

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

In re:)	Chapter 11
)	
CHARMING CHARLIE HOLDINGS INC., <i>et al.</i> , ¹)	Case No. 17-12906 (CSS)
)	
Debtors.)	(Jointly Administered)
)	

**MOTION OF THE DEBTORS FOR ENTRY OF
AN ORDER (A) APPROVING THE DISCLOSURE STATEMENT,
(B) ESTABLISHING THE VOTING RECORD DATE, VOTING DEADLINE,
AND OTHER DATES, (C) APPROVING PROCEDURES FOR SOLICITING,
RECEIVING, AND TABULATING VOTES ON THE PLAN, AND (D) APPROVING
THE MANNER AND FORMS OF NOTICE AND OTHER RELATED DOCUMENTS**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) file this motion for entry of an order (the “Order”):² (a) approving the *Disclosure Statement for the Joint Chapter 11 Plan of Reorganization of Charming Charlie Holdings Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, filed contemporaneously herewith (as modified, amended or supplemented from time to time, the “Disclosure Statement”);³ (b) establishing the voting record date, voting deadline, and other related dates for the *Joint Chapter 11 Plan of Reorganization of Charming Charlie Holdings Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, filed contemporaneously herewith (as modified,

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Charming Charlie Canada LLC (0693); Charming Charlie Holdings Inc. (6139); Charming Charlie International LLC (5887); Charming Charlie LLC (0263); Charming Charlie Manhattan LLC (7408); Charming Charlie USA, Inc. (3973); and Poseidon Partners CMS Inc. (3302). The location of the Debtors’ service address is: 5999 Savoy Drive, Houston, Texas 77036.

² The Debtors will file the proposed form of the Order and the exhibits thereto on or before the earlier of (a) 21 days prior to the Disclosure Statement Hearing or (b) 14 days prior to the deadline to object to this motion.

³ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan or Disclosure Statement.

amended or supplemented from time to time, the “Plan”); (c) approving procedures for soliciting, receiving, and tabulating votes on the Plan; and (d) approving the manner and forms of notice and other related documents as they relate to the Debtors. In support of this motion, the Debtors respectfully state as follows.

Relief Requested

1. By this motion, the Debtors request entry of the Order granting the following relief with respect to the Plan and Disclosure Statement and such other relief as is just and proper:

- a. ***Disclosure Statement.*** Approving the Disclosure Statement as containing “adequate information” pursuant to section 1125 of the Bankruptcy Code;
- b. ***Solicitation Procedures.*** Approving the procedures for (i) soliciting, receiving, and tabulating votes to accept or reject the Plan, and (ii) voting to accept or reject the Plan (the “Solicitation Procedures”), substantially in the form to be attached to the Order;
- c. ***Disclosure Statement Hearing Notice.*** Approving the manner and form of notice of the hearing to consider approval of the Disclosure Statement (the “Disclosure Statement Hearing” and the notice thereof, the “Disclosure Statement Hearing Notice”), substantially in the form to be attached to the Order;
- d. ***Ballots.*** Approving the ballots for holders of Claims in Classes 3 and 4 (collectively, the “Ballots”), substantially in the form(s) to be attached to the Order;
- e. ***Non-Voting Status Notices.*** Approving (i) the form of notice applicable to holders of Claims and Interests that are Unimpaired under the Plan and who are, pursuant to section 1126(f) of the Bankruptcy Code, conclusively presumed to accept the Plan; (ii) the form of notice applicable to holders of Claims and Interests that are Impaired under the Plan and who are, pursuant to section 1126(g) of the Bankruptcy Code, conclusively deemed to reject the Plan; and (iii) the form of notice applicable to holders of Claims that are subject to a pending objection by the Debtors and who are not entitled to vote the disputed portion of such Claim (each, a “Non-Voting Status Notice”), substantially in the forms to be attached to the Order;

- f. ***Solicitation Packages.*** Finding that the solicitation materials and documents included in the solicitation packages (the “Solicitation Packages”) that will be sent to, among others, holders of Claims entitled to vote to accept or reject the Plan, comply with Bankruptcy Rules 3017(d) and 2002(b);
- g. ***Cover Letter.*** Approving the form of letter (the “Cover Letter”) that the Debtors will send to holders of Claims entitled to vote to accept or reject the Plan urging such parties to vote in favor of the Plan, substantially in the form to be attached to the Order;
- h. ***Confirmation Hearing Notice.*** Approving the form and manner of notice of the hearing to consider Confirmation of the Plan (the “Confirmation Hearing,” and the notice thereof, the “Confirmation Hearing Notice”), substantially in the form to be attached to the Order;
- i. ***Plan Supplement Notice.*** Approving the notice related to the filing of the Plan Supplement, substantially in the form to be attached to the Order (the “Plan Supplement Notice”);
- j. ***Assumption and Rejection Notices.*** Approving the form of notices to counterparties to Executory Contracts and Unexpired Leases that will be assumed or rejected pursuant to the Plan, (the “Assumption Notice” and the “Rejection Notice,” respectively) substantially in the forms to be attached to the Order;
- k. ***Plan Objection Procedures.*** Approving the procedures for filing objections to the Plan; and
- l. ***Confirmation Timeline.*** Establishing the following dates and deadlines, subject to modification as necessary:
 - i. ***Voting Record Date.*** [**February 19, 2018**] as the date for determining (i) which holders of Claims in the Voting Classes are entitled to vote to accept or reject the Plan and receive Solicitation Packages in connection therewith and (ii) whether Claims have been properly assigned or transferred to an assignee pursuant to Bankruptcy Rule 3001(e) such that the assignee can vote as the holder of the respective Claim (the “Voting Record Date”);
 - ii. ***Solicitation Deadline.*** [**February 23, 2018**] as the deadline for distributing Solicitation Packages, including Ballots, to holders of Claims entitled to vote to accept or reject the Plan (the “Solicitation Deadline”);

- iii. **Publication Deadline.** The date that is seven (7) business days after the Solicitation Deadline as the last date by which the Debtors will submit the Confirmation Hearing Notice for publication in a format modified for publication (the “Publication Notice”);
- iv. **Voting Deadline.** [March 23, 2018] at 4:00 p.m. prevailing Eastern Time as the deadline by which **all** Ballots must be properly executed, completed, and delivered so that they are **actually received** (the “Voting Deadline”) by Rust Consulting/Omni Bankruptcy (the “Solicitation Agent”);
- v. **Plan Objection Deadline.** [March 23, 2018] at 4:00 p.m. prevailing Eastern Time as the deadline by which objections to the Plan must be filed with the Court and served so as to be **actually received** by the appropriate notice parties (the “Plan Objection Deadline”);
- vi. **Plan Objection Response Deadline.** [March 28, 2018] at 4:00 p.m. prevailing Eastern Time as the deadline by which responses to objections to the Plan must be filed with the Court and served so as to be **actually received** by the appropriate notice parties (the “Plan Objection Response Deadline”);
- vii. **Deadline to File Voting Report.** [March 28, 2018] as the date by which the report tabulating the voting on the Plan (the “Voting Report”) shall be filed with the Court;
- viii. **Deadline to File the Confirmation Brief.** Not later than the deadline to file the agenda for the hearing to consider Confirmation of the Plan (unless otherwise extended by the Court), as the date by which the Debtors shall file their brief in support of Confirmation; and
- ix. **Confirmation Hearing Date.** [] at [] [].m. prevailing Eastern Time as the date and time for the hearing at which the Court will consider Confirmation of the Plan (the “Confirmation Hearing Date”).

Jurisdiction and Venue

2. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over 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 February 29, 2012. The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Bankruptcy Rules”), to entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105(a), 502, 1123(a), 1124, 1125, 1126, and 1128 of title 11 of the United States Code (the “Bankruptcy Code”), Bankruptcy Rules 2002, 3003, 3016, 3017, 3018, 3020, and 9013, and Local Bankruptcy Rules 2002-1, 3003-1, and 3017-1.

Background

5. On December 11, 2017 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code. On December 13, 2017, the Court entered an order [Docket No. 90] authorizing the joint administration and procedural consolidation of the chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No entity has requested the appointment of a trustee or examiner in these chapter 11 cases. On December 19, 2017, the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an official committee of unsecured

creditors pursuant to section 1102 of the Bankruptcy Code [Docket No. 149] (the “Creditors’ Committee”).

6. A description of the Debtors’ businesses and the reasons for commencing these chapter 11 cases are set forth in the *Declaration of Robert Adamek, Chief Financial Officer of Charming Charlie Holdings Inc. in Support of Debtors’ Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”) [Docket No. 4].

Overview

7. The Debtors have reached an agreement on a comprehensive restructuring that will significantly delever their balance sheet. To effectuate this restructuring, on December 11, 2017, the Debtors entered into a restructuring support agreement with more than 88% of its prepetition secured term loan lenders (collectively, the “Ad Hoc Group of Term Loan Lenders”) and its majority equity owners (the “Plan Support Agreement”). On December 22, 2017, the Debtors filed the Plan and Disclosure Statement to implement the restructuring.

8. The Plan provides for the following distributions to be made to the Debtors’ creditors:

Class	Claim/Equity Interest	Treatment of Claim/Equity Interest
	Administrative Claims	Subject to the provisions of sections 328, 330(a), and 331 of the Bankruptcy Code, except to the extent that a Holder of an Allowed General Administrative Claim and the applicable Debtor(s) agree to less favorable treatment with respect to such Allowed General Administrative Claim, each Holder of an Allowed General Administrative Claim will be paid the full unpaid amount of such Allowed Administrative Claim in Cash: (a) on the Effective Date or as soon as reasonably practicable thereafter or, if not then due, when such Allowed General Administrative Claim is due or as soon as reasonably practicable thereafter; (b) if a General Administrative Claim is Allowed after the Effective Date, on the date such General Administrative Claim is Allowed or as soon as reasonably practicable thereafter or, if not then due, when such Allowed General Administrative Claim is due or as soon as reasonably practicable thereafter; (c) at such time and upon such terms as may be agreed upon by such Holder and the Debtors or the Reorganized Debtors, as the case may be; or (d) at such time and upon such terms as set forth in an order of the Bankruptcy Court; <i>provided</i> that Allowed General Administrative Claims that arise in the ordinary course of the Debtors’ business during the Chapter

Class	Claim/Equity Interest	Treatment of Claim/Equity Interest
		11 Cases shall be paid in full in Cash in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice.
1	Other Priority Claims	Except to the extent that a Holder of an Allowed Other Priority Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Other Priority Claim, each Holder of such Allowed Other Priority Claim shall be paid in full in Cash on or as reasonably practicable after (i) the Effective Date, (ii) the date on which such Other Priority Claim becomes an Allowed Other Priority Claim, or (iii) such other date as may be ordered by the Bankruptcy Court.
2	Other Secured Claims	Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Other Secured Claim, on or as reasonably practicable after the Effective Date, each Holder of an Allowed Other Secured Claim, at the option of the applicable Debtor with the consent of the Requisite First Lien Lenders, shall (i) be paid in full in Cash including the payment of any interest required to be paid under section 506(b) of the Bankruptcy Code, (ii) receive the collateral securing its Allowed Other Secured Claim, (iii) receive Reinstatement of such Other Secured Claim, or (iv) other treatment rendering such claim Unimpaired.
3	Prepetition Term Loan Claims	Except to the extent that a Holder of an Allowed Prepetition Term Loan Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Prepetition Term Loan Claim, on or as reasonably practicable after the Effective Date, each Holder of an Allowed Prepetition Term Loan Claim shall receive, up to the Allowed amount of its Prepetition Term Loan Claim, its Pro Rata share of 25 percent of the New Equity (subject to dilution only by New Equity issued in connection with the Management Incentive Plan).
4	General Unsecured Claims	Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, on or as reasonably practicable after the Effective Date, each Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive [its Pro Rata share of the GUC Distribution].
5	Intercompany Claims	Intercompany Claims shall be, at the option of the applicable Debtor with the consent of the Requisite First Lien Lenders, either: (i) Reinstated; or (ii) canceled and released without any distribution on account of such Claims.
6	Equity Interests in HoldCo	On the Effective Date, all Equity Interests in HoldCo shall be cancelled without any distribution on account of such Equity Interests.
7	Intercompany Interests	On the Effective Date, Intercompany Interests shall be Reinstated and the legal, equitable and contractual rights to which Holders of Intercompany Interests are entitled shall remain unaltered to the extent necessary to implement the Plan.
8	Section 510(b) Claims	Except to the extent that a Holder of an Allowed Section 510(b) Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of its Section 510(b) Claims, each Holder of an Allowed Section 510(b) Claim shall be treated as if such Holder was a Holder of Allowed Equity Interests in HoldCo.

9. In accordance with the foregoing description of the treatment of holders of Claims and Interests, the Plan contemplates classifying holders of Claims and Interests into certain Classes of Claims and Interests for all purposes, including with respect to voting on the Plan, pursuant to section 1126 of the Bankruptcy Code. The following chart represents the Classes of Claims and Interests under the Plan:⁴

<u>Class</u>	<u>Claim</u>	<u>Status</u>	<u>Voting Rights</u>
1	Other Priority Claims	Unimpaired	Presumed to Accept
2	Other Secured Claims	Unimpaired	Presumed to Accept
3	Prepetition Term Loan Claims	Impaired	Entitled to Vote
4	General Unsecured Claims	Impaired	[____]
5	Intercompany Claims	Unimpaired / Impaired	Presumed to Accept / Deemed to Reject
6	Equity Interests in HoldCo	Impaired	Deemed to Reject
7	Intercompany Interests	Unimpaired	Presumed to Accept
8	Section 510(b) Claims	Impaired	Deemed to Reject

10. Based on the foregoing (and as discussed in greater detail herein), the Debtors are proposing to solicit votes to accept or reject the Plan from holders of Claims in Classes 3 and 4 (collectively, the “Voting Classes”). The Debtors are not proposing to solicit votes from holders of Claims and Interests in Classes 1, 2, 5, 6, 7, and 8 (collectively, the “Non-Voting Classes”).

Basis for Relief

II. Approval of the Disclosure Statement.

A. The Disclosure Statement Contains Adequate Information.

11. Pursuant to section 1125 of the Bankruptcy Code, the proponent of a proposed chapter 11 plan must provide “adequate information” regarding that plan to holders of impaired claims and interests entitled to vote on the plan. 11 U.S.C. § 1125. Specifically, section 1125 of the Bankruptcy Code states, in relevant part, as follows:

⁴ The Plan constitutes a separate chapter 11 plan of reorganization for each Debtor. The classifications set forth in Classes 1, 2, 3, 4, 5, 6, 7, and 8 shall be deemed to apply to each Debtor.

(a)(1) “[A]dequate information” means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor’s books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan

11 U.S.C. § 1125(a)(1).

12. The primary purpose of a disclosure statement is to provide information material to creditors and interest holders determining whether to accept or reject a plan. *See Century Glove, Inc. v. First Am. Bank of New York*, 860 F.2d 94, 100 (3d Cir. 1988) (“[Section] 1125 seeks to guarantee a minimum amount of information to the creditor asked for its vote.”); *In re Phx. Petrol., Co.*, 278 B.R. 385, 392 (Bankr. E.D. Pa. 2001) (“[T]he general purpose of the disclosure statement is to provide ‘adequate information’ to enable ‘impaired’ classes of creditors and interest holders to make an informed judgment about the proposed plan and determine whether to vote in favor of or against that plan.”). Congress intended that such informed judgments would be needed to both negotiate the terms of, and vote on, a plan of reorganization. *Century Glove, Inc.*, 860 F.2d at 100.

13. “Adequate information” is a flexible standard, based on the facts and circumstances of each case. *See* 11 U.S.C. § 1125(a)(1) (“[A]dequate information means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor’s books and records.”) (emphasis added); *see also Oneida Motor Freight, Inc. v. United Jersey Bank*, 848 F.3d 414, 417 (3d Cir. 1988) (“From the legislative history of § 1125 we discern that adequate information will be determined by the facts and circumstances of each case.”).

14. The determination of whether the information provided is adequate pursuant to section 1125 of the Bankruptcy Code resides within the broad discretion of the bankruptcy court. *See, e.g., Texas Extrusion Corp. v. Lockheed Corp. (In re Texas Extrusion Corp.)*, 844 F.2d 1142, 1157 (5th Cir. 1988); *In re Lisanti Foods, Inc.*, 329 B.R. 491, 507 (Bankr. D.N.J. 2005) (indicating the determination should be made on a case-by-case basis and according to the discretion of the bankruptcy court.”).

15. Case law under section 1125 of the Bankruptcy Code has produced a list of topics that a court will look for in a proposed disclosure statement when evaluating the adequacy of the disclosures therein. Such topics include:

- a. the events precipitating the bankruptcy filing;
- b. available assets;
- c. the strategy and direction of the company;
- d. the sources of the information contained in the disclosure statement;
- e. the effects of the bankruptcy on the debtor’s operations;
- f. claims asserted against the debtor;
- g. projected returns to creditors under a chapter 7 liquidation;
- h. management of the debtor;
- i. the chapter 11 plan;
- j. factors informing creditors’ decisions regarding acceptance or rejection of the chapter 11 plan;
- k. risks posed to the creditors under the plan;
- l. previous and potential recovery of preferential or otherwise voidable transfers;
- m. litigation likely to arise in a nonbankruptcy context; and
- n. tax attributes of the debtor.

See In re U.S. Brass Corp., 194 B.R. 420, 424-25 (Bankr. E.D. Tex. 1996); *see also In re Scioto Valley Mortg. Co.*, 88 B.R. 168, 170-71 (Bankr. S.D. Ohio 1988) (listing the factors courts have considered in determining the adequacy of information provided in a disclosure statement). Disclosure regarding all topics is not necessary in every case. *See, e.g., In re U.S. Brass Corp.*, 194 B.R. at 424; *In re Phx. Petrol., Co.*, 278 B.R. at 393 (“[C]ertain categories of information which may be necessary in one case may be omitted in another; no one list of categories will apply in every case.”).

16. Here, the Disclosure Statement contains information useful for members of the Voting Classes to make an informed decision as to whether to accept or reject the Plan. Specifically, the Disclosure Statement includes the following sections:

- i. **Charming Charlie’s Business Operations and Capital Structure**: An overview of the Debtors’ business operations, organizational structure, and capital structure. *See* Disclosure Statement, at Art. VI;
- ii. **Events Leading to the Debtors’ Financial Difficulties**: An overview of the Debtors’ corporate history, response to market conditions, and out-of-court restructuring efforts in response to deteriorating economic conditions. *See* Disclosure Statement, at Art. VII;
- iii. **Anticipated Events of the Chapter 11 Cases**: An overview of the significant events that are expected to occur within these Chapter 11 Cases. *See* Disclosure Statement at Art. VIII;
- iv. **Confirmation of the Plan**: Confirmation procedures and statutory requirements for confirmation and consummation of the Plan. *See* Disclosure Statement at Art. XII;
- v. **Solicitation and Voting Procedures**: A description of the Solicitation Procedures (defined herein). *See* Disclosure Statement at Art. XI;
- vi. **Risk Factors**: Certain risks associated with the Debtors’ businesses, as well as certain risks associated with forward-looking statements and an overall disclaimer as to the information provided by and set forth in the Disclosure Statement. *See* Disclosure Statement at Art. X;
- vii. **Important Securities Law Disclosures**: A description of the applicability of section 1145 of the Bankruptcy Code. *See* Disclosure Statement at Art. XIII;

- viii. **Certain United States Federal Income Tax Consequences of the Plan**: A description of certain U.S. federal income tax law consequences of the Plan. *See* Disclosure Statement at Art. XIV; and
- ix. **Recommendation of the Debtors**: A recommendation by the Debtors that Holders of Claims in the Voting Classes should vote to accept the Plan. *See* Disclosure Statement at Art. XV.

17. Based on the foregoing, the Debtors submit that the Disclosure Statement satisfies all requirements of section 1125 of the Bankruptcy Code and addresses the information set forth above in a manner that provides adequate information to Holders of Claims entitled to vote to accept or reject the Plan.

B. The Disclosure Statement Provides Sufficient Notice of Injunction, Exculpation, and Release Provisions in the Plan.

18. Bankruptcy Rule 3016(c) requires that, if a plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code, the plan and disclosure statement must describe, in specific and conspicuous language, the acts to be enjoined, and the entities subject to the injunction. Fed. R. Bankr. P. 3016(c).

19. Article IX of the Plan and Article IV.O.2 of the Disclosure Statement describe in detail the entities subject to an injunction under the Plan and the acts that they are enjoined from pursuing. Further, the language appears in bold and all-caps, making it conspicuous to anyone who reads it. *See* Fed. R. Bankr. P. 3016(c) (“If a plan provides for an injunction . . . the plan and disclosure statement shall describe in specific and conspicuous language (bold, italics, or underline text) all acts to be enjoined and identify the entities that would be subject to the injunction.”). As provided in the Plan, the Disclosure Statement, and the relevant Ballots, the Holders of Claims or Interests in the Voting Classes have the option to opt-out of the Releases of Holders of Claims and Equity Interests specified in Article IX.C of the Plan. Accordingly, the

Debtors respectfully submit that the Disclosure Statement complies with Bankruptcy Rule 3016(c) by conspicuously describing the conduct and parties enjoined by the Plan.

III. Approval of the Disclosure Statement Hearing Notice.

20. Bankruptcy Rule 3017(a) requires that notice of the hearing to consider the proposed disclosure statement be provided to creditors and other parties in interest. *See* Fed. R. Bankr. P. 3017(a) (providing that after a disclosure statement is filed, it must be mailed with the notice of the hearing to consider the disclosure statement and any objections or modifications thereto on no less than 28 days' notice thereof); *see also* Fed. R. Bankr. P. 2002(b) (requiring not less than 28 days' notice by mail of the time for filing objections and the hearing to consider the approval of a disclosure statement). Additionally, Local Bankruptcy Rule 3017-1(a) provides that, upon the filing of a disclosure statement, the proponent of the plan shall obtain hearing and objection dates from the Court and shall provide notice of those dates in accordance with Bankruptcy Rule 3017. *See* Del. Bankr. L.R. 3017-1(a) (requiring setting the hearing date "at least thirty-five (35) days following . . . and the objection deadline . . . at least twenty-eight (28) days from service of the disclosure statement").

21. The Debtors will serve all known creditors with a copy of the Disclosure Statement Hearing Notice twenty-eight days before the deadline to object to the Disclosure Statement. The Disclosure Statement Hearing Notice identifies the following: (a) the date, time, and place of the Disclosure Statement Hearing; (b) the manner in which a copy of the Disclosure Statement (and exhibits thereto, including the Plan) can be obtained; and (c) the deadline and procedures for filing objections to the approval of the Disclosure Statement. Additionally, the Debtors will distribute copies of the Disclosure Statement to the list of all parties required to be notified under Rule 2002 of the Bankruptcy Rules and Rule 2002-1 of the Local Bankruptcy

Rules (the “2002 List”). Accordingly, the Debtors submit that the Disclosure Statement Hearing Notice should be approved.

IV. Approval of the Materials and Timeline for Soliciting Votes on the Plan.

A. Approval of the Voting Record Date, Solicitation Deadline, and Voting Deadline.

22. Bankruptcy Rule 3017(d) provides that, for the purposes of soliciting votes in connection with the confirmation of a plan, “creditors and equity security holders shall include holders of stocks, bonds, debentures, notes, and other securities of record on the date the order approving the disclosure statement is entered or another date fixed by the court, for cause, after notice and a hearing.” Fed. R. Bankr. P. 3017(d). Bankruptcy Rule 3018(a) contains a similar provision regarding determination of the record date for voting purposes. Fed. R. Bankr. P. 3018(a). Additionally, Local Bankruptcy Rule 3017-1(b) provides that “[t]he plan proponent shall timely file a motion to be heard at a disclosure statement hearing for approval of the voting procedures, including the form of ballots, the voting agent and the manner and time of voting.” Del. Bankr. L.R. 3017-1(b). Similarly, Bankruptcy Rule 3017(c) provides that before approving the disclosure statement, the Court must fix a time within which the holders of claims and interests may accept or reject a plan and may fix a date for the hearing on confirmation of a plan. *See* Fed. R. Bankr. P. 3017(c).

23. The Debtors request that the Court exercise its authority under Bankruptcy Rules 3017(d) and 3018(a) and Local Bankruptcy Rule 3017-1(c) to establish [February 13, 2018] as the Voting Record Date, which is the date for determining: (a) the Holders of Claims entitled to receive Solicitation Packages; (b) the Holders of Claims entitled to vote to accept or reject the Plan; and (c) whether Claims have been properly transferred to an assignee pursuant to Bankruptcy Rule 3001(e) such that the assignee can vote as the holder of such Claim.

24. Moreover, the Debtors propose that, with respect to any transferred Claim, the transferee shall be entitled to receive a Solicitation Package and, if the holder of such Claim is entitled to vote with respect to the Plan, cast a Ballot on account of such Claim *only if*: (a) all actions necessary to effectuate the transfer of the Claim pursuant to Bankruptcy Rule 3001(e) and Local Bankruptcy Rule 3001-1 have been completed by the Voting Record Date or (b) the transferee files by the Voting Record Date (i) the documentation required by Bankruptcy Rule 3001(e) to evidence the transfer and (ii) a sworn statement of the transferor supporting the validity of the transfer. If a Claim is transferred after the Voting Record Date, the transferee of such Claim shall be bound by any vote (and the consequences thereof) on the Plan, made by the holder of such Claim as of the Voting Record Date.

25. Upon Court approval of the Disclosure Statement as containing adequate information as required under section 1125 of the Bankruptcy Code, the Debtors propose to mail or cause to be mailed the Solicitation Packages on or before the Solicitation Deadline, [February 23, 2018].

26. The Debtors request that the Court require that all Holders of Claims entitled to vote on the Plan complete, execute, and return their Ballots so that their Ballots are **actually received** by the Solicitation Agent on or before the Voting Deadline, [March 23, 2018], at 4:00 p.m. (prevailing Eastern Time).

27. The foregoing timing and materials will afford Holders of Claims entitled to vote on the Plan at least 28 days within which to review and analyze such materials and subsequently make an informed decision as to whether to vote to accept or reject the Plan before the Voting Deadline consistent with the requirements of the applicable Bankruptcy Rules. *See* Fed. R. Bankr. P. 3017(d) (after approval of a disclosure statement, the debtor must transmit the plan, the

approved disclosure statement, a notice of the time within which acceptances and rejections of such plan may be filed and any other information that the court may direct to certain holders of claims). Accordingly, the Debtors request that the Court approve the form of, and the Debtors' proposed procedures for distributing, the Solicitation Packages to the Holders of Claims and Interests in the Voting Classes.

B. Approval of the Form of Ballots.

28. In accordance with Bankruptcy Rule 3018(c), the Debtors will have prepared and customized the Ballots. Based on Official Form No. 14, the Ballots will have been modified to (a) address the particular circumstances of the Chapter 11 Cases and (b) include certain additional information that is relevant and appropriate for Claims in certain of the Voting Classes. The Debtors respectfully submit that the forms of the Ballots to be attached to the Order will comply with Bankruptcy Rule 3018(c) and, therefore, should be approved.

C. Approval of the Form of Solicitation Packages and Manner of Their Distribution to Parties Entitled to Vote on the Plan.

29. Bankruptcy Rule 3017(d) specifies the materials to be distributed to holders of allowed claims and/or equity interests upon approval of a disclosure statement, including the court-approved plan and disclosure statement and notice of the time within which acceptances and rejections of the plan may be filed. Fed. R. Bankr. P. 3017(d).

30. In accordance with this requirement, the Debtors propose to send the solicitation materials and documents to be included in the solicitation packages listed below (each, a "Solicitation Package" and, collectively, the "Solicitation Packages") to provide Holders of Claims in the Voting Classes with the information they need to be able to make informed decisions with respect to acceptance or rejection of the Plan.

31. Specifically, on or before the Solicitation Deadline, the Debtors will cause the Solicitation Packages to be distributed by first-class U.S. mail to those Holders of Claims in the Voting Classes. Each Solicitation Package will include the following materials:

- i. the relevant Ballot, substantially in the form to be attached to the Order, as applicable, together with detailed voting instructions (as may be modified for particular Classes and with instructions attached thereto) and a pre-addressed, postage prepaid return envelope;
- ii. the letter to be sent by the Debtors to Holders of Claims entitled to vote on the Plan explaining the solicitation process and urging such parties to vote in favor of the Plan (the "Cover Letter"), substantially in the form to be attached to the Order;
- iii. the Disclosure Statement (and exhibits thereto, including the Plan);
- iv. the Order;
- v. the Confirmation Hearing Notice (defined below), substantially in the form to be attached to the Order; and
- vi. such other materials as the Court may direct.

The Debtors request that they be authorized to distribute the Plan, the Disclosure Statement, and the Order to Holders of Claims entitled to vote on the Plan in electronic format. The Ballots, the Cover Letter, and the Confirmation Hearing Notice will only be provided in paper format. Distribution in this manner will translate into significant monetary savings for the Debtors' estates (the Plan, the Disclosure Statement and exhibits thereto, and the Order will, collectively, total over 200 pages). Bankruptcy courts in this district have permitted debtors to transmit solicitation documents in electronic format in other large chapter 11 cases in the interest of saving printing and mailing costs. *See, e.g., In re Energy Future Holdings Corp.*, No 14-10979 (CSS) (Bankr. D. Del. Sept. 6, 2017) (authorizing the debtors to transmit solicitation documents in electronic format); *In re Aspect Software Parent, Inc.*, No. 16-10597 (MFW) (Bankr. D. Del. Apr. 26, 2016) (same); *In re Magnum Hunter Res. Corp.*, No. 15-

12533 (KG) (Bankr. D. Del. Feb. 26, 2016) (same); *In re Source Home Entm't, LLC*, No. 14-11553 (KG) (Bankr. D. Del. Jun. 23, 2014) (same); *In re GSE Envtl., Inc.*, No. 14-11126 (MFW) (Bankr. D. Del. June 13, 2014) (same).⁵

32. Additionally, the Debtors will provide (a) complete Solicitation Packages to the U.S. Trustee and (b) the Order (in electronic format) and the Confirmation Hearing Notice to all parties on the 2002 List as of the Voting Record Date. Any party that receives the material in electronic format but would prefer paper format may contact the Solicitation Agent and request paper copies of the corresponding materials previously received in electronic format (to be provided at the Debtors' expense). The Debtors will not mail Solicitation Packages or other solicitation materials to holders of Claims that have already been paid in full during these chapter 11 cases or that are authorized to be paid in full in the ordinary course of business pursuant to an order previously entered by this Court.

33. The proposed Confirmation Hearing Notice informs parties in interest that the Plan and Disclosure Statement, together with all exhibits thereto, may be obtained: (a) by visiting the Debtors' restructuring website at: <http://www.omnimgt.com/charmingcharlie> under the "Key Documents" section; (b) by telephoning the Debtors' Solicitation Agent at (844) 452-2141 (c) by emailing charmingcharlie@omnimgt.com; or (d) for a fee via the Court's website at <http://www.deb.uscourts.gov>. The proposed procedure for providing copies of the Plan and Disclosure Statement complies with the requirements of Bankruptcy Rule 3017(a) and Local Bankruptcy Rule 3017-1(c).

⁵ Because of the voluminous nature of the orders cited herein, such orders are not attached to the Motion. Copies of these orders are available upon request to the Debtors' counsel.

34. The Debtors respectfully request that the Solicitation Agent be authorized (to the extent not authorized by another order of the Court) to assist the Debtors in (a) distributing the Solicitation Package; (b) receiving, tabulating, and reporting on Ballots cast to accept or reject the Plan by Holders of Claims and Interests; (c) responding to inquiries from Holders of Claims and Interests and other parties in interest relating to the Disclosure Statement, the Plan, the Ballots, the Solicitation Packages, and all other related documents and matters related thereto, including the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan; (d) soliciting votes on the Plan; and (e) if necessary, contacting creditors regarding the Plan.

D. Approval of the Notice of Confirmation Hearing.

35. The Debtors will serve notice of the hearing to consider Confirmation of the Plan (the “Confirmation Hearing Notice”), to be attached to the Order, on all known Holders of Claims and Interests against the Debtors and the 2002 List (regardless of whether such parties are entitled to vote on the Plan) by the Solicitation Deadline, which will provide all parties in interest no less than 28 days’ notice of the Plan Objection Deadline (defined herein) and the Confirmation Hearing. The Confirmation Hearing Notice will include: (a) instructions as to how to view or obtain copies of the Disclosure Statement (including the Plan and the other exhibits thereto), the Order, and all other materials in the Solicitation Package (*excluding* Ballots) from the Solicitation Agent and/or the Court’s website via PACER; (b) notice of the Voting Deadline; (c) notice of the date by which the Debtors will file the Plan Supplement; (d) notice of the Plan Objection Deadline; and (e) notice of the Confirmation Hearing Date and information related thereto.

36. Bankruptcy Rule 2002(l) permits the Court to “order notice by publication if it finds that notice by mail is impracticable or that it is desirable to supplement the notice.” Fed. R. Bankr. P. 2002(l). Therefore, in addition to the foregoing distribution of the Confirmation Hearing Notice, the Debtors will publish the Confirmation Hearing Notice (in a format modified for publication) in: (a) the national edition of *The Wall Street Journal* and (b) on the Debtors’ restructuring website available at <http://www.omnimgt.com/charmingcharlie>, in each case no later than seven business days after the Solicitation Deadline (the “Publication Notice”). The Publication Notice will provide sufficient notice of, among other things, the entry of the Order, the Voting Deadline, the Plan Objection Deadline, and the Confirmation Hearing to parties who did not otherwise receive notice thereof by mail. Additionally, service and publication of the Confirmation Hearing Notice comports with the requirements of Bankruptcy Rule 2002 and should be approved.

E. Approval of the Plan Supplement Notice.

37. The Plan defines “Plan Supplement” to mean the compilation of documents and forms of documents, schedules, and exhibits to the Plan, in each case subject to the terms and provisions of the Plan Support Agreement (including any consent rights as to the form and substance of such documents set forth therein), to be filed on the Plan Supplement Filing Date, as amended, modified or supplemented from time to time in accordance with the terms hereof and in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Plan Support Agreement. *See* Plan at Art. I.A.

38. The Plan Supplement will include the following materials, among others, and as applicable, in connection with confirmation (each as defined in the Plan): (a) the New Organizational Documents; (b) the Assumed Executory Contract/Unexpired Lease List and the

Rejected Executory Contract/Unexpired Lease List; (c) a list of retained Causes of Action; (d) to the extent known, the identity of the members of the New Board; (e) the Plan Support Agreement; (f) the Exit ABL Documentation; (g) the Exit Term Loan Documentation; (h) the form of New Employment Agreements; and (i) any and all other documentation necessary to effectuate the Restructuring Transactions or that is contemplated by the Plan.

39. To ensure that all parties on the 2002 List receive notice of the Debtors' filing of the Plan Supplement, the Debtors propose to send the Plan Supplement Notice, in substantially the form to be attached to the Order, on the date the Debtors file the Plan Supplement, or as soon as practicable thereafter. Because of the voluminous nature of the Plan Supplement, the Debtors will not physically serve the Plan Supplement and its exhibits.

F. Approval of the Form of Notices to the Non-Voting Classes.

40. As discussed above, the Non-Voting Classes are not entitled to vote on the Plan. As a result, they will not receive Solicitation Packages and, instead, the Debtors propose that such parties receive an appropriate notice notifying such holder of its non-voting status (i.e., the Non-Voting Status Notice). Specifically, in lieu of solicitation materials, the Debtors propose to provide the following to Holders of Claims and Interests in Non-Voting Classes, as applicable:

- i. Unimpaired Claims – Conclusively Presumed to Accept: Holders of Claims in Classes 1 and 2 are Unimpaired under the Plan and, therefore, are conclusively presumed to have accepted the Plan. As such, holders of such Claims will receive a notice, in substantially the form to be attached to the Order, in lieu of a Solicitation Package.
- ii. Impaired Claims and Interests – Deemed to Reject: Holders of Claims and Interests in Classes 6, 7 and 8 are receiving no distribution under the Plan and, therefore, are deemed to reject the Plan and will receive a notice, in substantially the form to be attached to the Order, in lieu of a Solicitation Package.
- iii. Intercompany Claims and Intercompany Interests: The Debtors propose not to provide the Holders of certain Intercompany Claims and Intercompany

Interests (Classes 5 and 7, respectively) with a Solicitation Package or any other type of Notice. Because such Holders are conclusively deemed to have accepted or rejected the Plan pursuant to section 1126(f) or section 1126(g) of the Bankruptcy Code, respectively, such holders are not entitled to vote to accept or reject the Plan.

41. The Non-Voting Status Notices will describe, among other things: (a) instructions as to how to view or obtain copies of the Disclosure Statement (including the Plan and the other exhibits thereto), the Order, and all other materials in the Solicitation Package (*excluding* Ballots) from the Solicitation Agent and/or the Court's website via PACER; (b) a disclosure regarding the settlement, release, exculpation, and injunction language set forth in Article IX of the Plan; (c) notice of the Plan Objection Deadline; and (d) notice of the Confirmation Hearing Date and information related thereto.

42. The Debtors believe that the mailing of Non-Voting Status Notices in lieu of Solicitation Packages satisfies the requirements of Bankruptcy Rule 3017(d). Accordingly, unless the Court orders otherwise, the Debtors do not intend to distribute Solicitation Packages to holders of Claims and Interests in the Non-Voting Classes.

43. The Debtors further request that they not be required to mail Solicitation Packages or other solicitation materials to: (a) holders of Claims that have already been paid in full during these Chapter 11 Cases or (b) any party to whom the Disclosure Statement Hearing Notice was sent but was subsequently returned as undeliverable.

G. Approval of Notices to Contract and Lease Counterparties.

44. Article V.A. of the Plan provides that each of the Debtors' Executory Contracts and Unexpired Leases not previously assumed or rejected will be deemed assumed as of the Effective Date, unless such agreement: (a) identified on the Rejected Executory Contract/Unexpired Lease List (which shall be filed with the Bankruptcy Court on the Plan

Supplement Filing Date) as an Executory Contract or Unexpired Lease designated for rejection; (b) that is the subject of a separate motion or notice to reject (including a motion or notice pursuant to which the requested effective date of such rejection is after the Effective Date) filed by the Debtors, with the consent of the Requisite First Lien Lenders pursuant to the Plan Support Agreement, and pending as of the Confirmation Hearing; or (c) that previously expired or terminated pursuant to its own terms. *See* Plan at Art. V.A. Additionally, Article V.B of the Plan provides that the Debtors will provide for notices of proposed assumption and proposed amounts of Cure Costs to the applicable third parties listed on the Assumed Executory Contracts and Unexpired Lease List. *Id.*, at Art. V.B.

45. To ensure that counterparties to Executory Contracts and Unexpired Leases receive notice of assumption or rejection of their Executory Contract or Unexpired Lease (and any corresponding Cure Cost) pursuant to the Plan, the Debtors will mail a notice to such parties in substantially the form to be attached to the Order, as appropriate, within the time periods specified in the Plan.

H. Approval of the Solicitation Procedures.

46. Section 1126(c) of the Bankruptcy Code provides that:

A class of claims has accepted a plan if such plan has been accepted by creditors, other than any entity designated under section (e) of this section, that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors, other than any entity designed under subsection (e) of this section, that have accepted or rejected the plan.

11 U.S.C. § 1126(c). Additionally, Bankruptcy Rule 3018(c) provides, in part, that “[a]n acceptance or rejection [of a plan] shall be in writing, identify the plan or plans accepted or

rejected, be signed by the creditor or equity security holder or an authorized agent and conform to the appropriate Official Form.” Fed. R. Bankr. P. 3018(c).

47. Consistent with these requirements, the Debtors propose to use the Solicitation Procedures to be attached to the Order and as an exhibit to the Disclosure Statement to govern voting procedures and standard assumptions in tabulating Ballots. The Debtors respectfully request that the Court approve the Solicitation Procedures, which are consistent with section 1126(c) of the Bankruptcy Code and Bankruptcy Rule 3018(a). The deadline for parties to object to a proof of claim for voting purposes is seven days prior to the Voting Deadline, as shall be referenced in the Solicitation Procedures. The Debtors submit that they have shown good cause for the approval of the Solicitation Procedures set forth herein and, therefore, request that the Court approve the Solicitation Procedures.

I. The Court Should Approve the Confirmation Hearing Date.

48. Section 1128 of the Bankruptcy Code provides that a court shall hold a hearing on confirmation of a plan and provides that parties in interest can object to confirmation. 11 U.S.C. § 1128. Additionally, Bankruptcy Rule 3017(c) provides that, on or before approval of a disclosure statement, a court shall fix a time for the hearing on confirmation of a plan. Fed. R. Bankr. P. 3017(c). In accordance with Bankruptcy Rule 3017(c) and section 1128 of the Bankruptcy Code, the Debtors request that the Court establish a Confirmation Hearing Date that satisfies the milestones applicable to these chapter 11 cases. The Debtors further request that the Confirmation Hearing, once scheduled, may be continued from time to time by the Court or the Debtors without further notice to parties in interest other than such adjournment announced in open court and/or a notice of adjournment filed with the Court and served on the 2002 List.

V. Approval of Procedures for Filing Objections to the Plan.

49. Bankruptcy Rules 2002(b) and (d) require no less than 28 days' notice to all holders of claims of the time fixed for filing objections to the hearing on confirmation of a chapter 11 plan. To satisfy this requirement, and in light of the milestones applicable to these chapter 11 cases, the Debtors request that the Court establish [**March 23, 2018**] at **4:00 p.m.** (prevailing Eastern Time) as the Plan Objection Deadline—*i.e.*, the date by which objections to the Plan must be filed with the Court and served so as to be **actually received** by the appropriate notice parties.

50. The Debtors request that the Court direct the manner in which parties in interest may object to confirmation of the Plan. Pursuant to Bankruptcy Rule 3020(b)(1), objections to confirmation of a plan must be filed and served “within a time fixed by the court.” Fed. R. Bankr. P. 3020(b)(1). The Confirmation Hearing Notice will require that objections to confirmation of the Plan or requests for modifications to the Plan, if any, must:

- i. be in writing;
- ii. conform to the Bankruptcy Rules, the Local Bankruptcy Rules, and any orders of the Court;
- iii. state, with particularity, the legal and factual basis for the objection and, if practicable, a proposed modification to the Plan (or related materials) that would resolve such objection; and
- iv. be filed with the Court (contemporaneously with a proof of service) upon the notice parties so it is **actually received** on or before the Plan Objection Deadline.

51. The Debtors believe that the Plan Objection Deadline for filing and service of objections (and proposed modifications, if any) will afford the Court, the Debtors, and other parties in interest reasonable time to consider the objections and proposed modifications prior to the Confirmation Hearing.

Non-Substantive Modifications

52. The Debtors request authorization to make non-substantive changes to the Disclosure Statement, Disclosure Statement Hearing Notice, Plan, Confirmation Hearing Notice, Solicitation Procedures, Solicitation Packages, Non-Voting Status Notices, Ballots, Publication Notice, Notice of Assumption, Notice of Rejection, and any and all related documents without further order of the Court, including changes to correct typographical and grammatical errors, if any, and to make conforming changes to the Disclosure Statement, the Plan, and any other materials in the Solicitation Packages before distribution.

Notice

53. The Debtors will provide notice of this motion to: (a) the Office of the U.S. Trustee for the District of Delaware; (b) the holders of the 50 largest unsecured claims against the Debtors (on a consolidated basis); (c) proposed counsel to the Creditors' Committee, if known as of the date hereof; (d) the DIP ABL Agent and the Prepetition ABL Agent; (e) the DIP Term Loan Agent; (f) counsel to the Ad Hoc Group of Term Loan Lenders; (g) the United States Attorney's Office for the District of Delaware; (h) the Internal Revenue Service; (i) the United States Securities and Exchange Commission; (j) the state attorneys general for all states in which the Debtors conduct business; (k) counsel to certain majority equity holders for Debtor Charming Charlie Holdings Inc.; and (l) any party that requests service pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE, the Debtors respectfully request that the Court enter the Order, granting the relief requested in the Motion and granting such other and further relief as is appropriate under the circumstances.

Dated: December 22, 2017
Wilmington, Delaware

/s/ Michael W. Yurkewicz

Domenic E. Pacitti (DE Bar No. 3989)

Michael W. Yurkewicz (DE Bar No. 4165)

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-and -

Morton Branzburg (*pro hac vice* admission pending)

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Proposed Co-Counsel for the Debtors and Debtors in Possession

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

In re:)	
)	Chapter 11
)	
CHARMING CHARLIE HOLDINGS INC.,)	Case No. 17-12906 (CSS)
<i>et al.</i> , ¹)	
Debtors.)	(Jointly Administered)
)	
)	Objection Deadline: January 31, 2018 at 4:00 p.m.
)	Hearing Date: February 13, 2018 at 12:00 p.m.

**NOTICE OF MOTION OF DEBTORS FOR ENTRY OF
AN ORDER (A) APPROVING THE DISCLOSURE STATEMENT,
(B) ESTABLISHING THE VOTING RECORD DATE, VOTING DEADLINE,
AND OTHER DATES, (C) APPROVING PROCEDURES FOR SOLICITING,
RECEIVING AND TABULATING VOTES ON THE PLAN, AND (D) APPROVING
THE MANNER AND FORMS OF NOTICE AND OTHER RELATED DOCUMENTS**

PLEASE TAKE NOTICE that on December 22, 2017 the above-captioned debtors and debtors in possession (the “Debtors”) filed the *Motion of the Debtors For Entry of An Order (A) Approving The Disclosure Statement, (B) Establishing The Voting Record Date, Voting Deadline, And Other Dates, (C) Approving Procedures For Soliciting, Receiving, And Tabulating Votes On The Plan, And (D) Approving The Manner And Forms Of Notice And Other Related Documents* (the “Motion”) with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 (the “Court”).

PLEASE TAKE FURTHER NOTICE that any responses to the Motion must be in writing and filed with the Clerk of the Bankruptcy Court, 824 Market Street, Third Floor, Wilmington, Delaware 19801, and served upon the undersigned, so as to be received on or before **4:00 p.m., prevailing Eastern Time, on January 31, 2018.**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Charming Charlie Canada LLC (0693); Charming Charlie Holdings Inc. (6139); Charming Charlie International LLC (5887); Charming Charlie LLC (0263); Charming Charlie Manhattan LLC (7408); Charming Charlie USA, Inc. (3973); and Poseidon Partners CMS, Inc. (3302). The location of the Debtors’ service address is: 6001 Savoy Drive, Houston, Texas 77036.

PLEASE TAKE FURTHER NOTICE that at the same time, you must also serve a copy of the response or objection upon: (a) the Debtors, 6001 Savoy Drive, Houston Texas 77036, Attn: Melissa Boughton; (b) proposed counsel to the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Joshua A. Sussberg, P.C., Aparna Yenamandra, and Rebecca Blake Chaikin and Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn: James H.M. Sprayregen, P.C.; (c) proposed co-counsel to the Debtors, Klehr Harrison Harvey Branzburg LLP, 919 N. Market Street, Suite 1000, Wilmington, Delaware 19801, Attn: Domenic E. Pacitti and Michael Yurkewicz and Morton Branzburg, Klehr Harrison Harvey Branzburg LLP, 1835 Market Street, Suite 1400, Philadelphia, PA 19103; (d) the Office of the United States Trustee for the District of Delaware, Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Richard Schepacarter (e) proposed counsel to the official committee of unsecured creditors, Cooley LLP, 1114 Avenue of the Americas, New York, NY 10035, Attn: Cathy Herscopf, Seth Van Aalten, Ian Shapiro, and Michael Klein; (f) proposed co-counsel to the official committee of unsecured creditors, Benesch, Friedlander, Coplan & Aronoff LLP, 222 Delaware Ave., Wilmington, DE 19801, Attn: Kevin M. Capuzzi and Jennifer R. Hoover ; (g) counsel to the DIP ABL Agent and the Prepetition ABL Agent, Morgan, Lewis & Bockius LLP, One Federal St., Boston, Massachusetts 02110, Attn: Julia Frost-Davies and Amelia C. Joiner and Richards, Layton & Finger, P.A., 920 North King Street, Wilmington, Delaware 19801, Attn: Mark D. Collins and David T. Queroli; (h) counsel to the DIP Term Loan Agent, Covington & Burling LLP, 620 Eighth Avenue, New York, New York 10018, Attn: Ronald Hewitt and Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 Market Street, P.O. Box 1709, Wilmington, Delaware 19899, Attn: David Fournier; and (i) counsel to the Ad Hoc Group of Term Loan

Lenders, Paul, Weiss, Rifkind Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019, Attn: Jeff Saferstein, Adam Denhoff, and Sharad Thaper and Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Pauline K. Morgan and M. Blake Cleary.

PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF DEMANDED BY THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

PLEASE TAKE FURTHER NOTICE THAT IF AN OBJECTION IS PROPERLY FILED AND SERVED IN ACCORDANCE WITH THE ABOVE PROCEDURES, A HEARING WILL BE HELD ON FEBRUARY 13, 2018 AT 12:00 P.M. PREVAILING EASTERN TIME BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI, UNITED STATES BANKRUPTCY JUDGE FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, COURT ROOM #6, 5TH FLOOR, WILMINGTON, DELAWARE 19801. ONLY OBJECTIONS MADE IN WRITING AND TIMELY FILED WILL BE CONSIDERED BY THE BANKRUPTCY COURT AT SUCH HEARING.

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Dated: December 22, 2017
Wilmington, Delaware

/s/ Michael W. Yurkewicz

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Michael W. Yurkewicz (DE Bar No. 4165)
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