



1 HANSON BRIDGETT LLP
NEAL L. WOLF, SBN 202129
2 nwolf@hansonbridgett.com
ANTHONY J. DUTRA, SBN 277706
3 adutra@hansonbridgett.com
425 Market Street, 26th Floor
4 San Francisco, California 94105
Telephone: (415) 995-5015
5 Facsimile: (415) 541-9366

The following constitutes the order of the Court.
Signed: December 23, 2020

6 *Attorneys for Debtors and Debtors in*
7 *Possession*

Roger L. Efremsky
U.S. Bankruptcy Judge

8
9 **UNITED STATES BANKRUPTCY COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
11 **OAKLAND DIVISION**

12
13 In re
14 GALILEO LEARNING, LLC,
15 Debtor.¹

Case Nos. 20-40857 (RLE)
20-40858 (RLE)
Chapter 11
(Jointly Administered)

16
17 In re
18 GALILEO LEARNING FRANCHISING
LLC,
19 Debtor.

**ORDER (I) APPROVING DISCLOSURE
STATEMENT; (II) ESTABLISHING
SOLICITATION AND VOTING
PROCEDURES; AND (III) SCHEDULING
HEARING AND ESTABLISHING NOTICE
AND OBJECTION PROCEDURES WITH
RESPECT TO CONFIRMATION OF
DEBTOR'S FIRST AMENDED PLAN OF
REORGANIZATION**

22
23
24
25 ¹ These cases are being jointly administered, and all documents for either case should
26 be filed in lead case number 20-40857 (RLE). The last four digits of each Debtor's federal
27 tax identification number, are as follows: Galileo Learning, LLC (9453) and Galileo
28 Learning Franchising LLC (5638). The mailing address for the Debtors is 1021 3rd Street,
Oakland, CA 94607.

1 Upon the motion, dated December 2, 2020 (the “**Motion**”) of Galileo Learning, LLC
2 (the “**Debtor**”), the debtor and debtor in possession in above-captioned chapter 11 case
3 number 20-40857 (the “**Chapter 11 Case**”) for entry of an order (this “**Order**”), sections
4 1125, 1126, and 1128 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the
5 “**Bankruptcy Code**”), Rules 2002, 3016, 3017, 3018, and 3020 of the Federal Rules of
6 Bankruptcy Procedure (the “**Bankruptcy Rules**”), Rule 3017-1 of the Bankruptcy Local
7 Rules for the Northern District of California (the “**Bankruptcy Local Rules**” or “**B.L.R.**”),
8 and section 7.1 of the Guidelines of the United States Trustee, Region 17 (the “**U.S.T.**
9 **Guidelines**”), for entry of an order (i) approving the Debtor’s Disclosure Statement dated
10 December 2, 2020 (including all exhibits thereto and as amended, modified or
11 supplemented from time to time, the “**Disclosure Statement**”); (ii) approving procedures
12 for the solicitation of votes with respect to Debtor’s First Amended Plan of Reorganization,
13 dated December 2, 2020 (including all exhibits thereto and as amended, modified or
14 supplemented from time to time, the “**Plan**”), including (a) approving solicitation packages
15 and procedures for distribution thereof (including distribution by email), (b) approving forms
16 of ballots, (c) approving notice to the non-voting classes under the Plan (including notice
17 by email), (d) establishing a voting deadline for the receipt of ballots, and (e) approving
18 procedures for vote tabulation; and (iii) scheduling a hearing to consider confirmation of
19 the Plan and approving the form and manner of notice thereof (including notice by email),
20 as more fully set forth in the Motion; and the court having jurisdiction to consider the Motion
21 and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the
22 Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C.
23 § 157(b); and venue being proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409;
24 and due and proper notice of the Motion having been provided; and the Court having
25 determined that the relief sought in the Motion is in the best interest of the Debtor, its
26 creditors and all other parties in interest; and the Court having determined that the legal
27 and factual bases set forth in the Motion establish just cause for the relief requested therein;
28 and upon all the proceeding shad before the Court and after due deliberation and sufficient

1 cause appearing therefore,

2 **IT IS HEREBY FOUND THAT:**

3 A. The Disclosure Statement contains “adequate information” within the
4 meaning of section 1125 of the Bankruptcy Code.

5 B. The Disclosure Statement substantially complies with all applicable
6 Bankruptcy Rules, Bankruptcy Local Rules, and the U.S.T. Guidelines.

7 C. The forms of the ballots for voting to accept or reject the Plan attached to the
8 Motion as Exhibit D (the “**Ballots**”), as amended by the Debtor to reflect the date for
9 accepting or rejecting the Plan and other relevant dates and supplemental information, are
10 sufficiently consistent with Official Form No. 314 and adequately address the particular
11 needs of this case and are appropriate for each class of claims entitled under the Plan to
12 vote to accept or reject the Plan.

13 D. Ballots need not be provided to the Holders of Claims or Interests in Class 1,
14 Class 2, and Class 10; such classes are not entitled to vote on the Plan because they are
15 unimpaired under the Plan and/or presumed to accept the Plan.

16 E. Ballots need not be provided to the Holders of Claims or Interests in Class 5
17 with the exception of the class representatives (“Class Representatives”) of the class of
18 Galileo customers the Court certified as a “mandatory” class under Civil Rule 23(b)(1)(B)
19 in the Court’s November 9, 2020 order.

20 F. The period, set forth below, during which the Debtor may solicit acceptances
21 or rejections of the Plan, is a reasonable and adequate period of time for creditors and
22 interest holders entitled to vote on the Plan to make an informed decision whether to accept
23 or reject the Plan.

24 G. The procedures for the solicitation and tabulation of votes to accept or reject
25 the Plan provide for a fair and equitable voting process and are consistent with the
26 requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Local
27 Rules.

28

1 H. The procedures set forth below for providing notice to all creditors, interest
2 holders, and other parties in interest of the date, time, and place of the hearing to consider,
3 and the deadline for filing objections to, confirmation of the Plan (the “**Confirmation**
4 **Hearing**”) and the distribution and contents of the Solicitation Packages substantially
5 comply with Bankruptcy Rules 2002 and 3017, and B.L.R. 3017-1, and constitute sufficient
6 notice to all interested parties.

7 **NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED**
8 **THAT:**

9 1. The Motion is granted.

10 2. The Disclosure Statement filed by the Debtor, dated December 2, 2020, as
11 amended, is approved.

12 3. All objections to the Disclosure Statement not otherwise withdrawn or
13 resolved by this Order are hereby overruled.

14 4. The Ballots are approved.

15 5. On or before December 29, 2020 (the “**Solicitation Date**”), the Debtor shall
16 distribute (or shall cause Stretto, the Debtor’s Claims and Noticing Agent to distribute) to
17 each Holder of Claims or Interests in Class 3, Class 4, Class 6, Class 7, Class 8, and Class
18 9 a solicitation package (each, a “**Solicitation Package**”) containing copies of: (i) the
19 Confirmation Hearing Notice, substantially in the form attached to the Motion as Exhibit C
20 but with such amendments as are necessary to reflect the date for accepting or rejecting
21 the Plan and other relevant dates and supplemental information, (ii) the Disclosure
22 Statement (including a copy of this Order and the Plan), and (iii) a Ballot. The Debtor is not
23 required to distribute copies of the Plan, Disclosure Statement, Ballot or Solicitation
24 Packages to the Holders of Claims or Interests in Class 1, Class 2, Class 5, or Class 10
25 unless such party makes a request of the Debtor, except as provided in paragraph 6 below.

26 6. On or before the Solicitation Date, the Debtor shall distribute (or shall cause
27 Stretto, the Debtor’s Claims and Noticing Agent to distribute) a package (the “**Non-Voting**
28 **Disclosure Package**”) containing copies of: (i) the Confirmation Hearing Notice,

1 substantially in the form attached to the Motion as Exhibit C but with such amendments as
2 are necessary to reflect the date for accepting or rejecting the Plan and other relevant dates
3 and supplemental information and (ii) the Disclosure Statement (including a copy of this
4 Order and the Plan), to Holder of Claims or Interests in Class 1, Class 2, and Class 10,
5 which classes are not entitled to vote under the Plan. With respect to the holders of claims
6 in Class 5, on or before the Solicitation Date, the Debtor shall send a Solicitation Package
7 only to (i) the Class Representatives – Nanette Kearney, Krister Johnson, and Sandra
8 Shorago; and (ii) Class Counsel – Hahn & Hahn LLP and Aiman-Smith & Marcy P.C. With
9 respect to the remaining holders of claims in Class 5, the Debtor shall send a Non-Voting
10 Disclosure Package.

11 7. The Debtor is authorized to distribute the Solicitation Packages and Non-
12 Voting Disclosure Packages, consistent with paragraphs 6 and 7 above, via email either
13 as attachments or as links to online versions of the respective documents at the email
14 addresses provided to the Debtor by the respective Holders, or representative(s) of
15 Holders, of such Claims or Interests, or their counsel, as the case may be, or in the
16 alternative, at such email address of record contained in the Debtor's books and records
17 for such creditor or representative. Debtor is only required to distribute the Solicitation
18 Packages and Non-Voting Disclosure Packages by U.S. Mail to the Holders of Claims or
19 Interests for whom the Debtor or Stretto receives an automatic response indicating that the
20 email sent to such Holders was undeliverable or to whom the Debtor or Stretto otherwise
21 determines such email was not delivered.

22 8. All Ballots shall be properly executed, completed, and delivered with original
23 signatures to Stretto so that they are received by Stretto no later than 4:00 p.m. (prevailing
24 Pacific Time) on January 26, 2021 (the "**Voting Deadline**").

25 9. Holder of Claims or Interests entitled to vote on the Plan may submit Ballots
26 to Stretto by mail or may submit Ballots electronically on Stretto's website for the Debtor's
27 Chapter 11 case by submitting the same information requested in their respective Ballot
28 but by submitting the unique e-ballot identification number printed on their Ballot in

1 satisfaction of the signature requirement.

2 10. Except as otherwise provided herein, any Ballot that is timely received, that
3 contains sufficient information to permit identification of the claimant or designated
4 representative and that is cast as an acceptance or rejection of the Plan will be counted
5 and will be deemed to be cast as an acceptance or rejection, as the case may be, of the
6 Plan.

7 11. The following Ballots will not be counted or considered for any purpose in
8 determining whether the Plan has been accepted or rejected: (i) any Ballot received after
9 the Voting Deadline unless the Debtor granted an extension, in writing, of the Voting
10 Deadline with respect to such Ballot; (ii) any Ballot that is illegible in any material respect
11 or contains insufficient information to permit the identification of the claimant or the claim
12 amount; (iii) any Ballot cast by a person or entity that does not hold a claim in a class that
13 is entitled to vote to accept or reject the Plan; (iv) any Ballot cast by a person holding a
14 claim or interest in Class 5, which person is not one of the Class Representatives; (v) any
15 unsigned Ballot (if submitted in paper form) or that does not contain the unique e-ballot
16 identification number (if submitted electronically); and (vii) any properly executed, timely
17 received Ballot that partially rejects and partially accepts the Plan or that does not indicate
18 acceptance or rejection of the Plan.

19 12. Counsel for the Debtor is authorized to, in its discretion, contact voters, or,
20 where possible, their counsel, to cure any defects in the Ballots and is authorized to so
21 cure any defects.

22 13. Notwithstanding Bankruptcy Rule 3018(a), whenever a creditor casts more
23 than one Ballot voting the same claim before the Voting Deadline, the last Ballot received
24 before the Voting Deadline will be deemed to reflect the voter's intent and thus to
25 supersede any prior Ballots, without prejudice to the Debtor's right to object to the validity
26 of the second, or any subsequent, Ballot on any basis permitted by law, including under
27 Bankruptcy Rule 3018(a), and, if the objection is sustained, to count the first Ballot for all
28 purposes.

1 14. Voters must vote all of their Claims within a particular class under the Plan
2 together either to accept or to reject the Plan and may not split their vote(s), and that any
3 properly executed, timely received Ballot that partially rejects and partially accepts the Plan
4 shall not be counted as a vote to accept or reject the Plan.

5 15. The Confirmation Hearing shall be held at 10:00 a.m. (prevailing Pacific
6 Time) on February 9, 2021, or as soon thereafter as counsel may be heard; provided,
7 however, that the Confirmation Hearing may be continued from time to time by the Court
8 or the Debtor without further notice other than announcement of such adjournments in open
9 court or as indicated in any notice of agenda of matters scheduled for hearing filed with the
10 Court.

11 16. The Confirmation Hearing Notice is hereby approved and deemed adequate
12 and sufficient notice of the Confirmation Hearing in accordance with Bankruptcy Rules
13 2002 and 3017, and B.L.R. 3017-1.

14 17. Any objections to confirmation of the Plan shall: (i) be in writing, (ii) state the
15 name and address of the objecting party and the nature of the claim or interest of such
16 party, (iii) state with particularity the basis and nature of any objection, and (iv) be filed,
17 together with proof of service with the Court, and be served so that they are actually filed
18 and received no later than 4:00 p.m. (prevailing Pacific time) on January 26, 2021 by the
19 following parties:

20 Counsel for the Debtor
21 Hanson Bridgett LLP
22 1676 N. California Blvd., Suite 620
23 Walnut Creek, CA 94596
24 Attn: Neal L. Wolf, Esq.
25 415-995-5015

20 Counsel to the Official Committee of
21 Unsecured Creditors
22 Levene, Neale, Bender, Yoo & Brill, L.L.P.
23 10250 Constellation Boulevard, Suite 1700
24 Los Angeles, CA 90067
25 Attn: Daniel H. Reiss, Esq.
26 310-229-1234

24 United States Trustee:
25 Office of the United States Trustee
26 Region 17 (Oakland Division)
27 1301 Clay Street, Suite 690N
28 Oakland, CA 94612
 Attn: Terri H. Didion, Esq.
 559-487-5002 ext. 235

1 18. Objections to confirmation of the Plan that are not timely filed, served and
2 actually received in the manner set forth above may not be considered by the Court and
3 may be deemed overruled.

4 19. The Debtor is authorized, in its sole discretion, to take or refrain from taking
5 any action necessary or appropriate to implement the terms of and the relief granted in this
6 Order without seeking further order of the Court unless such action materially impacts the
7 rights and obligations of parties under the Plan and/or the Disclosure Statement.

8 20. The Debtor is authorized to make non-substantive changes to the Disclosure
9 Statement, the Plan, the Confirmation Notice, the Notice of Non-Voting Status and/or the
10 Ballots without limitation, changes to correct typographical and grammatical errors and to
11 make any necessary conforming changes among the Disclosure Statement, the Plan and
12 other materials in the Solicitation Package prior to their emailing or mailing.

13 21. All notices to be provided pursuant to the procedures set forth herein
14 (including notice by email) are good and sufficient notice to all parties in interest of all
15 matters pertinent hereto and of all matters pertinent to the Confirmation Hearing and no
16 other or further notice need be provided.

17 22. The Debtor is hereby authorized and empowered to take such other and
18 further steps and perform such acts as may be necessary to implement and effectuate the
19 terms of this Order

20 23. This Court shall retain jurisdiction to hear and determine all matters arising
21 from the implementation and/or interpretation of this Order

22 *** END OF ORDER ***

23
24
25
26
27
28