Docket #0840 Date Filed: 4/19/2013

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: SCHOOL SPECIALTY, INC., *et al*.,[1] Debtors.	Chapter 11 Case No. 13-10125 (KJC) Jointly Administered **Re: Docket Nos. 586, 838 & 839**

NOTICE OF DEBTORS' INTENT TO TERMINATE SALE PROCESS

PLEASE TAKE NOTICE that on March 18, 2013, the United States Bankruptcy Court for the District of Delaware (the "Court") entered a *Final Order Under 11 U.S.C. §§ 105(a), 363 and 365, and Fed. R. Bankr. P. 2002, 6004, 6006 and 9014: (I) Scheduling Hearing on Approval of Asset Sale, Assumption and Assignment of Executory Contracts and Assumption of Certain Liabilities, and (II) Approving Bidding Procedures, Assumption and Assignment Procedures, Expense Reimbursement, and Form and Manner of Notice Thereof* [Docket No. 586] ("Final Bidding Procedures Order").

PLEASE TAKE FURTHER NOTICE that, on April 19, 2013, the Debtors filed the *Notice of Filing of Blackline Versions of Plan and Disclosure Statement* [Docket No. 838] (the "Blackline Notice") reflecting certain modifications to the Debtors' Joint Plan Under Chapter 11 of the Bankruptcy Code (the "Plan," as amended) and related disclosure statement (the "Disclosure Statement," as amended). A hearing to consider the adequacy of the information contained in the Disclosure Statement is scheduled to take place on April 22, 2013 at 10:00 a.m. (prevailing Eastern Time) (the "Disclosure Statement Hearing"). The Debtors intend

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number and state of incorporation, are: School Specialty, Inc. (Wisc.; 1239), Bird-In-Hand Woodworks, Inc. (N.J.; 8811), Califone International, Inc. (Del.; 3578), Childcraft Education Corp. (N.Y.; 9818), ClassroomDirect.com, LLC (Del.; 2425), Delta Education, LLC (Del.; 8764), Frey Scientific, Inc. (Del.; 3771), Premier Agendas, Inc. (Wash.; 1380), Sax Arts & Crafts, Inc. (Del.; 6436), and Sportime, LLC (Del.; 6939). The address of the Debtors' corporate headquarters is W6316 Design Drive, Greenville, Wisconsin 54942.

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to commence soliciting votes to accept or reject the Plan promptly following the Disclosure Statement Hearing.

PLEASE TAKE FURTHER NOTICE that, as set forth in the Plan and Disclosure Statement, as amended and annexed to the Blackline Notice, the Debtors have determined, in consultation with their key stakeholders, to reorganize as a going concern and cease all efforts to consummate a Sale during these Chapter 11 Cases. Accordingly, the Debtors hereby give notice that, pursuant to section 12 of the Bidding Procedures (as defined in the Bidding Procedures Order), the Debtors have terminated the Sale process.

PLEASE TAKE FURTHER NOTICE that the Debtors intend to provide counterparties to executory contracts and unexpired leases (the "Contracts and Leases") with notice of the Debtors' intention to assume or reject such Contracts and Leases, inclusive of proposed cure amounts related thereto, as applicable, as part of the process through which the Debtors propose to solicit the Plan, as amended, pursuant to the solicitation procedures set forth in the *Notice of Filing of Revised Proposed Order Approving Disclosure Statement and Solicitation and Related Procedures* [Docket No. 839].

Dated: April 19, 2013
Wilmington, Delaware

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/s/ Morgan L. Seward

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