

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re

VRG Liquidating, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 16-10971 (LSS)

(Jointly Administered)

Ref. Docket Nos. 2028, 2044 & 2074

NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT, (II) ESTABLISHMENT OF VOTING RECORD DATE, (III) HEARING ON CONFIRMATION OF PLAN AND PROCEDURES AND DEADLINE FOR OBJECTING TO CONFIRMATION OF PLAN, AND (IV) PROCEDURES AND DEADLINE FOR VOTING ON PLAN

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. **Approval of Disclosure Statement.** By order dated November 13, 2018 [Docket No. 2074] (the “Disclosure Statement Order”), the United States Bankruptcy Court for the District of Delaware (the “Court”), having jurisdiction over the above-captioned chapter 11 cases of VRG Liquidating, LLC and its affiliated debtors and debtors in possession (the “Debtors”), approved the *Disclosure Statement for the First Amended Joint Plan of Liquidation of VRG Liquidating, LLC and its Chapter 11 Affiliates and Their Official Committee of Unsecured Creditors* (as attached as Exhibit 5 to the Disclosure Statement Order and as it may be amended, supplemented or modified from time to time, the “Disclosure Statement”) as containing adequate information within the meaning of section 1125 of title 11 of the United States Code (the “Bankruptcy Code”), and authorized the Debtors to solicit votes to accept or reject the *First Amended Joint Plan of Liquidation of VRG Liquidating, LLC and its Chapter 11 Affiliates and Their Official Committee of Unsecured Creditors* [Docket No. 2027] (as it may be amended, supplemented or modified from time to time pursuant to the terms thereof, the “Plan”),² annexed as Exhibit A to the Disclosure Statement.

2. **Deadline for Voting on the Plan.** By the Disclosure Statement Order, the Court established **December 14, 2018 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. Only holders of Claims in Class 3 under the Plan are entitled to vote on the Plan and will receive ballots for casting such votes. To be counted, original ballots must **actually be received** on or before the Voting Deadline by Kurtzman Carson Consultants LLC (the “Voting Agent”) at VRG Liquidating, LLC Ballot Processing Center, c/o KCC, 2335 Alaska Avenue, El Segundo, CA 90245. Ballots cast by e-mail, facsimile or any other electronic format will not be counted. Holders of unimpaired Claims under the Plan and Classes that are

¹ The Debtors and the last four digits of their respective federal taxpayer identification numbers are as follows: VRG Liquidating, LLC (f/k/a Vestis Retail Group, LLC) (1295); VRF Liquidating, LLC (f/k/a Vestis Retail Financing, LLC) (9362); EMSOC Liquidating, LLC (f/k/a EMS Operating Company, LLC) (2061); VIH Liquidating, LLC (f/k/a Vestis IP Holdings, LLC) (2459); BS Liquidating, LLC (f/k/a Bob’s Stores, LLC) (4675); EMSA Liquidating, LLC (f/k/a EMS Acquisition LLC) (0322); SC Liquidating 2, LLC (f/k/a Sport Chalet, LLC) (0071); SCVS Liquidating, LLC (f/k/a Sport Chalet Value Services, LLC) (7320); and SCTS Liquidating, LLC (f/k/a Sport Chalet Team Sales, LLC) (8015). The Debtors’ executive headquarters are located at 160 Corporate Court, Meriden, CT 06450.

² All capitalized terms used but not otherwise defined herein shall have the meaning provided to them in the Plan.



deemed to reject the Plan are not entitled to vote on the Plan and, therefore, will receive a Notice of Non-Voting Status rather than a ballot.

3. **Confirmation Hearing.** A hearing (the “Confirmation Hearing”) will be held before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, on **January 8, 2019 at 10:00 a.m. (prevailing Eastern Time)**, in Courtroom 2 of the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 6th Floor, Wilmington, Delaware 19801, to consider confirmation of the Plan, and for such other and further relief as may be just or proper. The Confirmation Hearing may be continued from time to time without further notice other than the announcement of the adjourned date(s) at the Confirmation Hearing or any continued hearing or on the applicable hearing agenda. The Plan may be modified in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Plan and other applicable law, without further notice, prior to or as a result of the Confirmation Hearing. If the Court enters an order confirming the Plan, section 1141 of the Bankruptcy Code shall become applicable with respect to the Plan and the Plan shall be binding on all parties to the fullest extent permitted by the Bankruptcy Code.

4. **Deadline for Objections to Confirmation of Plan.** Objections, if any, to confirmation of the Plan, must (a) be in writing; (b) state the name and address of the objecting party and the nature of the Claim or Interest of such party; (c) state with particularity the legal and factual basis and nature of any objection or response; and (d) be filed with the Court and served on the following parties so as to be actually received **before 4:00 p.m. (prevailing Eastern Time) on December 17, 2018**: (i) counsel to the Debtors, Klee, Tuchin, Bogdanoff & Stern LLP, 1999 Avenue of the Stars, 39th Floor, Los Angeles, California 90067 Attn: Michael L. Tuchin, Esq. (mtuchin@ktbslaw.com) and Sasha M. Gurvitz, Esq. (sgurvitz@ktbslaw.com), and Young Conaway Stargatt & Taylor, LLP, 1000 N. King St., Rodney Square, Wilmington, Delaware 19801, Attn: Robert S. Brady, Esq. (rbrady@ycst.com) and Robert F. Poppiti, Jr., Esq. (rpoppiti@ycst.com); (ii) counsel to the Committee, Cooley LLP, The Grace Building, 1114 Avenue of the Americas, New York, New York, 10036, Attn: Jay R. Indyke, Esq. (jindyke@cooley.com) and Evan Lazerowitz, Esq. (elazerowitz@cooley.com), and Polsinelli PC, 222 Delaware Avenue, Suite 1101, Wilmington, Delaware 19801, Attn: Christopher A. Ward, Esq. (cward@polsinelli.com) and Shanti M. Katona, Esq. (skatona@polsinelli.com); and (iii) the Office of the United States Trustee for the District of Delaware, J. Caleb Boggs Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Jane M. Leamy, Esq. (jane.m.leafy@usdoj.gov) and Timothy Fox, Esq. (timothy.j.fox@usdoj.gov).

5. **Releases, Injunction, and Exculpation Provisions Contained in Plan.** Article XI of the Plan contains certain release, injunction, and exculpation provisions. You are advised to carefully review the Plan, including these provisions, as your rights may be affected.

The releases in Section 11.12 of the Plan (the “Releases”) bind the “Releasing Parties,” which the Plan defines as “(a) the Debtors, (b) the Estates, (c) any Entity seeking to exercise the rights of the Estates, including, without limitation, any successor to the Debtors or any Estate representative appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code, and (d) all Holders of Claims in Class 3 that (i) vote to accept the Plan or (ii) do not otherwise vote to accept or reject the Plan and do not timely submit a Release Opt-Out indicating such Holder’s decision to not participate in the releases set forth in Section 11.12 of the Plan.” The Releases provide for, among other things, the following:

On the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, each of the Releasing Parties shall be deemed to have forever released, waived, and discharged each of the Released Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action (including, without limitation, Avoidance Actions), and liabilities whatsoever, whether known or unknown, whether foreseen or unforeseen, whether liquidated or unliquidated, whether fixed or contingent, whether matured or unmatured, existing or hereafter arising, at law, in equity, or otherwise, that are based in whole or in part on any act, omission, transaction, event,

or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Plan, the Sale Agreement, or the Sale Order, except for acts or omissions that are determined in a Final Order to have constituted actual fraud, gross negligence or willful misconduct; provided, however, that nothing in this Section 11.12 shall affect any Person's rights, claims or causes of action against the Debtors, the Liquidating Trust or Buyer under the Plan, the Confirmation Order, the Sale Agreement (subject to the Buyer Settlement Agreement), the Sale Order, or the Buyer Settlement Agreement, or the liabilities or obligations of such parties thereunder; provided, further, that nothing in the Plan shall impact or release any guarantees held by Releasing Parties against non-Debtors pertaining to Claims against the Debtors.

The Plan defines the "Released Parties" as "(a) the Debtors and their direct and indirect affiliates (including, without limitation, Versa Capital Management, LLC), (b) the Committee, (c) subject to Court approval of the Buyer Settlement Agreement, the Buyer, (d) each of the preceding entities' respective present or former members, ex officio members, officers, managers, directors, employees, consultants, professionals, advisors, agents, and other representatives, including, without limitation, attorneys, accountants, investment bankers, and financial advisors, and (e) the successors or assigns of each of the foregoing," each in their capacities as such.

6. **Copies of Documents.** Copies of the Plan, the Disclosure Statement, and the Disclosure Statement Order are available for review at www.kccllc.net/vestisretailgroup, or upon written request to VRG Liquidating, LLC, c/o KCC, 2335 Alaska Avenue, El Segundo, CA 90245, or by submitting an electronic inquiry via www.kccllc.net/vestisretailgroup.

Dated: November 13, 2018

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