

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NORTH DAKOTA**

In Re:  Vanity Shop of Grand Forks, Inc.,  Debtor.	Case No.: 17-30112  Chapter 11
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**MOTION TO LIMIT NOTICE AND FOR AUTHORITY  
TO SERVE AN ELECTRONIC COPY OF  
NOTICE OF HEARING AND MOTION  
TO APPROVE SETTLEMENT WITH  
STATUTORY INSIDERS AND RELATED PARTIES**

The Debtor, Vanity Shop of Grand Forks, Inc. (the “**Debtor**”) hereby moves (the “**Motion**”) the Court for entry of an Order limiting the scope of notice of the filing, and the form of service, of the Motion to Approve Settlement with Statutory Insiders and Related Parties (the “**Motion to Approve**”) [Doc. 798] and any Notice of Hearing filed by the Court related to the Motion to Approve (the “**Notice**”).

The Debtor seeks to exclude only from service of the Notice and Motion to Approve the past retail and corporate employees, who were scheduled primarily for notice of the bankruptcy and are currently included on the creditor matrix.

The Debtor also seeks to limit its expenses by serving an electronic copy (flash drive) containing the Notice and Motion to Approve instead of paper copies, to be served along with the Solicitation Documents (as defined in Debtor’s Motion to Limit Notice filed at Doc. 776).

In support of this Motion, the Debtor respectfully represents as follows:



### **BACKGROUND**

1. This case was commenced as a Chapter 11 proceeding by the filing of a petition on March 1, 2017 (the “**Petition Date**”). The Debtor has continued in the management of its business since the Petition Date.

2. A mediation was held on June 19, 2018, between the Debtor and other parties. A settlement was reached and put on the record at the conclusion of the mediation. The parties request that the Court approve the terms of the mediated settlement only as to the Statutory Insiders and Related Parties as set out in the Motion to Approve.

### **JURISDICTION AND VENUE**

3. This Court has jurisdiction over this matter under 28 U.S.C. §§157 and 1334. This is a core proceeding under 28 U.S.C. §157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§1408 and 1409.

### **REQUEST TO LIMIT NOTICE AND FORM OF NOTICE**

4. Federal Rule of Bankruptcy Procedure 2002(a)(3) requires service on the trustee and all creditors of the Notice and Motion to Approve. Kurtzman Carson Consultants has advised there are currently 3,865 parties on the creditor matrix in the Debtor’s estate, which creditor matrix includes names and addresses of 1,489 parties classified as Employees and were listed in the Debtor’s Schedules, primarily for notice only [Doc. 188, pages 232-266]. None of these 1,489 employees are registered to receive notice via ECF or other electronic means upon whom, but for the entry of an order limiting notice, Debtor would be required to serve a copy of the Notice and Motion to Approve. By this Motion, the Debtor seeks only to exclude the service list that was comprised of the 1,489 parties classified as

Employees. By eliminating the approximate 1,489 employee mailings, Debtor would save substantial cost for the reproduction of the Notice and Motion to Approve and service by postal mail (or other means) of the Notice and Motion to Approve on the former employees, which costs Debtor would need to expense to this bankruptcy estate. These costs will burden creditors without any meaningful benefit.

5. The Debtor proposes that the Notice and Motion to Approve be provided to all creditors, in accordance with F.R.B.P. 2002(a), but with the exclusion of the 1,489 former employees which were essentially included on the Debtor's schedules for notice only are not believed to be creditors of Debtor. Debtor will make a copy of the Notice and Motion to Approve available by e-mail or other suitable delivery method upon request of (and without charge) any former employee requesting a copy directed to the undersigned.

6. The Debtor additionally proposes that the Notice and Motion to Approve be added to the flash drive containing an electronic copy of Solicitation Documents, instead of mailing paper copies to save on mailing and paper/copy expenses.

7. The Bankruptcy Court has discretion under Fed. R. Bank. P. 9007 and LR 2002-1(E)(8) to limit notice as it deems proper.

WHEREFORE, Debtor respectfully requests that this Court enter an order:

- A. Granting this motion, and granting Debtor leave to serve the Notice and Motion to Approve as provided herein; and
- B. Granting Debtor such other relief as the Court deems just and proper.

Dated this 18th day of July, 2018.

**VOGEL LAW FIRM**

BY: /s/ Caren W. Stanley

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*COUNSEL TO DEBTOR IN POSSESSION*

**Re: Vanity Shop of Grand Forks, Inc.**  
**Case No. 17-30112**  
**Chapter 11 Case**

STATE OF NORTH DAKOTA )  
 ) SS **CERTIFICATE OF SERVICE**  
COUNTY OF CASS )

Katherine Johnson, being first duly sworn, does depose and say: She is a resident of Clay County, Minnesota, of legal age and not a party to or interested in the above-entitled matter.

On July 18, 2018, affiant caused the following document(s):

**MOTION TO LIMIT NOTICE AND FOR AUTHORITY  
TO SERVE AN ELECTRONIC COPY OF  
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to be served by CM/ECF to all peoples listed through the Court’s database in regards to this case and the following:

*None*

/s/ Katherine Johnson  
Katherine Johnson

Subscribed and sworn to before me this 18<sup>th</sup> day of July, 2018.

(SEAL) /s/ Jill Nona  
Notary Public, Cass County, North Dakota