

**HOLLANDER SLEEP PRODUCTS TO IMPLEMENT FINANCIAL RESTRUCTURING
THROUGH VOLUNTARY CHAPTER 11 FILING**

Factories and E-commerce Platform to Continue Operating Without Interruption

Company Secures \$28 Million New Money DIP Financing Facility

BOCA RATON – May 18, 2019 – Hollander Sleep Products, LLC, its parent Dream II Holdings, LLC, and certain of their direct and indirect subsidiaries (collectively, “Hollander” or the “Company”), the leading North American supplier of pillows and mattress pads, today announced that it has filed voluntary petitions to restructure under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. The Company’s Canadian subsidiary is also voluntarily commencing parallel proceedings under the Companies’ Creditors Arrangement Act in Canada.

To fund the Company’s operations while in Chapter 11, the Company secured \$118 million in debtor-in-possession financing (“DIP Financing”), comprised of \$28 million in incremental “new money” and an additional \$30 million of committed “exit” financing to support a full range of business improvement initiatives once the Company exits from bankruptcy. Both the “new money” DIP Financing and the “exit” financing were provided by a group of the Company’s existing term lenders. The balance of the DIP Financing is funded through a \$90 million debtor-in-possession ABL Facility (“ABL”) provided by the Company’s prepetition ABL lenders, led by Wells Fargo Bank. These funds and Hollander’s cash from operations are expected to provide ample liquidity during the Chapter 11 process to maintain normal operations.

The Company also filed a Chapter 11 reorganization plan, which is supported by 100% of the Company’s existing term lenders. The plan contemplates the conversion of approximately \$166.5 million of current term debt into new equity in the reorganized company and \$30 million of exit financing to provide funding for a full range of business and infrastructure improvements and investment in new manufacturing equipment to improve efficiencies and competitiveness. While simultaneously pursuing this deleveraging Chapter 11 plan, the Company will also be running a marketing process to determine whether there are alternative transactions to ensure that the Company maximizes value.

“We are pleased to have reached this agreement with the term lenders, Wells Fargo and our current stakeholders to provide funding and support to restructure our business for long-term success,” said Marc Pfefferle, Hollander’s Chief Executive Officer. “Hollander is making and will continue to make significant progress on improving all facets of our operations, introducing new products, improving customer service levels, lowering our costs and scaling our E-commerce presence. Upon emergence, we will have a stronger balance sheet and the financial flexibility needed to compete in today’s dynamic business environment now and over the long-term.”

Hollander’s offices and plants around the world will remain open, staffed, and supplied with the resources necessary to meet the critical needs of our customers. The Company expects the Chapter 11 process to last approximately four months.

Kirkland & Ellis LLP is providing legal counsel to Hollander. Carl Marks Advisory Group, LLC is serving as CEO and financial advisor and Houlihan Lokey Capital, Inc. is serving as investment banker to the Company. Omni Management Group, LLC is serving as Claims Agent.

Additional information regarding Hollander’s Chapter 11 filing is available at www.omnimgt.com/hollander.

About Hollander

Founded in 1953 and headquartered in Boca Raton, Florida, Hollander designs, manufactures, and markets utility bedding products that it sells to a variety of prominent retailers, distributors, and hotels. It is the leading bed, pillow, and mattress pad supplier in North America under owned and licensed brands which include I AM[®], Pacific Coast Feather, Live Comfortably[®], Great Sleep[®], Restful Nights[®], Beautyrest[®], Ralph Lauren[®], Chaps[®], and Calvin Klein[®].