

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

<i>In re</i>	)	Chapter 15
)	
THANE INTERNATIONAL, INC., <i>et al.</i> , ¹	)	Case No. 15-12186 (___)
)	
Debtors in a Foreign Proceeding.	)	(Joint Administration Requested)
)	

**MOTION FOR ORDER SCHEDULING HEARING ON VERIFIED
PETITION UNDER CHAPTER 15 FOR RECOGNITION OF A FOREIGN MAIN
PROCEEDING AND FOR ADDITIONAL RELIEF AND ASSISTANCE UNDER 11
U.S.C. §§105(A), 1507, AND 1521 AND SPECIFYING FORM AND MANNER OF
SERVICE OF NOTICE OF HEARING**

Richter Advisory Group Inc. (the “Receiver”) is 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”).² The Receiver, by and through its undersigned counsel, files this motion (the “Motion”) for the entry of an order, substantially in the form attached hereto as Exhibit A (the “Proposed Notice Order”), (i) approving the notice substantially in the form annexed hereto as Exhibit B (the “Notice”) of the filing of the Petition for Recognition (as defined herein) and providing notice of Receiver’s intent to rely on foreign law; (ii) setting a hearing on the relief sought in the Verified Petition (the “Recognition Hearing”), and (iii) specifying the form and

¹ 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).

² 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.

manner of service of the Notice. In support of the Motion, the Receiver respectfully represents as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over these bankruptcy cases and the Motion 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 February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. Venue is proper under 28 U.S.C. §§ 1410(1) and (3).

3. The statutory bases for the relief requested herein are sections 105, 1514, and 1515 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”). Relief is also warranted pursuant to Rules 1007, 1011, 2002 and 9007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

BACKGROUND

4. On the date hereof (the “Petition Date”), the Receiver on behalf of each of the Thane Debtors filed their respective voluntary petitions under Chapter 15 of the Bankruptcy Code (the “Chapter 15 Cases”) and a Verified Petition for Recognition of Foreign Main Proceeding and Related Relief (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.

5. The detailed factual background relating to the Thane Debtors, the Receiver, and the commencement of these Chapter 15 bankruptcy cases is set forth in the Declaration of Pritesh Patel in Support of Petition for Recognition (the “Patel Declaration”), filed substantially contemporaneously herewith.

RELIEF REQUESTED

6. By the Motion, the Receiver requests entry of the Proposed Notice Order: (i) approving the Notice of the filing of the Petition for Recognition and providing notice of the Receiver's intent to rely on foreign law; (ii) setting the Recognition Hearing, and (iii) specifying the form the manner of service of the Notice.

A. Form and Manner of Notice

7. Bankruptcy Rule 2002(q)(1) provides that:

The clerk, or some other person as the court may direct, shall forthwith give the debtor, all persons or bodies authorized to administer foreign proceedings of the debtor, all entities against whom provisional relief is being sought under § 1519 of the Code, all parties to litigation pending in the United States in which the debtor is a party at the time of the filing of the petition, and such other entities as the court may direct, at least 21 days' notice by mail of the hearing on the petition for recognition of a foreign proceeding. The notice shall state whether the petition seeks recognition as a foreign main proceeding or foreign nonmain proceeding.

Fed. R. Bankr. P. 2002(q)(1).

8. Although Bankruptcy Rule 2002(q) provides that the parties identified therein must receive at least 21 days' notice by mail of the hearing on the petition for recognition of a foreign proceeding, it fails to specify the form and manner in which such notice must be given. Therefore, pursuant to Bankruptcy Rules 2002(m) and 9007, this Court may specify such form and manner of notice.³

9. Consistent with the requirements of Bankruptcy Rule 2002(q)(1), the Receiver respectfully proposes serving the Notice, Petition for Recognition and all filings in these Chapter 15 Cases by United States first-class mail on the following (collectively, the "Core

³ Bankruptcy Rules 2002(m) and 9007 provide, among other things, that when notice is to be given under the Bankruptcy Rules, the court shall designate the form and manner in which such notice shall be given (provided the Bankruptcy Rules do not otherwise specify the appropriate form and manner of such notice). See *id.* 2002(m) and 9007.

Notice Parties”⁴: (i) counsel to the Senior Lenders and the Agent; (ii) counsel to the New Thane Purchasers; (iii) Canadian Department of Justice; (iv) Internal Revenue Service; (v) counsel to the Debtors in the Canadian Proceeding; (vi) the Debtors; (vii) the Office of the United States Trustee for the District of Delaware; (viii) the Ontario Revenue Collections Branch; (ix) Ministry of Finance; (x) Office of the United States Attorney for the District of Delaware; (xi) Delaware Secretary of State; (xii) United States Securities and Exchange Commission; (xiii) Delaware State Treasury; and (xiv) any party that files a notice of appearance in these Chapter 15 Cases. Such service upon the Core Notice Parties (the “Core Party Service”) will be completed within three (3) business day of entry of the Proposed Notice Order.

10. Further, the Receiver respectfully proposes serving the Notice via United States first-class mail on the following (collectively, the “Notice Parties”): (i) all persons or bodies authorized to administer foreign proceedings of the Debtors; (ii) all entities against whom provisional relief is being sought under section 1519 excluding those certain counterparties to contracts being assumed through the Purchase Transaction (“Excluded Service Parties”); and (iii) all parties to litigation pending in the United States in which the Debtors are a party as of the Petition Date.

11. The Receiver respectfully submits that excluding service to the Excluded Service Parties is justified under these circumstances. The Excluded Service Parties are counterparties to contracts being assumed by the New Thane Purchasers through the Purchase Transactions. Accordingly, the Excluded Service Parties will not be owed a debt by the Thane Debtors upon closing of the Purchase Transaction. Under the circumstances, service of any documents with respect to the Chapter 15 Cases to the Excluded Services Parties would only

⁴ Capitalized parties included in the Core Notice Parties shall have the meanings ascribed to them in the Petition for Recognition.

serve to create confusion and further disrupt the Thane Debtors' business operations. Such a disruption could materially affect the going-concern value of the Thane Debtors' businesses. Moreover, requiring such notice would unnecessarily increase the expense of these Chapter 15 bankruptcy cases, which were filed for the limited purpose of effectuating the sale that has already been approved by the Canadian Court in the Canadian Proceeding. Finally, in the Canadian Proceeding, similar relief limiting notice has already been granted. It would further the ends of comity and cooperation between this Court and the Canadian Court if this Court were to approve the limited notice requested hereby.

12. The Receiver respectfully submits that service as set forth above, by United States mail, first-class postage pre-paid, upon the Core Notice Parties and the Notice Parties in accordance with Bankruptcy Rule 2002(k) and (q), constitutes adequate and sufficient notice of this chapter 15 case, the relief sought in the Verified Petition, the time fixed for filing objections to the relief sought in the Verified Petition, and the time, date and place of the Recognition Hearing.

13. Section 1514(c) of the Bankruptcy Code provides that when "a notification of commencement of a case is to be given to foreign creditors, such notification shall (1) indicate the time period for filings proofs of claim and specify the place for filing such proofs of claim; [and] (2) indicate whether secured creditors need to file proofs of claim . . ." 11 U.S.C. § 1514(c). The Receiver respectfully requests that the requirements set forth in section 1514(c) of the Bankruptcy Code be waived in this instance as inapplicable to these Chapter 15 bankruptcy cases.

14. The Receiver filed these Chapter 15 bankruptcy cases for the limited purpose of (i) effectuating the sale, already approved by the court in the Canadian Proceeding, to

the New Thane Purchasers, and the transfer of certain assets and rights of the Debtors in connection therewith and (ii) preventing any creditors in the United States from taking actions that would be detrimental to the consummation of such sale and that would have a negative impact on the ability of the Debtors to realize the maximum value from their assets. Moreover, the Thane Debtor's foreign creditors have an opportunity to participate in the Canadian Proceeding, which can adjudicate creditors' claims. In addition, the Debtors' U.S. creditors, to the extent that their claims are not otherwise paid in full through the sale to the New Thane Purchasers, will receive ample notice of all relevant bar dates and related requirements through any claims process established in the Canadian Proceeding.⁵

B. Scheduling Recognition Hearing

15. Section 1517(c) of the Bankruptcy Code provides that a petition for recognition shall be decided "at the earliest possible time." 11 U.S.C. § 1517(c). Moreover, Bankruptcy Rule 1011(b) provides that a party objecting to a petition filed to commence an ancillary proceeding under chapter 15 of the Bankruptcy Code has 21 days from service to respond thereto. See Fed. R. Bankr. P. 1011(b). Finally, Bankruptcy Rule 2002(q)(1) provides that parties are to be given 21 days' notice of a hearing on a chapter 15 petition. See id. 2002(q)(1).

16. In light of the foregoing requirements, the Receiver respectfully requests that this Court: (i) schedule the Recognition Hearing Date approximately twenty-one (21) days after service of the Petition for Recognition and Notice and (ii) set an appropriate Objection Deadline in connection therewith. The Receiver further requests that this Court require that all objections or response, if any, to the Petition for Recognition must be made in writing

⁵ Although the Receiver does not presently intend to establish a bar date in these proceedings, the Receiver reserves its right to establish a claims adjudication process in this chapter 15 proceeding after which it will provide additional notice to domestic creditors of a claims bar date and other relevant deadlines.

(describing the basis for any objection) and pursuant to the Bankruptcy Code, the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, and the Bankruptcy Rules, including, without limitation, Bankruptcy Rule 1011, which objection or response must be filed with the Clerk of the Court, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801, and served upon undersigned counsel to the Receiver.

WHEREFORE, the Receiver respectfully requests (i) entry of an order in the form of the Proposed Notice Order attached hereto (a) setting a hearing date for the Recognition Hearing and (b) approving the form of Notice and the manner of service of the Notice and the Verified Petition.

Dated: October 25, 2015
Wilmington, Delaware

/s/ Mark L. Desgrosseilliers

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EXHIBIT A

Proposed Notice Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

<i>In re</i>	)	Chapter 15
)	
THANE INTERNATIONAL, INC., <i>et al.</i> , ¹	)	Case No. 15-12186 (___)
)	
Debtors in a Foreign Proceeding.	)	(Jointly Administered)
)	

**ORDER SCHEDULING HEARING ON VERIFIED PETITION UNDER
CHAPTER 15 OF THE BANKRUPTCY CODE FOR RECOGNITION OF A FOREIGN
MAIN PROCEEDING AND FOR ADDITIONAL RELIEF AND ASSISTANCE UNDER
SECTIONS 105(A), 1507, AND 1521 OF THE BANKRUPTCY CODE AND SPECIFYING
FORM AND MANNER OF SERVICE OF NOTICE OF HEARING**

Upon the motion (the “Motion”)² of the Receiver for the Debtors for entry of an order scheduling a hearing on the Receiver’s verified petition for recognition of foreign main proceeding and the relief requested therein and specifying the form and manner of service of notice of the hearing; it is hereby:

ORDERED, that the form of the Notice attached as Exhibit B to the Application is hereby APPROVED; and it is further

ORDERED, that copies of the Notice, the Petition for Recognition, related filings, and the documents filed in support thereof (collectively, the “Service Documents”) shall be served by United States mail, first-class postage pre-paid on or before **October ___, 2015**, upon the Core Notice Parties and the Notice Parties, as set forth in the Motion, at their last known addresses; and it is further

ORDERED, that if any party files a notice of appearance in this case, the Receiver shall serve the Service Documents upon such party within ten (10) business days of the filing of

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

such notice of appearance if such documents have not already been served on such party (or its counsel); and it is further

ORDERED, that service of the Service Documents in accordance with this Order is hereby approved as adequate and sufficient notice and service of the Service Documents on all interested parties; and it is further

ORDERED, that a hearing (the "Hearing") on the relief sought in the Petition for Recognition as well as responses or objections, if any, to the Service Documents shall be held on November ____, 2015 at __ : __ .m. (prevailing Eastern Time), before the Honorable _____, United States Bankruptcy Judge, at the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), 824 N. Market Street, __ Floor, Courtroom #__, Wilmington, Delaware 19801, U.S.A.; and it is further

ORDERED, that responses or objections, if any, to the Service Documents must be in writing describing the basis therefor and shall be (i) filed with the Clerk of the Bankruptcy Court, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801, U.S.A; and (ii) served upon Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Ave, Suite 1501, Wilmington, Delaware 19801 (Attention: Mark Desgrosseilliers, Esq.), United States counsel to the Receiver, so as to be received on or before _____, 2015 at __ : __ .m. (Eastern Time); and it is further

ORDERED, that replies in support of the relief sought in the Petition for Recognition shall be filed with the Court on or before _____, 2015 at __ : __ .m. (Eastern Time); and it is further

ORDERED, that the Hearing may be adjourned from time to time without notice other than an announcement in open court at the Hearing or the adjourned date of the hearing; and it is further

ORDERED, that all notice requirements specified in Bankruptcy Code section 1514(c) are hereby found to be inapplicable or are otherwise waived; and it is further

ORDERED, that service pursuant to this Order shall be good and sufficient service and adequate notice of the hearing to consider the Petition for Recognition and the Receiver's request for an order granting recognition of the foreign proceeding as a "foreign main proceeding" and for related relief.

Dated: October __, 2015
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Notice

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

<i>In re</i>	)	Chapter 15
)	
)	
THANE INTERNATIONAL, INC., <i>et al.</i> , ¹	)	Case No. 15-12186 ()
	)	(Jointly Administered)
Debtors in a Foreign Proceeding.)	
	)	Hearing Date:
	)	Objection Deadline:

NOTICE OF FILING AND HEARING ON VERIFIED PETITION OF FOREIGN MAIN
PROCEEDING AND RELATED RELIEF

PLEASE TAKE NOTICE that on October 25, 2015, 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 "Debtors" or the "Thane Group") in Canadian insolvency proceedings pending in Toronto, Ontario, Canada (the "Canadian Proceeding"),² by the Receiver's United States counsel, filed an Official Form Petition for each of the Debtors and the Verified Petition of Foreign Main Proceeding and Related Relief (together with all exhibits, declarations and other documents appended thereto or filed in connection therewith, the "Petition for Recognition") commencing chapter 15 cases ancillary to the Canadian Proceeding and seeking (i) recognition of such foreign proceeding as a "foreign main proceeding" and (ii) relief in aid of the Canadian

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² 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.

Proceeding in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) with respect to the Thane Group, including certain additional relief pursuant to sections 105, 362, 363, 365, 1507, and 1521 of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that a copy of the Petition for Recognition is served upon you herewith, along with: (i) the lists required to be filed with the Petition for Recognition pursuant to Bankruptcy Rule 1007(a)(4) and (ii) the Declaration of Pritesh Patel, Vice President of the Foreign Representative of the foreign proceeding required to be filed pursuant to Bankruptcy Code section 1515 (collectively the “Supporting Documents”).

PLEASE TAKE FURTHER NOTICE that, pursuant to the Order Scheduling Hearing on Verified Chapter 15 Petition and Specifying Form and Manner of Notice of Hearing (Docket No. ___) (the “Scheduling Order”), a copy of which is served upon you herewith, the Bankruptcy Court has scheduled a hearing on _____, 2015 at ___:___ .m. (Eastern Time) (the “Hearing”) before the Honorable _____, United States Bankruptcy Judge, at the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, ___ Floor, Courtroom #___, Wilmington, Delaware 19801, U.S.A.

PLEASE TAKE FURTHER NOTICE that any response or objection to the relief requested in the Petition for Recognition must be (i) in writing describing the basis therefor; (ii) filed with the Clerk of the Bankruptcy Court, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801, U.S.A, on or before _____, 2015 at ___:___ .m. (Eastern Time) (the “Objection Deadline”); and (iii) served upon Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Ave, Suite 1501, Wilmington, Delaware 19801 (Attention: Mark Desgrosseilliers, Esq.), United States counsel to the Receiver, so as to be received on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE that all parties in interest opposed to the Petition for Recognition or the Receiver's request for relief must appear at the Hearing at the time and place set forth above. Further, the Hearing may be adjourned from time to time without further notice other than an announcement in open court at the Hearing of the adjourned date or dates or any further adjourned hearing.

PLEASE TAKE FURTHER NOTICE that the Receiver intends to raise issues pertaining to foreign law, specifically Canadian insolvency law, in connection with the Petition for Recognition: (i) recognizing the Canadian Proceeding as a foreign main proceeding pursuant to chapter 15 of the Bankruptcy Code and the Foreign Representative as the Thane Group's foreign representative under Bankruptcy Code sections 1509 and 1517; (ii) granting automatic relief pursuant to Bankruptcy Code section 1520; and (iii) granting other and additional relief pursuant to Bankruptcy Code sections 1507 and 1521(a) and (b).

PLEASE TAKE FURTHER NOTICE that if no response or objection is timely filed and served as provided above, the Bankruptcy Court may grant the recognition and relief requested by the Receiver without further notice. Copies of the Petition for Recognition and the Supporting Documents will be made available upon request at the office of the Receiver's United States counsel at the address below.

Dated: October __, 2015
Wilmington, Delaware

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