

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:) Chapter 11
)
Morgan Administration, Inc., *et al.* d/b/a) Case No. 18-30039
Home Owners Bargain Outlet,¹) (Jointly Administered)
)
Debtors and Debtors in Possession) Hon. Jacqueline P. Cox

**NOTICE OF ORDER (A) CONDITIONALLY APPROVING DISCLOSURE STATEMENT;
(B) SCHEDULING COMBINED HEARING ON FINAL APPROVAL OF DISCLOSURE STATEMENT &
CONFIRMATION OF PLAN; (C) ESTABLISHING DATES FOR SOLICITING & TABULATING VOTES
ON PLAN; & (D) APPROVING RELATED MATTERS**

**You are advised to carefully review & consider the Plan, including the terms of the
exculpation & injunction provisions, as your rights might be affected**

By order of the court, to all parties in interest, please take notice that:

1. Plan Filing

On July 24, 2019, Morgan Administration, Inc., and its related debtors-in-possession in the above-captioned chapter 11 proceedings (the “*Debtors*”) jointly with the Official Committee of Unsecured Creditors (the “*Committee*,” referred to collectively with the Debtors as the “*Plan Proponents*”) filed a *Joint Plan of Liquidation of the Debtor and the Official Committee of Unsecured Creditors* (Dkt. 249) and accompanying *Disclosure Statement to the Joint Plan of Liquidation of the Debtor and the Official Committee of Unsecured Creditors* (Dkt. 250) (as may be amended, supplemented or otherwise modified from time to time, the “*Plan*,” and the “*Disclosure Statement*”) with the Bankruptcy Court for the Northern District of Illinois (the “*Bankruptcy Court*”). After entry of the Conditional Approval Order (defined below), the Plan Proponents filed an amended Plan (Dkt. 258) and corresponding Disclosure Statement (Dkt. 259.)

2. Conditional Approval of Disclosure Statement & Notice Procedures

On August 6, 2019, the Bankruptcy Court entered an order conditionally approving the Disclosure Statement (the “*Conditional Approval Order*”) and set forth certain procedures and deadlines for: the Plan Proponents to solicit votes; claimholders to submit ballots

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Morgan Administration, Inc. (4200); Belvidere Associates LLC (8559); FP Retail Associates LLC (0915); Hillcrest Enterprises, LLC (4581); Jular Media LLC (0805); KLS Acquisition Corp. (0925); Loomis Enterprises LLC (5451); North Avenue Associates LLC (3229); Oak Creek Distribution LLC (0634); OL Enterprises LLC (9401); and Deforab LLC (9348).

voting on the Plan; and objections to the Disclosure Statement and Plan (Dkt. 257.) A copy of the Conditional Approval Order is attached here as **Exhibit A**.

3. Combined Hearing

Under the Conditional Approval Order, the Bankruptcy Court has set a combined hearing to approve the Disclosure Statement on a final basis and confirm the Plan (the “**Combined Hearing**”), which will be held before the Honorable Jacqueline P. Cox, United States Bankruptcy Judge, United States Bankruptcy Court for the Northern District of Illinois, Courtroom 680 of the United States Courthouse, 219 S. Dearborn Street, Chicago, Illinois on **September 10, 2019 at 9:30 a.m. (prevailing Central Time)**.

The Combined Hearing may be continued from time to time by way of announcement of such continuance in open court, without further notice to parties in interest.

4. Objections to Final Approval of Disclosure Statement & Plan Confirmation

Any responses or objections to the final approval of the Disclosure Statement and/or to confirmation of the Plan (“**Objection**”) must

- (a) be made in writing;
- (b) comply with the Bankruptcy Code and the Bankruptcy Rules;
- (c) state the name and address of the objecting party and the nature and amount of any Claim asserted by such party against the Debtors, their estates, or their property;
- (d) state with particularity the legal and factual bases and nature of any objection to the Plan; and
- (e) be filed with the Bankruptcy Court and served on all parties entitled to notice on or before **September 5, 2019** (the “**Objection Deadline**”).

Any party in interest in these chapter 11 cases may object to final approval of the Disclosure Statement and confirmation of the Plan, even if such person or entity is not eligible to vote on the Plan.

5. Objections to Proposed Amount and Treatment of Employee PTO-based Claims

The Plan provides for the inclusion of non-priority employee PTO-based claims as Class 5 Claims, and each former employee holding such claim will receive the PTO Claim Notice, which states, among other things, the amount of the holder’s non-priority employee PTO-based claim based upon the Debtors’ books and records.

To the extent a former employee disputes the proposed amount or treatment of the non-priority employee PTO-based claim that is stated in the PTO Claim Notice, such former employee must send an objection to the proposed treatment, in writing, to be received on

or before 5:00 p.m. prevailing Central Time on **September 5, 2019** to Jack O'Connor, Sugar Felsenthal Grais & Helsinger LLP, 30 N. LaSalle St., Ste. 3000, Chicago, IL, 60602, or by email to hoboinquiry@sfg.com, with a copy to Devon J. Eggert, Freeborn & Peters LLP, 311 S. Wacker Dr., Ste. 3000, Chicago, IL 60606, or by email to deggert@freeborn.com. Such objection must give the basis for the objection and the treatment that the objector believes is appropriate or required under the Bankruptcy Code and applicable law.

Absent such objection or unless otherwise agreed by the Plan Proponents, the amount will be allowed as proposed and such amount will be final and represent an Allowed Class 5 Claim.

6. Voting Procedures

Holders of Claims in Class 5 (General Unsecured Claims) are entitled to vote to accept or reject the Plan. If you hold a Class 5 Claim, in addition to this Notice, you will receive a package (the "***Solicitation Package***") containing a ballot and the following:

- (a) a copy of this Notice;
- (b) a copy of the Plan and Disclosure Statement;
- (c) a copy of the Conditional Approval Order as entered by the Bankruptcy Court;
- (d) a copy of IRS Form W-9;
- (e) a pre-addressed return envelope;
- (f) a letter from the Committee in support of the Plan and Disclosure Statement; and
- (g) such other documents as the Bankruptcy Court may direct.

If you hold a Claim in Class 5 and do not receive a Solicitation Package, contact counsel for the Debtors.

7. Voting Deadlines

The deadline to vote on the Plan is **September 5, 2019** (the "***Voting Deadline***"). Please carefully review the ballot and instructions included with the ballot to complete and submit your vote on the Plan. Failure to follow the instructions may disqualify your vote.

8. Record Date

The record date (the "***Record Date***") for determining holders of Claims entitled to vote on the Plan and therefore receive a Solicitation Package is August 6, 2019.

Subject to the voting and tabulation procedures, a creditor is entitled to vote on the Plan if: (a) as of the Record Date, the creditor is listed on the Debtors' Schedules as holding a General Unsecured Claim that is not contingent, unliquidated or disputed; or (ii) as of the

Record Date, the creditor has filed a General Unsecured Claim and such Claim has either (x) not been Disputed, or (y) any such Dispute has been resolved by order of the Bankruptcy Court or written agreement of the Plan Proponents.

If a holder of a Class 5 Claim transfers all of such Claim to one or more parties before casting its vote on the Plan, such holder will be automatically deemed to have provided a voting proxy to the purchaser of the holder's Claim, and the purchaser will be deemed to the holder as of the Record Date for purposes of voting on the Plan.

9. Non-Voting Classes

Administrative Expense Claims and Priority Tax Claims asserted against the Debtors (collectively, the "*Unclassified Claims*") are not classified under the Plan, are deemed to accept the Plan, and are not entitled to vote.

Holders of Claims in Classes 1, 2, 3, and 4 under the Plan are unimpaired, are deemed to have accepted the Plan, and are not entitled to vote. Holders of Claims in Class 6 under the Plan are impaired but conclusively presumed to reject the Plan, and are not entitled to vote.

10. Directions for Obtaining Documents

The Plan, Disclosure Statement, and Solicitation Package (excluding ballots other than replacement ballots) can be obtained by contacting BMC Group, the noticing agent in the Debtors' chapter 11 cases in one of the following manners:

- (a) visiting <http://www.bmcgroup.com/HOBOplan>;
- (b) emailing a request to hobo@bmcgroup.com;
- (c) delivering a written request by first class mail to: BMC Group, Attn: Morgan/HOBO Ballot Processing, PO Box 90100, Los Angeles, CA 90009;
- (d) delivering a written request by overnight mail or hand delivery to BMC Group, Attn: Morgan/HOBO Ballot Processing, 3732 W. 120th St., Hawthorne, CA 90250; or
- (e) calling BMC Group's toll-free number at 888-909-0100.

11. Inquiries Regarding this Notice

If you have any questions regarding this Notice, you should contact counsel for the Debtors at: hoboinquiry@sfgh.com (reference to "HOBO Vote" in the subject line) or by telephone to the Debtors' counsel at 312.704.9400. While the Debtors' counsel is able to answer questions, Debtors' counsel is not permitted to provide legal advice to you.

12. Inconsistencies

To the extent that there is any inconsistency between this Notice and the Plan or the Conditional Approval Order, the provisions of the Plan or the Conditional Approval Order, as applicable, shall govern.

Date: August 8, 2019

Morgan Administration, Inc., et al., d/b/a Home Owners Bargain Outlet

The Official Committee of Unsecured Creditors of Morgan Administration, Inc., et al., d/b/a Home Owners Bargain Outlet

By: /s/ Jonathan Friedland

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