorp Homeowners Services, Inc. v. Elliot (In re Elliot), 94 B.R. 343 (E.D. Pa. 1988); Hargrave v. Pemberton (In re Tahore, Inc.), 175 B.R. 855 (Bankr. D.N.J. 1994); and In re Shary, 152 B.R. 724 (Bankr. N.D.

Ohio 1993).

18. If an entity does not consent to a sale under Section 363(f)(1) of the Bankruptcy Code, a debtor may sell assets under Section 363(f)(5) of the Bankruptcy Code, which provides for the sale of assets "free and clear of any interest in such property of an entity other than the estate only if . . . such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest." 11 U.S.C. § 363(f)(5) (2000). Some courts have held that a secured creditor may be compelled to accept less than full payment on its lien if such creditor could be compelled in a cramdown to accept less than full payment. 3 Collier on Bankruptcy ¶ 363.06[6][a] (L. King, 15th ed. rev'd 2000). In the present case, the Debtors would be able to cramdown the Sales on the holders of lien on such De Minimis Assets being sold. Accordingly, in the event that the Debtors cannot effectuate the Sales contemplated by this Motion under Section 363(f)(1) of the Bankruptcy Code, such Sales could be effectuated under Section 363(f)(5) of the Bankruptcy Code.

19. Section 554(a) of the Bankruptcy Code provides that "[a]fter notice and a hearing, the trustee may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate." 11 U.S.C. § 554(a) (2000). Furthermore, section 362(c)(1) of the Bankruptcy Code provides that the automatic stay does not apply to property which is not property of the estate. 11 U.S.C. § 362(c)(1) (2000). Courts have held that a debtor's decision to abandon property of the estate rests on the debtor's business judgment. In re Cult Awareness Network, Inc., 205 B.R. 575, 579 (Bankr. N.D. Ill. 1997).

20. The Debtors are in possession of certain De Minimis Assets that were utilized by the Debtors prior to the Petition Date in the ordinary course of their businesses. The majority of such De Minimis Assets are located at the Debtors' facilities across the United States, which

facilities have now been closed and the Debtors are in the process of rejecting or assuming and assigning the leases associated with such facilities. Included in the De Minimis Assets are discrete office furniture, fixtures, inventory, excess or obsolete equipment, excess or obsolete computer and related hardware and software, as well as miscellaneous other assets such as equity interests in non-debtor, non-affiliated companies.

21. Given the monetary value of such De Minimis Assets in relation to the magnitude of the Debtors' cases and the need to timely vacate premises subject to leases that Debtors intend to reject or assume and assign, it would not be an efficient use of resources to seek Court approval each and every time the Debtors have an opportunity to sell such De Minimis Assets or determine that it is in the best interest of Debtors' estates to abandon such De Minimis Assets. Thus, the Debtors respectfully request that the Court enter an order authorizing the Debtors to sell or abandon, without further order of the Court, the De Minimis Assets. The Debtors propose to abandon such De Minimis Assets or sell such De Minimis Assets for the highest and best offer received.³

22. The Debtors propose the following Sale Procedures for the Sale or abandonment of De Minimis Assets:

(A) Debtors will provide facsimile notice of any agreement or transaction for the Sale or abandonment of De Minimis Assets ("Sale Notice") to (i) the Office of the United States Trustee; (ii) counsel to the Official Committee of Creditors Holding Unsecured

³ In the event that an insider, as that term is defined in section 101(31) of the Bankruptcy Code, seeks to purchase any of the De Minimis Assets, the Debtors will, in addition to utilizing the above procedures identified in this Motion, obtain approval from the Official Committee of Creditors Holding Unsecured Claims ("Committee") or an order of the Court prior to effectuating such a Sale.

Claims; (iii) counsel to Deutsche Bank AG, New York branch, as Administrative Agent for the lenders under the Debtors' prepetition revolving credit facility; (iv) the prospective purchaser of the De Minimis Assets, (v) to any party that the Debtors have identified as a holder of a lien on, or security interest in, the De Minimis Assets, and (vi) any party that has made a written offer, other than the offer noticed in the Sale Notice, on the De Minimis Assets (the "Noticed Parties"). The Debtors may not be able to identify every party that holds a lien or security interests in the De Minimis Assets; therefore, such parties may not receive a copy of the Sale Notice.

(B) The Sale Notice shall, where applicable, set forth the following information:

(i) the identity of the prospective purchaser, (ii) the purchase price, (iii) the shipment, delivery or abandonment date, (iv) any delivery or other charges borne by the Debtors in connection with the Sale or abandonment, (v) a description of the items proposed to be sold or abandoned, (vi) the book or fair market value of the items to be sold or abandoned (if ascertainable), (vii) the identity of the holder of a lien on, or security interest in, if any, the De Minimis Assets to be sold or abandoned and the amount of such lien or security interest, and (viii) a disclosure describing the procedures for filing objections, if any, to the Sale Notice or for making credit bids on the De Minimis Assets.

(C) The Noticed Parties shall have three (3) business days ("Notice Period") from the date and time of the Sale Notice to serve on Debtors' counsel and the other Noticed Parties an objection, if any, to the sale or abandonment of the De Minimis Assets.

(D) Any Sale pursuant to the Sale Notice shall be subject to credit bid pursuant to section 363(k) of the Bankruptcy Code ("Credit Bid") by those prepetition allowed secured creditors of the Debtors asserting a lien on, or security interest in, the De

Minimis Assets being sold; provided, however, that any such credit bid must be greater than the proposed purchase price of the proposed Sale and must contain terms that are otherwise equivalent or superior to the terms of the proposed Sale, including, but not limited to, the proposed date of shipment or delivery of the De Minimis Assets. Such Credit Bid is exercisable by facsimile notice to Debtors' counsel and the Noticed Parties within two (2) business days of the date and time of the Sale Notice.

(E) If a Credit Bid is received by the Debtors, the Debtors shall, within one (1) business day thereafter, by facsimile, distribute to the Noticed Parties and the party submitting the Credit Bid an amended Sale Notice ("Amended Sale Notice") providing for the Debtors' acceptance or rejection of the Credit Bid. If the Debtors reject the Credit Bid, no further credit bidding will be allowed and the Debtor shall restate its intention to sell or abandon the De Minimis Assets and the terms as set forth in the Sale.

(F) If an objection is not received by the Debtors' counsel to the Sale Notice or the Amended Sale Notice within three (3) business days of the date and time of the Sale Notice ("Notice Period"), Debtors may complete the Sale or abandonment of the De Minimis Assets without further notice, hearing, or order of the Court. Abandonment of the De Minimis Assets may at the Debtors' sole discretion include abandonment of the De Minimis Assets to the landlord or may include disposing of the De Minimis Assets as rubbish.

(G) If an objection is received within the Notice Period, Debtors will file a copy of the Sale Notice and objection with the Court and will schedule a hearing to consider the Sale Notice pursuant to this Motion.

identified in this Motion, obtain approval from the Official Committee of Creditors Holding Unsecured

(H) Holders of a lien on, or security interest in, the De Minimis Assets shall be entitled to a lien on the proceeds of the Sales with the same priority and enforceability as the lien on, or security interest in, the De Minimis Assets as of the Pctition Date.

(I) Unless the Sale Notice otherwise provides, there shall be no disbursement of proceeds of the sale of De Minimis Assets to holders of allowed secured claims without further order of the Court.

23. The De Minimis Asserts are of little or no operating use to the Debtors' estates or rehabilitation efforts. In order to defray any lease, storage or other additional costs associated with the De Minimis Assets, the Debtors seek authorization to consummate Sales (immediately and in the future, as necessary) of the De Minimis Assets in accordance with the procedures set forth above. The Debtors have determined in their sound business judgment that authorization to sell the De Minimis Assets will provide them with necessary flexibility during their reorganization, and thus is in the best interests of the Debtors' estates.

Best Interests of the Estates

24. The Debtors believe that the relief requested herein will aid in the Debtors' efforts to reduce expenses and maximize value for the benefit of their estates, creditors and other parties in interest. Moreover, the procedures that the Debtors seek to implement pursuant to this Motion will also reduce the burden on the Court's docket while protecting the interests of all creditors.

25. After careful analysis, and in the exercise of their business judgment, the Debtors have determined, and respectfully submit, that for all of the foregoing reasons the relief requested in this Motion is in the best interests of their estates and creditors, and should be granted.

Claims ("Committee") or an order of the Court prior to effectuating such a Sale.

Notice

26. Notice of this Motion has been given to (i) the Office of the United States Trustee for the District of Delaware; (ii) counsel for the Committee; (iii) counsel to the Deutsche Bank AG, New York branch, as Administrative Agent for the lenders under the Debtors' prepetition revolving credit facility; (iv) to any party that the Debtors have identified as a holder of a lien on, or security interest in, the De Minimis Assets; (v) all creditors who filed prepetition UCC-1 financing statements; and (vi) all parties requesting notice pursuant to Bankruptcy Rule 2002 will be sufficient for entry of an Order on the Sale Motion.

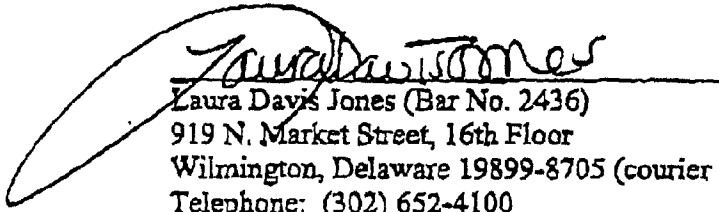
No Prior Request

27. No previous motion for the relief requested herein has been made to this or any other Court.

WHEREFORE, the Debtors respectfully request that the Court enter an Order granting this Motion and granting the Debtors such other and further relief as is proper and just.

Wilmington, Delaware
Dated: August 15, 2000

PACHULSKI, STANG, ZIEHL, YOUNG &
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