

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

In re:)	Chapter 11
)	
CB HOLDING CORP., <u>et al.</u> , ¹)	Case No. 10-13683 (MFW)
)	
Debtors.)	Jointly Administered
)	
)	Re: Docket No. 871

**ORDER APPROVING SALE OF LIQUOR LICENSE
NUMBER 1336-33-003 FREE AND CLEAR OF ALL LIENS,
CLAIMS, ENCUMBRANCES, ATTACHMENTS, AND OTHER INTERESTS**

Upon consideration of the motion (the "Motion")² of the Debtors for entry of an

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The other Debtors, and the last four digits of each of their tax identification numbers, are: 1820 Central Park Avenue Restaurant Corp. (5151); Bugaboo Creek Acquisition, LLC (4629); Bugaboo Creek Holdings, Inc. (0966); Bugaboo Creek of Seekonk, Inc. (1669); CB Holding Corp. (8640); CB VII, Inc. (9120); CB VIII, Inc. (1468); Charlie Brown North (6721); Charlie Brown's Acquisition Corp. (8367); Charlie Brown's at Clifton, Inc. (7309); Charlie Brown's Mark Corp. (3569); Charlie Brown's Montclair, Inc. (4223); Charlie Brown's 1981, Inc. (7781); Charlie Brown's of Allentown, L.L.C. (8420); Charlie Brown's of Alpha, Inc. (9083); Charlie Brown's of Berwyn, LLC (3347); Charlie Brown's of Blackwood, L.L.C. (5698); Charlie Brown's of Bloomsburg, LLC (3326); Charlie Brown's of Brielle, Inc. (8115); Charlie Brown's of Carlstadt, Inc. (6936); Charlie Brown's of Chatham, Inc. (2452); Charlie Brown's of Commack LLC (4851); Charlie Brown's of Denville, Inc. (1422); Charlie Brown's of East Windsor, LLC (2747); Charlie Brown's of Edison, Inc. (8519); Charlie Brown's of Egg Harbor Twp, LLC (none); Charlie Brown's of Franklin, LLC (5232); Charlie Brown's of Garden City, LLC (7440); Charlie Brown's of Hackettstown, L.L.C. (7493); Charlie Brown's of Harrisburg, LLC (1085); Charlie Brown's of Hillsborough, Inc. (0344); Charlie Brown's of Holtsville, LLC (0138); Charlie Brown's of Jackson, LLC (3478); Charlie Brown's of Lacey, L.L.C. (6282); Charlie Brown's of Lakewood, Inc. (0156); Charlie Brown's of Langhorne, LLC (3392); Charlie Brown's of Lynbrook LLC (2772); Charlie Brown's of Maple Shade, Inc. (0404); Charlie Brown's of Matawan, Inc. (8337); Charlie Brown's of Middletown LLC (7565); Charlie Brown's of Oradell, Inc. (0348); Charlie Brown's of Pennsylvania, Inc. (6918); Charlie Brown's of Piscataway, LLC (8285); Charlie Brown's of Reading, LLC (1214); Charlie Brown's of Scranton, LLC (9817); Charlie Brown's of Selinsgrove, LLC (6492); Charlie Brown's of Springfield, LLC (9892); Charlie Brown's of Staten Island, LLC (1936); Charlie Brown's of Tinton Falls, Inc. (6981); Charlie Brown's of Toms River, LLC (5492); Charlie Brown's of Union Township, Inc. (8910); Charlie Brown's of Trexlertown, LLC (6582); Charlie Brown's of Wayne, Inc. (4757); Charlie Brown's of West Windsor, Inc. (0159); Charlie Brown's of Williamsport LLC (8218); Charlie Brown's of Woodbury, Inc. (0601); Charlie Brown's of York, LLC (0980); Charlie Brown's of Yorktown, LLC (7855); Charlie Brown's Restaurant Corp. (7782); Charlie Brown's Steakhouse Fishkill, Inc. (9139); Charlie Brown's Steakhouse Woodbridge, Inc. (1906); Charlie Brown's, Inc. (4776); Jonathan Seagull Property Corp. (7248); Jonathan Seagull, Inc. (9160); The Office at Bridgewater, Inc. (3132); The Office at Cranford, Inc. (3131); The Office at Keyport, Inc. (1507); The Office at Montclair, Inc. (3128); The Office at Morristown, Inc. (3127); The Office at Ridgewood, Inc. (2949); The Office at Summit, Inc. (3126); and What's Your Beef V, Inc. (4719). The Debtors' address is 1450 Route 22 West, Mountainside, NJ 07092.

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All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

order, pursuant to Bankruptcy Code §§ 105(a) and 363(b)(1), Bankruptcy Rules 2002, 6004, and 9014, and Local Rule 6004-1, approving the sale of Liquor License Number 1336-33-003-003 (the "Liquor License") to Mustafa Kachwalla (the "Buyer"), as described in the Motion and as provided for by the Sale Agreement; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and the Court having found that good and sufficient cause exists for granting the Motion; and it appearing that the sale of the Liquor License pursuant to the Sale Agreement is within the Debtors' sound and prudent business judgment; and upon the record of these Chapter 11 cases and any hearings held to consider the Motion; and it appearing that the relief requested in the Motion is appropriate in the context of these cases and in the best interests of the Debtors and their respective estates, creditors, and all other parties-in-interest; and it appearing that notice of the Motion and the relief requested therein was adequate and proper under the circumstances of these cases, including the Notice provided to the Liquor Boards, and it appearing that no other or further notice need be given; and upon the record of the informal auction (the "Informal Auction") for the Liquor License held on July 18, 2011;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Debtors are authorized and empowered to sell the Liquor License in accordance with the Sale Agreement (an amended form of which reflecting the results of the Auction, and the increase in the purchase price for the Liquor License to \$305,000, is attached hereto as Exhibit 1) and this Order. The Sale Agreement (as so amended) is approved, and the Debtors are authorized to execute it.

3. The Buyer is deemed a good-faith purchaser of the Liquor License entitled to the protection of Bankruptcy Code § 363(m) with respect to the transactions contemplated by the Sale Agreement.

4. The sale of the Liquor License to the Buyer does not violate the requirements of Bankruptcy Code § 363(n).

5. The Debtors and Buyer are authorized and directed to take all actions, and execute all documents, necessary or appropriate to effectuate the sale of the Liquor License to the Buyer. In connection therewith, the Debtors' Chief Restructuring Officer or any successor or agent established by order of this Court shall be authorized to effectuate any necessary documentation or transfers with the Liquor Boards, to facilitate the sale and transfer of the Liquor License contemplated and authorized by this order, and the Liquor Boards are directed to accept any such documentation or transfers submitted to the Debtors' Chief Restructuring Officer or any such successor or agent on behalf of the Debtors.

6. The Debtors and the Buyer are authorized to amend or modify the Sale Agreement without further order of this Court, provided that any such amendments or modifications are non-material and do not have an adverse affect on the Debtors or their estates.

7. Other than the amount of the Other Assets Resolution Consideration (as defined in the Final Order (I) Authorizing Secured Post-Petition Financing, (II) Authorizing Use Of Cash Collateral, and (III) Granting Adequate Protection (ECF No. 177)) relating to the Liquor License, the net proceeds of the sale of the Liquor License shall be wire transferred to Ally Commercial Finance LLC as soon as practicable after the Closing of the sale.

8. The Debtors are authorized and empowered to take any and all actions necessary to implement the terms of this Order.

9. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry notwithstanding any applicability of Bankruptcy Rule 6004(h) or any other applicable rule.

10. This Court shall retain jurisdiction over all matters arising from or related to the interpretation and implementation of this Order.

Dated: July 19, 2011
Wilmington, Delaware



THE HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Sale Agreement

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT FOR SALE OF LIQUOR LICENSE ("Agreement") made this 28th day of June, 2011 between Charlie Brown's of Tinton Falls, Inc., a New Jersey corporation, having an address at 1450 Route 22 West, Mountainside, New Jersey 07092 ("Seller"), and Mustafa Kachwalla, an individual, having an address at 11 North Pennsylvania Avenue, Colonia, New Jersey 07067 ("Purchaser").

WITNESSETH

WHEREAS, Seller is the holder of a certain Plenary Retail Consumption Liquor License (Number 1336-33-003-003) (the "Liquor License") issued by the governing body of the Borough of Tinton Falls, State of New Jersey (the "Borough");

WHEREAS, Seller desires to sell, and Purchaser desires to purchase, the Liquor License upon the terms and conditions hereinafter set forth;

WHEREAS, it is Purchaser's intent to make application to the Borough to obtain the Requisite Approvals (as hereinafter defined) to effectuate a transfer of the Liquor License; and

WHEREAS, Seller filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on November 17, 2010, in the United States Bankruptcy Court for the District of Delaware (the "Court").

NOW, THEREFORE, in consideration of the mutual covenants, promises, and representations hereinafter contained and for other good and valuable consideration and intending to be legally bound, the parties hereto agree as follows:

1. Subject to approval of the Court, Seller shall convey free and clear of all liens, claims, and encumbrances the Liquor License to Purchaser, and Purchaser shall purchase the Liquor License from Seller subject to the terms and conditions contained herein. Purchaser is not otherwise assuming any liabilities of Seller in connection with the transfer of the Liquor License and is not purchasing any liquor inventory.

2. Purchaser shall pay Seller the sum of ~~ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$175,000)~~ ^{Three hundred and five thousand} as the Purchase Price for the Liquor License. Purchaser at the execution of this Agreement by both parties will deposit with Wilmington Trust Company ("Escrow Agent") the sum of ~~SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS (\$17,500)~~ ^{Thirty thousand} (the "Deposit"), to be held by Escrow Agent until Closing. If Purchaser defaults hereunder prior to Closing, Escrow Agent shall, after 10 days' prior written notice to both Parties, deliver to Seller the Deposit. The balance of the Purchase Price, the sum of ~~ONE HUNDRED FIFTY SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$157,500)~~ ^{Twenty five thousand} ("Balance of Purchase Price") shall be paid to Seller at Closing (as hereinafter defined) in certified funds, bank check, or wire transfer. Wire transfers shall be sent to:

Wilmington Trust Company
ABA 031100092

\$ 275,000.00

RW

* 305,000.00 RW

30,000 RW

Three hundred and five thousand RW
Thirty thousand RW
Twenty five thousand RW

Credit: CB Holding Corp. Escrow
Account #099751-000
Attn: David Young

3. In addition to the Purchase Price, Purchaser shall pay all filing fees, renewal costs (for the unexpired portion of the License term at Closing and/or for any License period after Closing), the State of New Jersey Division of Alcoholic Beverage Control ("ABC") application fees, and Purchaser's attorney fees associated with the transfer of the License under this application. Seller shall pay its own counsel fees and any sales tax or unemployment taxes due in order to obtain a tax clearance certificate to transfer the License.

4. To induce Purchaser and Seller to enter into this Agreement and the transaction contemplated hereby, the following representations and warranties are made and all of the same shall be true as of the date hereof and, as a condition of Closing, as of the Closing:

a. Seller represents and warrants to Purchaser the following:

i. Authorization. — This Agreement has been duly executed and delivered and constitutes a legal and binding Agreement;

ii. Ownership. — That it is the sole holder of the Liquor License and has full right and authority to enter into this Agreement, subject to approval of the Court;

iii. License. — The Liquor License is currently in safekeeping with the Borough, and is valid for the period through and including June 30, 2011; and

iv. No Violations, Etc. — There are no violations of any provisions of the Seller's Articles of Incorporation or Bylaws or of any judicial or administrative order, award, judgment, or decree applicable to Seller with respect to the execution and delivery of this Agreement, and the fulfillment and compliance with the terms and conditions hereof.

b. Purchaser represents and warrants to Seller the following:

i. Eligibility as an Individual. — That if an individual, (i) he is 18 years of age or older, (ii) he has not been convicted of a crime involving moral turpitude, (iii) he is not a police officer, and (iv) he is eligible to hold a liquor license as defined by New Jersey Law;

ii. Eligibility as a Corporation. — That if a corporation, (i) it is in good standing in the State of New Jersey, (ii) any applicable directors, officers or managers satisfy the above requirements, and (iii) any manager is a U.S. citizen, a resident of the State of New Jersey, and experienced in the sale of alcoholic beverages;

iii. Eligibility as a Limited Liability Company (LLC) — That if a LLC, (i) it is in good standing in the State of New Jersey, (ii) any applicable members satisfy the above requirements, and (iii) any manager is a U.S. citizen, a resident of the State of New Jersey, and experienced in the sale of alcoholic beverages; and

iv. No liquor licenses cancelled or revoked — That no liquor license held by Purchaser, or any entity in which the Purchaser has or had an interest, has been cancelled or revoked.

5. This Agreement and the obligations of the parties hereto are made expressly subject to and contingent upon only: (i) the receipt by Purchaser of all necessary approvals from the Borough and ABC for the transfer of the Liquor License from Seller to Purchaser ("Requisite Approvals"); (ii) the receipt by Seller of an Alcoholic Beverage Retail License Tax Clearance Certificate from the NJ Division of Taxation authorizing the transfer of the Liquor License to Purchaser; and (iii) approval of this Agreement and the transaction contemplated hereby the Court (i-iii are hereinafter collectively referred to as "Closing Contingencies").

6. Purchaser agrees to make application for approval by the Borough and the ABC for the transfer of the Liquor License to Purchaser (the "Application") within 15 days of the execution of this Agreement in the name of the Purchaser. Purchaser shall pay any required fees and costs in connection with the Application. Purchaser shall prosecute the Application for transfer diligently and in good faith. Purchaser shall copy Seller with all transmittals letters sent or received regarding the transfer and shall advise Seller of the date of all hearings. Seller agrees that it shall cooperate with Purchaser in taking all reasonable steps, including, but not limited to, the execution by Seller of a consent to the applications of Purchaser for the transfer of the Liquor License and attendance of hearing(s) as, and if, required by the Borough or the ABC to facilitate the transfer of the Liquor License to Purchaser, and Seller hereby consents to such transfer.

a. In the event the Requisite Approvals shall be denied, or the Closing Contingencies are not satisfied, then Seller shall have the right to terminate this Agreement, and the Escrow Agent shall deliver the Deposit to Seller.

b. In the event Purchaser does not prosecute the Application diligently, and in good faith provide all required information and documentation to the Borough and the ABC, then Seller shall have the right to terminate this Agreement, and the Deposit shall be retained by Seller.

c. In the event of default or the failure of this transaction to be consummated, Purchaser shall execute any and all documentation needed to withdraw any pending applications relating to the transfer of the License, and deliver all such papers as may be necessary to vest and restore the License to the Seller. In either event, Seller's retention of the Deposit shall not forfeit or preclude Seller's ability to exercise any other right or remedy against Purchaser under law, equity or statute.

7. It is agreed that the closing of the transaction (the "Closing") shall take place, and closing documents shall be delivered, at a time and place to be mutually agreed upon by the parties. The Closing shall occur within five (5) business days after the Borough's or the ABC's approval of the transfer of the Liquor License to Purchaser, and if all of the conditions precedent herein have been satisfied or waived, but not later than 120 days from the date hereof, subject to the right of the Seller to agree to an extension of this time. At the time of Closing, the Balance of the Purchase Price will be paid, and all documents will be executed. If the transfer application

is denied, Purchaser shall have the opportunity, but not the obligation, to cure or appeal the denial within the term of this Agreement.

a. In the event that Purchaser should breach the Agreement by failing and/or refusing to close as required hereby, Escrow Agent shall deliver the Deposit to the Seller. The delivery of the Deposit shall not forfeit or preclude the Seller's ability to exercise any other right or remedy against the Purchaser under law, equity, or statute.

b. In the event that Seller should breach the Agreement by failing to meet the above conditions, the Deposit shall be returned to the Purchaser as liquidated damages, in which the Purchaser shall have no further claim against the Seller.

c. If there is a dispute regarding a breach of this Agreement that results in litigation, the losing party shall pay to the prevailing party the reasonable and documented attorneys' fees, court costs and related expenses of such party incurred or paid in prosecuting or defending such litigation.

8. All the terms, covenants, and conditions contained in this Agreement shall insure to the benefit of and shall be binding upon the respective heirs, successors, and assigns of Seller and Purchaser.

9. Any notice, request, demand, consent, approval, or other communication required or permitted under this Agreement will be written and will be deemed to have been given (i) on the next day after delivery to a nationally-recognized express delivery service with instructions for overnight delivery; or (ii) on the third day after it is deposited in any depository regularly maintained by the United States postal service, postage prepaid, certified or registered mail, return receipt requested, addressed to the address or to such other address as the party to be notified shall have specified to the other party as set forth below:

IF TO SELLER:

CHARLIE BROWN'S OF TINTON FALLS, INC.
1450 Route 22 West
Mountainside, New Jersey 07092
Attn: Gary Lembo, CRO

With a simultaneous copy to:

CAHILL GORDON & REINDEL LLP
Eighty Pine Street
New York, New York 10005
Attn: Joel H. Levitin, Richard A. Stieglitz Jr., and Maya Peleg

VICTOR & BERNSTEIN, P.C.
18 East 41st Street, 10th Floor
New York, New York 10017
Attn: Saul Victor, Donald Bernstein, and Martha M. Redo

IF TO PURCHASER:

MUSTAFA KACHWALLA
11 North Pennsylvania Avenue
Colonia, New Jersey 07067

With a simultaneous copy to:

ROBERT C. WILLIAMS, ESQ.
622 Eagle Rock Avenue
West Orange, New Jersey 07052

10. This Agreement shall not be assigned by Purchaser, except to an entity in which Purchaser owns a majority interest, has voting control and a majority of the equitable interests, without Seller's prior written consent; provided however, that such assignment must be made prior to filing the application with the Borough or the ABC; provided further that Purchaser shall not be released from any of the obligations set forth herein as a result of such assignment. Notice of such assignment and assumption shall promptly be given to Seller.
11. It is understood and agreed that this Agreement alone represents the full, final, and complete understanding of the parties hereto.
12. This Agreement may only be amended, modified, or terminated by written consent of both parties.
13. This Agreement shall be governed by, and be construed and enforced in accordance with, the laws of the State of New Jersey. The Court shall have sole jurisdiction to interpret and enforce the terms of this Agreement.
14. Each provision of this Agreement shall be considered to be separable, and if, for any reason, any provision or any part hereof is deemed to be invalid and contrary to any applicable law, such invalidity shall not impair the portions of this Agreement that are valid; and this Agreement shall be construed and enforced to all effects as if such invalid provision had been omitted.
15. The failure of the Seller or Purchaser to insist upon strict performance of any of the covenants or conditions of this Agreement shall not be construed as a waiver by such party of any of its rights or remedies under this Agreement, and shall not be construed as a waiver, relinquishment or failure of any such covenants, conditions, or options.
16. This Agreement may be executed with original, faxed, or e-mail signatures in one or more counterparts, each of which, when taken together, shall constitute a single original.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the date hereinabove written.

SELLER:

CHARLIE BROWN'S of TINTON FALLS, INC.

By: _____


Name: Gary Lembo

Title: CRO

SELLER:

CHARLIE BROWN'S OF TINTON FALLS, INC.

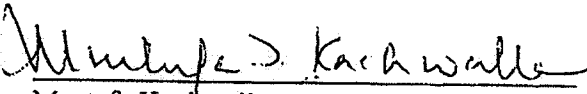
By: _____

Name: Gary Lembo

Title: CFO

PURCHASER:

MUSTAFA KACHWALLA

By: 

Mustafa Kachwalla