

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF PUERTO RICO**

IN RE:

**ESJ TOWERS, INC.
Debtor**

CASE NO. 22-01676 (ESL)

CHAPTER 11

**DEBTOR'S MOTION TO INFORM THE SUCCESSFUL
BIDDER PURSUANT TO THE AUCTION HELD ON MAY 8, 2024**

COME NOW, ESJ Towers, Inc., as Debtor in Possession (“Debtor”) in the above-captioned case, through its undersigned counsel, and respectfully states and requests as follows:

I. PROCEDURAL BACKGROUND

1. On June 10, 2022, (the “**Petition Date**”), Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code with this Court (Docket No. 1).
2. Debtor continues to manage its affairs and operate its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.
3. Debtor commenced the Chapter 11 Case to facilitate a timely and efficient sale process aimed at maximizing the value of its estate for the benefit of all stakeholders.
4. To this effect, on November 28, 2023, Debtor and Fortaleza Equity Partners 2, LLC filed a Joint Motion for the Entry of Sale Order: (A) Approving the Asset Purchase Agreement (the “APA”) and Sale of Substantially All of Debtor’s Assets, Pursuant to Sections 363 and 365 of the Bankruptcy Code, Free and Clear of all Liens, Claims, Interests and Encumbrances, (B) Approving the Bidding Procedures to Solicit Higher and Better Offers and Select the Successful Bidder, and (C) Approving the Form of Asset Purchase Agreement and Sale Order (the “Sale Motion”), detailing the mechanism for promoting a fair and competitive sale process for the purpose of maximizing the value of Debtor’s

assets to be sold (the “Sale Assets”) (Docket No. 1317).

5. Debtor pursued active marketing efforts for the sale of the Sale Assets, as described in the Sale Motion.

6. As part of the Amended Bidding Procedures approved by the Court, Debtor identified two (2) qualified bidders interested in acquiring the Sale Assets. In accordance with the Sale Order Debtor scheduled an Auction for May 8, 2024, at 10:00 a.m. at the offices of the undersigned counsel to provide the qualified bidders the opportunity to bid for the Sale Assets.

7. Upon conducting the Auction for the Sale Assets, Fortaleza Equity Partners 2, LLC prevailed as the Successful Bidder for the Sale Assets, as follows.

II. SUMMARY OF AUCTION HELD:

A. Date and Location:

8. The Auction was held on May 8, 2024, at Fortaleza Street (2nd Floor), San Juan, Puerto Rico where Charles A. Cuprill, P.S.C. Law Offices are located.

B. Parties Present:

9. Refer to Attached Transcript (**Exhibit A**).

C. Qualified Bids that Participated at the Auction:

10. Fortaleza Equity Partners 2, LLC – Appeared through its counsel, Reggie Diaz, its president Thomas Axton and its Vice-President and member Anthony Shane Brown.

11. IPS Investment Fund, LLC and Greengift Capital, LLC, jointly – Appeared through their counsel Tomas Blanco Pérez, the president of IPS Investment Fund, LLC, Giovanni Dávila and the president of Greengift Capital, LLC Armando Jiménez Seda.

D. Starting Bid Presented at the Auction:

12. IPS Investment Fund, LLC and Greengift Capital, LLC, reaffirmed as a starting bid the amount of **\$15,500,000.00** for the Sale Assets.

E. Subsequent Bids and Successful Bid:

13. Following the starting bid, incremental bids were presented, with Fortaleza Equity Partners 2, LLC, presenting the final and Successful Bid for **\$18,000,000.00** for the Sale Assets.

F. Successful Bidder:

14. **Fortaleza Equity Partners 2, LLC** with an offer of **\$18,000,000.00**.

G. Next Highest Bidder:

15. IPS Investment Fund, LLC and Greengift Capital, LLC with an offer of **\$17,950,000.00**.

16. By this Motion and as provided in the Bidding Procedures Order, Debtor informs that upon completing the procedures detailed for the adjudication of the best offer for the Sale Assets, Fortaleza Equity Partners 2, LLC resulted in the **Successful Bidder** therefor.

17. During the Auction of the Sale Assets, objections were presented both by Fortaleza Equity Partners 2, LLC and jointly by IPS Investment Fund, LLC and Greengift Capital, LLC to the Bidding Process, as it appears from the attached transcript (**Exhibit A**). The Bidders were granted until May 9, 2024, at 4:00 p.m. to provide proof of funds, without any contingency or qualifications, supporting their increased bids. Attached hereto as **Exhibits B and C** respectively are the proof of funds in support of the bids submitted by Fortaleza Equity Partners 2, LLC and jointly by IPS Investment Fund, LLC and Greengift Capital, LLC. The objections presented by the Bidders are a matter for the Court to consider at the Sale Hearing scheduled for June 6, 2024, at 10:00 a.m.

WHEREFORE, it is respectfully requested that the Court take notice of the above and the exhibits attached hereto.

CERTIFICATE OF SERVICE: I hereby certify that on this same date, I electronically filed

the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the Assistant US Trustee, and to all CM/ECF participants.

San Juan, Puerto Rico, this 9th day of May 2024.

S/CHARLES A. CUPRILL-HERNÁNDEZ
USDC-PR 114312

Charles A. Cuprill, P.S.C. Law Offices
Counsel for Debtor
356 Fortaleza Street, Second Floor
San Juan, PR 00901
Tel: 787-977-0515
Fax: 787-977-0518
E-mail: ccuprill@cuprill.com