

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MASSACHUSETTS  
(EASTERN DIVISION)**

**In re:**

**COSI, INC., *et al.*,<sup>1</sup>**

**Debtors.**

**Chapter 11**

**Case No. 16-13704-MSH**

**(Jointly Administered)**

**NOTICE REGARDING (I) DISCLOSURE STATEMENT AND JOINT PLAN OF REORGANIZATION, (II) DEADLINE FOR FILING OBJECTIONS TO PLAN CONFIRMATION, (III) DEADLINE FOR FILING OBJECTIONS TO LEASE AND CONTRACT ASSUMPTION AND (IV) HEARING ON PLAN CONFIRMATION**

**TO ALL HOLDERS OF CLAIMS AND INTERESTS AND PARTIES IN INTEREST:**

- Bankruptcy Court Approval of the Disclosure Statement and the Solicitation Procedures.** On March 21, 2017, the United States Bankruptcy Court for the District of Massachusetts (the “Court”) entered an Order (the “Disclosure Statement Order”) approving the *First Amended Disclosure Statement with Respect to Joint Plan of Reorganization of Cosi, Inc., Xando Cosi of Maryland, Inc., Cosi Sandwich Bar, Inc., Hearthstone Associates, LLC, and Hearthstone Partners, LLC* [Dkt. No. 763-2] (as may be amended, supplemented, or modified from time to time, the “Disclosure Statement”), as containing adequate information, as required under section 1125(a) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), and authorized the Debtors to solicit votes with regard to the acceptance or rejection of the *First Amended Joint Plan of Reorganization of Cosi, Inc., Xando Cosi of Maryland, Inc., Cosi Sandwich Bar, Inc., Hearthstone Associates, LLC, and Hearthstone Partners, LLC* [Dkt. No. 763-1] (as may be amended, supplemented, or modified from time to time, the “Plan”).<sup>2</sup>

In accordance with Rule 3017(a) of the Federal Rules of Bankruptcy Procedure, requests for copies of the Disclosure Statement, the Plan and/or the Disclosure Statement Order or any inquiries related thereto may be made to the undersigned counsel. Copies of any documents so requested will be provided free of charge.

- Voting Record Date.** The Voting Record Date for purposes of determining which Holders of Claims are entitled to vote on the Plan is March 21, 2017 at 5:00 p.m. prevailing Eastern Time.

<sup>1</sup> The Debtors in these Chapter 11 cases are Cosi, Inc. (Case No. 16-13704-MSH), Xando Cosi of Maryland, Inc. (Case No. 16-13706-MSH), Cosi Sandwich Bar, Inc. (Case No. 16-13705-MSH), Hearthstone Associates, LLC (Case No. 16-13707-MSH), and Hearthstone Partners, LLC (Case No. 16-13708-MSH). The cases are jointly administered under the Cosi, Inc. case number.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan.

3. **Voting Deadline.** If you hold a Claim against one of the Debtors as of the Voting Record Date and are entitled to vote to accept or reject the Plan (i.e., Holders of Claims in Class 5 (Noteholder Secured Claim) and Class 6 (General Unsecured Claims)), you have received or will receive a Ballot appropriate for your Claim(s). For your vote to accept or reject the Plan to be counted, you must follow the appropriate voting instructions, complete all required information on the Ballot, execute and return the completed Ballot so that it is actually received in accordance with the voting instructions set forth in the Ballot at the address indicated in the Ballot **by 4:30 p.m. prevailing Eastern Time on April 20, 2017** (the “Voting Deadline”). Any failure to follow the voting instructions set forth on the Ballot may disqualify your Ballot and your vote on the Plan. Further information regarding the submission of Ballots and the procedures for solicitation and tabulation of votes to accept or reject the Plan is set forth in the Disclosure Statement Order.

4. **Parties Not Entitled to Vote to Accept or Reject the Plan.**

a. **Unimpaired Creditors.** Under the terms of the Plan, Holders of Claims or Interests, as applicable, in Class 1 (Priority Claims), Class 2 (JP Morgan Chase Secured Claim), Class 3 (Continuing Employment Claims), Class 4 (Customer Claims), Class 7 (Intercompany Claims), and Class 9 (Intercompany Interests) are not impaired and, accordingly, are (i) conclusively presumed to have accepted the Plan, and (ii) not entitled to vote on the Plan on account of such Claims or Interests.

b. **Holders of Existing Equity Interests.** Under the terms of the Plan, the Holders of Interests in Class 8 (Existing Equity Interests) will neither receive nor retain any consideration nor retain any property under the Plan and, accordingly, are (i) conclusively presumed to have rejected the Plan and (ii) not entitled to vote on the Plan on account of such Interests. As such, all issued and outstanding shares of Cosi, Inc. will be cancelled and holders of such shares will receive nothing under the Plan.

**IF YOU DO NOT RECEIVE A BALLOT BUT YOU BELIEVE THAT YOU MAY BE ENTITLED TO VOTE ON THE PLAN, YOU SHOULD IMMEDIATELY CONTACT THE UNDERSIGNED COUNSEL AND REQUEST A BALLOT.**

5. **Objections to the Plan.** The Court has established **April 20, 2017, at 4:30 p.m. prevailing Eastern Time**, as the last date and time for filing and serving objections to the confirmation of the Plan (the “Plan Objection Deadline”). Objections, if any, to the confirmation of the Plan must (a) be in writing, (b) state the name and address of the objector, (c) comply with the Federal Rules of Bankruptcy Procedure and the Massachusetts Local Bankruptcy Rules, (d) state the amount of the objector’s claim or the nature of its interest, and the nature of the objection or modification sought and the legal basis therefor, (e) be filed and served on or before the Plan Objection Deadline, and (f) be filed with the Clerk, United States Bankruptcy Court, John W. McCormack Post Office and Courthouse, 5 Post Office Square,

Boston, Massachusetts 02109, with copies served upon the following (collectively, the “Objection Notice Parties”):

Mirick, O’Connell, DeMallie & Lougee, LLP  
1800 West Park Drive, Suite 400  
Westborough, MA 01581  
Attn: Christine E. Devine, Esq.  
Attn: Joseph H. Baldiga, Esq.

Office of the United States Trustee  
for the District of Massachusetts  
John W. McCormack Post Office & Courthouse  
5 Post Office Square, 10<sup>th</sup> Floor, Suite 1000  
Boston, MA 02109  
Attn: Paul R.C. Bachtell, Esq.

*Counsel to the Debtors*

*United States Trustee*

Nixon Peabody LLP  
100 Summer Street  
Boston, MA 02110  
Attn: Lee Harrington, Esq.

Vinson & Elkins, LLP  
666 Fifth Avenue, 26<sup>th</sup> Floor  
New York, NY 10103  
Attn: Steven M. Abramowitz, Esq.

*Counsel to the Creditors’ Committee*

*Counsel to the DIP Lenders and Noteholders*

ANY OBJECTIONS NOT FILED AND SERVED AS SET FORTH ABOVE WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND SHALL BE DEEMED WAIVED.

6. **Confirmation Hearing.** A hearing to consider confirmation of the Plan is scheduled for **April 25, 2017 at 10:00 a.m. prevailing Eastern Time** before the Honorable Melvin S. Hoffman, Chief United States Bankruptcy Judge, at the United States Bankruptcy Court located at Courtroom No. 2, 12<sup>th</sup> Floor of the John W. McCormack Post Office and Courthouse, 5 Post Office Square, Boston, Massachusetts 02109 (the “Confirmation Hearing”). The Confirmation Hearing may be adjourned from time to time without further notice to creditors or other parties in interest, other than by an announcement of such an adjournment in open court at the Confirmation Hearing.
  
7. **Objections to Assumption of Executory Contracts and Unexpired Leases.** Objections to the assumption or the assumption and assignment of executory contracts and unexpired leases as set forth on the Notice of (I) Assumption, Assignment, and Cure Amounts Regarding Executory Contracts and Unexpired Leases and (II) Objection Deadlines Related Thereto (the “Assumption and Cure Notice”)<sup>3</sup>, including objections to Cure Claim amounts, must (a) be in writing, (b) state the name and address of the objector, (c) comply with the Federal Rules of Bankruptcy Procedure and the Massachusetts Local Bankruptcy Rules, (d) state the legal basis therefor, (e) be filed and served **on or before 4:30 p.m. Eastern Time on or before April 18, 2017**, and (f) be filed with the Clerk, United States Bankruptcy Court, John W. McCormack Post Office and Courthouse, 5 Post Office Square, Boston, Massachusetts 02109, with copies served upon the Objection Notice Parties. ANY OBJECTIONS NOT FILED AND SERVED AS SET FORTH ABOVE WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND SHALL BE DEEMED WAIVED.

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<sup>3</sup> Pursuant to the Disclosure Statement Order, the Debtors shall file and serve the Assumption and Cure Notice no later than **April 11, 2017**.

8. **Release, Exculpation, and Injunction Language in the Plan.** Please be advised that Article X of the Plan contains various release, exculpation, and injunction provisions, including certain third-party release provisions. You should refer to Section 6.10 of the Disclosure Statement (Effect of Confirmation of the Plan) for additional information regarding the release, exculpation, and injunction provisions of the Plan.

**YOU ARE ADVISED TO CAREFULLY REVIEW AND CONSIDER THE DISCLOSURE STATEMENT AND THE PLAN, INCLUDING THE RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS, AS YOUR RIGHTS MIGHT BE AFFECTED.**

Respectfully submitted,

COSI, INC., *ET AL.*

By their counsel,

/s/ Kate P. Foley

Joseph H. Baldiga, BBO #549963

Christine E. Devine, BBO #566990

Kate P. Foley, BBO #682548

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Dated: March 22, 2017