Court File No. CV-20-00642970-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VITAMIN OLDCO HOLDINGS, INC., VITAMIN OLDCO CENTRES COMPANY, VITAMIN OLDCO PARENT LLC, VITAMIN OLDCO CORPORATION, VITAMIN OLDCO CENTERS, INC., VITAMIN OLDCO, INC., VITAMIN OLDCO INVESTMENT COMPANY, VITAMIN OLDCO LUCKY CORPORATION, VITAMIN OLDCO FUNDING, INC., VITAMIN OLDCO INTERNATIONAL HOLDINGS, INC., VITAMIN OLDCO HEADQUARTERS LLC, VITAMIN HOLDCO ASSOCIATES, LTD., VITAMIN OLDCO CANADA HOLDINGS, INC., VITAMIN OLDCO GOVERNMENT SERVICES, LLC, VITAMIN OLDCO PUERTO RICO HOLDINGS, INC., AND VITAMIN OLDCO PUERTO RICO, LLC

APPLICATION OF VITAMIN OLDCO HOLDINGS, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Applicant

APPLICANT'S MOTION RECORD
(Motion for Recognition of Additional U.S. Orders and Termination of Proceedings, returnable October 30, 2020)

October 27, 2020

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Lawyers for the Applicant

TO: **SERVICE LIST**

TABLE OF CONTENTS

TABLE OF CONTENTS

TAB1

Court File No. CV-20-00642970-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VITAMIN OLDCO HOLDINGS, INC., VITAMIN OLDCO CENTRES COMPANY, VITAMIN OLDCO PARENT LLC, VITAMIN OLDCO CORPORATION, VITAMIN OLDCO CENTERS, INC., VITAMIN OLDCO, INC., VITAMIN OLDCO INVESTMENT COMPANY, VITAMIN OLDCO LUCKY CORPORATION, VITAMIN OLDCO FUNDING, INC., VITAMIN OLDCO INTERNATIONAL HOLDINGS, INC., VITAMIN OLDCO HEADQUARTERS LLC, VITAMIN HOLDCO ASSOCIATES, LTD., VITAMIN OLDCO CANADA HOLDINGS, INC., VITAMIN OLDCO GOVERNMENT SERVICES, LLC, VITAMIN OLDCO PUERTO RICO HOLDINGS, INC., AND VITAMIN OLDCO PUERTO RICO, LLC

APPLICATION OF VITAMIN OLDCO HOLDINGS, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Applicant

NOTICE OF MOTION
(Motion for Recognition of Additional U.S. Orders and Termination of Proceedings, returnable October 30, 2020)

The Applicant, Vitamin OldCo Holdings, Inc. (formerly known as "GNC Holdings, Inc."), in its capacity as a foreign representative of itself as well as Vitamin OldCo Centres Company, Vitamin OldCo Parent LLC, Vitamin OldCo Corporation, Vitamin OldCo Centers, Inc., Vitamin OldCo, Inc., Vitamin OldCo Investment Company, Vitamin OldCo Lucky Corporation, Vitamin OldCo Funding, Inc., Vitamin OldCo International Holdings, Inc., Vitamin OldCo Headquarters LLC, Vitamin Holdco Associates, Ltd., Vitamin OldCo Canada Holdings,

Inc., Vitamin OldCo Government Services, LLC, Vitamin OldCo Puerto Rico Holdings, Inc., and Vitamin OldCo Puerto Rico, LLC (collectively, the "**Debtors**", and formerly known as "**GNC**"), will make a motion to a Judge presiding over the Commercial List on October 16, 2020, at 10:00 a.m., via Zoom at Toronto, Ontario due to the COVID-19 pandemic.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR

(a) An Order abridging the time for service and filing of this Notice of Motion and the Motion Record and dispensing with service thereof on any interested party other than those served with these proceedings;

(b) An Order recognizing, and giving full force and effect in Canada to the Additional U.S. Orders (as defined below) entered by the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") pursuant to section 49 of the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the "**CCAA**") and granting related relief;

(c) An Order providing, upon the filing of a certificate of FTI Consulting Canada Inc., in its capacity as the information officer (in such capacity, the "**Information Officer**"), for the termination of the within CCAA recognition proceedings with respect to the Applicant, the discharge and release of the Information Officer and the discharge and release of the Administration Charge (as defined in the Order of the Honourable Justice Conway dated June 29, 2020 (the "**Supplemental Order**")); and

(d) Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE

Background

(e) GNC is a global health and wellness brand with a diversified, omni-channel business. In its stores and online, GNC sold an assortment of performance and nutritional supplements, vitamins, herbs and greens, health and beauty, food and drink, and other general merchandise featuring innovative private-label products as well as nationally recognized third-party brands, many of which were exclusive to GNC.

(f) The Applicant is the ultimate parent company of the other Debtors. The other Debtors all operate on an integrated basis and are either direct or indirect wholly-owned subsidiaries of the Applicant.

(g) The Debtors' Canadian operations are fully integrated with, and entirely dependent on, the Debtors' U.S. operations.

(h) The Debtors have commenced cases before the U.S. Court under Chapter 11 of Title 11 of the *United States Bankruptcy Code* (the "**Chapter 11 Cases**") to effect both balance sheet and operational restructurings, with a view to facilitating their continued going concern viability.

(i) On June 29, 2020, the Debtors were granted an initial recognition order declaring (i) GNC Holdings, Inc. (now "Vitamin OldCo Holdings, Inc.") as the foreign representative of the Debtors in respect of the Chapter 11 Cases, (ii) the United

States of America as the centre of main interest for each of the Debtors, and (iii) recognition of the foreign proceeding as a "foreign main proceeding" as defined in section 45 of Part IV of the CCAA.

(j) The Debtors were also granted at the same time further orders, including a supplemental recognition order recognizing, and giving full force and effect to, certain foreign orders, including an interim DIP order.

(k) Two further additional recognition orders were granted by this Court on July 27, 2020 and August 25, 2020, respectively, in relation to additional and amended orders entered by the U.S. Court, including an Order approving the disclosure statement, (b) establishing the voting record date, voting deadline, and other dates, (c) approving procedures for soliciting, receiving, and tabulating votes on the plan and for filing objections to the plan, (d) approving the manner and forms of notice and other related documents, and (e) granting related relief (the "**Voting and Disclosure Statement Order**").

(l) The Debtors were also granted a recognition order by this Court on September 22, 2020, giving full force and effect to an Order of the U.S. Court approving (a) the sale of substantially all of the Debtors' assets free and clear of all claims, liens, liabilities, rights, interests and encumbrances, (b) the Debtors' assumption and assignment of certain executory contracts and unexpired leases and (c) related relief (the "**U.S. Sale Order**").

(m) An additional further recognition order was granted by this Court on September 30, 2020 in relation to additional orders entered by the U.S. Court.

(n) The purchase and sale transaction (the "**Sale Transaction**") which is the subject of the U.S. Sale Order closed on October 7, 2020.

(o) The Debtors were also granted a recognition order by this Court on October 16, 2020, giving full force and effect to: (a) the Findings of Fact, Conclusions of Law and Order Confirming the Joint Chapter 11 Plan of Vitamin Holdings and its Debtor Affiliates dated October 14, 2020 and (b) certain additional orders of the U.S. Court.

Recognition of the Additional U.S. Orders

(p) The Debtors have now filed certain additional motions with the U.S. Court, by which they will seek the entry of certain orders of the U.S. Court (the "**Additional U.S. Orders**"). The Debtors are only seeking recognition of the following Additional U.S. Orders at the present time:

(i) Forty-First (41st) Omnibus Order (A) Authorizing Rejection of Certain Unexpired Leases Effective as of October 13, 2020 and (B) Granting Related Relief ("**41st Rejection Order**"); and

(ii) Forty-Sixth (46th) Omnibus Order Authorizing the Debtors to Assume and Assign Certain Executory Contracts ("**46th Assumption Order**").

(q) The recognition of the Additional U.S. Orders is necessary for the protection of the Debtors' property and the interests of the Debtors' creditors.

(r) For the purposes of ensuring that all interested parties cooperate in the efforts of the Debtors, the Applicant requests that the terms of the Additional U.S. Orders be recognized by this Court pursuant to section 49 of the CCAA.

Termination of the Within CCAA Recognition Proceedings

(s) On and after the Effective Date (as such term is defined in the Plan)—being the date when, *inter alia*, the specified conditions precedent to the Plan have been satisfied or waived—there will be no further need for relief from this Court.

(t) The Debtors now seek an Order providing that, upon the filing of a certificate by the Information Officer confirming the occurrence of the Effective Date: (i) the within CCAA proceedings shall be terminated; (ii) the Information Officer shall be discharged and released from its obligations in such capacity; and (iii) the Administration Charge (as defined in the Supplemental Order) shall be discharged and released.

General

(u) The CCAA, including Part IV thereof;

(v) Rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*; and

(w) Such further and other grounds as the lawyers may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

(a) The Affidavit of Michael Noel with exhibits, filed;

(b) The Sixth Report of the Information Officer, filed;

(c) Such further and other evidence as the lawyers may advise and this Court may permit.

October 27, 2020

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Lawyers for the Applicant

TO: SERVICE LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VITAMIN OLDCO HOLDINGS, INC. et al.

APPLICATION OF VITAMIN OLDCO HOLDINGS, INC., UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Court File No.
CV-20-00642970-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at TORONTO

NOTICE OF MOTION
(Motion for Recognition of Additional U.S. Orders and Termination of Proceedings, returnable October 30, 2020)

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Lawyers for the Applicant

TAB2

Court File No. CV-20-00642970-00CL

ONTARIO
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COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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APPLICATION OF VITAMIN OLDCO HOLDINGS, INC., UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Applicant

AFFIDAVIT OF MICHAEL NOEL
(affirmed October 27, 2020)

I, Michael Noel, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am an associate at Torys LLP, Canadian counsel to Vitamin OldCo Holdings, Inc. (formerly known as "GNC Holdings, Inc.") ("**Vitamin Holdings**") in its capacity as the foreign representative (the "**Foreign Representative**") of itself as well as Vitamin OldCo Centres Company, Vitamin OldCo Parent LLC, Vitamin OldCo Corporation, Vitamin OldCo Centers,

Inc., Vitamin OldCo, Inc., Vitamin OldCo Investment Company, Vitamin OldCo Lucky Corporation, Vitamin OldCo Funding, Inc., Vitamin OldCo International Holdings, Inc., Vitamin OldCo Headquarters LLC, Vitamin Holdco Associates, Ltd., Vitamin OldCo Canada Holdings, Inc., Vitamin OldCo Government Services, LLC, Vitamin OldCo Puerto Rico Holdings, Inc., and Vitamin OldCo Puerto Rico, LLC (collectively, the "**Debtors**"), and, as such, have knowledge of the matters contained in this Affidavit. Where I do not possess such personal knowledge, I have stated the source of my information and, in all such cases, believe the information to be true.

2. I affirm this affidavit in support of the motion of the Applicant for certain relief for itself and the affiliated entities listed in Schedule "A" (the Debtors, and, together with non-Debtor affiliates, "**GNC**" or the "**Company**") pursuant to section IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").

3. The Applicant seeks, among other things: (i) an order recognizing, and giving full force and effect in Canada to, the Additional U.S. Orders (as defined below) entered by the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**"); and (ii) an order providing, upon the filing of a certificate of FTI Consulting Canada Inc., in its capacity as the information officer (in such capacity, the "**Information Officer**"), for the termination of the within CCAA recognition proceedings with respect to the Applicant and the discharge and release of the Information Officer, pursuant to section 49 of the CCAA.

4. Unless otherwise indicated, capitalized terms used in my affidavit and not otherwise defined shall have the meaning given to them in the affidavit of Tricia Tolivar sworn June 24,

2020 in these proceedings (the "**Tolivar Affidavit**"). I have included as Exhibit "A" a copy of the Tolivar Affidavit (without exhibits), together with a copy of Ms. Tolivar's declaration in the Chapter 11 Cases, which was also Exhibit U to the Tolivar Affidavit.

I. BACKGROUND

5. On June 23, 2020 (the "**Petition Date**"), the Debtors filed voluntary petitions for relief (the "**Petitions**") commencing cases before the U.S. Court under Chapter 11 of Title 11 of the *United States Bankruptcy Code* (the "**Chapter 11 Cases**"). The Debtors entered a restructuring support agreement (the "**RSA**") to pursue, in parallel, both a standalone plan of reorganization and a competitive sale process for their assets.

6. The Debtors also filed several first day motions with the U.S. Court (collectively, the "**First Day Motions**"). The U.S. Court heard the First Day Motions on June 25, 2020, following which it entered various interim and/or final orders in respect of the First Day Motions (collectively, the "**First Day Orders**").

7. On June 29, 2020, this Court granted an initial recognition order that, among other things, recognized GNC Holdings, Inc. (now "Vitamin OldCo Holdings, Inc.") as the foreign representative of the Debtors in respect of the Chapter 11 Cases, the United States of America as the centre of main interest for each of the Debtors, and the Chapter 11 Cases as "foreign main proceedings" as defined in section 45 of Part IV of the CCAA.

8. It also granted further orders, including a supplemental order that, among other things, recognized and gave full force and effect to certain foreign orders granted by the U.S. Court,

including an interim DIP order, appointed FTI Consulting Canada Inc. as information officer in these proceedings, and granted an administration charge in the amount of CDN $250,000.

9. Following the initial hearing of the Debtors' Chapter 11 Cases, the Debtors filed several additional motions in the U.S. Court by which they sought the entry of certain orders of the U.S. Court. The U.S. Court heard those motions on July 22, 2020, following which it entered various interim and/or final orders in respect of those motions (the "**Second Day Orders**"). The Debtors sought recognition of certain of those orders in this Court and this court granted the order sought by the Debtors on July 27, 2020.

10. The Debtors subsequently filed several additional motions in the U.S. Court by which they sought the entry of additional orders of the U.S. Court. The U.S. Court heard those motions on August 19, 2020, following which it entered various interim and/or final orders in respect of those motions (the "**U.S. August Orders**").

11. The Debtors underwent a competitive bidding process for the sale of substantially all of their assets under the supervision of the U.S. Court in the Chapter 11 Cases. The result of this bidding process was the agreement of purchase and sale of substantially all of their assets (the "**Agreement**") with Harbin Pharmaceutical Group Holding Co., Ltd. ("**Harbin**"). The Debtors sought and obtained from the U.S. Court an order approving (a) the sale of substantially all of the Debtors' assets free and clear of all claims, liens, liabilities, rights, interests and encumbrances, (b) the Debtors' assumption and assignment of certain executory contracts and unexpired leases and (c) related relief (the "**U.S. Sale Order**"). This Court recognized the U.S. Sale Order, among other orders of the U.S. Court, on September 22, 2020.

12. The Debtors subsequently filed several additional motions in the U.S. Court, and the U.S. Court entered orders in respect of those motions on September 29, 2020 (the "**Further U.S. September Orders**"). This Court recognized the Further U.S. September Orders on September 30, 2020.

13. The Closing (as defined in the Agreement) of the transaction contemplated by the Agreement occurred on October 7, 2020.

14. After the Closing of the Agreement, the Debtors filed their Joint Chapter 11 Plan of Reorganization of Vitamin OldCo Holdings, Inc. and its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code, dated October 13, 2020 (the "**Plan**"). The Plan provides for: (i) the winddown of the Debtors; (ii) the distribution of the proceeds from the Sale Agreement and settlement of claims of creditors; and (iii) the grant of certain releases, exculpations and injunctions. The Plan was confirmed by the Findings of Fact, Conclusions of Law and Order Confirming the Plan (the "**Confirmation Order**") of the U.S. Court on October 14, 2020. This Court recognized the Confirmation Order, and certain additional orders of the U.S. Court, following a hearing on October 16, 2020.

15. The Plan does not become effective until the occurrence of the Effective Date (as such term is defined in the Plan). The Effective Date is the date on which: (a) no stay of the Confirmation Order is in effect; and (b) certain conditions precedent specified in the Plan have been satisfied or waived according to the Plan.

II. THE ADDITIONAL U.S. ORDERS

16. The U.S. Court is scheduled to hear further motions of the Debtors on November 5, 2020. Those motions include, among others (the "**Additional U.S. Motions**"):

(a) Debtors' Forty-First (41st) Omnibus Motion for Entry of an Order (A) Authorizing Rejection of Certain Unexpired Leases Effective as of October 13, 2020 and (B) Granting Related Relief ("**41st Rejection Motion**"); and

(b) Debtors' Forty-Sixth (46th) Omnibus Motion for Entry of an Order Authorizing the Debtors to Assume and Assign Certain Executory Contracts ("**46th Assumption Motion**").

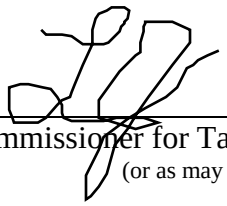
17. These motions are attached as Exhibits "B" and "C", respectively.

18. The order corresponding to the 41st Rejection Motion (the "**41st Rejection Order**") authorizes and approves the lease rejections for 29 stores in Canada. Additionally, the order corresponding to the 46th Assumption Motion (the "**46th Assumption Order**" and together with the 41st Rejection Order, the "**Additional U.S. Orders**") authorizes and approves the assignment and assumption of 1 contract related to the Canadian operations of the Debtors.

19. The objection deadlines for the 41st Rejection Order and the 46th Assumption Order are October 27, 2020 and October 28, 2020, respectively. No objections have been filed in respect of either order as of the time of swearing of this affidavit.

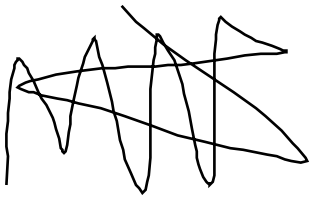
20. The Debtors are seeking recognition by this Court of the Additional U.S. Orders. They intend to file an additional affidavit attaching the orders which have not already been entered by the U.S. Court once those orders are entered.

AFFIRMED REMOTELY by Michael Noel at the City of Toronto in the Province of Ontario, before me on October 27, 2020 in accordance with O.Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits
(or as may be)

LEORA JACKSON
(LSO #: 68448L)



Michael Noel

Schedule A – List of Debtors

1. Vitamin OldCo Holdings, Inc.;
2. Vitamin OldCo Centres Company;
3. Vitamin OldCo Parent LLC;
4. Vitamin OldCo Corporation;
5. Vitamin OldCo Centers, Inc.;
6. Vitamin OldCo, Inc.;
7. Vitamin OldCo Investment Company;
8. Vitamin OldCo Lucky Corporation;
9. Vitamin OldCo Funding, Inc.;
10. Vitamin OldCo International Holdings, Inc.;
11. Vitamin OldCo Headquarters LLC;
12. Vitamin Holdco Associates, Ltd.;
13. Vitamin OldCo Canada Holdings, Inc.;
14. Vitamin OldCo Government Services, LLC;
15. Vitamin OldCo Puerto Rico Holdings, Inc.; and
16. Vitamin OldCo Puerto Rico, LLC.

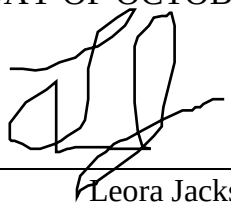
THIS IS **EXHIBIT "A"** REFERRED TO IN THE

AFFIDAVIT OF MICHAEL NOEL**,**

AFFIRMED REMOTELY BY MICHAEL NOEL

BEFORE ME *BY VIDEO CONFERENCE*, THIS 27th

DAY OF OCTOBER, 2020.



Leora Jackson

Commissioner for Taking Affidavits

Court File No.

ONTARIO
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C., 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GNC HOLDINGS, INC., GENERAL NUTRITION CENTRES COMPANY, GNC PARENT LLC, GNC CORPORATION, GENERAL NUTRITION CENTERS, INC., GENERAL NUTRITION CORPORATION, GENERAL NUTRITION INVESTMENT COMPANY, LUCKY OLDCO CORPORATION, GNC FUNDING INC., GNC INTERNATIONAL HOLDINGS INC., GNC CHINA HOLDCO, LLC, GNC HEADQUARTERS LLC, GUSTINE SIXTH AVENUE ASSOCIATES, LTD., GNC CANADA HOLDINGS, INC., GNC GOVERNMENT SERVICES, LLC, GNC PUERTO RICO HOLDINGS, INC. and GNC PUERTO RICO, LLC

APPLICATION OF GNC HOLDINGS, INC., UNDER SECTION 46 OF *THE COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C., 1985, c. C-36, AS AMENDED

Applicant

AFFIDAVIT OF TRICIA TOLIVAR
(sworn June 24, 2020)

I, Tricia Tolivar, of the City of Pittsburgh, in the State of Pennsylvania, MAKE OATH AND SAY:

1. I am the Executive Vice President and Chief Financial Officer of GNC Holdings, Inc. ("**GNC Holdings**"), the applicant in this application.

2. As GNC's Executive Vice President and Chief Financial Officer, I am responsible for overseeing the Company's cash flow, business relationships, financial planning, real estate, IT, accounting, investor relations, and legal functions among other things. As a result of my tenure with the Debtors (as defined below), my review of public and non-public documents, and my discussions with other members of the Debtors' management team, I am generally familiar with the Debtors' businesses, financial condition, policies and procedures, day-to-day operations, and books and records, and, as such, have knowledge of the matters contained in this affidavit. Where I do not possess such personal knowledge, I have stated the source of my information and, in all such cases, believe the information to be true. In preparing this affidavit, I have consulted with legal, financial and other advisors to the Debtors, and other members of the senior management team of the Debtors.

3. I swear this affidavit in support of the application of the applicant for certain relief for itself and the affiliated entities listed in Schedule "A" (collectively, the "**Debtors**", and, together with non-Debtor affiliates, "**GNC**" or the "**Company**") pursuant to section IV of the *Companies' Creditors Arrangement Act* (the "**CCAA**"). An organizational chart of the GNC group of entities is attached as Exhibit "A" hereto.

4. The applicant seeks, among other things, the following relief:

(a) an interim order staying proceedings against the Debtors pending the determination of the relief set out below;

(b) an order finding that the applicant is the foreign representative and recognizing the cases commenced by the Debtors in the United States (the "**Chapter 11**

Cases") as foreign main proceedings under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c C-36 (the "**CCAA**");

(c) an order recognizing certain First Day Orders (as defined below);

(d) an order appointing FTI Consulting Canada Inc. ("**FTI Canada**") as Information Officer in respect of these proceedings; and

(e) an order granting the Administration Charge, the DIP ABL FILO Lenders' Charge and the DIP Term Lenders' Charge (each as defined below).

I. OVERVIEW

5. In light of liquidity concerns which are discussed below, GNC was recently forced to resort to creditor protection laws and obtain a stay of proceedings under Chapter 11 of the *United States Bankruptcy Code* ("**Chapter 11**") in the Bankruptcy Court of the District of Delaware (the "**U.S. Court**"). Copies of the Chapter 11 Petitions, filed on June 23, 2020 (the "Petition Date") are attached as Exhibits "B" through "R".

6. GNC is currently reviewing all aspects of its businesses and operations such that it can address its long-term operational and financial problems. GNC's objective is to restructure its balance sheet and business operations, including its retail store network, and emerge from bankruptcy protection as a viable and profitable company.

7. My declaration on behalf of the Debtors ("**U.S. First Day Declaration**") in the Chapter 11 Cases is attached as Exhibit "S". The U.S. First Day Declaration provides a comprehensive overview of the Debtors and the events leading up to the commencement of the Chapter 11 Cases. Consequently, this affidavit provides a more general overview of the Debtors and focuses

on providing this Court with information to support the finding of the centre of main interest ("**COMI**") for each of the Debtors and to support the request for an interim stay, recognition of the Chapter 11 Cases as a "foreign main proceeding," recognition of certain of the First Day Orders, and the granting of the Administration Charge, the DIP ABL FILO Lenders' Charge, and the DIP Term Lenders' Charge.

8. While GNC has both assets and creditors in Canada, these operations and assets are not significant in the context of the business as a whole. Because of GNC's current financial position, discussed below, a recognition of its U.S. bankruptcy proceedings will avoid multiple main proceedings in different jurisdictions. This will give GNC the opportunity to restructure its businesses so that it can continue forward on an economically viable basis. Accordingly, in order to facilitate proceedings in Canada with GNC's U.S. bankruptcy proceedings, the applicant is applying for recognition of GNC's U.S. bankruptcy proceedings in Canada pursuant to the CCAA.

9. As described below, GNC operates as a consolidated business and all executive management and decision-making for the broader corporate group is centralized in the United States. GNC's Canadian operations are not significant in the context of the business as a whole and are reliant on operations in Pittsburgh for many key functions, including accounting, finance, treasury, and legal functions.

10. GNC has negotiated DIP financing in light of the U.S. bankruptcy proceedings, and continued access to that financing is contingent on recognition of the Chapter 11 Cases in Canada.

11. I am not aware of any foreign insolvency proceedings involving the Debtors other than the Chapter 11 Cases.

12. The remainder of this affidavit provides an overview of the Debtors' businesses, organizational structure, circumstances requiring the debtor to initiate the Chapter 11 and CCAA proceedings, and an overview of the Debtors' pre-Chapter 11 indebtedness and Canadian operations.

II. COMPANY AND BUSINESS OVERVIEW

13. The Company is a global health and wellness brand providing a premium assortment of health, wellness, and performance products including protein, performance supplements, weight management supplements, vitamins, herbs and greens, wellness supplements, health and beauty, food and drink, and other general merchandise.

14. As described in greater detail below, the Company develops high-quality, innovative nutritional supplement products that can be purchased only through the company-owned and franchise store locations, GNC.com, the Amazon.com marketplace and other marketplaces, and the Company's select wholesale partners. The Company's objective is to offer a broad and deep mix of products including both proprietary GNC-branded products and other nationally recognized third-party brands. This depth of brands, exclusive products, and range of merchandise, combined with the customer support and service offered by the Company, differentiates the Company from competitors and allows it to effectively compete against food, drug and mass channel players, specialty stores, independent vitamin, supplement and natural food shops, and online retailers.

A. GNC's Business

15. In 1935, at the height of the Great Depression, David Shakarian audaciously opened a single health food store at 418 Wood Street in downtown Pittsburgh, Pennsylvania. He called the store "Lackzoom".

16. In the 1960s, people began to embrace the concept of natural foods and better nutrition. As the popularity of natural foods and nutritional products increased in the 1960s, Mr. Shakarian met that growing demand by opening stores outside of Pennsylvania. It was during this growth period that Mr. Shakarian also changed the Lackzoom name to "General Nutrition Centers" or "GNC." As GNC grew, it began to produce its own vitamin and mineral supplements as well as foods, beverages, and cosmetics.

17. By the time that Mr. Shakarian passed away in 1984, GNC had more than 1,000 locations all around the United States. Today, the Company is a leading global brand of health, wellness, and performance products with a worldwide network of approximately 7,300 locations operating under the GNC brand name and through the Company's e-commerce channels. The Company maintains an omni-channel business model, deriving revenue from product sales through Company-owned retail stores, domestic and international franchise activities, e-commerce, and corporate partnerships, as described in further detail below. Corporate retail store operations are located in the United States, Canada, Puerto Rico, and Ireland. Franchise locations exist in the United States and in approximately 50 other countries. Additionally, the Company licenses the use of its trademarks and trade names.

18. Sales of the Company's proprietary brands at its U.S. company-owned and franchise stores, GNC.com, and wholesale partners such as Rite Aid, PetSmart, and Sam's Club

represented 52% of total system-wide retail product sales in 2019. The Company also offers products of nationally recognized third-party brand names. Sales of third-party products at its U.S. company-owned and franchise stores, GNC.com, and wholesale partners represented approximately 48% of total system-wide retail product sales in 2019. Sales of proprietary products and third-party products together yielded total U.S. system-wide sales of approximately US$1.95 billion in 2019.

19. Products are delivered to retail stores and customers who make purchases via the Company's websites via a third-party transportation network through the Company's various distribution centers located in the United States. Each of the Company's distribution centers has a quality control department that monitors products received from vendors to manage quality standards. Internet purchases are fulfilled and shipped directly from the distribution centers or stores to consumers using a third-party transportation service, or directly by Amazon for certain marketplace orders.

B. Corporate Structure

20. The applicant is the ultimate parent company for the Debtors and non-Debtor affiliates.

21. A summary of the operations and purpose for each Debtor can be found in the following table:

Debtor Entity	**Purpose**
GNC Holdings, Inc.	Ultimate, publicly traded parent company
GNC Parent LLC	Holding company for the remainder of the corporate structure

Debtor Entity	**Purpose**
GNC Corporation	Holding company for the remainder of the corporate structure
General Nutrition Centers, Inc.	Main operating company which employs the Company's headquarters' employees.
General Nutrition Corporation	Operates all US retail and wholesale operations, employs store-level employees, and is the lessee on mainland US stores as well as certain stores located in Puerto Rico.
General Nutrition Investment Company	Owns all the Company's intellectual property, other than intellectual property related to operations in China
Lucky Oldco Corporation	Inactive entity with no operations, entities, or employees
GNC Funding Inc.	Inactive entity with no operations, entities, or employees
GNC International Holdings Inc.	Holding company for entities organized in jurisdictions outside of the United States
GNC China Holdco, LLC	Holding company for the Hong Kong joint venture (defined below) and the Company's mainland China operations
GNC Headquarters LLC	Partially owns Gustine Sixth Avenue Associates, Ltd. (The other owner is General Nutrition Centers, Inc.)
Gustine Sixth Avenue Associates, Ltd.	Owns the Company's corporate headquarters in Pittsburgh
GNC Canada Holdings, Inc.	Holding company for the Company's Canadian operating entity
General Nutrition Centres Company ("**GNC Canada**")	Operating company for the Company's corporate-owned stores and operations in Canada
GNC Government Services, LLC	Manages the Company's transportation needs

Debtor Entity	Purpose
GNC Puerto Rico Holdings, Inc.	Owns 70% of the Company's operating entity in Puerto Rico; GNC Puerto Rico, LLC; the other 30% of GNC Puerto Rico, LLC is held by non-Debtor affiliate GNC Live Well Ireland.
GNC Puerto Rico, LLC	Operates store locations in Puerto Rico and leases some of those store locations

22. As of the Petition Date, approximately 84 million shares of GNC Holdings' Class A common stock were issued and outstanding. GNC Holdings' shares are currently traded on the New York Stock Exchange under the symbol "GNC."

23. In a series of negotiated transactions culminating on February 13, 2019, Harbin Pharmaceutical Group Co., Ltd. ("**Harbin**") acquired 299,950 shares of a newly created series of convertible perpetual preferred stock of GNC Holdings, designated as "Series A Convertible Preferred Stock", for an aggregate purchase price of approximately US$300 million (the "**Equity Issuance**"). As a result of the Equity Issuance, Harbin owns an approximately 41% voting interest in GNC Holdings, with the public shareholders owning the remaining 59% voting interest.

C. Chapter 11 Bankruptcy Proceedings

24. The Debtors have filed the Chapter 11 Cases to effect both a restructuring of their funded debt obligations and operational changes necessary to ensure their future viability as a going concern. Over the past two years, the Company has entered into several transactions that it believes have contributed to the increased profitability and stability of its business; however, faced with the potential maturity of its secured debt obligations on June 23, 2020, and a decline

in sales and decreased liquidity caused by the COVID-19 pandemic, the Debtors ultimately had no option other than to commence the Chapter 11 Cases.

III. DEBT STRUCTURE AND PRINCIPAL SECURED CREDITORS

25. The Debtors' funded debt consists of (a) an asset-based revolving credit facility, (b) an asset-based first-in, last-out secured term loan facility, (c) a secured term loan facility, and (d) unsecured convertible notes. Here is a summary of the Debtors' funded debt prior to the initiation of Chapter 11 proceedings:

Instrument	**Line Size/Original Amount**	**Approximate Amount Outstanding as of the Petition Date (USD)**	**Priority of Prepetition Security Interests**
ABL Revolving Credit Facility	Up to $81 million[1]	$60 million	First priority lien on ABL/FILO Priority Collateral (as defined in U.S. First Day Declaration); senior in right of payment to the FILO Term Loan Facility Second priority lien on Term Priority Collateral (as defined in U.S. First Day Declaration)
FILO Term Loan Facility	$275 million	$275 million	First priority lien on ABL/FILO Priority Collateral; subordinated in right of payment to the ABL Revolving Credit Facility

[1] In US dollars. The original amount of the commitments under the ABL Revolving Credit Facility was $100 million. Commitments have been voluntarily reduced over time.

			Second priority lien on Term Priority Collateral
Term Loan Facility Tranche B-1	$151.8 million	$0	N/A
Term Loan Facility Tranche B-2	$704.3 million[2]	$410.8 million	First priority lien on Term Priority Collateral Second priority lien on ABL/FILO Priority Collateral
Notes	$287.5 million	$157.6 million – net of conversion feature and discounts	Unsecured
Total		**$903.4 million**	

A. ABL Revolving Credit Facility and FILO Term Loan

26. Certain of the Debtors, including GNC Canada, are party to the ABL Credit Agreement dated as of February 28, 2018 (as amended by the First Amendment, dated as of March 18, 2018, and the Second Amendment, dated as of May 15, 2020, and the Third Amendment dated as of June 12, 2020, and as may be further amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "**ABL/FILO Credit Agreement**") by and among the Debtors party thereto[3], Barclays Bank plc, and Citizens Bank, N.A., as co-documentation agents,

[2] After giving effect to certain mandatory prepayments occurring on the closing date thereof.

[3] The obligors under the ABL Credit Agreement are: GNC Corporation, General Nutrition Centers, Inc., General Nutrition Corporation, General Nutrition Investment Company, Lucky Oldco Corporation, GNC Funding, Inc., GNC Canada Holdings, Inc., General Nutrition Centres Company, GNC Government Services, LLC, and GNC International Holdings, Inc. (collectively, the "**Debtor Obligors**").

JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and the lenders from time to time party thereto (the "**Prepetition ABL/FILO Lenders**").

27. Pursuant to the ABL/FILO Credit Agreement, the Prepetition ABL/FILO Lenders have provided (a) an asset-based revolving credit facility (the "**ABL Revolving Credit Facility**") of up to US$81 million and (b) an asset-based secured term loan incurred on a "first-in, last-out" basis (the "**FILO Term Loan Facility**") in an initial principal amount of US$275 million.[4]

28. The ABL Revolving Credit Facility and the FILO Term Loan Facility are described in greater detail in the U.S. First Day Declaration.

29. As discussed below, subject to approval of the U.S. Court and recognition of that order in Canada, the Debtors intend to repay the outstanding loans and terminate the commitments under the ABL Revolving Credit Facility simultaneously with entering into the DIP ABL FILO Facility (defined below).

30. The equity of GNC Canada is pledged under the ABL Revolving Credit Facility and the FILO Term Loan Facility.

B. Term Loan Facility

31. The Debtor Obligor General Nutrition Centers, Inc., as borrower, and Debtor GNC Corporation, as parent guarantor, are party to the amended and restated term loan credit agreement (as amended by the First Amendment, dated as of May 15, 2020, and the Second Amendment, dated as of June 12, 2020, and as may be further amended, restated, amended and

[4] The loans under the FILO Term Loan Facility are referred to as the "**ABL FILO Term Loans**".

restated, supplemented, or otherwise modified from time to time, the "**Term Loan Credit Agreement**") by and among, General Nutrition Centers, Inc., as borrower, and GNC Corporation, as parent guarantor, Barclays Bank plc and Citizens Bank, N.A., as co-documentation agents, GLAS Trust Company LLC, as collateral agent, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders from time to time party thereto (the "**Prepetition Tranche B-2 Term Loan Lenders**"). Pursuant to the Term Loan Credit Agreement, the Prepetition Tranche B-2 Term Loan Lenders have provided a secured term loan facility in the initial principal amount of approximately US$856.1 million (the "**Term Loan Facilit**y").[5] The Term Loan Credit Agreement represents an amendment and restatement of the Debtors' previous credit agreement, dated as of November 26, 2013 (the "**Old Credit Agreement**") and was entered into at the same time as the ABL/FILO Credit Agreement as part of a restructuring of the Company's capital structure in connection with the Harbin Transaction (as described and defined in the U.S. First Day Declaration).

32. GNC Canada has guaranteed the obligations under the Term Loan Facility and has given security over its assets for such guarantee. The Term Loan Facility is described in greater detail in the U.S. First Day Declaration.

C. Convertible Senior Notes

33. On August 10, 2015, GNC Holdings issued US$287.5 million principal amount of 1.5% convertible senior notes due 2020 (the "**Notes**") in a private offering. The Notes are governed by

[5] On the initial closing date of the Term Loan Facility, the Term Loan Facility consisted of a Tranche B-1 in the initial principal amount of $151.8 million and a Tranche B-2 in the initial principal amount of $704.3 million. Tranche B-1 was fully repaid on March 4, 2019.

the terms of an Indenture between GNC Holdings, as issuer, the subsidiary guarantors party thereto (including GNC Canada), and BNY Mellon Trust Company, N.A., as the trustee (the "**Indenture**"). The Notes will mature on August 15, 2020, unless purchased earlier by GNC Holdings or converted by the holders. In connection with the issuance of the Notes, the Company paid down US$164.3 million of its then outstanding Term Loan Facility.

34. Details regarding the Notes are set out in the U.S. First Day Declaration.

D. Trade Debt

35. In the ordinary course of their businesses, the Debtors incur trade debt with numerous vendors in connection with their operations. According to the U.S. First Day Declaration, the Debtors believe that their unsecured trade debt is approximately US$111 million in the aggregate on account of prepetition goods and services provided to the Debtors. Canadian trade debt as of May 31, 2020 was approximately US$2.5 million.

E. PPSA Searches

36. I am advised by Leora Jackson of Torys LLP and believe that lien searches were conducted on or about June 16, 2020 against the Debtors under the Personal Property Security Act (or equivalent legislation) in all the Canadian provinces (collectively, the "**PPSA Searches**"). Torys LLP has provided me with copies of the PPSA Searches, which are attached as Exhibit "T" and indicate the following:

(a) JPMorgan Chase Bank, N.A., as agent, and GLAS Trust Company LLC, as agent, have registered a security interest against the assets of General Nutrition Centres Company in Ontario, Nova Scotia, Alberta, British Columbia, Manitoba, New

Brunswick, Newfoundland, Prince Edward Island, and Saskatchewan. These parties are providing the DIP financing described below.

(b) ARI Financial Services Inc. has registered a security interest against the motor vehicle assets of General Nutrition Centers, Inc. in Ontario and Quebec.

(c) PHH Vehicle Management Services Inc. has registered a security interest against the motor vehicle assets of General Nutrition Centres Company in Ontario and Quebec. In Quebec, portions of this interest were subsequently assigned to FLR LP Inc., PHH Fleet Lease Receivables L.P. (later re-named Element Fleet Lease Receivables LP), and Fleet Leasing Receivables Trust.

(d) HOOPP Realty Inc., Shape Properties (Lougheed) Corp., and LTC Equities Inc. have registered in British Columbia security interests against all present and after-acquired personal property of General Nutrition Centres Company.

IV. CANADIAN PRESENCE

A. Integration of Canadian Operations with U.S.

37. GNC Canada Holdings, Inc. is the holding company for the Company's Canadian operating entity. It is a Nevada corporation. It is the parent of General Nutrition Centres Company ("**GNC Canada**"), an unlimited liability corporation organized pursuant to the laws of Nova Scotia. That corporation operates the Company-owned stores located in Canada.

38. GNC operates as a consolidated business and all executive management and senior management decision-making for the broader corporate group, including GNC Canada, is centralized in Pittsburgh. GNC Canada has approximately 16 employees located at a regional

office in Mississauga, Ontario; however, the function of these employees is to assist with regional oversight of the company-owned store locations in Canada.

39. GNC Canada's operations are small, in terms of both relative financial and operational scope vis-à-vis the consolidated business operations of GNC Holdings. In addition to a managing director for Canada and an office manager, GNC Canada employs two regional directors, an HR generalist, and several additional managers. GNC Canada's operations do not include personnel for many key management functions, including accounting, finance, treasury, legal, or executive-level functions, that would be required if GNC Canada were to operate on a standalone basis. As a result, GNC Canada is reliant on GNC Holdings' operations in Pittsburgh for those functions.

40. Nearly all of the senior executives of the Debtors, including those of GNC Canada, are located in the United States. None are located in Canada. The directors and officers of GNC Canada are all located in Pittsburgh. All of GNC Canada's three directors are also officers of GNC Holdings, which, as noted above, is GNC Canada's ultimate parent company. Board meetings, books and records, minute books, and key decisions for GNC Canada are held at or made in Pittsburgh.

41. Inventory management and purchasing for GNC Canada's retail stores is managed and coordinated by its U.S. operations. GNC manages purchasing primarily through its Pittsburgh headquarters. The Debtors do not lease or own any distribution centers in Canada and instead utilize a third-party logistics and warehousing provider for distribution of inventory to its Canadian retail stores (the "**Canada DC**"). A majority of inventory purchased by GNC on behalf of GNC Canada is received into GNC's U.S. distribution centers and is then shipped to

the Canada DC. Certain inventory from Canadian vendors and suppliers is delivered directly to the Canada DC; however, this inventory is still managed, ordered, and purchased by GNC's operations in the U.S.

42. GNC Canada is charged by GNC for its share of corporate overhead costs and services (the "**Intercompany Overhead Allocation**") provided based on a percentage of GNC Canada's revenue plus an additional percentage-based premium. The amount charged to GNC Canada covers all head office services that GNC provides to GNC Canada including executive management, finance and accounting, purchasing, ordering, and marketing. The regional head responsible for all GNC Canada operations is located in Pittsburgh.

43. GNC Canada is also charged a royalty payable to GNC on all retail sales for use of the GNC brand name in its Canadian sales (the "**Intercompany Royalty Payable**").

44. The amounts charged for the Intercompany Overhead Allocation and Intercompany Royalty Payable are recorded as an intercompany payable from GNC Canada to GNC, which is then reduced either fully or in part by periodic cash transfers from GNC Canada to General Nutrition Corporation as discussed further in the cash management section of this report. As at May 31, 2020, GNC Canada had a net intercompany payable balance of approximately US$78 million.

B. Financial Position of GNC Canada

45. The Debtors' finance and accounting team based in the U.S. prepares financial statements that report the financial position and results of GNC Canada, which are then consolidated to report at the GNC Holdings level. Attached as Exhibits "U" and "V" are the consolidated

financial statements of GNC Holdings (the "**GNC Financial Statements**") and the internal financial statements for GNC Canada for the 12 months ending December 31, 2019 (the "**GNC Canada Statements**") (unaudited).

46. For the year ended December 31, 2019, GNC Holdings reported a net loss of US$35 million, total assets of US$1,650 million, and total liabilities in excess of total assets of US$1,646 million.

47. GNC Holdings' total revenue for the year ended December 31, 2019 was approximately US$2,068 million. GNC Canada contributed revenue of US$74 million which represented approximately 3.6% of GNC Holdings' total revenue.

48. The GNC Canada Statements for the 12 months ended December 31, 2019 reflect a loss of earnings before interest and taxes of US$1.8 million. The primary current assets of GNC Canada as at the year ended December 31, 2019 were inventory of approximately US$32 million and cash and equivalents of approximately US$3 million.

49. The GNC Canada Statements exclude GNC Canada's obligations as obligor of the ABL Revolving Credit Facility, the FILO Term Loan Credit Facility, and the Notes. This guarantee is secured by a priority interest on the assets of GNC Canada, reflected by the PPSA search results detailed at paragraph 36.

50. GNC Canada does not have any intellectual property. As noted above, it pays royalty fees for its use of the GNC brand.

C. Stores

51. GNC has 173 Company-owned stores in Canada compared to the 2,902 Company-owned stores total in the U.S., Canada, and Puerto Rico. 13 of the Canadian stores have been permanently closed and a number of the remainder are currently temporarily closed in light of the COVID-19 pandemic. Its stores are distributed among the provinces as follows:

AB	BC	MB	NB	NL	NS	ON	PEI	SK	QC
25	30	5	2	3	4	86	0	5	13

52. All of GNC's Canadian stores are leased from third-party landlords whose subsidiaries own malls and shopping centres across Canada. GNC Canada does not own any real property in Canada.

53. In the last two weeks, GNC has received notices of termination from 2 landlords in Canada.

D. Employees

54. GNC and its direct and indirect subsidiaries employ approximately 11,000 people on a consolidated basis worldwide, including approximately 4,000 full-time and approximately 7,000 part-time employees. GNC has approximately 730 employees in Canada, about 200 of whom are employed on a full-time basis.

55. None of the Canadian employees are unionized. There is no company pension plan in which they participate.

56. Each Canadian store is generally staffed by part-time or limited-hours sales associates and sales leaders and a full-time store manager. In some cases, there is also a full-time assistant store manager.

57. Part-time Canadian employees are paid wages at an hourly wage rate, while full-time employees are generally salaried**.** Payroll is made on a bi-weekly basis two weeks in arrears with the assistance of a payroll processing service. The payroll function for Canadian employees is located in the United States.

58. The Debtors maintain a number of compensation and benefits programs. In the Wages Motion (as defined below) filed with the U.S. Court, the Debtors are seeking authorization to continue their employee compensation and benefits programs in the ordinary course, including honouring prepetition obligations. The compensation and benefits programs are described in detail in the Wages Motion. This section of the affidavit includes an overview of the programs provided to employees in Canada.

59. Full-time Canadian employees are eligible for GNC Canada's employee benefits plan which includes medical care, prescription drug, vision and dental coverage, basic life insurance and related benefits, all provided through Canada Life. Sixty-seven percent of premium costs are covered for benefits-eligible employees with the balance of premium costs made via payroll deduction.

60. In addition, GNC Canada's Store Managers and District Managers are eligible for participation in a Store Manager Incentive and District Manager Incentive Program, respectively. The Store Manager Incentive is awarded based on store performance metrics, and it is accrued

monthly and paid quarterly. The District Manager Incentive is based on district and regional performance, and it is accrued quarterly and paid annually.

61. Finally, Regional Directors are eligible for participation in GNC's corporate Short-Term Incentive plan, which is awarded based on Canadian adjusted EBITDA, Canadian sales, and International EBITDA. This incentive is paid out annually in the first quarter of a calendar year based on a calculation of the prior year's results and eligible earnings.

62. Full-time employees in Canada (and part-time employees with three months of service in Quebec) are also eligible to enroll in a registered retirement savings plan (the "RRSP") administered by Canada Life. Eligible employees may contribute a portion of eligible earnings each year to the RRSP and the employer matches 100% of the first 3% of contributions.

E. Canadian Cash Management System

63. GNC Canada holds 14 primary bank accounts (collectively, the "**Canada Operations Accounts**"). All of the Canada Operations Accounts are held at major Canadian banks including Toronto Dominion Bank, Banque Laurentienne, Bank of Nova Scotia, Royal Bank of Canada, CIBC Bank, or Bank of Montreal (collectively, the "**Canadian Banks**"). The Canada Operations Accounts operate in support of the Canada retail stores and are managed as part of the Debtors' consolidated cash management system (the "**Cash Management System**"). Attached as Exhibit "W" is a diagram depicting the Canada Operations Accounts and their interrelatedness, which is also described in further detail below.

64. The Canada Operations Accounts can be segregated into the following groupings:

(a) *Canada store depository accounts*: GNC Canada maintains five store depository accounts and related sub-accounts for the collection and consolidation of cash sales receipts (collectively, the "**Store Depository Accounts**"). The Store Depository Accounts are Canadian-dollar accounts which are swept by GNC Canada into the Concentration Account (defined below).

(b) *Canada receipt accounts*: GNC Canada maintains three accounts that receive cash receipts from Visa, American Express, and debit cards, respectively, as well as one account (the "**MobilePay Proceeds Account**") used to collect sales from alternative payment methods (collectively, the "**Card Receipts Accounts**"), which are net of fees, chargebacks, and returns. The Card Receipts Accounts are zero-balance accounts denominated in Canadian dollars that are automatically swept daily into the Concentration Account (defined below). GNC Canada also maintains one zero-balance account denominated in Canadian dollars for the collection of any wholesale cash receipts (the "**Wholesale Receipts Account**") that is also automatically swept into the Concentration Account.

(c) *Canada concentration account*: GNC Canada maintains one concentration account denominated in Canadian dollars (the "**Concentration Account**") that receives funds from the Store Depository Accounts, Card Receipts Accounts, and Wholesale Receipts Account, and also transfers funds to the various disbursement accounts for payment of ordinary course disbursements such as payroll funding, store rental payments, and accounts payable. Cash transfers between GNC Canada and General Nutrition Corporation as the entry point to the U.S.-domiciled Cash Management System are also manually processed through this

account on a periodic basis. The Concentration Account is subject to an account control agreement.

(d) *Canada disbursement accounts*: GNC Canada maintains three disbursement accounts, which include one payroll disbursement account (the "**Payroll Account**"), one general accounts payable account (the "**AP Account**"), and one account through which cheques are cleared for cheque fraud protection purposes (the "**Cheque Disbursement Account**", and collectively, with the Payroll Account and AP Account, the "**Disbursement Accounts**"). The Concentration Account disburses funds to the Disbursement Accounts as required to fund the payment of disbursements in the ordinary course.

65. Any excess funds in the Concentration Account after taking into account an estimate for upcoming payments and the general working capital needs of GNC Canada are transferred to an account owned by General Nutrition Corporation that was established by General Nutrition Corporation to collect incoming wires and other miscellaneous deposits. Amounts transferred from GNC Canada to General Nutrition Corporation are applied in partial satisfaction of intercompany amounts owing among the various Debtors and are tracked by the finance, treasury, and accounting personnel of the Debtors located in the United States.

66. The Cash Management System of GNC Canada and the other Debtors is managed centrally from the U.S. This includes all treasury functions, accounts receivable and payable functions, all data processing and payroll functions, and all tracking and reconciliation of intercompany transactions, which are managed for all of the Debtors by the finance and accounting personnel located in the United States. As noted above, GNC Canada does not

employ any employees who provide finance and accounting support on behalf of the Canadian business.

67. The Debtor's Cash Management System, including the Canadian components, reflect the Debtors' integrated business and operations in North America, is vital to the Debtors' ability to cohesively conduct and manage their business across North America, and is tailored in its current structure to meet their operating needs. Any disruption of the Cash Management System would critically impair the Debtors' ability to operate, as the Debtors require (i) prompt collection and consolidation of retail sale receipts, (ii) the seamless ability to transfer cash as required to the Disbursement Accounts to settle debts owing, and (iii) ensure that all transactions are adequately documented and readily ascertainable.

68. A Cash Management Motion (defined below) in the Chapter 11 Cases has been brought to authorize the Debtors to continue to maintain and use their existing Cash Management System, including maintenance of existing bank accounts, use of existing deposit practices, and continuance of certain ordinary course intercompany transactions.

69. The transfer of excess funds from Canada to the United States will continue post-filing. It will be subject to there at all times being sufficient funding available to settle post-filing debts, priority payables, sales taxes, professional fees, and other similar items. GNCC will keep the Information Officer appraised of the cash situation in Canada and consult with the Information Officer before transferring excess funds from Canada to the United States. I understand that a projected cash flow statement for GNC Canada for the 13-week period from the week ending June 27, 2020 to the week ending September 19, 2020 (the "Cash Flow Statement") will be filed with this Court by the proposed Information Officer. The Cash Flow

Statement forecasts that, subject to the assumptions set out therein, GNC Canada is projected to have sufficient liquidity to fund their obligations during the period covered by the Cash Flow Statement.

F. Miscellaneous

70. GNC Canada is not a party to any litigation. General Nutrition Centers, Inc. is a defendant to one personal injury action in the Superior Court of Justice. The claim was issued in 2017. The litigation has been inactive for over a year.

71. Certain of GNC Canada's operations are regulated by Health Canada and interactions with Health Canada are managed by an employee in GNC Canada's Mississauga office.

V. THE NEED FOR CHAPTER 11 AND CCAA RELIEF AND RELIEF SOUGHT

72. The Debtors have filed Chapter 11 Cases to effect both (1) a restructuring of their funded debt obligations and (2) operational changes necessary to ensure their continued viability as a going concern.

73. Over the past several years, retail companies have faced a challenging commercial environment brought on by increased competition and a shift away from shopping at brick-and-mortar stores. While GNC is no exception, it has taken various steps to significantly reduce its funded debt obligations and position the business for long-term success going forward.

74. Since the World Health Organization declared a pandemic in March 2020, GNC has been forced to temporarily close many of its retail locations, including approximately 1,200 U.S. retail locations, 118 franchise locations, and 106 Canadian locations. Indeed, more than 40% of the Debtors' stores were forced to close for a period of seven (7) or more weeks due to state and

local mandates or significant declines in customer traffic. While some locations have relaxed those mandates, the Company, like other retailers, nonetheless faces the practical and logistical challenges of opening its stores to the public while taking appropriate precautions to protect the health of both its customers and its employees. The pandemic has undermined GNC's efforts to transform and improve customers' in-store experience.

75. Despite the pandemic, the Debtors and their advisors have continued to explore options for amending or entering into long term maturity extensions under the ABL/FILO Credit Agreement and Term Loan Credit Agreement, but negotiations with the lenders under those agreements did not result in an out of court restructuring. As described in the U.S. First Day Declaration, the Debtors were able to enter into amendments to the ABL/FILO Credit Agreement and Term Loan Credit Agreement to extend the springing maturities under those agreements in the short term, which provided needed time to negotiate a consensual in-court restructuring and prepare the Debtors to file Chapter 11 Cases.

76. Any plan put forward that affects Canadian creditors of GNC will be subject to all the procedural and substantive safeguards of Chapter 11, such as creditor approval including Canadian creditors, court approval, and the oversight of a creditors' committee.

77. GNC, with the help of its advisors, will be reviewing its operations and financial position with a view to implementing long-term solutions to address its current difficulties, and to restore its long-term viability.

78. Following several weeks of extensive, arm's-length negotiations, the Debtors were able to negotiate debtor-in-possession financing and a pre-arranged standalone plan of reorganization

with certain of their secured lenders (the **"Standalone Plan Transaction**"), the details of which are memorialized in a signed restructuring support agreement (the "**Restructuring Support Agreement**"), that is executed by more than 92% of the Prepetition Tranche B-2 Term Loan Lenders (as defined below) and 87% of the Prepetition ABL/FILO Lenders (as defined below) (together, collectively, the "**Supporting Secured Lenders**"). Importantly, the overwhelming support of the Debtors' creditors will enable the Debtors to emerge from this process expeditiously.

79. The Restructuring Support Agreement is premised on USD$100 million in "new money" loans provided by certain Prepetition Tranche B-2 Term Loan Lenders (defined below) together with a "roll-up" on a dollar-for-dollar basis of $US100 million of Prepetition Tranche B-2 Term Loans, under the DIP Facilities (defined below) being provided by certain Prepetition ABL/FILO Lenders, as well as a "roll-up" on a dollar-for-dollar basis of all of the outstanding principal of and accrued and unpaid interest on prepetition ABL/FILO Term Loans into a postpetition ABL FILO facility (described below) on terms that will generate an additional US$30 million of liquidity.

80. Additionally, the Debtors, a significant majority of the Supporting Secured Lenders, and Harbin Pharmaceutical Group Holding Co., Ltd., an affiliate of GNC's largest shareholder (the "Proposed Buyer") have reached an agreement in principle for the sale of the Debtors' business (the "**Sale Transaction**"). The Sale Transaction contemplates a US$760 million purchase price for a going-concern sale of the Debtors' business, which would be executed through a section 363 auction process, at which higher and better bids may be presented. The Sale Transaction remains subject to definitive documentation acceptable to the Debtors, the Supporting Secured

Lenders and the Proposed Buyer. If the Sale Transaction is timely consummated as set forth in the Restructuring Support Agreement, it would be implemented instead of the Standalone Plan Transaction. The Debtors' largest vendor and a joint venture partner, International Vitamin Corporation, is working with the Debtors to ensure a continued supply of products to the Debtors and to advance the proposed sale of the Debtors' business.

A. Interim Order

81. The applicant is seeking an interim order to impose a stay of proceedings until the hearing date for seeking the remaining relief set out above (the "**Initial Order**" and the "**Supplemental Order**"), which will be sought once the U.S. First Day Orders described below have been issued. The purpose of this interim stay of proceedings is to account for the gap in time between the imposition of an automatic stay in the Chapter 11 Cases and the time when the applicant, having been appointed by the U.S. Court as foreign representative, is able to return to this Court to seek the Initial Order and Supplemental Order.

82. The Restructuring Support Agreement requires that an interim stay order be obtained within 2 Business Days (as defined in that agreement) from the commencement of the Chapter 11 Cases.

B. Recognition of Foreign Main Proceedings

83. The applicant believes that a recognition order, including a stay of proceedings affecting all Canadian creditors of GNC, will support the Debtors' goals in the Chapter 11 Cases and assist the Debtors in developing and implementing a restructuring plan within an orderly process while making satisfactory arrangements with its creditors. This process will benefit not only the Debtors' creditors but also its customers, suppliers, and employees. I believe that the position of

GNC Canada's creditors will neither be materially impaired by the recognition of the U.S. bankruptcy proceeding, nor by the imposition of the stay of proceedings, nor by permitting GNC to continue operations pending implementation of the proposed plan.

C. DIP Financing

84. Pursuant to the DIP Motion (defined below), the Debtors seek approval in the U.S. Court of up to US$475 million in postpetition financing. The proposed financing (collectively, the "**DIP Facilities**"), among other things, provides for (i) $100 million in "new money" loans provided by a group of prepetition Tranche B-2 Term Loan Lenders, a "roll-up" on a dollar-for-dollar basis of US$100 million of prepetition Tranche B-2 Term Loans, and (iii) in exchange for the release of certain restricted cash after giving effect to amendments to the borrowing base formula under the prepetition ABL/FILO Credit Agreement, (A) a "roll-up" on a dollar-for-dollar basis of US$275 million in principal, and all accrued and outstanding interest thereon, of prepetition ABL FILO Term Loans, and (B) the cash collateralization of approximately US$5.1 million in Letters of Credit issued under the prepetition ABL/FILO Credit Agreement.

85. The Debtors' liquidity has been severely constrained and is subject to significant volatility because it is subject to a borrowing base formula and reserve restrictions pursuant to the Debtors' prepetition ABL/FILO Credit Agreement. Through various amendments to the prepetition ABL/FILO Credit Agreement negotiated by the Debtors and their advisors, approximately US$30 million in otherwise restricted cash will be made available for the Debtors' use during the Chapter 11 Cases. Additionally, in connection with the agreed-upon amendments to the borrowing base formula and reserve restrictions, upon approval of the Interim DIP Order, the Debtors will repay the prepetition ABL Revolving Credit Facility (approximately

US$60 million in principal outstanding as of the Petition Date) in full in cash with cash that is currently pledged under the prepetition borrowing base construct.

86. After searching for financing sources from both within and outside of the Debtors' existing capital structure, the Debtors obtained a commitment from an ad hoc group of Prepetition Tranche B-2 Term Loan Lenders and Prepetition ABL/FILO Lenders (the "**Ad Hoc Group of Crossover Lenders**") and an ad hoc group of Prepetition ABL/FILO Lenders (the "**Ad Hoc FILO Term Lender Group**") to fund the Chapter 11 Cases, subject to the U.S. Court's approval. I personally participated in the negotiation and analysis of various economic aspects of the DIP Facilities, which lasted for weeks and was hard-fought and at arms'-length.

87. Additional details regarding the DIP Facilities are set out in my U.S. First Day Declaration.

88. The DIP Facilities provide the Debtors with the necessary cash to meet immediate operational needs, address significant landlord and vendor pressures, and provide the liquidity for a smooth transition into chapter 11.

89. In the Chapter 11 Cases, the Debtors are seeking orders in relation to the DIP Facilities, authorizing them, among other things, to:

(a) obtain senior secured postpetition financing on a superpriority basis in the aggregate principal amount of US$200,000,000 (the "**DIP Term Facility**," and all amounts extended under the DIP Term Facility, the "**DIP Term Loans**"), consisting of (a) a US$100,000,000 new money delayed-draw term loan facility ("**New Money DIP Term Loans**") and (b) subject to the Final Order,

US$100,000,000 (the "**Term Roll-Up Amount**") of term loans resulting from a dollar-for-dollar "roll-up" of term loans (the "**Term Roll-Up**") outstanding under the prepetition Term Credit Agreement, pursuant to the terms and conditions of that certain Debtor-in-Possession Credit Agreement (as the same may be amended, restated, supplemented, waived or otherwise modified from time to time, the "**DIP Term Credit Agreement**"), by and among General Nutrition Centers, Inc., as borrower (in such capacity, the "**DIP Term Borrower**"), each of the entities listed on Exhibit A to the Interim Order as guarantors[6] (the "**Guarantors**" and, together with the DIP Term Borrower, the "**Loan Parties**"), and GLAS Trust Company LLC as administrative agent and as collateral agent (in such capacities, the "**DIP Term Agent**") for and on behalf of itself and the other lenders party thereto (collectively, including the DIP Term Agent, the "DIP Term Lenders"); and

(b) incur senior secured postpetition obligations on a superpriority basis in respect of a prepetition senior secured superpriority credit facility in the aggregate principal amount of US$275,000,000 plus any and all accrued and unpaid interest on all outstanding FILO Term Loans (as defined in the prepetition ABL FILO Credit Agreement) (the "**DIP ABL FILO Facility**" and, together with the DIP Term Facility, the "**DIP Facilities**"), consisting solely of FILO term loans (the "**DIP**

[6] These are GNC Holdings, Inc., GNC Parent LLC, GNC Corporation, General Nutrition Centers, Inc. General Nutrition Corporation, General Nutrition Investment Company, Lucky Oldco Corporation, GNC Funding, Inc., GNC International Holdings, Inc., GNC China Holdco LLC, GNC Headquarters LLC, Gustine Sixth Avenue Associates, Ltd., GNC Canada Holdings, Inc. GNC Government Services, LLC, GNC Puerto Rico Holdings, Inc., GNC Puerto Rico, LLC and GNC Canada.

ABL FILO Loans") resulting from the "roll-up" (the "**ABL FILO Roll-Up**" and together with the Term Roll- Up, collectively, the "**Roll-Ups**") of all outstanding FILO Term Loans in the aggregate principal amount of US$275,000,000, together with all accrued and unpaid interest thereon (the "**ABL FILO Roll-Up Amount**"), pursuant to the terms and conditions of that certain Debtor-in-Possession Amended and Restated ABL Credit Agreement (as the same may be amended, restated, supplemented, waived or otherwise modified from time to time, the "**DIP ABL FILO Credit Agreement**" and, together with the DIP Term Credit Agreement, the "**DIP Agreements**"), by and among General Nutrition Centers, Inc. and the other Loan Parties as borrowers or guarantors, and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent (in such capacities, the "**DIP ABL FILO Agent**" and, together with the DIP Term Agent, the "**DIP Agents**") for and on behalf of themselves and the other lenders party thereto (collectively, including the DIP ABL FILO Agent, the "**DIP ABL FILO Lenders**" and, together with the DIP Term Lenders, the "**DIP Lenders**").

90. Immediate access to incremental liquidity pursuant to the DIP Facilities is critical to preserving the Debtors' ability to operate. The Debtors do not have sufficient liquidity to operate their businesses in the ordinary course without the financing provided by the DIP Facilities. As described in the U.S. First Day Declaration, the amount of the DIP Facilities is commensurate with the size of GNC's organization and its operational needs.

91. Among other things, the Debtors need such liquidity to pay vendors and other participants in the Debtors' supply chain, to execute on certain initiatives, and to pay costs related to their restructurings.

92. The Debtors have determined, in the exercise of their business judgment, that the terms of the DIP Facilities are reasonable and appropriate in the circumstances.

93. The amount actually borrowed by the Debtors under the DIP Facilities is proposed to be secured by, among other things, Court-ordered charges on the Debtors' property in Canada in respect of the obligations under the DIP Facilities (the "**DIP Lenders' Charge**"). The applicant will be seeking an order granting the DIP Lenders' Charge and recognizing the Interim DIP Order once it has been entered by the U.S. Court. Such recognition and related relief are requirements of the DIP Facilities. The DIP Lenders' Charges will not have priority over valid Purchase Money Security Interests.

94. Further information about the DIP Facilities are set out in the Declarations of Pranav Goel and Robert A. Del Genio filed in the Chapter 11 Cases, attached as Exhibits "X" and "Y".

D. Appointment of an Information Officer and Notice

95. As part of the restructuring process, GNC will, among other things, review all aspects of its businesses and pursue all options for a successful restructuring. FTI Canada, as proposed information officer (the "**Information Officer**"), will report to the Court from time to time on the status of the Chapter 11 Cases and these proceedings.

96. FTI Canada is a licensed insolvency trustee and has consented to act as Information Officer in this proceeding.

97. The Debtors propose to grant the proposed Information Officer and its legal counsel an administration charge with respect to their fees and disbursements in the maximum amount of CDN$250,000 (the "**Administration Charge**") on the Debtors' property in Canada, as well as a retainer to the proposed Information Officer and its legal counsel in the amount of CDN$350,000 for the Information Officer and CDN$100,000 for its legal counsel. I believe the amount of the charge to be reasonable in the circumstances, having regard to the size and complexity of these proceedings and the roles that will be required of the proposed Information Officer and its legal counsel.

98. This application has been brought on notice to the proposed Information Officer, the Canadian Revenue Agency (through the Department of Justice), the Consultant (defined below), the Ad Hoc Group of Crossover Lenders, the proposed DIP Lenders and the other PPSA creditors listed at paragraph 36.

99. It is proposed that a notice be placed in English in The Globe and Mail (National Edition) and in French in La Presse notifying any interested parties located in Canada of these proceedings and directing them to the Information Officer to obtain information with respect thereto. All Canadian court materials in these proceedings will be available on the Information Officer's website.

E. Recognition of First Day Orders

100. By operation of the *United States Bankruptcy Code*, the Debtors obtained the benefit of a stay of proceedings upon filing the voluntary Petitions with the U.S. Court. A stay of proceedings in Canada is essential to protect the efforts of the Debtors to proceed with the

Chapter 11 Cases, pursue a restructuring transaction, and wind-down certain of its Canadian operations.

101. The Debtors have filed certain First Day Motions with the U.S. Court. The following are those motions whose ensuing orders the applicant will seek to have recognized in Canada once issued by the U.S. Court:

(a) Motion of Debtors for an order (a) enforcing the protections of 11 U.S.C. §§ 362, 365, 525, and 541(c) and (b) approving notice to customers, suppliers, and other stakeholders of Debtors' non-Debtor global affiliates ("**Automatic Stay Comfort Motion for Foreign Entities**");

(b) Motion of Debtors for orders (a) authorizing continued use of existing cash management system, including maintenance of existing bank accounts, checks, and business forms, (b) authorizing continuation of existing deposit practices, (c) authorizing continuation of intercompany transactions, and (d) granting administrative claim status to postpetition intercompany claims ("**Cash Management Motion**");

(c) Motion of Debtors for entry of an order (i) authorizing the Debtors to (a) file a consolidated creditor matrix, (b) file a consolidated top 30 creditors list, (c) modify requirements to file a list of, and provide notice to, all equity holders, and (d) redact portions of their consolidated creditor matrix and list of equity interest holders containing personal identification information, and (ii) approving notice procedures for certain customers ("**Consolidated Creditor Matrix Motion**");

(d) Motion of Debtors for orders authorizing payment of certain prepetition critical vendor claims ("**Critical Vendors Motion**");

(e) Motion of Debtors for orders authorizing the Debtors to (i) maintain and administer prepetition customer programs and (ii) pay prepetition obligations related thereto ("**Customer Programs Motion**");

(f) Motion of Debtors for orders (i) authorizing the Debtors to (a) obtain senior secured postpetition financing, (b) grant liens and superpriority administrative expense status, (c) use cash collateral of prepetition secured parties, and (d) grant adequate protection to prepetition secured parties; (ii) schedule a final hearing pursuant to Bankruptcy Rules 4001(b) and 4001(c); and (iii) granting related relief (the "**DIP Motion**", described above);

(g) Motion of Debtors for an order establishing certain notice and hearing procedures for transfers of, or worthlessness deductions with respect to, common stock and convertible preferred stock of GNC Holdings ("**Equity Trading NOL Motion**");

(h) Debtors' first (1st) omnibus motion for entry of an order (a) authorizing rejection of certain unexpired leases effective as of the petition date and (b) granting related relief ("**First Omnibus Motion to Reject Certain Unexpired Leases**");

(i) Motion to authorize GNC Holdings to act as foreign representative of the Debtors ("**Foreign Representative Motion**");

(j) Motion of Debtors for orders authorizing the Debtors to (a) pay prepetition insurance obligations and prepetition bonding obligations and (b) maintain their postpetition insurance coverage and bonding program ("**Insurance Motion**");

(k) Motion of Debtors for order authorizing joint administration of Chapter 11 Cases ("**Joint Administration Motion**");

(l) Motion of Debtors for orders (a) authorizing payment of prepetition lien claims and import claims and (b) confirming administrative expense priority of outstanding orders ("**Lien and Import Claims Motion**");

(m) Debtors' application for appointment of Prime Clerk LLC as claims and noticing agent ("**Prime Clerk – Claims Agent Application**");

(n) Debtors' second (2nd) omnibus motion for entry of an order (a) authorizing rejection of certain unexpired leases effective as of the petition date and (b) granting related relief ("**Second Omnibus Motion to Reject Certain Unexpired Leases**");

(o) Motion of Debtors for orders (a) approving procedures for store closing sales, (b) authorizing customary bonuses to managers of closing stores, (c) authorizing assumption of the consulting agreements, and (d) granting related relief ("**Store Closing Motion**"). The Store Closing Motion is described below;

(p) Motion of Debtors for orders authorizing payment of prepetition taxes and fees ("**Tax Motion**");

(q) Debtors' third (3rd) omnibus motion for entry of an order (a) authorizing rejection of certain unexpired leases effective as of the petition date and (b) granting related relief ("**Third Omnibus Motion to Reject Certain Unexpired Leases**");

(r) Motion of Debtors for orders (a) prohibiting utility companies from altering or discontinuing service on account of prepetition invoices, (b) approving deposit as adequate assurance of payment, (c) establishing procedures for resolving requests by utility companies for additional assurance of payment, and (d) authorizing payment of any prepetition service fees ("**Utilities Motion**"); and

(s) Motion of Debtors for orders (a) authorizing payment of certain prepetition workforce obligations, (b) authorizing continuance of workforce programs, (c) authorizing payment of withholding and payroll-related taxes, and (d) authorizing payment of prepetition claims owing to workforce program administrators ("**Wages Motion**").

102. The above First Day Motions are attached as Exhibits "Z" through "R" of this affidavit.

103. The Debtors are also seeking orders in the U.S. Court authorizing (a) payment of certain prepetition franchise claims and (b) continued performance under franchise agreements in the ordinary course of business ("**Franchise Motion**"). The Debtors have no Canadian franchises and will not be seeking recognition of this order in Canada.

104. A hearing has been scheduled with the U.S. Court to hear the First Day Motions. A further court date has been scheduled with the U.S. Court to consider final approval of any order that was entered on an interim basis and to consider any additional motions that may be filed by the Debtors.

105. The Debtors intend to seek one or more orders under the CCAA recognizing and giving effect to certain of the interim and/or final orders of the U.S. Court in respect of the First Day Motions (the "**First Day Orders**") as they are entered by the U.S. Court.

106. The First Day Motions are described in detail in my U.S. First Day Declaration; however, the Store Closing Motion is also addressed below.

F. Store Closing Motion

107. The Store Closing Motion seeks interim and final orders that, among other things,

(a) authorize on an interim and final basis store closing or similar themed sales ("**Sales**") in accordance with the terms of the U.S. and Canadian store closing sale procedures (the "**U.S. Store Closing Procedure**s" and the "**Canadian Store Closing Procedures**", respectively, and, together, the "**Store Closing Procedures**");

(b) authorize the Debtors to pay customary bonuses to employees of certain stores (the "**Closing Stores**"); and

(c) upon entry of the final order,

(i) authorize the Debtors to assume that certain consulting agreement, dated as of June 10, 2020 (the "**U.S. Consulting Agreement**"), by and between GNC Holdings and a joint venture comprised of Tiger Capital Group, LLC and Great American Group, LLC (the "**U.S. Consultant**") and

(ii) authorize the Debtors to assume that certain consulting agreement, dated as of June 18, 2020 (the "**Canada Consulting Agreement**" and, together

with the U.S. Consulting Agreement, the "**Consulting Agreements**"), by and between GNC Canada and a joint venture comprised of Tiger Asset Solutions Canada, ULC and GA Retail Canada ULC (the "**Canada Consultant**" and, together with the U.S. Consultant, the "**Consultant**").

1. Store Closing Sales

108. As described more fully in the U.S. First Day Declaration, in the wake of extreme market conditions and faced with limited liquidity, the Debtors are seeking to wind down several hundred store locations throughout the U.S. and Canada through a going-out-of-business sales process. Given continuously declining profitability and operational challenges, and despite the best efforts of the Debtors and their advisors to secure the capital necessary to preserve the entire business as a going concern, the Debtors are simply unable to meet their financial obligations. The Debtors have worked in concert with their secured lenders to develop a budget for the use of cash collateral to facilitate an expedited sale and orderly wind-down process for certain stores that will maximize value and recoveries for stakeholders in these cases.

109. In both the U.S. and Canada, the Debtors have begun lease modification negotiations with many of their landlords in the U.S. and Canada, respectively, for certain rent concessions and early termination rights (the "**Lease Negotiations**"), with the goal of improving the financial performance of the Debtors' remaining store base. These Lease Negotiations are ongoing and the Debtors' ability to negotiate more favorable lease terms and rent reductions will drive the determination of whether or not to close additional stores. Where the Debtors are unable to obtain sufficient relief in the Lease Negotiations concerning stores that are on the cusp of failing to meet certain performance standards, such stores will close as part of the Sales.

110. In Canada, GNC Canada will provide at least 30 days' notice to its landlords in Canada prior to the effective date of a lease rejection and continue to pay rent during that time period, with the exception of the 29 leases in Canada referred to in the First and Third Omnibus Motions to Reject Certain Unexpired Leases. In these cases, as described at paragraph 79 of my First Day Declaration, the leases were terminated pre-filing and GNC Canada does not intend to provide additional notice or rent.

2. The Consultant

111. The Debtors selected and engaged the Consultant to, among other things,

(a) manage the Sales;

(b) sell their store inventory (the "**Merchandise**"), owned furniture, furnishings, trade fixtures, machinery, equipment, office supplies, supplies, and other tangible personal property (the "**FF&E**") under the Consulting Agreements; and

(c) otherwise prepare the stores for turnover to the applicable landlords on the terms set forth in the Consulting Agreements, including the terms of the sale guidelines attached to the Canada Consulting Agreement (the "**Canadian Sale Guidelines**") in the case of Sales in Canada.

112. The Debtors have a historical relationship with the Consultant, who has helped the Debtors with annual appraisals of inventory and accounts receivable, making the Consultant familiar with the Debtors' businesses.

113. In early 2020, the Debtors retained the Consultant for a test, at which time the Consultant was subject to an evaluation process that included, among other things, review of proposals from

other service providers, providing candidates with equal access to all information (such as store level volume, margins, and inventory) provided by the Debtors, seeking references, providing standard requirements for the submission or recovery assumptions, conducting forecasts and analysis, and phone and in-person meetings with the Debtors' management. Given the Consultant's longstanding familiarity with the Debtors' business, the efficiencies resulting from the same to the Debtors' estate, and the Consultant's experience in conducting store closings on an expedited timeline, the Debtors' management, in consultation with the Debtors' advisors, selected the Consultant to manage the Sales.

3. Store Closing Procedures

114. The Canadian Store Closing Procedures govern Sales in Canada and incorporate the Canadian Sale Guidelines. I am advised by Leora Jackson at Torys and believe that these guidelines are substantially consistent with the store closing process that is typically used in Canada.

115. The Canadian Sale Guidelines provide, among other things:

(a) The Sale shall be conducted in accordance with the terms of the applicable lease, except as otherwise set out in any order by the U.S. Court or the Canadian CCAA Court (an "**Order**"), or in any subsequent written agreement between the Debtors and the applicable landlord, and approved by the Consultant.

(b) The Sale shall be conducted so that each of the Stores (as defined in the Canada Consulting Agreement) remains open during its normal hours of operation provided for in its respective lease until the respective Sale Termination Date for

such Store. The Sale at the Stores shall end by no later than September 30, 2020 (the "**Sale Termination Date**"). Rent payable under the respective leases shall be paid in accordance with the terms of the Orders, as applicable**.**

(c) The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws and regulations, unless otherwise set out herein or otherwise ordered by the Court.

(d) All display and hanging signs used by the Consultant in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. No signs shall advertise the Sale as a "bankruptcy", a "going out of business" or a "liquidation" sale; however, notwithstanding anything in the applicable leases, the Consultant may advertise the Sale at the Stores as an "everything on sale," an "everything must go," a "store closing," or similar theme sale. If a landlord is concerned with "store closing" signs being placed in the front window of a Store or with the number or size of the signs in the front window, the Consultant and the landlord will discuss the landlord's concerns and work to resolve the dispute.

(e) The Consultant shall be permitted to utilize sign walkers and street signage, provided that such sign walkers and street signage shall not be located on the shopping centre or mall premises.

(f) Conspicuous signs shall be posted in the cash register areas of each Store to the effect that all sales are "final."

(g) The Consultant shall not distribute handbills, leaflets or other written materials to customers outside of any of the Stores on any landlord's property, unless permitted by the applicable lease or if distribution is customary in the shopping centre in which the Store is located. Otherwise, the Consultant may solicit customers in the Stores themselves. The Consultant shall not use any giant balloons, flashing lights, or amplified sound to advertise the Sale or solicit customers, except as permitted under the applicable lease or agreed to by the landlord, and no advertising trucks shall be used on a landlord property or mall ring roads, except as explicitly permitted under the applicable lease or agreed to by the landlord.

(h) At the conclusion of the Sale in each Store, the Consultant shall arrange that the premises for each Store are in "broom-swept" and clean condition and shall arrange that the Stores are materially in the same condition as on the commencement of the Sale, ordinary wear and tear excepted. No property of any landlord of a Store shall be removed or sold during the Sale**.** No permanent fixtures (other than FF&E which for clarity is owned by GNC Canada, defined in the Canada Consulting Agreement as the "**Merchant**") may be removed without the applicable landlord's written consent unless otherwise provided by the applicable lease. Any fixtures or personal property left in a Store after the Sale Termination Date in respect of which the applicable lease has been disclaimed by the Merchant shall be deemed abandoned, with the applicable landlord having the right to dispose of the same as the landlord chooses, without any liability whatsoever on the part of the landlord.

(i) The Merchant and the Consultant shall not conduct any auctions of Merchandise or offered FF&E at any of the Stores.

116. The Canadian Store Closing Procedures incorporate the U.S. Store Closing Procedures and Canadian Sale Guidelines. They provide, among other things, that Canadian store closings will be conducted pursuant to the U.S. Store Closing Procedures and the Canadian Sale Guidelines; however, in the event of a conflict between the terms of the U.S. Store Closing Procedures and the terms of the Canadian Sale Guidelines, the terms of the Canadian Sale Guidelines shall control.

4. Store Closing Bonus Plan

117. The Store Closing Motion seeks to authorize the Debtors to pay a store closing bonus to non-insider store managers at the Closing Stores in the U.S. and Canada who remain in the employ of the Debtors during the Store Closings. Providing such non-insider bonus benefits is critical to ensuring that key employees that will be affected by the reduction in the Debtors' work force due to the Store Closings will continue to provide critical services to the Debtors during the ongoing Store Closing process.

118. The total aggregate cost of the Store Closing Bonus Plan will vary depending on how many Closing Stores are ultimately closed. The Debtors believe that the Store Closing Bonus Plan will motivate employees during the Store Closings and will enable the Debtors to retain those employees necessary to successfully complete the Store Closings.

SWORN BEFORE ME *by video conference*
From the City of Toronto, in the Province of Ontario,
To the City of Pittsburgh in the State of Pennsylvania
On June 24, 2020.

Commissioner for Taking Affidavits
(or as may be)

LEORA JACKSON

Tricia Tolivar

Schedule A – List of Debtors

1. GNC Holdings, Inc.;
2. General Nutrition Centres Company;
3. GNC Parent LLC;
4. GNC Corporation;
5. General Nutrition Centers, Inc.;
6. General Nutrition Corporation;
7. General Nutrition Investment Company;
8. Lucky Oldco Corporation;
9. GNC Funding Inc.;
10. GNC International Holdings Inc.;
11. GNC China Holdco, LLC;
12. GNC Headquarters LLC;
13. Gustine Sixth Avenue Associates, Ltd.;
14. GNC Canada Holdings, Inc.;
15. GNC Government Services, LLC;
16. GNC Puerto Rico Holdings, Inc; and
17. GNC Puerto Rico, LLC

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
GNC HOLDINGS, INC., *et al.*,	)	Case No. 20-11662 (___)
Debtors. [1]	)	(Joint Administration Requested)

DECLARATION OF TRICIA TOLIVAR, CHIEF FINANCIAL OFFICER OF GNC HOLDINGS, INC. IN SUPPORT OF CHAPTER 11 PETITIONS AND FIRST DAY PLEADINGS

Under 28 U.S.C. § 1764, Tricia Tolivar declares as follows under the penalty of perjury:

1. I am the Executive Vice President and Chief Financial Officer of GNC Holdings, Inc. which is incorporated in Delaware and is one of the above-captioned debtors and debtors in possession (collectively, the "***Debtors***" and, together with non-Debtor affiliates, the "***Company***" or "***GNC***") in the above captioned chapter 11 cases (collectively, the "***Chapter 11 Cases***"). I have served as GNC's Chief Financial Officer since 2015. I am authorized to submit this declaration (this "***Declaration***") on behalf of the Debtors.

2. As GNC's Executive Vice President and Chief Financial Officer, I am responsible for overseeing the Company's cash flow, business relationships, financial planning, real estate, IT, accounting, investor relations and legal functions among other things. As a result of my tenure with the Debtors, my review of public and non-public documents, and my discussions with other

[1] The debtors in these chapter 11 cases, along with the last four digits of each debtor's United States federal tax identification number, if applicable, or other applicable identification number, are: GNC Holdings, Inc. (6244); GNC Parent LLC (7572); GNC Corporation (5170); General Nutrition Centers, Inc. (5168); General Nutrition Corporation (4574); General Nutrition Investment Company (3878); Lucky Oldco Corporation (7141); GNC Funding, Inc. (7837); GNC International Holdings, Inc. (9873); GNC China Holdco, LLC (0004); GNC Headquarters LLC (7550); Gustine Sixth Avenue Associates, Ltd. (0731); GNC Canada Holdings, Inc. (3879); General Nutrition Centres Company (0939); GNC Government Services, LLC (2295); GNC Puerto Rico Holdings, Inc. (4559); and GNC Puerto Rico, LLC (7234). The debtors' mailing address is 300 Sixth Avenue, Pittsburgh, Pennsylvania 15222.

members of the Debtors' management team, I am generally familiar with the Debtors' businesses, financial condition, policies and procedures, day-to-day operations, and books and records. Except as otherwise noted, I have personal knowledge of the matters set forth herein or have gained knowledge of such matters from the Debtors' Chief Executive Officer, Ken Martindale as well as the employees or retained advisers that report to me in the ordinary course of my responsibilities.

3. I submit this Declaration on behalf of the Debtors in support of the Debtors' (a) voluntary petitions for relief that were filed under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended (the "***Bankruptcy Code***") and (b) "first-day" pleadings, which are being filed concurrently herewith (collectively, the "***First Day Pleadings***").[2] I have reviewed the Debtors' petitions and the First Day Pleadings, or have otherwise had their contents explained to me, and it is my belief that the relief sought therein is essential to ensure the uninterrupted operation of the Debtors' businesses and to successfully maximize the value of the Debtors' estates. References to the Bankruptcy Code, the chapter 11 process, and related matters are based in part on my understanding of such matters in reliance on the explanations provided by, and the advice of, counsel. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

Preliminary Statement

4. For 85 years, GNC (and its predecessor, "Lackzoom") has been a leading global specialty retailer of health and wellness products. Since David Shakarian opened a single store in 1935 called "Lackzoom"—in the midst of the Great Depression—in Pittsburgh, Pennsylvania, GNC has strategically grown to approximately 5,200 retail locations (including Rite Aid store-

[2] Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the applicable First Day Pleadings.

within-a-store locations) throughout the United States, and franchise operations in approximately 50 international markets. While Lackzoom specialized in yogurt—a food that Mr. Shakarian and his father helped introduce to the United States—GNC now specializes in selling vitamins and minerals, as well as herbal supplement products, sports nutrition products and diet products.

5. In late 2018, well in advance of a springing maturity date set to occur in May 2020 under the Debtors' existing indebtedness, the Debtors began to review their business plan and also commenced refinancing efforts to alleviate near-term liquidity strains and to de-stress their capital structure. To that end, in the third quarter of 2019, the Company engaged legal and financial advisors to explore a comprehensive refinancing of the Company's balance sheet, and the Company conducted a non-deal roadshow where it met with approximately 50 potential investors. While attempts to engage in a comprehensive refinancing of the Company's debt with lenders in the United States were unsuccessful, due in large part to the Company's high leverage and the high cost of capital offered by lenders, certain Asia-based lenders, in connection with the Company's partnership with Harbin (as described below) expressed interest in providing a comprehensive refinancing solution at a significantly lower cost of capital.

6. In October 2019, due to certain potential conflicts of interest, the Board established a special committee of the Board (the "***Special Committee***") to be comprised of independent and disinterested directors to conduct and oversee the Company's refinancing processes. From October 2019 through April 2020, the Special Committee and its advisors actively engaged in a series of negotiations with the Asia-based lenders to consummate a comprehensive refinancing of the Company's existing indebtedness.

7. However, before any deal could be reached, COVID-19 began to spread globally until, on March 11, 2020, the World Health Organization declared COVID-19 a pandemic. In

response to COVID-19, national, state, and local governments in the United States and throughout the world imposed quarantines, social distancing protocols, and shelter-in-place orders. GNC temporarily closed approximately 1,200 domestic retail locations, 118 domestic franchise locations, 477 international franchise locations, and 106 Canadian locations. These unprecedented events severely impacted the Company's business and liquidity, as well as its ability to consummate a comprehensive refinancing.

8. The Debtors and their advisors nonetheless explored a variety of out-of-court options, including the possibility of long-term maturity extensions under the ABL/FILO Credit Agreement and the Term Loan Credit Agreement (each as defined below), but those negotiations ultimately proved unsuccessful. The Debtors were able, however, to enter into amendments to the ABL/FILO Credit Agreement and the Term Loan Credit Agreement to extend the springing maturities under those agreements to provide additional time to negotiate a consensual restructuring and prepare the Debtors to file these Chapter 11 Cases.

9. The Debtors made the most of that extra time. Following several weeks of extensive, arm's-length negotiations, the Debtors were able to negotiate debtor-in-possession financing and a pre-arranged standalone plan of reorganization with certain of their secured lenders (the "***Standalone Plan Transaction***"), the details of which are memorialized in a signed restructuring support agreement (the "***Restructuring Support Agreement***"), that is executed by more than 92% of the Prepetition Tranche B-2 Term Loan Lenders (as defined below) and 87% of the Prepetition ABL/FILO Lenders (as defined below) (together, collectively, the "***Supporting Secured Lenders***").[3] Importantly, the overwhelming support of the Debtors' creditors will enable the Debtors to emerge from this process expeditiously.

[3] A copy of the Restructuring Support Agreement is attached hereto as **Exhibit B**.

10. The Restructuring Support Agreement is premised on $100 million in "new money" loans provided by certain Prepetition Tranche B-2 Term Loan Lenders, together with a "roll-up" on a dollar-for-dollar basis of $100 million of prepetition Tranche B-2 Term Loans, under the DIP Term Facility (as defined below), as well as a "roll-up" on a dollar-for-dollar basis of all of the outstanding principal of and accrued and unpaid interest on prepetition ABL/FILO Term Loans into a postpetition ABL FILO facility (the "***DIP ABL FILO Facility***") on terms that will generate an additional $30 million of liquidity. The Standalone Plan Transaction enjoys committed post-effective date exit facilities in an aggregate principal amount of $525 million, provides for a new post-effective date ownership structure led by the Prepetition Tranche B-2 Term Loan Lenders and contemplates a recovery to general unsecured creditors.

11. Additionally, the Debtors, a significant majority of the Supporting Secured Lenders, and Harbin Pharmaceutical Group Holding Co., Ltd., an affiliate of GNC's largest shareholder (the "***Proposed Buyer***"), have reached an agreement in principle for the sale of the Debtors' business (the "***Sale Transaction***"), the terms of which are set forth in a term sheet attached hereto as **Exhibit C**. The Sale Transaction contemplates a $760 million purchase price for a going-concern sale of the Debtors' business, which would be executed through a section 363 auction process, at which higher and better bids may be presented. The Sale Transaction remains subject to definitive documentation acceptable to the Debtors, the Supporting Secured Lenders and the Proposed Buyer. If the Sale Transaction is timely consummated as set forth in the Restructuring Support Agreement, it would be implemented instead of the Standalone Plan Transaction. The Debtors' largest vendor and a joint venture partner, International Vitamin Corporation ("***IVC***") is working with the Debtors to ensure a continued supply of products to the Debtors and to advance the proposed sale of the Debtors' business.

12. With the support of its lenders and key stakeholders, the Debtors expect to either consummate the Sale Transaction or the Standalone Plan Transaction and exit bankruptcy in the fall of this year. The Restructuring Support Agreement ensures that the Debtors will have sufficient liquidity to pursue both the Sale Transaction and the Standalone Plan Transaction. Importantly, the Restructuring Support Agreement:

- enjoys the support of holders of more than 92% of the Tranche B-2 Term Loans and 87% of the ABL FILO Term Loans;
- ensures that the Debtors will have approximately $130 million in additional liquidity through (i) a commitment from certain of the Prepetition Tranche B-2 Term Loan Lenders to provide $100 million in "new money" debtor-in-possession financing and (ii) approximately $30 million to come from certain modifications to the existing ABL/FILO Credit Agreement; and
- contemplates that the Debtors will emerge from bankruptcy either by consummating the Sale Transaction or the Standalone Plan Transaction no later than 141 days following the Petition Date (as defined below).

13. The Debtors firmly believe that the Restructuring Support Agreement affords them with significant optionality and puts the Debtors on the best path at this time to maximize the value of their estates and ensure that they can efficiently and expeditiously emerge from chapter 11 and continue to fulfill their promise as a leading health and nutrition retailer. Moreover, the Debtors are confident that between the liquidity provided under the DIP Facilities (as defined below) and cash flow from normal operations, and with the support of their largest vendor, the Debtors will meet their go-forward financial commitments as they work to achieve their financial objectives.

14. On June 23, 2020 (the "***Petition Date***"), the Debtors filed voluntary petitions for relief in the United States Bankruptcy Court for the District of Delaware (the "***Court***"). The Debtors will continue to operate their businesses and manage their properties as debtors in possession. Relatedly, Debtor General Nutrition Centres Company ("***GNC Canada***"), an unlimited liability company organized under the laws of Nova Scotia, which operates the Debtors'

Canadian business will also be commencing an ancillary proceeding (the "***Canadian Proceeding***") under Part IV of the Companies' Creditors Arrangement Act (Canada) in Toronto, Ontario, Canada before the Ontario Superior Court of Justice (Commercial List) (the "***Canadian Court***").[4]

15. To familiarize the Court with the Debtors, their business, the circumstances leading to these Chapter 11 Cases, and the relief the Debtors are seeking in the motions and applications filed today, I have organized this Declaration as follows:

- **Part I** provides a general overview of the Debtors' corporate history and operations;
- **Part II** provides an overview of the Debtors' prepetition corporate and capital structure;
- **Part III** describes the circumstances leading to these Chapter 11 Cases;
- **Part IV** describes the Restructuring Support Agreement and Debtors' proposed debtor-in-possession financing; and
- **Part V** describes the evidentiary basis for the relief requested in each of the first day pleadings.

[4] GNC Canada is a wholly-owned subsidiary of Debtor GNC Canada Holdings, Inc., a Nevada corporation. All material decisions regarding GNC Canada and its operations are made by GNC employees located at the Company's headquarters in Pittsburgh, Pennsylvania. And, proposed co-counsel to the Debtors, Young, Conaway, Stargatt & Taylor LLP ("***YCST***") holds an approximately $50,000 retainer from GNC Canada separate from the retainer held by YCST on behalf of the other Debtors. Accordingly, the Debtors believe that the center of main interest for GNC Canada is in the United States and this Court has appropriate jurisdiction over GNC Canada's Chapter 11 Case.

PART I: GNC's Corporate History and Operations

A. GNC's History and Business Overview.

16. In 1935, at the height of the Great Depression, David Shakarian audaciously opened a single health food store at 418 Wood Street in downtown Pittsburgh, Pennsylvania. He called the store, "Lackzoom."

17. Lackzoom specialized in the sale of health foods and yogurt—a product that was known abroad, but had not yet been fully introduced to the United States. Mr. Shakarian's first store was profitable enough to allow him to open a second location nearly six months later. While the 1936 St. Patrick's Day flood wiped out both Lackzoom stores, Mr. Shakarian was undeterred. He reopened both Lackzoom locations and opened four more stores in the Pittsburgh area over the next five years.

18. In the 1960s, people began to embrace the concept of natural foods and better nutrition. As the popularity of natural foods and nutritional products increased in the 1960s, Mr. Shakarian met that growing demand by opening stores outside of Pennsylvania. It was during this growth period that Mr. Shakarian also changed the Lackzoom name to "General Nutrition Centers" or "GNC." As GNC grew, it began to produce its own vitamin and mineral supplements, as well as foods, beverages and cosmetics.

19. By the time that Mr. Shakarian passed away in 1984, GNC had more than 1,000 locations all around the United States. Today, the Company is a leading global brand of health, wellness and performance products with a worldwide network of over 7,000 locations operating under the GNC brand name and through the Company's e-commerce channels. The Company maintains an omni-channel business model deriving revenue from product sales through Company-owned retail stores, domestic and international franchise activities, e-commerce, and corporate partnerships, as described in further detail below. Corporate retail store operations are located in the United States, Canada, Puerto Rico and Ireland. Franchise locations exist in the United States and in approximately 50 other countries. Additionally, the Company licenses the use of its trademarks and trade names.

20. The Company's focus on its customers has never wavered. GNC remains committed to connecting its customers to their best selves by offering a premium assortment of health, wellness, and performance products, including protein, performance supplements, weight management supplements, vitamins, herbs and greens, wellness supplements, health and beauty, food and drink, and other general merchandise, featuring both proprietary GNC and nationally-recognized third-party brands.

B. GNC's Corporate Structure.

21. GNC Holdings, Inc. ("***GNC Holdings***") is the ultimate parent company for the Debtors and their non-Debtor affiliates. A chart depicting the corporate organizational structure of the Company is attached hereto as **Exhibit A**.

22. A summary of the operations and purpose for each Debtor can be found in the following table:

Debtor	**Purpose**
GNC Holdings, Inc.	Ultimate, publicly traded, parent company.
GNC Parent LLC	Holding company for the remainder of the corporate structure.
GNC Corporation	Holding company for the remainder of the corporate structure.
General Nutrition Centers, Inc.	Main operating company, which employs the Company's headquarters employees.
General Nutrition Corporation	Operates all US retail and wholesale operations, employs store-level employees, and is the lessee on mainland US stores as well as certain stores located in Puerto Rico.
General Nutrition Investment Company	Owns all of the Company's intellectual property, other than intellectual property related to operations in China.
Lucky Oldco Corporation	Inactive entity with no operations, entities, or employees.
GNC Funding Inc.	Inactive entity with no operations, entities, or employees.
GNC International Holdings, Inc.	Holding company for entities organized in jurisdictions outside of the United States.
GNC China Holdco, LLC	Holding company for the HK JV (as defined below) and the Company's mainland China operations.
GNC Headquarters LLC	Partially owns Gustine Sixth Avenue Associates, Ltd. (The other owner is General Nutrition Centers, Inc.)
Gustine Sixth Avenue Associates, Ltd.	Owns the Company's corporate headquarters in Pittsburgh.
GNC Canada Holdings, Inc.	Holding company for the Company's Canadian operating entity.
General Nutrition Centres Company	Operates the Company-owned stores located in Canada.
GNC Government Services, LLC	Manages the Company's transportation needs.
GNC Puerto Rico Holdings, Inc.	Owns 70% of the Company's operating entity in Puerto Rico; GNC Puerto Rico, LLC; the other 30% of GNC Puerto Rico, LLC is held by non-Debtor affiliate GNC Live Well Ireland.

Debtor	Purpose
GNC Puerto Rico, LLC	Operates store locations in Puerto Rico and leases some of those store locations.

23. A summary of the operations and purpose for each non-Debtor affiliate can be found in the following table:

Non - Debtor	Purpose
Nutra Insurance Company	Inactive captive insurance company.
GNC Newco Parent, LLC	Holding company for the Company's interests in the Manufacturing JV.
Nutra Manufacturing, LLC	The Manufacturing JV.
GNC Supply Purchaser, LLC	Purchases goods from Manufacturing JV pursuant to a supply agreement.
GNC Colombia SAS	Inactive entity.
GNC Intermediate IP Holdings, LLC	Holding company for GNC Intellectual Property Holdings, LLC
GNC Intellectual Property Holdings, LLC	Owns intellectual property related to the Company's operations in China and Hong Kong.
GNC Korea Limited	Contracts for manufacturing in South Korea.
GNC Hong Kong Limited	The HK JV.
GNC (Shanghai) Trading Co., Ltd.	Subsidiary of HK JV that holds assets related to the China business that are to be transferred to GNC (Shanghai) Food Technology Limited upon consummation of the China JV transaction.
GNC China JV Holdco Limited	Holding company for the Company's interests in the contemplated China JV.
GNC (Shanghai) Food Technology Limited	Currently operates the Company's business in China. Upon the consummation of the China JV transaction, GNC (Shanghai) Trading Co., Ltd. will transfer assets related to its China business to GNC (Shanghai) Food Technology Limited, which will operate as the

Non - Debtor	Purpose
	China JV and will be 35% owned by GNC China JV Holdco Limited and 65% owned by Harbin.
GNC Jersey One Limited	Holding company for Irish operating entities.
GNC Jersey Two Unlimited	Holding company for Irish operating entities.
GNC South Africa (Pty) Ltd.	Contracts for manufacturing in South Africa.
THSD	Operates store locations in Ireland.
GNC Live Well Ireland	Operates a distribution center in Ireland and manages Amazon sales in continental Europe.

24. As of the Petition Date, approximately 84 million shares of GNC Holdings' Class A common stock were issued and outstanding. GNC Holdings' shares are currently traded on the New York Stock Exchange under the symbol "GNC."

25. As described in greater detail in Part III below, in a series of negotiated transactions culminating on February 13, 2019, Harbin Pharmaceutical Group Co., Ltd. ("***Harbin***") acquired 299,950 shares of a newly created series of convertible perpetual preferred stock of GNC Holdings, designated as "Series A Convertible Preferred Stock", for an aggregate purchase price of approximately $300 million (the "***Equity Issuance***"). As a result of the Equity Issuance, Harbin owns an approximately 41% voting interest in GNC Holdings, with the public shareholders owning the remaining 59% voting interest.

C. Overview of the Company's Operations and Revenue.

1. GNC's Products

26. As discussed above, the Company is a global health and wellness brand providing premium assortment of health, wellness, and performance products, including protein, performance supplements, weight management supplements, vitamins, herbs and greens, wellness

supplements, health and beauty, food and drink, and other general merchandise. The Company develops high-quality, innovative nutritional supplement products that can be purchased only through the company-owned and franchise store locations, GNC.com, the Amazon.com marketplace and other marketplaces, and the Company's select wholesale partners. The Company's objective is to offer a broad and deep mix of products, including both proprietary GNC-branded products and other nationally recognized third-party brands. This depth of brands, exclusive products and range of merchandise, combined with the customer support and service offered by the Company, differentiates the Company from competitors and allows it to effectively compete against food, drug and mass channel players, specialty stores, independent vitamin, supplement and natural food shops and online retailers.

27. Sales of the Company's proprietary brands at its U.S. company-owned and franchise stores, GNC.com, and wholesale partners such as Rite Aid, PetSmart, and Sam's Club, represented 52% of total system-wide retail product sales in 2019. The Company also offers products through nationally recognized third-party brand names. Sales of third-party products at its U.S. company-owned and franchise stores, GNC.com, and wholesale partners represented approximately 48% of total system-wide retail product sales in 2019. Sales of proprietary products and third-party products together yielded total U.S. system-wide sales of approximately $1.95 billion in 2019.

28. Products are delivered to retail stores and customers who make purchases via the Company's websites, via a third-party transportation network, through the Company's distribution centers located in Leetsdale, Pennsylvania, Whitestown, Indiana, and Phoenix, Arizona. Each of the Company's distribution centers has a quality control department that monitors products received from vendors to manage to quality standards. Internet purchases are fulfilled and shipped

directly from the distribution centers or stores to consumers using a third-party transportation service, or directly by Amazon for certain marketplace orders. In connection with the manufacturing joint venture agreement with IVC, which is described in further detail herein, the Company transitioned out of the Anderson, South Carolina distribution center in the first quarter of 2020.

2. GNC's Three Main Business Segments

29. The Company generates revenues from three main segments: (1) U.S. and Canada; (2) International; and (3) Manufacturing / Wholesale.

30. The U.S. and Canada Business Segment. The Company's U.S. and Canada segment generates revenues primarily from the sales of products to customers at Company-owned stores in the United States, Canada, and Puerto Rico, as well as through product sales to franchisees, royalties on franchise retail stores, franchise fees, and sales through GNC.com and the Company's Amazon marketplace, as well as other marketplaces.

31. As of May 31, 2020, the Debtors operated approximately 2,501 Company-owned stores in the United States (including Puerto Rico) and a further approximately 132 Company-owned stores in Canada. In the U.S., there are Company-owned stores across all fifty states and the District of Columbia. Most Company-owned stores in the U.S. are located on leased premises that range in size from 1,000 to 2,000 square feet and are located primarily in shopping malls and strip shopping centers.

32. As of May 31, 2020, there were over 917 domestic franchise stores operated by approximately 344 franchisees. The Company's domestic franchise stores are also typically between 1,000 and 2,000 square feet, and approximately 90% are located in strip shopping centers. Substantially all of the Company's domestic franchise stores are located on premises leased by the Company and then subleased to the respective franchisee. The Company's domestic franchise

renewal rate was approximately 87% between 2014 and 2019. The Company does not rely heavily on any single franchise operator in the United States, rather the largest franchisee owns and/or operates 75 store locations. The Franchises represent a significant portion of the Debtors' revenues and profitability and reach a huge number of the Debtors' customers. A healthy Franchisee is more likely to buy product from the Debtors, resulting in additional revenue. In contrast, the shutdown of a Franchise causes a loss of two major revenue streams for the Debtors—(i) a loss of revenue from the Franchisee's purchase of product from the Debtors, and (ii) a loss of royalty revenue from the Franchisee's sale of products.

33. The Debtors invest in the health of their franchises because the Debtors fail to perform their obligations under the Franchise Agreements in the ordinary course of business, including honoring any prepetition obligations thereunder, the Franchises and the Franchisees could be severely harmed, potentially leading to shut-down of stores and loss of corresponding revenues.

34. The International Segment. The Company's International segment generates revenue primarily from international franchisees through product sales, royalties, and franchise fees. As of May 31, 2020, there were approximately 1,886 international franchise locations operated by approximately 37 franchisees, operating in 50 countries outside the United States (including Puerto Rico) and Canada (including distribution centers where retail sales are made). The international franchise locations are typically smaller and, depending on the country and cultural preferences, are located in mall, strip shopping center, street or store-within-a-store locations. In addition, some international franchisees conduct internet sales and distribute to other retail outlets in their respective countries. The Company's international franchise locations offer a more limited product selection than franchise stores in the United States, primarily due to

regulatory constraints. Revenues from international franchisees accounted for approximately 82% of the Company's total international segment revenues for the year ended December 31, 2019.

35. The Company's international franchise program has enabled GNC to expand into international markets with limited investment. New international franchisees are required to pay an initial fee of approximately $25,000 for a franchise license for each full-size store, $12,500 for a franchise license for a store-within-a-store and continuing royalty fees. The Company enters into development agreements with international franchisees which grant the right to develop a specific number of stores, for either full-size stores or store-within-a-store locations, in a territory, typically an entire country. The Company also enters into distribution agreements with international franchisees which grant the right to distribute product through the store locations, wholesale distribution centers and, in some cases, limited internet distribution. The franchisee then enters into a franchise agreement for each location. The full-size store franchise agreement has an initial ten-year term with two five-year renewal options. The franchisee typically has the option to renew the agreement at 33% of the current initial franchise fee that is then being charged to new franchisees. Franchise agreements for international store-within-a-store locations have an initial term of five years, with two five-year renewal options. At the end of the initial term and each of the renewal periods, the franchisee has the option to renew the store-within-a-store agreement for up to a maximum of 50% of the franchise fee that is then in effect. The Company's international franchisees often receive exclusive franchising rights to the entire country, generally excluding United States military bases. The Company's international franchisees must meet minimum standards and responsibilities similar to the Company's United States franchisees.

36. The Manufacturing/Wholesale Business Segment. The Company's Manufacturing/Wholesale segment was comprised of manufacturing operations in South Carolina

prior to the formation of the manufacturing joint venture described in further detail below, and wholesale partner relationships. The manufacturing joint venture supplies the Company's U.S. and Canada segment, International segment and wholesale partner business with proprietary product and also manufactures products for other third parties. The Company's wholesale partner business includes the sale of products to wholesale customers, the largest of which include Rite Aid, Sam's Club, and PetSmart.

37. As described in further detail in Part III below, in March 2019, the Company entered into a strategic joint venture with IVC regarding the Company's manufacturing operations (the "***Manufacturing JV***" or "***Nutra***"). Under the terms of the agreement with IVC, the parties engaged in a series of transactions, the immediate result of which was IVC's acquisition of a 57.14% stake in Nutra for an aggregate purchase price of $101 million, with GNC initially retaining a 42.86% indirect interest in Nutra. On February 28, 2020, the Company received an additional $15.6 million from IVC in exchange for an additional 10.715% of GNC's equity interest in the Manufacturing JV. And, on May 13, 2020, non-Debtor GNC Newco Parent, LLC assigned to Debtor General Nutrition Corporation its right to receive payment for any subsequent acquisitions by IVC related to the Manufacturing JV. GNC currently indirectly owns approximately 32% of the equity interests of the Manufacturing JV, with IVC holding the remaining interests. The Company expects to receive an additional $56.25 million from IVC, adjusted up or down based on the Manufacturing JV's future performance, over the next three years as IVC's ownership of the joint venture increases to 100%. The Company believes that the Manufacturing JV enables GNC's quality and research and development teams to continue to support product development and to increase its focus on product innovation, while IVC manages

manufacturing and integrates with GNC's supply chain, thereby driving more efficient usage of capital.

38. To increase brand awareness and promote customer access, the Company entered into a strategic alliance with Rite Aid in December 1998 to open GNC franchise "store-within-a-store" locations. As of May 31, 2020, the Company had 1,626 of these locations. Through this strategic alliance, the Company generates revenues from sales of its products to Rite Aid at wholesale prices, the manufacture of Rite Aid private label products, and license fees.

3. GNC's Online Sales

39. GNC.com and the Company's Amazon marketplace, as well as other marketplaces, represent a growing part of the Company's business. The Company may offer products on its GNC.com website that are not available at its retail locations, enabling the Company to broaden the assortment of products available to its customers. Internet purchases are fulfilled and shipped directly from the Company's distribution centers and stores to consumers using a third-party transportation service or directly by Amazon for certain marketplace orders.

4. The Harbin JVs

40. As described in further detail in Part III below, in February 2019, the Company completed the formation of a commercial joint venture in Hong Kong (the "***HK JV***") with respect to its e-commerce business in the People's Republic of China (the "***PRC***") with Harbin. The Hong Kong-based China e-commerce joint venture includes the operations of the Company's existing profitable, growing cross-border China e-commerce business. The Company anticipates completing the formation of a second, retail-focused joint venture located in China (the "***China JV***") with Harbin in the third quarter of 2020 following the completion of certain routine regulatory and legal requirements. The Company expects that the establishment of the HK JV and the China JV will accelerate its presence and maximize the Company's growth opportunities in the Chinese

supplement market. The Company currently owns a 35% interest in the HK JV and Harbin owns the remaining 65% interest. Upon completion of the China JV transaction, the Company will contribute its China business to the China JV and own a 35% interest in the China JV, with Harbin owning the remaining 65% interest.

5. GNC's 2019 Revenue

41. Consolidated net revenue was $2,068.2 million in 2019. This amount is comprised of approximately $1,822.3 million net revenue for the U.S. and Canada segment, $158.2 million net revenue for the International segment, and $87.7 million net revenue for the Manufacturing/Wholesale segment (excluding intersegment revenue).

D. GNC's Employees.

42. As of the Petition Date, the Company had approximately 11,000 employees, including approximately 4,000 full-time and approximately 7,000 part-time employees. None of the Company's employees belongs to a union or is a party to any collective bargaining or similar agreement.

PART II: GNC's Prepetition Capital Structure

A. Overview of GNC's Funded Debt.

43. As described in further detail below, the Debtors' funded debt consists of: (a) an asset-based revolving credit facility; (b) an asset-based first-in, last-out secured term loan facility; (c) a secured term loan facility; and (c) unsecured convertible notes. Here is a summary of the Debtors' prepetition funded debt is provided below:

Instrument	**Line Size / Original Amount**	**Approximate Amount Outstanding as of the Petition Date**	**Priority of Prepetition Security Interests**
ABL Revolving Credit Facility	Up to $81 million[5]	$60 million	• First priority lien on ABL/FILO Priority Collateral (as defined below); senior in right of payment to the FILO Term Loan Facility • Second priority lien on Term Priority Collateral (as defined below)
FILO Term Loan Facility	$275 million	$275 million	• First priority lien on ABL/FILO Priority Collateral; subordinated in right of payment to the ABL Revolving Credit Facility • Second priority lien on Term Priority Collateral
Term Loan Facility Tranche B-1	$151.8 million	$0	N/A
Term Loan Facility Tranche B-2	$704.3 million[6]	$410.8 million	• First priority lien on Term Priority Collateral • Second priority lien on ABL/FILO Priority Collateral
Notes	$287.5 million	$157.6 million – net of conversion feature and discounts	Unsecured
Total:		**$903.4 million**	

[5] The original amount of the commitments under the ABL Revolving Credit Facility was $100 million, commitments have been voluntarily reduced over time.

[6] After giving effect to certain mandatory prepayments occurring on the closing date thereof.

B. The ABL Revolving Credit Facility and FILO Term Loan.

44. Certain of the Debtors are party to the ABL Credit Agreement dated as of February 28, 2018 (as amended by the First Amendment, dated as of March 18, 2018, the Second Amendment, dated as of May 15, 2020, and the Third Amendment dated as of June 12, 2020, and as may be further amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "***ABL/FILO Credit Agreement***") by and among the Debtors party thereto[7], Barclays Bank plc, and Citizens Bank, N.A., as co-documentation agents, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and the lenders from time to time party thereto (the "***Prepetition ABL/FILO Lenders***"). Pursuant to the ABL/FILO Credit Agreement, the Prepetition ABL/FILO Lenders have provided (a) an asset-based revolving credit facility (the "***ABL Revolving Credit Facility***") of up to $81 million, and (b) an asset-based secured term loan incurred on a "first-in, last-out" basis (the "***FILO Term Loan Facility***") in an initial principal amount of $275 million.[8]

45. The obligations arising under the ABL Revolving Credit Facility and FILO Term Loan Facility are secured by first priority security interests in, and liens upon, all of the following assets of the Debtor Obligors other than certain excluded assets (collectively, the "***ABL/FILO Priority Collateral***"): (a) accounts receivable (other than those arising as a result of the disposition of Term Priority Collateral (as defined below)), (b) inventory, (c) tax refunds (except tax refunds in respect of Term Priority Collateral), (d) cash, deposit accounts, securities accounts and investment property (other than (i) capital stock and (ii) any deposit account or securities account

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[7] The obligors under the ABL Credit Agreement are: GNC Corporation, General Nutrition Centers, Inc., General Nutrition Corporation, General Nutrition Investment Company, Lucky Oldco Corporation, GNC Funding, Inc., GNC Canada Holdings, Inc., General Nutrition Centres Company, GNC Government Services, LLC, and GNC International Holdings, Inc. (collectively, the "***Debtor Obligors***")

[8] The loans under the FILO Term Loan Facility are referred to herein as the "***ABL FILO Term Loans***"

(or amount on deposit therein) established solely to hold identifiable proceeds of Term Priority Collateral), (e) all insurance proceeds (including business interruption insurance) (other than proceeds in respect of Term Priority Collateral), (f) all general intangibles, contract rights (including under franchise agreements and customer contracts), chattel paper, documents, documents of title, supporting obligations and books and records related to the foregoing, provided that to the extent any of the foregoing items in this clause (f) also relates to Term Priority Collateral, only that portion related to the items referred to in the preceding clauses (a) through (e) shall be included in the ABL/FILO Priority Collateral, (g) all commercial tort claims and letter of credit rights to the extent such commercial tort claims and letter of credit rights arise in connection with collateral that is ABL/FILO Priority Collateral pursuant to clauses (a) through (f) above, and (h) all products and proceeds of any and all of the foregoing (other than identifiable proceeds of Term Priority Collateral).

46. Additionally, the obligations arising under the ABL Revolving Credit Facility and FILO Term Loan Facility are secured by second priority security interests in, and liens upon all of the following assets of the Debtor Obligors other than certain excluded assets (collectively, the "***Term Priority Collateral***"): (a) all capital stock issued by Debtor General Nutrition Centers, Inc. and certain capital stock issued by certain of its Restricted Subsidiaries (as defined in the Term Loan Credit Agreement (as defined below)), (b) all intellectual property, (c) substantially all other assets to the extent not constituting ABL/FILO Priority Collateral, including, without limitation, contracts (other than those relating to ABL/FILO Priority Collateral), equipment, other general intangibles (other than those relating to ABL/FILO Priority Collateral) and intercompany notes, (d) all products and proceeds of any and all of the foregoing (other than identifiable proceeds of ABL/FILO Priority Collateral).

47. On May 15, 2020, the ABL/FILO Credit Agreement was amended to allow the Debtor Obligors to avoid a springing maturity provision that would have resulted in the accelerated maturity of the ABL Revolving Credit Facility and the FILO Term Loan Facility on May 16, 2020; the amendment changed such springing maturity date to August 10, 2020, as described below. The ABL Revolving Credit Facility matures on the earlier of (a) August 28, 2022 or (b) August 10, 2020 (or, if later, the date that is 91 days prior to the maturity date of any debt that refinances the Notes (as defined below)) (the "***Revolver Springing Maturity Date***") if, as of such date, the outstanding principal balance under the Notes is greater than $50 million (the "***Springing Maturity Trigger***"). The FILO Term Loan Facility matures on the earlier of (y) December 31, 2022 or (z) August 10, 2020 (or, if later, the date that is 91 days prior to the maturity date of any debt that refinances the Notes) (the "***FILO Term Loan Springing Maturity Date***"), if, as of such date, the Springing Maturity Trigger has occurred. Notwithstanding the foregoing, each of the Revolver Springing Maturity Date and the FILO Term Loan Springing Maturity Date (and the testing of the Springing Maturity Trigger) would have accelerated from August 10, 2020 to June 15, 2020 (the "***Accelerated Springing Maturity Date***") if (a) liquidity of the Debtor Obligors and certain of their subsidiaries was less than $100 million on the Accelerated Springing Maturity Date or on any date thereafter and (b) the holders of more than 25% of any of (i) the loans and commitments under the ABL Revolving Credit Facility, (ii) the loans under the FILO Term Loan Facility or (iii) the loans under the Term Loan Facility (as defined below) elect to so accelerate (and if any such acceleration occurred, each of the Revolver Springing Maturity Date, the FILO Term Loan Springing Maturity Date and the Term Loan Springing Maturity Date (as defined below) would have accelerated to the Accelerated Springing Maturity Date) (the foregoing clauses (a) and (b) are referred to herein collectively as the "***Liquidity Trigger***").

48. On June 12, 2020, the ABL/FILO Credit Agreement was further amended to change the Accelerated Springing Maturity Date to June 30, 2020.

49. As of the Petition Date, there was approximately $60 million in principal and $5.1 million in face amount of letters of credit outstanding under the ABL Revolving Credit Facility and $275 million in principal outstanding under the FILO Term Loan Facility. As discussed below, subject to Court approval, the Debtors intend to repay the outstanding loans and terminate the commitments under, the ABL Revolving Credit Facility simultaneously with entering into the DIP ABL FILO Facility.

C. The Term Loan Facility.

50. Debtor General Nutrition Centers, Inc., as borrower, and Debtor GNC Corporation, as parent guarantor are party to the amended and restated term loan credit agreement (as amended by the First Amendment, dated as of May 15, 2020, and the Second Amendment, dated as of June 12, 2020, and as may be further amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "***Term Loan Credit Agreement***") by and among, General Nutrition Centers, Inc., as borrower, and GNC Corporation, as parent guarantor, Barclays Bank plc, and Citizens Bank, N.A., as co-documentation agents, GLAS Trust Company LLC as collateral agent, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders from time to time party thereto (the "***Prepetition Tranche B-2 Term Loan Lenders***"). Pursuant to the Term Loan Credit Agreement, the Prepetition Tranche B-2 Term Loan Lenders have provided a secured term loan facility in the initial principal amount of approximately $856.1 million (the "***Term Loan Facility***").[9] The Term Loan Credit Agreement represents an amendment and restatement of the

[9] On the initial closing date of the Term Loan Facility, the Term Loan Facility consisted of a Tranche B-1 in the initial principal amount of $151.8 million and a Tranche B-2 in the initial principal amount of $704.3 million. Tranche B-1 was fully repaid on March 4, 2019.

Debtors' previous credit agreement, dated as of November 26, 2013 (the "***Old Credit Agreement***") and was entered into at the same time as the ABL/FILO Credit Agreement as part of a restructuring of the Company's capital structure in connection with the Harbin Transaction described in greater detail herein.

51. The obligations arising under the Term Loan Facility are secured by (a) first priority security interests in, and liens upon, the Term Priority Collateral and (b) second priority security interests in, and liens upon the ABL/FILO Priority Collateral. On May 15, 2020, the Term Loan Credit Agreement was amended to allow the Debtor Obligors to avoid a springing maturity provision that would have resulted in the accelerated maturity of the Term Loan Facility on May 16, 2020; the amendment changed such springing maturity date to August 10, 2020, as described below. The Term Loan Facility matures on the earlier of (y) March 4, 2021 or (z) August 10, 2020 (or, if later, the date that is 91 days prior to the maturity date of any debt that refinances the Notes) (the "***Term Loan Springing Maturity Date***"; the Term Loan Springing Maturity Date, together with the Revolver Springing Maturity Date and the FILO Term Loan Springing Maturity Date are referred to herein collectively as the "***Springing Maturity Dates***") if, as of such date, the Springing Maturity Trigger has occurred. Notwithstanding the foregoing, the Term Loan Springing Maturity Date (and the testing of the Springing Maturity Trigger) would have accelerated from August 10, 2020 to the Accelerated Springing Maturity Date if the Liquidity Trigger has occurred. On June 12, 2020, the Term Loan Credit Agreement was amended to change the Accelerated Springing Maturity Date to June 30, 2020.

52. As of the Petition Date, there was approximately $410.8 million in principal (the "***Tranche B-2 Term Loans***") outstanding under the Term Loan Facility.

D. Convertible Senior Notes.

53. On August 10, 2015, GNC Holdings issued $287.5 million principal amount of 1.5% convertible senior notes due 2020 (the "***Notes***") in a private offering. The Notes are governed by the terms of an Indenture between GNC Holdings, as issuer, the subsidiary guarantors party thereto, and BNY Mellon Trust Company, N.A., as the Trustee (the "***Indenture***"). The Notes will mature on August 15, 2020, unless earlier purchased by GNC Holdings or converted by the holders. In connection with the issuance of the Notes, the Company paid down $164.3 million of its then outstanding term loan facility.

54. The Notes are unsecured obligations and do not contain any financial covenants or restrictions on the payments of dividends, the incurrence of indebtedness, or the issuance or repurchase of securities by GNC Holdings or any of its subsidiaries. The Notes are fully and unconditionally guaranteed on an unsecured basis by certain subsidiaries of GNC Holdings (the "***Note Guarantors***") and rank equal in right of payment with respect to the Note Guarantors' other obligations.

55. On December 20, 2017, GNC Holdings executed exchange agreements with certain holders of the Notes to exchange, in privately negotiated transactions, $98,935,000 aggregate principal amount of the Notes for an aggregate of 14,626,473 newly issued shares of GNC Holding's Class A common stock, $0.001 par value per share, together with approximately $500,000 in cash, representing accrued and unpaid interest on the Notes being exchanged.

E. Trade Debt.

56. In the ordinary course of their businesses, the Debtors incur trade debt with numerous vendors in connection with their operations. The Debtors believe that, as of the Petition Date, their unsecured trade debt is approximately $111 million in the aggregate on account of prepetition goods and services provided to the Debtors.

PART III: Events Leading to the Chapter 11 Filing

57. The Debtors have filed these Chapter 11 Cases to effect both (1) a restructuring of their funded debt obligations and (2) operational changes necessary to ensure their continued viability as a going concern.

A. Prepetition Strategic Transactions and Initiatives to Reduce the Company's Debt Obligations.

58. Over the past several years, retail companies have faced a challenging commercial environment brought on by increased competition and a shift away from shopping at brick-and-mortar stores. While GNC is no exception, it has taken various steps to significantly reduce its funded debt obligations and position its business for long-term success going forward.

59. In late 2017 and early 2018, the Company explored a variety of strategic and financing alternatives before entering into the Harbin Transaction, described in detail below, which allowed the Company to significantly reduce its funded debt obligations. Likewise, the Company has been able to further reduce its outstanding debt obligations and optimize its operations as a result of the IVC Transaction, also described in more detail below.

60. In addition, the Company has increased its efforts to move its business toward a model based more on internet sales, expanding its ecommerce operations and offering online customers new options, including the ability for customers to pick up internet orders at stores or ship such orders directly from such stores directly to customers for faster delivery. To that end, the Company also began to review its real estate portfolio and make necessary adjustments, as described in more detail below.

61. As a result of the Harbin Transaction and the IVC Transaction, together with other cost-saving efforts, the Company was able to reduce its overall funded debt from $1.59 billion as of December 31, 2016 to $888 million as of March 31, 2019.

1. The Harbin Transaction and the 2018 Balance Sheet Restructuring.

62. On February 13, 2018, GNC Holdings entered into a securities purchase agreement (the "***Securities Purchase Agreement***") with Harbin Pharmaceutical Group Holdings Co., Ltd. ("***Harbin Holdco***") pursuant to which GNC Holdings agreed to issue and sell to Harbin Holdco, and Harbin Holdco agreed to purchase from GNC Holdings, 299,950 shares of a newly created series of convertible perpetual preferred stock of GNC Holdings, designated as "Series A Convertible Preferred Stock" (the "***Convertible Preferred Stock***"), for a purchase price of $1,000 per share, or an aggregate of approximately $300 million (the "***Equity Issuance***"). The Convertible Preferred Stock is convertible into shares of the common stock of the Company (the "***Common Stock***") at an initial conversion price of $5.35 per share, subject to customary anti-dilution adjustments. Prior to the closing of the Equity Issuance, Harbin Holdco assigned its rights and obligations under the Securities Purchase Agreement to its subsidiary Harbin.

63. The Securities Purchase Agreement also obligated the Company and Harbin to, among other things, (a) enter into a stockholders agreement governing the rights and obligations of Harbin as a major stockholder of the Company upon completion of the Equity Issuance, and (b) use their respective reasonable best efforts to negotiate in good faith definitive documentation with respect to a commercial joint venture in China, which joint venture, among other things, would be granted an exclusive right to use the Company's trademarks and manufacture and distribute the Company's products in mainland China.

64. The Company used the funds received from Harbin pursuant to the Securities Purchase Agreement, to facilitate a restructuring of the Company's funded debt obligations. As part of this restructuring, the Company and certain lenders under the Old Credit Agreement ($225 million of which was scheduled to mature in September 2018 and an additional $1.1 billion of which was scheduled to mature in March 2019) agreed to: (a) the termination and repayment by

the Company of the revolving credit loans then outstanding under the Old Credit Agreement; (b) entry into of the ABL/FILO Credit Agreement; and (c) repayment by the Company of a portion of the term loans then outstanding under the Old Credit Agreement and exchange of certain other term loans then outstanding under the Old Credit Agreement into term loans under the Term Loan Facility and the FILO Term Loan Facility.

65. In November 2018, the Company and Harbin agreed to amend the structure of their contemplated joint venture. The amended structure contemplated two joint ventures: a Hong Kong-based joint venture for the Company's e-commerce business in China (the "***HK JV***") and a China-based joint venture for the Company's retail operations in China (the "***China JV***"), as described in Part I above. On November 7, 2018, the Company, Harbin, GNC Hong Kong Limited ("***GNC HK***"), GNC (Shanghai) Trading Co., Ltd. ("***GNC Shanghai***"), GNC China Holdco, LLC ("***GNC China***"), and Harbin Pharmaceutical Hong Kong II Limited ("***Harbin HK***") all entered into a Master Reorganization and Subscription Agreement (the "***JV Framework Agreement***"), pursuant to which, among other things, (i) Harbin HK would acquire a 65% interest in GNC HK, and GNC HK would become the HK JV with GNC China retaining a 35% interest in the HK JV; (ii) GNC Shanghai would transfer its China assets and liabilities to a newly formed entity in China (which would become the China JV); (iii) Harbin would acquire a 65% interest in the China JV, with the Company retaining the remaining 35% interest in the China JV; and (iv) Harbin would invest $20.0 million in the China JV.

66. At the same time as their entry into the JV Framework Agreement in November 2018, the Company and Harbin agreed to amend the Securities Purchase Agreement to split the Equity Issuance into three tranches. The three tranches were funded as follows: (a) on November 8, 2018, Harbin purchased 100,000 shares of the Convertible Preferred Stock for a total purchase

price of $100,000,000; (b) on January 2, 2019, Harbin purchased an additional 50,000 shares of the Convertible Preferred Stock for a total purchase price of $50,000,000; and (c) on February 13, 2019, Harbin purchased an additional 149,950 shares of the Convertible Preferred Stock for a total purchase price of $149,950,000. Following the completion of the Equity Issuance, Harbin owned approximately 41% of the outstanding voting securities of the Company and had the right to designate up to five (5) individuals to serve on the board of directors of GNC Holdings (the "***Board***").

67. On February 13, 2019, the Company, Harbin and the other parties to the JV Framework Agreement agreed to amend the JV Framework Agreement in order to close the HK JV concurrently therewith and to close the China JV on a deferred basis upon receipt of requisite Chinese regulatory and legal approvals. The Company currently anticipates that the China JV will close in the third quarter of 2020.

68. At the time the Company entered into its strategic relationship with Harbin, the Company believed that a partnership with Harbin would allow it to further expand its business in

China, and that Harbin's expertise in distribution and regulation in China would be the ideal match for the Company's highly valued brand and assortment of products in the China market. Further, in light of the upcoming maturity at such time of over $1.3 billion of indebtedness by March 2019, the Company believed that the Harbin transactions and the 2018 restructuring of its funded debt obligations represented important and necessary steps in the Company's efforts to optimize its capital structure and position the Company to drive growth, improve financial performance, increase financial flexibility and enhance long-term shareholder value.

2. The IVC Transaction

69. On March 1, 2019, the Company entered into a Master Transaction Agreement (the "***Master Agreement***") by and among GNC Holdings, Debtor General Nutrition Corporation ("***General Nutrition Corp.***"), non-Debtor GNC Newco Parent, LLC ("***Seller***", and together with GNC Holdings and General Nutrition Corp., the "***GNC Parties***"), non-Debtor Nutra, which operates the Company's manufacturing business, IVL, LLC ("***Buyer***"), IVL Holding, LLC and IVC (together with Buyer and IVL Holding, LLC, the "***IVC Parties***"), pursuant to which the parties agreed to a series of transactions, the immediate result of which was Buyer's acquisition of a 57.14% stake in Nutra for an aggregate purchase price of $101 million (the "***Initial Sale***"), with the Seller initially retaining a 42.86% interest in Nutra (the "***Remaining Interest***"). The Master Agreement also requires the sale of the Remaining Interest to IVC, in equal installments on or around each of the four anniversaries following the date of the Initial Sale, for an aggregate purchase price of $75 million (subject to adjustment as described further in the Master Agreement) (the "***Subsequent Acquisitions***"). Until all of the Remaining Interests have been sold to IVC, Nutra will be operated in accordance with Amended and Restated Limited Liability Company Agreement of Nutra, entered into on March 1, 2019 (the "***LLC Agreement***"). On February 28, 2020, the first Subsequent Acquisition closed, with the Buyer acquiring an additional 10.715%

interest in Nutra in exchange for payment of $15.6 million to the Seller. On May 13, 2020, Seller assigned to Debtor General Nutrition Corporation its right to receive payment for any Subsequent Acquisition under the Master Agreement. Seller currently holds a 32.14% interest in Nutra, with IVC holding the remainder of the interests in Nutra.

70. In connection with the Master Agreement, the Seller entered into the LLC Agreement, and its wholly owned subsidiary, non-Debtor GNC Supply Purchaser, LLC entered into a Product Supply Agreement with Nutra (the "***Supply Agreement***"), and certain other ancillary agreements. The Company used the proceeds of the Initial Sale, and intended to use the proceeds of the Subsequent Acquisitions, to repay its funded debt obligations.

71. At the time the Company entered into the Master Agreement with IVC, the Company believed that a strategic partnership with IVC would give the Company access to IVC's industry-leading experience and expertise, greatly increase the Company's manufacturing capacity and allow the Company to leverage the collective buying power of two organizations. Under the terms of the agreements with IVC, the Company would continue to be responsible for product development and innovation, while IVC manages manufacturing and integrates into GNC's supply chain.

72. The Company believed that this arrangement would give GNC room for future growth and support its global expansion plans without the need for significant future capital investment. In addition to the strategic and operational benefits of the partnership with IVC, the Company believed that the proceeds received from IVC pursuant to the Master Agreement would continue to improve and optimize the Company's capital structure, while increasing the Company's financial flexibility and performance.

B. Efforts in 2019 and 2020 to Refinance the Company's Debt.

73. Prior to recent amendments entered into with respect thereto and described above, the ABL/FILO Credit Agreement and the Term Loan Credit Agreement contained springing maturity provisions which provided that, if the remaining principal amount outstanding under the Debtors' Notes was greater than $50 million on May 16, 2020, all of the Debtors' outstanding obligations under the ABL/FILO Credit Agreement and the Term Loan Credit Agreement would

have come due immediately on such date (the "***Original Springing Maturity Date***"). Facing the Original Springing Maturity Date, and mindful of near-term liquidity strains, which limited the availability of funds necessary to pay down the Notes and avoid triggering such Original Springing Maturity Date, in 2019, the Company engaged UBS Securities LLC ("***UBS***") and Evercore Group, L.L.C. ("***Evercore***") as its financial advisors to explore, together with Latham & Watkins LLP ("***Latham***"), the Company's legal advisor, a comprehensive refinancing of its balance sheet with potential investors in the United States (the "***U.S. Refinancing Process***"). As part of the U.S. Refinancing Process, the Company conducted a non-deal roadshow in July-August 2019 during which it met with approximately 50 potential investors (including both new investors and existing lenders). Despite some initial interest, discussions with U.S.-based lenders regarding a comprehensive refinancing of the Company's indebtedness were unsuccessful, mainly due to the Company's high leverage and the high cost of capital offered by lenders. While the Company continued to engage in discussions with potential investors in the U.S. regarding a bifurcated senior and junior tranche debt structure, the Company has not received any actionable proposals to date from the U.S. Refinancing Process.

74. Concurrently with the U.S. Refinancing Process, the Company, with the assistance of Harbin, also began parallel discussions with certain Asia-based lenders regarding a comprehensive refinancing of its balance sheet (the "***Asia Bank Financing***"). Following a series of discussions between the Company, Harbin and certain Asia-based lenders, the Company learned that certain Asia-based lenders were potentially willing to provide the Company with a comprehensive refinancing solution at a significantly lower cost of capital than what was available to the Company from U.S.-based lenders, provided that the lenders received a direct or indirect guarantee or other credit support from Harbin in connection with such financing. The Company

also learned that, in exchange for Harbin's provision of credit support to the lenders, Harbin would seek consideration from the Company, the form of which could include, among other things, guarantee fees, the issuance of additional equity interests in the Company, the ability to designate additional directors to the board and/or the negotiation of additional or revised governance rights with respect to the Company.

75. On October 4, 2019, the Board held a telephonic meeting (the "***October 4th Meeting***"), during which management and the Company's financial and legal advisors updated the Board on the U.S. Refinancing Process and the Asia Bank Financing, including Harbin's potential participation in the Asia Bank Financing. Given Harbin's existing significant ownership interest in the Company and the presence of Harbin-designated individuals on the Board, the Board concluded, consistent with its fiduciary duties, that it would be in the best interest of the Company and its shareholders that the Board establish a special committee, to be comprised of independent and disinterested directors to conduct and oversee the Company's refinancing processes in a manner that is independent and disinterested with respect to any potential Harbin-related conflicts of interest. The members of the Board present at the October 4th Meeting voted unanimously in favor of establishing the Special Committee.

76. On October 4, 2019, following its establishment by the Board, the Special Committee held its initial meeting and decided to engage Young Conaway Stargatt & Taylor, LLP ("***Young Conaway***") as its independent legal counsel and Evercore as its financial advisor to advise it in reviewing and investigating potential refinancing options. At the direction of the Special Committee, the Company's management and its financial and legal advisors continued their discussions with potential investors to consummate a comprehensive refinancing of the Company's indebtedness. Since its establishment, the Special Committee has continued to meet

on a regular basis to receive updates from, and provide guidance to, the Company's management and its financial and legal advisors with respect to a potential refinancing of the Company's indebtedness.

77. From October 2019 through April 2020, the Special Committee and its advisors engaged in a series of negotiations with the Asia-based lenders to consummate a comprehensive refinancing of the Company's existing indebtedness. At the same time, the Special Committee and its advisors were also concurrently negotiating the terms under which Harbin would be willing to provide credit support in connection with the Asia Bank Financing. During this period, the Special Committee and its advisors exchanged several term sheets, and eventually proceeded to commence the drafting certain key transaction documents, with both the Asia-based lenders to consummate the Asia Bank Financing and with Harbin in connection with its provision of credit support for the Asia Bank Financing. Unfortunately, the COVID-19 pandemic hit before any deal could be consummated.

C. Real Estate Portfolio Review.

78. Beginning in 2018, the Company also began to review its real estate and lease portfolio as part of its overall effort to streamline operations, reduce costs and transition its business toward ecommerce, as discussed above. As part of this effort, the Company worked with ASG Real Estate Inc. to identify and close unprofitable store locations and determined that 700-900 stores would be closed over a three year period. Prior to the outbreak of the COVID-19 pandemic the Company had shuttered approximately 206 stores in 2018, 314 stores in 2019, and 76 stores through the first three months of 2020 and negotiated lease accommodations for more than 1,500 stores over the same period of time.

79. As a result of the COVID-19 pandemic, the Company again reviewed its real estate and lease portfolio during April and May 2020 to evaluate opportunities to accelerate the store

portfolio optimization strategy. As part of this effort, the Company worked to permanently close 248 unprofitable stores in advance of the Petition Date so that the Company is positioned to seek the rejection of the leases related to such stores effective as of the Petition Date, as described in more detail in the Omnibus Rejection Motions (as defined below). Accordingly, on June 18, 2020, the Company prepared letters to each landlord counterparty to the lease for each such store, to be delivered on or prior to the Petition Date, notifying such landlords that the Company had unequivocally surrendered such store to the landlord and identifying the location of the keys to such location.

80. Despite these efforts, given continuously declining profitability and operational challenges, and despite the best efforts of the Company and their advisors to secure the capital necessary to preserve the business as a going concern, the Company is unable to meet its financial obligations and the Company must continue to analyze its real estate and lease holdings during the Chapter 11 Cases to identify additional possible savings and efficiencies.

81. To that end, the Debtors retained A&G Realty Partners, LLC ("***A&G***") to negotiate lease concessions with the landlords of U.S. company-owned stores, and MPA Inc. ("***MPA***") to negotiate lease concessions with Canadian landlords. A&G and MPA will seek, among other things, rent concessions for the months of April, May, and June 2020, early termination rights, waiver of certain other financial obligations under the leases, and other accommodations from landlords. A&G and MPA will also help refine the Debtors' go-forward lease and real property disposition strategy in the U.S. and Canada to be implemented in the Chapter 11 Cases, with the aim of maximizing the value of the Debtors' leases and real property portfolio. Among other things, A&G and MPA will evaluate which leases can be retained in light of such accommodations and which leases should ultimately be rejected, with the ultimate goal of improving the financial

performance of the Debtors' remaining store base. The lease negotiations will be ongoing and the Debtors' ability to negotiate more favorable lease terms and rent reductions will drive the determination of whether or not to close additional stores. Where the Debtors are unable to obtain sufficient relief in the lease negotiations concerning stores that are on the cusp of failing to meet certain performance standards, such stores may be closed (either simultaneously or on a rolling basis, depending on the relative timing the various lease negotiations conclude).

82. Accordingly, the Debtors have also retained Tiger Capital Group, LLC and Great American Group, LLC (collectively, the "***U.S. Consultant***") and Tiger Asset Solutions Canada, ULC and GA Retail Canada ULC (collectively, the "***Canadian Consultant***" and, together with the U.S. Consultant, "***Tiger***") to help the Debtors wind down approximately 726 store locations throughout the U.S. and Canada, respectively, through a going-out-of-business sales process. As noted above, the number of stores to be closed may be increased based on the outcome of the lease negotiations described above. The Debtors have worked in concert with their secured lenders to facilitate an expedited sale and orderly wind-down process for these stores that will maximize value and recoveries for stakeholders in the Chapter 11 Cases. Tiger will manage the store closings, sell the store inventory and owned furniture, furnishings, trade fixtures, machinery, equipment, office supplies, supplies and other tangible personal property located at these stores, and otherwise prepare the stores for turnover to the applicable landlords in advance of the Debtors seeking to reject the leases at such stores.

83. With respect to the Debtors' franchised stores, the Debtors intend to continue negotiations with franchisees regarding their leases. Currently, the Debtors' franchise stores are located on premises leased by the Debtors, and then subleased to the franchisees. Going forward,

the Debtors' strategy is to remove the Debtors from these leases so that the franchisees can take over the leases directly with the landlords.

D. The COVID-19 Pandemic.

84. In response to COVID-19, national, state, and local governments in the United States and throughout the world imposed quarantines, social distancing protocols, and shelter-in-place orders. Although GNC's business was deemed essential in many locations, many municipalities disagreed with this classification, resulting in significant forced closures. This, coupled with a significant decline in brick and mortar foot traffic as a result of shelter-in-place orders and a shift in consumer demand, cut off a significant source of the Company's revenue. As described further below, GNC was forced to temporarily close thousands of locations, of which less than 500 remain closed today.

1. The Company's Continued Refinancing Efforts

85. Despite the pandemic, the Debtors and their advisors continued to explore options for amending or entering into long term maturity extensions under the ABL/FILO Credit Agreement and the Term Loan Credit Agreement, but negotiations with the lenders under those agreements did not result in an out-of-court restructuring. As described above, the Debtors were able to enter into the amendments to the ABL/FILO Credit Agreement and the Term Loan Credit Agreement to extend the springing maturities under those agreements in the short term, which provided needed time to negotiate a consensual in-court restructuring and prepare the Debtors to file these Chapter 11 Cases.

86. The Debtors and their advisors also engaged in discussions with certain holders of Notes regarding an exchange transaction designed to avoid triggering the springing maturities in the ABL/FILO Credit Agreement and the Term Loan Credit Agreement. Ultimately, the Debtors determined that none of these proposals were actionable because they did not address the Debtors'

larger liquidity issues nor their overleveraged capital structure. The Debtors and their advisors continue to engage with the advisors to certain holders of the Notes.

2. Store Closures and Revenue Impact

87. Since the World Health Organization declared a pandemic in March 2020, GNC has been forced to temporarily close many of its retail locations, including approximately 1,200 domestic retail locations, 118 domestic franchise locations, 477 international franchise locations, and 106 Canadian locations. Indeed, more than 40% of the Debtors' stores were forced to close for a period of seven (7) or more weeks due to state and local mandates or significant declines in customer traffic. While some states and cities have relaxed those mandates, the Company, like other retailers, nonetheless faces the practical and logistical challenges of opening its stores to the public while taking appropriate precautions to protect the health of both its customers and its employees. The pandemic has undermined GNC's efforts to transform and improve customers' in-store experience.

88. As of today, approximately 420 domestic retail locations, 40 franchise locations, and 40 Canadian locations still remained closed. Those locations that have opened are almost universally experiencing a significant drop in revenue while customers are hesitant to venture out to retail locations, even if government mandates have slowly been relaxed. In addition, 22 locations were damaged in the recent civil unrest, and 17 locations were proactively boarded up and closed.

89. The COVID-19 pandemic has caused a sizeable drop in revenue. Due in large part to the pandemic, the Debtors' year-over-year revenues were down approximately 20.6%, 42.3%, and 39.1% in March, April, and May, respectively. This decline was the result of a decline in sales at US brick and mortar locations of 50-60% during April and May, partially offset by a significant increase in on-line demand of 80% to over 100% during April and May. As the Debtors' e-

commerce business has only been 8% of the overall US business, the surge in e-commerce demand has not been enough to offset the US brick and mortar declines. The Debtors' International business has also been disrupted with more than 25% of all locations closed during April and May. While June results are improving, based on the performance of the locations that have reopened, the Debtors do not anticipate that the reopening of additional stores will generate near-term revenue that comes close to the Company's pre-pandemic in-store revenue. Indeed, while the Company is hopeful that the pandemic will subside soon, it is simply unclear what course this pandemic will take and whether customers will feel more comfortable venturing outside their homes to shop for health and nutrition products.

3. Landlords

90. On or about April 9, 2020, the Debtors asked their landlords to defer rent payments for April, May, June, and July, due to challenges arising from the COVID-19 pandemic. Ultimately, landlords for about 1,000 out of the Debtors' 3,600 locations agreed to accept delayed payments for April and May rent. With limited exceptions, the Debtors have not paid rent for domestic retail and franchise locations in April, May, or June.

4. Trade Creditors

91. The lack of sales has affected the Company's ability to expeditiously pay its trade creditors. In response, some trade creditors have demanded more restrictive trade terms from the Company. Some of the more restrictive trade terms, such as the requirement that the Company pay cash on delivery of products from its vendors, have further strained the Company's liquidity position. While some of these adverse effects were initially counterbalanced with increased online sales, the cumulative effect of these circumstances has been a severe decline in the Company's liquidity, and shared concessions by nearly all of the Company's economic constituencies,

including the management of trade vendor payments. As a result, certain vendor payments have been delayed in excess of 30 days past historical terms and in some cases even longer.

5. Employees

92. Due to the unprecedented and unforeseen disruption to the Debtors' business caused by COVID-19, the Debtors made the incredibly difficult decision to eliminate planned merit increases and institute both partial and full furloughs that affected over 4,000 of the Debtors' employees. As of the Petition Date approximately 2,100 employees remain furloughed, which represents approximately 20 percent of the Company's workforce. During the duration of the furlough, the furloughed employees will remain on unpaid leave unless otherwise scheduled to work, but will remain eligible to participate in any health benefits programs in which such employees are currently enrolled.

PART IV: The Proposed DIP Financing and the RSA

A. The Debtors' Need to Borrow under the DIP Facilities and Use Cash Collateral During the Interim Period.

93. Pursuant to the *Motion of Debtors for Orders (I) Authorizing the Debtors to (A) Obtain Senior Secured Postpetition Financing, (B) Grant Liens and Superiority Administrative Expense Status, (C) Use Cash Collateral of Prepetition Secured Parties, and (D) Grant Adequate Protection to Prepetition Secured Parties; (II) Schedule a Final Hearing Pursuant to Bankruptcy Rules 4001(b) and 4001(c); and (III) Granting Related Relief* (the "***DIP Motion***"), the Debtors seek approval of up to $475 million in postpetition financing. The proposed financing (collectively, the "***DIP Facilities***"), among other things, provides for (i) $100 million in "new money" loans provided by a group of prepetition Tranche B-2 Term Loan Lenders (the "***New Money DIP Term Loans***"), (ii) a "roll-up" on a dollar-for-dollar basis of $100 million of prepetition Tranche B-2 Term Loans (the "***Term Roll-Up***," and together with the New Money DIP

Term Loans, the "***DIP Term Facility***"), and (iii) in exchange for the release of certain restricted cash after giving effect to amendments to the prepetition ABL/FILO Credit Agreement, (A) a "roll-up" on a dollar-for-dollar basis of $275 million in principal, and all accrued and outstanding interest thereon, of prepetition ABL FILO Term Loans (the "***ABL FILO Roll-Up***"), and (B) the cash collateralization of approximately $5.1 million in Letters of Credit issued under the prepetition ABL/FILO Credit Agreement. The DIP Facilities provide the Debtors with the necessary cash to meet immediate operational needs, address significant landlord and vendor pressures, and provides the liquidity for a smooth transition into chapter 11.

1. The Debtors' Need For Interim Relief

94. Prior to preparing for these Chapter 11 Cases, the Debtors' leadership carefully managed cash flows and successfully aligned operational inflows and outflows. The process of preparing for and filing these chapter 11 cases disrupted these efforts. As of the Petition Date, absent immediately obtaining funding through the DIP Facilities, the Debtors lack sufficient funds to responsibly operate their business due to the restriction of their cash under the borrowing base pursuant to the ABL/FILO Credit Agreement, increased process-related costs and decreased revenues as a result of the ongoing global pandemic and other business interruptions. The Debtors' businesses are cash intensive, with significant daily and monthly costs required to satisfy obligations to vendors, employees, and landlords, among others. As such, the Debtors require immediate access to postpetition financing and use of cash collateral to operate their businesses, preserve value, and avoid irreparable harm pending the final hearing. Pending the final hearing, the Debtors propose to borrow $30 million under the DIP Term Facility on an interim basis.

95. As stated above, the Debtors' liquidity has been severely constrained and is subject to significant volatility because it is subject to a borrowing base formula and reserve restrictions pursuant to the Debtors' prepetition ABL/FILO Credit Agreement. Through various amendments

to the prepetition ABL/FILO Credit Agreement negotiated by the Debtors and their advisors, approximately $30 million in otherwise restricted cash will be made available for the Debtors' use during the Chapter 11 Cases. Additionally, in connection with the agreed-upon amendments to the borrowing base formula and reserve restrictions, upon approval of the Interim DIP Order, the Debtors will repay the prepetition ABL Revolving Credit Facility (approximately $60 million in principal outstanding as of the Petition Date) in full in cash with cash that is currently pledged under the prepetition borrowing base construct. I believe this repayment is in the Debtors' best interests as it (i) reduces a significant portion of the Debtors' prepetition secured debt, (ii) reduces postpetition interest expenses, (iii) makes available to the Debtors approximately $30 million in interest-free cash during the pendency of the Chapter 11 Cases after giving effect to the agreed-upon amendments to the prepetition ABL FILO credit agreement, and (iv) eliminates one of several prepetition secured creditor constituencies with whom the Debtors and their advisors would otherwise need to negotiate.

96. Without the cash and stability provided by the DIP Facilities, I believe that irreparable harm would occur as a result of the Debtors' inability to continue ordinary course operations. A liquidity crisis would not only impact revenue generation but also risk losing the confidence of the Debtors' employees, vendors, and landlords. All of these parties are currently navigating the challenges of the COVID-19 pandemic, which has made them increasingly sensitive to risk. The Debtors will materially benefit from the strong message the DIP Facilities and authorization to use Cash Collateral (as defined in section 363(a) of the Bankruptcy Code) will provide to the Debtors' key stakeholders that operations will continue and that the bankruptcy filing will not affect postpetition ordinary-course operations. The DIP Facilities and authorization to use Cash Collateral will ensure that the Debtors have sufficient cash to continue operating as a

going concern, and maintain key relationships, while adequately protecting the interests of prepetition secured lenders during these cases. Authorizing the Debtors access to the DIP Facilities therefore enables the Debtors to weather the storm and maximize the value of their estates by continuing to operate as a going concern.

2. DIP Facility Sizing

97. In light of the Debtors' liquidity position, FTI and Evercore worked closely with the Debtors to evaluate the Debtors' operations and cash requirements to responsibly and successfully operate their businesses during these cases. As part of their evaluation of the Debtors' liquidity position, FTI and Evercore assisted in the development of the Debtors' 13-week and long-term cash flow forecasts. These forecasts take into account anticipated cash receipts and disbursements during the projected period and consider the effects of the chapter 11 filing, including incremental administrative costs of a complex chapter 11 filing with a larger number of stakeholders, interest expenses associated with the DIP Facilities, required operational payments, and cost-saving initiatives already undertaken.

98. FTI and Evercore also considered the unprecedented, adverse market conditions facing the retail industry during the COVID-19 pandemic. With no certainty as to when certain of the Debtors' retail stores can re-open or whether and when sales will return to the levels the Debtors saw before the COVID-19 pandemic, FTI and Evercore ran a series of sensitivity analyses to determine the Debtors' potential liquidity needs both during and following these Chapter 11 Cases.

99. Based on these extensive sensitivity analyses and other considerations, the Debtors and their advisors determined that smooth postpetition operations would require postpetition financing of approximately $100 million to operate their business and satisfy all administrative costs and expenses associated with these Chapter 11 Cases as they come due.

3. The DIP Marketing Process

100. As stated in the *Declaration of Robert Del Genio, Senior Managing Director of FTI Consulting, Inc., in Support of the Motion of Debtors for Orders (I) Authorizing the Debtors to (A) Obtain Senior Secured Postpetition Financing, (B) Grant Liens and Superpriority Administrative Expense Status, (C) Use Cash Collateral of Prepetition Secured Parties and (D) Grant Adequate Protection to Prepetition Secured Parties; (II) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(B) and 4001(C); and (III) Granting Related Relief* (the "***Del Genio Declaration***"), and the *Declaration of Pranav Goel, in Support of the Motion of Debtors for Orders (I) Authorizing the Debtors to (A) Obtain Senior Secured Postpetition Financing, (B) Grant Liens and Superpriority Administrative Expense Status, (C) Use Cash Collateral of Prepetition Secured Parties and (D) Grant Adequate Protection to Prepetition Secured Parties; (II) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(B) and 4001(C); and (III) Granting Related Relief* (the "***Goel Declaration***" and together with the Del Genio Declaration and this First Day Declaration, the "***DIP Declarations***"), also filed today, the Debtors retained Evercore to assist the Debtors with exploring and analyzing restructuring alternatives, including undertaking a marketing process to secure the additional liquidity the Debtors need to operate during these chapter 11 cases. After searching for financing sources from both within and outside of the Debtors' existing capital structure, the Debtors obtained a commitment from an ad hoc group of Prepetition Tranche B-2 Term Loan Lenders and Prepetition ABL/FILO Lenders (the "***Ad Hoc Group of Crossover Lenders***") and an ad hoc group of Prepetition ABL/FILO Lenders (the "***Ad Hoc FILO Term Lender Group***") to fund these chapter 11 cases, subject to the Court's approval. I personally participated in the negotiation and analysis of various economic aspects of the DIP Facilities, which lasted for weeks and was hard-fought and at arms'-length.

101. The resulting proposed DIP Facilities provide necessary liquidity and avoid the costly and protracted priming fight that would be inevitable absent a consensual DIP proposal. The Prepetition Secured Parties will inherently benefit from the DIP Facilities, as such facilities will preserve the value of their collateral. Under the completely unprecedented conditions caused by the COVID-19 pandemic, the Debtors, in consultation with the board and their advisors, reached a consensus that it would be imprudent to forego the value-maximizing DIP Facilities deal. Accordingly, I believe the proposed DIP Facilities are necessary to avoid irreparable harm to the Debtors and their estates, and is in their best interests.

4. The Debtors' Proposed Use of Cash Collateral

102. Pursuant to the DIP Motion, the Debtors also seek the continued use of Cash Collateral to provide sufficient liquidity for their operations during these chapter 11 cases. As described in the DIP Motion, the Debtors' business is cash intensive, with significant daily and monthly costs required to satisfy obligations to vendors, employees, and landlords, among others. Without access to Cash Collateral, the Debtors would be unable to operate their business and administer their estates, and their stakeholders would be immediately and irreparably harmed as a result.

103. Authorization to use Cash Collateral during the interim period will ensure the Debtors have sufficient cash to comply with their borrowing base covenants and adequately protect the prepetition secured lenders during these chapter 11 cases, including by providing the Debtors with sufficient liquidity to continue operating as a going-concern and to maintain key relationships.

104. In consideration for the consensual use of Cash Collateral, the Debtors have agreed to provide the prepetition secured parties with adequate protection as set forth in the DIP Motion and the accompanying Interim DIP Order. The Debtors' use of Cash Collateral will generally be

subject to a set of reasonable milestones agreed upon in the DIP Facilities. In addition, the parties agreed on additional reporting covenants.

B. The Restructuring Support Agreement.[10]

105. The Restructuring Support Agreement contemplates a comprehensive restructuring that is supported by the Debtors and their major prepetition secured creditor constituencies.[11] In particular, the Restructuring Support Agreement provides the Debtors with the flexibility to pursue a dual path of (a) the Sale Transaction, which contemplates an approximately $760 million going-concern sale of the Debtor's business through a Court-supervised auction, subject to the consent of the Debtors' major secured creditors and the completion of definitive documentation, or (b) if those conditions cannot be met, the Standalone Plan Transaction, which will result in a substantial deleveraging of the Debtors' balance sheet (reducing the Debtors' funded debt by over $300 million). In all cases, the Restructuring Support Agreement provides the Debtors with the necessary liquidity to properly utilize these Chapter 11 Cases to accomplish their goal of operationally re-aligning their businesses by, among other things, closing underperforming locations. This structure is intended to minimize any potential adverse effects to the Debtors' businesses, employees, customers, landlords and trade partners as a result of the restructuring, and will position the Debtors for a timely emergence from bankruptcy. The Restructuring Support Agreement is supported by holders of more than 92% of the Tranche B-2 Term Loans and holders of more than 87% of the prepetition ABL FILO Term Loans.

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[10] Capitalized terms used in this section and not defined elsewhere in this Declaration shall have the meanings set forth in the Restructuring Support Agreement or the DIP Motion, as applicable.

[11] While the Debtors have engaged with the holders of the Notes and their advisors the holders of the Notes do not yet support the transaction contemplated by the Restructuring Support Agreement. The Debtors have also not had the opportunity to engage with their other unsecured creditors because such creditors have not yet organized in any formal way. The Debtors and their advisors plan to engage with all creditor constituencies following the Petition Date.

106. The key components of the restructuring are as follows:

- DIP Facilities that will provide the Debtors with an expected $130 million in liquidity during the Chapter 11 Cases in order to operate their businesses, and which mature at the earlier of 6 months from the Petition Date or consummation of a plan of reorganization approved pursuant to the Restructuring Support Agreement;

- Committed post-effective date exit facilities in an aggregate principal amount of $525 million, consisting of (i) an Exit ABL Facility in the principal amount of $275 million, into which the DIP ABL FILO Facility obligations will be converted, comprised of a first priority lien on all ABL Priority Collateral and a second priority lien on all Non-ABL Collateral, and (ii) a First-Lien-First-Out Term Loan Facility in the principal amount of $100 million, comprised of $100 million of converted New Money DIP Term Loan obligations and (iii) a First-Lien-Second-Out Term Loan Facility in the principal amount of $150 million into which (a) $100 million of Term Roll-Up obligations and $50 million of prepetition Tranche B-2 Term Loans will be converted;

- Post-effective date, in exchange for providing the liquidity offered by the DIP Facilities and in consideration for converting $100 million of prepetition Tranche B-2 Term Loans into First-Lien-Second-Out Term Loans, the holders of the prepetition Tranche B-2 Term Loans will also own 100% of the common stock in the Reorganized Debtors (the "***New Common Shares***"), subject to dilution by a management incentive plan providing for up to 10% of the New Common Shares to be awarded to management and employees as well as by a proposed equity distribution to general unsecured creditors;

- Under the approved Plan, if the class of unsecured creditors, including holders of Convertible Notes Unsecured Claims, Tranche B-2 Term Loan Deficiency Claims, and allowed General Unsecured Claims, votes to accept the approved Plan, they will have a choice to receive 3-year warrants for 5% of the pro forma equity of the Reorganized Debtors or their pro rata share of $250,000 in cash.

- A reasonable and expeditious timeframe of approximately six (6) months within which the Debtors can effectuate their restructuring through the implementation of certain key "milestones", including (i) that a Final DIP Order must be entered by the Bankruptcy Court within 35 calendar days of the Petition Date, (ii) that a confirmation order confirming the approved Plan must be entered by the Bankruptcy Court within 120 calendar days of the Petition Date, and (iii) that Effective Date of the approved Plan must occur within 141 calendar days of the Petition Date.

PART V: Evidentiary Support for First Day Motions[12]

107. I have reviewed each of the First Day Pleadings, the related orders (the "***Proposed Orders***"), and the exhibits thereto (or have otherwise had their contents explained to me), and the facts set forth therein are true and correct to the best of my knowledge, information, and belief. Moreover, I believe that the relief sought in each of the First Day Pleadings (a) is vital to enabling the Debtors to make the transition to, and operate in, Chapter 11 with minimum interruptions and disruptions to their businesses or loss of productivity or value and (b) constitutes a critical element in the Debtors' being able to successfully maximize value for the benefit of their estates. The Term DIP Facility matures December 2020, subject to certain exceptions that will cause such maturity to accelerate to an earlier date.

A. Administrative and Procedural Pleadings

1. Joint Administration Motion[13]

108. The Debtors seek the joint administration of their 17 Chapter 11 Cases for procedural purposes only. The Debtors are "affiliates" as that term is defined in section 101(2) of the Bankruptcy Code and as used in Bankruptcy Rule 1015(b). Many of the motions, hearings, and other matters involved in the Chapter 11 Cases will affect the Debtors. Thus, I believe that the joint administration of these cases will avoid the unnecessary time and expense of duplicative motions, applications, orders, and other pleadings, thereby saving considerable time and expense for the Debtors and resulting in substantial savings for their estates.

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[12] Capitalized terms used in this Part V of the Declaration, but not defined have the meanings ascribed to such terms in the applicable First Day Pleading.

[13] "***Joint Administration Motion***" means the *Motion of Debtors for Order Authorizing Joint Administration of Chapter 11 Cases*.

2. Creditor Matrix Motion

109. By the Consolidated Creditor Matrix Motion, the Debtors request entry of an order (i) authorizing the Debtors to (a) file a consolidated list of creditors (the "***Consolidated Creditor Matrix***") in lieu of a separate mailing matrix for each Debtor, (b) file a consolidated list of the Debtors' thirty (30) largest unsecured creditors, excluding insiders, (the "***Consolidated Top Thirty (30) Creditors List***") in lieu of submitting separate lists of the thirty (30) largest unsecured creditors of each Debtor, (c) modify requirements to file a list of, and provide notice to, all equity holders, (d) redact portions of their Consolidated Creditor Matrix and list of equity interest holders (if the Debtors are required to file a list of equity interest holders) containing the email addresses and home addresses of the Debtors' individual creditors and equity interest holders, and (ii) approving notice procedures with respect to certain of the Debtors' customers.

(a) The Debtors' Pro Access Members

110. The Debtors maintain a paid-membership program called "PRO Access," under which customers pay an annual fee, and in return receive (i) certain benefits not available to other rewards members, and (ii) two shipments per year of sample merchandise and other materials tailored to each member.[14] The PRO Access program has approximately 840,762 current members.

111. As set forth in the Customer Programs Motion, the Debtors are seeking authority to continue to honor their customer programs in the ordinary course of business and pay prepetition obligations related thereto, including for PRO Access members. Accordingly, subject to approval of the Customer Programs Motion, the Debtors intend to continue the PRO Access program in the

[14] A more detailed summary of the Pro Access program is set forth in the *Motion of Debtors for Interim and Final Orders Authorizing the Debtors to (I) Maintain and Administer Prepetition Customer Programs and (II) Pay Prepetition Obligations Related Thereto* (the "***Customer Programs Motion***"), filed contemporaneously herewith.

ordinary course of business and continue to provide PRO Access members with the benefits under that program.

112. Currently, the Debtors' list of creditors and interested parties, as listed in the Creditor Matrix, filed contemporaneously herewith, contains approximately 79,174 parties. If the Debtors are required to serve PRO Access members, the Creditor Matrix would multiply to over 11 times its original size.

113. Completion of a single mailing via first class U.S. mail on all parties currently listed on the Creditor Matrix (not including PRO Access members) will cost the estate approximately $43,545.70 in postage alone, plus the additional costs associated with photocopying the notice and paying for the services of Prime Clerk LLC, the Debtors' noticing agent (the "***Noticing Agent***"). If the Debtors are required to serve notices to PRO Access members in addition to parties on the Creditor Matrix, the cost of postage alone will grow to approximately $505,964.80 for the completion of a single mailing. In addition, the Debtors most common method of communication with the PRO Access members is via email.

114. In light of the extremely high cost of completing mailings on over 840,000 additional parties, and the fact that the Debtors intend to continue honoring all obligations owed to PRO Access members (subject to Court approval), the Debtors should not be required to include PRO Access members in the Creditor Matrix. To be clear, the Debtors are not requesting to waive service to the PRO Access members. Rather, consistent with the Debtors' ordinary course method of communication with such members, the Debtors propose to provide (i) notice by email to the PRO Access members, where available, (ii) notice to the home address of the PRO Access where email is not available, and (iii) publication in a nationally circulated newspaper to achieve as wide a distribution as possible where neither email nor home address is available.

(b) The Debtors' Equity Interest Holders

115. The Debtors request to modify the requirement to file the list of equity holders and provide notice of the order for relief or commencement of the Chapter 11 Cases to all of the equity holders. The Debtors propose to file a list of those equity holders directly registered with the transfer agent for the Debtors' common equity (with instructions to serve down to beneficial holders, as applicable). As an initial matter, GNC Holdings, Inc. is a publicly held company with approximately 84.61 million common shares outstanding as of the Petition Date. Preparing a list of the equity holders for GNC Holdings, Inc. with last known addresses would have little value. Further, to the extent that the Debtors were even able to ascertain such information, the list would ultimately serve little or no beneficial purpose. In particular, the equity markets will have immediate notice of these Chapter 11 Cases through public news outlets and GNC Holdings, Inc.'s filing of a Form 8-K statement with the Securities and Exchange Commission (the "***SEC***"). The Debtors further submit that if it becomes necessary for such equity interest holders to file proofs of interest, the Debtors will provide them with particularized notice of the deadline and an opportunity to assert such interests. Thus, I believe that equity interest holders will not be prejudiced, and a modification of the requirement that GNC Holdings, Inc. file a list of equity interest holders is appropriate.

(c) Consolidated Creditor Matrix and Top 30 List

116. I believe that requiring the Debtors to file a separate creditor matrix for each Debtor would be an unnecessarily burdensome task. In addition, I believe that filing a Consolidated Top Thirty (30) Creditors List will provide the U.S. Trustee with a sufficiently clear picture of the Debtors' unsecured creditor constituency. Plus, the Consolidated Top Thirty (30) Creditors List will help alleviate administrative burdens, costs, and the possibility of duplicative service.

3. Automatic Stay Comfort Motion[15]

117. By the Automatic Stay Comfort Motion, the Debtors seek entry of an order confirming, restating, and enforcing the worldwide automatic stay, anti-discrimination, and ipso facto protections set forth in section 362, 365, 525, and 541(c) of the Bankruptcy Code and approval of a notice to customers, suppliers and other stakeholders of the Non-Debtor Global Affiliates confirming that such entities are not included in these chapter 11 cases and are not subject to (i) the supervision of this Court, or (ii) the provisions of the Bankruptcy Code. Given the Debtors' expansive global footprint, the Debtors routinely operate, purchase materials and record sales in numerous countries with different legal systems across the globe, including without limitation, Argentina, Australia, Bangladesh, Bolivia, Bulgaria, Chile, China, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Hong Kong, India, Indonesia, Ireland, Israel, Japan, Kazakhstan, Latvia, Lithuania, Malaysia, Mexico, Mongolia, Myanmar; Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Romania, Singapore, Saudi Arabia, South Africa, South Korea, Spain, Sri Lanka, Taiwan, Thailand, Turkey, the United Arab Emirates, the United Kingdom, Uruguay and Vietnam. The Debtors' business necessitates daily interaction with a variety of foreign customers, suppliers, and other vendors, as well as foreign regulators and other governmental units. Moreover, certain of the Debtors' key contracts are governed by the laws of foreign jurisdictions.

118. Although the provisions set forth in sections 362, 365, 525, and 541(c) of the Bankruptcy Code are self-executing, it is possible, if not likely, that many foreign creditors and governmental units will not be familiar with the protections afforded to debtors under the

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[15] "***Automatic Stay Comfort Motion***" means the *Motion of Debtors for an Order (A) Enforcing the Protections of 11 U.S.C. §§ 362, 365, 525, and 541(c) and (B) Approving Notice to Customers, Suppliers, and Other Stakeholders of Debtors' Non-Debtor Global Affiliates*.

Bankruptcy Code. As such, these parties may attempt to proceed against the Debtors' or their property outside the United States in violation of the Bankruptcy Code. Such unilateral self-help, litigation, or collection actions could adversely impact the Debtors' ordinary course operations. Therefore, I believe it is prudent to obtain an order of the Court restating and enforcing the relevant provisions of the aforementioned sections of the Bankruptcy Code. Such an order of the Court will provide the Debtors with a powerful tool that does not exist by simply citing the Bankruptcy Code and will ensure that foreign creditors and/or governmental units unfamiliar with the Bankruptcy Code do not take adverse actions against the Debtors in violation thereof.

119. Because non-U.S. stakeholders may not be familiar with U.S. chapter 11 reorganizations, I believe it is imperative to communicate to the Debtors' non-U.S. customers and suppliers that the Non-Debtor Global Affiliates are not included in these Chapter 11 Cases and thus, are not subject to this Court's supervision or the chapter 11 process. Accordingly, to sustain customer confidence and to minimize the risk of an interruption in the supply of goods, I believe that the Debtors need a court-approved notice communicating this message. The Debtors operate a complex and highly competitive international business. As an industry leader in the global specialty nutritional products retail industry, I believe that word of these Chapter 11 Cases will quickly spread internationally to various third parties that deal with the Debtors and the Non-Debtor Global Affiliates, likely creating confusion as to which affiliates are, and which affiliates are not, debtors in these Chapter 11 Cases.

120. As a result of this confusion, I believe that some third parties may be hesitant or, worse yet, refuse to deal with Non-Debtor Global Affiliates under the mistaken assumption that such affiliates are part of these bankruptcy cases. Such a result would impair the operations of the Non-Debtor Global Affiliates, which would ultimately prejudice the Debtors' reorganization

efforts, particularly where the Debtors rely on intercompany relationships with their Non-Debtor Global Affiliates as part of their business. I believe that sending a court-approved notice that the Non-Debtor Global Affiliates are not debtors in these Chapter 11 Cases will help in educating the Debtors' non-U.S. customers and suppliers, which in turn will assist the Debtors in achieving a successful reorganization.

4. Foreign Representative Motion[16]

121. The Debtors are a leading retailer of a premium assortment of health, wellness, and performance products with a worldwide network of over 7,000 company-owned and franchised locations worldwide, including in Canada. GNC Holdings, a publicly traded Delaware corporation, is the ultimate parent of the Company's corporate group. Debtor General Nutrition Centres Company ("***GNC Canada***") is the operating entity for the Debtors' business in Canada. GNC Canada is an indirect wholly-owned subsidiary of GNC Holdings. All material decisions regarding GNC Canada and its operations are made by personnel located at the Debtors' Pittsburgh headquarters, and substantially all of its books and records are located in the United States. Further, proposed co-counsel to the Debtors, Young, Conaway, Stargatt & Taylor LLP holds an approximately $50,000 retainer from GNC Canada pursuant to its engagement letter with GNC Canada. As a result, the center of main interest for GNC Canada is located in the United States.

122. Following the filing of these Chapter 11 Cases, the Debtors intend to commence an ancillary proceeding (the "***Ancillary Proceeding***") under Part IV of the *Companies' Creditors Arrangement Act* (Canada), R.S.C. 1985, c. C-36 (as amended, the "***CCAA***"), in the Ontario

[16] "***Foreign Representative Motion***" means the *Motion to Authorize GNC Holdings, Inc.to Act As Foreign Representative of the Debtors*.

Superior Court of Justice (Commercial List) (the "***Canadian Court***").[17] GNC Holdings, as the proposed foreign representative for the Debtors in the Ancillary Proceeding, intends to seek recognition of these Chapter 11 Cases and certain orders entered in the Chapter 11 Cases. I believe that the relief requested in the Foreign Representative Motion is in the best interests of the Debtors' estates, their creditors and all other parties in interest.

B. Retention Applications

1. Claims Agent Application[18]

123. Pursuant to the Claims Agent Application, the Debtors seek entry of an order appointing Prime Clerk LLC as the Claims and Noticing Agent for the Debtors in the Chapter 11 Cases. Specifically, Prime Clerk will perform the following tasks in its role as Claims and Noticing Agent, as well as all quality control relating thereto:

(a) Prepare and serve required notices and documents in these Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules in the form and manner directed by the Debtors and/or the Court, including (i) notice of the commencement of these Chapter 11 Cases and the initial meeting of creditors under Bankruptcy Code § 341(a), (ii) notice of any claims bar date, (iii) notices of transfers of claims, (iv) notices of objections to claims and objections to transfers of claims, (v) notices of any hearings on a disclosure statement and confirmation of the Debtors' plan or plans of reorganization, including under Bankruptcy Rule 3017(d), (vi) notice of the effective date of any plan and (vii) all other notices, orders, pleadings, publications and other documents as the Debtors or Court may deem necessary or appropriate for an orderly administration of these Chapter 11 Cases;

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[17] The Debtors intend to propose that FTI Consulting Canada Inc. be appointed by the Canadian Court as information officer in the CCAA proceedings (the "***Information Officer***"). The Information Officer will serve as an officer of the Canadian Court and report to the Canadian Court from time to time (including at the hearing on the initial application) on the status of these Chapter 11 Cases, the Debtors' proposed restructuring, and any other information that may be material to the Canadian Court.

[18] "***Claims Agent Application***" means the *Debtors' Application for Appointment of Prime Clerk LLC as Claims and Noticing Agent*.

(b) Maintain an official copy of the Debtors' schedules of assets and liabilities and statements of financial affairs (collectively, the "***Schedules***"), listing the Debtors' known creditors and the amounts owed thereto;

(c) Maintain (i) a list of all potential creditors, equity holders and other parties-in-interest and (ii) a "core" mailing list consisting of all parties described in Bankruptcy Rule 2002(i), (j) and (k) and those parties that have filed a notice of appearance pursuant to Bankruptcy Rule 9010; update and make said lists available upon request by a party-in-interest or the Clerk;

(d) Furnish a notice to all potential creditors of the last date for filing proofs of claim and a form for filing a proof of claim, after such notice and form are approved by the Court, and notify said potential creditors of the existence, amount and classification of their respective claims as set forth in the Schedules, which may be effected by inclusion of such information (or the lack thereof, in cases where the Schedules indicate no debt due to the subject party) on a customized proof of claim form provided to potential creditors;

(e) Maintain a post office box or address for the purpose of receiving claims and returned mail, and process all mail received;

(f) For *all* notices, motions, orders or other pleadings or documents served, prepare and file or cause to be filed with the Clerk an affidavit or certificate of service within seven (7) business days of service which includes (i) either a copy of the notice served or the docket number(s) and title(s) of the pleading(s) served, (ii) a list of persons to whom it was mailed (in alphabetical order) with their addresses, (iii) the manner of service and (iv) the date served;

(g) Process all proofs of claim received, including those received by the Clerk, check said processing for accuracy and maintain the original proofs of claim in a secure area;

(h) Maintain the official claims register for each Debtor (collectively, the "***Claims Registers***") on behalf of the Clerk; upon the Clerk's request, provide the Clerk with certified, duplicate unofficial Claims Registers; and specify in the Claims Registers the following information for each claim docketed: (i) the claim number assigned, (ii) the date received, (iii) the name and address of the claimant and agent, if applicable, who filed the claim, (iv) the amount asserted, (v) the asserted classification(s) of the claim (*e.g.*, secured, unsecured, priority, *etc.*), (vi) the applicable Debtor and (vii) any disposition of the claim;

(i) Provide public access to the Claims Registers, including complete proofs of claim with attachments, if any, without charge;

(j) Implement necessary security measures to ensure the completeness and integrity of the Claims Registers and the safekeeping of the original claims;

(k) Record all transfers of claims and provide any notices of such transfers as required by Bankruptcy Rule 3001(e);

(l) Relocate, by messenger or overnight delivery, all of the court-filed proofs of claim to the offices of Prime Clerk, not less than weekly;

(m) Upon completion of the docketing process for all claims received to date for each case, turn over to the Clerk copies of the Claims Registers for the Clerk's review (upon the Clerk's request);

(n) Monitor the Court's docket for all notices of appearance, address changes, and claims-related pleadings and orders filed and make necessary notations on and/or changes to the claims register and any service or mailing lists, including to identify and eliminate duplicative names and addresses from such lists;

(o) Identify and correct any incomplete or incorrect addresses in any mailing or service lists;

(p) Assist in the dissemination of information to the public and respond to requests for administrative information regarding these Chapter 11 Cases as directed by the Debtors or the Court, including through the use of a case website and/or call center;

(q) Monitor the Court's docket in these Chapter 11 Cases and, when filings are made in error or containing errors, alert the filing party of such error and work with them to correct any such error;

(r) If these Chapter 11 Cases are converted to cases under chapter 7 of the Bankruptcy Code, contact the Clerk's office within three (3) days of notice to Prime Clerk of entry of the order converting the cases;

(s) Thirty (30) days prior to the close of these Chapter 11 Cases, to the extent practicable, request that the Debtors submit to the Court a proposed order dismissing Prime Clerk as Claims and Noticing Agent and terminating its services in such capacity upon completion of its duties and responsibilities and upon the closing of these Chapter 11 Cases;

(t) Within seven (7) days of notice to Prime Clerk of entry of an order closing these Chapter 11 Cases, provide to the Court the final version of the Claims Registers as of the date immediately before the close of the Chapter 11 Cases; and

124. At the close of these Chapter 11 Cases, (i) box and transport all original documents, in proper format, as provided by the Clerk's office, to (A) the Philadelphia Federal Records Center, 14700 Townsend Road, Philadelphia, PA 19154-1096 or (B) any other location requested by the

Clerk's office; and (ii) docket a completed SF-135 Form indicating the accession and location numbers of the archived claims.

125. Although the Debtors have not yet filed their schedules of assets and liabilities, the anticipate that there will be hundreds of thousands of persons and entities to be noticed and that many of these parties will file claims. In view of the numbers of anticipated claimants and the complexity of the Debtors' businesses, I believe that the appointment of a claims and noticing agent will provide the most effective and efficient means of, and relieve the Debtors and/or the office of the court clerk of the administrative burden of, noticing, administering claims, and soliciting and tabulating votes and is in the best interests of both the Debtors' estates and their creditors.

2. Other Retention Applications

126. In addition to the retention of Prime Clerk LLC as Claims and Noticing Agent, I believe that the retention of other chapter 11 professionals is essential to the Chapter 11 Cases. Accordingly, during the Chapter 11 Cases, the Debtors anticipate that they will request permission to retain, among others, the following professionals: (i) Latham & Watkins LLP, as co-counsel; (ii) Young, Conaway, Stargatt & Taylor LLP, as co-counsel; (iii) Torys LLP as Canadian restructuring counsel; (iv) Lax O'Sullivan Lisus Gottlieb LLP as Canadian conflicts counsel; (v) Prime Clerk LLC, as administrative advisor; (vi) Evercore Group L.L.C. as investment banker; (vii) FTI Consulting, Inc. as financial advisor; (viii) A&G Realty Partners, LLC as real estate consultant and advisor; (ix) MPA Inc. as Canadian real estate consultant and advisor; (x) Pricewaterhouscoopers LLP as tax and accounting advisor; and (xi) Riveron Consulting LLC as accounting advisor.

127. I believe that the above professionals are well-qualified to perform the services contemplated by their various retention applications, the services are necessary for the success of

the Chapter 11 Cases, and the professionals will coordinate their services to avoid duplication of efforts. I understand that the Debtors may find it necessary to seek retention of additional professionals as the Chapter 11 Case progress.

C. Business Operation Motions

1. DIP Motion[19]

128. By the DIP Motion, the Debtors seek (i) authorization to obtain senior secured postpetition financing on a superpriority basis pursuant to the DIP Facilities and for each of the Guarantors to guarantee unconditionally, on a joint and several basis, and subject to the terms and limitations set forth in the DIP Term Credit Agreement in all respects, the DIP Term Borrower's obligations under the respective DIP Term Facility; (ii) authorization immediately upon entry of the Interim Order, to effectuate the ABL FILO Roll-Up which shall both be final and indefeasible, subject to expiration of the Challenge Period; (iii) authorization, upon entry of the Final Order, to effectuate the Term Roll-Up, which shall both be final and indefeasible, subject to expiration of the Challenge Period; (iv) authorization to execute and enter into the DIP Agreements and to perform their respective obligations thereunder and to perform such other and further acts as may be required in connection with the DIP Documents, including, without limitation, the payment of all principal, interest, fees, expenses and other amounts payable under the DIP Documents as such amounts become due and payable; (v) authorization to grant security interests, liens and superpriority claims (including a superpriority administrative claim pursuant to section 364(c)(1) of the Bankruptcy Code and liens pursuant to sections 364(c)(2) and 364(c)(3) of the Bankruptcy

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[19] "***DIP Motion***" means the *Motion of Debtors for Orders (I) Authorizing the Debtors to (A) Obtain Senior Secured Postpetition Financing, (B) Grant Liens and Superpriority Administrative Expense Status, (C) Use Cash Collateral of Prepetition Secured Parties, and (D) Grant Adequate Protection to Prepetition Secured Parties; (II) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(b) and 4001(c); and (III) Granting Related Relief*.

Code (and, solely as set forth in the Proposed Orders, priming liens pursuant to section 364(d)(1) of the Bankruptcy Code), to the DIP Agents, for the benefit of the DIP Lenders, in the DIP Collateral (and all proceeds thereof), including, without limitation, all property constituting "cash collateral," as defined in section 363(a) of the Bankruptcy Code ("***Cash Collateral***"), to secure the DIP Obligations, subject to the Carve Out, and on the terms and conditions set forth in the Interim Order and Final Order and the DIP Documents; (vi) authorization to use of Cash Collateral of the Prepetition Secured Parties solely as provided herein, and the provision of adequate protection to the Prepetition Secured Parties for any diminution in value ("***Diminution in Value***") resulting from the imposition of the automatic stay, the Debtors' use, sale, or lease of the Prepetition Collateral, including Cash Collateral, the priming of their respective interests in the Prepetition Collateral (including by the Carve-Out); (vii) the scheduling of an interim hearing (the "***Interim Hearing***") on the DIP Motion for the Court to consider entry of the Interim Order; (viii) the scheduling of a final hearing (the "***Final Hearing***") on the DIP Motion for a date that is before the thirtieth (30th) day after the Petition Date to consider entry of the Final Order, *inter alia*, authorizing the borrowings under the DIP Facility on a final basis and approval of notice procedures with respect thereto; and (ix) modifying the automatic stay imposed under section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the DIP Documents, the Interim Order, and the Final Order.

129. As set forth in the DIP Motion and the declarations filed in support of the DIP Motion, access to the DIP Facilities is critical to ensure the Debtors' smooth entry into chapter 11 and their ability to ensure they have sufficient liquidity to operate their business and administer their estates during these Chapter 11 Cases. The commencement of these Chapter 11 Cases will place increased demands on liquidity due to, among other things, the costs of administering these

Chapter 11 Cases and the acceleration or elimination of trade terms. Accordingly, I believe, the Debtors will suffer immediate and irreparable harm if the requested relief is not granted.

130. Without the funds available under the DIP Facilities and the use of the Cash Collateral, the Debtors will not have sufficient available sources of working capital and financing to carry on the operation of their businesses. The Debtors' ability to maintain business relationships with their vendors, suppliers, operators and managers, to make capital expenditures and to satisfy other working capital and operational needs and otherwise finance their operations is essential to the Debtors' continued viability. Accordingly, I believe the Debtors will suffer immediate and irreparable harm if the requested relief is not granted.

131. The Debtors, in consultation with their advisors, determined that the DIP Facilities represented the best postpetition DIP financing alternative available to the Debtors. The DIP Facilities were the product of extensive arm's-length, good-faith negotiations. Alternative sources of postpetition financing were not readily available to the Debtors (whether unsecured or secured) on terms better than or comparable to the DIP Facilities. The proposed DIP Facilities provide the Debtors with immediate and critical access to liquidity that is necessary to ensure that the Debtors' businesses are stabilized, that chapter 11 administrative costs are paid in full, and that value is preserved during the course of the Debtors' Chapter 11 Cases.

2. Cash Management Motion[20]

132. By the Cash Management Motion, the Debtors request entry of interim and final orders (a) authorizing, but not directing, the Debtors to continue to maintain and use their existing cash management system, including maintenance of the Debtors' existing bank accounts, checks,

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[20] "***Cash Management Motion***" means the *Motion of Debtors for Orders (A) Authorizing Continued Use of Existing Cash Management System, Including Maintenance of Existing Bank Accounts, Checks, and Business Forms, (B) Authorizing Continuation of Existing Deposit Practices (C) Authorizing Continuation of Intercompany Transactions, and (D) Granting Administrative Claim Status to Postpetition Intercompany Claims*.

and business forms; (b) granting the Debtors a 45-day extension of the time to comply with certain bank account and related guidelines of the Office of the United States Trustee for the District of Delaware to the extent that the requirements are inconsistent with the Debtors' practices under their existing cash management system or other actions described in the Cash Management Motion; (c) authorizing, but not directing, the Debtors to continue to maintain and use their existing deposit practices; (d) authorizing, but not directing, the Debtors to continue certain ordinary course intercompany transactions; (e) according administrative claim status to postpetition intercompany claims arising from those transactions; and (f) authorizing the Debtors to open and close bank accounts.

(a) The Debtors' Cash Management System

133. The Debtors maintain a complex cash management system (the "***Cash Management System***") that manages the Debtors' cash inflows and outflows through various Bank Accounts to effect the collection, disbursement, and movement of cash. I believe the Cash Management System is integral to the Debtors' operations as it enables them to, among other things, (i) accurately forecast and report their cash flow requirements, (ii) monitor and control all of their cash receipts and disbursements, and (iii) track intercompany cash transfers and transactions with other Debtors and their non-Debtor affiliates.

134. The Cash Management System is similar to those used by other companies of similar size and complexity to collect, transfer, and disburse funds in a cost-effective and efficient manner. The Cash Management System is comprised of 294 bank accounts (together with any accounts opened after the Petition Date, the ("***Bank Accounts***") held at various financial institutions (the "***Banks***"). The Cash Management System is organized around two concentration accounts, one for the United States business held at JPMorgan Chase Bank, N.A. ("***JPMorgan***"), and one for the Canada business held at Toronto Dominion Bank ("***TD***"), which pool incoming

funds from deposit accounts, credit and debit card receipts accounts, and other payments, and disburse those funds into the Debtors' various disbursement and other accounts, on an as-needed basis. The Debtors maintain 27 Bank Accounts with JPMorgan, 11 Bank Accounts with TD, and seven Bank Accounts with PNC Bank N.A., that are used for the Debtors' business operations. The remaining Bank Accounts are held at numerous other Banks.

(b) Continued Ordinary-Course Intercompany Transaction and Postpetition Intercompany Claims and Granting Administrative Expenses Status

135. The Debtors conduct various business transactions with each other and their non-Debtor affiliates (the "***Intercompany Transactions***"), including moving cash within the Cash Management System between different Debtors, and from Debtors to their non-Debtor affiliates. For example, certain Debtors purchase inventory on account of other Debtors, which results in Intercompany Claims between such Debtor entities. In addition, the Debtors may send funds from a United States Bank Account to a Canada Bank Account to support their Canadian operations. Additionally, Debtor General Nutrition Centers, Inc. allocates certain corporate overhead expenses and management fees to certain Debtor and non-Debtor affiliates, so that each entity bears its share of such costs. Such costs are allocated based on the revenue of each entity, so that each entity's net income is more accurately represented for tax purposes. Typically, these Intercompany Transaction are not settled in cash but are rather reflected as intercompany payables on the books and records of the applicable entity.

136. There are few Intercompany Transactions between the Debtors and their non-Debtor affiliates, even fewer of which relate to payments of Debtors to non-Debtors. However, certain dividends are made between Debtors and non-Debtors, specifically (a) a periodic dividend payment from non-Debtor GNC Korea Limited to Debtor General Nutrition Corporation and (b) a monthly dividend payment by Debtor GNC Puerto Rico, LLC ("***GNC Puerto Rico***") to non-Debtor

affiliate GNC Live Well Ireland ("***LWI***") on account of LWI's 30% ownership interest in GNC Puerto Rico.

137. As a result of the Intercompany Transactions there may be intercompany claims owing among the Debtors or their non-Debtor affiliates at any given time (the "***Intercompany Claims***"), including outstanding prepetition Intercompany Claims. It is my understanding that with the help of the Cash Management System, the Debtors are able to track and account for each Intercompany Transaction and the resulting Intercompany Claims. I believe these Intercompany Transactions as further described in the Cash Management Motion, are necessary and beneficial to the Debtors' business operations.

138. I believe the Intercompany Transactions ensure the efficient and smooth functioning and operations of the Debtors' businesses, as certain of the Debtors are better suited to perform certain functions to the businesses on behalf of the Debtors. If the Debtors were required to cease the Intercompany Transactions, their operations would be disrupted, resulting in possible degradation of value to the detriment of their estates and creditors.

(c) Payment of Bank Fees

139. The Debtors pay fees to the Banks related to the costs of administering the Bank Accounts (the "***Bank Fees***") on a monthly basis. I believe paying the Bank Fees is critical to maintaining the Debtors' banking relationships.

(d) Corporate Card and Payment Processors

(i) Corporate Purchase Cards

140. As part of the Cash Management System, the Debtors utilize corporate purchasing cards (collectively, the "***Purchase Cards***") issued by Citizens Bank N.A ("***Citizens***"). The Purchase Cards are primarily used for payment to vendors in connection with the shipment of

goods. As of the Petition Date, I estimate the Debtors owe approximately, $50,000 on account of the Purchase Cards.

141. It is my understanding, that the Debtors are in the process of terminating the Purchase Cards program. However, until such time as the Purchase Cards program is terminated, I believe it is important for the Debtors to continue honoring obligations on account of the Purchase Cards because certain of the Debtors' key vendors are paid through the program. Further, I understand that claims on account of amounts owed under the Purchase Cards are Cash Management Obligations which are secured claims under the ABL/FILO Credit Agreement, and thus paying such claims now likely only affects the timing of payment.

(ii) Corporate Credit Cards

142. In addition to the Purchase Cards, as part of the Cash Management System, the Debtors also provide certain employees with access to corporate credit cards issued by JPMorgan (the "***Corporate Credit Cards,***" and the Debtors' program relating to such cards, the "***Corporate Credit Card Program***", and together with the Purchase Card Program, the "***Corporate Card Programs***") that are utilized by the Debtors' employees to pay for eligible business-related expenses incurred on behalf of the Debtors in the ordinary course of business.

143. I understand that on average, the Debtors pay approximately $144,168.40 per month on account of the Corporate Credit Cards. I am informed that as of the Petition Date, the Debtors owe approximately $70,000 on account of the Corporate Credit Cards. I believe it is important for the Debtors to continue honoring obligations on account of the Corporate Credit Cards. Further, I understand that JPMorgan's claims on account of amounts owed under the Corporate Credit Cards are Cash Management Obligations (as defined in the ABL/FILO Credit Agreement), which are secured claims under the ABL/FILO Credit Agreement, and thus paying JPMorgan now likely only affects the timing of payment.

144. By the Cash Management Motion the Debtors seek authority to pay any prepetition amounts outstanding with respect to the Corporate Credit Cards and Purchase Cards and to continue the such programs, subject to any terms and conditions thereof, on a postpetition basis consistent with their past practices.

(iii) Payment Processing Providers

145. In addition to cash, the Debtors accept other non-cash methods of payments from customers at points of sale. To process non-cash payments, the Debtors are party to certain agreements with payment processors (the "***Payment Processing Providers***" and the program related to such non-cash payment processing, the "***Payment Processing Program***"). Under the Payment Processing Program, the Debtors generally pay the fees owing to the Payment Processing Providers once a month. As of the Petition Date, I estimate that the Debtors owe approximately $800,000 to the Payment Processing Providers on account of the Payment Processing Program.

146. The Debtors' continued acceptance of non-cash payments is essential to the operation of the Debtors' business. Most of the Debtors' sales occur by non-cash payments. Thus, requiring all purchases to be made in cash would have a severely negative effect on the Debtors' cash flow and ongoing operations.

(e) Continued Use of the Debtors' Existing Checks and Business Forms

147. In the ordinary course, the Debtors use checks, invoices, letterhead, purchase orders, and other forms and correspondence (the "***Business Forms***"). The Debtors' existing Business Forms are not marked with any designation referencing their status as debtors in possession. To minimize expense and avoid potential operational issues with their employees, customers, vendors, and other parties during this critical time, the Debtors seek authority to

continue to use the existing Business Forms, notwithstanding any applicable U.S. Trustee Guidelines, but subject to Local Rule 2015-2(a).

148. I believe changing the Debtors' Business Forms would be expensive, unnecessary, and burdensome to the Debtors and their estates. Further, such changes to their Business Forms, would disrupt the Debtors' business operations and would not confer any benefit upon the Debtors or parties that deal with the Debtors.

(f) Compliance with Certain U.S. Trustee Guidelines

149. I understand that the U.S. Trustee has established certain operating guidelines (the "***U.S. Trustee Guidelines***") for debtors in possession. I understand that the U.S. Trustee Guidelines require Chapter 11 debtors to, among other things, deposit all estate funds into an account with an authorized depository that agrees to comply with the requirements of the Office of the U.S. Trustee. Of the 294 Bank Accounts, 103 of them are held at Banks that are designated as authorized depositories under the U.S. Trustee Guidelines, including the Concentration Accounts which are held at JPMorgan and TD, each of which is an authorized depository. In addition, the Card Receipts Accounts, the Disbursement Accounts, the Franchise & Wholesale Receipts Accounts, the Other Receipt Accounts, and certain of the Investment Accounts are held at authorized depositories. The vast majority of the 190 Bank Accounts at Banks that are not authorized depositories are Store Depository Accounts, which as described herein, receive deposits from stores that are regularly swept into one of the Concentration Accounts. Further, the Banks at which these Store Depository Accounts are held are, in most cases, are the only bank located near the respective store, and if the stores are not permitted to use such Banks, it would create additional operational and administrative burdens and expenses that would harm the Debtors' business and be detrimental to their estates. In addition, with few exceptions, the Banks that are not authorized depositories, are insured by the Federal Deposit Insurance Corporation ("***FDIC***"), the Canadian

Deposit Insurance Corporation ("***CDIC***"), or the National Credit Union Administration ("***NCUA***").

150. Of the remaining Bank Accounts that are held at Banks that are not authorized depositories, four are Investment Accounts and one is the NFS Returns Account. As noted above, no additional funds will be deposited into the Investment Accounts during the pendency of these Chapter 11 Cases.

151. Nevertheless, where the Debtors hold one or more accounts at a Bank that is not a an authorized depository, the Debtors will use their good faith efforts to cause such Bank to execute a Uniform Depository Agreement in a form prescribed by the Office of the U.S. Trustee within forty-five (45) days after an order is entered granting the Cash Management Motion.

3. Workforce Obligations Motion[21]

152. In the Workforce Obligations Motion, the Debtors request entry of interim and final orders, (a) authorizing, but not directing, the Debtors, in their discretion, to pay, continue, or otherwise honor various prepetition labor-related obligations to their Workforce; (b) confirming the Debtors' authority to continue each of the Workforce Programs in the ordinary course of business during the pendency of these Chapter 11 Cases; (c) authorizing the Debtors to pay any and all local, state, and federal withholding and payroll-related or similar taxes and other Workforce Deductions relating to the Workforce Obligations; and (d) authorizing the Debtors, in their discretion, to pay any prepetition claims owing to the Administrators in the ordinary course of business to ensure the uninterrupted delivery of payments or other benefits to the Workforce.

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[21] "***Workforce Obligations Motion***" means the *Motion of Debtors for Orders (A) Authorizing Payment of Certain Prepetition Workforce Obligations, (B) Authorizing Continuance of Workforce Programs, (C) Authorizing Payment of Withholding and Payroll-Related Taxes, and (D) Authorizing Payment of Prepetition Claims Owing to Workforce Program Administrators*.

153. The Workforce Programs under which the Workforce Obligations arise are described more fully in the Workforce Obligation Motion and include but are not limited to: (i) wages, salaries, and related compensation, (ii) incentive and/or bonus obligations to non-Insider Employees, (iii) deductions associated with the forgoing, (iv) various health, financial, and welfare benefits historically provided to the Debtors' Workforce, (v) paid time off, and (vi) reimbursable expenses and related obligations, all as more fully described in the Workforce Obligations Motion. In addition, in connection with the Workforce Programs, the Debtors incur and pay certain fees and expenses to third-party Administrators to administer the various Workforce Programs.

(a) The Debtors' Workforce

154. As of the Petition Date, inclusive of the Furloughed Employees the Debtors employ 10,833 employees, of which 3,944 are full-time employees and 6,889 are part-time employees. 10,220 of the Debtors' employees are employed in the United States (including Puerto Rico) (the "***U.S. Employees***"), and 613 are employed in Canada (the "***Canadian Employees***" and together with the U.S. Employees, the "***Employees***"). Approximately 845 of the Debtors' Employees are salaried employees and 9,988 are hourly employees. Of the Debtors' Employees, 995 perform functions at the corporate level related to the management of the Debtors' omni-channel enterprise as a whole, including those employed in the Debtors' supply chain (the "***Corporate Employees***") and 9,838 are employed in roles dedicated the management of the infrastructure and ongoing operations of the Debtors' company-owned and franchised retail locations (the "***Field Employees***"). The U.S. Corporate Employees are employed by Debtor General Nutrition Centers, Inc., the U.S. Field Employees are employed by Debtor General Nutrition Corporation, and the Canadian Employees are employed by Debtor General Nutrition Centres Company. The Debtors have ten Employees who, the Debtors believe, constitute "insiders" as the term is defined in section

101(31) of the Bankruptcy Code (each, an "***Insider***" and collectively, the "***Insiders***").[22] All of the Insiders are U.S. Corporate Employees. Approximately 24 Employees have the title of Vice President or above (such Employees, the "***Senior Employees***"). Not all of the Senior Employees are Insiders.

155. Due to store closures and other stresses to the Debtors' business caused by the COVID-19 pandemic, the Debtors have furloughed a total of approximately 4,000 Employees in both the U.S. and Canada, (the "***Furloughed Employees***") in recent months, approximately 1,700 of whom remain furloughed as of the Petition Date. While furloughed, the Furloughed Employees are no longer receiving their wages or salaries, however, the Debtors are covering the full costs of U.S. Medical Plans, Canadian Health Benefits, U.S. Dental Plans, and U.S. Vision Plans relating to the Furloughed Employees while they remain on furlough, including certain obligations that would otherwise be deducted from such Employees' paychecks.

156. In addition to the Employees, the Debtors also utilize independent contractors and temporary employees in the jurisdictions in which they operate (the "***ICs***" and "***Temporary Employees***," respectively, and together with the Employees, collectively the "***Workforce***"). It is my understanding that, the Debtors source ICs and Temporary Employees through several Staffing Agencies. I am not aware of the Debtors' Workforce being subject to a collective bargaining agreement or similar labor agreement.

157. The Workforce provides a variety of critical functions relating to the management and day-to-day operations of the Debtors' businesses, including general administrative functions,

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[22] The following ten executives are considered to be potential "insiders" as defined by the Bankruptcy Code: (1) Ken Martindale, Chief Executive Officer; (2) Tricia Tolivar, Executive Vice President; (3) Josh Burris, Chief U.S. Officer; (4) Ryan Ostrom, Chief Brand Officer; (5) Carl Seletz, Chief Global Officer; (6) Susan Canning, General Counsel; (7) Nathan Frazier, Senior Vice President, U.S. Field Operations; (8) Steve Piano, Chief Human Resources Officer; (9) Cam Lawrence, Chief Accounting Officer; and (10) John Learish, Senior Vice President, Marketing.

supply chain management, procurement, sales, human resources, accounting, financial, and general corporate. The skills, expertise, and experience of the Workforce, as well as their relationships with customers and vendors and their knowledge of the Debtors' business, are essential to the Debtors' operations and ability to effectively maximize the value of their businesses during the Chapter 11 Cases.

158. As set forth in the Workforce Obligations Motion, the estimated outstanding amounts due as of the Petition Date in relation to the Workforce Programs are summarized below:

Workforce Obligations	Approximate Outstanding Prepetition Amount	Approximate Amount Due Within Interim Period
U.S. Workforce Obligations		
i. U.S. Wage Obligations (including U.S. Deductions)	$9,360,000	$9,360,000
ii. U.S. Incentive Obligations	$365,000	$98,000
iii. U.S. Benefits Obligations	$1,268,800	$1,268,000
iv. U.S. PTO Obligations	$9,020,000 [23]	$0
v. U.S. Workers' Compensation	$731,500	$473,000
U.S. Total	**$20,745,300**	**$11,199,800**
Canadian Workforce Obligations		
i. Canadian Wage Obligations (including Canadian Deductions)	$901,000	$901,000
ii. Canadian Incentive Obligations	$197,583	$44,000
iii. Canadian Benefits Obligations	$58,000	$58,000
iv. Canadian PTO Obligations	$1,080,000 [24]	$0

[23] The Debtors estimate that, as of the Petition Date, aggregate accrued but unpaid PTO Obligations for all U.S. Employees totals approximately $9.02 million. This accrued amount, however, does not represent a true "cash" liability for the Debtors, as the Debtors anticipate that Employees will use most of their PTO in the ordinary course of business, and eligible departing Employees may receive cash payments on account of unused PTO.

[24] The Debtors estimate that, as of the Petition Date, aggregate accrued but unpaid PTO Obligations for all Canadian Employees totals approximately $1.08 million. This accrued amount, however, does not represent a true "cash"

Workforce Obligations	Approximate Outstanding Prepetition Amount	Approximate Amount Due Within Interim Period
v. Canadian Workers' Compensation	$25,600	$16,000
Canadian Total	**$2,262,183**	**$1,019,000**
i. Reimbursable Expenses Obligations	$20,000	$6,000
Non-Employee Director Fees and Expenses	**$0**	**$0**
Administrator Fees and Expenses	**$252,800**	**$230,800**
ICs and Temporary Employees	**$637,000**	**$637,000**
GRAND TOTAL	**$23,931,283**	**$13,092,600**

(b) The Debtors' U.S. Wages Obligation

159. The Debtors process payroll internally utilizing Intuit's Lawson payroll software ("***Lawson***"). The Debtors' Field Employees working in Rhode Island, Connecticut, New York and New Hampshire are paid wages and salaries on a weekly basis, whereas the Debtors' Corporate Employees and Field Employees working other U.S. states, are paid wages and salaries on a bi-weekly basis.[25] The average gross payroll on account of U.S. Employees for each pay period is approximately $11.4 million and that U.S. Employees are paid in arrears for work performed one or two week(s) prior to the Debtors' normal weekly or bi-weekly payroll, as applicable. Hourly U.S. Employees are eligible for overtime pay at a rate of one and one-half times their regular rate of pay for all hours worked in excess of 40 hours per week, subject to prior authorization. I am advised that the overtime pay policy allows the Debtors to assign mandatory overtime work for certain U.S. Employees as needed.

liability for the Debtors, as the Debtors anticipate that Employees will use most of their PTO in the ordinary course of business, and eligible departing Employees may receive cash payments on account of unused PTO.

[25] In order to avoid any potential delay in payment to the Employees as a result of the Chapter 11 Cases, the Debtors paid accrued wages for five Employees on June 12, 2020 and six Employees on June 23, 2020.

160. I am advised that, as of the Petition Date, the Debtors owe approximately $9.18 million in Wage Obligations to U.S. Employees.

(c) U.S. Incentive Programs[26]

161. In addition to wages and salaries, in the ordinary course of business, to incentivize and reward outstanding performance, the Debtors offer certain Employees the opportunity to earn awards under certain incentive programs, including a set of short-term incentive plans (each of the plans described in subsection (a) below, a "***2020 STI Plan***" and such plans together, collectively, the "***2020 STI Plans***") and long-term incentive plans (the "***2020 LTI Plans***" and together with the 2020 STI Plans, the "***U.S. Incentive Programs***"). I believe the U.S. Incentive Programs are essential to maintain employee morale.

162. The 2020 STI Plans comprise a set of incentive plans targeted across all of the Debtors' enterprise-wide and worldwide operations. Below is my understanding of the terms of the 2020 STI Plans provided by the Debtors:

a) Store Pilot Incentive Plan. The Debtors intend to begin a new incentive plan, pursuant to which approximately 1,381 Field Employees with the title of "Store Manager", "Assistant Store Manager", and "Sales Associate" who work in a store that is a part of the pilot program are eligible to earn bonuses based on achieving certain sales goals of the store(s) in which the Employee works (the "***Store Pilot Incentive Plan***").

[26] In addition to the Incentive Programs (as defined and described herein), pursuant to the *Motion of Debtors for Orders (A) Approving Procedures for Store Closing Sales, (B) Authorizing Customary Bonuses to Employees of Closing Stores, and (D) Granting Related Relief* filed contemporaneously herewith (the "***GOB Motion***") the Debtors are separately requesting to make incentive payments ("***GOB Bonuses***") to Retail Employees working at stores that are in the process of undergoing going out of business sales ("***GOB Sales***"). The details of the GOB Bonuses are set forth in the GOB Motion. For the avoidance of doubt, the Debtors are not seeking to pay any GOB Bonuses pursuant to the Workforce Obligations Motion.

b) Corporate Incentive Plan. Corporate and Field Employees with a job level of "Manager" or higher, who are not eligible for any other STI Plans, of which there are approximately 247 Employees, are eligible to receive incentive payouts under a corporate incentive plan based on the performance of their respective business units (the "***Corporate Incentive Plan***").

c) RD Incentive Plan. Approximately nine Field Employees with the title of "Domestic Regional Director" are eligible to participate in an incentive plan based on achieving certain sales and inventory shrinkage goals for the stores the applicable Domestic Regional Director oversees. (the "***RD Incentive Plan***").

d) DM Incentive Plan. Approximately 114 Field Employees with the title of "Domestic District Manager" are eligible to participate in an incentive plan based on achieving certain sales and inventory shrinkage goals for the respective regions the applicable Domestic District Manager oversee (the "***DM Incentive Plan***").

e) DFD Incentive Plan. Approximately three Field Employees with the title of "Divisional Franchise Director" are eligible to participate in an incentive plan based on achieving certain sales and inventory shrinkage goals for the franchises they oversee. (the "***DFD Incentive Plan***").

f) DFO Incentive Plan. Approximately 22 Field Employees with the title of "Domestic Director Franchise Operations" are eligible to participate in an incentive plan based on achieving certain sales goals at the franchises they oversee (the "***DFO Incentive Plan***").

g) Nutrimarket Product Representative Incentive Plan. Approximately five Field Employees with the title of "Franchise Product Representative II" and "Senior Franchise Product Representative" are eligible to participate in an incentive plan based on achieving certain sales goals to reward the extra effort required to increase sales of the Debtors' branded products (the "***Nutrimarket Product Representative Incentive Plan***").

h) Loss Prevention Incentive Plans. Approximately 14 Field Employees with the title of "Regional LP Manager," "Senior Regional LP Manager," and "Senior Director, LP Field" are eligible to participate in incentive plans based on controlling inventory shrinkage, cash loss goals, and sales goals for their respective regions (the "***Loss Prevention Incentive Plans***").

i) Supply Chain Incentive Plans. Approximately 393 Corporate Employees employed in the Debtors' distribution centers are eligible to participate in several short term incentive plans. All supply chain production associates are eligible to participate in an incentive plan intended to optimize, among other things, time spent locating and picking products, observance of best practices for grasping and bending, travel time, and delays in deliveries (the "***LMS Incentive Plan***"). Additionally, all supply chain and production associates except those that are eligible for incentive plans other than the LMS Incentive Plan are eligible to participate in an incentive plan designed to incentivize cost reduction and increased productivity based on savings to budgeted sales for the applicable distribution center (the "***Production Incentive Plan***"). Finally, supply chain Employees with the title of "Logistics Supervisor" are eligible to participate in an incentive plan based on increasing productivity goals

(the "***Logistics Supervisor Incentive Plan***" and together with the LMS Incentive Plan and the Production Incentive Plan, the "***Supply Chain Incentive Plans***").

j) Wholesale Incentive Plans. Approximately four Corporate Employees with the title of "VP Wholesale and Senior Director," "DMM –Owned Brand," "National Account Manager" and "Wholesale Business Specialist" are eligible to participate in incentive plans (the "***Wholesale Incentive Plans***") based on achieving EBITDA and revenue goals related to the Debtors' wholesale sales of branded goods to third-party retailers.

k) International Franchise Incentive Plans. Approximately five Field Employees with the title of "International Market Manager" and "International Senior Market Manager" are eligible to participate in incentive plans based on achieving certain sale plan goals for their respective regions (the "***International Franchise Incentive Plans***").

l) Store Manager Pilot Incentive Plan. Approximately 205 Field Employees with the title of "Store Manager" who are in a store that is a part of the pilot program are eligible to participate in an incentive plan based on achieving certain sales goals for the stores the applicable Store Manager oversees (the "***SM Pilot Incentive Plan***").

m) Merchandise Sales Incentive Plan. Approximately five Field Employees with the title of "Category Merchant" are eligible to participate in an incentive plan based on achieving certain merchandise sale goals (the "***Merchandise Incentive Plan***").

163. I understand that pursuant to the STI Plans described in subsections (b)—(f), (h), (j) and (k) above, quarterly bonuses accrued are paid to eligible Employees following the close of

the Fiscal Year and that pursuant to the STI Plans described in subsections (g) and (i) above, quarterly bonuses accrued are paid to eligible Employees following the close of the applicable Fiscal Quarter. I understand that pursuant to the STI Plans described in subsections (a), (l) and (m) above, monthly bonuses accrued are paid to eligible Employees following the close of the applicable month or Fiscal Quarter.

164. As of the Petition Date, U.S. Employees have earned approximately $365,000 pursuant to the STI Plans described in subsections (b) and (m) above, approximately $98,000 of which will become payable during the Interim Period whereas, I am advised that no amounts have been earned under any of the STI Plans described in subsections (a) and (c)—(l) above, due to the poor financial performance as the Debtors' business, in large part caused by the global outbreak of COVID-19. It is my understanding that the Debtors seek authority to continue each of the STI Plans described above for non-Insider Employees, and to make any payments to non-Insider Employees (including Senior Employees solely pursuant to the Final Order) to the extent any amounts become due and owing during the pendency of these Chapter 11 Cases.

165. I understand that the Debtors are not seeking authority under the Workforce Obligations Motion to pay any amounts to Insiders under the STI Plans.

(d) Long-Term Incentive Plans

166. The Debtors also offer certain Employees long term incentive awards in the form of lump sum cash awards, restricted stock units, and restricted cash (the "***LTI Plan***"). The Debtors assess the use of LTI Plan awards in Employee compensation on a case-by-case basis. Restricted stock units, performance cash and restricted cash awarded under the LTI Plan typically vest after three years, with some awards vesting after one year. As of the Petition Date, the Debtors have allocated $5.1 million in performance cash awards under the LTI Plan in 2020, for eligible U.S. Employees, however, no performance cash awards have been earned in the current Fiscal Year.

There are also approximately 5.9 million unvested shares issued to U.S. Employees under the LTI Plan which will not be payable until 2021. Additionally, there are approximately $3.1 million accrued in restricted cash awards under the LTI Plan that will become payable in 2020, approximately $2.6 million accrued in restricted cash awards under the LTI Plan that will become payable in 2021, and approximately $1.3 million accrued in restricted cash awards under the LTI Plan that will become payable in 2022, for non-Insider Employees. My understanding is that an Employee is only entitled to payments on account of the restricted cash awards under the LTI Plan, if such Employee is employed by the Debtors on the applicable date and that the next payment date on account of the restricted cash awards occurs in 2021. As such no amounts are due and owing on account of the restricted cash awards as of the Petition Date. By the Workforce Obligations Motions, the Debtors respectfully request authority to continue the LTI Plan in the ordinary course of business for non-Insider Employees. The Debtors do not seek authority to pay any amounts to Insiders or Senior Employees under the LTI Plan.

(e) U.S. Deductions.

167. In the ordinary course of their businesses, the Debtors make deductions from the Workforce's paychecks for payments to third parties on behalf of members of the Workforce employed in the United States, for various federal, state, local, and foreign income, FICA, employment insurance and other taxes, as well as for court ordered garnishments, savings programs, repayments for loans taken against the savings programs, benefit plans, insurance and other similar programs (collectively, the "***U.S. Deductions***"). ADP, LLC ("***ADP***") provides the Debtors with services related to the management of the U.S. Deductions and the Canadian Deductions as well as certain other tax-related services. I believe the average monthly U.S. Deductions is approximately $3,460,000. I am advised that as of the Petition Date, the Debtors

owe ADP approximately $47,000 related to management of the Workforce Deductions[27] and other tax-related services, approximately $25,000 of which will come due and owing within the Interim Period.

168. As of the Petition Date, I believe certain U.S. Employees are owed prepetition amounts related to their compensation. Where such amounts are owed, the applicable U.S. Deductions have not yet been taken. I understand that the Debtors may not yet have forwarded to the various third parties noted above the payments that are attributable to the U.S. Deductions that have been withheld from the Workforces' paychecks and I am advised that, as of the Petition Date, accrued, but yet unremitted U.S. Deductions total approximately $180,000, all of which will come due and owing within the Interim Period. By the Workforce Obligations Motion, the Debtors request authority to remit all amounts that are due and owing on account of U.S. Deduction in the ordinary course of business and to pay amounts owed to ADP in connection with the Workforce Deductions as they become due and owing in the ordinary course of course of business.

(f) U.S. Employee Benefits

169. The Debtors provide a wide array of benefits for their U.S. Employees under a variety of benefit programs (each of the programs in subsections (a)-(g) below, a "***U.S. Employee Benefit Program***" and such programs together, collectively, the "***U.S. Employee Benefit Programs***"). I understand that Full-time U.S. Employees and part-time U.S. Employees who work an average of 30 or more hours per week over a twelve month period (the "***Eligible U.S. Employees***") are eligible for all of the U.S. Employee Benefit Programs (unless otherwise specified), however, some of the U.S. Employee Benefit Programs are available to all U.S. Employees. In addition, I understand that, the Debtors are covering the full costs of certain

[27] Includes both U.S. and Canadian Deductions.

Benefits Obligations relating to the Furloughed Employees while they remain on furlough, including certain obligations that would otherwise be deducted from such Employees' paychecks. By the Workforce Obligations Motion, the Debtors seek authority to, in their sole discretion, continue this practice postpetition.

170. The Debtors offer fully-insured health plans through an exchange sponsored by Aon Hewitt, known as the Aon Active Exchange ("***Aon***"), and administered by Alight Solutions LLC ("***Alight***"). Eligible U.S. Employees may enroll their dependents, including spouses, domestic partners, children up to age 26, and disabled children of any age in several of the U.S. Employee Benefit Programs, through Aon's exchange. The U.S. Employee Benefit Programs include, amongst other things, medical, dental, and vision insurance programs, the Debtors' prescription drug insurance program, and supplemental life insurance program.

(i) U.S. Medical Plan

171. The Debtors' medical coverage includes several plan options in which Eligible U.S. Employees may enroll that include medical and prescription drug coverage (the "***U.S. Medical Plans***"). The U.S. Medical Plans are provided through various insurance carriers throughout the United States, including, but not limited to, Aetna Inc. ("***Aetna***"), Cigna Corporation ("***Cigna***"),[28] Dean Health Plan, Inc. ("***Dean***"),[29] Geisinger Health System ("***Geisinger***"),[30] Health Net, LLC ("***Health Net***"),[31] Highmark Inc. ("***Highmark***"), Kaiser Foundation Health Plan, Inc. ("***Kaiser***"),[32] UnitedHealth Group Incorporated ("***UnitedHealthcare***"), and UPMC Health Plan, Inc.

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[28] Aetna and Cigna, Highmark, and UnitedHealthcare provide coverage to Employees located throughout the United States.

[29] Dean provides coverage to Employees located in Wisconsin.

[30] Geisinger and UPMC provide coverage to Employees located in in Pennsylvania.

[31] Health Net provides coverage to Employees located in Arizona, California, Oregon, and Washington.

[32] Kaiser provides coverage to Employees located in California, Colorado, Washington D.C., Georgia, Maryland, Virginia, Oregon and southwest Washington.

("***UPMC***"), Blue Cross Blue Shield of Hawaii ("***BCBS***"), Medical Mutual of Ohio ("***MMOH***"), Priority Health, and Triple—S Salud ("***TSS***" and together with Aetna, Cigna, Dean, Geisinger, Health Net, Highmark, Kaiser, UnitedHealthcare, UPMC, BCBS, MMOH, Priority Health and TSS, collectively, the "***Medical Plan Providers***").

172. Through Aon's exchange, I understand the Debtors generally offer four different levels of medical coverage: (i) a high-deductible plan that includes a health savings account (the "***HSA***") and prescription drug coinsurance and has a family-level deductible and out-of-pocket maximums, (ii) two preferred provider organization ("***PPO***") plan options with prescription drug copays, and (iii) a PPO option with prescription drug copays that covers in-network care and offers limited benefits for out-of-network care.[33] For some insurance providers through which the Debtors offer a U.S. Medical Plan, a health maintenance organization ("***HMO***") plan option with prescription drug copays that covers in-network care only is offered.

173. I understand the HSA is administered by Alight, on Alight's Your Savings Account platform (such platform "***YSA***") and that the Debtors remit to Alight, on behalf of participating Employees, an average of approximately $14,000 on a weekly basis, which amounts are withheld from Employee paychecks. I understand these amounts vary week to week depending on Employees' elected deductions.

174. I understand the Debtors also offer several additional health coverage programs as part of the U.S. Medical Plans into which U.S. Employees may enroll at the Employee's expense, including, critical illness insurance, hospital indemnity insurance, and accident insurance (the "***Additional Medical Benefits***") through Allstate Insurance Company ("***Allstate***").

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[33] In California, the Debtors offer an additional level of medical coverage, "Gold II", which is similar to Gold Medical except it only covers in-network care. Additionally, in Hawaii the Debtors only offer two types of medical coverage: (i) Gold Medical and (ii) Platinum Medical.

175. I understand that the Debtors also offer Employees who are U.S. citizen expatriates health insurance (the "***ExPat Health Insurance Program***") through GeoBlue Health ("***GeoBlue***"). The ExPat Health Insurance Program provides medical coverage for the covered Employee and his or her family members and that such coverage includes preventative care, primary care, hospitalization coverage and emergency care. I understand that only one Employee is covered under the ExPat Health Insurance Program and that the Debtors pay GeoBlue approximately $5,000 per Fiscal Quarter to administer the ExPat Health Insurance Program.

176. I understand that approximately 57% of the cost of the U.S. Medical Plans is borne by the Debtors,[34] and Employees contribute to the U.S. Medical Plans through payroll deductions to pay for the balance. The Debtors' total annual cost related to the U.S. Medical Plans, based on the Debtors' most current enrollment data, is approximately $19.7 million. Alight invoices the Debtors for premiums and fees in connection with the U.S. Medical Plans, in the beginning of each month, for the benefits to be provided for such month. Alight invoices the Debtors for premiums and fees in connection with the U.S. Medical Plans, in the beginning of each month, for the benefits to be provided for such month. Alight, in turn, then pays the Medical Plan Providers for the benefits it actually provides to the U.S. Employees for the relevant benefits period. Said different, the benefits to be provided for any given month are typically paid in full within the first two weeks of such month. Occasionally, this results in the Debtors incurring monthly and quarterly true up payments of about $10,000-$50,000 related to late-billed amounts under the U.S. Medical Plans, if the Debtors' initial payment was more or less than the actual costs of the benefits provided for such period.

[34] The Debtors are currently covering 100% of the costs of the U.S. Medical Plans for Furloughed Employees.

177. The Debtors also subsidize or continue to provide certain benefits to certain former U.S. Employees after their termination, retirement, or disability leave, including (without limitation) benefits provided under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("***COBRA***") through Alight. I understand the Debtors fund premiums on account of COBRA coverage in advance, and that COBRA participants then pay Alight directly for their coverage and Alight then sends a monthly payment of approximately $16,000 to the Debtors from the amounts it receives from COBRA participants. [35]

178. As of the Petition Date, I am advised that there are approximately $580,000 in accrued and unpaid amounts owing on account of the U.S. Medical Benefits, all of which will become due within the Interim Period. By this Motion, the Debtors request authority to make all payments and remittances for amounts attributable to the prepetition period and related to the U.S. Medical Benefits, in the ordinary course of business and in their sole discretion and to continue the U.S. Medical Benefits, in the ordinary course of business postpetition.

(ii) U.S. Dental Plans

179. I understand that the Debtors also offer Eligible U.S. Employees dental care benefits through four different dental plan options: (i) a basic PPO option that covers both in- and out-of-network care but does not cover major services or orthodontic expenses, (ii) a PPO option that covers in- and out-of-network care as well as major services and orthodontic expenses for children up to age 19, (iii) an enhanced PPO option that covers in- and out-of-network care and major services and orthodontic expense for both children and adults, and (iv) a dental HMO option that covers in-network care only, including orthodontic expenses for children and adults. The U.S.

[35] The costs of the COBRA coverage vary from month to month depending on how many Employees are currently receiving COBRA benefits.

Dental Plans are provided through various insurance carriers throughout the United States, including Aetna, Cigna, Delta Dental Insurance Company ("***Delta Dental***"), MetLife, Inc. ("***MetLife***"), and UnitedHealthcare (collectively, the "***Dental Plan Providers***").[36]

180. I understand that approximately 19% of the cost of the U.S. Dental Plans is borne by the Debtors, and Employees contribute to the U.S. Dental Plans through payroll deductions to pay for the balance. The Debtors' total annual cost related to the U.S. Dental Plans, based on the Debtors' most current enrollment data, is approximately $1.4 million. Alight invoices the Debtors for premiums and fees in connection with the U.S. Dental Plans, in the beginning of each month, for the benefits to be provided for such month. Alight, in turn, then pays the Dental Plan Providers for the benefits it actually provides to the U.S. Employees for the relevant benefits period. Said different, the benefits to be provided for any given month are typically paid in full within the first two weeks of such month. Occasionally, this results in the Debtors incurring *de minimis* true up payments related to late-billed amounts under the U.S. Dental Plans for prior periods, if the Debtors' initial payment was more or less than the actual costs of the benefits provided for such period.

181. As of the Petition Date, I believe that there are approximately $45,000 in accrued and unpaid amounts owing on account of the U.S. Dental Plans, approximately all of which will become due within the Interim Period. By the Workforce Obligations Motion, the Debtors request authority to make all payments and remittances for amounts attributable to the prepetition period and related to the U.S. Dental Plans, in the ordinary course of business and in their sole discretion. The Debtors also request authority to continue the U.S. Dental Plans in the postpetition in the ordinary course of business.

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[36] All the Dental Plan Administrators provide coverage for Employees working throughout the United States.

(iii) U.S. Vision Plans

182. I understand the Debtors also offer several vision care benefits to Eligible U.S. Employees (the "***U.S. Vision Plans***"), including (i) an exam-only option that provides in-network discounts for certain services, (ii) a PPO option that covers in- and out-of-network care and (iii) an enhanced PPO option that also covers in- and out-of-network care. The U.S. Vision Plans are provided through various insurance carriers throughout the United States, including EyeMed Vision Care, LLC ("***EyeMed***"), MetLife, UnitedHealthcare, and Vision Service Plan Inc. ("***VSP***" and together with EyeMed, MetLife and UnitedHealthcare, collectively, the "***Vison Plan Providers***"). [37]

183. I understand that the U.S. Vision Plans are entirely funded through Employee contributions. [38] As of the Petition Date, I believe that there are approximately $16,000 in accrued and unpaid amounts owing on account of the U.S. Dental Plans, approximately all of which will become due within the Interim Period. By the Workforce Obligations Motion, the Debtors request authority to make all payments and remittances for amounts attributable to the prepetition period and related to the U.S. Vision Plans, in the ordinary course of business and in their sole discretion. The Debtors also request authority to continue the U.S. Vision Plans in the postpetition in the ordinary course of business.

(iv) U.S. Miscellaneous Health and Wellness Benefits

184. I understand the Debtors pay for flu vaccinations for Employees at Rite Aid and Walmart two to three times per year on a seasonal basis depending on the spread of the flu (the "***Flu Vaccine Program***"). The Debtors pay Rite Aid and Walmart based on the actual costs

[37] Each of the Vison Plan Administrators provides coverage for Employees throughout the United States.

[38] The Debtors are currently covering 100% of the costs of the U.S. Vision Plans for Furloughed Employees.

incurred in connection with the Flu Vaccine Program and as of the Petition Date, the Debtors do not believe that there are any amounts due and outstanding on account of the Flu Vaccine Program.

185. I understand the Debtors also offer an employee assistance program (the "***Employee Assistance Program***") to assist Employees with their personal, family, and work/life concerns through confidential, 24/7 short-term counseling. The Debtors pay Health Advocate, Inc. approximately $7,500 per month to administer the Employee Assistance Program and that as of the Petition Date, I estimate that there is approximately $7,500 due and outstanding to Health Advocate on account of the Employee Assistance Program, all of which will come due during the Interim Period.

186. I understand the Debtors offer support to Employees raising children with learning and behavior challenges (the "***Autism Support Program***"). The Debtors pay Rethink Autism approximately $4,300 per month to administer the Autism Support Program. As of the Petition Date, I estimate that there is approximately $4,300 due and outstanding to Rethink on account of the Autism Support Program, all of which will come due during the Interim Period.

187. By the Workforce Obligations Motion, the Debtors request authority to continue to make payments and remittances of prepetition amounts due and owing under the Employee Assistance Program and Autism Support Program as they come due in the ordinary course of business, and to continue the Flu Vaccine Program, Employee Assistance Program, and Autism Support Program in the ordinary course of business postpetition.

(v) U.S. Life Insurance, Disability Insurance and AD&D Insurance

188. I understand the Debtors provide, or in certain cases offer the option of purchasing, certain types of life and disability insurance, including basic life, supplemental life, dependent and spousal life insurance, short-term disability insurance, salary continuation benefits, long-term

disability insurance, accidental death and dismemberment insurance, dependent accidental death and dismemberment insurance, and related programs (collectively, the "***U.S. Disability Benefits***"), to all full-time U.S. Employees. All of the Debtors' U.S. Disability Benefits are administered by Allstate and MetLife, Inc. ("***MetLife***" and together with Allstate, collectively, the "***U.S. Disability Providers***").

189. The Debtors provide basic life insurance coverage (the "**U.S. Basic Life Insurance**") to all full-time U.S. Employees through a fully insured plan, administered by MetLife. U.S. Employees are entitled to an amount equal to such Employee's annual earnings, rounded to the nearest one thousand dollars under the U.S. Basic Life Insurance. In addition, the Debtors offer all full-time U.S. Employees supplemental life insurance coverage (the "***Supplemental Life Insurance***"). Finally, the Debtors offer dependent life insurance coverage, which allows all full-time U.S. Employees to purchase life insurance for their spouse and/or dependent children (the "***Dependent Life Insurance***").

190. The Debtors historically offered a life insurance policy that covers certain U.S. Employees who were hired prior to January 1, 1988 (the "***Grandfathered Life Insurance Policy***"). Under the Grandfathered Life Insurance Policy, covered Employees receive a death benefit equal to two times such Employee's annual salary. The Grandfathered Life Insurance Policy is fully funded by the Debtors and costs the Debtors approximately $4,500 per year.

191. The Debtors provide short-term disability coverage for all full-time U.S. Employees ("***U.S. Short-Term Disability***") in an the amount equal to 50% of the U.S. Employee's base weekly salary up to a weekly maximum of $500. The duration of the U.S. Short-Term Disability is based on the U.S. Employee's length of full-time employment with the Debtors. In addition to the U.S. Short-Term Disability, the Debtors offer salary continuation to U.S.

Employees receiving U.S. Short-Term Disability who are not receiving payments under state disability programs that, together with their U.S. Short-Term Disability, total an amount greater than 80% of the U.S. Employee's base salary ("***U.S. Salary Continuation***"). U.S. Salary Continuation provides up to an additional 30% of the U.S. Employee's base salary for up to 12 weeks.

192. The Debtors also provide each full-time U.S. Employee with long-term disability coverage ("***U.S. Long-Term Disability***") and an optional buy-up plan for additional long-term disability benefits (the "***Additional U.S. Long-Term Disability***"). The U.S. Long-Term Disability provides 40% of the Employee's pre-disability salary, while the Additional U.S. Long-Term Disability provides an additional 20% of the Employee's pre-disability salary, beyond what the U.S. Long-Term Disability provides. The total annual cost to the Debtors related to U.S. Long-Term Disability, based on the Debtors' most current data, is approximately $518,000 (inclusive of administrative fees).

193. The Debtors also offer accidental death and dismemberment insurance ("***AD&D Insurance***") to all full-time U.S. Employees. U.S. Employees must elect to receive the AD&D Insurance and select a benefit amount. The Debtors also offer accidental death and dismemberment insurance for an Employee's spouse and/or dependent children (the "***Dependent AD&D Insurance***").

194. I understand the costs of the U.S. Short-Term Disability benefits, U.S. Salary Continuation, U.S. Long-Term Disability benefits and U.S. Basic Life Insurance are borne entirely by the Debtors. The remainder of the U.S. Disability Benefits are fully funded through Employee contributions. The Debtors pay approximately $18,000 per month to MetLife to administer the U.S. Disability Benefits. As of the Petition Date, I estimate that there are approximately $518,000

in obligations outstanding on account of the U.S. Disability Benefits, inclusive of amounts withheld from Employees and of fees paid to MetLife, approximately all of which will become due within the Interim Period. By the Workforce Obligations Motion, the Debtors seek authority to make all payments and remittances for amounts attributable to the prepetition period and relating to the U.S. Disability Benefits, in the ordinary course of business and in their sole discretion.

(vi) U.S. Flexible Benefits.

195. I understand that in addition to the HSA noted above, the Debtors also offer Eligible U.S. Employees the opportunity to establish flexible spending accounts which allow such U.S. Employees to set aside pre-tax wages, subject to minimum and maximum annual contributions, to pay for eligible out-of-pocket expenses (the "***FSAs***") using YSA. There are two types of FSAs offered to Eligible U.S. Employees: health care FSAs (the "***HCFSAs***") and dependent care FSAs (the "***DCFSA***s"). The Debtors remit to Alight on behalf of participating Employees an average of approximately $7,000 on a weekly basis, which amounts are withheld from Employee paychecks. I understand that remittances to Alight on account of the FSAs are based upon actual usage of the FSAs and vary week-to-week.

196. In addition, the Debtors offer U.S. Employees commuter accounts, which allow participating Employees to set aside pre-tax wages, to pay for public transit and qualified parking (the "***Commuter Accounts***"). The Commuter Accounts are administered by Alight through YSA. The Debtors remit to Alight on behalf of participating Employees an average of approximately $7,000 on a monthly basis, which amounts are withheld from Employee paychecks.

197. Additionally, the Debtors are subject to an ordinance issued by the San Francisco Department of Public Health ("***SFDPH***") that requires the Debtors to provide a commuter benefits program that supports and encourages Employees to bike, take public transit, and carpool to work

(the "***SFDPH Program***"). The Debtors pay the SFDPH approximately $29,000 per Fiscal Quarter on behalf of participating Employees.

198. The Debtors withhold Employee contributions to the FSAs, HSA, SFDPH Program, and Commuter Accounts each pay period. In addition, the Debtors pay Alight on average approximately, $5,050 to administer the FSAs, HSA, SFDPH, and Commuter Accounts. As of the Petition Date, I believe that there are approximately $57,000 in accrued amounts to be remitted on account of the FSAs, SFDPH Program, and Commuter Accounts to their respective administrators and that the Debtors owe approximately $5,800 to Alight to administer the FSAs, HSA, SFDPH Program, and Commuter Accounts. By the Workforce Obligations Motion, the Debtors request authority to (i) make all payments and remittances for amounts attributable to the prepetition period and related to the FSAs, SFDPH Program, and Commuter Accounts, in the ordinary course of business and in their sole discretion and (ii) continue the FSAs, SFDPH Program, and Commuter Accounts postpetition in the ordinary course of business.

(vii) U.S. Savings and Retirement Benefits

199. I understand that the Debtors sponsor a 401(k) Plan in which, full-time U.S. Employees and part-time U.S. Employees who work 1,000 or more hours within a calendar year, are eligible to participate. Eligible U.S. Employee may contribute a portion of his or her eligible earnings each year through pre-tax contributions to the 401(k) Plan, subject to limits imposed by federal law and I understand the Debtors match 50% of the first 5% of participating U.S. Employee contributions to their 401(k) Plan. Fidelity Investments Inc. administers the 401(k) Plan and Aon provides certain consulting services through Aon, in order to ensure the 401(k) Plan complies with applicable law and regulations and acts as the fiduciary under the 401(k) Plan. Further, the Debtors pay Louis Plung & Company approximately $13,250 per year from 401(k) forfeitures for 401(k) auditing services.

200. I understand that in 2019, the Debtors withheld approximately $739,000 per month from U.S. Employees participating in the 401(k) Plan, and contributed approximately $265,000 per month in 2019 on account of matching contributions. By the Workforce Obligations Motion the Debtors request authority to continue sponsoring the 401(k) Plan and to remit all amounts withheld from Employees' paychecks as contributions to the 401(k) Plan, and to pay any outstanding prepetition 401(k) matching contributions and related administrative fees.

201. The Debtors also sponsor a non-qualified deferred compensation plan (the "***NQDC Plan***") for U.S. Employees with a job title of "director" or above. I understand that under the NQDC Plan, eligible Employees may defer up to 80% of their eligible salary and commissions and 100% of their earned bonuses, pre-tax and that the Debtors match up to 3% of the participating U.S. Employee's base salary deferred. I understand that there are 45 current Employees (three of whom are Insiders) and 13 former Employees who have deferred compensation pursuant to the NQDC Plan and that as of the Petition Date, there are approximately $4.1 million in total deferred compensation obligations under the NQDC Plan. I understand that not all of this amount is a current cash payment obligation as a participating Employee is only entitled to cash payment distributions in the event such Employee leaves the Debtors' employment or otherwise has a pre-elected scheduled distribution.[39] The obligations under the NQDC Plan are backed by Debtor-owned life insurance policies (the "***COLI Policies***"), purchased on the lives of NQDC Plan participants from Nationwide Insurance ("***Nationwide***"), MetLife, General American Life Insurance Company ("***General American***"), and New England Life Insurance Co. ("***New England Life***"). I understand that the COLI Policies are held in a rabbi trust (the "***Rabbi Trust***") for which Bank of America Merrill Lynch ("***BAML***") serves as trustee and Prudential Financial Company

[39] Of the current Employees who have pre-elected scheduled distributions, one such Employee is an Insider.

(***"Prudential***") serves as the recordkeeper for the NQDC Plan. As of the Petition Date, the cash value of the COLI Policies is approximately $4.6 million. I understand that as the COLI obligations become payable under the terms of the NQDC Plan, the Debtors have historically paid the NQDC Plan liabilities from a general liability account through payroll and that from time to time, but not more frequently than quarterly, the Debtors are reimbursed from the Rabbi Trust by accessing the cash value of the COLI Policies. As of the Petition Date, there are approximately $650,000 in deferred compensation payments scheduled to be made pursuant to the NQDC Plan through January, 2027, including approximately $23,000 due to be paid to one former Employee during the Interim Period. By the Workforce Obligations Motion, the Debtors request the authority to maintain to the NQDC Plan but do not seek authority to make payments under the NQDC Plan.

202. The Debtors pay BAML approximately $2,000 annually for its services as trustee of the Rabbi Trust, Prudential approximately $7,500 annually for its services as recordkeeper, General American approximately $375 annually, and New England Life approximately $ 3,174 annually in premiums on account of the COLI Policies. As of the Petition Date, the Debtors do not owe any amounts to BAML, Prudential, General American, or New England Life on account of the Rabbi Trust or the related COLI Policies but nevertheless the Debtors request the authority to continue making payments to BAML and to Prudential, MetLife, General American, and New England Life on a postpetition basis to maintain the Rabbi Trust, NQDC Plan and COLI Policies, respectively.

(viii) Non-Insider Severance

203. I understand the Debtors sponsor and administer an executive severance plan (the "***Executive Severance Plan***") and a non-executive severance plan (the "***Non-Executive Severance***

Plan," and together with the Executive Severance Plan, the "***Severance Plans***")[40] that provide severance pay to certain Employees upon a qualifying termination of employment or other qualifying event.[41]

204. The Non-Executive Severance Plan accrues severance pay of one week for full-time Field Employees, with the title of "Store Manager," upon one full year of employment with the Debtors. For each subsequent year of employment, such Field Employees accrue an additional week of severance pay up to a maximum of four weeks of severance pay.

205. The Executive Severance Plan provides severance pay for six months for Vice Presidents and twelve months for positions senior to Vice President. Additionally, the Executive Severance Plan provides for the continuation of healthcare coverage through the U.S. Medical Plans and/or U.S. Dental Plans and/or U.S. Vision Plans and the reimbursement of health insurance premiums in excess of the U.S. Employee's premium payable immediately prior to the U.S. Employee's termination.

206. Severance benefits under the Severance Plans are typically provided in exchange for a release in liability for the Debtors. I believe it is important that the Debtors have the flexibility to maintain their current practice of honoring the Severance Plans for Employee retention and morale.

207. I understand that approximately 90 U.S. Employees have received severance under the Severance Plans and the Debtors have paid approximately $2 million in severance benefits to

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[40] By the Workforce Obligations Motion, the Debtors do not seek authority to pay any severance benefits to Insiders, but reserve the right to do so in the future by separate motion.

[41] Separate and apart from the Severance Plans, certain Employees have employment contracts with the Debtors providing for severance. If an Employee's employment contract contains severance benefits, such Employee typically may choose between the severance benefits under his or her employment agreement or the severance benefits under the applicable Severance Plan. By the Workforce Compensation Motion, the Debtors do not seek authority to pay severance benefits under any employment contract. The Debtors reserve the right to seek authority to pay such severance in the future by separate motion.

U.S. Employees in the twelve month period prior to the Petition Date but that, as of the Petition Date, the Debtors have no accrued but unpaid liability to U.S. Employees. As such, by the Workforce Obligations Motion, the Debtors seek authority to continue providing benefits under the Severance Plans in the ordinary course of business to eligible non-Insider U.S. Employees, subject to section 503(c) of the Bankruptcy Code, provided that the Debtors do not seek authority to make payments to Senior Employees under the Severance Plans pursuant to the Interim Order.[42]

(ix) U.S. Miscellaneous Employee Benefit Programs

208. I understand the Debtors offer a number of additional voluntary benefits for Eligible U.S. Employees (the "***Miscellaneous Employee Benefit Programs***"). I understand these benefits include access to discounted legal services, identity theft protection, international vacation medical insurance, bill negotiation services, group auto and home insurance, and pet insurance. The Debtors incur no costs on account of the benefits described above, and the U.S. Employees are responsible for all payments in connection therewith.

209. In addition, I understand the Debtors provide certain U.S. Employees, with the title of Vice President or above, with (i) parking spaces at the Debtors' headquarters (the "***Leased Parking Spaces***") for use in connection with their commute to work and (ii) a monthly stipend to go towards parking-related expenses in the city of Pittsburgh, Pennsylvania to further encourage such Employees, to work from the Debtors' headquarters (the "***Parking Stipend***" and together with the Leased Parking Spaces, collective, the "***Parking Expenses***"). I understand the average monthly cost on account of the Parking Expenses is approximately $34,000 per month and that as

[42] For Field Employees who are Store Managers and associates in charge of a store undergoing GOB Sales, the Debtors are requesting authorization pursuant to the GOB Motion to make store closing bonus payments (the "***GOB Store Closing Bonuses***") to such Field Employees. For the avoidance of doubt the Debtors are not seeking authorization to make GOB Store Closing Bonus payments pursuant to the Workforce Compensation Motion.

of the Petition Date, the Debtors' owe approximately $10,000 on account of the Parking Expenses, all of which will become payable during the Interim Period.

210. I understand the Debtors also provide car allowances (the "***Car Allowances***") for two field leaders to be for them to have a car to cover the regions which they oversee. I understand the Car Allowances cost the Debtors approximately $2,000 per month and that as of the Petition Date I am advised that the Debtors owe approximately $1,000 on account of the Car Allowances, all of which will be payable during the Interim Period.

211. By the Workforce Obligations Motion, the Debtors request authority to make all payments and remittances for amounts attributable to the prepetition period and related to the Miscellaneous Employee Benefit Programs, Parking Expenses, and Car Allowances, in the ordinary course of business and in their sole discretion and to continue the Miscellaneous Employee Benefit Programs, in the ordinary course of business postpetition.

(g) U.S. Other Compensation: PTO Obligations

212. The Debtors offer their U.S. Employees other forms of compensation, including paid holidays, sick leave or other paid and unpaid leave, vacation time, and other earned time off (collectively, "***PTO***"), which give rise to the Debtors' PTO Obligations. Such forms of compensation are customary and necessary in order for maintaining the morale and stability of the Debtors' workforce.

213. I understand the Debtors provide paid holidays for several dates annually which vary by the business segment in which the U.S. Employees work. Generally, all U.S. Employees are entitled to six paid holidays per year, based on scheduled holidays, with certain other U.S. Employee receiving additional holidays based on the business segment in which they work.

214. The Debtors also provide paid sick leave to U.S. Employees. Generally, U.S. Employees are provided with 40 hours of sick leave per calendar year, with the accrual differing based upon the business segment in which the U.S. Employee work.

215. The Debtors also provide U.S. Employees with paid vacation time. Vacation time offered to U.S. Employees varies depending on which segment of the Debtors' business the U.S. Employee works in. In general, vacation time accrues based on an Employee's length of service to the Debtors.

216. The Debtors also offer bereavement leave to U.S. Employees following the death of a family member. U.S. Employees are granted three days of paid leave following the death of an immediate family member and one day of paid leave following the death of other family members.

217. In addition to the above, the Debtors provide certain other paid and unpaid leave, as required by the various state laws in which the Debtors operate. The type of leave provided differ based on the applicable law, but in each case, the Debtors provide the minimum amount of leave required by such law.

218. I am advised that, as of the Petition Date, the aggregate accrued but unpaid PTO Obligations for all U.S. Employees total approximately $9.02 million. This accrued amount, however, does not represent a true "cash" liability for the Debtors, as the Debtors anticipate that U.S. Employees will use most of their PTO in the ordinary course of business, and eligible U.S. Employees only receive cash payments on account of unused PTO upon termination or resignation, if at all.

219. I believe PTO is an essential feature of the employment package provided to the Debtors' U.S. Employees, and failure to provide this benefit would harm Employee morale and

encourage the premature departure of valuable Employees, and therefore by the Workforce Obligations Motion, the Debtors request authority to honor all of their PTO Obligations as and when they come due in the ordinary course of business.

(h) U.S. Workers' Compensation

220. I understand that under the laws of the various U.S. states in which the Debtors operate, the Debtors are required to maintain workers' compensation policies and programs, or participate in workers' compensation programs administered by state governments, to provide their U.S. Employees with workers' compensation coverage for claims arising from or related to their employment with the Debtors. The Debtors' U.S. Employees are covered under workers' compensation policies (the "***U.S. Workers' Compensation Policies***") that are either "monopolistic" (i.e. provided by a government-operated insurance provider) or "non-monopolistic" (i.e. provided by a private sector insurance providers. The Debtors pay monthly premiums in the amount of approximately $52,000 with respect to their current U.S. Workers' Compensation Policies. As part of the Workers' Compensation Policies, the Debtors have stop loss coverage (the "***Stop Loss Coverage***"). The Stop Loss Coverage effectively caps the Debtors' potential liability under the Non-Monopolistic Workers' Compensation Policies at $250,000 per claim. With regards to the Monopolistic Workers' Compensation Policies, the Debtors' only out of pocket expense is the premiums associated with such policies, with all other costs associated with such policies covered by the applicable state agency. In addition, the Debtors have certain letters of credit outstanding in connection with their U.S. Workers' Compensation Policies in the amount of approximately $4.5 million with JPMorgan Chase & Co. ("***Chase***").

221. I understand that under the U.S. Workers' Compensation Policies, upon the filing of a verified claim ("**U.S. Workers' Compensation Claim**") by an eligible U.S. Employee, the

U.S. Workers' Compensation Provider pays the U.S. Workers' Compensation Claim amount directly to the U.S. Employee.

222. As of the Petition Date, the Debtors have approximately $731,500 accrued but unpaid liability on account of the U.S. Workers' Compensation Policies, $473,000 of which will become due during the Interim Period. By the Workforce Obligations Motion, the Debtors request authority to continue their workers' compensation program and pay any amounts due and owing in connection therewith.

223. I believe it is critical that the Debtors be permitted to continue their workers' compensation program and to make payments in connection with outstanding prepetition claims, taxes, charges, assessments, premiums, and third party administrator fees in the ordinary course of business because alternative arrangements for workers' compensation coverage would most certainly be more costly, and the failure to provide coverage may subject the Debtors and/or their officers to severe penalties. In order to facilitate the ordinary course handling of U.S. Workers' Compensation Claims, by the Workforce Obligations Motion, the Debtors further request authority, in their sole discretion, to lift the automatic stay of section 362 of the Bankruptcy Code to allow U.S. Workers' Compensation Claims to proceed under the U.S. Workers' Compensation Policies and to allow the Debtors, their affiliates, the U.S. Workers' Compensation Provider and/or their third party administrators to negotiate, settle and/or litigate U.S. Workers' Compensation Claims, and pay resulting amounts, whether such claims arose before or after the Petition Date.

(i) Canadian Wages Obligations

224. I understand the Debtors' Canadian Field and Corporate Employees are paid wages and salaries on a bi-weekly basis. The average gross payroll on account of Canadian Employees for each pay period is approximately $670,000. The Debtors currently process payroll for the Canadian Employees' wages and salaries internally utilizing Lawson, and solely for Employees in

the province of Quebec, CGI Payroll Services Centre Inc.'s Nethris payroll services ("***Nethris***"). The Debtors pay their Canadian Employees in arrears for work on a bi-weekly schedule. I estimate that, as of the Petition Date, they owe approximately $850,000 in Wage Obligations to Canadian Employees, all of which will become payable during the Interim Period.

(j) Canadian Incentive Programs

225. I understand that Canadian Employees with the job titles of Store Manager and District Manager are eligible to earn bonuses through two separate incentive programs described in subsections (a) and (b) below (respectively, the "***Store Manager Incentive Program***" and the "***District Manager Incentive Program***" and together, collectively, the "***Canadian Incentive Programs***" and together with the U.S. Incentive Programs, collectively, the "***Incentive Programs***"). Below is my understanding of the Canadian Incentive Programs:

a) Store Manager Incentive Program. Approximately 169 Canadian Employees with a job title of "Canada Store Manager" are eligible to receive incentive payouts under the Store Manager Incentive Program basis based on the performance of their respective stores and management of wages relative to sales.

b) District Manager Incentive Program. Approximately 11 Canadian Employees with a job title of "Canada District Manager" are eligible to receive incentive payouts under the District Manager Incentive Program based on the performance of their business units and wages relative to sales.

226. I understand that in addition to the Canadian Incentive Programs, Canadian Employees who meet the applicable requirements are eligible to participate in certain U.S. Incentive Programs, including the Corporate Incentive Plan, Loss Prevention Incentive Plan, the GOB Bonuses and the LTI Plan on the same basis as U.S. Employees.

227. As of the Petition Date, I am advised that Canadian Employees have earned approximately $197,583 under the Canadian Incentive Programs, and applicable U.S. Incentive Programs, $44,000 of which will become due and payable during the Interim Period. By the Workforce Obligations Motion, the Debtors request authorization to continue the Canadian Incentive Programs in the ordinary course of business and to make payments to non-Insider Canadian Employees as they come due. However, for the avoidance of doubt, the Debtors are not seeking to make any payments to Insiders under any of the Canadian Incentive Programs or U.S. Incentive Programs. Further, the Debtors do not seek authority to pay any amounts to Senior Employees under any of the Canadian or U.S. Incentive Programs pursuant to the Interim Order, but do request such authority pursuant to the Final Order.

(k) Canadian Deductions.

228. In the ordinary course of their businesses, the Debtors make deductions from the Workforce's paychecks for payments to third parties on behalf of members of the Workforce employed in Canada, for various federal, provincial, local, and employment insurance and other taxes, as well as for court ordered garnishments, savings programs, repayments for loans taken against the savings programs, benefit plans, insurance and other similar programs (collectively, the "***Canadian Deductions***"). The Debtors' average monthly Canadian Deductions is approximately $51,000 and ADP provides the Debtors with services related to the management of the Canadian Deductions and certain other tax-related obligations.

229. I understand that as of the Petition Date, certain Canadian Employees are owed prepetition amounts related to their compensation and that where such amounts are owed, the applicable Canadian Deductions have not yet been taken or the Debtors may not yet have forwarded to the various third parties noted above the payments that are attributable to the Canadian Deductions that have been withheld from the Workforces' paychecks. I estimate that,

as of the Petition Date, accrued Canadian Deductions to be remitted total approximately $51,000, all of which will become due and payable during the Interim Period. By the Workforce Obligations Motion, the Debtors request authority to make all payments and remittances that are due and owing on account of Canadian Deductions in the ordinary course of business including amounts owed to ADP on account of Canadian Deductions as they become due and owing in the ordinary course.

(l) Canadian Other Compensation: PTO Obligations

230. I understand the Debtors offer their Canadian Employees other forms of compensations, including PTO. I believe such forms of compensation are customary and necessary in order for the Debtors to retain qualified employees.

231. The Debtors provide paid holidays for several dates annually which vary by the business segment in which the Canadian Employees work. All Canadian Employees are entitled to five paid scheduled holidays per year and additional paid holidays are provided in accordance with recognized holidays of the Canadian province in which the Canadian Employee is employed.

232. The Debtors also provide paid sick leave to Canadian Employees. Generally, Canadian Employees are provided with 40 hours of sick leave per calendar year. Canadian Employees may carry over unused sick leave into subsequent years.

233. The Debtors also provide Canadian Employees with paid vacation time. Vacation time offered to Canadian Employees varies depending on which segment of the Debtors' business the Canadian Employee works in. In general, vacation time accrues based on an Employee's length of service to the Debtors.

234. The Debtors also offer bereavement leave to Canadian Employees following the death of a family member. Canadian Employees are granted three days of paid leave following the death of an immediate family member and one day of paid leave following the death of other family members.

235. I estimate that, as of the Petition Date, the aggregate accrued but unpaid PTO Obligations for all Canadian Employees total approximately $1,080,000. I believe this accrued amount, however, does not represent a true "cash" liability for the Debtors, as the Debtors anticipate that Canadian Employees will use most of their PTO in the ordinary course of business, and eligible Canadian Employees only receive cash payments on account of unused PTO upon termination or resignation, if at all.

236. I believe PTO is an essential feature of the employment package provided to the Debtors' Canadian Employees, and failure to provide this benefit would harm Employee morale and encourage the premature departure of valuable Employees, the Debtors request authority to honor all of their PTO Obligations as and when they come due in the ordinary course of business.

(m) Canadian Employee Benefits

237. I understand the Debtors provide a wide array of benefits for their Employees located in Canada under a variety of benefit programs (each, a "***Canadian Employee Benefit Program***" and such programs together, collectively "***Canadian Employee Benefit Programs***"). Full-time Canadian Employees are eligible for the Canadian Employee Benefit Programs (the "Eligible Canadian Employees"), however, some of the Canadian Employee Benefit Programs are available to all Canadian Employees, such as the Canadian Long-Term Disability and the Canadian Company Life Insurance (each as defined below).

238. Eligible Canadian Employees may enroll their dependents, including spouses, domestic partners, children in the Canadian Employee Benefit Programs.[43] Children under age 21 that are not full-time students are not covered if they are working more than 30 hours per week.

[43] Eligible Canadian Employees may enroll children in that are (i) full-time student and 25 years old or younger; (ii) 26 or younger and a resident of Quebec; or (iii) disabled, regardless of age in the Canadian Benefits Programs.

The Canadian Employee Benefit Programs include, amongst other things, medical, dental, and vision insurance programs, the Debtors' prescription drug insurance program, and supplemental life insurance program.

(i) Canadian Health Insurance Programs

239. The Debtors offer Canadian Employees health insurance (the "***Canadian Health Insurance Program***") through the Canada Life Assurance Company ("***Canada Life***"). The Canadian Health Insurance Program provides Eligible Canadian Employees with medical care, prescription drug, vision and dental coverage, and related benefits (the "***Canadian Health Benefits***"). I understand the Canadian Health Insurance Program is fully insure and approximately 67% of the cost of the Canadian Health Benefits is borne by the Debtors, and Employees contribute to the Canadian Health Benefits through payroll deductions to pay for the balance.[44] The Debtors' total cost related to the Canadian Health Benefits, based on the Debtors' most current enrollment data, is approximately $42,000 per month and as of the Petition Date, I estimate that approximately $42,000 in obligations are accrued and outstanding under the Canadian Health Benefits, all of which will come due during the Interim Period.

240. By the Workforce Obligations Motion, the Debtors request authority to make all payments and remittances for amounts attributable to the prepetition period and related to the Canadian Health Benefits, in the ordinary course of business and in their sole discretion and to continue the Canadian Health Benefits, in the ordinary course of business postpetition.

(ii) Life Insurance and Disability Insurance

[44] The Debtors are currently covering 100% of the costs of the Canadian Health Benefits for Furloughed Employees.

241. I understand the Debtors provide, or in certain cases offer the option of purchasing, certain types of life and disability insurance, including basic life and long-term disability insurance (collectively, the "***Canadian Disability Benefits***"), to all full-time Canadian Employees.

242. The Debtors offer each full-time Canadian Employee long-term disability coverage ("***Canadian Long-Term Disability***") through Canada Life, which provides 60% of the Employee's pre-disability salary, up to a maximum of $6,000 per month. I understand the Debtors provide 67% of the premiums for the Canadian Long-Term Disability, with the remaining 33% paid by the Employee and that the Debtors' total annual cost related to the Canadian Long-Term Disability, based on the Debtors' most current data, is approximately $162,000. As of the Petition Date, I estimate that there are approximately $9,000 in obligations outstanding on account of the Canadian Long-Term Disability.

243. The Debtors provide basic life insurance coverage ("***Canadian Company Life Insurance***" through Canada Life to all full time Canadian Employees. I understand the Debtors fund 67% of the premiums under the Canadian Company Life Insurance and that as of the Petition Date, I am advised that there are approximately $3,000 in obligations outstanding on account of the Canadian Company Life Insurance, approximately all of which will become due within the Interim Period.

244. By the Workforce Obligations Motion, the Debtors seek authority to make all payments or remittances for amounts attributable to the prepetition period and relating to the Canadian Disability Benefits, in the ordinary course of business and in their sole discretion and to continue the Canadian Disability Benefits postpetition in the ordinary course of business.

(iii) Canadian Savings and Retirement Benefits

245. The Debtors offer Canadian Employees the option of enrolling in a registered retirement savings plan (the "***RRSP***") administered by Canada Life. Generally, only full-time

Canadian Employees, after three months of service to the Debtors are eligible to enroll in the RRSP. However, part-time Canadian Employees who work in Quebec are eligible to enroll in the RRSP after three months of employment with the Debtors. I understand that under the RRSP, an eligible Canadian Employee may contribute a portion of his or her eligible earnings each year through pre-tax contributions to the RRSP, subject to certain limits and the Debtors match 100% of the first 3% of participating Canadian Employee contributions to the RRSP. In addition under the RRSP, an eligible Canadian Employee can establish an RRSP for his or her spouse or common law partner, to which such Canadian Employee can make contributions.

246. Under the RRSP, Employees are entitled to distributions at any time in the form of lump sum payments, annuities, or can transfer the balance of their RRSP to different retirement savings accounts.

247. The Debtors remit to Canada Life approximately $20,000 on a bi-weekly basis through Employee payroll deferrals and contribute approximately $15,000 per month on account thereof. As of the Petition Date, no amounts are outstanding in obligations related to the RRSP on account of Canadian Employees. By the Workforce Obligations Motion the Debtors seek authorization to continue the RRSP in the ordinary course of business.

(iv) Non-Insider Severance

248. I understand that Canadian Employees are eligible to participate in the Severance Plans to the same extent as the U.S. Employees and that approximately 118 Canadian Employees have received severance under the Severance Plans. The Debtors have paid approximately $1,030,000 in severance benefits to Canadian Employees in the twelve month period prior to the Petition Date, but as of the Petition Date, the Debtors have no accrued but unpaid liability to Canadian Employees on account of the Severance Plans. By the Workforce Obligations Motion, the Debtors seek to continue providing benefits under the Severance Plans in the ordinary course

of business to eligible non-Insider Canadian Employees, subject to section 503(c) of the Bankruptcy Code, provided that the Debtors do not seek authority to make payments to Senior Employees under the Severance Plans pursuant to the Interim Order.[45]

(v) Canadian Miscellaneous Employee Benefits

249. I understand the Debtors lease 11 vehicles for Canadian Employees to use for their commutes and travel between stores (the "***Canadian Car Leases***"). The Debtors pay approximately $8,000 per month on account of the Canadian Car Leases and as of the Petition Date the Debtors owe approximately $4,000 on account of the Canadian Car Leases, all of which will become payable during the Interim Period. The Debtors request the authority to continue to make postpetition payments related to the Canadian Car Leases as they come due in the ordinary course of business.

(n) Canadian Workers' Compensation

250. I understand that under the laws of the government of Canada as well as the various Canadian provinces in which they operate, the Debtors are required to maintain workers' compensation policies administered by insurance boards set up by the applicable Canadian provinces (the "***Canadian Insurance Boards***") to provide Canadian Employees with workers' compensation coverage for claims arising from and related to their employment with the Debtors (the "***Canadian Workers' Compensation Program***"). I understand that injured workers residing in Canada are statutorily barred from suing their employers for work related injuries or diseases, and instead must file for workers' compensation benefits with the applicable Canadian Insurance Boards. I understand the Debtors pay monthly non-negotiable premiums calculated based on gross

[45] For Field Employees who are Store Managers and associates in charge of a store undergoing GOB Sales, the Debtors are requesting authorization pursuant to the GOB Motion to pay GOB Store Closing Bonus payments to such Field Employees. For the avoidance of doubt the Debtors are not seeking authorization to make GOB Store Closing Bonus payments pursuant to the Workforce Obligations Motion.

payroll, and can either receive a rebate or be required to pay an adjustment based on expected versus actual claim costs, at the end of the year after filing a reconciliation form. I understand the Debtors' only costs associated with the Canadian Workers' Compensation Program are the non-negotiable premiums and that the Debtors pay approximately $7,000 per month in arrears to the Canadian Insurance Boards on account of non-negotiable premiums. As of the Petition Date, approximately $25,600 is owed to the Canadian Insurance Boards, consisting of accrued and unpaid workers' compensation premiums. I estimate that approximately $16,000 will become due and owing on account of the Canadian Workers' Compensation Program during the Interim Period. By this Motion, the Debtors request authority to continue their Canadian Workers' Compensation Program and pay any amounts due and owing in connection therewith. It is critical that the Debtors be permitted to continue the Canadian Workers' Compensation Program and to pay outstanding premiums because the failure to provide coverage may subject the Debtors and/or their officers to severe penalties.

(o) Universal Employee Benefits

251. In the ordinary course of business, the Debtors reimburse certain Employees in connection with: (i) business expenses, (ii) relocation expenses and (iii) certain educational expenses, incurred by such Employees, which give rise to the Debtors' Reimbursable Expenses Obligations. By this Motion, the Debtors seek authority to pay all prepetition Reimbursable Expense Obligations (as described below) accrued and unpaid as of the Petition Date and to continue such practices on a postpetition basis in the ordinary course of business.

252. I estimate that, as of the Petition Date, approximately $20,000 of out-of-pocket Business Expenses, not including amounts outstanding on the Corporate Credit Cards, are accrued

and unpaid on account of Employee Business Expenses, $6,000 of which will become due and owing within the Interim Period. [46]

253. I estimate that as of the Petition Date no amounts accrued prior to the Petition Date are owed to Employees on account of Relocation Expenses. By the Workforce Obligations Motion, the Debtors request authority to continue the Relocation Policies in the ordinary course of business on a postpetition basis and reimburse Employees for any Relocation Expenses that become due and owing pursuant to the Relocation Policies during these Chapter 11 Cases.

254. I understand as of the Petition Date, there is approximately $14,000 in approved but unpaid Tuition Reimbursable Expenses, that Employees may be entitled to, subject to such Employees satisfying the requirements noted above. By the Workforce Obligations Motion, the Debtors request authority to pay any amounts owed on account of the Tuition Reimbursable Expenses as they come due in the ordinary course of business.

(p) Retirement Bonuses

255. In addition, the Debtors offer bonuses to All full-time Employees who have worked at least 20 years for the Debtors are entitled to a Retirement Bonus upon retirement. Employees who retire after 20 years of service may be entitled to $500 and Employees with over 20 years of service may be entitled to $1,000 upon retirement (the "***Retirement Bonuses***") As of the Petition Date, the Debtors do not owe any amounts to Employees on account of the Retirement Bonuses.

(q) Discount Policy

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[46] The Debtors are separately seeking to continue to maintain the Corporate Credit Card program and to pay prepetition amounts owing related to the Corporate Credit Cards pursuant to the *Motion of Debtors for Orders (A) Authorizing Continued Use of Existing Cash Management System, Including Maintenance of Existing Bank Accounts, Checks, and Business Forms, (B) Authorizing Continuation of Existing Deposit Practices, (C) Authorizing Continuation of Intercompany Transactions, and (D) Granting Administrative Claim Status to Postpetition Intercompany Claims*.

256. The Debtors offer two discount policies: (i) an Employee discount policy (the "***Employee Discount Policy***") and (ii) a retiree discount policy (the "***Retiree Discount Policy***" and together with the Employee Discount Policy, the "***Discount Policies***") in order to incentivize all active and former Employees of the Debtors to use the Debtors' products. In general, the Discount Policies provide a 20% discount on any merchandise purchases in any of the Debtors' retail stores and are of no out of pocket costs to the Debtors.

(r) The Debtors' ICs and Temporary Employees Obligations

257. I understand the Debtors incur Wage Obligations on account of their ICs and Temporary Employees whom are employed in the United States and Canada and that the Debtors pay certain of the Staffing Agencies monthly and others weekly on account of the ICs and Temporary Employees provided by such Staffing Agency. On average, the Debtors spend approximately $637,000 per month on account of the ICs and Temporary Employees. I estimate that, as of the Petition Date, they owe approximately $637,000 to the Staffing Agencies on account of the ICs and Temporary Employees, of which all will become due and owing within the Interim Period. By the Workforce Obligations Motion, the Debtors seek authority to pay all amounts owed on account of the ICs and Temporary Employees in the ordinary course of business.

(s) Honoring Of Prepetition Workforce Obligations

258. By the Workforce Obligations Motion, the Debtors request authority to pay or provide, as they become due, all prepetition Workforce Obligations that are described in the motion and herein. I believe that the continuity and competence of their Workforce would be jeopardized if the relief requested in the Workforce Obligations Motion is not granted. Specifically, I believe if the Debtors fail to honor and pay prepetition Wage Obligations, Reimbursable Expenses Obligations and Benefits Obligations, in the ordinary course of business, the Debtors' Workforce will suffer extreme personal hardship and, in some cases, may be unable

to pay their basic living expenses. I believe this hardship would have a highly negative impact on Workforce morale and productivity, thereby resulting in immediate and irreparable harm to the Debtors' continuing operations and their estates. Accordingly, it is my belief that payment of these amounts is vital to preventing the loss of key members of the Workforce during the pendency of the Chapter 11 Cases and to maintaining the continuity and stability of the Debtors' operations.

(t) Postpetition Continuation Of Workforce Programs

259. I addition I believe the Workforce Programs are essential to the Debtors' efforts to maintain Workforce morale, reward performance through certain incentives, minimize attrition, and preserve the continuity and stability of the Debtors' operations and that the expenses associated with the Workforce Programs are reasonable and cost-efficient in light of the potential attrition, loss of morale, loss of productivity, and disruption of business operations that would occur if the Workforce Programs were discontinued.

(u) Payments To Non-Employee Directors

260. In the ordinary course of business, the Debtors pay fees (the "***Non-Employee Director Fees***") for the services of ten non-Employee directors of Debtor, GNC Holdings, Inc. (the "***Non-Employee Directors***"). The Non-Employee Directors are paid in cash and restricted stock awards on a quarterly basis for services conducted during the prospective Fiscal Quarter on account of their board service and service on any board committees. I understand the Debtors also reimburse the Non-Employee Directors for all properly documented expense claims for out-of-pocket expenses wholly, exclusively, and necessarily incurred to attend orientation, board, committee, or shareholder meetings and fulfill related duties, in accordance with the Debtors' overall corporate travel and expense policy (the "***Non-Employee Director Expenses***"). The Debtors pay approximately $270,000 in the aggregate per Fiscal Quarter to the Non-Employee Directors on account of Non-Employee Director Fees and Non-Employee Director Expenses.

261. I believe the Non-Employee Directors' service is necessary for the continued management of the Debtors and, accordingly, it is essential that the Debtors be authorized to pay all Non-Employee Director Fees and any Non-Employee Director Expenses incurred by the Non-Employee Directors that have accrued as of the Petition Date. I am not aware of any accrued and unpaid amounts owed to the Non-Employee Directors. Nonetheless, the Debtors request the authority to reimburse any unpaid Non-Employee Director Expenses incurred by the Non-Employee Directors prior to the Petition Date and to continue to pay the Non-Employee Director Fees and Non-Employee Director Expenses in the ordinary course of business on a postpetition basis.

(v) Payments To Administrators

262. I understand that with respect to the Workforce Programs, the Debtors contract with several vendors, as described in more detail above, to administer and deliver payments or other benefits to their Workforce (the "***Administrators***"). The Debtors' Administrators include but are not limited to, ADP, GeoBlue, Alight, Rethink, MetLife, Allstate, the U.S. Disability Providers, Fidelity, Aon, Louis Plung, BAML, Prudential, General American, New England Life, the Workers' Compensation Providers, and Canada Life. I understand the Debtors pay these Administrators fees and expenses incurred in connection with providing such services. As of the Petition Date, I estimate that the Debtors owe approximately $252,800 to the Administrators, approximately $230,800 of which will come due during the Interim Period.

263. In conjunction with the Debtors' payment of the Workforce Obligations and continued performance under the Workforce Programs, I believe that it is necessary to obtain specific authorization to pay any claims of the Administrators on a postpetition basis, including prepetition claims to the extent necessary, to ensure uninterrupted delivery of certain benefits to the Workforce. I believe that the Administrators may fail to adequately and timely perform or may

terminate their services to the Debtors unless the Debtors pay the Administrators' prepetition claims for administrative services rendered and expenses incurred. A need to engage replacement Administrators postpetition likely would cause significant disruption to the payment of benefits and other obligations to the Workforce. Accordingly, I believe that the payment of claims owed to the Administrators is in the best interest of the Debtors' estates.

4. Critical Vendors Motion[47]

264. By the Critical Vendors Motion, the Debtors request entry of interim and final orders authorizing the Debtors to pay certain prepetition claims (the "***Critical Vendor Claims***") owing to certain suppliers of goods and services, with whom the Debtors continue to do business and whose goods and services are critical and essential to the Debtors' operations (the "***Critical Vendors***") and which include certain claims arising from the value of goods actually received by the Debtors within twenty (20) days prior to the Petition Date and are therefore entitled to administrative expense treatment under section 503(b)(9) of the Bankruptcy Code, in an amount not to exceed $25 million on an interim basis (the "***Interim Critical Vendor Claims Cap***") and $40 million (inclusive of any amounts paid under the Interim Critical Vendor Claims Cap) on a final basis (the "***Final Critical Vendor Claims Cap***") absent further order of the Court, as more particularly described and on the terms set forth in the Critical Vendors Motion.

265. The Debtors' ability to operate their business without interruptions is dependent upon the Debtors' Critical Vendors, which include (i) suppliers of products that the Debtors sell as their own branded products, (ii) suppliers of third-party products that the Debtors sell to their customers, (iii) suppliers of packaging and labeling materials the Debtors utilize to ship and deliver

[47] "***Critical Vendors Motion***" means the *Motion of Debtors for Orders Authorizing Payment of Certain Prepetition Critical Vendor Claims*.

products directly to customers, (iv) providers information technology services, and (v) providers of advertising and other critical services. These goods and services are critical for several reasons. Certain of the Critical Vendors are highly specialized and are irreplaceable, due to, among other things, demand created by branding and marketing for their products, the technical supply and manufacturing process, and the perishability and geographic location of raw materials. Moreover, the Debtors rely on timely and frequent delivery of these critical goods and services, and any interruption in this supply—however brief—would disrupt the Debtors' operations and could potentially cause irreparable harm to their business, goodwill, customer base, and market share. The harm to the Debtors' estates of not having products or services provided by the Critical Vendors would far outweigh the cost of payment of the Critical Vendor Claims.

266. Due to the specialized nature of the supply chain, replacing certain existing Critical Vendors would be extremely time consuming and disruptive. Many of the Critical Vendors are invaluable as they are sole- or limited-source or high-volume suppliers for certain products. Onboarding a Branded Products Supplier can take 12 to 15 weeks of sampling and testing, an additional 8 to 12 weeks of lead times, 12 weeks of stability testing, and a minimum of two weeks of consumer testing. In the case of both Third-Party Products Suppliers and Branded Products Suppliers, products supplied to and sold by the Debtors and the Debtors' non-debtor affiliates outside the United States usually must be registered with applicable government authorities. This registration process historically has taken between 12-18 months before such products were approved for sale in such locations. If the Debtors are unable to pay the Third-Party Products Suppliers and Branded Products Suppliers, any replacement products sold outside the United States in locations where product registration is required would not be able to be sold until such

products are successfully registered. This would cause a significant reduction in the Debtors' product offerings and would likely result in significant lost revenue.

267. The Debtors' rely on a number of Packaging Suppliers to provide packaging and labelling used to ship products directly to customers who purchase products via the Debtors' e-commerce channels. If the Debtors' supply of packaging and labelling provided by the Packaging Suppliers were interrupted, the Debtors would be unable to provide their products to customers, until relationships with alternative suppliers are established, which could take some time and would be a significant disruption in the Debtors' business. Additionally, the products provided by the Packaging Suppliers are especially integral to the Debtors' e commerce operation (which is the fastest growing sales channel for the Debtors), and any disruption in the Debtors' relationship with the Packaging Suppliers could have a detrimental effect on this essential part of the Debtors' business.

268. The Debtors' largest supplier by dollar value is Nutra Manufacturing, LLC ("***Nutra***"), and Nutra is the Debtors' most important Critical Vendor. Payment to Nutra as a Critical Vendor is essential for several reasons. First, since the Debtors are not party to a supply agreement with Nutra, and they do not have control of Nutra, they cannot compel Nutra to continue supplying them product. Second, the disruption and loss of revenue from Nutra's failure to supply products would be significant. Nutra's products are unique GNC branded products, and are sold throughout all of the Debtors' channels, including domestic, Canada, international, and wholesale. In addition, Nutra's products are some of the Debtors' highest margin products, and represent a disproportionate share of the Debtors' revenue and profit. Third, the three remaining installment payments from IVC for the purchase of Nutra are subject to adjustment based on the magnitude of product acquired. Accordingly, a halt in the purchase of goods from Nutra would result in a

significant reduction of the amount the Debtors will receive from IVC for the Debtors' remaining interest in Nutra. Fourth, GNC Newco Parent's interest in Nutra is pledged to IVC, such that in the event of a breach of the Product Supply Agreement, IVC may foreclose on GNC Newco Parent's remaining interests in Nutra.

269. The Debtors' business requires a global software platform in order to meet the needs of their customers. The Debtors rely on a number of Information Technology Service Providers to provide services which include marketing customer relationship management, a cloud-based system, data management, a semi-integrated payment support system, and a system that allows consumers to make online purchases, receive shipments from the Debtors' stores, and place orders for store pickup. The Information Technology Service Providers are instrumental in the Debtors' ability to manage their customers, and the services they provide are essential for the Debtors to maintain their physical and digital commerce channels. Disruptions to these services would result in significant damage to the Debtors' commercial platform.

270. A significant portion of the Debtors' business is derived from consistent customers who have come to expect quality customer service from the Debtors for their products. Certain Advertising and Other Service Providers allow customers to access chat and phone services where they are able to inquire about products, place orders, report any issues, and provide any other information which allows the Debtors to better meet consumer needs. Additionally, the Debtors rely on advertising support services to reach shoppers on desktops, tablets, and mobile devices, create relevant campaigns, and access transparent campaign metrics. The ability to maintain this platform is essential for the Debtors to continue operations and generate sales. The services provided by the Advertising and Other Service Providers allow the Debtors to support and maintain their customer base, and are responsible for a significant amount of the Debtors' sales.

Without this, the Debtors would face significant loss to their revenue and be unable to maintain their current business operations.

271. In order to continue the operation of their business uninterrupted postpetition and to protect the Debtors' assets and operations and preserve value for the Debtors' estates and creditors, the Debtors seek authority to pay prepetition amounts owed to their Critical Vendors, in amounts not to exceed the Interim and Final Critical Vendor Claims Caps.

5. Lien and Import Claimants Motion[48]

272. By the Lien and Import Claimants Motion, the Debtors request entry of interim and final orders (a) authorizing payment of prepetition and postpetition amounts owing on account of (i) claims held by shippers, warehousemen, and other non-merchant lienholders, and (ii) claims held by import claimants, in an amount not to exceed $6,212,000 on an interim basis (the "***Interim Lien and Import Claims Cap***") and $6,251,000 (inclusive of the Interim Lien and Import Claims Cap) on a final basis (the "***Final Lien and Import Claims Cap***"), absent further order of the Court; (b) confirming the administrative expense priority status of Outstanding Orders (as defined herein) and authorizing the Debtors to satisfy such obligations in the ordinary course of business.

273. I believe that the Debtors' ability to operate their business without interruptions is dependent upon the Debtors' vendors, suppliers, contractors, shippers and warehousemen (collectively, the "***Lien Claimants***"), each of which provides the Debtors with the services or supplies necessary to ensure the uninterrupted flow of inventory, inputs and other goods through the Debtors' supply chain and distribution network at every state, from manufacture to end sale. The Debtors utilize the services of a number of Lien Claimants who, by the nature of their business

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[48] "***Lien and Import Claimants Motion***" means the *Motion of Debtors for Orders (A) Authorizing Payment of Prepetition Lien Claims and Import Claims and (B) Confirming Administrative Expense Priority of Outstanding Orders.*

and the work that they perform for the Debtors, may be able to assert that prepetition amounts owed to them are secured by statutory liens on property of the Debtors that is either in the possession of the service provider or that has been improved upon by the provider, including, but not limited to, non-merchant liens for services such as on-site construction and repair at the Debtors' corporate headquarters, distribution centers and retail stores. In addition, the claims of certain Lien Claimants are administrative expense priority claims under section 503(b)(1) of the Bankruptcy Code because they benefit the estate postpetition.

274. Additionally, the Debtors' rely on the timely receipt or transmittal, as applicable, of certain imported goods. In connection with the import and export of goods, the Debtors may be required to pay various charges (the "***Import Claims***"), including customs duties, tariffs and excise taxes, and various fees and import-related charges. Absent such payment, parties to whom the Debtors owe Import Claims may interfere with the transportation of the Imported Goods. If the flow of Imported Goods were to be interrupted, the Debtors may be deprived of the inventory necessary to stock the shelves in their stores, which means the Debtors would not have inventory to sell to their customers.

275. Finally, prior to the Petition Date, in the ordinary course of business, the Debtors may have ordered goods that will not be delivered until after the Petition Date (the "***Outstanding Orders***"). To avoid becoming general unsecured creditors of the Debtors' estates with respect to such goods, certain suppliers may refuse to ship or transport such goods (or may recall such shipments) with respect to such Outstanding Orders unless the Debtors issue substitute purchase orders postpetition.

6. Customer Programs Motion[49]

(a) The Customer Programs and Related Obligations

276. The Debtors maintain a number of programs and policies for the benefit of their customers that promote loyalty and encourage repeat shopping at their stores and online (collectively, the "***Customer Programs***"). These Customer Programs include, without limitation, loyalty and subscription programs, special pricing and other incentives, return and exchange policies, gift cards, charitable fundraising, and third party retailer relationships. Because the Customer Programs encourage both new and long-term customers alike to shop with the Debtors instead of their competitors, continuing to honor the Customer Programs described below—including prepetition obligations arising under them—will maximize the value of the Debtors' estates and benefit all creditors and stakeholders in the Chapter 11 Cases.

(b) Loyalty Programs

277. The Debtors maintain two customer loyalty programs that have been highly successful since their introduction with the launch of "One New GNC" in December 2016. Approximately 81% of the Debtors' sales are to members of the customer loyalty programs.[50] The first loyalty program, called "***myGNC Rewards***," is free to all customers. Once signed up for myGNC Rewards, a member begins accruing points with each purchase—one point for each dollar spent—which may be redeemed for cash discounts on any product that the Debtors sell. Specifically, for every 150 points earned, the member is entitled to a $5 discount, which is either credited automatically to the member's next purchase once earned, or accumulated on the member's account until voluntarily redeemed (based on the member's election). The points are

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[49] "***Customer Programs Motion***" means the *Motion of Debtors for Orders Authorizing the Debtors to (I) Maintain and Administer Prepetition Customer Programs and (II) Pay Prepetition Obligations Related Thereto*

[50] Approximately 56% of sales made by the Debtor are to members of the myGNC Rewards program and approximately 25% of sales made by the Debtors are to members of the PRO Access program.

valid for one year from the date they are earned and expire thereafter. The myGNC Rewards program includes more than 20 million members and approximately $79 million in monthly sales revenue is generated by sales to my GNC Rewards members.

278. In addition to myGNC Rewards, the Debtors maintain a paid-membership loyalty program called "***PRO Access***." To become a PRO Access member, a customer pays $39.99 per year, which entitles them to certain benefits not available to basic myGNC Rewards members. PRO Access members receive two shipments from the Debtors each year (each, a "***PRO Box***"). Every PRO Box includes sample merchandise and other materials tailored specifically to each member. In addition, each PRO Access member is entitled to a full week of savings four times a year, during which he or she receives three rewards points per dollar spent on the Debtors' products. Beyond these benefits, PRO Access members also earn one point per dollar on all purchases from the Debtors. Points for PRO Access members are redeemable for cash discounts just like they are for myGNC Rewards members—150 points equates to a $5 discount. The PRO Access program has approximately 829,795 current members and approximately $35 million in monthly sales[51] revenue is generated by sales to PRO Access members.

279. I am advised that approximately $4.3 million to $6.2 million in potential cash discounts have accrued on account of unexpired points earned by myGNC Rewards and PRO Access members. The Debtors accrue approximately $4.2 million to $4.5 million in liabilities per month on account of their loyalty programs. Further, the average rate of points redemptions over the twelve months before the Petition Date equates to approximately $2.1 million in cash discounts honored per month. The Debtors cannot predict to what extent the commencement of the

[51] Due to the COVID-19 pandemic, the recent monthly sales revenue generated by PRO Access members may be lower than previous months.

Chapter 11 Cases may affect the redemption rate but request authority to honor all myGNC Rewards and PRO Access point redemptions, regardless of whether the points were accrued before or after the Petition Date. Due to the COVID-19 pandemic, the Debtors have not made shipments of PRO Boxes the second quarter of 2020, but instead provided PRO Access members with a coupon for a 30% discount on an entire purchase. As of the Petition Date, I am advised that the approximate cost of shipping PRO Boxes to PRO Access members on account of membership fees paid prepetition is approximately $8.4 million.

(c) Gift Cards

280. Like many other businesses, the Debtors have available for purchase in their stores and certain third-party locations prepaid, non-expiring gift cards (the "***Gift Cards***") in various denominations. In addition, the Debtors issue Gift Cards in connection with certain returns of products, as described further below. The Gift Cards can be redeemed in stores for products at a later date. Further, the Debtors are currently implementing changes to their online platform that will allow customers to redeem Gift Cards for online purchases.

281. I am advised that the Debtors have gifts cards with an aggregate value of approximately $10.1 million outstanding which have not yet been redeemed by customers. While I do not believe that all of the Gift Cards outstanding will be redeemed, the Debtors seek authority to honor all Gift Cards, including those purchased or issued prepetition, consistent with their prior practices and to continue the sale, issuance, and honoring of Gift Cards postpetition.

(d) Refunds And Exchanges

282. As is customary in the retail industry, the Debtors accept returns or exchanges from their customers within 30 days of the date of purchase if the customer is not satisfied with his or her purchase for any reason, except that purchases will not be refunded unless accompanied by a sales receipt, packing slip, or other approved proof of purchase (the "***Refund and Exchange***

Policy"). Under the Refund and Exchange Policy, a customer is entitled to: (a) a refund of the full purchase price of the product in the original form of payment, if the return is accompanied by an original sales receipt or packing slip (for online orders); (b) an exchange for new products (i) up to the full purchase price, if accompanied by an original sales receipt or packing slip, or (ii) otherwise up to the lowest sale price in the preceding 60 days; or (c) a Gift Card, if the customer returns a product, does not want to complete an exchange, and does not want or is not entitled to a refund, in an amount (i) up to the full purchase price, if accompanied by an original sales receipt or packing slip, or (ii) otherwise up to the lowest sale price in the preceding 60 days. On average, the Debtors processed approximately $3.6 million per month of refunds and exchanges under the Refund and Exchange Policy during the twelve months before the Petition Date.

(e) Pricing And Sales Promotions

283. The Debtors regularly conduct sales promotions in their stores and on their website (collectively, the "***Promotions***"), including pricing discounts (by dollars or percentage off of sales), "buy one get one" offers, coupons printed on sales receipts (subject to expiration), online offers through the customer rewards program, and similar Promotions. Often, Promotions are offered only in individual stores or on individual products or brands. Thus, at any one time, including as of the Petition Date, different Promotions may be available to different customers across the country and online. The Promotions are an important part of the Debtors' overall marketing strategy, as they help attract new customers and retain existing ones by encouraging purchases of the Debtors' products.

(f) Subscription Program

284. The Debtors maintain a subscription-based program in which a customer pays a monthly fee and receives a monthly shipment of products the customer selects. As of the Petition Date, Debtors have approximately 400,722 active subscriptions which have provided

approximately $1.2 million in weekly total sales. Customers enrolled in the subscription program receive a 10% discount on re-occurring orders. The program, since its initial launch in 2018, has provided a consistent basis for future business.

(g) Charitable Fundraising

285. In the ordinary course of business, the Debtors' accept charitable donations from customers at stores and online on behalf of various charitable organizations (the "***Charitable Fundraising Programs***") including, for example, Fit Ops, American Red Cross, Operation Homefront, Feeding America, and St. Jude Children's Research Hospital. The Debtors then contribute these collected customer donations to the applicable charity. During the twelve months before the Petition Date, the Debtors' collected and disbursed approximately $478,281 in customer donations. As of the Petition Date, I do not believe that the Debtors hold any customer donations which have not been contributed to the Debtors' partnership charities.

286. As part of the Charitable Fundraising Program, the Debtors raise money for charities through contests and raffles, during which prizes are given. As of the Petition Date, the Debtors owe a prize to a winner of a contest held to raise money for a charity, the value of which is approximately $5,750.

(h) Relationships with Third Party Retailers

287. The Debtors maintain relationships with third party retailers (the "***Third Party Retailers***") that benefit both the Debtors and their customers. As an example, the Debtors have developed a beneficial relationship with Amazon in which the Debtors are a "Prime supplier"—that is, certain of the Debtors' products are available through Amazon's Prime membership program, which generally promises fast delivery windows at no extra charge to members. To facilitate the expedited delivery schedules that underpin the Prime membership program, the Debtors must permit Amazon to hold certain of the Debtors' inventory in Amazon's distribution

centers. More specifically, approximately half of the Debtors' products that are sold through Amazon are shipped from Amazon distribution centers, and the other half are shipped from the Debtors' distribution centers once an Amazon-based order is routed to the Debtors for fulfillment.

288. The Debtors have benefitted greatly from their relationships with Amazon and other Third Party Retailers, and such relationships also benefit the Debtors' customers through quick (and low- or no-cost) deliveries of online orders. In exchange for the ability to use the Third Party Retailers' platforms to sell their goods, the Debtors pay commissions and fees which are taken out of total revenue from the goods sold. The Debtors separately pay Third Party Retailers for marketing expenses. In 2019, the revenue of the Debtors' goods sold through Third Party Retailers was approximately $49.7 million, and approximately $20.0 million was paid to Third Party Retailers for commissions, marketing expenses, and fulfillment fees. I am advised that as of the Petition Date, the Debtors estimate that Third Party Retailers have received approximately $1.4 million on account of commissions, marketing expenses, and fulfillment fees in connection with sales for which the Debtors have yet to receive revenues from the applicable Third Party Retailers.

7. Franchise Motion[52]

(a) The Debtors' Franchise Stores

289. The Debtors have approximately, 7,062 store locations globally, and rely on a network of approximately 2,803 franchise stores (the "***Franchises***") to sell their products. Approximately 917 Franchises are based in the United States, while the remaining approximately 1,886 Franchises are located in 50 countries across the world.

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[52] "***Franchise Motion***" means the *Motion of Debtors for Orders Authorizing (A) Payment of Certain Prepetition Franchise Claims and (B) Continued Performance Under Franchise Agreements in the Ordinary Course of Business*.

290. The Franchises are operated by approximately 400 different franchisees (the "***Franchisees***"). Some of the Franchisees operate a single store, while the largest Franchisee operates approximately 75 stores. Approximately 25% of the Franchisees have operated Franchises for longer than 25 years, and approximately 25% have operated Franchises for less than five years. Certain of the Franchisees have diverse businesses, while other Franchisees' businesses are entirely dependent on their operation of a Franchise.

291. In 2019, the Debtors' Franchise operations generated approximately 20.3% of the Debtors' consolidated revenue.[53] With the impact from the COVID-19 pandemic, and the closing of many of the Debtors' corporate stores, the Debtors now rely even more on the Franchise operations which in the weeks prior to the Petition Date have accounted for an even more significant portion of the Debtors' revenue.

292. The Franchises are independently owned, and pursuant to standard franchise agreements with the Debtors (the "***Franchise Agreements***"), operate their businesses under the Debtors' names in accordance with certain standards and obligations contained in the Franchise Agreements. Franchises use the proprietary marks of the Debtors, including trademarks and other commercial symbols in exchange for royalty payments made to the Debtors. Franchises also make payments to the Debtors for rent, CAM, utilities, taxes, inventory, NSF fees, and credit card processing fees, which the Debtors use to pay third party vendors.

293. Franchises pay the Debtors fees for advertising and operational services. In return, Franchises have access to the Debtors' distribution network and product volume discounts for third party products, as well as the ability to purchase products manufactured by the Debtors' in

[53] In 2019, the Debtors' Franchises generated approximately 82.1% of the total international revenue, excluding Canada.

accordance with an agreed upon inventory plan detailing the categories of such products and minimum quantities. Some Franchises are also granted geographic exclusivity rights, allowing them the sole right, even to the exclusion of the Debtors, to expand the Debtors' "brick-and-mortar" business in certain geographic areas. Typically, Franchises in the United States are given limited geographical exclusivity while international Franchises may receive exclusive franchising rights to an entire country (excluding United States military bases). All Franchises, however, must meet certain uniform standards and duties required by the Debtor. Each month, Franchises receive a price kit with base price changes, monthly promotional inserts, and off shelf signs.

294. The Debtors have certain franchise programs designed to improve the overall performance of Franchises, including training programs and multi-unit owner programs. The initial training program consists of three phases: phase (I) training at a Debtor operated store, phase (II) attendance at a five day training program, and phase (III) training with a Director of Franchise Operations during a grand opening event. The Debtors from time to time also hold subsequent trainings for Franchises following the initial training program.

(b) Franchise Claims

295. In the ordinary course of business, the Debtors' relationship with the Franchises results in the Debtors providing certain credits, reimbursements, and payments to the Franchisees in connection with the Franchise Agreements:

(a) **Volume Discounts/Reimbursements.** The Debtors credit the Franchisees for amounts saved as a result of the Debtors' volume purchase of goods.

(b) **Promotional and Coupon Credits.** The Debtors provide margin support to Franchisees to incentivize their participation in promotions for GNC branded items. For example, the Debtors may provide the full margin to the Franchisees for a buy one get one free promotion.

(c) **Auto-Ship Protection for Expiring Products.** Because Franchisees must order certain products through auto-shipment, the Debtors may credit the Franchisee for certain products which do not sell by their expiration date.

(d) **Damages and Returns.** The Debtors reimburse Franchisees for any products they receive which are damaged or subject to recall because of quality concerns.

(e) **Reimbursement of Start-up Costs and Franchise Fees**. From time to time, the Debtors may reimburse or prorate start-up costs and franchise fees for Franchises.

296. Claims for retail promotion credits and concealed damages and returns are paid to Franchisees on a weekly basis. Claims for auto-ship protection of expiring products are paid to Franchisees on a quarterly basis. I am advised that approximately $670,000[54] is owed to the Franchises on account of prepetition obligations (the "***Franchise Claims***"), approximately $484,500[55] of which is expected to come due in the 21 days following Petition Date. The Franchise Claims are incurred on various payment terms, and the Debtors do not intend to pay the prepetition Franchise Claims until they come due in the ordinary course of business.

(c) Franchise Operations

297. As part of the Franchise Agreements, the Debtors provide certain ongoing services to the Franchisees, including initial and ongoing training, advisory assistance and services, financial services, inventory and financial audits, advertising services, location and construction services, customer programs, and financing of inventory and required equipment (including guarantees for growth loans). The Debtors have assumed liability for the full amount of the growth

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[54] This amount includes approximately $390,000 in retail promo credits, $110,000 in damages and returns, and $170,000 in auto-ship protection for expired products.

[55] This amount includes approximately $363,000 in retail promo credits, $99,000 in damages and returns, and $22,500 in auto-ship protection for expired products.

loans in the event of default by the Franchisee. While each of these services are resource intensive and are an ongoing expense to the Debtors, the cost of these services is generally passed through to the applicable Franchisees. The Debtors provide these services to maintain quality control over the Franchisees and to ensure that their customers, products, and brand reputation are protected. The Debtors provide Franchises with a uniform method of operating retail nutrition, health and/or fitness stores which is supplemented and improved from time to time.

298. For regional and national media coverage, the Debtors direct all advertising, promotional, and marketing programs and make all decisions regarding concepts, materials, and media and the placement and allocation thereof. The Debtors also approve all local advertising that Franchisees wish to conduct. The Debtors create and conduct television, radio, and print advertising campaigns. The Debtors create and distribute the materials that the Franchises use for advertising, conducting market research, organizing public relations activities, and employing advertising agencies and consultants. In return for the services, the domestic Franchisees contribute to a national advertising and promotional fund (the "***National Advertising and Promotional Fund***"). The National Advertising and Promotional Fund is used by the Debtors, in addition to the Debtors' own funds, and at the Debtors' discretion, to produce advertising, pay for media placement, conduct other marketing activities, and for merchandising.

299. The National Advertising and Promotional Fund aids Franchisees in developing media, direct marketing, in-store marketing, events and promotions, and public relations. The National Advertising and Promotional Fund is also used for other marketing programs such as updating packaging and conducting market research studies. If the Debtors were forced to discontinue using the National Advertising and Promotional Fund, or if Franchisees stopped

committing funds, the Debtors' business, as well as the Franchisees', would greatly suffer and would directly impact the Debtors' ability to successfully reorganize.

300. The Debtors billed Franchisees for contributions to the National Advertising and Promotional Fund for the second quarter of 2020, and the Debtors committed to crediting the Franchisees for amounts not spent. The Debtors did not spend all the Franchisees' contributions to the National Advertising and Promotional Fund for the second quarter of 2020, and accordingly seek to credit the Franchisees the approximately $1.2 million that was contributed by the Franchisees but not spent by the Debtors (the "***Ad Fund Credit***").

301. In sum, the Debtors' business is dependent on delivering the very best in health, wellness, and performance products to their loyal customer base, and the Franchises, which constitute almost 40% of the Debtors' stores globally, are a critical element of the Debtors' broad reach and position within the marketplace. If the Debtors fail to perform their obligations under the Franchise Agreements in the ordinary course of business, including honoring any prepetition obligations thereunder, the Franchises and the Franchisees could be severely harmed, potentially leading to shut-down of stores and loss of corresponding revenues. Moreover, deterioration of the relationship between the Debtors and the Franchisees could have negative repercussions for the Debtors' relationship with their customers who shop at the Franchise Stores. A healthy Franchisee is more likely to buy products from the Debtors, resulting in additional revenue. In addition, many Franchisees reinvest the money returned to them back into their business. In contrast, the shutdown of a Franchise causes a loss of two major revenue streams for the Debtors—(i) a loss of revenue from the Franchisee's purchase of product from the Debtors, and (ii) a loss of royalty revenue from the Franchisee's sale of products.

8. Tax Motion[56]

302. By the Tax Motion the Debtors request authority to pay prepetition Taxes and Fees. Prior to the Petition Date, the Debtors incurred obligations related to the Taxes and Fees, which include: [57]

(a) **Sales and Use Taxes**. The Debtors incur, collect, and remit sales taxes to the Taxing Authorities, in connection with the sale and distribution of products in their stores and through online orders. Additionally, the Debtors purchase a variety of products and materials necessary for the operation of their business from vendors who may not operate in the state where the property is to be delivered and, therefore, do not charge the Debtors sales tax in connection with such purchases. In these cases, applicable law generally requires the Debtors to subsequently pay use taxes on such purchases to the applicable Taxing Authorities. Accordingly, the Debtors seek authority to pay and remit any such prepetition sales and use taxes to the relevant Taxing Authorities.

(b) **Income Taxes**. In the ordinary course of operating their businesses, the Debtors incur international, federal, state and local income taxes. I believe that the Debtors are current with respect to payment of income taxes, but out of an abundance of caution seek authority to pay any prepetition income taxes.

(c) **Franchise Taxes / Business Fees**. The Debtors are required to pay various franchise taxes, business licensing and related fees required to conduct business in jurisdictions in which the Debtors operate.

(d) **Property Taxes**. State and local laws in the jurisdictions where the Debtors operate generally grant Taxing Authorities the power to levy property taxes against the Debtors' real and personal property. To avoid the imposition of statutory liens on their real and personal property, the Debtors typically pay property taxes in the ordinary course of business.

(e) **Rent Taxes**. The Debtors incur commercial rent taxes related to their store locations in the borough of Manhattan, New York, NY.

(g) **Other Taxes**. The Debtors incur additional taxes and fees including bag taxes, sugar taxes, and miscellaneous taxes not accounted for in the above categories which the Debtors are required to pay to Taxing Authorities.

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[56] "***Tax Motion***" means the *Motion of Debtors for Orders Authorizing Payment of Prepetition Taxes Fees*.

[57] The Debtors incur various taxes related to their employees which are separately addressed in the *Motion of Debtors for Interim and Final Orders (A) Authorizing Payment of Certain Prepetition Workforce Obligations, (B) Authorizing Continuance of Workforce Programs, (C) Authorizing Payment of Withholding and Payroll-Related Taxes, and (D) Authorizing Payment of Prepetition Claims Owing to Workforce Program Administrators or Providers*, filed contemporaneously herewith.

303. Although, as of the Petition Date, the Debtors are substantially current in the payment of assessed and undisputed Taxes and Fees, certain Taxes and Fees attributable to the prepetition period may not yet have become due and owing or may be or become subject to audit by the applicable Taxing Authority. The Debtors' estimate of Taxes and Fees accrued prior to the Petition Date is as follows:[58]

Category	Approximate Amount Accrued as of Petition Date	Approximate Amount Due Within 21 Days
Sales and Use Taxes	$ 7,080,000	$ 3,981,000
Income Taxes	$ 1,190,000	$ 969,000
Franchise Taxes / Business Fees	$ 700,000	$ 494,000
Property Taxes	$ 1,170,000	$ 302,000
Rent Taxes	$ 30,000	$ 22,000
Other Taxes	$ 110,000	$ 31,000
Total	**$ 10,280,000**	**$ 5,799,000**

304. By paying the Taxes and Fees in the ordinary course of business, as and when due, the Debtors will avoid unnecessary disputes with the Taxing Authorities—and expenditures of time and money resulting from such disputes—over myriad issues that are typically raised by the Taxing Authorities as they attempt to enforce their rights to collect Taxes and Fees. Nonpayment or delayed payment of the Taxes and Fees may also subject the Debtors to efforts by certain Taxing Authorities, whether or not permissible under the Bankruptcy Code, to revoke the Debtors'

[58] Due to the COVID-19 pandemic, certain jurisdictions where the Debtors operate have granted extensions on tax obligations including income tax payments. As a result, it is unclear when and in what amount certain Taxes and Fees payable by the Debtors may come due. The Debtors request authorization to pay all Taxes and Fees as they come due in the ordinary course of business.

licenses and other privileges either on a postpetition or postconfirmation basis. Moreover, certain of the Taxes and Fees may be considered to be obligations as to which the Debtors' officers and directors may be held directly or personally liable in the event of nonpayment. These collection efforts by the Taxing Authorities would create obvious distractions for the Debtors and their officers and directors in their efforts to bring the Chapter 11 Cases to a successful conclusion.

9. Insurance and Bonding Motion[59]

305. By the Insurance and Bonding Motion, the Debtors request entry of interim and final orders authorizing them to: (a) pay prepetition claims arising under their ordinary course insurance program and bonding program; and (b) maintain their insurance program and bonding program in the ordinary course postpetition.

(a) The Debtors' Insurance Obligations

306. In the ordinary course of business, the Debtors maintain certain insurance policies that are administered by multiple third-party insurance carriers (the "***Insurance Carriers***"), which provide coverage for, among other things, general liability, products liability, worker's compensation,[60] fiduciary liability, executive risk liability, employment practices liability, business auto liability, crime liability, directors' and officers' liability, umbrella liability, international liability, property liability, stock through put, cyber liability, and aviation liability (collectively, the "***Insurance Policies***"). A detailed list of the Insurance Policies that are currently

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[59] "***Insurance and Bonding Motion***" means the *Motion of Debtors for Orders Authorizing the Debtors to (A) Prepetition Insurance Obligations and Prepetition Bonding Obligations, and (B) Maintain Their Postpetition Insurance Coverage and Bonding Program*.

[60] The Debtors have separately sought authorization to honor their obligations under their workers' compensation programs as part of the contemporaneously filed *Motion of Debtors for Orders (A) Authorizing Payment of Certain Prepetition Workforce Obligations, (B) Authorizing Continuance of Workforce Programs, (C) Authorizing Payment of Withholding and Payroll-Related Taxes, and (D) Authorizing Payment of Prepetition Claims Owing to Workforce Program Administrators*. The Debtors, however, have additionally included hereunder reference to workers' compensation insurance and the attendant premiums associated with that coverage out of an abundance of caution.

held by the Debtors is attached to the Insurance and Bonding Motion as Exhibit C.[61] I believe that the Insurance Policies are essential to the preservation of the Debtors' businesses, property, and assets, and, in some cases, the coverage may be required by various laws and regulations, as well as the terms of the Debtors' various commercial contracts. In addition, I believe that the Insurance Policies provide coverage that is typical in scope and amount for businesses within the Debtors' industry.

307. Certain of the Debtors' Insurance Carriers permit the Debtors to defer payment of certain premiums, deductibles, and fees by providing the Insurance Carrier with security in the form of an irrevocable letter of credit. The Debtors have outstanding eight (8) letters of credit totaling approximately $5.1 million. A list of the Debtors' irrevocable letters of credit issued by JPMorgan Chase Bank, N.A. for the benefit of certain Insurance Carriers is attached to the Insurance and Bonding Motion as Exhibit D.

308. The Debtors typically obtain their Insurance Policies through Willis of Pennsylvania, Inc. (the "***Broker***"), pursuant to that certain Service Agreement covering the period through August 7, 2022 (the "***Broker Contract***").[62] The Broker assists the Debtors in obtaining comprehensive insurance coverage and providing related services. The Broker also assists with procuring and negotiating the Insurance Policies, enabling the Debtors to obtain the Insurance Policies on advantageous terms and at competitive rates. The Broker Contract provides for an annual fee to the Broker of $365,000. These fees are in addition to the premium paid for the insurance policies purchased through the Broker and are payable in quarterly installments that

[61] The Debtors request authority to honor obligations and renew all insurance policies, as applicable, notwithstanding any failure of the Debtors to include a particular insurance policy on Exhibit C to the Insurance and Bonding Motion.

[62] Prior to the Petition Date, the Debtors obtained renewals of certain Insurance Policies set to expire shortly after the Petition Date. The Debtors engaged CAC Specialty as a broker to obtain such extensions, and CAC Specialty was paid from the premiums for the policy extensions, and is not owed any prepetition claims.

commenced on August 7, 2019 – with net 60 day payments terms. For the August 2019 to August 2020 service year, the Debtors have paid to the Broker $273,750, and have one quarterly payment of $91,250 remaining as of the Petition Date, which is due by July 6, 2020.

309. Should the Broker terminate the Broker Contract, the Debtors would have to seek out their own insurance policies or find a new broker, potentially at greater expense, to assist the Debtors in obtaining comprehensive insurance coverage and providing related services. Accordingly, I believe that maintaining their relationship with the Broker allows the Debtors to obtain the insurance coverage necessary to operate their businesses in a reasonable and prudent manner and to realize savings in the procurement of the policies. Therefore, I believe that it is in the best interests of the Debtors' creditors and estates to continue their business relationship with the Broker.

310. The Debtors pay premiums for certain of their Insurance Policies through a premium financing agreement with BankDirect Capital Finance ("***Premium Financing Agreement***"). The Premium Financing Agreement was effective as of April 1, 2020, and the Debtors made a down payment of $84,124.25. The Debtors' remaining payment obligations under the Premium Financing Agreement, including interest, total $106,451.22, which are to be paid in two quarterly installments of $53,225.61.

311. The total amount paid in annual premiums and payments associated with all of the Insurance Policies is approximately $6.2 million. The Debtors' Insurance Policies renew at various times throughout each year. The majority of the Insurance Policies are paid in full, but certain policies are paid in monthly installments, and others are paid in installments under the Premium Financing Agreement. The Debtors are not aware of any pending requests for payment under the Insurance Policies. However, in the event that a request for payment of amounts

attributable to the period prior to the Petition Date is outstanding or is received by the Debtors in connection with the Insurance Policies, including under the Premium Financing Agreement, the Debtors request authority to pay the prepetition amounts (the "***Prepetition Insurance Obligations***"). The Debtors further request authority to renew, revise, or extend the existing Insurance Policies or to obtain new insurance policies postpetition.

(b) The Debtors' Bonding Program

312. In the ordinary course of business, the Debtors are required by certain applicable statutes, rules, and regulations to maintain bonds in favor of certain third parties to secure the Debtors' payment or performance of certain obligations, often to governmental units or other public agencies (the "***Bonding Program***"). The Bonding Program covers a range of obligations, including, among other things, obligations related to state programs, taxes, and utilities (the "***Covered Obligations***"). A detailed list of the bonds that are currently maintained by the Debtors is attached to the Insurance and Bonding Motion as Exhibit E.[63] I believe that the Bonding Program provides coverage that is typical in scope and amount for businesses within the Debtors' industry.

313. As of the Petition Date, the Debtors have outstanding twenty-one (21) surety bonds (the "***Surety Bonds***") totaling approximately $666,427. The Surety Bonds renew on a yearly basis at various points throughout the year, and the Surety Bond premium is paid on renewal. The total amount paid in annual premiums and payments associated with all of the surety bonds is approximately $13,020.

[63] The Debtors request authority to honor obligations and renew all bonds, as applicable, notwithstanding any failure of the Debtors to include a particular bond on Exhibit E to the Insurance and Bonding Motion.

314. Willis also serves as the Debtors' Broker for Surety Bonds and manages the Debtors' relationships with the Sureties. Among other things, the Broker assists the Debtors in selecting the appropriate Sureties (subject to the Debtors' approval) and represents the Debtors in negotiations with the Sureties. The Broker has allowed the Debtors to obtain the bonding coverage necessary to operate their businesses in a reasonable and prudent manner, and to realize savings in the procurement of such policies. The Broker is paid by commission for Surety Bond placements, and such commissions are paid from the premium payments the Debtors make under the Bonding Program.

315. The issuance of a Surety Bond shifts the risk of the Debtors' nonperformance or nonpayment of their obligations covered by the Surety Bond from the beneficiary of the surety to the surety (each a "***Surety***"). If the Debtors fail to pay Covered Obligations, the applicable Surety will pay the Debtors' obligations up to a specified amount. Unlike an insurance policy, if a surety incurs a loss on a Surety Bond, the surety is entitled to recover the full amount of that loss from the Debtors.

316. To continue their business operations, the Debtors must be able to provide financial assurances to federal and state governments, regulatory agencies, and other third parties. This in turn requires the Debtors to maintain the existing Bonding Program, including paying the premiums and any related fees as they come due, as well as renewing or potentially acquiring additional bonding capacity as needed in the ordinary course of their businesses, requesting releases from obsolete bonding obligations, and executing other agreements in connection with the Bonding Program. I believe that the success of the Debtors' efforts to operate effectively and efficiently will depend on the maintenance of the Bonding Program on an uninterrupted basis. As such, I believe that no feasible alternative to maintaining the Bonding Program exists.

317. As of the Petition Date, I understand that all premium payments due and owing under the Bonding Program have been paid in full and the Debtors are not aware of any pending requests for payment by the Sureties. However, the Debtors request that they be authorized to maintain the Bonding Program in the same manner as they did prepetition and to pay any prepetition claims arising under the Bonding Program (the "***Prepetition Bonding Obligations***"). The Debtors further request authority to honor the current bonds in place and to revise, extend, supplement, or change the Bonding Program as needed, including through the issuance of new surety bonds, postpetition.

10. Utilities Motion[64]

318. By the Utilities Motion, the Debtors request entry of interim and final orders (a) approving the Debtors' proposed assurance of postpetition payment to the Utility Companies (as defined below), (b) approving the additional assurance procedures described below as the method for resolving disputes regarding adequate assurance of payment to Utility Companies, (c) prohibiting the Utility Companies from altering, refusing, or discontinuing services to or discriminating against the Debtors except as may be permitted by the proposed procedures, and (d) authorizing payment of any prepetition Service Fees.

319. The Debtors use utility services such as electricity, water, telephone, internet, and other similar products and services (the "***Utility Services***") across the United States and Canada in their headquarters, manufacturing and distribution centers, and thousands of retail locations. The Utility Services are provided by a number of different providers who provide services to the Debtors directly or indirectly through a landlord (each a "***Utility Company***," and, collectively, the

64 "***Utilities Motion***" means the *Motion of Debtors for Orders (A) Prohibiting Utility Companies from Altering or Discontinuing Service on Account of Prepetition Invoices, (B) Approving Deposit as Adequate Assurance of Payment, (C) Establishing Procedures for Resolving Requests by Utility Companies for Additional Assurance of Payment, and (D) Authorizing Payment of Any Prepetition Service Fees*.

"***Utility Companies***"). A list of the Utility Companies and the Utility Services they provide is attached to the Utility Motion as Exhibit C.[65]

320. I believe that uninterrupted Utility Services are essential to the Debtors' ongoing business operations and the overall success of the Chapter 11 Cases. Without Utility Services at any of their operating locations, the Debtors' businesses could be negatively affected and value could be lost to their estates, whether in the form of lost sales in their stores, supply chain problems leading to increased costs, or management disruptions causing any number of problems in the Debtors' complex, multinational operations.

321. I understand that in general, the Debtors have established satisfactory payment histories with the Utility Companies and payments have been made on a regular and timely basis. To the best of my knowledge, there are no material defaults or arrearages with respect to invoices for prepetition Utility Services as of the Petition Date. To facilitate timely and efficient processing and payment of invoices with respect to the Utility Services, the Debtors contract, in the ordinary course of business, with CASS Information Systems, Inc. (the "Payment Processor") to process and remit payments to certain Utility Companies on the Debtors' behalf. The Payment Processor receives, processes, and reviews applicable utility bills and submits to the Debtors a master invoice on account of unpaid and processed utility bills in exchange for a fee of $1.45 per invoice (the "Service Fees"). Following a review of each such invoice, the Debtors remit payment to the Payment Processor and the Payment Processor arranges for payment to the applicable Utility Companies. The Debtors remit Service Fees related to Utility Services provided in the United States each business day and remit Service Fees related to Utility Services provided in Canada on

[65] For the avoidance of doubt, the presence or absence of the name of any party in Exhibit C to the Utility Motion shall not constitute an admission or stipulation of any kind by the Debtors, including that any party is or is not a "utility" within the meaning of section 366 of the Bankruptcy Code.

a monthly basis. During the twelve months preceding the Petition Date, the Debtors remitted approximately $9,000 per month in Service Fees to the Service Provider. I am advised that as of the Petition Date, approximately $2,915 in Service Fees remain outstanding and payable, all of which will come due and owing during the first 21 days following the Petition Date.

322. I understand that the Debtors intend to pay all postpetition obligations owed to the Utility Companies in the ordinary course of business and in a timely manner. Nevertheless, to provide additional assurance of payment for future services to the Utility Companies, the Debtors will deposit approximately $947,000, which is an amount equal to approximately fifty percent (50%) of the Debtors' historical average monthly costs of Utility Services provided by the Utility Companies based on the twelve months before the Petition Date (the "Adequate Assurance Deposit"),[66] into an existing, segregated, interest-bearing account at JPMorgan Chase Bank, N.A. in the name of Debtor GNC Holdings, Inc., with last four digits 7167,[67] within twenty (20) days of the Petition Date.[68] The balance of the Adequate Assurance Deposit will be maintained during the Chapter 11 Cases, subject to adjustment by the Debtors to account for the termination or beginning of new Utility Services or entry into other arrangements with respect to adequate assurance of payment reached with individual Utility Companies.

323. The Debtors propose that the Adequate Assurance Deposit may be adjusted and/or reduced by the Debtors to account for any of the following: (i) the extent to which the Adequate

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[66] For the avoidance of doubt, the Debtors are not providing any adequate assurance deposits on account any party who Debtors pay indirectly for Utility Services through rent payments.

[67] More information on the Debtors' bank accounts and cash management system are set forth in the *Motion of Debtors for Orders (A) Authorizing Continued Use of Existing Cash Management System, Including Maintenance of Existing Bank Accounts, Checks, and Business Forms, (B) Authorizing Continuation of Existing Deposit Practices, (C) Authorizing Continuation of Intercompany Transactions, and (D) Granting Administrative Claim Status to Postpetition Intercompany Claims* filed contemporaneously herewith.

[68] Three Utility Companies (Constellation NewEnergy, Inc., Engie Resources, and Southern California Edison) previously received deposits totaling approximately $288,000. Nonetheless, the proposed Adequate Assurance Deposit includes amounts relating to such Utility Companies.

Assurance Deposit includes any amount on account of a company that the Debtors subsequently determine is not a "utility" within the meaning of section 366 of the Bankruptcy Code, (ii) the termination of a Utility Service by a Debtor regardless of any Additional Adequate Assurance Request (as defined below), (iii) the closure of a utility account with a Utility Company for which funds have been contributed for the Adequate Assurance Deposit, or (iv) any other arrangements with respect to adequate assurance of payment reached by a Debtor with individual Utility Companies; provided, that, with respect to the Debtors' termination of a Utility Service or closure of a utility account with a Utility Company, the Debtors may adjust and/or amend the balance of the Adequate Assurance Deposit upon reconciliation and payment by the Debtors of such Utility Company's final invoice in accordance with applicable nonbankruptcy law, to the extent that there are no outstanding disputes related to postpetition payments due.

11. Store Closing Motion[69]

324. By the Store Closing Motion, the Debtors request entry of interim and final orders (a) authorizing and approving Store Closing sales in accordance with the terms of the Store Closing Procedures, with such sales to be free and clear of all liens, claims, and encumbrances; (b) authorizing the Debtors to pay customary bonuses to non-insider managers of the stores where Store Closing sales will occur; and (c) authorizing the Debtors to assume the Consulting Agreements with a joint venture comprised of Tiger Capital Group, LLC and Great American Group, LLC (the "***U.S. Consultant***") for the U.S. store closings and a joint venture comprised of Tiger Asset Solutions Canada, ULC and GA Retail Canada ULC (the "***Canada Consultant***" and together with the U.S. Consultant, the "***Consultant***") for the Canada store closings.

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[69] "***Store Closing Motion***" means the *Motion of Debtors for Orders (A) Approving Procedures for Store Closing Sales, (B) Authorizing Customary Bonuses to Managers of Stores, (C) Authorizing Assumption of the Consulting Agreements and (D) Granting Related Relief.*

325. In the wake of extreme market conditions and faced with limited liquidity, the Debtors seek through the Store Closing Motion to wind down approximately 726 store locations throughout the U.S. and Canada through a going-out-of-business sales process. I understand that given continuously declining profitability and operational challenges, and despite the best efforts of the Debtors and their advisors to secure the capital necessary to preserve the entire business as a going concern, the Debtors are simply unable to meet their financial obligations. Thus, the Debtors have worked in concert with their secured lenders to facilitate an expedited sale and orderly wind-down process for certain stores that will maximize value and recoveries for stakeholders. Additionally, the Debtors, with the assistance of A&G Realty Partners, LLC and MPA Inc., are negotiating lease modifications with many of the Debtors' landlords in the U.S. and Canada, respectively, for certain rent concessions and early termination rights, which I believe should help the Debtors with their goal of improving the financial performance of the Debtors' remaining store base.

326. In order to facilitate the Store Closings, the Debtors seek approval of the Store Closing Procedures. The Store Closing Procedures will provide the best, most efficient, and most organized means of selling Merchandise and FF&E to maximize the value of the Debtors' estates. The Debtors intend to facilitate the Store Closings using current personnel at no increased cost.

327. I believe that approving the Store Closings pursuant to the Store Closing Procedures represents the best alternative to maximize recoveries to the Debtors' estates with respect to Merchandise and FF&E and provide the Debtors with much-needed liquidity. There are meaningful amounts of Merchandise, in the aggregate, that will be monetized most efficiently and quickly through an orderly process conducted in consultation with an experienced liquidation firm. Further, delay in commencing the Store Closings would diminish the recovery tied to monetization

of the Merchandise and FF&E for several important reasons. I understand that many of the Closing Stores fail to generate positive cash flow currently, or will fail to do so in the short term, and therefore will become a significant drain on liquidity. As such, the Debtors will realize an immediate benefit in terms of financial liquidity upon the sale of the Merchandise and FF&E and the termination of operations at the Closing Stores. Further, uninterrupted and orderly Store Closings will allow the Debtors to timely reject leases associated with the Closing Stores and, therefore, avoid the accrual of unnecessary administrative expenses for rent and related costs.

328. The Debtors selected the Consultant to (a) manage the Store Closings; (b) sell their Merchandise and FF&E under the Consulting Agreements, and solely with respect to the U.S. Consulting Agreement, the Additional Consultant Goods, and (c) surrender the stores to the Debtors on the terms set forth in the Consulting Agreements. I understand that the Debtors selected the Consultant in part because they have a historical relationship with the Consultant, who has helped the Debtors with annual appraisals of inventory and accounts receivable, making the Consultant familiar with the Debtors' businesses. In addition, in early 2020, the Consultant was retained for a store closing test, at which time the Consultant was subject to an extensive evaluation process.

329. I believe that allowing the Debtors to assume the Consulting Agreements so that the Consultant may continue in its role as Consultant for the Store Closings on a postpetition basis without interruption will allow the Debtors to conduct the Store Closings in an efficient, controlled manner that will maximize value for the Debtors' estates. The continuation of services by the Consultant is necessary for efficient large-scale execution of the Store Closings, and to maximize the value of the assets being sold. And any change in or elimination of the Consultant would significantly disrupt the Store Closing process and impair the value of the remaining assets in the

stores. Entering into the Consulting Agreements, after engaging in extensive negotiations with the Consultant, will provide the greatest return to the Debtors' estates for the Merchandise and FF&E. I believe that the terms set forth in the Consulting Agreements constitute the best available alternative for the conduct of the Store Closings in both the U.S. and Canada.

330. Finally, pursuant to the Store Closing Motion, the Debtors are requesting the authority, but not the obligation, to pay a one thousand dollar ($1,000) incentive payment to non-insider store managers (and in some cases associates in charge of a store, if the store does not have a store manager) at the stores where Store Closings will occur in the U.S. and Canada who remain in the employ of the Debtors during the Store Closings. None of the individuals entitled to receive bonus payments under this program are "insiders" as that term is defined in section 101(31) of the Bankruptcy Code. The total aggregate cost of the Store Closing Bonus Plan will vary depending on how many stores ultimately conduct Store Closings. I believe that the Store Closing Bonus Plan will motivate managers during the Store Closings and will enable the Debtors to retain those managers necessary to successfully complete the Store Closings. Further, providing such non-insider bonus benefits is critical to ensuring that key employees that will be affected by the reduction in the Debtors' workforce due to the Store Closings will continue to provide critical services to the Debtors during the ongoing Store Closing process. For the avoidance of doubt, the Debtors do not propose to make any payment on account of Store Closing Bonuses to any insiders.

12. Omnibus Rejection Motions[70]

[70] "***First Omnibus Rejection Motion***" means the *Debtors' First (1st) Omnibus Motion for Entry of an Order (A) Authorizing Rejection of Certain Unexpired Leases Effective as of the Petition Date and (B) Granting Related Relief*; "***Second Omnibus Rejection Motion***" means the *Debtors' Second (2nd) Omnibus Motion for Entry of an Order (A) Authorizing Rejection of Certain Unexpired Leases Effective as of the Petition Date and (B) Granting Related Relief*; "***Third Omnibus Rejection Motion***" means the *Debtors' Third (3rd) Omnibus Motion for Entry of an Order (A) Authorizing Rejection of Certain Unexpired Leases Effective as of the Petition Date and (B) Granting Related Relief*;

331. By the First, Second and Third Omnibus Rejection Motions (collectively, the "***Omnibus Rejection Motions***"), the Debtors request entry of orders (a) authorizing the rejection of certain Rejection Leases, effective as of the Petition Date and (b) authorizing the Debtors to abandon the personal property located at the Premises as of the Petition Date.

332. The Debtors filed the Omnibus Rejection Motions amid an unprecedented health crisis with difficult social, political and economic implications. While the Debtors would have preferred to wait out the current instabilities of the financial markets and retail industry, they simply could not afford to do so. I believe the relief sought in the Omnibus Rejection Motions is critical to preserve liquidity and maintain the Debtors' viability as a going concern.

333. I understand that as of the Petition Date, the Debtors are parties to approximately 3,616 real property leases in the United States, Canada and Puerto Rico, 772 of which are subleased to 330 franchisees. As part of their ongoing restructuring efforts, the Debtors are engaging in a comprehensive review and analysis of their lease portfolio. After careful evaluation, the Debtors identified 248 stores to be rejected pursuant to the Omnibus Rejection Motions. I believe that rejecting the Rejection Leases will allow the Debtors to avoid the accrual of unnecessary administrative expenses with no foreseeable benefits to the Debtors' estates. Moreover, given the obligations under the Rejection Leases and current market conditions, the Debtors have concluded, in consultation with their advisors, that the Rejection Leases are not marketable and are unlikely to generate material value for the Debtors' estates.

334. I am aware that on June 18, 2020, the Debtors sent letters to each landlord counterparty to the Rejection Leases, which were delivered no later than the Petition Date, notifying them that the Debtors were unequivocally surrendering possession of the Premises and abandoning any Debtor-owned personal property in conjunction therewith as of such time. The

Debtors also turned over the keys to the Premises to the applicable landlord counterparties to the Rejection Leases.

335. The Debtors have concluded that the cost of maintaining the stores to be rejected pursuant to the Omnibus Rejection Motions outweighs any revenues that such stores currently generate or are likely to generate in the future, and that there is no net benefit that is likely to be realized from the Debtors' continued efforts to retain and potentially market the Rejection Leases. In an effort to reduce postpetition administrative costs, I believe that the rejection of the Rejection Leases effective as of the Petition Date is in the best interests of the Debtors, their estates and their creditors.

336. Certain stores to be rejected pursuant to the Omnibus Rejection Motions contain property that belongs to the Debtors, including, but not limited to, inventory, books and records, equipment, fixtures, furniture and other personal property. Before the Debtors vacated the Premises, the Debtors evaluated the Remaining Property located at the Premises and determined that (a) the Remaining Property is of inconsequential value or (b) the cost of removing and storing the Remaining Property for future use, marketing, or sale exceeded its value to the Debtors' estates. I believe that any efforts by the Debtors to move or market the Remaining Property would have unnecessarily delayed the Debtors' rejection of the Rejection Leases. Because the Debtors have no intent to operate the stores at the Premises, I believe the Remaining Property will no longer be necessary for the administration of the Debtors' estates. Therefore, I believe that the abandonment of the Remaining Property is appropriate and in the best interests of the Debtors, their estates, and their creditors.

13. NOL Motion[71]

337. By the NOL Motion the Debtors seek entry of interim and final orders establishing certain notice and hearing procedures that must be satisfied before certain shareholders may make transfers of, or worthlessness deductions with respect to, common stock and Series A convertible preferred stock in Debtor GNC Holdings, Inc. (respectively, the "***Common Stock***" and the "***Convertible Preferred Stock***").

338. The relief sought by the NOL Motion will allow the Debtors to monitor certain transfers of, and certain worthlessness deductions with respect to, Common Stock and Convertible Preferred Stock so that the Debtors can act expeditiously to prevent such transfers or deductions, if necessary, and preserve the potential value of potential net operating losses ("***NOLs***"), disallowed business interest expense under Section 163(j) of the Internal Revenue Code of 1986, as amended (the "***Tax Code***") ("***Excess Interest Expense***"), potential built-in losses with respect to the Debtors' assets and certain other built-in items ("***Built-in-Losses***"),[72] and certain other tax attributes (the potential NOLs, collectively with the potential Built-in Losses, Excess Interest Expense and certain other tax attributes, the "***Tax Attributes***"). This will allow the Debtors the flexibility to develop a chapter 11 plan of reorganization that will maximize the use and value of their Tax Attributes. I believe that entry of the Proposed Interim Order approving the NOL Motion is necessary to preserve the status quo in this regard.

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[71] "***NOL Motion***" means the *Motion of Debtors for an Order Establishing Certain Notice and Hearing Procedures for Transfers of, or Worthlessness Deductions With Respect to, Common Stock and Convertible Preferred Stock of GNC Holdings, Inc.*

[72] The amount of the Debtors' potential Built-in Losses will depend, among other things, on the extent to which the Debtors' assets have an aggregate tax basis in excess of their aggregate fair market value.

339. I am advised that the Debtors' Tax Attributes are valuable assets of the Debtors' estates because the Tax Code generally permits a corporation to carry forward such corporation's NOLs, Excess Interest Expense and certain other Tax Attributes to offset future taxable income or directly offset federal income tax liability in future periods. I am further advised that depending upon future operating results of the Debtors and absent any intervening limitations prior to the effective date of the Debtors' chapter 11 plan of reorganization, the Debtors' Tax Attributes could allow the Debtors to significantly reduce their future U.S. federal income tax liability, including by offsetting any taxable income that may result from transactions completed in connection with the Debtors' chapter 11 plan of reorganization. I believe that these savings could substantially enhance the Debtors' value and contribute to the Debtors' efforts toward a successful reorganization.

340. I believe that it is in the best interests of the Debtors and their estates to preserve the Tax Attributes by restricting certain acquisitions of equity interests and taking of worthless stock deductions by certain shareholders that could result in a detrimental "ownership change" (within the meaning of Section 382 of the Tax Code) occurring before the effective date of a chapter 11 plan or other disposition of the Debtors' assets. Preventing such an ownership change would protect the Debtors' ability to use the Tax Attributes during the pendency of the chapter 11 cases or, potentially, in the event of a future transaction.

341. To that end the Debtors seek to establish procedures for continuously monitoring the transfers of Common Stock and Convertible Preferred Stock as follows:

a. Any person or entity (as defined in Treasury Regulations section 1.382-3(a)) who currently is or hereafter becomes a Substantial Shareholder (as such term is defined in paragraph (e) below) must file with the Court, and serve upon (i) the Debtors and counsel for the Debtors and (ii) counsel to the Ad Hoc Group of Crossover Lenders, a notice of such status, in substantially the form attached to the NOL Motion as Exhibit C, on or

before the later of (i) twenty (20) calendar days after entry of the Proposed Interim Order or (ii) ten (10) days after becoming a Substantial Shareholder.

b. At least twenty (20) calendar days prior to effectuating any transfer[73] of Common Stock (including options to acquire Common Stock, as defined in paragraph (e) below) or Convertible Preferred Stock that would result in an increase in the amount of Common Stock or Convertible Preferred Stock beneficially owned by a Substantial Shareholder, or would result in a person or entity becoming a Substantial Shareholder, such Substantial Shareholder, person or entity must file with the Court, and serve upon the Debtors and counsel for the Debtors, an advance written notice of the intended transfer of Common Stock or Convertible Preferred Stock, in substantially the form attached to the NOL Motion as Exhibit D (each a "***Notice of Intent to Purchase, Acquire, or Otherwise Accumulate***").

c. At least twenty (20) calendar days prior to effectuating any transfer of Common Stock (including options to acquire Common Stock) or Convertible Preferred Stock that would result in a decrease in the amount of Common Stock or Convertible Preferred Stock beneficially owned by a Substantial Shareholder, or would result in a person or entity ceasing to be a Substantial Shareholder, such Substantial Shareholder, person or entity must file with the Court, and serve upon the Debtors and counsel for the Debtors, an advance written notice of the intended transfer of Common Stock or Convertible Preferred Stock, in substantially the form attached to the NOL Motion as Exhibit E (each a "***Notice of Intent to Sell, Trade, or Otherwise Transfer***" and, collectively with each Notice of Intent to Purchase, Acquire, or Otherwise Accumulate, a "***Notice of Proposed Transfer***").

d. The Debtors shall have fifteen (15) calendar days after receipt of a Notice of Proposed Transfer, and after consultation with the Ad Hoc Group of Crossover Lenders, to file with the Court and serve upon such Substantial Shareholder, person or entity an objection to any proposed transfer of Common Stock or Convertible Preferred Stock described in the Notice of Proposed Transfer on the grounds that such transfer might adversely affect the Debtors' ability to utilize their Tax Attributes. If the Debtors file an objection, such transfer would not be effective unless approved by a final and non-appealable order of the Court. If the Debtors do not object within such 30-day period, such transfer shall be permitted to proceed solely as set forth in the Notice of Proposed Transfer. Further transfers within the scope of this paragraph (d) shall be the subject of additional notices as set forth herein, with additional 30-day waiting periods.

e. For purposes of these procedures: (i) a "***Substantial Shareholder***" is any

[73] For purposes of this Motion, a "***transfer***" includes any conversion of shares of Convertible Preferred Stock into shares of Common Stock.

person or entity that beneficially owns in excess of: (A) 4,018,926 shares of Common Stock (representing approximately 4.75%[74] of all issued and outstanding shares of Common Stock); or (B) 14,247 shares of Convertible Preferred Stock (representing approximately 4.75% of all issued and outstanding shares of Convertible Preferred Stock),[75] (ii) "***beneficial ownership***" of equity interests means beneficial ownership for U.S. federal income tax purposes as determined in accordance with applicable rules under Section 382, Treasury Regulations promulgated thereunder and rulings issued by the Internal Revenue Service, and thus, to the extent provided therein, from time to time shall include, without limitation, (A) direct and indirect, actual and constructive, beneficial ownership (for example, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), (B) ownership by such holder's family members and other related persons and persons acting in concert with such holder to make a coordinated acquisition of stock, and (C) ownership of shares which such holder has an option to acquire, and (iii) an "***option***" to acquire stock includes any option, contingent purchase, warrant, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

f. Effective as of the Petition Date and until further order of the Court to the contrary, any purchase, sale, or other transfer of beneficial ownership of Common Stock, including options to acquire Common Stock, or Convertible Preferred Stock in violation of the procedures set forth herein shall be null and void *ab initio* as an act in violation of the automatic stay under Bankruptcy Code Sections 362 and 105(a).

342. The Debtors also request that the Court enter an order establishing similar notice and hearing procedures restricting the ability of shareholders that beneficially own or have beneficially owned 50% or more, by value, of Common Stock or Convertible Preferred Stock to

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[74] In general, under Section 382(g)(4)(A) of the Tax Code, all shareholders who, individually, beneficially own less than 5% of the stock of a corporation are deemed to be a single 5-percent shareholder throughout the Testing Period, and transfers between such shareholders are disregarded for purposes of determining whether an ownership change has occurred (the "***public group rule***"). Thus, so long as 50% or more of the stock of such corporation is beneficially owned by less than 5-percent shareholders throughout the Testing Period, there generally will be no change of ownership due to the public group rule. Accordingly, the Debtors do not seek to impose the notice and hearing procedures on transfers by shareholders beneficially owning less than 4.75% of Common Stock or Convertible Preferred Stock; *provided, however*, that such shareholders do not intend to accumulate a 4.75% or greater block of such stock or add or sell shares to or from such a block. Using 4.75% instead of 5% to calculate the threshold amount allows for a prudent margin of error.

[75] Based on approximately 84,608,976 shares of Common Stock or 299,950 shares of Convertible Preferred Stock outstanding as of the Petition Date.

take worthless stock deductions on their income tax returns for a tax year ending before the Debtors' emergence from chapter 11 protection. I am advised that under Section 382(g)(4)(D) of the Tax Code, any stock held by such a shareholder would be treated as being transferred if such shareholder takes a worthlessness deduction with respect to such stock. I understand that it is therefore essential that shareholders that beneficially own or have beneficially owned 50% or more of Common Stock or Convertible Preferred Stock defer taking such worthlessness deductions until a tax year ending after the Debtors have emerged from bankruptcy.

343. By restricting 50-percent Shareholders from taking worthless stock deductions for any tax year ending prior to the Debtors' emergence from chapter 11 protection, the Debtors can preserve their ability to seek substantive relief at the appropriate time. Accordingly, the Debtors request that the Court enter an order establishing the following procedures (the "***Worthless Stock Deduction Procedures***"):

(a) Any person or entity that currently is or becomes a 50-percent Shareholder (as such term is defined in paragraph (d) below) must file with the Court, and serve upon (i) the Debtors and counsel for the Debtors and (ii) counsel to the Ad Hoc Group of Crossover Lenders, a notice of such status, in substantially the form attached to the NOL Motion as Exhibit F, on or before the later of (i) twenty (20) calendar days after entry of the Proposed Interim Order or (ii) ten (10) days after becoming a 50-percent Shareholder.

(b) At least twenty (20) calendar days prior to filing any income tax return, or any amendment to such a return, taking any worthlessness deduction with respect to Common Stock or Convertible Preferred Stock for a tax year ending before the Debtors' emergence from chapter 11 protection, such 50-percent Shareholder must file with the Court, and serve upon the Debtors and counsel for the Debtors, an advance written notice of the intended worthlessness deduction, in substantially the form attached to the NOL Motion as Exhibit G (each a "***Notice of Intent to Take a Worthless Stock Deduction***").

(c) The Debtors shall have fifteen (15) calendar days after receipt of a Notice of Intent to Take a Worthless Stock Deduction, and after consultation with the Ad Hoc Group of Crossover Lenders, to file with the Court and serve upon such 50-percent Shareholder an objection to any proposed worthlessness deduction described in the Notice of Intent to Take a

Worthless Stock Deduction on the grounds that such deduction might adversely affect the Debtors' ability to utilize their Tax Attributes. If the Debtors file an objection, the filing of the income tax return with such deduction would not be permitted or effective unless approved by a final and non-appealable order of the Court. If the Debtors do not object within such 30-day period, the filing of the income tax return with such deduction shall be permitted as set forth in the Notice of Intent to Take a Worthless Stock Deduction. Additional income tax returns within the scope of this paragraph (c) shall be the subject of additional notices as set forth herein, with additional 30-day waiting periods.

(d) For purposes of these procedures: (i) a "***50-percent Shareholder***" is any person or entity that at any time during the three-year period ending on the Petition Date has had beneficial ownership of 50% or more of Common Stock or Convertible Preferred Stock or is otherwise considered a 50-percent shareholder of GNC within the meaning of Section 382(g)(4)(D) of the Tax Code,[76] (ii) "***beneficial ownership***" of equity interests means beneficial ownership for U.S. federal income tax purposes as determined in accordance with applicable rules under Section 382, Treasury Regulations promulgated thereunder and rulings issued by the Internal Revenue Service, and thus, to the extent provided therein, from time to time shall include, without limitation, (A) direct and indirect, actual and constructive, beneficial ownership (for example, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), (B) ownership by such holder's family members and other related persons and persons acting in concert with such holder to make a coordinated acquisition of stock, and (C) ownership of shares which such holder has an option to acquire, and (iii) an "***option***" to acquire stock includes any option, contingent purchase, warrant, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

(e) In the event that a 50-percent Shareholder takes a worthlessness deduction with respect to Common Stock or Convertible Preferred Stock in violation of the procedures set forth herein, such worthlessness deduction shall be null and void *ab initio* as an act in violation of the automatic stay under Bankruptcy Code Sections 362 and 105(a), and such 50-percent Shareholder shall be required to file an amended income tax return, as applicable, revoking such worthlessness deduction.

[76] Beneficial ownership of 50% or more of (i) Common Stock currently is equivalent to owning approximately 42,304,488 or more shares based on 84,608,976 shares of Common Stock outstanding as of the Petition Date or (ii) Convertible Preferred Stock currently is equivalent to approximately 149,975 or more shares based on 299,950 shares of Convertible Preferred Stock outstanding as of the Petition Date.

344. I believe that the Court's authorization of the relief sought in the NOL Motion will provide a material benefit to the Debtors' estates.

Conclusion

345. The Debtors' ultimate goal in these Chapter 11 Cases is the maximization of estate value through a sale or plan process contemplating a comprehensive restructuring of their capital structure and their operations. In the near term, however, to minimize any loss of value of their businesses during these Chapter 11 Cases, the Debtors' immediate objective is to maintain a business-as-usual atmosphere during the early stages of these Chapter 11 Cases, with as little interruption or disruption to the Debtors' operations as possible. I believe that if the Court grants the relief requested in each of the First Day Pleadings, the prospect for achieving these objectives and confirmation of a Chapter 11 plan will be substantially enhanced.

346. I hereby certify that the foregoing statements are true and correct to the best of my knowledge, information, and belief, and respectfully request that all of the relief requested in the First Day Pleadings be granted, together with such other and further relief as is just.

[*Remainder of page intentionally left blank.*]

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 24th day of June 2020.

Dated: June 24, 2020
Pittsburgh, Pennsylvania

/s/ Tricia Tolivar
Tricia Tolivar
Executive Vice President, Chief Financial Officer
GNC HOLDINGS, INC.

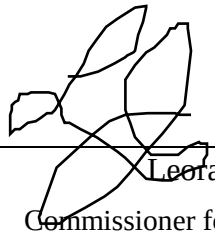
THIS IS **EXHIBIT "B"** REFERRED TO IN THE

AFFIDAVIT OF MICHAEL NOEL**,**

AFFIRMED REMOTELY BY MICHAEL NOEL

BEFORE ME *BY VIDEO CONFERENCE*, THIS 27th

DAY OF OCTOBER, 2020.



Leora Jackson

Commissioner for Taking Affidavits

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
GNC HOLDINGS, INC., *et al.*,	)	Case No. 20-11662 (KBO)
Debtors.[1]	)	(Jointly Administered)
	)	**Hearing Date: November 5, 2020 at 3:00 p.m. (ET)** **Objection Deadline: Oct. 27, 2020 at 4:00 p.m. (ET)**

DEBTORS' FORTY-FIRST (41ST)
OMNIBUS MOTION FOR ENTRY OF AN ORDER
(A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES
EFFECTIVE AS OF OCTOBER 13, 2020 AND (B) GRANTING RELATED RELIEF

PARTIES RECEIVING THIS MOTION SHOULD LOCATE THEIR NAMES AND THEIR LEASE LISTED ON SCHEDULE 1 TO THE PROPOSED ORDER ATTACHED HERETO AS EXHIBIT A.

The debtors and debtors in possession in the above-captioned cases (collectively, the "***Debtors***") hereby move (this "***Motion***") and respectfully state as follows:

RELIEF REQUESTED

1. By this Motion, the Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the "***Proposed Order***"): (a) authorizing the rejection of certain unexpired leases or occupancy agreements of nonresidential real property, including any guaranties, amendments or modifications thereof (each, a "***Rejection Lease***," and collectively, the

[1] The debtors in these Chapter 11 Cases, along with the last four digits of each debtor's United States federal tax identification number, if applicable, or other applicable identification number, are: GNC Holdings, Inc. (6244); GNC Parent LLC (7572); GNC Corporation (5170); General Nutrition Centers, Inc. (5168); General Nutrition Corporation (4574); General Nutrition Investment Company (3878); Lucky Oldco Corporation (7141); GNC Funding, Inc. (7837); GNC International Holdings, Inc. (9873); GNC China Holdco, LLC (0004); GNC Headquarters LLC (7550); Gustine Sixth Avenue Associates, Ltd. (0731); GNC Canada Holdings, Inc. (3879); General Nutrition Centres Company (0939); GNC Government Services, LLC (2295); GNC Puerto Rico Holdings, Inc. (4559); and GNC Puerto Rico, LLC (7234). The debtors' mailing address is 300 Sixth Avenue, Pittsburgh, Pennsylvania 15222.

"***Rejection Leases***"), a list of which is annexed as **Schedule 1** to **Exhibit A**, effective as of October 13, 2020 (the "***Rejection Date***"), and (b) authorizing the Debtors to abandon the personal property located at the premises related to the Rejection Leases (collectively, the "***Premises***") as of the Rejection Date.

JURISDICTION

2. This Court has jurisdiction to consider this Motion under 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 as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b), and, under Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "***Local Rules***"), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue of these cases and this Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicates for the relief requested herein are sections 105(a), 365(a) and 554(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "***Bankruptcy Code***"), and Rules 6006 and 6007 of the Federal Rules of Bankruptcy Procedure (the "***Bankruptcy Rules***").

BACKGROUND

3. On June 23, 2020 (the "***Petition Date***"), the Debtors filed voluntary petitions in this Court commencing cases (the "***Chapter 11 Cases***") for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "***Bankruptcy Code***"). The Debtors continue to manage and operate their businesses as debtors in possession under sections 1107 and 1108 of the Bankruptcy Code.

4. On June 24, 2020, the Debtors commenced an ancillary proceeding under Part IV of the Companies' Creditors Arrangement Act (Canada) in Toronto, Ontario, Canada before the Ontario Superior Court of Justice (Commercial List).

5. On July 7, 2020, the Office of the United States Trustee for the District of Delaware (the "***U.S. Trustee***") appointed an official committee of unsecured creditors (the "***Creditors' Committee***").

6. On October 7, 2020, the Debtors closed the sale of substantially all of the Debtors' assets as contemplated by that certain *Order (I) Authorizing and Approving (A) the Sale of Substantially All of the Debtors' Assets Free and Clear of all Liens, Claims, and Encumbrances and (B) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection Therewith, and (II) Granting Related Relief* [Docket No. 1202] (the "***Sale Order***").

7. The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of these Chapter 11 Cases, is set forth in detail in the *Declaration of Tricia Tolivar, Chief Financial Officer of GNC Holdings, Inc. in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 21] (the "***First Day Declaration***").[2]

MOTION SPECIFIC BACKGROUND

I. THE REJECTION LEASES

8. As of the Petition Date, the Debtors were parties to approximately 3,616 real property leases in the United States, Canada and Puerto Rico, 772 of which were subleased to 330 franchisees. As part of their ongoing restructuring efforts, the Debtors are engaging in a

[2] The First Day Declaration and other relevant case information is available from (a) the Court's website, www.deb.uscourts.gov, and (b) the website maintained by the Debtors' claims and noticing agent, Prime Clerk LLC, at https://cases.primeclerk.com/GNC.

comprehensive review and analysis of their lease portfolio. Since the commencement of these proceedings, the Debtors have rejected hundreds of leases, subleases, and franchise agreements. After careful evaluation, the Debtors vacated 36 additional stores no later than the Rejection Date and surrendered the subject premises to the applicable landlords as of such time (the "***Rejection Stores***"). As such, the Debtors have determined, in the exercise of their business judgment, that it is in the best interests of their estates to seek authority to reject the Rejection Leases associated with the Rejection Stores as of the Rejection Date. Rejecting the Rejection Leases will allow the Debtors to avoid the accrual of unnecessary administrative expenses with no foreseeable benefits to the Debtors' estates. Moreover, given the obligations under the Rejection Leases and current market conditions, the Debtors have concluded, in consultation with their advisors, that the Rejection Leases are not marketable and are unlikely to generate material value for the Debtors' estates, or that the Rejection Leases will not be economically viable going forward without meaningful rent or other concessions that the Debtors have been unable to obtain. Finally, Harbin Pharmaceutical Group Holding Co., Ltd. (the "***Buyer***") has not elected to take assignment of the Rejection Leases, as otherwise contemplated by the Sale Order.

9. No later than October 12, 2020, the Debtors sent letters to each landlord counterparty (the "***Landlords***") to the Rejection Leases, which were delivered no later than the Rejection Date, notifying them that the Debtors were unequivocally surrendering possession of the Premises and abandoning any Debtor-owned personal property in conjunction therewith as of such time.[3]

[3] In addition, consistent with Canadian law and practice, the applicable landlords party to Rejection Leases for Canadian stores sought to be rejected by the Debtors pursuant to this Motion were provided with thirty days' notice of such rejections and received rent payments during such period.

II. REMAINING PROPERTY

10. Certain Rejection Stores contain property that belongs to the Debtors, including, but not limited to, inventory, books and records, equipment, fixtures, furniture and other personal property (the "***Remaining Property***"). Before the Debtors vacated the Premises, the Debtors evaluated the Remaining Property located at the Premises and determined that (a) the Remaining Property is of inconsequential value or (b) the cost of removing and storing the Remaining Property for future use, marketing, or sale exceeded its value to the Debtors' estates. Because the Debtors have no intent to operate the stores at the Premises, the Remaining Property will no longer be necessary for the administration of the Debtors' estates.

11. Accordingly, to reduce administrative costs and in the exercise of the Debtors' sound business judgment, the Debtors believe that the abandonment of the Remaining Property is appropriate and in the best interests of the Debtors, their estates, and their creditors.

BASIS FOR RELIEF

I. REJECTION OF THE REJECTION LEASES REFLECTS THE DEBTORS' SOUND BUSINESS JUDGMENT.

12. Section 365(a) of the Bankruptcy Code provides that a debtor, "subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a). The purpose behind section 365(a) is "to permit the trustee or debtor-in-possession to use valuable property of the estate and to renounce title to and abandon burdensome property." *In re Republic Airways Holdings Inc.,* 547 B.R. 578, 582 (Bankr. S.D.N.Y. 2016) (quoting *In re Orion Pictures Corp. v. Showtime Networks, Inc.* (*In re Orion Pictures Corp.*), 4 F.3d 1095, 1098 (2d Cir. 1993)); *see also In re Exide Techs.,* 607 F.3d 957, 967 (3d Cir. 2010) ("Courts may use § 365 to free a [debtor] from burdensome duties that hinder its reorganization."); *N.L.R.B. v. Bildisco and Bildisco* (*In re Bildisco*), 465 U.S. 513, 528 (1984) ("[t]he authority to

reject an executory contract is vital to the basic purpose to a Chapter 11 reorganization, because rejection can release the debtor's estate from burdensome obligations that can impede a successful reorganization."). Pursuant to Bankruptcy Rule 6006(f), a trustee or debtor in possession may file a motion for the authority to reject multiple leases. Fed. R. Bankr. P. 6006(f).

13. The standard applied by courts to determine whether the assumption or rejection of an unexpired nonresidential lease should be authorized is the "business judgment" test, which requires a debtor to have determined that the requested assumption or rejection would be beneficial to its estate. *See Grp. Of Institutional Inv'rs v. Chi., Milwaukee St. Paul & Pac. R.R.,* 318 U.S. 523, 550 (1943) (noting that "the question whether a lease should be rejected…is one of business judgment"); *In re Bildisco,* 682 F.2d 72, 79 (3d Cir. 1982), *aff'd,* 465 U.S. 513 ("The usual test for rejection of an executory contract is simply whether rejection would benefit the estate, the 'business judgment' test."); *accord In re HQ Glob. Holdings, Inc.,* 290 B.R. 507, 511 (Bankr. D. Del. 2003).

14. In applying the business judgment standard, bankruptcy courts give deference to a debtor's decision to assume or reject leases. *See, e.g., Sharon Steel Corp. v. Nat'l Fuel Gas Distrib. Corp.,* 872 F.2d 36, 39-40 (3d Cir. 1989) (affirming the rejection of a service agreement as a sound exercise of the debtor's business judgment when the bankruptcy court found that such rejection would benefit the debtors' estate); *In re Trans World Airlines, Inc.,* 261 B.R. 103, 121 (Bankr. D. Del. 2001) ("[A] debtor's decision to reject an executory contract must be summarily affirmed unless it is the product of bad faith, or whim, or caprice.").

15. Rejection of the Rejection Leases is well within the Debtors' business judgment and will serve to maximize the value of their estates. The Debtors seek authority to reject the Rejection Leases to avoid the incurrence of any additional unnecessary expenses related to the

Rejection Leases and the maintenance of the Rejection Stores which have not been selected by the Buyer for go-forward operations.

16. After evaluation and analysis, the Debtors have determined, in the exercise of their sound business judgment, that there is no net benefit that is likely to be realized from the Debtors' continued efforts to retain and potentially market the Rejection Leases and that there is little, if any, likelihood that the Debtors will be able to realize value from the Rejection Leases. Accordingly, the Debtors have concluded that rejection of the Rejection Leases is in the best interest of the Debtors' estates, their creditors, and other parties in interest.

II. THE COURT SHOULD DEEM THE REJECTION LEASES REJECTED EFFECTIVE AS OF THE REJECTION DATE AND AUTHORIZE THE DEBTORS TO ABANDON THE REMAINING PROPERTY.

17. Section 365 of the Bankruptcy Code does not restrict a bankruptcy court from applying rejection retroactively. *See In re Jamesway Corp.*, 179 B.R. 33, 37 (S.D.N.Y. 1995) (stating that section 365 does not include "restrictions as to the manner in which the court can approve rejection"); *see also In re CCI Wireless, LLC*, 297 B.R. 133, 138 (D. Colo. 2003) (noting that section 365 "does not prohibit the bankruptcy court from allowing the rejection of leases to apply retroactively").

18. Courts have held that a bankruptcy court may, in its discretion, authorize rejection retroactively to a date prior to entry of an order authorizing such rejection where the balance of equities favors such relief. *See In re Thinking Machs. Corp.*, 67 F.3d 1021, 1029 (1st Cir. 1995) (stating that "rejection under section 365(a) does not take effect until judicial approval is secured, but the approving court has the equitable power, in suitable cases, to order a rejection to operate retroactively"); *In re Chi-Chi's, Inc.*, 305 B.R. 396, 399 (Bankr. D. Del. 2004) (stating "the court's power to grant retroactive relief is derived from the bankruptcy court's equitable powers so long as it promotes the purposes of § 365(a)"); *In re CCI Wireless, LLC*, 297 B.R. at 140 (holding that

a "court has authority under section 365(d)(3) to set the effective date of rejection at least as early as the filing date of the motion to reject").

19. Here, the equities of these Chapter 11 Cases favor the Court's approval of the retroactive rejection of the Rejection Leases to the Rejection Date. Without such relief, the Debtors will potentially incur unnecessary administrative expenses related to the Rejection Leases—agreements that provide no benefit to the Debtors' estates. *See* 11 U.S.C. § 365(d)(3).

20. Moreover, the Landlords will not be unduly prejudiced if the Rejection Leases are rejected effective as of the Rejection Date because the Debtors have served this Motion on the Landlords and/or their agents or representatives by electronic mail and/or facsimile, on the date hereof, and by overnight mail, the following day, stating that the Debtors intend to reject the Rejection Leases effective as of the Rejection Date. Furthermore, the Debtors have, on or before the date hereof, turned over the keys to the Premises to the Landlords or their representatives and abandoned the Premises, and in conjunction therewith indicated that they were unequivocally surrendering possession of the Premises as a result thereof. Therefore, based on the Debtors' desire to eliminate the potential for administrative claims against their estates, and to avoid the potential accrual of any further obligations under the Rejection Leases, the Debtors respectfully submit that the retroactive rejection of the Rejection Leases as of the Rejection Date is appropriate.

21. Further, the abandonment of the Remaining Property is appropriate and authorized by the Bankruptcy Code. *See* 11 U.S.C. § 554(a). Section 554(a) provides that "[a]fter notice and a hearing, the trustee may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate." *Id.* Courts generally give a debtor in possession great deference to its decision to abandon property. *See In re Vel Rey Props., Inc.*, 174 B.R. 859, 867 (Bankr. D.D.C. 1994) ("Clearly, the court should give deference to the trustee's

judgment in such matters."). Unless certain property is harmful to the public, once a debtor has shown that it is burdensome or of inconsequential value to the estate, a court should approve the abandonment. *Id.*

22. Before deciding to abandon any Remaining Property, the Debtors determined that the costs of moving and storing such Remaining Property outweighed any benefit to the Debtors' estates. Further, any efforts by the Debtors to move or market the Remaining Property would have unnecessarily delayed the Debtors' rejection of the Rejection Leases.

23. Accordingly, the Debtors respectfully submit that the Court deem the Rejection Leases rejected effective as of the Rejection Date and authorize the Debtors to abandon the Remaining Property as of such date.

RESERVATION OF RIGHTS

24. Nothing in this Motion shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion; (e) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (f) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law.

NOTICE

25. Notice of this Motion will be given to: (a) the United States Trustee for the District of Delaware; (b) counsel to the Creditors' Committee; (c) counsel to the agent for the Debtors' DIP Term Facility; (d) counsel to the agent for the Debtors' DIP ABL FILO Facility; (e) counsel to the Ad Hoc Group of Crossover Lenders; (f) counsel to the Ad Hoc FILO Term Lender Group;

(g) counsel to the agent under the Debtors' secured term and asset-based financing facilities; (h) the indenture trustee for the Debtors' prepetition convertible notes; (i) the United States Attorney's Office for the District of Delaware; (j) the attorneys general for all 50 states and the District of Columbia; (k) the United States Department of Justice; (l) the Internal Revenue Service; (m) the Securities and Exchange Commission; (n) the United States Drug Enforcement Agency; (o) the United States Food and Drug Administration; (p) the Landlords (via overnight mail) and (q) all parties requesting notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, under the circumstances, no other or further notice is required.

[*Remainder of page intentionally left blank.*]

WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order, granting the relief requested in this Motion and such other relief as may be just and proper.

Dated: October 13, 2020
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

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Counsel for Debtors and Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
GNC HOLDINGS, INC., *et al.*,	Case No. 20-11662 (KBO)
Debtors.[1]	(Jointly Administered)
	Hearing Date: November 5, 2020 at 3:00 p.m. (ET) **Objection Deadline: Oct. 27, 2020 at 4:00 p.m. (ET)**

NOTICE OF MOTION

TO: (A) THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE; (B) COUNSEL TO THE CREDITORS' COMMITTEE; (C) COUNSEL TO THE AGENT FOR THE DEBTORS' DIP TERM FACILITY; (D) COUNSEL TO THE AGENT FOR THE DEBTORS' DIP ABL FILO FACILITY; (E) COUNSEL TO THE AD HOC GROUP OF CROSSOVER LENDERS; (F) COUNSEL TO THE AD HOC FILO TERM LENDER GROUP; (G) COUNSEL TO THE AGENT UNDER THE DEBTORS' SECURED TERM AND ASSET-BASED FINANCING FACILITIES; (H) THE INDENTURE TRUSTEE FOR THE DEBTORS' PREPETITION CONVERTIBLE NOTES; (I) THE UNITED STATES ATTORNEY'S OFFICE FOR THE DISTRICT OF DELAWARE; (J) THE ATTORNEYS GENERAL FOR ALL 50 STATES AND THE DISTRICT OF COLUMBIA; (K) THE UNITED STATES DEPARTMENT OF JUSTICE; (L) THE INTERNAL REVENUE SERVICE; (M) THE SECURITIES AND EXCHANGE COMMISSION; (N) THE UNITED STATES DRUG ENFORCEMENT AGENCY; (O) THE UNITED STATES FOOD AND DRUG ADMINISTRATION; (P) THE LANDLORDS (VIA OVERNIGHT MAIL); AND (Q) ALL PARTIES REQUESTING NOTICE PURSUANT TO BANKRUPTCY RULE 2002

PLEASE TAKE NOTICE that the debtors in possession in the above-captioned cases (collectively, the "***Debtors***") have filed the attached *Debtors' Forty-First (41st) Omnibus Motion for Entry of an Order (A) Authorizing Rejection of Certain Unexpired Leases Effective as of October 13, 2020 and (B) Granting Related Relief* (the "***Motion***").

[1] The debtors in these Chapter 11 Cases, along with the last four digits of each debtor's United States federal tax identification number, if applicable, or other applicable identification number, are: GNC Holdings, Inc. (6244); GNC Parent LLC (7572); GNC Corporation (5170); General Nutrition Centers, Inc. (5168); General Nutrition Corporation (4574); General Nutrition Investment Company (3878); Lucky Oldco Corporation (7141); GNC Funding, Inc. (7837); GNC International Holdings, Inc. (9873); GNC China Holdco, LLC (0004); GNC Headquarters LLC (7550); Gustine Sixth Avenue Associates, Ltd. (0731); GNC Canada Holdings, Inc. (3879); General Nutrition Centres Company (0939); GNC Government Services, LLC (2295); GNC Puerto Rico Holdings, Inc. (4559); and GNC Puerto Rico, LLC (7234). The debtors' mailing address is 300 Sixth Avenue, Pittsburgh, Pennsylvania 15222.

PLEASE TAKE FURTHER NOTICE that any objections to the relief requested in the Motion must be filed on or before **October 27, 2020 at 4:00 p.m. (ET)** (the "***Objection Deadline***") with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time, you must serve a copy of the objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE MOTION WILL BE HELD ON **NOVEMBER 5, 2020 AT 3:00 P.M. (ET)** BEFORE THE HONORABLE KAREN B. OWENS, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, 6TH FLOOR, COURTROOM NO. 3, WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT, IF NO OBJECTIONS OR RESPONSES TO THE MOTION ARE TIMELY FILED, SERVED, AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED THEREIN WITHOUT FURTHER NOTICE OR A HEARING.

[*Signature Page Follows*]

Dated: October 13, 2020
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

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Counsel for Debtors and Debtors in Possession

EXHIBIT A

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
GNC HOLDINGS, INC., *et al.*,	)	Case No. 20-11662 (KBO)
Debtors.[1]	)	(Jointly Administered)
	)	**Docket Ref. No. ___**

FORTY-FIRST (41ST) OMNIBUS ORDER (A) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES EFFECTIVE AS OF OCTOBER 13, 2020 AND (B) GRANTING RELATED RELIEF

Upon the motion (the "***Motion***")[2] of the Debtors for an order (this "***Order***"), (a) authorizing the Debtors to reject certain unexpired leases or occupancy agreements of nonresidential real property (each, a "***Rejection Lease***," and collectively, the "***Rejection Leases***"), a list of which is annexed as **Schedule 1** hereto, effective as of October 13, 2020 (the "***Rejection Date***"); and (b) authorizing the Debtors to abandon the Remaining Property located at the Premises as of the Rejection Date; and this Court having reviewed the Motion; and this Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and this Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order*

[1] The debtors in these Chapter 11 Cases, along with the last four digits of each debtor's United States federal tax identification number, if applicable, or other applicable identification number, are: GNC Holdings, Inc. (6244); GNC Parent LLC (7572); GNC Corporation (5170); General Nutrition Centers, Inc. (5168); General Nutrition Corporation (4574); General Nutrition Investment Company (3878); Lucky Oldco Corporation (7141); GNC Funding, Inc. (7837); GNC International Holdings, Inc. (9873); GNC China Holdco, LLC (0004); GNC Headquarters LLC (7550); Gustine Sixth Avenue Associates, Ltd. (0731); GNC Canada Holdings, Inc. (3879); General Nutrition Centres Company (0939); GNC Government Services, LLC (2295); GNC Puerto Rico Holdings, Inc. (4559); and GNC Puerto Rico, LLC (7234). The debtors' mailing address is 300 Sixth Avenue, Pittsburgh, Pennsylvania 15222.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

of Reference from the United States District Court for the District of Delaware dated as of February 29, 2012; and consideration of the Motion and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b)(2); and this Court having authority to enter a final order consistent with Article III of the United States Constitution; and venue being proper before this Court under 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon all of the proceedings before this Court; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED as set forth herein.

2. Pursuant to sections 105(a) and 365 of the Bankruptcy Code, and Bankruptcy Rule 6006, the Rejection Leases identified in **Schedule 1** attached hereto, to the extent not already terminated in accordance with their applicable terms or upon agreement of the parties, are hereby rejected effective as of the Rejection Date.[3]

3. The Debtors are authorized, but not directed, to abandon the Remaining Property that is owned by the Debtors and located on the Premises. Any furniture, fixtures, and equipment, or other personal property remaining on the Premises as of the Rejection Date is deemed abandoned effective as of the Rejection Date without further order of this Court, free and clear of all liens, claims, interests, or other encumbrances. The Landlords to each Rejection Lease are authorized to use or dispose of any such property in their sole discretion, without notice or liability to the Debtors or any third party and without further notice or order of this Court and, to the extent

[3] For the avoidance of doubt, the rejection of a lease is deemed effective no earlier than the Debtors' unequivocal surrender of the leased premises via the delivery of the keys, key codes, and alarm codes to the premises, as applicable, to the applicable Landlord, or, if not by delivering such keys and codes, then by providing notice that the Landlord may re-let the premises.

applicable, the automatic stay is modified to allow such disposition. The Debtors shall have removed from the Premises any property leased by the Debtors from third parties on or prior to the Rejection Date.

4. Nothing in this Order authorizes the Debtors to abandon personal identifying information (which means information which alone or in conjunction with other information identifies an individual, including but not limited to an individual's first name (or initial) and last name, physical address, electronic address, telephone number, social security number, date of birth, government-issued identification number, account number and credit or debit card number) (the "***PII***") of any customers. Nothing in this Order relieves the Debtors' of their obligation to comply with state or federal privacy and/or identity theft prevention laws and rules with respect to PII. Prior to abandonment of any Remaining Property, the Debtors shall remove or cause to be removed any confidential and/or PII in any of the Debtors' hardware, software, computers, cash registers, or similar equipment which are to be abandoned or otherwise disposed of so as to render the PII unreadable or undecipherable.

5. Any proofs of claim for damages in connection with the rejection of the Rejection Leases, if any, shall be filed no later than thirty (30) days after entry of this Order.

6. Nothing in the Motion or this Order, shall be construed as: (i) an admission as to the validity of any claim against any Debtor or the existence of any lien against the Debtors' properties; (ii) a waiver of the Debtors' rights to Dispute any claim or lien on any grounds; (iii) a promise to pay any claim; or (iv) an implication or admission that any particular claim would constitute an allowed claim. Nothing contained in this Order shall be deemed to increase, decrease, reclassify, elevate to an administrative expense status, or otherwise affect any claim to the extent it is not paid.

7. The requirements set forth in Bankruptcy Rules 6006 and 6007 are satisfied.

8. The Debtors are authorized and empowered to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

9. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and/or interpretation of this Order.

Schedule 1

	Store No.	Counterparty Landlord and Address	Debtor Counterparty	Leased Location
1)	000165	16111 JAMAICA AVENUE, LLC DAVID MALANGA 107 E 88TH ST NEW YORK , NY 10128	GENERAL NUTRITION CORPORATION	161-11 JAMAICA AVENUE QUEENS, NY
2)	004170	1713896 ALBERTA LTD 10180-111 STEET EDMONTON, AB T5K 1K6	GENERAL NUTRITION CENTRES COMPANY	ERIN RIDGE POWER CENTRE 935 ST.ALBERT TRAIL ST ALBERT, AB CANADA
3)	004503	6914888 CANADA INC. 1001 RUE DU SQUARE-VICTORIA QUEBEC, QB H2Z 2B5	GENERAL NUTRITION CENTRES COMPANY	DEERFOOT MEADOWS 840-8180 11TH STREET SE CALGARY, AB CANADA
4)	004072	BENTALLGREENOAK (CANADA) LIMITED PARNERSHIP DRIFTWOOD MALL ADMIN OFFICE 2751 CLIFFE AVENUE COURTENAY, BC V9N 2L8	GENERAL NUTRITION CENTRES COMPANY	DRIFTWOOD MALL 2751 CLIFFE AVE COURTENAY, BC CANADA
5)	004263	BENTALLGREENOAK (CANADA) LP ITF WHITE OAKS MALL HOLDING LTD 1105 WELLINGTON ROAD LONDON, ON N6E 1V4	GENERAL NUTRITION CENTRES COMPANY	WHITE OAKS MALL 1105 WELLINGTON RD LONDON, ON CANADA
6)	003428	BOHANNON DEVELOPMENT COMPANY LARRY IVICH SIXTY 31ST AVENUE SAN MATEO, CA 944033404	GENERAL NUTRITION CORPORATION	HILLSDALE MALL 393 HILLSDALE MALL SAN MATEO, CA
7)	004090	CALLOWAY REAL ESTATE INVESTMENT TRUST INC. 700 APPLEWOOD CRES VAUGHAN, ON L4K 5X3	GENERAL NUTRITION CENTRES COMPANY	ARGYLE MALL 332 CLARKE ROAD LONDON, ON CANADA
8)	004206	CALLOWAY REIT (ST. THOMAS) INC. 700 APPLEWOOD CRES VAUGHAN, ON L4K 5X3	GENERAL NUTRITION CENTRES COMPANY	SMARTCENTRES ST. THOMAS 1063 TALBOT STREET ST. THOMAS, ON CANADA

	Store No.	Counterparty Landlord and Address	Debtor Counterparty	Leased Location
9)	004180	CAMERON DEVELOPMENT MANAGEMENT 10180-111 STREET EDMONTON, AB T5K 1K6	GENERAL NUTRITION CENTRES COMPANY	MANNING TOWN CENTRE 15733 37 STREET EDMONTON, AB CANADA
10)	004181	CF REALTY HOLDINGS INC SHOPS AT DON MILLS 7 MAGINN MEWS TORONTO, ON M3C 0G8	GENERAL NUTRITION CENTRES COMPANY	SHOPS AT DON MILLS 1090 DON MILLS RD TORONTO, ON CANADA
11)	004066	CORNWALL CENTRE INC.202-2114 11TH AVE REGINA, SK S4P0J5	GENERAL NUTRITION CENTRES COMPANY	CORNWALL MALL2102-11TH AVEREGINA, SKCANADA
12)	000748	DALY CITY SERRAMONTE CENTER, LLC WILL DAMRATH DALY CITY SERRAMONTE CENTER, LLC C/O REGENCY CENTERS CORPORATION ONE INDEPENDENT DRIVE SUITE 114 JACKSONVILLE , FL 32202-5019	GENERAL NUTRITION CORPORATION	SERRAMONTE CENTER 45C SERRAMONTE CENTER DALY CITY, CA
13)	004225	EUROPRO (LAMPTON MALL) LP 1380 LONDON RD ATTN: ADMINISTRATION OFFICE SARNIA, ON N7S1P8	GENERAL NUTRITION CENTRES COMPANY	LAMBTON MALL 1380 LONDON ROAD UNIT33 SARNIA, ON CANADA
14)	004086	FIRST CAPITAL BRIDGEPORT CORP 589 FAIRWAY ROAD SOUTH UNIT# 6 KITCHENER, ON N2C 1X4	GENERAL NUTRITION CENTRES COMPANY	BRIDGEPORT PLAZA 13/14-94 BRIDGEPORT RD EA WATERLOO, ON CANADA
15)	004038	FIRST RICHMOND NORTH SHOPPING CENTRES LIMITED 700 APPLEWOOD CRES VAUGHAN, ON L4K 5X3	GENERAL NUTRITION CENTRES COMPANY	SMART CENTRES CENTRAL @ G 1825-4720 MCCLELLAND ROAD RICHMOND, BC CANADA
16)	004191	HARVARD PROPERTY MANAGEMENT INC 2000-1874 SCARTH STREET YORKTON, SK S4P 4B3	GENERAL NUTRITION CENTRES COMPANY	YORK STATION 275 BROADWAY ST E YORKTON, SK CANADA
17)	004091	HERITAGE MALL LP C/O THE STERLING GROUP 1350 - 16 STREET EAST OWEN SOUND, ON N4K6N7	GENERAL NUTRITION CENTRES COMPANY	HERITAGE PLACE 1350 16TH STREET EAST OWEN SOUND, ON CANADA

	Store No.	Counterparty Landlord and Address	Debtor Counterparty	Leased Location
18)	004270	HOOPP REALTY INC 1500 FISHER ST SUITE 200 NORTH BAY, ON P1B 2H3	GENERAL NUTRITION CENTRES COMPANY	NORTHGATE SQUARE 1500 FISHER ST NORTH BAY, ON CANADA
19)	004504	IVANHOE CAMBRIDGE II INC. AND WOODGROVE HOLDINGS INC. 1001 RUE DU SQUARE-VICTORIA QUEBEC, QB H2Z 2B5	GENERAL NUTRITION CENTRES COMPANY	WOODGROVE CENTRE 6631 ISLAND HIGHWAY N NANAIMO, BC CANADA
20)	004171	MAJOR WESTON CENTRES LIMITED 700 APPLEWOOD CRES VAUGHAN, ON L4K 5X3	GENERAL NUTRITION CENTRES COMPANY	SMARTCENTRES VAUGHAN 3604 MAJOR MACKENZIE DR VAUGHAN, ON CANADA
21)	009951	MARTINSVILLE MALL, LLCDRE HANKINS 2529 VIRGINIA BEACH BLVD VIRGINIA BEACH, VA 23452	GENERAL NUTRITION CORPORATION	VILLAGES OF MARTINSVILLE240 COMMONWEALTH BLVDMARTINSVILLE, VA
22)	004067	MAYFLOWER MALL 800 GRAND LAKE ROAD SYDNEY, NS B1P 6S9	GENERAL NUTRITION CENTRES COMPANY	MAYFLOWER MALL 800 GRAND LAKE ROAD SYDNEY, NS CANADA
23)	004186	NORTH PARK SHOPPING CENTRES LIMITED 700 APPLEWOOD CRES VAUGHAN, ON L4K 5X3	GENERAL NUTRITION CENTRES COMPANY	NORTH PARK SC 1405 LAWRENCE AVE W TORONTO, ON CANADA
24)	003695	OAKRIDGE MALL LLC 2049 CENTURY PARK EAST 41ST FLOOR LOS ANGELES, CA 90067	GENERAL NUTRITION CORPORATION	WESTFIELD OAKRIDGE 925 BLOSSOM HILL SAN JOSE, CA
25)	004048	OPB REALTY INC. 7001MUMFORD RD HALIFAX PLACE SUITE 203 HALIFAX, NS B3L 4R3	GENERAL NUTRITION CENTRES COMPANY	HALIFAX SHOPPING CENTER 7001 MUMFORD ROAD HALIFAX, NS CANADA

	Store No.	Counterparty Landlord and Address	Debtor Counterparty	Leased Location
26)	004039	OPB REALTY, INC. UNIT 86-1225 ST MARY'S ROAD WINNIPEG, MB R2M 5E5	GENERAL NUTRITION CENTRES COMPANY	ST. VITAL CENTER 130-1225 ST MARY'S RD WINNEPEG, MB CANADA
27)	004189	REVENUE PROPERTIES COMPANY LIMITED C/O MORGUARD INVESTMENTS 6464 YOUNGE STREET SUITE 232 BRAMPTON, ON M2M 3X4	GENERAL NUTRITION CENTRES COMPANY	CENTERPOINT MALL 6464 YOUNGE ST NORTH YORK, ON CANADA
28)	004187	RIOCAN MANAGEMENT INC., AS AGENT FOR RIOCAN HOLDINGS (TJV) INC. AND 1633272 ALBERTA ULC MELISSA PROSKY C/O RIOCAN MANAGEMENT INC 8555 CAMPEAU DR, SUITE 400 OTTAWA , ON K2T 0K5	GENERAL NUTRITION CENTRES COMPANY	TANGER OUTLETS IN OTTAWA 8555 CAMPEAU DR OTTOWA, ON CANADA
29)	004201	RIOCAN PS INC. 2300 YONGE ST SUITE 500 TORONTO, ON M4P 1E4	GENERAL NUTRITION CENTRES COMPANY	SHOPPES ON QUEEN WEST 601 QUEEN STREET WEST TORONTO, ON CANADA
30)	004196	RIOKIM HOLDINGS (ONTARIO) INC.2300 YONGE ST SUITE 500 TORONTO, ON M4P 1E4	GENERAL NUTRITION CENTRES COMPANY	SHOPPERS WORLD DANFORTH3003 DANFORTH AVETORONTO, ONCANADA
31)	004256	RIOTRIN PROPERTIES (OAKVILLE) INC. 2300 YONGE ST SUITE 500 TORONTO, ON M4P 1E4	GENERAL NUTRITION CENTRES COMPANY	RIO CENTRE OAKVILLE 478 DUNDAS STREET WEST OAKVILLE, ON CANADA
32)	004203	RK (SHEPPARD CENTRE) INC. 2 SHEPPARD AVENUE EAST SUITE 400 TORONTO, ON M2N 5Y7	GENERAL NUTRITION CENTRES COMPANY	YONGE SHEPPARD CENTRE 4841 YONGE STREET TORONTO, ON CANADA
33)	004174	SKYLINE COMMERCIAL MANAGEMENT INC 70 FOUNTAIN STREET GUELPH, ON N1H 3N6	GENERAL NUTRITION CENTRES COMPANY	WALKER PLACE 4140 WALKER RD WINDSOR, ON CANADA

	Store No.	Counterparty Landlord and Address	Debtor Counterparty	Leased Location
34)	000857	STARWOOD RETAIL PARTNERS LLC PATRICK CAIRNS 1 EAST WACKER STREET SUITE 3600 CHICAGO , IL 60601	GENERAL NUTRITION CORPORATION	SOLANO MALL 1350 TRAVIS BLVD FAIRFIELD, CA
35)	004234	TC CRANBROOK CENTRE LTD C/O CRESTWELL REALTY INC 606-450 SW MARINE DRIVE VANCOUVER, BC V5X 0C3	GENERAL NUTRITION CENTRES COMPANY	TAMARACK CENTRE 1500 CRANBROOK ST N.#115 CRANBROOK, BC CANADA
36)	002589	THE ESTATE OF LILLIAN GOLDMAN, THE LILLIAN GOLDMAN FAMILY LLC C/0 LGF ENTERPRISES 1185 SIXTH AVENUE 10TH FLOOR NEW YORK, NY 10036	GENERAL NUTRITION CORPORATION	37-87 JUNCTION BLVD. CORONA, NY

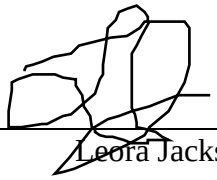
THIS IS **EXHIBIT "C"** REFERRED TO IN THE

AFFIDAVIT OF MICHAEL NOEL**,**

AFFIRMED REMOTELY BY MICHAEL NOEL

BEFORE ME *BY VIDEO CONFERENCE*, THIS 27th

DAY OF OCTOBER, 2020.



Leora Jackson

Commissioner for Taking Affidavits

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
GNC HOLDINGS, INC., *et al.*,	Case No. 20-11662 (KBO)
Debtors.[1]	(Jointly Administered)
	Hearing Date: November 5, 2020 at 3:00 pm (ET) **Objection Deadline: Oct. 28, 2020 at 4:00 pm (ET)**

DEBTORS' FORTY-SIXTH (46th) OMNIBUS MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN EXECUTORY CONTRACTS

PARTIES RECEIVING THIS MOTION SHOULD LOCATE THEIR NAMES AND THEIR CONTRACTS LISTED ON SCHEDULE 1 TO THE PROPOSED ORDER ATTACHED HERETO AS EXHIBIT A.

The debtors and debtors in possession in the above-captioned cases (collectively, the "***Debtors***") hereby move (this "***Motion***") and respectfully state as follows:

RELIEF REQUESTED

1. By this Motion, the Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the "***Proposed Order***"), authorizing the Debtors to (i) assume certain executory contracts (the "***Additional Contracts***") identified on **Schedule 1** attached to the

[1] The debtors in these Chapter 11 Cases, along with the last four digits of each debtor's United States federal tax identification number, if applicable, or other applicable identification number, are: GNC Holdings, Inc. (6244); GNC Parent LLC (7572); GNC Corporation (5170); General Nutrition Centers, Inc. (5168); General Nutrition Corporation (4574); General Nutrition Investment Company (3878); Lucky Oldco Corporation (7141); GNC Funding, Inc. (7837); GNC International Holdings, Inc. (9873); GNC China Holdco, LLC (0004); GNC Headquarters LLC (7550); Gustine Sixth Avenue Associates, Ltd. (0731); GNC Canada Holdings, Inc. (3879); General Nutrition Centres Company (0939); GNC Government Services, LLC (2226); GNC Puerto Rico Holdings, Inc. (4559); and GNC Puerto Rico, LLC (7234). The debtors' mailing address is 300 Sixth Avenue, Pittsburgh, Pennsylvania 15222.

Proposed Order, pursuant to which a Debtor is a party, and (ii) assign such Additional Contracts to GNC Holdings, LLC (the "***Assignee***"), in each case effective as of the Closing (defined below).

JURISDICTION

2. This Court has jurisdiction to consider this Motion under 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 as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b), and, under Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "***Local Rules***"), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue of these cases and this Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicates for the relief requested herein are sections 105(a) and 365(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "***Bankruptcy Code***"), and Rule 6006 of the Federal Rules of Bankruptcy Procedure (the "***Bankruptcy Rules***").

BACKGROUND

3. On June 23, 2020 (the "***Petition Date***"), the Debtors filed voluntary petitions in this Court commencing cases (the "***Chapter 11 Cases***") for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to manage and operate their businesses as debtors in possession under sections 1107 and 1108 of the Bankruptcy Code.

4. On June 24, 2020, the Debtors commenced an ancillary proceeding under Part IV of the Companies' Creditors Arrangement Act (Canada) in Toronto, Ontario, Canada before the Ontario Superior Court of Justice (Commercial List).

5. On July 7, 2020, the Office of the United States Trustee for the District of Delaware (the "***U.S. Trustee***") appointed an official committee of unsecured creditors (the "***Creditors' Committee***").

6. The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of these Chapter 11 Cases, is set forth in detail in the *Declaration of Tricia Tolivar, Chief Financial Officer of GNC Holdings, Inc. in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 21] (the "***First Day Declaration***").[2]

I. THE DEBTORS' EXECUTORY CONTRACTS AND THE SALE TRANSACTION

7. The Debtors are party to numerous contracts in connection with their ongoing business operations. In connection with the sale transaction described below, the Debtors have already obtained Court authority to assume and assign various executory contracts and real property leases to the Assignee and, pursuant to this Motion, seek to assume and assign the Additional Contracts to the Assignee as well.

8. In connection with the Debtors' sale process, the Debtors served the *Notice of Potential Assumption of Executory Contracts or Unexpired Leases and Cure Amounts* [Docket No. 614], the *First Supplemental Notice of Potential Assumption and Assignment of Executory Contracts and Cure Amounts* [Docket No. 927], the *Second Supplemental Notice of Potential Assumption and Assignment of Executory Contracts and Unexpired Leases and Cure Amounts* [Docket No. 1111], and the *Third Supplemental Notice of Potential Assumption and Assignment of Executory Contracts and Unexpired Leases and Cure Amounts* [Docket No. 1182] (collectively,

[2] The First Day Declaration and other relevant case information is available from (a) the Court's website, www.deb.uscourts.gov, and (b) the website maintained by the Debtors' claims and noticing agent, Prime Clerk LLC, at https://cases.primeclerk.com/GNC.

the "***Assumption Notices***") on the counterparties to the executory contracts and unexpired leases included therein, pursuant to the Assumption Procedures, as defined in the *Order Approving (I) The Bidding Procedures in Connection with the Sale of All, Substantially All of the Debtors' Assets, (II) the Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases, (III) the Form and Manner of Notice of the Sale Hearing, Assumption Procedures, and Auction Results, (IV) Dates for an Auction and Sale Hearing and (V) Granting Related Relief* [Docket No. 559] (the "***Bidding Procedures Order***"). Pursuant to the Assumption Procedures, the Assumption Notices provided the proposed cure amounts for such executory contracts and unexpired leases, and the opportunity to object to the proposed cure amounts.

9. On September 10, 2020, the Debtors filed that certain *Notice of Filing of Designation Notice* [Docket No. 1113], as corrected on September 17, 2020, by that certain *Notice of Filing of Amended Designation Notice* [Docket No. 1183], which attached thereto a list of agreements and real property leases designated by the Buyer (defined below) for assumption and assignment to the Buyer pursuant to the Sale Order (defined below) (the "***Designated Agreements***").

10. On September 18, 2020, the Court entered that certain *Order (I) Authorizing and Approving (A) The Sale of Substantially All of the Debtors' Assets Free and Clear of all Liens, Claims, and Encumbrances and (B) The Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection Therewith, and (II) Granting Related Relief* [Docket No. 1202] (the "***Sale Order***").[3] Pursuant to the Sale Order, the Court approved, among other things, the sale of substantially all of the Debtors' assets to the Buyer (the "***Sale***"), including

[3] Capitalized terms used in this paragraph but not otherwise defined in this Motion shall have the meanings ascribed to them in the Sale Order.

the assumption by the Buyer of the Designated Agreements. The Buyer designated its subsidiary, ZT Biopharmaceutical LLC, as its designee (the "***Designee***") and the Sale was effectuated by the Assets being transferred from the Debtors to the Assignee and the membership interests of the Assignee being transferred to the Designee, such that upon consummation of the Sale (the "***Closing***"), the Assignee owned all of the Assets and took assignment of all of the Selected Assigned Contracts. The Closing occurred October 7, 2020. *See Notice of Sale Closing* [Docket No. 1338].

11. The Debtors now seek authority to assume and assign the Additional Contracts to the Assignee, as the Additional Contracts were not included with the Designated Agreements but the Debtors intend to assume and assign such agreements to the Assignee effective as of the Closing.[4] The Debtors submit that allowing them to assume and assign the Additional Contracts will provide the applicable counterparties to the Additional Contracts (the "***Contract Counterparties***") with notice of the status of their contracts moving forward and clarity regarding the Buyer's intent with respect thereto. Payment of Cure Costs required to assume the Additional Contracts, if any (as established pursuant to the Assumption Procedures under the Bidding Procedures Order), shall be paid by the Buyer. Accordingly, the Debtors seek the relief requested in this Motion for each Additional Contract, effective as of the date of Closing.

[4] The Court has previously entered five omnibus orders authorizing the assumption and assignment of additional executory contracts and unexpired leases that were not included with the Designated Agreements [Docket Nos. 1268, 1270, 1271, 1272, 1273, 1298, and 1299].

BASIS FOR RELIEF

I. THE DEBTORS' ASSUMPTION AND ASSIGNMENT OF THE ADDITIONAL CONTRACTS TO THE ASSIGNEE REPRESENTS A SOUND EXERCISE OF THE DEBTORS' BUSINESS JUDGMENT.

12. Section 365(a) of the Bankruptcy Code permits a debtor-in-possession, "subject to the court's approval, [to] assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a). By enacting section 365(a) of the Bankruptcy Code, Congress intended to allow a debtor to assume those contracts that benefit the estate. *See, e.g., In re Whitcomb & Keller Mortgage Co*., 715 F.2d 375, 379 (7th Cir. 1983); *In re Sandman Assocs., L.L.C*., 251 B.R. 473, 480 (W.D. Va. 2000) ("The authority granted by section 365 allows the trustee or debtor in possession to pick and choose among contracts, assuming those that are favorable and rejecting those that are not.").

13. It is well established in the Third Circuit, as well as in other jurisdictions, that decisions to assume or reject executory contracts or unexpired leases are matters within the "business judgment" of the debtor. *Sharon Steel Corp. v. Nat'l Fuel Gas Dist. Corp.,* 872 F.2d 36, 40 (3d Cir. 1989); *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 523 (1984); *In re Federal Mogul Global, Inc.*, 293 B.R. 124, 126 (D. Del. 2003) ("The business judgment test dictates that a court should approve a debtor's decision to reject a contract unless that decision is the product of bad faith or gross abuse of discretion."); *In re Orion Pictures Corp*., 4 F.3d 1095, 1099 (2d Cir. 1993), *cert. dismissed*, 511 U.S. 1026 (1994). Accordingly, courts approve the assumption of an executory contract unless evidence is presented that the debtor's decision to assume "was so manifestly unreasonable that it could not be based on sound business judgment, but only on bad faith, or whim or caprice." *In re Richmond Metal Finishers, Inc.,* 756 F.2d 1043, 1047 (4th Cir. 1985), *cert. denied*, 475 U.S. 1057 (1986). Indeed, to impose more exacting scrutiny would slow a debtor's reorganization, thereby increasing its cost and undermining the "Bankruptcy Code's

provisions for private control" of the estate's administration. *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1311 (5th Cir. 1986).

14. The Debtors' decision to assume and assign the Additional Contracts is supported by their sound business judgment. The proposed relief will enable the Debtors to assume and assign to the Assignee additional executory contracts in connection with the Sale. Furthermore, by assuming the Additional Contracts, the aggregate amount of rejection damages claims will be reduced and a significant number of Contract Counterparties will gain a go-forward business partner and have their cure claims (if any) satisfied by the Buyer, thereby benefitting the Debtors' estates and creditors. As such, the Debtors submit that the assumption and assignment of the Additional Contracts should be approved as an exercise of their business judgment.

RESERVATION OF RIGHTS

15. Nothing in this Motion shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion; (e) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (f) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law.

NOTICE

16. Notice of this Motion will be given to: (a) the United States Trustee for the District of Delaware; (b) counsel to the Creditors' Committee; (c) counsel to the agent for the Debtors' DIP Term Facility; (d) counsel to the agent for the Debtors' DIP ABL FILO Facility; (e) counsel to the Ad Hoc Group of Crossover Lenders; (f) counsel to the Ad Hoc FILO Term Lender Group;

(g) counsel to the agent under the Debtors' secured term and asset-based financing facilities; (h) the indenture trustee for the Debtors' prepetition convertible notes; (i) the United States Attorney's Office for the District of Delaware; (j) the attorneys general for all 50 states and the District of Columbia; (k) the United States Department of Justice; (l) the Internal Revenue Service; (m) the Securities and Exchange Commission; (n) the United States Drug Enforcement Agency; (o) the United States Food and Drug Administration; (p) the Contract Counterparties (via overnight mail); and (q) all parties requesting notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, under the circumstances, no other or further notice is required.

[*Remainder of page intentionally left blank.*]

WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order, granting the relief requested in this Motion and such other relief as may be just and proper.

Dated: October 13, 2020
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Andrew L. Magaziner .
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Kara Hammond Coyle (No. 4410)
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Counsel for Debtors and Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
GNC HOLDINGS, INC., *et al.*,	Case No. 20-11662 (KBO)
Debtors.[1]	(Jointly Administered)
	Hearing Date: November 5, 2020 at 3:00 p.m. (ET) **Objection Deadline: Oct. 28, 2020 at 4:00 p.m. (ET)**

NOTICE OF MOTION

TO: (A) THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE; (B) COUNSEL TO THE CREDITORS' COMMITTEE; (C) COUNSEL TO THE AGENT FOR THE DEBTORS' DIP TERM FACILITY; (D) COUNSEL TO THE AGENT FOR THE DEBTORS' DIP ABL FILO FACILITY; (E) COUNSEL TO THE AD HOC GROUP OF CROSSOVER LENDERS; (F) COUNSEL TO THE AD HOC FILO TERM LENDER GROUP; (G) COUNSEL TO THE AGENT UNDER THE DEBTORS' SECURED TERM AND ASSET-BASED FINANCING FACILITIES; (H) THE INDENTURE TRUSTEE FOR THE DEBTORS' PREPETITION CONVERTIBLE NOTES; (I) THE UNITED STATES ATTORNEY'S OFFICE FOR THE DISTRICT OF DELAWARE; (J) THE ATTORNEYS GENERAL FOR ALL 50 STATES AND THE DISTRICT OF COLUMBIA; (K) THE UNITED STATES DEPARTMENT OF JUSTICE; (L) THE INTERNAL REVENUE SERVICE; (M) THE SECURITIES AND EXCHANGE COMMISSION; (N) THE UNITED STATES DRUG ENFORCEMENT AGENCY; (O) THE UNITED STATES FOOD AND DRUG ADMINISTRATION; (P) THE CONTRACT COUNTERPARTIES (VIA OVERNIGHT MAIL); AND (Q) ALL PARTIES REQUESTING NOTICE PURSUANT TO BANKRUPTCY RULE 2002

PLEASE TAKE NOTICE that the debtors in possession in the above-captioned cases (collectively, the "***Debtors***") have filed the attached *Debtors' Forty-Sixth (46th) Omnibus Motion for Entry of an Order Authorizing the Debtors to Assume and Assign Certain Executory Contracts* (the "***Motion***").

[1] The debtors in these Chapter 11 Cases, along with the last four digits of each debtor's United States federal tax identification number, if applicable, or other applicable identification number, are: GNC Holdings, Inc. (6244); GNC Parent LLC (7572); GNC Corporation (5170); General Nutrition Centers, Inc. (5168); General Nutrition Corporation (4574); General Nutrition Investment Company (3878); Lucky Oldco Corporation (7141); GNC Funding, Inc. (7837); GNC International Holdings, Inc. (9873); GNC China Holdco, LLC (0004); GNC Headquarters LLC (7550); Gustine Sixth Avenue Associates, Ltd. (0731); GNC Canada Holdings, Inc. (3879); General Nutrition Centres Company (0939); GNC Government Services, LLC (2295); GNC Puerto Rico Holdings, Inc. (4559); and GNC Puerto Rico, LLC (7234). The debtors' mailing address is 300 Sixth Avenue, Pittsburgh, Pennsylvania 15222.

PLEASE TAKE FURTHER NOTICE that any objections to the relief requested in the Motion must be filed on or before **October 28, 2020 at 4:00 p.m. (ET)** (the "***Objection Deadline***") with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time, you must serve a copy of the objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE MOTION WILL BE HELD ON **NOVEMBER 5, 2020 AT 3:00 P.M. (ET)** BEFORE THE HONORABLE KAREN B. OWENS, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, 6TH FLOOR, COURTROOM NO. 3, WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT, IF NO OBJECTIONS OR RESPONSES TO THE MOTION ARE TIMELY FILED, SERVED, AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED THEREIN WITHOUT FURTHER NOTICE OR A HEARING.

[*Signature Page Follows*]

Dated: October 13, 2020
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Andrew L. Magaziner
Michael R. Nestor (No. 3526)
Kara Hammond Coyle (No. 4410)
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Counsel for Debtors and Debtors in Possession

EXHIBIT A

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
GNC HOLDINGS, INC., *et al.*,	)	Case No. 20-11662 (KBO)
Debtors.[1]	)	(Jointly Administered)
	)	**Docket Ref. No. ___**

FORTY-SIXTH (46th) OMNIBUS ORDER AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN EXECUTORY CONTRACTS

Upon the motion (the "***Motion***")[2] of the Debtors for an order (this "***Order***"), pursuant to section 365 of the Bankruptcy Code, authorizing the Debtors to assume and assign the Additional Contracts listed on **Schedule 1** attached hereto to the Assignee, effective as of the date of Closing; and this Court having reviewed the Motion; and this Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and this Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 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 as of February 29, 2012; and consideration of the Motion and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b)(2); and this Court having authority to enter a final order

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's United States federal tax identification number, if applicable, or other applicable identification number, are: GNC Holdings, Inc. (6244); GNC Parent LLC (7572); GNC Corporation (5170); General Nutrition Centers, Inc. (5168); General Nutrition Corporation (4574); General Nutrition Investment Company (3878); Lucky Oldco Corporation (7141); GNC Funding, Inc. (7837); GNC International Holdings, Inc. (9873); GNC China Holdco, LLC (0004); GNC Headquarters LLC (7550); Gustine Sixth Avenue Associates, Ltd. (0731); GNC Canada Holdings, Inc. (3879); General Nutrition Centres Company (0939); GNC Government Services, LLC (2226); GNC Puerto Rico Holdings, Inc. (4559); and GNC Puerto Rico, LLC (7234). The debtors' mailing address is 300 Sixth Avenue, Pittsburgh, Pennsylvania 15222.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

consistent with Article III of the United States Constitution; and venue being proper before this Court under 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon all of the proceedings before this Court; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED as set forth herein.

2. The Debtors are authorized to assume and assign the Additional Contracts, identified on **Schedule 1** attached hereto, to the Assignee, effective as of the date of the Closing. For the avoidance of doubt, the payment of applicable cure cost, if any (as established pursuant to the Assumption Procedures under the Bidding Procedures Order), shall be paid by the Buyer.

3. Except as specifically set forth herein, nothing included in or omitted from the Motion or this Order, nor as a result of any payment made pursuant to this Order, shall be deemed or construed as an admission as to the validity or priority of any claim against the Debtors, or a waiver of the rights of the Debtors and their estates.

4. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

5. This Order is immediately effective and enforceable, notwithstanding the possible applicability of Bankruptcy Rule 6004(h) or otherwise.

6. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and/or interpretation of this Order.

Schedule 1

GNC
Executory Contracts

	Counterparty	Contract Type / Name	Address
1)	ERIC S. MILLER	FRANCHISE AGREEMENT FOR STORE - 3755	608 MEADOWVIEW COURT MAPLE GLEN PA 19002 USA
2)	FIROOZ A. POSHTKOOHI	FRANCHISE AGREEMENT FOR STORE - 7650	7123 HOT CREEK TRACE HUMBLE TX 77346 USA
3)	FULLSCREEN, LLC	VIDEO INTEGRATION AGREEMENT	12180 MULLIENIUM DRIVE LOS ANGELES CA 90094 USA
4)	GLANBIA PERFORMANCE NUTRITION (NA), INC.	PRIVATE LABEL PURCHASE AGREEMENT	3500 LACEY RD DOWNERS GROVE IL 60515 USA
5)	GLANBIA PERFORMANCE NUTRITION (NA), INC.	PREFERRED PROGRAM AGREEMENT	3500 LACEY RD DOWNERS GROVE IL 60515 USA
6)	HEE MOON KIM, GENERAL DIRECTOR C/O DONGWON F&B VIETNAM COMPANY LIMITED	OMNIBUS AGREEMENT - VIETNAM	1521, 15 FLOOR, PEARL PLAZA BUILDING, 561A DIEN BIEN PHU ST., WARD 2, BINH THANH DIST., HO CHI MINH CITY, VIETNAM
7)	HEE MOON KIM, GENERAL DIRECTOR C/O DONGWON F&B VIETNAM COMPANY LIMITED	DEVELOPMENT AGREEMENT - VIETNAM	1521, 15 FLOOR, PEARL PLAZA BUILDING, 561A DIEN BIEN PHU ST., WARD 2, BINH THANH DIST., HO CHI MINH CITY, VIETNAM
8)	HEE MOON KIM, GENERAL DIRECTOR C/O DONGWON F&B VIETNAM COMPANY LIMITED	SWS DEVELOPMENT AGREEMENT - VIETNAM	1521, 15 FLOOR, PEARL PLAZA BUILDING, 561A DIEN BIEN PHU ST., WARD 2, BINH THANH DIST., HO CHI MINH CITY, VIETNAM
9)	HEE MOON KIM, GENERAL DIRECTOR C/O DONGWON F&B VIETNAM COMPANY LIMITED	DISTRIBUTION AGREEMENT - VIETNAM	1521, 15 FLOOR, PEARL PLAZA BUILDING, 561A DIEN BIEN PHU ST., WARD 2, BINH THANH DIST., HO CHI MINH CITY, VIETNAM
10)	HUA SHAN CHEN AND HONG XIN LUO	FRANCHISE AGREEMENT FOR STORE - 6096	602 39TH STREET #101 BROOKLYN NY 11232 USA
11)	JAGJEET S. DOSANJH	FRANCHISE AGREEMENT FOR STORE - 7657	5342 ROEDING ROAD HUGHSON CA 95326
12)	JAMEISON LABORATORIES LTD, WINDSOR RESEARCH LABORATORIES, INC & NUTRICORP INTERNATIONAL	QUALITY AGREEMENT	4025 RHODES DRIVE WINDSOR ON N8W5B5 CANADA
13)	JAVAD BILLOO	FRANCHISE AGREEMENT FOR STORE - 2267	12242 CANYON HILL AVENUE SYLMAR CA 91342 USA
14)	MELBA E. NOVILLO	FRANCHISE AGREEMENT FOR STORE - 6648	103 CHELSEA WAY BRIDGEWATER NJ 8807 USA
15)	NATURE'S BEST DBA ISOPURE	PURCHASING AGREEMENT - ISOPURE BRAND AGREEMENT	3500 LACEY RD SUITE 1200 DOWNERS GROVE IL 60515 USA
16)	OPTIMUM NUTRITION	PURCHASING AGREEMENT - OPTIMUM BRAND AGREEMENT	3500 LACEY RD DOWNERS GROVE IL 60515 USA

	Counterparty	Contract Type / Name	Address
17)	ORACLE DATABASE DBA DYNAMIC NETWORK SERVICES, INC.	MASTER SERVICE LEVEL AGREEMENT	1230 ELM STREET, 5TH FLOOR MANCHESTER, NH 03101
18)	PAM VIAR	FRANCHISE AGREEMENT FOR STORE - 5410	3606 APPLING LAKE DRIVE BARTLETT TN 38133 USA
19)	SALESFORCE.COM, INC.	INFORMATION TECHNOLOGY	THE LANDMARK ONE MARKET SUITE 300 SAN FRANCISCO CA 94105 USA
20)	SALESFORCE.COM, INC.	INFORMATION TECHNOLOGY	THE LANDMARK ONE MARKET SUITE 300 SAN FRANCISCO CA 94105 USA
21)	SALESFORCE.COM, INC.	PROGRAMMATIC & CAMPAIGN OPERATIONS SERVICES - MARKETING	THE LANDMARK ONE MARKET SUITE 300 SAN FRANCISCO CA 94105 USA
22)	SALESFORCE.COM, INC.	IT	THE LANDMARK ONE MARKET SUITE 300 SAN FRANCISCO CA 94105 USA
23)	SALESFORCE.COM, INC.	ECOMMERCE OPERATIONS SSO SERVICE CLOUD CHANEL STATEMENT OF WORK CONTRACT	THE LANDMARK ONE MARKET SUITE 300 SAN FRANCISCO CA 94105 USA
24)	SALESFORCE.COM, INC.	OPERATIONS - REALM (SALESFORCE CLOUD)	THE LANDMARK ONE MARKET SUITE 300 SAN FRANCISCO CA 94105 USA
25)	SALESFORCE.COM, INC.	MARKETING	THE LANDMARK ONE MARKET SUITE 300 SAN FRANCISCO CA 94105 USA
26)	SALESFORCE.COM, INC.	ECOMMERCE OPERATIONS	THE LANDMARK ONE MARKET SUITE 300 SAN FRANCISCO CA 94105 USA
27)	THINKTHIN LLC	BRAND AGREEMENT	3500 LACEY RD DOWNERS GROVE IL 60515 USA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Court File No.
CV-20-00642970-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VITAMIN OLDCO HOLDINGS, INC. et al.

APPLICATION OF VITAMIN OLDCO HOLDINGS, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at TORONTO

AFFIDAVIT OF MICHAEL NOEL
(affirmed October 27, 2020)

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Lawyers for the Applicant

TAB3

Court File No. CV-20-00642970-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	FRIDAY, THE 30TH
	)	
JUSTICE CONWAY	)	DAY OF OCTOBER, 2020

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VITAMIN OLDCO HOLDINGS, INC., VITAMIN OLDCO CENTRES COMPANY, VITAMIN OLDCO PARENT LLC, VITAMIN OLDCO CORPORATION, VITAMIN OLDCO CENTERS, INC., VITAMIN OLDCO, INC., VITAMIN OLDCO INVESTMENT COMPANY, VITAMIN OLDCO LUCKY CORPORATION, VITAMIN OLDCO FUNDING, INC., VITAMIN OLDCO INTERNATIONAL HOLDINGS, INC., VITAMIN OLDCO HEADQUARTERS LLC, VITAMIN HOLDCO ASSOCIATES, LTD., VITAMIN OLDCO CANADA HOLDINGS, INC., VITAMIN OLDCO GOVERNMENT SERVICES, LLC, VITAMIN OLDCO PUERTO RICO HOLDINGS, INC., AND VITAMIN OLDCO PUERTO RICO, LLC

APPLICATION OF VITAMIN OLDCO HOLDINGS, INC.,
UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT

TERMINATION ORDER
(FOREIGN MAIN PROCEEDING)

THIS MOTION, made by Vitamin OldCo Holdings, Inc. (formerly known as "GNC Holdings, Inc.") ("**Vitamin Holdings**") in its capacity as the foreign representative (the "**Foreign Representative**") of itself as well as Vitamin OldCo Centres Company, Vitamin OldCo Parent LLC, Vitamin OldCo Corporation, Vitamin OldCo Centers, Inc., Vitamin OldCo, Inc., Vitamin OldCo Investment Company, Vitamin OldCo Lucky Corporation, Vitamin OldCo Funding, Inc., Vitamin OldCo International Holdings, Inc., Vitamin OldCo

Headquarters LLC, Vitamin Holdco Associates, Ltd., Vitamin OldCo Canada Holdings, Inc., Vitamin OldCo Government Services, LLC, Vitamin OldCo Puerto Rico Holdings, Inc., and Vitamin OldCo Puerto Rico, LLC (collectively, the "**Debtors**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order substantially in the form enclosed in the Motion Record was heard by judicial videoconference via Zoom at Toronto, Ontario due to the COVID-19 pandemic.

ON READING the Notice of Motion, the affidavit of Michael Noel affirmed October 27, 2020 (the **"Noel Affidavit**"), the affidavit of Michael Noel affirmed October ■, 2020 (the "**Second Noel Affidavit**"), the Sixth Report of the Information Officer and the factum of the Foreign Representative, and upon hearing submissions of counsel for the Foreign Representative, the Information Officer, and those other parties present, no one appearing for any other person on the Service List, although properly served as appears from the Affidavit of Service of Elizabeth Nigro sworn October 27, 2020 and the Affidavit of Service of Elizabeth Nigro sworn October ■, 2020, and upon being advised that no other persons were served with the aforementioned materials;

SERVICE AND DEFINITIONS

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS that capitalized terms used herein and not otherwise defined have the meaning given to them in the Noel Affidavit affirmed October 27, 2020, as applicable.

TERMINATION OF RECOGNITION PROCEEDINGS

3. THIS COURT ORDERS that, except as expressly set out in this Order, the within CCAA recognition proceedings with respect to the Applicant shall be terminated upon the filing of a certificate of the Information Officer, substantially in the form attached as Schedule "A" to this Order (the "**Certificate**"), confirming the occurrence of the Effective Date (as such term is defined in the Plan).

4. THIS COURT ORDERS that the Information Officer, upon the filing of the Certificate, shall be discharged as Information Officer, provided, however, that notwithstanding its discharge herein, the Information Officer shall continue to have the benefit of the Order of the Honourable Justice Conway dated June 29, 2020 (the "**Supplemental Order**"), including all approvals, protections and stays of proceedings in favour of the Information Officer in its capacity as Information Officer.

5. THIS COURT ORDERS that, effective upon the filing of the Certificate, the Information Officer shall be released and discharged from any and all liability that the Information Officer now has or may hereafter have by reason of, or in any way arising out of, the CCAA, the Supplemental Order, and any other Order of this Court, or the acts or omissions of the Information Officer while acting in its capacity as Information Officer in these proceedings, save and except for liability arising from its gross negligence or wilful misconduct. Without limiting the generality of the foregoing, the Information Officer shall be forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, within these proceedings.

6. THIS COURT ORDERS that no proceeding shall be commenced against the Information Officer in respect of any matter arising from or related to its capacity or conduct as Information Officer except with prior leave of this Honourable Court on written notice to the Information Officer and upon securing, as security for costs, the full indemnity costs of the Information Officer in connection with the proposed action or proceeding.

RELEASE OF ADMINISTRATION CHARGE

7. THIS COURT ORDERS that upon the filing of the Certificate, the Administration Charge (as such term is defined in the Supplemental Order) is hereby forever released and discharged in all respects.

GENERAL

8. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America to give effect to this Order and to assist the Debtors, the Foreign Representative, the

Information Officer, and their respective counsel and agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtors, the Foreign Representative, and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Debtors, the Foreign Representative, and the Information Officer, and their respective counsel and agents in carrying out the terms of this Order.

9. THIS COURT ORDERS that each of the Debtors, the Foreign Representative, and the Information Officer shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

10. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days' notice to the Debtors, the Foreign Representative, the Information Officer and its respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

11. THIS COURT ORDERS that this Order shall be effective as of 12:01 a.m. Eastern on the date of this Order.

_____

Schedule "A"
Information Officer's Certificate

Court File No. CV-20-00642970-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VITAMIN OLDCO HOLDINGS, INC., VITAMIN OLDCO CENTRES COMPANY, VITAMIN OLDCO PARENT LLC, VITAMIN OLDCO CORPORATION, VITAMIN OLDCO CENTERS, INC., VITAMIN OLDCO, INC., VITAMIN OLDCO INVESTMENT COMPANY, VITAMIN OLDCO LUCKY CORPORATION, VITAMIN OLDCO FUNDING, INC., VITAMIN OLDCO INTERNATIONAL HOLDINGS, INC., VITAMIN OLDCO HEADQUARTERS LLC, VITAMIN HOLDCO ASSOCIATES, LTD., VITAMIN OLDCO CANADA HOLDINGS, INC., VITAMIN OLDCO GOVERNMENT SERVICES, LLC, VITAMIN OLDCO PUERTO RICO HOLDINGS, INC., AND VITAMIN OLDCO PUERTO RICO, LLC

APPLICATION OF VITAMIN OLDCO HOLDINGS, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

INFORMATION OFFICER'S CERTIFICATE

A. Pursuant to an Order of the Honourable Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the "**Court"**) dated June 29, 2020 (the "**Supplemental Order**"), FTI Consulting Canada Inc. was appointed as information officer (in such capacity, the "**Information Officer**").

B. On October 30, 2020, the Court made an Order (the "**Termination Order**") that, among other things, authorized the termination of the within proceedings upon the filing by the Information Officer of a certificate in the form appended to the Termination Order.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Termination Order.

THE INFORMATION OFFICER CERTIFIES that:

1. The Foreign Representative, on behalf of the Debtors, has delivered written notice to the Information Officer confirming that the Effective Date has occurred.

This Certificate was delivered by the Information Officer at _____ [TIME] on _____ [DATE].

FTI CONSULTING CANADA INC., in its capacity as Information Officer, and not in its personal capacity

Per: _____

Name:
Title:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C., 1985, c. C-36, AS AMENDED

Court File No.
CV-20-00642970-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VITAMIN OLDCO HOLDINGS, INC. et al.

APPLICATION OF VITAMIN OLDCO HOLDINGS, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C., 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at TORONTO

TERMINATION ORDER
(FOREIGN MAIN PROCEEDING)

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Lawyers for the Applicant

TAB4

Court File No. CV-20-00642970-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	FRIDAY, THE 30TH
	)	
JUSTICE CONWAY	)	DAY OF OCTOBER, 2020

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VITAMIN OLDCO HOLDINGS, INC., VITAMIN OLDCO CENTRES COMPANY, VITAMIN OLDCO PARENT LLC, VITAMIN OLDCO CORPORATION, VITAMIN OLDCO CENTERS, INC., VITAMIN OLDCO, INC., VITAMIN OLDCO INVESTMENT COMPANY, VITAMIN OLDCO LUCKY CORPORATION, VITAMIN OLDCO FUNDING, INC., VITAMIN OLDCO INTERNATIONAL HOLDINGS, INC., VITAMIN OLDCO HEADQUARTERS LLC, VITAMIN HOLDCO ASSOCIATES, LTD., VITAMIN OLDCO CANADA HOLDINGS, INC., VITAMIN OLDCO GOVERNMENT SERVICES, LLC, VITAMIN OLDCO PUERTO RICO HOLDINGS, INC., AND VITAMIN OLDCO PUERTO RICO, LLC

APPLICATION OF VITAMIN OLDCO HOLDINGS, INC.,
UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT

RECOGNITION ORDER
(RECOGNITION OF ADDITIONAL U.S. ORDERS IN FOREIGN MAIN PROCEEDING)

THIS MOTION, made by Vitamin OldCo Holdings, Inc. (formerly known as "GNC Holdings, Inc.") ("**Vitamin Holdings**") in its capacity as the foreign representative (the "**Foreign Representative**") of itself as well as Vitamin OldCo Centres Company, Vitamin OldCo Parent LLC, Vitamin OldCo Corporation, Vitamin OldCo Centers, Inc., Vitamin OldCo, Inc., Vitamin OldCo Investment Company, Vitamin OldCo Lucky Corporation, Vitamin OldCo Funding, Inc., Vitamin OldCo International Holdings, Inc., Vitamin OldCo

Headquarters LLC, Vitamin Holdco Associates, Ltd., Vitamin OldCo Canada Holdings, Inc., Vitamin OldCo Government Services, LLC, Vitamin OldCo Puerto Rico Holdings, Inc., and Vitamin OldCo Puerto Rico, LLC (collectively, the "**Debtors**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order substantially in the form enclosed in the Motion Record was heard by judicial videoconference via Zoom at Toronto, Ontario due to the COVID-19 pandemic.

ON READING the Notice of Motion, the affidavit of Michael Noel affirmed October 27, 2020 (the **"Noel Affidavit**"), the affidavit of Michael Noel affirmed October ■, 2020 (the "**Second Noel Affidavit**"), the Sixth Report of the Information Officer and the factum of the Foreign Representative, and upon hearing submissions of counsel for the Foreign Representative, the Information Officer, and those other parties present, no one appearing for any other person on the Service List, although properly served as appears from the Affidavit of Service of Elizabeth Nigro sworn October 27, 2020 and the Affidavit of Service of Elizabeth Nigro sworn October ■, 2020, and upon being advised that no other persons were served with the aforementioned materials;

SERVICE AND DEFINITIONS

1. THIS COURT ORDERS that capitalized terms used herein and not otherwise defined have the meaning given to them in the Noel Affidavit affirmed October 27, 2020, as applicable.

RECOGNITION OF ADDITIONAL U.S. ORDERS

2. THIS COURT ORDERS that the following orders of the U.S. Court made in the Chapter 11 Cases are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA:

(a) Forty-First (41st) Omnibus Order (A) Authorizing Rejection of Certain Unexpired Leases Effective as of October 13, 2020 and (B) Granting Related Relief ("**41st Rejection Order**"), attached as Schedule "A" to this Order; and

(b) Forty-Sixth (46th) Omnibus Order Authorizing the Debtors to Assume and Assign Certain Executory Contracts ("**46th Assumption Order**"), attached as Schedule "B" to this Order.

GENERAL

3. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America to give effect to this Order and to assist the Debtors, the Foreign Representative, the Information Officer, and their respective counsel and agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtors, the Foreign Representative, and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Debtors, the Foreign Representative, and the Information Officer, and their respective counsel and agents in carrying out the terms of this Order.

4. THIS COURT ORDERS that each of the Debtors, the Foreign Representative, and the Information Officer shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

5. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days' notice to the Debtors, the Foreign Representative, the Information Officer and its respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

6. THIS COURT ORDERS that this Order shall be effective as of 12:01 a.m. Eastern on the date of this Order.

Schedule "A"
41st Rejection Order

Schedule "B"
46th Assumption Order

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C., 1985, c. C-36, AS AMENDED

Court File No.
CV-20-00642970-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VITAMIN OLDCO HOLDINGS, INC. et al.

APPLICATION OF VITAMIN OLDCO HOLDINGS, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C., 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at TORONTO

RECOGNITION ORDER
(RECOGNITION OF ADDITIONAL U.S. ORDERS IN FOREIGN MAIN PROCEEDING)

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

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CV-20-00642970-00CL

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ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at TORONTO

APPLICANT'S MOTION RECORD
(Motion for Recognition of Additional U.S. Orders and Termination of Proceedings, returnable October 30, 2020)

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