

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

<i>In re</i>	)	Chapter 15
	)	
	)	Case No. 15-12186 (KG)
THANE INTERNATIONAL, INC., <i>et al.</i> , <sup>1</sup>	)	
	)	(Jointly Administered)
Debtors in a Foreign Proceeding.	)	
	)	<b>Hearing Date: May 15, 2017 at 2:00 p.m.</b>
	)	<b>Objection Deadline: May 8, 2017 at 4:00 p.m.</b>

**FINAL REPORT OF RECEIVER  
AS REQUIRED UNDER FED. R. BANKR. P. 5009(c)**

Pursuant to 28 U.S.C. § 1746, I, Pritesh Patel, in my capacity as a Vice President of Richter Advisory Group Inc. (the “Receiver”), the court-appointed receiver and duly authorized foreign representative for Thane International, Inc., Thane Direct, Inc., Thane Direct Company, West Coast Direct Marketing, Inc., TDG, Inc., Thane Direct Canada Inc., and Thane Direct Marketing, Inc. (collectively, the “Thane Debtors” or the “Thane Group”) in Canadian insolvency proceedings pending in Toronto, Ontario, Canada (the “Canadian Proceeding”),<sup>2</sup> respectfully submit this Final Report of the Receiver as Required Under Fed. R. Bankr. P. 5009(c), and state as follows:

1. The Thane Group operated a multi-national direct response business (the “Thane Business”). The Thane Group focused on the sale of unique consumer products using developed promotional programs with product development (in-house and through third parties), manufacturing (through third parties) and distribution (in-house and through third parties)

<sup>1</sup> The last four digits of the Employer Identification Number for each debtor follow in parentheses: Thane International, Inc. (0275), Thane Direct, Inc. (2330), Thane Direct Company (N/A), West Coast Direct Marketing, Inc. (6456), TDG, Inc. (4037), Thane Direct Canada Inc. (8064), and Thane Direct Marketing, Inc. (N/A).

<sup>2</sup> The Canadian Proceeding includes proceedings under both Canadian federal and provincial law. Richter Advisory Group Inc. was appointed as receiver pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “BIA”) and as receiver pursuant to Section 101 of the Ontario’s *Courts of Justice Act*.

directly to consumers locally and globally as well as distribution of those products through traditional retail store distribution channels to consumers.

2. From 2013 to 2014, the Thane Group had experienced a material decline in revenue. As a result, the Thane Group borrowers defaulted on certain of their covenants and obligations to the Senior Lenders.<sup>3</sup> The Senior Lenders agreed to forbear from exercising certain of their rights and remedies and to provide further loans pursuant to the terms and conditions set out in a forbearance agreement originally dated November 12, 2013 and subsequently amended and restated on May 26, 2014 (as further amended from time to time, the “Forbearance Agreement”). The Forbearance Agreement contemplated that the Thane Group engage in a sales process for the Thane Business.

3. Before the filing of these chapter 15 cases, the Thane Group retained the services of SSG Capital Advisors to begin marketing their business a going concern. On May 22, 2015, the Thane Group entered into a letter of intent with its Senior Lenders with respect to the purchase of all or substantially all of the assets (the “Purchase Transaction”) of the Thane Debtors, including the shares of certain underlying subsidiaries. The terms and conditions of the Purchase Transaction were then set forth in the Purchase Agreement.

4. On October 16, 2015, Bank of Montreal, in its capacity as syndication agent and administrative agent (“BMO” or the “Agent”) for itself, National Bank of Canada and HSBC Bank Canada as lenders (the “Senior Lenders”), made an application under the Bankruptcy and Insolvency Act (Canada) and the Ontario Courts of Justice Act commencing the Canadian Proceeding.

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<sup>3</sup> Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion to Approve Verified Petition for Recognition of Foreign Main Proceeding and Related Relief [Docket No. 6] (the “Petition for Recognition”).

5. On October 23, 2015, the Canadian Court entered the Receivership Order, which, among other things, (i) appointed Richter Advisory Group Inc. as the Receiver and authorized the Receiver to manage and operate the property of the Thane Debtors; (ii) authorized the Receiver to consummate the Sale to the New Thane Purchasers; and (iii) granted a stay of the proceedings against the Thane Debtors. On the same day, the Canadian Court granted an Approval, Vesting and Distribution Order (the “Approval, Vesting, and Distribution Order”), authorizing the Receiver to make any immediate distribution of cash purchase price paid by the New Thane Purchasers (which cash purchase price is being advanced by the Lenders under the New Thane Term Loan) as a payment on account of the indebtedness currently outstanding to the Senior Lenders.

6. On October 25, 2015 (the “Petition Date”), the Receiver filed voluntary petitions on behalf of each of the Thane Debtors under chapter 15 of the Bankruptcy Code and the Petition for Recognition pursuant to section 1515 of the Bankruptcy Code seeking (i) entry of an Order recognizing the Canadian Proceeding as a foreign main proceeding pursuant to section 1517 of the Bankruptcy Code and (ii) relief under sections 1520 and 1521 of the Bankruptcy Code.

7. In conjunction with the voluntary petitions, the Receiver filed an Emergency Motion for Temporary Restraining Order, and After Notice and a Hearing, a Preliminary Injunction, Pursuant to Sections 105(a), 362, 365, 1507, 1519, and 1521 of the Bankruptcy Code [Docket No. 9] (the “TRO Motion”) seeking to stay proceedings against the Thane Debtors’ assets located in the United States, as well as the provisional application of sections 362 and 365 of the Bankruptcy Code, to preserve key contracts and prevent any creditors of the Thane Group from pursuing remedies and taking other action that may have a

cascading and devastating effect and result in significant erosion in enterprise value to the detriment of all stakeholders.

8. Following the first day hearing on October 27, 2015, the Court entered the Order Granting Provisional Relief [Docket No. 21] (the “Provisional Order”) in accordance with the TRO Motion, (a) staying any and all actions or proceedings against the Thane Debtors and their assets in the United States, including actions by all persons and entities to seize, attach, possess, execute against, and/or enforce any claim or lien against any property located in the United States in which any of the Thane Debtors has an interest and (b) preserving contracts that have not been terminated and staying all persons and entities from taking any action to terminate or modify any executory contract or unexpired lease with any of the Thane Debtors, including without limitation the right to rely upon any contractual provision purporting to effect a termination or modification solely because of a condition of the kind described in section 365(e)(1) of the Bankruptcy Code.

9. Also, on October 27, 2015, the Receiver filed a motion Pursuant to Sections 105(a), 363, 365, 1501, and 1521 of the Bankruptcy Code, and Bankruptcy Rules 2002, 6004, and 9014, for Entry of an Order (I) Recognizing and Enforcing the Approval, Vesting, and Distribution Order, (II) Authorizing the Sale of Substantially All of the Debtors Assets Free and Clear of Any and All Liens, Claims, Encumbrances, and Other Interests, (III) Authorizing Assignment of Certain Executory Contracts and Unexpired Leases, and (IV) Granting Related Relief [Docket No. 22] (the “ Sale Motion”).

10. On December 1, 2015, the Court entered an order granting recognition of the Canadian Proceeding as a foreign main proceeding on a permanent basis in the United States [Docket No. 41] (“Recognition Order”) and an order (i) recognizing and enforcing the Approval,

Vesting, and Distribution Order, (ii) authorizing the sale of substantially all of the Debtor's assets free and clear of any and all liens, claims, encumbrances, and other interests, (iii) authorizing the assignment of certain executory contracts and unexpired leases, and (iv) granting related relief [Docket No. 42] (the "Sale Order").

11. In accordance with the Sale Order, the sale of substantially all of the Debtors' assets to the New Thane Purchaser (as defined in the Sale Motion) closed on December 18, 2015 [Docket No. 47].

12. The Canadian Court subsequently entered an ordered dated April 3, 2017 discharging the Receiver and releasing the Receiver of liability with respect to its actions as receiver for the Thane Group (the "Discharge Order"). A copy of the Discharge Order is attached to the Motion for Order and Final Decree Pursuant to 11 U.S.C. §§ 105, 350, and 1517 Closing Chapter 15 Cases and Discharging the Receiver, filed contemporaneously herewith.

13. In connection with entry of the Discharge Order, the Receiver has contemporaneously herewith filed a Notice Pursuant to section 1518 the Bankruptcy Code of Change of Status of Foreign Main Proceeding.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true correct to the best of my information and belief.

Dated: April 3, 2017

/s/ Pritesh Patel  
Pritesh Patel, CIRP, CFA, MBA  
Vice President of Richter Advisory Group Inc.,  
receiver and foreign representative of the  
Thane Debtors