

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

SPORTS AUTHORITY HOLDINGS, INC., *et al.*,  
Debtors.

Chapter 11

Case No. 16-10527 (MFW)

(Jointly Administered)

Ref. Nos. 666 and 932

**LIMITED RESPONSE OF GORDINI USA, INC. TO TERM LOAN AGENT’S REPLY  
(I) IN SUPPORT OF DEBTORS’ CONSIGNED GOODS MOTION AND  
OTHER FIRST DAY RELIEF; AND (II) TO VENDORS’ OBJECTIONS TO SAME**

Gordini USA, Inc. (“**Gordini**”), by and through its undersigned counsel, hereby files this limited response (the “**Response**”) to the *Term Loan Agent’s Reply (i) in Support of Debtors’ Consigned Goods Motion and Other First Day Relief; and (ii) to Vendors’ Objections to Same* (the “**Reply**”) [Docket No. 932]. In support of this Response, Gordini respectfully submits as follows:

**BACKGROUND**

1. On March 2, 2016 (the “**Petition Date**”), each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Delaware (the “**Court**”).

2. Prior to the Petition Date, Gordini and TSA Stores, Inc. (“**TSA**”) had entered into a consignment agreement (the “**Consignment Agreement**”), pursuant to which Gordini periodically consigned goods to TSA for sale in various Sports Authority brand stores across the country. Gordini’s consigned goods and the proceeds derived therefrom that were in the Debtors’ possession as of the Petition Date are referred to herein collectively as the “**Gordini Property**”.



3. Prior to the Petition Date, Gordini filed a UCC-1 financing statement to perfect its interests in the Gordini Property. Contemporaneous with the filing of its financing statement, Gordini provided written notice of its security interest to each of the existing secured lenders of TSA.

4. On March 4, 2016, Gordini provided counsel for the Debtors with copies of Gordini's UCC-1 financing statement and related notices dated March 24, 2015, which provided notice of Gordini's purchase money security interest to each of the Debtors secured lenders. See Exhibit A attached hereto.

5. Despite having previously received proof of Gordini's proper perfection of its security interests, on or about March 15, 2016, the Debtors commenced an adversary proceeding against Gordini by filing a complaint seeking, among other things, declaratory judgment that the Debtors have a senior interest in the Gordini Property (the "**Adversary Proceeding**"). In the Adversary Proceeding, the Debtors contend that Gordini did not provide notice of its security interest to the Debtors' secured lenders.

6. In a letter dated March 21, 2016, Gordini provided counsel for the Term Loan Lender with copies of Gordini's purchase money security interest notices, together with proof of delivery to the secured lenders. Both notices were delivered *via* Federal Express on April 8, 2015. Attached hereto as Exhibit B is the March 21, 2016 letter to counsel for the Term Loan Lender.

### RESPONSE

7. Gordini files this Response to clarify an on-going misstatement in these Cases and a blatant misrepresentation by the Term Loan Lenders in their Reply. Specifically, in the Reply, the Term Loan Lenders once again wrongly allege that no vendor that is subject to the Adversary Proceedings properly filed a financing statement or filed a financing statement prior to the 90-

day preference period. *See* Reply at ¶29. However, as set forth herein, Gordini has properly perfected its security interest in its consigned goods and provided the requisite notice to the Debtors' lenders.

Dated: April 4, 2016  
Wilmington, Delaware

**CHIPMAN BROWN CICERO & COLE, LLP**

/s/ William E. Chipman, Jr.

William E. Chipman, Jr. (No. 3818)

Mark D. Olivere (No. 4291)

Hercules Plaza

1313 North Market Street, Suite 5400

Wilmington, Delaware 19801

Telephone: (302) 295-0191

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Email: [chipman@chipmanbrown.com](mailto:chipman@chipmanbrown.com)

[olivere@chipmanbrown.com](mailto:olivere@chipmanbrown.com)

*Counsel for Gordini USA, Inc.*

# **EXHIBIT A**

**Mark Olivere**

---

**From:** William Chipman  
**Sent:** Friday, March 04, 2016 5:24 PM  
**To:** mnestor@ycst.com; sschmaltz@sportsauthority.com; eallen@sportsauthority.com  
**Cc:** Phil Gellis (Phil\_Gellis@gordini.com); William Chipman; Mark Olivere  
**Subject:** TSA - Gordini  
**Attachments:** Gordini PMSI.PDF; 1530\_001.pdf

Mike,

I hope all is well and it was good to see you yesterday. As you know we represent Gordini in the TSA case. My client has asked me to pass along our attached perfection documents for your review. I am assuming your client has a copy of the underlying consignment agreement. Pursuant to the Court's ruling yesterday, we would like to enter into a stipulation that would allow for payments on post-petition sales of our goods from the escrow account. Please feel free to call with any questions. Regards, Bill.

Please note our new address below

William E. Chipman, Jr.  
CHIPMAN BROWN CICERO & COLE, LLP  
Hercules Plaza  
1313 N. Market Street, Suite 5400  
Wilmington, DE 19801  
Tel. (302) 295-0193  
Fax. (302) 295-0199

[Chipman@ChipmanBrown.com](mailto:Chipman@ChipmanBrown.com)  
[www.ChipmanBrown.com](http://www.ChipmanBrown.com)

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# **EXHIBIT B**

**CHIPMAN BROWN  
CICERO & COLE**

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CHIPMAN BROWN CICERO & COLE, LLP  
HERCULES PLAZA  
1313 N. MARKET STREET, SUITE 5400  
WILMINGTON, DELAWARE 19801  
WWW.CHIPMANBROWN.COM

WILLIAM E. CHIPMAN, JR.  
(302) 295-0193  
CHIPMAN@CHIPMANBROWN.COM

March 21, 2016

**VIA E-MAIL & FEDEX**

Robert Klyman, Esquire  
Sabina Jacobs, Esquire  
*Gibson, Dunn & Crutcher LLP*  
333 South Grand Avenue  
Los Angeles, CA 90071  
[RKlyman@gibsondunn.com](mailto:RKlyman@gibsondunn.com)  
[SJacobs@gibsondunn.com](mailto:SJacobs@gibsondunn.com)

**RE: Sports Authority Holdings, Inc., et al.  
Case No. 16-10527 (MFW)**

**TSA Stores, Inc., et al. v. Gordini USA Inc.  
Adversary Proceeding No. 16-50334 (MFW)**

Dear Counsel:

As you may be aware, we represent Gordini USA, Inc. in connection with the above referenced bankruptcy cases and adversary proceeding. In the Debtors' complaint, the Debtors acknowledge that Gordini properly perfected its security interest as a consignor of goods. However, the Debtors allege, upon information and belief, that Gordini failed to provide notice of its security interest to the secured lenders. Enclosed are copies of Gordini's purchase money security interest notices delivered to the secured lenders. Both notices were delivered by Federal Express on April 8, 2015 and were signed for by A. Gaudy in Boston and A. Whittek in Charlotte (*See* attached Federal Express tracking information).

Sports Authority Holdings, Inc., *et al.*  
March 21, 2016  
Page 2

Gordini has properly perfected its interest in its consigned goods and provided the requisite notice to the Debtors' lenders. Accordingly, we request that the Debtors immediately dismiss the Complaint with prejudice and return any unsold goods to Gordini. Additionally, pursuant to Judge Walrath's ruling on March 16, 2016, please remit all proceeds from the sale of Gordini's goods in accordance with the terms of its agreement with TSA Stores, Inc. As always, if you have any questions, please feel free to call.

Sincerely,

A handwritten signature in black ink, appearing to read "William E. Chipman, Jr.", written over a horizontal line.

William E. Chipman, Jr.

cc: Robert J. Stark, Esquire (via: email)  
Greg Taylor, Esquire (via: email)  
Daniel Butz, Esquire (via: email)  
Donald E. Rothman, Esquire (via: email)





- 67 ALLEN MARTIN DRIVE
- P.O. BOX 8440
- ESSEX JCT. VERMONT 05451
- TEL.: (802) 879-5211
- FAX: (802) 879-1987

**NOTIFICATION OF PURCHASE MONEY SECURITY INTEREST AND CONSIGNMENT**

TO: Bank of America, N.A., as Collateral Agent  
101 North Tryon Street, 15<sup>th</sup> Floor – Agency Services  
Charlotte, NC 28255

DATE: March 24, 2015

DEBTOR: TSA Stores, Inc., a Delaware corporation

Sent by Overnight Courier

Dear Sir or Madam:

This letter is to advise you that Gordini USA, Inc. has or expects to acquire a purchase money security interest in inventory of the above named Debtor and is a consignor with respect thereto. Said inventory is described by item or type as follows:

Gordini branded goods or products shipped or delivered to Debtor on a consignment basis.

**Gordini USA, Inc.**

By: Matthew Wilcox  
Name: Matthew Wilcox  
Title: Chief Financial Officer

Address: 67 Allen Martin Drive  
Essex Junction, VT 05452



Our records indicate that the following shipment has been delivered:

Reference: 316288-202-12991  
Ship (P/U) date: Apr 7, 2015  
Delivery date: Apr 8, 2015 8:29 AM  
Sign for by: A.WHITTEK  
Delivery location: CHARLOTTE, NC  
Delivered to: Receptionist/Front Desk  
Service type: FedEx Standard Overnight  
Packaging type: FedEx Pak  
Number of pieces: 1  
Weight: 1.00 lb.  
Special handling/Services: Deliver Weekday

Tracking number: 780465484605

Shipper Information	Recipient Information
Chris Rhem	Bank of America
Cooley LLP	101 N TRYON ST
101 California Street	CHARLOTTE NC 28255
5th Floor	
San Francisco CA	



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780465484605

Ship date

Tue 4/07/2015

SAN FRANCISCO, CA US



Delivered

Actual delivery:

Wed 4/08/2015 8:29 am

CHARLOTTE, NC US

### Travel History

Date/Time	Activity	Location
4/08/2015 - Wednesday 8:29 am	Delivered	CHARLOTTE, NC

### Shipment Facts

<b>Tracking number</b>	780465484605	<b>Service</b>	FedEx Standard Overnight
<b>Shipper reference</b>	316288-202-12991	<b>Special handling section</b>	Deliver Weekday



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**NOTIFICATION OF PURCHASE MONEY SECURITY INTEREST AND CONSIGNMENT**

TO: Bank of America, N.A., as Collateral Agent  
100 Federal Street, 9<sup>th</sup> Floor  
Boston, MA 02110

DATE: March 24, 2015

DEBTOR: TSA Stores, Inc., a Delaware corporation

Sent by Overnight Courier

Dear Sir or Madam:

This letter is to advise you that Gordini USA, Inc. has or expects to acquire a purchase money security interest in inventory of the above named Debtor and is a consignor with respect thereto. Said inventory is described by item or type as follows:

Gordini branded goods or products shipped or delivered to Debtor on a consignment basis.

**Gordini USA, Inc.**

By: Matthew Wilson  
Name: Matthew Wilson  
Title: Chief Financial Officer

Address: 67 Allen Martin Drive  
Essex Junction, VT 05452



Our records indicate that the following shipment has been delivered:

Reference: 316288-202-12991  
Ship (P/U) date: Apr 7, 2015  
Delivery date: Apr 8, 2015 11:02 AM  
Sign for by: A.GAUDY  
Delivery location: BOSTON, MA  
Delivered to: Mailroom  
Service type: FedEx Standard Overnight  
Packaging type: FedEx Pak  
Number of pieces: 1  
Weight: 1.00 lb.  
Special handling/Services: Deliver Weekday

Tracking number: 780465501770

Shipper Information	Recipient Information
Chris Rhem	Bank of America
Cooley LLP	100 FEDERAL ST
101 California Street	BOSTON MA 02110
5th Floor	
San Francisco CA	



780465501770

Ship date

Tue 4/07/2015

SAN FRANCISCO, CA US



Actual delivery

Wed 4/08/2015 11:02 am

BOSTON, MA US

Travel History

Date/Time	Activity	Location
4/08/2015 - Wednesday 11:02 am	Delivered	BOSTON, MA

Shipment Facts

Tracking number	780465501770	Service	FedEx Standard Overnight
Shipper reference	316288-202-12991	Special handling section	Deliver Weekday



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