

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

In re:

SPORTCO HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 19-11299 (LSS)
(Jointly Administered)

Objection Deadline: September 24, 2019 at 4:00 p.m. (ET)

**SECOND MONTHLY APPLICATION OF LOWENSTEIN SANDLER LLP
AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD
FROM JULY 1, 2019 THROUGH JULY 31, 2019**

Name of Applicant:

Lowenstein Sandler LLP

**Authorized to provide
professional services to:**

The Official Committee of Unsecured Creditors

Date of Retention:

August 1, 2019 effective as of June 17, 2019

**Period for which compensation
and reimbursement is sought:**

July 1, 2019 through July 31, 2019

**Amount of Compensation sought
as actual, reasonable and necessary:**

\$213,837.84 (80% of \$267,297.30²)

**Amount of Expense Reimbursement
sought as actual, reasonable and
necessary:**

\$4,921.30

This is a(n): Monthly Interim Final application

¹ The Debtors, together with the last four digits of each Debtor's federal tax identification number are: Bonitz Brothers, Inc. (4441); Ellett Brothers, LLC (7069); Evans Sports, Inc. (2654); Jerry's Sports, Inc. (4289); Outdoor Sports Headquarters, Inc. (4548); Quality Boxes, Inc. (0287); Simmons Guns Specialties, Inc. (4364); SportCo Holdings, Inc. (0355), and United Sporting Companies, Inc. (5758). The location of the Debtors' corporate headquarters and the service address for all Debtors is 267 Columbia Ave., Chapin, SC 29036.

² This amount reflects a 10% fee discount in the amount of \$29,699.70.

PRIOR APPLICATION HISTORY

Application	Date Filed	Period Covered	Requested		Monthly Statements		Certificate of No Objection / Signed Order
			Fees 100%	Expenses	Fees 80%	Expenses	
1 st Monthly	8/2/19	6/17/19 – 6/30/19	\$114,641.77	\$889.13	\$91,713.42	\$889.13	Pending

SUMMARY OF PROFESSIONALS AND PARAPROFESSIONALS RENDERING SERVICES FROM JULY 1, 2019 THROUGH JULY 31, 2019

Name of Professional	Year Admitted	Title/Department	Hours Spent	Hourly Rate	Charge
Citron, Lowell A.	1995	Partner/Corporate / Tax	9.40	\$1,070.00	\$10,058.00
Cohen, Jeffrey	2000	Partner/Bankruptcy	47.90	\$955.00	\$45,744.50
*Cohen, Jeffrey - Travel Time	2000	Partner/Bankruptcy	4.40	\$477.50	\$2,101.00
Chafetz, Eric S.	2004	Counsel/Bankruptcy	77.00	\$720.00	\$55,440.00
*Chafetz, Eric S. - Travel Time	2004	Counsel/Bankruptcy	2.10	\$360.00	\$756.00
Danenbauer, George P.	1999	Counsel/Corporate / Tax	0.40	\$720.00	\$288.00
Jesse, Eric	2009	Counsel/Litigation	0.90	\$660.00	\$594.00
Kaplan, Michael A.	2011	Counsel/Litigation	53.00	\$620.00	\$32,860.00
*Kaplan, Michael A. - Travel Time	2011	Counsel/Litigation	6.30	\$310.00	\$1,953.00
Chahil, Rasmeem K.	2017	Associate/Litigation	30.20	\$460.00	\$13,892.00
MacDonald, Myles R.	2017	Associate/Bankruptcy	117.20	\$490.00	\$57,428.00
*MacDonald, Myles R. - Travel Time	2017	Associate/Bankruptcy	3.10	\$245.00	\$759.50
Meyers, Jason D.	2017	Associate/Litigation	8.60	\$420.00	\$3,612.00
Olivera, Gabriel L.	2012	Associate/Bankruptcy	51.90	\$550.00	\$28,545.00
Schneider, John P.	2011	Associate/Bankruptcy	19.20	\$525.00	\$10,080.00
Thomas, C. Patrick	2018	Associate/Litigation	51.30	\$420.00	\$21,546.00
Claussen, Diane	N/A	Paralegal/Bankruptcy	4.80	\$270.00	\$1,296.00
Jara, Gabriel	N/A	Paralegal/Practice Support	5.60	\$270.00	\$1,512.00
Lawler, Elizabeth B.	N/A	Paralegal/Bankruptcy	3.20	\$250.00	\$800.00
Pagano, Jamie J.	N/A	Paralegal/Practice Support	1.20	\$300.00	\$360.00
Power, Megan	N/A	Paralegal/Corporate / Tax	15.10	\$310.00	\$4,681.00
Suhail, Aneela	N/A	Paralegal/Practice Support	0.20	\$255.00	\$51.00

Name of Professional	Year Admitted	Title/Department	Hours Spent	Hourly Rate	Charge
Pinos, Elvis	N/A	Law Clerk/Summer Associate	9.40	\$250.00	\$2,350.00
Hayter, Carrie T.	N/A	Research Services/Knowledge and Research Services (Formerly Library)	1.00	\$290.00	\$290.00
TOTAL FEES (minus 10% discount)			523.40		\$296,997.00 -\$29,699.70 \$267,297.30
Attorney Blended Rate					\$532.39
*Reflects 50% rate reduction due to non-working travel time					

**SUMMARY OF COMPENSATION BY PROJECT CATEGORY FOR THE PERIOD OF
JULY 1, 2019 THROUGH JULY 31, 2019**

Task	Task Description	Hours	Fees
B110	Case Administration	9.50	\$3,273.00
B120	Asset Analysis and Recovery	132.80	\$70,122.00
B120A	Investigation of Prepetition Lenders	38.80	\$23,022.50
B130	Asset Disposition	57.30	\$37,471.00
B150	Meetings of and Communication with Creditors	48.00	\$28,005.00
B160	Fee/Employment Applications	10.70	\$5,919.50
B165	Employment and Retention Applications - Others	1.90	\$1,072.00
B175	Fee Applications and Invoices - Others	3.10	\$948.00
B190	Other Contested Matters (excluding assumption/rejection motions)	109.50	\$55,001.00
B195	Non-Working Travel	15.90	\$5,569.50
B210	Business Operations	1.70	\$1,156.00
B220	Employee Benefits/Pensions	6.50	\$4,089.50
B230	Financing/Cash Collateral	46.50	\$35,570.00
B310	Claims Administration and Objections	0.10	\$72.00
B430	Adversary Proceedings and Bankruptcy Court Litigation	0.20	\$98.00
B430A	Court Hearings	20.80	\$15,394.50
B440	Schedules and Statements	7.80	\$4,180.00
B460	Other - Insurance Matters	12.30	\$6,033.50
Total (minus 10% discount)		523.40	\$296,997.00 -\$29,699.70 \$267,297.30

**EXPENSE SUMMARY FOR THE PERIOD OF
JULY 1, 2019 THROUGH JULY 31, 2019**

Messenger and delivery charges	\$177.08
Computerized legal research	\$3,072.54
Travel	\$1,635.90
Meals	\$35.78
Total Disbursements	\$4,921.30

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FOR THE DISTRICT OF DELAWARE**

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Debtors.

Chapter 11

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(Jointly Administered)

Objection Deadline: September 24, 2019 at 4:00 p.m. (ET)

**SECOND MONTHLY APPLICATION OF LOWENSTEIN SANDLER LLP
AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD
FROM JULY 1, 2019 THROUGH JULY 31, 2019**

TO: THE HONORABLE LAURIE SELBER SILVERSTEIN,
UNITED STATES BANKRUPTCY JUDGE:

Pursuant to 11 U.S.C. §§ 330 and 331, Rule 2017 of the Federal Rules of Bankruptcy Procedure and the Interim Compensation Order (defined below), Lowenstein Sandler LLP (“Lowenstein Sandler”), as counsel to the Official Committee of Unsecured Creditors (the “Committee”), appointed in the chapter 11 cases of SportCo Holdings, Inc., *et al.*, the above captioned debtors and debtors-in-possession (collectively, the “Debtors”), submits its second monthly application (the “Application”) for allowance of compensation and reimbursement of expenses for the period of July 1, 2019 through July 31, 2019 (the “Fee Period”). By this Application, Lowenstein Sandler seeks a monthly allowance of compensation in the amount of \$267,297.30². Lowenstein Sandler seeks payment of \$213,837.84 (80% of the allowed fees) for the Fee Period upon filing a certificate of no objection and/or resolution of any objections. Lowenstein

¹ The Debtors, together with the last four digits of each Debtor’s federal tax identification number are: Bonitz Brothers, Inc. (4441); Ellett Brothers, LLC (7069); Evans Sports, Inc. (2654); Jerry’s Sports, Inc. (4289); Outdoor Sports Headquarters, Inc. (4548); Quality Boxes, Inc. (0287); Simmons Guns Specialties, Inc. (4364); SportCo Holdings, Inc. (0355), and United Sporting Companies, Inc. (5758). The location of the Debtors’ corporate headquarters and the service address for all Debtors is 267 Columbia Ave., Chapin, SC 29036.

² This amount reflects a 10% fee discount in the amount of \$29,699.70.

Sandler also seeks expense reimbursement in the amount of \$4,921.30. In support of this Application, Lowenstein Sandler respectfully states as follows:

BACKGROUND

1. On June 10, 2019 (the “Petition Date”), each of the Debtors filed voluntary petitions for relief (the “Chapter 11 Cases”) under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware.

2. The Debtors continue to operate their businesses and manage their property as Debtors-In-Possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee has been appointed in these Chapter 11 Cases.

3. On June 17, 2019, the Office of the United States Trustee appointed the Committee pursuant to section 1102(a)(1) of the Bankruptcy Code. [Docket No. 58].

4. Also on June 17, 2019, the Committee selected Lowenstein Sandler to serve as its counsel and subsequently selected Morris James LLP to serve as its Delaware counsel.

5. On July 15, 2019, the Court entered the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* (the “Interim Compensation Order”) [Docket No. 141].

6. On August 1, 2019, the Court entered the *Order Authorizing and Approving the Employment and Retention of Lowenstein Sandler LLP as Counsel to the Official Committee of Unsecured Creditors effective as of June 17, 2019* (“Retention Order”) [Docket No. 218]. The Retention Order authorizes Lowenstein Sandler to be compensated in accordance with the procedures set forth in 11 U.S.C. §§ 330 and 331, the applicable Federal Rules of Bankruptcy Procedure, the rules of this Court and any Order entered by this Court with respect to the compensation of professionals, including the Interim Compensation Order.

7. Through the Application, Lowenstein Sandler seeks allowance of compensation for professional services rendered for and on behalf of the Committee during the Fee Period. A detailed description of services rendered during the Fee Period is annexed hereto as Exhibit “A”. A schedule of disbursements incurred during the Fee Period is annexed hereto as Exhibit “B”.

8. During the Fee Period, Lowenstein Sandler spent significant time attending to the Debtors’ proposed DIP Financing, the Committee’s going-concern sale process, and the Debtors’ liquidation efforts, including, but not limited to: (a) conferring with the Committee’s financial advisor regarding the Debtors’ DIP financing and sale processes; (b) conferring with the Debtors’ counsel regarding resolution of sale issues; (c) conferring with counsel to the Debtors and counsel to the secured lenders regarding DIP and challenge issues; (d) drafting the Committee’s DIP objections; (e) reviewing the updated DIP budget; (f) attending to sale related discovery; (g) reviewing and analyzing the Debtors’ bidding procedures related to the sale of the Debtors’ Bellefontaine, Ohio distribution facility; (h) engaging in discussions with potential purchasers interested in the going-concern sale process; (i) drafting and revising a motion to enforce the order authorizing the Committee to run a going-concern sale process; (j) attending to non-disclosure agreements for potential going-concern bidders; and (k) attending the contested hearings on the DIP and sale motions.

9. In addition, Lowenstein Sandler continued the Committee’s investigation into the acts, conduct, assets, liabilities and financial condition of the Debtors and its secured lenders, the operation of the Debtors’ businesses and potential estate claims and causes of action, and attended to related discovery, including: (a) extensive document review; (b) preparing document productions; (c) preparing a Rule 2004 motion; and (d) preparing a lien review memorandum.

10. Further, Lowenstein Sandler: (a) reviewed and analyzed Prospect’s South Carolina complaint, researched applicable law, including potential removal of the South Carolina

action to Delaware bankruptcy court and the applicability of the statute of Elizabeth to the Prospect complaint; (b) addressed organizational matters associated with establishing a functioning Committee, including but not limited to, retention of the Committee's financial advisor, Delaware counsel and Lowenstein Sandler, preparing an initial budget and staffing report, and preparing Committee by-laws and non-disclosure agreements with the Debtors; (c) addressed various issues with changes to the cash management order; (d) reviewed and analyzed the Debtors' monthly operating report; (e) reviewed and analyzed the Debtors' KEIP/KERP motion, and drafted an objection thereto; (f) reviewed and analyzed the Debtors' statements and schedules; (g) reviewed and analyzed the Debtors' insurance policies; and (h) communicated with the members of the Committee, by telephone and e-mail, to discuss the Debtors' business operations, chapter 11 strategies, and all of the above matters. Lowenstein Sandler has rendered professional services as counsel to the Committee as requested and as necessary and appropriate in furtherance of the Committee's duties and functions in these Chapter 11 Cases.

11. Annexed hereto as Exhibit "C", and made part hereof, is a Certification of Jeffrey Cohen, Esq., a partner of Lowenstein Sandler, submitted pursuant to section 504 of the Bankruptcy Code.

SUMMARY OF SERVICES BY PROJECT CATEGORY

12. The services rendered by Lowenstein Sandler during the Fee Period are grouped into the categories set forth in Exhibit "A". The attorneys and paralegals that rendered services relating to each category, along with the number of hours for each individual and the total compensation sought for each category, are listed in the attachments hereto.

DISBURSEMENTS

13. Lowenstein Sandler incurred reasonable and necessary out-of-pocket expenses in the sum of \$4,921.30 in connection with rendering legal services to the Committee during the Fee Period. A description of the expenses is set forth in Exhibit "B". The disbursements are itemized in the annexed schedule. These disbursements were necessary to effectively render legal services in these Chapter 11 Cases.

14. During the course of these Chapter 11 Cases, Lowenstein Sandler has incurred and paid its actual and necessary disbursements and expenses.

VALUATION OF SERVICES & RELIEF REQUESTED

15. Attorneys and paraprofessionals employed by Lowenstein Sandler have expended a total of 523.40 hours in connection with this matter during the Fee Period detailed below.

16. The nature of the work performed by these persons is fully set forth in the detail attached hereto as Exhibit "A". The hourly rates set forth above are Lowenstein Sandler's current hourly rates for work of this nature. The reasonable value of the services rendered by Lowenstein Sandler for the Fee Period as counsel to the Committee is \$267,297.30.

17. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount requested is fair and reasonable given (a) the complexity of these Chapter 11 Cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the cost of comparable services other than in a case under this title.

18. This is Lowenstein Sandler's second monthly application pursuant to the Interim Compensation Order that was entered on July 15, 2019. Lowenstein Sandler has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with these Chapter 11 Cases, and there is no agreement or

understanding between Lowenstein Sandler and any other person, other than members of Lowenstein Sandler, for the sharing of compensation to be received for services rendered in these Chapter 11 Cases. No prior application has been made to this or any other Court for this Fee Period or for the allowance of fees and disbursements sought herein.

19. This Application covers the period of July 1, 2019 through July 31, 2019. Lowenstein Sandler has and will continue to perform additional necessary services subsequent to July 31, 2019, for which Lowenstein Sandler will file subsequent fee applications.

WHEREFORE, Lowenstein Sandler respectfully requests the Court grant the Application and allow Lowenstein Sandler's monthly fees in the amount of \$267,297.30, less a twenty percent (20%) holdback in the amount of \$53,459.46, for a total fee request in the amount of \$213,837.84, for professional services rendered to and on behalf of the Committee during the Fee Period, plus reimbursement of its actual, reasonable, and necessary expenses incurred in connection with services rendered during the Fee Period in the sum of \$4,921.30, and that it be granted such other and further relief as the Court may deem just and proper.

Dated: September 3, 2019

LOWENSTEIN SANDLER LLP

/s/ Jeffrey Cohen
Jeffrey Cohen, Esq. (admitted *pro hac vice*)
Eric S. Chafetz, Esq. (admitted *pro hac vice*)
Michael Kaplan, Esq.
1251 Avenue of the Americas
New York, New York
Telephone: (212) 262-6700
Facsimile: (212) 262-7402
Email: jcohen@lowenstein.com
echafetz@lowenstein.com
mkaplan@lowenstein.com

Counsel for the Official Committee Unsecured Creditors