

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
APPLESEED’S INTERMEDIATE HOLDINGS LLC, <i>et al.</i> , ¹)	Case No. 11-10160 (KG)
)	
Debtors.)	Jointly Administered
)	

NOTICE OF FILING OF PLAN SUPPLEMENT

PLEASE TAKE NOTICE THAT on March 1, 2011, United States Bankruptcy Court for the District of Delaware (the “*Court*”) entered an order (the “*Disclosure Statement Order*”): (a) authorizing Appleaseed’s Intermediate Holdings LLC d/b/a Orchard Brands and its affiliated debtors and debtors in possession (collectively, the “*Debtors*”), to solicit acceptances for the *Joint Plan of Reorganization of Appleaseed’s Intermediate Holdings LLC and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, dated March 1, 2011 [Docket No. 356] (as may be modified, amended or supplemented from time to time, the “*Plan*”)²; (b) approving the *Disclosure Statement for the Joint Plan of Reorganization of Appleaseed’s Intermediate Holdings LLC and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 373] (the “*Disclosure Statement*”) as containing “adequate information” pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving and tabulating votes on the Plan and for filing objections to the Plan.

PLEASE TAKE FURTHER NOTICE THAT as contemplated by the Plan the Disclosure Statement Order approving the Disclosure Statement, the Debtors filed the documents that comprise the Plan Supplement with the Court on March 31, 2011 [Docket No. 529] and on

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number, are: Appleaseed’s Intermediate Holdings LLC (6322); Appleaseed’s Acquisition, Inc. (5835); Appleaseed’s Holdings, Inc. (9117); Arizona Mail Order Company, Inc. (6359); Bedford Fair Apparel, Inc. (3551); Blair Credit Services Corporation (5966); Blair Factoring Company (4679); Blair Holdings, Inc. (0022); Blair International Holdings, Inc. (8962); Blair LLC (1670); Blair Payroll, LLC (1670); Draper’s & Damon’s Acquisition LLC (1760); Draper’s & Damon’s LLC (2759); Fairview Advertising, LLC (2877); Gold Violin LLC (0873); Haband Acquisition LLC (8765); Haband Company LLC (8496); Haband Oaks, LP (8036); Haband Online, LLC (1109); Haband Operations, LLC (2794); Johnny Appleaseed’s, Inc. (5560); Linen Source Acquisition LLC (2920); LM&B Catalog, Inc. (5729); Monterey Bay Clothing Company, Inc. (2076); Norm Thompson Outfitters, Inc. (8344); NTO Acquisition Corporation (0995); Orchard Brands Insurance Agency LLC (4858); and Wintersilks, LLC (0688). The Debtors’ main corporate address is 138 Conant Street, Beverly, Massachusetts 01915.

² Capitalized terms not otherwise defined herein shall have the same meanings set forth in the Plan.



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April 2, 2011 [Docket No. 532]. The Plan Supplement contains the following documents (each as defined in the Plan):³

- **Exhibit A:** List of Assumed Executory Contracts and Unexpired Leases;
- **Exhibit B:** List of Rejected Executory Contracts and Unexpired Leases ;
- **Exhibit C:** New By-Laws for Reorganized AIH;
- **Exhibit D:** New Certificate of Incorporation for Reorganized AIH;
- **Exhibit E:** New Stockholders Agreement;
- **Exhibit F:** New Registration Rights Agreement;
- **Exhibit G:** Qualified Vendor Support Agreement;
- **Exhibit H:** New ABL Facility Credit Agreement;
- **Exhibit I:** New First Lien Term Loan Credit Agreement;
- **Exhibit J:** Form of New Employment Agreements;
- **Exhibit K:** List of Retained Non-Litigation Trust Causes of Action;
- **Exhibit L:** Management Equity Incentive Program;
- **Exhibit M:** Identification of any Disbursing Agent Other than the Reorganized Debtors;
- **Exhibit N:** Intercreditor Agreement;
- **Exhibit O:** New Senior Term Loan Credit Agreement;
- **Exhibit P:** New Junior Term Loan Credit Agreement;
- **Exhibit Q:** Existing Benefits Agreements;
- **Exhibit R:** Litigation Trust Agreement;
- **Exhibit S:** Identity of the Litigation Trustee;
- **Exhibit T:** Litigation Trust Causes of Action; and
- **Exhibit U:** Initial Members of the Oversight Committee.

PLEASE TAKE FURTHER NOTICE THAT the forms of the documents contained in the Plan Supplement are integral to, and are considered part of, the Plan. If the Plan is approved, the Plan Supplement will be approved as well. Certain of the documents being filed with the

³ To the extent a document is identified in the Plan as a document to be included in the Plan Supplement and has not yet been filed with the Court, the Debtors will file such document with the Court as soon as practicable in accordance with the terms of the Plan.

Court as part of the Plan Supplement are subject to ongoing negotiations by the relevant parties, and accordingly the Debtors reserve the right to alter, amend, update or modify any of the Plan Supplement documents at any time in accordance with the terms of the Plan. To the extent material amendments or modifications are made to any Plan Supplement documents, the Debtors will file a blackline with the Court before the Confirmation Hearing reflecting such modifications. Consistent with the terms of the Plan, “[t]he Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date in accordance with Article IX.B [of the Plan] and the terms set forth [in the Plan] relating to necessary consent.” Plan, Article I.A.146.

PLEASE TAKE FURTHER NOTICE THAT the hearing at which the Court will consider Confirmation of the Plan (the “*Confirmation Hearing*”) will commence at **2:30 p.m. prevailing Eastern Time on April 14, 2011**, before the Honorable Judge Kevin Gross, in the United States Bankruptcy Court for the District of Delaware, located at 824 Market Street, Sixth Floor, Courtroom No. 3, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE THAT the deadline for filing objections to the Plan is **April 7, 2011 at 4:00 p.m. prevailing Eastern Time** (the “*Plan Objection Deadline*”). Any objection to the Plan **must**: (a) be in writing; (b) conform to the Bankruptcy Rules, the Local Bankruptcy Rules and any orders of the Court; (c) state, with particularity, the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and (d) be filed with the Court (contemporaneously with a proof of service) and served upon the following parties so as to be **actually received** on or before **April 7, 2011 at 4:00 p.m. prevailing Eastern Time**:

<p>KIRKLAND & ELLIS LLP Attn: Joshua A. Sussberg, Esq. Attn: Brian E. Schartz, Esq. 601 Lexington Avenue New York, New York 10022-4611</p>		<p>KLEHR HARRISON HARVEY BRANZBUR LLP Attn: Domenic E. Pacitti, Esq. Attn: Michael Yurkewicz, Esq. Attn: Margaret M. Manning, Esq. 919 Market Street, Suite 1000 Wilmington, Delaware 19801-3062</p>
<i>Counsel to the Debtors</i>		
<p>WINSTON & STRAWN LLP Attn: William D. Brewer, Esq. 200 Park Avenue New York, New York 10166</p>	<p>SIDLEY AUSTIN LLP Attn: James P. Seery, Jr., Esq. 787 Seventh Avenue New York, New York 10019</p>	<p>KRAMER LEVIN NAFTALIS AND FRANKEL LLP Attn: Douglas Mannal, Esq. 1177 Avenue of the Americas New York, New York 10036</p>
<i>Counsel to the ABL Agent</i>	<i>Counsel to the First Lien Agent</i>	<i>Counsel to the Second Lien Agent</i>
<p>THE OFFICE OF THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE Attn: Richard Schepacarter, Esq. 844 King Street, Suite 2207 Wilmington, Delaware 19801</p>		
<p>COOLEY LLP Attn: Jay R. Indyke, Esq. 1114 Avenue of the Americas New York, New York 10036</p>		<p>DRINKER BIDDLE & REATH LLP Attn: Howard A. Cohen, Esq. Attn: Robert K. Malone, Esq. Attn: Michael P. Pompeo, Esq. 1100 North Market Street, Suite 1000 Wilmington, Delaware 19801</p>
<i>Counsel to the Statutory Committee of Unsecured Creditors</i>		

PLEASE TAKE FURTHER NOTICE THAT if you would like to obtain a copy of the Disclosure Statement, the Plan, the Plan Supplement or related documents, you should contact Kurtzman Carson Consultants, the voting and claims agent retained by the Debtors in these Chapter 11 Cases (the “*Voting and Claims Agent*”), by: (a) calling the Debtors’ restructuring hotline at 866-927-7081 (international 310-751-2653); (b) visiting the Debtors’ restructuring website at: www.kccllc.net/appleseeds; (c) e-mailing the Debtors at AppleseedsInfo@kccllc.com and/or (d) writing to Appleseed’s Intermediate Holdings LLC, c/o Kurtzman Carson Consultants, 2335 Alaska Avenue, El Segundo, California 90245. You may also obtain copies of any pleadings filed in these Chapter 11 Cases for a fee via PACER at: <http://www.deb.uscourts.gov>.

ARTICLE VIII OF THE PLAN CONTAINS RELEASE, EXCULPATION AND INJUNCTION PROVISIONS, AND ARTICLE VIII.E. CONTAINS A THIRD-PARTY RELEASE. THUS, YOU ARE ADVISED TO REVIEW AND CONSIDER THE PLAN CAREFULLY BECAUSE YOUR RIGHTS MIGHT BE AFFECTED THEREUNDER.

THIS NOTICE IS BEING SENT TO YOU FOR INFORMATIONAL PURPOSES ONLY. IF YOU HAVE QUESTIONS WITH RESPECT TO YOUR RIGHTS UNDER THE PLAN OR ABOUT ANYTHING STATED HEREIN OR IF YOU WOULD LIKE TO OBTAIN ADDITIONAL INFORMATION, CONTACT THE VOTING AND CLAIMS AGENT.

Dated: April 2, 2011
Wilmington, Delaware

/s/ Domenic E. Pacitti

Domenic E. Pacitti (DE Bar No. 3989)
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- and -

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