

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION :

Plaintiff,

vs.

Case No. 1:10-CV-457
(GLS/DRH)

McGINN, SMITH & CO., INC., :
McGINN, SMITH ADVISORS, LLC :
McGINN, SMITH CAPITAL HOLDINGS CORP., :
FIRST ADVISORY INCOME NOTES, LLC, :
FIRST EXCELSIOR INCOME NOTES, LLC, :
FIRST INDEPENDENT INCOME NOTES, LLC, :
THIRD ALBANY INCOME NOTES, LLC, :
TIMOTHY M. MCGINN, AND :
DAVID L. SMITH, GEOFFREY R. SMITH, :
Individually and as Trustee of the David L. and :
Lynn A. Smith Irrevocable Trust U/A 8/04/04, :
LAUREN T. SMITH, and NANCY MCGINN, :

Defendants,

LYNN A. SMITH and
NANCY MCGINN,

Relief Defendants,

- and-

GEOFFREY R. SMITH, Trustee of the
David L. and Lynn A. Smith Irrevocable
Trust U/A 8/04/04,

Intervenor.
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**MOTION OF WILLIAM J. BROWN, AS RECEIVER, FOR AN ORDER
APPROVING (I) SALE AND BIDDING PROCEDURES WITH RESPECT TO
THE SALE OF WHITE GLOVE CRUISES, LLC, AND LUXURY CRUISE
RECEIVABLES, LLC, (II) TIME, DATE, PLACE AND MANNER OF NOTICE
FOR EACH OF THE AUCTION AND SALE HEARING, (III) AN ORDER
APPROVING THE SALE OF THE RECEIVER'S INTERESTS IN WHITE
GLOVE CRUISES, LLC AND LUXURY CRUISE RECEIVABLES, LLC FREE
AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND OTHER
INTERESTS,**

William J. Brown, as Receiver (the "Receiver") for certain of the Defendants and other
entities in this action, by his counsel, Phillips Lytle LLP, moves (the "Motion") for an order
(i) approving sale and bidding procedures with respect to the sale of substantially all of the assets

of White Glove Cruises, LLC and Luxury Cruise Receivables, LLC, (ii) fixing the time, date, place and manner of notice for each of the auction and sale hearing, and (iii) approving the sale of substantially all of the assets of White Glove Cruises, LLC and Luxury Cruise Receivables, LLC free and clear of liens, claims, encumbrances, and other interests¹, and in support thereof, represents as follows:

SUMMARY OF MOTION

White Glove Cruises, LLC (“White Glove”) and Luxury Cruise Receivables, LLC (“Receivables” and collectively with White Glove, the “Companies”) are both Receivership entities. The purpose of this Motion is to inform the Court of an offer received by the Receiver for the sale of substantially all of the assets of the Companies, to obtain approval for the sale of those assets to Caribbean World Travel Services Ltd. or its nominee (“Buyer”) pursuant to the Asset Purchase Agreement (“APA”) and a Bill of Sale, each substantially in the form attached as **Exhibits A and B**, respectively, and to establish a bidding process through which the Companies would be sold to the highest and best bidder if another bid was made according to the bidding terms. The proceeds from the sale will be placed in the Receiver’s account and used by the Receiver for the benefit of the estates of the MS Entities (as defined below) including repayment of creditors and investors.

BACKGROUND

I. General Background

1. On April 20, 2010, the Securities and Exchange Commission (“SEC”) filed a Complaint initiating the above-captioned action (the “Complaint”). Also, on April 20, 2010, this Court granted a Temporary Restraining Order, which, among other things, froze certain assets of

¹ The Receiver reserves the right to assume and assign the existing real property lease for White Glove’s business premises at 5555 Anglers Avenue, Suite 27, Dania Beach, Florida. The Buyer has negotiated a new lease with the landlord which is to relieve the Receiver of all existing liability under the current lease.

the above-captioned Defendants and Relief Defendants, and appointed the Receiver as temporary receiver with respect to numerous entities controlled or owned by Defendants Timothy M. McGinn and David L. Smith (collectively, the “MS Entities”). Among the MS Entities are the Companies.

2. On July 22, 2010, the SEC amended the Complaint, and the Preliminary Injunction Order was entered, appointing the Receiver as permanent receiver with the consent of defendants Timothy M. McGinn and David L. Smith. The Preliminary Injunction Order authorizes the Receiver to, among other things, “use, lease, sell, and convert into money all assets of the MS Entities, either in public or private sales or other transactions on terms the Receiver reasonably believes based on his own experience and input from his advisors to be most beneficial to the MS Entities and those entitled to the proceeds...” (Preliminary Injunction Order, Para. VIII(m), Docket No. 96).

II. Background Relating to the Companies

3. White Glove is a travel agency located in Dania Beach (Ft. Lauderdale), Florida which pre-receivership operated at its Dania Beach, Florida location with Timothy McGinn appearing to have taken a material role in its management (*See First Report of Receiver* at p. 3) (Docket No. 49). White Glove has a national client base and specializes in booking cruises for individuals and groups predominantly on more luxurious cruise lines. It has approximately 17 employees all of whom work out of leased office space in the Ft. Lauderdale, Florida area. White Glove has had gross billings of between \$9.7 to \$12.4 million each of the past three years, but it also needs capital to increase its business which the Receiver is not in a position to do.

4. The Receiver’s interest in the Companies arose of the following pre-Receivership events. Luxury Cruise Center, Inc. (“Luxury Cruise”) (which was owned by a third party) was

the sole member of Receivables. TDM Cable Funding, LLC (“TDM”) was a “preferred interest holder” of Receivables entitled to various payments based upon its capital contributions to Receivables. In effect, TDM was merely a lender to Receivables. Receivables defaulted on its obligations to TDM and also to McGinn, Smith Funding, LLC (“Funding”), which had also provided a loan jointly to Luxury Cruise and Receivables. TDM and Funding held security interests encumbering all of the assets of Luxury Cruise and Receivables. Those entities foreclosed and acquired all of the assets of Luxury Cruise and Receivables as a result of a secured creditors’ sale on December 2, 2008. White Glove had been acting as the agent of TDM and Funding to operate the business formerly conducted by Luxury Cruise and to collect the accounts receivable of Receivables.

III. Background Relating to the Buyer

5. The Buyer, Caribbean World Travel Services Ltd., owns the Caribbean’s largest and leading travel management company with 22 offices in eight islands. It is part of the Sun Group Inc. which is a large and growing family of companies based in Barbados with offices throughout the Caribbean. The Buyer owns car rental, travel, jeep safari, and other travel related businesses.

6. The Receiver has received an offer from Buyer to purchase the Companies for a total purchase price of \$575,000.00 in cash plus Buyer’s assumption of White Glove’s obligations under that certain Lease between Wilson Hollywood Showroom, LLC as Landlord and White Glove as Tenant for premises at 5555 Anglers Avenue, Suite 27, Dania Beach, Florida 33312 (“Lease”). Additionally, the Receiver will also be repaid any reimbursements due from cruise lines for reimbursements and promotional trips. Not included in the assets being sold are (i) any tax refunds or tax credits of the Company and/or Receivables arising from or related to the

Business prior to the Closing Date, (ii) billings and reimbursements due from cruise line and travel businesses for marketing and travel costs paid or incurred prior to Closing, (iii) all cash and other security in the form of bonds or otherwise posted or placed as security including, without limitation, any utility or landlord deposit, and (iv) all claims of Seller, Receiver, MS Entities, Company and Receivables other than claims against customers or cruise lines of Sellers arising after the Closing.²

MOTION

7. This Motion seeks approval for the sale of the Companies to the Buyer for \$575,000 cash and other consideration after a bidding process described below. The Receiver considers this to be a market price offer under the circumstances.

8. The salient terms of the purchase offer are:³
- a. \$575,000 in cash on closing;
 - b. Assumption or cancellation of the Lease and all other obligations of the business effective as of the closing of the sale including payable and other obligations;
 - c. The return to the Receiver of all non-customer deposits currently held by or due to the Companies;
 - d. The Buyer shall pay a deposit of \$50,000 upon signing the APA which will be held in escrow by counsel for the Receiver;⁴

² In 2011, the Receiver negotiated a sale of the Companies to the then current manager who, at the last moment, went to work for a competitor along with some of the best sales agents. The Receiver believes that he holds claims against the competitor and others arising out of those events. Those claims are expressly not being sold as part of the sale.

³ Reference should be made to the APA for the exact terms of the sale.

⁴ The Receiver has received the deposit.

- e. The sale is WITHOUT RECOURSE, REPRESENTATION OR WARRANTY;
- f. The sale is free and clear of all liens and encumbrances of record;
- g. Continued maintenance of books and records with access for the Receiver and his professionals and agents for up to six years;
- h. There are no brokers associated with the transaction; and
- i. The closing shall occur no later than the June 25, 2012 unless waived by the parties.

PROPOSED SALE PROCEDURES

9. To ensure the maximization of the Companies for the benefit of the MS Entities and those entitled to the proceeds, the Receiver seeks approval of the following procedures to market and, if necessary, auction the Companies for the highest and best consideration:

- (i) Upon entry of an Order scheduling a hearing on this Motion, the Receiver shall conspicuously post on the Receiver's website relating to this case (<http://mcginnsmithreceiver.com>) general details of the proposed sale of the Companies along with the deadline for submissions of competing bids for the Companies;
- (ii) The Receiver will promptly distribute to individuals who have expressed, or who, in response to the Receiver's publication of the sale, express, interest in the Companies with a due diligence package, subject to the signing by such individual of a confidentiality agreement;
- (iii) Any competing offers for the Purchase of the Companies must be on the same terms as set forth in the APA;

- (iv) To the extent that the Receiver receives one or more bona-fide offers to purchase the Companies in accordance with these procedures, an auction will be held at the offices of Phillips Lytle LLP, Omni Plaza, 30 South Pearl Street, Albany, New York 12207 two business days prior to the date and time set by the Court for this Motion;
- (v) There is no break-up fee if the Buyer is not the highest and best bidder at the auction. There will be a minimum overbid at the auction of \$50,000;
- (vi) The sale of the Companies to the Buyer or, alternatively, the winning bidder at the auction, will be approved by this Court;
- (vii) The Receiver, in his reasonable discretion, may take such other actions as necessary to ensure that the marketing, auction and sale procedures are in accordance with his duty to maximize the value of the Companies for the benefit of the MS Entities and those entitled to the proceeds.

10. Timing is of the essence in completing the sale of the Companies. The Buyer has agreed to the APA on the condition that the sale close on or before June 25, 2012. This expedited timetable is necessary because an important component of the consideration for the sale is the Buyer taking control of the operations to make certain investments and upgrades.

BASIS FOR RELIEF

11. The relief requested herein is authorized by the Preliminary Injunction Order and applicable law, and additionally is appropriate because it preserves the value of the Companies for the benefit of the MS Entities and those entitled to the proceeds.

12. This court clearly has the authority to freeze assets and to permit sales of such assets. That authority authorizes a court in cases such as this to exercise “broad equitable discretion.” S.E.C. v. Fischbach Corp., 133 F.3d 170, 175 (2d Cir. 1997); see also SEC v. Manor

Nursing Centers, Inc., 458 F.2d 1082, 1103 (2d Cir. 1972) (explaining the equitable powers granted to the district court and holding that when there is “a showing of a securities law violation, the court possesses the necessary power to fashion an appropriate remedy.”).

13. The Preliminary Injunction Order mandates that the assets be maintained without dissipation of their value. (Preliminary Injunction Order at page 5). Therefore, if the value of an asset is at risk of dissipation so that funds available to investors could be diminished in the event the SEC ultimately obtains a judgment, the Court may act to prevent such dissipation. S.E.C. v. Am. Bd. of Trade, Inc., 830 F.2d 431, 436 (2d Cir. 1987). In addition, the Court also has the power to enter the proposed Order under § 21(d)(5) of the Securities Exchange Act of 1934, which provides that in SEC actions, "the Commission may seek, and any Federal court may grant, any equitable relief that may be appropriate or necessary for the benefit of investors." See also S.E.C. v. Wencke, 622 F.2d 1363, 1369 (9th Cir. 1980) ("federal courts have inherent equitable authority to issue a variety of 'ancillary relief' measures in actions brought by the SEC to enforce the federal securities laws") (citations omitted).

14. In this case, the proposed sale is likely to maximize the value of the Companies, and, additionally to mitigate the risk that the value of the Companies further diminish to the detriment of the MS Entities and those entitled to the proceeds. It is difficult for a travel agency business to thrive under the specter of this action and the Receivership, and the purchase price is based on the value of the Companies' which can deteriorate with time. The proposed sale would monetize the value of the Companies, and the procedures set forth herein provide for higher and better offers to better ensure that the Companies is sold for the greatest consideration.

MEMORANDUM OF LAW

15. Since the basis for the relief requested herein under the Permanent Injunction Order and applicable law is set forth herein, the Receiver requests that any requirement for a separate memorandum of law be waived.

CONCLUSION

As such, for the reasons set forth herein, the Receiver requests entry of an Order: (i) approving the procedures set forth herein for the marketing and auction of the Companies pursuant to the terms set forth herein, (ii) approving such procedures on an expedited basis to allow the Receiver to begin as soon as possible such marketing procedures, (iii) setting a hearing date for approval of the sale of the Companies to the Buyer or the highest and best bidder at the auction, as the case may be, consistent with closing such sale on or before June 25, 2012, and (iv) providing such other relief as is necessary and proper.

Dated: June 7, 2012

PHILLIPS LYTTLE LLP

By /s/ William J. Brown
William J. Brown (Bar Roll #601330)
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and

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Exhibit A

ASSET PURCHASE AGREEMENT

BETWEEN

WILLIAM J. BROWN, as Receiver
("Seller")

AND

CARIBBEAN WORLD TRAVEL SERVICES LTD.
or its nominee
("Buyer")

DATED AS OF MAY 31, 2012

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "Agreement") dated as of May 31, 2012 is by and between WILLIAM J. BROWN, as Receiver of McGinn Smith & Co. Inc., et al. ("Seller") and Caribbean World Travel Services Ltd. or its nominee ("Buyer").

RECITALS

A. Pursuant to an action entitled Securities and Exchange Commission v. McGinn Smith & Co., Inc., et al. pending in the United States District Court for the Northern District of New York (1:10-CV-00457), Seller is the Receiver ("Receiver") of numerous entities (collectively, "MS Entities") including White Glove Cruises, LLC (the "Company") and Luxury Cruise Receivables, LLC ("Receivables").

B. The Company and Receivables are, respectively, engaged in the business of operating a travel agency in Ft. Lauderdale, Florida specializing in booking cruises and processing and collecting payments from customers and cruise lines (collectively the "Business").

C. Seller desires to sell to Buyer (the "Sale"), and Buyer desires to purchase from Seller (the "Purchase"), substantially all of the assets of Company and Receivables ("Assets") on the terms, and subject to the conditions, set forth in this Agreement.

D. Certain capitalized terms used in this Agreement shall have the meaning ascribed to such terms in Appendix A attached to this Agreement.

AGREEMENTS

In consideration of the mutual representations, warranties, covenants, agreements and conditions contained herein and in order to set forth the terms and conditions of the Purchase and the Sale (together, the "Transaction") and the manner of effecting the Transaction, the Parties agree as follows:

ARTICLE I

Purchase and Sale of Ownership Assets

Section 1.1. Transaction; Sale of Interests. On the Closing Date and subject to all other terms and conditions of this Agreement, Buyer will purchase from Seller, and Seller will sell, assign and deliver to Buyer substantially all of the Assets (except for Excluded Assets) including those listed on attached Schedule B free and clear of all liens, claims and encumbrances ("Encumbrances") of the Company and Receivables.

Section 1.2. Purchase Price. The purchase price to be paid by Buyer for the Assets shall be Five Hundred Seventy-Five Thousand Dollars (\$575,000.00) payable as provided on

Schedule A hereto (the "Purchase Price"). The Purchase Price shall be paid in United States Dollars to an account designated in writing by Seller.

Section 1.3. Closing. The consummation of the Transaction contemplated hereby (the "Closing") shall take place at 9:00 a.m., Eastern Standard Time, on June 25, 2012 ("Closing Date"). In the event that the Closing does not take place by July 31, 2012, Buyer may cancel this Agreement and receive a return of its deposit.

ARTICLE II

Representations and Warranties of Seller

The sale of the Assets is conducted on a "as is where/is" basis and is without recourse, representation or warranty by Seller or by any other person or entity.

Operation of Business Before Closing. Seller agrees not to dispose of any Assets other than in the ordinary course of business prior to Closing.

ARTICLE III

Representations and Warranties of Buyer

As a material inducement to Seller to enter into this Agreement and to consummate the Sale, Buyer represents and warrants to Seller as of the date hereof (except as otherwise expressly indicated) as follows:

(a) No agent, broker, investment banker or other person or firm acting on behalf of Buyer or its directors, officers or affiliates, or under the authority of any of them, is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, from Buyer in connection with the Transaction.

(b) Buyer has, and on the Closing Date will have, sufficient funds unconditionally available (without the need to obtain any additional bank or other additional third party financing commitment) to pay to Seller the Purchase Price and otherwise to satisfy all of its obligations under this Agreement.

ARTICLE IV

Pre-Closing Covenants of Buyer

Buyer covenants and agrees that between the date hereof and the Closing, Buyer shall generally cooperate with Seller and its employees, attorneys, accountants and other agents and do such other acts and things as may be reasonable, necessary or appropriate to timely effectuate the intent and purposes of this Agreement and the consummation of the Transaction.

ARTICLE V

Conditions Precedent to Performance of Seller

The obligation of Seller to consummate the Sale pursuant to the terms of this Agreement is subject to the satisfaction, at the Closing, of each of the following conditions (any of which may be waived by Seller):

(a) Each of the representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects at and as of the Closing with the same force and effect as if made at and as of the Closing. On the Closing Date, Buyer shall have delivered to Seller a certificate signed by an officer of Buyer to the foregoing effect.

(b) Buyer shall have performed, complied with and fulfilled in all material respects all the covenants, agreements, obligations and conditions required by this Agreement to be performed, complied with or fulfilled by it at or prior to the Closing. On the Closing Date, Buyer shall have delivered to Seller a certificate signed by an officer of Buyer to the foregoing effect.

(c) The United States District Court for the Northern District of New York shall have approved the Transaction by entering an Order in form and substance satisfactory to Seller subject to the solicitation and receipt of any higher and better offers.

ARTICLE VI

Termination

Section 6.1. Termination by Mutual Agreement. This Agreement may be terminated by the mutual agreement in writing of the parties hereto at any time prior to the Closing.

Section 6.2. Termination by Seller. This Agreement and any obligations of Seller hereunder may be terminated upon written notice of termination by Seller at any time prior to or at the Closing, if (a) Buyer shall have breached or failed to perform in any material respect any of its covenants or obligations under this Agreement and such breach or failure to perform cannot be cured prior to Closing Date; (b) any representation or warranty of Buyer contained in this Agreement is false or misleading in any material respect and cannot be cured prior to Closing Date; or (c) any other material condition precedent to Seller's performance of its obligations under this Agreement is not capable of being met by Closing Date; or (d) the Transaction shall not have been consummated by June 25, 2012 and Seller is not then otherwise in material breach of this Agreement.

Section 6.3. Termination by Seller or Buyer. This Agreement may be terminated by either Seller or Buyer in the event that the requirements of Section 7.4 with respect to the Lease have not been satisfied by the Closing Date.

Section 6.4. Effect of Termination. In the event of termination of this Agreement by Seller, as provided above, this Agreement shall forthwith terminate and there shall be no liability on the part of either Seller or Buyer or their respective officers, directors, employees, agents and

affiliates, except for liabilities arising from a material breach by Buyer of any of its covenants or obligations; provided, however, that the obligations of the parties set forth in Section 10.4 and, as to the deposit, Schedule A shall survive such termination.

ARTICLE VII

Additional Agreements

Section 7.1. Post Closing Seller Cooperation. Seller agrees to reasonably cooperate with Buyer after Closing in obtaining at Buyer's expense, any licenses, permits, approvals or certificates necessary for the continued operation of the Business. While such applications are being processed, Buyer may use licenses and permits, to the extent legally permissible. However, Buyer shall indemnify and hold Seller harmless from any loss, cost and damage for violations. Seller further agrees to cooperate with Buyer after Closing in dealings with vendors, cruise lines, travel businesses and other third parties with whom Company and Receivables had dealings prior to Closing to the extent reasonably necessary.

Section 7.2. Seller agrees to cooperate with Buyer for a reasonable period after Closing in explaining the transactions contemplated by this Agreement to any third parties related to the Business.

Section 7.3. Books and Records. From and after the Closing, Seller and its attorneys, accountants, employees and agents shall be allowed, upon reasonable request, during normal business hours, to inspect and copy at their expense any books and records pertaining to any transactions of the Business occurring or assets of the Business held, at and prior to the Closing Date. Buyer agrees not to destroy or abandon any such books and records for a period of four (4) years following the Closing and to destroy such books and records only upon thirty (30) days advance written notice to Seller for an additional period of two (2) years thereafter.

Section 7.4. Assumption of Leases.

(a) From and after the Closing, Buyer shall enter into a new lease with the landlord in writing with the consent and release of Seller by the landlord of all responsibility for performing the obligations of the Tenant under that certain Lease between Wilson Hollywood Showroom, LLC as Landlord and White Glove Cruises, LLC as Tenant for premises at 5555 Anglers Avenue, Suite 27, Dania Beach, Florida 33312 and shall hold Seller and its attorneys, accountants, employees and agents harmless from any claim or liability relating to or arising out of the obligations of the Company or the Business under said Lease.

(b) From and after the Closing, Buyer shall also assume and perform the obligations of Seller with respect to those other leases listed on attached Schedule C.

Section 7.5. Responsibility for Employee Benefit Plans. Buyer acknowledges that from and after the Closing, Seller and its attorneys, accountants, employees and agents shall be indemnified and held harmless from any claim or expense arising out of or relating to the operation of the ADP Totalsource Retirement Savings Plan, in which the Company is a

participating employer, regardless of whether such claim or expense relates to events prior to or following the Closing, in the event the foregoing Plan is not terminated as of the Closing Date. Seller agrees to terminate the foregoing Plan as of the Closing Date.

ARTICLE VIII

Closing Deliveries

Section 8.1. Deliveries to Buyer at the Closing. At the Closing and simultaneously with the deliveries to Seller specified in Section 8.2, Seller shall execute and/or deliver, or cause to be executed and/or delivered, to Buyer or to such persons or entities as Buyer shall identify in writing, the following items:

- (a) A receipt, executed by Seller, acknowledging receipt of payment for the Assets.
- (b) A Bill of Sale for the Assets.
- (c) A certified copy of the Court Order approving the transaction contemplated by this Agreement.
- (d) Such other and further instruments, documents and other consideration as Buyer may reasonably deem necessary or desirable or as may be required to consummate the Transaction.

Section 8.2. Deliveries to Seller at the Closing. At the Closing, and simultaneously with the deliveries to Buyer specified in Section 8.1, Buyer shall execute and/or deliver, or cause to be executed and/or delivered, to Seller or to such persons or entities as Seller shall identify in writing, the following items:

- (a) A certificate of the Buyer confirming the continuing accuracy of Buyer's Article III representations and warranties.
- (b) The Purchase Price due at Closing in accordance with Schedule A and the Excluded Assets.
- (c) A receipt, executed by Buyer, acknowledging receipt of all of the Assets so conveyed.
- (d) Such other and further instruments, documents and other considerations as Seller may deem necessary or desirable or as may be required to consummate the Transaction.

ARTICLE IX Indemnification

Section 9.1. Indemnification By Buyer. Buyer shall indemnify, defend and hold harmless Seller, the estates of the MS Entities and their respective successors, assigns, officers, directors, employees, agents and affiliates, from and against any and all Losses arising out of any misrepresentation in or breach of any representation or warranty contained in Article III of this Agreement or the nonfulfillment of any covenant or other obligation of the Buyer set forth in this Agreement and/or the nonperformance or negligent performance by Buyer of any of its obligations following the Closing.

Section 9.2. Claims.

(a) Upon the occurrence of any event that Seller (the “Indemnified Party”) asserts to be the basis for a claim for indemnification against Buyer (the “Indemnifying Party”) under this Article IX (a “Claim”), then the Indemnified Party shall promptly give notice (a “Claim Notice”) to the Indemnifying Party of such event in writing; provided, however, that no delay on the part of the Indemnified Party in notifying the Indemnifying Party shall relieve the Indemnifying Party from any obligation under this Agreement except to the extent the Indemnifying Party thereby is actually prejudiced.

(b) If the Claim involves the claim of any third person (a “Third Party Claim”), the Indemnifying Party shall have the right to assume and control the defense of the Third Party Claim with counsel of its own choice reasonably satisfactory to the Indemnified Party, so long as the Indemnifying Party notifies the Indemnified Party of such defense in writing within thirty (30) days after the Indemnified Party has given notice of the Third Party Claim and the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently; provided, however, that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim.

(c) So long as the Indemnifying Party has assumed and is conducting the defense of the Third Party Claim in accordance with Section 9.2(b): (i) the Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld), unless the judgment or proposed settlement involves only the payment of money damages by the Indemnifying Party and does not impose an injunction or other equitable relief upon the Indemnified Party, and (ii) the Indemnified Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld).

(d) In the event the Indemnifying Party does not assume and conduct the defense of the Third Party Claim in accordance with Section 9.2(b), the Indemnified Party may (upon delivering notice to such effect to the Indemnifying Party) defend against the Third Party Claim in any manner it reasonably may deem appropriate and with the prior written consent of the Indemnifying Party consent to the entry of any judgment or enter into any compromise or settlement with respect thereto.

Section 9.3. Survival of Representations and Warranties. The representations and warranties of Buyer contained in this Agreement and all other agreements or undertakings of Buyer and/or any post-Closing obligations of Buyer, the Company or the Business shall survive the Closing Date for a period that extends until ninety (90) days after the expiration of the applicable statute of limitations on any claim against Seller for which Buyer, the Company or the Business shall have an indemnification obligation (the “Survival Period”). No Claim for indemnification shall be made unless a Claim Notice has been delivered to the Indemnifying Party within the applicable Survival Period.

ARTICLE X

Miscellaneous Provisions

Section 10.1. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 10.2. Entire Agreement. This Agreement, the Appendix, the Schedules and the agreements to be delivered pursuant to this Agreement between the parties constitute the entire agreement among the parties pertaining to the subject matter contained herein and therein and supersede all other prior and contemporaneous agreements, representations and understandings of the parties.

Section 10.3. Appendix and Schedules. The Appendix and Schedules attached to this Agreement are incorporated herein and made a part hereof in the same manner and to the same extent as if such matters were set forth at length herein.

Section 10.4. Expenses. Except as otherwise provided herein, each of the parties shall pay all costs and expenses incurred by it in negotiating and preparing this Agreement and consummating the Transaction.

Section 10.5. Gender and Plurality. Any reference to the masculine, feminine or neuter gender shall be deemed to include the masculine, feminine and neuter genders unless the context otherwise requires. All of the terms and words used in this Agreement, regardless of the number in which they are used, shall be deemed and construed to include any other number (singular and plural) as the context or sense of this Agreement, or any section or clause thereof, may require, as if the words had been fully and properly written in the appropriate number.

Section 10.6. Governing Law. This Agreement and all transactions contemplated hereby shall be governed, construed and enforced in accordance with the laws of the State of New York, notwithstanding any state’s choice of law rules to the contrary.

Section 10.7. Headings. The subject headings of the articles and sections of this Agreement are included for purposes of convenience only, and shall not affect the construction or interpretation of any of its provisions.

Section 10.8. Interpretation. Buyer and Seller have each had this Agreement reviewed by experienced and qualified counsel and the opportunity to negotiate fully all of the provisions of this Agreement. This Agreement shall be construed and interpreted without regard to any maxim or principle of law that provides that any ambiguity in any provision in this Agreement should be construed against the party whose counsel drafted the particular provision or any other part of the Agreement.

Section 10.9. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties.

Section 10.10. Notices. All notices, requests, demands, waivers and other communications required to be given under this Agreement shall be in writing and shall be deemed to have been duly given on (a) the date of service if served personally on the party to whom notice is to be given, (b) the date sent if given by confirmed facsimile transmission addressed to the party to whom notice is to be given and a confirming copy is mailed on such date to the party to whom notice is to be given by nationally recognized overnight courier service, (c) the day after sending if sent to the party to whom notice is to be given by nationally recognized courier (e.g. UPS or FedEx) for next day delivery, or (d) the third day after mailing if mailed to the party to whom notice is to be given by certified mail, return receipt requested, and properly addressed as follows:

If to Buyer:

Hanif Bham-Moore, VP Operations
Going Places Travel
CWTS Complex, Lower Estate
St. George BB19025, Barbados W.I.
(246) 431-2410, Ext. 2419
hanif.moore@going-places.tv

With a copy to:

Geoffrey M. Wayne, Esq.
Geoffrey M. Wayne, PA
Merrick View Penthouse 840
135 San Lorenzo Avenue
Coral Gables, FL 33146
(305) 381-8108
gmw@abogadomiami.com

If to Seller:

William J. Brown, Receiver
Phillips Lytle LLP
3400 HSBC Center
Buffalo, NY 14203
(716) 847-7089
wbrown@phillipslytle.com

With a copy to:

Phillips Lytle LLP
3400 HSBC Center
Buffalo, New York 14203
Attn: Gary F. Kotaska
(716) 847-7027
gkotaska@phillipslytle.com

Any party may change the address to which notice is to be sent or the telephone number for facsimile transmission pursuant to this Section 10.10 by giving written notice thereof in compliance with this section.

Section 10.11. Rights of Parties; Assignability; Binding Effect. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by any party without the express written consent of the other party. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third person to any party to this Agreement, nor shall any provision give any third person any right of subrogation or action over or against any party to this Agreement. Subject to the foregoing, this Agreement shall be binding on, and shall inure to the benefit of, the parties and their respective successors, assigns and personal representatives.

Section 10.12. Currency. All references to "Dollars" or "\$" in this Agreement shall mean United States Dollars.

IN WITNESS WHEREOF, the parties have executed this Asset Purchase Agreement as of the day and year first above written.

Seller

William J. Brown, Receiver

Buyer

HANIF SHAM - MOCKE
JUNE 1, 2012.

APPENDIX A

Certain Definitions.

“Agreement” shall have the meaning defined in introductory paragraph of the Agreement.

“Assets” shall mean all assets of the Business except Excluded Assets.

“Business” shall have the meaning defined in Paragraph B of Recitals on Page 1.

“Buyer” shall have the meaning defined in introductory paragraph.

“Claim Notice” shall have the meaning defined in Section 9.2(a) of the Agreement.

“Claim” shall have the meaning defined in Section 9.2(a) of the Agreement.

“Closing” shall have the meaning defined in Section 1.3 of the Agreement.

“Closing Date” shall have the meaning defined in Section 1.3 of the Agreement.

“Company” means White Glove Cruises, LLC.

“Deposit” means the amount provided for in Schedule A.

“Employee” means any current or former employee of the Business.

“Encumbrances” shall have the meaning defined in Section 1.1 of the Agreement.

“Excluded Assets” shall mean (i) any tax refunds or tax credits of the Company and/or Receivables arising from or related to the Business prior to the Closing Date, (ii) billings and reimbursements due from cruise lines and travel businesses for marketing and travel costs paid or incurred prior to Closing, (iii) all cash and other security in the form of bonds or otherwise posted or placed as security including, without limitation, any utility or landlord deposit, and (iv) all claims of Seller, Receiver, MS Entities, Company and Receivables other than claims against customers or cruise lines of Sellers arising after the Closing.

“Indemnified Party” shall have the meaning defined in Section 9.2(a) of the Agreement.

“Liabilities” means any liabilities or obligations of any kind whatsoever, including without limitation, liabilities based on negligence or strict liability whether known or unknown, liquidated or contingent, or any claims or demands based thereon or attributable thereto.

“Party” or “Parties” shall refer to Buyer and Seller, as the specific context requires.

“Person” means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity.

“Purchase” shall have the meaning defined in Paragraph C of Recitals on Page 1.

“Purchase Price” shall have the meaning defined in Section 1.2 of the Agreement.

“Receivables” means Luxury Cruise Receivables, LLC.

“Sale” shall have the meaning defined in Paragraph C of Recitals on Page 1.

“Seller” shall have the meaning defined in introductory paragraph on Page 1.

“Survival Period” shall have the meaning defined in Section 9.3 of the Agreement.

“Third Party Claim” shall have the meaning defined in Section 9.2(b) of the Agreement.

“Transaction” shall have the meaning defined in the Agreements section on Page 1.

SCHEDULE A

1. **Purchase Price.** \$575,000.00
2. **Payment of Purchase Price.** \$50,000 shall be paid as a deposit to the Seller's Attorney's Trust account and shall be held in trust upon signing the Purchase Agreement; the deposit is a credit against the Purchase Price. The balance shall be payable in cash at Closing.
3. **Return of Deposit.** If the condition precedent at Article V(c) is not satisfied, Buyer shall be entitled to a return of the deposit. Subject only to Article V(c), the deposit is an irrevocable payment.

SCHEDULE B

(Asset List)

Description	
Wincruise Server	Refrigerator
Mkt monitor	Cubicles - permanent office
Mkt pc	IT rack
CRM server	employee name plates
Eli pc (was Harry's)	picture frames for office walls
Application Server	move office furniture
network storage	move servers to Mario's office
IT Hardware	solar blinds
IT Workbench	move safes and rekey office
13 switches	IT help
20 pcs, 40 monitors, 15 printers	IT help
Marketing Printer	electrical changes for new office
email server	electrical changes for new office
leased Dell servers	new ac unit # 3
Dell Servers HYK5NH1, GYK5NH1	new ac unit # 2
Dell 8 hard drives	phone equipment for expansion
Copier through McGinn Smith Transaction Funding	phone equipment for expansion
computer WGC1 Eric	15 headsets for expansion
Mac memory	IP phone system
computer WGC1 Wanda	35 headsets
computer WGC1 PTC group 1	new phone system
2 Generators	CRM client software
	CRM client software - Version 2 (Jan-July)
	Software & licenses for Office 2003
	server operating system

SCHEDULE C

(Leases)

Axis Capital – Mail Machine

Exhibit B

BILL OF SALE

The undersigned Seller ("Seller"), for and in consideration of the purchase price set forth in the Asset Purchase Agreement dated as of May 31, 2012 between the Seller and the Buyer hereunder ("Agreement") and other good and valuable consideration paid to it by Buyer, the receipt of which is hereby acknowledged by Seller, hereby grants, bargains, sells, conveys, transfers and sets over unto Buyer, its successors and assigns, all of Seller's rights, title and interests in and to the Assets (as defined in the Agreement) pursuant to the terms and conditions of the Agreement. This sale is "AS IS, WHERE IS", without recourse, representation or warranty.

All the terms, covenants and conditions herein contained shall be for and shall inure to the benefit of and shall bind the respective parties hereto, and their legal representatives, successors and assigns, respectively.

In all references herein to any parties, persons, entities or corporation, the use of any particular gender or the plural or singular number is intended to include the appropriate gender or number as the text of the within instrument may require.

This Bill of Sale may be executed and accepted in any number of counterparts and each such executed counterpart shall be deemed to be an original instrument, and all such counterparts together shall constitute one and the same instrument. Facsimile and portable document format (.pdf) signatures shall be treated in all manner and respects, as a binding and original document, and the signature of any party shall be considered for these purposes as an original signature. This Bill of Sale is delivered in accordance with the Sale Order and shall be construed consistently therewith. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, Seller has caused the Bill of Sale to be duly executed the day and year set forth below.

Dated: June __, 2012

Seller:

By: _____
William J. Brown, Esq. As Receiver

Buyer's Acceptance:

Caribbean World Travel Services, Ltd.

By: _____
Title