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affiliated Debtors and Debtors in Possession
8

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

13 In re
14 AIRPORT VAN RENTAL, INC., et al.,¹
15 Debtors and Debtors in
16 Possession.

Case No. 2:20-bk-20876-BB
Chapter 11 (Jointly Administered)

**ORDER (1) GRANTING APPLICATION
FOR AUTHORITY TO EMPLOY FORCE
TEN PARTNERS, LLC, AS
INVESTMENT BANKER PURSUANT TO
11 U.S.C. § 328, AND (2) APPROVING
SALE PROCEDURES**

- 17 Affects all Debtors
18 Affects the following Debtor(s):

Date: May 4, 2022
Time: 10:00 a.m.
Place: Courtroom 1539
255 E. Temple St.
Los Angeles, CA 90012

22 On April 20, 2022, and May 4, 2022, the Court heard and considered the *Application for*
23 *Authority to Employ Force Ten Partners, LLC, as Investment Banker Pursuant to 11 U.S.C. § 328*
24 (the "**Application**") (docket no. 849) filed by debtors and debtors in possession Airport Van

25 _____
26 ¹ Pursuant to an order of the Court, this case is being jointly administered with a case filed by AVR Vanpool, Inc.,
27 a California corporation, case no. 2:20-bk-20883-BB. The case also was jointly administered with the following three
28 cases that have been dismissed: Airport Van Rental, Inc., a Georgia corporation, case no. 2:20-bk-20877-BB; Airport
Van Rental, Inc., a Nevada corporation, case no. 2:20-bk-20878-BB; and Airport Van Rental, LLP, a Texas limited
liability partnership, case no. 2:20-bk-20882-BB.

1 Rental, Inc., and AVR Vanpool, Inc. (collectively the “**Debtors**”), the Honorable Sheri Bluebond,
2 United States Bankruptcy Judge, presiding. Appearances were as noted on the record at the
3 hearings.

4 The Court makes the following findings:

5 A. On December 11, 2020, the Debtors filed voluntary petitions for relief under
6 Chapter 11 of Title 11 of the United States Code.

7 B. Yazdan Irani owns 100% of the stock of each of the Debtors (the “**Interests**”).

8 C. Under the Debtors’ proposed *Chapter 11 Plan of Reorganization dated March 16,*
9 *2022* (the “**Proposed Plan**”), Yazdan Irani will make a \$500,000 new value contribution and retain
10 the Interests.

11 D. Neither the Proposed Plan nor the Debtors’ accompanying disclosure statement (the
12 “**Proposed Disclosure Statement**”) has been approved by the Court.

13 E. The Proposed Plan contemplates that the Debtors will market and solicit overbids
14 for the Interests in conjunction with the Proposed Plan. The Proposed Plan provides, in relevant
15 part, as follows:

16 If the Debtors’ Interests are purchased by a Prevailing Bidder other
17 than Yazdan Irani, all outstanding Interests in [each Debtor] shall be
18 canceled and extinguished as of the Effective Date. In that event,
19 new Interests in the Reorganized [Debtor] shall be issued to the
20 Prevailing Bidder. If the Prevailing Bidder is comprised of more
21 than one Entity, the new Interests shall be issued in accordance with
the ownership percentages set forth in the Prevailing Bidder’s Final
Qualified Overbid. The issuance of the new Interests shall be exempt
from registration under applicable securities law pursuant to
§ 1145(a) of the Bankruptcy Code or § 4(a)(2) of the Securities Act
of 1933 as now in effect.

22 F. On March 30, 2022, the Debtors filed the Application. In the Application, the
23 Debtors are seeking authority to employ Force Ten Partners, LLC (“**Force 10**”), as their investment
24 banker on the terms set forth in the engagement letter attached as Exhibit “1” to the Statement of
25 Disinterestedness appended to the Application (the “**Agreement**”).

26 G. A hearing on the Application was held on April 20, 2022. The Court continued the
27 hearing to May 4, 2022, and set a schedule for the parties to submit competing forms of order if the
28 parties were unable to reach an agreement on the form of order.

1 The Court having considered the Motion, the opposition of the Official Committee of
2 Unsecured Creditors (the "**Committee**") (*docket no. 863*), the opposition of the California
3 Department of Tax and Fee Administration ("**CDTFA**") (*docket no. 864*), the Debtors' reply
4 (*docket no. 870*), the Debtors' supplement with their proposed order (*docket no. 883*), and the
5 Committee's supplement with the Committee and CDTFA's proposed order (*docket no. 881-882*),
6 having heard the statements of counsel at the hearing, for good cause appearing, it is

7 **ORDERED THAT:**

8 1. The Application is **GRANTED**.

9 2. The Debtors are authorized to employ Force 10 under **11 U.S.C. § 328** on the terms
10 set forth in the Agreement for the purpose of marketing and soliciting overbids for the Interests in
11 conjunction with the Proposed Plan.

12 3. Subject to section 328(a), Force 10 shall be entitled to the following compensation:

13 (a) Immediately upon entry of this order, the Debtors are authorized to pay
14 Force 10 a one-time, non-refundable, non-creditable fee of \$75,000.

15 (b) Force 10 shall be entitled to receive a "Transaction Fee" (as defined in the
16 Agreement) equal to (i) five percent of the first \$2 million of "Transaction Value" (as defined in the
17 Agreement), (ii) three percent of the next \$3 million of Transaction Value, and (iii) one and one-
18 half percent of all Transaction Value thereafter.

19 (c) If Force 10 is called on to provide services outside the Scope of Services
20 identified in the Agreement, Force 10 shall be entitled to seek compensation of fees on an hourly-
21 fee basis and reimbursement of expenses.

22 4. The compensation awarded to Force 10 on a final basis shall be fixed by the Court,
23 after notice and a hearing, as required by the Bankruptcy Code, the Federal Rules of Bankruptcy
24 Procedure, the Local Bankruptcy Rules, and the practice and procedures of this Court.

25 5. The fees and costs of Force 10 shall constitute an administrative expense of the
26 estate, and as such shall not be deducted from the distributions to be made to creditors under the
27 Proposed Plan or any other plan.

28

1 6. Except to the extent of any contrary provision in the Prevailing Bid Order (defined
2 below), the sale of the Interests shall be without representations or warranties of any kind by the
3 Debtors or their professionals or other agents. The Prevailing Bidder (defined below) shall receive
4 100% of the shares of the Reorganized Debtor.

5 7. The Court adopts the following timeline for the marketing, solicitation and approval
6 of overbids for the Interests in conjunction with the Proposed Plan:

7 (a) On or before **MAY 10, 2022**, Force 10 shall establish a virtual data room
8 (the “**Data Room**”) to be made available to interested parties. The Data Room shall include (i) the
9 Proposed Plan, the Proposed Disclosure Statement, and the Debtors’ motion for approval of the
10 Proposed Disclosure Statement, (ii) updated internal financial reporting packages, (iii) all monthly
11 operating reports that have been filed by the Debtors, (iv) copies of all operative agreements with
12 the Debtors’ financiers (both lenders and lessors), (v) organization charts, (vi) projections not
13 already appended to the Proposed Disclosure Statement, (vii) a “teaser” document to be prepared
14 by Force 10, (viii) a Confidential Information Memorandum (if one is prepared by Force 10), and
15 (ix) a copy of the valuation report prepared by Armanino. The Data Room shall be kept up to date,
16 as such documents are filed, amended, or supplemented prior to the date of the Auction (defined
17 below). The Committee’s attorneys and financial advisors shall be granted access to the Data
18 Room promptly after it is established.

19 (b) On or before **MAY 11, 2022**, Force 10 shall provide the Committee’s
20 financial advisors with a list of “**Potential Bidders**” to be solicited, a copy of the teaser, and the
21 form of non-disclosure agreement (“**NDA**”) to be utilized. By no later than **MAY 13, 2022**, the
22 Committee’s financial advisors shall provide Force 10 with a list of any additional entities that the
23 Committee wishes to be solicited; provided, however, that nothing in this paragraph precludes the
24 Committee’s financial advisors from identifying additional entities after such date. In writing or
25 orally, Force 10 shall advise the Committee’s financial advisors of its publicity strategy.

26 (c) On or before **MAY 16, 2022**, Force 10 shall distribute teasers and NDAs to
27 Potential Bidders. Each Potential Bidder shall be granted access to the Data Room promptly upon
28 receipt by Force 10 of an executed NDA.

1 (d) From **MAY 16, 2022, through JUNE 14, 2022**, Force 10 shall circulate to
2 the Debtors and the Committee a summary of the number of Potential Bidders that were contacted,
3 that entered into NDAs, and that submitted written “**Overbids**” in a form acceptable to Force 10.
4 Force 10 also shall have regular and open communications with the Committee’s financial advisor
5 regarding the marketing process and shall provide the Committee with all Overbids.

6 (e) Potential Bidders must submit overbids to Force 10 by no later than **JUNE**
7 **14, 2022, at 5:00 P.M.** (prevailing Pacific time) (the “**Overbid Deadline**”).

8 (f) If one or more Qualified Overbids (defined below) is received by Force 10
9 on or before the Overbid Deadline, a virtual auction shall be conducted on **JUNE 21, 2022, at**
10 **10:00 A.M.** (prevailing Pacific time), or such prior date or time that is mutually agreed upon by the
11 Debtors, Force 10, the Committee, Yazdan Irani and all Qualified Overbidders (the “**Auction**”).

12 (g) On or before **JUNE 28, 2022**, the Debtors shall file a report with the Court
13 advising the Court that no Qualified Overbid was received or, if an Auction is held, the results of
14 the Auction. If the Prevailing Bidder (defined below) is someone other than Yazdan Irani, the
15 report shall identify (i) the Prevailing Bidder, (ii) the amount of the Prevailing Bidder’s final bid,
16 (iii) the Prevailing Bidder’s relationship or connection to any Debtor, creditor, or any of their
17 respective equity interest holders, directors or officers, and (iv) the persons who will manage the
18 Reorganized Debtor if the Proposed Plan is confirmed. If any party disputes the Debtors’ and
19 Force 10’s determination regarding the identity of the Prevailing Bidder, objections to confirmation
20 of the Prevailing Bidder also shall be filed on or before this date.

21 (h) A hearing to confirm the Prevailing Bidder shall be conducted on **JULY 6,**
22 **2022, at 10:00 A.M.** The order entered after such hearing is the “**Prevailing Bid Order.**”

23 8. The Court adopts the following procedures regarding deposits to be submitted by
24 Potential Bidders:

25 (a) Within one business day after submitting an Overbid, a good faith deposit in
26 the sum of \$50,000 (the “**Deposit**”) must be received from any Potential Bidder that presents an
27 Overbid (a “**Bidder**”). The Deposit shall be submitted by wire transfer to a Danning, Gill, Israel &
28 Krasnoff, LLP, trust account.

1 (b) If the Bidder is not the Prevailing Bidder or the Back-Up Bidder (defined
2 below), the Deposit shall be refunded within five business days after the Auction.

3 (c) If the Potential Bidder is the Prevailing Bidder and it closes by paying the
4 balance of the Prevailing Bid (defined below) into a segregated account on or before the Effective
5 Date of the Proposed Plan, or any version thereof as modified by the Prevailing Bidder (if
6 confirmed), the Deposit shall be transferred to the Reorganized Debtor within five business days
7 after the Effective Date of such plan.

8 (d) If the Potential Bidder is the Prevailing Bidder and it fails to close on or
9 before the Effective Date of the Proposed Plan, or any version thereof as modified by the
10 Prevailing Bidder (if confirmed), the Deposit shall be forfeited as liquidated damages.

11 (e) If the Potential Bidder is the Prevailing Bidder but confirmation of the
12 Proposed Plan, or any version thereof as modified by the Prevailing Bidder, is denied, the Deposit
13 shall be refunded within five business days after entry of an order denying confirmation of such
14 plan.

15 9. An Overbid shall constitute a “**Qualified Overbid**” if it satisfies the following
16 requirements:

17 (a) Timing. The Overbid must be received by the Overbid Deadline.

18 (b) Deposit. The Deposit must be received by the Overbid Deadline.

19 (c) Identity of bidder. The Overbid must identify the entity or entities
20 submitting the bid. If the Bidder is comprised of more than one entity, the Overbid must identify
21 the percentage of ownership each entity will receive under the Proposed Plan if the Bidder is the
22 Prevailing Bidder.

23 (d) Authorizations. If the Bidder is not an individual, the Overbid must include
24 written evidence that the Bidder has obtained authorization and approval from its board of directors
25 (or comparable governing body) with respect to submission of the Overbid, or a sworn statement
26 that no such authorization or approval is required.

1 (e) Relationship to parties in interest. The Overbid must identify whether the
2 Bidder has any relationship or connection to any Debtor, creditor, or any of their respective equity
3 interest holders, directors or officers.

4 (f) Intent to bid. The Overbid must indicate the Bidder is bidding on 100% of
5 the Interests.

6 (g) Amount. The Overbid must identify the amount of the Bidder's bid, which
7 shall be no less than \$600,000, all cash (the "**Minimum Overbid Amount**").

8 (h) Ability to pay. The Bidder must provide Force 10 written proof, reasonably
9 satisfactory to Force 10, of the Bidder's financial wherewithal to pay the full bid amount, in cash,
10 on or before the effective date of the Proposed Plan (the "**Effective Date**").

11 (i) Future management. The Overbid must identify the persons who will
12 manage the Reorganized Debtor if the Proposed Plan is confirmed.

13 (j) Commitment to comply with the Proposed Plan. The Overbid must include
14 a representation that the Bidder, and persons chosen to manage the Reorganized Debtor, intend to
15 cause the Reorganized Debtor to comply fully with all obligations of the Reorganized Debtor under
16 any plan of reorganization that may be confirmed in the case and to use their best efforts to support
17 confirmation of a confirmable plan as expeditiously as possible. If the Bidder does not support
18 confirmation of the Proposed Plan, the Overbid must include a description of all material changes
19 that the Bidder would like to see made to the form of the Proposed Plan.

20 (k) No contingencies. The Overbid must include an acknowledgment by the
21 Bidder that there are no further diligence requirements or other contingencies to close other than
22 entry of the Confirmation Order.

23 10. If no Qualified Overbid is received, Yazdan Irani shall be the Prevailing Bidder.

24 11. Force 10 may contact a Bidder to discuss or clarify terms and to indicate any terms
25 that may need to be modified in order to conform the Overbid such that it can be treated as a Qualified
26 Overbid. Any Bidder who submits a Qualified Overbid is a "**Qualified Overbidder.**"

27 12. Yazdan Irani shall constitute a Qualified Overbidder provided that he satisfies
28 paragraph 9(h) of this order.

1 13. If one or more Qualified Overbids is received by the Overbid Deadline, the Auction
2 shall be conducted. The Court adopts the following procedures with respect to the Auction:

3 (a) Initial bid. The initial bid at the Auction shall be the highest and best
4 amount offered in any Qualified Overbid, as determined by Force 10 after consulting with the
5 Committee's financial advisors. If Force 10 determines that the two highest and best Qualified
6 Overbids are equal, Force 10 shall determine the initial bid by random draw.

7 (b) Overbid increments. Each overbid shall be no less than \$25,000 above the
8 then-highest and best bid.

9 (c) Prevailing bidder. At the conclusion of the Auction, the Bidder presenting
10 the highest and best bid (the "**Prevailing Bid**") shall be the "**Prevailing Bidder**"; *provided,*
11 *however,* that to the extent it has not been provided before the Auction, the Bidder (including Mr.
12 Irani if he is the Bidder presenting the highest and best bid) must provide Force 10 written proof,
13 reasonably satisfactory to Force 10, of the Bidder's financial wherewithal to pay the amount of the
14 Prevailing Bid, in cash, on or before the effective date of the Proposed Plan.

15 (d) Back-up bidder. At the conclusion of the Auction, the Bidder presenting the
16 second-highest and best bid (the "**Back-Up Bid**") may elect to be the "**Back-Up Bidder**." In that
17 event, the Back-Up Bidder's Deposit shall be temporarily retained by the Debtors' counsel. If the
18 Prevailing Bidder fails to close on the Effective Date of the Proposed Plan by paying the balance of
19 the Prevailing Bid, the Interests in the Reorganized Debtor shall be issued to the Back-Up Bidder.
20 If the Prevailing Bidder closes, the Back-Up Bidder's deposit shall be refunded within five
21 business days after the Effective Date.

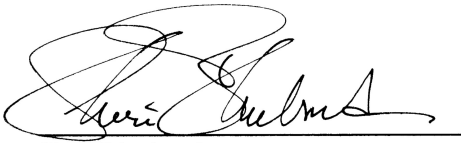
22 14. The Prevailing Bidder shall deposit the full amount of the Prevailing Bid in an
23 unrestricted segregated account prior to the date on which the Debtors must file their confirmation
24 brief and evidence in support of confirmation. Evidence submitted in support of confirmation shall
25 include a bank statement or similar proof of the funds, and a declaration of the Prevailing Bidder
26 attesting that the funds will be transferred to an account held in the name of the Reorganized
27 Debtor promptly after the Effective Date.

1 15. The Debtors shall amend the Proposed Plan and the Proposed Disclosure Statement
2 to comport with this order. However, nothing in this order shall in any way prejudice the rights and
3 remedies of the Committee, the CDTFA, or any other creditor with respect to the Proposed Plan
4 and the Proposed Disclosure Statement, or for the ability of the parties to file objections to the
5 Proposed Plan or the Proposed Disclosure Statement on any basis whatsoever.

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Date: May 6, 2022




Sheri Bluebond
United States Bankruptcy Judge

1 **APPROVED AS TO FORM:**

2 DANNING, GILL, ISRAEL & KRASNOFF, LLP

3
4 By: /s/ John N. Tedford, IV
5 JOHN N. TEDFORD, IV
6 Attorneys for Airport Van Rental, Inc., and
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