

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

In re:

PEGASUS HOME FASHIONS, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 23-11235 (MFW)

(Jointly Administered)

**Ref. Docket Nos. 39 & 136**

**NOTICE OF CANCELLATION OF AUCTION**

**PLEASE TAKE NOTICE** that, on August 25, 2023, the debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”), filed the *Debtors’ Motion for Entry of (A) an Order (I) Approving Bidding Procedures in Connection with Sale of the Debtors’ Assets and Related Bid Protections; (II) Approving Form and Manner of Notice; (III) Scheduling Auction and Sale Hearing; (IV) Authorizing Procedures Governing Assumption and Assignment of Certain Contracts and Unexpired Leases; and (V) Granting Related Relief; and (B) an Order (I) Approving Asset Purchase Agreements, (II) Authorizing the Sales of All or Substantially All of the Debtors’ Assets Free and Clear of All Encumbrances Other than Assumed Liabilities and Permitted Encumbrances, (III) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (IV) Granting Related Relief* [D.I. 39] (the “**Motion**”)<sup>2</sup> with the United States Bankruptcy Court for the District of Delaware (the “**Court**”).

**PLEASE TAKE FURTHER NOTICE** that, on September 28, 2023, the Court entered an order [D.I. 136] (the “**Bidding Procedures Order**”) granting certain relief sought in the Motion, including, among other things, approving the Bidding Procedures, which established certain key dates and times related to the Sale and Auction.

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the Bidding Procedures Order, the Bid Deadline was October 24, 2023 at 5:00 p.m. (ET), and the Debtors did not receive any Qualified Bids, other than that from the Stalking Horse Bidder, prior to the Bid Deadline.

**PLEASE TAKE FURTHER NOTICE** that, in accordance with the Bidding Procedures Order, the Auction scheduled for October 27, 2023 at 10:00 a.m. (ET) is hereby **CANCELED**. At the Sale Hearing, which is currently scheduled to be held on November 2, 2023 at 10:00 a.m. (ET), the Debtors will request that the Court approve the Sale pursuant to the Stalking Horse Agreement.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of their federal tax identification numbers, are Pegasus Home Fashions, Inc. (0867); Pegasus Home Fashions Intermediate Inc. (3275); Pegasus Home Fashions Purchaser Inc. (2857); and Weatherford Cushion Co. (1078). The Debtors’ mailing address for the purposes of these chapter 11 cases is P.O. Box 2019, Ocean, NJ 07712.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Motion.

Dated: October 26, 2023  
Wilmington, Delaware

**YOUNG CONAWAY STARGATT & TAYLOR, LLP**

*/s/ S. Alexander Faris*

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