

FAQ Regarding Bidding Process



1. Describe the bidding process.

There will be multiple rounds of bidding for some or all of the intellectual property assets (the “IP Assets”) of RTA Furniture Distributors, Inc. d/b/a Just Cabinets, Furniture & More (the “Debtor” or the “Company”). The IP Assets are being offered for sale by Lawrence G. Frank, Esq., solely in his capacity as the Chapter 7 trustee (the “Chapter 7 Trustee”) in the Debtor’s Chapter 7 Bankruptcy Case No. 1:18-bk-03854-RNO currently pending in the United States Bankruptcy Court for the Middle District of Pennsylvania (the “Bankruptcy Court”).

Round 1 (the Qualifying Round)

To participate in the bidding and subsequent rounds, the following must be submitted in Round 1:

- a. An executed bid submission form;
- b. a form of bill of sale and assignment document(s) (collectively, the “Purchase Documents”) acceptable to the Chapter 7 Trustee, including (i) a redline showing changes from the form provided by the Chapter 7 Trustee to interested parties, and (ii) an executed clean copy;
- c. a deposit of \$5,000 for the “Just Cabinets assets”¹ or \$1,000 for the “Furniture Woodworks assets”;² and
- d. evidence of financial wherewithal to consummate a transaction with the Chapter 7 Trustee in an amount stated in your bid.

¹ Includes (a) domain names: JustCabinets.com, JustCabinetsPro.com, JustCabinetsFurnitureAndMore.com, JustCabinetsMore.com and JustCabinetsFurniture-More.com, and (b) trademarks: Just Cabinets Furniture & More Logo, Just Cabinets, Kitchens To Go, Just Cabinets Furniture & More.

² Includes FurnitureWoodWorks.com, FurnitureWoodWorks.org, FurnitureWoodWorks.biz and FurnitureWoodWorks.net.



The Chapter 7 Trustee and his advisors will work with bidders to qualify each bid. This may include providing feedback on any changes to the forms of Purchase Documents provided by the Chapter 7 Trustee and advising interested parties regarding which changes the Chapter 7 Trustee is willing to accept.

Round 2

The top seven (7) bidders from Round 1 will advance to Round 2. In the event that there are multiple bids in Round 1 at the same value such that the seventh and eighth highest bidder have identical bids, all those with bids identical to or higher than the seventh highest bid will be invited to participate in Round 2. Round 2's minimum bid will be the highest bid from Round 1. We will notify bidders who are entitled to proceed to Round 2 by email of how many bidders remain and what the minimum bid for Round 2 will be. Bidders will have 24 hours to submit a Round 2 bid after having been notified of their right to participate in such round.

Round 3

The top five (5) bidders from Round 2 will advance to Round 3. In the event that there are multiple bids in Round 2 at the same value such that the fifth and sixth highest bidder have identical bids, all those with bids identical to or higher than the fifth highest bid will be invited to participate in Round 3. Round 3's minimum bid will be the highest bid from Round 2. We will notify bidders who are entitled to proceed to Round 3 by email of how many bidders remain and what the minimum bid for Round 3 will be. Bidders will have 24 hours to submit a Round 3 bid after having been notified of their right to participate in such round.

Round 4

The top three (3) bidders from Round 3 will advance to Round 4. In the event that there are multiple bids in Round 3 at the same value such that the third and fourth highest bidder have identical bids, all those with bids identical to or higher than the third highest bid will be invited to participate in Round 4. Round 4's minimum bid will be the highest bid from Round 3. We will notify bidders who are entitled to proceed to Round 4 by email of how many bidders remain and what the minimum bid for Round 4 will be. Bidders will have 24 hours to submit a Round 4 bid after having been notified of their right to participate in such round.

Round 5

The top two (2) bidders from Round 4 will advance to Round 5, which is the final round. Round 5's minimum bid will be the highest bid from Round 4. We will notify bidders who are entitled to proceed to Round 5 by email of what the minimum bid for

Round 5 will be. Bidders will have 24 hours to submit a Round 5 final sealed bid after having been notified of their right to participate in such round.

2. What happens if I am the successful bidder?

The successful bid is subject to approval by the Bankruptcy Court. Following the completion of the final round and the designation of a successful bid, the Chapter 7 Trustee will seek Bankruptcy Court approval to sell the applicable intellectual property assets (or some portion thereof) to the successful bidder(s).

3. When will I get my deposit back if I'm not the winning bidder?

If you are not one of the bidders in the final round, you will get your deposit back within five (5) business days following the conclusion of the final round. If you are the second-best bidder (i.e., the bidder in the final round who does not win), you will get your deposit back within three (3) business days following the sale closing.

4. Will I need to increase (top up) my deposit in each round of bidding?

No.

5. What happens if bidders choose not to participate in further bidding?

If bidders choose not to bid further, they will no longer be eligible to purchase the IP Assets, except that if all bidders in a round choose not to bid further, the Chapter 7 Trustee will take the highest bid from the prior round and declare the bidder who made such bid to be the successful bidder.

6. Will I know the other participants in each round?

No.

7. How do I know that I'm not bidding against myself?

In each round, we will notify bidders by email of how many bidders remain in that round, to the extent there are fewer bidders than noted above for each round. If there are only two bidders left in a particular round, it will be deemed to be the last round of bidding, and each bidder will have an opportunity to submit a final bid.

8. Will the identities of the losing bidders be disclosed?

The Chapter 7 Trustee will disclose the identity of the successful bidder and the terms of the bid to the Bankruptcy Court. The Chapter 7 Trustee reserves the right to disclose the identity of the second-best bidder and the terms of the bid to the Bankruptcy Court, but is not required to do so. The Chapter 7 Trustee will not disclose the identity of the other bidders or the terms of their bids unless compelled to do so by the Bankruptcy Court.