

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
At Greenbelt

In Re: :
: :
BADTEC, INC. : Case No. 11-33795-TJC
: (Chapter 7)
: :
Debtor :

**NOTICE OF SALE OF REAL AND PERSONAL PROPERTY
OF BADTEC, INC., T/A SOUTHERN MEMORIAL GARDENS FREE
AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS**

PLEASE TAKE NOTICE that the undersigned Trustee has entered into an Asset Purchase Agreement for the purchase of the personal property and real property of the Debtor located at 10155 Ward Road, Dunkirk, Maryland 20754, t/a Southern Memorial Gardens to Southern Memorial Association, Inc. (“Purchaser”). A summary of the terms contained in the Asset Purchase Agreement are as follows:

There are currently three loans from Manufacturers Traders Trust Company (the “Lender”) to the Debtor evidenced by notes, deeds of trust and mortgages, and all dated February 28, 2006. Loan I is in the face amount of \$1,400,000.00; Loan II is in the face amount of \$361,000.00, and Loan III is in the face amount of \$50,000.00. The lender has confessed judgments on those notes in the Circuit Court for Calvert County, Maryland at docket number 04-C-11-000646-CJ in the amounts of \$1,610,018.03, \$348,149.45 and \$55,058.06, respectively. As part of the Asset Purchase Agreement, the Purchaser has purchased from the Lender those notes and succeeded to the rights of the judgments under those notes, as well as the deeds of trust on the Real Property.

The Trustee and the Purchaser have agreed to transfer the Debtor’s liabilities as follows:

As a result of the Purchaser purchasing the loans mentioned above, the Purchaser shall acquire the real property located at 10155 Ward Road, Dunkirk, Maryland 20754 (the “Real Property”), consisting of approximately 30.61 acres of land, along with all equipment consisting of any motor vehicles, furniture, computers, and furnishings located at the Real Property, along with the inventory, including all caskets, urns, vaults, monuments and other inventory, as well as the intangible assets including the name Southern Memorial Gardens and all goodwill associated with that name and the business. Furthermore, although they are not assets of the bankruptcy estate, the trust funds held on account of perpetual care and preneed sales shall be transferred into appropriate perpetual care trust accounts and preneed trust accounts pursuant to trust agreements to be created to cause the transferred trust funds to be held by the Purchaser.

The Purchaser will assume and thereafter in due course provide, all liabilities and obligations arising under the terms of paid-in-full burial contracts; which include (a) all customers listed as having paid-in-full contracts, (b) those customers whose files maintained by the cemetery contain contracts or other evidence that the customer's obligations are paid-in-full, and (c) those customers who can prove to the reasonable satisfaction of the Purchaser that the customer's obligations are paid-in-full. The Purchaser shall act in good faith and fair dealing in making determinations regarding the status of paid-in-full contracts.

Furthermore, with respect to liabilities of consumers with preneed burial contracts which are not paid in full, the Purchaser will allow consumers whose contracts are not paid-in-full to enter into new contracts with Purchaser and will give to those consumers a dollar for dollar credit for the amounts previously paid by those customers who can prove to the reasonable satisfaction of the Purchaser that they have made partial payments under a preneed burial contract.

Lastly, the Purchaser shall pay the estate the sum of \$25,000.00, which will be applied to trustee fees, which is considerably less than the fees allowed by statute, and will additionally pay outstanding property taxes. Inasmuch as all creditor and consumer claims will be satisfied, following settlement and payment of fees, the Trustee will seek the dismissal of the within bankruptcy case.

The Trustee believes that the sale of the assets of the Debtor is in the best interest of all creditors and will provide for the ongoing operation of the cemetery in a professional and responsible manner. Moreover, the State of Maryland Office of Cemetery Oversight has approved the purchase by the Purchaser, whose officers currently own and operate other cemeteries in Maryland which are permitted and in good standing with that Office.

Any party objecting to the Trustee's sale must do so in writing and in accordance with Local Rule 6004-1. All objections should be filed with the Clerk of the Court, United States Bankruptcy Court for the District of Maryland, 6500 Cherrywood Lane, Greenbelt, Maryland 20770, with a copy served on the trustee at his/her address shown below. A copy of the objection should also be served on the U.S. Trustee, 6305 Ivy Lane, Suite 600, Greenbelt, Maryland 20770. All objections must be filed and served within twenty-one (21) days of the date of this notice shown below.

Any parties wishing to submit higher or better offers for the purchase of the Property should submit such offers in writing to the undersigned Trustee by mail and facsimile transmission with copies filed with the Bankruptcy Court prior to the close of business on July 8, 2013.

A hearing has been scheduled before the Court on July 22, 2013 at 11:00 a.m. in Courtroom 3-E, U.S. Court House, 6500 Cherrywood Lane, Greenbelt, Maryland 20770. At that hearing, the Court will proceed to consider any Objections filed as above-contemplated as well as any higher or better offers for the purchase of the Property. In the event no such timely Objections are filed nor

higher or better offers submitted, the hearing will not be held and the undersigned Trustee may proceed to consummate the sale above-contemplated.

The Trustee may seek sanctions or other similar relief against parties filing spurious objections to this notice.

GARY A. ROSEN, CHARTERED

Dated: 6/13/13

By /s/ Gary A. Rosen
Gary A. Rosen, Esquire
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Rockville, MD 20850
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 13th day of June, 2013, a copy of the foregoing was served electronically to those recipients authorized to receive a Notice of Electronic Filing by the Court, and was mailed, first class mail, postage pre-paid, to all creditors and other parties in interest on the Court's matrix.

/s/ Gary A. Rosen
Gary A. Rosen