



Court File No. CV-19-620484-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE MR.	)	FRIDAY, THE 5 <sup>TH</sup>
	)	
JUSTICE HAINEY	)	DAY OF JULY, 2019

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS, LLC, HOLLANDER  
SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER  
HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC,  
HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC AND PACIFIC COAST  
FEATHER CUSHION, LLC**

**APPLICATION OF HOLLANDER SLEEP PRODUCTS, LLC UNDER SECTION 46 OF  
THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS  
AMENDED**

**RECOGNITION ORDER**

**THIS MOTION**, made by Hollander Sleep Products, LLC ("**HSP**") in its capacity as the foreign representative (the "**Foreign Representative**") of HSP, Hollander Sleep Products Canada Limited ("**Hollander Canada**"), Dream II Holdings, LLC, Hollander Home Fashions Holdings, LLC, Pacific Coast Feather, LLC, Hollander Sleep Products Kentucky, LLC and Pacific Coast Feather Cushion, LLC (collectively, the "**Chapter 11 Debtors**" and each, a "**Chapter 11 Debtor**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order, among other things, recognizing certain orders granted by the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Bankruptcy Court**"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion, the affidavit of Marc Pfefferle sworn July 3, 2019 (the "**Second Pfefferle Affidavit**"), the report of KSV Kofman Inc., in its capacity as Information Officer, dated July 3, 2019 (the "**First Report**"), each filed.

**AND UPON HEARING** the submissions of counsel for the Foreign Representative, counsel for the Information Officer, and those other parties present, no one else appearing although duly served as appears from the affidavits of service of Evan Barz and Shanaz Vellani sworn July 3 and 4, 2019, filed:

## **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined have the meaning given to them in the Second Pfefferle Affidavit.

## **RECOGNITION OF FOREIGN ORDERS**

3. **THIS COURT ORDERS** that the following orders (collectively, the “**Foreign Orders**”) of the U.S. Bankruptcy Court made in the cases commenced by the Chapter 11 Debtors pursuant to Chapter 11 of the United States Bankruptcy Code are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA:

- (a) *Order (I) Authorizing the Debtors to (A) Continue Insurance Coverage Entered into Prepetition and Satisfy Prepetition Obligations Related Thereto and (B) Renew, Supplement, Modify, or Purchase Insurance Coverage, (C) Continue to Pay Brokerage Fees, and (II) Granting Related Relief (the “**Insurance Order**”);*
- (b) *Order (I) Authorizing the Debtors to Continue and Renew the Surety Bond Program, and (II) Granting Related Relief (the “**Surety Bond Order**”);*
- (c) *Order (I) Approving the Bidding Procedures, (II) Scheduling the Bid Deadlines and the Auction, (III) Approving the Form and Manner of Notice Thereof, (IV) Scheduling Hearings and Objection Deadlines with Respect to the Sale, and (V) Granting Related Relief (the “**Bid Procedures Order**”);*

- (d) *Final Order (I) Authorizing the Debtors to Pay Prepetition Claims of (A) Lien Claimants, (b) Import Claims, (C) 503(B)(9) Claimants, (D) Foreign Vendors, and (E) Critical Vendors, (II) Confirming Administrative Expense Priority of Outstanding Orders, and (III) Granting Related Relief (the “**Final Critical Vendors Order**”);*
- (e) *Final Order (I) Authorizing the Debtors to (A) Pay Prepetition Employee Wages, Salaries, Other Compensation, and Reimbursable Employee Expenses and (B) Continue Employee Benefits Programs and (II) Granting Related Relief (the “**Final Wages Order**”);*
- (f) *Order Authorizing the Debtors to (A) Retain Carl Marks Advisory Group LLC to Provide the Debtors a Chief Executive Officer, a Chief Financial Officer, and Additional Personnel and (B) Appoint the Chief Executive Officer and Chief Financial Officer Nunc Pro Tunc to the Petition Date (the “**Carl Marks Order**”);*
- (g) *Final Order (I) Authorizing the Debtors to (A) Continue to Operate their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Continue to Perform Intercompany Transactions, and (II) Granting Related Relief (the “**Final Cash Management Order**”);*
- (h) *Final Order (A) Authorizing the Debtors to Maintain and Administer their Existing Customer Programs and Honor Certain Prepetition Obligations Related Thereto and (B) Granting Related Relief (the “**Final Customer Programs Order**”);*
- (i) *Final Order With Respect to Prepetition ABL Secured Parties and DIP ABL Secured Parties (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition ABL Secured Parties, (E) Modifying the Automatic Stay, and (F) Granting Related Relief (the “**Final DIP ABL Order**”);*

- (j) *Final Order (A) Authorizing the Payment of Certain Prepetition Taxes and Fees and (B) Granting Related Relief (the “**Final Tax Order**”);*
- (k) *Order (A) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Utility Services, (B) Determining Adequate Assurance of Payment for Future Utility Services, (C) Establishing Procedures for Determining Adequate Assurance of Payment, and (D) Granting Related Relief (the “**Utilities Order**”);*
- (l) *Order (A) Authorizing the Retention and Compensation of Professionals Utilized in the Ordinary Course of Business and (B) Granting Related Relief (the “**Professionals Order**”);*
- (m) *Order Authorizing and Approving the Employment and Retention of OMNI Management Group as Administrative Advisor for the Debtors and Debtors in Possession Nunc Pro Tunc to the Petition Date (the “**OMNI Order**”);*
- (n) *Order (A) Establishing Certain Notice, Case Management, and Administrative Procedures and (B) Granting Related Relief (the “**Case Management Order**”);*
- (o) *Second Interim Order (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Term Loan Lenders, (E) Modifying the Automatic Stay, (F) Scheduling a Final Hearing, and (G) Granting Related Relief (the “**Second Interim DIP Term Order**”); and*
- (p) *Order (A) Setting Bar Dates for Submitting Proofs of Claim, (B) Approving Procedures for Submitting Proofs of Claim, (C) Approving Notice Thereof, and (D) Granting Related Relief (the “**Bar Date Order**”).*



(copies of each such Foreign Orders are attached hereto as Schedules "A" to "P", respectively);

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to the Property (as defined in the Supplemental Order).

#### **AMENDMENT TO SUPPLEMENTAL ORDER**

4. **THIS COURT ORDERS** that paragraph 20 of the Supplemental Order is hereby amended as follows:

20. **THIS COURT ORDERS** that the DIP ABL Agent, for and on behalf of itself and the DIP ABL Lenders, shall be entitled to the benefit of and is hereby granted a charge (the "**DIP ABL Charge**") on the Property in Canada, which DIP ABL Charge shall be consistent with the liens and charges created by the Interim DIP Order and the Final ABL DIP Order (as defined in the Recognition Order made on July 5, 2019 in these proceedings) with respect to the Property in Canada, shall have the priority set out in paragraphs 21 through 26 hereof, and further provided that the DIP ABL Charge shall not be enforced except with leave of this Court on notice to the Information Officer and those parties on the service list established for these proceedings.

#### **INFORMATION OFFICER'S REPORTS**

5. **THIS COURT ORDERS** that the pre-filing report of KSV Kofman Inc. ("**KSV**"), in its capacity as proposed Information Officer, dated May 23, 2019 (the "**Pre-Filing Report**") and the First Report of the Information Officer and the actions, conduct, and activities of KSV as described in the Pre-Filing Report and the Information Officer as described in the First Report be and are hereby approved.

#### **GENERAL**

6. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Chapter 11 Debtors, the Foreign

Representative, the Information Officer, and their respective counsel and agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors, the Foreign Representative and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective counsel and agents in carrying out the terms of this Order.

7. **THIS COURT ORDERS** that each of the Chapter 11 Debtors, the Foreign Representative and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.



A handwritten signature in blue ink, appearing to read "Hainey J.", written over a horizontal line.

**SCHEDULE A – INSURANCE ORDER**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)  
) Case No. 19-11608 (MEW)  
)  
) (Jointly Administered)  
)  
) **Re: Docket No. 15**

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**ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE INSURANCE  
COVERAGE ENTERED INTO PREPETITION AND SATISFY PREPETITION  
OBLIGATIONS RELATED THERETO, (B) RENEW, SUPPLEMENT, MODIFY,  
OR PURCHASE INSURANCE COVERAGE, AND (C) CONTINUE TO  
PAY BROKERAGE FEES, AND (II) GRANTING RELATED RELIEF**

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Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”), (a) authorizing the Debtors to (i) continue insurance coverage entered into prepetition and satisfy prepetition obligations related thereto in the ordinary course of business, (ii) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business, and (iii) continue to pay Brokerage Fees, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Debtors are authorized, but not directed, to continue the Insurance Policies, including the Insurance Policies identified on **Exhibit B** to the Motion, and pay any prepetition or postpetition obligations related to the Insurance Policies, Deductibles, and any amounts owed to the Brokers on account of the Brokerage Fees.
3. The Debtors are authorized, but not directed, to renew, amend, supplement, extend, or purchase insurance policies or to modify any Collateral Requirements in the ordinary course of business to the extent that the Debtors determine that such action is in the best interest of their estates, *provided, however*, that (i) no Collateral Requirements shall be increased on account of any current policies or future Insurance Policies absent prior consent of the Committee (not to be unreasonably withheld, conditioned, or delayed); and (ii) the Debtors shall consult with the Committee prior to renewing existing Insurance Policies or purchasing new insurance policies.
4. The Debtors are authorized, but not directed, to honor any amounts owed on account of any Insurance Policy Audits in the ordinary course of business.

5. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' or any other party in interest's right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Order or the Motion or a finding that any particular claim is an administrative expense or other priority claim; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to Section 365 of the Bankruptcy Code; (f) a waiver or limitation of the rights of any party in interest under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

6. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, whether such checks or other requests were submitted prior to, or after, the Petition Date, provided that sufficient funds are on deposit and standing in the Debtors' credit in the applicable bank accounts to cover such payments, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order without any duty of further inquiry and without liability for following the Debtors' instructions.

7. Notwithstanding the relief granted in this Order, any payment made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with any orders entered by the Court approving the Debtors' entry into any postpetition debtor in possession financing facility and any budget in connection therewith and/or authorizing the Debtors' use of cash collateral and any budget in connection therewith.

8. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

9. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

10. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

11. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

12. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

New York, New York  
Dated: July 2, 2019

s/Michael E. Wiles

THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE

## **SCHEDULE B – SURETY BOND ORDER**



**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:	)	
	)	Chapter 11
	)	
HOLLANDER SLEEP PRODUCTS, LLC., <i>et al.</i> , <sup>1</sup>	)	Case No. 19-11608 (MEW)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	<b>Re: Docket No. 16</b>

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**ORDER (A) AUTHORIZING THE DEBTORS TO CONTINUE AND RENEW THEIR  
SURETY BOND PROGRAM AND (B) GRANTING RELATED RELIEF**

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Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an Order (this “Order”), (a) authorizing the Debtors to continue and renew the Surety Bond Program in the ordinary course of business consistent with historical practice, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Debtors are authorized, but not directed, to maintain the Surety Bond Program in the ordinary course of business on a postpetition basis consistent with historical practice, including the payment of the Premiums and Brokerage Fees (including any such obligations that arose prior to the Petition Date), maintaining existing collateral, posting new or additional collateral or issuing letters of credit, renewal of or entry into new surety bonds, and execution of other agreements in connection with the Surety Bond Program.
3. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' or any other party in interest's right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Order or the Motion or a finding that any particular claim is an administrative expense or other priority claim; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the rights of any party in interest under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the rights of all parties in

interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

4. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, whether such checks or other requests were submitted prior to, or after, the Petition Date, provided that sufficient funds are on deposit and standing in the Debtors' credit in the applicable bank accounts to cover such payments, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order without any duty of further inquiry and without liability for following the Debtors' instructions.

5. Notwithstanding the relief granted in this Order, any payment made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with any orders entered by the Court approving the Debtors' entry into any postpetition debtor-in-possession financing facility and any budget in connection therewith and/or authorizing the Debtors' use of cash collateral and any budget in connection therewith.

6. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

7. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

8. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

9. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

10. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

New York, New York  
Dated: July 2, 2019

**s/Michael E. Wiles**

THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE

## **SCHEDULE C – BID PROCEDURES ORDER**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)  
) Case No. 19-11608 (MEW)  
)  
) (Jointly Administered)  
)  
) **Re: Docket No. 22**

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**ORDER (I) APPROVING THE BIDDING PROCEDURES, (II) SCHEDULING THE BID DEADLINES AND THE AUCTION, (III) APPROVING THE FORM AND MANNER OF NOTICE THEREOF, (IV) SCHEDULING HEARINGS AND OBJECTION DEADLINES WITH RESPECT TO THE SALE, AND (V) GRANTING RELATED RELIEF**

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Upon the motion (the “Motion”) of the above captioned debtors and debtors in possession (the “Debtors”) for the entry of an order (this “Order”), (a) authorizing and approving the bidding procedures attached hereto as **Exhibit 1** (the “Bidding Procedures”)<sup>2</sup> in connection with the sale of the Assets, (b) approving the Bid Protections, (c) establishing certain dates and deadlines, including the Preliminary Bid Deadline, the Bid Deadline, and the date of the Auction, if any, (d) approving the manner of notice of the Auction, if any, (e) scheduling dates and deadlines in connection with approval of the Sale, and (f) granting related relief, as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409;

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used but not defined herein have the meanings given to them in the Bidding Procedures.

and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

**THE COURT HEREBY FINDS THAT:**

A. The Debtors have articulated good and sufficient reasons for authorizing and approving the Bidding Procedures, which are fair, reasonable, and appropriate under the circumstances and designed to maximize the recovery on, and realizable value of, the Assets, including with respect to the proposed procedures for providing Bid Protections as determined by the Debtors in an exercise of their business judgment.

B. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the preceding findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the preceding conclusions of law constitute findings of fact, they are adopted as such.

**IT IS HEREBY ORDERED THAT:**

1. The Motion is granted as set forth herein.
2. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled prior to or at the Hearing are overruled.

**I. Important Dates and Deadlines.**

3. **Preliminary Bid Deadline.** July 15, 2019, at 4:00 p.m., prevailing Eastern Time, is the deadline by which any party interested in participating in the bidding process must deliver the Preliminary Bid Documents.

4. **Final Bid Deadline.** August 8, 2019, at 4:00 p.m., prevailing Eastern Time, is the deadline by which all Qualified Bids must be **actually received** by the parties specified in the Bidding Procedures.

5. **Stalking Horse Bidders and Bid Protections.** The Debtors, upon entry of this Order and at any time up until two calendar days prior to the Auction, shall be authorized, but are not obligated or directed, in an exercise of their business judgment and with the unanimous consent of the Consultation Parties, not to be unreasonably withheld, conditioned, or delayed, to select one or more Stalking Horse Bidders with respect to some or all of the Debtors' Assets and to provide such Stalking Horse Bidders with Bid Protections without further action or order by this Court; *provided* that in the event the Consultation Parties shall not unanimously agree as to the Debtors' proposed selection of a Stalking Horse Bidder and/or the provision of Bid Protections, the Debtors may file an emergency motion with the Bankruptcy Court seeking approval of such Stalking Horse Bidder and/or such Bid Protections, as applicable.

6. **Auction.** August 12, 2019, at 10:00 a.m., prevailing Eastern Time, is the date and time the Auction, if one is needed, will be held at the offices of proposed counsel to the Debtors: Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York, 10022. For the avoidance of doubt, the Debtors may also conduct more than one Auction with respect to non-overlapping material portions of the Debtors' Assets. The Debtors shall send written notice of the date, time, and place of the Auction to the Qualified Bidders no later than two business days before such Auction, and will post notice of the date, time, and place of the Auction no later than two business



days before such Auction on the website of the Debtors' notice, claims, and solicitation agent, Omni Management Group, at [www.omnimgt.com/hollander](http://www.omnimgt.com/hollander).

7. **Sale Objection Deadline.** August 28, 2019, at 4:00 p.m., prevailing Eastern Time, is the deadline by which objections to the entry of an order by the Court approving the Sale must be filed with the Court and served so as to be actually received by the appropriate notice parties.

8. **Sale Hearing.** September 4, 2019, at 11:00 a.m., prevailing Eastern Time, is the date and time for the hearing for the Court to consider the Successful Bid or Successful Bids, pursuant to which the Debtors and the Winning Bidder or Winning Bidders will consummate the Sale.

## **II. Auction, Bidding Procedures, Sale Notice, and Related Relief.**

9. The Bidding Procedures, substantially in the form attached hereto as **Exhibit 1**, are incorporated herein and are hereby approved in their entirety, and the Bidding Procedures shall govern the submission, receipt, and analysis of all Bids relating to any proposed Sale. Any party desiring to submit a Bid shall comply with the Bidding Procedures and this Order. The Debtors are authorized to take any and all actions necessary to implement the Bidding Procedures.

10. The Bid Protections are approved on the terms set forth in the Bidding Procedures and the Debtors are authorized, but not directed, to incur and pay such Bid Protections to any or no Stalking Horse Bidder, in an exercise of their business judgment without further action or order by the Court; *provided* that, for the avoidance of doubt, the aggregate amount of the Bid Protections (consisting of any Breakup Fee, Expense Reimbursements, and Work Fees) shall not exceed three percent of any Stalking Horse Bidder's proposed Purchase Price.

11. No person or entity, other than a Stalking Horse Bidder, shall be entitled to any expense reimbursement, break-up fees, "topping," termination, or other similar fee or payment, and by submitting a bid, such person or entity is deemed to have waived their right to request or

to file with this Court any request for expense reimbursement or any fee of any nature, whether by virtue of Bankruptcy Code section 503(b) or otherwise.

12. Any deposit provided by a Stalking Horse Bidder or other Qualified Bidder shall be held in escrow by the Debtors or their agent, and shall not become property of the Debtors' bankruptcy estates unless and until released from escrow to the Debtors pursuant to the terms of the applicable escrow agreement or order of this Court.

13. The Sale Notice, substantially in the form attached hereto as **Exhibit 2**, is hereby approved. As soon as reasonably practicable following the entry of this Order, the Debtors will cause the Sale Notice to be served upon (a) the Consultation Parties, (b) the United States Attorney's Office for the Southern District of New York, (c) the Internal Revenue Service, (d) the attorneys general for the states in which the Debtors operate, (e) any parties known or reasonably believed to have expressed an interest in the Debtors' assets, (f) all entities known or reasonably believed to have asserted a lien, encumbrance, claim, or other interest in any of the Debtors' assets, and (g) any party that has requested notice pursuant to Bankruptcy Rule 2002.

### **III. Miscellaneous.**

14. The failure to include or reference a particular provision of the Bidding Procedures specifically in this Order shall not diminish or impair the effectiveness or enforceability of such a provision.

15. In the event of any inconsistencies between this Order and the Motion and/or the Bidding Procedures, this Order shall govern in all respects.

16. Notwithstanding the relief granted in this Order, any payment made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with any orders entered by the Court approving the Debtors' entry into any postpetition debtor-in-possession

financing facility and any budget in connection therewith and/or authorizing the Debtors' use of cash collateral and any budget in connection therewith.

17. The failure of the Committee to object to a credit bid put forth by any of the Agents or a designation of the Term Loan Lenders as the Winning Bidders, or the Court's approval of any such credit bid shall not (a) prejudice or impair the rights, if any, of the Committee (or other estate representative) set forth in the DIP Order to challenge the nature, extent, validity, priority, perfection, or amount of any lenders' alleged liens, security interests, and claims or (b) release the lenders from any claims and/or causes of action which can be brought against them by or on behalf of the Debtors' estates; *provided, further*, that in the event of any bid put forth by any of the Agents or a designation of the Term Loan Lenders as the Winning Bidders that includes any unencumbered Assets, the Winning Bid or Winning Bids must provide for a cash payment for those Assets.

18. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

19. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

20. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

21. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

New York, New York  
Dated: July 3, 2019

**s/Michael E. Wiles**

THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Bidding Procedures**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)

) Case No. 19-11608 (MEW)  
)

) (Jointly Administered)  
)

**BIDDING PROCEDURES FOR THE SUBMISSION, RECEIPT,  
AND ANALYSIS OF BIDS IN CONNECTION WITH THE  
SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF THE DEBTORS**

On May 19, 2019, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”).

On [●], 2019, the Bankruptcy Court entered an order [Docket No. [●]] (the “Bidding Procedures Order”) approving, among other things, these bidding procedures (the “Bidding Procedures”). These Bidding Procedures set forth the process by which the Debtors are authorized to solicit the highest or otherwise best bids (each, a “Bid”) and conduct an auction (the “Auction”) for the sale (the “Sale”) of some or all of their assets (the “Assets”).

The Sale will be implemented pursuant to the terms and conditions of the Debtors’ proposed chapter 11 plan [Docket No. 21] (as modified, amended, or supplemented from time to time, the “Plan”).<sup>2</sup> The Plan contemplates that the Debtors and the Winning Bidder or Winning Bidders will consummate the sale of the Assets through the Plan, or, if there is no third party Winning Bidder or Winning Bidders, the Term Loan Lenders will be designated the Winning Bidder and will take control of the Assets in accordance with the Plan.

Copies of the Bidding Procedures Order, the Plan, or any other documents in the Debtors’ chapter 11 cases are available upon request to Omni Management Group, by calling (844) 212-9942 (Domestic) or (818) 906-8300 (International), or by visiting [www.omnimgt.com/hollander](http://www.omnimgt.com/hollander).

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used but not defined herein have the meaning given to such terms in the Plan.

**A. Participation Requirements.**

To participate in the bidding process or otherwise be considered for any purpose hereunder, a person interested in submitting a Bid (a "Potential Bidder") must, on or before July 15, 2019, at 4:00 p.m., prevailing Eastern Time (the "Preliminary Bid Deadline"), deliver such Bid (unless previously delivered) to each of (i) proposed counsel to the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Christopher T. Greco, P.C. (cgreco@kirkland.com) and Derek I. Hunter (derek.hunter@kirkland.com), and 300 North LaSalle Street, Chicago, Illinois 60654, Attn: Joseph M. Graham (joe.graham@kirkland.com) and Laura E. Krucks (laura.krucks@kirkland.com), and (ii) proposed financial advisor and investment banker to the Debtors, Houlihan Lokey Capital, Inc., 245 Park Avenue, 32nd Floor, New York, New York 10167, Attn: David Salemi (DSalemi@HL.com) and Tom Hedus (THedus@HL.com), the following documents (the "Preliminary Bid Documents"); *provided, however*, that the Debtors must consider Bids submitted by Potential Bidders after the Preliminary Bid Deadline, but such Potential Bidders will not receive any extension of time to conduct a due diligence review or to submit a Qualified Bid (as defined herein) beyond the Final Bid Deadline:

- (i) a written disclosure of the identity of each entity that will be bidding for the Assets or otherwise participating in connection with such Bid;
- (ii) an executed confidentiality agreement on terms reasonably acceptable to the Debtors (the "Confidentiality Agreement"), to the extent not already executed;
- (iii) a non-binding description of the Assets in which such Potential Bidder may be interested in placing a Bid and a non-binding preliminary estimate of the purchase price to be paid, with reasonable specificity; and
- (iv) preliminary proof by the Potential Bidder of its financial capacity to close a proposed transaction, which may include current unaudited or verified financial statements of, or verified financial commitments obtained by, the Potential Bidder (or, if the Potential Bidder is an entity formed for the purpose of acquiring the property to be sold, the party that will bear liability for a breach), the adequacy of which will be assessed by the Debtors and their advisors in their reasonable discretion, in consultation with the Consultation Parties (as defined herein).

The Debtors shall provide copies of any Preliminary Bid Documents received from Potential Bidders as soon as reasonably practicable, but no later than one business day after receipt thereof, to each of the following parties (each, a "Consultation Party," and collectively, the "Consultation Parties"): (i) counsel to the proposed DIP ABL Agent and the ABL Agent, Goldberg Kohn Ltd., 55 East Monroe, Suite 3300, Chicago, Illinois 60603, Attn: Randall Klein (Randall.Klein@goldbergkohn.com); (ii) counsel to the proposed DIP Term Loan Agent and the Term Loan Agent, King & Spalding LLP, 1180 Peachtree Street NE, Atlanta, Georgia 30309, Attn: W. Austin Jowers (ajowers@kslaw.com) and Stephen M. Blank (sblank@kslaw.com); (iii) counsel to the Sponsor, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn: Adam Rogoff (arogoff@kramerlevin.com); and (iv) counsel to the Official Committee of Unsecured Creditors, Pachulski Stang Ziehl & Jones, LLP, 780 Third Avenue, Suite 3400, New York, New York 10027, Attn: Bradford J. Sandler, Robert J. Feinstein

and Jeffrey Pomerantz (bsandler@pszjlaw.com, rfeinstein@pszjlaw.com, jpomerantz@pszjlaw.com) (the “Committee”); *provided* that during any period in which a Consultation Party has submitted a Qualified Bid (as defined herein) and has become a Qualified Bidder (as defined herein), such Consultation Party shall not be considered a Consultation Party for purposes of these Bidding Procedures.

Within four business days after a Potential Bidder delivers the Preliminary Bid Documents, the Debtors will determine, in their reasonable discretion and in consultation with the Consultation Parties, and notify that Potential Bidder, whether such Potential Bidder has submitted acceptable Preliminary Bid Documents (any such Potential Bidder being referred to as an “Acceptable Bidder”). The following parties shall be deemed Acceptable Bidders without the need to satisfy the requirements of this Section A: (i) the proposed DIP ABL Agent (on behalf of the DIP ABL Lenders), (ii) the proposed DIP Term Loan Agent (on behalf of the DIP Term Loan Lenders), (iii) the ABL Agent (on behalf of the ABL Lenders), and (iv) the Term Loan Agent (on behalf of the Term Loan Lenders) (collectively, the “Agents”).

**B. Due Diligence.**

(i) **Access to Due Diligence.**

Only Acceptable Bidders will be eligible to receive due diligence and access to additional non-public information regarding the Assets and the Debtors. The Debtors will provide to each Acceptable Bidder reasonable due diligence information concerning those Assets that are the subject of such Acceptable Bidder’s Bid (or such other Assets if the list provided in accordance with A.iii above is amended or modified), as requested by such Acceptable Bidder in writing, as soon as reasonably practicable after such request, but shall only extend to those Assets (or such other Assets if the list provided in accordance with A.iii above is amended or modified) that are the subject of such Acceptable Bidder’s Bid. The Debtors will post substantially all written due diligence provided to any Acceptable Bidder to the Debtors’ electronic data room. The due diligence period will end on the Bid Deadline (as defined herein), after which the Debtors will have no obligation to furnish any due diligence information.

In connection with the provision of due diligence information to Acceptable Bidders, the Debtors will not furnish any confidential information relating to the Debtors, the Debtors’ Assets or liabilities, or the Sale to any person except an Acceptable Bidder or such Acceptable Bidder’s duly-authorized representatives, in each case, to the extent provided in the applicable Confidentiality Agreement and only to the extent of the Assets that are the subject of such Acceptable Bidder’s Bid.

The Debtors and their financial advisors will coordinate all reasonable requests for additional information and due diligence access from Acceptable Bidders; *provided* that the Debtors may decline to provide such information to Acceptable Bidders who, in the Debtors’ reasonable business judgment, in consultation with the Consultation Parties, have not established that such Acceptable Bidders intend in good faith to, or have the capacity to, consummate their Bid. Prior to denying access or information to an Acceptable Bidder, the Debtors shall inform the Consultation Parties. Any Acceptable Bidder that believes it has been wrongfully denied access to due diligence materials may file an emergency motion with the Bankruptcy Court seeking an



order directing such access. No conditions relating to the completion of due diligence will be permitted to exist after the Bid Deadline (as defined herein).

The Debtors also reserve the right to withhold any diligence materials that the Debtors reasonably determine are sensitive, proprietary, or otherwise not appropriate for disclosure to an Acceptable Bidder who the Debtors reasonably determine, in consultation with the Consultation Parties, is a competitor of the Debtors or is affiliated with any competitor of the Debtors. Neither the Debtors nor their representatives will be obligated to furnish information of any kind whatsoever to any person that is not determined to be an Acceptable Bidder.

Each Acceptable Bidder will be deemed to acknowledge and represent that it: (a) has had an opportunity to conduct any and all due diligence regarding the Debtors' Assets and liabilities that are the subject of the Auction to the extent of the Assets and liabilities that are the subject of their Bid prior to making any such Bids; (b) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Assets in making its Bid; and (c) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise regarding the Debtors' Assets or liabilities, or the completeness of any information provided in connection therewith, except as expressly stated in these Bidding Procedures. Neither the Debtors nor any of their employees, officers, directors, affiliates, subsidiaries, representatives, agents, advisors, or professionals are responsible for, and will bear no liability with respect to, any information obtained by Acceptable Bidders in connection with the Sale.

The Debtors have designated Houlihan Lokey Capital, Inc., 245 Park Avenue, 32nd Floor, New York, New York 10167, Attn: David Salemi (DSalemi@HL.com) and Tom Hedus (THedus@HL.com), to coordinate all reasonable requests for additional information and due diligence access.

(ii) **No Communications Among Acceptable Bidders.**

There must be no communications between and amongst Acceptable Bidders (other than between the Agents, *provided* that if an Agent submits a Qualified Bid, such Agent must not communicate with the other Agents with respect to such Qualified Bid), or between Acceptable Bidders and the Consultation Parties, unless the Debtors have previously authorized such communication in writing. Should any Acceptable Bidder attempt to communicate directly with a Consultation Party, such Consultation Party shall immediately direct the Acceptable Bidder to the Debtors' counsel and investment banker. The Debtors reserve the right, in their reasonable business judgment, in consultation with the Consultation Parties, to disqualify any Acceptable Bidders that have communications between and amongst themselves; *provided* that any Acceptable Bidder that believes it has been wrongfully disqualified hereunder may file an emergency motion with the Bankruptcy Court seeking the reversal of such disqualification. The Debtors further reserve their right, in their reasonable business judgment, to disqualify any Acceptable Bidders that have communications with a Consultation Party (other than the financial and legal advisors to the Committee), and to strip any Consultation Party that violates this provision (except as otherwise provided in this paragraph) of its consultation rights hereunder; *provided* that the Debtors shall provide such Consultation Party with notice that the Debtors are exercising their rights to strip the Consultation Party of their consultation rights; *provided, further,*

that any Consultation Party that believes it has been wrongfully stripped of its consultation rights hereunder may file an emergency motion with the Bankruptcy Court seeking the reinstatement of such consultation rights. Notwithstanding anything to the contrary in these Bidding Procedures, nothing shall prevent any Agent from communicating with any other Agent or any Consultation Party about a subject other than competing Bids to the extent that such Agent submits a Qualified Bid.

**C. Stalking Horse Bidders and Bid Protections.**

Upon entry of the Bidding Procedures Order and up until two calendar days prior to the Auction, the Debtors shall be authorized, but not obligated, in an exercise of their business judgment and with the unanimous consent of the Consultation Parties, not to be unreasonably withheld, conditioned, or delayed, to: (a) select one or more Acceptable Bidders to act as stalking horse bidders in connection with the Auction (each, a “Stalking Horse Bidder”); and (b) in connection with any stalking horse agreement with a Stalking Horse Bidder (i) provide a breakup fee (the “Breakup Fee”), (ii) agree to reimburse reasonable and documented out-of-pocket fees and expenses (the “Expense Reimbursement”), and/or (iii) agree to pay a “work fee” or other similar cash fee (the “Work Fee,” and together with the Breakup Fee and the Expense Reimbursement, the “Bid Protections”); *provided* that the aggregate amount of Bid Protections that may be paid to any or all Stalking Horse Bidders on account of foregoing subclauses (i)–(iii) shall not exceed three percent of the proposed Purchase Price (as defined herein); *provided, further*, that in the event the Consultation Parties shall not unanimously agree as to the Debtors’ proposed selection of a Stalking Horse Bidder and/or the provision of Bid Protections, the Debtors may file an emergency motion with the Bankruptcy Court seeking approval of such Stalking Horse Bidder and/or such Bid Protections, as applicable.

**D. Bid Requirements.**

To be eligible to participate in the Auction, an Acceptable Bidder must deliver to the Debtors and their advisors, a written, irrevocable offer that must be determined by the Debtors, in their business judgment and in consultation with the Consultation Parties, to satisfy each of the following conditions (collectively, the “Bid Requirements”):

- (i) **Purpose.** Each Acceptable Bidder must state that the Bid includes an offer by the Acceptable Bidder to purchase some or all of the Assets, and identify the Assets with reasonable specificity.
- (ii) **Purchase Price.** Each Bid must clearly set forth the purchase price to be paid for the Assets (the “Purchase Price”) and must (a) indicate the source of cash consideration, including funding commitments, and confirm that such consideration is not subject to any contingencies, and (b) identify separately the cash and non-cash components of the Purchase Price. The Bid should include a detailed sources and uses schedule. All Bids for the ABL Priority Collateral (as defined in the DIP Intercreditor Agreement) must be in cash unless otherwise agreed by the proposed DIP ABL Agent (with respect to the ABL Priority Collateral). Any Bids placed by an Agent must be made in accordance with the DIP Intercreditor Agreement.

- (iii) **Bid Deposit.** Each Bid must be accompanied by a cash deposit equal to ten percent of the aggregate value of the cash and non-cash consideration of the Bid (the “Good Faith Deposit”), which will be held in an escrow account to be identified and established pursuant to the authority granted by the order authorizing the Debtors to maintain and operate their bank accounts, by wire transfer or certified or cashier’s check.
- (iv) **Committed Financing.** To the extent that a Bid is not accompanied by evidence of the Acceptable Bidder’s capacity to consummate the Sale transaction set forth in its Bid with cash on hand, each Bid must include committed financing documented to the Debtors’ satisfaction, in consultation with the Consultation Parties, that demonstrates that the Acceptable Bidder has received sufficient debt and/or equity funding commitments to satisfy the Acceptable Bidder’s Purchase Price and other obligations under its Bid. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, and shall have covenants and conditions reasonably acceptable to the Debtors in their sole discretion. The Debtors may in their reasonable business judgment, and in consultation with the Consultation Parties, waive this condition.
- (v) **Good Faith Offer.** Each Bid must constitute a good faith, bona fide offer to purchase the Assets.
- (vi) **Marked Agreement.** Each Bid must be accompanied by clean and duly executed transaction documents including, at a minimum, a draft asset purchase agreement, the form of which will be provided to any Acceptable Bidder prior to the Bid Deadline (as defined herein), including the exhibits and schedules related thereto and any related material documents integral to such Bid pursuant to which the Acceptable Bidder proposes to effectuate the Sale, along with copies that are marked to reflect any amendments and modifications from the form asset purchase agreement provided, which amendments and modifications may not be materially more burdensome or otherwise inconsistent with these Bidding Procedures. The Debtors, in their reasonable business judgment and in consultation with the Consultation Parties, will determine whether any such amendments and modifications are materially more burdensome.
- (vii) **No Contingencies.** A Bid must not be conditioned on any contingency, including, among others, on obtaining any of the following (a) financing, (b) shareholder, board of directors, or other approval, and/or (c) the outcome or completion of a due diligence review by the Acceptable Bidder.
- (viii) **Binding and Irrevocable.** An Acceptable Bidder’s Bid must be irrevocable unless and until the Debtors accept a higher Bid and such Acceptable Bidder is not selected as the Back-Up Bidder (as defined herein).
- (ix) **Joint Bids.** The Debtors will be authorized to approve joint Bids in their reasonable discretion, in consultation with the Consultation Parties, on a case-by-case basis.

- (x) **Adequate Assurance Information.** Each Bid must be accompanied by sufficient and adequate financial and other information (the “Adequate Assurance Information”) to demonstrate, to the reasonable satisfaction of the Debtors, in consultation with the Consultation Parties, that such Acceptable Bidder (a) has the financial wherewithal and ability to consummate the acquisition of the Assets (the “Closing”), and (b) can provide adequate assurance of future performance in connection with the proposed transaction. The Bid must also identify a contact person that parties may contact to obtain additional Adequate Assurance Information.
- (xi) **Identity & Corporate Authority.** Each Bid must fully disclose the identity of each entity that will be participating in connection with such Bid (including any equity owners or sponsors, if the purchaser is an entity formed for the purpose of consummating the acquisition of the Assets), and the complete terms of any such participation, along with sufficient evidence that the Acceptable Bidder is legally empowered, by power of attorney or otherwise, to complete the transactions on the terms contemplated by the parties. A Bid must also fully disclose any connections or agreements with the Debtors, any known, potential, prospective bidder or Qualified Bidder (as defined herein), or any officer, director, or equity security holder of the Debtors.
- (xii) **Authorization.** Each Bid must contain evidence that the Acceptable Bidder has obtained authorization or approval from its board of directors (or a comparable governing body reasonably acceptable to the Debtors) with respect to the submission of its Bid and the consummation of the transactions contemplated in such Bid.
- (xiii) **No Fees.** Each Acceptable Bidder presenting a Bid or Bids will bear its own costs and expenses (including legal fees) in connection with the proposed transaction, and by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code; *provided* that the Debtors are authorized in their discretion, in consultation with the Consultation Parties, to provide the Bid Protections to one or more Stalking Horse Bidders in accordance with these Bidding Procedures.
- (xiv) **Adherence to Bidding Procedures.** By submitting its Bid, each Acceptable Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction.
- (xv) **Regulatory Approvals and Covenants.** A Bid must set forth each regulatory and third-party approval required for the Acceptable Bidder to consummate the applicable Sale, if any, and the time period within which the Acceptable Bidder expects to receive such regulatory and third-party approvals (and in the case that receipt of any such regulatory or third-party approval is expected to take more than thirty days following execution and delivery of the asset purchase agreement, those

actions the Acceptable Bidder will take to ensure receipt of such approvals as promptly as possible).

- (xvi) **Collective Bargaining Agreements.** Each Bid must set forth the Acceptable Bidder's position with respect to the assumption of any collective bargaining agreements that may be applicable to such Bid.
- (xvii) **As-Is, Where-Is.** Each Bid must include a written acknowledgement and representation that the Acceptable Bidder (a) has had an opportunity to conduct any and all due diligence regarding the Assets prior to making its offer, (b) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Assets in making its Bid, and (c) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Assets or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in the Acceptable Bidder's proposed purchase and sale agreement for the Assets.
- (xviii) **Time Frame for Closing.** A Bid by an Acceptable Bidder must be reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Successful Bid (as defined herein), within a time frame reasonably acceptable to the Debtors in consultation with the Consultation Parties.
- (xix) **Consent to Jurisdiction.** The Acceptable Bidder must submit to the jurisdiction of the Bankruptcy Court and waive any right to a jury trial in connection with any disputes relating to the Debtors' qualification of Bids, the Auction, the construction and enforcement of these Bidding Procedures, the Plan, the Sale documents, and the Closing, as applicable.
- (xx) **DIP Order.** All Bids must be in accordance with the terms and conditions of the DIP Order and the DIP Credit Agreements.

Bids fulfilling all of the preceding requirements, as determined by the Debtors and their advisors, in consultation with the Consultation Parties, will be deemed to be "Qualified Bids," and those parties submitting Qualified Bids will be deemed to be "Qualified Bidders." All information disclosed by any bidder in connection with all of the preceding requirements will be made available by the Debtors to the Consultation Parties promptly upon the Debtors' receipt thereof but in any event no later than one business day following the Debtors' receipt of such information; *provided* that any confidential financing and/or equity commitment documents received from a bidder shall only be shared with the Consultation Parties on a professional-eyes'-only basis. The Debtors reserve the right, in consultation with the Consultation Parties, to work with any Acceptable Bidder in advance of the Auction to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. The Debtors may accept a single Qualified Bid or multiple Bids for non-overlapping material portions of the Debtors' Assets such that, if taken together in the aggregate, would otherwise meet the standards for a single Qualified Bid (in which event those multiple bidders will be treated as a single Qualified Bidder for purposes of the Auction; *provided*

that the Debtors also reserve the right, in consultation with the Consultation Parties, to conduct more than one Auction with respect to non-overlapping material portions of the Debtors' Assets).

Within two business days after the Bid Deadline (as defined herein), the Debtors and their advisors, in consultation with the Consultation Parties, will determine which Acceptable Bidders are Qualified Bidders and will notify the Acceptable Bidders whether Bids submitted constitute, alone or together with other Bids, Qualified Bids so as to enable such Qualified Bidders to bid at the Auction. Any Bid that is not deemed a Qualified Bid will not be considered by the Debtors. For the avoidance of doubt, any Acceptable Bidders designated as Stalking Horse Bidders by the Debtors in consultation with the Consultation Parties and in accordance with these Bidding Procedures will be deemed to be Qualified Bidders, and any stalking horse asset purchase agreements submitted by such Stalking Horse Bidders will be deemed Qualified Bids, which qualify such Stalking Horse Bidders to participate in the Auction as Qualified Bidders. The Agents shall be deemed Qualified Bidders without the need to satisfy the requirements of this Section D.

**Qualified Bids must be received by each of the Debtors and their advisors so as to be actually received no later than August 8, 2019, at 4:00 p.m., prevailing Eastern Time (the "Bid Deadline").**

**E. Evaluation of Qualified Bids.**

Prior to the Auction, the Debtors and their advisors will evaluate Qualified Bids and identify the Qualified Bid that is, in the Debtors' reasonable business judgment, in consultation with the Consultation Parties, the highest or otherwise best Bid (the "Initial Minimum Overbid"). For the avoidance of doubt, the Debtors may select more than one Qualified Bid to collectively serve as the Initial Minimum Overbid if each such Qualified Bid contemplates the purchase of different Assets. In making such determination, the Debtors will take into account, among other things, (i) the amount of the Qualified Bid, (ii) the impact on landlords, vendors, and employees, (iii) the certainty of a Qualified Bid leading to a confirmed plan, and (iv) the execution risk attendant to any submitted Bids. Within 24 hours of such determination, but in no event later than the start of the Auction, the Debtors will (1) notify the Consultation Parties and any Stalking Horse Bidders as to which Qualified Bid is the Initial Minimum Overbid and (2) distribute copies of the Initial Minimum Overbid to each Qualified Bidder who has submitted a Qualified Bid and the Consultation Parties.

If any Bid is determined by the Debtors not to be a Qualified Bid, the Debtors will refund such Acceptable Bidder's Good Faith Deposit and all accumulated interest thereon on or within five business days after the Bid Deadline.

**F. No Qualified Bids.**

If no Qualified Bids are received by the Bid Deadline, then the Auction will not occur, the Term Loan Lenders will be deemed the Winning Bidder, and the Debtors will pursue entry of an order by the Bankruptcy Court confirming the Plan at the Sale Hearing (as defined herein).

**G. Auction.**

If one or more Qualified Bids is received by the Bid Deadline, the Debtors will conduct the Auction with respect to the Debtors' Assets. For the avoidance of doubt, the Debtors may also conduct more than one Auction with respect to non-overlapping material portions of the Debtors' Assets. The Auction will commence on August 12, 2019, at 10:00 a.m., prevailing Eastern Time, at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, or such later time or other place as the Debtors will timely notify any Stalking Horse Bidders and all other Qualified Bidders, in consultation with the Consultation Parties.

The Auction will be conducted in accordance with the following procedures (the "Auction Procedures"):

- (i) the Auction will be conducted openly;
- (ii) only the Qualified Bidders, including any Stalking Horse Bidders and the Agents, will be entitled to bid at the Auction;
- (iii) the Qualified Bidders, including any Stalking Horse Bidders and the Agents, must appear in person or through duly-authorized representatives at the Auction;
- (iv) only such authorized representatives of each of the Qualified Bidders (including any Stalking Horse Bidders), the Debtors, their respective advisors, the Committee members, and the advisors to the Consultation Parties will be permitted to attend the Auction;
- (v) bidding at the Auction will begin at the Initial Minimum Overbid;
- (vi) subsequent Bids at the Auction, including any Bids by any Stalking Horse Bidder, must be made in minimum increments of \$1 million (or such other amount as the Debtors may determine in consultation with the Consultation Parties, which amount may be higher or lower than \$1 million) of additional value after payment of the Bid Protections to any Stalking Horse Bidders, if applicable;
- (vii) each Qualified Bidder will be informed of the terms of the previous Bids;
- (viii) the bidding will be transcribed to ensure an accurate recording of the bidding at the Auction;
- (ix) each Qualified Bidder will be required to confirm on the record of the Auction that it has not engaged in any collusion with respect to the bidding or the Sale;
- (x) the Auction will not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an overbid at the Auction to the then prevailing highest Bid, subject to the Debtors' right to require, and in consultation with the Consultation Parties, last and final Bids to be submitted on a "blind" basis;

- (xi) the Debtors reserve the right, in their reasonable business judgment and in consultation with the Consultation Parties, to adjourn the Auction one or more times to, among other things, (a) facilitate discussions between the Debtors and Qualified Bidders, (b) allow Qualified Bidders to consider how they wish to proceed, and (c) provide Qualified Bidders the opportunity to provide the Debtors with such additional evidence as the Debtors, in their reasonable business judgment and in consultation with the Consultation Parties, may require that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed transaction at the prevailing amount; and
- (xii) the Auction will be governed by such other Auction Procedures as may be announced by the Debtors and their advisors, after consultation with the Consultation Parties, from time to time on the record at the Auction; *provided* that such other Auction Procedures are (a) not inconsistent with the Bidding Procedures Order, the Bankruptcy Code, or any other order of the Bankruptcy Court, (b) disclosed orally or in writing to all Qualified Bidders, and (c) determined by the Debtors, in consultation with the Consultation Parties and in good faith, to further the goal of attaining the highest or otherwise best offer for the Assets.

For the avoidance of doubt, nothing in the Auction Procedures will prevent the Debtors from exercising their respective fiduciary duties under applicable law (as reasonably determined in good faith by the Debtors).

#### **H. Acceptance of the Successful Bid or Successful Bids.**

Upon the conclusion of the Auction (if such Auction is conducted), the Debtors, in the exercise of their reasonable, good-faith business judgment, and in consultation with the Consultation Parties, will identify the highest or otherwise best Qualified Bid or Qualified Bids for the Assets (each, a “Successful Bid”), which will be determined by considering, among other things, (a) the type and amount of Assets sought to be purchased in the Bid or Bids, (b) the total expected consideration to be received by the Debtors, (c) the likelihood of the Qualified Bidder or Qualified Bidders’ ability to close a transaction and the timing thereof (including any anticipated delays to Closing and the cost to the Debtors of such delays), (d) the expected net benefit to the estates, (e) the impact on vendors, landlords, and employees, including, but not limited to, any union, (f) the certainty of the Debtors being able to confirm a plan (whether the Plan or some other plan), and (g) any other criteria as may be considered by the Debtors in their reasonable, good-faith business judgment and in consultation with the Consultation Parties. For the avoidance of doubt, the Debtors may select more than one Qualified Bid to collectively serve as a Successful Bid if each such Qualified Bid contemplates the purchase of different Assets. The Qualified Bidder or Qualified Bidders having submitted the Successful Bid or Successful Bids will be deemed the “Winning Bidder” or “Winning Bidders,” as applicable. For the avoidance of doubt, if there is no third party Winning Bidder or Winning Bidders, the Term Loan Lenders will be considered to have submitted the Successful Bid and shall be designated the Winning Bidder in accordance with the Plan. The Winning Bidder or Winning Bidders and the Debtors must, as soon as commercially reasonably practicable, complete and sign all agreements, contracts, instruments, or other



documents evidencing and containing the terms upon which such Successful Bid or Successful Bids were made.

The Debtors will present the results of the Auction to the Bankruptcy Court at the Sale Hearing (as defined herein), at which certain findings will be sought from the Bankruptcy Court regarding the Auction, including, among other things, that (a) the Auction was conducted, and the Winning Bidder or Winning Bidders were selected, in accordance with these Bidding Procedures, (b) the Auction was fair in substance and procedure, and (c) consummation of the Successful Bid or Successful Bids will provide the highest or otherwise best value for the Debtors' Assets and is in the best interests of the Debtors' estates.

If an Auction is held, the Debtors will be deemed to have accepted a Qualified Bid only when (a) such Qualified Bid is declared a Successful Bid at the Auction, and (b) definitive documentation has been executed in respect thereof. Such acceptance is conditioned upon approval by the Bankruptcy Court of the Successful Bid or Successful Bids and entry of an order approving such Successful Bid or Successful Bids and confirming the Plan (the "Confirmation Order").

#### **I. Sale Hearing.**

A hearing before the Bankruptcy Court to consider approval of the Successful Bid or Successful Bids (the "Sale Hearing"), pursuant to which the Debtors and the Winning Bidder or Winning Bidders will consummate the Sale, will be held on September 4, 2019, at 11:00 a.m., prevailing Eastern Time, before the Honorable Michael E. Wiles, United States Bankruptcy Judge for the Bankruptcy Court for the Southern District of New York at One Bowling Green, New York, New York 10004.

**The Sale Hearing may be continued to a later date by the Debtors by sending notice prior to, or making an announcement at, the Sale Hearing. No further notice of any such continuance will be required to be provided to any party.**

At the Sale Hearing, the Debtors will present the Successful Bid or Successful Bids to the Bankruptcy Court for approval.

#### **J. Designation of Back-Up Bidder or Back-Up Bidders.**

If for any reason the Winning Bidder or Winning Bidders fail to consummate the Qualified Bid or Qualified Bids within the time permitted after the entry of the Confirmation Order approving the Sale to the Winning Bidder or Winning Bidders, then the Qualified Bidder or Qualified Bidders with the next-highest or otherwise second-best Bid or Bids (each, a "Back-Up Bidder"), as determined by the Debtors after consultation with their advisors and the Consultation Parties, at the conclusion of the Auction and announced at that time to all the Qualified Bidders participating therein, will automatically be deemed to have submitted the highest or otherwise best Bid or Bids (each, a "Back-Up Bid"), and the Debtors will be authorized, but not required, to consummate the transaction pursuant to the Back-Up Bid or Back-Up Bids as soon as is commercially reasonable without further order of the Bankruptcy Court upon at least 24 hours advance notice, which notice will be filed with the Bankruptcy Court. Upon designation of the Back-Up Bidder or Back-Up Bidders at the Auction, the Back-Up Bid or Back-Up Bids must

remain open until the Closing of the Successful Bid or Successful Bids, as applicable, notwithstanding any outside date set forth in such Back-Up Bidder or Back-Up Bidders' proposed purchase agreement.

**K. Return of Good Faith Deposit to Qualified Bidders that Submit Qualified Bids.**

The Good Faith Deposit of the Winning Bidder or Winning Bidders will, upon consummation of the Successful Bid or Successful Bids, become property of the Debtors' estates and be credited to the portion of the Purchase Price. If the Winning Bidder or Winning Bidders (or Back-Up Bidder or Back-Up Bidders, if applicable) fails to consummate the Successful Bid or Successful Bids (or Back-Up Bid or Back-Up Bids, if applicable), then the Good Faith Deposit of such Winning Bidder or Winning Bidders (or Back-Up Bidder or Back-Up Bidders, if applicable) will be irrevocably forfeited to the Debtors and may be retained by the Debtors as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtors.

The Good Faith Deposit of any unsuccessful Qualified Bidders (except for the Back-Up Bidder or Back-Up Bidders and any Stalking Horse Bidders) will be returned within five business days after consummation of the Sale or upon the permanent withdrawal of the proposed Sale of the Debtors' Assets. The Good Faith Deposit of the Back-Up Bidder or Back-Up Bidders, if any, will be returned to such Back-Up Bidder or Back-Up Bidders no later than five business days after the Closing with the Winning Bidder or Winning Bidders for the Assets bid upon by such Back-Up Bidder or Back-Up Bidders. The return of any Good Faith Deposit of any Stalking Horse Bidders will be subject to the terms of such Stalking Horse Bidders' applicable asset purchase agreements.

All deposits shall be held in escrow and at no time shall be deemed property of the Debtors' estates absent further order of the Bankruptcy Court.

**L. Reservation of Rights.**

The Debtors reserve their rights, in consultation with the Consultation Parties, to modify these Bidding Procedures in good faith, to further the goal of attaining the highest or otherwise best offer for the Assets, or impose, at or prior to the Auction, additional terms and conditions on the Sale of the Assets. The Debtors shall provide notice of any such modification to any Qualified Bidder, including any Stalking Horse Bidders. Notwithstanding anything to the contrary herein, the Debtors, in consultation with the Consultation Parties, may elect to consummate the Sale under section 363(f) of the Bankruptcy Code as opposed to pursuant to the Plan with the Winning Bidder or Winning Bidders, but, for the avoidance of doubt, the Debtors prefer that the Sale be accomplished through the Plan.

**M. Consent to Jurisdiction.**

All Qualified Bidders at the Auction will be deemed to have consented to the jurisdiction of the Bankruptcy Court and waived any right to a jury trial in connection with any disputes relating to the Sale, the Auction, the construction and enforcement of these Bidding Procedures, and/or the Preliminary Bid Documents, as applicable.

Any parties raising a dispute relating to these Bidding Procedures must request that such dispute be heard by the Bankruptcy Court on an expedited basis.

**N. Fiduciary Out.**

Nothing in these Bidding Procedures will require the board of directors, board of managers, or such similar governing body of a Debtor or non-debtor affiliate to take any action, or to refrain from taking any action, with respect to these Bidding Procedures, to the extent such board of directors, board of managers, or such similar governing body reasonably determines in good faith, that taking such action, or refraining from taking such action, as applicable, is required to comply with applicable law or its fiduciary obligations under applicable law.

**O. Sale Is As Is/Where Is.**

The Assets sold pursuant to these Bidding Procedures will be conveyed at the Closing in their then-present condition, **“as is, with all faults, and without any warranty whatsoever, express or implied.”**

\* \* \* \* \*

**Exhibit 2**

**Sale Notice**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:	)	Chapter 11
	)	
HOLLANDER SLEEP PRODUCTS, LLC, <i>et al.</i> , <sup>1</sup>	)	Case No. 19-11608 (MEW)
	)	
Debtors.	)	(Jointly Administered)
	)	

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**NOTICE OF BIDDING PROCEDURES,  
POTENTIAL AUCTION, AND SALE HEARING**

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**PLEASE TAKE NOTICE** that the above-captioned debtors and debtors in possession (collectively, the “Debtors”)<sup>2</sup> each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) on May 19, 2019 (the “Petition Date”).

**PLEASE TAKE FURTHER NOTICE** that on the Petition Date, the Debtors filed a motion [Docket No. 22] (the “Motion”) and a chapter 11 plan of reorganization (including all exhibits thereto, and as may be amended, restated, supplemented, or otherwise modified from time to time in accordance with its terms, the “Plan”) seeking, among other things, the entry of an order approving (a) bidding procedures (the “Bidding Procedures”) in connection with the proposed auction (the “Auction”) and sale (the “Sale”) of some or all of the assets of the Debtors’ (the “Assets”) to one or more successful bidders under the Plan, (b) the selection of a Stalking Horse Bidder and the payment of Bid Protections, in certain instances defined in the Bidding Procedures, and (c) scheduling dates and deadlines in connection with approval of the Sale (the “Sale Schedule”).

**PLEASE TAKE FURTHER NOTICE** that on \_\_\_\_\_, 2019, the Bankruptcy Court entered an order [Docket No. [●]] (the “Bidding Procedures Order”) granting certain of the relief sought in the Motion, including, among other things, approving the Bidding Procedures and the Sale Schedule.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used in this notice and not immediately defined have the meanings given to such terms in the Bidding Procedures (as defined herein).

**Contact Persons for Parties Interested in Submitting a Bid**

The Bidding Procedures set forth in detail the requirements for submitting Preliminary Bid Documents and Qualified Bids, and any person interested in making an offer to purchase the Assets **must** comply strictly with the Bidding Procedures. **Only Preliminary Bid Documents and Qualified Bids that are submitted in accordance with the Bidding Procedures will be considered by the Debtors.** Any persons interested in making an offer to purchase the Assets should contact:

<b>Proposed Financial Advisor and Investment Banker to the Debtors</b>	<b>Proposed Counsel to the Debtors</b>
Houlihan Lokey Capital, Inc. 245 Park Avenue, 32nd Floor New York, New York 10167 Attn: David Salemi (DSalemi@HL.com) and Tom Hedus (THedus@HL.com)	Kirkland & Ellis LLP 601 Lexington Avenue New York, New York 10022 Attn: Christopher T. Greco, P.C. (cgreco@kirkland.com) and Derek I. Hunter (derek.hunter@kirkland.com)  -and-  300 North LaSalle Chicago, Illinois 60654 Attn: Joseph M. Graham (joe.graham@kirkland.com) and Laura E. Krucks (laura.krucks@kirkland.com)

**Obtaining Information**

Copies of the Bidding Procedures Order, the Bidding Procedures, the Plan, and any other related documents are available upon request to Omni Management Group, the Debtors' notice and claims agent, by calling (844) 212-9942 (Domestic) or (818) 906-8300 (International), or by visiting the case website at [www.omnimgt.com/cases/hollander](http://www.omnimgt.com/cases/hollander).

**The Sale Schedule**

1. The deadline to submit the Preliminary Bid Documents (the "**Preliminary Bid Deadline**") is **July 15, 2019, at 4:00 p.m., prevailing Eastern Time.**
2. The deadline to submit a Qualified Bid (the "**Bid Deadline**") is **August 8, 2019, at 4:00 p.m., prevailing Eastern Time.**
3. The Auction for the Assets, if one is necessary, will commence on **August 12, 2019, at 10:00 a.m., prevailing Eastern Time,** at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, or at such later time or other place as the Debtors will timely notify any Stalking Horse Bidders and all other Qualified Bidders.
4. The deadline to file an objection with the Bankruptcy Court to the entry of an order approving the Sale is **August 28, 2019, at 4:00 p.m., prevailing Eastern Time** (the "**Sale Objection Deadline**").

5. A hearing to consider approval of the proposed Sale will be held before the Honorable Michael E. Wiles of the Bankruptcy Court on **September 4, 2019, at 11:00 a.m., prevailing Eastern Time**, or such other date as determined by the Bankruptcy Court, at One Bowling Green, New York, New York 10004-1408.

**Filing Objections to the Disclosure Statement, the Plan, or the Sale**

Any objection to the Sale must (a) be in writing, (b) state with specificity the nature of such objection, (c) comply with the applicable provisions of the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, and any case management order entered by the Bankruptcy Court, and (d) be filed with the Bankruptcy Court and served upon, so as to be **actually received** on or prior to the Sale Objection Deadline by the following parties (i) proposed counsel to the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Christopher T. Greco, P.C. (cgreco@kirkland.com) and Derek I. Hunter (derek.hunter@kirkland.com), and 300 North LaSalle Street, Chicago, Illinois 60654, Attn: Joseph M. Graham (joe.graham@kirkland.com) and Laura E. Krucks (laura.krucks@kirkland.com), (ii) counsel to the proposed DIP ABL Agent and the ABL Agent, Goldberg Kohn Ltd., 55 East Monroe, Suite 3300, Chicago, Illinois 60603, Attn: Randall Klein (Randall.Klein@goldbergkohn.com), (iii) counsel to the proposed DIP Term Loan Agent and the Term Loan Agent, King & Spalding LLP, 1180 Peachtree Street NE, Atlanta, Georgia 30309, Attn: W. Austin Jowers (ajowers@kslaw.com) and Stephen M. Blank (sblank@kslaw.com), (iv) counsel to the Sponsor, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn: Adam Rogoff (arogoff@kramerlevin.com), (v) counsel to the Official Committee of Unsecured Creditors, Pachulski Stang Ziehl & Jones, LLP, 780 Third Avenue, Suite 3400, New York, New York 10027, Attn: Bradford J. Sandler, Robert J. Feinstein and Jeffrey Pomerantz (bsandler@pszjlaw.com, rfeinstein@pszjlaw.com, jpomerantz@pszjlaw.com), and (vi) the Office of the United States Trustee for the Southern District of New York, U.S. Federal Office Building, 201 Varick Street, Room 1006, New York, New York 10014, Attn: Shannon Scott and Paul Schwartzberg.

**Consequences of Failing to Timely File an Objection**

**Any party or entity who fails to timely file an objection to the Sale on or before the Sale Objection Deadline in accordance with the Bidding Procedures Order, shall be forever barred from asserting any objection to the Sale of the Assets.**

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## **SCHEDULE D – FINAL CRITICAL VENDORS ORDER**



**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)  
) Case No. 19-11608 (MEW)  
)  
) (Jointly Administered)  
)  
) **Re: Docket No. 6**

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**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO PAY  
PREPETITION CLAIMS OF (A) LIEN CLAIMANTS, (B) IMPORT CLAIMANT,  
(C) 503(B)(9) CLAIMANTS, (D) FOREIGN VENDORS, AND (E) CRITICAL VENDORS,  
(II) CONFIRMING ADMINISTRATIVE EXPENSE PRIORITY OF OUTSTANDING  
ORDERS, AND (III) GRANTING RELATED RELIEF**

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Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of this final order (this “Final Order”), (a) authorizing the Debtors to pay in the ordinary course of business prepetition claims held by certain (i) Lien Claimants, (ii) Import Claimant, (iii) 503(b)(9) Claimants, (iv) Foreign Vendors, and (v) Critical Vendors, collectively, in an amount not to exceed \$4.0 million on an interim basis and \$6.0 million on a final basis, (b) confirming the administrative expense priority of outstanding orders, and (c) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having the power to enter

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.
2. The Debtors are authorized, but not directed, in their sole discretion, to pay the Vendor Obligations in an aggregate amount not to exceed \$6.0 million on a final basis; *provided, however*, that the Debtors are authorized, but not directed, in the reasonable exercise of their business judgment, to pay Critical Vendor Claims and Foreign Vendor Claims upon such terms and in the manner provided in this Final Order and the Motion if (i) such claims are afforded priority under section 503(b)(9) of the Bankruptcy Code, (ii) the Debtors determine that the failure to make such payment creates an immediate risk of (a) causing an environmental hazard or posing significant risk to the environment or (b) posing a threat to health and public safety, or (iii) the Debtors determine that in the absence of making such payment, the Debtors would suffer a loss of value in excess of such payment amount and the Debtors determine that there is a risk of immediate loss of value if they do not make such payment.

3. The Debtors are authorized, but not directed, in their sole discretion, to require that, as a condition to receiving any payment under this Final Order, a payee maintain or apply, as applicable, Customary Terms subject to the following:

- a. The Debtors shall provide the Official Committee of Unsecured Creditors' (the "UCC") professionals with a list, which may be provided by electronic mail, of any Critical Vendors sought to be paid (the "Critical Vendor List"), which shall identify the following information to the extent that such information is reasonably available to the Debtors: (i) the Debtor(s) against which the Critical Vendor is asserting a claim; (ii) the amount of the Critical Vendor Claim; (iii) the Critical Vendor; (iv) the basis for the Critical Vendor Claim, including the amount of such claim that is entitled to priority under section 503(b)(9) of the Bankruptcy Code and the amount that is a general unsecured claim; and (v) any other information reasonably requested by the UCC; *provided* that the UCC's professionals shall keep the Critical Vendor List confidential and not disclose any of the information in the matrix to anyone including but not limited to any member of the UCC without the prior written consent of the Debtors.
- b. The UCC shall have through 5:00 p.m. prevailing Eastern Time on the second day after receipt of the Critical Vendor List to review the Critical Vendor List (the "List Review Period") and notify the Debtors in writing, which may be by electronic mail, of any issues with respect to the payment of any Critical Vendor above \$500,000.
- c. If the UCC does not notify the Debtors of any issues by the expiration of the List Review Period, or if the UCC consents to the proposed Critical Vendor payments before expiration of the List Review Period, the Debtors shall be permitted to pay the respective Critical Vendors, subject to the terms of this Final Order.
- d. If the UCC timely notifies the Debtors of any issue with respect to any Critical Vendor payment prior to the expiration of the List Review Period (a "Questioned Payment"), then the Debtors and the UCC shall attempt to resolve the issues surrounding such payment consensually. If no consensual resolution is reached by the date that is five days following delivery of notice of the proposed payment (the "Resolution Date"), the UCC may file a formal objection on the docket and any such objection shall be resolved by the Court at a hearing to be scheduled at the Court's earliest convenience. If the UCC fails to object within two business days of the Resolution Date, the Debtors shall be authorized to make the proposed payment without further Court order; *provided* that the Debtors may pay any other Critical Vendor Claim on the Critical Vendor List other than any Questioned Payment.

- e. The Debtors shall provide to the UCC a weekly reporting of all prior Critical Vendor amounts paid from the Petition Date through the date of the Critical Vendor report; *provided* that the Debtors shall only be required to provide such reporting in weeks following additional Critical Vendor payments.

4. The Debtors' reserve the right to require more favorable trade terms with any holder of a Vendor Obligation as a condition to payment of any prepetition claim. If a payee, after receiving a payment under this Final Order, ceases to provide Customary Terms, then the Debtors may, in their sole judgment, deem such payment to apply instead to any postpetition amount that may be owing to such payee or treat such payment as an avoidable postpetition transfer of property. Any party that accepts payment from the Debtors on account of a Vendor Obligation shall be deemed to have agreed to the terms and provisions of this Final Order.

5. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' or any other party in interest's right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion or a finding that any particular claim is an administrative expense or other priority claim; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the rights of any party in interest under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

6. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, whether such checks or other requests were submitted prior to, or after, the Petition Date, provided that sufficient funds are on deposit and standing in the Debtors' credit in the applicable bank accounts to cover such payments, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order without any duty of further inquiry and without liability for following the Debtors' instructions.

7. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

8. Notwithstanding the relief granted in this Final Order, any payment made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with any orders entered by the Court approving the Debtors' entry into any postpetition debtor-in-possession financing facility and any budget in connection therewith and/or authorizing the Debtors' use of cash collateral and any budget in connection therewith.

9. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

10. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

11. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

12. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

New York, New York  
Dated: July 2, 2019

s/Michael E. Wiles

THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE

## **SCHEDULE E – FINAL WAGES ORDER**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)  
) Case No. 19-11608 (MEW)  
)  
) (Jointly Administered)  
)  
) **Re: Docket No. 5**

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**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO (A) PAY PREPETITION  
EMPLOYEE WAGES, SALARIES, OTHER COMPENSATION, AND REIMBURSABLE  
EMPLOYEE EXPENSES AND (B) CONTINUE EMPLOYEE BENEFITS PROGRAMS  
AND (II) GRANTING RELATED RELIEF**

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Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”), (a) authorizing the Debtors to (i) pay certain prepetition employee wages, salaries, other compensation, and reimbursable employee expenses, and (ii) continue employee benefits programs in the ordinary course, including payment of certain prepetition obligations related thereto, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.



and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.
2. The Debtors are authorized, but not directed, to continue and/or modify, change, or discontinue the Employee Compensation and Benefits Programs all in accordance with historical practice and to honor and pay, in the ordinary course and in accordance with the Debtors' prepetition policies and prepetition practices, any obligations on account of the Employee Compensation and Benefits Programs, irrespective of whether such obligations arose prepetition or postpetition.
3. Nothing herein shall be deemed to authorize the payment of any prepetition amounts above the statutory cap imposed by section 507(a)(4) of the Bankruptcy Code with respect to prepetition amounts owed on account of the Employee Compensation and Benefits Programs, except upon further order of this Court.
4. Nothing herein shall be deemed to authorize the payment of any amounts which violates or implicates section 503(c) of the Bankruptcy Code, *provided* that nothing herein shall prejudice the Debtors' ability to seek approval of relief pursuant to section 503(c) of the Bankruptcy Code at a later time.
5. Pursuant to section 362(d) of the Bankruptcy Code, (a) Employees are authorized to proceed with their workers' compensation claims in the appropriate judicial or administrative

forum under the Workers' Compensation Program, and the Debtors are authorized to pay all prepetition amounts relating thereto in the ordinary course of business and (b) the notice requirements pursuant to Bankruptcy Rule 4001(d) with respect to clause (a) are waived, *provided, however*, that no collateral or letters of credit shall be increased on account of any current policies or future policies absent prior consent of the Official Committee of Unsecured Creditors appointed in these chapter 11 cases (not to be unreasonably withheld, conditioned, or delayed) or further Court order. This modification of the automatic stay pertains solely to claims under the Workers' Compensation Program and any such claims must be pursued in accordance with the applicable Workers' Compensation Program. Payment on account of any recoveries obtained in connection with a claim brought pursuant to this paragraph is limited to the terms and conditions of the applicable Workers' Compensation Program, including with regard to any policy limits or caps.

6. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' or any other party in interest's right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion or a finding that any particular claim is an administrative expense or other priority claim; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the rights of any party in interest under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the rights of all parties in

interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

7. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, whether such checks or other requests were submitted prior to, or after, the Petition Date, *provided* that sufficient funds are on deposit and standing in the Debtors' credit in the applicable bank accounts to cover such payments, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order without any duty of further inquiry and without liability for following the Debtors' instructions.

8. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

9. Notwithstanding the relief granted in this Final Order, any payment made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with any orders entered by the Court approving the Debtors' entry into any postpetition debtor-in-possession financing facility and any budget in connection therewith and/or authorizing the Debtors' use of cash collateral and any budget in connection therewith.

10. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

11. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

12. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

13. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

New York, New York  
Dated: July 2, 2019

s/Michael E. Wiles

THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE

## **SCHEDULE F – CARL MARKS ORDER**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,<sup>1</sup>

Debtors.

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)  
) Chapter 11  
)  
) Case No. 19-11608 (MEW)  
)  
) (Jointly Administered)  
)  
) **Re: Docket No. 64**

**ORDER AUTHORIZING THE DEBTORS TO (A) RETAIN  
CARL MARKS ADVISORY GROUP LLC TO PROVIDE THE DEBTORS A CHIEF  
EXECUTIVE OFFICER, A CHIEF FINANCIAL OFFICER, AND ADDITIONAL  
PERSONNEL AND (B) APPOINT THE CHIEF EXECUTIVE OFFICER  
AND CHIEF FINANCIAL OFFICER *NUNC PRO TUNC* TO THE PETITION DATE**

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Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), pursuant to sections 105(a) and 363(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), for authorization to employ and retain Marc L. Pfefferle as the Chief Executive Officer (the “CEO”) and Scott Pasquith as the Chief Financial Officer (the “CFO”) along with such personnel of Carl Marks Advisory Group LLC (“CMAG”) as are necessary to assist the CEO and CFO in the performance of their duties (the “Additional Personnel”), pursuant to that agreement dated May 17, 2019, among the Debtors and CMAG (as amended, the “Engagement Letter”), all as more fully described in the Motion; and upon the declaration of Marc L. Pfefferle in support of the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as provided herein.
2. The terms of the Engagement Letter, including, without limitation, the compensation provisions and the indemnification provisions, as modified by the Motion and this Order, are reasonable terms and conditions of employment and are hereby approved.
3. Pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, the Debtors are hereby authorized to retain CMAG to provide Debtors with a CEO, a CFO, and certain Additional Personnel and to designate Marc L. Pfefferle as the Debtors' CEO and Scott Pasquith as the Debtors' CFO *nunc pro tunc* to the Petition Date on the terms set forth in the Engagement Letter subject to the following terms, which apply notwithstanding anything in the Engagement Letter or the Motion or any exhibits related thereto to the contrary:
  - (a) CMAG and its affiliates shall not act in any other capacity (for example, and without limitation, as a financial advisor, claims agent/claims administrator, or investor/acquirer) in connection with the above-captioned cases.

- (b) In the event the Debtors seek to have CMAG personnel assume executive officer positions that are different than the positions disclosed in the Motion, or to materially change the terms of the engagement by either (i) modifying the functions of personnel, (ii) adding new executive officers, or (iii) altering or expanding the scope of the engagement, a motion to modify the retention shall be filed.
- (c) CMAG shall file monthly with the Court, with copies to the United States Trustee ("U.S. Trustee") and all official committees, a report of staffing on the engagement for the previous month. Such report shall include the names and functions filled of the individuals assigned. All staffing shall be subject to review by the Court in the event an objection is filed.
- (d) No principal, employee, or independent contractor of CMAG and its affiliates shall serve as a director of any of the above-captioned Debtors during the pendency of the above-captioned cases.
- (e) CMAG shall file with the Court, and provide notice to the U.S. Trustee and all official committees, monthly reports of compensation earned and expenses incurred. Such reports shall contain summary charts which describe the services provided, identify the compensation earned by each executive officer and staff employee provided, and itemize the expenses incurred. Time records shall: (i) be appended to the reports; (ii) contain detailed time entries describing the tasks performed; (iii) be organized by project category, and (iv) the time entries shall identify the time spent completing each task in 30 minute increments and the corresponding charge (time multiplied by hourly rate) for each task. All compensation shall be subject to review by the Court.
- (f) Notwithstanding the requirements of paragraph (e) above, the Debtors are authorized, but not directed, to pay, in the ordinary course of business and in accordance with the terms set forth in the Engagement Letter, all amounts invoiced by CMAG for fees and expenses incurred in connection with CMAG's retention. However, such amounts shall remain subject to further Court approval, and shall be repaid if such Court approval is not obtained. More particularly, CMAG shall file with the Court, and provide notice to the United States Trustee and all official committees, on at least a quarterly basis, interim applications for approval of its compensation. CMAG shall also file a final application for approval of compensation at the conclusion of its engagement. CMAG's interim and final applications shall be subject to review for reasonableness and approval by the Court using the same standards that otherwise would apply to applications made pursuant to sections 330 and 331 of the Bankruptcy Code.
- (g) Success fees, transaction fees, or other back-end fees shall be approved by the Court at the conclusion of the case on a reasonableness standard and are not being pre-approved by entry of this Order. No success fee,



transaction fee, or back-end fee shall be sought upon conversion of the case, dismissal of the case for cause, or appointment of a trustee.

- (h) For a period of three years after the conclusion of the engagement, neither CMAG nor any of its affiliates shall make any investments in the Debtors or the Reorganized Debtors.
- (i) CMAG shall disclose any and all facts that may have a bearing on whether CMAG, its affiliates, and/or any individuals working on the engagement have any interest materially adverse to the interest of the Debtors' estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason. The obligation to disclose identified in this subparagraph is a continuing obligation.

4. The indemnification provisions in the Engagement Letter are subject to the following:

- (a) subject to the provisions of subparagraphs (b) and (c) below, the Debtors are authorized to indemnify, and shall indemnify, CMAG for any claims arising out of or related to CMAG's engagement under, or any matter referred to in, the Engagement Letter and/or the services to be provided by CMAG as specified in the Motion, but not for any claim arising from, related to, or in connection with CMAG's performance of any other services not in connection with the engagement, unless such services and indemnification therefor are approved by this Court;
- (b) the Debtors shall have no obligation to indemnify CMAG for any claim or expense that is either (i) judicially determined (the determination having become final) to have resulted primarily from CMAG's actual fraud, gross negligence, bad faith, breach of fiduciary duty (if any), self dealing, or willful misconduct, or (ii) settled prior to a judicial determination as to CMAG's actual fraud, gross negligence, bad faith, breach of fiduciary duty (if any), self dealing, or willful misconduct, but determined by this Court, after notice and a hearing pursuant to subparagraph (c) *infra*, to be a claim or expense for which CMAG is not entitled to receive indemnity under the terms of the Engagement Letter as modified by this Order; and
- (c) if, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing these chapter 11 cases, CMAG believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, reimbursement, and/or contribution obligations under the Engagement Letter (as modified by this Order), including, without limitation, the advancement of defense costs, CMAG must file an application therefor in this Court, and

the Debtors may not pay any such amounts to CMAG before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by CMAG for indemnification, contribution, or reimbursement, and not as a provision limiting the duration of the Debtors' obligation to indemnify or provide contribution or reimbursement to CMAG.

5. Notwithstanding anything contained in paragraph 5 or paragraph 7 of the Engagement Letter, the Debtors are not obligated or authorized to reimburse CMAG's expenses for legal counsel incurred (i) defending challenges to CMAG's fees or (ii) responding to or complying with discovery requests, including depositions, subpoenas, answering interrogatories, or similar court process to the extent such discovery requests are directed to CMAG, and not to the Debtors.

6. Paragraphs 11 ("Limitation on CMAG Liability") and 23 ("Search Fees") of the Engagement Letter are stricken.

7. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004 are waived.

8. The Debtors are authorized and empowered to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

9. Notwithstanding any Bankruptcy Rule to the contrary, this Order shall be immediately effective and enforceable upon its entry.

10. To the extent there is an inconsistency between the terms of the Engagement Letter, the Motion, and this Order, the terms of this Order shall govern.

11. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

New York, New York  
Dated: July 3, 2019

**s/Michael E. Wiles**

THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE

## **SCHEDULE G – FINAL CASH MANAGEMENT ORDER**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)  
) Case No. 19-11608 (MEW)  
)  
) (Jointly Administered)  
)  
) **Re: Docket No. 4**

**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO  
(A) CONTINUE TO OPERATE THEIR CASH MANAGEMENT SYSTEM,  
(B) HONOR CERTAIN PREPETITION OBLIGATIONS RELATED THERETO,  
(C) MAINTAIN EXISTING BUSINESS FORMS, AND (D) CONTINUE TO PERFORM  
INTERCOMPANY TRANSACTIONS, AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an final order (this “Final Order”), (a) authorizing the Debtors to (i) continue to operate their Cash Management System as illustrated on **Exhibit 1** hereto and maintain their existing Bank Accounts, (ii) honor certain prepetition obligations related thereto, (iii) maintain existing business forms, and (iv) continue to perform Intercompany Transactions with each other and with a non-debtor affiliate consistent with historical practice, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court may enter a final order

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis only as set forth herein and subject to the terms of this Final Order.

2. The Debtors are authorized, but not directed, to: (a) continue using the Cash Management System and honor any prepetition obligations related to the use thereof, including any Bank Fees; (b) designate, maintain, close, and continue to use on a final basis their existing Bank Accounts, including, but not limited to, the Bank Accounts identified on Exhibit 2 hereto, in the names and with the account numbers existing immediately before the Petition Date; (c) deposit funds in, and withdraw funds from, the Bank Accounts by all usual means, including checks, wire transfers, ACH transfers, and other debits; (d) treat their prepetition Bank Accounts for all purposes as debtor in possession accounts; and (e) open new debtor-in-possession Bank Accounts.

3. Notwithstanding anything contained herein, all of the Debtors' Bank Accounts held at Royal Bank of Canada shall not maintain funds in excess of \$100,000 in the aggregate with respect to all such accounts, and any amounts in excess of \$100,000 at the end of a business day

shall be deposited or transferred to any of the Debtors' Bank Accounts that are held at Wells Fargo. The two Bank Accounts that are maintained at Shanghai Pudong Development are for the Debtors' international non-Debtor affiliate, Hollander Sleep Products Trading (Shanghai) Co., LTD.

4. The Debtors are authorized, but not directed, to continue using the Purchase Cards and to pay any prepetition or postpetition amounts due in connection therewith. The Debtors are further authorized to continue to use the Purchase Card Program under the Card Agreement, subject to the terms and conditions thereof and further subject to the terms of any applicable debtor-in-possession financing orders and related loan documents pursuant to which the obligations arising under the Card Agreement are included as obligations thereunder. Wells Fargo may rely on the representations of the Debtors with respect to its use of the Purchase Card Program pursuant to the Card Agreement, and Wells Fargo shall not have any liability to any party for relying on such representations by a Debtor as provided for herein.

5. The Debtors are authorized, but not directed, to continue using, in their present form, the Business Forms, as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date, *provided, however*, that once the Debtors have exhausted their existing stock of Business Forms and checks, they shall ensure that any new Business Forms and checks are clearly labeled "Debtor in Possession" and *provided, further*, that with respect to any Business Forms and checks that are generated electronically, the Debtors shall ensure that such electronic Business Forms and checks are clearly labeled "Debtor in Possession."

6. The Cash Management Banks at which the Bank Accounts are maintained are authorized to (a) continue to service and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course, and to receive, process, honor, and pay any and all checks, drafts, wire transfers, and ACH transfers issued, whether before

or after the Petition Date, and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be, and (b) debit the Debtors' accounts in the ordinary course of business without the need for further order of this Court for (i) all checks drawn on the Debtors' accounts which are cashed at such Cash Management Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date, (ii) all checks or other items deposited in one of the Debtors' accounts with such Cash Management Bank prior to the Petition Date which have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtor was responsible for such items prior to the Petition Date, and (iii) all applicable fees and expenses, including the Bank Fees, associated with the nature of the deposit and cash management services rendered to the Debtors, whether arising prepetition or postpetition, from the applicable Bank Accounts consistent with historical practice, and further, to charge back to the appropriate accounts of the Debtors any amounts resulting from returned checks or other returned items, including returned items that result from ACH transactions, wire transfers, or other electronic transfers of any kind, regardless of whether such returned items were deposited or transferred prepetition or postpetition and regardless of whether the returned items relate to prepetition or postpetition items or transfers.

7. The Debtors will instruct the Cash Management Banks as to which checks, drafts, wire transfers (excluding any wire transfers that the Banks are obligated to settle), or other items presented, issued, or drawn, shall not be honored. Except for those checks, drafts, wires, or other ACH transfers that are authorized or required to be honored under an order of the Court, no Debtor shall instruct or request any Cash Management Bank to pay or honor any check, draft, or other payment item issued on a Bank Account prior to the Petition Date but presented to such Cash Management Bank for payment after the Petition Date.



8. The Cash Management Banks may rely on the representations of the Debtors with respect to whether any check, draft, wire, transfer, or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Final Order or any other order of the Court, and such Cash Management Banks shall not have any liability to any party for relying on such representations by the Debtors as provided for herein, and should a Cash Management Bank honor a prepetition check or other item drawn on any account that is the subject of this Final Order (a) at the direction of the Debtors to honor such prepetition check or item, (b) in a good faith belief that the Court has authorized such prepetition check or item to be honored, or (c) as the result of an innocent mistake made despite implementation of customary item handling procedures, the Cash Management Bank shall not be deemed to be nor shall be liable to the Debtors, their estates, or any other party on account of such prepetition check or other item being honored postpetition or otherwise be in violation of this Final Order.

9. Those certain existing deposit agreements between the Debtors and the Cash Management Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Cash Management Banks, and all of the provisions of such agreements, including, without limitation, the termination, right of offset, analysis fees, overdrafts, and fee and expense provisions, shall remain in full force and effect. Either the Debtors or the Cash Management Banks may, without further order of the Court, implement changes to the cash management systems and procedures in the ordinary course of business pursuant to the terms of those existing deposit agreements and the DIP Orders, as applicable, including, without limitation, the opening and closing of bank accounts.

10. As soon as practicable after entry of this Final Order, the Debtors shall serve a copy of this Final Order on the Banks.

11. The requirement to establish separate accounts for tax payments is hereby waived.

12. The Debtors are authorized to (a) continue performing Intercompany Transactions in the ordinary course of business and (b) set off mutual postpetition obligations relating to intercompany receivables and payables through the Cash Management System arising from or related to the operation of their business in the ordinary course subject to the terms of this Final Order, *provided* that, for the avoidance of doubt, the Debtors shall not be authorized by this Final Order to undertake any other Intercompany Transaction that is not on the same terms as, or materially consistent with, the Debtors' operation of the businesses in the ordinary course during the prepetition period, *provided, further*, that, notwithstanding anything to the contrary contained herein, the Debtors shall not, without the prior written consent of the official committee of unsecured creditors appointed in these cases (the "Committee"), which shall not be unreasonably withheld, conditioned, or delayed, or upon Court approval of a motion which may be filed on seven days' notice, make (a) any transfer to non-Debtor affiliates of amounts in excess of \$250,000 in any calendar month and (b) any investments in or capital contributions to any other Debtor or non-Debtor affiliates. The Committee reserves all rights with respect to any and all prepetition transfers made by and between the U.S. Debtors and Hollander Sleep Products Canada Limited ("Hollander Canada"). The Debtors shall provide the Committee and the Information Officer in the Canadian Proceedings (as defined in the First Day Declaration) reports on a weekly basis (no later than the second business day of the week following the previous week's end) of transfers of cash or other funds made that week from Hollander Canada to the U.S. Debtor entities, if any.

13. Unless prohibited by applicable law, (a) transfers made by Debtors to non-Debtor affiliates and (b) payments to third parties made by Debtors on behalf of non-Debtor affiliates, each pursuant to postpetition Intercompany Transactions, shall be deemed claims against and loans

to such non-Debtor affiliates (and not investments or contributions of capital). Each Debtor making an Intercompany Transfer to any non-Debtor affiliate shall have claims for contribution, reimbursement, or otherwise for the full value of the transfer or advance (including cash) against such non-Debtor affiliate to which such intercompany transfers or advances are made.

14. The Debtors shall continue to maintain current records with respect to all transfers of cash so that all transactions, including the Intercompany Transactions, may be readily ascertained, traced, and recorded properly on applicable intercompany accounts and distinguished between prepetition and postpetition transfers. All Intercompany Claims arising after the Petition Date shall be accorded administrative expense status in accordance with sections 503(b) and 364(b) of the Bankruptcy Code. Notwithstanding the foregoing, the Canadian Intercompany Superiority Administrative Claims (as defined in the DIP Orders) shall be treated in accordance with the DIP Orders.

15. The Debtors shall provide to the Committee reports on a monthly basis (no later than the last day of the month following the previous month's end) that set forth (a) journal entries of all Intercompany Transactions between the Debtor entities and non-Debtor affiliates and between the Debtor entities and Hollander Canada and (b) a schedule of all intercompany cash settlements between the Debtor entities and non-Debtor affiliates and between the Debtor entities and Hollander Canada. The first such monthly report shall be for June 2019 and shall include activity retroactive to the Petition Date. In addition, on a monthly basis (no later than the last day of the month following the previous month's end), the Debtors shall provide the Committee with month-end postpetition intercompany balances between and among all Debtor entities and non-Debtor affiliates, and as soon as practicable after month's end, Debtors shall provide to the Committee month-end cash bank balances for all Debtor entities and non-Debtor affiliates. The

Debtors shall provide copies of all reports and other information described in this paragraph to the Information Officer in the Canadian Proceedings (as defined in the First Day Declaration) concurrently with providing such reports and information to the Committee.

16. No later than seven days following the Debtors' filing of Schedules of Assets and Liabilities, the Debtors shall provide to the Committee the cash bank balances for all Debtor entities and non-Debtor affiliates, as of the Petition Date, and information on all prepetition intercompany balances that have been set off against one another since the Petition Date, including: (a) the amount of each prepetition intercompany balance against which a setoff was effectuated; (b) the identity of each entity (i.e., the name of the Debtor entity and/or non-Debtor affiliate to the setoff); and (c) whether the set off was a cash setoff or non-cash setoff.

17. The Debtors are authorized to open new bank accounts or close any existing Bank Accounts as they may deem necessary and appropriate in their reasonable business judgment, *provided* that any new bank account shall be at a bank that is an authorized depository or at a bank that is willing to execute a Uniform Depository Agreement with the U.S. Trustee, and, to the extent the Debtors close a Bank Account or open a new bank account, they shall provide notice of such closing or opening within fifteen days thereafter to the U.S. Trustee and counsel to the Committee.

18. Except as otherwise provided herein, in the event that a Bank Account does not comply or ceases to comply with the requirements of section 345(b) of the Bankruptcy Code, the Debtors shall have forty-five days thereafter, without prejudice to seeking an additional extension, to come into compliance with section 345(b) of the Bankruptcy Code or sufficient time, in the Debtors' sole discretion, to close such Bank Account or to seek appropriate relief from the Court.

19. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the

validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' or any other party in interest's right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion or a finding that any particular claim is an administrative expense or other priority claim; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the rights of any party in interest under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

20. Nothing contained in this Final Order or any action taken by the Debtors in implementing this Final Order shall be deemed a waiver of the rights of any party-in-interest to dispute the amount of, basis for, validity, or treatment of any Intercompany Claim or the allocation of expenses or other costs between any Debtor entities.

21. Notwithstanding the relief granted in this Final Order, any payment made or to be made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with any order entered by the Court approving the entry into any postpetition debtor-in-possession financing facility and any budget in connection therewith and/or authorizing the Debtors' use of cash collateral and any budget in connection therewith.

22. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

23. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

24. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

25. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

New York, New York  
Dated: July 2, 2019

s/Michael E. Wiles

THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Cash Management System Diagram**





**Exhibit 2**

**Debtor and Non-Debtor Affiliate Bank Accounts**

	Entity	Bank Name	Account Number	Account Type
1	Hollander Sleep Products, LLC	Wells Fargo	x4226	Operating
2	Hollander Sleep Products, LLC	Wells Fargo	x4234	Depository
3	Hollander Sleep Products, LLC	Wells Fargo	x1471	Checking
4	Hollander Sleep Products, LLC	Wells Fargo	x6169	Checking
5	Dream II Holdings, LLC Pacific Coast Feather Cushion, LLC	Wells Fargo	x2581	Depository
6	Dream II Holdings, LLC Pacific Coast Feather, LLC	Wells Fargo	x2851	Depository
7	Dream II Holdings, LLC Pacific Coast Feather, LLC	Wells Fargo	x0451	Checking
8	Dream II Holdings, LLC Pacific Coast Feather, LLC	Wells Fargo	x8006	Depository
9	Dream II Holdings, LLC Pacific Coast Feather Cushion, LLC	Wells Fargo	x2005	Checking
10	Dream II Holdings, LLC Pacific Coast Feather Cushion, LLC	Wells Fargo	x7339	Depository
11	Hollander Sleep Products Canada Limited	Wells Fargo	x7425	Checking
12	Hollander Sleep Products Canada Limited	Royal Bank of Canada	x7471	Checking
13	Hollander Sleep Products Canada Limited	Royal Bank of Canada	x7455	Checking
14	Hollander Sleep Products Canada Limited	Wells Fargo	x7433	Depository
15	Hollander Sleep Products Canada Limited	Royal Bank of Canada	x7463	Depository
16	Hollander Sleep Products Canada Limited	Wells Fargo	x8373	Operating
17	Hollander Sleep Products Canada Limited	Royal Bank of Canada	x3216	Operating
18	Hollander Sleep Products Canada Limited	Royal Bank of Canada	x2580	Depository

	Entity	Bank Name	Account Number	Account Type
19	Hollander Sleep Products Trading (Shanghai) Co., LTD.	Shanghai Pudong Development	x0327	Operating
20	Hollander Sleep Products Trading (Shanghai) Co., LTD.	Shanghai Pudong Development	x0875	Operating

## **SCHEDULE H – FINAL CUSTOMER PROGRAMS ORDER**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11

)  
) Case No. 19-11608 (MEW)

)  
) (Jointly Administered)

)  
) **Re: Docket No. 7**

**FINAL ORDER (A) AUTHORIZING THE DEBTORS  
TO MAINTAIN AND ADMINISTER THEIR EXISTING  
CUSTOMER PROGRAMS AND HONOR CERTAIN PREPETITION  
OBLIGATIONS RELATED THERETO AND (B) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”), (a) authorizing the Debtors to maintain and administer the Customer Programs and honor certain prepetition obligations related thereto, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having the power to enter this Final Order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court; and this Court having determined that the legal and factual bases set forth in the Motion and at the hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.
2. The Debtors are authorized, but not directed, to continue to administer the Customer Programs in the ordinary course and to honor any prepetition obligations related to the Customer Programs.
3. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' or any other party in interest's right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion or a finding that any particular claim is an administrative expense or other priority claim; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the rights of any party in interest under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

4. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, whether such checks or other requests were submitted prior to, or after, the Petition Date, provided that sufficient funds are on deposit and standing in the Debtors' credit in the applicable bank accounts to cover such payments, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order without any duty of further inquiry and without liability for following the Debtors' instructions.

5. Notwithstanding the relief granted in this Final Order, any payment made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with any orders entered by the Court approving the Debtors' entry into any postpetition debtor in possession financing facility and any budget in connection therewith and/or authorizing the Debtors' use of cash collateral and any budget in connection therewith.

6. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Customer Programs.

7. Nothing contained in the Motion or this Final Order is intended or should be construed to create an administrative priority claim on account of any of the Customer Programs.

8. Notice of the Motion as provided therein shall be deemed good and sufficient notice of the Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

9. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

10. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

11. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

New York, New York  
Dated: July 2, 2019

s/Michael E. Wiles

THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE

## **SCHEDULE I – FINAL DIP ABL ORDER**



UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re:

HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)  
) Case No. 19-11608 (MEW)  
)  
) (Jointly Administered)  
)

**FINAL ORDER WITH RESPECT TO PREPETITION ABL SECURED PARTIES AND  
DIP ABL SECURED PARTIES (A) AUTHORIZING THE DEBTORS TO OBTAIN  
POSTPETITION FINANCING, (B) AUTHORIZING THE DEBTORS TO USE CASH  
COLLATERAL, (C) GRANTING LIENS AND PROVIDING SUPERPRIORITY  
ADMINISTRATIVE EXPENSE STATUS, (D) GRANTING ADEQUATE PROTECTION  
TO THE PREPETITION ABL SECURED PARTIES, (E) MODIFYING THE  
AUTOMATIC STAY, AND (F) GRANTING RELATED RELIEF**

Upon the motion, dated May 19, 2019 (the “DIP Motion”) of Hollander Sleep Products, LLC (the “DIP Term Loan Borrower”) and Hollander Home Fashions Holdings, LLC, Hollander Sleep Products Kentucky, LLC, Hollander Sleep Products Canada Limited, Pacific Coast Feather, LLC and Pacific Coast Feather Cushion, LLC (collectively the “DIP ABL Borrowers” and together with the Term Loan Borrower, the “Borrowers”) on behalf of themselves and their affiliated debtors and debtors-in possession (together with Dream II Holdings, LLC (“Parent”), collectively, the “Debtors”) in the above-captioned chapter 11 cases (collectively, the “Cases”), seeking entry of an order (this “Final Order”) pursuant to sections 105, 361, 362, 363, 364(c)(1), 364(c)(2), 364(c)(3), 364(d), 364(e), 507 and 552 of chapter 11 of title 11 of the United States Code (the

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

“Bankruptcy Code”), Rules 2002, 4001, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Local Rule 4001-2, *inter alia*:

(i) authorizing on a final basis the Debtors to obtain \$90 million senior secured postpetition financing on a superpriority basis (the “DIP ABL Credit Facility” and the loans under the DIP ABL Credit Facility, the “DIP ABL Loans”) pursuant to the terms and conditions of that certain Debtor-in-Possession Credit Agreement (as the same may be amended, restated, supplemented, or otherwise modified from time to time, the “DIP ABL Credit Agreement”), by and among the DIP ABL Borrowers, Parent, as guarantor, and such other guarantors thereto from time to time (the “DIP ABL Guarantors”; together with the DIP ABL Borrowers, the “DIP ABL Loan Parties” or “DIP Parties”), Wells Fargo Bank, National Association, as agent (in such capacity, the “DIP ABL Agent”), for and on behalf of itself and the other lenders party thereto (the “DIP ABL Lenders”), the Issuing Lenders (as therein defined) and the Bank Product Providers (as therein defined) (collectively, the “DIP ABL Secured Parties”), substantially in the form of Exhibit B attached to the DIP Motion;

(ii) authorizing on a final basis the Debtors party thereto to execute and deliver the DIP ABL Credit Agreement and any other agreements and documents related thereto (collectively with the DIP ABL Credit Agreement, the “DIP ABL Documents”) and to perform such other acts as may be necessary or desirable in connection with the DIP ABL Documents;

(iii) granting on a final basis the DIP ABL Credit Facility and all obligations owing thereunder and under the DIP ABL Documents to the DIP ABL Agent and DIP ABL Secured Parties (collectively, and including all “Obligations” as described in the DIP ABL Credit

Agreement (including the Last Out DIP Obligations<sup>2</sup>), the “DIP ABL Obligations”) allowed superpriority administrative expense claim status in each of the Cases and any Successor Cases (as defined herein);

(iv) [reserved];

(v) [reserved];

(vi) [reserved];

(vii) granting on a final basis to the DIP ABL Agent, for the benefit of itself and the DIP ABL Secured Parties and the DIP ABL Obligations, automatically perfected security interests in and liens on all of the DIP ABL Collateral (as defined below), including, without limitation, all property constituting “Cash Collateral” as defined in section 363(a) of the Bankruptcy Code, which liens shall be subject to the Carve Out and the priorities set forth herein;

(viii) authorizing and directing the Debtors on a final basis to pay the principal, interest, fees, expenses and other amounts payable under the DIP ABL Documents as such become due, including, without limitation, letter of credit fees (including issuance and other related charges), continuing commitment fees, closing fees, audit fees, appraisal fees, liquidator fees, structuring fees, administrative agent’s fees, the reasonable fees and disbursements of the DIP ABL Agent’s and DIP ABL Secured Parties’ respective attorneys, advisors, accountants and other consultants, all to the extent provided in, and in accordance with, the applicable DIP ABL Documents;

(ix) authorizing the Debtors on a final basis to use the Prepetition Collateral, including the Cash Collateral (each as defined below) of the Prepetition ABL Secured Parties and Prepetition ABL Obligations under the Prepetition ABL Documents, and providing adequate protection to the

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<sup>2</sup> “Last Out DIP Obligations” shall have the meaning ascribed to the term “Last Out Obligations” in the DIP ABL Credit Agreement.

Prepetition ABL Secured Parties and Prepetition ABL Obligations for any Diminution in Value (as defined below) of their interests in the Prepetition Collateral, including the Cash Collateral, as applicable, and subject to the Carve Out; and

(x) vacating and modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the DIP ABL Documents, the Interim Order, and this Final Order.

The Court having considered the DIP Motion, the exhibits attached thereto, the *Declaration of Saul Burian in Support of the Debtors' Motion for Entry of Interim and Final Orders (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Lenders, (E) Modifying the Automatic Stay, (F) Scheduling a Final Hearing, and (G) Granting Related Relief* [Docket No. 19], the DIP ABL Documents, the *Declaration of Marc Pfefferle, Chief Executive Officer of Hollander Sleep Products, LLC, in Support of Debtors' Chapter 11 Petitions and First Day Motions* [Docket No. 3], and the evidence submitted and argument made at the interim hearing (the "Interim Hearing"); and the Court having entered after the Interim Hearing the *Interim Order (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Lenders, (E) Modifying the Automatic Stay, (F) Scheduling a Final Hearing, and (G) Granting Related Relief* [Docket No. 53] (the "Interim Order")<sup>3</sup> and

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<sup>3</sup> To the extent used herein, the following terms will have the meanings ascribed thereto in the Interim Order: DIP Term Loan Credit Facility, DIP Term Loans, DIP Term Loan Credit Agreement, DIP Term Loan Guarantors, DIP Term Loan Parties, DIP Term Loan Lenders, Required DIP Term Loan Lenders, DIP Term Loan Agent, DIP Term Loan Documents, DIP Term Loan Obligations, DIP Term Collateral, Prepetition Term Loan Credit Agreement, Prepetition Term Loan Documents, Prepetition Term Loan Borrower, Prepetition Term Loan Parties,

notice of the Final Hearing having been given in accordance with Bankruptcy Rules 2002, 4001(b), (c) and (d), and all applicable Local Rules; and the final hearing (the "Final Hearing") with respect to the portion of the DIP Motion pertaining to the DIP ABL Credit Facility and the Prepetition ABL Credit Facility having been held on July 1, 2019, and concluded; and all objections, if any, to the relief requested in the DIP Motion pertaining to the DIP ABL Credit Facility and the Prepetition ABL Credit Facility having been withdrawn, resolved by modifications to the Final Order set forth herein, or overruled by the Court; and it appearing that approval of the relief requested in the DIP Motion pertaining to the DIP ABL Credit Facility and the Prepetition ABL Credit Facility is reasonable and in the best interests of the Debtors, their estates, and all parties-in-interest, and is essential for the continued operation of the Debtors' businesses and the preservation of the value of the Debtors' assets; and the Court having determined that the legal and factual bases set forth in the DIP Motion establish just cause for the relief granted herein; and it appearing that the Debtors' entry into the DIP ABL Credit Agreement is a sound and prudent exercise of the Debtors' business judgment; and after due deliberation and consideration, and good and sufficient cause appearing therefor;

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING AND FINAL HEARING, THE COURT MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:<sup>4</sup>

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Prepetition Term Loan Administrative Agent, Prepetition Term Loan Lenders, Prepetition Term Loan Credit Facility, Prepetition Term Loan Permitted Prior Liens, Prepetition Term Loan Obligations, DIP Term Collateral, DIP Term Loan Liens, Prepetition Term Loan Liens, Prepetition Term Loan Adequate Protection Liens, Prepetition Term Loan Superpriority Claim, and Prepetition Term Loan Adequate Protection Payments.

<sup>4</sup> The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

**Deemed Modifications to DIP ABL Credit Agreement and DIP ABL Documents**

1. No restructuring support agreement or plan support agreement has been approved by the Court, and any provision of the DIP ABL Credit Agreement or DIP ABL Documents that purports to obligate the Debtors to the terms of such an agreement, or that purports to make it a default if the Debtors breach any such agreement, shall not be effective unless such agreements are authorized by further order of this Court.

2. The Court has not ruled on the parties' request for a waiver of the application of section 506(c) of the Bankruptcy Code, and the request for such a waiver has been deferred to a future hearing. Any provision of the DIP ABL Credit Agreement or DIP ABL Documents that is conditioned on such a waiver, or that purport to make it a default if such a waiver is not obtained, shall not be effective at this time.

3. No provision in this Order or in the DIP ABL Credit Agreement or DIP ABL Documents shall prevent the Debtors from seeking to refinance the obligations thereunder or from seeking the Court's approval of such a refinancing (including the issuance of liens that are superior to or equal in standing to the liens that secure the obligations under the DIP ABL Credit Agreement or DIP ABL Documents), and it shall not be a default if the Debtors seek or obtain approval of such a refinancing or of such liens, *provided* that the DIP ABL Obligations are repaid in full in accordance with the terms of the DIP ABL Documents upon the consummation of and with the proceeds of any such refinancing.

The DIP ABL Credit Agreement and DIP ABL Documents are deemed to have been amended by the foregoing.

**Findings of Fact**

A. Petition Date. On May 19, 2019 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York (the “Court”).

B. Debtors in Possession. The Debtors have continued in the management and operation of their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Cases.

C. Jurisdiction and Venue. This Court has jurisdiction over the Cases, the DIP Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of the DIP Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). This Court may enter a final order consistent with Article III of the United States Constitution. Venue for the Cases and the proceedings on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The bases for the relief sought in the DIP Motion and granted in the Interim Order and this Final Order are sections 105, 361, 362, 363, 364, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6004, and 9014, and the Local Rules.

D. Committee Formation. On May 30, 2019, the United States Trustee for the Southern District of New York (the “U.S. Trustee”) appointed an official committee of unsecured creditors in these Cases pursuant to section 1102 of the Bankruptcy Code (the “Creditors’ Committee”).

E. Notice. Proper, timely, adequate, and sufficient notice of the Motion has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and no other or further notice of the Motion with respect to the relief requested at the Final Hearing or the entry of this Final Order shall be required. The relief granted herein is necessary for the

continued operation of the Debtors' businesses and the preservation of the value of the Debtors' assets.

F. Debtors' Stipulations. After consultation with their attorneys and financial advisors, and without prejudice to the rights of the Debtors and parties-in-interest as set forth in paragraph 42 herein, the Debtors, on their behalf and on behalf of their estates, admit, stipulate, acknowledge, and agree as follows (paragraphs F(i) through F(xv) below are referred to herein, collectively, as the "Debtors' Stipulations"), which Debtors' Stipulations shall not constitute a finding of this Court in accordance with Local Bankruptcy Rule 4001-2(g)(4) and further, which Debtors' Stipulations shall be deemed not effective solely with respect to any Challenge timely brought or filed prior to the Challenge Period Termination Date, unless and until such Challenge is overruled, settled, or denied by Final Order of the Court:

(i) *Prepetition ABL Facility*. Pursuant to that certain Third Amended and Restated Credit Agreement dated as of June 9, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Prepetition ABL Credit Agreement," and collectively with any other agreements and documents executed or delivered in connection therewith, each as may be amended, restated, supplemented, or otherwise modified from time to time, the "Prepetition ABL Documents")), among (a) the borrowers thereunder (the "Prepetition ABL Borrowers" and together with the "Guarantors" as defined in the Prepetition ABL Credit Agreement, the "Prepetition ABL Loan Parties"), (b) Dream II Holdings, LLC as parent, (c) Wells Fargo Bank, National Association, as agent (in such capacity, the "Prepetition ABL Agent"), sole lead arranger and sole book runner, and (d) the lenders party thereto (the "Prepetition ABL Lenders," and collectively with the Prepetition ABL Agent, the "Issuing Lenders" (as defined under the Prepetition ABL Credit Agreement), and the "Bank Product Providers" (as defined under



the Prepetition ABL Credit Agreement) the “Prepetition ABL Secured Parties” or “Prepetition Secured Parties”), the Prepetition ABL Secured Parties provided credit and other financial accommodations to, and issued letters of credit for the account of, the Prepetition ABL Borrowers pursuant to the Prepetition ABL Documents (the “Prepetition ABL Credit Facility” or “Prepetition Secured Facility”).

(ii) *Prepetition Put Agreement and Existing Participation Agreement.* Pursuant to that certain (i) Put Agreement dated as of November 27, 2018 (the “Put Agreement”) among Sentinel Capital Partners V, L.P., Sentinel Dream Blocker, Inc., and Sentinel Capital Investors V, L.P. (the “Put Purchasers”), Wells Fargo Bank, National Association and SunTrust Bank, as lenders under the Prepetition ABL Credit Agreement, and the Prepetition ABL Agent, in consideration of providing the Prepetition ABL Borrowers with “Last Out Loans” (as defined in the Prepetition ABL Credit Agreement) (the “Last Out Loans”) (the Last Out Loans and any interest, fees, costs, charges, indemnities and other amounts accrued thereon, the “Last Out Obligations”), the Put Purchasers agreed to purchase a one hundred percent subordinated participation interest in the Last Out Loans provided to the Prepetition ABL Borrowers pursuant to the Prepetition ABL Credit Agreement and (ii) Existing Participation Agreement (as defined in the DIP ABL Credit Agreement) and the occurrence of the “Exercise Date” (as defined in the Existing Participation Agreement), upon the occurrence of the Petition Date and “Notice of Put Exercise” (as defined in the Put Agreement) provided by Prepetition ABL Agent, the Put Purchasers acquired the Participation Interest (as defined in the Existing Participation Agreement) in respect of the Last Out Loans and Last Out Obligations (as defined in the Prepetition ABL Credit Agreement).

(iii) *Prepetition ABL Obligations.* The Prepetition ABL Facility provided the Borrowers with, among other things, (x) \$125,000,000 in aggregate Commitments (as defined in

the Prepetition ABL Credit Agreement). As of May 17, 2019, the aggregate principal amount of loans outstanding under the Prepetition ABL Facility was not less than \$61,697,731 plus \$5,136,180 in respect of letters of credit (together with accrued and unpaid interest, and outstanding letters of credit, any reimbursement obligations (contingent or otherwise) in respect of letters of credit, any fees, expenses and disbursements (including, without limitation, attorneys' fees, accountants' fees, auditor fees, appraisers' fees and financial advisors' fees, and related expenses and disbursements), treasury, cash management, bank product and derivative obligations, indemnification obligations, guarantee obligations, and other charges, amounts, and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing, or chargeable in respect of any of the Prepetition ABL Borrower's and certain of the Prepetition ABL Guarantors' obligations pursuant to the Prepetition ABL Documents, including all "Obligations" as defined in the Prepetition ABL Credit Agreement, including the Last Out Obligations, "Existing Secured Canadian Obligations" (as defined in the DIP ABL Credit Agreement), and "Existing Secured US Obligations" (as defined in the DIP ABL Credit Agreement) (collectively, the "Prepetition ABL Obligations" or "Prepetition Secured Obligations").

(iv) *Prepetition ABL Liens and Prepetition ABL Priority Collateral.* As more fully set forth in the Prepetition ABL Documents, prior to the Petition Date, the Prepetition ABL Borrowers and the Prepetition ABL Guarantors granted to the Prepetition ABL Agent, for the benefit of itself and the Prepetition ABL Secured Parties and Prepetition ABL Obligations, a security interest in and continuing lien (the "Prepetition ABL Liens") on substantially all of their assets and property, including, without limitation, (a) a first priority security interest in and continuing lien on the ABL Priority Collateral (as defined in that certain DIP Intercreditor

Agreement referred to and as defined below) and all substitutions, replacements, accessions, products, and proceeds of any of the ABL Priority Collateral, in any form, including insurance proceeds and all claims against third parties for loss or damage to, or destruction of, or other voluntary conversion (including claims in respect of condemnation or expropriation) of any kind or nature of any or all of the foregoing (the “Prepetition ABL Priority Collateral”), and (b) a second priority security interest in and continuing lien on the Term Loan Priority Collateral (as defined in that certain DIP Intercreditor Agreement referred to and as defined below) and all substitutions, replacements, accessions, products, and proceeds of any of the Term Loan Priority Collateral, in any form, including insurance proceeds and all claims against third parties for loss or damage to, or destruction of, or other voluntary conversion (including claims in respect of condemnation or expropriation) of any kind or nature of any or all of the foregoing (collectively, the “Prepetition Term Loan Priority Collateral,” and together with the Prepetition ABL Priority Collateral, the “Prepetition Collateral”).<sup>5</sup>

(v) *Roll-Up of Obligations Under Prepetition ABL Credit Agreement.* All Existing Secured Obligations (as defined under the DIP ABL Credit Agreement as “Obligations” under the Prepetition ABL Credit Agreement (as defined below)), including all accrued and unpaid interest thereon and fees, costs, other charges, and expenses are hereby repaid, deemed repaid, deemed issued or deemed incurred, or otherwise replaced, as applicable, as “Obligations” under the DIP ABL Credit Agreement, subject to the terms herein. Notwithstanding the foregoing, nothing in the Interim Order or this Final Order shall impact the ability for the Court to unwind or partially unwind, after notice and a hearing, the pay down of Obligations under the Prepetition

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<sup>5</sup> Prepetition Term Loan Obligations are not secured by any ABL Canadian Collateral (as defined in the Intercreditor Agreement).

ABL Credit Agreement, in the event there is a timely and successful Challenge (as defined below) to the validity, enforceability, extent, perfection, or priority of the Prepetition ABL Lenders' liens or claims, or a determination that the Prepetition ABL Obligations were undersecured as of the Petition Date, and that the roll-up of Obligations under the Prepetition ABL Credit Agreement unduly advantaged the Prepetition ABL Lenders.

(vi) [Reserved]

(vii) [Reserved]

(viii) [Reserved]

(ix) *Priority of Prepetition ABL Liens; Prepetition Intercreditor Agreement; DIP Intercreditor Agreement.* The Prepetition ABL Agent and Prepetition Term Loan Administrative Agent entered into that certain Intercreditor Agreement dated as of June 9, 2017 (as amended, restated, supplemented, or otherwise modified in accordance with its terms prior to the Petition Date, the "Prepetition Intercreditor Agreement") to govern the respective rights, interests, obligations, priority, and positions of the Prepetition ABL Secured Parties and Prepetition Term Loan Parties with respect to the assets and properties of the Debtors and other obligors, including the Prepetition ABL Priority Collateral and Prepetition Term Loan Priority Collateral. Each of the Prepetition ABL Borrowers and Prepetition Term Loan Borrower acknowledged the Prepetition Intercreditor Agreement. The Prepetition Intercreditor Agreement is binding and enforceable against the Borrowers, the other "Grantors" thereunder, the Prepetition ABL Secured Parties, and the Prepetition Term Loan Parties in accordance with its terms and the Borrowers, such Grantors, the Prepetition ABL Secured Parties, and the Prepetition Term Loan Parties are not entitled to take any action that would be contrary to the provisions thereof. On May 23, 2019, the DIP ABL Agent and DIP Term Loan Agent entered into the Amended and Restated Intercreditor Agreement,

amending and restating the Prepetition Intercreditor Agreement in its entirety (the “DIP Intercreditor Agreement”). The DIP Intercreditor Agreement is binding and enforceable against the Borrowers, the other “Grantors” thereunder, the Prepetition ABL Secured Parties, the Prepetition Term Loan Parties, the DIP ABL Secured Parties and the DIP Term Loan Parties in accordance with its terms and the Borrowers, the Prepetition ABL Secured Parties, the Prepetition Term Loan parties, the DIP ABL Secured Parties and DIP Term Loan Parties are not entitled to take any action that would be contrary to the provisions thereof.

(x) *Validity, Extent, Perfection and Priority of Prepetition ABL Liens and Prepetition ABL Obligations.* Subject to paragraph 42 of this Order, the Debtors acknowledge and agree that as of the Petition Date: (a) the Prepetition ABL Liens on the Prepetition Collateral were valid, binding, enforceable, non-avoidable and properly perfected and were granted to, or for the benefit of, the Prepetition ABL Secured Parties and Prepetition ABL Obligations, for fair consideration and reasonably equivalent value; (b) the Prepetition ABL Liens were senior in priority over any and all other liens on the Prepetition Collateral, subject only to (1) the Prepetition Term Loan Liens on the Prepetition Term Loan Priority Collateral, (2) the Carve Out, and (3) certain liens otherwise permitted by the Prepetition ABL Documents (solely to the extent any such permitted liens were valid, properly perfected, non-avoidable, and senior in priority to the Prepetition ABL Liens as of the Petition Date, the “Permitted Prior Liens”); (c) the Prepetition ABL Obligations constitute legal, valid, binding, and non-avoidable obligations of the Prepetition ABL Loan Parties enforceable in accordance with the terms of the applicable Prepetition ABL Documents; (d) no offsets, challenges, objections, defenses, claims, or counterclaims of any kind or nature to any of the Prepetition ABL Liens or Prepetition ABL Obligations exist, and no portion of the Prepetition ABL Liens or Prepetition ABL Obligations (including the Last Out Obligations)

is subject to any challenge or defense including, without limitation, avoidance, disallowance, disgorgement, recharacterization, or subordination (equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law; (e) the Debtors and their estates have no claims, objections, challenges, causes of action, and/or choses in action, including, without limitation, avoidance claims under Chapter 5 of the Bankruptcy Code or applicable state law equivalents or actions for recovery or disgorgement, against any of the Prepetition ABL Secured Parties or the Put Purchasers or any of their respective affiliates, agents, attorneys, advisors, professionals, officers, directors and employees arising out of, based upon or related to the Prepetition ABL Facility (including the Last Out Obligations) or entry into the Put Agreement and Existing Participation Agreement (as to the Put Purchasers, solely with respect to the Put Purchasers' interests in the Last Out Obligations and entry into the Put Agreement and Existing Participation Agreement, and subject to and only effective upon the Disinterested Director's Determination (as defined below) and the Challenge Period Termination Date (as defined below)) and subject to the rights of the Creditors' Committee set forth in paragraph 42; (f) the Debtors have waived, discharged, and released any right to challenge any of the Prepetition ABL Obligations (including the Last Out Obligations), the priority of the Prepetition ABL Loan Parties' obligations thereunder, and the validity, extent, and priority of the liens securing the Prepetition ABL Obligations; and (g) the Prepetition ABL Obligations constitute allowed, secured claims within the meaning of sections 502 and 506 of the Bankruptcy Code. Notwithstanding the foregoing or anything to the contrary herein, all of the Debtors' rights and remedies (whether at law or in equity) in connection with any potential claim or cause of action against the Put Purchasers which are, or may be, subject to investigation by the Debtors' disinterested director or the Creditors' Committee in accordance with paragraph 42 are preserved (and nothing shall impair any of the Debtors' rights

or remedies against the Put Purchasers) until (a) the completion of the investigation by the Debtors' disinterested director and the disinterested director's determination that there are no such claims or causes of action against the Put Purchasers or their respective affiliates or agents (the "Disinterested Director's Determination") and (b) the Challenge Period Termination Date (as defined herein). For the avoidance of doubt, any potential claim or cause of action against Sentinel Capital Partners, LLC and its affiliated investment funds or investment vehicles managed or advised by it, and its affiliates that directly or indirectly hold interests in the Debtors, in each case unrelated to the Put Purchasers' interests in the Last Out Obligations and entry into the Put Agreement and Existing Participation Agreement, are unaffected by this Final Order.

(xi) [Reserved]

(xii) *Default by the Debtors.* The Debtors acknowledge and stipulate that the Prepetition ABL Loan Parties are in default of their obligations under the Prepetition ABL Documents.

(xiii) *Releases.* Subject to Paragraph 42 of this Order, the Debtors hereby absolutely and unconditionally release and forever discharge and acquit the Prepetition ABL Secured Parties and the Put Purchasers (as to the Put Purchasers, solely with respect to the Put Purchasers' interests in the Last Out Obligations and entry into the Put Agreement and Existing Participation Agreement, and subject to and only effective upon the Disinterested Director's Determination and the Challenge Period Termination Date and subject to the rights of the Creditors' Committee set forth in paragraph 42) and their respective affiliates and each of their respective former, current or future officers, partners, directors, managers, members, principals, employees, agents, related funds, investors, financing sources, financial advisors, attorneys, accountants, investment bankers, consultants, representatives and other professionals and the

respective successors and assigns thereof, in each case solely in their respective capacity as such (collectively, the “Released Parties”) from any and all obligations and liabilities to the Debtors (and their successors and assigns) and from any and all claims, counterclaims, demands, debts, accounts, contracts, liabilities, actions and causes of action arising prior to the Petition Date (collectively, the “Released Claims”) of any kind, nature or description, whether known or unknown, foreseen or unforeseen or liquidated or unliquidated, arising in law or equity or upon contract or tort or under any state or federal law or otherwise, arising out of or related to (as applicable) the Prepetition ABL Documents or the Released Parties’ entry into the Put Agreement and Existing Participation Agreement, the obligations owing and the financial obligations made thereunder, the negotiation thereof and of the transactions reflected thereby and the obligations and financial obligations made thereunder, in each case that the Debtors at any time had, now have or may have, or that their successors or assigns hereafter can or may have against any of the Released Parties for or by reason of any act, omission, matter, cause or thing whatsoever arising at any time on or prior to the date of this Final Order arising out of or related to (as applicable) the Prepetition ABL Documents or entry into the Put Agreement and Existing Participation Agreement, the obligations owing and the financial obligations made thereunder, the negotiation thereof and of the transactions reflected thereby and the obligations and financial obligations made thereunder, whether such Released Claims are matured, contingent, liquidated, unliquidated, unmatured, known, unknown, or otherwise.

(xiv) *Cash Collateral*. All cash, securities, or other properties of the DIP Parties (and the proceeds therefrom) to the extent subject to the valid, perfected, enforceable, and unavoidable liens as of the Petition Date of the Prepetition ABL Secured Parties, including, without limitation, all cash, securities, or other property (and the proceeds therefrom) and other amounts



on deposit or maintained by the DIP Parties in any account or accounts were subject to rights of set-off under the Prepetition ABL Documents and applicable law, for the benefit of the Prepetition ABL Secured Parties and Prepetition ABL Obligations, subject to the terms of the DIP Intercreditor Agreement. All proceeds of the Prepetition Collateral (including cash on deposit in any account or accounts as of the Petition Date, securities, or other property, whether subject to control agreements or otherwise, in each case that constitutes Prepetition Collateral) to the extent subject to the valid, perfected, enforceable, and unavoidable liens as of the Petition Date of the Prepetition ABL Secured Parties and/or Prepetition Term Loan Parties are “Cash Collateral” of the applicable Prepetition ABL Secured Parties, Prepetition Term Loan Parties, Prepetition Term Loan Obligations and Prepetition ABL Obligations within the meaning of section 363(a) of the Bankruptcy Code (the “Cash Collateral” and solely with respect to the Prepetition ABL Priority Collateral, the “ABL Cash Collateral”), subject to the Carve Out and the terms of the DIP Intercreditor Agreement.

(xv) *DIP Intercreditor Agreement.* Pursuant to section 510 of the Bankruptcy Code, except as expressly provided by the terms of the Interim Order, this Final Order, the DIP Intercreditor Agreement and any other intercreditor agreement or subordination agreement between and/or among any Prepetition ABL Loan Party, any Prepetition Term Loan Party, any Debtor or affiliate thereof, and any other applicable intercreditor or subordination provisions contained in any of the Prepetition ABL Documents or Prepetition Term Loan Documents (i) shall remain in full force and effect, (ii) shall continue to govern the relative priorities, rights and remedies of the Prepetition ABL Secured Parties and the Prepetition Term Loan Parties (including the relative priorities, rights and remedies of such parties with respect to the replacement liens and administrative expense claims and superpriority administrative expense claims granted, or

amounts payable, by the Debtors under the Interim Order, this Final Order, or any other order entered in respect of the DIP Motion or otherwise and the modification of the automatic stay), and (iii) shall not be deemed to be amended, altered, or modified by the terms of the Interim Order, this Final Order, any other order entered in respect of the DIP Motion, the DIP ABL Documents, or the DIP Term Loan Documents, unless expressly set forth herein. The DIP ABL Credit Facility is an ABL Document as that term is used in the DIP Intercreditor Agreement, and any repayment of the Prepetition ABL Obligations pursuant to the Interim Order or this Final Order shall not be deemed to constitute a "Payment in Full of ABL Debt" as such term is defined in the DIP Intercreditor Agreement. The DIP Term Loan Credit Facility is a Term Loan Document as that term is used in the DIP Intercreditor Agreement.

G. Findings Regarding Postpetition Financing

(i) *Request for Postpetition Financing.* The Debtors seek authority on a final basis to (a) enter into the DIP ABL Credit Facility on the terms described herein and in the DIP ABL Documents, and (b) use ABL Cash Collateral on the terms described herein to administer their Cases and fund their operations.

(ii) *Priming of the Prepetition ABL Liens.* The priming of the Prepetition ABL Secured Parties and Prepetition Term Loan Parties on the Prepetition ABL Priority Collateral (and the priming of the Prepetition ABL Secured Parties on the Prepetition Term Loan Priority Collateral) under section 364(d) of the Bankruptcy Code, as contemplated by the DIP ABL Credit Facility, as authorized by the Interim Order and this Final Order, and as further described below, will enable the Debtors to continue borrowing under the DIP ABL Credit Facility and to continue to operate their businesses to the benefit of their estates and creditors. The Prepetition ABL Secured Parties and the Prepetition ABL Obligations are each entitled to receive adequate

protection as set forth in the Interim Order and this Final Order pursuant to sections 361, 363, and 364 of the Bankruptcy Code, solely to the extent of any diminution in value ("Diminution in Value") of each of their respective interests in the Prepetition Collateral (including Cash Collateral), subject to the Carve Out.

(iii) *Need for Postpetition Financing and Use of Cash Collateral.* The Debtors continue to have a critical need to obtain the financing pursuant to the DIP ABL Credit Facility and to continue to use the Prepetition ABL Priority Collateral (including ABL Cash Collateral) in order to, among other things, (i) permit the orderly continuation of the operation of their businesses, (ii) maintain business relationships with customers, vendors and suppliers, (iii) make payroll, and (iv) satisfy other working capital and operational needs. The access by the DIP Parties to sufficient working capital and liquidity through the use of ABL Cash Collateral and other Prepetition ABL Priority Collateral, incurrence of new indebtedness under the DIP ABL Documents and other financial accommodations provided under the DIP ABL Documents are necessary and vital to the preservation and maintenance of the going concern value of the DIP Parties and to a successful reorganization of the DIP Parties and DIP ABL Obligations. The terms of the proposed financing are fair and reasonable, reflect each DIP Parties' exercise of prudent business judgment, and are supported by reasonably equivalent value and fair consideration. The adequate protection provided in the Interim Order and this Final Order and other benefits and privileges contained herein are consistent with and authorized by the Bankruptcy Code.

(iv) *No Revolving Credit Available on More Favorable Terms.* The DIP ABL Credit Facility is the best source of asset-based, revolving debtor in possession financing available to the Debtors. Given their current financial condition, financing arrangements, and capital structure, the Debtors have been and continue to be unable to obtain asset-based financing from

sources other than the DIP ABL Secured Parties on terms more favorable than the DIP ABL Credit Facility. The Debtors are unable to obtain unsecured credit allowable under Bankruptcy Code section 503(b)(1) as an administrative expense. The Debtors have also been and are unable to obtain: (a) unsecured credit having priority over that of administrative expenses of the kind specified in sections 503(b), 507(a), and 507(b) of the Bankruptcy Code; (b) credit secured solely by a lien on property of the Debtors and their estates that is not otherwise subject to a lien; or (c) credit secured solely by a junior lien on property of the Debtors and their estates that is subject to a lien. Asset-based financing on a postpetition basis is not otherwise available without granting the DIP ABL Agent, for the benefit of itself and the DIP ABL Secured Parties and on account of the obligations under the DIP ABL Credit Facility (including the Last Out DIP Obligations): (1) perfected security interests in and liens on (each as provided herein) all of the Debtors' existing and after-acquired assets with the priorities set forth in paragraph 6 hereof, (2) superpriority claims and liens, and (3) the other protections set forth in the Interim Order and this Final Order.

(v) *Use of proceeds of the DIP ABL Credit Facility.* As a condition to entry into the DIP ABL Documents, the extension of credit under the DIP ABL Credit Facility, and the authorization to use ABL Cash Collateral, the DIP ABL Agent, the DIP ABL Secured Parties, and the Prepetition ABL Secured Parties required, and the Debtors agreed, that proceeds of the DIP ABL Credit Facility shall be used, in each case in a manner consistent with the terms and conditions of the Interim Order, this Final Order and the DIP ABL Documents and in accordance with the budget attached hereto as Exhibit A, as the same may be modified from time to time consistent with the terms of the DIP ABL Documents and the DIP Term Loan Documents, and subject to such variances as permitted in the DIP ABL Credit Agreement (such budget, as so modified, the "Approved Budget"), solely for: (a) working capital and letters of credit; (b) other

general corporate purposes of the Debtors; (c) permitted payment of costs of administration of the Cases; (d) payment of such prepetition expenses of the Prepetition ABL Secured Parties as consented to by the DIP ABL Agent in its sole discretion, in each case under clauses (1) and (2) as approved by the Court; (e) payment of interest, fees, and expenses (including without limitation, legal and other professionals' fees and expenses of the DIP ABL Agent) owed under the DIP ABL Documents; (f) payment of certain adequate protection amounts to the Prepetition ABL Secured Parties and Prepetition ABL Obligations, as set forth in paragraph 16 hereof; (g) the reduction of the Prepetition ABL Obligations in accordance with the Final Order (or as otherwise required under any recognition orders by the Canadian Court (as defined in the DIP ABL Credit Agreement)) in respect of the Canadian Borrower (as defined in the DIP ABL Credit Agreement) and payment in full of the Prepetition ABL Obligations as described in paragraph F(v) above (or as otherwise required under such recognition orders of the Canadian Court in respect of the Canadian Borrower); (h) the Canadian Borrower to borrow under the DIP ABL Credit Agreement and lend such borrowed amounts to any Debtor other than the Canadian Borrower on a superpriority administrative expense basis pursuant to section 507(b) of the Bankruptcy Code (the "Canadian Intercompany Superpriority Administrative Claims"); (i) upon entry of this Final Order and delivery of the Participation Agreement (as defined in the DIP ABL Credit Agreement), deemed refinancing and replacement of the Last Out Obligations with the Last Out DIP Obligations (as defined by the DIP ABL Credit Agreement), subject to the rights preserved in paragraph 42 of this Final Order; and (j) payment of the Carve Out shall be in accordance with paragraph 39 of this Final Order. The reduction of the Prepetition ABL Obligations from the ABL Cash Collateral in accordance with the Interim Order and the Roll-Up of the Prepetition ABL Obligations described in paragraph F(v) was necessary as the Prepetition ABL Secured Parties have not otherwise

consented to the use of their ABL Cash Collateral or the subordination of their liens to the DIP ABL Liens (as defined below), and the DIP ABL Agent and the DIP ABL Secured Parties did not otherwise consent to providing the DIP ABL Credit Facility and extending credit to the Debtors thereunder. Further, the DIP ABL Agent and DIP ABL Secured Parties were not willing to provide the DIP ABL Credit Facility unless the Canadian Borrower is a joint and several obligor with respect to the DIP ABL Obligations.

(vi) *Application of Proceeds of Collateral.* As a condition to entry into the DIP ABL Credit Agreement, the extension of credit under the DIP ABL Credit Facility and authorization to use ABL Cash Collateral, the Debtors, the DIP ABL Agent, the DIP Term Loan Agent, the DIP ABL Secured Parties, DIP Term Loan Lenders, the Prepetition ABL Secured Parties, and the Prepetition Term Loan Parties have agreed that, as of and commencing on the date of the Interim Hearing, the Debtors shall continue to apply the proceeds of DIP ABL Priority Collateral in accordance with the Interim Order, this Final Order and the DIP Intercreditor Agreement.

H. Adequate Protection. Subject to the Carve Out and solely to the extent of any Diminution in Value, the Prepetition ABL Agent, for the benefit of itself and the Prepetition ABL Secured Parties on account of the Prepetition ABL Obligations (including the Last Out Obligations) is entitled to receive adequate protection in the Prepetition Collateral. Pursuant to sections 361, 363, and 507(b) of the Bankruptcy Code, as adequate protection (but only to the extent of any Diminution in Value): the Prepetition ABL Secured Parties and Prepetition ABL Obligations will receive adequate protection liens and superpriority claims, as more fully set forth in paragraphs 11-14 herein and the Prepetition ABL Secured Parties (other than on account of the Last Out Loans and Last Out Obligations) shall receive current payment of interest at the default

rate (provided the Last Out Loans and Last Out Obligations shall accrue payment of interest at the default rate as part of the Last Out Loans and Last Out Obligations and any payment to the Put Purchasers on account of the Last Out DIP Obligations or Last Out Obligations is subject to the rights of the Creditors' Committee set forth in paragraph 42 and subject to the occurrence of the Disinterested Director's Determination and the Challenge Period Termination Date for claims and causes of action against the Put Purchasers solely as it relates to the Put Purchasers' interests in the Last Out Obligations and entry into the Put Agreement and Existing Participation Agreement as set forth in paragraph 42 of this Final Order or further Court Order), and reasonable and documented fees and expenses (including, without limitation, legal and other professionals' fees and expenses of the Prepetition ABL Agent, whether arising before or after the Petition Date) provided that the Put Purchasers' fees and expenses shall accrue and not be paid prior to substantial consummation of a plan or further Court Order.

I. Section 552(b). In light of (i) the DIP ABL Agent's and DIP ABL Secured Parties' agreement that their liens and superpriority claims shall be subject to the Carve Out (including the caps and limitations set forth therein) and (ii) the Prepetition ABL Secured Parties' agreement that, with respect to the Prepetition ABL Priority Collateral, their liens shall be subject to the Carve Out (and the caps and limitations set forth therein), subordinate to the DIP ABL Liens, and, in the case of the Prepetition Term Loan Priority Collateral, subordinate to the DIP Term Loan Liens and the Prepetition Term Loan Liens, the Prepetition ABL Secured Parties and Prepetition ABL

Obligations are each entitled to a waiver of any “equities of the case” exception under section 552(b) of the Bankruptcy Code.

J. Good Faith of the DIP ABL Agents and DIP ABL Secured Parties.

(i) *Willingness to Provide Financing.* The DIP ABL Secured Parties have indicated a willingness to provide and to continue to provide financing to the Debtors subject to: (a) entry of the Interim Order and this Final Order; (b) final approval of the terms and conditions of the DIP ABL Credit Facility and the DIP ABL Documents; (c) satisfaction of the closing conditions set forth in the DIP ABL Documents; (d) entry of the Canadian Recognition Orders (as defined by the DIP ABL Credit Agreement); and (e) findings by this Court that the DIP ABL Credit Facility is essential to the Debtors’ estates, that the DIP ABL Agent and DIP ABL Secured Parties are extending credit to the Debtors pursuant to the DIP ABL Documents in good faith, and that the DIP ABL Agent’s and DIP ABL Secured Parties’ claims, superpriority claims, security interests and liens, and other protections granted pursuant to the Interim Order and this Final Order and the DIP ABL Documents will have the protections provided by section 364(e) of the Bankruptcy Code.

(ii) *Business Judgment.* Based on the DIP Motion, the declarations filed in support of the DIP Motion, and the record presented to the Court at the Interim Hearing and Final Hearing, (i) the terms of the financing provided by the DIP ABL Credit Facility, (ii) the adequate protection provided by the Interim Order, this Final Order, and DIP ABL Documents, and (iii) the terms on which the DIP Parties may continue to use the Prepetition Collateral (including Cash Collateral), in each case pursuant to the Interim Order, this Final Order, and the DIP ABL Documents, are in each case fair and reasonable, reflect the DIP Parties’ exercise of prudent business judgment consistent with their fiduciary duties, constitute reasonably equivalent value



and fair consideration, and represents the best asset-based financing (and terms) presently available.

(iii) *Good Faith Pursuant to Section 364(e)*. The terms and conditions of the DIP ABL Credit Facility were negotiated in good faith and at arms' length among the Debtors, DIP ABL Agent, and DIP ABL Secured Parties, with the assistance and counsel of their respective advisors. The credit to be extended under the DIP ABL Credit Facility shall be deemed to have been allowed, advanced, made, or extended in good faith by the DIP ABL Agent and DIP ABL Secured Parties within the meaning of section 364(e) of the Bankruptcy Code.

K. Immediate Entry. Sufficient cause existed for immediate entry of the Interim Order pursuant to Bankruptcy Rule 4001(c)(2).

L. Final Hearing. Notice of the Final Hearing and the relief requested in the DIP Motion has been provided by the Debtors, whether by facsimile, electronic mail, overnight courier, or hand delivery, to certain parties-in-interest, including, among others: (i) the U.S. Trustee, (ii) those entities or individuals included on the Debtors' list of 50 largest unsecured creditors on a consolidated basis, (iii) counsel to the Prepetition ABL Agent, (iv) counsel to the Prepetition Term Loan Agent; (v) counsel to the Put Purchasers; (vi) the Creditors' Committee; and (vii) all other parties entitled to notice under the Local Rules. The Debtors have made reasonable efforts to afford the best notice possible under the circumstances and no other notice is required in connection with the relief set forth in the Interim Order or this Final Order.

Based upon the foregoing findings and conclusions, the DIP Motion and the record before the Court with respect to the DIP Motion, and after due consideration and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. DIP ABL Credit Facility Approved. The DIP Motion is granted on a final basis solely to the extent set forth below, the DIP ABL Credit Facility was authorized in part on an interim basis pursuant to the Interim Order as modified therein, and hereby is authorized and approved on a final basis as set forth below (including any modifications in this Final Order as to the Interim Order), and the use of Cash Collateral was authorized pursuant to the terms of the Interim Order and the use of the ABL Cash Collateral is hereby authorized on a final basis, in each case, subject to the terms and conditions set forth in this Final Order. All objections to the Interim Order and this Final Order as they relate to the DIP ABL Credit Facility and use of ABL Cash Collateral, to the extent not withdrawn, waived, settled, or resolved, and all reservations of rights included therein, are hereby denied and overruled on the merits. This Final Order shall become effective immediately upon its entry. Nothing herein shall approve the DIP Term Loan Facility on a final basis.

ABL DIP Credit Facility Authorization

2. Authorization of the ABL DIP Financing. The DIP ABL Credit Facility was approved on an interim basis pursuant to the Interim Order (as described therein) and is hereby approved on a final basis on the terms set forth in this Final Order. The Debtors were expressly and immediately authorized and empowered pursuant to the Interim Order to execute and deliver the DIP ABL Documents and are hereby expressly and immediately authorized and empowered on a final basis to continue borrowing under the DIP ABL Documents, and to incur and to perform the DIP ABL Obligations in accordance with, and subject to, the terms of the Interim Order, this Final Order and the DIP ABL Documents, and to deliver all instruments, certificates, agreements, and documents which may be required or necessary for the performance by the Debtors under the DIP ABL Credit Facility and the creation and perfection of the DIP ABL Liens (as defined below)

described in and provided for by the Interim Order and this Final Order and the DIP ABL Documents. The Debtors were authorized and directed pursuant to the Interim Order and are hereby authorized and directed on a final basis to pay, in accordance with the Interim Order and this Final Order, the principal, interest, fees, expenses and other amounts described in the DIP ABL Documents and all other documents comprising the DIP ABL Credit Facility as such become due and without need to obtain further Court approval, including, without limitation, closing fees, letter of credit fees (including issuance, fronting, and other related charges), unused facility fees, continuing commitment fees, servicing fees, audit fees, appraisal fees, liquidator fees, structuring fees, administrative agent's fees, the reasonable fees and disbursements of the DIP ABL Agent's attorneys, advisors, accountants, and other consultants, whether or not such fees arose before or after the Petition Date, and whether or not the transactions contemplated by the Interim Order or this Final Order are consummated, to implement all applicable reserves and to take any other actions that may be necessary or appropriate, all to the extent provided in the Interim Order, this Final Order or the DIP ABL Documents. All collections and proceeds, whether from ordinary course collections, asset sales, debt or equity issuances, insurance recoveries, condemnations or otherwise, will be deposited and applied as required by this Final Order and the DIP ABL Documents. As of the date of execution and delivery, the DIP ABL Documents continue to represent valid and binding obligations of the Debtors, enforceable against each of the Debtors and their estates in accordance with their terms. The Last Out DIP Obligations and Last Out Obligations (as applicable) shall include interest at the default rate and reasonable and documented fees and expenses of the Put Purchasers (such amounts not to be paid currently but to accrue as part of the Last Out DIP Obligations and Last Out Obligations (as applicable)). Any payment to the Put Purchasers on account of the Last Out Obligations or Last Out DIP Obligations is subject to

the rights of the Creditors' Committee set forth in paragraph 42 and subject to the occurrence of the Disinterested Director's Determination and the Challenge Period Termination Date for claims and causes of action against the Put Purchasers solely as it relates to the Put Purchasers' interest in the Last Out Obligations and entry into the Put Agreement and Existing Participation Agreement as set forth in paragraph 42 of this Final Order or further Court Order, provided that the fees and expenses of the Last Out Obligations or Last Out DIP Obligations shall not be paid prior to substantial consummation of a plan or further Court Order).

3. Authorization to Borrow. From the entry of this Final Order through and including the Termination Declaration (as defined below), and subject to the terms, conditions, limitations on availability and reserves set forth in the DIP ABL Documents, the Interim Order and this Final Order, the Debtors were authorized pursuant to the Interim Order and are hereby authorized to (i) borrow money pursuant to the DIP ABL Credit Agreement on a final basis and the DIP ABL Guarantors were authorized pursuant to the Interim Order and are hereby authorized to guaranty the DIP ABL Obligations on a final basis, in each case up to \$90 million under the DIP ABL Credit Facility, together with applicable interest, expenses, fees and other charges payable in connection with the DIP ABL Credit Facility, subject in each case to any limitations on borrowing under the DIP ABL Documents, which shall be used for all purposes permitted under the DIP ABL Documents, including, without limitation, to refinance the portions of the Prepetition ABL Credit Facility and Prepetition ABL Obligations as provided in this Final Order, to provide working capital for the DIP Parties and to pay interest, fees, costs, charges, and expenses in accordance with the Interim Order, this Final Order, the DIP ABL Documents and the Approved Budget (subject to the variances permitted by the DIP ABL Credit Agreement and the DIP Term Loan Credit Agreement). In connection with obtaining and using funds to enable the Debtors to pay the

expenses set forth in the Approved Budget (subject to the variances permitted by the DIP ABL Credit Agreement), the Debtors shall borrow and use (or in the case of amounts borrowed under the DIP Term Loan Credit Facility pursuant to the Interim DIP Order or any additional orders pertaining to the DIP Term Loan Credit Facility and acceptable to the DIP Term Loan Agent), on a weekly and cumulative basis, an approximately equal amount from the DIP ABL Credit Facility (subject to Availability) and the amounts borrowed under the DIP Term Loan Credit Facility.

4. DIP ABL Obligations. The DIP ABL Documents, the Interim Order and this Final Order shall constitute and evidence the validity and binding effect of the Debtors' DIP ABL Obligations, which DIP ABL Obligations shall be enforceable against the Debtors, their estates and any successors thereto, including without limitation, any trustee appointed in the Cases, or in any case under Chapter 7 of the Bankruptcy Code upon the conversion of any of the Cases, or in any other proceedings superseding or related to any of the foregoing (collectively, the "Successor Cases"). Upon entry of this Final Order, the DIP ABL Obligations will include all loans, letter of credit reimbursement obligations, and any other indebtedness or obligations, contingent or absolute, which may now or from time to time be owing by any of the Debtors to the DIP ABL Agent or any of the DIP ABL Secured Parties, under the DIP ABL Documents, the Interim Order or this Final Order, including, without limitation, all principal, accrued interest, costs, charges, fees, expenses, and other amounts under the DIP ABL Documents. Upon entry of this Final Order, all (i) Bank Products, (ii) Cash Management Services, and (iii) Letters of Credit (each as defined in the Prepetition ABL Credit Agreement) shall continue in place and all obligations under or in connection therewith shall be subject to the DIP ABL Credit Agreement and shall constitute DIP ABL Obligations. The DIP ABL Loan Parties shall continue to be jointly and severally liable for the DIP ABL Obligations. The DIP ABL Obligations, as applicable, shall

be due and payable, without notice or demand, and the use of ABL Cash Collateral shall automatically cease on each applicable Termination Date, as applicable, except as provided in paragraph 30 herein. No obligation, payment, transfer, or grant of collateral security hereunder, under the Interim Order or under the DIP ABL Documents (including any DIP ABL Obligation or DIP ABL Liens, and including in connection with any adequate protection provided to the Prepetition ABL Secured Parties and Prepetition ABL Obligations hereunder) stayed, restrained, voidable, avoidable, or recoverable, under the Bankruptcy Code or under any applicable law (including, without limitation, under sections 502(d), 544, and 547 to 550 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common law), or subject to any avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), counterclaim, cross-claim, defense, or any other challenge under the Bankruptcy Code or any applicable law or regulation by any person or entity. Nothing in the Interim Order or this Final Order shall impact the ability of the Court to unwind or partially unwind, after notice and a hearing, the pay down of Prepetition ABL Obligations under the Prepetition ABL Credit Facility or any payments made pursuant to this Order or the Interim Order in the event there is a timely and successful Challenge to the validity, enforceability, extent, perfection or priority of the Prepetition ABL Secured Parties' liens or claims, or a determination that the Prepetition ABL Obligations were undersecured as of the Petition Date, and the roll-up unduly advantaged the Prepetition ABL Secured Parties.

5. ABL DIP Liens. In order to secure the DIP ABL Obligations, effective immediately upon entry of the Interim Order, pursuant to sections 361, 362, 364(c)(2), 364(c)(3), and 364(d) of the Bankruptcy Code, the DIP ABL Agent, for the benefit of itself and the DIP ABL

Secured Parties and/or DIP ABL Obligations, were granted pursuant to the Interim Order and are hereby granted, continuing, valid, binding, enforceable, non-avoidable, and automatically and properly perfected postpetition security interests in and liens on (collectively, the “DIP ABL Liens”) all real and personal property, whether now existing or hereafter arising and wherever located, tangible and intangible, of, with respect to the DIP ABL Obligations, each of the DIP ABL Loan Parties (the “DIP ABL Collateral” or “DIP Collateral”),<sup>6</sup> including without limitation: (a) all cash, cash equivalents, deposit accounts, securities accounts, accounts, other receivables (including credit card receivables), chattel paper, contract rights, inventory (wherever located), instruments, documents, securities (whether or not marketable), and investment property (including, without limitation, all of the issued and outstanding capital stock of each of its subsidiaries), furniture, fixtures, equipment, goods, franchise rights, trade names, trademarks, servicemarks, copyrights, patents, intellectual property, general intangibles, rights to the payment of money (including, without limitation, tax refunds and any other extraordinary payments), supporting obligations, guarantees, letter of credit rights, causes of action (excluding commercial tort claims and avoidance actions (but including avoidance actions brought pursuant to section 549 of the Bankruptcy Code to recover any post-petition transfer of DIP Collateral)) and all substitutions, books and records related to the foregoing, accessions and proceeds of the foregoing, wherever located, including insurance or other proceeds and (b) all owned real property interests and all proceeds of leased real property, and including all DIP Collateral that was not otherwise subject to valid, perfected, enforceable and unavoidable liens on the Petition Date. DIP Collateral that is of a type that would be ABL Priority Collateral (as defined the DIP Intercreditor Agreement)

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<sup>6</sup> For the avoidance of doubt, the DIP Term Collateral does not include ABL Canadian Collateral (as defined by the DIP Intercreditor Agreement).

and the proceeds and products thereof shall in each case, constitute “DIP ABL Priority Collateral,” DIP Collateral that is of a type that would be Term Loan Priority Collateral (as defined in the DIP Intercreditor Agreement) and the proceeds and products thereof and shall, in each case, constitute “DIP Term Loan Priority Collateral.” For the avoidance of doubt, nothing in this Order shall be deemed to be a final determination of the scope of the collateral that secures the DIP Term Loan Obligations or otherwise grant relief in respect of the DIP Term Loan on a final basis.

6. DIP Lien Priority. The DIP ABL Liens are valid, automatically perfected, non-avoidable, senior in priority, and superior to any security, mortgage, collateral interest, lien or claim to any of the DIP Collateral, except that the DIP ABL Liens shall be subject to the Carve Out, and shall otherwise be junior only to: (i) as to the DIP ABL Priority Collateral, Permitted Prior Liens; and (ii) as to the DIP Term Loan Priority Collateral, (A) Permitted Prior Liens; (B) the DIP Term Loan Liens; (C) the Prepetition Term Loan Liens; and (D) the Prepetition Term Loan Adequate Protection Liens. Other than as set forth herein or in the DIP ABL Documents, the DIP ABL Liens shall not be made subject to or *pari passu* with any lien or security interest heretofore or hereinafter granted in the Cases or any Successor Cases, and shall be valid and enforceable against any trustee appointed in the Cases or any Successor Cases, upon the conversion of any of the Cases to a case under Chapter 7 of the Bankruptcy Code (or in any other Successor Case), and/or upon the dismissal of any of the Cases or Successor Cases. The DIP ABL Liens shall not be subject to section 510, 549, or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of the estate pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the DIP ABL Liens. Notwithstanding anything herein to the contrary, none of the Prepetition Term Loan Adequate Protection Liens or DIP Term Loan Liens shall exist with respect to any ABL Canadian Collateral (as defined by the DIP Intercreditor Agreement).



7. Superpriority Claims. The DIP ABL Agent and DIP ABL Secured Parties were pursuant to the Interim Order and hereby are granted on a final basis (as of the date of entry of the Interim Order), pursuant to Section 364(c)(1) of the Bankruptcy Code, allowed superpriority administrative expense claims in each of the Cases and any Successor Cases (collectively, the “DIP ABL Superpriority Claims”) for all DIP ABL Obligations (including Last Out DIP Obligations): (a) except as set forth herein, with priority over any and all administrative expense claims and unsecured claims against the Debtors or their estates in any of the Cases and any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to Bankruptcy Code Sections 105, 326, 328, 330, 331, 364, 503(a), 503(b), 506(c) (in regard to surcharge claims against secured creditors other than the Prepetition ABL Secured Parties), 507(a), 507(b), 546(c), 546(d), 726, 1113, and 1114, and any other provision of the Bankruptcy Code, as provided under Section 364(c)(1) of the Bankruptcy Code; and (b) which shall at all times be senior to the rights of the Debtors and their estates, and any successor trustee or other estate representative to the extent permitted by law; provided that the DIP ABL Agent and DIP ABL Secured Parties shall first use reasonably commercial efforts to seek recourse against the DIP ABL Priority Collateral before exercising any remedies against proceeds of avoidance actions. Notwithstanding the foregoing, the DIP ABL Superpriority Claims and the “DIP Superpriority Claims” (as defined in the Interim Order) of the DIP Term Loan Parties shall be *pari passu* with each other, without otherwise impairing the lien priorities as set forth herein, and subject to the terms of the DIP Intercreditor Agreement and Carve Out (including the caps and limitations therein).

8. No Obligation to Extend Credit. Except as required to fund the Carve Out in accordance with the terms of this Final Order, the DIP ABL Agent and DIP ABL Secured Parties

shall have no obligation to make any loan or advance under the DIP ABL Documents unless all of the conditions precedent to the making of such extension of credit or the issuance, amendment, renewal, or extension of such letter of credit or bankers' acceptance under the DIP ABL Documents and this Final Order have been satisfied in full or waived by the DIP ABL Agent (in its sole discretion) in accordance with the terms of the DIP ABL Credit Agreement.

9. Use of Proceeds of DIP ABL Credit Facility. The Debtors shall continue to use advances of credit under the DIP ABL Credit Facility, in accordance with the Approved Budget (subject to such variances as permitted in the DIP ABL Credit Agreement), only for the purposes specifically set forth in the Interim Order, this Final Order and the DIP ABL Documents, and in compliance with the terms and conditions in the Interim Order, this Final Order and the DIP ABL Documents.

10. No Monitoring Obligation. No DIP Secured Party or DIP ABL Agent shall have any obligation nor responsibility to monitor any DIP Party's use of DIP ABL Credit Facility, and each DIP ABL Secured Party or DIP ABL Agent may rely upon each DIP Party's representation that the use of the DIP ABL Credit Facility at any time is in accordance with the requirements of the Interim Order, this Final Order, the DIP ABL Documents and Bankruptcy Rule 4001(c)(2).

Authorization to Use Cash Collateral

11. Authorization to Use Cash Collateral. Subject to the terms and conditions of this Final Order, the DIP ABL Credit Facility and the DIP ABL Documents and in accordance with the Approved Budget (subject to variances as permitted in the DIP ABL Credit Agreement), the Debtors were authorized pursuant to the Interim Order and hereby are authorized to use ABL Cash Collateral until the Termination Date. Nothing in the Interim Order or this Final Order shall

authorize the disposition of any assets of the Debtors outside the ordinary course of business, or any Debtor's use of any Cash Collateral or other proceeds resulting therefrom, except as permitted in this Final Order (including with respect to the Carve Out), the DIP ABL Credit Facility, the DIP ABL Documents, and in accordance with the Approved Budget (subject to such variances as permitted in the DIP Credit Agreement). All ABL Cash Collateral shall be applied to reduce the Prepetition ABL Obligations (if any) then to reduce the DIP ABL Obligations as set forth in the DIP ABL Credit Agreement (with a contemporaneous increase in availability under the DIP ABL Credit Facility, subject to the other terms, conditions, and provisions of the DIP ABL Credit Agreement).

12. Adequate Protection Liens. Subject to the terms of the DIP Intercreditor Agreement and the Carve Out and solely to the extent of any Diminution in Value:

(i) *Prepetition ABL Adequate Protection Liens.* Pursuant to Sections 361, 363(e), and 364(d) of the Bankruptcy Code, as adequate protection of the interests of the Prepetition ABL Secured Parties and the Prepetition ABL Obligations in the Prepetition Collateral solely against any Diminution in Value of such interests in the Prepetition Collateral, the DIP ABL Loan Parties granted pursuant to the Interim Order and hereby grant (as of the date of entry of the Interim Order) to the Prepetition ABL Agent, for the benefit of itself and the Prepetition ABL Secured Parties and the Prepetition ABL Obligations, continuing valid, binding, enforceable, and perfected postpetition security interests in and liens on the DIP ABL Collateral (the "Prepetition ABL Adequate Protection Liens" or "Adequate Protection Liens").

(ii) [Reserved]

13. Priority of Adequate Protection Liens. Subject to the terms of the DIP Intercreditor Agreement:

(i) The Prepetition ABL Adequate Protection Liens shall be subject to the Carve Out (and the caps and limitations set forth therein). The Prepetition ABL Adequate Protection Liens shall otherwise be junior only to: (a) with respect to the DIP ABL Priority Collateral (1) Permitted Prior Liens; (2) the DIP ABL Liens; and (3) the Prepetition ABL Liens; and (b) with respect to the DIP Term Loan Priority Collateral (1) Prepetition Term Loan Permitted Prior Liens; (2) the DIP Term Loan Liens; (3) the Prepetition Term Loan Liens; (4) the Prepetition Term Loan Adequate Protection Liens; (5) the DIP ABL Liens; and (6) the Prepetition ABL Liens. The Prepetition ABL Adequate Protection Liens shall be senior to all other security interests in, liens on, or claims against any of the DIP ABL Loan Parties' assets.

(ii) Except as provided herein, the Prepetition ABL Adequate Protection Liens shall not be made subject to or *pari passu* with any lien or security interest heretofore or hereinafter in the Cases or any Successor Cases, and shall be valid and enforceable against any trustee appointed in any of the Cases or any Successor Cases, or upon the dismissal of any of the Cases or Successor Cases. The Prepetition ABL Adequate Protection Liens shall not be subject to sections 510, 549, or 550 of the Bankruptcy Code. No lien or interest avoided and preserved for the benefit of the estate pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the Prepetition ABL Liens or the Prepetition ABL Adequate Protection Liens.

14. Adequate Protection Superpriority Claims. Subject to the terms of the DIP Intercreditor Agreement and the Carve Out and solely to the extent of any Diminution in Value:

(i) *Prepetition ABL Superpriority Claim.* As further adequate protection of the interests of the Prepetition ABL Secured Parties and Prepetition ABL Obligations in the Prepetition Collateral solely against any Diminution in Value of such interests in the Prepetition Collateral, the Prepetition ABL Agent, on behalf of itself and the Prepetition ABL

Secured Parties and Prepetition ABL Obligations, was granted pursuant to the Interim Order and is hereby granted as and to the extent provided by section 507(b) of the Bankruptcy Code an allowed superpriority administrative expense claim solely to the extent of any Diminution in Value in each of the Cases and any Successor Cases (the “Prepetition ABL Superpriority Claim” or “Adequate Protection Superpriority Claims”).

(ii) [Reserved]

15. Priority of the Adequate Protection Superpriority Claims. Except as set forth herein, including with respect to the Canadian Intercompany Superpriority Administrative Claims, the Prepetition ABL Superpriority Claims shall have priority over all administrative expense claims and unsecured claims against the Debtors or their estates, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to Sections 105, 326, 328, 330, 331, 503(a), 503(b), 506(c) (solely with respect to surcharge claims against secured creditors other than the Prepetition ABL Secured Parties), 507(a), 507(b), 546(c), 546(d), 726, 1113, and 1114 of the Bankruptcy Code; *provided, however*, that the Prepetition ABL Superpriority Claims and the Prepetition Term Loan Superpriority Claims shall be *pari passu* with each other (in each of the Cases other than the Recognition Proceedings, which shall be limited to Prepetition ABL Superpriority Claims in favor of the ABL Secured Parties), without otherwise impairing the lien priorities as set forth herein, and subject to the Carve Out and junior to the DIP ABL Superpriority Claims.

16. Adequate Protection Payments and Protections for Prepetition ABL Secured Parties. As further adequate protection and solely to the extent of any Diminution in Value and subject to the Carve Out (the “Prepetition ABL Adequate Protection Payments” or “Adequate Protection Payments”), the Debtors were pursuant to the Interim Order and hereby are authorized

and directed to provide adequate protection to the (A) Prepetition ABL Secured Parties and Prepetition ABL Obligations in the form of payment in cash (and as to fees and expenses, without the need for the filing of a formal fee application) of (i) interest payable monthly, at the default rate (other than on account of Last Out Loans and Last Out Obligations, provided that the Last Out Loans and Last Out Obligations shall accrue interest at the default rate as part of the Last Out Loans and Last Out Obligations), (ii) principal due under the Prepetition ABL Documents (other than on account of Last Out Loans and Last Out Obligations), subject to the rights preserved in paragraph 42 below, and (iii) payment of fees and expenses as provided in the DIP ABL Credit Agreement subject to the terms of this Final Order; *provided*, that Prepetition ABL Adequate Protection Payments with respect to clause (i) above shall be paid monthly, upon entry of this Final Order, and all accrued and unpaid Prepetition ABL Adequate Protection Payments for the period prior to the entry of this Final Order shall be paid, in cash, upon entry of this Final Order.

17. [Reserved].

18. Adequate Protection Reservation. Nothing herein shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided to the Prepetition ABL Secured Parties and Prepetition ABL Obligations under the Interim Order or hereunder is insufficient to compensate for any Diminution in Value of their respective interests in the Prepetition Collateral during the Cases or any Successor Cases. The receipt by the Prepetition ABL Secured Parties and Prepetition ABL Obligations of the adequate protection provided in the Interim Order or herein shall not be deemed an admission that the respective interests of the Prepetition ABL Secured Parties and Prepetition ABL Obligations are adequately protected. Further, the Interim Order and this Final Order shall not prejudice or limit the rights of the Prepetition ABL Secured Parties and Prepetition ABL Obligations to seek

additional relief with respect to the use of Cash Collateral or for additional adequate protection or the rights of any party to oppose such requests for additional relief.

Additional Provisions to DIP Financing and Use of ABL Cash Collateral

19. Amendment of the DIP ABL Documents. The DIP ABL Documents may from time to time be amended, modified, or supplemented by the parties thereto without further order of the Court if: (a) the amendment, modification, or supplement is in accordance with the DIP ABL Documents, and (b) a copy (which may be provided through electronic mail or facsimile) of the amendment, modification, or supplement is provided to counsel to DIP Term Loan Agent, the Creditors' Committee and any other committee appointed under section 1102 or 1104 of the Bankruptcy Code, and the U.S. Trustee (collectively, the "Notice Parties") not less than three (3) business days in advance in writing; and (c) the amendment, modification, or supplement is filed with the Court; *provided, however*, that neither consent of the Notice Parties nor approval of the Court will be necessary to effectuate any such amendment, modification or supplement and provided further that such amendment, modification, or supplement shall be without prejudice to the right of any party in interest to be heard; provided, further, that no such amendment, modification, or supplement shall modify the DIP ABL Documents in a manner that is materially different from that approved by the Court.

20. Budget Maintenance. The use of borrowings and letters of credit under the DIP ABL Credit Facility shall be in accordance with the Approved Budget (subject to such variances as permitted in the DIP ABL Credit Agreement) and the terms and conditions set forth in the DIP ABL Document. The Approved Budget and any modification to, or amendment or update of, the Approved Budget shall be subject to the reasonable approval of, and in form and substance reasonably acceptable to the DIP ABL Agent in accordance with the DIP ABL

Documents and DIP Term Loan Agent in accordance with the DIP Term Loan Documents. The Debtors will promptly provide the Creditors' Committee with copies of the Approved Budget and any modifications, amendments, or updates thereto that have been approved by the DIP ABL Agent in accordance with the DIP ABL Documents and DIP Term Loan Agent in accordance with the DIP Term Loan Documents. No amendment or modifications as to the DIP ABL Documents shall be made unless the Creditors' Committee is provided with three (3) business days' prior notice. If an objection to the proposed modifications or amendments is expressed by the Creditors' Committee in writing within such time period, then the parties agree to seek an expedited hearing to resolve the objection if it cannot be resolved amongst themselves.

21. Budget Compliance. The use of borrowings and letters of credit under the DIP ABL Credit Facility shall be in accordance with the Approved Budget (subject to such variances as permitted in the DIP ABL Credit Agreement) and the DIP ABL Documents; *provided, however,* that, in the case of the fees, costs and expenses of the DIP ABL Agent, the Debtors shall pay such fees, costs and expenses in accordance with the DIP ABL Documents and this Final Order without being limited by the Approved Budget.

22. Modification of Automatic Stay. The automatic stay imposed under section 362(a)(2) of the Bankruptcy Code was, pursuant to the Interim Order, and is hereby modified as necessary to effectuate all of the terms and provisions of the Interim Order and this Final Order, including, without limitation, to: (a) permit the Debtors to grant on a final basis the DIP ABL Liens (as of the date of entry of the Interim Order), Prepetition ABL Adequate Protection Liens (as of the date of entry of the Interim Order), DIP ABL Superpriority Claims, and Prepetition ABL Superpriority Claims; (b) permit the Debtors on a final basis to perform such acts as the DIP ABL Agent, DIP ABL Secured Parties, or the Prepetition ABL Agent each may reasonably request



to assure the perfection and priority of the liens granted herein; (c) permit the Debtors on a final basis to incur all liabilities and obligations to the DIP ABL Agent, DIP ABL Secured Parties, and the Prepetition ABL Secured Parties under the DIP ABL Documents, the DIP ABL Credit Facility, the Interim Order, and this Final Order; and (d) authorize the Debtors on a final basis to pay, and the DIP ABL Agent, the DIP ABL Secured Parties, and the Prepetition ABL Secured Parties to retain and apply, payments made in accordance with the terms of the Interim Order, this Final Order, and the DIP ABL Documents.

23. Perfection of ABL DIP Liens and Prepetition ABL Adequate Protection Liens. The Interim Order and this Final Order shall be sufficient and conclusive evidence of the creation, validity, perfection, and priority of all liens granted therein and herein, including the DIP ABL Liens and the Prepetition ABL Adequate Protection Liens, without the necessity of filing or recording any financing statement, mortgage, notice, or other instrument or document which may otherwise be required under the law or regulation of any jurisdiction or the taking of any other action (including, for the avoidance of doubt, entering into any deposit account control agreement) to validate or perfect (in accordance with applicable non-bankruptcy law) the DIP ABL Liens, the Prepetition ABL Adequate Protection Liens, or to entitle the DIP ABL Agent, the DIP ABL Secured Parties, the DIP ABL Obligations, the Prepetition ABL Secured Parties, and the Prepetition ABL Obligations to the priorities granted herein (subject to the DIP Intercreditor Agreement, Existing Participation Agreement and Participation Agreement, as applicable). Notwithstanding the foregoing, the DIP ABL Agent and the Prepetition ABL Agent each are authorized to file, as in its reasonable discretion it deems necessary or advisable, such financing statements, security agreements, mortgages, notices of liens, and other similar documents to perfect in accordance with applicable non-bankruptcy law or to otherwise evidence the DIP ABL Liens and the Prepetition

ABL Adequate Protection Liens, and all such financing statements, mortgages, notices, and other documents shall be deemed to have been filed or recorded as of the Petition Date; *provided, however*, that no such filing or recordation shall be necessary or required in order to create or perfect the DIP ABL Liens, or the Prepetition ABL Adequate Protection Liens. The Debtors were, pursuant to the Interim Order, and hereby are authorized and directed to execute and deliver reasonably promptly to the DIP ABL Agent and Prepetition ABL Agent all such financing statements, mortgages, notices and other documents as the DIP ABL Agent and Prepetition ABL Agent may reasonably request; provided that nothing herein shall require the Debtors to obtain any required consent of third parties to any such financing statements, mortgages, notices, and other documents. The DIP ABL Agent and the Prepetition ABL Agent, each in its discretion, may file a photocopy of this Final Order as a financing statement with any filing or recording office or with any registry of deeds or similar office, in addition to or in lieu of such financing statements, notices of lien, or similar instrument. To the extent that any Prepetition ABL Agent is the secured party under any security agreement, mortgage, leasehold mortgage, landlord waiver, credit card processor notices or agreements, bailee letters, custom broker agreements, financing statement, account control agreements, or any other Prepetition ABL Documents or is listed as loss payee, lenders' loss payee, or additional insured under any of the Debtors' insurance policies, DIP ABL Agent shall also be deemed to be the secured party or mortgagee, as applicable, under such documents or to be the loss payee or additional insured, as applicable. The Prepetition ABL Agent shall serve as agent for the DIP ABL Agent for purposes of perfecting the DIP ABL Agent's liens on all DIP Collateral that, without giving effect to the Bankruptcy Code and this Final Order, is of a type such that perfection of a lien therein may be accomplished only by possession or control by a secured party.

24. Application of Proceeds of Collateral. Subject to the Carve Out, as a condition to the entry of the DIP ABL Documents, the extension of credit under the DIP ABL Credit Facility and the authorization to use Cash Collateral, the Debtors have agreed that as of and commencing on the date of the Interim Hearing, the Debtors shall apply all net proceeds of DIP ABL Priority Collateral that is sold in the ordinary course or liquidated as follows: (i) *first*, to costs and expenses of the DIP ABL Agent; (ii) *second*, to permanently reduce the Prepetition ABL Obligations (other than the Last Out Obligations); (iii) *third*, to reduce the DIP ABL Obligations (including the Last Out DIP Obligations or Last Out Obligations, as applicable, provided that any payment to the Put Purchasers on account of the Last Out DIP Obligations or Last Out Obligations is subject to the rights of the Creditors' Committee set forth in paragraph 42 and subject to occurrence of the Disinterested Director's Determination and the Challenge Period Termination Date for claims and causes of action against the Put Purchasers solely as it relates to the Put Purchaser's interests in the Last Out Obligations and entry into the Put Agreement and Existing Participation Agreement as set forth in paragraph 42 of this Final Order or further Court Order), (iv) *fourth*, to the repayment of the Canadian Intercompany Superpriority Administrative Claims, and (v) after indefeasible repayment in full in cash of the Prepetition ABL Obligations and the DIP ABL Obligations (including, in each case, provision for contingent obligations), the termination of the DIP ABL Credit Facility and all commitments thereunder, and "payment in full" of all other DIP ABL Obligations as provided under the DIP ABL Credit Agreement and repayment in full of the Canadian Intercompany Superpriority Administrative Claims, (x) to costs and expenses of the DIP Term Loan Agent, (y) to reduce the DIP Term Loan Obligations, and (z) then to reduce the Prepetition Term Loan Obligations. The reduction of the Prepetition ABL Obligations and Prepetition Term Loan Obligations is subject to the preservation of rights provided in paragraph 42

herein. Notwithstanding anything herein, or in the Prepetition ABL Documents or DIP ABL Documents, (a) all ABL Priority Collateral (other than ABL Canadian Collateral) of the Debtors (other than the Canadian Borrower) to be applied to the Prepetition ABL Obligations and DIP ABL Obligations as provided in this Paragraph 24 shall be applied first to reduce the Prepetition ABL Obligations and DIP ABL Obligations of the Debtors other than the Canadian Borrower; and thereafter to the remaining DIP ABL Obligations of the Canadian Borrower, if any; and (b) all ABL Canadian Collateral to be applied to the Prepetition ABL Obligations and DIP ABL Obligations as provided in this Paragraph 24 shall be applied first to reduce the Prepetition ABL Obligations of the Canadian Borrower, then to the direct DIP ABL Obligations of the Canadian Borrower, and then to remaining Prepetition ABL Obligations and DIP ABL Obligations of the Debtors, if any, but only to the extent not paid under clause (a) above and after all ABL Priority Collateral (other than ABL Canadian Collateral) of the Debtors (other than the Canadian Borrower) has been applied.

25. Protections of Rights of DIP ABL Agent, DIP ABL Secured Parties and Prepetition ABL Secured Parties.

(i) Unless the DIP ABL Agent and the Prepetition ABL Agent shall have provided their prior written consent or all DIP ABL Obligations and all Prepetition ABL Obligations have been indefeasibly paid in full in cash and all commitments thereunder are terminated, there shall not be entered in any of these Cases or any Successor Cases (including any order confirming any plan of reorganization or liquidation) that authorizes any of the following:

(i) the obtaining of credit or the incurring of indebtedness that is secured by a security, mortgage, or collateral interest or other Lien on all or any portion of the DIP Collateral or Prepetition Collateral and/or that is entitled to administrative priority status, in each case that is superior to or

*pari passu* with the DIP ABL Liens, the DIP ABL Superpriority Claims, the Prepetition ABL Liens, the Prepetition ABL Adequate Protection Liens, and/or the Prepetition ABL Superpriority Claims, other than in connection with the Canadian Intercompany Superpriority Administrative Claims or the Administration Charge (as defined in the DIP ABL Credit Agreement); (ii) the use of Cash Collateral for any purpose other than as permitted in the DIP ABL Documents, the Interim Order and this Final Order and the Approved Budget (subject to such variances as permitted in the DIP ABL Credit Agreement), the return of goods pursuant to section 546(h) of the Bankruptcy Code (or other return of goods on account of any prepetition indebtedness) to any creditor of any Debtor or any creditor's taking any setoff against any of its prepetition indebtedness based upon any such return of goods pursuant to section 553 of the Bankruptcy Code or otherwise, or (iii) any modification of any of the DIP ABL Agent's, DIP ABL Secured Parties', or the Prepetition ABL Secured Parties' rights under the Interim Order, this Final Order, the DIP ABL Documents or the Prepetition ABL Documents with respect any DIP ABL Obligations or Prepetition ABL Obligations.

(ii) The Debtors (and/or their legal and financial advisors in the case of clauses (ii) through (iv) below) will, whether or not the DIP ABL Obligations have been indefeasibly paid in full in cash, (i) maintain books, records, and accounts to the extent and as required by the DIP ABL Documents, (ii) reasonably cooperate with, consult with, and provide to the DIP ABL Agent and the DIP ABL Secured Parties all such information and documents that any or all of the Debtors are obligated (including upon reasonable request by any of the DIP ABL Agent or the DIP ABL Secured Parties) to provide under the DIP ABL Documents or the provisions of the Interim Order, this Final Order, or as reasonably requested by the DIP ABL Agent or DIP ABL Secured Parties, in each case as and to the extent required by the DIP ABL Documents, (iii) upon

reasonable advance notice, permit consultants, advisors, and other representatives (including third party representatives) of each of the DIP ABL Agent, the DIP ABL Secured Parties and the Prepetition ABL Agent to visit and inspect any of the Debtors' respective properties, to examine and make abstracts or copies from any of their respective books and records, to tour the Debtors' business premises and other properties, and to discuss, and provide advice with respect to, their respective affairs, finances, properties, business operations, and accounts with their respective officers, employees, independent public accountants, and other professional advisors as and to the extent required by the DIP ABL Documents and/or the Prepetition ABL Documents, (iv) permit the DIP ABL Agent, the DIP ABL Secured Parties, and the Prepetition ABL Agent, and their respective consultants, advisors and other representatives to consult with the Debtors' management and advisors on matters concerning the Debtors' businesses, financial condition, operations and assets, in each case as and to the extent required by the DIP ABL Documents, and (v) upon reasonable advance notice, permit the DIP ABL Agent, the DIP ABL Secured Parties and the Prepetition ABL Agent to conduct, at their discretion and at the Debtors' cost and expense, field audits, collateral examinations, liquidation valuations and inventory appraisals at reasonable times in respect of any or all of the DIP Collateral and Prepetition Collateral in each case as and to the extent required by the DIP ABL Documents. The Creditors' Committee shall receive any financial reporting required to be provided by the Debtors contemporaneously with the provision of such reports to the DIP ABL Secured Parties or Prepetition ABL Secured Parties.

(iii) No Debtor shall object to any DIP ABL Secured Parties' or any Prepetition ABL Secured Parties' credit bidding up to the full amount of the applicable outstanding DIP ABL Obligations and Prepetition ABL Obligations (as applicable), in each case, including any accrued interest and expenses, in any sale of any DIP Collateral or Prepetition Collateral, as

applicable, and whether such sale is effectuated through Section 363 or 1129 of the Bankruptcy Code, by a Chapter 7 trustee under Section 725 of the Bankruptcy Code, with the approval of the Canadian Court in respect of any sale of assets of the Canadian Loan Parties, or otherwise, subject, in each case, (w) to the rights and duties of the parties under the DIP Intercreditor Agreement, (x) to a Challenge (as defined herein), (y) to the provision of consideration sufficient to pay in full in cash any senior liens on the collateral that is subject to the credit bid, and (z) to the extent that any assets of the Canadian Loan Parties are to be conveyed, such conveyance is acceptable to the Information Officer (as defined in the DIP ABL Credit Agreement). For the avoidance of doubt, nothing in this paragraph 25 shall prejudice the rights of the Debtors to refinance the DIP ABL Obligations, *provided* that the DIP ABL Obligations are repaid in full in accordance with the terms of the DIP ABL Documents.

26. Proceeds of Subsequent Financing. Except with respect to the DIP Term Loan Obligations contemplated by the DIP Motion, if the Debtors, any trustee, any examiner with expanded powers, or any responsible officer subsequently appointed in these Cases or any Successor Cases, shall obtain credit or incur debt pursuant to Bankruptcy Code sections 364(b), 364(c), or 364(d) or in violation of the DIP ABL Documents at any time prior to the indefeasible repayment in full of all DIP ABL Obligations and Prepetition ABL Obligations, and the termination of the DIP ABL Agent's and DIP ABL Secured Parties' obligation to extend credit under the DIP ABL Credit Facility, including subsequent to the confirmation of any plan with respect to any or all of the Debtors and the Debtors' estates, and such facilities are secured by any DIP Collateral, then all the cash proceeds derived from such credit or debt shall immediately be turned over to the DIP ABL Agent to be applied in accordance with this Final Order, the DIP ABL Documents and the DIP Intercreditor Agreement.

27. Cash Collection. From and after the date of the entry of the Interim Order, the Debtors shall continue to maintain cash management in accordance with the DIP ABL Documents, as modified by this Final Order. Unless otherwise agreed to in writing by the DIP ABL Agent and Prepetition ABL Agent, the Debtors shall maintain no accounts except those identified in any interim and/or final order granting the *Debtors' Motions for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Continue to Perform Intercompany Transactions, and (II) Granting Related Relief* (the "Cash Management Order"). The Debtors and the financial institutions where the Debtors' maintain deposit accounts (as identified in any Cash Management Order), are authorized and directed to remit, without offset or deduction, funds in such deposit accounts upon receipt of any direction to that effect from the DIP ABL Agent in accordance with the DIP ABL Documents.

28. Maintenance of DIP Collateral. Until the indefeasible payment in full of all DIP ABL Obligations (including "payment in full" of the DIP ABL Obligations as provided under the DIP ABL Credit Agreement), all Prepetition ABL Obligations, and the termination of the DIP ABL Agent's and the DIP ABL Secured Parties' obligation to extend credit under the DIP ABL Credit Facility, the Debtors shall: (a) insure the DIP Collateral as required under the DIP ABL Documents or the Prepetition ABL Documents, as applicable; and (b) maintain the cash management system in effect as of the Petition Date, as modified by any Cash Management Order which has first been agreed to by the DIP ABL Agent or as otherwise required by the DIP ABL Documents.



29. Disposition of DIP Collateral. The Debtors shall not sell, transfer, lease, encumber or otherwise dispose of any portion of the DIP ABL Priority Collateral or Prepetition ABL Priority Collateral other than in the ordinary course of business without the prior written consent of the DIP ABL Agent and Prepetition ABL Agent, except as otherwise provided for in the DIP ABL Documents, and subject to the DIP Intercreditor Agreement.

30. Termination Date. On the Termination Date, (a) all DIP ABL Obligations shall be immediately due and payable, all commitments to extend credit under the DIP ABL Credit Facility will terminate, other than as required in paragraph 39 with respect to the Carve Out, and (b) all authority to use Cash Collateral shall cease. For the purposes of this Final Order, the “DIP ABL Termination Date” shall mean the date the commitments are terminated pursuant to the terms of the DIP ABL Credit Agreement, including with respect to any cross termination rights with respect to the termination of the DIP Term Loan Credit Agreement in accordance with its terms.

31. Events of Default. The occurrence of any of the following events, unless waived by the DIP ABL Agent in writing and in accordance with the terms of the applicable DIP ABL Documents, shall constitute an event of default (collectively, the “Events of Default”): (a) the failure of the Debtors to perform, in any respect, any of the terms, provisions, conditions, covenants, or obligations under this Final Order or any Canadian Recognition Order, including, without limitation, failure to make any payment under this Final Order when due, (b) the occurrence of an “Event of Default” under, and as defined in, the DIP ABL Credit Agreement, (c) any adverse modifications, amendments, or reversal of the Interim Order or this Final Order, and no such waiver shall be implied by any other action, inaction or acquiescence by any party, (d) an order converting or dismissing any of the Cases, (e) an order appoint a chapter 11 trustee in the Cases, (f) an order appointing an examiner with enlarged powers in the Cases (beyond those set

forth in sections 1106(a)(3) and (4) of the Bankruptcy Code, and (g) a plan proposed by the Debtors or confirmation thereof that does not propose to indefeasibly repay the DIP ABL Obligations (other than the Last Out DIP Obligations) in full in cash, unless otherwise consented to by the DIP ABL Agent.

32. Milestones. As a condition to the DIP ABL Credit Facility and the use of Cash Collateral, the Debtors shall comply with the case milestones set forth in the DIP Credit Agreement, as modified by the order approving the *Debtors' Motion Seeking Entry of an Order (I) Approving the Bidding Procedures and Related Dates and Deadline, (II) Scheduling Hearings and Objection Deadlines with Respect to the Debtors' Disclosure Statement and Plan Confirmation, and (III) Granting Related Relief* [Docket No 22], subject to waiver or extension on the terms set forth in the DIP ABL Credit Agreement. For the avoidance of doubt, the terms herein with respect to any milestones shall after the date of this Final Order supersede any such language in the Interim Order. As an additional milestone under the DIP ABL Credit Agreement, the Debtors shall obtain a final order in respect of the DIP Motion with respect to the DIP Term Credit Facility on or before July 19, 2019 (or such later date as DIP ABL Agent may agree in its sole discretion), on the terms and conditions contemplated by the DIP ABL Documents and otherwise in form and substance satisfactory to DIP ABL Agent.

33. Rights and Remedies Upon Event of Default. Upon the occurrence and during the continuation of an Event of Default under the DIP ABL Documents, notwithstanding the provisions of section 362 of the Bankruptcy Code, without any application, motion or notice to, hearing before, or order from the Court, but subject to the terms of this Final Order and the Canadian Recognition Orders (a) the DIP ABL Agent may declare (any such declaration shall be referred to herein as a "Termination Declaration") (1) all DIP ABL Obligations owing under the

DIP ABL Documents to be immediately due and payable, (2) the termination, reduction, or restriction of any further commitment to extend credit to the Debtors to the extent any such commitment remains under the DIP ABL Credit Facility, (3) termination of the DIP ABL Credit Facility and the DIP ABL Documents as to any future liability or obligation of the DIP ABL Agent and the DIP ABL Secured Parties, but without affecting any of the DIP ABL Liens or the DIP ABL Obligations, and (4) that the application of the Carve Out has occurred through the delivery of the Carve Out Trigger Notice to the Borrowers; (b) interest, including, where applicable, default interest, shall accrue and be paid as set forth in the DIP ABL Documents, and (c) the DIP ABL Agent may declare a termination, reduction, or restriction on the ability of the Debtors to use ABL Cash Collateral (the date which is the earliest to occur of (i) any such date a Termination Declaration is delivered by DIP ABL Agent or a "Termination Declaration" (as defined in the Interim Order) is delivered by DIP Term Loan Agent and (ii) the DIP ABL Termination Date or DIP Term Loan Termination Date (as applicable), shall be referred to herein as the "Termination Date"). The Termination Declaration shall be given by electronic mail (or other electronic means) to counsel to the Debtors, counsel to the DIP Term Loan Agent, counsel to the Creditors' Committee and any other committee appointed under section 1102 or 1104 of the Bankruptcy Code, and the U.S. Trustee. The automatic stay in the Cases otherwise applicable to the DIP ABL Agent, the DIP ABL Secured Parties, and the Prepetition ABL Secured Parties is hereby modified so that seven (7) business days after the date a Termination Declaration is delivered (the "Remedies Notice Period"): (A) the DIP ABL Agent and the DIP ABL Secured Parties shall be entitled to exercise their rights and remedies in accordance with the respective DIP ABL Documents, the Interim Order and this Final Order and shall be permitted to satisfy the relevant DIP ABL Obligations, DIP Superpriority Claim and DIP ABL Liens, subject to the Carve Out, (B) the

Prepetition ABL Secured Parties shall be entitled to exercise their rights and remedies to satisfy the relevant Prepetition ABL Secured Obligations, Prepetition ABL Superpriority Claims, and Prepetition ABL Adequate Protection Liens, subject to and consistent with (i) the Carve Out, (ii) this Final Order, and (iii) the DIP Intercreditor Agreement. During the Remedies Notice Period, unless otherwise ordered by the Court, the Debtors and/or the Creditors' Committee shall be entitled to seek an emergency hearing within the Remedies Notice Period on any basis and the DIP ABL Agent shall consent to such an emergency hearing. During the Remedies Notice Period, DIP ABL Agent or DIP ABL Secured Parties shall not be required to consent to the use of any Cash Collateral or provide any loans or other financial accommodations under the DIP ABL Credit Facility other than for the payment of accrued and unpaid employee wages and benefits otherwise payable in the ordinary course and in accordance with the Approved Budget and subject to paragraph 39 and availability under the DIP ABL Credit Agreement. Unless the Court orders otherwise, the automatic stay, as to all of the DIP ABL Agent, DIP ABL Secured Parties, and Prepetition ABL Secured Parties, shall automatically be terminated at the end of the Remedies Notice Period without further notice or order. Upon expiration of the Remedies Notice Period, the DIP ABL Agent, DIP ABL Secured Parties, and the Prepetition ABL Secured Parties shall be permitted to exercise all remedies set forth herein, in the DIP ABL Documents, the Prepetition ABL Documents, and as otherwise available at law without further order of or application or motion to the Court consistent with the DIP Intercreditor Agreement, Existing Participation Agreement, and Participation Agreement, as applicable.

34. Good Faith Under Section 364(e) of the Bankruptcy Code; No Modification or Stay of this Final Order. The DIP ABL Agent and DIP ABL Secured Parties have acted in good faith in connection with the Interim Order and this Final Order and are entitled to rely upon the

protections granted herein and by section 364(e) of the Bankruptcy Code. Based on the findings set forth in this Final Order and the record made during the Interim Hearing and the Final Hearing, and in accordance with section 364(e) of the Bankruptcy Code, in the event any or all of the provisions of the Interim Order or this Final Order are hereafter modified, amended or vacated by a subsequent order of this Court or any other court, the DIP ABL Agent, the DIP ABL Secured Parties, and the DIP ABL Obligations are entitled to the protections provided in section 364(e) of the Bankruptcy Code. Any such modification, amendment or vacatur shall not affect the validity and enforceability of any advances previously made or made hereunder, or lien, claim or priority previously or hereby authorized or created. Notwithstanding the foregoing, any provisions or findings in this paragraph as applied to the Put Purchasers are solely with respect to the Put Purchasers' interests in the Last Out Obligations and entry into the Put Agreement and Existing Participation Agreement and subject to and only effective upon the Disinterested Director's Determination and the Challenge Period Termination Date and subject to the rights of the Creditors' Committee set forth in paragraph 42.

35. DIP and Other Expenses. The Debtors are authorized and directed to pay all reasonable and documented fees and expenses of (x) the DIP ABL Agent and DIP ABL Secured Parties in connection with the DIP ABL Credit Facility, as provided in the DIP ABL Documents (subject to applicable limitations on the DIP Parties' obligations to pay such amounts in the DIP ABL Documents), whether or not the transactions contemplated hereby are consummated, and (y) the Prepetition ABL Agent and Prepetition ABL Secured Parties (including the fees and expenses of counsel), as provided in the applicable Prepetition ABL Document, subject to the terms of this paragraph. Payment of all such fees and expenses shall not be subject to allowance by the Court. Professionals for the DIP ABL Agent, the DIP ABL Secured Parties, the Prepetition ABL

Agent, and the Prepetition ABL Secured Parties shall not be required to comply with the U.S. Trustee fee guidelines. No attorney or advisor to the DIP ABL Agent, DIP ABL Secured Parties, Prepetition ABL Agent, or Prepetition ABL Secured Parties shall be required to file an application seeking compensation for services or reimbursement of expenses with the Court. No fees or expenses of the DIP ABL Secured Parties, DIP ABL Agent, or Prepetition ABL Secured Parties shall be paid prior to the provision of a monthly statement or invoice (which may be presented in summary form and/or redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney-work product, or any other confidential information, and the provision of such invoices shall not constitute any waiver of the attorney-client privilege or of any benefits of the attorney-work product doctrine) to counsel for the Creditors' Committee and the Office of the United States Trustee (hereinafter "Lender Expense Notice Parties"). Any Lender Expense Notice Party shall have ten (10) days after submission of such invoice to assert an objection to payment of the amounts sought in the subject invoice. Provided no objection has been raised by any such Lender Expense Notice Party(ies) within the time period provided for herein, the Debtors (or DIP ABL Agent, as applicable) shall be authorized without further order of the Court to pay such invoice. In the event a Lender Expense Notice Party(ies) asserts an objection within the time period provided for herein, the Debtors (or DIP ABL Agent, as applicable) shall be authorized without further order of the Court to pay the undisputed portion of such invoice and any dispute with regard to amounts objected to shall be resolved by the Court.

36. Budget. The Approved Budget was approved pursuant to the Interim Order and the Budget attached hereto as Exhibit A hereby is approved and the proceeds of the DIP ABL Credit Facility and Cash Collateral under the Interim Order and Final Order shall be used by the

Debtors in accordance with the Approved Budget (subject to such variances as permitted in the DIP ABL Credit Agreement), the Interim Order, this Final Order, and the DIP ABL Documents and to fund the Carve Out, subject to the terms and limitations provided in paragraph 39 below. None of the DIP ABL Secured Parties' or DIP ABL Agent's consent (if any) to, or acknowledgement of, the Approved Budget shall be construed as consent to use the proceeds of the DIP ABL Credit Facility or Cash Collateral beyond the respective maturity dates set forth in the DIP ABL Documents, regardless of whether the aggregate funds shown on the Approved Budget have been expended.

37. Indemnification. The Debtors shall indemnify and hold harmless the DIP ABL Agent and the DIP ABL Secured Parties in accordance with the terms and conditions of the DIP ABL Credit Agreement. Notwithstanding the foregoing, any provisions in this paragraph as applied to the Put Purchasers are solely with respect to the Put Purchasers' interests in the Last Out Obligations and entry into the Put Agreement and Existing Participation Agreement and subject to and only effective upon the Disinterested Director's Determination and the Challenge Period Termination Date and subject to the rights of the Creditors' Committee set forth in paragraph 42.

38. Master Proofs of Claim. The DIP ABL Agent, the DIP ABL Secured Parties and the Prepetition ABL Secured Parties will not be required to file proofs of claim in any of the Cases or Successor Cases for any claim allowed herein. Notwithstanding any order entered by the Court in relation to the establishment of a bar date in any of the Cases or Successor Cases to the contrary, and in order to facilitate the processing of claims, to ease the burden upon the Court and to reduce an unnecessary expense to the Debtors' estates, Prepetition ABL Agent and/or each other Prepetition ABL Secured Party is authorized to file in the Debtors' lead chapter 11 Case, Case No. 19-11608, a single, master proof of claim on behalf of the relevant Prepetition ABL Secured Parties

on account of any and all of their respective claims arising under the applicable Prepetition ABL Documents and hereunder (each a “Master Proof of Claim”) against each of the Debtors. Upon the filing of a Master Proof of Claim against each of the Debtors, the Prepetition ABL Secured Parties, and each of their respective successors and assigns, shall be deemed to have filed a proof of claim in the amount set forth opposite its name therein in respect of its claims against each of the Debtors of any type or nature whatsoever with respect to the applicable Prepetition ABL Documents, and the claim of each Prepetition ABL Secured Party (and each of its respective successors and assigns), named in a Master Proof of Claim shall be treated as if such entity had filed a separate proof of claim in each of these Cases. The Master Proofs of Claim shall not be required to identify whether any Prepetition ABL Secured Party acquired its claim from another party and the identity of any such party or to be amended to reflect a change in the holders of the claims set forth therein or a reallocation among such holders of the claims asserted therein resulting from the transfer of all or any portion of such claims. The provisions of this paragraph and each Master Proof of Claim are intended solely for the purpose of administrative convenience and shall not affect the right of each Prepetition ABL Secured Party (or its successors in interest) to vote separately on any plan proposed in these Cases. The Master Proofs of Claim shall not be required to attach any instruments, agreements or other documents evidencing the obligations owing by each of the Debtors to the applicable Prepetition ABL Secured Parties, which instruments, agreements or other documents will be provided upon reasonable request to counsel to the Prepetition ABL Agent.

39. Carve Out.

- (a) Carve Out. As used in this Final Order, the “Carve Out” means the sum of
- (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States



Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate; (ii) all reasonable fees and expenses up to \$50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (the “Chapter 7 Trustee Carve-Out”) and all approved expenses incurred by members of the Creditors’ Committee solely in their capacity as such (the “Committee Expenses”); (iii) to the extent allowed at any time, whether by interim order, final order, procedural order, or otherwise, all unpaid fees and expenses (the “Allowed Professional Fees”) incurred by persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (the “Debtor Professionals”) and the Creditors’ Committee pursuant to section 328 or 1103 of the Bankruptcy Code (the “Committee Professionals” and, together with the Debtor Professionals, the “Professional Persons”) at any time before or on the first business day following delivery by the DIP ABL Agent or DIP Term Loan Agent of a Carve Out Trigger Notice (as defined below), whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice; and (v) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed \$1,250,000 incurred after the first business day following delivery by the DIP ABL Agent or the DIP Term Loan Agent of the Carve Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the “Post-Carve Out Trigger Notice Cap”).<sup>7</sup> For purposes of the foregoing, “Carve Out Trigger Notice” shall mean a written notice delivered by email (or other electronic means) by the DIP ABL Agent or DIP Term Loan Agent to the Debtors, their lead restructuring counsel, the U.S. Trustee, and counsel to the Creditors’ Committee, which notice may be delivered following the occurrence and during the continuation of an Event of Default and acceleration of the DIP ABL

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<sup>7</sup> Notwithstanding the foregoing, up to \$250,000 of the Post-Carve Out Trigger Notice Cap may be used to pay Allowed Professional Fees of Professional Persons incurred prior to the delivery of a Carve Out Trigger Notice to the extent such Allowed Professional Fees exceed the Professional Fee Carve Out Cap (as defined below).

Obligations or an “Event of Default” under the DIP Term Loan Documents and acceleration of the DIP Term Loan Obligations, respectively, stating that the Post Carve Out Trigger Notice Cap has been invoked.

(b) Fee Estimates. Not later than 7:00 p.m. New York time on the third business day of each week starting with the first full calendar week following the Closing Date, each Professional Person shall deliver to the Debtors a statement setting forth a good-faith estimate of the amount of fees and expenses (collectively, “Estimated Fees and Expenses”) incurred during the preceding week by such Professional Person (through Saturday of such week, the “Calculation Date”), along with a good-faith estimate of the cumulative total amount of unreimbursed fees and expenses incurred through the applicable Calculation Date and a statement of the amount of such fees and expenses that have been paid to date by the Debtors (each such statement, a “Weekly Statement”); *provided, that* within one business day of the occurrence of the Termination Declaration Date (as defined below), each Professional Person shall deliver one additional statement (the “Final Statement”) setting forth a good-faith estimate of the amount of fees and expenses incurred during the period commencing on the calendar day after the most recent Calculation Date for which a Weekly Statement has been delivered and concluding on the Termination Declaration Date. For purposes of this paragraph 39(b) and paragraph 39(c), counsel to the Creditors’ Committee will be deemed to be the party that has incurred the Committee Expenses, all references to a “Professional Person” shall be deemed to include the counsel to the Creditors’ Committee in respect of the Committee Expenses and all references to “Allowed Professional Fees” will be deemed to include the Committee Expenses. If any Professional Person fails to deliver a Weekly Statement within three calendar days after such Weekly Statement is due, such Professional Person’s entitlement (if any) to any funds in the Carve Out Reserves (as defined

below) with respect to the aggregate unpaid amount of Allowed Professional Fees for the applicable period(s) for which such Professional Person failed to deliver a Weekly Statement covering such period shall be limited to the aggregate unpaid amount of Allowed Professional Fees included in the Approved Budget for such period for such Professional Person; *provided, that* such Professional Person shall be entitled to be paid any unpaid amount of Allowed Professional Fees in excess of Allowed Professional Fees included in the Approved Budget for such period for such Professional Person from a reserve to be funded by the Debtors from all cash on hand as of such date and any available cash thereafter held by any Debtor pursuant to paragraph 39(c) below. Solely as it relates to the DIP ABL Agent and DIP ABL Secured Parties, any deemed draw and borrowing pursuant to paragraph 39(c)(i) for amounts under paragraph 39(a)(iii) above shall be limited to the greater of (x) the sum of (I) the aggregate unpaid amount of Estimated Fees and Expenses included in such Weekly Statements timely received by the Debtors prior to the Termination Declaration Date *plus*, without duplication, (II) the aggregate unpaid amount of Estimated Fees and Expenses included in the Final Statements timely received by the Debtors pertaining to the period through and including the Termination Declaration Date, and (y) the aggregate unpaid amount of Allowed Professional Fees included in the Approved Budget for the period prior to the Termination Declaration Date (such amount, the “Professional Fee Carve Out Cap”). For the avoidance of doubt, the DIP ABL Agent and DIP ABL Lenders shall be entitled to maintain at all times a reserve (the “Carve-Out Reserve”) in an amount (the “Carve-Out Reserve Amount”) equal to the sum of (i) the greater of (x) the aggregate unpaid amount of Estimated Fees and Expenses included in all Weekly Statements timely received by the Debtors, and (y) the aggregate amount of Allowed Professional Fees contemplated to be unpaid in the Approved Budget at the applicable time, *plus* (ii) the Post-Carve Out Trigger Notice Cap, *plus* (iii) an amount

equal to the amount of Allowed Professional Fees set forth in the Approved Budget for the following week occurring after the most recent Calculation Date, *plus* (iv) the amounts contemplated under paragraph 39(a)(i) and 39(a)(ii) above. Not later than 7:00 p.m. New York time on the fourth business day of each week starting with the first full calendar week following the Closing Date, the Debtors shall deliver to the DIP ABL Agent, the DIP Term Loan Agent, and the Creditors' Committee concurrently a report setting forth the Carve-Out Reserve Amount as of such time (the "Fee Report"), and, in setting the Carve-Out Reserve, the DIP ABL Agent and DIP ABL Lenders shall be entitled to rely upon such reports in accordance with the DIP ABL Credit Agreement or the DIP Term Loan Agreement. Prior to the delivery of the first report setting forth the Carve-Out Reserve Amount, the DIP ABL Agent or the DIP Term Loan Agent may calculate the Carve-Out Reserve Amount by reference to the Approved Budget for subsection (i) of the Carve-Out Reserve Amount. Notwithstanding anything herein to the contrary, DIP ABL Agent may increase the Carve-Out Reserve Amount to include additional amounts with respect to any monitoring charge or other charge arising from the Canadian insolvency proceeding of the Canadian Borrower and for the projected amount of any success, completion, commission-based, or other non-hourly fees billed by or due to any financial advisor, investment banker (including any "Sale Transaction Fee" or "Supplemental Sale Transaction Fee" (each as defined below)), monitor, or other Professional engaged by any Debtor, the Creditors' Committee, or any committee in the Cases.

(c) Carve Out Reserves. On the day on which a Carve Out Trigger Notice is given by either the DIP ABL Agent or the DIP Term Loan Agent to the Debtors with a copy to counsel to the Creditors' Committee (the "Termination Declaration Date"), the Carve Out Trigger Notice shall be deemed (i) a draw request and notice of borrowing by the Debtors for DIP ABL

Loans under the DIP ABL Credit Agreement in an amount equal to the sum of (x) the amounts set forth in paragraphs (a)(i) and (a)(ii), above, and (y) the then unpaid amounts of the Allowed Professional Fees up to the Professional Fee Carve Out Cap (any such amounts actually advanced shall constitute DIP ABL Loans) and (ii) a draw request and notice of borrowing by the Debtors for DIP Term Loans under the DIP Term Loan Facility in an amount equal to the unpaid amounts of the Allowed Professional Fees in excess of the Professional Fee Carve Out Cap (any such amounts actually advanced shall constitute DIP Term Loans), and shall also constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the then unpaid amounts of the Allowed Professional Fees (which cash amounts shall reduce, on a dollar-for-dollar basis, the draw requests and applicable DIP ABL Loans and DIP Term Loans pursuant to the foregoing clauses (i) and (ii) of this sentence of this paragraph (c)). The Debtors shall deposit and hold such amounts in a segregated account at the DIP ABL Agent in trust exclusively to pay such unpaid Allowed Professional Fees (the "Pre-Carve Out Trigger Notice Reserve"). On the Termination Declaration Date, the Carve Out Trigger Notice shall also be deemed a request by the Debtors for (1) DIP ABL Loans under the DIP ABL Credit Agreement in an amount equal to the Post Carve Out Trigger Notice Cap (any such amounts actually advanced shall constitute DIP ABL Loans) and, (2) to the extent not funded by the DIP ABL Lenders, for DIP Term Loans in an amount equal to any unfunded portion of the Post-Carve Out Trigger Notice Cap (any such amounts actually advanced shall constitute DIP Term Loans), and shall also constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap (which cash amounts shall reduce, on a dollar-for-dollar basis, the draw requests and applicable DIP ABL Loans and DIP Term Loans

pursuant to the foregoing clauses (1) and (2) of this sentence of this paragraph (c)). The Debtors shall deposit and hold such amounts in a segregated account at the DIP ABL Agent in trust exclusively to pay such Allowed Professional Fees benefiting from the Post-Carve Out Trigger Notice Cap (the “Post Carve Out Trigger Notice Reserve” and, together with the Pre-Carve Out Trigger Notice Reserve, the “Carve Out Reserves”). On the third business day following the Termination Declaration Date and the deemed requests for the making of DIP ABL Loans and DIP Term Loans as provided in this paragraph (c), notwithstanding anything in the DIP ABL Credit Agreement or the DIP Term Loan Agreement to the contrary, including with respect to (1) the existence of a Default (as defined in the DIP ABL Credit Agreement or the DIP Term Loan Agreement), Event of Default or an “Event of Default” (as defined in the DIP Term Loan Credit Agreement), (2) the failure of the Debtors to satisfy any or all of the conditions precedent for the making of any DIP ABL Loan under the DIP ABL Credit Agreement or DIP Term Loans under the DIP Term Loan Agreement, respectively, (3) any termination of the DIP ABL Loan Commitments or commitments under the DIP Term Loan Credit Facility following an Event of Default or “Event of Default” (as defined in the DIP Term Loan Credit Agreement), or (4) the occurrence of the Maturity Date (as defined in the ABL DIP Credit Agreement or DIP Term Loan Credit Agreement), each DIP ABL Lender and DIP Term Loan Lender with an outstanding Commitment shall make available to the DIP ABL Agent or DIP Term Loan Agent, as applicable, such DIP ABL Lender’s or such DIP Term Loan Lender’s pro rata share of such DIP ABL Loans or DIP Term Loans, as applicable. For the avoidance of doubt, the Carve Out Reserves shall constitute the primary source for payment of Allowed Professional Fees entitled to benefit from the Carve Out, and any lien priorities or superpriority claims granted pursuant to this Final Order to secure payment of the Carve Out shall be limited to any shortfall in funding as provided below.

(d) Application of Carve Out Reserves.

(i) All funds in the Pre-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in subparagraphs (a)(i) through (a)(iii) of the definition of Carve Out set forth above (the "Pre-Carve Out Amounts"), but not, for the avoidance of doubt, the Post-Carve Out Trigger Notice Cap (other than amounts up to \$250,000 to the extent the Pre-Carve Out Amounts exceed the Professional Fee Carve Out Cap), until paid in full. If the Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, subject to clause (iii), below, all remaining funds shall be distributed *first* to the DIP ABL Agent on account of the applicable DIP ABL Obligations until indefeasibly paid in full, in cash, all Commitments have been terminated, and all Letters of Credit have been cancelled (or all such Letters of Credit have been fully cash collateralized or otherwise back-stopped, in each case to the satisfaction of the applicable Issuing Bank), and *thereafter* to the Prepetition ABL Secured Parties in accordance with their rights and priorities as of the Petition Date.

(ii) All funds in the Post-Carve Out Trigger Notice Reserve (other than up to \$250,000, which may be used to pay Pre-Carve Out Amounts to the extent they exceed the Professional Fee Carve Out Cap) shall be used first to pay the obligations set forth in clause (iv) of the definition of Carve Out set forth above (the "Post-Carve Out Amounts"). If the Post-Carve Out Trigger Notice Reserve has not been reduced to zero, subject to clause (iii), below, all remaining funds shall be distributed *first* to the DIP ABL Agent on account of the applicable DIP ABL Obligations until indefeasibly paid in full, in cash, all Commitments have been terminated, and all Letters of Credit have been cancelled (or all such Letters of Credit have been fully cash collateralized or otherwise back-stopped, in each case to the satisfaction of the applicable Issuing

Bank), and *thereafter* to the Prepetition ABL Secured Parties in accordance with their rights and priorities as of the Petition Date.

(iii) Notwithstanding anything to the contrary in the DIP ABL Credit Agreement, DIP Term Loan Credit Agreement or this Final Order, if either of the Carve Out Reserves is not funded in full in the amounts set forth in this paragraph (c), then, any excess funds in one of the Carve Out Reserves following the payment of the Pre-Carve Out Amounts and Post-Carve Out Amounts, respectively, shall be used to fund the other Carve Out Reserve to the extent of any shortfall in funding prior to making any payments to the DIP ABL Agent or the Prepetition ABL Secured Parties, as applicable.

(iv) Notwithstanding anything to the contrary in the DIP ABL Credit Agreement, DIP Term Loan Credit Agreement, or this Final Order, following the third business day after delivery of a Carve Out Trigger Notice, the DIP ABL Agent, the Prepetition ABL Agent, the DIP Term Loan Agent, and the Prepetition Term Loan Agent shall not sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Carve Out Reserves have been fully funded, but shall have a security interest in any residual interest in the Carve Out Reserves, with any excess paid as provided in paragraphs (ii) and (iii) above.

(v) Notwithstanding anything to the contrary in this Final Order, (i) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out with respect to any shortfall (as described below), and (ii) subject to the limitations with respect to the DIP ABL Agent, DIP ABL Secured Parties, Prepetition ABL Agent and Prepetition ABL Secured Parties set forth in paragraph (b), above, in no way shall any Approved Budget, Carve Out, Post-Carve Out Trigger Notice Cap or Carve Out Reserves be



construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtors. For the avoidance of doubt and notwithstanding anything to the contrary herein or in the DIP ABL Credit Agreement or the DIP Term Loan Agreement, the Carve Out subject to the Professional Fee Carve Out Cap shall be senior to all liens and claims securing the DIP ABL Credit Agreement or the DIP Term Loan Agreement, the Prepetition ABL Adequate Protection Liens, the Prepetition Term Loan Adequate Protection Liens, and the Diminution in Value claims, and any and all other forms of adequate protection, liens, or claims securing the DIP ABL Obligations, DIP Term Loan Obligations, the Prepetition ABL Obligations, or the Prepetition Term Loan Obligations and shall be deemed a true carve out from the Prepetition Term Loan Priority Collateral and not from any property of the Debtors' estates not subject to the Prepetition Term Loan Liens.

(vi) Notwithstanding anything herein to the contrary, the Carve Out in respect of any "Transaction Fees" for Houlihan Lokey will be junior to the Prepetition ABL Obligations and DIP ABL Obligations to the extent secured by the DIP ABL Priority Collateral other than (x) the pro rata share (determined in proportion to the allocation of the "Transaction" proceeds as between the DIP ABL Priority Collateral and the DIP Term Priority Collateral) of any "Sale Transaction Fee" or "Supplemental Sale Transaction Fee" (as each term is defined in the Debtors' engagement letter with Houlihan Lokey) authorized by the Court in respect of a "Sale Transaction" (as defined in such engagement letter) that is a going concern sale (and not a liquidation sale) of the DIP ABL Priority Collateral consented to by DIP ABL Agent or (y) to the extent otherwise agreed in writing by the DIP ABL Agent in its sole discretion.

(e) No Direct Obligation To Pay Allowed Professional Fees. The DIP ABL Agent, DIP Term Loan Agent, DIP ABL Secured Parties and DIP Term Loan Parties shall not be

responsible for the payment or reimbursement of any fees or disbursements of any Professional Person incurred in connection with the Cases or any Successor Cases under any chapter of the Bankruptcy Code. Nothing in this Final Order or otherwise shall be construed to obligate the DIP ABL Agent, DIP Term Loan Agent, DIP ABL Secured Parties and DIP Term Loan Parties, in any way, to pay compensation to, or to reimburse expenses of, any Professional Person or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

(f) Payment of Allowed Professional Fees Prior to the Termination Declaration Date. Any payment or reimbursement made prior to the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall not reduce the Carve Out.

(g) Payment of Carve Out On or After the Termination Declaration Date. Any payment or reimbursement made on or after the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis. Any funding of the Carve Out shall be added to, and made a part of, the DIP ABL Obligations or DIP Term Loan Obligations, as applicable, secured by the DIP Collateral and shall be otherwise entitled to the protections granted under the Interim Order, this Final Order, the DIP ABL Documents, the DIP Term Loan Documents, the Bankruptcy Code, and applicable law.

(h) Reservation of Rights. Nothing herein shall be construed to impair the right or ability of any party to object to the fees, expenses, reimbursement, or other compensation described with respect to these Carve-Out provisions.

40. Limitations on the Use of DIP Proceeds, Cash Collateral and Carve Out. The DIP ABL Credit Facility, the DIP Term Loan Credit Facility, the DIP Collateral, the Prepetition Collateral, the Cash Collateral, and the Carve Out may not be used in connection with:

(a) preventing, hindering, or delaying any of the DIP ABL Agent's, the DIP Term Loan Agent's, the DIP ABL Secured Parties', the DIP Term Loan Parties', the Prepetition ABL Secured Parties' or the Prepetition Term Loan Parties' enforcement or realization upon any of the DIP Collateral or Prepetition Collateral; (b) using or seeking to use Cash Collateral without the consent of the DIP ABL Agent or the DIP Term Loan Agent and the Required DIP Term Loan Lenders; (c) using or seeking to use any insurance proceeds constituting DIP Collateral without the consent of the DIP ABL Agent or the DIP Term Loan Agent and the Required DIP Term Loan Lenders, as applicable, *provided, however* that the Debtors may use or seek to use any insurance proceeds constituting DIP Collateral if the DIP Obligations are repaid in full in accordance with the terms of the DIP Documents; (d) incurring Indebtedness (as defined in the DIP ABL Credit Agreement or the DIP Term Loan Credit Agreement, as applicable) secured by liens senior or *pari passu* to the DIP ABL Liens, the Prepetition ABL Liens, and/or the Prepetition ABL Adequate Protection Liens without the prior consent of the DIP ABL Agent or the DIP Term Loan Agent and the Required DIP Term Loan Lenders, as applicable, except to the extent permitted under the DIP ABL Credit Agreement or DIP Term Loan Credit Agreement, as applicable, *provided, however* that the Debtors may incur Indebtedness if the DIP ABL Obligations are repaid in full in accordance with the terms of the DIP ABL Documents; (e) seeking to amend or modify any of the rights granted to the DIP ABL Agent, DIP Term Loan Agent, the DIP ABL Secured Parties, the DIP Term Loan Parties, the Prepetition ABL Secured Parties or the Prepetition Term Loan Parties under the Interim Order, this Final Order, the DIP ABL Documents, the DIP Term Loan Documents, the Prepetition ABL Documents or the Prepetition Term Loan Documents, including seeking to use Cash Collateral and/or DIP Collateral on a contested basis; (f) objecting to or challenging in any way the DIP ABL Liens, DIP Term Loan Liens, DIP ABL Obligations, DIP Term Loan Obligations, Prepetition ABL Liens,

Prepetition Term Loan Liens, Prepetition ABL Obligations, Prepetition Term Loan Obligations, DIP Collateral (including Cash Collateral) or, as the case may be, Prepetition Collateral, or any other claims or liens, held by or on behalf of any of the DIP ABL Agent, DIP Term Loan Agent, the DIP ABL Secured Parties, the DIP Term Loan Parties, the Prepetition ABL Secured Parties or the Prepetition Term Loan Parties, respectively; (g) asserting, commencing or prosecuting any claims or causes of action whatsoever, including, without limitation, any actions under Chapter 5 of the Bankruptcy Code or applicable state law equivalents or actions to recover or disgorge payments, against any of the DIP ABL Agent, DIP Term Loan Agent, the DIP ABL Secured Parties, the DIP Term Loan Parties, the Prepetition ABL Secured Parties or the Prepetition Term Loan Parties, or any of their respective affiliates, agents, attorneys, advisors, professionals, officers, directors and employees; (h) litigating, objecting to, challenging, or contesting in any manner, or raising any defenses to, the validity, extent, amount, perfection, priority, or enforceability of any of the DIP ABL Obligations, DIP Term Loan Obligations, the DIP ABL Liens, DIP Term Loan Liens, Prepetition ABL Liens, Prepetition Term Loan Liens, Prepetition ABL Obligations, Prepetition Term Loan Obligations or any other rights or interests of any of the DIP ABL Agent, DIP Term Loan Agent, the DIP ABL Secured Parties, the DIP Term Loan Parties, the Prepetition ABL Secured Parties or the Prepetition Term Loan Parties; or (i) seeking to subordinate, recharacterize, disallow or avoid the DIP ABL Obligations, DIP Term Loan Obligations, Prepetition ABL Obligations or Prepetition Term Loan Obligations; *provided, however*, that the Carve Out and such collateral proceeds and loans under the DIP ABL Documents and DIP Term Loan Documents may be used for allowed fees and expenses, in an amount not to exceed \$200,000 in the aggregate, incurred solely by the Creditors' Committee, in investigating (but not prosecuting or challenging) the validity, enforceability, perfection, priority or extent of the Prepetition ABL

Liens or Prepetition Term Loan Liens (the “Limited Amount”); provided, however, that nothing herein shall be deemed to limit the Debtors or the Creditors’ Committee from taking any actions that they deem to be required in the exercise of their fiduciary obligations. Notwithstanding anything to the contrary in this Order, nothing herein shall be deemed to (a) limit the ability of the Creditors’ Committee’s professionals to be paid from unencumbered assets for services rendered in the investigation or prosecution of claims against the Prepetition ABL Secured Parties or Prepetition Term Loan Parties; (b) preclude the Court from awarding fees and expenses to the Creditors’ Committee professionals pursuant to section 330 of the Bankruptcy Code for such services rendered; nor (c) relieve the Debtors or any plan proponent(s) from paying all allowed administrative expenses in connection with confirmation of any plan.

41. Payment of Compensation. Nothing herein shall be construed as a consent to the allowance of any professional fees or expenses of any Professional Person or shall affect the right of the DIP ABL Agent, DIP Term Loan Agent, the DIP ABL Secured Parties, the DIP Term Loan Parties, the Prepetition ABL Secured Parties or the Prepetition Term Loan Parties to object to the allowance and payment of such fees and expenses. So long as an unwaived Event of Default or “Event of Default” (as defined in the DIP Term Loan Credit Agreement) has not occurred, the Debtors shall be permitted to pay fees and expenses allowed and payable by final order of the Court (that has not been vacated or stayed, unless the stay has been vacated) under sections 328, 330, 331, and 363 of the Bankruptcy Code, as the same may be due and payable, as reflected in the most recent Approved Budget provided by the Debtors to the DIP ABL Agent and DIP Term Loan Agent.

42. Effect of Stipulations on Third Parties.

(i) *Generally.* Except as set forth in this Final Order, upon the expiration of the Challenge Period (as defined below) except and solely to the extent a Challenge or Challenge Motion has been interposed, unless and until such Challenge is overruled, settled, or denied by Final Order of the Court, the admissions, stipulations, agreements, releases, and waivers set forth in this Final Order are and shall be deemed effective and binding in all circumstances and for all purposes on the Debtors, any subsequent trustee, responsible person, examiner with expanded powers, any other estate representative, and all creditors and parties in interest and all of their successors in interest and assigns, including, without limitation, any chapter 7 or chapter 11 trustee or examiner appoint or elected for any of the Debtors and official committee that may be appointed in these cases (each, a “Challenge Party”), unless, and solely to the extent that the Court rules in favor of the Challenge Party in any such timely and properly filed Challenge (as defined herein); *provided, however*, that any releases by the DIP Term Loan Parties and Prepetition Term Loan Parties of the Put Purchasers shall be governed by the Restructuring Support Agreement (as defined in the Plan). For purposes of this paragraph 42: (a) “Challenge” means any claim against any of the Prepetition ABL Secured Parties or the Put Purchasers (as to the Put Purchasers, solely with respect to the Put Purchasers’ interests in the Last Out Obligations and entry into the Put Agreement and Existing Participation Agreement) by or on behalf of the Debtors, or to object to or to challenge the stipulations, findings or Debtors’ Stipulations set forth herein, including, but not limited to those in relation to: (i) the validity, extent, priority, or perfection of the mortgage, security interests, and liens of any Prepetition ABL Secured Party; (ii) the validity, allowability, priority, or amount of the Prepetition ABL Obligations; or (iii) any liability of any of the Prepetition ABL Secured Parties or the Put Purchasers (as to the Put Purchasers, solely with

respect to the Put Purchasers' interests in the Last Out Obligations and entry into the Put Agreement and Existing Participation Agreement, and subject to and only effective upon the Disinterested Director's Determination and the Challenge Period Termination Date and subject to the rights of the Committee set forth in this paragraph 42) with respect to anything arising from any of the respective Prepetition ABL Documents and the entry into the Put Agreement and Existing Participation Agreement; and (b) "Challenge Period" means sixty (60) days after the entry of this Final Order (or such longer period as the Court orders for cause shown before the expiration of such period or is agreed to by the Prepetition ABL Agent in writing). During the Challenge Period, a Challenge Party shall be entitled to determine whether a basis to assert a Challenge exists. Nothing herein shall be deemed to grant standing in favor of any Challenge Party absent further order of this Court, *provided* that nothing herein shall limit any party in interests rights, if any, to object to any claims pursuant to section 502(a) of the Bankruptcy Code until the expiration of the Challenge Period Termination Date, nor limit the rights of any other parties to contest any such claims asserted pursuant to section 502(a). Notwithstanding anything to the contrary in this Final Order, the Debtors, if timely notified of a potential Challenge (a "Challenge Notice"), shall retain authority to prosecute, settle, or compromise such Challenge in the exercise of their business judgment and subject to any applicable further order of court. Nothing herein shall limit the Creditors' Committee's ability to (x) file a motion in respect of any timely Challenge Notice (a "Challenge Motion"), provided that such Challenge Motion is filed before the Challenge Period Termination Date (or such later date as may be agreed upon among the applicable Debtor(s) and the applicable parties subject to such Challenge Notice) and such Challenge Motion is in respect of a Challenge for which it cannot obtain standing, but meets the standard applicable to pursue such matters for the applicable Debtor(s) derivatively assuming the applicable Debtor were not a

limited liability company, and (y) seek pursuant to that Challenge Motion a mechanism by which to prosecute such Challenge described in such Challenge Notice. In the event the Creditors' Committee files a Challenge Motion for which it cannot obtain standing, the expiration of the Challenge Period solely for the specific Challenge set forth in the Challenge Motion shall be tolled pending further order of the Court, and applicable parties shall meet and confer with respect to an appropriate process for the prosecution of any such Challenge.

(ii) *Binding Effect.* Upon the expiration of the Challenge Period (the "Challenge Period Termination Date"), without the filing of a Challenge or Challenge Motion, or, upon the filing of a Challenge or Challenge Motion, a Final Order of the Court overruling, settling, or denying the Challenge: (A) any and all such Challenges and objections by any party (including, without limitation, the Creditors' Committee, any Chapter 11 trustee, and/or any examiner or other estate representative appointed in these Cases, and any Chapter 7 trustee and/or examiner or other estate representative appointed in any Successor Case), shall be deemed to be forever waived, released and barred, (B) all matters not subject to the Challenge, findings, Debtors' Stipulations, waivers, releases, affirmations and other stipulations as to the priority, extent, and validity as to each Prepetition ABL Secured Parties' claims, liens, interests, and validity of the Prepetition ABL Obligations shall be of full force and effect and forever binding upon the Debtors, the Debtors' bankruptcy estates and all creditors, interest holders, and other parties in interest in these Cases and any Successor Cases; and (C) any and all claims or causes of action against (i) any of the Prepetition ABL Secured Parties or (ii) the Put Purchasers relating in any way to the Put Purchasers' interests in the Last Out Obligations and entry into the Put Agreement and Existing Participation Agreement, shall, in each of clause (i) and clause (ii) be forever waived and released by the Debtors' estates, all creditors, interest holders and other parties in interest in these Cases



and any Successor Cases, provided that the binding effect of the findings, Debtors' Stipulations and release of the Put Purchasers is only effective as to third parties upon the later of the occurrence of the Disinterested Director's Determination and the Challenge Period Termination Date and the rights of the Creditors' Committee pursuant to this paragraph 42.

43. No Third Party Rights/No Superior Rights of Reclamation. Except as explicitly provided for herein, this Final Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect, or incidental beneficiary. Based on the findings and rulings herein concerning the integrated nature of the DIP ABL Credit Agreement and the Prepetition ABL Credit Facility and the relation back of the DIP ABL Liens, in no event shall any alleged right of reclamation or return (whether asserted under Section 546(c) of the Bankruptcy Code or otherwise) be deemed to have priority over the DIP ABL Liens.

44. [Reserved].

45. No Marshaling/Applications of Proceeds. Except as otherwise set forth in paragraph 7, the DIP ABL Agent, DIP ABL Secured Parties, DIP ABL Obligations, Prepetition ABL Secured Parties and Prepetition ABL Obligations shall not be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the DIP Collateral or the Prepetition Collateral, as the case may be, and proceeds shall be received and applied pursuant to this Final Order, including, for the avoidance of doubt, in accordance with paragraph 24 hereof, and the DIP ABL Documents notwithstanding any other agreement or provision to the contrary.

46. Section 552(b). The Prepetition ABL Secured Parties and Prepetition ABL Obligations are each entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall

not apply to the Prepetition ABL Secured Parties and Prepetition ABL Obligations, with respect to proceeds, product, offspring or profits of any of the Prepetition Collateral.

47. Access to DIP Collateral. Without limiting any other rights or remedies of the DIP Agents, and subject to and consistent with any applicable rights that a landlord may have under applicable nonbankruptcy law (except to the extent that such rights are modified by the Court upon a separate motion with notice to the applicable landlords of the leased premises and an opportunity for such landlords to respond and be heard), upon not less than three (3) Business Days' written notice to the landlord of any leased premises that an Event of Default or a Termination Date has occurred and is continuing, the DIP ABL Agent or DIP Term Loan Agent, as applicable, subject to the applicable notice provisions if any, in this Final Order, the Canadian Recognition Orders, and any separate applicable agreement by and between such landlord and the DIP ABL Agent or DIP Term Loan Agent may obtain access to Collateral subject to the following conditions: unless otherwise approved by landlord, (i) any such notice to landlord shall specifically identify any Collateral to be accessed and provide details of any removal actions; (ii) any access or removal actions shall be subject to reasonable rules and restrictions by landlord and shall not unreasonably interfere with the conduct of business at the leased premises; and (iii) any party accessing the leased premises shall pay the rent and operating expenses currently in effect on a per diem basis and such occupancy period shall not extend past 30 days without prior landlord approval, *provided, however*, that nothing in this Final Order shall be deemed to grant the DIP ABL Agent or DIP Term Loan Agent an assignment of the Debtors' rights under the lease or a waiver of any provisions under the lease or applicable non-bankruptcy law relating to notice or foreclosure, all of which are preserved in favor of the landlord and not waived or altered by this

Final Order. Nothing herein shall require the DIP ABL Agent or DIP Term Loan Agent to assume any lease as a condition to the rights afforded in this paragraph.

48. Exculpation. Nothing in the Interim Order, this Final Order, the DIP ABL Documents, the existing agreements, or any other documents related to the transactions contemplated hereby shall in any way be construed or interpreted to impose or allow the imposition upon any DIP ABL Secured Parties or DIP ABL Agent any liability for any claims arising from the postpetition activities of the DIP Parties, including in the operation of their businesses, or in connection with their restructuring efforts and administration of these Cases. In addition, (a) the DIP ABL Secured Parties and DIP ABL Agent shall not, in any way or manner, be liable or responsible for: (i) the safekeeping of the DIP Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any Diminution in Value thereof, or (iv) any act or default of any carrier, servicer, bailee, custodian, forwarding agency, or other person, and (b) all risk of loss, damage, or destruction of the DIP Collateral shall be borne by the DIP Parties.

49. Limits on Lender Liability. The DIP ABL Agent, the DIP ABL Secured Parties and the Prepetition ABL Secured Parties, each in their capacities as such, solely by reason of entering into the DIP ABL Credit Facility and taking the actions permitted under the DIP ABL Documents, the Interim Order and this Final Order, shall not be deemed in control of the operations of the Debtors or to be acting as a “responsible person” or “owner or operator” with respect to the operation or management of the Debtors, so long as the DIP ABL Secured Parties’ other actions do not otherwise constitute, within the meaning of 42 U.S.C. § 9601(20)(F), actual participation in the management or operational affairs of a vessel or facility owned or operated by a Debtor, or otherwise cause liability to arise to the federal or state Government or the status of responsible

person or managing agent to exist under applicable law (as such terms, or any similar terms, are used in the Internal Revenue Code, WARN Act, the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 *et seq.*, as amended, or any similar federal or state statute).

50. [Reserved].

51. Joint and Several Liability. Nothing in the Interim Order or this Final Order shall be construed to constitute a substantive consolidation of any of the Debtors' estates, it being understood, however, that the Borrowers and the DIP ABL Guarantors shall be jointly and severally liable for the obligations hereunder and all DIP ABL Obligations in accordance with the terms hereof and of the DIP ABL Credit Facility and the DIP ABL Documents.

52. Rights Preserved. Notwithstanding anything in the Interim Order or this Final Order to the contrary, the entry of the Interim Order and this Final Order are without prejudice to, and do not constitute a waiver of, expressly or implicitly: (a) the DIP ABL Agent's, DIP ABL Secured Parties', and Prepetition ABL Secured Parties' right to seek any other or supplemental relief in respect of the Debtors; (b) any of the rights of any of the DIP ABL Agent, DIP ABL Secured Parties and Prepetition ABL Secured Parties under the Bankruptcy Code or under non-bankruptcy law, including, without limitation, the right to (i) request modification of the automatic stay of section 362 of the Bankruptcy Code, (ii) request dismissal of any of the Cases or Successor Cases, conversion of any of the Cases to cases under Chapter 7, or appointment of a Chapter 11 trustee or examiner with expanded powers, or (iii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a Chapter 11 plan or plans; or (c) subject to the DIP Intercreditor Agreement, any other rights, claims or privileges (whether legal, equitable or otherwise) of any of the DIP ABL Agent, DIP ABL Secured Parties, or Prepetition ABL Secured

Parties. Notwithstanding anything herein to the contrary, the entry of this Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the Debtors', the Creditors' Committee's, or any party in interest's right to oppose any of the relief requested in accordance with the immediately preceding sentence except as expressly set forth in this Final Order.

53. No Waiver by Failure to Seek Relief. The failure of the DIP ABL Agent, DIP ABL Secured Parties, or Prepetition ABL Secured Parties to seek relief or otherwise exercise their rights and remedies under this Final Order, the DIP ABL Documents, the Prepetition ABL Documents, or applicable law, as the case may be, shall not constitute a waiver of any of the rights hereunder, thereunder, or otherwise of the DIP ABL Agent, DIP ABL Secured Parties, Prepetition ABL Secured Parties, Prepetition Term Loan Parties, Creditors' Committee, or any party in interest.

54. Binding Effect of Interim Order and Final Order. Immediately upon execution by this Court, the terms and provisions of the Interim Order became valid and binding and the terms and provisions of this Final Order shall become valid and binding (in which any conflict shall be construed in favor of this Final Order) upon and inure to the benefit of the Debtors, DIP ABL Agent, DIP Term Loan Agent, DIP ABL Secured Parties, DIP Term Loan Parties, the DIP ABL Obligations, the DIP Term Loan Obligations, the Prepetition ABL Secured Parties, the Prepetition ABL Obligations, Prepetition Term Loan Parties, all other creditors of any of the Debtors, the Creditors' Committee (or any other court appointed committee) appointed in the Cases, and all other parties-in-interest and their respective successors and assigns, including any trustee or other fiduciary hereafter appointed in any of the Cases, any Successor Cases, or upon dismissal of any Case or Successor Case.

55. No Modification of Final Order. Until and unless the DIP ABL Obligations and the Prepetition ABL Obligations have been indefeasibly paid in full in cash, and all letters of credit under the DIP ABL Credit Facility shall have been cancelled, backed, or cash collateralized in accordance with the terms thereof (such payment being without prejudice to any terms or provisions contained in the DIP ABL Credit Facility which survive such discharge by their terms), and all commitments to extend credit under the DIP ABL Credit Facility have been terminated, the Debtors irrevocably waive the right to seek and shall not seek or consent to, directly or indirectly:

(a) without the prior written consent of the DIP ABL Agent and the DIP ABL Secured Parties (or the Prepetition ABL Agent), (i) any material modification, stay, vacatur or amendment to this Final Order; or (ii) a priority claim for any administrative expense or unsecured claim against the Debtors (now existing or hereafter arising of any kind or nature whatsoever, including, without limitation any administrative expense of the kind specified in sections 503(b), 506(c), 507(a), or 507(b) of the Bankruptcy Code) in any of the Cases or Successor Cases, equal or superior to the DIP ABL Superpriority Claims or Prepetition ABL Superpriority Claims, other than the Carve Out and the Canadian Intercompany Superpriority Administrative Claims, as set forth herein;

(b) without the prior written consent of the DIP ABL Agent (or the Prepetition ABL Agent) any order allowing use of Cash Collateral (other than as permitted during the Remedies Notice Period) resulting from DIP Collateral or Prepetition Collateral; (c) without the prior written consent of the DIP ABL Agent, any lien on any of the DIP Collateral with priority equal or superior to the DIP ABL Liens, except as specifically provided in the DIP ABL Documents; or (d) without the prior written consent of the Prepetition ABL Agent, any lien on any of the DIP Collateral with priority equal or superior to the Prepetition ABL Liens or Prepetition ABL Adequate Protection Liens, except as specifically provided in the DIP ABL Documents. The Debtors irrevocably waive any

right to seek any amendment, modification or extension of this Final Order without the prior written consent, as provided in the foregoing, of the DIP ABL Agent (or the Prepetition ABL Agent), and no such consent shall be implied by any other action, inaction or acquiescence of the DIP ABL Agent or the Prepetition ABL Agent.

56. Continuing Effect of DIP Intercreditor Agreement; Participation Agreement. The Debtors, DIP ABL Agent, DIP Term Loan Agent, DIP ABL Secured Parties, DIP Term Loan Parties, Prepetition ABL Secured Parties, and Prepetition Term Loan Parties each shall be bound by, and in all respects of the DIP ABL Credit Facility and DIP Term Loan Credit Facility shall be governed by, and be subject to all the terms, provisions, and restrictions of the DIP Intercreditor Agreement, except as may be expressly modified by this Final Order. The parties to the Participation Agreement shall continue to be bound by, governed by, and be subject to all the terms, provisions, and restrictions of the Participation Agreement.

57. Final Order Controls. In the event of any inconsistency between the terms and conditions of the Interim Order and of this Final Order or the DIP ABL Documents and of this Final Order, the provisions of this Final Order shall govern and control. In the event of any inconsistency between the terms and conditions of any other order regarding any postpetition financing or use of cash collateral, the provisions of this Final Order shall govern and control to the extent such terms and conditions relate to the Prepetition ABL Credit Facility, Prepetition ABL Secured Parties, Prepetition ABL Obligations, Prepetition ABL Documents, Prepetition Collateral, Prepetition ABL Liens, Prepetition ABL Priority Collateral, Prepetition ABL Superpriority Claims, Prepetition ABL Adequate Protection Payments, Prepetition ABL Adequate Protection Liens, DIP ABL Credit Facility, DIP ABL Secured Parties, DIP ABL Obligations, DIP ABL Documents, DIP ABL Collateral, DIP ABL Liens, DIP ABL Priority Collateral, or DIP ABL Superpriority Claims.

Notwithstanding anything to the contrary in the Interim Order, upon entry of this Final Order, any modifications by the Interim Order to the DIP ABL Documents shall be superseded by this Final Order and such modifications shall no longer have any effect.

58. Discharge. The DIP ABL Obligations and the obligations of the Debtors with respect to the adequate protection provided herein shall not be discharged by the entry of an order confirming any plan of reorganization in any of the Cases, notwithstanding the provisions of section 1141(d) of the Bankruptcy Code, unless such obligations have been indefeasibly paid in full in cash (and “payment in full” as provided by the DIP ABL Credit Agreement), on or before the effective date of such confirmed plan of reorganization, or each of the DIP ABL Agent, DIP ABL Secured Parties and Prepetition ABL Agent, as applicable, has otherwise agreed in writing. None of the Debtors shall propose or support any plan of reorganization or sale of all or substantially all of the Debtors’ assets, or order confirming such plan or approving such sale, that is not conditioned upon the indefeasible payment of the DIP ABL Obligations, and the payment of the Debtors’ obligations with respect to the adequate protection provided for herein, in full in cash within a commercially reasonable period of time (and in no event later than the effective date of such plan of reorganization or sale) (a “Prohibited Plan or Sale”) without the written consent of the DIP ABL Agent and the Prepetition ABL Agent, as applicable. For the avoidance of doubt, the Debtors’ proposal or support of a Prohibited Plan or Sale, or the entry of an order with respect thereto, shall constitute an Event of Default hereunder and under the DIP ABL Documents.

59. Survival. The provisions of the Interim Order, this Final Order, and any actions taken pursuant thereto and hereto shall survive entry of any order which may be entered: (a) confirming any plan of reorganization in any of the Cases; (b) converting any of the Cases to a case under Chapter 7 of the Bankruptcy Code; (c) dismissing any of the Cases or any Successor



Cases; or (d) pursuant to which this Court abstains from hearing any of the Cases or Successor Cases. The terms and provisions of the Interim Order and this Final Order, including the claims, liens, security interests, and other protections granted to the DIP ABL Agent, DIP ABL Secured Parties, DIP ABL Obligations, the Prepetition ABL Secured Parties and the Prepetition ABL Obligations granted pursuant to the Interim Order, this Final Order and/or the DIP ABL Documents, shall continue in the Cases, in any Successor Cases, or following dismissal of the Cases or any Successor Cases, and shall maintain their priority as provided by the Interim Order and this Final Order until: (i) in respect of the DIP ABL Credit Facility, all the DIP ABL Obligations, pursuant to the DIP ABL Documents, the Interim Order, and this Final Order, have been indefeasibly paid in full in cash and all letters of credit under the DIP ABL Credit Facility shall have been cancelled or cash collateralized in accordance with the terms thereof (such payment being without prejudice to any terms or provisions contained in the DIP ABL Credit Facility which survive such discharge by their terms), and all commitments to extend credit under the DIP ABL Credit Facility are terminated and (ii) in respect of the Prepetition ABL Facility, all of the Prepetition ABL Obligations pursuant to the Prepetition ABL Documents, the Interim Order and this Final Order, have been indefeasibly paid in full in cash. The terms and provisions concerning the indemnification of the DIP ABL Agent and DIP ABL Secured Parties shall continue in the Cases, in any Successor Cases, following dismissal of the Cases or any Successor Cases, following termination of the DIP ABL Documents and/or the indefeasible repayment of the DIP ABL Obligations.

60. Dallas County, Texas Ad Valorem Taxes. Notwithstanding any other provisions of this Final Order, any valid liens currently held by Dallas County shall neither be primed by nor subordinated to any liens granted hereby. Subject to further order of this Court, up

to a maximum of \$380,000 of proceeds of the sales of assets located in the state of Texas that are subject to a lien held by Dallas County shall be deposited in a segregated account as adequate protection for the secured claims of Dallas County prior to the distribution of any such proceeds to any other creditor; *provided* that the segregated amount shall be reduced if the actual or estimated taxes are less than \$380,000 at the time of any such sale; and provided further that such amount up to \$380,000 shall be funded first from DIP Term Priority Collateral located in the state of Texas. Any valid liens of Dallas County shall attach to these proceeds to the same extent and with the same priority as such liens currently attach to the applicable property of the Debtors. These funds shall be in the nature of adequate protection and shall constitute neither the allowance of the claims of Dallas County, nor a cap on the amounts it may be entitled to receive. The claims and liens of Dallas County shall remain subject to any objections made by any party (including the Debtors) who would otherwise be entitled to raise any objection as to, among other things, the claim amount or the priority, validity, or extent of such liens. These segregated proceeds may be distributed upon agreement among Dallas County, the Debtors, the DIP ABL Secured Parties and the DIP Term Loan Parties, or upon order of the Court with notice to Dallas County. Nothing in this Final Order shall be deemed an admission as to the validity of any claim of Dallas County against a Debtor entity.

61. Canadian Intercompany Superpriority Administrative Claims. The Canadian Intercompany Superpriority Administrative Claims shall be subject to the Carve Out and shall otherwise be junior only to: (a) with respect to the DIP ABL Priority Collateral (1) Permitted Prior Liens; (2) the DIP ABL Liens; (3) the Prepetition ABL Liens; and (4) the Prepetition ABL Adequate Protection Liens; and (b) with respect to the DIP Term Loan Priority Collateral (1) Prepetition Term Loan Permitted Prior Liens; (2) the DIP Term Loan Liens; (3) the Prepetition

Term Loan Liens; (4) the Prepetition Term Loan Adequate Protection Liens; (5) the DIP ABL Liens; (6) the Prepetition ABL Liens; and (7) the Prepetition ABL Adequate Protection Liens; and shall otherwise be senior to all other security interests in, liens on, or claims against any of the Debtors' assets.

62. Necessary Action. The Debtors are authorized to take any and all such actions as are necessary or appropriate to implement the terms of the Interim Order and this Final Order.

63. Bankruptcy Rules. The requirements of Bankruptcy Rules 4001, 6003, and 6004, in each case to the extent applicable, are satisfied by the contents of the DIP Motion.

64. Nunc Pro Tunc Effect of this Final Order. This Final Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be enforceable *nunc pro tunc* to the Petition Date immediately upon execution hereof.

65. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, or 9014 of the Bankruptcy Rules, or any local bankruptcy rules, or Rule 62(a) of the Federal Rules of Civil Procedure, this Final Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Final Order.

66. The Debtors shall within two (2) business days of its entry serve copies of this Final Order to the parties having been given notice of the Final Hearing and to any party that has filed a request for notices with this Court.

Dated: New York, New York  
July 3, 2019

s/Michael E. Wiles

THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE

Exhibit A

Budget

DREAM II HOLDINGS  
CASH FORECAST - WEEKLY  
CONSOLIDATED - USD

CONSOLIDATED - USD		0	Actual	Actual	Actual	Actual	Estimated	Estimated	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	18		
Week #		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
Week Start Date		5/13/19	5/20/19	5/27/19	6/3/19	6/10/19	6/17/19	6/24/19	7/1/19	7/8/19	7/15/19	7/22/19	7/29/19	8/5/19	8/12/19	8/19/19	8/26/19	9/2/19	9/9/19	TOTAL	9/16/19
Week End Date		5/17/19	5/24/19	5/31/19	6/7/19	6/14/19	6/21/19	6/28/19	7/5/19	7/12/19	7/19/19	7/26/19	8/2/19	8/9/19	8/16/19	8/23/19	8/30/19	9/6/19	9/13/19	17 WEEKS	9/20/19
RECEIPTS:																					
Customer Accounts Receivable Collection			\$ 6,395	\$ 6,880	\$ 11,360	\$ 8,271	\$ 7,448	\$ 6,608	\$ 7,204	\$ 8,100	\$ 8,981	\$ 7,542	\$ 8,908	\$ 9,555	\$ 10,318	\$ 9,445	\$ 10,344	\$ 9,978	\$ 10,638	\$ 147,977	
Walmart Contingency for Legal Credit Hold									\$ (2,634)	\$ 2,634										\$ -	
TOTAL CASH RECEIPTS	A	\$ -	\$ 6,395	\$ 6,880	\$ 11,360	\$ 8,271	\$ 7,448	\$ 6,608	\$ 4,570	\$ 10,734	\$ 8,981	\$ 7,542	\$ 8,908	\$ 9,555	\$ 10,318	\$ 9,445	\$ 10,344	\$ 9,978	\$ 10,638	\$ 147,977	
DISBURSEMENTS:																					
Material Purchases																					
Material Purchases			\$ 2,293	\$ 2,503	\$ 4,034	\$ 7,069	\$ 10,367	\$ 6,431	\$ 4,857	\$ 4,804	\$ 4,781	\$ 4,881	\$ 4,297	\$ 3,696	\$ 4,733	\$ 4,486	\$ 4,278	\$ 4,130	\$ 4,114	\$ 81,754	
Critical Vendor Payments			913	97	363	1,078	500	340	352	425		148	250	-	-	-	-	-	-	4,466	
503(b)(9) Payments																				\$ 5,081	
Material Purchases Subtotal		\$ -	\$ 3,207	\$ 2,600	\$ 4,397	\$ 8,147	\$ 10,867	\$ 6,771	\$ 5,209	\$ 5,229	\$ 4,781	\$ 5,029	\$ 4,547	\$ 3,696	\$ 4,733	\$ 4,486	\$ 4,278	\$ 4,130	\$ 4,114	\$ 86,220	\$ 5,081
Other A/P																					
Other A/P			\$ 419	\$ 766	\$ 570	\$ 1,164	\$ 1,369	\$ 1,929	\$ 2,212	\$ 2,212	\$ 2,212	\$ 2,212	\$ 2,262	\$ 2,262	\$ 2,262	\$ 2,262	\$ 2,262	\$ 2,262	\$ 2,262	\$ 30,899	
Pre-Closing Plant Consolidation Initiatives									19	26	35	60	64	66	103	431	64	40	247	1,156	
Margin Decrease From Lost Business									115	115	115	115	115	115	115	115	115	115	115	1,269	
Utility Deposits																					
Contingency/Cure Payments										83				83				83		250	2,000
Other A/P Subtotal		\$ -	\$ 419	\$ 766	\$ 570	\$ 1,164	\$ 1,369	\$ 1,929	\$ 2,346	\$ 2,437	\$ 2,363	\$ 2,387	\$ 2,441	\$ 2,527	\$ 2,481	\$ 2,809	\$ 2,442	\$ 2,501	\$ 2,624	\$ 33,574	
Rent																					
Current Rent			\$ 129	\$ -	\$ 929	\$ 292	\$ -	\$ -	\$ 1,359	\$ -	\$ -	\$ -	\$ 1,359	\$ -	\$ -	\$ -	\$ -	\$ 1,359	\$ -	\$ 5,429	
Stub & Cure Rent							407												407	745	
Rent Sub-Total		\$ -	\$ 129	\$ -	\$ 929	\$ 292	\$ 407	\$ -	\$ 1,359	\$ -	\$ -	\$ -	\$ 1,359	\$ -	\$ -	\$ -	\$ -	\$ 1,359	\$ -	\$ 5,835	
Royalty																					
Royalty Payments			\$ -	\$ -	\$ -	\$ 1,595	\$ -	\$ -	\$ 2,818	\$ -	\$ -	\$ -	\$ 835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 707	\$ 5,955	
Royalty Sub-Total		\$ -	\$ -	\$ -	\$ -	\$ 1,595	\$ -	\$ -	\$ 2,818	\$ -	\$ -	\$ -	\$ 835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 707	\$ 5,955	
Payroll																					
Ordinary Course Payroll			\$ 1,150	\$ 1,868	\$ 1,243	\$ 1,896	\$ 1,117	\$ 1,896	\$ 1,244	\$ 1,891	\$ 1,244	\$ 1,891	\$ 1,244	\$ 1,891	\$ 1,244	\$ 1,891	\$ 1,244	\$ 1,891	\$ 1,244	\$ 26,090	
Severance Payments			7	27	4	23	3	23	4	0	-	-	-	-	-	-	-	-	-	91	
Board Fees					8				8				8					8		33	
KEIP / KERIP																125	125	125	125	500	
Payroll Sub-Total		\$ -	\$ 1,156	\$ 1,894	\$ 1,255	\$ 1,919	\$ 1,120	\$ 1,919	\$ 1,256	\$ 1,891	\$ 1,244	\$ 1,891	\$ 1,252	\$ 1,891	\$ 1,244	\$ 2,016	\$ 1,369	\$ 2,024	\$ 1,369	\$ 26,714	
Restructuring Costs																					
Restructuring Costs	C		\$ -	\$ 1,580	\$ -	\$ -	\$ 182	\$ 43	\$ 2,148	\$ 526	\$ 1,376	\$ 451	\$ 1,564	\$ 301	\$ -	\$ 1,620	\$ 1,275	\$ 250	\$ 5,977	\$ 17,294	
D&O Tail																			150	150	
Restructuring Costs Sub-Total		\$ -	\$ -	\$ 1,580	\$ -	\$ -	\$ 182	\$ 43	\$ 2,148	\$ 526	\$ 1,376	\$ 451	\$ 1,564	\$ 301	\$ -	\$ 1,620	\$ 1,275	\$ 250	\$ 6,127	\$ 17,444	
Interest & Financing Payments																					
Pre-Petition ABL Interest			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58	
ABL DIP Interest & Fees			1,350	8				301					265			285		122		2,331	
Term DIP Interest & Fees			825					174			1,500		161			177		77		2,913	
Interest Payments Sub-Total		\$ -	\$ 2,175	\$ 8	\$ -	\$ -	\$ -	\$ 475	\$ 58	\$ -	\$ 1,500	\$ -	\$ 426	\$ -	\$ -	\$ -	\$ 462	\$ -	\$ 198	\$ 5,302	
TOTAL DISBURSEMENTS	B	\$ -	\$ 7,086	\$ 6,849	\$ 7,153	\$ 13,117	\$ 13,945	\$ 11,138	\$ 15,195	\$ 10,084	\$ 11,283	\$ 9,759	\$ 12,424	\$ 8,415	\$ 8,457	\$ 10,932	\$ 9,825	\$ 10,264	\$ 15,139	\$ 181,044	
TOTAL NET OPERATING CASH FLOW	A-B	\$ -	\$ (691)	\$ 31	\$ 4,208	\$ (4,846)	\$ (6,496)	\$ (4,530)	\$ (10,625)	\$ 651	\$ (2,282)	\$ (2,217)	\$ (3,516)	\$ 1,141	\$ 1,861	\$ (1,407)	\$ 519	\$ (287)	\$ (4,501)	\$ (33,067)	



**SCHEDULE J – FINAL TAX ORDER**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)  
) Case No. 19-11608 (MEW)  
)  
) (Jointly Administered)  
)  
) **Re: Docket No. 8**

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**FINAL ORDER (A) AUTHORIZING THE PAYMENT OF CERTAIN PREPETITION  
TAXES AND FEES AND (B) GRANTING RELATED RELIEF**

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Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”), (a) authorizing the Debtors to remit and pay certain accrued and outstanding prepetition Taxes and Fees in the ordinary course of business, including those obligations subsequently determined upon audit or otherwise to be owed for prepetition periods and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.



appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.
2. The Debtors are authorized, but not directed, to (a) pay or remit the Taxes and Fees accrued prior to the Petition Date that will become payable during the pendency of these chapter 11 cases at such time when the Taxes and Fees are payable in the ordinary course of business and (b) pay Taxes and Fees that arise in the ordinary course of business on a postpetition basis.
3. The Debtors are authorized, but not directed, to pay claims of the Third-Party Service Providers in the ordinary course of business and consistent with their prepetition practices.
4. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' or any other party in interest's right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion or a finding that any particular claim is an administrative expense or other priority claim; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the rights of any party in interest under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law,

statutory, or otherwise) satisfied pursuant to the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

5. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, whether such checks or other requests were submitted prior to, or after, the Petition Date, provided that sufficient funds are on deposit and standing in the Debtors' credit in the applicable bank accounts to cover such payments, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order without any duty of further inquiry and without liability for following the Debtors' instructions.

6. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

7. Notwithstanding the relief granted in this Final Order, any payment made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with any orders entered by the Court approving the Debtors' entry into any postpetition debtor-in-possession financing facility and any budget in connection therewith and/or authorizing the Debtors' use of cash collateral and any budget in connection therewith.

8. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

9. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

10. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

11. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

New York, New York  
Dated: July 2, 2019

s/Michael E. Wiles  
THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE

## **SCHEDULE K – UTILITIES ORDER**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,<sup>1</sup>

Debtors.

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)  
) Chapter 11  
)  
) Case No. 19-11608 (MEW)  
)  
) (Jointly Administered)  
)  
) **Re: Docket No. 17**

**ORDER (A) PROHIBITING UTILITY PROVIDERS FROM  
ALTERING, REFUSING, OR DISCONTINUING UTILITY SERVICES,  
(B) DETERMINING ADEQUATE ASSURANCE OF PAYMENT FOR FUTURE  
UTILITY SERVICES, (C) ESTABLISHING PROCEDURES FOR DETERMINING  
ADEQUATE ASSURANCE OF PAYMENT, AND (D) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”), (a) prohibiting Utility Providers from altering, refusing, or discontinuing services; (b) determining adequate assurance of payment for future Utility Services; (c) establishing procedures for determining adequate assurance of payment for future Utility Services; (d) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Debtors shall serve a copy of this Order on any Utility Provider identified prior to the entry of this Order no later than three business days after the date this Order is entered.
3. The Debtors are authorized to cause the Adequate Assurance Deposit to be held in a segregated account during the pendency of these chapter 11 cases. Notwithstanding anything to the contrary herein or any other court order, the funds contained in the Adequate Assurance Deposit shall be and remain unencumbered and may only be used by the Debtors in furtherance of section 366 of the Bankruptcy Code unless and until otherwise ordered by this Court.
4. The Adequate Assurance Deposit, together with the Debtors' ability to pay for future utility services in the ordinary course of business subject to the Adequate Assurance Procedures, shall constitute adequate assurance of future payment as required by section 366 of the Bankruptcy Code.
5. If an amount relating to Utility Services provided postpetition by a Utility Provider is unpaid, and remains unpaid beyond any applicable grace period, such Utility Provider may request a disbursement from the Adequate Assurance Account by giving notice to: (a) the Debtors,

Hollander Sleep Products, LLC, 901 Yamato Road, Suite 250, Boca Raton, Florida 33431, Attn: Marc Pfefferle; (b) proposed counsel to the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Derek Hunter, and Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn: Joseph M. Graham and Laura Krucks; (c) the Office of the United States Trustee, Southern District of New York, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, New York 10014, Attn: Shannon Scott and Paul Schwartzberg; and (d) proposed counsel to the Official Committee of Unsecured Creditors, Pachulski Stang Ziehl & Jones, LLP, 780 Third Avenue, Suite 3400, New York, New York 10027, Attn: Bradford J. Sandler, Robert J. Feinstein and Jeffrey Pomerantz (collectively, the “Notice Parties”). The Debtors shall honor such request within five business days after the date the request is received by the Debtors, subject to the ability of the Debtors and any such requesting Utility Provider to resolve any dispute regarding such request without further order of the Court. To the extent a Utility Provider receives a disbursement from the Adequate Assurance Account, the Debtors shall replenish the Adequate Assurance Account in the amount disbursed.

6. The portion of the Adequate Assurance Deposit attributable to each Utility Provider shall be returned to the Debtors on the earlier of (a) reconciliation and payment by the Debtors of the Utility Provider’s final invoice in accordance with applicable non-bankruptcy law following the Debtors’ termination of Utility Services from such Utility Provider and (b) the effective date of any chapter 11 plan confirmed in these chapter 11 cases.

7. The following “Adequate Assurance Procedures” are hereby approved on a final basis:

- a. Any Utility Provider desiring additional assurances of payment in the form of deposits, prepayments, or otherwise must serve a request for additional assurance (an “Additional Assurance Request”) on the Notice Parties. An Additional Assurance Request may be made at any time.

- b. Any Additional Assurance Request must (i) be made in writing, (ii) identify the location for which Utility Services are provided, (iii) include information regarding any security deposits paid by the Debtors, (iv) provide evidence that the Debtors have a direct obligation to the Utility Provider, and (v) explain why the Utility Provider believes the Proposed Adequate Assurance is not sufficient adequate assurance of future payment.
- c. Upon the Debtors' receipt of an Adequate Assurance Request, the Debtors shall have 21 days from the receipt of the Adequate Assurance Request (the "Resolution Period") to negotiate with the Utility Provider to resolve the Utility Provider's Adequate Assurance Request; *provided* the Debtors and Utility Provider may extend the Resolution Period by mutual agreement.
- d. Without further order of the Court, the Debtors may enter into agreements granting additional adequate assurance to a Utility Provider serving an Additional Assurance Request if the Debtors determine that the Additional Assurance Request is reasonable.
- e. If the Debtors determine, in their sole discretion, that the Additional Assurance Request is not reasonable and the Debtors are unable to reach an alternative resolution with the Utility Provider, the Debtors, during or immediately after the Resolution Period, may request a hearing (a "Determination Hearing") before the Court to determine the adequacy of assurance of payment with respect to that Utility Provider pursuant to section 366(c)(3) of the Bankruptcy Code. Pending resolution of such dispute at a Determination Hearing, the relevant Utility Provider shall be prohibited from altering, refusing, or discontinuing service to the Debtors on account of: (i) unpaid charges for prepetition services; (ii) a pending Adequate Assurance Request; or (iii) any objections filed in response to the Proposed Adequate Assurance.

8. The Utility Providers are prohibited from requiring additional adequate assurance of payment other than pursuant to the Adequate Assurance Procedures, *provided* that the Adequate Assurance Procedures are without prejudice to any Utility Providers' ability to seek relief from this Court in respect of an Additional Assurance Request on an expedited basis.

9. Unless and until a Utility Provider files or serves an Additional Assurance Request, the Utility Provider shall be (a) deemed to have received "satisfactory" adequate assurance of payment in compliance with Section 366 of the Bankruptcy Code and (b) forbidden from (i) discontinuing, altering, or refusing Utility Services to, or discriminating against, the Debtors on



account of any unpaid prepetition charges, the commencement of these chapter 11 cases, or any perceived inadequacy of the Proposed Adequate Assurance, or (ii) requiring additional assurance of payment other than the Proposed Adequate Assurance.

10. The Debtors will cause a copy of this Order, including the Adequate Assurance Procedures, to be served on any subsequently identified Utility Provider and any such Utility Provider shall be bound by the Adequate Assurance Procedures.

11. To the extent the Debtors identify new or additional Utility Providers or discontinue services from existing Utility Providers, the Debtors are authorized to add or remove such parties from the Utility Providers List. For any Utility Provider that is subsequently added to the Utility Providers List, the Debtors shall serve such Utility Provider a copy of the Court's order regarding Utility Services, including the Adequate Assurance Procedures, and provide such Utility Provider two weeks' notice to object to the inclusion of such Utility Provider on the Utility Providers List. The terms of this order and the Adequate Assurance Procedures shall apply to any subsequently identified Utility Provider

12. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' or any other party in interest's right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Order or the Motion or a finding that any particular claim is an administrative expense or other priority claim; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the rights of any party in interest under the Bankruptcy Code or any other

applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

13. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, whether such checks or other requests were submitted prior to, or after, the Petition Date, provided that sufficient funds are on deposit and standing in the Debtors' credit in the applicable bank accounts to cover such payments, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order without any duty of further inquiry and without liability for following the Debtors' instructions.

14. Except as provided in paragraph 3, any payment made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with any orders entered by the Court approving the Debtors' entry into any postpetition debtor in possession financing facility and any budget in connection therewith and/or authorizing the Debtors' use of cash collateral and any budget in connection therewith.

15. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

16. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

17. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

18. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

19. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

New York, New York  
Dated: July 3, 2019

s/Michael E. Wiles

THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE

## **SCHEDULE L – PROFESSIONALS ORDER**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)  
) Case No. 19-11608 (MEW)  
)  
) (Jointly Administered)  
)  
) **Re: Docket No. 67**

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**ORDER (A) AUTHORIZING THE RETENTION AND COMPENSATION OF  
PROFESSIONALS UTILIZED IN THE ORDINARY COURSE OF BUSINESS  
AND (B) GRANTING RELATED RELIEF**

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Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”) (a) authorizing the Debtors to retain and compensate professionals utilized in the ordinary course of business and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Debtors are authorized to retain and compensate the professionals identified on the OCP List (collectively, the "OCPs"), attached as Exhibit 2A and Exhibit 2B to this Order, in the ordinary course of business, pursuant to the following OCP Procedures:<sup>3</sup>

- a. ***Declaration of Disinterestedness.*** Within 30 days of the date on which an OCP commences work for the Debtors, such OCP shall cause a declaration of disinterestedness, substantially in the form annexed as Exhibit 1 hereto (each, a "Declaration of Disinterestedness"), to be filed with the Court and served upon: (i) Hollander Sleep Products, LLC, 901 Yamato Road, Suite 250, Boca Raton, Florida, 33431, Attn: Marc Pfefferle; (ii) proposed counsel to the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Derek I. Hunter, and 300 North LaSalle Street, Chicago, Illinois 60654, Attn: Joseph M. Graham and Laura E. Krucks; (iii) the Office of the United States Trustee for the Southern District of New York, 201 Varick Street, Room 1006, New York, New York, 10014, Attn: Shannon A. Scott and Paul K. Schwartzberg; (iv) counsel to the administrative agent for the Debtors' prepetition and debtor-in-possession term loan facilities, King & Spalding LLP, Attn: Austin Jowers and Stephen M. Blank; (v) counsel to the administrative agent for the Debtors' prepetition and debtor-in-possession asset-based lending credit facilities, Goldberg Kohn Ltd., Attn: Randall Klein; (vi) counsel to any statutory committee appointed in these chapter 11 cases; and (vii) to the extent not listed herein those parties requesting notice pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties").
- b. ***Objection Procedures.*** The Notice Parties shall have until 12:00 p.m., prevailing Eastern Time, on the date that is 14 days after

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<sup>3</sup> For the avoidance of doubt, and notwithstanding anything to the contrary in the Motion, the Debtors may only retain and compensate as OCPs, and the OCP List shall exclusively include, law firms and attorneys acting in their capacities as such.

the date of filing of each OCP's Declaration of Disinterestedness (the "Objection Deadline") to object to the retention of such OCP. The objecting party shall file any such objection and serve such objection upon the Notice Parties and the respective OCP on or before the Objection Deadline. If any such objection cannot be resolved within 14 days of its receipt, the matter shall be scheduled for hearing before the Court at the next regularly scheduled omnibus hearing date that is no less than 14 days from that date or on a date otherwise agreeable to the parties. The Debtors shall not be authorized to retain and compensate such OCP until all outstanding objections have been withdrawn, resolved, or overruled by order of the Court.

- c. **No Objection.** If no objection is received from any of the Notice Parties by the Objection Deadline with respect to any particular OCP, the Debtors shall be authorized to (i) retain such OCP as of the date such OCP commenced providing services to the Debtors, and (ii) compensate such OCP as set forth below.
- d. **OCP Monthly and Case Caps.** The Debtors shall be authorized to pay, without formal application to the Court by any OCP, 100% of fees and disbursements to each of the OCPs retained by the Debtors pursuant to the OCP Procedures upon submission to the Debtors of an appropriate invoice setting forth in reasonable detail the nature of the services rendered after the Petition Date; *provided, however*, that the following limitations, exclusive of costs and disbursements, shall apply to the compensation:
- for each OCP set forth on **Exhibit 2A** attached to this Order (collectively, the "Tier 1 OCPs"), \$70,000 per month on average over a rolling three month period (the "Tier 1 OCP Cap," with an overall case cap of \$350,000 (the "Tier 1 Case Cap"); and
  - for each OCP set forth on **Exhibit 2B** attached to this Order (collectively, the "Tier 2 OCPs"), \$25,000 per month on average over a rolling three month period (the "Tier 2 OCP Cap," and together with the Tier 1 OCP Cap, the "OCP Monthly Caps") with an overall case cap of \$400,000 (the "Tier 2 Case Cap," and together with the Tier 1 Case Cap, the "OCP Case Caps").

The OCP Monthly Caps and/or the OCP Case Caps may be increased by mutual agreement between the Debtors, the United States Trustee, counsel to any statutory committee appointed in these chapter 11 cases (the "Excess Fees"); *provided* that the Debtors shall file a notice with the Court of any such increase

(the “Notice of Excess Fees”) and an invoice setting forth, in reasonable detail, the nature of the services rendered and disbursements actually incurred. Interested parties shall have 15 days to file an objection to the Notice of Excess Fees with the Court. If after 15 days no objection is filed, the Excess Fees shall be deemed approved, and the OCP may be paid 100% of its fees and 100% of its expenses without the need to file a fee application.

- e. ***Exceeding OCP Monthly Caps.*** To the extent there is no agreement with respect to the OCP Monthly Caps as indicated in subparagraph (d), the OCP shall file with the Court a fee application for the amount in excess of the applicable OCP Monthly Cap in accordance with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, unless the U.S. Trustee agrees otherwise.
- f. ***Exceeding OCP Case Caps.*** To the extent there is no agreement with respect to the OCP Case Caps as indicated in subparagraph (d), the OCP shall file with the Court a retention application in accordance with section 327 of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, unless the U.S. Trustee agrees otherwise.
- g. ***OCP Statements.*** Beginning on the quarter ending June 30, 2019, and for each quarter thereafter during which these chapter 11 cases are pending, the Debtors shall within 30 days thereof file with the Court and serve on the Notice Parties a statement with respect to each OCP paid during the immediately preceding quarterly period (the “Quarterly Statement”). Each Quarterly Statement shall include (i) the name of the OCP, (ii) the aggregate amounts paid as compensation for services rendered and reimbursement of expenses incurred by that OCP during the reported quarter, and (iii) a general description of the services rendered by that OCP.
- h. ***Additional OCPs.*** The Debtors reserve the right to retain additional OCPs from time to time during these chapter 11 cases by (i) including such OCPs on an amended version of the OCP List that is filed with the Court and served on the Notice Parties, and (ii) having such OCPs comply with the OCP Procedures.

3. The Debtors are authorized to supplement the OCP List as necessary to add or remove OCPs, from time to time in their sole discretion, without the need for any further hearing and without the need to file individual retention applications for newly added OCPs. In such event, the Debtors shall file the amended OCP List with this Court and serve such list on the Notice



Parties. Each additional OCP listed in the OCP List shall file with this Court and serve a Declaration of Disinterestedness on the Notice Parties as provided in the OCP Procedures. If no objections are filed within 14 days to any such additional OCP's Declaration of Disinterestedness, then retention of such OCPs shall be deemed approved by this Court pursuant to this Order without a hearing or further order.

4. Nothing contained herein shall affect the Debtors' or any appropriate party in interest's ability to dispute any invoice submitted by an OCP, and nothing contained herein shall preclude the Debtors from seeking authority to pay any OCP in an amount greater than the applicable OCP Monthly Cap, subject to the rights of any party in interest to oppose any such request.

5. This Order shall not apply to any professional retained by the Debtors pursuant to a separate order of the Court.

6. Notwithstanding the relief granted in this Order, any payment made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with any orders entered by the Court approving the Debtors' entry into any postpetition debtor-in-possession financing facility and any budget in connection therewith and/or authorizing the Debtors' use of cash collateral and any budget in connection therewith.

7. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

8. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

9. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

10. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

New York, New York  
Dated: July 2, 2019

s/Michael E. Wiles

THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Declaration of Disinterestedness**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,<sup>1</sup>  
Debtors.

)  
) Chapter 11  
)

) Case No. 19-11608 (MEW)  
)

) (Jointly Administered)  
)

**DECLARATION OF DISINTERESTEDNESS OF [ENTITY]  
PURSUANT TO THE ORDER AUTHORIZING HOLLANDER SLEEP  
PRODUCTS, LLC, *ET AL.*, FOR THE RETENTION AND COMPENSATION  
OF PROFESSIONALS UTILIZED IN THE ORDINARY COURSE OF BUSINESS**

I, [NAME], declare under penalty of perjury:

1. I am a [POSITION] of [ENTITY], located at [STREET, CITY, STATE, ZIP  
CODE] (the "Firm").

2. The above-captioned debtors and debtors in possession (collectively,  
the "Debtors"), have requested that the Firm provide [SPECIFIC DESCRIPTION] services to the  
Debtors, and the Firm has consented to provide such services.

3. The Firm may have performed services in the past, may currently perform services,  
and may perform services in the future in matters unrelated to these chapter 11 cases for persons  
that are parties in interest in the Debtors' chapter 11 cases. The Firm, however, does not perform  
services for any such person in connection with these chapter 11 cases, or have any relationship  
with any such person, their attorneys, or accountants that would be adverse to the Debtors or their  
estates.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

4. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be employed by the Debtors, claimants, and parties in interest in these chapter 11 cases.

5. Neither I nor any principal, partner, director, officer, [etc.] of, or professional employed by, the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the principal and regular employees of the Firm.

6. Neither I nor any principal, partner, director, officer, [etc.] of, or professional employed by, the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates with respect to the matter(s) upon which the Firm is to be employed.

7. The Debtors owe the Firm \$[ ] for prepetition services, the payment of which is subject to limitations contained in title 11 of the United States Code, 11 U.S.C. §§ 101–1532.

8. As of the Petition Date, which was the date on which the Debtors commenced these chapter 11 cases, the Firm [was/was not] party to an agreement for indemnification with certain of the debtor entities. [A copy of such agreement is attached as **Exhibit 1** to this Declaration.]

9. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of its employment, if the Firm should discover any facts bearing on the matters described herein, the Firm will supplement the information contained in this Declaration.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true  
and correct.

Date: \_\_\_\_\_, 2019

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**[DECLARANT'S NAME]**

**Exhibit 2A**

**Tier 1 Ordinary Course Professionals**

**Tier 1 Ordinary Course Professionals**

Name	Address	Type of Service
Frost Brown Todd LLC	One Columbus, Suite 2300 10 West Broad Street Columbus, OH 43215	Legal Services - Labor



**Exhibit 2B**

**Tier 2 Ordinary Course Professionals**

**Tier 2 Ordinary Course Professionals**

<b>Name</b>	<b>Address</b>	<b>Type of Service</b>
Stikeman Elliott LLP	5300 Commerce Court West 199 Bay Street Toronto, ON M5L 1B9	Legal Services - Canada Employment
K&L Gates RCAC	1717 Main Street, Suite 2800 Dallas, TX 75201	Legal Services - Corporate
Lerner David Littenberg Krumholz & Mentlik LLP	600 South Avenue West Westfield, NJ 07090	Legal Services - Intellectual Property
Lewis Brisbois Bisgaard & Smith LLP	633 W. Fifth Street, Suite 4000 Los Angeles, CA 90071	Legal Services - Corporate
Aguilar Y Loera S.C.	Guillermo Gonzalez Camarena 1200 Piso 4A Col. Santa Fe 01210 Alvaro Obregon, Cuidad De Mexico C.P. 01210 Mexico	Legal Services - Mexico
Bingham Greenbaum Doll	3913 Solutions Center Chicago, IL 60677	Legal Services - Corporate
Fox Rothschild LLP	1250 Constellation Blvd., Suite 900 Los Angeles, CA 90067-6209	Legal Services - Employment
Gordon & Rees Scully Mansukhani LLP	633 West Fifth Street, Suite 5200 Los Angeles, CA 90071	Legal Services - Corporate
Sandler, Travis & Rosenberg P.A.	1000 NW 57th Court, Suite 600 Miami, FL 33126	Legal Services - International Trade

## **SCHEDULE M – OMNI ORDER**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:	)	Chapter 11
	)	
HOLLANDER SLEEP PRODUCTS, LLC., <i>et al.</i> , <sup>1</sup>	)	Case No. 19-11608 (MEW)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	<b>Re: Docket No. 66</b>

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**ORDER AUTHORIZING AND APPROVING  
THE EMPLOYMENT AND RETENTION OF OMNI MANAGEMENT  
GROUP AS ADMINISTRATIVE ADVISOR FOR THE DEBTORS  
AND DEBTORS IN POSSESSION *NUNC PRO TUNC* TO THE PETITION DATE**

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Upon the application (the "Application")<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order") (a) appointing Omni as administrative advisor ("Administrative Advisor") *nunc pro tunc* to the Petition Date and (b) granting related relief, all as more fully set forth in the Application; and upon the First Day Declaration and the Miller Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors'

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used but otherwise not defined herein shall have the meanings set forth in the Application.

notice of the Application and opportunity for a hearing on the Application were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Application and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Application and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT**:

1. The Application is granted to the extent set forth herein.
2. The Debtors are authorized to retain Omni as Administrative Advisor effective *nunc pro tunc* to the Petition Date under the terms of the Engagement Agreement, and Omni is authorized to perform the bankruptcy administration services described in the Application and set forth in the Engagement Agreement.
3. Omni is authorized to take such other actions as are necessary to comply with all duties set forth in the Application.
4. Omni shall apply to this Court for allowance of compensation and reimbursement of expenses incurred after the Petition Date in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, standing General Order M-447 (*Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases*), effective February 5, 2013 (the "Amended Guidelines"), the United States Trustee Fee Guidelines (the "U.S. Trustee Guidelines"), and any orders entered in these chapter 11 cases regarding professional compensation and reimbursement of expenses in connection with its services as Administrative Advisor.

5. In the event that Omni seeks reimbursement from the Debtors for attorneys' fees and expenses in connection with its Administrative Advisor services, the invoices and supporting time records for the attorneys' fees and expenses shall be included in Omni's own applications, both interim and final, and these invoices and time records shall be subject to the Amended Guidelines, the U.S. Trustee Guidelines, and the approval of the Bankruptcy Court pursuant to sections 330 and 331 of the Bankruptcy Code without regard to whether such attorneys have been retained under section 327 of the Bankruptcy Code, and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code. Omni shall not be entitled to reimbursement by the Debtors for any fees, disbursements, or other charges of Omni's counsel other than those approved by the Court.

6. Notice of the Application as provided therein shall be deemed good and sufficient notice of such Application and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

7. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

8. The Debtors and Omni are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

9. In the event of an inconsistency between the Engagement Agreement, the Application, and this Order, this Order shall govern.

10. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

11. This Court retains exclusive jurisdiction with respect to all matters arising from, or related to, the implementation, interpretation, and enforcement of this Order.

New York, New York  
Dated: July 2, 2019

s/Michael E. Wiles

THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE

## **SCHEDULE N – CASE MANAGEMENT ORDER**



**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)  
) Case No. 19-11608 (MEW)  
)  
) (Jointly Administered)  
)  
) **Re: Docket No. 14**

**ORDER (A) ESTABLISHING CERTAIN NOTICE, CASE MANAGEMENT, AND  
ADMINISTRATIVE PROCEDURES AND (B) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for the entry of an order (this “Order”) approving and implementing certain notice, case management, and administrative procedures; and it appearing that the proposed procedures that are annexed hereto as **Exhibit 1** (the “Case Management Procedures”) will assist in the efficient handling of these cases, it is HEREBY ORDERED THAT:

1. The Case Management Procedures, as set forth in **Exhibit 1** attached hereto, shall govern all applicable aspects of these chapter 11 cases, except as otherwise ordered by this Court.

2. The first four Omnibus Hearings are scheduled as follows:

- 11:00 a.m. on August 1, 2019;
- 11:00 a.m. on September 4, 2019;
- 11:00 a.m. on October 3, 2019; and
- 11:00 a.m. on November 7, 2019.

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

3. The Debtors' claims and noticing agent, Omni Management Group, is authorized to establish the Case Website, available at [www.omnimgt.com/hollander](http://www.omnimgt.com/hollander), where, among other things, electronic copies of all Court Filings will be posted and viewable free of charge.

4. Any notice sent by the Debtors or any other party in interest that includes the disclosure contained at footnote 1 of **Exhibit 1** shall be deemed to comply with the requirements set forth in section 342(c)(1) of the Bankruptcy Code.

5. All time periods set forth in this Order or in the Case Management Procedures shall be calculated in accordance with Bankruptcy Rule 9006.

6. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

New York, New York  
Dated: July 3, 2019

s/Michael E. Wiles

THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Case Management Procedures**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,<sup>1</sup>

Debtors.

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)  
) Chapter 11  
)

) Case No. 19-11608 (MEW)  
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) (Jointly Administered)  
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**CASE MANAGEMENT PROCEDURES**

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All notices, motions, applications, briefs, memoranda, affidavits, declarations, objections, responses, and other documents filed in these chapter 11 cases are subject to these Case Management Procedures. *Accordingly, all parties in interest are strongly encouraged to review these Case Management Procedures in their entirety, as well the Local Rules and Chambers' Rules, and consult their own legal counsel with respect to any of the matters discussed herein before filing any documents in these chapter 11 cases.*

**Case Management Procedures<sup>2</sup>**

**I. Case Website**

1. The claims and noticing agent of above-captioned debtors and debtors in possession (the "Debtors"), Omni Management Group ("Omni"), is authorized to establish the case website (the "Case Website"), available at [www.omnimgt.com/hollander](http://www.omnimgt.com/hollander), where, among other things, electronic copies of all Court Filings will be posted and viewable free of charge.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used but not immediately defined herein have the meanings given to such terms elsewhere in these Case Management Procedures.

## **II. Hearing and Scheduling Procedures.**

### **A. Omnibus Hearings**

2. ***Matters to Be Heard at Omnibus Hearings.*** Except as set forth in paragraphs 8, 12 and 28, the United States Bankruptcy Court for the Southern District of New York (the “Court”) shall schedule periodic omnibus hearings (the “Omnibus Hearings”) to consider all notices, motions, applications, and other requests for relief, briefs, memoranda, affidavits, declarations, replies, and other documents filed in support of such papers seeking relief (collectively, the “Requests for Relief”), and all objections and responses to such Requests for Relief (collectively, the “Objections,” and together with the Requests for Relief and all other filed documents, the “Court Filings”) pursuant to the following procedures:

3. ***Initial Omnibus Hearings.*** The first four Omnibus Hearings are scheduled as follows:

- 11:00 a.m. on August 1, 2019;
- 11:00 a.m. on September 4, 2019;
- 11:00 a.m. on October 3, 2019; and
- 11:00 a.m. on November 7, 2019.

4. ***Subsequent Omnibus Hearings.*** At or before the Omnibus Hearing held on October 3, 2019 the Debtors shall request that the Court schedule additional Omnibus Hearings. The Court shall schedule such Omnibus Hearings and, upon scheduling, Omni shall post the dates of the additional Omnibus Hearings on the Case Website.

5. ***Requests for Relief to Be Heard at Omnibus Hearing.*** In accordance with Local Rule 9006-1(b), in the event that a party files and serves a Request for Relief at least fourteen (14) days before the next Omnibus Hearing, the matter shall be set for hearing at such Omnibus Hearing. If a Request for Relief is served by overnight delivery, it must be filed and served at least fifteen (15) calendar days before the next Omnibus Hearing. If a Request for Relief is served by

U.S. mail only, it must be filed and served at least seventeen (17) calendar days before the next Omnibus Hearing. If a Request for Relief is filed by a party other than the Debtors and purports to set a hearing date inconsistent with these Case Management Procedures, the Request for Relief shall be heard, without the necessity of a Court order, at the first Omnibus Hearing after the applicable notice period has expired. In addition, initial pre-trial conferences scheduled in connection with adversary proceedings involving the Debtors shall be set on the next available Omnibus Hearing date that is at least 45 days after the filing of the complaint.

6. ***Proposed Omnibus Hearing Agenda.*** Two business days before each Omnibus Hearing, the Debtors' counsel shall file a proposed agenda with regard to the matters scheduled to be heard at such Omnibus Hearing (the "Proposed Hearing Agenda"). The Proposed Hearing Agenda may include notice of matters that have been consensually adjourned to a later Omnibus Hearing in lieu of parties filing a separate notice of adjournment; *provided* that for all matters adjourned to a later Omnibus Hearing or some other future date, the Debtors also will electronically file (but need not serve) a notice of adjournment with respect to such matters.

7. ***Content of Proposed Hearing Agenda.*** The Proposed Hearing Agenda will include, to the extent known by Debtors' counsel: (a) the docket number and title of each matter scheduled to be heard at such Omnibus Hearing, including the initial filing and any objections, replies, or documents related thereto; (b) whether the matters are contested or uncontested; (c) whether the matters have settled or are proposed to be continued; (d) a suggestion for the order in which the matters should be addressed; and (e) any other comments that will assist the Court.

8. ***Matters that May Be Heard at Non-Omnibus Hearings.*** Subject to consultation with the Court's chambers, hearings in connection with applications for professional compensation and reimbursement, pre-trial conferences, asset sales, trials related to adversary proceedings,

approval of a disclosure statement, confirmation of a plan, and any other Court Filing filed by the Debtors and not heard may be scheduled for dates other than the Omnibus Hearing dates.

**B. Procedures Governing Hearings and Scheduling**

9. ***Evidentiary Hearings.*** With respect to any Court Filing, if Objections are filed, the Omnibus Hearing shall not be deemed an evidentiary hearing at which witnesses may testify unless the Court notifies the parties, in advance of the hearing, otherwise. Additionally, any Court Filing requesting or requiring the Court to make a factual finding must be supported by competent evidence (*e.g.*, declarations, affidavits, and exhibits).

10. ***Telephonic Appearances.*** A party desiring to participate in a hearing telephonically must consult chambers' rules regarding telephonic appearances (which discourage such appearances if counsel intends to make substantive argument or a party intends to testify), and request permission from chambers and notify the Debtors' counsel at least 48 hours before the applicable hearing. If chambers permits telephonic participation, the party participating telephonically must arrange such participation with CourtCall (requesting a "live" line), adhering to the procedures for telephonic participation applicable in the Court. Those parties participating by phone may not use speakerphones unless authorized by the Court.<sup>3</sup> Parties participating by phone must put their phones on "mute," except when they need to be heard, and are not to put their phones on "hold" in any circumstances.

11. ***Listen-Only Lines.*** Any party may attend hearings through a listen-only line (each, a "Listen-Only Line") by arranging such Listen-Only Line with CourtCall. For the avoidance of

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<sup>3</sup> Because of technical limitations of the equipment and the way speakerphones disrupt proceedings in the courtroom, speakerphone authorizations usually will not be granted.

doubt, any party wishing to use a Listen-Only Line need not seek permission from the Debtors or the Court.

12. ***Emergency Scheduling Procedures.*** If a movant or applicant other than the Debtors determines that a Request for Relief requires emergency or expedited relief, the movant or applicant shall contact attorneys for (a) the Debtors and (b) the Committee by telephone and request that the Request for Relief be considered on an expedited basis. If the Debtors or the Committee disagrees with the movant's or applicant's request for emergency or expedited relief, the movant or applicant shall (a) inform the Court of the disagreement by telephone and (b) arrange for a chambers conference, telephonic or in-person, to discuss the disagreement. If the Court agrees with the movant or applicant regarding the necessity for expedited consideration, the movant or applicant may, by order to show cause, request an expedited hearing for a date that is not an Omnibus Hearing date.

### **III. Procedures Governing Filings**

#### **A. Courtesy Copies and Electronic Filing**

13. ***Filings.*** All Court Filings filed in these chapter 11 cases shall be filed electronically with the Court on the docket of *In re Hollander Sleep Products, LLC*, Case No. 19-11608 (MEW), in accordance with the Court's General Order M-399, by registered users of the Court's electronic case filing system (the "Electronic Filing System").

14. ***Courtesy Copies to the U.S. Trustee.*** Pursuant to Rule 9070-1 of the Local Bankruptcy Rules for the Southern District of New York (the "Local Rules"), at least one hard copy of any Court Filing (other than proofs of claim) shall be delivered by first class mail to Shannon Scott, of the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee").



15. ***No Courtesy Copies to Court.*** Parties should **NOT** submit hard copies of Court Filings to chambers, unless otherwise directed.

**B. Deadlines for Filings**

16. ***Automatic Extension of Certain Time Periods.*** If a Request for Relief to extend the time to take any action is filed prior to the expiration of the time period provided by the Bankruptcy Code (including any Request for Relief pursuant to section 1121 of the Bankruptcy Code), the Bankruptcy Rules, the Local Rules, or any order of the Bankruptcy Court, the time to so take action shall be automatically extended until the Bankruptcy Court considers and rules upon the Request for Relief.

17. ***Deadlines for Objections.*** Any Objection to a Request for Relief must be filed with the Court and served upon the party filing the Request for Relief and those parties on the Service List (as defined in section IV) by the following deadlines (each, as applicable, the “Objection Deadline”):

- a. in the case of a Request for Relief filed 14 or more days before the applicable hearing, 4:00 p.m. (prevailing Eastern Time), 3 calendar days before the applicable hearing;
- b. in any other case, as otherwise ordered by the Court.

18. ***Extension of Objection Deadline.*** The Objection Deadline may be extended upon both the consent of the party filing the Request for Relief, which consent may be granted via email, and Court approval.

19. ***Filing and Service of Objections.*** All Objections shall be filed with the Court and served by the applicable Objection Deadline upon the party filing the Request for Relief, and those parties on the Service List including each Affected Entity (both terms, as defined in section IV); *provided* that if the Objection Deadline within seven (7) days of the applicable hearing, then Objections shall also be served by email, facsimile, hand delivery, or overnight mail upon the

following parties: (a) the Debtors and their counsel; (b) the Office of the United States Trustee for the Southern District of New York; (c) counsel for the Committee; (d) the administrative agent for the Debtors' term loan facility and counsel thereto; (e) the administrative agent for the Debtors' asset-based loan credit facility and counsel thereto; (f) the administrative agent for the Debtors' proposed debtor in possession term loan financing facility and counsel thereto; (g) the administrative agent for the Debtors' proposed debtor in possession asset-based loan credit facility and counsel thereto; and (h) any party that has requested notice pursuant to Bankruptcy Rule 2002.

20. ***Filing and Service of Replies to Objections.*** If a Court Filing is a reply to an Objection, such reply shall be filed with the Court and served so as to actually be received by (a) the Debtors and their counsel; (b) counsel for the Committee; (c) the administrative agent for the Debtors' term loan facility and counsel thereto; (d) the administrative agent for the Debtors' asset-based loan credit facility and counsel thereto; (e) the administrative agent for the Debtors' proposed debtor in possession term loan financing facility and counsel thereto; (f) the administrative agent for the Debtors' proposed debtor in possession asset-based loan credit facility and counsel thereto; and (g) each Affected Entity (as defined in section IV), in each case by 12:00 p.m. (prevailing Eastern Time) on two (2) business days before the applicable hearing date. Sur-replies shall not be permitted or considered unless authorized by the Court.

**C. Form of Filings**

21. ***Form of Papers.*** Unless granted prior permission, motions, applications, and objections are limited to 40 pages and replies and statements are limited to 15 pages. All Court Filings (other than exhibits) shall be double-spaced, 12-point font, with one-inch margins. This provision is subject to the Local Rules and any individual rules of the Judge.

22. ***Notices of Requests for Relief.*** A notice shall be affixed to the front of each Request for Relief and shall set forth (a) the title of the Request for Relief, (b) the time and date of the objection deadline, (c) the parties on whom any objection is to be served, and (d) the Omnibus Hearing date at which the party intends to present the Request for Relief. The notice may also include a statement that the relief requested therein may be granted, pursuant to Local Rule 9074-1, without a hearing if no objection is timely filed and served in accordance with the Case Management Procedures (each, a “Presentment Notice”). Subject to subsection D below of these Case Management Procedures, if the notice filed with a Request for Relief includes a Presentment Notice, after the objection deadline has passed and if no objection has been filed and served in accordance with these Case Management Procedures, counsel to the party who filed the Request for Relief may file a certification that no objection has been filed or served on them, and may request that the Court grant the relief and enter an order without a hearing.

23. ***Requests for Relief to Include Proposed Order.*** Parties submitting written motions or other Requests for Relief shall be required to include a proposed order with such Request for Relief. All parties submitting orders shall serve a conformed copy of any entered order on (a) each Affected Entity (as defined in section IV), (b) the Debtors, and (c) Omni, within two business days of entry of the applicable order. Omni shall post all orders on the Case Website.

**D. Granting a Request for Relief Without a Hearing.**

24. ***Certificates of No Objection.*** If no Objection to a Request for Relief is filed after the Request for Relief is filed and served in a timely fashion, the movant may submit a proposed order to chambers granting the Request for Relief to the Court along with a certificate of no objection (a “Certificate of No Objection”) representing that no Objection has been filed or served

on the movant, that the docket does not show that any Objection has been filed, and that the movant is aware of no informal Objections.

25. ***Order May Be Entered Without Hearing.*** Following the receipt of a Certificate of No Objection, the Court may enter an order granting the Request for Relief without further pleading, hearing, or request, and once an order granting such Request for Relief is entered, no further hearing on the Request for Relief shall be held. **However, the movant must confirm with the Court whether the relevant hearing will still move forward at least one business day prior to the hearing.**

E. **Additional Rules Governing Certain Pleadings**

26. ***Joinders.*** Any party seeking to support any Court Filing may file an expression of support of such Court Filing (a “Joinder”). Unless otherwise ordered by the Court, filing a Joinder does not entitle such party to: (a) be an independent proponent of the Court Filing; or (b) independently receive a ruling from the Court on the Court Filing. The Court may deem a Joinder to be a brief in support of the applicable Court Filing, and no party shall be required to separately respond to a Joinder.

27. ***Motion Practice for Lift Stay Actions.*** A motion filed by a non-debtor party seeking relief from the automatic stay (a “Stay Relief Motion”) in accordance with section 362 of the Bankruptcy Code shall be noticed for consideration on the Omnibus Hearing date that is at least 21 days after the Stay Relief Motion is filed and notice thereof is served upon the Debtors. Unless otherwise ordered by the Court, the objection deadline shall be the later of (a) 14 calendar days after the filing and service of the Stay Relief Motion or (b) one week prior to the hearing scheduled with respect thereto.

28. ***Motions for Temporary Restraining Orders.*** Parties seeking a temporary

restraining order (a “TRO”) must comply with the requirements of Federal Rule of Civil Procedure 65(b), made applicable to bankruptcy proceedings by Federal Rule of Bankruptcy Procedure 7065. Applications for a TRO will be heard in open court, on the record. Any request for a TRO must be preceded by a telephone call to chambers, advising chambers of the nature of the controversy, the need for emergency relief, why a noticed hearing for a preliminary injunction would be insufficient, when a hearing on the TRO application is needed, and when the motion papers will be forthcoming. Except in those rare cases where advance notice of the TRO application would vitiate the purpose of a TRO (and where that can be established by affidavit), immediate telephonic notice of the application must be provided to all parties reasonably expected to be affected by entry of the TRO, or provisions therein. In addition, the motion papers on any TRO application must be hand delivered, emailed, or faxed to any such parties at or about the same time that the papers are provided to chambers.

#### **IV. Procedures Governing Service.**

##### **A. The Service List.**

29. ***Parties Entitled to Service.*** All Court Filings (other than proofs of claim) shall be served on the following list of parties (the “Service List”), according to the notice procedures in section IV.

- a. ***Master Service List.*** Omni shall maintain a master service list (the “Master Service List”). The Master Service List shall be made available by (i) accessing the Case Website, (ii) contacting the Claims and Noticing Agent directly, or (iii) contacting the Debtors’ counsel directly. The Master Service List shall include the following parties:
  - i. the Office of the U.S. Trustee for the Southern District of New York;
  - ii. the Debtors and their counsel;
  - iii. proposed counsel to the official committee of unsecured creditors appointed in these chapter 11 cases (the “Committee”), Pachulski Stang Ziehl & Jones LLP, 780 Third Avenue, 34<sup>th</sup> Floor, New York, New York 10017, Attn: Robert J. Feinstein and Bradford J. Sandler

and Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Blvd.,  
13<sup>th</sup> Floor, Los Angeles, California 90067, Attn: Jeffrey N.  
Pomerantz;

- iv. counsel to the administrative agent for the Debtors' term loan facility, King & Spalding LLP, Attn: Austin Jowers and Stephen M. Blank;
  - v. counsel to the administrative agent for the Debtors' revolving loan credit facility, Goldberg Kohn Ltd., Attn: Randall Klein;
  - vi. counsel to the administrative agent for the Debtors' proposed debtor in possession term loan financing facility
  - vii. counsel to the administrative agent for the Debtors' proposed debtor in possession asset-based loan credit facility
  - viii. the Office of the United States Trustee for the Southern District of New York, 201 Varick Street, Room 1006, New York, New York, 10014, Attn: Shannon Scott;
  - ix. the United States Attorney's Office for the Southern District of New York;
  - x. the Internal Revenue Service;
  - xi. the office of the attorneys general for the states in which the Debtors operate;
  - xii. the Securities and Exchange Commission; and
  - xiii. any party that has requested notice pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").
- b. **2002 List.** Omni shall maintain a list of all parties that have filed a request to receive service of Court Filings pursuant to Bankruptcy Rule 2002 (the "2002 List").
- i. ***Filing Requests for Documents Requires Email Address.*** A request for service of Court Filings pursuant to Bankruptcy Rule 2002 (each, a "2002 Notice Request") filed with the Court shall be deemed proper only if it includes the following information with respect to the party filing such request: (a) name; (b) street address; (c) name of client(s), if applicable; (d) telephone number; (e) facsimile number; and (f) email address.
  - ii. ***Certification Opting Out of Email Service.*** Any party filing a 2002 Notice Request who does not maintain (and cannot practicably obtain) an email address and thereafter cannot receive service by email must include in the 2002 Notice Request a certification to that effect (each, a "Certification"). A Certification shall include a statement certifying that the party (a) does not maintain an email address and (b) cannot practicably obtain an email address at which

the party could receive service. Such party will thereafter receive paper service in accordance with the Case Management Procedures.

- iii. ***Email Address Required.*** If a 2002 Notice Request fails to include an email address or a Certification, the Debtors shall forward a copy of the Case Management Procedures to such party within five business days requesting an email address. If no email address or Certification is provided in response to such request, such party shall not be added to the 2002 List or served with copies of Court Filings unless such Court Filings directly affect such party.
- iv. ***Changes in Information.*** Each party submitting a 2002 Notice Request is responsible for filing with the Court an updated 2002 Notice Request as necessary to reflect changes to any notice information and must serve a copy of such updated 2002 Notice Request upon the Debtors.
- c. ***Affected Entities.*** All entities with a particularized interest in the subject matter of a specific Court Filing, including the entity filing the Request for Relief is an "Affected Entity" and entitled to be served with all Court Filings relating to that interest.

30. ***Maintenance of the Service List.*** At least every 15 days during the first 60 days of these chapter 11 cases, and at least every 30 days thereafter, Omni shall update the Service List by making any additions and deletions and post the updated Service List on the Case Website.

**B. Service Procedures**

31. ***Electronic Service.*** All Court Filings shall be served via email, other than service of a summons and complaint in an adversary proceeding or documents filed under seal, which shall be deemed to constitute proper service for all parties who are sent such email service; *provided, however*, that Court Filings shall be served on the Master Service List by email and by first class mail. Subject to the limited exclusions, each party that files a notice of appearance and a 2002 Notice Request shall be deemed to have consented to electronic service of all Court Filings, except as provided below.

- a. ***Email Subject Line.*** With respect to the service of any Court Filing, the subject line of the email shall include (i) the Debtors' case name and number *In re Hollander Sleep Products, LLC*, Case No. 19-11608 (MEW), (ii) the name of the party filing such Court Filing, and (iii) the title of the

Court Filing being served. If the title of the Court Filing is too long to fit within the subject line of the email, the subject line shall contain a shortened version of such title, and the text of the email shall contain the full title of such Court Filing.

- b. ***Email Attachments.*** All Court Filings served by email shall include the entire document, including any proposed form(s) of order and exhibits, attachments, or other materials, in PDF, readable by Adobe Acrobat or other equivalent document reader programs commonly available without cost. The relevant Court Filing shall either be attached to the email in a format specified above or the email shall contain a link to such filing in such format. Notwithstanding the foregoing, if a Court Filing cannot be attached to an email (because of its size, technical difficulties, or other concerns), the filing party may serve the Court Filing by U.S. mail, including the proposed form(s) of order and any exhibits, attachments, and other relevant materials; *provided* that the Court Filing is served by hand or overnight delivery on the Service List.

32. ***Paper Service of Certain Affected Entities.*** To the extent an Affected Entity's email address is not available, the Debtors (or any other party filing a Court Filing) shall serve such Affected Entity with paper copies by first class mail or private mail service.

33. ***Certificates of Service.*** Certificates of service for all Court Filings, including the Service List, need only be filed with the Court.

34. ***Service of Requests for Relief.*** For any Court Filing for which particular notice is required to be served on all creditors and parties with a particular interest in the relief sought by any Request for Relief, including Bankruptcy Rules 2002(a)(2) and (3), 4001, 6004, 6007, and 9019, parties shall serve all such Court Filings only on the Service List in accordance with the following, unless otherwise ordered by the Court:

- a. in the case of any use, sale, lease, or abandonment of substantially all of the Debtors' property, on each party asserting an interest in that property;
- b. in the case of any relief from or modification of the automatic stay, on each party asserting a lien or other encumbrance on the affected property;
- c. in the case of the use of cash collateral or obtaining of credit, on each party asserting an interest in the cash collateral or a lien or other interest in property upon which a lien or encumbrance is proposed to be granted;



- d. in the case of a motion under Bankruptcy Rule 9019, on all parties to the relevant compromise and settlement, or that may be directly affected by such compromise or settlement;
- e. in the case of assumption, assignment, or rejection of an executory contract or an unexpired lease, on each party to the executory contract or the unexpired lease;
- f. any objection, opposition, response, reply, or further document filed directly in response to another party's Court Filing, on such other party;
- g. on all parties as required by the Bankruptcy Rules, unless otherwise directed by the Court; and
- h. on any parties as directed by the Court.

35. ***Service for Objections and Replies to Requests for Relief.*** Service for Objections and replies to Requests for Relief shall comply with the rules set forth in paragraphs 19 and 20.

36. ***Notice Provisions Not Applicable to Certain Matters.*** Except as set forth in the Case Management Procedures or otherwise provided by order of the Court, the notice provisions of the Case Management Procedures shall not apply to notices of the matters or proceedings described in the following Bankruptcy Rules:

- a. Bankruptcy Rule 2002(a)(1) (meeting of creditors pursuant to section 341 of the Bankruptcy Code);
- b. Bankruptcy Rule 2002(a)(2) (any proposed use, sale, or lease of property of the estate other than in the ordinary course of business, to the extent that such use, sale, or lease concerns all or substantially all of the Debtors' assets);
- c. Bankruptcy Rule 2002(a)(4) (hearing on the dismissal of a case or cases or the conversion of a case to another chapter);
- d. Bankruptcy Rule 2002(a)(5) (time fixed to accept or reject a proposed modification of a chapter 11 plan);
- e. Bankruptcy Rule 2002(a)(7) (time fixed for filing a proof of claim pursuant to Bankruptcy Rule 3003(c));
- f. Bankruptcy Rule 2002(b)(1) (time fixed for filing objections to and any hearing to consider approval of a disclosure statement);

- g. Bankruptcy Rule 2002(b)(2) (time fixed for filing objections to and any hearing to consider confirmation of a chapter 11 plan);
- h. Bankruptcy Rule 2002(d) (certain matters for which notice is to be provided to equity security holders);
- i. Bankruptcy Rule 2002(f)(1) (entry of an order for relief);
- j. Bankruptcy Rule 2002(f)(2) (dismissal or conversion of a case to another chapter of the Bankruptcy Code);
- k. Bankruptcy Rule 2002(f)(3) (time allowed for filing claims pursuant to Bankruptcy Rule 3002);
- l. Bankruptcy Rule 2002(f)(6) (waiver, denial, or revocation of a discharge as provided in Bankruptcy Rule 4006);
- m. Bankruptcy Rule 2002(f)(7) (entry of an order confirming a chapter 11 plan); and
- n. Bankruptcy Rule 2002(f)(8) (summary of the trustee's final report and account should a case be converted to chapter 7 of the Bankruptcy Code).

**V. Adversary Proceedings.**

37. ***Initial pre-trial conference.*** As set forth in paragraph 5, initial pre-trial conferences for adversary proceedings shall take place on the first Omnibus Hearing date that is at least 45 days after the filing of the complaint.

38. ***Briefing Schedule.*** After the initial pre-trial conference, unless otherwise ordered by the Court, the parties to the adversary proceeding shall confer and agree upon a briefing schedule for all adversary matters, which shall be submitted for approval of the Court.

39. ***Motions for Summary Judgment.*** Pursuant to Local Rule 7056-1, no motion for summary judgment may be made without first seeking a pre-motion conference. A request for such conference should be made by letter setting forth the issues to be presented under the summary judgment motion, which letter shall be filed and served in accordance with the Case Management Procedures.

## **VI. Settlements**

40. ***Settlements.*** In the event that a matter is properly noticed for hearing and the parties reach a settlement of the dispute prior to the scheduled hearing, the parties may announce the settlement at the scheduled hearing. In the event that the Court determines that the notice of the dispute and the hearing is adequate notice of the effects of the settlement (*i.e.*, that the terms of the settlement are not materially different from what parties in interest could have expected if the dispute were fully litigated), the Court may approve the settlement at the hearing without further notice of the terms of the settlement. In the event that the Court determines that additional or supplemental notice is required, the Debtors shall serve such notice in accordance with the Case Management Procedures, and the Court will schedule a hearing to consider such settlement. **Parties shall contact the Bankruptcy Court's chambers as soon as possible in the event that a matter that is properly noticed for hearing is settled prior to the scheduled hearing.**

## **VII. Additional Case Management Procedures.**

41. ***Requests for Departures from the Case Management Procedures.*** Nothing in the Case Management Procedures shall prejudice the right of any party to seek an amendment or waiver of the provisions of the Case Management Procedures upon a showing of good cause including, without limitation, the right to file a motion seeking emergency *ex parte* relief or relief upon shortened notice.

42. ***Promulgation of the Case Management Procedures.*** As soon as practicable after the entry of the proposed Order, a copy of the Case Management Procedures shall be served by the Debtors on each of the parties on the Master Service List. In addition, shortly after the end of each calendar month, Omni or counsel to the Debtors shall serve a copy of the Case Management Procedures upon any party filing a 2002 Notice Request within such calendar month. To help ensure that all parties who may participate in these chapter 11 cases are aware of the terms of the

Case Management Procedures, the Debtors will post the Case Management Procedures on the Case Website.

\* \* \* \* \*

**SCHEDULE O – SECOND INTERIM DIP TERM ORDER**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)

) Case No. 19-11608 (MEW)  
)

) (Jointly Administered)  
)

) Re: Docket Nos. 13 & 53  
)  
)

**SECOND INTERIM ORDER (A) AUTHORIZING THE DEBTORS TO OBTAIN  
POSTPETITION FINANCING, (B) AUTHORIZING THE DEBTORS TO USE CASH  
COLLATERAL, (C) GRANTING LIENS AND PROVIDING SUPERPRIORITY  
ADMINISTRATIVE EXPENSE STATUS, (D) GRANTING ADEQUATE PROTECTION  
TO THE PREPETITION TERM LOAN LENDERS, (E) MODIFYING THE  
AUTOMATIC STAY, (F) SCHEDULING A FINAL HEARING, AND (G) GRANTING  
RELATED RELIEF**

Upon the motion, dated May 19, 2019 (the “DIP Motion”) of Hollander Sleep Products, LLC (the “DIP Term Loan Borrower”) and Hollander Home Fashions Holdings, LLC, Hollander Sleep Products Kentucky, LLC, Hollander Sleep Products Canada Limited, Pacific Coast Feather, LLC and Pacific Coast Feather Cushion, LLC (collectively the “DIP ABL Borrowers”) and together with the DIP Term Loan Borrower, the “Borrowers”) on behalf of themselves and their affiliated debtors and debtors-in possession (together with Dream II Holdings, LLC (“Parent”), collectively, the “Debtors”) in the above-captioned chapter 11 cases (collectively, the “Cases”), seeking entry of an order (this “Second Interim Order”) and a Final Order pursuant to sections 105, 361, 362, 363, 364(c)(1), 364(c)(2), 364(c)(3), 364(d), 364(e), 507 and 552 of chapter 11 of title 11 of the

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

United States Code (the “Bankruptcy Code”), Rules 2002, 4001, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Local Rule 4001-2, *inter alia* authorizing the Debtors to obtain postpetition financing [Docket No. 13] (the “DIP Motion”) and the Court having considered the DIP Motion, the exhibits attached thereto, the *Declaration of Saul Burian in Support of the Debtors’ Motion for Entry of Interim and Final Orders (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Lenders, (E) Modifying the Automatic Stay, (F) Scheduling a Final Hearing, and (G) Granting Related Relief*, the DIP Documents, the *Declaration of Marc Pfefferle, Chief Executive Officer of Hollander Sleep Products, LLC, in Support of Debtors’ Chapter 11 Petitions and First Day Motions* [Docket No. 19], and the evidence submitted and argument made at the interim hearing on May 21, 2019 (the “First Interim Hearing”); and notice of the First Interim Hearing having been given in accordance with Bankruptcy Rules 2002, 4001(b), (c) and (d), and all applicable Local Rules; and the First Interim Hearing having been held and concluded; and certain modifications to the proposed interim order having been made at the direction of the Court, as reflected therein; and the Court having entered an Interim Order on May 23, 2019 [Docket No. 53] (the “First Interim Order”);<sup>2</sup> and the Court having conducted an additional interim hearing on July 1, 2019 (the “Second Interim Hearing”); and the Debtors having requested entry of the Second Interim Order; and it appearing that approval of the interim relief requested in the DIP Motion and this Second Interim Order is necessary to avoid immediate and irreparable harm to the Debtors and their estates pending the Final Hearing, and otherwise is reasonable and in the best interests of the Debtors, their estates and all parties-in-interest, and is

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the First Interim Order or the DIP Term Loan Credit Agreement, as applicable.

essential for the continued operation of the Debtors' businesses and the preservation of the value of the Debtors' assets; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the Debtors' entry into the DIP Term Loan Credit Agreement is a sound and prudent exercise of the Debtors' business judgment; and after due deliberation and consideration, and good and sufficient cause appearing therefor, the Court hereby enters this Second Interim Order.

**IT IS HEREBY ORDERED THAT:**

1. The First Interim Order shall continue to govern the DIP Term Loan Secured Parties and Prepetition Term Loan Secured Parties during the Second Interim Period (as defined herein) with respect to the relief sought in the DIP Motion, subject to the modifications set forth herein. As used in this Second Interim Order, "Second Interim Period" shall mean the period beginning with the entry of this Second Interim Order through and including the earliest to occur of (i) entry of the Final Order, (ii) July 19, 2019, or (iii) the Termination Declaration.

2. With respect to the DIP ABL Parties, the DIP ABL Credit Facility, the Prepetition ABL Secured Parties, and the Prepetition ABL Credit Facility, this Second Interim Order shall be superseded in all respects, by any Final Order entered by this Court pertaining to the DIP ABL Parties, the DIP ABL Credit Facility, the Prepetition ABL Secured Parties and the Prepetition ABL Credit Facility (the "Final DIP ABL Order"), *provided, however*, that a final determination on the relief sought in the DIP Motion concerning a section 506(c) waiver shall be adjourned for the duration of the Second Interim Period with respect to the DIP ABL Parties and the Prepetition ABL Secured Parties and the DIP ABL Parties and the Prepetition ABL Secured Parties shall retain their right to seek approval of a 506(c) waiver at the Final Hearing. To the extent of any conflict between this Second Interim Order and any Final Order as to the DIP ABL



Parties, the DIP ABL Credit Facility, the Prepetition ABL Secured Parties, and the Prepetition ABL Credit Facility, such Final DIP ABL Order shall control.

3. Paragraph 3 of the First Interim Order, entitled "Authorization to Borrow," is to be replaced in its entirety with the following:

Authorization to Borrow. From the entry of this Second Interim Order through and including the earliest to occur of (i) entry of the Final Order (with respect to the DIP Term Loan Credit Facility), (ii) July 19, 2019, or (iii) the Termination Declaration (as defined below) (such date, the "Second Interim Period"), and subject to the terms, conditions, and limitations on availability and reserves set forth in the DIP Term Loan Documents (to the extent not conflicting with this Second Interim Order) and this Second Interim Order, in addition to the \$15,000,000 that has been borrowed under the DIP Term Loan Credit Facility by the Debtors pursuant to the First Interim Order, the Debtors are hereby further authorized to forthwith borrow money pursuant to the DIP Term Loan Agreement, and the DIP Term Loan Guarantors are hereby authorized to guaranty the DIP Term Loan Parties' DIP Term Loan Obligations with respect to such borrowings, in each case in an aggregate principal amount of up to \$5,000,000 on an interim basis (the "Incremental Interim Financing," and together with the interim financing provided under the DIP Term Loan Credit Facility pursuant to the First Interim Order, the "Interim Financing") together with applicable interest, expenses, fees and other charges payable in connection with the DIP Term Loan Credit Facility, subject to any limitations on borrowing under the DIP Term Loan Documents not in conflict with this Second Interim Order. In order to access any portion of the \$5,000,000 Incremental Interim Financing, the Debtors shall be required to make a written borrowing request of the DIP Term Loan Agent and DIP Term Loan Lenders, who may deny or accept such request (and, if such request is granted, make the requested portion of the Interim Incremental Financing available to the Debtors) in the discretion of the DIP Term Loan Agent, at the direction of the Required DIP Term Loan Lenders. The Interim Financing shall be used for all purposes permitted under the DIP Term Loan Documents, including, without limitation, to provide working capital for the DIP Parties and to pay interest, fees, costs, charges and expenses in accordance with this Second Interim Order, the DIP Term Loan Documents, and the Approved Budget (subject to the variances permitted by the DIP Term Loan Agreement). In connection with obtaining and using funds to enable the Debtors to pay the expenses set forth in the Approved Budget (subject to the variances permitted by the DIP Agreements), the Debtors shall borrow and use (or in the case of amounts already then borrowed under the DIP Term Loan Credit Facility, use), on a weekly and cumulative basis, an approximately equal amount from the DIP ABL Credit Facility (subject to Availability) and the amounts borrowed under the DIP Term Loan Credit Facility.

4. Paragraph 9 of the First Interim Order, entitled “Use of Proceeds of DIP Facilities,” shall be renamed “Use of Proceeds of DIP Term Loan Credit Facility” and shall be replaced in its entirety with the following and the Exhibit A referenced therein is attached hereto as Exhibit A:

Use of Proceeds of DIP Term Loan Credit Facility. From and after the Petition Date, the Debtors shall use advances of credit under the DIP Term Loan Credit Facility, in accordance with the Approved Budget (subject to such variances as permitted in the DIP Agreements), only for the purposes specifically set forth in this Second Interim Order and the DIP Term Loan Documents, and in compliance with the terms and conditions in this Second Interim Order and the DIP Term Loan Documents, *provided, however*, that the Approved Budget attached hereto as Exhibit A will expire and cease to be an Approved Budget upon expiration of this Second Interim Period. Any subsequent Approved Budget (including, without limitation, any Approved Budget attached to the Final Order (with respect to the DIP Term Loan Credit Facility)) must be reasonably acceptable to the DIP Term Loan Agent and the Required DIP Term Loan Lenders.

5. It shall be an Event of Default if the Final Order (with respect to the DIP Term Loan Credit Facility) is not entered within two business days of July 17, 2019, and section (a)(ii) of Paragraph 31 of the First Interim Order (entitled “Events of Default”) shall be replaced with the following: “failure of the Debtors to obtain, within two business days of July 17, 2019, the entry of the Final Order (with respect to the DIP Term Loan Credit Facility), on the terms and conditions contemplated by the DIP Term Loan Documents and otherwise in form and substance satisfactory to the DIP Term Loan Agent.”

6. Paragraph 60 of the First Interim Order, entitled “Final Hearing,” shall be replaced in its entirety with the following:

Final Hearing. The Final Hearing to consider entry of the Final Order (with respect to the DIP Term Loan Credit Facility), the entry of a Final Order with respect to approval of a 506(c) waiver as it relates to the DIP ABL Parties and Prepetition ABL Secured Parties, and final approval of the DIP Term Loan Credit Facility is scheduled for July 17, 2019, at 2:00 p.m., prevailing Eastern Time, before the Honorable United States Bankruptcy Judge Michael E. Wiles, in Courtroom 617, at the United States Bankruptcy Court for the Southern District of New York. On

or before July 3, 2019, the Debtors shall serve, by United States mail, first-class postage prepaid, notice of the entry of this Second Interim Order and of the Final Hearing (the "Final Hearing Notice") on: (a) the parties having been given notice of the Second Interim Hearing; (b) any party which has filed prior to such date a request for notices with this Court; (c) the Office of the United States Trustee for the Southern District of New York; (d) counsel for the Creditors' Committee; (e) the Securities and Exchange Commission; and (f) the Internal Revenue Service. The Final Hearing Notice shall state that the Creditors' Committee shall file written objections with the Clerk of the Court no later than 4:00 p.m., on July 10, 2019, which objections shall be served so as to be received on or before such date by: (i) counsel to the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Joshua A. Sussberg, P.C. and Christopher T. Greco, P.C., and Kirkland & Ellis LLP, 300 North LaSalle, Chicago, IL 60654, Attn: Joe Graham and Laura Krucks; (ii) counsel to the DIP ABL Agent and Prepetition ABL Agent, Goldberg Kohn Ltd. 55 East Monroe, Suite 3300, Chicago, Illinois 60603, Attn: Randall Klein and Prisca Kim, and Orrick, 51 W. 52nd Street, New York, New York, 10019, Attn: Laura Metzger and Peter Amend; and (iii) counsel to the DIP Term Loan Agent and Prepetition Term Loan Agent, King & Spalding LLP, 1185 Avenue of the Americas, New York, NY 10036, Attn: W. Austin Jowers, Christopher Boies, and Stephen M. Blank.

Dated: New York, New York  
July 3, 2019

s/Michael E. Wiles

THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit A**

**Budget**

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DREAM II HOLDINGS CASH FORECAST - WEEKLY CONSOLIDATED - USD		Actual	Actual	Actual	Actual	Estimated	Estimated	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	18	
Week #	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
Week Start Date	5/13/19	5/20/19	5/27/19	6/3/19	6/10/19	6/17/19	6/24/19	7/1/19	7/8/19	7/15/19	7/22/19	7/29/19	8/5/19	8/12/19	8/19/19	8/26/19	9/2/19	9/9/19	TOTAL	
Week End Date	5/17/19	5/24/19	5/31/19	6/7/19	6/14/19	6/21/19	6/28/19	7/5/19	7/12/19	7/19/19	7/26/19	8/2/19	8/9/19	8/16/19	8/23/19	8/30/19	9/6/19	9/13/19	17 WEEKS	
RECEIPTS:																				
Customer Accounts Receivable Collection		\$ 6,395	\$ 6,880	\$ 11,360	\$ 8,271	\$ 7,448	\$ 6,608	\$ 7,204	\$ 8,100	\$ 8,981	\$ 7,542	\$ 8,908	\$ 9,555	\$ 10,318	\$ 9,445	\$ 10,344	\$ 9,978	\$ 10,638	\$ 147,977	
Walmart Contingency for Legal Credit Hold								\$ (2,634)	\$ 2,834										\$ -	
TOTAL CASH RECEIPTS	A	\$ -	\$ 6,395	\$ 6,880	\$ 11,360	\$ 8,271	\$ 7,448	\$ 6,008	\$ 4,570	\$ 10,934	\$ 8,981	\$ 7,542	\$ 8,908	\$ 9,555	\$ 10,318	\$ 9,445	\$ 10,344	\$ 9,978	\$ 10,638	\$ 147,977
DISBURSEMENTS:																				
Material Purchases																				
Material Purchases		\$ 2,293	\$ 2,503	\$ 4,034	\$ 7,069	\$ 10,367	\$ 6,431	\$ 4,857	\$ 4,804	\$ 4,781	\$ 4,881	\$ 4,297	\$ 3,696	\$ 4,733	\$ 4,486	\$ 4,278	\$ 4,130	\$ 4,114	\$ 81,754	
Critical Vendor Payments		913	97	363	1,078	500	340	352	425		148	250							4,466	
503(b)(9) Payments																				
Material Purchases Subtotal		\$ -	\$ 3,207	\$ 2,600	\$ 4,397	\$ 8,147	\$ 10,867	\$ 6,771	\$ 5,209	\$ 5,229	\$ 4,781	\$ 5,029	\$ 4,547	\$ 3,696	\$ 4,733	\$ 4,486	\$ 4,278	\$ 4,130	\$ 4,114	\$ 86,220
Other A/P																				
Other A/P		\$ 419	\$ 766	\$ 570	\$ 1,164	\$ 1,369	\$ 1,929	\$ 2,212	\$ 2,212	\$ 2,212	\$ 2,212	\$ 2,262	\$ 2,262	\$ 2,262	\$ 2,262	\$ 2,262	\$ 2,262	\$ 2,262	\$ 30,899	
Pre-Closing Plant Consolidation Initiatives								19	26	35	60	64	66	103	431	84	40	247	1,156	
Margin Decrease From Lost Business								115	115	115	115	115	115	115	115	115	115	115	1,269	
Utility Deposits																				
Contingency/Cure Payments									83				83				83		250	
Other A/P Subtotal		\$ -	\$ 419	\$ 766	\$ 570	\$ 1,164	\$ 1,369	\$ 1,929	\$ 2,346	\$ 2,437	\$ 2,363	\$ 2,387	\$ 2,441	\$ 2,527	\$ 2,481	\$ 2,809	\$ 2,442	\$ 2,501	\$ 2,624	\$ 33,574
Rent																				
Current Rent		\$ 129	\$ -	\$ 929	\$ 292	\$ -	\$ -	\$ 1,359	\$ -	\$ -	\$ -	\$ 1,359	\$ -	\$ -	\$ -	\$ -	\$ 1,359	\$ -	\$ 5,429	
Sub & Cure Rent							407												407	
Rent Sub-Total		\$ -	\$ 129	\$ -	\$ 929	\$ 292	\$ 407	\$ 1,359	\$ -	\$ -	\$ -	\$ 1,359	\$ -	\$ -	\$ -	\$ -	\$ 1,359	\$ -	\$ 5,835	
Royalty																				
Royalty Payments		\$ -	\$ -	\$ -	\$ 1,595	\$ -	\$ -	\$ 2,818	\$ -	\$ -	\$ -	\$ 635	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 707	\$ 5,955	
Royalty Sub-Total		\$ -	\$ -	\$ -	\$ 1,595	\$ -	\$ -	\$ 2,818	\$ -	\$ -	\$ -	\$ 635	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 707	\$ 5,955	
Payroll																				
Ordinary Course Payroll		\$ 1,150	\$ 1,868	\$ 1,243	\$ 1,896	\$ 1,117	\$ 1,896	\$ 1,244	\$ 1,891	\$ 1,244	\$ 1,891	\$ 1,244	\$ 1,891	\$ 1,244	\$ 1,891	\$ 1,244	\$ 1,891	\$ 1,244	\$ 26,090	
Severance Payments		7	27	4	23	3	23	4	0								8		91	
Board Fees				8				8											33	
KEIP / KERF															125	125	125	125	500	
Payroll Sub-Total		\$ -	\$ 1,156	\$ 1,894	\$ 1,255	\$ 1,919	\$ 1,120	\$ 1,919	\$ 1,256	\$ 1,891	\$ 1,244	\$ 1,891	\$ 1,252	\$ 1,891	\$ 1,244	\$ 2,016	\$ 1,389	\$ 2,024	\$ 1,389	\$ 26,714
Restructuring Costs																				
Restructuring Costs	C	\$ -	\$ 1,580	\$ -	\$ -	\$ 182	\$ 43	\$ 2,148	\$ 526	\$ 1,376	\$ 451	\$ 1,564	\$ 301	\$ -	\$ 1,620	\$ 1,275	\$ 250	\$ 5,977	\$ 17,294	
D&O Tail																		150	150	
Restructuring Costs Sub-Total		\$ -	\$ 1,580	\$ -	\$ -	\$ 182	\$ 43	\$ 2,148	\$ 526	\$ 1,376	\$ 451	\$ 1,564	\$ 301	\$ -	\$ 1,620	\$ 1,275	\$ 250	\$ 6,127	\$ 17,444	
Interest & Financing Payments																				
Pre-Petition ABL Interest		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58	
ABL DIP Interest & Fees		1,350	8	-	-	-	301	-	-	-	265	-	-	-	285	-	122	-	2,331	
Term DIP Interest & Fees		825	-	-	-	-	174	-	-	1,500	-	-	161	-	177	-	77	-	2,913	
Interest Payments Sub-Total		\$ -	\$ 2,175	\$ 8	\$ -	\$ -	\$ 475	\$ 58	\$ -	\$ 1,500	\$ -	\$ 426	\$ -	\$ -	\$ -	\$ 462	\$ -	\$ 198	\$ 5,302	
TOTAL DISBURSEMENTS	B	\$ -	\$ 7,086	\$ 6,849	\$ 7,153	\$ 13,117	\$ 13,945	\$ 11,138	\$ 15,195	\$ 10,084	\$ 11,263	\$ 9,759	\$ 12,424	\$ 8,415	\$ 9,457	\$ 10,932	\$ 9,825	\$ 10,264	\$ 15,139	\$ 181,044
TOTAL NET OPERATING CASH FLOW	A-B	\$ -	\$ (691)	\$ 31	\$ 4,206	\$ (4,846)	\$ (6,496)	\$ (4,530)	\$ (10,625)	\$ 651	\$ (2,282)	\$ (2,217)	\$ (3,516)	\$ 1,141	\$ 1,851	\$ (1,487)	\$ 519	\$ (287)	\$ (4,501)	\$ (33,067)



**SCHEDULE P – BAR DATE ORDER**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

HOLLANDER SLEEP PRODUCTS, LLC., *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)  
) Case No. 19-11608 (MEW)  
)  
) (Jointly Administered)  
)  
) **Re: Docket No. 68**

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**ORDER (A) SETTING BAR DATES FOR SUBMITTING PROOFS OF CLAIM,  
(B) APPROVING PROCEDURES FOR SUBMITTING PROOFS OF CLAIM,  
(C) APPROVING NOTICE THEREOF, AND (D) GRANTING RELATED RELIEF**

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Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Bar Date Order”) (a) setting bar dates for creditors to submit Proofs of Claim in these chapter 11 cases, (b) approving procedures for submitting Proofs of Claim, (c) approving the form of notice of the bar dates and manner of service thereof, and (d) granting related relief; all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors’ notice of the Motion

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.



and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted to the extent set forth herein.
2. Except as otherwise provided herein, all persons and entities including, without limitation, individuals, partnerships, corporations, joint ventures, and trusts, that assert a Claim (as defined in section 101(5) of the Bankruptcy Code) against the Debtors which arose before May 19, 2019 (the "Petition Date"), including claims pursuant to section 503(b)(9) of the Bankruptcy Code (each, a "503(b)(9) Claim"), shall submit a written proof of such Claim so that it is *actually received* by Omni Management Group (the "Notice and Claims Agent") on or before **5:00 p.m., prevailing Eastern Time, on July 29, 2019** (the "General Claims Bar Date"), which submission shall be in accordance with this Bar Date Order.

3. Notwithstanding any other provision of this Bar Date Order, Proofs of Claim submitted by governmental units must be submitted so as to be *actually received* by the Notice and Claims Agent on or before **5:00 p.m., prevailing Eastern Time, on November 15, 2019** (the "Governmental Bar Date"), the date that is 180 days from the Petition Date.

4. Any person or entity that holds a Claim arising from the rejection of an executory contract or unexpired lease must submit a Proof of Claim based on such rejection on or before the later of (a) the General Claims Bar Date and (b) any date this Court may fix in the applicable order

authorizing such rejection and, if no such date is provided, 35 days after the date of entry of such order. The Debtors will provide notice of the Rejection Bar Date to the contract or lease counterparty whose contract or lease is being rejected at the time the Debtors reject any executory contract or unexpired lease.

5. If the Debtors amend or supplement their Schedules, the Debtors shall provide notice of any amendment or supplement to the holders of Claims affected thereby. Any claimant holding a Claim affected by the amendment or supplement to the Schedules that does not agree with such amendment's or supplement's treatment of such claimant's Claim must submit a Proof of Claim on or before the later of (a) the applicable General Claims Bar Date or the Governmental Bar Date, and (b) 5:00 p.m., prevailing Eastern Time, on the date that is 35 days after the date on which the Debtors provide notice of the amendment to the Schedules (any such date, a "Supplemental Bar Date"). In such instances, the Debtors shall provide such parties with notice, in a form substantially similar to the Bar Date Notice, that clearly sets forth the Supplemental Bar Date by which such parties must submit a Proof of Claim.

6. In accordance with Bankruptcy Rule 3003(c)(2) and the Guidelines, any holder of a Claim that is not excepted from the requirements of the Bar Date Order and fails to timely submit a Proof of Claim in the appropriate form shall not be entitled to (a) vote on any chapter 11 plan filed in this case on account of such Claim, or (b) participate in any distribution in these chapter 11 cases on account of such Claim.

7. As appropriate, the Debtors shall mail one or more proof of claim forms substantially similar to the Form of Proof of Claim attached hereto as **Exhibit 1**, which is hereby approved, indicating on the form how the Debtors have listed such creditor's Claim in the

Schedules (including the identity of the Debtor, the amount of the Claim and whether the Claim has been scheduled as “contingent,” “unliquidated,” or “disputed”).

8. The following procedures for the submission of Proofs of Claim asserting Claims against the Debtors in these chapter 11 cases shall apply:

- a) Each Proof of Claim must: (i) be written in English; (ii) be legible; (iii) include a Claim amount denominated in United States dollars; (iv) conform substantially with the Proof of Claim form provided by the Debtors or Official Form 410; (v) be signed by the claimant or by an authorized agent or legal representative of the claimant; and (vi) include supporting documentation unless voluminous, in which case a summary must be attached or an explanation provided as to why documentation is not available.
- b) In addition to the requirements set forth in (a) above, any Proof of Claim asserting a 503(b)(9) Claim must also: (i) include the value of the goods delivered to and received by the Debtors in the 20 days prior to the Petition Date; (ii) attach any documentation identifying the particular invoices for which the 503(b)(9) Claim is being asserted; (iii) attach documentation of any reclamation demand made to any Debtor under section 546(c) of the Bankruptcy Code (if applicable); and (iv) set forth whether any portion of the 503(b)(9) Claim was satisfied by payments made by the Debtors pursuant to any order of the Court authorizing the Debtors to pay prepetition Claims.
- c) Parties who wish to receive proof of receipt of their Proofs of Claim from the Notice and Claims Agent must also include with their Proof of Claim (i) a copy of their Proof of Claim and (ii) a self-addressed, stamped envelope.
- d) Each Proof of Claim must specify by name and case number the Debtor against which the Claim is submitted. A Proof of Claim submitted under Case No. 19-11608 or that does not identify a Debtor will be deemed as submitted only against Hollander Sleep Products, LLC. A Proof of Claim that names a subsidiary Debtor but is submitted under the Case No. 19-11608 will be treated as having been submitted against the subsidiary Debtor with a notation that a discrepancy in the submission exists.
- e) If the holder asserts a Claim against more than one Debtor or has Claims against different Debtors, a separate Proof of Claim form must be submitted with respect to each Debtor (unless otherwise set forth in the Bar Date Order). To the extent more than one Debtor is listed on the Proof of Claim, such Claim will be treated as if submitted only against the first-listed Debtor.

- f) Each Proof of Claim, including supporting documentation, must be submitted so that the Notice and Claims Agent ***actually receives*** the Proof of Claim on or before the applicable Bar Date by either: (i) electronically using the interface available on the Notice and Claims Agent's website at <https://www.omnimgt.com/hollander> or (ii) first-class U.S. Mail, overnight mail, or other hand-delivery system, which Proof of Claim must include an original signature, at the following address: Hollander Claims Processing Center, c/o Omni Management Group, 5955 De Soto Avenue, Suite 100, Woodland Hills, California 91367.

**PROOFS OF CLAIM SUBMITTED BY FACSIMILE OR ELECTRONIC MAIL WILL  
NOT BE ACCEPTED AND WILL NOT BE DEEMED TIMELY SUBMITTED.**

9. A Proof of Claim need ***not*** be submitted in these chapter 11 cases on or prior to the General Claims Bar Date for a Claim that falls in the following categories:

- a) any Claim for which a Proof of Claim against the Debtors with the Clerk of this Court or the Debtors' Notice and Claims Agent in a form substantially similar to Official Bankruptcy Form No. 410;
- b) any Claim listed on the Schedules filed by the Debtors, provided that (i) the Claim is not scheduled as "disputed," "contingent," or "unliquidated," (ii) the claimant agrees with the amount, nature, and priority of the Claim as set forth in the Schedules, and (iii) the claimant does not dispute that the Claim is an obligation of the specific Debtor against which the Claim is listed on the Schedules;
- c) any Claim by the Prepetition ABL Secured Parties, the Prepetition Term Loan Secured Parties, and/or the DIP Lenders, arising from their obligations under the Interim DIP Order; *provided that* any requirement that such parties file a Proof of Claim shall be governed by the Interim DIP Order and/or any final order regarding the use of cash collateral or the approval of postpetition financing, and nothing herein shall modify, amend, or supersede the Interim DIP Order and/or any final order regarding the use of cash collateral or the approval of postpetition financing;
- d) any Claim previously allowed by order of this Court;
- e) any Claim that has already been paid in full;
- f) any Claim for which a specific deadline has previously been fixed by this Court or otherwise is fixed pursuant to this Bar Date Order;
- g) any Claim by a Debtor against another Debtor or any of the non-debtor subsidiaries (whether direct or indirect) having a Claim against any of the Debtors;

- h) any Claim arising exclusively out of an equity interest in the Debtors with respect to the ownership of such equity interest; *provided, however*, that any holder of an equity interest who wishes to assert a Claim against the Debtors, including a Claim relating to such equity interest or the purchase or sale of such interest, must file a Proof of Claim asserting such Claim on or prior to the General Claims Bar Date pursuant to procedures set forth herein;
- i) any Claim allowable under sections 503(b) and 507(a)(2) of the Bankruptcy Code as an administrative expense incurred in the ordinary course, *provided, however*, that any person or entity asserting a Claim entitled to priority under section 503(b)(9) of the Bankruptcy Code must assert such Claims by filing a request for payment or a Proof of Claim on or prior to the General Claims Bar Date;
- j) any Claim by a current employee of the Debtors on account of any Claim the Court has authorized the Debtors to honor in the ordinary course of business as a wage, commission, or benefit, provided, however, that a current employee must submit a Proof of Claim by the General Claims Bar Date for all other Claims arising before the Petition Date, including Claims, if any, for wrongful termination, discrimination, harassment, hostile work environment, and retaliation and Claims covered by the Debtors' workers' compensation insurance;
- k) any Claim by a present or former employees of a Debtor whose employment is or was, as applicable, subject to the terms of a collective bargaining agreement (and, with respect to benefit claims, spouses and beneficiaries of such employees) or any labor union representing such employees (collectively, "CBA Parties") with respect to prepetition claims based solely on the payment of wages, salaries, employee medical benefits, insurance benefits, or other benefits the Court has authorized the Debtors to honor in the ordinary course of business. CBA Parties need not submit Claims for such amounts unless the Debtors have provided written notice to certain CBA Parties and their unions, where applicable, that the Debtors do not intend to pay such Claims with respect to those certain CBA Parties, in which case those CBA Parties will have until the later of (i) the General Claims Bar Date and (ii) 35 days after the date of written notice to submit Proofs of Claim. Notwithstanding the foregoing, employees (present or former) or the labor unions must submit claims relating to grievances prior to the General Claims Bar Date to the extent the grounds for such grievances arose on or before the Petition Date, *provided* that labor unions may submit a claim itemizing such grievances on behalf of their respective members; and
- l) any Claim that is solely against the Debtors' non-debtor affiliates.

10. Nothing in this Bar Date Order shall prejudice the right of the Debtors or any other party in interest to dispute or assert offsets or defenses to any Claim reflected in the Schedules.

11. The notice substantially in the form attached hereto as **Exhibit 2** is approved and shall be deemed adequate and sufficient if served (a) after the filing of the Debtors' schedules and statements of financial affairs (which must be filed on or before June 21, 2019) and (b) by first-class mail at least 35 days prior to the General Claims Bar Date on:

- a. the U.S. Trustee;
- b. proposed counsel to the Official Committee of Unsecured Creditors formed in these chapter 11 cases;
- c. any persons or entities that have requested notice of the proceedings in these chapter 11 cases pursuant to Bankruptcy Rule 2002;
- d. all persons or entities that have submitted Proofs of Claim against the Debtors;
- e. all known creditors and other known holders of potential Claims against the Debtors, including all persons or entities listed in the Schedules for which the Debtors have addresses;
- f. all parties to executory contracts and unexpired leases of the Debtors;
- g. all parties to litigation with the Debtors and their counsel (if known);
- h. the ABL Agent and counsel thereto;
- i. the Term Loan Agent and counsel thereto;
- j. the DIP ABL Agent and counsel thereto;
- k. the DIP Term Loan Agent and counsel thereto;
- l. the United States Attorney's Office for the Southern District of New York;
- m. the Internal Revenue Service;
- n. any other governmental units applicable to the Debtors' businesses;
- o. state attorneys general and state departments of revenue for states in which the Debtors conduct business; and

- p. parties on the master creditor matrix in these cases to the extent that such parties are not included in the categories listed in 11(a) through 11(o).

12. Pursuant to Bankruptcy Rules 2002(f) and 2002(l), the Debtors shall publish a form of the Bar Date Notice (modified as necessary but consistent with the requirements of the Guidelines), substantially in the form attached hereto as **Exhibit 3**, on one occasion in *The New York Times* (national edition), *USA TODAY* (national edition), and *The Globe and Mail* (national edition in Canada) (a) after the filing of the Debtors' schedules and statements of financial affairs (which must be filed on or before June 21, 2019) and (b) at least 28 days prior to the General Claims Bar Date, which publication is hereby approved and shall be deemed good, adequate, and sufficient publication notice of the General Claims Bar Date.

13. Any person or entity who desires to rely on the Schedules will have the responsibility for determining that such person's or entity's Claim is accurately listed in the Schedules.

14. The Debtors and their Notice and Claims Agent are authorized to take all actions and make any payments necessary to effectuate the relief granted pursuant to this Bar Date Order in accordance with the Motion.

15. Entry of this Bar Date Order is without prejudice to the right of the Debtors to seek a further order of this Court fixing a date by which holders of Claims or interests not subject to the General Claims Bar Date established herein must submit such Proofs of Claim or interest or be barred from doing so.

16. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

17. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

New York, New York

Dated: June 21, 2019

/s/ Michael E. Wiles

THE HONORABLE MICHAEL E. WILES  
UNITED STATES BANKRUPTCY JUDGE



**Exhibit 1**

**Proposed Form of Proof of Claim**

Debtor and Case Number:

- ☐ 19-11608 Hollander Sleep Products, LLC ☐ 19-11610 Hollander Sleep Products Kentucky, LLC  
☐ 19-11607 Dream II Holdings, LLC ☐ 19-11611 Pacific Coast Feather, LLC  
☐ 19-11609 Hollander Home Fashions Holdings, LLC ☐ 19-11612 Pacific Coast Feather Cushion, LLC  
☐ 19-11613 Hollander Sleep Products Canada Limited

## Official Form 410 Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Carefully read instructions included with this Proof of Claim before completing. In order to have your claim considered for payment and/or voting purposes, complete ALL applicable questions.

### Part 1: Identify the Claim

#### 1. Who is the current creditor?

Name of the current creditor (the person or entity to be paid for this claim) \_\_\_\_\_

Other names the creditor used with the debtor \_\_\_\_\_

#### 2. Has this claim been acquired from someone else?

☐ No

☐ Yes

From whom? \_\_\_\_\_

#### 3. Where should notices and payments to the creditor be sent?

Federal Rule of  
Bankruptcy Procedure  
(FRBP) 2002(g)

#### Where should notices to the creditor be sent?

Name \_\_\_\_\_

Number \_\_\_\_\_ Street \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Contact Phone \_\_\_\_\_

Contact email \_\_\_\_\_

Uniform claim identifier for electronic payments in chapter 13 (if you use one) \_\_\_\_\_

#### Where should payments to the creditor be sent? (if different)

Name \_\_\_\_\_

Number \_\_\_\_\_ Street \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Contact Phone \_\_\_\_\_

Contact email \_\_\_\_\_

#### 4. Does this claim amend one already filed?

☐ No

☐ Yes

Claim Number on court claims registry (if known) \_\_\_\_\_

Filed On \_\_\_\_\_

MM / DD / YYYY

#### 5. Do you know if anyone else has filed a proof of claim for this claim?

☐ No

☐ Yes

Who made the earlier filing? \_\_\_\_\_

**Part 2: Give Information About the Claim as of the Date the Case Was Filed**

<b>6. Do you have any number you use to identify the debtor?</b>	<input type="checkbox"/> No <input type="checkbox"/> Yes	Last 4 digits of the debtor's account or any number you use to identify the debtor: _____
<b>7. How much is the claim?</b>	\$ _____	<b>Does this amount include interest or other charges?</b> <input type="checkbox"/> No <input type="checkbox"/> Yes Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
<b>8. What is the basis of the claim?</b>	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information  _____	
<b>9. Is all or part of the claim secured?</b>	<input type="checkbox"/> No <input type="checkbox"/> Yes	The claim is secured by a lien on property  <b>Nature of property:</b> <input type="checkbox"/> Real Estate If the claim is secured by the debtor's principal residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____  <b>Basis for perfection:</b> _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded).  <b>Value of Property:</b> \$ _____ <b>Amount of the claim that is secured:</b> \$ _____ <b>Amount of the claim that is unsecured:</b> \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7).  <b>Amount necessary to cure any default as of the date of the petition:</b> \$ _____  <b>Annual Interest Rate:</b> (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
<b>10. Is this claim based on a lease?</b>	<input type="checkbox"/> No <input type="checkbox"/> Yes	<b>Amount necessary to cure any default as of the date of the petition.</b> \$ _____
<b>11. Is this claim subject to a right of setoff?</b>	<input type="checkbox"/> No <input type="checkbox"/> Yes	Identify the property: _____
<b>12. Is this claim for the value of goods received by the debtor within 20 days before the commencement date of this case (11 U.S.C. §503(b)(9)).?</b>	<input type="checkbox"/> No <input type="checkbox"/> Yes	Amount of 503(b)(9) Claim: \$ _____

**13. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?**
☐ No  
☐ Yes

Check all that apply

Pg 13 of 27

Amount entitled to priority

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

- ☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).
- ☐ Up to \$3,025\* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).
- ☐ Wages, salaries, or commissions (up to \$13,650\*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).
- ☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).
- ☐ Contributions to an employee benefit plan 11 U.S.C. § 507(a)(5).
- ☐ Other. Specify subsection of 11 U.S.C. § 507(a)(\_\_\_\_) that applies.

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

**Part 3: Sign Below**

The person completing this proof of claim must sign and date it.

**FRBP 9011(b).**

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☐ I am the creditor.
- ☐ I am the creditor's attorney or authorized agent.
- ☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- ☐ I am the guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date \_\_\_\_\_  
MM / DD / YYYY

Signature \_\_\_\_\_

Print the name of the person who is completing and signing this claim:

Name

First Name Middle Name Last Name

Title \_\_\_\_\_

Company

Identify the corporate servicer as the company if the authorized agent is a servicer.

Address

Number Street

City State ZIP Code

Contact Phone \_\_\_\_\_

Email \_\_\_\_\_

**Exhibit 2**

**Proposed Bar Date Notice**

Joshua A. Sussberg, P.C.  
Christopher T. Greco, P.C.  
**KIRKLAND & ELLIS LLP**  
**KIRKLAND & ELLIS INTERNATIONAL LLP**  
601 Lexington Avenue  
New York, New York 10022  
Telephone: (212) 446-4800  
Facsimile: (212) 446-4900

Joseph M. Graham (admitted *pro hac vice*)  
**KIRKLAND & ELLIS LLP**  
**KIRKLAND & ELLIS INTERNATIONAL LLP**  
300 North LaSalle  
Chicago, Illinois 60654  
Telephone: (312) 862-2000  
Facsimile: (312) 862-2200

*Proposed Counsel to the Debtors and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:	)	Chapter 11
	)	
HOLLANDER SLEEP PRODUCTS, LLC, <i>et al.</i> , <sup>1</sup>	)	Case No. 19-11608 (MEW)
	)	
Debtors.	)	(Jointly Administered)
	)	

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**NOTICE OF DEADLINE REQUIRING  
SUBMISSION OF PROOFS OF CLAIM ON OR BEFORE  
JULY 29, 2019, AND RELATED PROCEDURES FOR SUBMITTING  
PROOFS OF CLAIM IN THE ABOVE-CAPTIONED CHAPTER 11 CASES**

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**TO: ALL PERSONS AND ENTITIES WITH CLAIMS AGAINST ANY DEBTOR LISTED ON PAGE 2 OF THIS NOTICE IN THE ABOVE-CAPTIONED CHAPTER 11 CASES.**

The United States Bankruptcy Court for the Southern District of New York (the “Court”) has entered an order (the “Bar Date Order”) establishing **5:00 p.m., prevailing Eastern Time, on July 29, 2019** (the “General Claims Bar Date”), as the last date for each person or entity<sup>2</sup> (including individuals, partnerships, corporations, joint ventures, and trusts) to submit a Proof of Claim against any of the Debtors listed on page 2 of this notice (collectively, the “Debtors”).

Except for those holders of the Claims listed below that are specifically excluded from the General Claims Bar Date submission requirement, the Bar Dates<sup>3</sup> and the procedures set forth below for submitting proofs of claim (each, a “Proof of Claim”) apply to all Claims (defined below) against the Debtors that arose prior to **May 19, 2019** (the “Petition Date”), the date on which the Debtors commenced cases under chapter 11 of the United States Bankruptcy Code, **including parties asserting Claims pursuant to section 503(b)(9) of the Bankruptcy Code (each, a “503(b)(9) Claim”).**<sup>4</sup> In addition, governmental units have until **5:00 p.m., prevailing Eastern Time, on November 15, 2019** to submit Proofs of Claim.

**A holder of a possible Claim against the Debtors should consult an attorney regarding any matters not covered by this notice, such as whether the holder should submit a Proof of Claim.**

**Debtors in the Chapter 11 Cases**

<b>Debtor Name</b>	<b>Tax Identification Number</b>	<b>Case Number</b>
Hollander Sleep Products, LLC	27-0542143	19-11608
Dream II Holdings, LLC	47-1927915	19-11607
Hollander Home Fashions Holdings, LLC	27-0542063	19-11609
Hollander Sleep Products Kentucky, LLC	90-1014119	19-11610
Pacific Coast Feather, LLC	91-0891445	19-11611
Pacific Coast Feather Cushion, LLC	93-1063119	19-11612
Hollander Sleep Products Canada Limited	13902-3477	19-11613

**Who Must Submit a Proof of Claim**

You **MUST** submit a Proof of Claim to vote on a chapter 11 plan filed by the Debtors or to share in distributions from the Debtors' bankruptcy estates if you have a Claim that arose before the Petition Date and it is ***not*** one of the types of Claims described under the heading "Claims for Which No Proof of Claim Must be Submitted" below. Claims based on acts or omissions of the Debtors that occurred before the Petition Date must be submitted on or prior to the applicable Bar Date, even if such Claims are not now fixed, liquidated, or certain or did not mature or become fixed, liquidated, or certain before the Petition Date.

Under section 101(5) of the Bankruptcy Code and as used in this notice, the word "**Claim**" means: (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

- <sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.
- <sup>2</sup> As used herein, the term "entity" has the meaning given to it in section 101(15) of title 11 of the United States Code (the "**Bankruptcy Code**"), and includes all persons, estates, trusts and the United States trustee. Further, the terms "person" and "governmental unit" have the meanings given to them in sections 101(41) and 101(27) of the Bankruptcy Code, respectively.
- <sup>3</sup> Defined collectively as the Rejection Bar Date (further defined herein), the General Claims Bar Date, the Supplemental Bar Date (further defined herein), and the Governmental Bar Date.
- <sup>4</sup> "503(b)(9) Claims" are Claims on account of goods received by a Debtor within 20 days before the Petition Date, where such goods were sold to the Debtor in the ordinary course of such Debtor's business. See 11 U.S.C. § 503(b)(9).

### **What To Submit**

The Debtors are enclosing a Proof of Claim form for use in the cases; if your Claim is scheduled by the Debtors, the form also sets forth the amount of your Claim as scheduled by the Debtors, the specific Debtor against which the Claim is scheduled, and whether the Claim is scheduled as disputed, contingent, or unliquidated. You will receive a different Proof of Claim form for each Claim scheduled in your name by the Debtors. You may utilize the Proof of Claim form(s) provided by the Debtors to submit your Claim.

Your Proof of Claim form must not contain complete social security numbers or taxpayer identification numbers (only the last four digits), a complete birth date (only the year), the name of a minor (only the minor's initials), or a financial account number (only the last four digits of such financial account).

Additional Proof of Claim forms may be obtained by contacting the Debtors' notice and claims agent, Omni Management Group (the "Notice and Claims Agent"), by calling (844) 212-9942 for callers in the United States or by calling (818) 906-8300 for callers outside the United States and/or visiting the Debtors' restructuring website at: <https://www.omnimgt.com/hollander>.

The following procedures for the submission of Proofs of Claim against the Debtors in the chapter 11 cases shall apply:

- a) Each Proof of Claim must: (i) be written in English; (ii) be legible; (iii) include a Claim amount denominated in United States dollars; (iv) conform substantially with the Proof of Claim form provided by the Debtors or Official Form 410; (v) be signed by the claimant or by an authorized agent or legal representative of the claimant; and (vi) include supporting documentation unless voluminous, in which case a summary must be attached or an explanation provided as to why documentation is not available.
- a) Parties who wish to receive proof of receipt of their Proofs of Claim from the Notice and Claims Agent must also include with their Proof of Claim (i) a copy of their Proof of Claim and (ii) a self-addressed, stamped envelope.
- b) Each Proof of Claim must specify by name and case number the Debtor against which the Claim is submitted. A Proof of Claim submitted under Case No. 19-11608 or that does not identify a Debtor will be deemed as submitted only against Hollander Sleep Products, LLC. A Proof of Claim that names a subsidiary Debtor but is submitted under the Case No. 19-11608 will be treated as having been submitted against the subsidiary Debtor with a notation that a discrepancy in the submission exists. Neither scenario shall prejudice the rights of the Claimant who has filed a timely Claim to reassert that Claim against the proper Debtor.
- c) If the holder asserts a Claim against more than one Debtor or has Claims against different Debtors, a separate Proof of Claim form must be submitted



with respect to each Debtor (unless otherwise set forth in the Bar Date Order). To the extent more than one Debtor is listed on the Proof of Claim, such Claim will be treated as if submitted only against the first-listed Debtor.

### **When and Where To Submit**

Each Proof of Claim, including supporting documentation, must be submitted so that the Notice and Claims Agent **actually receives** the Proof of Claim on or before the applicable Bar Date by either: (i) electronically using the interface available on the Notice and Claims Agent's website at <https://www.omnimgt.com/hollander> or (ii) first-class U.S. Mail, overnight mail, or other hand-delivery system, which Proof of Claim must include an **original** signature, at the following address: Hollander Claims Processing Center, c/o Omni Management Group, 5955 De Soto Avenue, Suite 100, Woodland Hills, California 91367.

### **PROOFS OF CLAIM SUBMITTED BY FACSIMILE OR ELECTRONIC MAIL WILL NOT BE ACCEPTED AND WILL NOT BE DEEMED TIMELY SUBMITTED.**

### **Who Need Not Submit a Proof of Claim**

You do not need to submit a Proof of Claim on or prior to the Bar Date for a Claim that falls into one of the following categories:

- a) any Claim that has already been submitted against the Debtors with the Clerk of this Court or the Debtors' Notice and Claims Agent in a form substantially similar to Official Bankruptcy Form No. 410;
- b) any Claim that is listed on the Schedules filed by the Debtors, *provided* that (i) the Claim is **not** scheduled as "disputed," "contingent," or "unliquidated," (ii) the claimant agrees with the amount, nature, and priority of the Claim as set forth in the Schedules, and (iii) the claimant does not dispute that the Claim is an obligation of the specific Debtor against which the Claim is listed on the Schedules;
- c) any Claim by the Prepetition ABL Secured Parties, the Prepetition Term Loan Secured Parties, and/or the DIP Lenders in connection with their obligations under the Interim DIP Order (as defined below), provided that any requirement that such parties file a Proof of Claim shall be governed by the *Interim Order (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Lenders, (E) Modifying the Automatic Stay, (F) Scheduling a Final Hearing, and (G) Granting Related Relief* [Docket No. 53] (the "Interim DIP Order") and/or any final order regarding the use of cash collateral or the approval of postpetition financing, and nothing in the Bar Date Order will modify, amend, or supersede the Interim DIP Order

and/or any final order regarding the use of cash collateral or the approval of postpetition financing;<sup>5</sup>

- d) any Claim previously allowed by order of this Court;
- e) any Claim that has already been paid in full;
- f) any Claim for which a specific deadline has previously been fixed by this Court or otherwise is fixed pursuant to the Bar Date Order;
- g) any Claim by one Debtor against another Debtor or any of the non-debtor subsidiaries (whether direct or indirect) having a Claim against any of the Debtors;
- h) any Claim arising exclusively out of an equity interest in the Debtors with respect to the ownership of such equity interest, *provided, however*, that any holder of an equity interest who wishes to assert a Claim against the Debtors, including a Claim relating to such equity interest or the purchase or sale of such interest, must file a Proof of Claim asserting such Claim on or prior to the General Claims Bar Date pursuant to procedures set forth herein;
- i) any Claim allowable under sections 503(b) and 507(a)(2) of the Bankruptcy Code as an administrative expense incurred in the ordinary course, *provided, however*, that any person or entity asserting a Claim entitled to priority under section 503(b)(9) of the Bankruptcy Code must assert such Claims by filing a request for payment or a Proof of Claim on or prior to the General Claims Bar Date;
- j) any Claim by a current employee of the Debtors on account of any Claim the Court has authorized the Debtors to honor in the ordinary course of business as a wage, commission, or benefit, *provided, however*, that a current employee must submit a Proof of Claim by the General Claims Bar Date for all other Claims arising before the Petition Date, including Claims, if any, for wrongful termination, discrimination, harassment, hostile work environment, and retaliation and Claims covered by the Debtors' workers' compensation insurance;
- k) any Claim by a present or former employees of a Debtor whose employment is or was, as applicable, subject to the terms of a collective bargaining agreement (and, with respect to benefit claims, spouses and beneficiaries of such employees) or any labor union representing such employees (collectively, "CBA Parties") with respect to prepetition claims based solely on the payment of wages, salaries, employee medical benefits, insurance benefits, or other benefits the Court has

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<sup>5</sup> Capitalized terms used in this paragraph 11(c) shall have the meanings set forth in the Interim DIP Order.

authorized the Debtors to honor in the ordinary course of business. CBA Parties need not submit Claims for such amounts unless the Debtors have provided written notice to certain CBA Parties and their unions, where applicable, that the Debtors do not intend to pay such Claims with respect to those certain CBA Parties, in which case those CBA Parties will have until the later of (i) the General Claims Bar Date and (ii) 35 days after the date of written notice to submit Proofs of Claim. Notwithstanding the foregoing, employees (present or former) or the labor unions must submit claims relating to grievances prior to the General Claims Bar Date to the extent the grounds for such grievances arose on or before the Petition Date, *provided* that labor unions may submit a claim itemizing such grievances on behalf of their respective members; and

- 1) any Claim that is solely against the Debtors' non-debtor affiliates.

THIS NOTICE IS BEING SENT TO MANY PERSONS AND ENTITIES THAT HAVE HAD SOME RELATIONSHIP WITH OR HAVE DONE BUSINESS WITH THE DEBTORS BUT MAY NOT HAVE AN UNPAID CLAIM AGAINST THE DEBTORS. THE FACT THAT YOU HAVE RECEIVED THIS NOTICE DOES NOT MEAN THAT YOU HAVE A CLAIM OR THAT THE DEBTORS OR THIS COURT BELIEVE THAT YOU HAVE ANY CLAIM.

#### **Executory Contracts and Unexpired Leases**

If you have a Claim arising from the rejection of an executory contract or unexpired lease, you must submit your Proof of Claim based on such rejection on or before the later of (a) the General Claims Bar Date and (b) any date this Court may fix in the applicable order authorizing such rejection and, if no such date is provided, 35 days after the date of entry of such order, (the "Rejection Bar Date"). The Debtors will provide notice of the Rejection Bar Date to the contract or lease counterparty whose contract or lease is being rejected at the time the Debtors reject any executory contract or unexpired lease.

#### **Supplemental Bar Date**

In the event the Debtors amend or supplement their Schedules, the Debtors shall give notice of any such amendment to the holders of any Claim affected thereby, and such holders shall be afforded until the later of (a) the applicable General Claims Bar Date or the Governmental Bar Date, and (b) 35 days after the date on which such notice is given of such amendment or supplement to the Schedules, to submit a Proof of Claim or be forever barred from doing so.

#### **The Debtors' Schedules and Access Thereto**

You may be listed as the holder of a Claim against one or more of the Debtors in the Debtors' Schedules of Assets and Liabilities and/or Schedules of Executory Contracts and Unexpired Leases (collectively, the "Schedules").

Copies of the Debtors' Schedules are available: (a) from the Notice and Claims Agent by calling (844) 212-9942 for callers in the United States or by calling (818) 906-8300 for callers outside the United States and/or visiting the Debtors' restructuring website at: <https://www.omningt.com/hollander> or (b) for inspection on this Court's website at <http://ecf.nysb.uscourts.gov>. A login and password to this Court's Public Access to Electronic Court Records are required to access this information and can be obtained at <http://www.pacer.psc.uscourts.gov>. Copies of the Schedules may also be examined between the hours of 9:00 a.m. and 4:00 p.m., Monday through Friday, at the Office of the Clerk of the Bankruptcy Court, One Bowling Green, New York, New York 10004-1408.

To determine if and how you are listed on the Schedules, please refer to the descriptions set forth on the enclosed Proof of Claim forms regarding the nature, amount, and classification of your Claim(s). If the Debtors believe that you hold Claims against more than one Debtor, you will receive multiple Proof of Claim forms, each of which will reflect the nature and amount of your Claim listed in the Schedules.

If you rely on the Debtors' Schedules, it is your responsibility to determine that the Claim is accurately listed in the Schedules; however, you may rely on the enclosed Proof of Claim form, which lists your Claim as scheduled, identifies the Debtor against which it is scheduled, and specifies whether the Claim is disputed, contingent, or unliquidated.

As set forth above, if you agree with the nature, amount, and classification of your Claim as listed in the Debtors' Schedules, and if you do not dispute that your Claim is only against the Debtor specified by the Debtors, and if your Claim is **not** described as "disputed," "contingent," or "unliquidated," **you need not submit a Proof of Claim on account of the listed Claim.** Otherwise, or if you decide to submit a Proof of Claim, you must do so before the applicable Bar Date in accordance with the procedures set forth in this notice.

#### **Reservation of Rights**

Nothing contained in this Bar Date Notice is intended, or should be construed, as a waiver of the Debtors' right to: (a) dispute, or assert offsets or defenses against, any submitted Proof of Claim or any Claim listed or reflected in the Schedules as to the nature, amount, liability, or classification of such Claims; (b) subsequently designate any scheduled Claim as disputed, contingent, or unliquidated; and (c) otherwise amend or supplement the Schedules.

#### **Consequences of Failure To Submit a Proof of Claim by the Applicable Bar Date**

ANY HOLDER OF A CLAIM THAT IS **NOT** LISTED IN THIS NOTICE AS A PARTY EXCEPTED FROM THE REQUIREMENTS OF THE BAR DATE ORDER AND THAT FAILS TO TIMELY SUBMIT A PROOF OF CLAIM IN THE APPROPRIATE FORM SHALL NOT BE ENTITLED TO VOTE ON ANY CHAPTER 11 PLAN OF REORGANIZATION FILED IN THESE CASES ON ACCOUNT OF SUCH CLAIM OR TO PARTICIPATE IN ANY DISTRIBUTION IN THE DEBTORS' CHAPTER 11 CASES ON ACCOUNT OF SUCH CLAIM.

**BY ORDER OF THE COURT**

New York, New York

Dated: \_\_\_\_\_, 2019

/s/

Joshua A. Sussberg, P.C.

Christopher T. Greco, P.C.

**KIRKLAND & ELLIS LLP**

**KIRKLAND & ELLIS INTERNATIONAL LLP**

601 Lexington Avenue

New York, New York 10022

Telephone: (212) 446-4800

Facsimile: (212) 446-4900

- and -

Joseph M. Graham (admitted *pro hac vice*)

**KIRKLAND & ELLIS LLP**

**KIRKLAND & ELLIS INTERNATIONAL LLP**

300 North LaSalle Street

Chicago, Illinois 60654

Telephone: (312) 862-2000

Facsimile: (312) 862-2200

*Proposed Counsel to the Debtors and Debtors in  
Possession*

**Exhibit 3**

**Proposed Publication Notice**

Joshua A. Sussberg, P.C.  
Christopher T. Greco, P.C.  
**KIRKLAND & ELLIS LLP**  
**KIRKLAND & ELLIS INTERNATIONAL LLP**  
601 Lexington Avenue  
New York, New York 10022  
Telephone: (212) 446-4800  
Facsimile: (212) 446-4900

Joseph M. Graham (admitted *pro hac vice*)  
**KIRKLAND & ELLIS LLP**  
**KIRKLAND & ELLIS INTERNATIONAL LLP**  
300 North LaSalle  
Chicago, Illinois 60654  
Telephone: (312) 862-2000  
Facsimile: (312) 862-2200

*Proposed Counsel to the Debtors and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

HOLLANDER SLEEP PRODUCTS, LLC, *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)  
) Case No. 19-11608 (MEW)  
)  
) (Jointly Administered)  
)

**NOTICE OF BAR DATES FOR  
SUBMITTING PROOFS OF CLAIM AND CLAIMS UNDER  
SECTION 503(B)(9) OF THE BANKRUPTCY CODE AGAINST THE DEBTORS**

**PLEASE TAKE NOTICE THAT** the United States Bankruptcy Court for the Southern District of New York (the “Court”) has entered an order (the “Bar Date Order”) establishing **5:00 p.m., prevailing Eastern Time, on July 29, 2019** (the “General Claims Bar Date”), as the last date for each person or entity (including individuals, partnerships, corporations, joint ventures and trusts) to submit a Proof of Claim against any of the Debtors listed below (collectively, the “Debtors”). A copy of the Bar Date Order, and any exhibits thereto are available (i) at the Debtors’ expense upon request to Omni Management Group (the noticing and claims agent retained in the chapter 11 cases), by calling (844) 212-9942 for callers in the United States or by calling (818) 906-8300 for callers outside the United States and/or visiting the Debtors’ restructuring website at: [omnimgmt.com/cases/hollander](http://omnimgmt.com/cases/hollander) or (iii) for a fee via PACER by visiting <http://ecf.nysb.uscourts.gov>.

The Bar Date Order requires that all entities (the “Claimants”) holding or wishing to assert a claim that arose or is deemed to have arisen prior to May 19, 2019 (the “Petition Date”) against the Debtors (“Claims”) to submit a Proof of Claim so as to be actually received by Omni Management Group (the “Notice and Claims Agent”) on or before the applicable bar date (collectively, the “Bar Dates”) as set forth below. None of the Bar Dates described herein apply to any governmental unit. Pursuant to section 502(b)(9) of the Bankruptcy Code, all governmental units shall have 180 days from the Petition Date to submit Claims against the Debtors (the “Governmental Bar Date”).

Debtor Name	Tax Identification Number	Case Number
Hollander Sleep Products, LLC	27-0542143	19-11608
Dream II Holdings, LLC	47-1927915	19-11607
Hollander Home Fashions Holdings, LLC	27-0542063	19-11609
Hollander Sleep Products Kentucky, LLC	90-1014119	19-11610
Pacific Coast Feather, LLC	91-0891445	19-11611
Pacific Coast Feather Cushion, LLC	93-1063119	19-11612
Hollander Sleep Products Canada Limited	13902-3477	19-11613

<b><u>General Claims Bar Date</u></b>  (Applicable to 503(b)(9) Claims)	All Claimants holding or wishing to assert a Claim must submit a Proof of Claim with respect to such Claim so as to be <b>actually received</b> by the Notice and Claims Agent by <b>July 29, 2019, at 5:00 p.m., prevailing Eastern Time</b> (the “ <u>General Claims Bar Date</u> ”), including parties asserting Claims pursuant to section 503(b)(9) of the Bankruptcy Code.
<b><u>Supplemental Bar Date</u></b>	In the event the Debtors amend or supplement their schedules of assets and liabilities (the “ <u>Schedules</u> ”), the Debtors shall give notice of any such amendment to the holders of any Claim affected thereby, and such holders shall be afforded 35 days after the date on which such notice is given to submit a Proof of Claim with respect to such amended Claim or be forever barred from doing so.
<b><u>Rejection Bar Date</u></b>	If you have a Claim arising from the rejection of an executory contract or unexpired lease, you must submit a Proof of Claim based on such rejection on or before the later of (a) the General Claims Bar Date and (b) any date this Court may fix in the applicable order authorizing such rejection and, if no such date is provided, 35 after the date of entry of such order (the “ <u>Rejection Bar Date</u> ”). The Debtors will provide notice of the Rejection Bar Date to the contract or lease counterparty whose contract or lease is being rejected at the time the Debtors reject any executory contract or unexpired lease.

### **When and Where To Submit**

Each Proof of Claim, including supporting documentation, must be submitted so that the Notice and Claims Agent **actually receives** the Proof of Claim on or before the applicable Bar Date by either: (i) electronically using the interface available on the Notice and Claims Agent’s website at <https://www.omnimgt.com/hollander>, or (ii) first-class U.S. Mail, overnight mail, or other hand-delivery system, which Proof of Claim must include an **original** signature, at the following

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors’ service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.



address: Hollander Claims Processing Center, c/o Omni Management Group, 5955 De Soto Avenue, Suite 100, Woodland Hills, California 91367.

**PROOFS OF CLAIM SUBMITTED BY FACSIMILE OR ELECTRONIC MAIL WILL NOT BE ACCEPTED AND WILL NOT BE DEEMED TIMELY SUBMITTED.**

**Contents of Proofs of Claim.** Each Proof of Claim must: (i) be written in English; (ii) be legible, (iii) include a Claim amount denominated in United States dollars; (iv) conform substantially with the Proof of Claim Form provided by the Debtors or Official Form 410; (v) be signed by the claimant or by an authorized agent or legal representative of the claimant; and (vi) include supporting documentation unless voluminous, in which case a summary must be attached or an explanation provided as to why documentation is not available. **Please note** that each Proof of Claim must state a Claim against only one Debtor. To the extent the Proof of Claim lists more than one Debtor, the applicable Claim may be treated as if submitted only against the first-listed Debtor. If a Proof of Claim does not identify a specific Debtor, the Proof of Claim will be considered as submitted only against Hollander Sleep Products, LLC.

**Section 503(b)(9) Claims.** Vendors and suppliers of goods may be entitled to request an administrative priority Claim under section 503(b)(9) of the Bankruptcy Code to the extent they delivered, and the Debtor received, goods within the twenty-day period prior to the Petition Date. The Court has deemed the submission of a Proof of Claim as satisfying the procedural requirements for asserting such a Claim under section 503(b)(9) of the Bankruptcy Code. In addition to the other requirements listed above, any Proof of Claim asserting a 503(b)(9) Claim must (i) include the value of the goods delivered to and received by the Debtors in the 20 days prior to the Petition Date; (ii) attach any documentation identifying the particular invoices for which the 503(b)(9) Claim is being asserted; (iii) attach documentation of any reclamation demand made against the Debtors under section 546(c) of the Bankruptcy Code (if applicable); and (iv) set forth whether any portion of the Section 503(b)(9) Claim was satisfied by payments made by the Debtors.

**Consequences of Failing to Timely Submit Your Proof of Claim.** Any Claimant who is required, but fails, to submit a Proof of Claim in accordance with the Bar Date Order on or before the applicable Bar Date shall not be permitted to vote to accept or reject any plan of reorganization filed in the chapter 11 cases or participate in any distribution on account of such Claim or receive further notices regarding such Claim.

**Reservation of Rights.** Nothing contained in this notice is intended to or should be construed as a waiver of the Debtor's right to: (a) dispute, or assert offsets or defenses against, any submitted Claim or any Claim listed or reflected in the Debtors' Schedules of Assets and Liabilities and/or Schedules of Executory Contracts and Unexpired Leases as to the nature, amount, liability, or classification thereof; (b) subsequently designate any scheduled Claim as disputed, contingent, or unliquidated; and (c) otherwise amend the Schedules.

**Additional Information.** If you have any questions regarding the claims process and/or if you wish to obtain a copy of the Bar Date Order (which contains a more detailed description of the requirements for submitting Proofs of Claim), a Proof of Claim form or related documents, you may do so by visiting the Debtors' restructuring website at <https://www.omnimgt.com/hollander>

or contacting the Notice and Claims Agent by calling (844) 212-9942 for callers in the United States or by calling (818) 906-8300 for callers outside the United States. Please note that the Notice and Claims Agent cannot advise you how to submit, or whether you should submit, a Proof of Claim.

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED**

Court File No: CV-19-620484-00CL

**AND IN THE MATTER OF HOLLANDER SLEEP PRODUCTS, LLC, HOLLANDER SLEEP PRODUCTS CANADA LIMITED, DREAM II HOLDINGS, LLC, HOLLANDER HOME FASHIONS HOLDINGS, LLC, PACIFIC COAST FEATHER, LLC, HOLLANDER SLEEP PRODUCTS KENTUCKY, LLC AND PACIFIC COAST FEATHER CUSHION, LLC**

**APPLICATION OF HOLLANDER SLEEP PRODUCTS, LLC UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**Applicant**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**COMMERCIAL LIST**  
Proceeding commenced at Toronto

**RECOGNITION ORDER**

**OSLER, HOSKIN & HARCOURT, LLP**  
P.O. Box 50, 1 First Canadian Place  
Toronto, ON M5X 1B8

Marc Wasserman LSO# 44066M  
Tel: 416.862.4908  
mwasserman@osler.com

Shawn T. Irving LSO# 50035U  
Tel: 416.862.4733  
sirving@osler.com

Martino Calvaruso LSO# 57359Q  
Tel: 416.862.6665  
mcalvaruso@osler.com  
Fax: 416.862.6666

Lawyers for the Applicant