

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

CBC RESTAURANT CORP., *et al.*,¹

Debtors.

Chapter 11
Case No. 23-10245 (KBO)
(Jointly Administered)

Re: Dkt. No. 289, 361

NOTICE OF SALE, BIDDING PROCEDURES, AUCTION, AND SALE HEARING

PLEASE TAKE NOTICE THAT:

On April 7, 2023, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the *Debtors’ Motion for Entry of Orders: (I)(A) Approving Bidding Procedures of the Sale of All or Substantially All of the Debtors’ Assets; (B) Authorizing the Debtors to Enter Into Stalking Horse Agreement; (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof; (D) Approving the Assumption and Assignment Procedures; and (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of the Debtors’ Assets Free and Clear of Liens, Claims, Interests and Encumbrances and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief* [Docket No. 289] (the “Sale/Bidding Procedures Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

The Sale/Bidding Procedures Motion seeks entry of an order (a) approving Bidding Procedures² for the sale (the “Sale”) of substantially all of the Debtors’ assets (collectively, the “Acquired Assets”), (b) approving procedures for the potential assumption and assignment of executory contracts and unexpired leases (collectively, the “Potential Assumed Contracts”), (c) scheduling a potential auction for the sale of the Acquired Assets (the “Auction”), and (d) granting related relief. The Sale/Bidding Procedures Motion also requested (i) the scheduling of a hearing to consider the Sale (the “Sale Hearing”); and (ii) entry of an order (the “Sale Order”) (a) authorizing the Sale of the Acquired Assets free and clear of all liens, claims, encumbrances, and interests to a party submitting the highest or otherwise best bid for the Acquired Assets (the “Successful Bidder”), (b) authorizing the assumption and assignment of the Potential Assumed Contracts, and (c) granting certain related relief.

The Debtors may enter into an asset purchase agreement (the “Stalking Horse APA”) with a stalking horse purchaser (the “Stalking Horse Bidder”). If the Debtors enter into a Stalking Horse APA, which may include bid protections for parties other than the Senior Lender or a Related Party (as defined below), they must file a notice (the “Stalking Horse Notice”) with the Bankruptcy Court and serve the Stalking Horse Notice on: (i) proposed counsel to the Committee; (ii) the United States Trustee; (iii) counsel to SSCP; and (iv) any other party that has requested notice pursuant to Bankruptcy Rule 2002 by overnight mail and, if known, by electronic mail. The Stalking Horse Notice must: (i) include a copy of the Stalking Horse APA, which may include bid protections for

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include CBC Restaurant Corp. (0801), Corner Bakery Holding Company (3981), and CBC Cardco, Inc. (1938). The Debtors’ service address is 121 Friends Lane, Suite 301, Newtown PA 18940.

² Capitalized terms used but not defined herein shall have the meaning ascribed to it in the Bidding Procedures and Bidding Procedures Order, as applicable.



parties other than the Senior Lender, and (ii) disclose whether the Stalking Horse Bidder is an “insider” or “affiliate” of any of the Debtors, as those terms are defined in section 101 of the Bankruptcy Code, as well as any common identity of incorporators, directors, officers, or controlling stockholders between the Stalking Horse Bidder and the Debtors (a “Related Party”). With respect to the Stalking Horse Bidder, the Debtors shall also provide contract and lease counterparties with the information provided under Section II.m of the Bidding Procedures within twenty-four (24) hours after the filing of the Stalking Horse Notice. If no objection to the proposed Stalking Horse APA is filed and served upon the Debtors within three business days following service of the Stalking Horse Notice, the Debtors may submit an Order approving the Stalking Horse Notice the Court under Certificate of No Objection. If any objection to the proposed Stalking Horse APA, the Debtors may seek an expedited hearing thereon. The Debtors shall promptly provide a copy of any approved Stalking Horse APA to any Potential Bidders. For the avoidance of doubt, if the Debtors seek to provide bid protections to a Stalking Horse Bidder in the Stalking Horse APA, then the Debtors will seek authority from the Court in a separate pleading from the Stalking Horse Notice.

I. Parties Interested in Submitting a Bid

The Bidding Procedures set forth the requirements for becoming a Qualified Bidder and submitting a Qualified Bid, and any party interested in making an offer to purchase all or certain of the Acquired Assets must comply with the Bidding Procedures. Only Qualified Bids will be considered by the Debtors, in accordance with the Bidding Procedures.

Any party interested in bidding on the Acquired Assets should contact, as soon as possible:

- 1) Proposed Chief Restructuring Officer for the Debtors, CR3 Partners, LLC, 13355 Noel Road, Suite 2005, Dallas, TX 75240, Attn: Greg Baracato (greg.baracato@cr3partners.com); Winston Mar (winston.mar@cr3partners.com);
- 2) Proposed counsel for the Debtors, Culhane Meadows PLLC, 3411 Silverside Road, Baynard Building, Suite 104-13, Wilmington DE 19810, Attn: Mette H. Kurth (MKurth@cm.law) and Lynnette R. Warman (LWarman@cm.law); and
- 3) Proposed investment banker for the Debtors, Hilco Corporate Finance, 401 N. Michigan, Suite 1630, Chicago, IL 60611, Attn: Teri Stratton (tstratton@hilcocf.com) and Waleed Aly (WAlly@hilcoglobal.com).

To receive copies of the (i) Sale/Bidding Procedures Motion, including any exhibits thereto, and/or a confidentiality agreement to become a Potential Bidder (as defined below), or (ii) a copy of the form asset purchase agreement or the Stalking Horse APA, if any, kindly submit a request by email to: proposed counsel to the Debtors, Culhane Meadows PLLC, 3411 Silverside Road, Baynard Building, Suite 104-13, Wilmington DE 19810, Attn: Mette H. Kurth (MKurth@cm.law) and Lynnette R. Warman (LWarman@cm.law) or, alternatively, you may download such documents at <https://www.kccllc.net/cornerbakery> (the “Case Management Website”), or by telephoning the claims agent toll free at: (877) 725- 7534 or at (424) 236-7243 for non-US/Canada calls.

II. Bidding Procedures and Auction

On April 19, 2023, the Court entered the *Order (I) Approving Bidding Procedures in Connection with the Sale of Substantially All of Debtors’ Assets, (II) Scheduling Bid Deadlines and the Auction, (III) Approving Form and Manner of Notice Thereof, and (IV) Granted Related Relief*, [Docket No. 361]

(the “Bidding Procedures Order”), approving, among other things, the Bidding Procedures, which establish the key dates and times related to the Sale and the Auction. All interested bidders should carefully read the Bidding Procedures Order and the Bidding Procedures in their entirety.

The Bidding Procedures Order also establishes the following deadlines:

- 1) **Bid Deadline**. The deadline to submit a Qualified Bid is **May 25, 2023 at 4:00 p.m.** (prevailing Eastern Time).
- 2) **Auction**. Subject to the satisfaction of any further conditions set forth in the Bidding Procedures, the Debtors intend to conduct an Auction for the Acquired Assets. The Auction, if one is held, will commence on **May 30, 2023, at 10:00 a.m. (prevailing Eastern Time)** the offices of Culhane Meadows PLLC, 3411 Silverside Road, Baynard Building, Suite 104-13, Wilmington DE 19810 (or by videoconference to the live proceedings at this location). The Debtors shall provide notice of the date, time, and place of the Auction to the Qualified Bidders no later than **May 26, 2023, at 8:00 p.m.** (prevailing Eastern Time). The Qualified Bidders shall appear at the Auction in person and may speak or bid themselves or through duly authorized representatives.
- 3) **Auction Objection and Sale Objection Deadlines**. The deadline to file an objection with the Court to the Sale (collectively, the “Sale Objections”) is **May 22, 2023, at 4:00 p.m. (prevailing Eastern Time)** (the “Sale Objection Deadline”). If the Auction is held, objections to the conduct of the Auction, the selection of the Successful Bidder, or, if applicable, the Sale to the Successful Bidder, including as to such Successful Bidder’s ability to demonstrate adequate assurance of future performance under the Potential Assumed Contracts (other than the Stalking Horse Bidder unless the Stalking Horse Bidder’s adequate assurance information was not disseminated at least twenty (24) hours to the Counterparties in advance of the Sale Objection Deadline; then Counterparties may raise their adequate assurance objections, if any, as to the Stalking Horse Bidder pursuant to deadline set in this paragraph) (collectively, the “Auction Objections”) may be made at the Sale hearing (the “Post Auction Objection Deadline”).³

III. Sale Hearing and Closing

A hearing (the “Sale Hearing”) to approve and authorize the Sale to the Successful Bidder will be held before the Court on or before **June 1, 2023, at 9:30 a.m. (prevailing Eastern Time)** and otherwise in accordance with any scheduling order entered by the Court. The Sale Hearing is being held to approve the highest or otherwise best offer received for the Acquired Assets. The Approved Transaction shall be consummated by **June 14, 2023**, or such later date as to which the Debtors, the Successful Bidder, and SSCP, agree.

IV. Filing Objections

Sale Objections and Auction Objections, if any, must (a) be in writing, (b) state, with specificity, the legal and factual bases thereof, (c) be filed with the Court by no later than **the Sale Objection Deadline or Auction Objection Deadline**, as applicable, and (d) be served on (i) proposed counsel for the Debtors, Culhane Meadows PLLC, 3411 Silverside Road, Baynard Building, Suite 104-13, Wilmington DE 19810, Attn: Mette H. Kurth (MKurth@cm.law) and Lynnette R. Warman

³ The parties will work together in good faith to address any Post-Auction Objections, including the potential extension of the deadline to file Post-Auction Objections.

(LWarman@cm.law); (2) counsel to the Official Committee of Unsecured Creditors, (the “Committee”), Tucker Ellis LLP, 233 S. Wacker Dr., Suite 6950, Chicago, IL 60606-9997, Attn: Jason M. Torf (jason.torf@tuckerellis.com) and Thomas R. Fawkes (thomas.fawkes@tuckerellis.com), and Potter Anderson & Corroon, LLP, 1313 N. Market St., 6th Floor, P.O. Box 951, Wilmington, DE 19801, Attn: Christopher Samis (csamis@potteranderson.com); (3) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware, 19801, Attn: Linda Casey (Linda.Casey@usdoj.gov) (the “U.S. Trustee”); (4) counsel to SSCP, Foley & Lardner LLP, 2021 McKinney Avenue, Suite 1600, Dallas, TX. 75201, Attn: Holland N. O’Neil (honeil@foley.com), Mark C. Moore (mmoore@foley.com), and Tim Mohan (tmohan@foley.com) and Ashby & Geddes, P.A, 500 Delaware Avenue, 8th Floor, P.O. Box 1150, Wilmington, DE 19899, Attn: Ricardo Palacio (RPalacio@ashbygeddes.com); (5) counsel to the Stalking Horse Bidder, if any; and (6) any other party that has requested notice pursuant to Bankruptcy Rule 2002. Auction Objections must also be served on counsel for the Successful Bidder.

V. Consequences of Failing to Timely Assert an Objection

Any party who fails to make a timely Sale Objection on or before the Sale Objection Deadline (other than objections to be raised by the Auction Objection Deadline) in accordance with the Bidding Procedures Order and this Notice (i) shall be forever barred from asserting any Sale Objection, including, without limitation, with respect to the transfer of the Acquired Assets free and clear of all liens, claims, encumbrances and interests; and (ii) shall be deemed a consent to the Sale to the Successful Bidder and the other relief requested in the Sale Motion.

Any party who fails to make a timely Auction Objection on or before the Auction Objection Deadline in accordance with the Bidding Procedures Order and this Notice shall be forever barred from asserting any Auction Objection, including, without limitation with respect to the transfer of the Acquired Assets free and clear of all liens, claims, encumbrances and interests.

VI. No Successor Liability

The Sale will be free and clear of, among other things, any claim arising from any conduct of the Debtors prior to the closing of the Sale, whether known or unknown, whether due or to become due, whether accrued, absolute, contingent or otherwise, so long as such claim arises out of or relates to events occurring prior to the closing of the Sale. Accordingly, as a result of the Sale, the Successful Bidder will not be a successor to any of the Debtors by reason of any theory of law or equity, and the Successful Bidder will have no liability, except as expressly provided in the Successful Bidder’s asset purchase agreement, for any liens, claims, encumbrances and interests against or in any of the Debtors under any theory of law, including, without limitation, successor liability theories.

Dated: April 22, 2023
Wilmington, Delaware

/s/ Mette H. Kurth

Mette H. Kurth (DE Bar No. 6491)

CULHANE MEADOWS, PLLC

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Proposed Counsel to the Debtors and Debtors In Possession