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**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION**

In re:

CARTEL MANAGEMENT, INC.

Debtor.

In re:

TITANS OF MAVERICKS, LLC,

Debtor.

- Affects Both Debtors
 Affects Cartel Management, Inc. only
 Affects Titans of Mavericks, LLC only

Lead Case No. 2:17-bk-11179-DS

Jointly administered with:

Case No. 2:17-bk-11181-DS
(Titans of Mavericks, LLC)

Chapter 11

**DEBTORS' REPLY TO SAN MATEO
COUNTY HARBOR DISTRICT'S LIMITED
OBJECTION TO DEBTORS' MOTION FOR
AN ORDER APPROVING SALE OF
SUBSTANTIALLY ALL OF THE
DEBTORS' ASSETS AND FOR RELATED
RELIEF**

Hearing Schedule:

Date: June 7, 2017

Time: 2:00 p.m.

Place: Courtroom 1639

255 East Temple Street

Los Angeles, CA 90012

Cartel Management, Inc. ("CMI") and Titans of Mavericks, LLC ("Titans", and collectively with CMI, the "Debtors"), hereby file this Reply to the Limited Objection [Doc No 103] filed by the San Mateo County Harbor District (the "Harbor District") to the *Debtors' Motion For Entry Of An Order: (1) Approving Sale Of Substantially All Of The Debtors' Assets Related To "Titans Of Mavericks" Free And Clear Of All Liens, Claims And Interests; (2)*

1 *Approving Debtors' Assumption And Assignment Of Unexpired Leases And Executory Contracts*
2 *And Determining Cure Amounts; (3) Approving Debtors' Rejection Of Unexpired Leases And*
3 *Executory Contracts Which Are Not Assumed And Assigned; (4) Waiving The 14-Day Stay*
4 *Periods Set Forth In Bankruptcy Rules 6004(h) And 6006(d); And (5) Granting Related Relief*
5 (the "Sale Motion").

6 The Harbor District objects to the Sale Motion only "to the limited extent that the Motion
7 seeks approval to assume and assign or sell Debtors' Permit No. 2016-01 with the District[.]" See
8 Limited Objection, p. 1, ll. 2 – 4. However, for the reasons set forth in the Status Report Dated
9 May 31, 2017, filed concurrently herewith, the Debtors have determined to withdraw the Sale
10 Motion, vacate the auction, and continue to negotiate an alternative transaction with an interested
11 party which would not require the transfer or assignment of the permit at issue.

12 While the Debtors do not agree with the Harbor District's analysis regarding transferability
13 of the permit, and while the Debtors firmly believe that the permit is assignable and transferable
14 without the consent of the Harbor District, since the Debtors are focusing their efforts on an
15 alternative transaction which may not require the transfer of the permit, and since the Debtors are
16 withdrawing the Sale Motion without prejudice, the Debtors do not believe it is necessary for the
17 Court to make any determination one way or the other on the Limited Objection filed by the
18 Harbor District.

19 The Debtors therefore request that the Court authorize the Debtors to withdraw the Sale
20 Motion without prejudice.

21 Dated: May 31, 2017

CARTEL MANAGEMENT, INC.; TITANS OF
MAVERICKS, LLC

23 By: /s/ Krikor J. Meshefejian

24 DAVID L. NEALE

KRIKOR J. MESHEFEJIAN

25 LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.
26 Attorneys for Chapter 11 Debtors and Debtors in
Possession

PROOF OF SERVICE OF DOCUMENT

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I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled **DEBTORS' REPLY TO SAN MATEO COUNTY HARBOR DISTRICT'S LIMITED OBJECTION TO DEBTORS' MOTION FOR AN ORDER APPROVING SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS AND FOR RELATED RELIEF** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **May 31, 2017**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Lynn Brown notices@becket-lee.com
- Emily M Charley echarley@hansonbridgett.com, ihaas@hansonbridgett.com
- Stephen D Finestone sfinestone@fhlawllp.com
- Mary H Haas maryhaas@dwt.com, melissastrobels@dwt.com;laxdocket@dwt.com
- Jeffrey S Kwong jsk@lnbyb.com, jsk@ecf.inforuptcy.com
- Kenneth G Lau kenneth.g.lau@usdoj.gov
- Paul J Laurin plaurin@btlaw.com, slmoore@btlaw.com;jboustani@btlaw.com
- Krikor J Meshefejian kjm@lnbrb.com
- David L. Neale dln@lnbyb.com
- Adam M Satnick dmarioni@r2lawgroup.com
- Stewart K Schmella sshmella@lanzalawfirm.com, rbanda@lanzalawfirm.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Phillip K Wang phillip.wang@rimonlaw.com, david.kline@rimonlaw.com

2. **SERVED BY UNITED STATES MAIL:** On **May 31, 2017**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **May 31, 2017**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

1 **Served via Attorney Service**
Hon. Deborah J. Saltzman
2 United States Bankruptcy Court
Edward R. Roybal Federal Building
3 255 E. Temple Street, Suite 1334
Los Angeles, CA 90012

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5 I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

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May 31, 2017	Stephanie Reichert	/s/ Stephanie Reichert
<i>Date</i>	<i>Type Name</i>	<i>Signature</i>

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