

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Mestad's Enterprises, Inc.,

Debtor.

Chapter 7
BKY 23-30161

NOTICE OF SALE

TO: The United States Trustee, all creditors, and other parties in interest.

On March 1, 2023, or as soon thereafter as the transaction may be completed, the trustee will sell property of the estate as follows:

The debtor is a bridal shop. The debtor lists personal property of inventory (wedding gowns, bridesmaids gowns, mother gowns, other miscellaneous gowns, veils, lingerie, shoes, jewelry, men's clothing, men's rental items), office fixtures, furniture and equipment, customer lists, mailing lists with an approximate scheduled value of \$421,225.88 (the "Assets"). The Small Business Administration ("SBA") is owed \$500,000 in connection with an EIDL loan. The SBA has a properly perfected security interest in the Assets. The trustee's auction company reviewed the Assets. Based upon the auction company's review, the Assets are worth approximately \$100,000.

Celebrations Bridal & Formal Wear, LLC ("Celebrations Bridal") has offered to purchase the Assets for \$100,000. In addition, Celebrations Bridal will honor all outstanding bridal dresses that have been "ordered from suppliers - in transit to shop" in the approximate amount of \$32,849.90. Celebrations Bridal will pay the COD amount for these dresses, so the brides and their wedding party will have their prepaid for dresses. The Assets are being sold "as-is, where is" without any representations or warranties of any kind.

The SBA has consented to the sale of the Assets subject to its lien. The SBA has also agreed to split the proceeds from the sale of the Assets on a 60/40 basis. The SBA will receive \$60,000 from the proceeds, while the chapter 7 estate will receive \$40,000.

The trustee believes the sale is in the best interests of the estate as the costs of liquidation would offset any value to the estate. In addition, Celebrations Bridal has agreed to make good on the bridal dresses ordered. Again, the assets are sold "as is" without any representations and warranties.

OBJECTION: MOTION: HEARING

Under applicable rules, any objection must be in writing, be delivered to the trustee and the United States Trustee, and be filed with the clerk, not later than 12:00 noon on the day before the above date. If an objection is timely delivered and filed, the court may hold an expedited hearing on the objection with reduced notice of the hearing. The hearing will be scheduled by the trustee with