

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

In re:

BROOKSTONE HOLDINGS CORP., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 18-11780 (BLS)

(Jointly Administered)

Hearing Date: February 6, 2019 at 10:00 a.m. (ET)

Objection Deadline: January 30, 2019 at 4:00 p.m. (ET)

**JOINT MOTION OF THE DEBTORS AND THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS FOR ENTRY OF AN ORDER (I) APPROVING  
DISCLOSURE STATEMENT, (II) FIXING VOTING RECORD DATE,  
(III) SCHEDULING PLAN CONFIRMATION HEARING AND APPROVING FORM  
AND MANNER OF RELATED NOTICE AND OBJECTION PROCEDURES,  
(IV) APPROVING SOLICITATION PACKAGES AND PROCEDURES AND  
DEADLINES FOR SOLICITING, RECEIVING, AND TABULATING VOTES  
ON THE PLAN, AND (V) APPROVING THE FORM OF BALLOT  
AND NOTICE TO NON-VOTING CLASSES**

Brookstone Holdings Corp. and its affiliated debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) and the Official Committee of Unsecured Creditors appointed in these chapter 11 cases (the “Committee” and, together with the Debtors, the “Plan Proponents”) hereby submit this motion (this “Motion”) for entry of an order (the “Disclosure Statement Order”), substantially in the form attached hereto as Exhibit A, pursuant to sections 105, 1125, 1126, and 1128 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), Rules 2002, 3003(c)(3), 3017, 3018, and 3020 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 2002-1, 3017-1, and 9013-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States

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<sup>1</sup> The Debtors, along with the last four digits of each Debtor’s tax identification number, are: Brookstone Holdings Corp. (4638), Brookstone, Inc. (2895), Brookstone Company, Inc. (3478), Brookstone Retail Puerto Rico, Inc. (5552), Brookstone International Holdings, Inc. (8382), Brookstone Purchasing, Inc. (2514), Brookstone Stores, Inc. (2513), Big Blue Audio LLC (N/A), Brookstone Holdings, Inc. (2515); and, Brookstone Properties, Inc. (2517). The Debtors’ corporate headquarters and the mailing address for each Debtor is One Innovation Way, Merrimack, NH 03054.

Bankruptcy Court for the District of Delaware (the “Local Rules”): (i) approving the *Disclosure Statement for Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Brookstone Holdings Corp. et al., Submitted by the Debtors and the Official Committee of Unsecured Creditors as Co-Proponents*, dated as of January 2, 2019 (together with all exhibits thereto, and as it may be amended, modified or supplemented, the “Disclosure Statement”)<sup>2</sup> as containing adequate information within the meaning of section 1125 of the Bankruptcy Code, (ii) fixing a record date (the “Voting Record Date”) for voting on the *Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Brookstone Holdings Corp. et al., Submitted by the Debtors and the Official Committee of Unsecured Creditors as Co-Proponents*, dated as of January 2, 2019 (together with all exhibits thereto, including, without limitation, the Plan Supplement, and as it may be amended, modified or supplemented, the “Plan”),<sup>3</sup> (iii) scheduling a date for the hearing to consider confirmation of the Plan (the “Confirmation Hearing”) and approving the form and manner of the related notice and objection procedures for the Confirmation Hearing, (iv) approving the proposed contents of the solicitation packages (the “Solicitation Packages”) and establishing solicitation, voting, and tabulating procedures with respect to the Plan, and (v) approving the forms of ballot for the Voting Class (as defined below), substantially in the form annexed to the Disclosure Statement Order as Exhibit 2-A (the “Ballot”), the form of Voting Instructions annexed to the Disclosure Statement Order as Exhibit 2-B, and the form of notice to the Non-Voting Classes (as defined below), substantially in the form annexed to the Disclosure Statement Order as Exhibit 3 (the “Notice of Non-Voting Status”). In support of this Motion, the Plan Proponents respectfully represent as follows:

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<sup>2</sup> This Motion contains summaries of certain provisions of the Disclosure Statement and the Plan. To the extent there is any inconsistency between this Motion and the Disclosure Statement or the Plan, the Disclosure Statement and the Plan, as applicable, shall control.

<sup>3</sup> All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan.

## **JURISDICTION AND VENUE**

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334(b) and 157, and the Amended Standing Order of Reference from the United States District Court for the District of Delaware dated as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b), and pursuant to Local Rule 9013-1(f), the Plan Proponents consent to the 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. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief requested herein are sections 105(a), 1125, 1126 and 1128 of the Bankruptcy Code, Bankruptcy Rules 2002, 3003(c)(3), 3017, 3018 and 3020, and Local Rules 2002-1, 3017-1 and 9013-1.

## **BACKGROUND**

### **I. General Background**

3. On August 2, 2018, (the "Petition Date"), each of the Debtors commenced a voluntary case under chapter 11 of the Bankruptcy Code. Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors are continuing to manage their financial affairs as debtors in possession.

4. On August 3, 2018, the Court entered an order jointly administering these chapter 11 cases (the "Chapter 11 Cases") pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1.

5. On August 14, 2018, the U.S. Trustee for Region 3 appointed the Committee. No trustee or examiner has been appointed in the Chapter 11 Cases.

6. Information regarding the Debtors' history and business operations, capital structure and primary secured indebtedness, and the events leading up to the commencement of

the Chapter 11 Cases can be found in the *Declaration of Greg Tribou in Support of the Debtors' Chapter 11 Petitions and First Day Motions* [Docket No. 2].

## **II. Bar Dates**

7. On October 31, 2018, the Court entered the *Order (A) Establishing Deadlines for Filing Proofs of Claim and Procedures Relating Thereto and (B) Approving the Form and Manner of Notice Thereof* [Docket No. 653] (the "Bar Date Order") providing that, except as otherwise provided therein, all persons or entities that assert a claim, as defined in section 101(5) of the Bankruptcy Code, against the Debtors, including, without limitation, any claims arising under section 503(b)(9) of the Bankruptcy Code (each, a "503(b)(9) Claim"), secured claims, and priority claims, which arose on or prior to the Petition Date, shall file a proof of any such claim so that it is actually received on or before 5:00 p.m. (Eastern Time) on December 5, 2018 (the "General Bar Date") and all governmental units, as defined in section 101(27) of the Bankruptcy Code, shall file a proof of any such claim so that it is actually received on or before 5:00 p.m. (Eastern Time) on January 29, 2019 (the "Governmental Bar Date").

8. Additionally, pursuant to the Bar Date Order, except as otherwise provided by another order of the Court, any person or entity that holds a claim (each, a "Rejection Damages Claim") that arises from the rejection of an executory contract or unexpired lease must file a proof of claim based on such rejection on or before the later of (i) the General Bar Date or Governmental Bar Date (as applicable) or (ii) 5:00 p.m. (Eastern Time) on the first business day that is thirty-five (35) days following the entry of the order approving the rejection of the executory contract or unexpired lease pursuant to which the entity asserting the Rejection Damages Claim is a party.

### **III. Liquidation and Sale of Debtors' Assets**

9. Subsequent to the Petition Date, after conducting a thorough marketing process and an auction for their assets in accordance with certain bidding procedures approved by the Court [Docket No. 265], the Debtors sought approval of the sale (collectively, the "Sale Transactions") of (i) the Debtors' intellectual property and related assets to a designee of Bluestar Alliance LLC, (ii) certain of the Debtors' unexpired real property leases or concession agreements used to operate Brookstone airport stores, the Debtors' equity interests in certain non-Debtor joint venture subsidiaries, and certain inventory and related assets to Apex Digital Inc., and (c) the Debtors' headquarters building to a designee of Brady Sullivan Properties, LLC. The Court entered orders approving each of the Sale Transactions. *See* Docket Nos. 475 and 507.

10. Following the approval of the Sale Transactions, the Debtors are now in the process of winding down their operations and these Chapter 11 Cases in an orderly and efficient manner.

### **IV. Plan and Disclosure Statement**

11. Contemporaneously herewith, the Plan Proponents filed the Plan and Disclosure Statement. The Plan is a liquidating plan that provides for, among other things: (i) the creation of a liquidating trust that will administer and liquidate all Liquidating Trust Assets (i.e., all remaining assets of the Debtors' estates as of the Effective Date, less certain reserved amounts) in accordance with the Plan, (ii) the transfer of the Liquidating Trust Assets to the Liquidating Trust, (iii) the cancellation of all of the Debtors' existing equity interests, and (iv) the dissolution and wind-up of the Debtors' affairs.

12. The Plan further provides that, for purposes of voting and distribution in connection with the Plan, the Debtors will be substantively consolidated, meaning that all of the

Debtors' assets and liabilities will be deemed to be the assets and liabilities of a single entity. As a result, the votes to accept or reject the Plan by holders of Claims against a particular Debtor will be tabulated as votes to accept or reject the Plan for the substantively consolidated Debtors. Any Claim filed or to be filed against any Debtor, as to which two or more Debtors are co-liable as a legal or contractual matter, shall be deemed filed as a single Claim against, and a single obligation of, the Debtors.

13. The Plan also provides that holders of Allowed General Unsecured Claims will receive their Pro Rata share of the Liquidating Trust Interests. Claims that have priority status under the Bankruptcy Code or that are secured by valid liens on property in which the Debtors' estates have an interest (e.g., Administrative Claims, Professional Fee Claims, and Priority Tax Claims) are to be paid or otherwise satisfied in full, each as provided in the Plan.

14. Voting rights with respect to the Plan will flow from the classification of Claims and Interests and the Impaired or Unimpaired treatment of Claims and Interests within each Class as proposed in the Plan. As noted above, the Plan proposes to substantively consolidate the Debtors for purposes of voting and distribution in connection with the Plan. This means that all of the Debtors and all of the estates will be treated as if they were one Debtor and one estate:

<b>Class</b>	<b>Designation</b>	<b>Impairment</b>	<b>Entitled to Vote</b>
1	Other Priority Claims	Unimpaired	No
2	Other Secured Claims	Unimpaired	No
3	General Unsecured Claims	Impaired	Yes
4	Existing Equity Interests in the Brookstone Subsidiaries	Impaired	No
5	Existing Equity Interests in Brookstone Parent	Impaired	No

15. As shown above, the Plan presently provides for five different Classes of Claims and Interests.

16. Under the Plan, Claims in Class 3 (the “Voting Class”) are Impaired by, and entitled to receive a Distribution under, the Plan as and to the extent provided for in the Plan, and only the holders of Claims in this Class are entitled to vote to accept or reject the Plan.

17. Claims in Class 1 and Class 2 (together, the “Unimpaired Classes”) are Unimpaired by the Plan, and such holders are deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, are not entitled to vote on the Plan.

18. Interests in Class 4 and Class 5 (collectively with the Unimpaired Classes, the “Non-Voting Classes”) are Impaired and will not receive or retain any property under the Plan, and are therefore deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code and not entitled to vote on the Plan.

19. In addition, pursuant to section 1123(a)(1) of the Bankruptcy Code, the Plan designates three (3) categories of Claims that are entitled to receive Distributions under the Plan, but are not classified for purposes of voting to accept or reject the Plan. These categories of Claims are (i) Administrative Claims, (ii) Professional Fee Claims, and (iii) Priority Tax Claims.

**RELIEF REQUESTED**

20. The following table sets forth the proposed dates and deadlines in connection with Confirmation and the relief sought herein.

Date	Event
February 6, 2019	<ul style="list-style-type: none"> <li>• Disclosure Statement Hearing (10:00 a.m. (ET))</li> </ul>
February 6, 2019	<ul style="list-style-type: none"> <li>• Voting Record Date</li> </ul>
February 11, 2019	<ul style="list-style-type: none"> <li>• Service of Solicitation and Non-Voting Packages</li> </ul>
February 22, 2019	<ul style="list-style-type: none"> <li>• Voting Objection Deadline</li> </ul>
March 11, 2019	<ul style="list-style-type: none"> <li>• Voting Deadline (4:00 p.m. (ET))</li> <li>• Plan Objection Deadline (4:00 p.m. (ET))</li> </ul>
March 15, 2019	<ul style="list-style-type: none"> <li>• Memorandum of Law in Support of Confirmation and Reply to Plan Objections Deadline (4:00 p.m. (ET))</li> </ul>
March 20, 2019	<ul style="list-style-type: none"> <li>• Confirmation Hearing (10:00 a.m. (ET))</li> </ul>

### **BASIS FOR RELIEF**

#### **I. Approval of the Disclosure Statement**

21. Section 1125(b) of the Bankruptcy Code requires that, at the time of or before a debtor commences soliciting acceptances with respect to a chapter 11 plan, the debtor must provide holders of claims against and equity interests in such debtor with the plan and a written disclosure statement which has been approved by the court as containing “adequate information.” 11 U.S.C. § 1125(b). Section 1125(a) of the Bankruptcy Code defines “adequate information” as follows:

[I]nformation 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). Thus, a disclosure statement must, as a whole, provide information that is “reasonably practicable” to permit impaired creditors entitled to a vote on the plan to make an

“informed judgment” about the plan. See *Krystal Cadillac-Oldsmobile GMC Truck, Inc. v. GMC*, 337 F.3d 314, 321 (3d Cir. 2003); *Ryan Operations G.P. v. Santiam-Midwest Lumber Co.*, 81 F.3d 355, 362 (3d Cir. 1995).

22. The primary purpose of a disclosure statement is to provide creditors and interest holders affected by a proposed plan with all material information necessary to make an informed decision about whether to vote to accept or reject such plan. See, e.g., *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 Phoenix Petroleum Co.*, 278 B.R. 385, 392 (Bankr. E.D. Pa. 2001) (noting that “the 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”).

23. Courts will consider the particular facts and circumstances of each case in evaluating whether a disclosure statement provides “adequate information” within the meaning of section 1125 of the Bankruptcy Code. See, e.g., *Oneida Motor Freight, Inc. v. United Jersey Bank*, 848 F.2d 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.”); *First Am. Bank of New York v. Century Glove, Inc.*, 81 B.R. 274, 279 (D. Del. 1988) (noting that adequacy of disclosure for a particular debtor will be determined based on how much information is available from outside sources); S. Rep. No. 95-989, at 121 (1978), *reprinted in* 1978 U.S.C.C.A.N. 5787, 5907 (“[T]he information required will necessarily be governed by the circumstances of the case.”). Courts have broad discretion in making this determination. See, e.g., *In re Lower Bucks Hosp.*, 571 Fed. Appx. 139, 142 (3d Cir. 2014) (*quoting Tex. Extrusion*

*Corp. v. Lockheed Corp. (In re Tex. Extrusion Corp.)*, 844 F.2d 1142, 1157 (5th Cir. 1988) for the proposition that “the determination under 11 U.S.C. § 1125(a) ‘is subjective and made on a case by case basis [and] . . . is largely within the discretion of the bankruptcy court.’”); *In re PC Liquidation Corp.*, 383 B.R. 856, 865 (E.D.N.Y. 2008) (“The standard for disclosure is, thus, flexible and what constitutes ‘adequate disclosure’ in any particular situation is determined on a case-by-case basis, with the determination being largely within the discretion of the bankruptcy court.”); *In re River Village Assocs.*, 181 B.R. 795, 804 (E.D. Pa. 1995) (same). Because the information required to be disclosed in a disclosure statement varies according to the facts of each case, there is no mandatory list of requirements for adequacy. *See Phoenix Petroleum*, 278 B.R. at 393.

24. Nonetheless, in evaluating the adequacy of a disclosure statement, courts have considered factors such as (i) the events leading to the filing of a bankruptcy petition, (ii) a description of the available assets and their value, (iii) the anticipated future of the company, (iv) the source of information stated in the disclosure statement, (v) a disclaimer that typically indicates that no statements or information concerning the debtor or its assets or securities are authorized, other than those set forth in the disclosure statement, (vi) the present condition of the debtor while in chapter 11, (vii) claims asserted against the debtor, (viii) the estimated return to creditors under a chapter 7 liquidation, (ix) the accounting method utilized to produce financial information and the name of the accountants responsible for such information, (x) the future management of the debtor, (xi) the chapter 11 plan or a summary thereof, (xii) the estimated administrative expenses; (xiii) the collectability of any accounts receivable, (xiv) financial information, valuations, and projections relevant to the creditors’ decision to accept or reject the chapter 11 plan, (xv) information relevant to the risks posed to creditors under the plan, (xvi) the

actual or projected realizable value from recovery of preferential or otherwise voidable transfers, (xvii) litigation likely to arise in a non-bankruptcy context, (xviii) tax attributes of the debtor, and (xix) the relationship of the debtor with its affiliates. *See, e.g., In re U.S. Brass Corp.*, 194 B.R. 420, 424-25 (Bankr. E.D. Tex. 1996); *In re Scioto Valley Mortg. Co.*, 88 B.R. 168, 170-71 (Bankr. S.D. Ohio 1988); *In re Oxford Homes*, 204 B.R. 264 (Bankr. D. Me. 1997) (using a similar list of factors). A plan proponent need not include disclosure with respect to each of the above topics in every case. *Phoenix Petroleum*, 278 B.R. at 393 (using a similar list of factors but cautioning that “no one list of categories will apply in every case”).

25. The Disclosure Statement is extensive and comprehensive, and tailored to fit the facts of these Chapter 11 Cases. It contains descriptions and summaries of, among other things:

- a. the terms of the Plan;
- b. the businesses of the Debtors and the liquidation of any remaining assets of the Debtors;
- c. certain events preceding and leading to the commencement of these Chapter 11 Cases;
- d. significant events during these Chapter 11 Cases;
- e. claims asserted against the Debtors’ estates;
- f. a description of the Debtors’ remaining assets and their estimated value;
- g. risk factors affecting the Plan;
- h. solicitation and voting procedures with respect to the Plan;
- i. requirements for Confirmation; and
- j. certain federal tax law consequences of the Plan.

26. Based upon the foregoing, the Plan Proponents submit that the Disclosure Statement contains adequate information within the meaning of section 1125(a) of the Bankruptcy Code and, therefore, should be approved.

## **II. Setting the Voting Record Date**

27. Bankruptcy Rule 3017(d) provides that, for purposes of soliciting votes in connection with the confirmation of a chapter 11 plan, “creditors and equity security holders shall include holders of stock, 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.

28. In accordance with these rules, the Plan Proponents request that February 6, 2019 be the Voting Record Date for purposes of determining:

- (i) the Holders of Claims in the Voting Class, who will receive Solicitation Packages and are entitled to vote to accept or reject the Plan;
- (ii) the Holders of Claims and Interests in the Non-Voting Classes, who will receive a Notice of Non-Voting Status and are not entitled to vote to accept or reject the Plan;
- (iii) the amount of each Holder’s Claim for solicitation and voting purposes; and
- (iv) whether Claims have been properly and timely assigned or transferred to an assignee pursuant to Bankruptcy Rule 3001(e), such that the assignee (and not the original Claim holder) can vote to accept or reject the Plan as the Holder of a Claim.

29. The Plan Proponents request that with respect to any transferred Claim, the transferee shall be entitled to receive a Solicitation Package and (if applicable) cast a Ballot on account of such Claim only if all actions necessary to effectuate the transfer of the Claim pursuant to Bankruptcy Rule 3001(e) have been completed by the Voting Record Date. Pursuant to the Disclosure Statement Order, in the event a Claim is transferred after the Voting Record Date, the transferee of such Claim shall be bound by any vote on the Plan made by the holder of such Claim as of the Voting Record Date.

### **III. Setting the Confirmation Hearing and Establishing Notice and Objection Procedures for the Confirmation Hearing**

30. Bankruptcy Rule 3017(c) provides that “[o]n or before approval of the disclosure statement, the court . . . may fix a date for the hearing on confirmation.” Fed. R. Bankr. P. 3017(c).

31. In accordance with Bankruptcy Rule 3017(c), and in light of the proposed solicitation schedule outlined herein, the Plan Proponents propose that the Confirmation Hearing be scheduled for **March 20, 2019 at 10:00 a.m. (Eastern Time)**. The Plan Proponents also request that the Court order that the Confirmation Hearing may be continued by the Plan Proponents from time to time without further notice to Holders of Claims or Interests or other parties in interest other than the announcement of the adjourned date(s) at the Confirmation Hearing or any continued hearing or on the applicable hearing agenda or a notice filed with the Court.

32. Bankruptcy Rules 2002(b) and 2002(d) require not less than twenty-eight (28) days’ notice to all holders of claims and equity interests of the time fixed for filing objections to confirmation and the hearing to consider confirmation. 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). In addition, pursuant to Local Rule 9006-1(c), the deadline for objections shall be no later than seven (7) days before the hearing date. Del. Bankr. L.R. 9006-1.

33. In accordance with the Bankruptcy Rules, the Plan Proponents propose to provide all parties receiving a Solicitation Package or Notice of Non-Voting Status with notice of the Confirmation Hearing (the “Confirmation Hearing Notice”), substantially in the form of notice annexed to the proposed Disclosure Statement Order as Exhibit 1, setting forth information regarding (i) the Voting Deadline (as defined below), (ii) the time fixed for filing objections or

responses to Confirmation of the Plan (collectively, the “Plan Objections”), (iii) the time, date, and place for the Confirmation Hearing, and (iv) information on how to obtain a copy of the Plan. The Confirmation Hearing Notice will be sent to the appropriate parties in accordance with the Bankruptcy Rules and Local Rules on or before the Solicitation Date.

34. The proposed Confirmation Hearing Notice provides, and the Plan Proponents request that the Court direct, that any Plan Objections:

(i) be in writing;

(ii) state the name, address, and nature of the Claim or Interest of the objecting or responding party;

(iii) state with particularity the legal and factual basis and nature of any Plan Objection; and

(iv) be filed with the Court, and served so that Plan Objections are actually received, no later than **March 11, 2019 at 4:00 p.m. (Eastern Time)** (the “Plan Objection Deadline”) by the following parties:

(a) counsel to the Debtors, Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, NY 10166, Attn: Matthew J. Williams, Esq., Matthew K. Kelsey, Esq., Keith R. Martorana, Esq., and Jason Zachary Goldstein, Esq.;

(b) counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801, Attn: Michael R. Nestor, Esq., Sean M. Beach, Esq., and Andrew L. Magaziner, Esq.;

(c) counsel for the Committee, Cooley LLP, The Grace Building, 1114 Avenue of the Americas, New York, NY 10036-7798, Attn: Cathy Hershcopf, Esq. and Seth Van Aalten, Esq., and Bayard, P.A., 600 N. King Street, Suite 400, Wilmington, DE 19801, Attn: Justin Alberto, Esq.; and

(d) the Office of the United States Trustee for the District of Delaware, 855 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Linda Casey, Esq.

35. The proposed Confirmation Hearing Notice will provide known Holders of Claims and Interests with at least twenty-eight (28) days' notice of the Plan Objection Deadline, which is at least seven (7) days before the Confirmation Hearing, all in accordance with the Bankruptcy Rules and the Local Rules.

36. If Plan Objections are filed, providing sufficient time for the Debtors, the Committee and other parties in interest in these Chapter 11 Cases to respond in support of the Plan (or, if possible, resolve the Plan Objections) will assist the Court and may expedite the Confirmation Hearing. Under the Plan Proponents' proposed Confirmation schedule and pursuant to Local Rule 9006-1(d), replies to Plan Objections would be due by **4:00 p.m. (Eastern Time) on March 15, 2019**, which is the business day before the Confirmation Hearing agenda must be filed. *See* Del. Bankr. L.R. 9006-1(d), 9029-3(a). At or before that time, the Plan Proponents will also file their proposed Confirmation Order.

37. The Plan Proponents respectfully submit that the foregoing schedule and procedures are in the best interests of Holders of Claims and Interests and other parties in interest in these Chapter 11 Cases, as they provide due and sufficient notice of the anticipated timeline for Confirmation, and allow an adequate opportunity for affected parties to object and be heard.

#### **IV. Approval of Solicitation Packages and Solicitation Procedures**

##### ***A. Approval of Form of Solicitation Packages and Procedures for Distribution of Solicitation Packages***

38. Bankruptcy Rule 3017(d) sets forth materials that must be provided to creditors and equity security holders for the purposes of soliciting their votes and providing adequate notice of a hearing to confirm a plan of reorganization or liquidation. In accordance with the requirements of Bankruptcy Rule 3017(d), the Plan Proponents propose to transmit or cause to

be transmitted, by first class mail, to the Voting Class, by no later than the Solicitation Date, a Solicitation Package containing the following:

- the Disclosure Statement, including the Plan and all other Exhibits annexed thereto;
- the Disclosure Statement Order (excluding exhibits);
- the Confirmation Hearing Notice; and
- the voting instructions to be used in connection with voting to accept or to reject the Plan (the “Voting Instructions”).

39. The Plan Proponents request that the Debtors be authorized (but not required) to distribute the Disclosure Statement (together with all exhibits thereto, including the Plan) and the Disclosure Statement Order in CD or flash drive format in lieu of paper format. The Confirmation Hearing Notice and the Voting Instructions (for the Voting Class) will be provided in paper format. The Disclosure Statement alone, including the Plan and exhibits, totals well over 100 pages, and distribution in CD or flash drive format will preserve limited estate resources. Bankruptcy courts in this district have regularly permitted debtors to transmit solicitation documents in CD or flash drive format in the interest of saving printing and mailing costs.

40. Furthermore, consistent with sections 1126(f) and (g) of the Bankruptcy Code, the Plan Proponents propose to distribute, or cause to be distributed, by first-class mail, to all Holders of Claims and Interests in the Non-Voting Classes a package (the “Non-Voting Package”), which shall consist of the (a) Confirmation Hearing Notice and (b) Notice of Non-Voting Status.

41. Moreover, the Plan Proponents propose to mail, or cause to be mailed, a complete copy of the Solicitation Package, excluding the Voting Instructions, to the U.S. Trustee, governmental units having an interest in these Chapter 11 Cases, and those parties requesting

notice pursuant to Bankruptcy Rule 2002 that have not otherwise received a Solicitation Package pursuant to the procedures set forth herein.

42. The Plan Proponents will complete, or cause to be completed, the distribution of the appropriate Solicitation Packages and Non-Voting Packages to all Holders of Claims or Interests, as applicable, on or before February 11, 2019 (the “Solicitation Date”).

43. To avoid the waste of valuable time and resources mailing Solicitation Packages and Non-Voting Packages to Holders of Claims or Interests at addresses that are determined to be undeliverable, the Plan Proponents seek the Court’s approval for a departure from the strict notice rule requiring the Debtors to mail the Solicitation Packages and Non-Voting Packages to any Holders of Claims or Interests at addresses that are determined to be undeliverable.

***B. Establishment of the Voting Deadline***

44. Bankruptcy Rule 3017(c) provides that, on or before approval of the Disclosure Statement, the Court shall fix a time within which Holders of Claims may vote to accept or reject the Plan. The Plan Proponents respectfully request that the Court establish **March 11, 2019 at 4:00 p.m. (Eastern Time)** as the deadline by which all Ballots must be **actually received** by the Claims and Balloting Agent in order to be counted for Plan voting purposes (the “Voting Deadline”).

45. The proposed Voting Deadline is approximately thirty (30) days after the date of the anticipated entry of the Disclosure Statement Order, and twenty-eight (28) days after the Solicitation Date. The Plan Proponents believe that this solicitation period is sufficient to allow each Holder of a Claim in the Voting Class to make an informed decision to accept or reject the Plan. The Plan Proponents also request that they be permitted, in consultation with the Committee, to extend the Voting Deadline at any time before or after the Voting Deadline, on behalf of any individual voter or any voting Class, as the facts and circumstances may require.

*C. Approval of Procedures for Tabulating Acceptances and Rejections of the Plan*

46. The Plan Proponents propose that each Holder of a Claim in the Voting Class shall be entitled to vote the amount of its Claim as of the Voting Record Date. For purposes of voting and distribution in connection with the Plan, the Debtors will be substantively consolidated, meaning that all of the assets and liabilities of the Debtors will be deemed to be the assets and liabilities of a single Entity. Votes to accept or reject the Plan by Holders of Claims against a particular Debtor shall be tabulated as votes to accept or reject the Plan for the substantively-consolidated Debtors. Accordingly, solely for purposes of voting on the Plan, and not for the purpose of making distributions on account of a Claim, and without prejudice to the rights of the Debtors or any other proper party in interest in any other context, including Claims objections, with respect to all Holders of Claims in the Voting Class against the Debtors, the Plan Proponents propose that the amount of a Claim used to tabulate acceptance or rejection of the Plan should be as follows:

- a. The amount of the Claim listed in each of the applicable Debtor's Schedules; provided that (i) such Claim is not scheduled as contingent, unliquidated, undetermined or disputed or in the amount of \$0.00, (ii) no Proof of Claim has been timely filed by the applicable Bar Date (or otherwise deemed timely filed under applicable law), (iii) such Claim has not been satisfied by the Debtors, or (iv) such Claim has not been resolved pursuant to a stipulation or order entered by the Court.
- b. The undisputed, non-contingent and liquidated amount specified in a Proof of Claim against a particular Debtor or Debtors, timely filed with the Court or the Claims and Balloting Agent by the applicable Bar Date (or otherwise deemed timely filed by the Court under applicable law) to the extent such Proof of Claim has not been amended or superseded by another Proof of Claim and is not the subject of an objection filed by February 22, 2019 (the "Voting Objection Deadline") (or, if such Claim has been resolved pursuant to a stipulation or order entered by the Court, the amount set forth in such stipulation or order).
- c. If applicable, the amount temporarily allowed by the Court for voting purposes pursuant to Bankruptcy Rule 3018.

- d. Except as otherwise provided in subsection (c) hereof, a Ballot cast by an alleged Creditor who has timely filed a Proof of Claim in a wholly unliquidated, unknown or uncertain amount that is not the subject of a claim objection filed by the Voting Objection Deadline shall be counted in determining whether the numerosity requirement of section 1126(c) of the Bankruptcy Code has been met, and shall be ascribed a value of one dollar (\$1.00) for voting purposes only.
- e. Except as otherwise provided in subsection (c) hereof, with respect to a Ballot cast by an alleged Creditor who has timely filed a Proof of Claim, but the Claim is the subject of a claim objection filed by the Voting Objection Deadline, the Debtors request, in accordance with Bankruptcy Rule 3018(a), that the Ballot not be counted for voting purposes.
- f. Notwithstanding subsection (e) hereof and except as otherwise provided in subsection (c) hereof, if the Debtors have requested that a Claim be reclassified and/or allowed in a fixed, reduced amount pursuant to a claim objection to such Claim, the Ballot of the Holder of such Claim shall be counted in the reduced amount requested by the Debtors and/or in the requested category.
- g. Claims in the Voting Class as to which two or more Debtors are co-liable as a legal or contractual matter shall be deemed as a single Claim against, and a single obligation of, the substantively-consolidated Debtors.

47. If a creditor seeks to have its claim temporarily allowed for purposes of voting to accept or reject the Plan pursuant to Bankruptcy Rule 3018(a), the Plan Proponents request that such creditor be required to file a motion (the "Claims Estimation Motion") for such temporary allowance by the later of (i) the Voting Objection Deadline or (ii) 10 days after the filing of the applicable objection. In the event that a Claims Estimation Motion is filed, the Plan Proponents request that the Court allow the non-moving parties to file a response to such motion within 10 days of the filing of the applicable motion, and that a hearing, subject to the Court's availability, be scheduled to be held prior to the Confirmation Hearing.

48. The Plan Proponents further request that the following voting procedures and standard assumptions be used in tabulating the Ballots:

- a. For purposes of the numerosity requirement of section 1126(c) of the Bankruptcy Code, separate Claims held by a single Creditor against one Debtor or multiple Debtors in the same Voting Class will be aggregated as if such Creditor held a single Claim against the consolidated Debtors in the Voting Class, and the votes

related to those Claims shall be treated as a single vote on the Plan, *provided, however*, that separate Claims held as of the Petition Date by different but related or affiliated Entities shall not be deemed to be held by a single Creditor pursuant to this provision, and the votes related to such Claims shall be treated as separate votes on the Plan.

- b. For tabulation purposes, Claims held by a single Creditor against multiple Debtors in the same Voting Class based on guarantee(s) will not be aggregated and will be treated for voting purposes as a single Claim against the consolidated Debtors.
- c. Creditors with multiple Claims within the Voting Class must vote all such Claims to either accept or reject the Plan, and may not split their vote(s). Accordingly, an individual Ballot that partially rejects and partially accepts the Plan on account of multiple Claims within the Voting Class will not be counted.
- d. Each Creditor will be provided a single individual Ballot for all Claims held by such Creditor in the Voting Class against all applicable Debtors.
- e. In the event a Claim is transferred after the Voting Record Date, only the Holder of such Claim as of the Voting Record Date may execute and submit a Ballot to the Claims and Balloting Agent, the transferee of such Claim shall be bound by any such vote (and the consequences thereof) made by the Holder of such transferred Claim as of the Voting Record Date, and no “cause” will exist to permit any vote change under Bankruptcy Rule 3018(a).
- f. A Ballot will be deemed received by the Claims and Balloting Agent only when the Claims and Balloting Agent actually receives the original, executed Ballot by first class mail, personal delivery, or overnight courier.
- g. Except as otherwise provided in subsection (d) hereof, any party who has previously delivered a valid Ballot for the acceptance or rejection of the Plan may revoke such Ballot and change its vote by delivering to the Claims and Balloting Agent prior to the Voting Deadline a subsequent properly completed Ballot for acceptance or rejection of the Plan. In the case where multiple Ballots are received from the same Holder with respect to the same Claim prior to the Voting Deadline, the last timely received, properly executed Ballot will be deemed to reflect that voter’s intent and will supersede and revoke any prior Ballot.
- h. Notwithstanding subsection (f) hereof, if a Holder of a Claim casts multiple Ballots on account of the same Claim, which are received by the Claims and Balloting Agent on the same day and at the same time, but which are voted inconsistently, such Ballots shall not be counted.
- i. Except as otherwise provided in subsection (d) hereof, any party who has delivered a valid Ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Claims and Balloting Agent at any time prior to the Voting Deadline. To be valid, a notice of withdrawal must (i) contain the description of the Claims to

which it relates and the aggregate principal amount represented by such Claims, (ii) be signed by the withdrawing party in the same manner as the Ballot being withdrawn, (iii) contain a certification that the withdrawing party owns the Claims and possesses the right to withdraw the vote sought to be withdrawn, and (iv) be actually received by the Claims and Balloting Agent prior to the Voting Deadline. The Plan Proponents' right to contest the validity of any such withdrawals of Ballots is expressly reserved.

49. The following types of Ballots will not be counted in determining whether the Plan has been accepted or rejected:

- a. Any Ballot that fails to clearly indicate an acceptance or rejection, or that indicates both an acceptance and a rejection, of the Plan.
- b. Any Ballot received after the Voting Deadline, except by order of the Court or if the Debtors, in consultation with the Committee, have determined to accept such Ballot.
- c. Any Ballot containing a vote that the Court determines was not solicited or procured in good faith or in accordance with the applicable provisions of the Bankruptcy Code.
- d. Any Ballot that is illegible or contains insufficient information to permit the identification of the Claim Holder.
- e. Any Ballot cast by an Entity that does not hold a Claim in the Voting Class.
- f. Any unsigned Ballot or Ballot without an original signature.

50. The Debtors also reserve the right to reject any and all Ballots not in proper form, the acceptance of which would, in the opinion of the Debtors or their counsel, in consultation with the Committee, be unlawful. Further, the Debtors reserve the right, in consultation with the Committee, to allow for the cure of any defects or irregularities or conditions of delivery as to any particular Ballot. The interpretation of all balloting rules and procedures (including the Ballot and the respective instructions thereto) by the Claims and Balloting Agent and the Debtors, unless otherwise directed by the Court, will be final and binding on all parties. Any defects or irregularities in connection with deliveries of ballots must be cured within such time as the Debtors (or the Court) determine. Neither the Plan Proponents nor any other person will be

under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured. Ballots previously furnished (and as to which any irregularities have not theretofore been cured) will be invalidated.

51. Under the Plan, each Holder of a Claim in Class 3 that votes to reject the Plan may opt out of the releases set forth in Article VIII of the Plan, using the Release Opt-Out contained in the Class 3 Ballot. For the avoidance of doubt, under the Plan, each Holder of a Claim in Class 3 that (i) votes to accept the Plan, or (ii) votes to reject the Plan and does not timely submit a Release Opt-Out indicating such Holder's decision to not participate in the releases set forth in Article VIII of the Plan, will be deemed to have irrevocably and unequivocally consented to the Releases set forth in Article VIII of the Plan and to be a Releasing Party under the Plan.

52. The Claims and Balloting Agent will file a voting report (the "Voting Report"), verifying the results of its voting tabulations reflecting the votes cast to accept or reject the Plan. The Voting Report will, among other things, describe every Ballot received by the Claims and Balloting Agent that does not conform to the Voting Instructions or that contains any form of irregularity, including, but not limited to, those Ballots that are late, illegible (in whole or in material part), unidentifiable, lacking signatures, lacking necessary information, or damaged.

53. The Plan Proponents submit that the proposed tabulation rules and other related vote tabulation procedures set forth above will establish a fair and equitable voting process and, therefore, should be approved.

**V. Approval of Forms of Ballot and Notice of Non-Voting Status**

54. Bankruptcy Rule 3017(d) requires the Plan Proponents to mail a form of ballot to all “creditors and equity security holders entitled to vote on the plan.” Fed. R. Bankr. P. 3017(d). The Ballot is based on Official Form No. 14 but is modified to address the particular aspects of these Chapter 11 Cases and the Plan. The form of the proposed Ballot is annexed to the Disclosure Statement Order as Exhibit 2-A, and the form of Voting Instructions is attached thereto as Exhibit 2-B.

55. The Plan Proponents propose to distribute to Holders of Claims and Interests in the Non-Voting Classes a Notice of Non-Voting Status, substantially in the form annexed to the Disclosure Statement Order as Exhibit 3. The Notice of Non-Voting Status identifies each respective Class that will receive no distribution under the Plan, and sets forth (i) the manner in which holders of Claims or Interests in such Classes may obtain a copy of the Plan and Disclosure Statement, (ii) the deadline for filing objections to confirmation of the Plan, and (iii) the time and date set for the Confirmation Hearing.

**NOTICE**

56. The Debtors have provided notice of this Motion to: (a) Linda Casey, Esquire, Office of the United States Trustee, 844 N. King Street, Room 2207, Lockbox 35, Wilmington, DE 19801; (b) counsel to the Committee; (c) counsel to the DIP Administrative Agent and the Prepetition ABL Administrative Agent, Morgan Lewis & Bockius LLP, 101 Park Avenue, New York, NY 10178-0060, Attn.: Glenn E. Siegel and Christopher L. Carter, and Burr & Forman LLP, 1201 N. Market Street, Suite 1407, Wilmington, DE 19801, Attn.: J. Cory Falgowski; (d) counsel to Gordon Brothers Finance Company, in its capacity as (i) Term Agent under the Term Note dated June 3, 2015, and (ii) the DIP Term Agent, Choate, Hall & Stewart LLP, Two International Place, Boston, MA 02110, Attn.: Kevin J. Simard and Jonathan D. Marshall, and

Richards Layton & Finger, P.A., One Rodney Square, 920 North King St., Wilmington, DE 19801, Attn.: John H. Knight; (e) counsel to Wilmington Trust, National Association, in its capacity as Indenture Trustee under the Indenture dated as of July 7, 2014 pursuant to which the 10.0% Second Lien Subordinated Secured Notes Due 2021 were issued; (f) Sanpower (Hong Kong) Company Limited as Lender under fifteen separate secured notes; and (g) all parties that have filed a notice of appearance and request for service of papers pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

**CONCLUSION**

WHEREFORE, for the reasons set forth herein, the Plan Proponents respectfully request that the Court enter the Disclosure Statement Order, granting the relief sought herein and such other and further relief as it deems just and proper.

Dated: January 2, 2019  
Wilmington, Delaware

/s/ Andrew L. Magaziner  
YOUNG CONAWAY STARGATT &  
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Sean M. Beach (No. 4070)  
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/s/ Justin Alberto  
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-and-

- and -

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*Co-Counsel to the Official Committee of Unsecured Creditors of Brookstone Holdings Corp., et al.*

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

In re:

BROOKSTONE HOLDINGS CORP., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 18-11780 (BLS)

(Jointly Administered)

**Hearing Date: February 6, 2019 at 10:00 a.m. (ET)**

**Objection Deadline: January 30, 2019 at 4:00 p.m. (ET)**

**NOTICE OF MOTION**

TO: (A) LINDA CASEY, ESQUIRE, OFFICE OF THE UNITED STATES TRUSTEE, 844 N. KING STREET, ROOM 2207, LOCKBOX 35, WILMINGTON, DE 19801; (B) COUNSEL TO THE COMMITTEE; (C) COUNSEL TO THE DIP ADMINISTRATIVE AGENT AND THE PREPETITION ABL ADMINISTRATIVE AGENT, MORGAN LEWIS & BOCKIUS LLP, 101 PARK AVENUE, NEW YORK, NY 10178-0060, ATTN.: GLENN E. SIEGEL AND CHRISTOPHER L. CARTER, AND BURR & FORMAN LLP, 1201 N. MARKET STREET, SUITE 1407, WILMINGTON, DE 19801, ATTN.: J. CORY FALGOWSKI; (D) COUNSEL TO GORDON BROTHERS FINANCE COMPANY, IN ITS CAPACITY AS (I) TERM AGENT UNDER THE TERM NOTE DATED JUNE 3, 2015, AND (II) THE DIP TERM AGENT, CHOATE, HALL & STEWART LLP, TWO INTERNATIONAL PLACE, BOSTON, MA 02110, ATTN.: KEVIN J. SIMARD AND JONATHAN D. MARSHALL, AND RICHARDS LAYTON & FINGER, P.A., ONE RODNEY SQUARE, 920 NORTH KING ST., WILMINGTON, DE 19801, ATTN.: JOHN H. KNIGHT; (E) COUNSEL TO WILMINGTON TRUST, NATIONAL ASSOCIATION, IN ITS CAPACITY AS INDENTURE TRUSTEE UNDER THE INDENTURE DATED AS OF JULY 7, 2014 PURSUANT TO WHICH THE 10.0% SECOND LIEN SUBORDINATED SECURED NOTES DUE 2021 WERE ISSUED; (F) SANPOWER (HONG KONG) COMPANY LIMITED AS LENDER UNDER FIFTEEN SEPARATE SECURED NOTES; AND (G) ALL PARTIES THAT HAVE FILED A NOTICE OF APPEARANCE AND REQUEST FOR SERVICE OF PAPERS PURSUANT TO BANKRUPTCY RULE 2002

<sup>1</sup> The Debtors, along with the last four digits of each Debtor's tax identification number, are: Brookstone Holdings Corp. (4638), Brookstone, Inc. (2895), Brookstone Company, Inc. (3478), Brookstone Retail Puerto Rico, Inc. (5552), Brookstone International Holdings, Inc. (8382), Brookstone Purchasing, Inc. (2514), Brookstone Stores, Inc. (2513), Big Blue Audio LLC (N/A), Brookstone Holdings, Inc. (2515); and, Brookstone Properties, Inc. (2517). The Debtors' corporate headquarters and the mailing address for each Debtor is One Innovation Way, Merrimack, NH 03054.

**PLEASE TAKE NOTICE** that Brookstone Holdings Corp. and its affiliated debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) and the Official Committee of Unsecured Creditors appointed in these chapter 11 cases (the “Committee” and, together with the Debtors, the “Plan Proponents”) have filed the attached **Joint Motion of the Debtors and the Official Committee of Unsecured Creditors for Entry of an Order (I) Approving Disclosure Statement, (II) Fixing Voting Record Date, (III) Scheduling Plan Confirmation Hearing and Approving Form and Manner of Related Notice and Objection Procedures, (IV) Approving Solicitation Packages and Procedures and Deadlines for Soliciting, Receiving, and Tabulating Votes on the Plan, and (V) Approving the Form of Ballot and Notice to Non-Voting Classes** (the “Motion”).

**PLEASE TAKE FURTHER NOTICE** that any objections to the Motion must be filed on or before **January 30, 2019 at 4:00 p.m. (ET)** (the “Objection Deadline”) with the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 N. Market Street, Wilmington, Delaware 19801. At the same time, you must serve a copy of any objection upon the undersigned counsel to the Plan Proponents so as to be received on or before the Objection Deadline.

**PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE MOTION WILL BE HELD ON FEBRUARY 6, 2019 AT 10:00 A.M. (ET) BEFORE THE HONORABLE BRENDAN L. SHANNON AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 6TH FLOOR, COURTROOM NO. 1, WILMINGTON, DELAWARE 19801.**

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

*[Signature Page Follows]*

Dated: January 2, 2019  
Wilmington, Delaware

/s/ Andrew L. Magaziner

YOUNG CONAWAY STARGATT &  
TAYLOR, LLP

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/s/ Justin Alberto

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-and-

- and -

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*Co-Counsel to the Debtors and Debtors in  
Possession*

*Co-Counsel to the Official Committee of  
Unsecured Creditors of Brookstone Holdings  
Corp., et al.*

**EXHIBIT A**

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

In re:

BROOKSTONE HOLDINGS CORP., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 18-11780 (BLS)

(Jointly Administered)

Ref. Docket No. \_\_

**ORDER (I) APPROVING DISCLOSURE STATEMENT, (II) FIXING  
VOTING RECORD DATE, (III) SCHEDULING PLAN CONFIRMATION  
HEARING AND APPROVING FORM AND MANNER OF RELATED NOTICE  
AND OBJECTION PROCEDURES, (IV) APPROVING SOLICITATION PACKAGES  
AND PROCEDURES AND DEADLINES FOR SOLICITING, RECEIVING, AND  
TABULATING VOTES ON THE PLAN, AND (V) APPROVING THE FORM  
OF BALLOT AND NOTICE TO NON-VOTING CLASSES**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) and the Official Committee of Unsecured Creditors appointed in these chapter 11 cases (the “Committee” and, together with the Debtors, the “Plan Proponents”) for entry of an order, pursuant to sections 105, 1125, 1126, and 1128 of the Bankruptcy Code, Bankruptcy Rules 2002, 3003(c)(3), 3017, 3018, and 3020, and Local Rules 2002-1, 3017-1, and 9013-1, (i) approving *Disclosure Statement for Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Brookstone Holdings Corp. et al., Submitted by the Debtors and the Official Committee of Unsecured Creditors as Co-Proponents*, dated as of January 2, 2019 (together with all exhibits thereto, and as it may be amended, modified or supplemented, the “Disclosure Statement”) as containing adequate information within the

<sup>1</sup> The Debtors, along with the last four digits of each Debtor’s tax identification number, are: Brookstone Holdings Corp. (4638), Brookstone, Inc. (2895), Brookstone Company, Inc. (3478), Brookstone Retail Puerto Rico, Inc. (5552), Brookstone International Holdings, Inc. (8382), Brookstone Purchasing, Inc. (2514), Brookstone Stores, Inc. (2513), Big Blue Audio LLC (N/A), Brookstone Holdings, Inc. (2515); and, Brookstone Properties, Inc. (2517). The Debtors’ corporate headquarters and the mailing address for each Debtor is One Innovation Way, Merrimack, NH 03054.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

meaning of section 1125 of the Bankruptcy Code, (ii) fixing a record date (the “Voting Record Date”) for voting on the *Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Brookstone Holdings Corp. et al., Submitted by the Debtors and the Official Committee of Unsecured Creditors as Co-Proponents*, dated as of January 2, 2019 (together with all exhibits thereto, including, without limitation, the Plan Supplement, and as it may be amended, modified or supplemented, the “Plan”), (iii) scheduling a date for the hearing to consider confirmation of the Plan (the “Confirmation Hearing”) and approving the form and manner of the related notice and objection procedures for the Confirmation Hearing, (iv) approving the proposed contents of the solicitation packages (the “Solicitation Packages”) and establishing solicitation, voting, and tabulating procedures with respect to the Plan, and (v) approving the forms of ballot for the Voting Class, the form of Voting Instructions, and the form of notice to the Non-Voting Class; and upon consideration of the record of these Chapter 11 Cases; and it appearing that the Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 1334 and 157 and the Amended Standing Order; and it appearing that the Motion is a core matter pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and it appearing that venue of these Chapter 11 Cases and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that due and adequate notice of the Motion has been given, and that no other or further notice need be given; and it appearing that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and after due deliberation, and good and sufficient cause appearing therefor, it is hereby **ORDERED, ADJUDGED AND DECREED THAT:**

1. The Motion is GRANTED as set forth herein.

2. Any and all objections to approval of the Motion and Disclosure Statement, to the extent not previously resolved or withdrawn, are overruled in their entirety.

3. The Disclosure Statement contains adequate information as required by section 1125 of the Bankruptcy Code and is approved. The Debtors are authorized to distribute, or cause to be distributed, the Disclosure Statement and Solicitation Packages in order to solicit votes on, and pursue Confirmation of, the Plan. Prior to the Solicitation Date, the Debtors are authorized to make any correcting, conforming and finalizing changes to the Disclosure Statement or Plan.

4. The procedures set forth below for the solicitation and tabulation of votes to accept or reject the Plan provide for a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

5. The contents of the Solicitation Packages and Non-Voting Packages, as set forth herein, comply with Bankruptcy Rules 2002 and 3017, and constitute sufficient notice to all interested parties, including, without limitation, Holders of Claims against and Interests in the Debtors.

6. The notice of the Confirmation Hearing, substantially in the form attached hereto as Exhibit 1 (the “Confirmation Hearing Notice”), complies with the requirements of Bankruptcy Rules 2002(b), 2002(d), and 3017(d) and is approved.

7. The Ballot, substantially in the form attached hereto as Exhibit 2-A, is approved. The Voting Instructions, substantially in the form attached hereto as Exhibit 2-B, are approved.

8. The Notice of Non-Voting Status, substantially in the form attached hereto as Exhibit 3, is approved.

9. The Voting Record Date with respect to Holders of Claims shall be February 6, 2019. The Voting Record Date shall be used for purposes of determining: (i) the Holders of

Claims in the Voting Class, who will receive Solicitation Packages and are entitled to vote to accept or reject the Plan, (ii) the Holders of Claims and Interests in the Non-Voting Classes, who will receive a Notice of Non-Voting Status and are not entitled to vote to accept or reject the Plan, (iii) the amount of each Holder's Claim for solicitation and voting purposes, and (iv) whether Claims have been properly and timely assigned or transferred to an assignee pursuant to Bankruptcy Rule 3001(e) such that the assignee (and not the original Claim holder) can vote to accept or reject the Plan as the Holder of a Claim. With respect to any transferred Claim, the transferee shall be entitled to receive a Solicitation Package and (if applicable) cast a Ballot on account of such Claim only if all actions necessary to effectuate the transfer of the Claim pursuant to Bankruptcy Rule 3001(e) have been completed by the Voting Record Date. In the event a Claim is transferred after the Voting Record Date, the transferee of such Claim shall be bound by any vote on the Plan made by the holder of such Claim as of the Voting Record Date.

10. The Debtors are authorized to distribute, or cause to be distributed, by first-class mail, to each Holder of a Claim in the Voting Class as of the Voting Record Date a Solicitation Package containing the following:

- the Disclosure Statement, including the Plan and all other Exhibits annexed thereto;
- the Disclosure Statement Order (excluding exhibits);
- the Confirmation Hearing Notice; and
- the Voting Instructions.

11. The Debtors are authorized (but not required) to distribute, or cause to be distributed, the Disclosure Statement (together with all exhibits thereto, including the Plan) and the Disclosure Statement Order in CD or flash drive format in lieu of paper format.

12. The Debtors are authorized to distribute, or cause to be distributed, by first-class mail, to all Holders of Claims and Interests in the Non-Voting Classes a Non-Voting Package, consisting of the (a) Confirmation Hearing Notice and (b) Notice of Non-Voting Status.

13. To the extent that the U.S. Trustee, governmental units having an interest in these Chapter 11 Cases or those parties requesting notice pursuant to Bankruptcy Rule 2002 have not otherwise received a Solicitation Package, the Debtors are authorized to mail, or cause to be mailed, to such parties a complete copy of the Solicitation Package, excluding the Ballot and Voting Instructions.

14. The Debtors shall complete, or cause to be completed, the distribution of the appropriate Solicitation Packages and Non-Voting Packages to all Holders of Claims or Interests, as applicable, by February 11, 2019 (the "Solicitation Date").

15. The Debtors shall not be required to mail the Solicitation Packages and Non-Voting Packages to any Holders of Claims or Interests, as applicable, that have addresses that have previously been determined to be undeliverable.

16. The deadline by which all Ballots must be properly executed, completed, and actually received by the Claims and Balloting Agent shall be **March 11, 2019 at 4:00 p.m. (Eastern Time)** (the "Voting Deadline"); *provided, however*, that the Debtors are permitted, in consultation with the Committee, to extend the Voting Deadline at any time before or after the Voting Deadline, on behalf of any individual voter or any voting Class, as the facts and circumstances may require.

17. Ballots will only be accepted via paper Ballot and the Plan Proponents shall provide a pre-addressed, postage pre-paid return envelope for such Ballot, so that such party may

return its Ballot to the Claims and Balloting Agent by first class mail postage prepaid, personal delivery, or overnight courier.

18. No Ballots shall be accepted by e-mail or facsimile.

19. Each Holder of a Claim in the Voting Class shall be entitled to vote the amount of its Claim as of the Voting Record Date pursuant to the procedures set forth herein. For purposes of voting and distribution in connection with the Plan, the Debtors will be substantively consolidated, meaning that all of the assets and liabilities of the Debtors will be deemed to be the assets and liabilities of a single Entity. Votes to accept or reject the Plan by Holders of Claims against a particular Debtor shall be tabulated as votes to accept or reject the Plan for the substantively-consolidated Debtors. Solely for purposes of voting on the Plan, and not for the purpose of making distributions on account of a Claim, and without prejudice to the rights of the Debtors or any other proper party in interest in any other context, including objections to Claims, with respect to all Holders of Claims in the Voting Class against the Debtors, the amount of a Claim used to tabulate acceptance or rejection of the Plan shall be as follows:

- a. The amount of the Claim listed in each of the applicable Debtor's Schedules; provided that (i) such Claim is not scheduled as contingent, unliquidated, undetermined or disputed or in the amount of \$0.00, (ii) no Proof of Claim has been timely filed (or otherwise deemed timely filed under applicable law), (iii) such Claim has not been satisfied by the Debtors, or (iv) such Claim has not been resolved pursuant to a stipulation or order entered by the Court.
- b. The undisputed, non-contingent and liquidated amount specified in a Proof of Claim against a particular Debtor or Debtors timely filed with the Court or the Claims and Balloting Agent by the applicable claims Bar Date (or otherwise deemed timely filed by the Court under applicable law) to the extent such Proof of Claim has not been amended or superseded by another Proof of Claim and is not the subject of an objection filed by the Voting Objection Deadline (or, if such Claim has been resolved pursuant to a stipulation or order entered by the Court, the amount set forth in such stipulation or order).
- c. If applicable, the amount temporarily allowed by the Court for voting purposes pursuant to Bankruptcy Rule 3018.

- d. Except as otherwise provided in subsection (c) hereof, a Ballot cast by an alleged Creditor who has timely filed a Proof of Claim in a wholly unliquidated, unknown or uncertain amount that is not the subject of a claim objection filed by the Voting Objection Deadline shall be counted in determining whether the numerosity requirement of section 1126(c) of the Bankruptcy Code has been met, and shall be ascribed a value of one dollar (\$1.00) for voting purposes only.
  - e. Except as otherwise provided in subsection (c) hereof, with respect to a Ballot cast by an alleged Creditor who has timely filed a Proof of Claim, but the Claim is the subject of a claim objection filed by the Voting Objection Deadline, the Ballot will not be counted for voting purposes.
  - f. Notwithstanding subsection (e) hereof and except as otherwise provided in subsection (c) hereof, if the Debtors have requested that a Claim be reclassified and/or allowed in a fixed, reduced amount pursuant to a claim objection to such Claim, the Ballot of the Holder of such Claim shall be counted in the reduced amount requested by the Debtors and/or in the requested Class.
  - g. Claims in the Voting Class as to which two or more Debtors are co-liable as a legal or contractual matter shall be deemed as a single Claim against, and a single obligation of, the substantively-consolidated Debtors.
20. If a creditor seeks to have its claim temporarily allowed for purposes of voting to accept or reject the Plan pursuant to Bankruptcy Rule 3018(a), such creditor shall file a Claims Estimation Motion for such temporary allowance by the later of (i) the Voting Objection Deadline, or (ii) 10 days after the filing of the applicable objection. In the event that a Claims Estimation Motion is filed, the non-moving party shall file a response to such motion within 10 days of the filing of the applicable motion and, subject to the Bankruptcy Court's availability, a hearing shall be held prior to the Confirmation Hearing.
21. The following voting procedures and standard assumptions shall be used in tabulating the Ballots in the Voting Class:
- a. For purposes of the numerosity requirement of section 1126(c) of the Bankruptcy Code, separate Claims held by a single Creditor against one Debtor or multiple Debtors in the same Voting Class will be aggregated as if such Creditor held a single Claim against the consolidated Debtors in the Voting Class, and the votes related to those Claims shall be treated as a single vote on the Plan; *provided, however*, that separate Claims held as of the Petition Date by different but related or affiliated Entities shall not be deemed to be held by a single Creditor pursuant

to this provision, and the votes related to such Claims shall be treated as separate votes on the Plan.

- b. For tabulation purposes, Claims held by a single Creditor against multiple Debtors in the same Voting Class based on guarantee(s) will not be aggregated and will be treated for voting purposes as a single Claim against the consolidated Debtors.
- c. Creditors with multiple Claims within the Voting Class must vote all such Claims to either accept or reject the Plan, and may not split their vote(s). Accordingly, an individual Ballot that partially rejects and partially accepts the Plan on account of multiple Claims within the Voting Class will not be counted.
- d. Each Creditor will be provided a single individual Ballot for all Claims held by such Creditor in the Voting Class against all applicable Debtors.
- e. In the event a Claim is transferred after the Voting Record Date, only the Holder of such Claim as of the Voting Record Date may execute and submit a Ballot to the Claims and Balloting Agent, the transferee of such Claim shall be bound by any such vote (and the consequences thereof) made by the Holder of such transferred Claim as of the Voting Record Date, and no “cause” will exist to permit any vote change under Bankruptcy Rule 3018(a).
- f. A Ballot will be deemed received by the Claims and Balloting Agent only when the Voting actually receives the original, executed Ballot by first class mail, personal delivery, or overnight courier.
- g. Except as otherwise provided in subsection (d) hereof, any party who has previously delivered a valid Ballot for the acceptance or rejection of the Plan may revoke such Ballot and change its vote by delivering to the Claims and Balloting Agent prior to the Voting Deadline a subsequent properly completed Ballot for acceptance or rejection of the Plan. In the case where multiple Ballots are received from the same Holder with respect to the same Claim prior to the Voting Deadline, the last timely received, properly executed Ballot will be deemed to reflect that voter’s intent and will supersede and revoke any prior Ballot.
- h. Notwithstanding subsection (f) hereof, if a Holder of a Claim casts multiple Ballots on account of the same Claim, which are received by the Claims and Balloting Agent on the same day and at the same time, but which are voted inconsistently, such Ballots shall not be counted.
- i. Except as otherwise provided in subsection (d) hereof, any party who has delivered a valid Ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Claims and Balloting Agent at any time prior to the Voting Deadline. To be valid, a notice of withdrawal must (i) contain the description of the Claims to which it relates and the aggregate principal amount represented by such Claims, (ii) be signed by the withdrawing party in the same manner as the Ballot being withdrawn, (iii) contain a certification that the withdrawing party owns the Claims

and possesses the right to withdraw the vote sought to be withdrawn, and (iv) be actually received by the Claims and Balloting Agent prior to the Voting Deadline. The Plan Proponents' right to contest the validity of any such withdrawals of Ballots is expressly reserved.

22. The following types of Ballots will not be counted in determining whether the Plan has been accepted or rejected:

- a. Any Ballot that fails to clearly indicate an acceptance or rejection, or that indicates both an acceptance and a rejection, of the Plan.
- b. Any Ballot received after the Voting Deadline, except by order of the Court or if the Debtors, in consultation with the Committee, have determined to accept such Ballot.
- c. Any Ballot containing a vote that the Court determines was not solicited or procured in good faith or in accordance with the applicable provisions of the Bankruptcy Code.
- d. Any Ballot that is illegible or contains insufficient information to permit the identification of the Claim Holder.
- e. Any Ballot cast by an Entity that does not hold a Claim in the Voting Class.
- f. Any unsigned Ballot or Ballot without an original signature.

23. The Debtors are authorized to reject any and all Ballots not in proper form, the acceptance of which would, in the opinion of the Debtors or their counsel, in consultation with the Committee, be unlawful. The Debtors are further authorized, in consultation with the Committee, to permit for the cure of any defects or irregularities or conditions of delivery as to any particular Ballot. The interpretation of all balloting rules and procedures (including the Ballot and the respective instructions thereto) by the Claims and Balloting Agent and the Debtors, unless otherwise directed by the Court, will be final and binding on all parties. Any defects or irregularities in connection with deliveries of ballots must be cured within such time as the Debtors (or the Court) determine. Neither the Plan Proponents nor any other person will be under any duty to provide notification of defects or irregularities with respect to deliveries of

Ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Court, delivery of such Ballots will not be deemed to have been made and such Ballots will be invalid until such irregularities have been cured. Ballots previously furnished (and as to which any irregularities have not theretofore been cured) will be invalidated.

24. The Claims and Balloting Agent shall file its Voting Report, verifying the results of its voting tabulations reflecting the votes cast to accept or reject the Plan. The Voting Report will, among other things, describe every Ballot received by the Claims and Balloting Agent that does not conform to the Voting Instructions or that contains any form of irregularity, including, but not limited to, those Ballots that are late, illegible (in whole or in material part), unidentifiable, lacking signatures, lacking necessary information, or damaged.

25. The date and time for the Confirmation Hearing shall be **March 20, 2019 at 10:00 a.m. (Eastern Time)**. The Confirmation Hearing may be continued by the Plan Proponents from time to time without further notice to Holders of Claims or Interests or other parties in interest other than the announcement of the adjourned date(s) at the Confirmation Hearing or any continued hearing or on the applicable hearing agenda or a notice filed with the Court.

26. The deadline for filing and serving Plan Objections shall be **March 11, 2019 at 4:00 p.m. (Eastern Time)** (the "Plan Objection Deadline"). Plan Objections must:

- a. be in writing;
- b. state the name, address, and nature of the Claim or Interest of the objecting or responding party;
- c. state with particularity the legal and factual basis and nature of any Plan Objection; and
- d. be filed with the Court, and served so that the Plan Objections are actually received, by the Plan Objection Deadline by the following parties:

(i) counsel to the Debtors, Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, NY 10166, Attn: Matthew J. Williams, Esq., Matthew K. Kelsey, Esq., Keith R. Martorana, Esq., and Jason Zachary Goldstein, Esq.;

(ii) counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801, Attn: Michael R. Nestor, Esq., Sean M. Beach, Esq., and Andrew L. Magaziner, Esq.;

(iii) counsel for the Committee, Cooley LLP, The Grace Building, 1114 Avenue of the Americas, New York, NY 10036-7798, Attn: Cathy Hershcopf, Esq. and Seth Van Aalten, Esq., and Bayard, P.A., 600 N. King Street, Suite 400, Wilmington, DE 19801, Attn: Justin Alberto, Esq.; and

(iv) the Office of the United States Trustee for the District of Delaware, 855 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Linda Casey, Esq.

27. The Debtors, the Committee, or any other party supporting Confirmation are authorized to file a reply to any Plan Objections no later than **March 15, 2019 at 4:00 p.m. (Eastern Time)**. At or before that time, the Plan Proponents shall also file their proposed Confirmation Order.

28. Notification of the relief granted in this Order as provided for herein is fair and reasonable and is approved, and will provide good, sufficient, and proper notice to all creditors of the Plan, the Confirmation Hearing, the Plan Objection Deadline, and the Plan Proponents' request for Confirmation of the Plan.

29. The Plan Proponents are authorized to make non-substantive or immaterial changes to the Disclosure Statement and all related documents (including, without limitation, all exhibits thereto and all notices contemplated by this Order) without further order of the Court, including, without limitation, (i) making ministerial changes to correct typographical and grammatical errors, and making conforming changes among the Disclosure Statement, the Plan, the Ballots, the Voting Instructions, and any other materials in the Solicitation Packages prior to

mailing as may be appropriate, and (ii) altering the format of such documents to facilitate their prompt and economical distribution.

30. The Plan Proponents are authorized and empowered to take all actions necessary or appropriate to implement the relief granted in this Order.

31. The Court retains jurisdiction and power with respect to all matters arising from or related to the implementation or interpretation of this Order.

Dated:

February \_\_\_\_\_, 2019  
Wilmington, Delaware

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BRENDAN L. SHANNON  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Confirmation Hearing Notice**

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

In re:	)	
	)	Chapter 11
	)	
BROOKSTONE HOLDINGS CORP., <i>et al.</i> , <sup>1</sup>	)	Case No. 18-11780 (BLS)
	)	
Debtors.	)	(Jointly Administered)
	)	<b>Ref. Docket No. _____</b>

**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 the Disclosure Statement.** By order dated \_\_\_\_\_, 2019 (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 Brookstone Holdings Corp. and its affiliated debtors and debtors in possession (collectively, the “Debtors”), approved the *Disclosure Statement for Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Brookstone Holdings Corp., et al., Submitted by the Debtors and the Official Committee of Unsecured Creditors as Co-Proponents*, dated as of January 2, 2019 (together with all exhibits thereto, and as it may be amended, modified or supplemented, the “Disclosure Statement”) as containing adequate information within the meaning of section 1125 of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), and authorized the Debtors to solicit votes to accept or reject the *Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Brookstone Holdings Corp., et al., Submitted by the Debtors and the Official Committee of Unsecured Creditors as Co-Proponents*, dated as of January 2, 2019 (together with all exhibits thereto, including, without limitation, the Plan Supplement, and as it may be amended, modified or supplemented, the “Plan”),<sup>2</sup> annexed as Exhibit A to the Disclosure Statement.

2. **Deadline for Voting on the Plan.** By the Disclosure Statement Order, the Court established \_\_\_\_\_, **2019 at 4:00 p.m. (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, ballots must be properly executed, completed, and actually received by the Claims and Balloting Agent before the Voting Deadline. No ballots will be accepted by e-mail or facsimile. Holders of Unimpaired Claims under the Plan and Classes that are 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 Brendan L. Shannon, United States Bankruptcy Judge, on \_\_\_\_\_, **2019 at \_\_:00 .m. (Eastern Time)**, in Courtroom 1 of the United States Bankruptcy Court for the District of Delaware, 824 N. 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 by the Plan Proponents from time to time without further notice to

<sup>1</sup> The Debtors, along with the last four digits of each Debtor’s tax identification number, are: Brookstone Holdings Corp. (4638), Brookstone, Inc. (2895), Brookstone Company, Inc. (3478), Brookstone Retail Puerto Rico, Inc. (5552), Brookstone International Holdings, Inc. (8382), Brookstone Purchasing, Inc. (2514), Brookstone Stores, Inc. (2513), Big Blue Audio LLC (N/A), Brookstone Holdings, Inc. (2515), and Brookstone Properties, Inc. (2517). The Debtors’ corporate headquarters and the mailing address for each Debtor is One Innovation Way, Merrimack, NH 03054.

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

Holders of Claims or Interests or other parties in interest other than the announcement of the adjourned date(s) at the Confirmation Hearing or any continued hearing or on the applicable hearing agenda or a notice filed with the Court. 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.

**Deadline for Objections to Confirmation of the Plan.** Objections, if any, to confirmation of the Plan, must (a) be in writing; (b) state the name, address, and nature of the Claim or Interest of the objecting or responding 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. (Eastern Time) on \_\_\_\_\_, 2019:** (a) counsel to the Debtors, Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, New York 10166, Attn: Matthew K. Kelsey, Esq. and Keith R. Martorana, Esq., and Young Conaway Stargatt & Taylor LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 1980, Attn: Sean M. Beach, Esq. and Andrew L. Magaziner, Esq., (b) Linda Casey, Esquire, Office of the United States Trustee, 844 N. King Street, Room 2207, Lockbox 35, Wilmington DE, 19801; and (c) counsel to the Committee, Cooley LLP, 1114 Avenue of the Americas, New York, New York 10036, Attn: Cathy Hershcopf, Esq. and Seth Van Aalten, Esq., and Bayard, P.A., 600 N. King Street, Suite 400, Wilmington, Delaware 19801 Attn: Justin R. Alberto, Esq., so as to be **ACTUALLY RECEIVED** no later than \_\_\_\_\_, 2019, at 4:00 p.m. (Eastern Time).

**4. RELEASE, INJUNCTION AND EXCULPATION PROVISIONS CONTAINED IN THE PLAN. ARTICLE VIII 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 Article VIII.B.1 of the Plan (the “Releases”) bind the “Releasing Parties,” which the Plan defines as follows: (i) the Debtors, (ii) the Estates, (iii) 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, (iv) each Holder of a Claim deemed hereunder to have accepted the Plan (i.e., Holders of Claims in Unimpaired Classes of Claims under the Plan), and (v) all Holders of Claims in Class 3 that (a) vote to accept the Plan, or (b) vote to 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 Article VIII.B.1 of the Plan.*

*The Releases provide for, among other things, the following:*

*As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Releasing Parties will be deemed to release and forever waive and discharge the Released Parties from and against all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or part on any act, omission, transaction, event, or other occurrence taking place on or prior to the Effective Date (including prior to the Petition Date) in any way relating to the Debtors, the Chapter 11 Cases, the Plan, the Disclosure Statement, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, including, without limitation, the administration of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan, the Plan Supplement, the Disclosure Statement, or related agreements, instruments, or other documents, or any other act, omission, transaction, agreement, event, or other occurrence taking place before the Effective Date and that could have been asserted by or on behalf of the Debtors or their Estates at any time on or prior to the Effective Date against the Released Parties, except that the Debtors will not be deemed to release, waive, or discharge the Released Parties from and against any claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any post-Effective Date obligations of any party under the Plan, any document, instrument, or agreement (including those set forth in the*

*Plan Supplement) executed to implement the Plan, or any Executory Contract or Unexpired Lease assumed during the Chapter 11 Cases or under the Plan.*

*The Plan defines “Released Parties” as follows: “Each of the following in its respective capacity as such: (i) the Committee, (ii) the Debtors, and (iii) with respect to each of the Entities in clauses (i) and (ii), each such Entity’s current and former Affiliates and subsidiaries and each such Entity’s, Affiliate’s, and subsidiary’s respective current and former officers, directors, managers, principals, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; provided, however, that nothing in Article VIII of the Plan shall release or otherwise limit or impact the Affiliate Receivables of any Debtor against any Non-Debtor Affiliate; provided, further, however, that nothing in Article VIII of the Plan shall release or otherwise limit or impact the Pension Benefit Guaranty Corporation’s ability to assert claims against the non-Debtor members of the Debtors’ controlled group for unfunded benefit liabilities, missed minimum funding contributions, and unpaid insurance premiums related to the Debtors’ pension plan.”*

5. **Copies of Documents.** Copies of the Plan, the Disclosure Statement, and the Disclosure Statement Order are available for review by accessing <http://omnimgt.com/BKST>. In addition, copies of the Plan are available upon written request via first class mail to the Debtors’ Claims and Balloting Agent at the Brookstone Holdings Corp. *et al.* Balloting Center, c/o Omni Management Group, 5955 Desoto Ave, Suite 100, Woodland Hills, CA 91367.

Dated: February \_\_, 2019  
Wilmington, DE

/s/

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*Counsel to the Debtors and  
Debtors in Possession*

**Exhibit 2-A**

**Form of Class 3 Ballot**

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

In re:	)	
	)	Chapter 11
BROOKSTONE HOLDINGS CORP., <i>et al.</i> , <sup>1</sup>	)	Case No. 18-11780 (BLS)
	)	
Debtors.	)	(Jointly Administered)
	)	

**CLASS 3 GENERAL UNSECURED CLAIMS BALLOT FOR  
ACCEPTING OR REJECTING THE JOINT PLAN OF LIQUIDATION  
OF BROOKSTONE HOLDINGS CORP. AND ITS CHAPTER 11  
AFFILIATES AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

**TO BE COUNTED, YOUR VOTE MUST BE ACTUALLY RECEIVED BY  
OMNI MANAGEMENT GROUP BY \_\_\_\_\_, 2019 AT 4:00 P.M. (EASTERN TIME).**

This ballot (the “Ballot”) is being submitted to you by the above-captioned debtors and debtors in possession (collectively, the “Debtors”) to solicit your vote to accept or reject the *Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Brookstone Holdings Corp., et al., Submitted by the Debtors and the Official Committee of Unsecured Creditors as Co-Proponents*, dated as of January 2, 2019 (together with all exhibits thereto, including, without limitation, the Plan Supplement, and as it may be amended, modified or supplemented, the “Plan”)<sup>2</sup> submitted by the Debtors and the Official Committee of Unsecured Creditors appointed by the U.S. Trustee in the Chapter 11 Cases, which Plan is described in the related *Disclosure Statement for Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Brookstone Holdings Corp., et al., Submitted by the Debtors and the Official Committee of Unsecured Creditors as Co-Proponents*, dated as of January 2, 2019 (together with all exhibits thereto, and as it may be amended, modified or supplemented, the “Disclosure Statement”), that was approved by an order [Docket No. \_\_\_] of the United States Bankruptcy Court for the District of Delaware (the “Court”). The Disclosure Statement describes the Plan and provides information to assist you in deciding how to vote your Ballot. Court approval of the Disclosure Statement does not indicate Court approval of the Plan. If you do not have a Disclosure Statement or Plan, you may obtain a copy free of charge on the dedicated webpage of Omni Management Group (the “Claims and Balloting Agent”) at <http://omnimgt.com/BKST>. Copies of the Disclosure Statement and Plan are also available upon written request to the Claims and Balloting Agent at the Brookstone Holdings Corp. *et al.* Balloting Center, c/o Omni Management Group, 5955 Desoto Ave, Suite 100, Woodland Hills, CA 91367.

<sup>1</sup> The Debtors, along with the last four digits of each Debtor’s tax identification number, are: Brookstone Holdings Corp. (4638), Brookstone, Inc. (2895), Brookstone Company, Inc. (3478), Brookstone Retail Puerto Rico, Inc. (5552), Brookstone International Holdings, Inc. (8382), Brookstone Purchasing, Inc. (2514), Brookstone Stores, Inc. (2513), Big Blue Audio LLC (N/A), Brookstone Holdings, Inc. (2515), and Brookstone Properties, Inc. (2517). The Debtors’ corporate headquarters and the mailing address for each Debtor is One Innovation Way, Merrimack, NH 03054.

<sup>2</sup> All capitalized terms used but not otherwise defined herein have the meanings set forth in the Plan.

**IMPORTANT**

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan. Your Claim has been placed in Class 3 (General Unsecured Claims) under the Plan.

If your Ballot is not actually received by the Claims and Balloting Agent on or before \_\_\_\_\_, 2019 at 4:00 p.m. (Eastern Time) (the “Voting Deadline”), and such deadline is not extended by the Debtors, in consultation with the Committee, your vote will not count as either an acceptance or rejection of the Plan. If the Plan is confirmed by the Court it will be binding on you whether or not you vote.

**Paper Ballot.** To cast your vote by paper Ballot, please complete and execute this paper Ballot and return it using the first-class mail pre-addressed postage pre-paid return envelope provided with this Ballot or by submitting it by overnight courier or hand delivery to the following address:

**Brookstone Holdings Corp., et al. Balloting Center  
c/o Omni Management Group  
5955 DeSoto Ave, Suite 100  
Woodland Hills, CA 91367**

**No Ballots will be accepted by e-mail or facsimile.**

**ACCEPTANCE OR REJECTION OF THE PLAN**

**Item 1. Vote Amount.** For purposes of voting to accept or reject the Plan, as of \_\_\_\_\_, 2019 (the “Voting Record Date”), the undersigned (the “Claimant”) was a holder of a Class 3 General Unsecured Claim in the aggregate amount set forth below.

\$ \_\_\_\_\_

**Item 2. Vote on Plan. CHECK ONE BOX ONLY:**

- ACCEPTS (votes FOR) the Plan.**
- REJECTS (votes AGAINST) the Plan.**

**Item 3. Release Opt-Out Election (only for Holders of Class 3 General Unsecured Claims that vote to reject the Plan).**

By checking the box below, the undersigned Claimant that voted to reject the Plan, elects **NOT** to release the Released Parties as set forth in Article VIII.B.1 of the Plan.

**IF YOU VOTED IN ITEM 2 ABOVE TO REJECT THE PLAN, YOU WILL BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND FOREVER RELEASED AND DISCHARGED THE RELEASED PARTIES FROM ANY AND ALL CLAIMS AND CAUSES OF ACTION TO THE EXTENT PROVIDED IN THE PLAN IF YOU DO NOT CHECK THE BOX BELOW.**

**EXCEPT AS OTHERWISE PROVIDED IN SECTION VIII.B.1 OF THE PLAN, IF YOU VOTED IN ITEM 2 ABOVE TO ACCEPT THE PLAN, REGARDLESS OF WHETHER YOU CHECK**

**THE BOX BELOW, YOU WILL BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND FOREVER RELEASED AND DISCHARGED THE RELEASED PARTIES FROM ANY AND ALL CLAIMS AND CAUSES OF ACTION TO THE EXTENT PROVIDED IN THE PLAN.**

- The undersigned Claimant elects not to grant (i.e., OPTS OUT of) the releases set forth in Article VIII.B.1 of the Plan.

**IMPORTANT INFORMATION REGARDING THE RELEASES IN THE PLAN**

Following confirmation, subject to Article X of the Plan, the Plan will be substantially consummated on the Effective Date. Among other things, subject to the occurrence of the Effective Date, certain release, injunction, exculpation and discharge provisions set forth in Article VIII of the Plan will become effective. In determining how to cast your vote on the Plan, it is important to read the provisions contained in Article VIII of the Plan very carefully so that you understand how confirmation and substantial consummation of the Plan—which effectuates such provisions—will affect you and any Claim(s) you may hold against the Released Parties under the Plan.

*Specifically, the releases in Article VIII.B.1 of the Plan (the “Releases”) bind the “Releasing Parties,” which the Plan defines as follows: (i) the Debtors, (ii) the Estates, (iii) 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, (iv) each Holder of a Claim deemed hereunder to have accepted the Plan (i.e., Holders of Claims in Unimpaired Classes of Claims under the Plan), and (v) all Holders of Claims in Class 3 that (a) vote to accept the Plan, or (b) vote to 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 Article VIII.B.1 of the Plan.*

*The Releases provide for, among other things, the following:*

*As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Releasing Parties will be deemed to release and forever waive and discharge the Released Parties from and against all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or part on any act, omission, transaction, event, or other occurrence taking place on or prior to the Effective Date (including prior to the Petition Date) in any way relating to the Debtors, the Chapter 11 Cases, the Plan, the Disclosure Statement, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, including, without limitation, the administration of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan, the Plan Supplement, the Disclosure Statement, or related agreements, instruments, or other documents, or any other act, omission, transaction, agreement, event, or other occurrence taking place before the Effective Date and that could have been asserted by or on behalf of the Debtors or their Estates at any time on or prior to the Effective Date against the Released Parties, except that the Debtors will not be deemed to release, waive, or discharge the Released Parties from and against any claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any post-Effective Date obligations of any party under the Plan, any document, instrument, or agreement (including those set forth in the Plan*

*Supplement) executed to implement the Plan, or any Executory Contract or Unexpired Lease assumed during the Chapter 11 Cases or under the Plan.*

*The Plan defines “Released Parties” as follows: “Each of the following in its respective capacity as such: (i) the Committee, (ii) the Debtors, and (iii) with respect to each of the Entities in clauses (i) and (ii), each such Entity’s current and former Affiliates and subsidiaries and each such Entity’s, Affiliate’s, and subsidiary’s respective current and former officers, directors, managers, principals, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; provided, however, that nothing in Article VIII of the Plan shall release or otherwise limit or impact the Affiliate Receivables of any Debtor against any Non-Debtor Affiliate; provided, further, however, that nothing in Article VIII of the Plan shall release or otherwise limit or impact the Pension Benefit Guaranty Corporation’s ability to assert claims against the non-Debtor members of the Debtors’ controlled group for unfunded benefit liabilities, missed minimum funding contributions, and unpaid insurance premiums related to the Debtors’ pension plan.”*

**Item 4. Certification.** By signing this Ballot, the Claimant certifies that: (i) on the Voting Record Date, it was the Holder of the Class 3 General Unsecured Claim to which this Ballot pertains or an authorized signatory for such Holder, (ii) it has full power and authority to vote to accept or reject the Plan, execute, and cast the Ballot, and (iii) it has received a copy of the Disclosure Statement, the Plan, and other solicitation materials. The undersigned understands that an otherwise properly completed, executed and timely-casted Ballot that does not indicate either acceptance or rejection of the Plan or indicates both acceptance and rejection of the Plan will not be counted. The undersigned also certifies that its vote on the Plan is subject to all the terms and conditions set forth in the Plan and the Disclosure Statement.

Name of Claimant: \_\_\_\_\_

Signature: \_\_\_\_\_

Name (if different from Claimant): \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Dated: \_\_\_\_\_

**Please make sure you have provided all information requested in this Ballot. Please read and follow the instructions set forth in the attached Voting Instructions carefully. Please complete, sign and date this Ballot and cast it in the manner set forth herein so that it is actually received by the Claims and Balloting Agent by \_\_\_\_\_, 2019 at 4:00 p.m. (Eastern Time).**

**VOTING INSTRUCTIONS**

1. In order for your vote to count, you must:
  - (i) In the boxes provided in Item 2 of the Ballot, indicate either acceptance or rejection of the Plan by checking the appropriate box; and
  - (ii) Review and sign the certifications in Item 4 of the Ballot. Please be sure to sign and date your Ballot. Your signature is required in order for your vote to be counted. If you are completing the Ballot on behalf of an entity, indicate your relationship with such entity and the capacity in which you are signing. If the General Unsecured Claim is held by an entity, your Ballot must be executed in the name of an authorized signatory. In addition, please provide your name and mailing address if different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.
2. **To have your vote counted and for any elections made in this Ballot to be effective, you must complete, sign and cast this Ballot so that it is actually received by the Claims and Balloting Agent not later than 4:00 p.m. (Eastern Time) on \_\_\_\_\_, 2019.**
3. DO NOT SUBMIT YOUR BALLOT BY FAX OR EMAIL TRANSMISSION. A Ballot submitted by fax or email transmission will not be counted, unless approved by the Debtors in writing or otherwise ordered by the Court.
4. A Ballot that either indicates both acceptance and rejection of the Plan or fails to indicate either an acceptance or rejection of the Plan, will not be counted.
5. You must vote all your Claims within a single Class under the Plan either to accept or reject the Plan. A Ballot that partially rejects and partially accepts the Plan will not be counted.
6. If you cast more than one Ballot voting the same Claim prior to the Voting Deadline, the last properly executed Ballot timely received by the Claims and Balloting Agent will be deemed to reflect your intent and shall supersede and revoke any earlier received Ballot. If you cast multiple Ballots on account of the same Claim, which are received by the Claims and Balloting Agent on the same day, but which are voted inconsistently, such Ballots shall not be counted.
7. Any Ballot that is illegible or that contains insufficient information to permit the identification of the Claimant will not be counted.
8. This Ballot does not constitute, and shall not be deemed to be, a proof of claim against any of the Debtors or an assertion or admission of a Claim by any of the Debtors.
9. It is important that you vote. The Plan can be confirmed by the Court and thereby made binding on you if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of the Claims in each impaired Class who vote on the Plan and if the Plan otherwise satisfies the applicable requirements of section 1129(a) of the Bankruptcy Code. If the requisite acceptances are not obtained, the Court nonetheless may confirm the Plan if it finds that the Plan: (i) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes voting to reject the Plan and (ii) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. To confirm a plan over the objection of a dissenting Class, the Court also must find that at least one Impaired Class has accepted the plan, with such acceptance being determined without including the acceptance of any “insider” in such Class.

10. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS CONTAINED IN THE MATERIALS MAILED WITH THIS BALLOT OR OTHER SOLICITATION MATERIALS APPROVED BY THE COURT, INCLUDING, WITHOUT LIMITATION, THE DISCLOSURE STATEMENT.
11. PLEASE CAST YOUR BALLOT PROMPTLY.

IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT OR THESE VOTING INSTRUCTIONS, OR IF YOU NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE CLAIMS AND BALLOTING AGENT AT 844-378-2716

**Exhibit 2-B**

**Voting Instructions**

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

In re:	)	
	)	Chapter 11
BROOKSTONE HOLDINGS CORP., <i>et al.</i> , <sup>1</sup>	)	Case No. 18-11780 (BLS)
	)	
Debtors.	)	(Jointly Administered)
	)	

**VOTING INSTRUCTIONS FOR CLASS 3 GENERAL UNSECURED CLAIMS BALLOT FOR  
ACCEPTING OR REJECTING THE JOINT PLAN OF LIQUIDATION  
OF BROOKSTONE HOLDINGS CORP. AND ITS CHAPTER 11  
AFFILIATES AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

These voting instructions (these “Voting Instructions”) are being submitted to you by the above-captioned debtors and debtors in possession (collectively, the “Debtors”) to solicit your vote to accept or reject the *Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Brookstone Holdings Corp., et al., Submitted by the Debtors and the Official Committee of Unsecured Creditors as Co-Proponents* dated as of January 2, 2019 (together with all exhibits thereto, including, without limitation, the Plan Supplement, and as it may be amended, modified or supplemented, the “Plan”)<sup>2</sup> submitted by the Debtors and the Official Committee of Unsecured Creditors appointed by the U.S. Trustee in the Chapter 11 Cases, which Plan is described in the related *Disclosure Statement for Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Brookstone Holdings Corp., et al., Submitted by the Debtors and the Official Committee of Unsecured Creditors as Co-Proponents*, dated as of January 2, 2019 (together with all exhibits thereto, and as it may be amended, modified or supplemented, the “Disclosure Statement”), that was approved by an order [Docket No. \_] of the United States Bankruptcy Court for the District of Delaware (the “Court”). The Disclosure Statement describes the Plan and provides information to assist you in deciding how to vote your Ballot. Court approval of the Disclosure Statement does not indicate Court approval of the Plan. If you do not have a Disclosure Statement or Plan, you may obtain a copy free of charge on the dedicated webpage of Omni Management Group (the “Claims and Balloting Agent”) at <http://omnimgt.com/BKST>. Copies of the Disclosure Statement and Plan are also available upon written request to the Claims and Balloting Agent at the Brookstone Holdings Corp. *et al.* Balloting Center, c/o Omni Management Group, 5955 Desoto Ave, Suite 100, Woodland Hills, CA 91367.

<sup>1</sup> The Debtors, along with the last four digits of each Debtor’s tax identification number, are: Brookstone Holdings Corp. (4638), Brookstone, Inc. (2895), Brookstone Company, Inc. (3478), Brookstone Retail Puerto Rico, Inc. (5552), Brookstone International Holdings, Inc. (8382), Brookstone Purchasing, Inc. (2514), Brookstone Stores, Inc. (2513), Big Blue Audio LLC (N/A), Brookstone Holdings, Inc. (2515), and Brookstone Properties, Inc. (2517). The Debtors’ corporate headquarters and the mailing address for each Debtor is One Innovation Way, Merrimack, NH 03054.

<sup>2</sup> All capitalized terms used but not otherwise defined herein have the meanings set forth in the Plan.

**IMPORTANT**

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan. Your Claim has been placed in Class 3 (General Unsecured Claims) under the Plan.

If your Ballot is not actually received by the Claims and Balloting Agent on or before \_\_\_\_\_, 2019 at 4:00 p.m. (Eastern Time) (the “Voting Deadline”), and such deadline is not extended by the Debtors, in consultation with the Committee, your vote will not count as either an acceptance or rejection of the Plan. If the Plan is confirmed by the Court it will be binding on you whether or not you vote.

To cast your vote, please complete and execute this paper Ballot and return it using the first-class mail pre-addressed postage pre-paid return envelope provided with this Ballot or by submitting it by overnight courier or hand delivery to the following address:

**Brookstone Holdings Corp., et al. Balloting Center  
c/o Omni Management Group  
5955 DeSoto Ave, Suite 100  
Woodland Hills, CA 91367**

**No Ballots will be accepted by e-mail or facsimile.**

**IMPORTANT INFORMATION REGARDING THE RELEASES IN THE PLAN**

Following confirmation, subject to Article X of the Plan, the Plan will be substantially consummated on the Effective Date. Among other things, subject to the occurrence of the Effective Date, certain release, injunction, exculpation and discharge provisions set forth in Article VIII of the Plan will become effective. In determining how to cast your vote on the Plan, it is important to read the provisions contained in Article VIII of the Plan very carefully so that you understand how confirmation and substantial consummation of the Plan—which effectuates such provisions—will affect you and any Claim(s) you may hold against the Released Parties under the Plan.

*Specifically, the releases in Article VIII.B.1 of the Plan (the “Releases”) bind the “Releasing Parties,” which the Plan defines as follows: (i) the Debtors, (ii) the Estates, (iii) 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, (iv) each Holder of a Claim deemed hereunder to have accepted the Plan (i.e., Holders of Claims in Unimpaired Classes of Claims under the Plan), and (v) all Holders of Claims in Class 3 that (a) vote to accept the Plan, or (b) vote to 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 Article VIII.B.1 of the Plan.*

*The Releases provide for, among other things, the following:*

*As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Releasing Parties will be deemed to release and forever waive and discharge the Released Parties from and against all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or part on any act, omission, transaction, event, or other occurrence taking place on or prior to the Effective Date (including prior to the Petition Date) in any*

*way relating to the Debtors, the Chapter 11 Cases, the Plan, the Disclosure Statement, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, including, without limitation, the administration of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan, the Plan Supplement, the Disclosure Statement, or related agreements, instruments, or other documents, or any other act, omission, transaction, agreement, event, or other occurrence taking place before the Effective Date and that could have been asserted by or on behalf of the Debtors or their Estates at any time on or prior to the Effective Date against the Released Parties, except that the Debtors will not be deemed to release, waive, or discharge the Released Parties from and against any claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any post-Effective Date obligations of any party under the Plan, any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan, or any Executory Contract or Unexpired Lease assumed during the Chapter 11 Cases or under the Plan.*

*The Plan defines “Released Parties” as follows: “Each of the following in its respective capacity as such: (i) the Committee, (ii) the Debtors, and (iii) with respect to each of the Entities in clauses (i) and (ii), each such Entity’s current and former Affiliates and subsidiaries and each such Entity’s, Affiliate’s, and subsidiary’s respective current and former officers, directors, managers, principals, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; provided, however, that nothing in Article VIII of the Plan shall release or otherwise limit or impact the Affiliate Receivables of any Debtor against any Non-Debtor Affiliate; provided, further, however, that nothing in Article VIII of the Plan shall release or otherwise limit or impact the Pension Benefit Guaranty Corporation’s ability to assert claims against the non-Debtor members of the Debtors’ controlled group for unfunded benefit liabilities, missed minimum funding contributions, and unpaid insurance premiums related to the Debtors’ pension plan.”*

### VOTING INSTRUCTIONS

1. In order for your vote to count, you must:
  - (i) In the boxes provided in Item 2 of the Ballot, indicate either acceptance or rejection of the Plan by checking the appropriate box; and
  - (ii) Review and sign the certifications in Item 4 of the Ballot. Please be sure to sign and date your Ballot. Your signature is required in order for your vote to be counted. If you are completing the Ballot on behalf of an entity, indicate your relationship with such entity and the capacity in which you are signing. If the General Unsecured Claim is held by an entity, your Ballot must be executed in the name of an authorized signatory. In addition, please provide your name and mailing address if different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.
2. **To have your vote counted and for any elections made in this Ballot to be effective, you must complete, sign and cast this Ballot so that it is actually received by the Claims and Balloting Agent not later than 4:00 p.m. (Eastern Time) on \_\_\_\_\_, 2019.**

3. DO NOT SUBMIT YOUR BALLOT BY FAX OR EMAIL TRANSMISSION. A Ballot submitted by fax or email transmission will not be counted, unless approved by the Debtors in writing or otherwise ordered by the Court.
4. A Ballot that either indicates both acceptance and rejection of the Plan or fails to indicate either an acceptance or rejection of the Plan, will not be counted.
5. You must vote all your Claims within a single Class under the Plan either to accept or reject the Plan. A Ballot that partially rejects and partially accepts the Plan will not be counted.
6. If you cast more than one Ballot voting the same Claim prior to the Voting Deadline, the last properly executed Ballot timely received by the Claims and Balloting Agent will be deemed to reflect your intent and shall supersede and revoke any earlier received Ballot. If you cast multiple Ballots on account of the same Claim, which are received by the Claims and Balloting Agent on the same day, but which are voted inconsistently, such Ballots shall not be counted.
7. Any Ballot that is illegible or that contains insufficient information to permit the identification of the Claimant will not be counted.
8. This Ballot does not constitute, and shall not be deemed to be, a proof of claim against any of the Debtors or an assertion or admission of a Claim by any of the Debtors.
9. It is important that you vote. The Plan can be confirmed by the Court and thereby made binding on you if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of the Claims in each impaired Class who vote on the Plan and if the Plan otherwise satisfies the applicable requirements of section 1129(a) of the Bankruptcy Code. If the requisite acceptances are not obtained, the Court nonetheless may confirm the Plan if it finds that the Plan: (i) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes voting to reject the Plan and (ii) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. To confirm a plan over the objection of a dissenting Class, the Court also must find that at least one Impaired Class has accepted the plan, with such acceptance being determined without including the acceptance of any “insider” in such Class.
10. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS CONTAINED IN THE MATERIALS MAILED WITH THIS BALLOT OR OTHER SOLICITATION MATERIALS APPROVED BY THE COURT, INCLUDING, WITHOUT LIMITATION, THE DISCLOSURE STATEMENT.
11. PLEASE CAST YOUR BALLOT PROMPTLY.

IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT OR THESE VOTING INSTRUCTIONS, OR IF YOU NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE CLAIMS AND BALLOTING AGENT AT 844-378-2716

**Exhibit 3**

**Notice of Non-Voting Status**

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

In re:	)	
	)	Chapter 11
BROOKSTONE HOLDINGS CORP., <i>et al.</i> , <sup>1</sup>	)	Case No. 18-11780 (BLS)
	)	
Debtors.	)	(Jointly Administered)
	)	<b>Ref. Docket No. _____</b>

**NOTICE OF NON-VOTING STATUS TO HOLDERS OF  
CLASS 1, 2, 4, & 5 CLAIMS AND INTERESTS**

**PLEASE TAKE NOTICE THAT** the above-captioned debtors and debtors in possession (collectively, the “Debtors”) and the Official Committee of Unsecured Creditors appointed by the U.S. Trustee in the Debtors’ Chapter 11 Cases submitted the *Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Brookstone Holdings Corp., et al., Submitted by the Debtors and the Official Committee of Unsecured Creditors as Co-Proponents*, dated as of January 2, 2019 (together with all exhibits thereto, including, without limitation, the Plan Supplement, and as it may be amended, modified or supplemented, the “Plan”)<sup>2</sup> submitted by the Debtors and the Official Committee of Unsecured Creditors appointed by the U.S. Trustee in the Chapter 11 Cases, which Plan is described in the related *Disclosure Statement for Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Brookstone Holdings Corp., et al., Submitted by the Debtors and the Official Committee of Unsecured Creditors as Co-Proponents*, dated as of January 2, 2019 (together with all exhibits thereto, and as it may be amended, modified or supplemented, the “Disclosure Statement”), that was approved by an order [Docket No. \_\_\_\_] (the “Disclosure Statement Order”) of the United States Bankruptcy Court for the District of Delaware (the “Court”). The Disclosure Statement Order authorizes the Debtors to solicit votes to accept or reject the Plan from the Holders of Claims in the Voting Class that are entitled to receive Distributions under the Plan as provided for therein.

**YOU ARE OR MIGHT BE THE HOLDER OF CLAIMS AND/OR INTERESTS IN THE FOLLOWING CLASSES OF UNIMPAIRED CLAIMS OR IMPAIRED CLAIMS AND INTERESTS UNDER ARTICLE III OF THE PLAN THAT, IN EITHER CASE, ARE NOT ENTITLED TO VOTE ON THE PLAN:**

<b>Class</b>	<b>Description of Class</b>	<b>Treatment</b>
1	Other Priority Claims	Unimpaired; Deemed to Accept Plan
2	Other Secured Claims	Unimpaired; Deemed to Accept Plan
4	Existing Equity Interests in the Brookstone Subsidiaries	Impaired, Deemed to Reject Plan
5	Existing Equity Interests in Brookstone Parent	Impaired; Deemed to Reject Plan

**UNDER THE TERMS OF THE PLAN, HOLDERS OF CLAIMS AGAINST THE DEBTORS IN CLASSES 1 AND 2 ARE UNIMPAIRED UNDER THE PLAN AND, THEREFORE, PURSUANT TO BANKRUPTCY CODE SECTION 1126(f), ARE (I) PRESUMED TO HAVE ACCEPTED THE PLAN AND (II) NOT ENTITLED TO VOTE ON THE PLAN.**

<sup>1</sup> The Debtors, along with the last four digits of each Debtor’s tax identification number, are: Brookstone Holdings Corp. (4638), Brookstone, Inc. (2895), Brookstone Company, Inc. (3478), Brookstone Retail Puerto Rico, Inc. (5552), Brookstone International Holdings, Inc. (8382), Brookstone Purchasing, Inc. (2514), Brookstone Stores, Inc. (2513), Big Blue Audio LLC (N/A), Brookstone Holdings, Inc. (2515), and Brookstone Properties, Inc. (2517). The Debtors’ corporate headquarters and the mailing address for each Debtor is One Innovation Way, Merrimack, NH 03054.

<sup>2</sup> All capitalized terms used but not otherwise defined herein have the meanings set forth in the Plan.

**UNDER THE TERMS OF THE PLAN, HOLDERS OF INTERESTS IN CLASSES 4 AND 5 ARE IMPAIRED AND ARE NOT ENTITLED TO RECEIVE OR RETAIN ANY PROPERTY ON ACCOUNT OF THEIR INTERESTS IN THOSE CLASSES AND ARE, THEREFORE, PURSUANT TO BANKRUPTCY CODE SECTION 1126(g), (I) DEEMED TO HAVE REJECTED THE PLAN AND (II) NOT ENTITLED TO VOTE ON THE PLAN.**

**\*\*\*ARTICLE VIII 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, REGARDLESS OF WHETHER OF YOU ARE UNIMPAIRED OR IMPAIRED UNDER THE PLAN.\*\*\***

A hearing (the "Confirmation Hearing") will be held before the Honorable Brendan L. Shannon, United States Bankruptcy Judge, on \_\_\_\_\_, **2019 at 10:00 a.m. (Eastern Time)**, in Courtroom 1 of the United States Bankruptcy Court for the District of Delaware, 824 N. 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 by the Debtors from time to time without further notice to Holders of Claims or Interests or other parties in interest other than the announcement of the adjourned date(s) at the Confirmation Hearing or any continued hearing or on the applicable hearing agenda or a notice filed with the Court. 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.

Objections, if any, to confirmation of the Plan, must (a) be in writing; (b) state the name, address, and nature of the Claim or Interest of the objecting or responding 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. (Eastern Time) on \_\_\_\_\_, 2019**: (a) counsel to the Debtors, Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, New York 10166, Attn: Matthew K. Kelsey, Esq. and Keith R. Martorana, Esq., and Young Conaway Stargatt & Taylor LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 1980, Attn: Sean M. Beach, Esq. and Andrew L. Magaziner, Esq., (b) Linda Casey, Esquire, Office of the United States Trustee, 844 N. King Street, Room 2207, Lockbox 35, Wilmington DE, 19801; and (c) counsel to the Committee, Cooley LLP, 1114 Avenue of the Americas, New York, New York 10036, Attn: Cathy Hershcopf, Esq. and Seth Van Aalten, Esq., and Bayard, P.A., 600 N. King Street, Suite 400, Wilmington, Delaware 19801 Attn: Justin R. Alberto, Esq., so as to be **ACTUALLY RECEIVED** no later than \_\_\_\_\_, 2019, at 4:00 p.m. (Eastern Time).

If you do not have a Disclosure Statement or Plan, you may obtain a copy free of charge on the dedicated webpage of Omni Management Group (the "Claims and Balloting Agent") at <http://omnimgt.com/BKST>. Copies of the Disclosure Statement and Plan are also available upon written request to the Claims and Balloting Agent at the Brookstone Holdings Corp. *et al.* Balloting Center, c/o Omni Management Group, 5955 Desoto Ave, Suite 100, Woodland Hills, CA 91367.

Dated: February \_\_\_\_, 2019  
Wilmington, DE

/s/  
YOUNG CONAWAY STARGATT & TAYLOR, LLP  
Michael R. Nestor (No. 3526)  
Sean M. Beach (No. 4070)  
Andrew L. Magaziner (No. 5426)  
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-and-

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*Counsel to the Debtors and  
Debtors in Possession*