



*Company Commences Voluntary Chapter 11 to Maximize Value of Assets Through Sale  
Business to Continue as Usual During Court-Supervised Sale Process*

ACTON, July 14, 2020 – The Paper Store, LLC (“The Paper Store” or the “Company”), a specialty gift retailer with 86 store locations in the northeastern United States, is looking to enter into a financial restructuring that will likely culminate in a sale of essentially all of the Company’s assets.

To accomplish the sale in an efficient manner, The Paper Store and its holding company filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Massachusetts (the “Court”). Concurrently, the Company filed a motion to initiate a competitive bidding process under Section 363 of the Bankruptcy Code designed to achieve the highest or otherwise best offer, or offers, for the Company’s assets.

The Paper Store expects to continue operating its business as usual and has obtained an interim agreement from its lenders to use the cash generated by the business in order to provide liquidity to support ongoing operations during the process. The Company will work closely with its various stakeholders to help ensure that ongoing obligations are met and services are uninterrupted.

“After thoughtful consideration, we determined that a sale is the best path to maximize the value of the Company’s leading specialty gift business for the benefit of our customers across the United States and other stakeholders,” said Don Van der Wiel, Chief Restructuring Officer. “During the sale process, we expect to operate the business as usual, without interruption, and we will remain focused on successfully meeting our customers’ needs. We also intend to meet all of our obligations to our valued employees”.

“We are confident that this process will result in strong new ownership and anticipate that virtually all of the employees would be offered employment by new ownership,” Mr. Van der Wiel added.

The Company also filed with the Court a series of customary motions seeking to continue operating its business as usual and uphold its commitments to its valued customers, employees, and other stakeholders during the process. These “first day” motions, filed to ensure a smooth transition into Chapter 11, include requests to continue paying wages and providing benefits to employees in the normal course and honoring customer programs.

For more information about The Paper Store’s Chapter 11 proceeding, including access to Court documents, please visit <https://www.donlinrecano.com/tps>.

Paul Ricotta and Kevin Walsh of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. are serving as legal counsel to The Paper Store, and Don Van der Wiel of G2 Capital Advisors is serving as the Company’s Chief Restructuring Officer.

### **About The Paper Store**

The Paper Store, LLC, based in Acton, Massachusetts, is a leading specialty gift retailer with 86 stores located in the northeastern United States. Since its inception, the Company’s mission has been to help their customers find unique gifts to celebrate all of life’s occasions from humorous to heartfelt. The Company also believes in maintaining strong, local ties to the community thru various charitable endeavors. For more information, please visit <https://www.thepaperstore.com>.

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