

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION**

In re:

LYDIA CLADEK, INC.,

Case No. 3:10-bk-02805-PMG

Debtor.

(Consolidated by Prior Court Order with Case
No. 10-bk-02800-PMG)

**NOTICE OF (A) AUCTION AT WHICH THE CHAPTER 11 TRUSTEE
WILL SOLICIT HIGHER AND BETTER OFFERS FOR THE SALE OF
SUBSTANTIALLY ALL OF THE DEBTOR'S PERFORMING ASSETS,
(B) BIDDING PROCEDURES FOR THE AUCTION, (C) HEARING TO
CONSIDER APPROVAL OF THE SALE OF SUBSTANTIALLY ALL OF
THE DEBTOR'S PERFORMING ASSETS, FREE AND CLEAR OF ALL
LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, AND (D) THE
DEADLINE FOR FILING OBJECTIONS WITH RESPECT HERETO**

PLEASE TAKE NOTICE on July 2, 2010, Michael Phelan, the chapter 11 trustee (the “Chapter 11 Trustee”) of Lydia Cladek, Inc. (the “Debtor”) filed a motion (the “Motion”) for (A) an order (i) authorizing the Chapter 11 Trustee to conduct an auction (the “Auction”) for the sale of substantially all of the Debtor's performing automobile loan assets (the “Performing Assets”), (ii) establishing bidding procedures, including payment of a break-up fee (the “Bidding Procedures”), (iii) scheduling dates for the Auction, a hearing to approve the sale (the “Sale Hearing”), and the deadline to object to the relief sought at the Sale Hearing, and (iv) approving the form and manner of notices, and (B) an order (i) approving a certain asset purchase agreement (the “Asset Purchase Agreement”), and (ii) approving the sale of the Debtor’s Performing Assets, free and clear of all liens, claims, encumbrances, and interests.

PLEASE TAKE FURTHER NOTICE that on July 27, 2010, the United States Bankruptcy Court for the Middle District of Florida, Jacksonville Division (the “Court”) entered an Order (A) Authorizing the Chapter 11 Trustee to Conduct an Auction, (B) Approving the

Bidding Procedures for the Auction, Including Break-Up Fee, (C) Scheduling Dates for the Auction, Sale Hearing, and Objection Deadline, and (D) Approving the Form and Manner of Notices (the “Sales Procedures Order”).

PLEASE TAKE FURTHER NOTICE that the Chapter 11 Trustee shall conduct the Auction of the Debtor's Performing Assets on August 19, 2010 at 1:30 p.m. prevailing Eastern Time, before the Honorable Paul M. Glenn, Chief United States Bankruptcy Judge, in the United Courthouse, Room 4A, located at 300 North Hogan Street, Jacksonville, Florida 32202.

PLEASE TAKE FURTHER NOTICE that pursuant to the Sales Procedures Order, the Auction will be conducted in accordance with the Bidding Procedures attached as Exhibit A to the Sales Procedures Order.

PLEASE TAKE FURTHER NOTICE that *all interested bidders should carefully read the Bidding Procedures and direct all inquiries to counsel for the Chapter 11 Trustee, Akerman Senterfitt, Attn: Jacob A. Brown, Esq. and Steven R. Wirth, Esq., 50 North Laura Street, Suite 2500, Jacksonville, FL 32202, telephone number (904) 798-3700.*

PLEASE TAKE FURTHER NOTICE that the Sale Hearing will be held on August 19, 2010 at 1:30 p.m. prevailing Eastern Time, immediately following the conclusion of the Auction, before the Honorable Paul M. Glenn, Chief United States Bankruptcy Judge, in the United Courthouse, Room 4A, located at 300 North Hogan Street, Jacksonville, Florida 32202 to consider entry of an order (a) approving the Asset Purchase Agreement dated June 30, 2010 between the Chapter 11 Trustee and Capex Acquisitions, LLC Series 2010-A 10 (the “Purchaser”) or a higher or better bidder as determined by the Chapter 11 Trustee in his reasonable business judgment at the Auction, and (b) approving the sale of the Debtor’s Performing Assets free and clear of all liens, claims, encumbrances and interests to the Purchaser

or such other bidder having submitted the highest or best offer in accordance with the Bidding Procedures at the Auction, as determined by the Chapter 11 Trustee in his reasonable business judgment (the “Asset Sale”).

PLEASE TAKE FURTHER NOTICE, that the Sale Hearing may be adjourned from time to time without further notice to creditors or other parties of interest, other than by announcement in Court of such adjournment on the date of the hearing.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the proposed relief sought at the Sale Hearing must (a) be in writing, (b) conform to the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules for the Middle District of Florida, Jacksonville Division, (c) set forth the name of the objector, the nature of the objector’s claims against or interests in the Debtor’s estate or property, and the legal and factual basis for the objection, and (d) be filed with the Court and served on: (i) counsel to the Chapter 11 Trustee at Akerman Senterfitt, 50 North Laura Street, Suite 2500, Jacksonville, Florida 32202, Attn: Jacob A. Brown, Esq. and Steven R. Wirth, Esq., (ii) counsel to the Creditors’ Committee, Mateer & Harbert, P.A., 225 E. Robinson Street, Suite 600, Orlando, Florida 32801, Attn: Jon E. Kane, Esq., and (iii) the Office of the United States Trustee for the Middle District of Florida, Attn: Elena L. Escamilla, Esq., 135 W Central Blvd, Suite 620, Orlando, FL 32806, so as to be received by August 9, 2010, at 5:00 p.m. prevailing Eastern Time.

PLEASE TAKE FURTHER NOTICE, that copies of the entire sale package, including copies of (a) the Sale Procedures Order; (b) the Motion; and (c) the Asset Purchase Agreement (with Exhibits) (collectively, the “Sale Package”), are available for inspection at the Court's website (www.flmb.uscourts.gov); or during regular business hours at the office of the Clerk of the United States Bankruptcy Court, United States Courthouse, 300 N. Hogan Street, Suite 3-

350, Jacksonville, FL 32202; and you may request a copy by contacting counsel to the Chapter 11 Trustee at Akerman Senterfitt, 50 North Laura Street, Suite 2500, Jacksonville, Florida 32202, Attn: Jacob A. Brown, Esq. and Steven R. Wirth, Esq., telephone number (904) 798-3700. The Sale Package will also be available for inspection on the Chapter 11 Trustee's website (www.cladetrustee.com).