

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

In re:

SCHOOL SPECIALTY, INC.,
a Wisconsin corporation

Debtor.

Employer Tax I.D. No. 1239

Chapter 11

Case No. 13-10125 ()

In re:

BIRD-IN-HAND WOODWORKS, INC.,
a New Jersey corporation

Debtor.

Employer Tax I.D. No. 8811

Chapter 11

Case No. 13-10126 ()

In re:

CALIFONE INTERNATIONAL, INC.,
a Delaware corporation

Debtor.

Employer Tax I.D. No. 3578

Chapter 11

Case No. 13-10127 ()

In re:

CHILDCRAFT EDUCATION CORP.,
a New York corporation

Debtor.

Employer Tax I.D. No. 9818

Chapter 11

Case No. 13-10128 ()



In re:

CLASSROOMDIRECT.COM, LLC,
a Delaware limited liability company
Debtor.

Employer Tax I.D. No. 2425

Chapter 11

Case No. 13-10129 ()

In re:

DELTA EDUCATION, LLC,
a Delaware limited liability company
Debtor.

Employer Tax I.D. No. 8764

Chapter 11

Case No. 13-10124 ()

In re:

FREY SCIENTIFIC, INC.,
a Delaware corporation
Debtor.

Employer Tax I.D. No. 3771

Chapter 11

Case No. 13-10130 ()

In re:

PREMIER AGENDAS, INC.,
a Washington corporation
Debtor.

Employer Tax I.D. No. 1380

Chapter 11

Case No. 13-10131 ()

In re:

SAX ARTS & CRAFTS, INC.,
a Delaware corporation
Debtor.

Employer Tax I.D. No. 6436

Chapter 11

Case No. 13-10132 ()

In re:

SPORTIME, LLC,
a Delaware limited liability company
Debtor.

Employer Tax I.D. No. 6939

Chapter 11

Case No. 13-10133 ()

**MOTION FOR ORDER AUTHORIZING JOINT ADMINISTRATION
PURSUANT TO BANKRUPTCY RULE 1015 AND LOCAL RULE 1015-1**

School Specialty, Inc. and its affiliated debtors and debtors-in-possession in the above-captioned cases (each a “Debtor” and, collectively, the “Debtors”), hereby move this Court for entry of an order substantially in the form attached hereto as Exhibit A (the “Proposed Order”) pursuant to section 105(a) of title 11 of the United States Code (the “Bankruptcy Code”), rule 1015 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), authorizing the Debtors to jointly administer their chapter 11 cases for procedural purposes only. In support of this motion (the “Motion”), the Debtors rely upon the Declaration of Gerald T. Hughes in Support of Chapter 11 Petitions and First Day Relief (the “First Day Declaration”)¹ and respectfully state as follows:

JURISDICTION

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference from the United States District Court for the District of Delaware dated as of February 29, 2012. This matter is a core proceeding

¹ The First Day Declaration is being filed substantially contemporaneous with this Motion and is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the First Day Declaration.

pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory and legal predicates for the relief requested herein are section 105(a) of the Bankruptcy Code, along with Bankruptcy Rule 1015 and Local Rule 1015-1.

BACKGROUND

3. On the date hereof (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code thereby commencing the instant cases (the "Chapter 11 Cases"). The Debtors continue to manage and operate their businesses as debtors-in-possession under sections 1107 and 1108 of the Bankruptcy Code.

4. No trustee, examiner or official committee has been appointed in the Chapter 11 Cases.

5. Information regarding the Debtors' businesses, their capital and debt structure, and the events leading to the filing of the Chapter 11 Cases is contained in the First Day Declaration.

RELIEF REQUESTED

6. By this Motion, the Debtors request entry of an order, substantially in the form attached hereto as Exhibit A, pursuant to section 105(a) of the Bankruptcy Code, Bankruptcy Rule 1015 and Local Rule 1015-1, directing the joint administration and consolidation of the Chapter 11 Cases for procedural purposes only.

7. Many of the motions, applications, hearings and orders that will arise in these Chapter 11 Cases will jointly affect each Debtor. For this reason, the Debtors respectfully submit that the interests of the Debtors, their creditors and other parties in interest would be best served by the joint administration of these Chapter 11 Cases. To optimally and economically administer the Chapter 11 Cases, such cases should be jointly administered, for procedural

purposes only, under the case number assigned to School Specialty, Inc., the direct or indirect parent corporation for each of the other Debtors.

8. The Debtors also request that the Clerk of the Court maintain one file and one docket for the Chapter 11 Cases, which file and docket shall be the file and docket for School Specialty, Inc.

9. The Debtors further request that the caption of the Chapter 11 Cases be modified as follows to reflect their joint administration:

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

In re:

SCHOOL SPECIALTY, INC., *et al.*,

Debtors.¹

Chapter 11

Case No 13-10125 ()

Jointly Administered

FN 1: The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number and state of incorporation, are: School Specialty, Inc. (Wisc.; 1239), Bird-In-Hand Woodworks, Inc. (N.J.; 8811), Califone International, Inc. (Del.; 3578), Childcraft Education Corp. (N.Y.; 9818), ClassroomDirect.com, LLC (Del.; 2425), Delta Education, LLC (Del.; 8764), Frey Scientific, Inc. (Del.; 3771), Premier Agendas, Inc. (Wash.; 1380), Sax Arts & Crafts, Inc. (Del.; 6436), and Sportime, LLC (Del.; 6939). The address of the Debtors' corporate headquarters is W6316 Design Drive, Greenville, Wisconsin 54942.

10. In addition, the Debtors seek the Court's direction that a separate docket entry be made on the docket of each of the other Debtors' Chapter 11 Case, substantially as follows:

An order has been entered in this case directing the consolidation and joint administration for procedural purposes only of the chapter 11 cases of School Specialty, Inc., Bird-In-Hand Woodworks, Inc., Califone International, Inc., Childcraft Education Corp., ClassroomDirect.com, LLC, Delta Education, LLC, Frey Scientific, Inc., Premier Agendas, Inc., Sax Arts & Crafts, Inc., and Sportime, LLC, and all subsequently filed chapter 11 cases of such debtors' affiliates. The docket in the

chapter 11 case of School Specialty, Inc., Case No. 13-10125 () should be consulted for all matters affecting this case.

BASIS FOR RELIEF REQUESTED

11. Pursuant to Bankruptcy Rule 1015(b), if two or more petitions are pending in the same court by or against a debtor and an affiliate, “the Court may order a joint administration of the estates.” Fed. R. Bankr. P. 1015(b). Local Rule 1015-1 similarly provides for joint administration of chapter 11 cases when the facts demonstrate that joint administration “is warranted and will ease the administrative burden for the Court and the parties.” Del. Bankr. LR 1015-1. In this case, all of the Debtors are “affiliates” of School Specialty, Inc., as that term is defined in section 101(2) of the Bankruptcy Code, and in most cases are direct subsidiaries of School Specialty, Inc. Accordingly, this Court has the authority to grant the relief requested herein.

12. There is no question that the joint administration of the Debtors’ respective estates will ease the administrative burden on the Court and all parties in interest in these Chapter 11 Cases, particularly in light of the unified manner in which the Debtors operate their businesses as described in the First Day Declaration.

13. The joint administration of these Chapter 11 Cases will also permit the Clerk of the Court to utilize a single docket for all the Chapter 11 Cases and to combine notices to creditors and other parties in interest in the Debtors’ respective cases. In addition, there will likely be numerous motions, applications, and other pleadings filed in these Chapter 11 Cases that will affect most or all of the Debtors. Joint administration will permit counsel for all parties in interest to include the Chapter 11 Cases in a single caption for the numerous documents that are likely to be filed and served in these cases. Joint administration will also enable parties in

interest in each of the Chapter 11 Cases to stay apprised of all the various matters before the Court.

14. The joint administration of these Chapter 11 Cases will not prejudice or adversely affect the rights of the Debtors' creditors because the relief sought herein is purely procedural and is not intended to affect substantive rights. Because these Chapter 11 Cases involve ten (10) Debtors, joint administration will significantly reduce the volume of paper that otherwise would be filed with the Clerk of this Court, render the completion of various administrative tasks less costly and minimize the number of unnecessary delays. Moreover, the relief requested by this Motion will also simplify supervision of the administrative aspects of these Chapter 11 Cases by the Office of the United States Trustee.

15. Finally, the joint administration of multiple related cases such as these is common in this District. See, e.g., In re THQ Inc., Case No. 12-13398 (MFW) (Bankr. D. Del. Dec. 20, 2012); In re A123 Systems, Inc., Case No. 12-12859 (KJC) (Bankr. D. Del. Oct. 18, 2012); In re Bicent Holdings LLC, Case No. 12-11304 (KG) (Bankr. D. Del. April 24, 2012); In re Buffets Restaurants Holdings, Inc., Case No. 12-10237 (MFW) (Bankr. D. Del. Jan. 19, 2012); In re Qualteq, Inc., Case No. 11-12572 (KJC) (Bankr. D. Del. Aug. 16, 2011).

16. For these reasons, the Debtors submit that the relief requested herein is in the best interests of the Debtors, their estates and creditors, and therefore should be granted.

NOTICE

17. Notice of this Motion will be provided to: (i) the U.S. Trustee; (ii) counsel to the agent under the Debtors' ABL Agreement; (iii) counsel to the agent under the Debtors' Term Loan Agreement; (iv) the indenture trustee for the Debtors' convertible debentures; (v) counsel for the *ad hoc* group of convertible debenture holders; and (vi) the holders of the forty (40) largest unsecured claims against the Debtors, on a consolidated basis. Notice of this Motion and

any order entered hereon will be served in accordance with Local Rule 9013-1(m). In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

WHEREFORE, the Debtors respectfully request the entry of the Proposed Order granting the relief requested herein and such other and further relief as is just and proper.

Dated: January 28, 2013
Wilmington, Delaware

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EXHIBIT A

Proposed Order

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

In re:

SCHOOL SPECIALTY, INC.,
a Wisconsin corporation

Debtor.

Employer Tax I.D. No. 1239

Chapter 11

Case No. 13-10125 ()

In re:

BIRD-IN-HAND WOODWORKS, INC.,
a New Jersey corporation

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Case No. 13-10126 ()

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a Delaware corporation

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Case No. 13-10127 ()

In re:

CHILDCRAFT EDUCATION CORP.,
a New York corporation

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Debtor.

Employer Tax I.D. No. 8764

Chapter 11

Case No. 13-10124 ()

In re:

FREY SCIENTIFIC, INC.,
a Delaware corporation
Debtor.

Employer Tax I.D. No. 3771

Chapter 11

Case No. 13-10130 ()

In re:

PREMIER AGENDAS, INC.,
a Washington corporation
Debtor.

Employer Tax I.D. No. 1380

Chapter 11

Case No. 13-10131 ()

In re:

SAX ARTS & CRAFTS, INC.,
a Delaware corporation
Debtor.

Employer Tax I.D. No. 6436

Chapter 11

Case No. 13-10132 ()

In re:

SPORTIME, LLC,
a Delaware limited liability company
Debtor.

Employer Tax I.D. No. 6939

Chapter 11

Case No. 13-10133 ()

**ORDER AUTHORIZING JOINT ADMINISTRATION
PURSUANT TO BANKRUPTCY RULE 1015 AND LOCAL RULE 1015-1**

Upon the Motion¹ of School Specialty, Inc. and its affiliated debtors and debtors-in-possession in the above-captioned cases (each a “Debtor” and collectively, the “Debtors”) for entry of an order, pursuant to section 105(a) of title 11 of the United States Code (the “Bankruptcy Code”), rule 1015 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), authorizing the joint administration of the Debtors’ cases under chapter 11 of the Bankruptcy Code; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference from the United States District Court for the District of Delaware dated as of February 29, 2012; and it appearing that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that adequate and proper notice of the Motion has been given and that no other or further notice need be given; and a hearing having been held to consider the relief requested in the Motion; and upon the record of the hearing and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their

¹ All capitalized terms used and not defined herein shall have the meanings ascribed to them in the Motion.

estates, their creditors and all other parties in interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is GRANTED.
2. The above-captioned cases are consolidated for procedural purposes only and shall be administered jointly under Case No. 13-10125 () in accordance with the provisions of Bankruptcy Rule 1015 and Local Rule 1015-1, and the joint caption of the cases shall read as follows:

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

In re:

SCHOOL SPECIALTY, INC., *et al.*,
Debtors.¹

Chapter 11

Case No 13-10125 ()

Jointly Administered

FN 1: The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number and state of incorporation, are: School Specialty, Inc. (Wisc.; 1239), Bird-In-Hand Woodworks, Inc. (N.J.; 8811), Califone International, Inc. (Del.; 3578), Childcraft Education Corp. (N.Y.; 9818), ClassroomDirect.com, LLC (Del.; 2425), Delta Education, LLC (Del.; 8764), Frey Scientific, Inc. (Del.; 3771), Premier Agendas, Inc. (Wash.; 1380), Sax Arts & Crafts, Inc. (Del.; 6436), and Sportime, LLC (Del.; 6939). The address of the Debtors' corporate headquarters is W6316 Design Drive, Greenville, Wisconsin 54942.

3. All original pleadings shall be captioned as indicated in the preceding decretal paragraph and all original docket entries shall be made in the case of School Specialty, Inc., a Wisconsin corporation, Case No. 13-10125 (), and a docket entry shall be made in the other Debtors' chapter 11 cases and, in the event related cases are subsequently filed, in such affiliates' cases, substantially as follows:

An order has been entered in this case directing the consolidation and joint administration for procedural purposes only of the chapter 11 cases of School Specialty, Inc., Bird-In-Hand Woodworks, Inc., Califone International, Inc., Childcraft Education Corp., ClassroomDirect.com, LLC, Delta Education, LLC, Frey Scientific, Inc., Premier Agendas, Inc., Sax Arts & Crafts, Inc., and Sportime, LLC, and all subsequently filed chapter 11 cases of such debtors' affiliates. The docket in the chapter 11 case of School Specialty, Inc., Case No. 13-10125(____) should be consulted for all matters affecting this case.

4. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order.

Dated: January __, 2013
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE