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9 **UNITED STATES DISTRICT COURT**
10 **EASTERN DISTRICT OF CALIFORNIA**

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12 SECURITIES AND EXCHANGE
COMMISSION,

13 Plaintiff,

14 v.

15 BIC REAL ESTATE DEVELOPMENT
16 CORP., et al.,

17 Defendants.

Case No. 1:16-cv-00344-LJO-JLT

STIPULATION AMENDING OIL
COMPANY SALES PROCEDURES
AND EXTENDING ASSOCIATED
DEADLINES; ORDER THEREON

Date: NO HEARING REQUIRED
Ctrm: 4
Judge: Hon. Lawrence J. O'Neill

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19 **STIPULATION**

20 The following Stipulation Amending Oil Company Sales Procedures and
21 Extending Associated Deadlines (the "Stipulation") is made by and between: (1)
22 David P. Stapleton (the "Receiver"), the Court-appointed receiver for Defendants
23 BIC Real Estate Development Corporation and its subsidiaries and affiliates,
24 including but not limited to, WM Petroleum; Target Oil & Gas Drilling, Inc.; Tier 1
25 Solar Power Company; Tier 1 Solar Power Company, LLC; and Home Sweet
26 Holdings (collectively, the "Receivership Entities"); (2) Plaintiff Securities and
27 Exchange Commission (the "SEC"); and (3) Defendant Daniel Nase (collectively,

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1 with the Receiver and the SEC, the "Parties") by and through their respective
2 counsel of record, and in reliance on and with respect to the following facts:

3 A. On July 27, 2017, this Court entered its Order Authorizing and
4 Approving Receiver's Sales Procedures for Oil Company and Authorizing
5 Receiver's Engagement of Oil Company Broker (the "Oil Company Sales
6 Procedures Order") (Dkt. No. 268), approving and authorizing the sales procedures
7 and deadlines proposed, on Motion by the Receiver (the "Sales Procedures
8 Motion"), in connection with his anticipated marketing and sale of the assets of WM
9 Petroleum, Target Oil & Gas Drilling, Inc., and affiliated entities (collectively, the
10 "Oil Company Assets"), as well as the Receiver's engagement and compensation of
11 a specialized petroleum industry broker, Energy Net (Dkt. Nos. 249-251).

12 B. On November 15, 2017, on motion by the Receiver, the Court entered
13 an order extending certain deadlines associated with the Receiver's anticipated sale
14 of the Oil Company Assets (Dkt. No. 320).

15 C. Since the Court's entry of the Oil Company Sales Procedures Order, the
16 Receiver, his Court-approved broker, EnergyNet, and his counsel of record, Allen
17 Matkins Leck Gamble Mallory & Natsis LLP, have been engaged in significant
18 marketing and sale-related efforts, including listing the Oil Company Assets for sale
19 on appropriate exchanges, solicitation of offers from at least 4 prospective buyers,
20 the preparation of a form Purchase and Sale Agreement ("PSA"), the identification
21 of a contemplated stalking horse bidder for the Oil Company Assets in accordance
22 with the Sales Procedures Order, and negotiating and tailoring the PSA to the
23 purchase terms agreed to by the Receiver's original stalking horse bidder.

24 D. In mid-March 2018, the Receiver's original stalking horse bidder
25 notified him that it would be withdrawing from its contemplated purchase of the Oil
26 Company Assets. Since then, the Receiver has renewed negotiations with other
27 interested parties and tentatively agreed upon deal terms with a new anticipated
28 stalking horse bidder.

1 E. The Receiver's new stalking horse bidder is organizationally distinct
2 from his original stalking horse bidder. As a consequence, the Receiver has had to
3 renegotiate and revise certain portions of the PSA and to commence previously
4 unnecessary discussions with the Receivership Entities' mineral rights holders
5 regarding the assignment of leases to the new stalking horse, as well as to
6 potentially similarly situated overbidders.

7 F. The Receiver is informed and understands that his new stalking horse,
8 as well as all other parties who have indicated an intention to qualify as bidders for
9 the Oil Company Assets, must satisfy certain mineral rights holder requirements
10 regarding the assignability of leases, which requirements can take as many as 90
11 days to satisfy.

12 G. As a consequence of the above, the Receiver has determined, in his
13 reasonable business judgment, that it is appropriate to: (1) amend the Oil Company
14 Sales Procedures Order to provide that all prospective purchasers of the Oil
15 Company Assets, whether the current stalking horse bidder or other potential
16 qualified bidders, must satisfy any existing mineral rights holder assignment
17 requirements prior to any hearing on the proposed sale of the Oil Company Assets;
18 and (2) extend all deadlines associated with the Court-approved sales procedures for
19 the Oil Company Assets by a further 120 days, to permit both the present stalking
20 horse bidder and any prospective overbidders to satisfy such requirements.

21 **STIPULATION AND AGREEMENT**

22 Accordingly, and in consideration of the foregoing, the Parties hereby
23 STIPULATE and AGREE as follows:

24 1. Effective immediately upon the entry of an order approving this
25 Stipulation, the Court-approved sales procedures for the Oil Company Assets, as
26 reflected in the Oil Company Sales Procedures Order, shall be amended to provide
27 that a "Qualified Bidder", as described in the Sales Procedures Motion and Oil
28 Company Sales Procedures Order, is defined as follows:

1 "A Qualified Bidder is a prospective purchaser who, no later
2 than 10 business days prior to a scheduled hearing (the "Sale
3 Hearing") on the Receiver's proposed sale of the Oil Company
4 Assets:

5 (i) confirms, in writing, its commitment to execute a
6 PSA for the Oil Company Assets with terms substantially
7 similar to the terms of the Receiver's PSA(s) with the Receiver's
8 stalking horse bidder or bidders (the "Recommended
9 Buyer(s)");

10 (ii) provides evidence, in a form reasonably acceptable
11 to the Receiver, that the Qualified Bidder has the ability to pay
12 the purchase price for the Oil Company Assets proposed by the
13 Recommended Buyer(s) (the "Purchase Price"), plus the
14 minimum initial overbid amount set forth below;

15 (iii) provides an earnest money deposit by wire transfer
16 or cashier's check in the amount of 10% of the Purchase Price,
17 payable to the Receiver, which amount shall be non-refundable
18 to the Qualified Bidder with the highest and best bid at the
19 auction if for any reason: (a) the highest and best bidder fails to
20 timely close the sale; or (b) the highest and best bidder fails to
21 provide the balance of the Purchase Price to the Receiver within
22 5 business days following the Sale Hearing;

23 (iv) provides the Receiver with written confirmation that
24 it can satisfy any requirements imposed by the Receivership
25 Entities' mineral rights holders regarding the assignment of Oil
26 Company Asset-associated leases; and
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1 (v) provides the Receiver and his counsel of record with
2 written notice of its intent to appear and bid at the Sale Hearing,
3 at least 7 days before the Sale Hearing."

4 2. In order to maximize the likelihood that the Receiver's new stalking
5 horse bidder and any prospective qualified bidders for the Oil Company Assets have
6 sufficient time to attempt to satisfy any mineral rights assignment requirements, the
7 Court will hear any motion for the Receiver to approve the sale of the Oil Company
8 Assets within 45 days after the filing of such motion, provided that the Receiver
9 must still publish notice of his intent to sell the Oil Company Assets, in accordance
10 with 28 U.S.C. § 2001, *et seq.*, no fewer than 4 weeks prior to any hearing on the
11 proposed sale, as previously ordered by the Court; and

12 3. Effective immediately upon the entry of an order approving this
13 Stipulation, all pending deadlines associated with the Receiver's proposed marketing
14 and sale of the Oil Company Assets, shall be extended by a further 120 days.

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16 **SO STIPULATED.**

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18 Dated: April 9, 2018

ALLEN MATKINS LECK GAMBLE
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20
21 By: /s/ Joshua A. del Castillo
22 JOSHUA A. DEL CASTILLO
23 Attorneys for Receiver
DAVID P. STAPLETON

24 Dated: April 9, 2018

U.S. SECURITIES AND EXCHANGE
COMMISSION

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27 By: /s/ John B. Bulgozdy
28 JOHN B. BULGOZDY
Attorneys for Plaintiff
SECURITIES AND EXCHANGE
COMMISSION

1 Dated: April 9, 2018

VICK LAW GROUP APC
T. SCOTT VICK

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3 By: /s/ T. Scott Vick

4 T. SCOTT VICK
Attorneys for Defendant
5 DANIEL NASE
6

7 ORDER

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9 IT IS SO ORDERED.

10 Dated: April 10, 2018

 /s/ Lawrence J. O’Neill
11 UNITED STATES CHIEF DISTRICT JUDGE
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