

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

In re:) Case No. 08-36642-DOT
)
CANAL CORPORATION, *et al.*,) Chapter 11
)
Debtors.¹) (Jointly Administered)
)
)

**NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT, (II) DEADLINE
FOR VOTING ON THE JOINT PLAN OF LIQUIDATION OF CANAL
CORPORATION AND CERTAIN OF ITS AFFILIATED DEBTORS, (III) HEARING
TO CONSIDER CONFIRMATION OF THE PLAN, AND (IV) LAST DATE AND
PROCEDURES FOR FILING OBJECTIONS TO CONFIRMATION OF THE PLAN**

TO: ALL HOLDERS OF CLAIMS IN CLASSES 3A, 3B, 3C AND 4
AND CERTAIN OTHER PARTIES

PLEASE TAKE NOTICE THAT IF THIS NOTICE IS ACCOMPANIED BY A BALLOT, YOUR VOTE IS BEING SOLICITED IN CONNECTION WITH THE SECOND AMENDED JOINT PLAN OF LIQUIDATION OF CANAL CORPORATION AND CERTAIN OF ITS AFFILIATED DEBTORS (AS AMENDED, THE “PLAN”) FILED BY ALL OF THE ABOVE-CAPTIONED DEBTORS AND DEBTORS-IN-POSSESSION EXCEPT WTM I COMPANY (COLLECTIVELY, THE “PLAN DEBTORS”). YOU SHOULD CAREFULLY REVIEW THE MATERIAL SET FORTH IN THE DISCLOSURE STATEMENT (AND IN THE EXHIBIT ATTACHED THERETO) IN ORDER TO MAKE AN INDEPENDENT DETERMINATION AS TO WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN.

THE PLAN DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

¹ The debtors and debtors-in-possession (collectively, the “Debtors”) and the last four digits of their respective taxpayer identification numbers are as follows: Canal Corporation (f/k/a/ Chesapeake Corporation) (6880), Canal NC Company (f/k/a Chesapeake Printing and Packaging Company) (9208), Canal NY Company, Inc. (f/k/a Chesapeake Pharmaceutical Packaging Company, Inc.) (0010), Canal IH Company (f/k/a Chesapeake International Holding Company) (1532), WTM I Company (1080), Sheffield, Inc. (6314), Canal Resources Company (f/k/a Chesapeake Assets Company) (5293), Canal YR Company (f/k/a Chesapeake Recycling Company) (9383), Canal D&P Company (f/k/a Chesapeake Display and Packaging Company) (4207), Canal Virginia Company (f/k/a The Chesapeake Corporation of Virginia) (6783), Canal Corporation (Wisconsin) (f/k/a Chesapeake Corporation (Wisconsin)) (7682), Canal Corporation (Massachusetts) (f/k/a Chesapeake Corporation (Massachusetts)) (7686), Canal Corporation (D.C.) (f/k/a Chesapeake Corporation (D.C.)) (7684), Canal Corporation (Illinois) (f/k/a Chesapeake Corporation (Illinois)) (7685), Canal Corporation (Louisiana) (f/k/a Chesapeake Corporation (Louisiana)) (7681), Canal FP Company, LLC (f/k/a Chesapeake Forest Products Company, LLC) (6880), Canal DE Company (f/k/a Cary St. Company) (9092), Canal DP Company (f/k/a Delmarva Properties, Inc.) (7160), and Canal SH Company (f/k/a Stonehouse Inc.) (2481).



APPROVAL OF DISCLOSURE STATEMENT

PLEASE TAKE FURTHER NOTICE that, by Order dated February 16, 2011 (the “Disclosure Statement Order”), the United States Bankruptcy Court for the Eastern District of Virginia (the “Court”) approved the *Disclosure Statement With Respect to the Second Amended Joint Plan of Liquidation of Canal Corporation and Certain of its Affiliated Debtors*, dated February 15, 2011 (as amended, the “Disclosure Statement”), as containing adequate information within the meaning of section 1125 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”).

DEADLINE FOR VOTING ON THE PLAN

PLEASE TAKE FURTHER NOTICE that, pursuant to the Disclosure Statement Order, the Court established **March 22, 2011, at 5:00 p.m. prevailing Pacific Time** (the “Voting Deadline”) as the deadline by which Ballots² accepting or rejecting the Plan must be actually received. To be counted, your original signed Ballot (a Ballot to be completed by you may be enclosed herewith) must actually be received on or before the Voting Deadline by Kurtzman Carson Consultants, LLC (the “Balloting Agent”) at Canal Corporation (f/k/a Chesapeake Corporation) Ballots, c/o Kurtzman Carson Consultants, 2335 Alaska Ave., El Segundo, CA 90245. Ballots received by facsimile, e-mail or other means of electronic transmission will not be counted.

CONFIRMATION HEARING

PLEASE TAKE FURTHER NOTICE that on **March 29, 2011, at 11:00 a.m. prevailing Eastern Time** or as soon thereafter as counsel may be heard, a hearing will be held before Chief Judge Douglas O. Tice, Jr., at the United States Bankruptcy Court for the Eastern District of Virginia, 701 East Broad Street, Room 5100, Richmond, Virginia 23219 to consider confirmation of the Plan, as the same may be further amended or modified, and for such other and further relief as may be just and proper (the “Confirmation Hearing”).

PLEASE TAKE FURTHER NOTICE that the Confirmation Hearing may be adjourned from time to time by the Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing. Additionally, the Plan may be modified in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and other applicable law, without further notice, prior to or as a result of the Confirmation Hearing.

RELEASE, INJUNCTION AND EXCULPATION PROVISIONS CONTAINED IN PLAN

PLEASE TAKE FURTHER NOTICE THAT THE PLAN CONTAINS CERTAIN RELEASE, INJUNCTION AND EXCULPATION PROVISIONS. YOU ARE ADVISED TO CAREFULLY REVIEW AND CONSIDER THE PLAN, INCLUDING THE RELEASE, INJUNCTION AND EXCULPATION PROVISIONS, AS YOUR RIGHTS MAY BE AFFECTED.

DEADLINE AND PROCEDURES FOR OBJECTIONS TO CONFIRMATION OF THE PLAN

PLEASE TAKE FURTHER NOTICE that objections, if any, to confirmation of the Plan, including any supporting memoranda, must be in writing, must be filed with the Clerk of the United States Bankruptcy Court of the Eastern District of Virginia, 701 East Broad Street, Suite 4000, Richmond,

² Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Plan.

Virginia 23219 together with proof of service, and shall state the name and address of the objector, all grounds for the objection and the amount of the Claim(s) or other Interest(s) held by the objector, and shall provide proposed language to remedy such objections. Any such objection must be filed with the Court and served so that it is actually received by the Court, the following parties, and all other parties requesting or entitled to receive notice in these cases, on or before **March 22, 2011, at 4:00 p.m. prevailing Eastern Time:**

The Plan Debtors: Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074, Attn: Jason W. Harbour, Esq.

The Creditors Committee: (i) Greenberg Traurig, LLP, 77 West Wacker Drive, Suite 3100, Chicago, Illinois 60601, Attn: Nancy A. Peterman, Esq., and (ii) Greenberg Traurig, LLP, 200 Park Avenue, New York, New York 10166, Attn: Alan J. Brody, Esq.

The Office of the United States Trustee: 701 E. Broad St., Suite 4304, Richmond, Virginia 23219-1888, Attn: Robert B. Van Arsdale, Esq.

Any objection not filed and served as set forth above will be deemed waived and will not be considered by the Court.

COPIES OF THE PLAN AND THE DISCLOSURE STATEMENT

PLEASE TAKE FURTHER NOTICE that to the extent not enclosed herewith, copies of the Plan and the Disclosure Statement have been filed with the Bankruptcy Court and may be viewed at no charge at www.kccllc.net/chesapeake or for a fee via PACER at <http://www.vaeb.uscourts.gov/>, or may be obtained at no charge by writing to Canal Corporation c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, California 90245.

Dated: February 22, 2011

HUNTON & WILLIAMS LLP

/s/ Jason W. Harbour
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