IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
	)	Case No.: 13-10125 (KJC)
SCHOOL SPECIALTY, INC. et al., [1]	)	Jointly Administered
	)	**Rel Dkt. Nos. 862, 864**
Debtors.	)	**Hearing Date: 5/20/2013 1:30 PM**
	)	**Objection Deadline: 5/20/2013 4::00 PM (ET)** [2]

MID VALLEY PACKAGING & SUPPLY CO.'S CONDITIONAL NON-OBJECTION TO CONFIRMATION OF DEBTORS' AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

Gahvejian Enterprises, Inc. d/b/a/ Mid Valley Packaging & Supply Co. ("Mid Valley Packaging") respectfully files this conditional non-objection to confirmation of the *Debtors' Amended Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* (the "Plan") as follows:

PREFATORY SUMMARY

1. This conditional non-objection is filed as a prophylactic measure to ensure that the Plan does not tacitly effect, or purport to effect, any sort of "taking" by the Debtors of, or any other diminution of Mid Valley Packaging's rights to, certain equipment which was loaned to Debtor School Specialty, Inc. ("SSI") by Mid Valley Packaging.

2. In lieu of an objection to confirmation, Mid Valley Packaging files this conditional non-objection because: (1) dialogue on this issue between Debtors and Mid Valley Packaging (through counsel) has revealed that Debtors do not dispute Mid Valley Packaging's right to retrieve the subject equipment or that the Plan is not intended to in any way alter Mid Valley Packaging's rights to return of the equipment; and (2) Debtors

[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 Agenda, 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.

[2] The deadline for Gahvejian Enterprises, Inc. d/b/a/ Mid Valley Packaging & Supply Co. to file an objection to confirmation was extended pursuant to an agreement with Debtors through counsel.

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have agreed to include in the Plan confirmation order specific language to provide for the return of the subject loaned equipment to Mid Valley Packaging.

PERTINENT FACTUAL BACKGROUND

3. Prior to the petition date in this case, Mid Valley Packaging provided to SSI at its Fresno California facility the contingent use and possession of certain packaging equipment that is owned by Ranpak Corp, which equipment is described as follows (collectively the "Ranpak Equipment"): **2 (two) Ranpak FillPak Converters; and 5 (five) Ranpak FillPak TT Converters**.

4. The use of the Ranpak Equipment was provided to SSI by Mid Valley Packaging free of charge in connection with SSI's ongoing purchases from Mid Valley Packaging of certain Ranpak packaging materials for which the Ranpak Equipment was used.

5. Prior to the petition date in this case SSI indefinitely ceased its purchasing of the subject Ranpak packaging materials from Mid Valley Packaging, so the Ranpak Equipment was then subject to a right of Mid Valley Packaging to retrieve the equipment. However, the Ranpak Equipment had not been retrieved by Mid Valley Packaging from SSI as of the commencement of SSI's bankruptcy case.

6. While SSI's bankruptcy case has been pending, SSI's local representatives have consistently acknowledged that they are not using the Ranpak Equipment, do not intend to use the Ranpak Equipment, and are prepared to (if not actively desire to) return the Ranpak Equipment to Mid Valley Packaging.

7. On March 8, 2013, counsel for Mid Valley Packing sent a letter to Debtors' counsel advising of the Ranpak Equipment issue and proposing a cooperative and efficient resolution to provide for the return of the Ranpak Equipment.

8. In the dialogue that ultimately followed, Debtors (through counsel) indicated that they do not dispute Mid Valley Packaging's right to return of the Ranpak Equipment and that the Plan was not intended to alter that. Through counsel it was agreed that, to resolve Mid Valley Packaging's planned objection to confirmation concerning this issue and provide relief from the automatic stay (to the extent that it applied to the Ranpak Equipment), the matter would be resolved through inclusion of appropriate language in the Plan confirmation order. The agreed upon language for inclusion in the Plan confirmation order is as follows:

Mid Valley Packaging & Supply Co. Notwithstanding anything to the contrary in the Plan or this Order, upon entry of this Order and the occurrence of the Effective Date, Gahvejian Enterprises, Inc. d/b/a/ Mid Valley Packaging & Supply Co. ("Mid Valley Packaging") may retrieve the following equipment (the "Equipment"): 2 Ranpak FillPak Converters and 5 Ranpak FillPak TT Converters loaned by Mid Valley Packaging to School Specialty, Inc. To the extent necessary, upon the occurrence of the Effective Date, the automatic stay is hereby modified to permit Mid Valley Packaging to retrieve possession of the Equipment from the Debtors.

CONDITIONAL NON-OBJECTION & RESERVATION OF RIGHTS [3]

9. Provided that the agreed-upon language is included in the Plan confirmation order, Mid Valley Packaging does not object to confirmation of the Plan. In the event that the agreed-upon language is not to be included in the Plan confirmation order, then this shall constitute Mid Valley Packaging's objection confirmation on any and all grounds with respect to any effect that the Plan or confirmation order have, or purport to have, on the rights of Mid Valley Packaging to the Ranpak Equipment.

Dated: May 20, 2013

SMITH, KATZENSTEIN & JENKINS LLP

By */s/ Kathleen M. Miller*
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[3] This conditional non-objection and reservation of rights are stated to generally frame the conditional objection. In the event that this document is made to operate as an objection to confirmation by a failure to include agreed-upon language in the Plan confirmation order, Mid Valley Packaging would intend to, and reserves the right to, submit evidence and further briefing in support of the objection to confirmation.

CERTIFICATE OF SERVICE

I, Kathleen M. Miller, hereby certify that on this 20th day of May 2013, a true and correct copy of the foregoing Mid Valley Packaging & Supply Co.'s Conditional Non-Objection To Confirmation Of Debtors' Amended Joint Plan Of Reorganization Under Chapter 11 Of The Bankruptcy Code was served via electronic mail and first class mail on the parties listed on Exhibit A:

/s/ Kathleen M. Miller
Kathleen M. Miller (No. 2898)

EXHIBIT A

(i) the Debtors, School Specialty, Inc., Attn: Michael P. Lavelle, Chief Executive Officer (mike.lavelle@schoolspecialty.com), W6316 Design Drive, Greenville, WI 54942; (ii) co-counsel for the Debtors, (a) Paul, Weiss, Rifkind, Wharton & Garrison LLP, Attn: Jeffrey D. Saferstein & Lauren Shumejda (jsaferstein@paulweiss.com, lshumejda@paulweiss.com) , 1285 Avenue of the Americas, New York, NY 10019 and (c) Young, Conaway, Stargatt & Taylor, LLP, Attn: Pauline K. Morgan & Maris J. Kandestin (pmorgan@ycst.com, mkandestin@ycst.com), Rodney Square, 1000 North King Street, Wilmington, DE 19801; (iii) counsel for the ABL Lenders (a) Goldberg Kohn, Attn: Randall Klein & Jeremy Downs (randall.klein@goldbergkohn.com, jeremy.downs@goldbergkohn.com), 55 East Monroe Street, Suite 3300, Chicago, IL 60603, and (b) Richards, Layton and Finger, P.A., Attn: Paul Heath (heath@RLF.com), One Rodney Square, 920 North King Street, Wilmington, DE 19801; (iv) counsel for the Ad Hoc DIP Lenders, (a) Stroock & Stroock & Lavan LLP, Attn: Kristopher M. Hansen & Jonathan D. Canfield (khansen@stroock.com, jcanfield@stroock.com), 180 Maiden Lane, New York, NY 10038, and (b) Duane Morris LLP, Attn: Christopher M. Winter (cmwinter@duanemorris.com), 222 Delaware Avenue, Suite 1600, Wilmington, DE 19801; (v) counsel for the Creditors' Committee, (a) Brown Rudnick LLP, Attn: Robert J. Stark (rstark@brownrudnick.com), 7 Times Square, New York, NY 10036, (b) Brown Rudnick LLP, Attn: Steven D. Pohl (SPohl@brownrudnick.com), One Financial Center, Boston, MA 02111, and (c) Venable LLP, Attn: Jamie L. Edmonson (jledmonson@Venable.com), 1201 North Market Street, Suite 1400, Wilmington, DE 19801; and (vi) the U.S. Trustee, Attn: Juliet M. Sarkessian (Juliet.M.Sarkessian@usdoj.gov), 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801.