

**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: October 11, 2019 at 4:00 p.m. (ET)
Hearing Date: Only if Objections are Filed

**THIRD MONTHLY APPLICATION OF
MCDERMOTT WILL & EMERY LLP FOR ALLOWANCE OF COMPENSATION
AND REIMBURSEMENT OF EXPENSES AS DEBTORS' COUNSEL FOR THE
PERIOD FROM AUGUST 1, 2019 THROUGH AUGUST 31, 2019**

Name of Applicant:

McDermott Will & Emery LLP

Authorized to Provide Professional
Services to:

Debtors and Debtors in Possession

Date of Retention:

July 15, 2019, *nunc pro tunc* to June 10, 2019

Period for Which Compensation and
Reimbursement is Sought:

August 1, 2019 to August 31, 2019

Amount of Compensation Sought as Actual,
Reasonable, and Necessary:

\$209,961.40 (80% of \$262,451.75)

Amount of Expense Reimbursement Sought
as Actual, Reasonable, and Necessary:

\$49,649.96

This is a(n):

X Monthly Interim Final application

This is the **THIRD** monthly fee application filed in this case.

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.

SUMMARY OF MCDERMOTT'S MONTHLY FEE APPLICATIONS

Date Filed/ Docket No.	Compensation Period	100% Fees	80% Fees	100% Expenses	Total	20% Holdback	(CNO) Date/ Docket No.
7/25/19 D.I.191	June 10, 2019 to June 30, 2019	\$283,093.35	\$226,474.68	\$18,269.60	\$301,362.95	\$56,618.67	8/16/19 D.I.284
8/20/19 D.I.293	July 1, 2019 to July 31, 2019	\$347,793.57	\$278,234.86	\$10,400.73	\$366,098.50	\$69,558.71	9/11/19 D.I.381
	August 1, 2019 to August 31, 2019	\$262,451.75	\$209,961.40	\$49,649.96	\$312,101.71	\$52,490.35	

SUMMARY OF TIMEKEEPERS INCLUDED IN FEE APPLICATION

Name of Professional Person	Position Area of Expertise	Total Hours Billed²	Hourly Billing Rate	Total Compensation
T. Walsh	Partner; Admitted in 1991; Restructuring & Insolvency Department	72.80	\$1,320.00	\$96,096.00
A. Kratenstein	Partner; Admitted in 1999; Trial Department	11.30	\$1,165.00	\$13,164.50
D. Azman	Partner; Admitted in 2011; Restructuring & Insolvency Department	13.80	\$970.00	\$13,386.00
M. Preusker	Associate; Admitted in 2012; Restructuring & Insolvency Department	61.30	\$865.00	\$53,024.50
R. Orloff	Associate; Admitted in 2015; Restructuring & Insolvency Department	50.40	\$800.00	\$40,320.00
D. Thomson	Associate; Admitted in 2018; Restructuring & Insolvency Department	8.90	\$595.00	\$5,295.50
T. Cramton	Associate; Admitted in 2018; Trial Department	9.50	\$595.00	\$5,652.50
N. Rowles	Associate; Admitted in 2018; Restructuring & Insolvency Department	49.00	\$520.00	\$25,480.00
J. Robinson	Associate; Admitted in 2018; Restructuring & Insolvency Department	3.40	\$520.00	\$1,768.00
A. Godofsky	Discovery Consultant	10.80	\$545.00	\$5,886.00
E. Kwon	Manager; Technology Project Management	5.80	\$440.00	\$2,552.00
F. Lee	Manager; Technology Project Management	5.00	\$440.00	\$2,200.00
W. Lancaster	Paralegal; Restructuring & Insolvency Department	21.30	\$360.00	\$7,668.00
J. Drew	Manager; Litigation Technology	3.40	\$205.00	\$697.00
F. Belayneh	Litigation Technology Data	4.50	\$205.00	\$922.50

² McDermott charged the Debtors for only 50% of non-working travel time in compliance with Local Rule 2016-2(d)(viii). Such reductions are reflected in the figures in this column.

Name of Professional Person	Position Area of Expertise	Total Hours Billed²	Hourly Billing Rate	Total Compensation
	Analyst			
D. Valentino	Litigation Technology Data Analyst	10.50	\$205.00	\$2,152.50
Subtotal				\$276,265.00
5% Discount				(\$13,813.25)
Total		341.70	\$768.07	\$262,451.75

STATEMENT OF FEES AND EXPENSES BY PROJECT CATEGORY

Task Description	Total Hours	Total Fees (After Discount)
B110 - Case Administration	66.40	\$64,870.50
B120 - Asset Analysis and Recovery	1.30	\$676.00
B130 - Asset Disposition	20.40	\$17,753.50
B140 - Relief From Stay/Adequate Protection Proceedings	21.50	\$11,180.00
B150 - Meetings/Communications W/Creditors	10.00	\$12,502.00
B160 - Fee/Employment Applications	32.10	\$17,878.00
B180 - Avoidance Action Analysis	12.10	\$13,804.50
B190 - Other Contested Matters	78.30	\$47,548.00
B230 - Financing/Cash Collections	4.70	\$4,436.00
B250 - Real Estate	5.40	\$3,956.00
B310 - Claims Administration and Objections	5.70	\$5,124.00
B320 - Plan and Disclosure Statement	82.50	\$75,860.50
B420 - Restructurings	1.30	\$676.00
SUBTOTAL	341.70	\$276,265.00
5% Discount		(\$13,813.25)
TOTAL		<u>\$262,451.75</u>

EXPENSE SUMMARY

Category	Amount
Business Meals	\$83.80
Research (includes Lexis, Westlaw, PACER and other corporate services)	\$228.85
Photocopy	\$1.60
Database Hosting/ Data Review & Productions	\$49,166.70
Transportation-Local/Parking	\$81.01
Miscellaneous (Courtcall Fees)	\$88.00
TOTAL	\$49,649.96

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**THIRD MONTHLY APPLICATION OF MCDERMOTT WILL & EMERY LLP
FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF
EXPENSES AS DEBTORS' COUNSEL FOR
THE PERIOD FROM AUGUST 1, 2019 TO AUGUST 31, 2019**

McDermott Will & Emery LLP (“**McDermott**”), counsel for the debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), submits its third monthly fee application (this “**Application**”) for approval pursuant to sections 330 and 331 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), Rule 2016-2 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 *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals and Official Committee Members* [Docket No. 141] (the “**Interim Compensation Procedures Order**”) of its interim compensation and reimbursement of expenses for the period from August 1, 2019 through and including August 31, 2019 (the “**Fee Period**”). In support of this Application, McDermott respectfully represents as follows:

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.

**JURISDICTION, VENUE AND STATUTORY
PREDICATES FOR RELIEF SOUGHT**

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (B). Venue of this proceeding and this Application is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for relief sought herein are sections 105(a) and 331 of the Bankruptcy Code and the Interim Compensation Procedures Order.

BACKGROUND

2. On June 10, 2019 (the “**Petition Date**”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “**Court**”). The factual background regarding the Debtors, including their business operations and the events leading to the filing of these Cases, is set forth in detail in the *Declaration of Bradley P. Johnson in Support of the Debtors’ Chapter 11 Petitions and First Day Pleadings* [Docket No. 9] fully incorporated by reference herein. The Debtors have continued in possession of their properties and have continued to operate as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. On June 17, 2019, the United States Trustee for the District of Delaware appointed an official committee of unsecured creditors. No trustee or examiner has been appointed in these Chapter 11 Cases.

FEES AND EXPENSES

4. McDermott attorneys and paraprofessionals expended a total of 341.7 hours in connection with the Chapter 11 Cases during the Fee Period, comprising of 280.4 hours of professional services and 61.3 hours of paraprofessional services. The services of McDermott are necessary to enable the Debtors to execute faithfully their duties as debtors and debtors in

possession. McDermott has provided, and will continue to provide, services to the Debtors including the following:

- a. taking all necessary action to protect and preserve the estates of the Debtors, including the negotiation of disputes in which the Debtors are involved, the prosecution of actions on the Debtors' behalf, the defense of any actions commenced against the Debtors, and the preparation of objections to claims filed against the Debtors' estates;
- b. providing legal advice with respect to the Debtors' powers and duties as debtors in possession in the continued operation of their business;
- c. negotiating, preparing, and pursuing confirmation of a plan and approval of a disclosure statement;
- d. preparing on behalf of the Debtors, as debtors in possession, necessary motions, applications, answers, orders, reports, and other legal papers in connection with the administration of the Debtors' estates;
- e. appearing in court and protecting the interests of the Debtors before this Court;
- f. assisting with any disposition of the Debtors' assets, by sale or otherwise;
- g. reviewing all pleadings filed in these Chapter 11 Cases; and
- h. performing all other legal services in connection with the Chapter 11 Cases as may reasonably be required.

5. The total sum due to McDermott for professional services rendered on behalf of the Debtors for the Fee Period is \$262,451.75, 80% of which will be due and payable immediately upon approval of this Application. A detailed statement of services rendered by McDermott during the Fee Period is attached hereto as **Exhibit A**. McDermott submits that the professional services it rendered on behalf of the Debtors during the Fee Period were reasonable and necessary under the circumstances 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 costs of comparable services other than in a case under this title.

6. McDermott also expended costs on behalf of the Debtors during the Fee Period in the sum of \$49,649.96. A detailed statement of out-of-pocket expenses incurred by McDermott

during the Fee Period is attached hereto as **Exhibit A**. These expenses include, but are not limited to, computer assisted research, postage charges, local transportation, and out-of-town travel expenses. In accordance with Local Rule 2016-2(e)(iii), all copying charges are billed at no more than \$0.10 per page.

7. McDermott 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 matters covered by this Application for the Fee Period. There is no agreement or understanding between McDermott and any persons for the sharing of compensation to be received for services rendered in the Cases.

8. Although every effort has been made to include all fees and expenses incurred during the Fee Period, some fees and expenses might not be included in this Application due to delays caused by accounting and processing during the Fee Period. McDermott reserves the right to make further application to this Court for allowance of such fees and expenses not included herein. Subsequent fee applications will be filed in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and the Interim Compensation Procedures Order.

9. The facts set forth in this Application are true and correct to the best of the undersigned's knowledge, information, and belief.

10. The undersigned attests that he has reviewed the requirements of Local Rule 2016-2 and this Application conforms to such requirements.

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WHEREFORE, McDermott requests that the Court approve the Application, pursuant to Bankruptcy Code sections 330 and 331, granting it interim compensation for professional services rendered in the amount of \$209,961.40, 80% of which is to be currently paid upon the filing of a certificate of no objection, and the sum of \$49,649.96 for reimbursement of actual and necessary costs expended as Debtors' counsel from August 1, 2019 through August 31, 2019.

Dated: September 20, 2019
New York, New York

Respectfully submitted,

McDERMOTT WILL & EMERY LLP

/s/ Timothy W. Walsh

Timothy W. Walsh (admitted *pro hac vice*)

Darren Azman (admitted *pro hac vice*)

Riley T. Orloff (admitted *pro hac vice*)

340 Madison Avenue

New York, New York 10173-1922

Telephone: (212) 547-5400

Facsimile: (212) 547-5444

Email: twwalsh@mwe.com

rorloff@mwe.com

dazman@mwe.com

*Counsel to the Debtors and
Debtors in Possession*