

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	
)	Chapter 11
SOUTHERN FOODS GROUP, LLC, <i>et al.</i> ,)	Case No. 19-36313 (DRJ)
Debtors. ¹)	(Jointly Administered)
)	
)	

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER CONFIRMING
THE FIRST AMENDED JOINT CHAPTER 11 PLAN OF LIQUIDATION
OF SOUTHERN FOODS GROUP, LLC, DEAN FOODS COMPANY, AND
THEIR DEBTOR AFFILIATES**

The Debtors² having:

- a. filed the *Joint Chapter 11 Plan of Liquidation of Southern Foods Group, LLC, Dean Foods Company, and Their Debtor Affiliates*, dated November 30, 2020 [D.I. 3230], which the Debtors revised on January 15, 2021 [D.I. 3368], on January 27, 2021 [D.I. 3398], and on January 29, 2021 [D.I. 3412] (as so revised, the “**Original Plan**” and, as may be further amended, supplemented, or modified in accordance with the terms thereof, including the First Amended Plan (as defined herein), the “**Plan**”); and

¹ The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southern Foods Group, LLC (1364); Dean Foods Company (9681); Alta-Dena Certified Dairy, LLC (1347); Berkeley Farms, LLC (8965); Cascade Equity Realty, LLC (3940); Country Fresh, LLC (6303); Dairy Information Systems Holdings, LLC (9144); Dairy Information Systems, LLC (0009); Dean Dairy Holdings, LLC (9188); Dean East II, LLC (9192); Dean East, LLC (8751); Dean Foods North Central, LLC (7858); Dean Foods of Wisconsin, LLC (2504); Dean Holding Company (8390); Dean Intellectual Property Services II, Inc. (3512); Dean International Holding Company (9785); Dean Management, LLC (7782); Dean Puerto Rico Holdings, LLC (6832); Dean Services, LLC (2168); Dean Transportation, Inc. (8896); Dean West II, LLC (9190); Dean West, LLC (8753); DFC Aviation Services, LLC (1600); DFC Energy Partners, LLC (3889); DFC Ventures, LLC (4213); DGI Ventures, Inc. (6766); DIPS Limited Partner II (7167); Franklin Holdings, Inc. (8114); Fresh Dairy Delivery, LLC (2314); Friendly’s Ice Cream Holdings Corp. (7609); Friendly’s Manufacturing and Retail, LLC (9828); Garelick Farms, LLC (3221); Mayfield Dairy Farms, LLC (3008); Midwest Ice Cream Company, LLC (0130); Model Dairy, LLC (7981); Reiter Dairy, LLC (3675); Sampson Ventures, LLC (7714); Shenandoah’s Pride, LLC (2858); Steve’s Ice Cream, LLC (6807); Suiza Dairy Group, LLC (2039); Tuscan/Lehigh Dairies, Inc. (6774); Uncle Matt’s Organic, Inc. (0079); and Verifine Dairy Products of Sheboygan, LLC (7200). The debtors’ mailing address is 2711 North Haskell Avenue, Suite 3400, Dallas, TX 75204.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan, Disclosure Statement, or Solicitation Order (each as defined herein), as applicable. The rules of interpretation set forth in Article I.B of the Plan shall apply to this order.

- b. filed the *Disclosure Statement for Joint Chapter 11 Plan of Liquidation of Southern Foods Group, LLC, Dean Foods Company, and Their Debtor Affiliates*, dated November 30, 2020 [D.I. 3231], which the Debtors revised on January 15, 2021 [D.I. 3369], on January 27, 2021 [D.I. 3399], and on January 29, 2021 [D.I. 3412] (as so revised, the “**Disclosure Statement**”);

the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “**Court**”) having:

- a. entered the *Order (I) Approving the Disclosure Statement, (II) Establishing Procedures for the Solicitation and Tabulation of Votes to Accept or Reject the Plan, (III) Approving the Forms of Ballots and Solicitation Materials, (IV) Establishing the Voting Record Date, (V) Fixing the Date, Time, and Place for the Confirmation Hearing and the Deadline for Filing Objections Thereto, (VI) Approving Related Notice Procedures, and (VII) Granting Related Relief*, dated January 29, 2021 [D.I. 3421] (the “**Solicitation Order**”);
- b. approved, pursuant to the Solicitation Order, among other things, (i) the Disclosure Statement and (ii) the transmission to Holders of Claims against the Debtors’ Estates of the Original Plan, the Disclosure Statement, and the associated Ballots and notices in compliance with title 11 of the United States Code (the “**Bankruptcy Code**”), the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the Southern District of Texas (the “**Local Rules**”); and
- c. set, pursuant to the Solicitation Order, March 17, 2021 at 9:00 a.m. (prevailing Central Time), as the date and time for the commencement of the hearing to consider Confirmation of the Plan (the “**Confirmation Hearing**”);

the Debtors having:

- a. timely and properly solicited the Plan and Disclosure Statement and provided due notice of the Confirmation Hearing, all in compliance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and the Solicitation Order, as evidenced by, among other things, the *Affidavit of Service of Solicitation Materials*, dated February 17, 2021 [D.I. 3473] (the “**Solicitation Affidavit**”);
- b. timely and properly filed and served, on March 12, 2021, the *Notice of Filing of Plan Supplement* [D.I. 3539] (the “**Plan Supplement**”);
- c. filed, on March 12, 2021, the *First Amended Joint Chapter 11 Plan of Liquidation of Southern Foods Group, LLC, Dean Foods Company, and Their Debtor Affiliates* [D.I. 3538] (the “**First Amended Plan**”);
- d. filed, on March 15, 2021, the *Declaration of Nicholas E. Haughey in Support of Confirmation of the First Amended Joint Chapter 11 Plan of Liquidation of Southern Foods Group, LLC, Dean Foods Company, and Their Debtor Affiliates* [D.I. 3554] (the “**Haughey Declaration**”);

- e. submitted, on March 12, 2021, the *Declaration of Stephenie Kjontvedt of Epiq Corporate Restructuring, LLC Regarding Voting and Tabulation of Ballots Cast in Connection with the Joint Chapter 11 Plan of Liquidation of Southern Foods Group, LLC, Dean Foods Company, and Their Debtor Affiliates* [D.I. 3540] (the “**Tabulation Declaration**”), describing the methodology used for the tabulation of votes and the results of voting with respect to the Plan; and
- f. filed, on March 15, 2021, the *Debtors’ Memorandum of Law in Support of Confirmation of the First Amended Joint Chapter 11 Plan of Liquidation of Southern Foods Group, LLC, Dean Foods Company, and Their Debtor Affiliates* [D.I. 3555] (the “**Confirmation Brief**”);

the Court having:

- a. found that the notice provided regarding the Confirmation Hearing, and the opportunity for any party in interest to object to Confirmation of the Plan, have been adequate and appropriate under the circumstances and no further notice is required;
- b. considered, and having taken judicial notice of, the entire record of the Chapter 11 Cases;
- c. held the Confirmation Hearing;
- d. considered the entire record of the Confirmation Hearing, including, but not limited to,
 - i. the Plan (including, without limitation, the Plan Documents), the Disclosure Statement, and the Solicitation Order,
 - ii. the Solicitation Affidavit and Tabulation Declaration,
 - iii. the objections, reservations of rights, and other responses submitted with respect to the Plan (collectively, the “**Objections**”), including the following: D.I. 3499, 3512, 3513, 3514, 3519, 3522, 3523, 3524, and 3525,
 - iv. the Haughey Declaration,
 - v. the Confirmation Brief, and
 - vi. arguments of counsel and the evidence proffered, adduced, and/or presented at the Confirmation Hearing, and
- e. overruled any and all Objections to the Plan and to Confirmation, as well as all statements and reservations of rights not consensually resolved or withdrawn, except as otherwise expressly provided herein; and

after due deliberation thereon and good cause appearing therefor, and based on the decision set forth on the record, it is hereby **FOUND, ORDERED, and ADJUDGED that:**

FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. The findings and conclusions set forth herein and on the record at the Confirmation Hearing constitute the Court's findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. Jurisdiction and Venue. The Court has jurisdiction over the Chapter 11 Cases pursuant to 28 U.S.C. § 1334 and the *Order of Reference to Bankruptcy Judges*, General Order 2012-6 (S.D. Tex. May 24, 2012) (Hinojosa, C.J.). Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (L), and (O), and the Court may enter a Final Order with respect thereto in accordance with Article III of the United States Constitution. Each of the Debtors was an eligible debtor under section 109 of the Bankruptcy Code. Venue was proper in the Southern District of Texas as of the Petition Date and continues to be proper pursuant to 28 U.S.C. §§ 1408 and 1409.

C. Commencement and Joint Administration of Chapter 11 Cases. On November 12, 2019 (the "**Petition Date**"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. By order of the Court [D.I. 9], the Chapter 11 Cases are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015. The Debtors have continued in possession of their property and have continued to operate and manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On November 22, 2019, the Office of the United States Trustee appointed an Official Committee of Unsecured Creditors (the "**Creditors' Committee**"). *See Notice of*

Appointment of Committee of Unsecured Creditors [D.I. 288]. No trustee or examiner has been appointed in the Chapter 11 Cases.

D. Judicial Notice. The Court takes judicial notice of the docket of the Chapter 11 Cases maintained by the Clerk of the Court, including, but not limited to, all pleadings and other documents filed, all orders entered, and all evidence and arguments made, proffered, adduced, and/or presented at the various hearings held before the Court during the pendency of the Chapter 11 Cases.

E. Solicitation Order, Solicitation, and Notice.

1. On January 29, 2021, the Court entered the Solicitation Order, which, among other things, (a) approved the Disclosure Statement for purposes of solicitation, having found that it contained “adequate information” within the meaning of section 1125 of the Bankruptcy Code, (b) approved the form of Ballots, Solicitation Materials (as defined herein), and related notices, (c) approved the procedures for the solicitation and tabulation of votes to accept or reject the Plan, (d) authorized the Debtors, through the Claims and Solicitation Agent, to solicit acceptances or rejections of the Plan in accordance with such procedures, (e) established the Voting Record Date, and (f) fixed the date, time, and place for the Confirmation Hearing (as then scheduled) and the deadlines for voting on, and filing objections to, Confirmation of the Plan;

2. Promptly following entry of the Solicitation Order, in compliance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and the Solicitation Order, and as evidenced by the Solicitation Affidavit, the Claims and Solicitation Agent effectuated:

(a) filing and service on all parties in interest of a notice concerning the Disclosure Statement and the Plan, and deadlines and hearing dates with respect thereto,

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