

HALPERIN BATTAGLIA BENZIJA LLP

Alan D. Halperin • Partner
ahalperin@halperinlaw.net

June 3, 2016

Re: **Reorganized School Specialty, Inc.**

To: **Holders of Allowed Claims in Class 5 (General Unsecured Claims) and Class 6 (Trade Unsecured Claims)**

I am the “Ombudsman” pursuant to the plan of reorganization (the “Plan”) that was approved in the bankruptcy cases of School Specialty, Inc. and its affiliates (the “Company”). As you may recall, the Plan was confirmed on May 23, 2013 and became effective on June 11, 2013, and **it is anticipated that Plan distributions will be made to holders of Allowed Class 5 and Allowed Class 6 Claims in mid-December of 2019.**

I am aware that in recent weeks, some of you have been contacted by companies that buy and sell bankruptcy claims. While I don’t know what has provoked this flurry of interest on the part of claims traders, I thought it worthwhile to post another update. (If you do decide to sell your claim, notice of the transfer of the claim should be sent to both me and to the Company.)

Since my last letter update, which was posted in July of 2015, the Company has filed a final decree with the Bankruptcy Court and the bankruptcy case has been closed. All claims have been finally determined, and the Company can no longer challenge the Allowed amount of your claim. In addition, the classification of your claim is now fixed, as we are well past the period for making a trade election. As stated in my letter of July 2015, the information provided to me by the Company shows that the final amounts of Allowed Claims in Classes 5 and 6 are:

- (i) Class 5 (General Unsecured Claims) entitled to 20% distribution: \$8,987,173.28;
- (ii) Class 6 (Trade Claims) entitled to 20% distribution (no trade election or no agreement re trade terms): \$8,701,382.15; and
- (iii) Class 6 (Trade Claims) entitled to 45% distribution (trade election and agreement re trade terms): \$25,792,079.74.

Allowed Claims in (i) and (ii) above are entitled to interest from the effective date of the Plan through the distribution date, with interest on the distribution at 5% per year, accruing quarterly. Allowed Claims in (iii) above are entitled to interest on the same terms, but at the rate of 10% per year.

Additional information, including links to recent SEC filings by the Company, is available on this website—kcellc.net/SSIombudsman. Please feel free to contact my office with any questions.

Sincerely,

Alan D. Halperin

Alan D. Halperin, Ombudsman