

SO ORDERED

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
Greenbelt Division**



IN RE:

JOANNE'S BED & BACK STORES, INC.

Debtor

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**THOMAS J. CATLIOTA
U. S. BANKRUPTCY JUDGE**

**ORDER AUTHORIZING SALE OF SUBSTANTIALLY ALL
OF THE ASSETS OF THE DEBTOR SUBJECT TO HIGHER
AND BETTER OFFERS, FREE AND CLEAR OF LIENS,
CLAIMS AND ENCUMBRANCES**

This matter coming before the Court on the Motion of Debtor and Debtor in Possession (the "Debtor") pursuant to 11 U.S.C. §§ 105(a), 363 and 365 for an Order Authorizing Sale of Substantially All of the Assets of the Debtor (the "Motion") to The Healthy Back, LLC (the "Purchaser"); the Court having reviewed the Motion and having heard the statements of counsel in support of the relief requested in the Motion at a hearing before the Court (the "Hearing"); the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), (c) notice of the Motion (and service of the proposed order) was sufficient under the circumstances; (d) the Asset Purchase Agreement represents the highest and best offer received by the Debtors for the Assets; (e) Purchaser is a good faith purchaser under 11 U.S.C. Section 363(m); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief herein granted;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. All objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled, are overruled on their merits.

3. Capitalized terms not otherwise defined herein have the meanings given to them in the Motion.

4. The terms and conditions of the Asset Purchase Agreement attached hereto are hereby approved in all respects pursuant to Sections 363(b) and 365 of the Bankruptcy Code and the Debtor is directed and authorized to immediately take such actions as are necessary or useful to consummate, implement, and otherwise exercise any and all rights and remedies under, the Asset Purchase Agreement.

5. The Debtor is hereby authorized and empowered to fully perform under, consummate, and implement the Asset Purchase Agreement and is authorized to assume and assign the executory contracts listed on the schedules to the Asset Purchase Agreement.

6. The Purchaser is an arms-length purchaser in good faith of the Assets and is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

7. The terms and provisions of the Asset Purchase Agreement, together with the terms and provisions of this Sale Order, shall be binding in all respects upon, and shall inure to the benefit of, the Debtor, its estate and creditors, the Purchaser, and its affiliates, successors and assigns, and third parties having notice hereof, including, but not limited to, all non-debtor parties asserting a claim against or interest in the Debtor's estate or any of the Assets to be sold to the Purchaser pursuant to the Asset Purchase Agreement and any trustee for the Debtor hereunder appointed under any chapter of the Bankruptcy Code.

8. The Debtor is authorized and directed under section 363(f) of the Bankruptcy Code to sell, convey, transfer and deliver the Assets to the Purchaser (or any third party designated by the Purchaser), free and clear of any and all pre-petition and post-petition mortgages, security interests, pledges, liens, claims, interests, judgments, demands,

encumbrances, restrictions or charges of every kind or nature, fixed or contingent (collectively, the “Liens” as defined more particularly in the Asset Purchase Agreement) existing as of the date of the transfer to the Purchaser, and whether imposed by or asserted based on agreement, understanding, law, equity or otherwise, with all such Liens to attach to the sale proceeds in the order of their priority, with the same validity, force and effect which they now have. The sale of the Assets by the Debtor to the Purchaser shall constitute a legal, valid and effective transfer of the Assets (notwithstanding any requirement for approval or consent by any person) and upon delivery of the consideration specified in the Asset Purchase Agreement, the Purchaser shall be vested with good and sole title to the Assets free and clear of the Liens.

9. The sale of assets is necessary for the Debtor’s liquidation plan and in accordance with section 1146(a) of the Bankruptcy Code, the making, delivery, filing or recording of various instruments of transfers to be recorded in connection with sale of the Assets shall not be taxed under any law imposing a recording tax, stamp tax, transfer tax or similar tax, including any such tax imposed by the county of Montgomery, the State of Maryland, the District of Columbia and the Commonwealth of Virginia, and all filing and recording officers are hereby directed to accept for filing or recording all instruments of transfer to be filed and recorded in connection with the Debtor's sale of the Assets, without the payment of any such taxes.

10. If any person or entity that has filed financing statements or other documents or agreements evidencing a Lien on the Assets has not delivered to the Debtor prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or releases of the Lien, the Debtor or the Purchaser is hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to such Assets.

11. This Order shall be binding upon and govern the acts of all filing agents, recording agencies, secretaries of state, utility providers, providers of telephone and/or telecommunication services and all other persons and entities who may be required by operation of law to accept, file, register or otherwise record or release any documents or instruments.

12. Pursuant to sections 105(a) and 363 of the Bankruptcy Code, all Persons and Governmental Units (as defined in sections 101(27) and 101(41) of the Bankruptcy Code) are hereby enjoined from taking any action against the Purchaser or the Assets to recover any claim which such Person or Governmental Unit has or may assert against the Debtor (as such Claims exist immediately prior to the Closing) except for such Claims that are expressly assumed by the Purchaser pursuant to the Asset Purchase Agreement.

13. Notwithstanding either Federal Rule of Bankruptcy Procedure 6004(g) or Federal Rule of Bankruptcy Procedure 7062, this is a final order effective immediately and section 363(m) of the Bankruptcy Code shall apply to this Order.

Copies to:

Michael J. Lichtenstein, Esquire
Morton A. Faller, Esquire
Stephen A. Metz, Esquire
Shulman, Rogers, Gandal, Pordy & Ecker, P.A.
11921 Rockville Pike, 3rd Floor Rockville, Maryland 20852

Office of the U.S. Trustee
6305 Ivy Lane, Suite 600
Greenbelt, Maryland 20770

END OF ORDER