

**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)

**SUMMARY OF FIRST MONTHLY FEE APPLICATION OF
EMERALD CAPITAL ADVISORS FOR COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED AS
FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR THE PERIOD FROM JUNE 17, 2019 THROUGH JULY 31, 2019**

Name of Applicant:	Emerald Capital Advisors
Authorized to Provide Professional Services to:	Official Committee of Unsecured Creditors of SportCo Holdings, Inc., <i>et al.</i>
Date of Retention:	August 8, 2019, <i>nunc pro tunc</i> to June 17, 2019
Period for which Compensation and Reimbursement is Sought:	June 17, 2019 through July 31, 2019
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$256,026.40 (80% of \$320,033.00)
Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$3,903.00
This is a(n):	First Monthly Fee 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.

PRIOR MONTHLY FEE APPLICATION HISTORY

N/A

FEE SUMMARY BY PROFESSIONAL

Professional	Title	Billing Rate	Total Hours	Total Fees
John P. Madden	Founder and Managing Partner	\$600.00	107.0	\$64,200.00
Michael Blank	Managing Director	500.00	173.0	86,500.00
Christopher Saitta	Vice President	400.00	214.5	85,808.00
Ryan Feulner	Senior Analyst	300.00	203.0	60,900.00
Ray Hudson	Analyst	250.00	90.5	22,625.00
Total Fees		\$406.12	788.0	\$320,033.00

FEE SUMMARY BY TASK CODE

Task	Task Description	Hours	Fees
1	Analysis of Claims / Liabilities	8.5	\$3,100.00
2	Asset Analysis and Recovery	27.5	11,400.00
3	Asset Disposition / §363 Sale Auction	237.5	99,000.00
4	Bankruptcy Filings & Document Review	80.5	33,875.00
5	Case Administration / Management / Strategy	67.5	29,250.00
6	Cash Flow & Liquidity Analysis	22.0	6,600.00
7	Committee Related Matters	36.5	15,333.00
8	Court Testimony, Preparation & Attendance	44.5	19,800.00
9	Debtor Professionals - Meetings / Discussions	34.5	12,875.00
10	Due Diligence	38.0	13,550.00
11	Financial Review / Analysis / Report Preparation	104.5	38,550.00
12	Financing Matters (DIP, Exit, Other)	18.0	7,600.00
13	Plan and Disclosure Statement	--	--
14	Professional Retention / Fee Application Preparation	13.0	4,825.00
15	UCC Professionals - Meetings / Discussions	43.5	18,275.00
16	Travel Time Billed at 1/2 Actual Time	12.0	6,000.00
Total Fees		788.0	\$320,033.00

SUMMARY OF EXPENSES

DISBURSEMENTS	AMOUNT
1) Ground Transportation (cabs / cars)	\$511.28
2) Meals	--
3) Travel - Lodging	--
4) Communication Related	116.52
5) Printing / Copying / Other	91.30
6) Travel - Train	3,033.90
7) Other / Miscellaneous	150.00
Total Disbursements	\$3,903.00

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**FIRST MONTHLY FEE APPLICATION OF EMERALD CAPITAL ADVISORS FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS FINANCIAL ADVISOR TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD FROM
JUNE 17, 2019 THROUGH JULY 31, 2019**

Emerald Capital Advisors ("Emerald" or "Applicant"), financial advisor for the Official Committee of Unsecured Creditors (the "Committee") of SportCo Holdings, Inc., et al. (the "Debtors") files the First Monthly Fee Application of Emerald Capital Advisors for Compensation for Services Rendered and Reimbursement of Expenses Incurred as Financial Advisor for the Official Committee of Unsecured Creditors for the Period from June 17, 2019 through July 31, 2019 (the "First Monthly Fee Application" or this "Application") relating to the above-referenced bankruptcy case for the period from June 17, 2019 through July 31, 2019 (the "Fee Period"). Pursuant to this Application, Emerald seeks: (i) allowance of compensation for professional services Emerald performed during the Fee Period in the amount of \$320,033.00, less a twenty percent (20%) holdback in the amount of \$64,006.60, for a total fee request of \$256,026.40; and (ii) allowance of its actual and necessary expenses incurred during the Fee

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.

Period in the total amount of \$3,903.00. The statutory and legal predicates for the relief sought herein are sections 330, 331, and 1103 of chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101, *et seq.* (the "Bankruptcy Code"), Rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Rule 2016 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules") and the Administrative Order Establishing Procedures For Monthly, Interim, and Final Compensation and Reimbursement of Expenses of Professionals Retained In These Chapter 11 Cases and Reimbursement of Expenses of Committee Members Appointed In These Chapter 11 Cases [Docket No.77] ("Interim Compensation Order"). The total amount sought for fees represents approximately 788.0 hours of professional services. In support of this Application, Emerald shows the Court the following:

BACKGROUND

1. On June 10, 2019 (the "Petition Date"), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the "Court"). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On June 11, 2019, the Court entered an order [Docket No. 38] authorizing the joint administration and procedural consolidation of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these cases.

3. On June 17, 2019, the Office of the United States Trustee for Region 3 appointed the Committee pursuant to section 1102(a)(1) of the Bankruptcy Code. The Committee is comprised of the following seven (7) creditors: Vista Outdoor Sales, LLC.;

Magpul Industries Corporation.; American Outdoor Brands Corporation; Garmin USA, Inc.; Fiocchi of America, Inc; FN America, LLC; and Remington Arms Company, LLC [Docket No. 58].

4. On June 17, 2019, the Committee selected Lowenstein Sandler LLP and Morris James LLP to serve as its counsel and local counsel, respectively. On that same day, the Committee voted to retain Emerald as financial advisor to the Committee.

5. On July 3, 2019, the Court entered an order [Docket No. 109] authorizing Emerald to run a going concern sale process and solicit alternative proposals for a period of three weeks.

6. On June 25, 2019, the Court entered the Interim Compensation Order. The Interim Compensation Order provides that, on or after the 20th day of each calendar month, each Professional (as defined in the Interim Compensation Order) may file an application (a “Monthly Fee Application”) with the Court for interim approval and allowance of compensation for services rendered and reimbursement of expenses incurred during any preceding month or months. If no objections are raised prior to the expiration of the applicable Objection Deadline (as defined in the Interim Compensation Order), the Professional may file a certificate of no objection with the Court following the expiration of such Objection Deadline, after which the Debtors are authorized and directed to pay the Professional an amount equal to the lesser of (i) 80 percent of the fees and 100 percent of the expenses requested in the applicable Monthly Fee Application and (ii) 80 percent of the fees and 100 percent of the expenses requested in the applicable Monthly Fee Application that are not subject to an objection.

7. On July 17, 2019, the Official Committee of Unsecured Creditors filed the Application for an Order Pursuant to 11 U.S.C. §§ 328(a) and 1103 Authorizing and Approving

the Employment and Retention of Emerald Capital Advisors as Financial Advisors to the Official Committee of Unsecured Creditors nunc pro tunc to June 17, 2019 [Docket No. 167] (the "Retention Application").

8. On August 8, 2019, an Order was entered approving the Retention Application [Docket No. 242] (the "Retention Order").

JURISDICTION AND VENUE

9. This Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

10. The statutory predicates for the relief sought herein are sections 328(a) and 1103 of the Bankruptcy Code, Bankruptcy Rule 2014 and Local Rule 2014-1.

RELIEF REQUESTED

11. Pursuant to the Retention Order, the Interim Compensation Order, and sections 328(a), 330, and 331 of the Bankruptcy Code, Emerald seeks allowance of compensation for professional services rendered to the Committee during the Fee Period in the aggregate amount of: (i) interim allowance of \$320,033.00, less a twenty percent (20%) holdback in the amount of \$64,006.60 for a total fee request of \$256,026.40 for services rendered during the Fee Period; and (ii) reimbursement of actual and necessary costs and expenses incurred during the Fee Period in the sum of \$3,903.00. Thus, Emerald seeks interim allowance of fees and expenses during the Fee Period in the total amount of \$323,936.00 and payment of \$259,929.40 (\$256,026.40 in fees plus \$3,903.00 in expenses).

12. Emerald 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 the fees and expenses sought to be allowed pursuant to this Application. With respect to the fees

requested by Emerald, there is no agreement or understanding between Emerald and any other person, other than the members of the firm, for the sharing of compensation to be received for services rendered in this case.

13. All financial advisory services provided by Emerald during the Fee Period were performed for and on behalf of the Committee, and not on behalf of any other person or entity.

14. This is Emerald's First Monthly Fee Application.

SUMMARY OF SERVICES RENDERED

15. Emerald has maintained detailed records of the time spent in rendition of professional services to the Committee during the Fee Period. Attached hereto as Exhibit "A" and incorporated herein by reference are detailed time records for services rendered during the Fee Period. The time records include the date that the services were rendered, a detailed narrative description of the services provided, the amount of time spent for each service and the designation of the professional who performed the service.

16. The services rendered by Emerald during the Fee Period can be grouped into the following categories:

Task	Task Description	Hours	Fees
1	Analysis of Claims / Liabilities	8.5	\$3,100.00
2	Asset Analysis and Recovery	27.5	11,400.00
3	Asset Disposition / §363 Sale Auction	237.5	99,000.00
4	Bankruptcy Filings & Document Review	80.5	33,875.00
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15	UCC Professionals - Meetings / Discussions	43.5	18,275.00
16	Travel Time Billed at 1/2 Actual Time	12.0	6,000.00
Total Fees		788.0	\$320,033.00

17. Professionals have expended a total of 788.0 hours in connection with this matter during the Fee Period, as follows:

Professional	Title	Billing Rate	Total Hours	Total Fees
John P. Madden	Founder and Managing Partner	\$600.00	107.0	\$64,200.00
Michael Blank	Managing Director	500.00	173.0	86,500.00
Christopher Saitta	Vice President	400.00	214.5	85,808.00
Ryan Feulner	Senior Analyst	300.00	203.0	60,900.00
Ray Hudson	Analyst	250.00	90.5	22,625.00
Total Fees		\$406.12	788.0	\$320,033.00

18. The nature of the work performed by these professionals is fully set forth in Exhibit "A" attached hereto. The fees for the services rendered by Emerald to the Committee during the Fee Period is \$320,033.00, which amount is subject to a holdback of 20% pursuant to the Interim Compensation Order governing these cases until an interim fee application encompassing the Fee Period is approved.

19. The general areas in which Emerald has rendered professional services to the Committee during the Fee Period may be broadly characterized as follows:

- a. Review and analyze the Company's operations, financial condition,

- business plan, strategy, and operating forecasts;
- b. Run the Debtors' going-concern sale process;
- c. Assist the Committee in evaluating any proposed debtor-in-possession financing;
- d. Assist in the determination of an appropriate capital structure for the Company;
- e. Advise the Committee as it assesses the Debtors' executory contracts including assume versus reject considerations;
- f. Assist the Committee in connection with its identification, development, and implementation of strategies related to the potential recoveries for the unsecured creditors as it relates to the Debtors' Chapter 11 plan;
- g. Assist the Committee in understanding the business and financial impact of various restructuring alternatives of the Debtors;
- h. Assist the Committee in evaluating, structuring and negotiating the terms and conditions of any proposed transaction, including the value of the securities, if any, that may be issued to thereunder;
- i. Assist in the evaluation of the asset sale process, including the identification of potential buyers;
- j. Assist in evaluating the terms, conditions, and impact of any proposed asset sale transactions;
- k. Assist the Committee in evaluating any proposed merger, divestiture, joint-venture, or investment transaction;
- l. Assist the Committee to value the consideration offered by the Debtors to

unsecured creditors in connection with the sale of the Debtors' assets or a restructuring;

- m. Provide testimony, as necessary, in any proceeding before the Bankruptcy Court; and

The generality of the foregoing description is amplified on a day-to-day basis by the time records attached as Exhibit "A".²

SUMMARY OF EXPENSES INCURRED

20. Emerald incurred reasonable and necessary out-of-pocket expenses in the sum of \$3,903.00, in connection with rendering financial advisory services to the Committee during the Fee Period. A detailed description of the expenses is set forth in Exhibit "B" attached hereto. Such disbursements include travel expenses, work related meals, telephone and facsimile (outgoing only) toll and other charges, mail and express mail charges, special or hand delivery charges, document processing, photocopying (not to exceed \$0.10 per page), scanning and printing charges, vendor charges, computerized research, non-ordinary overhead expenses, and other out-of-pocket expenses incurred in providing professional services to the Committee. These disbursements were necessary to effectively render financial advisory services in these cases.

21. During the course of this case, Emerald has incurred and paid its actual and necessary disbursements and expenses.

² This summary is intended only to highlight the services rendered by Emerald and is not meant to be a detailed description of all of the work performed. Detailed descriptions of the day-to-day services provided by Emerald and the time expended performing such services are fully set forth in Exhibit "A" to this Application.

22. Emerald seeks reimbursement only for the actual cost of such expenses to Emerald. Emerald submits that the expenses incurred during the Fee Period were customary and necessary.

NOTICE

23. Pursuant to the Interim Compensation Order, notice of the First Monthly Fee Application has been given to: (i) the Debtors; (ii) the Debtors' counsel; (iii) counsel to DIP Agent; (iv) the Office of the U.S. Trustee; and (v) counsel to the Committee. In light of the nature of the relief requested, the Committee submits that no further notice is required.

CONCLUSION

WHEREFORE, Emerald respectfully requests interim allowance of its fees for services rendered during the Fee Period in the amount of \$320,033.00, payment for services rendered during the Fee Period in the amount of \$256,026.40 (80% of \$320,033.00), and allowance and reimbursement of \$3,903.00 in actual and necessary expenses incurred by Emerald during the Fee Period.

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Dated: September 3, 2019

MORRIS JAMES LLP

/s/ Brya M. Keilson

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