

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

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In re:	)	
	)	Chapter 11
FREEZE, LLC, <i>et al.</i> , <sup>1</sup>	)	
	)	Case No. 11-13303 (KG)
	)	
Debtors.	)	(Joint Administration Requested)
	)	

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**DECLARATION OF STEVEN C. SANCHIONI IN SUPPORT OF DEBTORS’  
CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS**

I, Steven C. Sanchioni, hereby declare under penalty of perjury:

1. I am an authorized representative of Freeze, LLC, a limited liability company organized under the laws of the state of Delaware and one of the above captioned debtors and debtors in possession (collectively, the “HoldCo Debtors”).

2. On October 14, 2011 (the “HoldCo Petition Date”), Freeze, LLC and three of its affiliates each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The HoldCo Debtors continue to perform their functions and duties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently herewith, the HoldCo Debtors filed a motion seeking joint administration of these chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

3. I submit this declaration (this “Sanchioni Declaration”) to provide an overview of the HoldCo Debtors and these chapter 11 cases and to support the Joint Administration Motion

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Freeze, LLC (9643); Freeze Group Holding Corp. (3232); Freeze Holdings, LP (3099); and Freeze Operations Holding Corp. (5239). The notice address of the Debtors is: 5200 Town Center Circle, Suite 600, Boca Raton, Florida 33486.

and Applicability Motion (as such terms are defined herein). Except as otherwise indicated herein, all facts set forth in this Sanchioni Declaration are based upon my personal knowledge of the HoldCo Debtors', information learned from my review of relevant documents, information supplied to me by the HoldCo Debtors and their advisors, or my opinion based on my experience, knowledge, and information concerning the HoldCo Debtors. I am authorized to submit this Sanchioni Declaration on behalf of the HoldCo Debtors, and, if called upon to testify, I could and would testify competently to the facts set forth herein.

**Preliminary Statement**

4. The HoldCo Debtors are non-operating entities that either, directly or indirectly, own all or the substantially majority of the equity of Friendly Ice Cream Corporation ("FICC") and certain of its affiliates (the "OpCo Debtors") each of which filed a voluntary petition for relief under the Bankruptcy Code on October 5, 2011.<sup>2</sup> The OpCo Debtors' chapter 11 cases are jointly administered under Case No. 11-13167 (KG) in the United States Bankruptcy Court for the District of Delaware (the "Court").

5. OpCo Debtor, FICC, sponsors a single-employer pension plan (the "FICC Pension Plan") subject to Title IV of the Employee Retirement Income Security Act ("ERISA"). FICC had an obligation to make a required quarterly funding payment to the FICC Pension Plan on October 15, 2011. Having filed for bankruptcy on October 5, 2011, FICC did not make the October 15, 2011 payment to the FICC Pension Plan. In certain instances, non-payment of required funding obligations to a company-sponsored pension plans gives rise to enforcement

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<sup>2</sup> The facts and circumstances supporting the chapter 11 cases of the OpCo Debtors are set forth in the Declaration of Steven C. Sanchioni, Executive Vice President, Chief Financial Officer, Treasurer, and Assistant Secretary of Friendly Ice Cream Corporation, in Support of the Debtors' Chapter 11 Petitions and First Day Motions (the "OpCo First Day Declaration"), filed on October 5, 2011.

rights under ERISA, including, in some instances, lien rights, in favor of the Pension Benefit Guarantee Corporation (the "PBGC"). The HoldCo Debtors commenced chapter 11 cases prior to the October 15, 2011 missed payment to the FICC Pension Plan due to a concern that the HoldCo Debtors may be alleged to be in a single "control group" of entities with FICC, and, therefore, potentially be jointly and severally liable for the missed payment and subject to potential PBGC remedies or enforcement activities.

6. As mentioned above, the HoldCo Debtors are non-operating entities that either wholly or substantially own, directly or indirectly, the OpCo Debtors. The chart attached hereto as Exhibit A depicts the HoldCo Debtors' prepetition organizational structure as it relates to the OpCo Debtors' prepetition organizational structure.

**I. Evidentiary Support for the Motions.<sup>3</sup>**

7. Concurrently with the filing of their chapter 11 petitions, the HoldCo Debtors have filed certain motions seeking relief that the HoldCo Debtors believe is necessary to preserve estate value and avoid disruption. The HoldCo Debtors request that the relief requested in each of the motions be granted. I have reviewed each motion discussed below; the facts set forth in each motion are true and correct to the best of my knowledge and belief with appropriate reliance on corporate officers and/or advisors.

**A. Debtors' Motion for Entry of an Order Directing Joint Administration of Their Chapter 11 Cases (the "Joint Administration Motion").**

8. The HoldCo Debtors request entry of an order directing joint administration of these chapter 11 cases for procedural purposes only pursuant to Bankruptcy Rule 1015(b). Specifically, the HoldCo Debtors request that the Court maintain one file and one docket for all

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<sup>3</sup> Capitalized terms used in this section and not otherwise defined shall have the meanings ascribed to them in the applicable motion.

of these chapter 11 cases under the case of Freeze, LLC and also request that an entry be made on the docket of each of the Debtors' chapter 11 cases, other than Freeze, LLC, to reflect the joint administration of these chapter 11 cases. The HoldCo Debtors are not seeking joint administration with the OpCo Debtors.

9. I believe that the relief requested in the Joint Administration Motion is in the best interests of the HoldCo Debtors' estates, their creditors, and all other parties in interest, and will preserve value of the HoldCo Debtors' estates. Accordingly, on behalf of the HoldCo Debtors, I respectfully submit that the Joint Administration Motion should be approved.

**B. Motion of the Debtors to Have Certain Previously-Entered Orders and Filed Motions Apply to New Debtors Prospectively (the "Applicability Motion").**

10. The HoldCo Debtors seek to have the certain orders previously entered or currently pending in the OpCo Debtors' chapter 11 cases (collectively, the "OpCo Debtors' Orders") apply in the HoldCo Debtors' chapter 11 cases.

11. In order to enter chapter 11 in an orderly manner and to maintain their ability to administer their cases, the HoldCo Debtors require the protections and authorizations that this Court granted through the OpCo Debtors' Orders. If the Applicability Motion is not granted, the HoldCo Debtors will be forced to separately seek essentially the same substantive relief granted in the OpCo Debtors' Orders. Therefore, entry of an order directing that the OpCo Debtors' Orders be made applicable to the HoldCo Debtors will eliminate the need for duplicative notices, motions, applications, and orders to be filed in the HoldCo Debtors' chapter 11 cases.

12. I believe that the relief requested in the Applicability Motion is in the best interests of the HoldCo Debtors' estates, any creditors, and any other parties in interest, and will preserve value of the HoldCo Debtors' estates. Accordingly, on behalf of the HoldCo Debtors, I respectfully submit that the Applicability Motion should be approved.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true correct.

Dated: October 18, 2011  
Wilmington, Delaware

/s/ Steven C. Sanchioni  
Steven C. Sanchioni  
Authorized Officer  
Freeze LLC  
5200 Town Center Circle, Suite 600  
Boca Raton, Florida 33486