Docket #1889 Date Filed: 2/9/2015

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
SCHOOL SPECIALTY, INC., *et al.*,[1]	Case No. 13-10125 (KJC) Jointly Administered
Reorganized Debtors.	**Hearing Date: March 17, 2015 at 11:30 a.m. (ET)** **Obj. Deadline: February 23, 2015 at 4:00 p.m. (ET)**

REORGANIZED DEBTORS' SEVENTH MOTION FOR ENTRY OF AN ORDER EXTENDING TIME TO OBJECT TO ADMINISTRATIVE EXPENSE CLAIMS

The above-captioned reorganized debtors (collectively, the "Debtors" or the "Reorganized Debtors"), hereby submit this motion (the "Motion"), pursuant to section 105 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code") and Rule 9006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), extending the deadline to object to claims. In support of the Motion, the Reorganized Debtors respectfully state as follows:

JURISDICTION

1. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware* dated as of February 29, 2012. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief requested herein are section 105 of the Bankruptcy Code and Bankruptcy Rule 9006.

[1] The Reorganized Debtors in these cases, along with the last four digits of each Reorganized Debtor's federal tax identification number and state of incorporation, are: School Specialty, Inc. (Del.; 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 Reorganized Debtors' corporate headquarters is W6316 Design Drive, Greenville, Wisconsin 54942.

BACKGROUND

A. Introduction

3. On January 28, 2013 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code thereby commencing the instant cases (the "Chapter 11 Cases").

4. On February 5, 2013, the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed an official committee of unsecured creditors [Docket No. 110] (the "Initial Creditors' Committee"). On February 27, 2013, the U.S. Trustee reconstituted the Initial Creditors' Committee [Docket No. 330] (the "Creditors' Committee"). No trustee or examiner was appointed in the Chapter 11 Cases.

5. Information regarding the Debtors' businesses, their capital and debt structure, and the events leading to the filing of these Chapter 11 Cases is contained in the Declaration of Gerald T. Hughes in Support of Chapter 11 Petition and First Day Motions [Docket No. 2].

B. Plan Process

6. On April 23, 2013, the Debtors filed the *Debtors' Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 862] (the "Initial Plan") and the *Disclosure Statement for the Debtors' Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 864] (the "Disclosure Statement"). Conditional approval of the Disclosure Statement was granted by the Court on April 24, 2013 [Docket No. 902].

7. Following the Court's conditional approval of the Disclosure Statement, the Debtors continued extensive negotiations with various constituencies and on May 23, 2013,

the Debtors filed the *Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 1158] (the "Plan"). A corrected order confirming the Plan was entered on June 3, 2013 [Docket No. 1186] (the "Confirmation Order"). The Plan became effective on June 11, 2013 [Docket No. 1258] (the "Effective Date").

C. Bar Date and Proofs of Claim

8. On January 30, 2013, this Court entered an order appointing Kurtzman Carson Consultants LLC ("KCC") as noticing and balloting agent in these Chapter 11 Cases [Docket No. 70]. KCC is authorized to maintain (i) all proofs of claim filed against the Debtors and (ii) an official claims register by docketing all proofs of claim in a claims database containing, inter alia, information regarding the name and address of each claimant, the date the proof of claim was received by KCC, the claim number assigned to the proof of claim, and the asserted amount and classification of the claim.

9. To date, in excess of 1,600 proofs of claim (collectively, the "Claims," and the persons or entities filing such Claims, the "Claimants") have been filed in these Chapter 11 Cases.

10. Article I.A. of the Plan defines an "Administrative Claim" as:

> any right to payment constituting a cost or expense of administration of the Chapter 11 Cases of a kind specified under section 503(b) of the Bankruptcy Code and entitled to priority under section 507(a)(2), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses of preserving the Debtors' Estates, any actual and necessary costs and expenses of operating the Debtors' business, any indebtedness or obligations incurred or assumed by the Debtors in Possession in connection with the conduct of their business, including, without limitation, for the acquisition or lease of property or an interest in property or the rendition of services, all compensation and reimbursement of expenses to the extent awarded by the Court under sections 330, 331 or 503 of the Bankruptcy Code, any fees or charges assessed against the Debtors' Estates under section 1930 of chapter 123 of title 28 of the United States Code, any Claim for goods delivered to the Debtors within twenty (20) days of the Petition Date and entitled to administrative priority pursuant to section

503(b)(9) of the Bankruptcy Code, the DIP Financing Claims, and the Fee Claims of the Prepetition Agents.

Plan, at § 1.A.

11. The Plan, in conjunction with the *Notice of (A) Entry of Order Approving Disclosure Statement on a Final Basis and Confirming Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code; (B) Occurrence of the Effective Date of the Plan; and (C) Related Deadlines* [Docket No. 1258], set the bar date for filing of administrative claims as July 11, 2013 (the "Administrative Claims Bar Date").

12. Pursuant to Article III.A of the Plan, the Reorganized Debtors had 120 days following the Administrative Claims Bar Date, or until November 8, 2013 (the "Administrative Claims Objection Deadline") to object to Administrative Claims other than claims for professional fees, or "such longer period as may be allowed by order of the Court, which may be entered without notice and a hearing." Plan, at § III.A. The Confirmation Order similarly references the power of the Court to extend the Administrative Claims Objection Deadline. See Confirmation Order, ¶ 30. On November 22, 2013, the Court entered an order extending the Administrative Claims Objection Deadline through and including January 22, 2014 [Docket No. 1537]. On February 20, 2014, the Administrative Claims Objection Deadline was extended to April 7, 2014 [Docket No. 1678], and on April 21, 2014, it was further extended to June 23, 2014 [Docket No. 1722]. On July 14, 2014, the Administrative Claims Objection Deadline was further extended to September 8, 2014 [Docket No. 1797]. The Administrative Claims Objection Deadline was further extended on October 2, 2014 through November 24, 2014 [Docket No. 1844]. Finally, on December 5, 2014, the Administrative Claims Objection Deadline was extended through and including February 9, 2015 [Docket No. 1877].

RELIEF REQUESTED

13. By this Motion, the Reorganized Debtors seek an order, pursuant to section 105 of the Bankruptcy Code and Bankruptcy Rule 9006(b) extending the Current Administrative Claims Objection Deadline by approximately 75 days,[2] through and including April 27, 2015[3] (the "Extended Administrative Claims Objection Deadline"), without prejudice to the Reorganized Debtors' right to seek a further extension of the Extended Administrative Claims Objection Deadline.

BASIS FOR RELIEF REQUESTED

14. Bankruptcy Rule 9006(b) provides, in pertinent part, that "when an act is required or allowed to be done at or within a specified time period…by order of [the] court, the court for cause shown may at any time in its discretion . . . order the period enlarged . . . ." Fed. R. Bankr. P. 9006(b). Section 105(a) of the Bankruptcy Code additionally provides that "[t]he court may issue any order…that is necessary or appropriate to carry out the provisions of this title . . . ." 11 U.S.C. § 105(a). Finally, each of paragraph 30 of the Confirmation Order and Article III.A of the Plan expressly contemplate the Court's ability to extend the Administrative Claims Objection Deadline. *See* Confirmation Order, ¶ 30 ("the Reorganized Debtors shall have 120 days (or such longer period as may be allowed by order of the Court, which may be entered without notice or a hearing) following the Administrative Claims Bar Date to review and object to all Administrative Claims"); Plan, § III.A (same).

[2] The date that is 75 days after February 9, 2015, is Saturday, April 25, 2015. Pursuant to Bankruptcy Rule 9006(a)(2)(C), therefore, a deadline extended by 75 days would be automatically extended until Monday, April 27, 2015. Accordingly, the Reorganized Debtors hereby seek an extension of 77 days, through and including Monday, April 27, 2015.

[3] Pursuant to Rule 9006-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the filing of this Motion prior to the expiration of the Administrative Claims Objection Deadline shall serve to extend automatically the Administrative Claims Objection Deadline, without the necessity for the entry of a bridge order, until the Court rules on this Motion.

15. The Reorganized Debtors submit that cause exists to grant the extension sought herein. To date, approximately 460 Claims have been filed against the Debtors that assert administrative expense priority either in whole or in part (collectively, the "Asserted Administrative Expense Claims").

16. Since the Effective Date, the Reorganized Debtors have worked diligently in (i) reviewing and analyzing the proofs of claim that have been filed; (ii) performing the required due diligence to determine the objectionable claims; and (iii) negotiating resolutions to certain claims. Specifically, the Reorganized Debtors have filed eight non-substantive claim objections, by which they have objected to approximately 259 claims. See Docket Nos. 1306, 1389, 1497, 1666, 1695, 1764, 1822 & 1861. Orders sustaining the Reorganized Debtors' objections have been entered by the Court with respect to all eight of its non-substantive claim objections. See Docket Nos. 1360, 1460, 1534, 1688, 1721, 1782, 1849 & 1876. The Reorganized Debtors have also filed seven substantive objections, by which they have objected to 265 claims. See Docket Nos. 1496, 1544, 1677, 1694, 1765, 1821 & 1860. Orders sustaining the all six of the Reorganized Debtors' substantive objections have been entered by the Court. See Docket Nos. 1535, 1645, 1689, 1783, 1850 & 1875. Further, as part of the claims reconciliation process, the Reorganized Debtors have filed four notices of full or partial satisfaction of claims. See Docket Nos. 1494, 1495, 1735 & 1736. Notwithstanding these efforts, the Reorganized Debtors have not fully analyzed all of the Asserted Administrative Expense Claims to evaluate their validity and/or whether such Asserted Administrative Expense Claims should be the subject of a claim objection.

17. As noted above, the Reorganized Debtors have been anything but dilatory in promptly addressing the claims administration in these cases since the occurrence of the

Effective Date, but in light of the number of claims asserted and the complexity of the task at hand, the Reorganized Debtors submit that additional time to address the Asserted Administrative Expense Claims is warranted. The Reorganized Debtors will continue to work diligently to review and resolve such claims as promptly as possible, reserving the right to seek a further extension of the applicable deadlines if necessary. Accordingly, the Reorganized Debtors respectfully submit that extending the Current Administrative Claims Objection Deadline is essential and in the best interests of the Debtors' estates and their creditors.

NOTICE

18. Notice of this Motion will be provided to: (i) the United States Trustee; (ii) the indenture trustee for the Debtors' convertible debentures; (iii) counsel to the Creditors' Committee; (iv) counsel to the agents for the ABL Exit Facility and the Term Loan Exit Facility and (v) all parties that have filed a notice of appearance in these Chapter 11 Cases pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, the Reorganized Debtors submit that no other or further notice is necessary.

Remainder of page intentionally left blank

CONCLUSION

WHEREFORE, the Reorganized Debtors respectfully request the entry of the proposed order attached hereto as Exhibit A granting the relief requested herein and such other and further relief as is just and proper.

Dated: Wilmington, Delaware
February 9, 2015

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Laurel D. Roglen

Pauline K. Morgan (No. 3650)
Maris J. Kandestin (No. 5294)
Laurel D. Roglen (No. 5759)
Rodney Square, 1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

- and -

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
Alan W. Kornberg
Jeffrey D. Saferstein
Lauren Shumejda
Ann K. Young
1285 Avenue of the Americas
New York, New York 10019
Telephone: (212) 373-3000
Facsimile: (212) 757-3990

Counsel to the Reorganized Debtors

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: SCHOOL SPECIALTY, INC., *et al*.,[1] Reorganized Debtors.	Chapter 11 Case No. 13-10125 (KJC) Jointly Administered **Hearing Date: March 17, 2015 at 11:30 a.m. (ET)** **Obj. Deadline: February 23, 2015 at 4:00 p.m. (ET)**

NOTICE OF MOTION

TO: (I) THE UNITED STATES TRUSTEE; (II) THE INDENTURE TRUSTEE FOR THE DEBTORS' CONVERTIBLE DEBENTURES; (III) COUNSEL TO THE CREDITORS' COMMITTEE; (IV) COUNSEL TO THE AGENTS FOR THE ABL EXIT FACILITY AND THE TERM LOAN EXIT FACILITY; AND (V) ALL PARTIES THAT HAVE FILED A NOTICE OF APPEARANCE IN THESE CHAPTER 11 CASES PURSUANT TO BANKRUPTCY RULE 2002.

PLEASE TAKE NOTICE that the reorganized debtors in the above-captioned cases (collectively, the "Reorganized Debtors") have filed the attached **Reorganized Debtors' Seventh Motion for Entry of an Order Extending Time to Object to Administrative Expense Claims** (the "Motion") with the United States Bankruptcy Court for the District of Delaware (the "Court").

PLEASE TAKE FURTHER NOTICE that responses to the Motion, if any, are required to be filed on or before **February 23, 2015 at 4:00 p.m. (ET)** (the "Objection Deadline") with the United States Bankruptcy Court, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time, you must also serve a copy of the response upon the Reorganized Debtors' undersigned counsel so as to be received on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE MOTION WILL BE HELD ON **MARCH 17, 2015 AT 11:30 A.M. (ET)**, BEFORE THE HONORABLE KEVIN J. CAREY AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 5TH FLOOR, COURTROOM #5, WILMINGTON, DELAWARE 19801.

[1] The Reorganized Debtors in these cases, along with the last four digits of each Reorganized Debtor's federal tax identification number and state of incorporation, are: School Specialty, Inc. (Del.; 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 Reorganized Debtors' corporate headquarters is W6316 Design Drive, Greenville, Wisconsin 54942.

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

Dated: February 9, 2015
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Laurel D. Roglen

Pauline K. Morgan (No. 3650)
Maris J. Kandestin (No. 5294)
Laurel D. Roglen (No. 5759)
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

- and -

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
Alan W. Kornberg
Jeffrey D. Saferstein
Lauren Shumejda
Ann K. Young
1285 Avenue of the Americas
New York, New York 10019-6064
Telephone: (212) 373-3000
Facsimile: (212) 757-3990

Counsel to the Reorganized Debtors

EXHIBIT A

Proposed Order

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

ORDER EXTENDING THE TIME FOR THE REORGANIZED DEBTORS TO OBJECT TO ADMINISTRATIVE EXPENSE CLAIMS

Upon the motion ("Motion")[2] of the Reorganized Debtors seeking entry of an order pursuant to section 105 of the Bankruptcy Code and Bankruptcy Rule 9006(b) extending the Current Administrative Claims Objection Deadline through and including April 27, 2015, without prejudice to the Reorganized Debtors' right to seek a further extension of the Extended Administrative Claims Objection Deadline; and the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware* dated as of February 29, 2012, (b) this matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and (c) notice of the Motion was due and proper under the circumstances; and it appearing that the relief requested in the Motion is in the best interest of the Debtors' estates, their creditors and other parties-in-interest; and after due deliberation, and good and sufficient cause appearing therefor,

[1] The Reorganized Debtors in these cases, along with the last four digits of each Reorganized Debtor's federal tax identification number and state of incorporation, are: School Specialty, Inc. (Del.; 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 Reorganized Debtors' corporate headquarters is W6316 Design Drive, Greenville, Wisconsin 54942.

[2] Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

IT IS HEREBY ORDERED, ADJUDGED and DECREED that:

1. The Motion is GRANTED as set forth herein.

2. The Current Administrative Claims Objection Deadline is extended through and including April 27, 2015.

3. Entry of this Order shall be without prejudice to the right of the Reorganized Debtors to seek further extensions of the time within which to object to Administrative Claims.

4. This Court shall retain jurisdiction to hear and determine all matters arising from or related to implementation of this Order

Dated: _____, 2015
Wilmington, Delaware

_____
THE HONORABLE KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE