

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:	:	Chapter 11
	:	
DIRECTBUY HOLDINGS, INC., <i>et al.</i> , <sup>1</sup>	:	Case No. 16-12435 (CSS)
	:	
Debtors.	:	
	:	
	X	<b>Related Docket No. 18 and 126</b>

**NOTICE OF SALE PROCEDURES, AUCTION DATE AND SALE HEARING**

**PLEASE TAKE NOTICE** that on November 1, 2016, the above-captioned debtors and debtors in possession (the “Debtors”) filed the Motion for Orders (I)(A) Approving “Stalking Horse Asset Purchase Agreement; (B) Approving Procedures in Connection With the Sale of All or Substantially All of the Debtors’ Business Assets; (C) Scheduling the Related Auction and Hearing to Consider Approval of Sale; (D) Approving Procedures Relating to the Assumption of Certain Executory Contracts and Unexpired Leases; (E) Approving the Form and Manner of Notice Thereof; (F) Approving Expense Reimbursement; and (G) Granting Related Relief; and (II)(A) Authorizing the Sale of All or Substantially All of the Debtors’ Business Assets Free and Clear of Liens, Claims and Interests; (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Related Thereto; and (C) Granting Related Relief (the “Motion”).<sup>2</sup>

The Debtors seek, among other things, to sell all or substantially all their business assets (the “Purchased Assets”) to Derby SPV, Inc. (the “Purchaser”) or the bidder submitting the highest or otherwise best offer for the Purchased Assets (such bidder, the “Successful Bidder”), at an auction free and clear of all liens, claims, encumbrances and other interests pursuant to sections 105(a), 363 and 365 of the Bankruptcy Code. The Purchaser is a special purpose entity established for the benefit of all the holders of the Debtors’ prepetition secured notes, who are also the holders of 100% of the equity in the Debtor DirectBuy Holdings, Inc.

**PLEASE TAKE FURTHER NOTICE** that, on December 1, 2016, the Bankruptcy Court entered an order (the “Bidding Procedures Order”) approving certain of the relief requested in the Motion and the bidding procedures (the “Bidding Procedures”), which set the key dates and times related to the Sale of the Purchased Assets. All interested bidders should

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are DirectBuy Holdings, Inc. (3621); United Consumers Club, Incorporated (6335); DirectBuy, Inc. (5059); Beta Finance Company, Inc. (8776); UCC Distribution, Inc. (6010); U.C.C. Trading Corporation (4388); National Management Corporation (8765); and UCC of Canada, Inc. (6435). The address of the Debtors’ corporate headquarters is 8450 Broadway, Merrillville, IN 46410.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

carefully read the Bidding Procedures Order and the Bidding Procedures. To the extent that there are any inconsistencies between the Bidding Procedures Order (including the Bidding Procedures) and the summary description of its terms and conditions contained in this Notice, the terms of the Bidding Procedures Order shall control. Please see the last paragraph of this Notice for information on how to obtain copies of the Bidding Procedures Order and the Bidding Procedures.

**PLEASE TAKE FURTHER NOTICE** any creditor may attend (but not participate in) the Auction if they provide the Debtors written notice of their intention to attend the Auction on or before January 13, 2017. Such written notice, along with the creditor's email address or fax number, must be sent to counsel for the Debtors via electronic mail, to Ilana Volkov, Esq. at [ivolkov@coleschotz.com](mailto:ivolkov@coleschotz.com) or by first class mail to Cole Schotz P.C., Court Plaza North, 25 Main Street, Hackensack, New Jersey 07601 (Attn: Ilana Volkov, Esq.).

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the terms of the Bidding Procedures, an auction (the "Auction") to sell the Purchased Assets will be conducted on January 18, 2017, at 10:00 a.m. (Eastern Time) at the offices of Cole Schotz P.C., 25 Main Street, Hackensack, New Jersey, or at such other location as shall be identified in a notice filed with the Bankruptcy Court at least 24 hours before the Auction and served on all parties who may attend the Auction.

**PLEASE TAKE FURTHER NOTICE** that, the Debtors shall file notice of the identity of the successful bidder and back-up bidder at the auction, and the amount of their bids, with the Court by January 20, 2016, at 12:00 p.m. At the same time, the Debtors shall serve such notice by fax or email to all counterparties to executory contracts and unexpired leases with the Debtors and to all creditors who have requested the same in writing and provided their fax number or email address to Debtors' counsel: Cole Schotz P.C., Court Plaza North, 25 Main Street, Hackensack, New Jersey 07601 (Attn: Ilana Volkov, Esq.), [ivolkov@coleschotz.com](mailto:ivolkov@coleschotz.com), or Cole Schotz P.C., 500 Delaware Avenue, Suite 1410, Wilmington, Delaware 19801 (Attn: Nicholas J. Brannick, Esq.), [nbrannick@coleschotz.com](mailto:nbrannick@coleschotz.com).

**PLEASE TAKE FURTHER NOTICE** that a hearing will be held to approve the sale of the Purchased Assets to the Successful Bidder (the "Sale Hearing") before the Honorable Christopher S. Sontchi, United States Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, 5th Floor, Courtroom 6, Delaware 19801, on January 24, 2017 at 1:00 p.m. (Eastern Time), or at such time thereafter as counsel may be heard or at such other time as the Bankruptcy Court may determine. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing. Objections to the Sale shall be filed with the Clerk of the Bankruptcy Court, 824 Market Street, 3<sup>rd</sup> floor, Wilmington, Delaware 19801 and served **so as to be received no later than 4:00 p.m. (Eastern Time) on January 17, 2017**, by: (i) the Debtors, 8450 Broadway, Merrillville, Indiana 46410 (Attn: Michael P. Bornhorst), [mbornhorst@directbuy.com](mailto:mbornhorst@directbuy.com); (ii) counsel to the Debtors, Cole Schotz P.C., Court Plaza North, 25 Main Street, Hackensack, New Jersey 07601 (Attn: Ilana Volkov, Esq.), [ivolkov@coleschotz.com](mailto:ivolkov@coleschotz.com), and 500 Delaware Avenue, suite 1410, Wilmington, Delaware 19801 (Attn: Nicholas J. Brannick, Esq.), [nbrannick@coleschotz.com](mailto:nbrannick@coleschotz.com); (iii) counsel to the Purchaser: Weil, Gotshal and Manges LLP, 767 Fifth Avenue, New York, NY 10153 (Attn:

Brian Rosen, Esq. and Debora Hoehne, Esq.), [brian.rosen@weil.com](mailto:brian.rosen@weil.com) and [Debora.hoehne@weil.com](mailto:Debora.hoehne@weil.com); (iv) counsel to the Official Committee of Unsecured Creditors, Saul Ewing LLP, One Riverfront Plaza, 1037 Raymond Boulevard, Suite 1520, Newark, NJ 07102-5426 (Attn: Sharon Levine, Esq.), [slevine@saule.com](mailto:slevine@saule.com), and (v) counsel to the Office of the United States Trustee: US Trustee, 844 King Street, Suite 2207, Wilmington, Delaware, 19801 (Attn: Juliet Sarkessian, Esq.), [Juliet.m.sarkessian@usdoj.gov](mailto:Juliet.m.sarkessian@usdoj.gov) (collectively, the “Notice Parties”).

**PLEASE TAKE FURTHER NOTICE** that this Notice of Sale Procedures, Auction and Sale Hearing is subject to the full terms and conditions of the Bidding Procedures Order and Bidding Procedures, which Bidding Procedures Order shall control in the event of any conflict, and the Debtors encourage parties in interest to review such documents in their entirety. Copies of such documents, as well as the Asset Purchase Agreement, and all court filings in these cases, may be obtained free of charge at <https://cases.primeclerk.com/DirectBuy/Home-DocketInfo?DocAttribute=3014&DocAttrName=SALERELATEDDOCUMENTS> and may also be viewed during business hours at the Office of the Clerk of the Bankruptcy Court, 824 Market Street, Wilmington, Delaware 19801, 3<sup>rd</sup> floor. Copies of such documents can also be obtained free of charge by making a written request to Felice Yudkin, Esq., Cole Schotz P.C., Court Plaza North, 25 Main Street, Hackensack, New Jersey 07601 (Attn: Felice Yudkin, Esq.), or by e-mail at [fyudkin@coleschotz.com](mailto:fyudkin@coleschotz.com).

Dated: Wilmington, Delaware  
December 1, 2016

**COLE SCHOTZ P.C.**

By: /s/ Marion M. Quirk  
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- and -

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*Proposed Counsel for Debtors and Debtors  
in Possession*