

**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)

)
) **Re: Docket Nos. 309, 369 and 394**

**ORDER (A) APPROVING ON CONDITIONAL BASIS COMBINED DISCLOSURE
STATEMENT AND JOINT CHAPTER 11 PLAN OF LIQUIDATION FOR
SOLICITATION PURPOSES ONLY, (B) ESTABLISHING PROCEDURES FOR
SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT
COMBINED DISCLOSURE STATEMENT AND PLAN, (C) APPROVING THE FORM
OF BALLOT AND SOLICITATION MATERIALS, (D) ESTABLISHING VOTING
RECORD DATE, (E) FIXING THE DATE, TIME AND PLACE FOR THE
CONFIRMATION HEARING AND THE DEADLINE FOR FILING OBJECTIONS
THERETO, AND (F) APPROVING RELATED NOTICE PROCEDURES**

Upon consideration of the Debtors' *Motion for the Entry of an Order: (A) Conditionally Approving the Combined Disclosure Statement and Joint Chapter 11 Plan of Liquidation for Solicitation Purposes Only, (B) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Liquidation, (C) Approving the Form of Ballots and Solicitation Materials, (D) Establishing Voting Record Date, (E) Fixing the Date, Time and Place for the Confirmation Hearing, and (F) Approving Related Notice Procedures* (the "Motion"); and upon consideration of the Motion and all pleadings related thereto, including the statements of counsel and evidence proffered at the hearing on the Motion, if a hearing is required; and the Court having determined that the legal and factual bases set forth in the Motion and at the hearing on the Motion establish just cause for the relief granted herein;

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.

THE COURT HEREBY FINDS AS FOLLOWS:

A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

B. This is a core proceeding pursuant to 28 U.S. C. § 157(b)(2).

C. Notice of the Motion and the hearing on the Motion was sufficient and proper under the circumstances and complied with the requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules.²

D. The relief requested in the Motion and granted herein is warranted under the circumstances and is in the best interests of the Debtors, their respective estates and creditors.

E. The form of ballot attached to the Motion as **Exhibit 3**, as revised and filed at Docket No. 369 (the “Ballot”): (i) is consistent with Official Form No. 314, (ii) adequately addresses the particular needs of these Chapter 11 Cases, (iii) is appropriate for the Voting Classes, and (iv) complies with Bankruptcy Rule 3017(d).

F. Ballots need not be provided to holders of Claims or Equity Interests in the following Classes, as such Non-Voting Classes are either Unimpaired and are conclusively presumed to have accepted the Plan in accordance with section 1126(f) of the Bankruptcy Code or are Impaired but will neither retain nor receive any property under the Plan and are thus conclusively deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code:

Class 1 – Other Priority Claims	Unimpaired, Deemed to Accept
Class 3 – Other Secured Claims	Unimpaired, Deemed to Accept
Class 5 – Wellspring Subordinated Claims	Will not receive or retain any property, Deemed to Reject
Class 6 – Equity Interests	Will not receive or retain any property, Deemed to Reject

² Capitalized terms used but not defined herein shall have the meanings given to them in the Motion.

G. The period during which the Debtors may solicit votes to accept or reject the Plan, as established by this Order, provides sufficient time for Claimholders to make informed decisions to accept or reject the Plan and submit their Ballots in a timely fashion.

H. The Tabulation Procedures for the solicitation and tabulation of votes to accept or reject the Plan, as approved herein, provide a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

I. The contents of the Solicitation Packages (as defined below) and the procedures for providing notice of the final hearing on approval of the Combined Plan and Disclosure Statement and the other matters set forth in the Confirmation Notice comply with Bankruptcy Rules 2002 and 3017 and constitute sufficient notice to all interested parties in accordance with Bankruptcy Code, the Bankruptcy Rules and the Local Rules.

IT IS HEREBY FOUND AND DETERMINED THAT:

1. The Motion is **GRANTED** as set forth herein.
2. The Combined Plan and Disclosure Statement is conditionally approved for solicitation purposes only.
3. The Ballot substantially in the form attached to the Motion as **Exhibit 3**, as revised and filed at Docket No. 369, is approved.
4. The Ballots shall be distributed to the Claimholders in the Voting Classes entitled to vote to accept or reject the Plan.
5. In order to be counted as votes to accept or reject the Plan, all Ballots must be properly executed, completed and delivered, by either mail, overnight courier or personal delivery so that they are actually received no later than 4:00 p.m., prevailing Eastern Time, on

October 15, 2019 (the “Voting Deadline”). Ballots transmitted by facsimile or electronic mail will not be counted.

6. For the purposes of voting on the Plan, each Claim (i)(a) for which a proof of claim has been filed with the Bankruptcy Court; or (b) that is listed in the Schedules and not listed as disputed, contingent or unliquidated as to amount; and, in either case, as to which no objection to the allowance thereof has been Filed by the Record Date or (ii) which has otherwise been allowed by a Final Order, shall be allowed. The foregoing is subject to further order of this Court to the extent that a party moves for temporary allowance of its Claims in an amount which is different from the amount that otherwise would apply to such Claim under the foregoing.

7. The following procedures shall be utilized in tabulating the Ballots (the “Tabulation Procedures”):

- a) Except as permitted by the Court, any Ballots received after the Voting Deadline will not be accepted or counted by the Debtors in connection with the Debtors’ request for confirmation of the Combined Plan and Disclosure Statement.
- b) Any Ballot that does not indicate an acceptance or rejection of the Combined Plan and Disclosure Statement or that indicates both an acceptance and rejection of the Combined Plan and Disclosure Statement will not be counted.
- c) Any Ballot that is returned indicating acceptance or rejection of the Plan but is unsigned will not be counted.
- d) Whenever a Claimholder casts more than one Ballot voting the same Claim prior to the Voting Deadline, only the latest-dated Ballot timely received will be deemed to reflect the voter’s intent and will thus supersede any prior Ballots.
- e) If a Claimholder casts simultaneous duplicative Ballots that are voted inconsistently, such Ballots will not be counted.
- f) Each Claimholder will be deemed to have voted the full amount of its Claim as set forth on the Ballot.

- g) Claimholders may not split their vote within a Class, and thus each Claimholder will be required to vote all of its Claims within the Voting Class either to accept or reject the Plan.
- h) Ballots partially rejecting and partially accepting the Plan will not be counted.
- i) The method of delivery of Ballots to the Balloting Agent is at the risk of each Claimholder, and such delivery will be deemed made only when the original Ballot is actually received by the Balloting Agent.
- j) No Ballot should be sent directly to the Debtor.
- k) The Debtors expressly reserve the right to amend the terms of the Plan (subject to compliance with section 1127 of the Bankruptcy Code and the agreement of the Prepetition Term Loan Agent).
- l) If a Ballot is executed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or other person acting in a fiduciary or representative capacity on behalf of a claimholder, such person will be required to indicate such capacity when signing and, at the Balloting Agent's discretion, must submit proper evidence satisfactory to the Balloting Agent to so act on behalf of the claimholder.
- m) Any Claimholder who has delivered a valid Ballot voting on the Plan may withdraw such vote solely in accordance with Bankruptcy Rule 3018(a).
- n) Subject to any contrary order of the Court, the Debtors further reserve the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot unless otherwise directed by the Court.
- o) Unless waived or as ordered by the Court, any defects or irregularities in connection with deliveries of Ballots must be cured by the Voting Deadline or within such time as the Court determines, and unless otherwise ordered by the Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived.
- p) Neither the Debtor, nor any other person or entity, will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not theretofore been cured or waived) will not be counted.

- q) For purposes of determining whether the numerosity and amount requirements of section 1126(c) of the Bankruptcy Code have been satisfied, the Balloting Agent will tabulate only those Ballots received prior to the Voting Deadline or otherwise ordered by the Court.
- r) Ballots received that do not evidence the amount or evidence an incorrect amount of such Creditor's Claim shall be completed or corrected, as the case may be, based upon a Final Order of the Bankruptcy Court or, if no such Final Order exists, then (i) based upon filed proofs of Claim, or (ii) the Schedules filed by the Debtors if no proof of claim has been filed by such Creditor, and counted as a vote to accept or reject the Plan.

8. Upon completion of the balloting, the Balloting Agent will certify (i) the amount and number of allowed Claims of the Voting Classes accepting or rejecting the Combined Plan and Disclosure Statement, and (ii) details regarding Ballots received but not counted by the Balloting Agent because of defects or any other reason. The Debtors shall cause such certification to be served on the Prepetition Term Loan Agent, the Committee, and the United States Trustee and filed with the Court no later than two (2) Business Days prior to the hearing on the final approval of the Combined Plan and Disclosure Statement.

9. If any claimholder seeks to challenge the allowance of its Claim for voting purposes in accordance with the Tabulation Procedures, such Claimholder must file a motion, pursuant to Bankruptcy Rule 3018(a) for an order temporarily allowing its Claim or Equity Interest in a different amount or classification for purposes of voting to accept or reject the Combined Plan and Disclosure Statement (a "Rule 3018 Motion") and serve the Rule 3018 Motion on the Debtors so that it is received no later than 4:00 p.m., prevailing Eastern Time, on October 9, 2019. The Debtors shall then (a) have until October 15, 2019 to file and serve any responses to such Rule 3018 Motions, and (b) coordinate with the Court to adjudicate and resolve all pending Rule 3018 Motions prior to the Confirmation Hearing. Any Ballot submitted by a Claimholder that files a Rule 3018 Motion shall be counted solely in accordance with the Tabulation Procedures and the other applicable provisions of this Order unless and until the

underlying Claim or Equity Interest is temporarily allowed by the Court for voting purposes in a different amount, after notice and a hearing.

10. The final hearing on the approval of the Combined Plan and Disclosure Statement is hereby scheduled for October 21, 2019 at 10:00 a.m. (ET). The hearing on the final approval of the Combined Plan and Disclosure Statement may be continued from time to time by the Court without further notice other than the announcement of the adjourned date(s) at the final hearing on the approval of the Combined Plan and Disclosure Statement or any continued hearing.

11. Objections to confirmation of the Combined Plan and Disclosure Hearing on any ground including adequacy of disclosure, if any, must: (i) be in writing; (ii) be filed with the Court and served on: (a) counsel for the Debtors, (b) the United States Trustee; (c) counsel for the Prepetition Term Loan Agent, and (d) counsel for the Committee so that they are received no later than 4:00 p.m., prevailing Eastern Time, on October 15, 2019 (the “Confirmation Objection Deadline”).

12. The Confirmation Notice in substantially the form attached to the Motion as Exhibit 4, as revised and filed at Docket No. 369, is APPROVED. The Debtors shall serve the Confirmation Notice on: (i) all parties filing a Notice of Appearance and Request for Service pursuant to Bankruptcy Rule 2002 in these Chapter 11 Cases, (ii) state and local taxing authorities for jurisdictions in which the Debtors conducted business, (iii) the Internal Revenue Service, (iv) the United States Trustee, and (v) all creditors listed on the Debtors Schedules or that have filed a proof of claim, no later than three (3) business days after the entry of the Conditional Approval and Procedures Order.

13. Pursuant to Bankruptcy Rule 3017(d), the date on which this Order is entered shall be the record date for purposes of determining which holders of Claims are entitled to receive Solicitation Packages and, where applicable, vote on the Combined Plan and Disclosure Statement (the “Record Date”).

14. The Balloting Agent shall mail or transmit Solicitation Packages no later than three (3) business days after the entry of the Conditional Approval and Procedures Order to the Voting Classes containing copies of: (a) the Confirmation Notice; (b) a compact disc containing a copy of the Combined Plan and Disclosure Statement; and (c) a form of Ballot (collectively, the “Solicitation Package”). The Debtors shall also serve copies of the Confirmation Notice on (i) all parties that have filed requests for notice in these Chapter 11 cases on or before the Record Date; (ii) counsel for the Prepetition Term Loan Agent, (iii) counsel for the Committee; and (iv) the United States Trustee for this District.

15. The Debtors are authorized to make non-substantive and ministerial changes to any documents in the Solicitation Package without further approval of the Court prior to its dissemination, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the Combined Plan and Disclosure Statement and any other materials included in the Solicitation Package prior to their distribution, provided, however, the Debtors will provide the Prepetition Term Loan Agent and the Committee with written notice of all such changes to any documents in the Solicitation Package.

16. The Debtors are authorized to take or refrain from taking any action necessary or appropriate to implement the terms of, and the relief granted in, this Order without seeking further order of the Court.

17. The Court shall retain jurisdiction as to all matters relating to the interpretation, implementation, and enforcement of this Order.

18. This Order is effective immediately upon entry.

A handwritten signature in black ink, reading "Laurie Selber Silverstein". The signature is fluid and cursive, with the first name "Laurie" being the most prominent.

Dated: September 17th, 2019
Wilmington, Delaware

- 9 - **LAURIE SELBER SILVERSTEIN**
UNITED STATES BANKRUPTCY JUDGE