

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:)	Case No. 17-42267-659
)	CHAPTER 11
PAYLESS HOLDINGS LLC, <i>et al.</i> , ¹)	
)	(Joint Administration Requested)
)	
Debtors.)	Hearing Date: April 5, 2017
)	Hearing Time: 1:30 P.M.
)	Hearing Location: Courtroom 7 North

NOTICE OF CHAPTER 11 FILING AND OF HEARING ON FIRST DAY MOTIONS

PLEASE TAKE NOTICE THAT:

1. On April 4, 2017 Payless Holdings LLC and certain of its affiliates and direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Eastern District of Missouri (the “Court”).

2. Together with their petitions, the Debtors also filed and requested a prompt Court hearing (the “First Day Hearing”) on certain first day motions (collectively, the “First Day Motions”) identified on the proposed First Day Agenda attached hereto.

¹ The Debtors (as defined herein) in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Payless Holdings LLC [5704]; Payless Intermediate Holdings LLC [N/A]; WBG PSS Holdings LLC [N/A]; Payless Inc. [3160]; Payless Finance, Inc. [2101]; Collective Brands Services, Inc. [7266]; PSS Delaware Company 4, Inc. [1466]; Shoe Sourcing, Inc. [4075]; Payless ShoeSource, Inc. [4097]; Eastborough, Inc. [2803]; Payless Purchasing Services, Inc. [3043]; Payless ShoeSource Merchandising, Inc. [0946]; Payless Gold Value CO, Inc. [3581]; Payless ShoeSource Distribution, Inc. [0944]; Payless ShoeSource Worldwide, Inc. [6884]; Payless NYC, Inc. [4126]; Payless ShoeSource of Puerto Rico, Inc. [9017]; Payless Collective GP, LLC [N/A]; Collective Licensing, LP [1256]; Collective Licensing International LLC [5451]; Clinch, LLC [9836]; Collective Brands Franchising Services, LLC [3636]; Payless International Franchising, LLC [6448]; Collective Brands Logistics, Limited [6466]; Dynamic Assets Limited [1978]; PSS Canada, Inc. [4969]; Payless ShoeSource Canada Inc. [4180]; Payless ShoeSource Canada GP Inc. [4182]; and Payless ShoeSource Canada LP [4179]. The location of Debtor Payless Holdings LLC’s corporate headquarters and the Debtors’ service address is: c/o Payless ShoeSource, Inc., 3231 SE 6th Avenue, Topeka, KS 66607, United States.

3. **The Court has scheduled the First Day Hearing for April 5, 2017 at 1:30 p.m. in Courtroom 7 North** of the United States Bankruptcy Court for the Eastern District of Missouri, Eastern Division, 111 S. 10th Street, 4th Floor, St. Louis, Missouri 63102. The First Day Hearing may be adjourned from time to time without further notice other than an announcement at the First Day Hearing.

4. A copy of each of the First Day Motions can be viewed on the Court's website, <http://www.moeb.uscourts.gov/cmecf.htm>, or free of charge at <https://cases.primeclerk.com/payless>.

Your rights may be affected. You should read these papers carefully and discuss them with an attorney, if you have one. (If you do not have one in these bankruptcy cases, you may wish to consult one.)

If you do not want the Court to grant the relief requested in the First Day Motions, or if you want the Court to consider your view on the First Day Motions, you or your attorney must attend the First Day Hearing. **If you or your attorney do not attend the First Day Hearing, the Court may grant the relief requested in the First Day Motions.**

Dated: April 5, 2017
St. Louis, Missouri

/s/ Steven N. Cousins

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*Proposed Counsel for Debtors
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EXHIBIT A

Proposed First Day Agenda

UNITED STATES BANKRUPTCY COURT
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EASTERN DIVISION

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PROPOSED AGENDA FOR FIRST DAY HEARING

Copies of Motions: A copy of each pleading can be viewed on the Court’s website at www.moeb.uscourts.gov and the website of the Debtors’ proposed notice and claims agent, Prime Clerk LLC, at <https://cases.primeclerk.com/payless>. Further information may be obtained by calling Prime Clerk toll free at 855-252-2156 or internationally at 917-651-0441.

I. Introduction

Introductory Presentation

1. ***Joint Administration Motion.*** Debtors’ Motion Seeking Entry of an Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief [Docket No. 9].

² The Debtors (as defined herein) in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Payless Holdings LLC [5704]; Payless Intermediate Holdings LLC [N/A]; WBG PSS Holdings LLC [N/A]; Payless Inc. [3160]; Payless Finance, Inc. [2101]; Collective Brands Services, Inc. [7266]; PSS Delaware Company 4, Inc. [1466]; Shoe Sourcing, Inc. [4075]; Payless ShoeSource, Inc. [4097]; Eastborough, Inc. [2803]; Payless Purchasing Services, Inc. [3043]; Payless ShoeSource Merchandising, Inc. [0946]; Payless Gold Value CO, Inc. [3581]; Payless ShoeSource Distribution, Inc. [0944]; Payless ShoeSource Worldwide, Inc. [6884]; Payless NYC, Inc. [4126]; Payless ShoeSource of Puerto Rico, Inc. [9017]; Payless Collective GP, LLC [N/A]; Collective Licensing, LP [1256]; Collective Licensing International LLC [5451]; Clinch, LLC [9836]; Collective Brands Franchising Services, LLC [3636]; Payless International Franchising, LLC [6448]; Collective Brands Logistics, Limited [6466]; Dynamic Assets Limited [1978]; PSS Canada, Inc. [4969]; Payless ShoeSource Canada Inc. [4180]; Payless ShoeSource Canada GP Inc. [4182]; and Payless ShoeSource Canada LP [4179]. The location of Debtor Payless Holdings LLC’s corporate headquarters and the Debtors’ service address is: c/o Payless ShoeSource, Inc., 3231 SE 6th Avenue, Topeka, KS 66607, United States.

2. ***Expedited Hearing Motion.*** Debtors' Motion Seeking Entry of an Order (I) Scheduling an Expedited Hearing on First Day Motions Filed by the Debtors, (II) Approving the Form and Manner of Notice Thereof, and (III) Granting Related Relief [Docket No 38].
3. ***Extension of Page Limits Motion.*** Debtors' Motion for Leave to Exceed the Page Limitation in Their First Day Motions [Docket No.18].
4. ***First Day Declaration.*** Declaration of Michael Schwindle in Support of Debtors' Chapter 11 Proceedings and First Day Pleadings [Docket No. 34].
5. ***Foreign Representative Motion.*** Motion for an Order Authorizing Payless Holdings LLC to Serve as Foreign Representative on Behalf of the Debtors' Estates [Docket No. 16].

II. First Day Matters

Cash Management and Financing Motions

6. ***DIP Financing Motion.*** Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to Obtain Postpetition Financing (II) Authorizing the Debtors to Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection to the Prepetition Lenders, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief [Docket No. 36].
 - (a) ***Declaration in Support of DIP Financing Motion.*** Declaration of Morgan Suckow in Support of the Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection to the Prepetition Lenders, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief [Docket No. 37].
7. ***Cash Management Motion.*** Debtors' Motion Seeking Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue Using the Cash Management System and (B) Maintain Existing Bank Accounts and Business Forms and Books and Records; (II) Authorizing Continued Intercompany Transactions; (III) Granting Administrative Expense Status to Postpetition Intercompany Payments; and (IV) Granting Related Relief [Docket No. 22].

Pleadings Regarding Employee Matters

8. ***Wages Motion.*** Debtors' Motion Seeking Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief [Docket No. 14].

Pleadings Regarding Business Operations of the Debtors

9. ***Critical Vendors Motion.*** Debtors' Motion Seeking Entry of Interim and Final Orders (A) Authorizing the Debtors to Pay Certain Prepetition Claims of (I) Critical Vendors and (II) Carrier, Warehousemen, and Section 503(b)(9) Claimants and (B) Granting Related Relief [Docket No. 30].
 - (a) ***Declaration in Support of Critical Vendors Motion.*** Declaration of Robert Campagna in Support of Debtors' Motion Seeking Entry of Interim and Final Orders (A) Authorizing the Debtors to Pay Certain Prepetition Claims of (I) Critical Vendors and (II) Carrier, Warehousemen, and Section 503(B)(9) Claimants and (B) Granting Related Relief [Docket No. 31].
10. ***Store Closing Motion.*** Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Assume the Consulting Agreement, (II) Approving Procedures for Store Closing Sales, and (III) Granting Related Relief [Docket No. 15].
11. ***Customer Programs Motion.*** Debtors' Motion Seeking Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Honor Certain Prepetition Obligations to Customers and Partners (B) Continue Certain Customer and Partner Programs in the Ordinary Course of Business and (II) Granting Related Relief [Docket No. 21].
12. ***Taxes Motion.*** Debtors' Motion Seeking Entry of Interim and Final Orders (I) Authorizing the Payment of Certain Prepetition Taxes and Fees and (II) Granting Related Relief [Docket No. 12].
13. ***Equity Trading/NOL Motion.*** Debtors' Motion Seeking Entry of Interim and Final Orders (I) Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with Respect to Common Stock and (II) Granting Related Relief [Docket No. 26].
14. ***Insurance Motion.*** Debtors' Motion Seeking Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue Insurance Coverage Entered into Prepetition and Satisfy Prepetition Obligations Related Thereto and (B) Renew, Supplement, or Purchase Insurance Policies, and (II) Granting Related Relief [Docket No. 10].
15. ***Surety Bond Motion.*** Debtors' Motion Seeking Entry of Interim and Final Orders (I) Authorizing the Debtors to Continue and Renew the Surety Bond Program on an Uninterrupted Basis, and (II) Granting Related Relief [Docket No. 11].
16. ***Utilities Motion.*** Debtors' Motion Seeking Entry of Interim and Final Orders (I) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Utility

Services, (II) Determining Adequate Assurance of Payment for Future Utility Services, (III) Establishing Procedures for Determining Adequate Assurance of Payment, and (IV) Granting Related Relief [Docket No. 20].

Procedural and Administrative Pleadings

17. ***SOFA Motion.*** Debtors' Motion Seeking Entry of an Order (I) Extending Time to (A) File Schedules of Assets and Liabilities, Schedules of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases, Statements of Financial Affairs, and Rule 2015.3 Financial Reports, and (B) to Schedule the Meeting of Creditors, and (II) Granting Related Relief [Docket No. 24].
18. ***Creditor Matrix Motion.*** Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to (A) Prepare a List of Creditors in Lieu of Submitting a Formatted Mailing Matrix and (B) File a Consolidated List of the Debtors' 50 Largest Unsecured Creditors, (II) Authorizing the Debtors to Redact Certain Personal Identification Information for Individual Creditors, (III) Approving the Manner of Notifying Creditors of Commencement of these Chapter 11 Cases, and (IV) Granting Related Relief [Docket No. 23].
19. ***Case Management Motion.*** Debtors' Motion Seeking Entry of an Order (I) Establishing Certain Notice, Case Management, and Administrative Procedures, and (II) Granting Related Relief [Docket No. 17].
20. ***Notice and Claims Agent Application.*** Debtors' Application for an Order (I) Authorizing and Approving the Appointment of Prime Clerk LLC as Notice and Claims Agent *Nunc Pro Tunc* to the Petition Date [Docket No. 19].

Professional Retention Applications

21. ***Armstrong Teasdale LLP Retention Application.*** Application of the Debtors and Debtors in Possession, Pursuant to Sections 327(A) and 329(A) of the Bankruptcy Code, Bankruptcy Rules 2014(A) and 2016(B) and Local Bankruptcy Rules 2014(A) and 2016-1, for an Order Authorizing the Debtors and Debtors in Possession to Retain and Employ Armstrong Teasdale LLP as Local Restructuring Counsel, Effective as of the Petition Date [Docket No. 28].
22. ***Kirkland & Ellis Retention Application.*** Debtors' Application for Entry of an Order Authorizing the Retention and Employment of Kirkland & Ellis LLP and Kirkland and Ellis International LLP as Attorneys for the Debtors and Debtors in Possession Effective *Nunc Pro Tunc* to the Petition Date [Docket No. 27].
23. ***Munger, Tolles & Olson LLP Retention Application.*** Application of the Debtors and Debtors in Possession, Pursuant to Sections 327(a) and 329(a) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016(b) and Local Bankruptcy

Rules 2014(A) and 2016-1, for an Order Authorizing the Debtors and Debtors in Possession to Retain and Employ Munger, Tolles & Olson LLP as Counsel, Effective as of the Petition Date [Docket No. 29].

Dated: April 5, 2017
St. Louis, Missouri

/s/ Steven N. Cousins

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