

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re	:	Chapter 11
	:	
OLD FENM INC., <i>et al.</i> , ¹	:	Case No. 13-12569 (KJC)
	:	
Debtors.	:	(Jointly Administered)
	:	
	:	Re: Docket Nos. 215 and 379

NOTICE OF CANCELLATION OF DESIGNATION RIGHTS AUCTION

PLEASE TAKE NOTICE that on October 31, 2013, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the *Debtors’ Motion for (I) an Order (A) Establishing Bid Procedures for the Sale of Designation Rights With Respect to Certain of the Debtors’ Leases, (B) Approving the Designation Rights Agreement and Bidding Protections, and (C) Granting Certain Related Relief and (II) an Order (A) Approving the Sale of Designation Rights With Respect to Certain of the Debtors’ Leases Free and Clear of Liens, Claims, Encumbrances and Other Interests, (B) Establishing Assumption and Assignment Procedures, and (C) Granting Certain Related Relief* (the “Designation Rights Sale Motion”)² [Docket No. 215] with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). By the Designation Rights Sale Motion, the Debtors were seeking, *inter alia*, entry of an order (the “Bidding Procedures Order”) approving the Bidding Procedures to be used in connection with the sale of certain Lease Designation Rights, establishing the Bid Deadline and scheduling the Auction.

PLEASE TAKE FURTHER NOTICE that on November 22, 2013, the Bankruptcy Court entered the Bidding Procedures Order [Docket No. 379], which set the Bid Deadline as December 9, 2013 at 9:00 a.m. (EST) and, in the event of the receipt of any Qualified Bids, scheduled the Auction for December 12, 2013 at 10:00 a.m. (PST).

PLEASE TAKE FURTHER NOTICE that the Debtors did not receive any Qualified Bids (other than the Qualified Bid received from Alamo Group, LLC (the “Proposed Buyer”)) prior to the Bid Deadline. **ACCORDINGLY, PURSUANT TO THE BIDDING PROCEDURES ORDER, THE DEBTORS WILL NOT CONDUCT AN AUCTION.**

¹ The Debtors are the following two entities (the last four digits of their respective taxpayer identification numbers follow in brackets): Old FENM Inc. (f/k/a Fresh & Easy Neighborhood Market Inc.) [7028] and Old FEPC LLC (f/k/a Fresh & Easy Property Company LLC) [9636]. The address of each of the Debtors is 2120 Park Place, Suite 200, El Segundo, California 90245.

² Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Designation Rights Sale Motion.

PLEASE TAKE FURTHER NOTICE that the hearing to approve the Sale to the Proposed Buyer (the "Sale Hearing") is currently scheduled to be held on December 19, 2013 at 2:00 p.m. (EST) at the Bankruptcy Court, 824 North Market Street, 5th Floor, Courtroom #5, Wilmington, Delaware 19801, before The Honorable Kevin J. Carey, United States Bankruptcy Judge; however, as provided in paragraph 10 of the Bidding Procedures Order, in the event that all objections to the approval of the Sale are resolved in advance of the Sale Hearing, the Debtors intend to submit the Sale Order to the Bankruptcy Court under certification of counsel without further hearing before the Bankruptcy Court.

Dated: December 11, 2013
Wilmington, Delaware

/s/ Lee E. Kaufman

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