

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

In re:)	Chapter 11
)	
SPORTCO HOLDINGS, INC., <i>et al.</i> , ¹)	Case No. 19-11299 (LSS)
)	
Debtors.)	Jointly Administered
)	
)	Objection Deadline: October 2, 2019 at 4:00 p.m.

**NOTICE OF FILING OF THIRD MONTHLY STAFFING AND
COMPENSATION REPORT OF WINTER HARBOR LLC FOR THE
PERIOD OF AUGUST 1, 2019 THROUGH AUGUST 31, 2019**

PLEASE TAKE NOTICE that on June 25, 2019, SportCo Holdings, Inc. and its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”) filed the *Debtors’ Application for Entry of Order Pursuant to 11 U.S.C. §§ 105(a) and 363(b) Authorizing and Approving Debtors’ (I) Retention and Employment of Winter Harbor LLC and (II) Employment of Dalton Edgecomb as Chief Restructuring Officer Nunc Pro Tunc to the Petition Date* [Docket No. 76] with the United States Bankruptcy Court for the District of Delaware (the “**Court**”).

PLEASE TAKE FURTHER NOTICE that, on July 15, 2019, the Court entered the *Order Authorizing and Approving Debtors' (I) Retention and Employment of Winter Harbor LLC and (II) Employment of Dalton Edgecomb as Chief Restructuring Officer Nunc Pro Tunc to the Petition Date* [Docket No. 140] (the “**Retention Order**”).

PLEASE TAKE FURTHER NOTICE that, in accordance with the Retention Order, Winter Harbor LLC hereby files its monthly staffing and compensation report for the

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 from August 1, 2019 through August 31, 2019 (the “**Monthly Staffing and Compensation Report**”) in the form attached hereto as Exhibit 1.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Monthly Staffing and Compensation Report must be filed with the Court and served so as to be received by the undersigned counsel to the Debtors no later than **October 2, 2019 at 4:00 p.m. (ET)**.

PLEASE TAKE FURTHER NOTICE that, if an objection is properly filed and served in accordance with the above procedures, all staffing and compensation listed in the Monthly Staffing and Compensation Report shall be subject to review by the Court.

Dated: September 18, 2019
Wilmington, Delaware

POLSINELLI PC

/s/ Brenna A. Dolphin

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EXHIBIT 1

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

In re:)	Chapter 11
)	
SportCo Holdings, Inc. et al., ¹)	Case No. 19-11299 (LSS)
)	
Debtors.)	(Jointly Administered)

**REPORT BY WINTER HARBOR LLC
OF COMPENSATION EARNED AND EXPENSES INCURRED
FOR THE PERIOD OF AUGUST 1, 2019 THROUGH AUGUST 31, 2019**

Exhibit A – Summary of Compensation

Exhibit B – Summary of Personnel

Exhibit C – Summary of Hours and Activities

Exhibit D – Summary of Daily Tasks

Exhibit E – Summary of Expenses

Winter Harbor LLC (“Winter Harbor”) hereby submits this Third Monthly Compensation Report (the “Report”) for the period August 1, 2019 through August 31, 2019 (the “Period”), for compensation and reimbursement of costs and expenses received pursuant to its engagement by an Order of the Bankruptcy Court entered on June 10, 2019, D.I. No. 140. Winter Harbor fees for this period are \$311,267.00. Winter Harbor has incurred \$24,428.32 of cost and expenses during the period.

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Exhibit A

Summary of Compensation

Summary of Compensation

August 1, 2019 – August 31, 2019

	Month	Amount Billed
Winter Harbor LLC	August 1, 2019 through August 31, 2019	\$ 311,267.00
TOTAL		\$ 311,267.00

Exhibit B

Summary of Personnel

Summary of Personnel

August 1, 2019 – August 31, 2019

Professional	Title	Hours		Rate		Total
Dalton Edgecomb	Managing Partner	200.40	hrs	\$ 595.00	/ hr	119,238.00
Sean Galligan	Managing Director	138.30	hrs	\$ 495.00	/ hr	68,458.50
Matthew Dalton	Manager	178.60	hrs	\$ 325.00	/ hr	58,045.00
Andrew Wybolt	Manager	117.70	hrs	\$ 325.00	/ hr	38,252.50
		635.00	hrs	\$ 447.23	/ hr	283,994.00
<u>Travel Time at 50%</u>						
Dalton Edgecomb	Managing Partner	4.20	hrs	\$ 297.50	/ hr	1,249.50
Sean Galligan	Managing Director	49.60	hrs	\$ 247.50	/ hr	12,276.00
Matthew Dalton	Manager	47.40	hrs	\$ 162.50	/ hr	7,702.50
Andrew Wybolt	Manager	37.20	hrs	\$ 162.50	/ hr	6,045.00
		138.40	hrs	\$ 197.06	/ hr	27,273.00
Total Fees		773.40		\$ 402.47	/ hr	\$311,267.00

Total Fees: \$311,267.00

Exhibit C

Summary of Hours and Activities

Summary of Hours and Activities

August 1, 2019 – August 31, 2019

Activity Code	Activity Code Description	Hours	Fees
1	Meeting / teleconference with Debtor Management, Board, or Counsel	1.4	\$833.00
2	Meeting / teleconference with Bank Group, Counsel or Advisors	16.2	\$6,657.00
3	Meeting / teleconference with Statutory Committees, Counsels or Advisors	2.6	\$1,487.00
4	Court Hearings / Preparation	12.9	\$7,351.50
5	Case Reporting: UST Reports, Statements & Schedules	26.3	\$11,355.50
6	Retention and Fee Applications	17.4	\$7,275.00
7	Disclosure Statement / Plan of Reorganization	27.5	\$13,905.50
8	Business Plan & Analysis of Operations	179.0	\$82,650.00
9	Cash Flow Analysis and Reporting	90.7	\$33,824.50
10	DIP Financing, Exit Financing, Cash Collateral, Bank Issues	2.9	\$1,725.50
11	Asset Sale & Disposition Support	181.5	\$78,885.50
12	Tax Issues / Analysis	7.5	\$4,354.50
16	Unsecured Claim Analysis	9.2	\$5,123.00
18	Employee Retention Program and employee related issues	21.2	\$10,103.00
20	Accounts Payable / Vendor Issues	0.8	\$476.00
21	Accounts Receivable Issues	18.9	\$7,249.50
23	Lease Issues	0.5	\$297.50
24	Case Administration	18.5	\$10,440.50
26	Travel Time	138.4	\$27,273.00
Totals		773.4	\$311,267.00

Total Fees: \$311,267.00

Exhibit D

Description of Daily Tasks

Description of Daily Tasks

August 1, 2019 – August 31, 2019

During the Period, Winter Harbor professionals billed time incurred in service to the Debtors to distinct service categories. Below is a summary of the activities performed by Winter Harbor and Winter Harbor professionals during the Period, organized by project category code:

Task Code 1 – Meeting / teleconference with Debtor Management, Board, or Counsel

Winter Harbor prepared for and participated in meetings and discussions with Debtors' Board of Directors and Counsel regarding the case status, upcoming deadlines and deliverables. Specifically, Winter Harbor participated in status calls with these parties as the Debtors prepared for motions and motion objections filed with the court.

Winter Harbor devoted 1.4 hours to performing these services during the Period, which resulted in fees of \$833.00 and a blended rate of \$595.00.

Task Code 2 – Meeting / teleconference with Bank Group, Counsel or Advisors

During the Period, Winter Harbor participated in status calls and other discussions with the Term Loan Lenders, Counsel and Advisors regarding the status of the Debtors' wind down and liquidation, budgets and motions and objections. Additionally, Winter Harbor incurred time responding to data requests from the Term Loan Lenders.

Winter Harbor devoted 16.2 hours to performing these services during the period, which resulted in fees of \$6,657.00 and a blended rate of \$410.93.

Task Code 3 – Meeting / teleconference with Statutory Committees, Counsels or Advisors

During the Period, Winter Harbor participated in discussions with the Unsecured Creditors Committee's counsel and financial advisor regarding data requests, the DIP budget and variance reporting, and the status of the Debtors' wind down.

Winter Harbor devoted 2.6 hours to performing these services during the Period, which resulted in fees of \$1,487.00 and a blended rate of \$571.92.

Task Code 4 – Court Hearings / Preparation

As the Debtors' Chief Restructuring Officer and financial advisor, Winter Harbor prepared for and participated in court hearings, including preparing testimony on various motions and objections. Winter Harbor also incurred time reviewing motions, objections and other filing with the court.

Winter Harbor devoted 12.9 hours to performing these services during the Period, which resulted in fees of \$7,351.50 and a blended rate of \$569.88.

Task Code 5 – Case Reporting: UST Reports, Statements & Schedules

During the Period, Winter Harbor assisted the Debtors with the preparation of the July 2019 Monthly Operating Reports (MOR's), addressed questions and comments from the U.S. Trustee's office and modified the June 2019 MOR's, and assisted the Debtors with the amending the Bankruptcy Schedules and the Statement of Financial Affairs.

Winter Harbor devoted 26.3 hours to performing these services during the Period, which resulted in fees of \$11,355.50 and a blended rate of \$431.77.

Task Code 6 – Retention and Fee Applications

As the Debtors' Chief Restructuring Officer and financial advisor, Winter Harbor is required to adhere to the requirements of the Bankruptcy Code and related rules, and the U.S. Trustee guidelines with respect to the retention of professionals in bankruptcy cases. Winter Harbor spent time during the Period maintaining daily time diaries and preparing its Monthly Compensation Report for month of

July 2019. Additionally, Winter Harbor reviewed the fee applications of the other professionals in the case.

Winter Harbor devoted 17.4 hours to performing these services during the period, which resulted in fees of \$7,275.00 and a blended rate of \$418.10.

Task Code 7 – Disclosure Statement / Plan of Reorganization

During the Period, Winter Harbor assisted the Debtors' with the preparation of the Debtors' Combined Disclosure Statement and Joint Chapter 11 Plan of Liquidation by providing data to Debtors' counsel, preparing analyses and narrative for the best interest test and reviewing drafts of the document. Also, Winter Harbor participated on calls and exchanged emails with the Term Loan Lenders and counsel for the UCC to discuss the document and address comments by the US Trustee's office.

Winter Harbor devoted 27.5 hours to performing these services during the Period, which resulted in fees of \$13,905.50 and a blended rate of \$505.65.

Task Code 8 – Business Plan & Analysis of Operations

During the Period, Winter Harbor prepared operating plans and budgets and supervised all aspects of the Debtors' operations, including pricing of inventory, sales and order management, warehousing operations and information systems. Winter Harbor monitored operating data on a daily basis and held meetings with management teams to discuss operating status and issues, and modified operating plans as deemed appropriate.

Winter Harbor devoted 179.0 hours to performing these services during the Period, which resulted in fees of \$82,650.00 and a blended rate of \$461.73.

Task Code 9 – Cash Flow Analysis and Reporting

During the Period, Winter Harbor spent time managing and reconciling cash activity, including preparing weekly cash flow budget to actual variance reports (as required by the DIP Agreement). Winter Harbor also spent time reforecasting cash activity through the wind down period and on

preparing updated recovery analyses. Additionally, Winter Harbor prepared scenario analyses of the wind down budget and recovery analysis at the request of the Term Loan Lenders.

Winter Harbor devoted 90.7 hours to performing these services during the period, which resulted in fees of \$33,824.50 and a blended rate of \$372.93.

Task Code 10 – DIP Financing, Exit Financing, Cash Collateral, Bank Issues

During the Period, Winter Harbor spent time reviewing updates to the DIP financing order and participating in settlement negotiations with the Debtors' counsel and the Term Loan Lenders and the UCC.

Winter Harbor devoted 2.9 hours to performing these services during the period, which resulted in fees of \$1,725.50 and a blended rate of \$595.00.

Task Code 11 – Asset Sale & Disposition Support

During the Period, Winter Harbor spent time managing the liquidation of the Debtors' inventory; assisting the Debtors' with drafting the asset purchase agreement, bidding procedures and sale order for the sale of the Bellefontaine, OH facility; interviewing, reviewing proposals, selecting and engaging a commercial real estate broker to list and market the Chapin, SC and Newberry, SC properties for sale; corresponding by phone and email with parties interested in purchasing the Debtors' miscellaneous assets such as machinery and equipment, intellectual property and information systems equipment; and preparing a miscellaneous asset sale motion to establish a process for selling the miscellaneous assets.

Winter Harbor devoted 181.5 hours to performing these services during the Period, which resulted in fees of \$78,885.50 and a blended rate of \$434.63.

Task Code 12 – Tax Issues / Analysis

During the Period, Winter Harbor spent time in discussions with the Debtors' tax preparer and the Term Loan Lenders about the feasibility of refiling past tax returns and seeking refunds of taxes paid in 2015. Winter Harbor spent time reviewing an engagement letter and retention order to

engage Dixon Hughes to prepare the Debtors' 2018 and 2019 tax returns and to perform audits of the Debtors' 401k plan. Also, Winter Harbor addressed notices from state taxing authorities regarding the failure to file tax returns.

Winter Harbor devoted 7.5 hours to performing these services during the Period, which resulted in fees of \$4,354.50 and a blended rate of \$580.60.

Task Code 16 – Unsecured Claim Analysis

During the Period, Winter Harbor spent time reviewing the claims register, following up on certain claims filed and participating on calls with BMC to review and discuss the claims pool.

Winter Harbor devoted 9.2 hours to performing these services during the Period, which resulted in fees of \$5,123.00 and a blended rate of \$556.85.

Task Code 18 – Employee Retention Program and Employee Related Issues

During the Period, Winter Harbor spent time planning for the termination of employee benefit plans and preparing a termination plan and timeline and for all the employees.

Winter Harbor devoted 21.2 hours to performing these services during the Period, which resulted in fees of \$10,103.00 and a blended rate of \$476.56.

Task Code 20 – Accounts Payable / Vendor Issues

During the period, Winter Harbor spent time researching the nature of an accounts payment balance with American Express.

Winter Harbor devoted 0.8 hours to performing these services during the Period, which resulted in fees of \$476.00 and a blended rate of \$595.00.

Task Code 21 – Accounts Receivable Issues

During the period, Winter Harbor devoted time to interviewing and reviewing proposals from accounts receivable collection firms to be retained to pursue collection of delinquent accounts receivable and with engaging Hilco Receivables and transitioning the accounts receivable database to Hilco.

Winter Harbor devoted 18.9 hours to performing these services during the Period, which resulted in fees of \$7,249.50 and a blended rate of \$383.57.

Task Code 23 – Lease Issues

During the period, Winter Harbor devoted time taking telephone calls with landlords to discuss the Debtors' occupancy status and plans for the rejection of the leases.

Winter Harbor devoted 0.5 hours to performing these services during the Period, which resulted in fees of \$297.50 and a blended rate of \$595.00.

Task Code 24 – Case Administration

During the period, Winter Harbor devoted time reviewing and addressing the Debtors' insurance policies and arranging for ongoing insurance needs; the filing requirements in order to terminate the Debtors' Federal Firearms Licenses; the termination of the 401k plan; document retention requirements; and addressing numerous email and voicemail messages from various constituencies with questions about the Debtors' status and/or offers to provide services.

Winter Harbor devoted 18.5 hours to performing these services during the Period, which resulted in fees of \$10,440.50 and a blended rate of \$564.35.

Task Code 26 – Travel Time

Whenever possible, Winter Harbor encourages its professionals to use travel time productively by reading documents, continuing analyses, etc. while in transit. However, with the increased use of smaller aircraft to service more cities, it is increasingly difficult to work on confidential material during travel time. In compliance with the Local Rules, Winter Harbor has reduced its request for compensation for non-working travel by 50% of the amount incurred. Travel time was incurred commuting to and from the Debtors' location in Chapin, SC and to and from the bankruptcy court in Wilmington, DE.

Winter Harbor devoted 138.4 hours, which resulted in fees of \$54,546.00 in regards to non-working travel time and this application reflects a reduction of \$27,273.00 as required by the Local Rules.

Exhibit E

Summary of Expenses

Summary of Expenses

August 1, 2019 – August 31, 2019

Cost Type	Amount
Airfare	\$9,374.80
Ground Transportation	\$2,252.90
Hotel/Lodging	\$4,970.63
Meals	\$3,089.18
Mileage	\$32.71
Parking & Tolls	\$248.00
Postage and Freight	\$46.04
Rental Car	\$4,414.06
Total Expenses	\$24,428.32