

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

SCHOOL SPECIALTY, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 13-10125 (KJC)

Jointly Administered

Voting Deadline: May 16, 2013 at 4:00 p.m. (ET)

Confirmation Obj. Deadline: May 16, 2013 at 4:00 p.m. (ET)

Deadline to Object to Approval of Disclosure Statement on a Final

Basis: May 16, 2013 at 4:00 p.m. (ET)

Confirmation Hearing Date: May 20, 2013 at 1:30 p.m. (ET)

NOTICE OF (I) APPROVAL OF DISCLOSURE
STATEMENT, (II) DEADLINE FOR VOTING ON PLAN,
(III) HEARING TO CONSIDER CONFIRMATION OF PLAN, AND
(IV) DEADLINE FOR FILING OBJECTIONS TO CONFIRMATION OF PLAN

PLEASE TAKE NOTICE OF THE FOLLOWING:

APPROVAL OF DISCLOSURE STATEMENT

1. By order dated April 24, 2013 (the “Disclosure Statement Order”), the United States Bankruptcy Court for the District of Delaware (the “Court”) approved, on a conditional basis, the *Disclosure Statement for Debtors’ Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* (as the same may be amended, modified, and/or supplemented, 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 *et seq.* (the “Bankruptcy Code”).

CONFIRMATION HEARING

2. On May 20, 2013 at 1:30 p.m. (prevailing Eastern Time), or as soon thereafter as counsel may be heard, a hearing (the “Confirmation Hearing”) will be held before the Honorable Kevin J. Carey, United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 5th Floor, Courtroom #5, Wilmington, Delaware 19801 to consider confirmation of the *Debtors’ Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* (as the same may be amended, modified, and/or supplemented, the “Plan”) and approval of the Disclosure Statement on a final basis. The Confirmation Hearing may be adjourned from time to time without further notice to creditors or other parties in interest other than by an announcement of such an adjournment in open court at the Confirmation Hearing. The Plan may be modified in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the terms of the Plan, and other applicable law, without further notice, prior to, or as a result of, the Confirmation Hearing.

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.



ENTITLEMENT TO VOTE ON PLAN

3. In accordance with the terms of the Plan and the Bankruptcy Code, holders of Claims² that are unimpaired by the Plan are deemed to have accepted the Plan and therefore are not entitled to vote on the Plan. Holders of Claims against the Debtors that are impaired by the Plan and that will receive a distribution on account of such Claims are entitled to vote on the Plan. Holders of Equity Interests that will receive no distribution under the Plan are deemed to have rejected the Plan and therefore are not entitled to vote.

4. April 24, 2013 has been established by the Court as the record date (the “Record Date”) for determining the creditors entitled to receive solicitation or notice materials in connection with the Plan.

5. If you wish to have your Claim allowed for purposes of voting on the Plan in a manner that is inconsistent with the Ballot you received and wish to have your Claim temporarily allowed for voting purposes only, you must serve on the Debtors and file with the Court, on or before May 16, 2013 at 4:00 p.m. (prevailing Eastern Time), a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim for purposes of voting (the “Claims Estimation Motion”). A Claims Estimation Motion must set forth with particularity the amount and classification of which you believe your Claim should be allowed for voting purposes and the evidence in support of your belief. In respect of any timely-filed Claims Estimation Motion, the Ballot in question shall be counted in the amount established by the Court in an order entered on or before May 20, 2013.

DEADLINE FOR VOTING ON THE PLAN

6. **By the Disclosure Statement Order, the Court established May 16, 2013 at 4:00 p.m. (prevailing Eastern Time) (the “Voting Deadline”) as the deadline by which Ballots accepting or rejecting the Plan must be received.** To be counted, your original Ballot must actually be received on or before the Voting Deadline by Kurtzman Carson Consultants LLC (the “Claims Agent”). Ballots may be sent by first class mail or overnight mail to School Specialty Ballot Processing Center, c/o KCC, 2335 Alaska Avenue, El Segundo, CA 90245. If you are a holder of a claim in Classes 5, 6 or 8, you may submit your signed, completed Ballot via electronic mail on or before the Voting Deadline to the Claims Agent at SSIBallots@kccllc.com. If you are an individual holder of the 3.75% Convertible Subordinated Notes due 2026 (a “Class 7 Claimant”), you must mail your original, signed Ballot to the Nominee that provided the Ballot to you on or before the Voting Deadline. Except with respect to Ballots submitted by Claimants in Classes 5, 6 and 8, which may be transmitted by electronic mail, any Ballots transmitted by facsimile or other electronic means shall not be counted.

INJUNCTIONS, RELEASES, AND EXCULPATION

7. The Plan contains certain injunction, release, and exculpation provisions as set forth below.

² All capitalized terms used in this Notice but not otherwise defined herein shall have the meanings given to such terms in the Disclosure Statement Order or Plan, as applicable.

a. Releases by the Debtors

On the Effective Date, the Debtors and the Reorganized Debtors, on behalf of themselves and their estates, shall be deemed to release unconditionally (a) all of their respective officers, directors, employees, partners, advisors, attorneys, financial advisors, accountants, and other professionals, who served in such capacities on or after the Petition Date, (b) (i) the DIP Agents and the Bayside DIP Agent, (ii) the DIP Collateral Agents, (iii) the Notes Indenture Trustee and (iv) the Prepetition Agents, (c) officers, directors, principals, members, employees, partners, subsidiaries, affiliates, advisors, attorneys, financial advisors, accountants, and other professionals of each of the DIP Agents, the Bayside DIP Agent, DIP Collateral Agents, the Notes Indenture Trustee and the Prepetition Agents, (d) the DIP Lenders and the Prepetition Lenders, (e) officers, directors, principals, members, employees, partners, subsidiaries, affiliates, advisors, attorneys, financial advisors, accountants, and other professionals of the DIP Lenders, and the Prepetition Lenders, (f) the members of the Creditors Committee and the Noteholders, and (g) officers, directors, principals, members, employees, partners, subsidiaries, affiliates, advisors, attorneys, financial advisors, accountants, and other professionals of the Creditors Committee and the Noteholders (collectively, the “Released Parties” and each a “Released Party”) from any and all claims, obligations, suits, judgments, damages, rights, Causes of Action and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon actions taken solely in their respective capacities described above for any omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the Disclosure Statement or the Plan, except that (i) no individual shall be released from any act or omission that constitutes gross negligence, willful misconduct, fraud or criminal acts as determined by a Final Order, (ii) the Reorganized Debtors shall not relinquish or waive the right to assert any of the foregoing as a legal or equitable defense or right of set off or recoupment against any Claims of any such persons asserted against the Debtors, (iii) the foregoing release shall not apply to any obligations that remain outstanding in respect of loans or advances made to individuals by the Debtors, and (iv) the foregoing release applies to the Released Parties solely in their respective capacities described above. For the avoidance of doubt, the Debtors shall release the Noteholders, only to the extent permitted by law and to the extent that such Noteholders vote in favor of the Plan and do not mark their Ballots to indicate their refusal to grant the Releases of the Released Parties provided for in the Plan. Notwithstanding the foregoing, no Claims of the Estates asserted by the Creditors Committee against the Prepetition Term Loan Lenders, including, without limitation, such Claims in respect of the Prepetition Escrowed Amounts, shall be released by this provision.

b. Releases by non-Debtors

On the Effective Date, the DIP Lenders, the Prepetition Lenders and all Persons who directly or indirectly, have held, hold, or may hold Claims, and (a) vote to accept the Plan as set forth on the relevant Ballot, and do not mark their Ballot to indicate their refusal to grant the releases provided in this paragraph, or (b) are presumed to have voted to accept the Plan under section 1126(f) of the Bankruptcy Code shall be deemed, by virtue of their receipt of Distributions and/or other treatment contemplated under the Plan, to have forever released and covenanted with the Reorganized Debtors and the Released Parties not to (x) sue or otherwise seek recovery from any of the Reorganized Debtors or any Released Party on account of any Claim in any way related to the Debtors or their business and affairs, the Chapter 11 Cases, the Disclosure Statement, or the Plan, including but not limited to any Claim based upon tort, breach of contract, violations of federal or state securities laws or otherwise, based upon any act, occurrence, or failure to act from the beginning of time through the Effective Date or (y) assert against any of the Reorganized Debtors or any Released Party any claim, obligation, right, cause of action or liability that any

holder of a Claim or Equity Interest may be entitled to assert, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, or occurrence from the beginning of time through the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the Disclosure Statement or the Plan, provided, however, (i) none of the Released Parties shall be released from any claim primarily based on any act or omission that constitutes gross negligence, willful misconduct, fraud or criminal acts as determined by a Final Order, (ii) the foregoing release shall not apply to obligations arising under the Plan, (iii) the foregoing release shall not be construed to prohibit a party in interest from seeking to enforce the terms of the Plan, and (iv) the foregoing release shall not apply to any indemnification and other surviving obligation as set forth in the Plan.

c. Exculpation

As of the Effective Date, the Debtors, the Reorganized Debtors, the Creditors Committee, the Notes Indenture Trustee and with respect to all of the foregoing, their respective officers, directors, members, managers, attorneys and advisors shall have no liability whatsoever to any holder or purported holder of an Administrative Claim, a Claim, or an Equity Interest for any act or omission in connection with, or arising out of, the Plan, the Disclosure Statement, the negotiation of the Plan and the Disclosure Statement, the negotiation of the documents included in the Plan Supplement, the pursuit of approval of the Disclosure Statement or the solicitation of votes for confirmation of the Plan, the Chapter 11 Cases, the consummation of the Plan, the administration and implementation of the Plan or the property to be distributed under the Plan, or any transaction contemplated by the Plan, the Disclosure Statement or in furtherance thereof except for any act or omission that constitutes gross negligence, willful misconduct, fraud or criminal acts as determined by a Final Order. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations and any other applicable law or rules protecting such Released Parties from liability.

For the avoidance of doubt, notwithstanding anything to the contrary herein, no release or injunction provided for in this Plan in Articles IX.I, IX.J or IX.K shall prohibit or otherwise impair the right of Berkley Regional Insurance Company with respect to any letters of credit provided in connection with bonds issued by Berkley related to the Debtors.

Parties are encouraged to review the Plan and Disclosure Statement for additional information.

DEADLINE FOR OBJECTIONS TO CONFIRMATION OF THE PLAN AND/OR APPROVAL OF THE DISCLOSURE STATEMENT ON A FINAL BASIS

Any objection, comment, or response to confirmation of the Plan or approval of the Disclosure Statement on a final basis (including any supporting memoranda) must be filed with the Clerk of the Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, together with proof of service, on or before **May 16, 2013 at 4:00 p.m. (prevailing Eastern Time)** (the “Confirmation Objection Deadline”) and must (a) be in writing, (b) state the name and address of the objecting party, (c) state the amount and nature of the Claim or Equity Interest of such party, (d) state with particularity the basis and nature of any objection to the Plan or approval of the Disclosure Statement on a final basis, and (e) be served on so as to be received by the following parties on or before the Confirmation Objection Deadline: (i) the Debtors, School Specialty, Inc., Attn: Michael P. Lavelle, Chief Executive Officer (mike.lavelle@schoolspecialty.com), W6316 Design Drive, Greenville, WI 54942; (ii) co-counsel for the Debtors, (a) Paul, Weiss, Rifkind, Wharton & Garrison LLP, Attn: Jeffrey D. Saferstein & Lauren Shumejda (jsaferstein@paulweiss.com, lshumejda@paulweiss.com), 1285 Avenue of the Americas, New

York, NY 10019 and (b) Young, Conaway, Stargatt & Taylor, LLP, Attn: Pauline K. Morgan & Maris J. Kandestin (pmorgan@ycst.com, mkandestin@ycst.com), Rodney Square, 1000 North King Street, Wilmington, DE 19801; (iii) counsel for the ABL Lenders (a) Goldberg Kohn, Attn: Randall Klein & Jeremy Downs (randall.klein@goldbergkohn.com, jeremy.downs@goldbergkohn.com), 55 East Monroe Street, Suite 3300, Chicago, IL 60603, and (b) Richards, Layton and Finger, P.A., Attn: Paul Heath (heath@RLF.com), One Rodney Square, 920 North King Street, Wilmington, DE 19801; (iv) counsel for the Ad Hoc DIP Lenders, (a) Stroock & Stroock & Lavan LLP, Attn: Kristopher M. Hansen & Jonathan D. Canfield (khansen@stroock.com, jcanfield@stroock.com), 180 Maiden Lane, New York, NY 10038, and (b) Duane Morris LLP, Attn: Christopher M. Winter (cmwinter@duanemorris.com), 222 Delaware Avenue, Suite 1600, Wilmington, DE 19801; (v) counsel for the Creditors' Committee, (a) Brown Rudnick LLP, Attn: Robert J. Stark (rstark@brownrudnick.com), 7 Times Square, New York, NY 10036, (b) Brown Rudnick LLP, Attn: Steven D. Pohl (SPohl@brownrudnick.com), One Financial Center, Boston, MA 02111, and (c) Venable LLP, Attn: Jamie L. Edmonson (jledmonson@Venable.com), 1201 North Market Street, Suite 1400, Wilmington, DE 19801; and (vi) the U.S. Trustee, Attn: Juliet M. Sarkessian (Juliet.M.Sarkessian@usdoj.gov), 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801. **DISCLOSURE STATEMENT AND CONFIRMATION OBJECTIONS NOT TIMELY FILED AND SERVED IN THE MANNER SET FORTH HEREIN MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND MAY BE OVERRULED WITHOUT FURTHER NOTICE.**

**COPIES OF PLAN, DISCLOSURE STATEMENT,
DISCLOSURE STATEMENT ORDER & PLAN SUPPLEMENT**

Copies of the Plan, Disclosure Statement, and Disclosure Statement Order may be obtained by parties in interest free of charge on Kurtzman Carson Consultants LLC's dedicated webpage related to these cases <http://www.kccllc.net/SchoolSpecialty>. Copies of the Plan and the Disclosure Statement are also available for inspection during regular business hours at the office of the Clerk of the Court, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801. In addition, copies of the Plan and the Disclosure Statement may be obtained from counsel to the Debtors by request to Troy Bollman (tbollman@ycst.com), or viewed on the Internet, for a fee, at the Court's website (<http://www.deb.uscourts.gov>) by following the directions for accessing the ECF system on such website. The Debtors will file the Plan Supplement on or before May 9, 2013, at which time the Plan Supplement may be obtained through the means described in this paragraph.

If you have any questions related to this notice, please call (877) 709-4758

Dated: April 24, 2013
Wilmington, Delaware

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