

Form JDG11 (03/15)

**United States Bankruptcy Court  
Western District of Michigan**  
One Division Ave., N.  
Room 200  
Grand Rapids, MI 49503

**IN RE:** Debtor (name used by the debtor in the last 8 years, including married, maiden, trade, and address):

**Ahlan Industries, Inc., et al.,**  
4358 S. Division Avenue  
Grand Rapids, MI 49548  
Tax ID: 47-4866146

Debtor

**Case Number 18-04650-jwb**

**Chapter 7**

**Honorable James W. Boyd**

**NOTICE TO PARTIES IN INTEREST OF HEARING**

YOU ARE HEREBY NOTIFIED that a hearing will be held at the United States Bankruptcy Court, One Division Ave., N., 3rd Floor, Courtroom B, Grand Rapids, MI 49503 on **May 9, 2019** at **09:00 AM** to consider and act upon the following matter:

**Trustee's Motion for Sale of Real and Personal Property Free and Clear of Liens Pursuant to 11 U.S.C. Section 363 (Mitten Vapors, LLC and Ahlan Industries, Inc.) (DN 63)**

If you want the court to consider your views on this matter, attend the hearing on the date stated above.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney. (If you do not have an attorney, you may wish to consult one.)

You or your attorney may wish to file a written response to the motion explaining your position. Any response shall be mailed to the Clerk of the United States Bankruptcy Court, One Division Ave., N., Grand Rapids, Michigan 49503, and should be received by the Clerk at least 7 (seven) days before the above hearing date. A copy of your responses should also be mailed upon the opposing party and his/her attorney.

If you or your attorney do not take these steps, the court may decide to grant the relief sought in the motion and may enter an order granting relief requested.

DANIEL M. LAVILLE  
CLERK OF BANKRUPTCY COURT

**Dated:** April 10, 2019

/S/ \_\_\_\_\_  
J. Koerth  
Deputy Clerk

A copy of this notice returned to Steven L. Rayman, Esq. on April 10, 2019 for service upon the mailing matrix .

NOTICE IS HEREBY GIVEN THAT THE COURT MAY, in its discretion, orally continue or adjourn the above hearing on the record in open court. If this occurs, parties in interest will not be given further written notice of the continued or adjourned hearing. If an entity is not present at the originally scheduled hearing, information regarding the time, date and place of an orally continued or adjourned hearing may be accessed through the Bankruptcy Court's web site ([www.miwb.uscourts.gov](http://www.miwb.uscourts.gov)) provided the person has a PACER login and password, or by visiting the clerk's office of the United States Bankruptcy Court located at One Division Ave., N., 2nd Floor, Grand Rapids MI 49503. Information about a PACER login and password may be obtained by either calling PACER service center between 8:00 a.m. and 5:00 p.m. Monday through Friday, CST at (800) 676-6856 or via its web site at <http://pacer.psc.uscourts.gov>

UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF MICHIGAN

IN THE MATTER OF:

AHLAN INDUSTRIES, INC., *et al.*,

Case No.: 18-04650

Chapter 7 – Filed: 11/05/2018

Debtor.

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**TRUSTEES' MOTION FOR SALE OF REAL AND PERSONAL PROPERTY**  
**FREE AND CLEAR OF LIENS PURSUANT TO 11 U.S.C. §363**  
**(MITTEN VAPORS, LLC AND AHLAN INDUSTRIES, INC.)**

**NOW COME** Lisa E. Gocha, Trustee of Mitten Vapors, LLC (“Trustee Gocha”), and Thomas A. Bruinsma, Trustee of Ahlan Industries, Inc. (“Trustee Bruinsma”)<sup>1</sup>, and for their Motion for Sale of Real and Personal Property Free and Clear of Liens Pursuant to 11 U.S.C. §363 (Mitten Vapors, LLC and Ahlan Industries, Inc.) (“Motion”), say as follows:

1. This Motion pertains generally to four Chapter 7 proceedings that have been consolidated for purposes of administration as described below and more specifically, the assets of *In re Ahlan Industries, Inc.* (“Ahlan”) and *In re Mitten Vapors, LLC* (“Mitten”).

2. By virtue of this Court’s Order Regarding Motion of Interim Trustee of Ahlan Industries, Inc. for Consolidation of Cases for Purposes of Administration Only [DN 35], Ahlan, Mitten and Peninsular Vapors, LLC (“Peninsular”) and GR E Liquid, LLC (“GR E Liquid”) are jointly administered. It is noted that the cases are consolidated for administrative purposes only.

3. The consolidated cases were also reassigned before the Honorable James W. Boyd as set in a certain *Sua Sponte* Order Reassigning Bankruptcy Proceedings to the Honorable James W. Boyd [DN 23].

4. Among the assets of Ahlan and Mitten are certain assets as more fully delineated in a certain Asset Purchase Agreement (“Agreement”) entered into between the Trustees on

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<sup>1</sup> Collectively, Trustee Gocha and Trustee Bruinsma are referred to as the “Trustees”.

behalf of Mitten and Ahlan and one Grand Rapids E Cigarette, LLC (“Grand Rapids E Cigarette”).

5. The Agreement contemplates the sale of certain personal and real property as delineated in ¶1 of the Agreement and a certain Exhibit “A” attached thereto (“Assets”).

6. The Assets, as delineated in the Agreement, are property of the estates of Mitten and Ahlan. It is noted:

- a. All of the personal property (other than cash and accounts) of the consolidated cases are scheduled on the Schedule “B” in the Mitten case. Cash and other intangible assets are scheduled in the Schedule “B” in the Ahlan case. No assets are scheduled in Peninsular and GR E Liquid; and
- b. This Motion and any Order granting same is without prejudice to the right(s) of any party in interest, including, but not limited to, the Trustees of Peninsular and GR E Liquid to make any claim to proceeds. To the extent necessary to convey title to the assets, the Trustees of Peninsular and GR E Liquid join in this Motion.

7. The Trustees have conducted negotiations with Grand Rapids E Cigarette with such negotiations resulting in the Agreement.

8. The Agreement contemplates the sale of the Assets for the sum of \$25,000.00 in cash.

9. The proposed purchase is a cash sale, subject to the following terms:

- a. The sale shall be “AS IS, WHERE IS”, with the Trustees making no representation or warranty, expressed or implied, of any kind, nature or description, including any warranty of title or as to the condition, usability or value of the Assets for any purpose. The Trustees are not required to inspect or test or report on the condition of the Assets or the operability of the Assets or the existence of any defect in the Assets;
- b. The sale of the Assets consistent with the Agreement shall be subject to competitive bidding at a Court auction to take place at the United States Bankruptcy Court, One Division Avenue, North, Courtroom B, Grand Rapids, MI 49503 at the time and place

scheduled for the hearing on this Motion. The minimum and opening bid shall be that made by Grand Rapids E Cigarette in the amount of \$25,000.00. Any and all additional bidding shall be in strict conformance with the terms and conditions of the Agreement and subsequent bids being in increments of \$1,000.00 or more;

- c. Grand Rapids E Cigarette has deposited an earnest money deposit with Trustee Bruinsma in the amount of \$2,500.00. Any other bidder(s) wishing to bid on the Assets shall be required to remit an earnest money deposit with Trustee Bruinsma in the amount of \$2,500.00, said deposit must be received by Trustee Bruinsma prior to two (2) days before the date scheduled for the Court auction;
- d. Trustee Bruinsma shall hold both the deposit and the sale proceeds until further order of Court and has voluntarily agreed to take no commission on monies distributed by him to the other bankruptcy estates from sale proceeds;
- e. The sale shall be on a cash basis. The Trustees propose that, in the event Grand Rapids E Cigarette (or such other successful bidder), fails to close, that they be authorized to complete the sale to a "back-up" bidder;
- f. The sale shall be deemed free and clear of liens, pursuant to 11 U.S.C. §363(f) with Grand Rapids E Cigarette or the successful bidder taking free and clear of any encumbrances with liens, encumbrances and interests attaching to sale proceeds in the same rank, validity and priority as existed as of the date of the Petition. To the extent that any of the bankruptcy estates claim an interest in the Assets, such claims shall attach to proceeds. Although its lien shall attach to proceeds, your Trustees propose that the State of Michigan discharge its lien by the payment of \$3,500.00 from the Mitten estate. However, at this writing, the State of Michigan has not agreed to the Trustees' proposal;
- g. The sale shall be closed within fourteen (14) days of the entry of the Order approving same;
- h. There shall be no "financing" or other contingencies other than those set forth in the Agreement;
- i. Prospective bidders other than Grand Rapids E Cigarette must provide the Trustees with sufficient proof, in the full discretion of the Trustees, of ability to close immediately; and

- j. Grand Rapids E Cigarette and/or the successful bidder shall be responsible for removal of the Assets for transportation of same to its facility.

10. Excluded from the Assets is certain property described in the Agreement, including, but not limited to cash, money currently held in the Trustees' fiduciary accounts, security deposits, Ahlan's interest in a certain vehicle lease and any causes of action against the bankruptcy estates other than claims arising out of this Agreement.

11. Paragraph 12 of the Agreement provides for a mutual release between the Trustees and Grand Rapids E Cigarette, but only to the extent specifically delineated in ¶12.

12. The Agreement and proposed sale has been the subject of intense negotiations between the parties. The negotiations have been at arms-length. Although Grand Rapids E Cigarette was the seller of a large portion of the Assets to the debtors, Grand Rapids E Cigarette is entitled to the protections of 11 U.S.C. §363(m) as a good faith purchaser. Your Trustees request that the Order granting this Motion include such protections as to Grand Rapids E Cigarette and/or the successful bidder, to the extent requested by the Trustees.

13. Grounds further exist for a stay of the provisions of Bankruptcy Rule 6004(h). Your Trustees request that the Order granting this Motion waives such stay.

14. The sale is a proper exercise of the Trustees' business judgment. The Trustees have made efforts to sell the Assets. The highest and best bid is that contained in the Agreement. Moreover, the sale is fair and equitable. The Trustees would be forced to auction the Assets and/or abandon same if the sale is not approved. The Trustees believe that the sale of the Assets as described in this Motion will bring a far better price than an auction.

**WHEREFORE**, your Trustees pray:

- A. That this Court enter an Order authorizing the sale of the Assets to Grand Rapids

E Cigarette and/or such other successful bidder for the terms and conditions set forth in the Agreement in the amount of \$25,000.00 or such bid as may be made in excess of that amount;

B. That this Court authorize the Trustees to accept bids at a Court auction with the starting bid being \$25,000.00, that of Grand Rapids E Cigarette, and subsequent bids being in increments of \$1,000.00 or more;

C. That the Trustees be authorized to accept a back-up bidder in such amount as may be bid in open Court;

D. The Trustees be authorized to execute Trustees' Bills of Sale and/or other documents as are required or reasonably necessary to effectuate the transfer of the Assets;

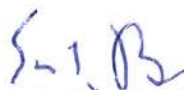
E. That the Trustees be authorized to assign any interest in any real estate as described in the Agreement;

F. That Trustee Bruinsma be authorized to maintain the proceeds of sale until further order of Court (Trustee Bruinsma waiving any commission on payment(s) made to the other bankruptcy estate from sale proceeds); and

G. That this Court order such other relief as it finds just and equitable.

**RAYMAN & KNIGHT**  
Attorneys for Trustee Bruinsma

Dated: April 9, 2019

By:   
Steven L. Rayman (P30882)

BUSINESS ADDRESS:  
141 E. Michigan Avenue, Suite 301  
Kalamazoo, MI 49007  
Telephone: (269) 345-5156

**WARNER NORCROSS + JUDD LLP**  
Attorneys for Trustee Gocha

Dated: April 9, 2019

By:   
Timothy Hillegonds (P25555)  
Elisabeth M. Von Eitzen (P70183)

Trustee's Motion to Sell

**BUSINESS ADDRESS:**

900 Fifth Third Center  
111 Lyon Street NW  
Grand Rapids, MI 49503  
Telephone: (616) 752-2000

**APPROVED:**

 4/9/19

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Marcia R. Meoli, Trustee for the Estate of  
GR E Liquid, LLC, and not individually

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Jeff A. Moyer, Trustee for the Estate of  
Peninsular Vapors, LLC, and not individually


**BUSINESS ADDRESS:**

900 Fifth Third Center  
111 Lyon Street NW  
Grand Rapids, MI 49503  
Telephone: (616) 752-2000

**APPROVED:**

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Marcia R. Meoli, Trustee for the Estate of  
GR E Liquid, LLC, and not individually



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Jeff A. Moyer, Trustee for the Estate of  
Peninsular Vapors, LLC, and not individually

Case No. 18-04652



## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "**Agreement**"), is made this March 29, 2019, by and between **LISA E. GOCHA**, Chapter 7 Trustee in the matter of Mitten Vapors, LLC, Debtor, Case No: 18-04651, United States Bankruptcy Court for the Western District of Michigan, and not individually, and **THOMAS A. BRUINSMA**, Chapter 7 Trustee in the matter of Ahlan Industries, Inc., Debtor, Case No: 18-04650, United States Bankruptcy Court for the Western District of Michigan, and not individually (individually and collectively, the "**Seller**"), and Grand Rapids E Cigarette, LLC, a Michigan Limited Liability Company (the "**Buyer**").

## FACTS

Mitten Vapors, LLC, Debtor ("**Mitten**") and Ahlan Industries, Inc., Debtor ("**Ahlan**") filed for bankruptcy protection creating the bankruptcy estates of Mitten, Case No: 18-04651, United States Bankruptcy Court for the Western District of Michigan, and Ahlan, Case No: 18-04650, United States Bankruptcy Court for the Western District of Michigan (the "**Bankruptcy Estates**"). Because of the way Mitten and Ahlan conducted their affairs prior to filing for bankruptcy protection, there is a question of fact as to which of the Bankruptcy Estates owns the assets listed on **Exhibit A**. The Buyer and Seller believe, however, that all interests in these assets are owned by one or the other of the Bankruptcy Estates. Therefore, Seller desires to sell and Buyer desires to purchase all of the assets of both Bankruptcy Estates, ensuring that Buyer receives clear title, free and clear of any liens or interests, to the assets listed on **Exhibit A** along with any other assets and interests the Bankruptcy Estates possess other than those expressly exempted from this Agreement.

## AGREEMENTS

The parties agree as follows:

1. **Sale and Purchase.** Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller all of the assets of the Bankruptcy Estates (the "**Assets**"), including, but not limited to, the following:

- (a) all assets listed on **Exhibit A**;
- (b) all inventory as defined in the Michigan Uniform Commercial Code (the "**UCC**");
- (c) all equipment as defined in the UCC, and, to the extent not otherwise constituting equipment as defined above, all other items of tangible personal property;
- (d) all accounts as defined in the UCC;
- (e) all general intangibles as defined in the UCC;

- (f) any interest of Seller in any and all claims by Seller against any other person or entity, whether now accrued or later to accrue, contingent or otherwise, known or unknown, including all rights under express or implied warranties from sellers (except as they may pertain to Seller's liabilities), claims for collection or indemnity and choses in action. However, Buyer is not purchasing from Seller any claims it might have related to the fraudulent transfer of the assets of Mitten or Ahlan or any claims Seller might have under Chapter 5 of the Bankruptcy Code;
- (g) all rights to leases and land contracts, if any, and any real estate rights or interests, if any;
- (h) all records and lists that pertain directly or indirectly, in whole or in part, to the Seller's customers, suppliers, advertising, promotional material, sales, services, delivery, internal organization, employees and/or operations;
- (i) telephone and facsimile numbers, web sites, yellow page advertisements, and Seller's right to use the name "Mitten Vapors" and all related names and derivations.

Notwithstanding the above, excluded from the Assets are cash, money currently held in Seller's fiduciary accounts, security deposits, Ahlan's interest in the vehicle lease listed on its bankruptcy schedules, and any claims and causes of action against the Bankruptcy Estates other than claims arising out of this Agreement.

2. **Purchase Price.** Buyer agrees to pay to Seller the amount of \$25,000.00 (the "**Purchase Price**") for the Assets. The Purchase Price must be paid at Closing by certified check or other immediately available funds.

3. **Deposit.** Buyer must deposit with Seller the amount of \$2,500.00 (the "**Deposit**") to assure Buyer's performance of this Agreement. The Deposit will be applied on the Purchase Price at Closing. If the Closing fails to occur after final orders satisfactory to Buyer have been entered in each of Ahlan's and Mitten's bankruptcy cases, the Deposit will be retained by Seller and will not be refunded to Buyer for any reason other than the default of Seller in performing this Agreement, as it may be amended. Return of the deposit to Buyer will be Buyer's sole remedy for Seller's default. In the event of a breach of this Agreement by the Buyer, the Deposit shall constitute Seller's liquidated damages and Seller shall have no further right or remedy against the Buyer.

4. **Hearing.** Seller's and Buyer's obligations under this Agreement, as it may be amended, are contingent on approval of this Agreement, as it may be amended, by the United States Bankruptcy Court for the Western District of Michigan (the "**Closing Contingency**") at a hearing in the Bankruptcy noticed out to all creditors and other parties in interest at which time there shall be a Court auction with competitive bidding (the "**Hearing**"). For avoidance of doubt, for the Closing Contingency to be satisfied, final orders satisfactory to Buyer must be entered in each of Ahlan's and Mitten's bankruptcy cases, and each order must expressly find

that, collectively, the Bankruptcy Estates own the assets listed on **Exhibit A** and Seller is authorized to convey these assets and all other assets listed in paragraph 1 to Buyer, free and clear of any liens or interests.

5. **Place and Date of Closing.** The purchase and sale contemplated by this Agreement (the "**Closing**") must take place no later than fourteen (14) days following the latest date that the orders described in the preceding paragraph become final orders. The date of Closing is referred to as the "**Closing Date**."

6. **Deliveries at Closing.**

(a) **Seller's Deliveries.** At the Closing, the Seller must execute and/or deliver, or cause to be executed or delivered a trustee's bill of sale in the form attached as **Exhibit B** and a lease assignment and quit claim deed without warranties with respect to any leases, real estate interests and land contracts (the "**Conveyance Documents**"), transferring, conveying and assigning the Assets to Buyer as well as documentation satisfactory to Buyer to confirm that the Trustees have assumed such leases and land contracts and any defaults have been cured. Seller shall provide access to Buyer to the building located at 4358 Division Ave, Kentwood, MI 49548, to allow Buyer reasonable time to remove the Assets located at that address. Buyer shall also deliver all Assets described above as well as all Assets listed on Exhibit A. Further, Seller shall deliver to Buyer a complete copy of all bank records in its possession for any bank account held by Mitten or Ahlan. Finally, Buyer may subpoena Seller for a copy of the credit card statements for the Discover Card and Barclay Card in Seller's possession. Seller will not object to the issuance of this Subpoena.

(b) **Buyer's Deliveries.** At the Closing, Buyer must deliver the Purchase Price and any amounts needed to cure defaults of any assumed leases and land contracts, if any, in certified funds or other immediately available funds.

(c) **Further Actions.** Buyer and the Seller must take such further actions and execute and deliver any additional agreements, certificates, instruments, and other documents on or after the Closing as Buyer and the Seller deems reasonably necessary to effectuate the transactions contemplated by this Agreement.

**Representations and Warranties of Seller.** Sale of the Assets will be made on an "**AS IS, WHERE IS**" basis as of the Closing Date, without representation or warranty, express or implied of any kind, nature, or description, including any warranty of title or as to the condition, usability or value of the Assets for any purpose. The Seller will not be required to inspect or test or report on the condition of the Assets, or the operability of the Assets, or the existence of any defects in the Assets.

7. **Buyer's Representations and Warranties.** Buyer represents and warrants to the Seller as follows:

(a) **Buyer's Organization and Good Standing.** Buyer is duly organized, validly existing, and in good standing under the laws of the State of Michigan.

(b) **Enforceability.** Buyer has full capacity, power, and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement, and this Agreement is binding upon Buyer and is enforceable against Buyer in accordance with the terms of this Agreement.

(c) **Brokers.** Buyer has not retained or employed any broker, finder, or other person, or taken any action, or entered into any agreement or understanding that would give any broker, finder, or other person any valid claim against Seller for a commission, brokerage fee, or other compensation.

(d) **Acknowledgments.** BUYER ACKNOWLEDGES AND AGREES THAT BUYER AND ITS REPRESENTATIVES HAVE THE EXPERIENCE AND KNOWLEDGE TO EVALUATE THE ASSETS; THAT BUYER AND ITS REPRESENTATIVES, BEFORE THE CLOSING DATE, WILL HAVE HAD ACCESS TO SUCH OF THE INFORMATION AND DOCUMENTS AS BUYER AND ITS REPRESENTATIVES HAVE REQUESTED TO SEE AND/OR REVIEW; THAT BUYER AND ITS REPRESENTATIVES HAVE HAD A FULL OPPORTUNITY TO MEET WITH APPROPRIATE AGENTS OF SELLER TO DISCUSS THE ASSETS; AND THAT, IN DETERMINING TO ACQUIRE THE ASSETS, BUYER HAS MADE ITS OWN INVESTIGATION INTO, AND BASED ON THAT INVESTIGATION BUYER HAS MADE ITS OWN INDEPENDENT JUDGMENT CONCERNING, THE ASSETS AND THEIR CURRENT OWNERSHIP AND ASSUME ALL RISK RELATED TO SAME.

8. **Termination Events.** This Agreement may, by notice given before or at the Closing, be terminated:

(a) **Material Breach.** By Buyer or the Seller if a material breach of any provision of this Agreement has been committed by the other party and the breach has not been waived (provided that the terminating party is not then in material breach of any provision of this Agreement).

(b) **Closing Contingency.** The Closing Contingency fails to be satisfied.

(c) **Mutual Consent.** By mutual consent of Buyer and the Seller.

(d) **Failure to Close.** By either Buyer or the Seller if the Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply fully with that party's obligations under this Agreement) on or before the required Closing Date, or any later date as the parties may mutually agree.

9. **Termination Procedure.** If this Agreement is terminated pursuant to *Section 8* above, the party or parties so electing to terminate must give written notice to that effect to the

other party, and this Agreement will terminate and the transactions contemplated by this Agreement will be abandoned without further action by either party, other than Seller's obligation to refund the Deposit to Buyer unless Seller is entitled to retain the Deposit as provided in paragraph 3 of the Agreement.

10. **Effect of Termination and Breach of Agreement.** If this Agreement is terminated, the parties will have no further duties, obligations, or rights to or against each other.

11. **Survival of Representations, Warranties, Covenants, and Indemnities.** All representations, warranties, and covenants made by any party to this Agreement will survive the Closing and any investigation at any time made by or on behalf of any party before or after the Closing, except that Seller's warranties shall terminate at the closing of the respective estates.

12. **Mutual Release.** The Parties agree that upon Closing, each releases and forever discharges the other party, including the Chapter 7 Trustees, (collectively, the "**Released Parties**") from any and all claims (as such term is defined in the Bankruptcy Code), causes of action, counterclaims, liabilities, demands, obligations, setoffs, defenses, suits, debts, actions, or sums of money including attorneys' fees and costs, whether known or unknown, alleged or unalleged, vested or contingent, that either party might have against the Released Parties from the beginning of time through the effective date of this Agreement. Jamie Zichterman and Anthony Winters are not Released Parties for purposes of this Agreement and neither is any other entity owned wholly or partially by Jamie Zichterman and/or Anthony Winters. Notwithstanding the foregoing, this mutual release does not release (1) Buyer's underlying State Court Judgment against Mitten Vapors, Ahlan, and the other parties subject to that Judgment, (2) Buyer's right to attorney's fees in the State Court case, (3) Buyer's right to file proofs of claim in either Bankruptcy Estate, (4) Buyer's right to receive any distribution from either Bankruptcy Estate it would otherwise be entitled to, (5) Buyer's right to file an adversary proceeding to have its Judgment against Jamie Zichterman and Anthony Winters deemed non-dischargeable, (6) Buyer's right to file a derivative suit on behalf of either Chapter 7 Trustee seeking to avoid certain transactions as fraudulent transfers, preferences or bring other derivative causes of action and (7) any other rights, causes of action, claims (as such term is defined in the Bankruptcy Code), suits or actions resulting from the State Court case or its Judgment other than against either Bankruptcy Estate.

13. **Assignment and Benefits.** No party to this Agreement may assign or transfer this Agreement without the prior written consent of the other party to this Agreement. Any assignment of the obligations of this Agreement will not release the assignor from the duty to perform that person's obligations under this Agreement. This Agreement will be binding upon, inure to the benefit of, and be enforceable by and against the respective successors and permitted assigns of each of the parties to this Agreement.

14. **Notices.** All notices, requests, demands, and other communications under this Agreement must be in writing and will be deemed to have been duly given when delivered personally, or sent by facsimile or electronic mail, or sent by express delivery service with charges prepaid and receipt requested, or, if those services are not reasonably available, mailed

(postage prepaid) by certified mail with return receipt requested, to the parties at their addresses specified in the first paragraph of this Agreement. Notices to Seller must be sent to:

Lisa E. Gocha  
PO Box 398  
Hudsonville, Michigan 49426-0398  
Email: lgchapter7@yahoo.com

and

Thomas A. Bruinsma  
6812 Old 28<sup>th</sup> Street  
Grand Rapids, MI 49546  
Email: thomasbruinsma@earthlink.net

Notices to Buyer must be sent to:

Grand Rapids E Cigarette  
c/o Joseph M. Infante  
Miller, Canfield, Paddock and Stone  
99 Monroe, Ave, Suite 1200  
Grand Rapids, MI 49503

15. **Expenses.** Buyer and the Seller will each bear their own respective expenses incurred in connection with the transactions contemplated by this Agreement, including expenses of legal counsel, accountants and other advisors, incurred at any time in connection with the negotiation, preparation, execution, and delivery of this Agreement, and the consummation of the transactions contemplated by this Agreement.

16. **Entire Agreement.** This Agreement contains the entire agreement and understanding of the parties and supersedes all prior agreements, negotiations, arrangements, and understandings relating to the subject matter of this Agreement.

17. **Amendments and Waivers.** This Agreement may be amended, modified, superseded, or canceled, and any of the terms, covenants, representations, warranties, or conditions of this Agreement may be waived, only by a written instrument signed by each party to this Agreement or, in the case of a waiver, by or on behalf of the party waiving compliance. The failure of any party at any time to require performance of any provision in this Agreement will not affect the right of that party at a later time to enforce that or any other provision. No waiver by any party of any condition, or of any breach of any term, covenant, representation, or warranty contained in this Agreement, in any one or more instances, will be deemed to be a further or continuing waiver of any condition or of any breach of any other term, covenant, representation, or warranty.

18. **No Third-Party Beneficiaries.** The provisions of this Agreement are solely between and for the benefit of the respective parties to this Agreement, and do not inure to the benefit of, or confer rights upon, any third party.

19. **Headings.** The headings of the sections and subsections of this Agreement have been inserted for convenience of reference only and must not restrict or modify any of the terms or provisions of this Agreement.

20. **Governing Law.** This Agreement is and will be governed by, and interpreted and enforced in accordance with, the laws of the State of Michigan, as applied to contracts made and to be performed in that state, without regard to conflicts of law principles.

21. **Construction.** The language used in this Agreement is deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party by virtue of having drafted this Agreement or any provision of it. Unless otherwise expressly provided, the words "include" and "including" (and variations of those words) whenever used in this Agreement will not limit the preceding words or terms.

22. **Counterparts.** This Agreement may be signed in original or by fax or email in counterparts, each of which will be deemed to be an original, and the counterparts will together constitute one complete document.

**SELLER:**

LISA E. GOCHA, Chapter 7 Trustee in the matter of Mitten Vapors, LLC, Debtor, Case No: 18-4651, United States Bankruptcy Court for the Western District of Michigan, and not individually

Thomas Bruinsma, as Trustee

**THOMAS A. BRUINSMA**, Chapter 7 Trustee in the matter of Ahlan Industries, Inc., Debtor, Case No: 18-04650, United States Bankruptcy Court for the Western District of Michigan, and not individually

**BUYER:**

Vaughn R Sengers

**GRAND RAPIDS E CIGARETTE, LLC**

By: Vaughn R Sengers

Its: Sole member

17904481-2



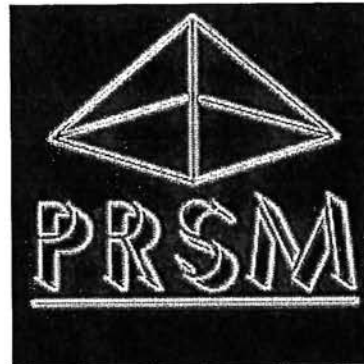
**EXHIBIT A**

**ASSETS EXPRESSLY TO BE PURCHASED BY BUYER**

1. All assets listed on the bankruptcy schedules for Mitten Vapors, LLC, Debtor (“**Mitten**”) and Ahlan Industries, Inc., Debtor (“**Ahlan**”), as those schedules existed as of February 19, 2019, including but not limited to
  - a. The website [www.mittenvapors.com](http://www.mittenvapors.com) and its customer list on BigCommerce, including all login information for both.
  - b. Furniture, computer equipment, and printers listed on Mitten’s bankruptcy schedules.
  - c. Equipment for mixing the component e-juice parts listed on Mitten’s bankruptcy schedules.
  - d. Miscellaneous equipment.
2. All assets belonging to the business calling itself “Mitten Vapors,” including but not limited to
  - a. Its clean room for mixing component e-liquid parts.
  - b. Its trademarks (including common law trademarks) and intellectual property, including its logo and name (“Mitten Vapors”) and specifically the logos represented below and any variation thereof.
  - c. Its label printer for e-liquid bottles.
  - d. Its Zebra printer for shipping labels.
  - e. Its Hop Up event backdrop.
  - f. Its recipe book for all e-liquid flavors developed/sold by Ahlan or Mitten, including any premium lines such as PRSM and The Twenty1Club, any label art/branding/trade names for such products, and all intellectual property rights in the e-liquid flavors.
  - g. Its filings with the FDA unified Registration and Listing System (“FURLS”) and any ownership of the account, with login information, for FURLS and all files related to any FDA filings. Seller will provide a complete spreadsheet of all registered products upon the execution of this Agreement for Buyer’s review.
  - h. Passwords, login information and administrative access to its Facebook page (<https://www.facebook.com/MittenVapors/>). To the extent either Debtor has an interest in any other social media account, Seller sells whatever rights and interests it has in these accounts to Buyer. Buyer understands that Seller does not have

login or other information related to these accounts and that Buyer will not look to Seller to get access to these accounts. Seller will not object to Buyer seeking relief from the Court to obtain turnover of additional social media accounts.

- i. Any interest it has in the North Carolina store that formerly carried its name, excluding any fraudulent transfer claims or claims the Mitten or Ahlan estates may have under Chapter 5 of the Bankruptcy Code against the North Carolina store.
- j. All logos including but not limited to the following:



3. The following personal property located at 4358 Division Ave, Kentwood, MI 49548 (excluding property located in the retail suite leased to VapeJoose) including, but not limited to, the following items:
  - a. Three computers;
  - b. The clean room as described above;
  - c. All stainless steel racks;
  - d. Eleven stainless steel tables;

- e. One Dolly;
  - f. One cart (green);
  - g. Approximately 3000 chubby gorilla bottles;
  - h. Approximately 50 empty one gallon bottles;
  - i. Approximately 38 gorilla bottle cases;
  - j. Approximately 42 pre-steeped buckets;
  - k. Approximately 400 full/partially full one gallon bottles;
  - l. Two plastic signs approximately 2.5ft x 10ft;
  - m. One sign approximately 2ft x 10ft.
  - n. Approximately 80 cases of shipping boxes;
  - o. Approximately 4 boxes of plastic tubes;
  - p. Approximately 10 shelving units;
  - q. Approximately 5 boxes of vial caps;
  - r. One label applicator;
  - s. Approximately 25 vaping mods; and
  - t. Numerous boxes of branded merchandise.
4. To the extent owned by Mitten Vapors or Ahlan, the following personal property located at 4358 Division Ave, Kentwood, MI 49548 (excluding property located in the retail suite leased to VapeJoose), including, but not limited to, the following items:
- a. One box of cell phone car holders;
  - b. Approximately 11 music cases (black and metal);
  - c. Two camera/photo lights;
  - d. Approximately 5 lighting/music stands;
  - e. Approximately 4 tripods;
  - f. Approximately 12 fluorescent light fixtures;

- g. Miscellaneous DJ equipment including, but not limited to, lights, cords, speakers microphones, playlists and compact discs.
  - h. Christmas ornaments;
  - i. Hiking gear; and
  - j. Elliptical exercise machine.
5. Mitten's and Ahlan's interest in the land contract in Ahlan's name for property located at 4360 and 4362 S. Division, Grand Rapids, MI 49548 and other real estate interests, if any.
6. Any interest Mitten and Ahlen has in Vapejoose, Inc. or any claims they have against Vapejoose, Inc. related to the sale of three storefronts in the Grand Rapids area formerly operated under the name of Mitten Vapors.

**EXHIBIT B**

**BILL OF SALE**

**LISA E. GOCHA**, Chapter 7 Trustee in the matter of Mitten Vapors, LLC, Debtor, Case No: 18-04651, United States Bankruptcy Court for the Western District of Michigan, and not individually, and **THOMAS A. BRUINSMA**, Chapter 7 Trustee in the matter of Ahlan Industries, Inc., Debtor, Case No: 18-04650, United States Bankruptcy Court for the Western District of Michigan, and not individually (individually and collectively, the "**Seller**"), convey and assign to Grand Rapids E Cigarette, LLC, a Michigan Limited Liability Company, whose address is 3959 28th St SE, Grand Rapids, MI 49512 (the "**Buyer**"), all of the right, title and interest, if any, in and to the following (the "**Property**"):

All of the assets of the bankruptcy estates of Mitten Vapors, LLC and Ahlan Industries, Inc., including but not limited to the following:

- (a) all assets listed on Exhibit A of the Asset Purchase Agreement executed by Seller and Buyer effective March \_\_, 2019;
- (b) all inventory as defined in the Michigan Uniform Commercial Code (the "**UCC**");
- (c) all equipment as defined in the UCC, and, to the extent not otherwise constituting equipment as defined above, all other items of tangible personal property;
- (d) all accounts as defined in the UCC;
- (e) all general intangibles as defined in the UCC;
- (f) any interest of Seller in any and all claims by Seller against any other person or entity, whether now accrued or later to accrue, contingent or otherwise, known or unknown, including all rights under express or implied warranties from sellers (except as they may pertain to Seller's liabilities), claims for collection or indemnity and choses in action but excluding any claims Seller might have related to the fraudulent transfer of the assets of Mitten or Ahlan or any claims Seller might have under Chapter 5 of the bankruptcy code;
- (g) all rights to leases and land contracts;
- (h) all records and lists that pertain directly or indirectly, in whole or in part, to the Seller's customers, suppliers, advertising, promotional material, sales, services, delivery, internal organization, employees and/or operations;
- (i) telephone and facsimile numbers, web sites including but not limited to mittenvapors.com, yellow page advertisements, and Seller's right to use the name "Mitten Vapors" and all related names and derivations.

Notwithstanding the above, excluded from the Property are cash, money currently held in Seller's fiduciary accounts, security deposits, Ahlan's interest in the vehicle lease listed on its bankruptcy schedules, and any claims and causes of action against the Bankruptcy Estates.

Seller shall have no responsibility to move or transport any of the assets that are the subject of this Bill of Sale. Buyer shall take delivery of said assets "where is". Seller shall provide Buyer with 14 days from the Closing date to remove the assets from their current location.


This Bill of Sale is being given pursuant to an Order of the United States Bankruptcy Court for the Western District of Michigan entered on \_\_\_\_\_, in the matter of Mitten Vapors, LLC, Debtor, Case No: 18-04651, United States Bankruptcy Court for the Western District of Michigan, and Ahlan Industries, Inc., Debtor, Case No: 18-04650, United States Bankruptcy Court for the Western District of Michigan (the "Order"). Consideration for this Bill of Sale is retention of and payment to Seller of the amount of \$25,000.00 as described in the Order, the receipt of which is acknowledged by Seller.

SELLER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE PROPERTY, WHICH PROPERTY IS BEING SOLD ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, NATURE OR DESCRIPTION, OR TITLE TO THE PROPERTY, OR AS TO THE RIGHT OF DEBTORS TO USE THE PROPERTY, OR AS TO THE USABILITY OR FITNESS OF THE PROPERTY FOR ANY PURPOSE.

Dated: \_\_\_\_\_

**SELLER:**

\_\_\_\_\_  
**LISA E. GOCHA**, Chapter 7 Trustee in the matter of Mitten Vapors, LLC, Debtor, Case No: 18-4651, United States Bankruptcy Court for the Western District of Michigan, and not individually

  
**THOMAS A. BRUINSMA**, Chapter 7 Trustee in the matter of Ahlan Industries, Inc., Debtor, Case No: 18-04650, United States Bankruptcy Court for the Western District of Michigan, and not individually