

**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)
)	Re: Docket No. 6

INTERIM ORDER AUTHORIZING THE DEBTORS TO CONTINUE USING EXISTING BANK ACCOUNTS, BUSINESS FORMS, AND CASH MANAGEMENT SYSTEM

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), for entry of an interim order (this “Interim Order”), pursuant to Bankruptcy Code sections 105(a), 363, and 364, Bankruptcy Rules 6003 and 6004, Local Rule 2015-2, authorizing, but not directing, the Debtors (i) to maintain their existing Bank Accounts; (ii) to continue use of their existing Business Forms; and (iii) to continue use of their existing Cash Management System; and upon the First Day Declaration; and this Court having found that it has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012; and this Court having found that the Motion is a core proceeding pursuant to 28 U.S.C. § 157(b); and that the Debtors consent to entry of a final order under Article III of the United States Constitution; and this Court having found that venue of these Chapter 11 Cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and it appearing that proper and

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

adequate notice of the Motion has been given and that no other or further notice is necessary; and this Court having reviewed the Motion and having heard statements in support of the Motion at a hearing held before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and the First Day Declaration and at the Hearing establish just cause for the relief granted herein; and any objections to the relief requested herein having been withdrawn or overruled on the merits; and after due deliberation thereon and good and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis until such time as the Court conducts a final hearing on this matter (the "Final Hearing Date").

2. The Final Hearing Date is scheduled for July 16, 2019 at 11:00 AM.m. (ET). Any objection or response to the Motion shall be filed and served so as to be received by Debtors' counsel by 4:00 p.m. (ET) on or before seven (7) days prior to the Final Hearing Date.

3. Maintenance of Bank Accounts. Except as otherwise set forth herein, the Debtors, in their discretion, are authorized to: (i) designate, maintain, and continue to use any and all of the Bank Accounts in existence as of the Petition Date, including, without limitation, the accounts identified in Exhibit C to the Motion, with the same account numbers, styles, and document forms as those employed prior to the Petition Date; (ii) deposit funds into and withdraw funds from the Bank Accounts by all usual means, including, without limitation, checks, wire transfers, automated transfers, and other debits; (iii) open new accounts and close any existing Bank Accounts as they may deem necessary and appropriate in their sole discretion; provided, however, that the Debtors provide notice within fifteen (15) days to the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") and any statutory committees appointed in these Chapter 11 Cases of any newly opened accounts; and provided further, that the Debtors shall open

any such new Bank Accounts at banks that have executed a Uniform Depository Agreement with the U.S. Trustee, or at such banks that are willing to immediately execute such an agreement; and (iv) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession.

4. For all purposes in this Interim Order, any and all accounts opened by the Debtors on or after the Petition Date shall be deemed a Bank Account (as if it had been opened prior to the Petition Date and listed on Exhibit C to the Motion) and any and all banks at which such accounts are opened shall similarly be subject to the rights and obligations of this Interim Order.

5. Subject to further order of this Court, nothing in this Interim Order authorizes the Debtors to use any cash in the Bank Accounts, and all parties' rights are reserved with respect thereto.

6. For banks at which the Debtors hold Bank Accounts that are party to a Uniform Depository Agreement with the U.S. Trustee, within fifteen (15) days after the date of entry of this Interim Order, the Debtors shall (i) contact each bank, (ii) provide the bank with each of the Debtors' employer identification numbers, and (iii) identify each of their bank accounts held at such banks as being held by a debtor in possession in a bankruptcy case and provide the case numbers.

7. Cash Management System. The Debtors are authorized to continue using the Cash Management System, as described in the Motion.

8. The Debtors shall maintain accurate and detailed records of all transfers, so that all transactions may be readily ascertained, traced, recorded properly, and distinguished between prepetition and post-petition.

9. After the Petition Date, and subject to the terms of this Interim Order, the Banks are authorized to (i) continue to administer the Bank Accounts, as such accounts were maintained

prepetition, without interruption, and in the usual and ordinary course; and (ii) pay any and all checks, wire transfers, electronic fund transfers, or other items presented, issued, or drawn on any of the Bank Accounts.

10. Subject to the provisions of this Interim Order, each of the Debtors' Banks is authorized to debit the Debtors' accounts in the ordinary course of business without the need for further order of this Court for: (i) all checks drawn on the Debtor's accounts which are cashed at such Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; ~~(ii) all checks or other items deposited in one of Debtor's accounts with such Bank prior to the Commencement Date which have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtor was responsible for such items prior to the Commencement Date;~~ and ⁽ⁱⁱ⁾ (iii) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System.

11. Subject to the provisions of this Interim Order, any of the Debtor's Banks may rely on the representations of the Debtor with respect to whether any check or other payment order drawn or issued by the Debtor prior to the Petition Date should be honored pursuant to this or any other order of this Court, and such Bank shall not have any liability to any party for relying on such representations by the Debtor as provided for herein.

12. Subject to the provisions of this Interim Order, (i) that those certain existing deposit agreements between the Debtors and the Banks shall continue to govern the post-petition cash management relationship between the Debtors and the Banks, and that all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect, (ii) either the Debtors and the Banks may, without further Order of this Court,

implement changes to the cash management systems and procedures in the ordinary course of business pursuant to terms of those certain existing deposit agreements, including, without limitation, the opening and closing of bank accounts.

13. Subject to the provisions of this Interim Order, the Banks are authorized to accept, honor, and rely upon all representations from the Debtors as to which checks, drafts, or wire transfers should be honored or dishonored consistent with orders entered by this Court, regardless of whether the checks, drafts, or wire transfers are dated prior to, on, or subsequent to the Petition Date and whether or not the Bank believes that payment is authorized by some other order of this Court; *provided*, that the Banks shall not be held liable for improperly honoring or dishonoring any check, draft, or wire transfer presented, issued, drawn, or debited on the Bank Accounts on account of a claim (as such term is defined in Bankruptcy Code section 101(5)) arising before the Petition Date, which, at the direction of the Debtors was requested to be honored or dishonored, as the case may be. The Banks are authorized to accept presentment of all checks, drafts, and wire transfers as an instruction by the Debtors to honor same, unless the Debtors instruct the Bank to dishonor a particular check, draft, or wire transfer.

14. Use of Business Forms. The Debtors are authorized to continue using their existing Business Forms; provided that once the Debtors' existing checks have been used, the Debtors shall, when reordering checks, require the designation "Debtor in Possession" and the corresponding bankruptcy case number on all checks; provided further that, with respect to checks which the Debtors or their agents print themselves, the Debtors shall begin printing the "Debtor in Possession" legend on such items within ten (10) days of the date of the entry of this Order.

15. The Debtors shall serve a copy of this Interim Order on each of the Banks within forty-eight (48) hours of the entry of this Order.

16. Subject to Bankruptcy Code section 553, the Debtors are authorized to pay any fees and expenses owed to the Banks, in each case regardless of whether such items were deposited prepetition or postpetition or relate to prepetition or postpetition items, to the extent the Debtors determine, in their good faith business judgment, that the Banks have valid setoff claims pursuant to Bankruptcy Code section 553 (but only to the extent of such claims).

17. Notwithstanding the Debtors' use of a consolidated cash management system, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements made on behalf of each Debtor, regardless of which entity pays those disbursements.

18. The Debtors are authorized to take all actions necessary to implement the relief granted in this Interim Order in accordance with the Motion.

19. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (i) an admission as to the validity or priority of any claim against the Debtors; (ii) a waiver of the Debtors' right to dispute any claim on any grounds; (iii) a promise or requirement to pay any claim; (iv) an implication or admission that any particular claim is of a type specified or defined in this Order or the Motion (including any exhibits attached thereto); (v) a request or authorization to assume any agreement, contract, or lease pursuant to Bankruptcy Code section 365; (vi) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (vii) to create any rights in favor of, or enhance the status of, any claim held by any person or entity.

20. Notice of the Motion, as provided therein, shall be deemed good and sufficient, and the requirements of Bankruptcy Rule 6004(a) and the Local Bankruptcy Rules are satisfied by such notice.

21. Notwithstanding any applicability of any of the Bankruptcy Rules, the terms and conditions of this Interim Order shall be immediately effective and enforceable upon its entry.

22. The contents of the Motion satisfy the requirements of Rule 6003.

23. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the interpretation, implementation, or enforcement of the Interim Order.

24. Any objection to the entry of a final order granting the relief requested in the Motion shall be filed with the Court and served on, no later than seven (7) days prior to the commencement of the final hearing, (a) SportCo Holdings, Inc., 267 Columbia Ave., Chapin, SC 29036; (b) proposed counsel to the Debtors, Polsinelli PC, 222 Delaware Ave, Suite 1101, Wilmington, DE 19801 (Attn: Christopher A. Ward) or cward@polsinelli.com and McDermott Will & Emery LLP, 340 Madison Ave, New York, New York 10173-1922 (Attn: Timothy W. Walsh and Darren Azman) or twwalsh@mwe.com and dazman@mwe.com; (c) counsel to the official committee of unsecured creditors, if one is appointed; (d) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attn: David Buchbinder) or David.L.Buchbinder@usdoj.gov; and (e) counsel to the Prepetition Term Loan Agent, Olshan Frome Wolosky LLP (Attn: Adam Friedman and Jonathan Koevary) or afriedman@olshanlaw.com and jkoevary@olshanlaw.com and Blank Rome LLP (Attn: Regina Kelbon) or kelbon@blankrome.com.

Dated: June 11, 2019
Wilmington, Delaware


UNITED STATES BANKRUPTCY JUDGE