

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA

Minute Order

Hearing Information:

Debtor: XELAN INC.
Case Number: 04-05832-LA11 **Chapter:** 11
Date / Time / Room: THURSDAY, JULY 29, 2004 09:00 AM DEPARTMENT 2
Bankruptcy Judge: LOUISE DeCARL ADLER
Courtroom Clerk: KAREN FEARCE
Reporter / ECR: ELAINE SMITH

Matter:

EVIDENTIARY HEARING RE:
DEBTOR'S MOTION FOR (1) APPROVAL OF SALES PROCEDURE; (2) APPROVAL OF FORM OF
NOTICE OF MOTION TO SELL ASSETS, SUBSTANTIALLY ALL ASSETS, FREE & CLEAR OF LIENS
& ENCUMBERANCES NOT IN THE ORDINARY COURSE &
(3) APPROVAL OF ASSET PRESERVATION AGREEMENT (FR 7/14/04)

Appearances:

Tiffany L. Carroll, ATTORNEY FOR U.S. TRUSTEE
John L. Morrell, ATTORNEY FOR XELAN, INC
Paul Leeds, CO-COUNSEL FOR XELAN, INC
Stuart Gibson, ASST U.S. ATTORNEY FOR IRS
Kathryn Catherwood, ATTORNEY FOR AMERUS, INDIANAPOLIS INS, BANKERS LIFE
James W. Beshears, ATTORNEY FOR UNIMARC, LTD
Robert R. Barnes, ATTORNEY FOR J K SELZNICK
Dennis J. Wickham, ATTORNEY FOR GREENBOOK FINANCIAL
Gary Rudolph, ATTORNEY FOR VIATACAL LIQUIDITY, LLC
Robert Steven Holcomb, (Founder & Shareholder) witness sworn in testimony
Lewis Donald Guess, Jr. witness sworn in testimony
John Mark Farrington, outside CPA, witness sworn in testimony
Robert Kent, CPA witness sworn in testimony
Martin Eliopulos, Atty for Debtor

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(continue). 04-05832-LA11

THURSDAY, JULY 29, 2004 09:00 AM

Disposition:

(1) Sales procedure motion is approved with modifications as stated in opened court. Order approving sale procedures agreement to be E-served on all parties. Lodgement shortened so that opposition, if any, to be filed within 24 business hours of lodging.

Motion for sale date is set for 9/2/04 at 10:00 a.m.

Exhibits submitted in connection with this hearing were received into evidence.

Greenbook to file and E-serve supplemental evidence of value by 8/27/04, opposition, if any, to be filed within 24 business hours after service.

(2) form of notice is approved to sell assets.

(3) BAPA-Business Asset Preservation Agreement is approved with modifications as stated in opened court.

Emergency Mtn for authority to use existing cash management is set for 8/19/04 at 10:00 a.m.