



**Third Report of
KSV Kofman Inc. as
Information Officer 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**

September 6, 2019

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COURT FILE NO.: CV19-620484-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

THIRD REPORT OF KSV KOFMAN INC.
AS INFORMATION OFFICER

SEPTEMBER 6, 2019

1.0 Introduction

1. On May 19, 2019, Hollander Sleep Products, LLC (the "Foreign Representative"), Dream II Holdings, LLC, Hollander Home Fashions Holdings, LLC, Pacific Coast Feather, LLC, Hollander Sleep Products Kentucky, LLC, Pacific Coast Feather Cushion, LLC (collectively, the "US Debtors") and Hollander Sleep Products Canada Limited (the "Canadian Debtor" and together with the US Debtors, the "Chapter 11 Debtors") commenced proceedings by filing voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "US Court") (the "Chapter 11 Proceedings").
2. On May 21, 2019, the US Court heard the Chapter 11 Debtors' first day motions and granted certain orders on May 22, 2019 and May 23, 2019 (collectively, the "First Day Orders").
3. On May 23, 2019, the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court") issued the following orders pursuant to Part IV of the *Companies' Creditors Arrangement Act* ("CCAA"):
 - a) the Initial Recognition Order (Foreign Main Proceeding), a copy of which is attached as Appendix "A", which, *inter alia*, recognizes the Chapter 11 Proceedings as a "foreign main proceeding" and recognizes the Foreign Representative as the "foreign representative", as defined in section 45 of the CCAA, and stays all proceedings against the Chapter 11 Debtors; and

- b) the Supplemental Order (Foreign Main Proceeding) (the “Supplemental Order”), a copy of which is attached as Appendix “B” (without schedules), which, *inter alia*, appoints KSV Kofman Inc. (“KSV”) as Information Officer in these proceedings (in such capacity, the “Information Officer”), grants certain stays as set out therein, grants the Administration Charge and the DIP ABL Charge (each as defined in the Supplemental Order) and recognizes certain of the First Day Orders.
- 4. On July 21, 2019, the Chapter 11 Debtors filed an amended disclosure statement (the “Disclosure Statement”) with respect to the Debtors’ *First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* (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”). Solicitation versions of the Plan and the Disclosure Statement were filed with the US Court on July 25, 2019.
- 5. The principal purpose of the Chapter 11 Proceedings is to implement a restructuring transaction for the Chapter 11 Debtors either through a debt-to-equity transaction with the Chapter 11 Debtors’ term lenders contemplated by the restructuring support agreement dated as of May 19, 2019 (as amended and restated on July 21, 2019, as the amended and restated restructuring support and settlement agreement, the “RSA”), or pursuant to a superior going-concern transaction generated by the court-approved sale process (“Sale Process”)¹ carried out by Houlihan Lokey Capital, Inc. (“Houlihan”).
- 6. On September 5, 2019, the US Court confirmed the Plan (the “Confirmed Plan”) and approved a going-concern transaction generated by the Sale Process (the “Sale Transaction”) for substantially all of the Chapter 11 Debtors’ business and assets, including the Canadian Debtor’s business and assets, to Bedding Acquisition, LLC (including any of its successors or permitted assigns, the “Purchaser”), an entity incorporated by Centre Lane Partners, LLC (“Centre Lane”), a US private equity firm.
- 7. This report (“Report”) has been filed with the Canadian Court in KSV’s capacity as Information Officer.

1.1 Purposes of this Report

- 1. The purposes of this Report are to:
 - a) provide an update on the Chapter 11 Proceedings and a summary of the US Court orders for which Canadian Court recognition is being sought by the Foreign Representative at this time;

¹ The Sale Process and bidding procedures were approved by the US Court on July 3, 2019 and recognized by the Canadian Court on July 5, 2019.

- b) provide the Information Officer's commentary on the reasonableness of the Foreign Representative's request that the Canadian Court recognize:
 - i. a US Court order entered on August 15, 2019 (the "RSA Order"), pursuant to which, *inter alia*, the Chapter 11 Debtors were authorized to assume the RSA and enter into the settlements and compromises contemplated thereby;
 - ii. a US Court order entered on September 5, 2019 (the "Plan Confirmation Order"), pursuant to which, *inter alia*, the Plan was confirmed and the provisions of the Plan were determined to constitute a good faith compromise and settlement of all claims pursuant to the Plan; and
 - iii. a US Court order (the "DIP Term Loan Amendment Order")², pursuant to which, *inter alia*, the US Debtors were authorized to enter into an amendment to the Debtor-in-Possession Term Loan Credit Agreement dated as of May 23, 2019 (the "DIP Term Loan Credit Agreement").
- c) provide information with respect to the anticipated closure of the Canadian Debtor's Toronto plant;
- d) discuss and seek approval of the fees and disbursements of the Information Officer and its legal counsel, Norton Rose Fulbright Canada LLP ("Norton Rose"), from the commencement of these proceedings to August 31, 2019; and
- e) recommend that this Court make an order:
 - i. recognizing the RSA Order, the Plan Confirmation Order and the DIP Term Loan Amendment Order;
 - ii. approving the Sale Transaction, the APA (as defined below) and vesting in the Purchaser the Canadian Assets (as defined in the proposed Canadian Court order included in the Foreign Representative's motion record for this motion);
 - iii. approving the fees and disbursements of the Information Officer and Norton Rose from the commencement of these proceedings to August 31, 2019; and
 - iv. approving this Report and the Information Officer's activities detailed herein.

1.2 Currency

1. All currency references in this Report are to US dollars.

² At the time of finalizing this Report, the DIP Term Loan Amendment Order had been approved but not yet entered by the US Court.

1.3 Restrictions

1. In preparing this Report, the Information Officer has relied upon unaudited financial information prepared by the Chapter 11 Debtors' representatives, the Chapter 11 Debtors' books and records and discussions with the Chapter 11 Debtors' Canadian counsel and financial advisor.
2. The Information Officer has not performed an audit or other verification of such information. An examination of the Chapter 11 Debtors' financial forecasts as outlined in the *Chartered Professional Accountants of Canada Handbook* has not been performed. Future oriented financial information relied upon in this Report is based on the Chapter 11 Debtors' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Information Officer expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report or relied upon by the Information Officer in its preparation of this Report.

2.0 Background

1. The Chapter 11 Debtors operate in the bedding products market, manufacturing pillows, comforters, mattress pads and other bedding products. The Chapter 11 Debtors produce bedding items for certain well-known brands, including Ralph Lauren®, Simmons®, Beautyrest®, Nautica® and Waverly®.
2. The Canadian Debtor is the Chapter 11 Debtors' only operating entity in Canada, which operates from leased manufacturing facilities in Toronto and Montreal. There are approximately 240 employees of the Canadian Debtor – its workforce is not unionized and it does not maintain any registered pension plans.
3. The Chapter 11 Debtors' net revenue for their fiscal year ended December 31, 2018 was approximately \$527 million, of which the Canadian Debtor comprised approximately \$51 million.
4. Further information concerning the Chapter 11 Debtors' background, their corporate structure, the Chapter 11 Proceedings, the RSA and the initial version of the Plan is provided in the Report of the Proposed Information Officer dated May 23, 2019, a copy of which (without appendices) is attached as Appendix "C", and the affidavits of Marc Pfefferle, the Chapter 11 Debtors' CEO, filed previously in these proceedings. Accordingly, that information is not repeated in this Report. Copies of all materials filed with the Canadian Court in these proceedings are available on the Information Officer's website at <https://www.ksvadvisory.com/insolvency-cases/case/hollander-sleep-products-canada-limited>.

2.1 Funding of these Proceedings

1. The Chapter 11 Proceedings are being funded by two separate debtor-in-possession (“DIP”) loan facilities, being:
 - a) a \$90 million asset-based lending (“ABL”) credit facility among the Chapter 11 Debtors and their prepetition ABL lenders, being Wells Fargo Bank, National Association (the “DIP ABL Agent”), as agent for and on behalf of itself and other lenders (the “DIP ABL Facility”). The DIP ABL Facility was approved pursuant to a US Court final order entered on July 3, 2019, which was recognized by the Canadian Court on July 5, 2019; and
 - b) a \$28 million DIP facility with the US Debtors’ prepetition term loan lenders (the “DIP Term Loan Facility”). The Canadian Debtor is not a borrower or guarantor under the DIP Term Loan Facility. The DIP Term Loan Facility was approved pursuant to a US Court final order entered on July 19, 2019, which was recognized by the Canadian Court on August 6, 2019. In its motion, the Foreign Representative is seeking recognition of the DIP Term Loan Amendment Order approving an amendment to the DIP Term Loan Credit Agreement pursuant to which, subject to the occurrence of the effective date under the Confirmed Plan, the DIP Term Loan Lenders have agreed to treatment other than repayment in full in cash as provided for in the Confirmed Plan.
2. As at August 23, 2019, the amounts drawn on the DIP ABL Facility and the DIP Term Loan Facility totalled approximately \$41.7 million and \$23.5 million, respectively. Based on the most recent bi-weekly reporting submitted to the DIP ABL Agent on August 30, 2019, the Chapter 11 Debtors are in compliance with the terms and conditions of the DIP ABL Facility and the DIP Term Loan Facility.

2.2 The Official Committee of Unsecured Creditors

1. On May 30, 2019, the US Trustee appointed an official committee of unsecured creditors in the Chapter 11 Proceedings (the “UCC”). The five members of the UCC are Roind Hometex Co., Ltd. (“Roind”), Hangzhou Chuangyuan Feather Co., Ltd. (“CY Feather”), Hollander NC IA LLC, Nap Industries, Inc. (“Nap”) and Packaging Corporation of America.
2. Three of the five members of the UCC, being Roind, CY Feather and Nap, are also creditors and vendors of the Canadian Debtor.
3. Since its appointment, the UCC and its legal and financial advisors have been actively engaged in the Chapter 11 Proceedings, principally to negotiate and settle the terms of the Plan, the RSA and the substantive US Court orders.

2.3 Claims Process

1. On June 21, 2019, the US Court granted an order which establishes deadlines for filing proofs of claim, approving procedures for submitting proofs of claim, approving notice thereof and granting related relief (the “Bar Date Order”).
2. The Bar Date Order was recognized by the Canadian Court pursuant to an order made on July 5, 2019.
3. The General Bar Date (as defined in the Bar Date Order) was July 29, 2019. As at the date of this Report, the Information Officer understands that the claims review and reconciliation process is in its preliminary stage.
4. The Information Officer was advised that employees who do not continue employment with the Purchaser will be eligible to participate in the claims process being carried out in the Chapter 11 Proceedings.

2.4 Disclosure Statement and Plan Solicitation

1. On July 25, 2019, the US Court entered an order (the “Disclosure Statement Order”) which, *inter alia*, approved the adequacy of information in the Disclosure Statement and solicitation and voting procedures on the Plan. The Disclosure Statement Order was recognized by the Canadian Court on August 6, 2019.
2. The Disclosure Statement Order, *inter alia*, established August 28, 2019 as the voting deadline on the Plan. The voting results are detailed in Section 4.2.1 of this Report.

3.0 The Sale Transaction

1. Pursuant to the bidding procedures recognized by the Canadian Court on July 5, 2019 (“Bidding Procedures”), the Chapter 11 Debtors, *inter alia*, reserved the right, in consultation with certain parties, to modify the deadlines established under the Bidding Procedures.
2. On August 7, 2019, the Chapter 11 Debtors filed a notice that extended the final bid deadline from August 8, 2019 to August 15, 2019 (the “Bid Deadline”) and revised the date of the auction, if necessary, from August 12, 2019 to August 19, 2019.
3. On or around the Bid Deadline, the Purchaser submitted its bid, which was the only qualified bid (“Bid”) in the Sale Process. Accordingly, no auction was conducted.
4. The Chapter 11 Debtors, in consultation with the term lenders, determined that the Bid constitutes the highest and best offer and will provide a greater recovery for the Chapter 11 Debtors’ estates than would be provided by any other alternative.

5. Following the Bid Deadline, the Chapter 11 Debtors and the Purchaser entered into extensive negotiations resulting in definitive documentation in the form of an Asset Purchase Agreement dated August 15, 2019 (“APA”). The APA contemplates the sale of substantially all of the Chapter 11 Debtors’ assets to the Purchaser. The Sale Transaction is detailed in the Affidavit of Marc Pfefferle sworn September 6, 2019 (the “Pfefferle Affidavit”) and, accordingly, is only summarized in the table below.³

Term	Details
Purchased Assets	All assets of the Chapter 11 Debtors other than the Excluded Assets, which are largely cash, real estate and certain contracts. The Acquired Assets include substantially all of the Canadian Debtor’s assets, including the assumption of the real property leases for its two Canadian production facilities (Montreal, Quebec and Toronto, Ontario).
Purchase Price	\$102 million; plus the Assumed liabilities; plus Warrants granting the Chapter 11 Debtors the right to purchase 7.5% of the equity ownership of the Purchaser immediately following closing. Pursuant to the DIP Term Loan Amendment Order, these Warrants will ultimately be distributed to the DIP Term Loan Lenders.
Deposit	\$10.2 million
Assumed Liabilities	Assumed Liabilities include: a) liabilities under Assigned Contracts, which include supplier agreements, leases and services agreements; b) all cure costs in connection with the assumption and assignment of the Assigned Contracts up to a maximum of \$2.5 million; c) all liabilities arising out of the business subsequent to closing; d) all accounts payable, trade payables and current accrued liabilities arising after the petition date and existing on the closing date; and e) monetary liabilities under all severance and termination benefits.
Conditions	The conditions precedent include the Plan Confirmation Order and recognition of same by the Canadian Court.
Employees	The Purchaser is offering employment to substantially all of the employees of the Canadian Debtor, subject to the planned closure of the Toronto facility, as summarized in Section 5.0 of this Report.

6. Following execution of the APA, the Chapter 11 Debtors filed a modified Plan which incorporated Sale Transaction considerations and documents integral thereto, including, *inter alia*, the APA and a schedule of assumed executory contracts and unexpired leases. The modifications to the Plan resulting from the APA and Sale Transaction are summarized in Section 4.2 of this Report.

³ Capitalized terms not otherwise defined in this section of the Report have the meanings provided to them in the APA.

4.0 Proposed Recognition of US Court Orders⁴

1. The Information Officer's summary of the substantive US Court orders for which Canadian Court approval is being sought is provided in the following sections of this Report.

4.1 The RSA Order

1. The RSA Order, *inter alia*, authorizes the Chapter 11 Debtors to assume the RSA between and among the Chapter 11 Debtors, the Term Loan Lenders, the UCC and Sentinel Capital Partners, LLC ("Sentinel"), the Chapter 11 Debtors' ultimate shareholder, and approves the settlements and compromises contained therein.
2. The initial versions of the RSA and the Plan negotiated prior to the commencement of the Chapter 11 Proceedings, which were supported by the prepetition ABL lenders, 100% of the Term Loan Lenders and Sentinel, contemplated that:
 - a) the \$28 million DIP Term Loan Facility would be converted into a \$58 million exit term loan facility upon emergence from the Chapter 11 Proceedings, providing an additional \$30 million in incremental liquidity to fund go-forward operations; and
 - b) the Term Loan Lenders would convert their existing secured debt (approximately \$167 million) into equity pursuant to a credit bid. However, the initial version of the Plan included a sale "toggle" feature allowing for a potential sale to a third party resulting from the Sale Process carried out by Houlihan.
3. Following the appointment of the UCC, extensive negotiations among the parties to the RSA took place for nearly two months. The UCC's efforts culminated in guaranteed recoveries for holders of General Unsecured Claims (the "General Unsecured Creditors") under each potential outcome of the Chapter 11 Proceedings (i.e. reorganization⁵, sale or liquidation). These negotiations resulted in a global settlement embodied by the RSA which, *inter alia*, provides a recovery for General Unsecured Creditors, including those of the Canadian Debtor, on the following basis:
 - a) in all scenarios contemplated under the RSA, up to \$650,000 in the aggregate will be paid for the benefit of General Unsecured Creditors from the proceeds distributed to Sentinel, as holder of Last Out DIP Loan Claims (totalling \$15 million), plus proceeds of any commercial tort claims that may be pursued on behalf of General Unsecured Creditors;

⁴ Capitalized terms not otherwise defined in this section of the Report have the meanings provided to them in the applicable US Court order.

⁵ The reorganization outcome has since been removed from the Plan as a result of the Sale Transaction and, accordingly, is not discussed in this Report.

b) In addition,

- in the event of a liquidation⁶, \$250,000 will be funded into a liquidation recovery pool from the first available proceeds of the Term Loan Priority Collateral and, to the extent applicable, the funds (being \$650,000 referenced in (a) above and the liquidation proceeds of \$250,000) will be paid to the chapter 7 trustee, or to the extent applicable, the trustee of the Canadian Debtor appointed under the *Bankruptcy and Insolvency Act (Canada)*, to be distributed in accordance with applicable bankruptcy laws; and
- in the event of a sale, General Unsecured Creditors will receive, from the first available proceeds of the Term Loan Priority Collateral, a proportionate share of no less than \$600,000. General Unsecured Creditors will also receive 5% of each dollar the Term Loan Lenders receive in excess of 30% of their Term Loan Claim and 7.5% of each dollar the Term Loan Lenders receive in excess of 50% of their Term Loan Claim, less certain fees.

4. In total, General Unsecured Creditors are estimated to receive a recovery of at least 1% of their unsecured claims before considering any value that may be generated from potential tort claims.

4.1.1 Liquidation Analysis

1. Prior to the commencement of these proceedings, the Information Officer prepared a liquidation analysis in the context of assessing the implications of the DIP ABL Facility on the Canadian Debtor and its stakeholders. The Information Officer's liquidation analysis was filed with the Canadian Court on a confidential basis and remains subject to a sealing order made on May 23, 2019.
2. The Information Officer's liquidation analysis reflects that there would be no funds available for distribution to the Canadian Debtor's unsecured creditors in a liquidation scenario.
3. As an exhibit to the Disclosure Statement, the Chapter 11 Debtors appended their liquidation analysis, which provides an estimated recovery range for each class of claims upon the disposition of assets pursuant to a hypothetical chapter 7 liquidation. The results of the Chapter 11 Debtors' liquidation analysis with respect to the Canadian Debtor are consistent with the liquidation analysis prepared by the Information Officer. The Chapter 11 Debtors' liquidation analysis also reflects that there would be no funds available for distribution to the unsecured creditors of the US Debtors.

⁶ The RSA provides that the Information Officer's consent is required prior to the commencement of any liquidation proceeding involving the Canadian Debtor.

4. The results of the liquidation analysis formed the basis of the UCC's support for the RSA. In this regard, the UCC drafted a letter of support which was included in the Chapter 11 Debtors' Solicitation Package, which concludes as follows:

"Absent confirmation of the Plan, these cases may be converted to liquidation under chapter 7, in which case holders of unsecured claims would most likely not receive any recovery and a chapter 7 trustee may determine to pursue Avoidance Actions against holders of Claims, including, General Unsecured Claims. The Committee believes, as do the Debtors, that the Plan provides the best possible recoveries to holders of General Unsecured Claims under the circumstances, and that any alternative would result in unnecessary delay, uncertainty, and expense as well as a materially diminished or zero recovery. The recovery under the Plan is the result of efforts by the Committee to negotiate a material increase in the distributions for holders of General Unsecured Claims. The Committee therefore recommends that you vote to "accept" the Plan and return your ballot as specified in the voting instructions you received."

A copy of the UCC's letter of support is attached as Appendix "D".

4.1.2 Recommendation

1. The Information Officer believes that the RSA Order is reasonable and appropriate for the following reasons:
 - a) the RSA provides for recoveries for unsecured creditors, including creditors of the Canadian Debtor, which, although minimal, exceed the projected result in a liquidation according to separate liquidation analyses prepared by the Information Officer and the Chapter 11 Debtors;
 - b) the Sale Process did not generate any bids for the Canadian Debtor's business and assets on a standalone basis;
 - c) the RSA Order provides the Chapter 11 Debtors with a global resolution that will facilitate a consensual transaction and an expeditious and orderly emergence from the Chapter 11 Proceedings;
 - d) the RSA is supported by all parties, including the UCC, which ultimately negotiated recoveries for unsecured creditors that would otherwise not be available to them from the proceeds of the Sale Transaction; and
 - e) the RSA contemplates outcomes and recoveries for unsecured creditors in all potential scenarios, being a sale transaction or liquidation, and includes a provision that requires the prior consent of the Information Officer before any liquidation proceeding involving the Canadian Debtor can be commenced.
2. Based on the foregoing, the Information Officer recommends that the Canadian Court grant an order recognizing the RSA Order.

4.2 Plan Confirmation Order

1. Following its execution and US Court approval, the key terms of the RSA (summarized above), including the provisions outlining creditor recoveries under each potential outcome, were incorporated into the Plan. A further supplement to the Plan was filed with the US Court on August 21, 2019 to consider the implications of the Sale Transaction.
2. The material differences between the initial Plan and the Confirmed Plan include the following:
 - a) all references to a reorganization transaction were replaced with provisions contemplating the Sale Transaction;
 - b) the concept of a Wind-Down Trust, which will be formed immediately after the consummation of the Sale Transaction and the Effective Date of the Confirmed Plan, to receive assets of the Chapter 11 Debtors and make distributions to creditors in accordance with the Confirmed Plan. The primary purpose of the Wind-Down Trust is to liquidate assets, satisfy the Post-Effective Date Debtors' obligations under the APA, make timely distributions to the beneficiaries of the Wind-Down Trust pursuant to the Plan Confirmation Order and to wind down the estates of the Chapter 11 Debtors, including the Canadian Debtor;
 - c) any proceeds generated in the Sale Transaction in respect of the Canadian Assets and distributed to Holders of Claims against the Canadian Debtor shall be treated as distributed to such Holders on behalf of the Canadian Debtor. The shares of the Canadian Debtor will be owned by the Wind-Down Trust and any remaining Canadian Assets will continue to be owned by the Canadian Debtor until recovered by the Plan Administrator and distributed to the Wind-Down Trust upon the liquidation of the Canadian Debtor;
 - d) a Plan Administrator will be appointed to serve as the trustee and administrator of the Wind-Down Trust and, on the Effective Date, will be authorized to implement the Confirmed Plan and any applicable orders of the US Court;
 - e) the Plan Administrator is required to provide the Information Officer with copies of all monthly operating or disbursement reports and will respond promptly to any information requests of the Information Officer in carrying out its mandate pursuant to the orders of the Canadian Court;
 - f) after the Effective Date, the Plan Administrator will have all rights and defenses the Chapter 11 Debtors had with respect to any Claim or Interest immediately before the Effective Date; and
 - g) the claims objection bar date is the latter of the first business day following 180 days after the confirmation of the Confirmed Plan or such later date as may be fixed by the US Court.
3. The Confirmed Plan is subject to the following conditions:
 - a) the US Court shall have entered the Plan Confirmation Order and the Plan Confirmation Order shall have been recognized by the Canadian Court in the Recognition Proceedings;

- b) the Chapter 11 Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings or documents that are necessary to implement and effectuate the Confirmed Plan;
 - c) the Professional Fee Escrow Account shall have been established and funded with the Professional Fee Escrow Amount;
 - d) the payment in full of the DIP ABL Claims; and
 - e) all conditions precedent to the consummation of the Sale Transaction shall have been satisfied in accordance with the terms thereof, and the closing of the Sale Transaction shall be deemed to occur concurrently with the Effective Date.
4. On an overall basis, the Confirmed Plan and the Sale Transaction are projected to result in:
- a) full repayment to the DIP ABL Lenders (which, by virtue of the terms of the DIP ABL Facility, includes all obligations owing to the Chapter 11 Debtors' prepetition ABL lenders);
 - b) a shortfall on the DIP Term Loan Facility;
 - c) no recovery to the Term Loan Lenders, who are owed approximately \$167 million; and
 - d) \$1.25 million to the General Unsecured Creditors, before considering any further realizations from tort claims or otherwise.
5. The Information Officer understands that, subject to the recognition of the Plan Confirmation Order by the Canadian Court, the conditions precedent to the Sale Transaction and the Confirmed Plan are expected to be satisfied or waived on or around September 13, 2019. Accordingly, September 13, 2019 is expected to be the closing date of the Sale Transaction and the Effective Date under the Confirmed Plan.

4.2.1 Voting Results and Confirmation of the Plan

1. Pursuant to the Disclosure Statement Order, the US Court authorized Omni Management Group ("OMNI"), the Chapter 11 Debtors' solicitation agent, to administer the procedures for soliciting and tabulating votes on the Plan.
2. Based on the Declaration of Paul Deutch, a Senior Vice President of OMNI, filed with the US Court on September 3, 2019 (the "Voting Declaration"), the Plan was approved by each class of creditors entitled to vote on the Plan. The voting results are summarized in the table below.

Class of Creditors	Accepted		Rejected		Total Accepted (%)	
	#	\$	#	\$	#	\$
Class 4: Term Loan Claims	24	173,920,003	-	-	100.0	100.0
Class 5: General Unsecured Claims	66	38,496,885	11	1,712,937	85.71	95.74

3. A copy of the Voting Declaration is attached as Appendix “E”. The voting results satisfy the requirements of the US Bankruptcy Code in which a vote of at least two-thirds in amount and more than one-half in number of claims is required to accept the Plan.
4. Accordingly, on September 5, 2019, the US Court entered the Plan Confirmation Order. The Plan Confirmation Order, *inter alia*, approves the confirmation of the Confirmed Plan, the Sale Process and the Sale Transaction.

4.2.2 Recommendation

1. The Information Officer believes that the Canadian Court should recognize the Plan Confirmation Order for the following reasons:
 - a) all classes of creditors entitled to vote on the Plan voted overwhelmingly to approve the Plan;
 - b) the Plan provides for a greater recovery to the General Unsecured Creditors of the Canadian Debtor than any other potential outcome, including liquidation;
 - c) the Sale Process was carried out by a reputable investment banker, Houlihan, in accordance with the Bidding Procedures Order. The Purchaser’s bid was the only Qualified Bid generated by the Sale Process;
 - d) the Plan and the Sale Transaction provide for the continuation of the Chapter 11 Debtors’ business, which is anticipated to provide for:
 - continued employment for substantially all of the Chapter 11 Debtors’ workforce, including the employees of the Canadian Debtor⁷;
 - an ongoing customer for the vendor base of the Chapter 11 Debtors, including the suppliers of the Canadian Debtor; and
 - an ongoing tenant for the landlords of the Chapter 11 Debtors, including the two landlords of the Canadian Debtor⁵;
 - e) the provisions of the Wind-Down Trust related to the treatment of the Canadian Debtor’s assets are structured on a tax efficient basis such that the Information Officer has been advised there will be no withholding (or other) tax implications to the creditors of the Canadian Debtors on any distributions they receive in respect of their unsecured claims;
 - f) in the Information Officer’s view, the Canadian Debtor has acted in good faith and with due diligence in their restructuring activities throughout these proceedings; and
 - g) in the Information Officer’s view, the Confirmed Plan is fair and reasonable in the circumstances.

⁷ Subject to the planned closure of the Toronto plant, as set out in Section 5.0 of this Report.

5.0 Toronto Plant Closure

1. As set out in the Pfefferle Affidavit, the Canadian Debtor's restructuring plan included the consolidation of the Canadian operations into its production facility in Montréal, Quebec. The Purchaser has adopted this plan and, as a result, on September 4, 2019, the Canadian Debtor announced its intention to close the Toronto production facility in early 2020.
2. The plant closure will result in the loss of employment for approximately 90 active employees of the Canadian Debtor. The Information Officer has been advised by the Canadian Debtor and its legal counsel that significant working notice has been or will be provided to the affected active and inactive employees and that the Canadian Debtor has offered separation arrangements to the active employees that meet or exceed statutory notice of termination and severance requirements. The objective is for the Purchaser to retain employees in order to wind-down the Toronto operations on an orderly basis.
3. As noted in Section 2.3 of this Report, employees who do not continue employment with the Purchaser will be eligible to participate in the claims process being carried out in the context of the Chapter 11 Proceedings.

6.0 Anticipated Next Steps in these Proceedings

1. Subject to the Court recognizing the RSA Order and the Plan Confirmation Order, the Information Officer's next steps will include:
 - a) delivering a certificate to the Purchaser and filing such certificate with the Canadian Court when the Sale Transaction is completed, as contemplated by the proposed Canadian Court order;
 - b) working with the Plan Administrator, once appointed, to oversee the process whereby creditors of the Canadian Debtor will receive their distributions in accordance with the Confirmed Plan;
 - c) reviewing the information and reports to be filed with the US Court by the Plan Administrator and liaising with the Plan Administrator, as required;
 - d) reporting periodically to the Canadian Court to ensure the Canadian stakeholders are being kept apprised of the Plan Administrator's progress on fulfilling the Chapter 11 Debtors' obligations under the Confirmed Plan and the Wind-Down Trust Agreement; and
 - e) monitoring the treatment of terminated employees of the Canadian Debtor and their ability to file claims in the claims process being administered in the US.
2. The Confirmed Plan contemplates that the Information Officer will bring a motion to terminate these proceedings after the Plan Administrator provides the Information Officer with a certified copy of the certificate filed by the Plan Administrator with the US Court certifying that all distributions have been made, all of its duties under the Confirmed Plan have been completed and the final decree closing the Chapter 11 Proceedings has been entered by the US Court.

7.0 Professional Fees

1. The Information Officer's fees (excluding disbursements and HST) from the commencement of these proceedings to August 31, 2019, and those of Norton Rose for the same period, total approximately CAD\$187,000 and CAD\$65,000, respectively.
2. Detailed invoices in respect of the fees and disbursements of the Information Officer and Norton Rose are provided in the Affidavits filed by KSV and Norton Rose, copies of which are attached as Appendices "F" and "G", respectively.
3. The average hourly rates for KSV and Norton Rose for the referenced billing periods were CAD\$523.32 and CAD\$652.84, respectively.
4. The Information Officer is of the view that the hourly rates charged by Norton Rose are consistent with the rates charged by law firms practicing in the area of corporate insolvency and restructuring in the Toronto market, and that the fees charged are reasonable and appropriate in the circumstances.

8.0 Conclusion and Recommendation

1. Based on the foregoing, the Information Officer respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(e) of this Report.

* * *

All of which is respectfully submitted,



KSV KOFMAN INC.

**IN ITS CAPACITY AS INFORMATION OFFICER 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
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.

)

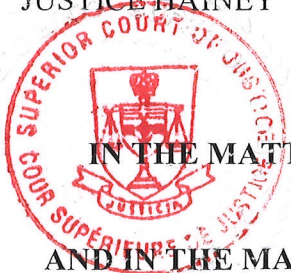
THURSDAY, THE 23RD

)

JUSTICE HAINEY

)

DAY OF MAY, 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

INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)

THIS APPLICATION, made by Hollander Sleep Products, LLC (“HSP”) in its capacity as the foreign representative (the “**Foreign Representative**”) of HSP, 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 (collectively, the “**Chapter 11 Debtors**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an Order substantially in the form enclosed in the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of Marc Pfefferle sworn May 23, 2019 (the “**Pfefferle Affidavit**”), filed, the pre-filing report of KSV Kofman Inc., in its capacity

as proposed information officer (the “**Information Officer**”) dated May 23, 2019, and upon being provided with copies of the documents required by section 46 of the CCAA,

AND UPON BEING ADVISED by counsel for the Foreign Representative that in addition to this Initial Recognition Order, a Supplemental Order (Foreign Main Proceeding) (the “**Supplemental Order**”) is being sought,

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for the proposed Information Officer, counsel for the ABL Agent and the DIP ABL Agent (each as defined in the Pfefferle Affidavit) and counsel for the Term Loan Agent and the DIP Term Loan Agent (each as defined in the Pfefferle Affidavit), and those other parties present, no one else appearing although duly served as appears from the affidavit of service of Evan Barz sworn May 23, 2019:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

FOREIGN REPRESENTATIVE

2. **THIS COURT ORDERS AND DECLARES** that the Foreign Representative is the “foreign representative” as defined in section 45 of the CCAA of the Chapter 11 Debtors in respect of the cases commenced in the United States Bankruptcy Court for the Southern District of New York by the Chapter 11 Debtors pursuant to Chapter 11 of the United States Bankruptcy Code (collectively, the “**Foreign Proceeding**”).

CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING

3. **THIS COURT DECLARES** that the centre of its main interests for each of the Chapter 11 Debtors is the United States of America and that the Foreign Proceeding is hereby recognized as a “foreign main proceeding” as defined in section 45 of the CCAA.

STAY OF PROCEEDINGS

4. **THIS COURT ORDERS** that until otherwise ordered by this Court:

- (a) all proceedings taken or that might be taken against the Chapter 11 Debtors under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* are stayed;
- (b) further proceedings in any action, suit or proceeding against the Chapter 11 Debtors are restrained; and
- (c) the commencement of any action, suit or proceeding against the Chapter 11 Debtors is prohibited.

NO SALE OF PROPERTY

5. **THIS COURT ORDERS** that, except with leave of this Court, each of the Chapter 11 Debtors is prohibited from selling or otherwise disposing of:

- (a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and
- (b) any of its other property in Canada.

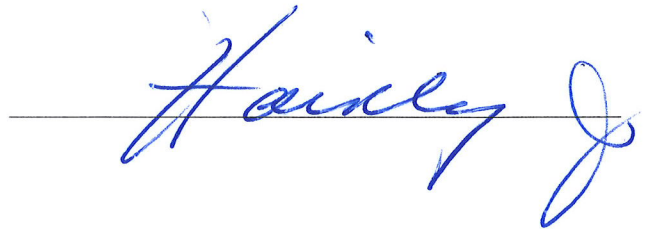
GENERAL

6. **THIS COURT ORDERS** that within five (5) business days from the date of this Order, or as soon as practicable thereafter, the Information Officer shall cause to be published a notice once a week for two consecutive weeks, in the *Globe and Mail* (National Edition) regarding the issuance of this Order and the Supplemental Order.

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada and the United States of America, to give effect to this Order and to assist the Chapter 11 Debtors and the Foreign Representative and their respective counsel and agents in carrying out the terms of this Order.

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

9. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the Chapter 11 Debtors and the Foreign Representative and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAY 23 2019

PER / PAR:



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

**INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)**

OSLER, HOSKIN & HARCOURT, LLP
P.O. Box 50, 1 First Canadian Place
Toronto, ON M5X 1B8

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Fax: 416.862.6666

Lawyers for the Applicant

Appendix “B”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.

)

THURSDAY, THE 23RD

)

JUSTICE HAINEY

)

DAY OF MAY, 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

SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)

THIS APPLICATION, 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 substantially in the form enclosed in the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of Marc Pfefferle sworn May 23, 2019 (the "**Pfefferle Affidavit**"), filed, the pre-filing report of KSV Kofman Inc., in its capacity as proposed Information Officer (as defined herein) dated May 23, 2019 (the "**Pre-Filing**

Report”), and upon being provided with copies of the documents required by section 46 of the CCAA,

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for the proposed Information Officer, counsel for the ABL Agent and the DIP ABL Agent (each as defined in the Pfefferle Affidavit) and counsel for the Term Loan Agent and the DIP Term Loan Agent (each as defined in the Pfefferle Affidavit), and those other parties present, no one else appearing although duly served as appears from the affidavit of service of Evan Barz sworn May 23, 2019:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application 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 Pfefferle Affidavit.

INITIAL RECOGNITION ORDER

3. **THIS COURT ORDERS** that the provisions of this Order shall be interpreted in a manner complementary and supplementary to the provisions of the Initial Recognition Order (Foreign Main Proceeding) dated as of May 23, 2019 (the “**Recognition Order**”), provided that in the event of a conflict between the provisions of this Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS

4. **THIS COURT ORDERS** that the following orders (collectively, the “**Foreign Orders**”) of the United States Bankruptcy Court for the Southern District of New York (the “**U.S. Bankruptcy Court**”) made in the Foreign Proceeding (as defined in the Recognition Order) 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 (A) Authorizing Hollander Sleep Products, LLC to Act as Foreign Representative and (B) Granting Related Relief* (the “**Foreign Representative Order**”);
- (b) *Order (A) Directing Joint Administration of Chapter 11 Cases and (B) Granting Related Relief* (the “**Joint Administration Order**”);
- (c) *Interim 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 “**Interim Employee Wages Order**”);
- (d) *Interim 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 “**Interim Cash Management Order**”);
- (e) *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* (the “**Interim DIP Order**”);
- (f) *Interim 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* (the “**Interim Critical Vendors and Shippers Order**”); and

- (g) *Interim 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 “**Interim Customer Programs Order**”)

(copies of each such Foreign Orders are attached as Schedules “A” to “G” hereto);

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 Property (as defined below) in Canada.

APPOINTMENT OF INFORMATION OFFICER

5. **THIS COURT ORDERS** that KSV Kofman Inc. (the “**Information Officer**”) is hereby appointed as an officer of this Court, with the powers and duties set out herein.

NO PROCEEDINGS AGAINST THE CHAPTER 11 DEBTORS OR THE PROPERTY

6. **THIS COURT ORDERS** that from the date of the Recognition Order until such date as this Court may order (the “**Stay Period**”) no proceeding or enforcement process in any court or tribunal in Canada (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Chapter 11 Debtors or affecting their business (the “**Business**”) or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”), except with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Chapter 11 Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

7. **THIS COURT ORDERS** that, without limiting the stay of proceedings provided for in the Recognition Order, during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Chapter 11 Debtors, or

affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (a) prevent the assertion of or the exercise of rights and remedies outside of Canada, (b) empower any of the Chapter 11 Debtors to carry on any business in Canada which that Chapter 11 Debtor is not lawfully entitled to carry on, (c) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (d) prevent the filing of any registration to preserve or perfect a security interest, or (e) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

8. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Chapter 11 Debtors and affecting the Business in Canada, except with leave of this Court.

ADDITIONAL PROTECTIONS

9. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Chapter 11 Debtors or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of the Chapter 11 Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Chapter 11 Debtors, and that the Chapter 11 Debtors shall be entitled to the continued use in Canada of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names.

10. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Chapter 11 Debtors with respect to any claim against the directors or officers that arose before the date of the Recognition Order and that relates to any obligations of the Chapter 11 Debtors whereby the directors or officers are alleged

under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

11. **THIS COURT ORDERS** that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, and shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

OTHER PROVISIONS RELATING TO INFORMATION OFFICER

12. **THIS COURT ORDERS** that the Information Officer:

- (a) is hereby authorized to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
- (b) shall report to this Court periodically with respect to the status of these proceedings and the status of the Foreign Proceeding, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;
- (c) in addition to the periodic reports referred to in paragraph 12(b) above, the Information Officer may report to this Court at such other times and intervals as the Information Officer may deem appropriate with respect to any of the matters referred to in paragraph 12(b) above;
- (d) shall have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Chapter 11 Debtors, to the extent that is necessary to perform its duties arising under this Order; and

- (e) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

13. **THIS COURT ORDERS** that the Chapter 11 Debtors and the Foreign Representative shall (a) advise the Information Officer of all material steps taken by the Chapter 11 Debtors or the Foreign Representative in these proceedings or in the Foreign Proceeding, (b) co-operate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (c) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

14. **THIS COURT ORDERS** that the Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

15. **THIS COURT ORDERS** that the Information Officer (a) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed herein, and such other materials as this Court may order from time to time, and (b) may post on its website any other materials that the Information Officer deems appropriate.

16. **THIS COURT ORDERS** that the Information Officer may provide any creditor of a Chapter 11 Debtor with information provided by the Chapter 11 Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Information Officer. The Information Officer shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by the Chapter 11 Debtors is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Information Officer, the Foreign Representative and the relevant Chapter 11 Debtors may agree.

17. **THIS COURT ORDERS** that the Information Officer and counsel to the Information Officer shall be paid by the Chapter 11 Debtors their reasonable fees and disbursements incurred

in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. The Chapter 11 Debtors are hereby authorized and directed to pay the accounts of the Information Officer and counsel for the Information Officer.

18. **THIS COURT ORDERS** that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Information Officer and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, and the accounts of the Information Officer and its counsel shall not be subject to approval in the Foreign Proceeding.

19. **THIS COURT ORDERS** that the Information Officer and counsel to the Information Officer shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property in Canada, which charge shall not exceed an aggregate amount of US\$200,000 as security for their professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 21 through 26 hereof.

INTERIM FINANCING

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 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.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

21. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP ABL Charge, as among them, shall be as follows:

- (a) First – Administration Charge (to the maximum amount of US\$200,000); and
- (b) Second – DIP ABL Charge.

22. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge or the DIP ABL Charge (collectively, the “**Charges**”) shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect the Charges.

23. **THIS COURT ORDERS** that the Charges (as constituted and defined herein) shall constitute a charge on the Property in Canada and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

24. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Chapter 11 Debtors shall not grant any Encumbrances over any Property in Canada that rank in priority to, or *pari passu* with, the Charges, unless the Chapter 11 Debtors also obtain the prior written consent of the Information Officer, the DIP ABL Agent and the DIP Term Loan Agent.

25. **THIS COURT ORDERS** that the Administration Charge and the DIP ABL Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative

covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds any Chapter 11 Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (i) the creation of the Charges shall not create or be deemed to constitute a breach by a Chapter 11 Debtor of any Agreement to which it is a party;
- (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (iii) the payments made by the Chapter 11 Debtors to the Chargees pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

26. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Chapter 11 Debtors’ interest in such real property leases.

ASSET SALES

27. **THIS COURT ORDERS** that, notwithstanding paragraph 5 of the Recognition Order, Hollander Canada shall be permitted, with the prior consent of the Information Officer, to sell or otherwise dispose of its fixed assets located in Toronto, Ontario, solely to the extent permitted by the DIP ABL Credit Agreement in an amount not to exceed US\$250,000 in the aggregate, without seeking leave of this Court.

SERVICE AND NOTICE

28. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute

an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.ksvadvisory.com/insolvency-cases/case/hollander-sleep-products-canada-limited>.

29. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Chapter 11 Debtors, the Foreign Representative and the Information Officer are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Chapter 11 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the applicable Chapter 11 Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

SEALING

30. **THIS COURT ORDERS** that Confidential Appendix "1" to the Pre-Filing Report shall be and is hereby sealed, kept confidential and shall not form part of the public record pending further Order of this Court.

GENERAL

31. **THIS COURT ORDERS** that the Information Officer may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

32. **THIS COURT ORDERS** that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of any Chapter 11 Debtor, the Business or the Property.

33. **THIS COURT ORDERS** that within five (5) business days from the date of this Order, or as soon as practicable thereafter, the Information Officer shall cause to be published a notice once a week for two consecutive weeks, in the Globe and Mail (National Edition) regarding the issuance of this Order and the Recognition Order.

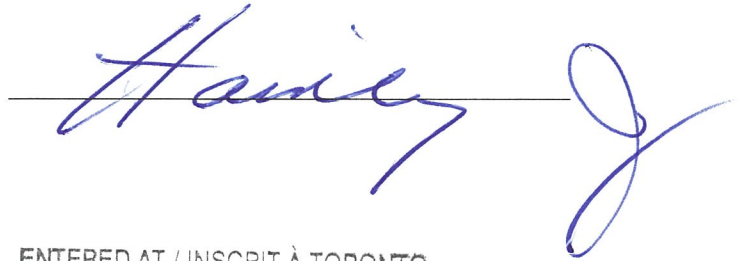
34. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer,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

35. **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.

36. **THIS COURT ORDERS** that the Guidelines for Communication and Cooperation between Courts in Cross-Border Insolvency Matters issued by the Judicial Insolvency Network and adopted by this Court and the U.S. Bankruptcy Court and attached as Schedule “H” hereto (the “**JIN Guidelines**”), are hereby adopted by this Court for the purposes of these recognition proceedings.

37. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days’ notice to the Chapter 11 Debtors, the Foreign Representative, the Information Officer, the DIP ABL Agent, the DIP Term Loan Agent and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

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



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAY 24 2019

PER / PAR: 

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

**SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)**

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Appendix “C”



**Report of
KSV Kofman Inc. as
Proposed Information Officer 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**

May 23, 2019

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COURT FILE NO.: CV-19-620484-00CL

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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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**

**REPORT OF KSV KOFMAN INC.
AS PROPOSED INFORMATION OFFICER**

MAY 23, 2019

1.0 Introduction

1. On May 19, 2019, Hollander Sleep Products, LLC (the "Foreign Representative"), Dream II Holdings, LLC, Hollander Home Fashions Holdings, LLC, Pacific Coast Feather, LLC, Hollander Sleep Products Kentucky, LLC, Pacific Coast Feather Cushion, LLC (collectively, the "US Debtors") and Hollander Sleep Products Canada Limited (the "Canadian Debtor" and together with the US Debtors, the "Chapter 11 Debtors"), commenced proceedings by filing voluntary petitions for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "US Court") (the "Chapter 11 Proceedings").
2. The purpose of the Chapter 11 Proceedings and the proposed Canadian recognition proceeding is to provide a stabilized environment for the Chapter 11 Debtors to continue to operate in the normal course while they implement their restructuring plan, including a US Court supervised sale process ("Sale Process") carried out by the Chapter 11 Debtors and their investment banker, Houlihan Lokey Capital, Inc. ("Houlihan").
3. On May 21, 2019, the US Court heard the Chapter 11 Debtors' first day motions and granted numerous orders (collectively, the "First Day Orders").

4. At this time, the Foreign Representative is making an application to the Ontario Superior Court of Justice (Commercial List) (the “Ontario Court”) for recognition of the Chapter 11 Proceedings under Part IV of the *Companies’ Creditors Arrangement Act* (“CCAA”) pursuant to two proposed orders (jointly, the “Recognition Orders”):
 - a) the initial recognition order which, *inter alia*, recognizes the Chapter 11 Proceedings as a “foreign main proceeding” and recognizes the Foreign Representative as the “foreign representative”, as defined in section 45 of the CCAA, and stays all proceedings against the Chapter 11 Debtors; and
 - b) the supplemental order which, *inter alia*, appoints KSV Kofman Inc. (“KSV”) as Information Officer, recognizes the First Day Orders issued by the US Court in the Chapter 11 Proceedings, grants certain stays as set out therein and grants the Administration Charge and the DIP ABL Charge (as defined in the Recognition Orders).
5. This report (“Report”) is filed by KSV in its capacity as proposed Information Officer (the “Information Officer”) in the Canadian recognition proceedings.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide KSV’s qualifications to act as Information Officer;
 - b) provide background information about the Chapter 11 Debtors and the Chapter 11 Proceedings, including a summary of the First Day Orders for which Ontario Court recognition is being sought;
 - c) provide the proposed Information Officer’s commentary on the reasonableness of the \$90 million debtor-in-possession asset based lending credit facility among the Chapter 11 Debtors and Wells Fargo Bank, National Association (the “DIP ABL Agent”), as agent for and on behalf of itself and other lenders (collectively, the “DIP ABL Lenders”) (the “DIP ABL Facility”);
 - d) summarize the potential implications of the Chapter 11 Proceedings, particularly the DIP ABL Facility, on the Canadian Debtor’s stakeholders, including by considering the results of a liquidation analysis of the Canadian Debtor’s business assets (the “Liquidation Analysis”);
 - e) provide the basis on which the proposed Information Officer believes the Liquidation Analysis should be sealed pending further order of the Ontario Court;
 - f) summarize the rationale for the proposed Administration Charge and DIP ABL Charge;

- g) provide an overview of the Chapter 11 Debtors' Joint Plan of Reorganization (the "Plan"); and
- h) recommend that the Ontario Court grant the relief being sought by the Foreign Representative.

1.2 Currency

- 1. All currency references in this Report are to US dollars, unless otherwise noted.

1.3 Restrictions

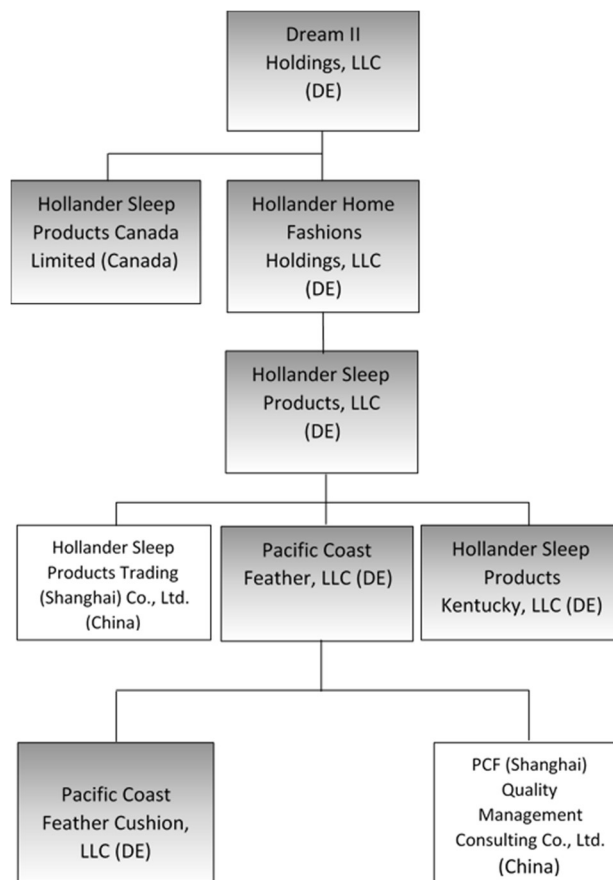
- 1. In preparing this Report, the proposed Information Officer has relied upon unaudited financial information prepared by the Chapter 11 Debtors' financial advisor, the Chapter 11 Debtors' books and records, including those of the Canadian Debtor, and discussions with the Chapter 11 Debtors' Canadian legal counsel and financial advisor.
- 2. The proposed Information Officer has not performed an audit or other verification of such information. An examination of the Chapter 11 Debtors' financial forecasts as outlined in the *Chartered Professional Accountants of Canada Handbook* has not been performed. Future oriented financial information relied upon in this Report is based on the Chapter 11 Debtors' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The proposed Information Officer expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report or relied upon by the proposed Information Officer in its preparation of this Report.

1.4 KSV's Qualifications to Act as Information Officer

- 1. KSV is qualified to act as Information Officer. KSV's qualifications include:
 - a) KSV is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada). KSV is not subject to any of the restrictions to act as set out in Section 11.7(2) of the CCAA; and
 - b) KSV has extensive experience acting as Information Officer under Part IV of the CCAA in a wide variety of industries.
- 2. On May 16, 2019, KSV was engaged by the Canadian Debtor to assist to prepare for these proceedings. KSV's engagement letter contemplates that "*in the event the Company files for protection and KSV is appointed as Information Officer, this engagement shall terminate immediately prior to the commencement of those proceedings. In such circumstances, KSV's duties and obligations as Information Officer will be as set out in the order commencing the proceedings, as well as by statute, and KSV would from that date forward be acting as an officer of the court.*"
- 3. KSV has consented to act as Information Officer in these proceedings should the Ontario Court grant the Recognition Orders. A copy of KSV's consent to act as Information Officer is attached as Appendix "A".

2.0 Background

1. Since their inception in 1953, the Chapter 11 Debtors have grown into a leader in the bedding products market, manufacturing pillows, comforters, mattress pads and other bedding products. The Chapter 11 Debtors produce bedding items for well-known brands, including Ralph Lauren®, Simmons®, Beautyrest®, Nautica® and Waverly®.
2. The Chapter 11 Debtors partner with major retailers and hotel chains, including long-standing relationships with, among others, Target, Kohl's, Costco, Walmart, Hudson's Bay and Marriott. The Chapter 11 Debtors' net revenue for their fiscal year ended December 31, 2018 was approximately \$527 million, of which the Canadian Debtor comprised approximately \$51 million.
3. The Chapter 11 Debtors' ultimate shareholder is Sentinel Capital Partners, LLC ("Sentinel"), a US private equity firm which made its acquisition in October, 2014. The corporate organization chart is provided below (the shaded entities represent the Chapter 11 Debtors).



4. The Chapter 11 Debtors operate thirteen manufacturing facilities in North America, including two Canadian manufacturing facilities (in Toronto and Montreal) from which they assemble raw materials sourced primarily from China, India, Pakistan, Indonesia, South Korea, Vietnam, Malaysia and the United Arab Emirates, into finished products.

5. The Chapter 11 Debtors employ approximately 2,370 employees, of which approximately 240 are employees of the Canadian Debtor. All but four of the Canadian Debtor's employees work at its manufacturing facilities in Montreal and Toronto, while the remainder of the employees work from its sales office in Toronto. The Canadian Debtor's workforce is not unionized and the Canadian Debtor does not maintain any registered pension plans (but it does provide a group RRSP plan).
6. The Chapter 11 Proceedings and the Plan are the result of lengthy negotiations among the Chapter 11 Debtors and their principal secured lenders, being:
 - a) the prepetition ABL agent (i.e. the same party as the DIP ABL Agent), for and on behalf of the prepetition ABL lenders (i.e. the same parties as the DIP ABL Lenders) (collectively, the "Prepetition ABL Lenders"), who are owed approximately \$71 million under a \$125 million ABL facility (the "Prepetition ABL Facility");
 - b) Sentinel, which recently injected \$15 million as the "last-out" component of the Prepetition ABL Facility; and
 - c) a group of term loan lenders represented by Barings Finance LLC, as agent (collectively, the "Term Loan Lenders"), who are owed approximately \$167 million under a \$190 million term loan facility (the "Term Loan Facility").
7. Further information concerning the Chapter 11 Debtors' background, financial position, corporate structure and the reasons the Chapter 11 Debtors require creditor protection to implement their restructuring plan are provided in the Declaration of Marc Pfefferle, the Chief Executive Officer of Dream II Holdings, LLC, sworn May 19, 2019 (the "Pfefferle Declaration"), which is appended to Mr. Pfefferle's Affidavit sworn May 23, 2019 in support of the Foreign Representative's application to the Ontario Court (the "Pfefferle Affidavit").

3.0 The Canadian Debtor

1. The Pfefferle Affidavit sets out the Chapter 11 Debtors' connections to Canada, the integrated nature and reliance of the Canadian Debtor on its US affiliates and the overall basis for the centre of main interest ("COMI") of the Canadian Debtor, being the US. Accordingly, the Canadian Debtor's COMI attributes are not repeated herein.

3.1 Financial Overview

1. A summary of the Canadian Debtor's unaudited¹ financial results for its fiscal year ended December 31, 2018 and four-month period ended April 30, 2019 is provided in the table below.

(unaudited; US\$000s;)	Four months ended	
	April 30, 2019	December 31, 2018
Gross revenue	16,242	61,229
Royalties and allowances	(1,805)	(10,394)
Cost of goods sold	(13,709)	(47,874)
Gross profit	728	2,961
Operating expenses	(344)	(4,137)
Interest, taxes, foreign exchange and other	(290)	(1,423)
Net Income / (Loss)	94	(2,599)

2. The above table reflects that, *inter alia*:
 - a) the Canadian Debtor incurred a net loss in its most recent fiscal year ended December 31, 2018 of approximately \$2.6 million after allocation of selling, general and administrative expenses, including royalties and procurement fees, incurred by the US Debtors and allocated across the manufacturing facilities for which they provide these and other shared services (the "US Shared Services");
 - b) the US Debtors allocate approximately \$600,000 per month to the Canadian Debtor, representing approximately 6% of the total costs of US Shared Services incurred by the US Debtors on an annual basis; and
 - c) year-to-date results do not reflect any allocation of US Shared Services given that this allocation is typically performed at year-end. The adjusted year-to-date results would reflect a loss of approximately \$2.3 million after allocation of US Shared Services. Accordingly, the Canadian Debtor's operational losses have increased significantly in fiscal 2019. This increase is partly due to the seasonality of the business as its busy season is in the upcoming "back to school" season.

¹ The Canadian Debtor's standalone financial statements are not audited - they are consolidated with the US Debtors' audited financial statements.

3. The Canadian Debtor's most recent unaudited balance sheet as at April 30, 2019 is provided in the table below.

(unaudited; US\$000s)	April 30, 2019
Accounts receivable	3,642
Inventory	12,955
Prepaid expenses and other	240
Total current assets	16,837
Property and equipment	1,161
Advances to US Debtors	8,300
Total Assets	26,298
Bank indebtedness under Prepetition ABL Facility	5,945
Accounts payable and accrued liabilities	9,928
Total current liabilities	15,873
Shareholder's equity	10,425
Total Liabilities and Equity	26,298

4. The April 30, 2019 balance sheet reflects that, *inter alia*:
- the Canadian Debtor does not have sufficient liquidity to normalize its trade payables, which are significantly aged. (As at May 10, 2019, approximately \$7.2 million of accounts payable is past due as detailed in Section 3.2.3 of this Report); and
 - if the amount owing from the US Debtors (\$8.3 million) was written down to its realizable value and the Canadian Debtor's allocation of US Shared Services was recorded for the four months ended April 30, 2019 (\$2.4 million), the Canadian Debtor's shareholder's equity would be entirely eroded.
5. If appointed, the proposed Information Officer intends to review the transaction(s) that gave rise to the intercompany balance of \$8.3 million owing from the US Debtors to the Canadian Debtor as at April 30, 2019 and the allocation methodology for the US Shared Services. The results of that review will be provided in a subsequent report to be filed with the Ontario Court. As detailed in Section 5 of this Report, any post-filing intercompany advances made by the Canadian Debtor to the US Debtors under the DIP ABL Facility will be made on a secured basis pursuant to a Court-ordered priority administrative expense claim granted in the Chapter 11 Proceedings, for which the Canadian Debtor seeks recognition in Canada.

3.2 Creditor Composition

- Based on the Canadian Debtor's books and records, the indebtedness owing by the Canadian Debtor under the Prepetition ABL Facility (approximately \$6 million as at April 30, 2019) represents the only secured claim against the Canadian Debtor.
- The Canadian Debtor is not a guarantor of the US Debtors' indebtedness under the Prepetition ABL Facility nor is it a borrower or guarantor under the US Debtors' Term Loan Facility.

3. The unsecured creditors of the Canadian Debtor are largely its offshore inventory suppliers, who are presently owed approximately \$9 million. The aging of accounts payable as at May 10, 2019 is reflected in the table below.

(US\$000s; unaudited) Supplier	Current	1 – 30 Days Past Due	31 – 60 Days Past Due	Over 60 Days Past Due	Total
Cixi Jiangnan Chemical Fiber	136	482	316	306	1,240
Funing Jincheng Home Textile Co., Ltd.	174	-	882	11	1,067
Zhejiang Liuqiao Industrial Co., Ltd.	-	529	-	191	720
Donfoam Inc.	315	249	27	-	591
Wuxi Jielong Textile Co., Ltd	97	221	247	-	565
Other (148 creditors)	1,070	1,331	1,601	767	4,766
Total	1,792	2,812	3,073	1,275	8,952
% of total	20.1%	31.4%	34.3%	14.2%	100%

4. All but seven of the Canadian Debtor's inventory suppliers (owed approximately \$513,000 in total) also supply to the US Debtors and, accordingly, substantially all suppliers and creditors of the Canadian Debtor are also suppliers and creditors of the US Debtors.
5. The proposed Information Officer understands that the Canadian Debtor has not paid rent for May, 2019 to the landlords of its Toronto and Montreal manufacturing facilities and its sales office. Monthly rent totals approximately \$129,000. Subject to any extension, the lease for the Toronto manufacturing facility is scheduled to expire on July 21, 2019 and the lease for the Montreal manufacturing facility is scheduled to expire on May 31, 2023.

3.3 Liquidation Analysis

1. Immediately upon its engagement, the proposed Information Officer's focus was on the potential impact of the Chapter 11 Proceedings, particularly the DIP ABL Facility and the proposed Plan, on the unsecured creditors of the Canadian Debtor.
2. The proposed Information Officer prepared the Liquidation Analysis to estimate what recovery may be available to unsecured creditors of the Canadian Debtor if it did not participate in the Chapter 11 Proceedings, in which case the operations of the Canadian Debtor would immediately be discontinued given that it does not have the liquidity nor the infrastructure to operate on a standalone basis at this time.
3. Subject to the assumptions underlying the Liquidation Analysis, as detailed therein, there would be a nominal recovery, if any, available for the Canadian Debtor's unsecured creditors in a liquidation or shutdown scenario. A copy of the Liquidation Analysis is attached as Confidential Appendix "1".

4. The proposed Information Officer recommends that the Liquidation Analysis be filed with the Ontario Court on a confidential basis and remain sealed pending further order of the Ontario Court as the availability of such information may negatively impact the Sale Process that will be undertaken in the context of the Chapter 11 Proceedings, including for the business and assets of the Canadian Debtor. In addition, the proposed Information Officer does not believe that any stakeholder will be prejudiced if the Liquidation Analysis is sealed. Keeping this information sealed pending further order of the Ontario Court is consistent with value maximization and in the best interest of the Canadian Debtor's stakeholders.

4.0 First Day Orders

1. The Foreign Representative is seeking recognition of the following First Day Orders by the Ontario Court:
 - a) Foreign Representative Order;
 - b) Joint Administration Order;
 - c) Employee Wages Order;
 - d) Cash Management Order;
 - e) Interim DIP Order;
 - f) Critical Vendors and Shippers Order; and
 - g) Customer Programs Order.
2. The Pfefferle Declaration and the Pfefferle Affidavit provide further background in support of each First Day Order. The proposed Information Officer has reviewed the First Day Orders and the related motions and discussed the rationale for them, particularly as it relates to the Canadian Debtor, with Canadian counsel to the Foreign Representative.
3. The First Day Orders are consistent with the integrated nature of the Chapter 11 Debtors' operations in the US and Canada, and in particular:
 - a) the Foreign Representative Order authorizes the Foreign Representative to act as the "foreign representative" under the CCAA in order to seek the relief sought in its application;
 - b) the Joint Administration Order authorizes the joint administration of the various Chapter 11 cases filed by the Chapter 11 Debtors and related procedural relief;
 - c) the Employee Wages Order permits the payment of pre-filing wages and employee benefits (if any) in the US and Canada, as well as remittance of payroll deductions and taxes (if any);

- d) the Cash Management Order provides for the ongoing use of an integrated network of bank accounts and cash management system in both the US and Canada and permits intercompany advances;
 - e) the Interim DIP Order authorizes the advances under the DIP ABL Facility and DIP Term Loan Facility (defined below) to be used to finance the integrated operations of the Chapter 11 Debtors for working capital, general corporate purposes and their US and Canadian restructuring proceedings and contemplates that advances under the DIP ABL Facility would be secured by a super-priority charge in both the US and Canada whereas advances under the Term Loan Facility would be secured by a super-priority charge in the US only. The attributes and reasonableness of the DIP ABL Facility (from the perspective of creditors of the Canadian Debtor) are summarized in Section 5 of this Report;
 - f) the Critical Vendors and Shippers Order permits the payment of prepetition amounts to critical third-party vendors; and
 - g) the Customer Programs Order authorizes the continuation, in the discretion of the Chapter 11 Debtors, of various customer programs, including markdown allowances, discounts, returns and cooperative marketing programs. This is required to maintain customer loyalty and goodwill throughout the Chapter 11 Proceedings.
4. The proposed Information Officer notes that the creditors of the Canadian Debtor are proposed to receive the same treatment as creditors of the US Debtors in the First Day Orders, including ascribing “administrative claim” status for post-filing goods or services provided to the Chapter 11 Debtors during the Chapter 11 Proceedings.
 5. The Chapter 11 Debtors anticipate bringing further motions before the US Court in the coming weeks for the approval of additional orders, including an order setting forth the bidding procedures in connection with the Sale Process.

5.0 The DIP ABL Facility²

1. As set out in the Pfefferle Declaration and the Pfefferle Affidavit, the Chapter 11 Debtors, including the Canadian Debtor, require financing during the Chapter 11 Proceedings to provide the necessary liquidity to maintain their business, preserve the value of their assets for all stakeholders and for the Chapter 11 Debtors, with the assistance of Houlihan, to conduct the Sale Process.
2. Based on the Pfefferle Declaration and Pfefferle Affidavit, there are no other viable funding options available to the Chapter 11 Debtors except for the DIP ABL Facility with the existing Prepetition ABL Lenders, and the DIP Term Loan Facility with the existing Term Loan Lenders. The Canadian Debtor is not a borrower or guarantor under the DIP Term Loan Facility and, accordingly, the Recognition Orders do not contemplate any charges or approvals in respect thereof.

² Capitalized terms not otherwise defined in this section of the Report are as defined in the DIP ABL Facility.

3. Included in the First Day Orders is the Interim DIP Order approving, among other things, the DIP ABL Facility. The granting of the DIP ABL Charge and recognition of the Interim DIP Order are conditions precedent to the Canadian Debtor drawing on the DIP ABL Facility.
4. A copy of the DIP ABL Facility is appended to the Foreign Representative's application materials and summarized in the Pfefferle Affidavit. A summary of the key attributes of the DIP ABL Facility is provided in the table below.

US Borrowers	The US Debtors other than Dream II Holdings LLC
Canadian Borrower	Hollander Sleep Products Canada Limited
Guarantor	Dream II Holdings, LLC
Nature of Liability	Canadian Debtor and US Debtors are to be jointly and severally liable for their respective obligations under the DIP ABL Facility
Postpetition Lenders	The DIP ABL Lenders, being the same parties as the Prepetition ABL Lenders
Postpetition Agent	Wells Fargo Bank, National Association
Commitment	up to \$90 million; Canadian Debtor sublimit of \$20 million
Interest Rate	Base Rate plus 2% for certain advances or LIBOR plus 4% on others (the DIP Budget contemplates an effective interest rate of 6.5%)
Expenses and Fees	Closing fee of \$1.35 million (1.5% of committed amount)
Budget	The Chapter 11 Debtors must operate in accordance with the DIP Budget

5. In assessing the reasonableness of the DIP ABL Facility and the proposed recognition of the Interim DIP Order, the proposed Information Officer was cognizant that the DIP ABL Facility potentially increases the liability of the Canadian Debtor relative to the Prepetition ABL Facility. While it is a borrower under the Prepetition ABL Facility, the Canadian Debtor is not a guarantor of, nor is it jointly or severally liable for, the US Debtors' obligations under the Prepetition ABL Facility (approximately \$65 million). The DIP ABL Facility, on the other hand, contemplates that the Canadian Debtor would be liable, on a joint and several basis, for the US Debtors' obligations, which, given the "roll up" nature of the DIP structure upon the issuance of the Final DIP Order, would include the US Debtors' prepetition obligations owing to the Prepetition ABL Lenders.
6. The proposed Information Officer was cognizant of concerns expressed by the Ontario Court in circumstances in which unencumbered Canadian assets are used as collateral for priming DIP obligations to benefit US operations. It is for this reason that the proposed Information Officer and the Chapter 11 Debtors carefully considered the needs of the Canadian Debtor, the alternatives available to it and the commercial terms of the DIP ABL Facility.

7. Immediately following its engagement on May 16, 2019, the proposed Information Officer and its legal counsel supported the Canadian Debtor's efforts to negotiate additional protections into the DIP ABL Facility and the Plan that would mitigate the potential implications of the DIP ABL Facility on the Canadian Debtor and its stakeholders. This was particularly important in this case given the Canadian Debtor's creditor composition, consisting largely of offshore vendors who may be unfamiliar with formal insolvency proceedings, priming charges and the like. There are no large creditor groups (such as unions, pensioners and/or landlords) who are commonly involved in these cases. Accordingly, the protective measures and provisions that were agreed to between the Chapter 11 Debtors and the DIP ABL Agent in the days leading up to the commencement of the Chapter 11 Proceedings include:
- a) a "quasi-marshalling" concept, whereby the DIP ABL Agent is obligated to: (i) first recover on the US assets to satisfy the outstanding obligations of the US Debtors; (ii) similarly, first look to proceeds from the Canadian assets to satisfy the outstanding obligations of the Canadian Debtor; and (iii) with respect to the proceeds of the assets of the Canadian Debtor, only apply such proceeds to reduce the obligations of the US Debtors if the assets of the US Debtors have been exhausted; and
 - b) the Interim DIP Order ascribes priority in the form of a Court ordered administrative expense claim to any advances the Canadian Debtor makes under the DIP ABL Facility to the US Debtors during the Chapter 11 Proceedings. This priority item is referred to in the Interim DIP Order as the "Canadian Intercompany Super-priority Administrative Claim".³
8. In addition to the foregoing, the proposed Information Officer considered the following to assess the reasonableness of the DIP ABL Facility:
- a) the results of the Liquidation Analysis, which not only reflects that there would be nominal recoveries, if any, available for creditors of the Canadian Debtor ranking subordinate to the Prepetition ABL Lenders, but would also result in:
 - i. the loss of employment for approximately 240 Canadian employees;
 - ii. the loss of a major supplier of bedding products to Canadian retailers in the midst of the upcoming "back to school" season;
 - iii. the loss of a customer for its offshore vendor base; and
 - iv. the loss of an opportunity for the Canadian Debtor to be marketed for sale by Houlihan in the Sale Process. In this regard, the proposed Information Officer ensured that the Sale Process does not preclude bids to be submitted and considered for the business and assets of the Canadian Debtor (i.e. as opposed to only soliciting interest from prospective purchasers interested in both US and Canada);

³ Pursuant to the Interim DIP Order, the Canadian Intercompany Super-priority Administrative Claim ranks junior to the DIP ABL Lenders and the Prepetition ABL Lenders but senior to the DIP Term Loan Lenders and the Term Loan Lenders on the ABL Priority Collateral and junior to the DIP Term Loan Lenders, the Term Loan Lenders, the DIP ABL Lenders and the Prepetition ABL Lenders on the Term Priority Collateral (as each such term is defined in the Interim DIP Order).

- b) the DIP Budget was prepared on a consolidated basis and as such, does not reflect on a standalone basis the projected funding requirements of the Canadian Debtor. The proposed Information Officer extracted from the DIP Budget an estimated cash flow forecast for the Canadian Debtor to understand its projected funding requirements during the Chapter 11 Proceedings. This analysis reflects that the Canadian Debtor is projected to generate negative cash flow until at least July 1, 2019. Absent draws being available under the DIP ABL Facility, the Canadian Debtor would not be able to continue to operate in the normal course and its operations would need to be immediately discontinued;
- c) there is no assumption in the DIP Budget or otherwise that further credit would be extended to the Canadian Debtor by its vendors. In this regard, the DIP Budget was premised on cash-on-delivery or cash-in-advance supply terms;
- d) based on the Pfefferle Declaration and the Pfefferle Affidavit, there are no other funding sources available to the Canadian Debtor except from the DIP ABL Lenders pursuant to the DIP ABL Facility;
- e) the extent to which the Canadian Debtor's operations are centrally managed, controlled by and integrated with the US Debtors;
- f) funding from the DIP ABL Facility is required to, among other things, maintain existing operations, pay employees, secure and insure the Chapter 11 Debtors' assets located in the US and Canada and fund these proceedings while Houlihan conducts the Sale Process. It appears that the value of the Canadian Debtor's assets and the success of the Sale Process would be jeopardized absent the DIP ABL Facility;
- g) KSV compared the pricing of the DIP ABL Facility (interest and fees, including the closing fee of \$1.35 million (being 1.5% of the committed amount)) to other DIP facilities approved by Canadian courts in CCAA proceedings in recent years. The comparison is attached as Appendix "B". Based on KSV's analysis, the cost of the proposed DIP ABL Facility is consistent with other recent DIP financings approved by Canadian courts;
- h) the DIP ABL Facility is the result of arm's-length negotiations between the Chapter 11 Debtors, the DIP ABL Agent and the DIP ABL Lenders. The proposed Information Officer understands that the DIP ABL Agent and the DIP ABL Lenders were not willing to provide the interim financing required to fund these cross-border insolvency proceedings other than on the terms and conditions of the DIP ABL Facility; and
- i) the DIP ABL Facility contemplates that the Chapter 11 Debtors' receipts will first be applied against outstanding amounts under the Prepetition ABL Facility and, upon issuance of a final order in respect of the Interim DIP Order, any amount outstanding under the Prepetition DIP Facility will be repaid with the proceeds of the DIP ABL Facility. Given this proposed "roll-up" treatment, the proposed Information Officer determined that an independent opinion on the validity and enforceability of the security held by the Prepetition ABL Lenders was required in the context of its review of the DIP ABL Facility. The results of the security opinion are discussed in Section 5.1 of this Report.

9. Based on the foregoing, the proposed Information Officer does not believe that any creditor with an economic interest in the Canadian Debtor's assets in a liquidation scenario will be materially prejudiced by the recognition of the Interim DIP Order and/or the granting of the DIP ABL Charge.

5.1 Security Opinion

1. In anticipation of these proceedings, KSV retained Norton Rose Fulbright Canada LLP ("Norton Rose") to act as its legal counsel in the event that the Recognition Orders are granted and KSV is appointed as Information Officer. Norton Rose provided an opinion⁴ dated May 22, 2019 which, subject to the standard assumptions and qualifications contained therein, concludes that the security granted by the Canadian Debtor in favour of the Prepetition ABL Agent, as registered under the PPSA and at the Register of Personal and Movable Real Rights, creates a valid and perfected security interest and hypothec in the Canadian Debtor's assets situated in British Columbia, Ontario and Quebec, respectively.

6.0 Court Ordered Charges

1. In addition to the DIP ABL Charge, the proposed Recognition Orders contemplate an Administration Charge.
2. The Foreign Representative is seeking an Administration Charge in an amount not to exceed \$200,000 to secure the fees and expenses of the Information Officer and its counsel.
3. The Administration Charge is a customary provision in recognition orders under Part IV of the CCAA - it is required by certain of the professionals engaged to assist a debtor company and to protect those professionals in the event it is unable to pay their fees and costs during the insolvency process.
4. KSV believes that the quantum of the Administration Charge is reasonable and appropriate in the circumstances given the complexities of the cross-border proceedings and the services to be provided by the professionals involved.

7.0 The Plan

1. The Chapter 11 Debtors entered into a restructuring support agreement dated as of May 19, 2019 with the Term Loan Lenders and Sentinel (the "RSA"). The RSA contemplates the Plan, which the Chapter 11 Debtors have filed in the Chapter 11 Proceedings.

⁴ A copy of the security opinion will be made available to the Ontario Court should it wish to review it.

2. The details of the Plan and RSA are provided in the Pfefferle Declaration and the Pfefferle Affidavit and, accordingly, are not repeated herein. A summary of the key provisions vis-à-vis the Canadian Debtor and its stakeholders is as follows:
 - a) the Chapter 11 Debtors have secured an agreement to have the DIP Term Loan Facility converted into a \$58 million exit term loan facility upon emergence from the Chapter 11 Proceedings, which provides an additional \$30 million in incremental liquidity to fund go-forward operations;
 - b) the RSA contemplates that the Term Loan Lenders would convert their existing secured debt into equity pursuant to a credit bid. However, the Plan includes a sale “toggle” feature allowing for a potential sale to a third party which may result from the Sale Process to be carried out by the Chapter 11 Debtors and Houlihan. As noted above, Houlihan’s process will not preclude prospective purchasers from submitting bids for the Canadian Debtor’s business and assets on a standalone basis; and
 - c) given that the Canadian Debtor is not a borrower or guarantor under the Term Loan Facility, the Chapter 11 Debtors, the DIP ABL Agent and the DIP Term Loan Agent negotiated and incorporated certain protections into the Plan to consider the treatment of the Canadian Debtor’s creditors. In this regard, the Plan provides that:
 - i. if there is a sale to a third party, the Information Officer has consultation rights into the value allocation methodology that will be used to allocate the purchase price between the US Debtors and the Canadian Debtor; and
 - ii. if the winning bid is the transaction with the Term Loan Lenders contemplated by the RSA, there may be a “Canadian Acquisition Transaction”, pursuant to which the Term Loan Lenders may acquire the assets, undertakings and properties of the Canadian Debtor. In that scenario, the Canadian Acquisition Transaction shall be acceptable to the Chapter 11 Debtors, the required Term Loan Lenders and the Information Officer. In addition, any Canadian Acquisition Transaction will be subject to the approval of the Ontario Court.
3. At the conclusion of the Sale Process, the proposed Information Officer intends to file a report with the Ontario Court that will, *inter alia*:
 - a) comment on the reasonableness of the value allocation or the Canadian Acquisition Transaction, as the case may be; and
 - b) provide the Ontario Court with a recommendation thereon.

8.0 Conclusion and Recommendation

1. Based on the foregoing, the proposed Information Officer recommends that this Honourable Court grant the Recognition Orders sought by the Foreign Representative.

* * *

All of which is respectfully submitted,

A handwritten signature in blue ink that reads "KSV Kofman Inc." in a cursive, stylized font.

KSV KOFMAN INC.

**IN ITS CAPACITY AS PROPOSED INFORMATION OFFICER 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
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “D”

TO: ALL UNSECURED CREDITORS OF HOLLANDER SLEEP PRODUCTS, LLC, ET AL.

Re: Hollander Sleep Products, LLC, *et al.*¹
U.S. Bankruptcy Court, Southern District of New York, Case No. 19-11608 (MEW)

The Official Committee of Unsecured Creditors (the “Committee”), appointed by the United States Trustee in the chapter 11 cases of Hollander Sleep Products, LLC, *et al.* (“Hollander” or the “Debtors”), **recommends that all general unsecured creditors vote to accept the Debtors’ First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (the “Plan”)² in accordance with the instructions set forth in the ballot being delivered to you by the Debtors. The Plan is the result of a negotiated resolution by and among the Debtors, the Committee, certain holders of secured claims under the Debtors’ Term Loan Credit Agreement and the Sponsor.** The Committee was formed under the Bankruptcy Code to represent the interests of all general unsecured creditors. The Committee urges you to carefully review this letter, the enclosed Plan, and Disclosure Statement, and to vote in favor of the Plan by returning your ballot no later than **August 28, 2019**, at 4:00 p.m., prevailing Eastern Time.

The Plan provides for either a sale of the Debtors’ assets (a “Sale Transaction”) or a reorganization under which the secured claims held by the Term Loan Lenders will be converted to equity of the reorganized Debtors (a “Reorganization Transaction”).³ The Plan classifies General Unsecured Claims under Class 5. Under the Plan, each Holder of an Allowed Class 5 General Unsecured Claim will receive a proportionate share of (i) a fund in an amount up to \$650,000 (the “Last Out Loans Turnover Amount”), and (ii) proceeds of any Commercial Tort Claims (if any) that may be pursued on behalf of General Unsecured Creditors.

If there is a Sale Transaction, holders of allowed Class 5 General Unsecured Claims will also receive a proportionate share of (iii) no less than \$600,000 (the “GUC Sale Transaction Recovery Pool”) and (iv) any excess cash after payment of senior creditors and other plan allocated funding (the “Excess Distributable Cash”).

In the alternative, under a Reorganization Transaction, holders of allowed Class 5 Claims will also either receive (iv) a proportionate share of a \$500,000 fund (the “GUC Reorganization Recovery Pool”) or (v) beneficial trade terms from the Reorganized Debtors including a 1% distribution on account of their claims (the “Vendor Support Initiative”). In all events, under a Reorganization Transaction, holders of allowed General Unsecured Claims will receive a

¹ 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.

² Defined terms are set forth in the Plan.

³ This is a general summary of the Plan terms only. Please refer to the Plan for the complete treatment of General Unsecured Creditor Claims.

proportionate share of any “Future Sale Consideration” in the event the Reorganized Debtors are sold within 24 months of exiting bankruptcy.

Importantly, under the Plan, the Debtors and the Reorganized Debtors waive all Avoidance Actions that otherwise may be asserted against, among others, holders of General Unsecured Claims.

Absent confirmation of the Plan, these cases may be converted to liquidation under chapter 7, in which case holders of unsecured claims would most likely not receive any recovery and a chapter 7 trustee may determine to pursue Avoidance Actions against holders of Claims, including, General Unsecured Claims. The Committee believes, as do the Debtors, that the Plan provides the best possible recoveries to holders of General Unsecured Claims under the circumstances, and that any alternative would result in unnecessary delay, uncertainty, and expense as well as a materially diminished or zero recovery. The recovery under the Plan is the result of efforts by the Committee to negotiate a material increase in the distributions for holders of General Unsecured Claims.

THE COMMITTEE THEREFORE RECOMMENDS THAT YOU VOTE TO “ACCEPT” THE PLAN AND RETURN YOUR BALLOT AS SPECIFIED IN THE VOTING INSTRUCTIONS YOU RECEIVED.

July __, 2019

**THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF HOLLANDER
SLEEP PRODUCTS, LLC, ET AL.**

/s/ R. Stan Holland

Hollander NC IA LLC

By: R. Stan Holland

Solely in his capacity as the Chair of the Official
Committee of Unsecured Creditors of Hollander
Sleep Products, LLC, et al., and not in any other
capacity

Appendix “E”

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
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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

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.*,¹

Debtors.

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)
)
)
)

Chapter 11

Case No. 19-11608 (MEW)

(Jointly Administered)

**DECLARATION OF PAUL DEUTCH REGARDING ANALYSIS OF BALLOTS FOR
ACCEPTING OR REJECTING THE DEBTORS' FIRST AMENDED JOINT PLAN OF
REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

I, Paul Deutch, hereby declare as follows:

1. I am a Senior Vice President of Omni Management Group ("Omni"), which has offices located at 1120 Avenue of the Americas, Suite 100, New York, NY 10036. I am duly authorized to submit this declaration (the "Declaration") on behalf of Omni.

2. Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein. As to statements of facts of which I do not have direct personal knowledge, I understand and believe them to be true based upon information gathered from other employees of Omni and my review of relevant documents and court pleadings, and as to statements that represent

¹ 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.

opinions, I believe that I am qualified to offer such opinions. If called upon as a witness, I could and would competently testify as to all of the matters stated herein.

3. I submit this Declaration in connection with the tabulation of votes to accept or reject the *Debtors' First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 248] (as modified, amended, or supplemented from time to time, the "Plan").²

4. On May 30, 2019, the above-captioned debtors and debtors in possession (the "Debtors") filed the *Debtors' Application for Entry of an 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* [Docket No. 66] (the "Retention Motion"). On July 2, 2019, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order granting the Retention Motion [Docket No. 170].

5. On July 25, 2019, the Court entered the *Order (I) Approving (A) the Adequacy of Information in the Disclosure Statement, (B) Solicitation and Notice Procedures, and (C) Certain Dates with Respect to Plan Confirmation, and (II) Granting Related Relief* [Docket No. 247] (the "Disclosure Statement Order"). Pursuant to the Disclosure Statement Order, the Court established procedures for soliciting, receiving, and tabulating votes to accept or reject the Plan and for filing objections to the Plan (the "Solicitation Procedures").

6. In accordance with the Solicitation Procedures, Omni worked closely with counsel to the Debtors to identify the holders of claims entitled to vote on the Plan. Omni subsequently

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan or the Disclosure Statement Order (as defined herein), as applicable.

transmitted the Solicitation Package to the Holders of Claims in Classes 4 and 5, the only Classes entitled to vote on the Plan.

7. For a Ballot to be counted as valid, the Ballot must have been properly completed in accordance with the Disclosure Statement Order. Specifically, the Ballot must have been marked to either accept or reject the plan and must have been executed by the party, or such party's representative, that holds a Claim in a Class that is entitled to vote on the Plan.

8. All completed, signed, and dated Ballots were required to be submitted via the "Submit E-Ballot" section of the Debtors' case administration website at www.omnimgt.com/hollander, electronic mail service to hollanderballots@omnimgt.com, or by first-class mail, overnight courier, or hand-delivery to Hollander Sleep Products, LLC, Ballot Processing, c/o Omni Management Group, 5955 DeSoto Avenue, Suite #100, Woodland Hills, CA 91367, which address was listed on the Ballots, respectively, so as to be actually received by Omni on or before August 28, 2019, at 4:00 p.m., prevailing Eastern Time (the "Voting Deadline").

9. I hereby certify that attached hereto as **Exhibit A** and **Exhibit B** are detailed ballot tabulation reports (the "Ballot Reports") of all Ballots received by the Voting Deadline from Holders of Claims in Classes 4 and 5 (the "Counted Ballots"), which were the only Classes entitled to vote on the Plan. Copies of all the Counted Ballots are available for inspection upon request. The chart below is the final tabulation of votes cast by timely and properly completed Ballots.

Class 4 – Term Loan Claims		Result
Ballots Received	24 votes accepting the Plan 0 votes rejecting the Plan	Accept
Acceptance	100.00% in number of votes accepting the Plan 100.00% in dollar amount accepting the Plan (\$173,920,002.61)	
Rejection	0.00% in number of votes rejecting the Plan 0.00% in dollar amount rejecting Plan (\$0.00)	
Class 5 – General Unsecured Claims		Result
Ballots Received	66 votes accepting the Plan 11 votes rejecting the Plan	Accept
Acceptance	85.71% in number of votes accepting the Plan 95.74% in dollar amount accepting the Plan (\$38,496,885.01)	
Rejection	14.29% in number of votes rejecting the Plan 4.26% in dollar amount rejecting Plan (\$1,712,936.54)	

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge. Executed on this 3rd day of September 2019 at New York.

September 3, 2019

/s/ Paul Deutch
Paul Deutch

Exhibit A

Debtor: Hollander Sleep Products, LLC.

Case No. 19-11608

Claims Ballot Detail Results

Class 4 - Term Loan Claims

Class Summary

Voting Outcome: **Accepted**

	Total Received	Total Valid	Accepted	Rejected	Invalid
# Votes:	24	24	24	0	0
Vote %:			100.00%	0.00%	
Amt:		\$173,920,002.61	\$173,920,002.61	\$0.00	
Amt %:			100.00%	0.00%	

Creditor	Ballot #	Clm Sch	Date Received	Printed Ballot Amount	Tabulated Vote Amount	Vote	Opt IN Election	Comment
ALLSTATE INSURANCE COMPANY	10612	S20545	8/28/2019	\$9,735,769.49	\$9,611,368.57	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
ALLSTATE LIFE INSURANCE COMPANY	10613	S20546	8/28/2019	\$9,735,769.49	\$9,611,368.57	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
BARINGS GLOBAL PRIVATE LOANS 1 S.A.R.L.	10614	S20547	8/27/2019	\$9,792,599.89	\$9,667,472.81	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
BARINGS GLOBAL PRIVATE LOANS 2 S.A.R.L.	10615	S20548	8/27/2019	\$18,544,322.82	\$18,307,368.69	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
BCF SENIOR FUNDING I LLC	10616	S20549	8/27/2019	\$4,636,080.70	\$4,576,842.17	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
C.M. LIFE INSURANCE COMPANY	10617	S20550	8/27/2019	\$3,746,700.80	\$3,698,826.52	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
DIAMOND CLO 2018-1 LTD.	10618	S20551	8/27/2019	\$10,582,598.61	\$10,447,377.15	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
FIRST EAGLE BERKELEY FUND CLO LLC	10619	S20552	8/28/2019	\$2,967,091.65	\$2,929,178.99	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
FIRST EAGLE DARTMOUTH HOLDING LLC	20986	S20583	8/28/2019	\$5,934,183.31	\$5,858,357.99	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
GSO DIAMOND PORTFOLIO BORROWER LLC	10621	S20554	8/27/2019	\$1,322,856.65	\$1,305,953.56	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
ING CAPITAL LLC	10622	S20555	8/23/2019	\$15,762,674.39	\$15,561,263.39	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY	10623	S20556	8/27/2019	\$21,231,304.59	\$20,960,016.97	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
NAPLF (CAYMAN) SENIOR FUNDING I LLC	10624	S20557	8/27/2019	\$2,318,040.36	\$2,288,421.09	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
NAPLF (CAYMAN)-A SENIOR FUNDING I LLC	10625	S20558	8/27/2019	\$2,318,040.36	\$2,288,421.09	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
NAPLF SENIOR FUNDING I LLC	10626	S20559	8/27/2019	\$2,318,040.36	\$2,288,421.09	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes

Wednesday, August 28, 2019

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Debtor: Hollander Sleep Products, LLC.

Case No. 19-11608

Claims Ballot Detail Results

Class 4 - Term Loan Claims

Creditor	Ballot #	Clm Sch	Date Received	Printed Ballot Amount	Tabulated Vote Amount	Vote	Opt IN Election	Comment
NEWSTAR ARLINGTON SENIOR LOAN PROGRAM LLC	20987	S20584	8/28/2019	\$2,967,091.65	\$2,929,178.99	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
NEWSTAR CLARENDON FUND CLO LLC	20988	S20585	8/28/2019	\$5,934,183.31	\$5,858,357.99	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
NEWSTAR COMMERCIAL LOAN FUNDING 2016-1 LLC	20989	S20586	8/28/2019	\$1,650,444.73	\$1,629,355.81	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
NEWSTAR COMMERCIAL LOAN FUNDING 2017-1 LLC	20990	S20587	8/28/2019	\$1,650,444.73	\$1,629,355.81	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
NEWSTAR EXETER FUND CLO LLC	20991	S20588	8/28/2019	\$2,967,091.65	\$2,929,178.99	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
NEWSTAR FAIRFIELD FUND CLO LTD.	20992	S20589	8/28/2019	\$2,967,091.65	\$2,929,178.99	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
PENNANTPARK CREDIT OPPORTUNITIES FUND II, LP	10633	S20566	8/28/2019	\$4,636,080.70	\$4,576,842.17	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
PENNANTPARK FLOATING RATE FUNDING I, LLC	10634	S20567	8/28/2019	\$11,590,201.76	\$11,442,105.43	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes
PENNANTPARK SBIC II LP	10635	S20568	8/28/2019	\$20,862,363.17	\$20,595,789.78	Accept	<input type="checkbox"/>	Amount provided by attorney for tabulation purposes

Wednesday, August 28, 2019

19-11608 - Page 2 of 2

OMNI MANAGEMENT GROUP
5955 DE SOTO AVENUE, SUITE 100
WOODLAND HILLS, CA 91367

Visit us on the Web at www.omnimgt.com
E-Mail: claimsmanager@omnimgt.com

PHONE: (818) 906-8300
FAX: (818) 783-2737

Exhibit B

Debtor: Hollander Sleep Products, LLC, et. al.

Case No. 19-11608

Claims Ballot Detail Results

Class 5 - General Unsecured Claims

Class Summary

Voting Outcome: **Accepted**

	Total Received	Total Valid	Accepted	Rejected	Invalid
# Votes:	86	77	66	11	9
Vote %:			85.71%	14.29%	
Amt:		\$40,209,821.55	\$38,496,885.01	\$1,712,936.54	
Amt %:			95.74%	4.26%	

Creditor	Ballot #	Clm Sch	Date Received	Printed Ballot Amount	Tabulated Vote Amount	Vote	Opt IN Election	Comment
10401 BUNSEN WAY, LLC	20600	C308	8/27/2019	\$35,236.13	\$0.00	Invalid	<input type="checkbox"/>	Amount was aggregated on Ballot ID 20596
10401 BUNSEN WAY, LLC	20596	C21	8/27/2019	\$35,236.13	\$70,472.26	Reject	<input type="checkbox"/>	Ballot amount has been aggregated.
440 REALTY ASSOCIATES LLC	20134	C4	8/12/2019	\$40,749.75	\$40,749.75	Accept	<input type="checkbox"/>	Claimant wrote in \$25,458.71 as ballot amount, tabulated at filed claim amount.
660 NATIONAL TURNPIKE, LLC	20599	C20	8/27/2019	\$48,409.02	\$0.00	Invalid	<input type="checkbox"/>	Amount was aggregated on Ballot ID 20594
660 NATIONAL TURNPIKE, LLC	20594	C307	8/27/2019	\$48,409.02	\$96,818.04	Reject	<input type="checkbox"/>	Ballot amount has been aggregated
ADVANSA MARKETING GMBH	20145	C129	8/22/2019	\$3,069.80	\$3,069.80	Accept	<input type="checkbox"/>	
ARCHIVE SOLUTION PROVIDERS, LLC	20726	C40	8/26/2019	\$133,604.16	\$133,604.16	Accept	<input type="checkbox"/>	
AUTOMATEX INC.	20299	C26	8/15/2019	\$2,077.73	\$2,077.73	Accept	<input type="checkbox"/>	
AV LOGISTICS	20556	C288	8/12/2019	\$374,384.68	\$374,384.68	Accept	<input type="checkbox"/>	
AVERITT EXPRESS	20128	C121	8/8/2019	\$1,085.70	\$1,085.70	Accept	<input type="checkbox"/>	
BOWMAN HOLLIS MFG INC	20380	C36	8/26/2019	\$5,885.42	\$5,885.42	Accept	<input type="checkbox"/>	
BURNS CONTROLS COMPANY	20262	C177	8/26/2019	\$3,027.92	\$3,027.92	Reject	<input type="checkbox"/>	Claimant wrote in \$3,395.36 as ballot amount, tabulated at scheduled amount. No claim has been filed.
CAB ASSIGNEE OF CIXI JIANGNAN CHEMICAL FIBER CO LTD.	20222	C32	8/28/2019	\$3,566,164.21	\$3,566,164.21	Accept	<input type="checkbox"/>	

Wednesday, August 28, 2019

Page 1 of 5

Debtor: Hollander Sleep Products, LLC, et. al.

Case No. 19-11608

Claims Ballot Detail Results

Class 5 - General Unsecured Claims

Creditor	Ballot #	Clm Sch	Date Received	Printed Ballot Amount	Tabulated Vote Amount	Vote	Opt IN Election	Comment
CAB ASSIGNEE OF FUNING JINCHENG HOME TEXTILE CO LTD	20608	C58	8/28/2019	\$6,023,288.09	\$7,316,502.94	Accept	<input type="checkbox"/>	Ballot amount has been aggregated
CAB ASSIGNEE OF FUNING JINCHENG HOME TEXTILE CO LTD.	20193	C20	8/28/2019	\$1,293,214.85	\$0.00	Invalid	<input type="checkbox"/>	Amount was aggregated on Ballot ID 20608.
CAB ASSIGNEE OF HANGZHOU HUOJU DOWN PRODUCTS CO LTD	20506	C277	8/28/2019	\$1,888,275.55	\$1,888,275.55	Accept	<input type="checkbox"/>	Ballot amount has been aggregated
CAB ASSIGNEE OF HANGZHOU XIAOSHAN XINTANG FEATHER CO LTD.	20189	C145	8/28/2019	\$1,743,086.01	\$1,743,086.01	Accept	<input type="checkbox"/>	
CAB ASSIGNEE OF NINGBO MEGAFEAT BEDDING CO LTD.	20200	C149	8/28/2019	\$177,212.00	\$177,212.00	Accept	<input type="checkbox"/>	Claimant wrote in \$142,787.00 as ballot amount, tabulated at filed claim amount.
CAB ASSIGNEE OF QINGDAO FUYUAN ARTS & CRAFTS CO LTD.	20203	C150	9/28/2019	\$971,151.81	\$971,151.81	Accept	<input type="checkbox"/>	
CAB ASSIGNEE OF THE SEA FEATHER LIMITED COMPANY LUAN	20530	C280	8/28/2019	\$808,564.65	\$808,564.65	Accept	<input type="checkbox"/>	Claimant wrote in \$2,393,758.09 as ballot amount, tabulated at filed claim amount.
CAB ASSIGNEE OF WUHU FINE TEXTILE INT'L TRADING CO LTD	20384	C227	8/28/2019	\$3,091,155.99	\$3,091,155.99	Accept	<input type="checkbox"/>	
CAB ASSIGNEE OF WUJIANG XINYI TEXTILE CO LTD	20628	C321	8/28/2019	\$1,698,473.82	\$1,698,473.82	Accept	<input type="checkbox"/>	Claimant wrote in \$1,724,710.44 as ballot amount, tabulated at filed claim amount.
CAB ASSIGNEE OF WUXI JIELONG TEXTILE CO LTD.	20759	C147	8/28/2019	\$1,966,006.24	\$1,966,006.24	Accept	<input type="checkbox"/>	Claimant wrote in \$2,387,148.84 as ballot amount, tabulated at filed claim amount.
CAB ASSIGNEE OF ZHEJIANG WANXIANG BEDDING CO LTD.	20226	C33	8/28/2019	\$2,462,924.67	\$2,462,924.67	Accept	<input type="checkbox"/>	Ballot amount has been aggregated.
CARTIER ET LELARGE INC. ATTN: HERBERT	20349	C33	8/21/2019	\$1,155.00	\$1,155.00	Accept	<input type="checkbox"/>	
CITY TIRE, INC	20239	C36	8/13/2019	\$807.02	\$807.02	Accept	<input type="checkbox"/>	
CONVEYOR & STORAGE SOLUTIONS	20218	C156	8/19/2019	\$4,776.24	\$4,776.24	Accept	<input type="checkbox"/>	
DELTA CUSTOMS BROKERS	20296	C25	8/13/2019	\$1,650.90	\$1,650.90	Accept	<input type="checkbox"/>	
DEMANDPDX, LLC	19957	C39	8/12/2019	\$27,144.60	\$27,144.60	Accept	<input type="checkbox"/>	
DESIGNER SIGN SYSTEMS, INC.	20059	C81	8/26/2019	\$367.40	\$367.40	Accept	<input type="checkbox"/>	
DREAMWELL, LTD	20568	C293	8/26/2019	\$551,940.82	\$551,940.82	Reject	<input type="checkbox"/>	

Wednesday, August 28, 2019

Page 2 of 5

Debtor: Hollander Sleep Products, LLC, et. al.

Case No. 19-11608

Claims Ballot Detail Results

Class 5 - General Unsecured Claims

Creditor	Ballot #	Clm Sch	Date Received	Printed Ballot Amount	Tabulated Vote Amount	Vote	Opt IN Election	Comment
EAN SERVICES LLC	20944	C312	8/14/2019	\$5,087.38	\$5,087.38	Accept	<input type="checkbox"/>	
ELITE COMFORT SOLUTIONS LLC	20559	C290	8/27/2019	\$572,685.84	\$572,685.84	Accept	<input type="checkbox"/>	
EULER HERMES N.A. INSURANCE CO. AGENT OF TOPOCEAN CONSOLIDATION SERVICE (LOS ANGELES) INC. CLAIM ID 000430710	20315	C204	8/28/2019	\$835,023.00	\$835,023.00	Reject	<input type="checkbox"/>	Claimant wrote in \$849,036.00 as ballot amount, tabulated at filed claim amount.
EXAIR CORPORATION	20104	C105	8/12/2019	\$2,674.52	\$2,674.52	Accept	<input type="checkbox"/>	
FANELLI BROTHERS LEASING	20437	C7	8/26/2019	\$1,472.98	\$1,472.98	Accept	<input type="checkbox"/>	
FINELINE TECHNOLOGIES, INC.	19930	C4	8/26/2019	\$9,865.99	\$9,865.99	Accept	<input type="checkbox"/>	Claimant did not enter a ballot amount, tabulated at filed claim amount.
FRENCH APRON & MANUFACTURING CO INC	20826	C238	8/27/2019	\$6,594.50	\$6,594.50	Accept	<input type="checkbox"/>	
GOULSTON TECHNOLOGIES, INC.	19950	C34	8/13/2019	\$948.15	\$948.15	Accept	<input type="checkbox"/>	
GRAF METALLIC OF AMERICA, LLC	20030	C69	8/28/2019	\$47,190.52	\$0.00	Invalid	<input type="checkbox"/>	Vote not indicated
GUPTON SERVICES INC	20092	C97	8/12/2019	\$7,396.26	\$7,396.26	Reject	<input type="checkbox"/>	
HARVEST CONSUMER INSULATION, LLC	19955	C38	8/13/2019	\$132,377.90	\$132,377.90	Reject	<input type="checkbox"/>	
HAWKEYE ELECTRIC DUBUQUE INC	20291	C43	8/26/2019	\$921.56	\$921.56	Accept	<input type="checkbox"/>	
IDFL LABORATORY AND INSTITUTE	19920	C20	8/14/2019	\$17,657.23	\$0.00	Invalid	<input type="checkbox"/>	Ballot amount has been aggregated with Ballot ID 19984
IDFL LABORATORY AND INSTITUTE	19984	C9	8/14/2019	\$17,657.23	\$17,657.23	Accept	<input type="checkbox"/>	
INDO COUNT INDUSTRIES LIMITED	20372	C223	8/28/2019	\$48,804.00	\$48,804.00	Accept	<input type="checkbox"/>	
INNOVATIVE CONTROL SOLUTIONS	20309	C27	8/14/2019	\$887.27	\$887.27	Accept	<input type="checkbox"/>	Claimant wrote in 1,957.84, (Canadian dollars), as ballot amount, tabulated at filed claim amount.
INVISTA (CANADA) COMPANY	20438	C41	8/26/2019	\$3,074.70	\$3,074.70	Accept	<input type="checkbox"/>	
INVISTA S.A.R.L.	20440	C62	8/26/2019	\$4,003,165.24	\$4,003,165.24	Accept	<input type="checkbox"/>	
KUEHNE + NAGEL	20046	C75	8/15/2019	\$710,409.26	\$710,409.26	Accept	<input type="checkbox"/>	
LERNER, DAVID, LITTENBERG, KRUMHOLZ & MENTLIK, LLP	20459	C261	8/9/2019	\$267,065.96	\$267,065.96	Accept	<input type="checkbox"/>	
MARATHON PRESS, INC.	20552	C284	8/23/2019	\$15,413.87	\$15,413.87	Accept	<input type="checkbox"/>	

Wednesday, August 28, 2019

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Debtor: Hollander Sleep Products, LLC, et. al.

Case No. 19-11608

Claims Ballot Detail Results

Class 5 - General Unsecured Claims

Creditor	Ballot #	Clm Sch	Date Received	Printed Ballot Amount	Tabulated Vote Amount	Vote	Opt IN Election	Comment
MILBERG FACTORS INC.	20319	C203	8/19/2019	\$166,106.04	\$166,106.04	Accept	<input type="checkbox"/>	Ballot amount has been aggregated
MITCHEL-LINCOLN PACKAGING LTD.	20215	C153	8/26/2019	\$152,574.12	\$152,574.12	Accept	<input type="checkbox"/>	
MODEL DESIGN, INC. FEN 74-3049574	20276	C186	8/9/2019	\$8,495.75	\$8,495.75	Reject	<input type="checkbox"/>	
MODERN WELDING COMPANY OF KENTUCKY, INC.	20027	C68	8/12/2019	\$1,796.22	\$1,796.22	Accept	<input type="checkbox"/>	
NAP INDUSTRIES, INC.	20965	C61	8/26/2019	\$1,767,080.06	\$1.00	Accept	<input type="checkbox"/>	Ballot amount has been aggregated
NAP INDUSTRIES, INC.	20964	C333	8/26/2019	\$1,767,080.06	\$1,767,079.06	Accept	<input type="checkbox"/>	Ballot amount has been aggregated
NAP INDUSTRIES, INC.	20997		8/26/2019		\$0.00	Invalid	<input type="checkbox"/>	Amount was aggregated on Ballot ID 20964
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA	20984	C31	8/15/2019	\$1,037,371.22	\$1,037,371.22	Accept	<input type="checkbox"/>	
NORTH AMERICAN SCALES CO.	20159	C137	8/26/2019	\$4,336.13	\$0.00	Invalid	<input type="checkbox"/>	Vote not indicated
OHIO VALLEY BAG & BURLAP CO. DBA OVASCO INDUSTRIES	19912	C13	8/22/2019	\$17,050.00	\$0.00	Invalid	<input type="checkbox"/>	Vote not indicated
OLD DOMINION FREIGHT LINE, INC.	20336	C214	8/23/2019	\$7,382.59	\$7,382.59	Reject	<input type="checkbox"/>	
OXFORD PUBLIC LEDGER	20274	C39	8/9/2019	\$312.00	\$312.00	Accept	<input type="checkbox"/>	
PACKAGING CORPORATION OF AMERICA	20295	C44	8/27/2019	\$2,292,477.59	\$2,292,477.59	Accept	<input type="checkbox"/>	Ballot amount has been aggregated.
PEOPLESARE	19908	C11	8/12/2019	\$4,064.21	\$4,064.21	Accept	<input type="checkbox"/>	Claimant wrote in \$4,064.00 as ballot amount, tabulated at filed claim amount.
PORTCO PACKAGING	20415	C59	8/12/2019	\$2,622.02	\$2,622.02	Accept	<input type="checkbox"/>	
POSDATA GROUP INC	20436	C251	8/19/2019	\$47,621.50	\$47,621.50	Accept	<input type="checkbox"/>	
PROGRESS CONTAINER	20047	C76	8/15/2019	\$318,306.59	\$318,306.59	Accept	<input type="checkbox"/>	
RAFAEL A. RODRIGUEZ	20404	C10	8/13/2019	\$330,938.33	\$330,938.33	Accept	<input type="checkbox"/>	
RAKEIDRA MCGHEE	20711	C192	8/15/2019	\$1.00	\$1.00	Reject	<input type="checkbox"/>	Claimant wrote in \$600,000. as ballot amount, tabulated as unliquidated claim.
RESTIVO CONTRACTING INC.	19913	C14	8/26/2019	\$3,368.00	\$3,368.00	Accept	<input type="checkbox"/>	
ROC TRUCKING INC	20298	C194	8/26/2019	\$32,945.00	\$32,945.00	Accept	<input type="checkbox"/>	

Wednesday, August 28, 2019

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Debtor: Hollander Sleep Products, LLC, et. al.

Case No. 19-11608

Claims Ballot Detail Results

Class 5 - General Unsecured Claims

Creditor	Ballot #	Clm Sch	Date Received	Printed Ballot Amount	Tabulated Vote Amount	Vote	Opt IN Election	Comment
ROSENTHAL & ROSENTHAL, INC.	20476	C64	8/16/2019	\$272,656.78	\$272,656.78	Accept	<input type="checkbox"/>	
SANDLER TRAVIS & ROSENBERG P A	20840	C263	8/8/2019	\$3,719.50	\$3,719.50	Accept	<input type="checkbox"/>	
SERVICORP	20605	C311	8/28/2019	\$17,116.81	\$17,116.81	Accept	<input type="checkbox"/>	
SOUTHWEST MOBILE STORAGE, INC.	20618	C318	8/26/2019	\$8,221.50	\$8,221.50	Accept	<input type="checkbox"/>	
SSH BEDDING CANADA CO.	20996		8/27/2019	\$1.00	\$1.00	Reject	<input type="checkbox"/>	Claimant wrote in \$95,445.04 as ballot amount, tabulated at \$1 for unliquidated claim
STEIN FIBERS LTD.	20995		8/27/2019	\$1,037,371.22	\$0.00	Invalid	<input type="checkbox"/>	
STEWARDSHIP ONTARIO	20305	C197	8/19/2019	\$18,930.12	\$18,930.12	Accept	<input type="checkbox"/>	Claimant wrote in \$12,620.08 as ballot amount, tabulated at filed claim amount.
TL COOK ELECTRIC LLC	20247	C168	8/16/2019	\$37,092.95	\$37,092.95	Accept	<input type="checkbox"/>	
ULINE, INC.	20154	C134	8/22/2019	\$6,891.71	\$6,891.71	Accept	<input type="checkbox"/>	Claimant wrote in \$21,633.54 as ballot amount, tabulated at filed claim amount.
UNWRAPPED, INC.	20106	C106	8/9/2019	\$15,103.80	\$15,103.80	Accept	<input type="checkbox"/>	
VALDESE PACKAGING & LABEL INC.	19906	C9	8/16/2019	\$135.29	\$135.29	Accept	<input type="checkbox"/>	
VANGUARD ENVIRONMENTAL INC	20450	C257	8/20/2019	\$5,523.91	\$5,523.91	Accept	<input type="checkbox"/>	
WEBTRANS LOGISTICS, INC.	20553	C285	8/27/2019	\$905.00	\$905.00	Accept	<input type="checkbox"/>	

Wednesday, August 28, 2019

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Appendix “F”

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

**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**

**AFFIDAVIT OF DAVID SIERADZKI
(Sworn September 6, 2019)**

I, David Sieradzki, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY:

1. I am a Managing Director of KSV Kofman Inc. ("**KSV**").
2. On May 23, 2019, the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court") issued the Initial Recognition Order and Supplemental Order pursuant to Part IV of the *Companies' Creditors Arrangement Act* ("CCAA") and KSV was appointed Information Officer ("Information Officer").
3. I have been involved in this mandate since the date of the Initial Recognition Order. As such, I have knowledge of the matters to which I hereinafter depose.
4. On September 6, 2019, the Information Officer finalized its Third Report to Court in which it outlined its activities with respect to these proceedings as well as provided information with respect to the Information Officer's fees and disbursements and those of its legal counsel.


5. I hereby confirm that attached as Exhibit "A" hereto are true copies of the accounts of KSV from the commencement of these proceedings to August 31, 2019 and confirm that these accounts accurately reflect the services provided by KSV in this matter and the fees and disbursements claimed by them.

6. Additionally, attached hereto as Exhibit "B" is a summary of additional information with respect to all members of KSV who have worked on this matter, including their roles, hours and rates, and I hereby confirm that the list represents an accurate account of such information.

7. I consider the accounts to be fair and reasonable considering the circumstances connected with this administration.

8. I also confirm that the Information Officer has not received, nor expects to receive, nor has the Information Officer been promised any remuneration or consideration other than the amounts claimed in the accounts.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario, this 6th
day of September, 2019.



Commissioner for taking affidavits, etc.



DAVID SIERADZKI

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.
Expires January 22, 2021.

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF DAVID SIERADZKI
SWORN BEFORE ME THIS 6th DAY OF SEPTEMBER, 2019

A handwritten signature in black ink, appearing to read "Raj. Kashyap", is written over a horizontal line.

A Commissioner for taking Affidavits, etc.

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.
Expires January 22, 2021.



ksv advisory inc.
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INVOICE

Hollander Sleep Products Canada Limited et al
901 Yamato Road, Suite 250
Boca Raton, FL 33431

June 5, 2019

Invoice No: 1268
HST #: 818808768RT0001

Re: Hollander Sleep Products Canada Limited et al

For professional services rendered for the period ended May 31, 2019 by KSV Kofman Inc. ("KSV") pursuant to an engagement letter dated May 16, 2019 and in its capacity as Court-appointed Information Officer of Hollander Sleep Products, LLC, Dream II Holdings, LLC, Hollander Home Fashions Holdings, LLC, Pacific Coast Feather, LLC, Hollander Sleep Products Kentucky, LLC, Pacific Coast Feather Cushion, LLC (collectively, the "US Debtors") and Hollander Sleep Products Canada Limited (the "Canadian Debtor" and together with the US Debtors, the "Chapter 11 Debtors"), including:

- Corresponding on a near daily basis from May 16, 2019 through May 31, 2019 with Osler, Hoskin & Harcourt LLP ("Osler"), Canadian counsel to the Chapter 11 Debtors, and Norton Rose Fulbright Canada LLP ("Norton Rose"), counsel to the Information Officer, regarding the proceedings commenced by the Chapter 11 Debtors pursuant to chapter 11 of title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "US Court") (the "Chapter 11 Proceedings");
- Attending a meeting on May 15, 2019 at Osler's offices to provide an overview of the prospective Canadian proceeding to KSV and Norton Rose, including information on the Chapter 11 Debtors' operations, background information on the planned Chapter 11 Proceedings and details about the Canadian Debtor's operations, assets, creditors and employees;
- Reviewing all materials filed with the US Court in the Chapter 11 Proceedings in advance of the "First Day Motions" before the US Court, including the:
 - Declaration of Marc Pfefferle sworn May 19, 2019;
 - Foreign Representative Order and motion;
 - Joint Administration Order and motion;

- Interim Employee Wages Order and motion;
- Interim Cash Management Order and motion;
- Interim DIP Order and motion;
- Interim Critical Vendors and Shippers Order and motion; and
- Interim Customer Programs Order and motion.
- Reviewing and commenting on all Canadian Court materials, including the:
 - Initial Recognition Order;
 - Supplemental Order;
 - Factum of the Applicant; and
 - Affidavit of Mr. Pfefferle sworn May 23, 2019.
- Corresponding extensively with Osler, Norton Rose and Goodmans LLP (“Goodmans”), Canadian counsel to Wells Fargo Bank, National Association (the “DIP ABL Agent”), regarding the draft Canadian Court materials;
- Corresponding with Carl Marks Advisors (“Carl Marks”), the Chapter 11 Debtors’ financial advisor, including attending a call on May 16, 2019 with Mr. Pfefferle and representatives from Osler to provide KSV with background information on the Chapter 11 Proceedings and to discuss the Information Officer’s role in the Chapter 11 Proceedings;
- Reviewing financial information provided by Carl Marks, including:
 - historical financial statements of the Canadian Debtor;
 - borrowing base reports;
 - accounts receivable listings;
 - accounts payable listings;
 - inventory listings; and
 - schedules supporting the allocation of shared costs incurred by the Canadian Debtor.
- Preparing an analysis to estimate the potential results of a liquidation of the Canadian Debtor’s business and assets, which was filed with the Canadian Court on a confidential basis;
- Reviewing an inventory appraisal prepared by Hilco Valuation Services, which was used principally in the context of KSV’s liquidation analysis;
- Reviewing multiple iterations of the Chapter 11 Debtors’ DIP budget for the 17-week period ended September 13, 2019 and using same to prepare an estimated cash flow forecast for the Canadian Debtor;

- Drafting the Report of the Proposed Information Officer dated May 23, 2019, which, among other things, provided KSV's commentary on the reasonableness of the debtor-in-possession ("DIP") facility between the Chapter 11 Debtors, the DIP ABL Agent and certain other lenders (the "DIP Facility") and recognition of same by the Canadian Court (the "Pre-filing Report");
- Corresponding extensively with Osler, Norton Rose, Goodmans and/or Carl Marks regarding certain provisions of the DIP Facility, including the "quasi marshalling" and intercompany charge concepts;
- Reviewing the Chapter 11 Debtors' Joint Plan of Reorganization filed in the Chapter 11 Proceedings (the "Plan") and discussing same with Norton Rose and Osler, particularly the potential impact of the Plan on the Canadian Debtors' stakeholders;
- Reviewing the Chapter 11 Debtors' Restructuring Support Agreement filed in the Chapter 11 Proceedings and discussing same with Norton Rose and Osler;
- Corresponding extensively with Norton Rose in connection with the Pre-filing Report;
- Corresponding with Paul Huettnner of Carl Marks to discuss, among other things, the DIP budget and underlying assumptions, including attending calls on May 16 and 17, 2019 in respect of same;
- Preparing a summary of the key attributes of DIP facilities approved in 2017 and 2018 by Canadian Courts in proceedings under the Companies' Creditors Arrangement Act ("CCAA") and appending same to the Pre-filing Report;
- Corresponding extensively with Osler, Norton Rose and Goodmans regarding the Canadian Court materials in advance of the hearing of the application on May 23, 2019;
- Corresponding with Norton Rose regarding security registrations appearing on searches conducted under the Personal Property Security Act ("PPSA") and Register of Personal and Movable Real Rights regarding the Canadian Debtor's assets situated in British Columbia, Ontario and Quebec;
- Reviewing the security opinion dated May 22, 2019 issued by Norton Rose and corresponding with Norton Rose regarding same;
- Attending at Canadian Court on May 23, 2019 for the hearing of the Chapter 11 Debtors' application;
- Corresponding with Carl Marks, including attending a weekly update call on May 29, 2019 with representatives of Osler, Carl Marks and Kirkland & Ellis LLP;
- Arranging for the publication of a notice of these proceedings in the May 30th and June 6th editions of the Globe and Mail (National Edition) as required under the Supplemental Order;
- Responding to calls and enquiries from stakeholders and/or interested parties, including the Canadian Debtor's Toronto landlord and numerous prospective purchasers;

- Exchanging email correspondence with representatives of Houlihan Lokey Capital, Inc. (“Houlihan”);
- Directing enquiries received from prospective purchasers to Houlihan;
- Corresponding with Osler, Norton Rose and Goodmans regarding the US motion materials filed with the US Court in the Chapter 11 Proceedings in advance of the June 13, 2019 hearings and reviewing these materials, including the:
 - Final DIP Order and motion; and
 - Claims Bar Date Order and motion.
- Posting all materials filed in these proceedings on the Information Officer’s website in accordance with the Recognition Orders; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	CAD\$	64,161.25
HST		<u>8,340.96</u>
Total due	CAD\$	<u>72,502.21</u>

Wire Instructions

Pay to:	KSV Kofman Inc. 150 King Street W, Suite 2308 Toronto, ON M5H 1J9
Bank:	BMO Bank of Montreal First Canadian Place, 42nd Floor Toronto, ON M5X 1A3
Bank No.:	001
Transit (ABA):	32132
Account No.:	1995665

KSV Kofman Inc.
Hollander Sleep Products Canada Limited et al
Time Summary
For the period ended May 31, 2019

Personnel	Role	Rate (CAD\$)	Hours	Amount (CAD\$)
David Sieradzki	Overall responsibility	625	72.00	45,000.00
Jordan Wong	All aspects of mandate	425	38.75	16,468.75
Jonathan Joffe	Review of liquidation analysis	475	1.80	855.00
Other Staff and Administration				1,837.50
Total Fees				64,161.25

**ksw advisory inc.**

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INVOICE

Hollander Sleep Products Canada Limited et al
901 Yamato Road, Suite 250
Boca Raton, FL 33431

July 3, 2019

Invoice No: 1296
HST #: 818808768RT0001

Re: Hollander Sleep Products Canada Limited et al

For professional services rendered for the period ended June 30, 2019 by KSV Kofman Inc. ("KSV") in its capacity as Court-appointed Information Officer of Hollander Sleep Products, LLC, Dream II Holdings, LLC, Hollander Home Fashions Holdings, LLC, Pacific Coast Feather, LLC, Hollander Sleep Products Kentucky, LLC, Pacific Coast Feather Cushion, LLC (collectively, the "US Debtors") and Hollander Sleep Products Canada Limited (the "Canadian Debtor" and together with the US Debtors, the "Chapter 11 Debtors"), including:

- Corresponding extensively from June 1, 2019 through June 30, 2019 with Osler, Hoskin & Harcourt LLP ("Osler"), Canadian counsel to the Chapter 11 Debtors, and Norton Rose Fulbright Canada LLP ("Norton Rose"), counsel to the Information Officer, regarding the proceedings commenced by the Chapter 11 Debtors pursuant to chapter 11 of title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "US Court") (the "Chapter 11 Proceedings");
- Reviewing materials filed with the US Court in the Chapter 11 Proceedings in advance of the "Second Day Motions" before the US Court, including the:
 - Final DIP ABL Order;
 - Second Interim DIP Order;
 - Bar Date Order;
 - Bid Procedures Order;
 - KERP Motion; and
 - Disclosure Statement.

- Reviewing and commenting on all Canadian Court materials, including the:
 - Supplemental Order; and
 - Affidavit of Mr. Pfefferle sworn July 3, 2019.
- Corresponding extensively with Osler and Norton Rose regarding the draft Canadian Court materials;
- Reviewing the Chapter 11 Debtors' debtor-in-possession ("DIP") budget to actual analysis for the four weeks ending June 14, 2019;
- Drafting the first report of the Information Officer dated July 3, 2019, which, among other things, provided the Information Officer's commentary on the reasonableness of the Final DIP ABL Order, Bid Procedures Order, Bar Date Order and Final Cash Management Order and the proposed recognition of same by the Canadian Court (the "First Report");
- Corresponding extensively with Osler, Norton Rose and/or Carl Marks regarding certain provisions and proposed changes to the DIP Facility, including the changes proposed by the official committee of unsecured creditors (the "UCC");
- Corresponding extensively with Norton Rose in connection with the First Report;
- Preparing a summary of recently approved break fees in connection with stalking horse bid protections and appending same to the First Report;
- Corresponding extensively with Osler, Norton Rose and Goodmans LLP regarding the Canadian Court materials in advance of the motion returnable July 5, 2019;
- Attending weekly update calls on June 5, 12, 19 and 26, 2019 with representatives of Carl Marks, Osler and Kirkland & Ellis LLP;
- Responding to calls and enquiries from stakeholders and/or interested parties, including the Canadian Debtor's landlord for its Toronto manufacturing facility;
- Responding to calls and enquiries from the Canadian Debtor's suppliers regarding the Chapter 11 Proceedings and the claims process;
- Attending a call to assist Carl Marks in a discussion with a vendor regarding the Chapter 11 Proceedings and to reinforce the importance of the vendor providing timely shipping to the Canadian Debtor and email correspondence with the vendor regarding same;
- Corresponding with Osler regarding severance and termination entitlements for certain Canadian employees;
- Reviewing a memo prepared by Stikeman Elliot LLP regarding Ontario's legislation in connection with severance and termination entitlements for certain Canadian employees and discussing the same with Osler;
- Reviewing the Chapter 11 Debtors' severance analysis;

- Corresponding with Osler and Norton Rose regarding an issue raised by the Canadian Debtor's customs agent; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	CAD\$	38,995.00
HST		<u>5,069.35</u>
Total due	CAD\$	<u>44,064.35</u>

Wire Instructions

Pay to: KSV Kofman Inc.
150 King Street W, Suite 2308
Toronto, ON M5H 1J9

Bank: BMO Bank of Montreal
First Canadian Place, 42nd Floor
Toronto, ON M5X 1A3

Bank No.: 001
Transit (ABA): 32132
Account No.: 1995665

KSV Kofman Inc.
Hollander Sleep Products Canada Limited et al
Time Summary
For June, 2019

Personnel	Role	Rate (CAD\$)	Hours	Amount (CAD\$)
David Sieradzki	Overall responsibility	625	45.50	28,437.50
Jordan Wong	All aspects of mandate	425	24.40	10,370.00
Other Staff and Administration				187.50
Total Fees				38,995.00

**ksv advisory inc.**

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INVOICE

Hollander Sleep Products Canada Limited et al
901 Yamato Road, Suite 250
Boca Raton, FL 33431

August 6, 2019

Invoice No: 1334
HST #: 818808768RT0001

Re: Hollander Sleep Products Canada Limited et al

For professional services rendered for the period ended July 31, 2019 by KSV Kofman Inc. ("KSV") in its capacity as Court-appointed Information Officer of Hollander Sleep Products, LLC, Dream II Holdings, LLC, Hollander Home Fashions Holdings, LLC, Pacific Coast Feather, LLC, Hollander Sleep Products Kentucky, LLC, Pacific Coast Feather Cushion, LLC (collectively, the "US Debtors") and Hollander Sleep Products Canada Limited (the "Canadian Debtor" and together with the US Debtors, the "Chapter 11 Debtors"), including:

- Corresponding extensively during July with Osler, Hoskin & Harcourt LLP ("Osler"), Canadian counsel to the Chapter 11 Debtors, and Norton Rose Fulbright Canada LLP ("Norton Rose"), counsel to the Information Officer, regarding the proceedings commenced by the Chapter 11 Debtors pursuant to chapter 11 of title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "US Court") (the "Chapter 11 Proceedings");
- Reviewing materials filed with the US Court in the Chapter 11 Proceedings in advance of the August 1, 2019 motion before the US Court, including the:
 - Disclosure Statement Order;
 - KERP Order;
 - Final DIP Term Order;
 - Houlihan Lokey Retention Order;
 - Houlihan Lokey Additional Services Order;
 - RSA Motion;
 - KERP Motion; and

- Disclosure Statement, including the Liquidation Analysis and Projected Financial Information prepared by the Chapter 11 Debtors.
- Reviewing and commenting on all Canadian Court materials, including the:
 - Recognition Order dated July 5, 2019; and
 - Affidavit of Mr. Pfefferle sworn August 2, 2019.
- Corresponding extensively with Osler and Norton Rose regarding the draft Canadian Court materials;
- Reviewing the Chapter 11 Debtors' debtor-in-possession ("DIP") budget-to-actual analysis for the eight weeks ending July 12, 2019;
- Drafting the first report of the Information Officer dated July 3, 2019, which, among other things, provided the Information Officer's commentary on the reasonableness of the Final DIP ABL Order, Bid Procedures Order, Bar Date Order and Final Cash Management Order and the proposed recognition of same by the Canadian Court (the "First Report");
- Corresponding with legal counsel concerning the First Report;
- Attending at Court on July 5, 2019;
- Drafting the second report of the Information Officer dated August 2, 2019, which, among other things, provided the Information Officer's commentary on the reasonableness of the Disclosure Statement Order and the KERP Order and the proposed recognition of same by the Canadian Court (the "Second Report");
- Corresponding extensively with Osler, Norton Rose and/or Carl Marks regarding the global compromise with the official committee of unsecured creditors (the "UCC");
- Corresponding extensively with Norton Rose in connection with the First Report and the Second Report;
- Corresponding extensively with Osler, Norton Rose and Goodmans LLP regarding the Canadian Court materials in advance of the motion returnable August 6, 2019;
- Attending weekly update calls on July 3, 10, 17, 24 and 31, 2019 with representatives of Carl Marks, Osler and Kirkland & Ellis LLP ("K&E");
- Corresponding extensively with Osler, Carl Marks, K&E and Devencore Realities Corporation (Toronto West) Ltd. ("Devencore") regarding the Canadian Debtor's lease extension ("Lease Extension") at its Toronto plant and its negotiations with the landlord, Crestpoint Real Estate (724 Caledonia) Inc. ("Crestpoint");
- Attending numerous calls with Osler, Carl Marks, K&E and Devencore regarding the lease Extension and reviewing and commenting on each letter and/or email sent to Crestpoint in respect thereof;

- Responding to calls and enquiries from stakeholders and/or interested parties, including numerous calls from creditors concerning the process to file a Proof of Claim;
- Attending a call with Carl Marks on July 9, 2019 regarding the Canadian Debtor's intercompany loan receivable and the Chapter 11 Debtors' transfer pricing methodology;
- Drafting an internal memo regarding the Information Officer's assessment of the intercompany loan and transfer pricing issues;
- Responding to calls and enquiries from the Canadian Debtor's suppliers regarding the Chapter 11 Proceedings and the claims process;
- Attending in Court on July 5, 2019 regarding the recognition of certain Second Day Orders;
- Reviewing the pre-petition debt owed by the Canadian Debtor to the members of the UCC and corresponding with Canadian legal counsel to the term lenders in respect thereof;
- Reviewing the preliminary bid submissions;
- Corresponding with ADP and the Chapter 11 Debtor regarding payroll matters and assisting to resolve same; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached time summary	CAD\$	50,474.00
HST		<u>6,561.62</u>
Total due	CAD\$	<u><u>57,035.62</u></u>

Wire Instructions

Pay to: KSV Kofman Inc.
150 King Street W, Suite 2308
Toronto, ON M5H 1J9

Bank: BMO Bank of Montreal
First Canadian Place, 42nd Floor
Toronto, ON M5X 1A3

Bank No.: 001
Transit (ABA): 32132
Account No.: 1995665

KSV Kofman Inc.
Hollander Sleep Products Canada Limited et al
Time Summary
For the Period ended July 31, 2019

Personnel	Role	Rate (CAD\$)	Hours	Amount (CAD\$)
David Sieradzki	Overall responsibility	625	43.50	27,187.50
Jordan Wong	All aspects of mandate	425	53.90	22,907.50
Other Staff and Administration				375.00
Total Fees				50,470.00
Disbursements				4.00
Total Fees and Disbursements				50,474.00



ksv advisory inc.

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

INVOICE

Hollander Sleep Products Canada Limited et al
901 Yamato Road, Suite 250
Boca Raton, FL 33431

September 4, 2019

Invoice No: 1365
HST #: 818808768RT0001

Re: Hollander Sleep Products Canada Limited et al

For professional services rendered for the period ended August 31, 2019 by KSV Kofman Inc. ("KSV") in its capacity as Court-appointed Information Officer of Hollander Sleep Products, LLC, Dream II Holdings, LLC, Hollander Home Fashions Holdings, LLC, Pacific Coast Feather, LLC, Hollander Sleep Products Kentucky, LLC, Pacific Coast Feather Cushion, LLC (collectively, the "US Debtors") and Hollander Sleep Products Canada Limited (the "Canadian Debtor" and together with the US Debtors, the "Chapter 11 Debtors"), including:

- Corresponding extensively during August with Osler, Hoskin & Harcourt LLP ("Osler"), Canadian counsel to the Chapter 11 Debtors, and Norton Rose Fulbright Canada LLP ("Norton Rose"), counsel to the Information Officer, regarding the proceedings commenced by the Chapter 11 Debtors pursuant to chapter 11 of title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "US Court") (the "Chapter 11 Proceedings");
- Reviewing materials filed with the US Court in the Chapter 11 Proceedings in advance of the motions before the US Court on August 15, 2019 and September 4, 2019, including the:
 - RSA Motion;
 - Notice for Amendment to the RSA;
 - RSA Order;
 - Plan Confirmation Order;
 - Plan Supplement;
 - Modified Plan; and
 - Voting Declaration of Paul Deutch of Omni Management Group.

- Reviewing and commenting on all Canadian Court materials, including the:
 - Recognition Order dated August 6, 2019; and
 - Affidavit of Mr. Pfefferle sworn August 2, 2019.
- Corresponding extensively with Osler and Norton Rose regarding the draft Canadian Court materials;
- Reviewing the Chapter 11 Debtors' debtor-in-possession ("DIP") budget-to-actual analyses for the periods ending July 26, 2019, August 9, 2019 and August 23, 2019;
- Drafting the second report of the Information Officer dated August 2, 2019, which, among other things, provided the Information Officer's commentary on the reasonableness of the Disclosure Statement Order and the KERP Order and the proposed recognition of same by the Canadian Court (the "Second Report");
- Corresponding with Osler concerning the Second Report;
- Corresponding extensively with Norton Rose in connection with the Second Report;
- Attending at Court on August 6, 2019 regarding the Canadian Debtor's motion to recognize certain orders entered by the US Court;
- Drafting the third report of the Information Officer to be filed, which, among other things, will provide the Information Officer's commentary on the reasonableness of the RSA Order and the Plan Confirmation Order and the proposed recognition of same by the Canadian Court (the "Third Report");
- Corresponding extensively with Osler and Norton Rose regarding the Canadian Court materials in advance of the motions returnable August 6, 2019 and September 4, 2019;
- Attending weekly update calls on August 21 and 28, 2019 with representatives of Carl Marks, Osler and Kirkland & Ellis LLP ("K&E");
- Corresponding extensively with Osler, Carl Marks, K&E and Devencore Realities Corporation (Toronto West) Ltd. ("Devencore") regarding the Canadian Debtor's lease extension ("Lease Extension") at its Toronto plant and its negotiations with the landlord, Crestpoint Real Estate (724 Caledonia) Inc. ("Crestpoint");
- Attending numerous calls with Osler, Carl Marks, K&E and Devencore regarding the Lease Extension and reviewing and commenting on each letter and/or email sent to Crestpoint in respect thereof;
- Corresponding extensively with Osler, Carl Marks and K&E regarding the Canadian Debtor's lease at its Montreal plant and the proposed assumption of same by the Purchaser;
- Corresponding with Osler and Norton Rose regarding the status of the proceedings subsequent to the Plan Confirmation, including in respect of the Information Officer's ongoing role;

- Reviewing the Modified Plan with respect to changes resulting from the appointment of a Plan Administrator and the establishment of a Wind-Down Trust;
- Reviewing and commenting on the draft Wind-Down Trust Agreement;
- Reviewing the bid submission of Bedding Acquisition, LLC (the "Purchaser"), a subsidiary of Centre Lane Partners, LLC;
- Reviewing the Asset Purchase Agreement between the Chapter 11 Debtors and the Purchaser dated August 15, 2019;
- Reviewing and commenting on the Plan Confirmation Order as it relates to the Canadian Debtor, the Information Officer and these proceedings post-closing of the pending transaction with the Purchaser;
- Corresponding with Osler and Carl Marks regarding employment matters;
- Drafting a fee affidavit to be filed in connection with an upcoming motion on September 11, 2019; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached time summary	CAD\$	33,255.22
HST		<u>4,323.18</u>
Total due	CAD\$	<u><u>37,578.40</u></u>

Wire Instructions

Pay to: KSV Kofman Inc.
150 King Street W, Suite 2308
Toronto, ON M5H 1J9


Bank: BMO Bank of Montreal
First Canadian Place, 42nd Floor
Toronto, ON M5X 1A3

Bank No.: 001
Transit (ABA): 32132
Account No.: 1995665

KSV Kofman Inc.
Hollander Sleep Products Canada Limited et al
Time Summary
For the Period ended August 31, 2019

Personnel	Role	Rate (CAD\$)	Hours	Amount (CAD\$)
David Sieradzki	Overall responsibility	625	39.50	24,687.50
Jordan Wong	All aspects of mandate	425	19.00	8,075.00
Other Staff and Administration				487.50
Total Fees				33,250.00
Disbursements				5.22
Total Fees and Disbursements				33,255.22

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF DAVID SIERADZKI
SWORN BEFORE ME THIS 6th DAY OF SEPTEMBER, 2019

A handwritten signature in black ink, appearing to read "Raj. Kashyap", is written over a horizontal line.

A Commissioner for taking Affidavits, etc.

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.
Expires January 22, 2021.

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

Exhibit "B"

Schedule of Professionals' Time and Rates

Exhibit to the Affidavit of David Sieradzki

May 16, 2019 to August 31, 2019

Personnel	Title	Duties	Hours	Billing Rate (per hour)	Amount \$
David Sieradzki	Managing Director	Overall responsibility	200.50	625.00	125,312.50
Jonathan Joffe	Senior Manager	Review of liquidation analysis	1.80	475.00	855.00
Jordan Wong	Senior Associate	All aspects of mandate	136.05	425.00	57,821.25
Other staff and administrative			18.75	150.00	2,887.50
Total fees					186,876.25
Total hours					357.10
Average hourly rate					\$ 523.32

Appendix “G”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

Applicants

**AFFIDAVIT OF EMMANUELLE VIRGINIE GAUTHIER
(sworn September 6, 2019)**

I, EMMANUELLE VIRGINIE GAUTHIER, of the City of Toronto, **MAKE OATH AND**

SAY:

1. I am a barrister and solicitor qualified to practice law in the Provinces of Ontario and Quebec and a partner with Norton Rose Fulbright Canada (**NRFC**), counsel for KSV Kofman Inc., in its capacity as Court-appointed information officer (the **Information Officer**) in these proceedings and as such have knowledge of the matters herein deposed to. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. I make this affidavit in support of a motion by Hollander Sleep Products, LLC in its capacity as foreign representative in these proceedings for, among other things, approval of the fees and disbursements of the Information Officer and its counsel.


3. Attached hereto as **Exhibit "A"** is a schedule summarizing the accounts of NRFC rendered to the Information Officer for fees and disbursements incurred by NRFC in connection with these proceedings for the period between May 15, 2019 and August 31, 2019.

4. Attached hereto as **Exhibit "B"** is a schedule summarizing the respective years of call and billing rates of each of the professionals at NRFC that rendered services to the Information Officer, the hours worked by each such individual and a blended hourly rate for the file.

5. Attached hereto as **Exhibit "C"** are true copies of the accounts rendered to the Information Officer for the above-noted period. I confirm that these accounts accurately reflect the services provided by NRFC in this matter for this period and the fees and disbursements claimed by it for this period.

6. To the best of my knowledge, the rates charged by NRFC throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services. I believe that the total hours, fees and disbursements incurred by NRFC on this matter are reasonable and appropriate in the circumstances.

SWORN BEFORE ME
at the City of Toronto,
in the Province of Ontario,
this 6th day of September, 2019



A Commissioner for taking affidavits

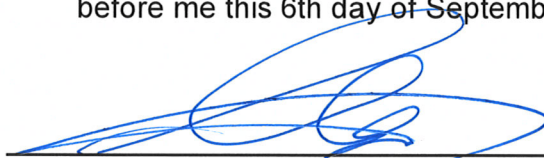
Catherine Wing-Yee Ma, a Commissioner, etc.
Province of Ontario, for Norton Rose Fulbright
Canada LLP / S.E.N.C.R.L., s.r.l., Barristers
and Solicitors, Expires June 1, 2022.

}



EMMANUELLE VIRGINIE GAUTHIER

This is Exhibit "A" referred to in the
Affidavit of Emmanuelle Virginie Gauthier, sworn
before me this 6th day of September, 2019.



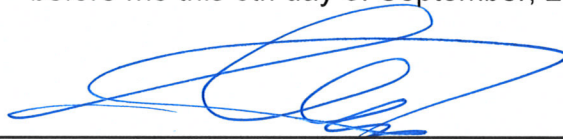
A Commissioner for Taking Affidavits

Catherine Wing-Yee Ma, a Commissioner, etc.
Province of Ontario, for Norton Rose Fulbright
Canada LLP / S.E.N.C.R.L., s.r.l., Barristers
and Solicitors, Expires June 1, 2022.

EXHIBIT "A"

Date of Account	For Billing Period Ending	Fees	Costs	HST/PST	Total
06/05/2019	05/30/2019	\$ 38,802.00	\$ 949.27	\$ 5,132.75	\$ 44,884.02
07/08/2019	06/30/2019	\$ 4,457.50	\$ 290.50	\$ 617.24	\$ 5,365.24
08/02/2019	07/31/2019	\$ 13,719.50	\$ 55.00	\$ 1,790.69	\$ 15,565.19
09/03/2019	08/31/2019	\$ 7,978.50	\$ 16.50	\$ 1,039.35	\$ 9,034.35
TOTAL:		<u>\$ 64,957.50</u>	<u>\$ 1,311.27</u>	<u>\$ 8,580.03</u>	<u>\$ 74,848.80</u>

This is Exhibit "B" referred to in the
Affidavit of Emmanuelle Virginie Gauthier, sworn
before me this 6th day of September, 2019.



A Commissioner for Taking Affidavits

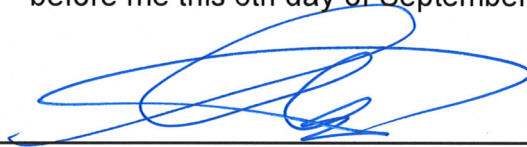
Catherine Wing-Yee Ma, a Commissioner, etc.
Province of Ontario, for Norton Rose Fulbright
Canada LLP / S.E.N.C.R.L., s.r.l., Barristers
and Solicitors, Expires June 1, 2022.

EXHIBIT "B"

Name:	Year of Call: (if applicable)	Billing Rate:	Hours Worked:
Cobb, Evan	2008	\$720.00	2.6
Friel, Michèle	2005 (Quebec)	\$760.00	0.8
Gauthier, Virginie	1996	\$935.00	46.8
Ma, Catherine		\$295.00	9.2
Margoc, Hugo	2017	\$390.00	28.8
Pasparakis, Orestes	1995	\$1,250.00	1
Sergievsckaya, Jane		\$325.00	5.9
White, Josh	2018 (Quebec)	\$365.00	4.4
TOTAL:			99.5

Blended Rate: (excluding Disbursements and HST) \$64,957.50 ÷ 99.5 hours =	<u>\$652.84</u>
--	------------------------

This is Exhibit "C" referred to in the
Affidavit of Emmanuelle Virginie Gauthier, sworn
before me this 6th day of September, 2019.



A Commissioner for Taking Affidavits

Catherine Wing-Yee Ma, a Commissioner, etc.
Province of Ontario, for Norton Rose Fulbright
Canada LLP / S.E.N.C.R.L., s.r.l., Barristers
and Solicitors, Expires June 1, 2022.

EXHIBIT "C"

**ACCOUNTS
(SEE ATTACHED)**

Invoice Date	June 05, 2019	Invoice Number	9090130004
Matter Description	Hollander Sleep Products Canada Limited		
Matter Number	1001075608		

Hollander Sleep Products Canada Limited

TIME DETAILS

<u>DATE</u>	<u>NAME</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
05/15/2019	Gauthier, V	1.60	Attendance at in-person meeting at Osler. Review publicly available information about the Company.
05/16/2019	Gauthier, V	2.50	Attendance to various matters in contemplation of the Canadian filing. Considering matters regarding Canadian estate, DIP financing, security opinion, and report of the information officer. Various telephone calls and correspondence on file.
05/16/2019	Margoc, H	5.30	Conducting initial review of documents. Conducting security review. Drafting security opinion.
05/16/2019	Sergievskaia, J	0.50	Conducting and reviewing corporate searches. Email correspondence.
05/16/2019	White, J	0.40	Review of scope of documents in connection with Chapter 11 filing.
05/17/2019	Gauthier, V	2.20	Review and provide comments on the US court orders. Provide guidance on file. Various calls with Osler and KSV. Review and provide comments on various documents in anticipation of Canadian filing.
05/17/2019	Margoc, H	8.10	Conducting security review. Reviewing filing documents. Call with client and Osler. Drafting security opinion.
05/17/2019	Sergievskaia, J	5.00	Attending to review of security: Reviewing security documents and disclosure schedules. Conducting corporate searches to determine predecessor names. Ordering, reviewing and summarizing corporate and security searches. Reviewing existing registrations. Conducting CIPO searches. Email correspondence.
05/17/2019	White, J	1.00	Review of Hypothec, Bond and Bond Pledge Agreement to ensure they are enforceable and valid.
05/18/2019	Margoc, H	2.50	Drafting security opinion.
05/19/2019	Gauthier, V	1.00	Review and provide comments on the revised US orders and Plan.
05/20/2019	Gauthier, V	2.40	Review first draft of the report and provide detailed comments thereon.
05/20/2019	Margoc, H	3.50	Reviewing court documents. Revising security opinion.
05/20/2019	Pasparakis, O	0.50	Comments on draft report.
05/20/2019	White, J	3.00	Review of opinion.
05/21/2019	Friel, M	0.80	Review of changes made to the opinion and discussion with J. White.

This invoice may include fees and disbursements of the member firms of Norton Rose Fulbright. Such fees and disbursements of member firms other than Norton Rose Fulbright Canada LLP are invoiced and collected by Norton Rose Fulbright Canada LLP as agent of the relevant member firm. Norton Rose Fulbright Canada LLP is a limited liability partnership established in Canada. Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc. and Norton Rose Fulbright US LLP are separate legal entities and all of them are members of Norton Rose Fulbright, a Swiss Verein. Norton Rose Fulbright helps coordinate the activities of the members but does not itself provide legal services to clients. For more information, see nortonrosefulbright.com.

INVOICE

Invoice Number 9090130004
Matter Number 1001075608
Invoice Date June 05, 2019
NRF Contact Virginie Gauthier

NORTON ROSE FULBRIGHT

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower Suite 3800
200 Bay Street, P.O. Box 84
Toronto ON M5J 2Z4
Canada

Tel: +1 416-216-4000

Fax: +1 416-216-3930

www.nortonrosefulbright.com

GST/HST No. 111340006

Accounts Contact:

nrcreceivables@nortonrosefulbright.com

For the attention of: David Sieradzki,
Managing Director

KSV ADVISORY INC.
Suite 2308 Box 42
150 King Street West
Toronto ON M5H 1J9

Hollander Sleep Products Canada Limited et al.

Professional Services Rendered to May 31, 2019

Charges
CAD

SUMMARY

Taxable Fees	38,802.00
Taxable Disbursements	680.71
	<hr/>
Taxable Amount	39,482.71
HST 13.000%	5,132.75
	<hr/>
Non-Taxable Disbursements	268.56
	<hr/>
TOTAL AMOUNT DUE AND PAYABLE	CAD 44,884.02
	<hr/>

Payable in 30 days
PAYMENT INFORMATION

RBC Financial Group, 1 Place Ville Marie, Montreal, Québec, CANADA H3C 3B5, Bank 003, Transit 00001, ACC. No. 161-327-2, Swift Code # ROYCCAT2. Include invoice number on transfer order.

Invoice Date	June 05, 2019	Invoice Number	9090130004
Matter Description	Hollander Sleep Products Canada Limited		
Matter Number	1001075608		

<u>DATE</u>	<u>NAME</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
05/21/2019	Gauthier, V	3.50	Review and provide detailed comments on the security opinion. Correspondence on file regarding court hearing, and court hearing in the US. Consider matters on security opinion. Various calls on file.
05/21/2019	Margoc, H	3.30	Revising security opinion and reviewing court documents.
05/22/2019	Gauthier, V	5.50	Review and revise draft information officer report, Applicant's materials and various other documents in connection with the upcoming Part IV proceedings. Various telephone calls on file and emails throughout the day.
05/22/2019	Ma, C	0.50	Emails from and to V. Gauthier regarding interim report of the information officer. Emails to and from E. Barz, J. Schmidt regarding Service List.
05/22/2019	Margoc, H	2.20	Revising security opinion. Reviewing court documents.
05/22/2019	Pasparakis, O	0.50	Follow-up on next steps.
05/22/2019	Sergievskaia, J	0.40	Reviewing final search results. Email correspondence.
05/23/2019	Gauthier, V	3.50	Attendance to Court hearing. Finalize documents for filing with the Court. Correspondence on file.
05/23/2019	Ma, C	3.50	Finalizing Pre-Filing Report of the Information Officer and Confidential Appendix to Pre-Filing Report for Court. Emails with E. Barz, J. Schmidt regarding service list. Preparing materials for hearing, discussions with V. Gauthier regarding same. Emails from client regarding final report and confidential appendix to interim report of the information officer. Preparing documents for service and filing.
05/23/2019	Margoc, H	1.20	Considering issues regarding security review. Reviewing court documents and press release.
05/24/2019	Ma, C	0.20	Arranging for filing of Pre-Filing Report.
05/27/2019	Gauthier, V	0.40	Email to and from K. Bourassa. Email to D. Sieradski. Telephone call with D. Sieradski.
05/30/2019	Ma, C	1.00	Updating Service List, emails with client and Osler regarding same.
05/31/2019	Ma, C	0.50	Receiving and reviewing endorsement of Justice Hainey regarding initial hearing. Email to service list regarding same.
05/31/2019	Margoc, H	1.10	Reviewing court materials.
Total		67.60	

TIME SUMMARY

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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NORTON ROSE FULBRIGHT

Invoice Date	June 05, 2019	Invoice Number	9090130004
Matter Description	Hollander Sleep Products Canada Limited		
Matter Number	1001075608		

Partner

Gauthier, V	22.60	935.00	21,131.00
Pasparakis, O	1.00	1,250.00	1,250.00
		Sub Total	22,381.00

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Of Counsel

Friel, M	0.80	760.00	608.00
		Sub Total	608.00

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Associate

Margoc, H	27.20	390.00	10,608.00
White, J	4.40	365.00	1,606.00
		Sub Total	12,214.00

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Paralegal

Ma, C	5.70	295.00	1,681.50
Sergievskaia, J	5.90	325.00	1,917.50
		Sub Total	3,599.00

Total		67.60	38,802.00
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DISBURSEMENT SUMMARY

<u>DESCRIPTION</u>	<u>QTY</u>	<u>AMOUNT</u>
---------------------------	-------------------	----------------------

Montreal

Taxable

Bailiff Fee	1.00	55.00
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Invoice Date	June 05, 2019	Invoice Number	9090130004
Matter Description	Hollander Sleep Products Canada Limited		
Matter Number	1001075608		

Sub Total	55.00
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Services OR LP/SEC - Montreal**Non-Taxable**

Registration Fee	1.00	268.56
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Taxable

Registration Fee	1.00	625.71
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Sub Total	894.27
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TOTAL	949.27
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This invoice may include fees and disbursements of the member firms of Norton Rose Fulbright. Such fees and disbursements of member firms other than Norton Rose Fulbright Canada LLP are invoiced and collected by Norton Rose Fulbright Canada LLP as agent of the relevant member firm. Norton Rose Fulbright Canada LLP is a limited liability partnership established in Canada. Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc. and Norton Rose Fulbright US LLP are separate legal entities and all of them are members of Norton Rose Fulbright, a Swiss verein. Norton Rose Fulbright helps coordinate the activities of the members but does not itself provide legal services to clients. For more information, see nortonrosefulbright.com.

INVOICE

Invoice Number 9090137688
Matter Number 1001075608
Invoice Date July 08, 2019
NRF Contact Virginie Gauthier

NORTON ROSE FULBRIGHT

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower Suite 3800
200 Bay Street, P.O. Box 84
Toronto ON M5J 2Z4
Canada

Tel: +1 416-216-4000

Fax: +1 416-216-3930

www.nortonrosefulbright.com

GST/HST No. 111340006

Accounts Contact:

nrcreceivables@nortonrosefulbright.com

For the attention of: David Sieradzki,
Managing Director

KSV ADVISORY INC.
Suite 2308 Box 42
150 King Street West
Toronto ON M5H 1J9

Hollander Sleep Products Canada Limited et al.

Professional Services Rendered to June 30, 2019

Charges
CAD

SUMMARY

Taxable Fees	4,457.50
Taxable Disbursements	290.50
	<hr/>
Taxable Amount	4,748.00
HST 13.000%	617.24
	<hr/>
TOTAL AMOUNT DUE AND PAYABLE	CAD 5,365.24

Payable in 30 days
PAYMENT INFORMATION

RBC Financial Group, 1 Place Ville Marie, Montreal, Québec, CANADA H3C 3B5, Bank 003, Transit 00001, ACC. No. 161-327-2, Swift Code # ROYCCAT2. Include invoice number on transfer order.

Invoice Date	July 08, 2019	Invoice Number	9090137688
Matter Description	Hollander Sleep Products Canada Limited		
Matter Number	1001075608		

Hollander Sleep Products Canada Limited

TIME DETAILS

<u>DATE</u>	<u>NAME</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
06/03/2019	Gauthier, V	1.60	Review Final DIP Order and bar date motion and email to Osler regarding same.
06/03/2019	Margoc, H	1.60	Reviewed US court documents.
06/04/2019	Gauthier, V	0.30	Call with M. Calvaruso regarding Final DIP Order. Email to D. Sieradzki.
06/04/2019	Gauthier, V	0.20	Correspondence on file.
06/05/2019	Gauthier, V	0.10	Receive update on sale process and review documents related to same.
06/12/2019	Gauthier, V	0.30	Correspondence on file regarding Security Opinion.
06/13/2019	Gauthier, V	0.30	Review and provide sign-off on Final DIP Order.
06/19/2019	Gauthier, V	0.30	Review revised Final DIP Order. Provide comments to D. Sieradzki. Email to and from KSV and Osler.
06/21/2019	Gauthier, V	0.50	Review draft US materials and provide high-level comments thereon.
06/26/2019	Gauthier, V	0.50	Review draft Canadian affidavit and correspondence on file.
Total		5.70	

TIME SUMMARY

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Partner			
Gauthier, V	4.10	935.00	3,833.50
		Sub Total	3,833.50
<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Associate			
Margoc, H	1.60	390.00	624.00
		Sub Total	624.00
Total		5.70	4,457.50

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Invoice Date	July 08, 2019	Invoice Number	9090137688
Matter Description	Hollander Sleep Products Canada Limited		
Matter Number	1001075608		

DISBURSEMENT SUMMARY

<u>DESCRIPTION</u>	<u>QTY</u>	<u>AMOUNT</u>
Taxable		
Registration Fee	1.00	290.50
TOTAL		290.50

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INVOICE

Invoice Number 9090147131
Matter Number 1001075608
Invoice Date August 02, 2019
NRF Contact Virginie Gauthier

NORTON ROSE FULBRIGHT

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower Suite 3800
200 Bay Street, P.O. Box 84
Toronto ON M5J 2Z4
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Tel: +1 416-216-4000

Fax: +1 416-216-3930

www.nortonrosefulbright.com

GST/HST No. 111340006

Accounts Contact:

nrcreceivables@nortonrosefulbright.com

For the attention of: David Sieradzki,
Managing Director

KSV ADVISORY INC.
Suite 2308 Box 42
150 King Street West
Toronto ON M5H 1J9

Hollander Sleep Products Canada Limited et al.

Professional Services Rendered to July 31, 2019

Charges
CAD

SUMMARY

Taxable Fees	13,719.50
Taxable Disbursements	55.00
Taxable Amount	13,774.50
HST 13.000%	1,790.69
TOTAL AMOUNT DUE AND PAYABLE	CAD 15,565.19

Payable in 30 days
PAYMENT INFORMATION

RBC Financial Group, 1 Place Ville Marie, Montreal, Québec, CANADA H3C 3B5, Bank 003, Transit 00001, ACC. No. 161-327-2, Swift Code # ROYCCAT2. Include invoice number on transfer order.

Invoice Date	August 02, 2019	Invoice Number	9090147131
Matter Description	Hollander Sleep Products Canada Limited		
Matter Number	1001075608		

Hollander Sleep Products Canada Limited

TIME DETAILS

<u>DATE</u>	<u>NAME</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
06/28/2019	Gauthier, V	0.30	Review affidavit and email to D. Sieradzki.
07/01/2019	Gauthier, V	1.50	Review and provide comments on the draft report. Review various US court orders and Canadian documents and provide comments thereon. Correspondence on file.
07/02/2019	Gauthier, V	0.20	Correspondence on file regarding US orders and Canadian motion materials.
07/02/2019	Ma, C	0.20	Attending to service list issues.
07/03/2019	Gauthier, V	0.50	Attendance to matters relating to finalizing report and motion on July 5. Correspondence on file regarding same.
07/03/2019	Ma, C	0.50	Finalize first Report of the Monitor. Email to Service List regarding same.
07/04/2019	Gauthier, V	0.40	Review KERP motion and correspondence on file regarding same.
07/04/2019	Ma, C	0.80	Finalizing and preparing First Report of the Information Officer for filing with Court. Receiving and reviewing motion record of the applicants. Preparing for hearing.
07/05/2019	Gauthier, V	2.00	Prepare for and attendance to Court regarding Hollander and further recognition of US orders.
07/15/2019	Gauthier, V	0.50	Begin review of amended plan. Correspondence on file regarding same.
07/16/2019	Gauthier, V	3.40	Review revised plan and provide comments and questions thereon. Communication with D. Sieradzki. Call with M. Calvaruso and D. Sieradzki. Further review of documents.
07/17/2019	Gauthier, V	3.60	Review revised plan, support agreement and disclosure statement. Correspondence on file regarding same.
07/18/2019	Gauthier, V	0.30	Brief review of US RSA document and correspondence on file regarding same.
07/22/2019	Gauthier, V	0.20	Follow-up on matters regarding negotiations with landlord at Toronto plant.
07/23/2019	Gauthier, V	0.20	Correspondence on file regarding next hearing and matters relating to Toronto landlord.
07/31/2019	Gauthier, V	1.10	Review draft affidavit and draft report of the information officer and provide comments thereon. Correspondence on file regarding same.
Total		15.70	

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Invoice Date	August 02, 2019	Invoice Number	9090147131
Matter Description	Hollander Sleep Products Canada Limited		
Matter Number	1001075608		

TIME SUMMARY

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Partner			
Gauthier, V	14.20	935.00	13,277.00
		Sub Total	13,277.00
<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Paralegal			
Ma, C	1.50	295.00	442.50
		Sub Total	442.50
Total		15.70	13,719.50

DISBURSEMENT SUMMARY

<u>DESCRIPTION</u>	<u>QTY</u>	<u>AMOUNT</u>
Taxable		
Process Servers' Charges	1.00	55.00
TOTAL		55.00

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INVOICE

Invoice Number 9090156105
Matter Number 1001075608
Invoice Date September 03, 2019
NRF Contact Virginie Gauthier

NORTON ROSE FULBRIGHT

Norton Rose Fulbright Canada LLP
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GST/HST No. 111340006

Accounts Contact:

nrcreceivables@nortonrosefulbright.com

For the attention of: David Sieradzki,
Managing Director

KSV ADVISORY INC.
Suite 2308 Box 42
150 King Street West
Toronto ON M5H 1J9

Hollander Sleep Products Canada Limited et al.

Professional Services Rendered to August 31, 2019

Charges
CAD

SUMMARY

Taxable Fees	7,978.50
Taxable Other Charges	16.50
	<hr/>
Taxable Amount	7,995.00
HST 13.000%	1,039.35
	<hr/>
TOTAL AMOUNT DUE AND PAYABLE	CAD 9,034.35

Payable in 30 days
PAYMENT INFORMATION

RBC Financial Group, 1 Place Ville Marie, Montreal, Québec, CANADA H3C 3B5, Bank 003, Transit 00001, ACC. No. 161-327-2, Swift Code # ROYCCAT2. Include invoice number on transfer order.

Invoice Date	September 03, 2019	Invoice Number	9090156105
Matter Description	Hollander Sleep Products Canada Limited		
Matter Number	1001075608		

Hollander Sleep Products Canada Limited

TIME DETAILS

<u>DATE</u>	<u>NAME</u>	<u>HOURS</u>	<u>DESCRIPTION</u>
08/01/2019	Gauthier, V	0.50	Review revised documents circulated by Osler and review correspondence regarding same. Correspondence to and from KSV. Telephone call with D. Sieradski.
08/02/2019	Cobb, E	0.40	Reviewing Information Officer's report.
08/02/2019	Gauthier, V	0.20	Review of revised document circulated by Osler and correspondence on file.
08/02/2019	Ma, C	0.50	Finalizing Second Report of the Information Officer.
08/04/2019	Ma, C	1.50	Receiving and reviewing the applicant's motion record regarding August 6, 2019 motion.
08/05/2019	Cobb, E	0.70	Reviewing Motion Record of Foreign Representative.
08/06/2019	Cobb, E	1.50	Preparing for and attending at court for recognition hearing.
08/20/2019	Gauthier, V	0.30	Conference call with Osler and D. Sieradski. Review correspondence on file.
08/20/2019	Gauthier, V	0.50	Correspondence on file. Attend to matters on file.
08/27/2019	Gauthier, V	2.40	Review revised plan and provide comments thereon. Correspondence to and from D. Sieradski. Correspondence to and from Osler. Conference call with Osler and KSV. Conference call with KSV.
08/28/2019	Gauthier, V	1.30	Review revised plan and email regarding same to D. Sieradski. Review template letters to employees and provide comments on same to D. Sieradski and Osler.
08/29/2019	Gauthier, V	0.20	Correspondence on file regarding template letters to employees.
08/30/2019	Gauthier, V	0.50	Review revised plans for Canadian changes. Email to Osler regarding same.
Total		10.50	

TIME SUMMARY

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Partner			
Cobb, E	2.60	720.00	1,872.00

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Invoice Date	September 03, 2019	Invoice Number	9090156105
Matter Description	Hollander Sleep Products Canada Limited		
Matter Number	1001075608		

Gauthier, V	5.90	935.00	5,516.50
		Sub Total	7,388.50

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Paralegal

Ma, C	2.00	295.00	590.00
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Sub Total	590.00
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Total	10.50	7,978.50
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DISBURSEMENT SUMMARY

<u>DESCRIPTION</u>	<u>QTY</u>	<u>AMOUNT</u>
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Taxable

Document Production	1.00	16.50
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TOTAL		16.50
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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, *ET AL.*

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

Applicants

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

Proceeding commenced at TORONTO

**AFFIDAVIT OF E. VIRGINIE GAUTHIER
(sworn September 6, 2019)**

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Court-appointed Information Officer