

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

IN RE:

PENNSYLVANIA ACADEMY OF MUSIC
Debtor

Case No. 10-14377

Chapter 11
L.B.R. 9014-3

HEARING: August 3, 2011
AT 10:30 O'CLOCK A.M.
U. S. Bankruptcy Court - Courtroom No. 3
Robert N. C. Nix Building
900 Market Street
Philadelphia, Pennsylvania 19107

**MOTION FOR AUTHORIZATION TO SELL OR TRANSFER
ALL ASSETS PURSUANT TO §363 OF THE BANKRUPTCY CODE**

TO THE HONORABLE JEAN K. FITZSIMON, BANKRUPTCY JUDGE:

PENNSYLVANIA ACADEMY OF MUSIC, Debtor and Debtor-in-Possession herein,
("PAM") moves the Court for an Order as follows:

1. This Court has jurisdiction of this matter under 28 U.S.C. §§ 1334 and 157.
2. Debtor filed a petition commencing this case under Chapter 11 of the Bankruptcy Code on May 27, 2010, and remains in possession of all its remaining assets as the Debtor-in-Possession.
3. Among the remaining assets constituting property of the Debtor's estate formerly used in connection with the operation of PAM , including, but not limited to, all of the personal property, machinery, equipment, furniture, fixtures, leasehold improvements, tools, supplies, inventories, student and donor records, intellectual property, goodwill and all other tangible and intangible assets used by PAM in furthering its charitable purposes.
4. Debtor has made a search of the public records and found no creditors who assert liens against any of the items being sold or transferred.
5. Debtor has entered into Asset Purchase Agreement/Letter of Intent ("LOI") to sell or transfer the assets listed at private sale to Lincoln Park Performing Arts Center ("LPPAC") , One Lincoln Park, Midland Pennsylvania 15050, for the sum of \$300,000.00. A copy of the LOI is attached to this Motion as Exhibit "1".
6. Included in the assets listed in the LOI for transfer to LPPAC is Debtor's Endowment Fund with a present balance in excess of \$870,000.00.
7. LPPAC has agreed to devote to the assets purchased and the Endowment Fund to operating an expanded music education as well as other performing arts programs within the geographic area of Lancaster County and the surrounding area based upon the needs for such programs as LPPAC in its sole discretion shall determined.
8. Debtor believes and therefore avers that LPPAC, a Pennsylvania Not for Profit corporation as an IRS 501(c)(3) Charitable Organization, which is ready willing and able to carry on PAM's mission and goals into the future using the Endowment funds for the same or similar purposes for which those funds were originally contributed.

9. Debtor has had an auctioneer, a used office store owner, and the owner of a piano wholesaler/retailer view the items within their area of expertise as proposed to be sold. Each of them has orally advised Debtor that the net value which could be realized after payment of the expenses of preparing the items for sale by public auction or otherwise, advertising, expenses and commission would be less than the \$300,000 amount offered by LPPAC.

10. To insure that Debtor is obtaining the highest and best price for the assets, Debtor intends to continue to seek purchaser(s) for all of the assets and will accept written **unconditional** offer(s) of not less than \$325,000.00 accompanied by a ten (10%) deposit up to 5:00 p.m. EDST on July 26, 2011, at the office of Debtor's Counsel.

11. In the event unconditional offer(s) is/are received by said deadline set forth in paragraph 10, Debtor will conduct an auction between/among those person(s) who have submitted an offer for said assets in the offices of Debtor's Counsel, Wheatland Place, 941 Wheatland Avenue, Suite 403, Lancaster, Pennsylvania, promptly at 10:00 o'clock a.m. on July 29, 2011.

WHEREFORE, Debtor prays for an order permitting the sale of the office equipment and furnishings to Lincoln Park Performing Arts Center for the sum of \$300,000.00 and for such other and further relief as is just.

June 22, 2011

JACQUES H. GEISENBERGER, JR., P. C.

By: /s/ Jacques H. Geisenberger, Jr.

Jacques H. Geisenberger, Jr.

I.D. No. 06947

Attorney for Debtor and D-I-P

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