

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

SPORTS AUTHORITY HOLDINGS, INC., *et al.*,<sup>1</sup>  
Debtors.

Chapter 11

Case No. 16-10527 (MFW)

(Jointly Administered)

Ref. Docket Nos. 9, 278 & 943

**SUPPLEMENTAL INTERIM ORDER AUTHORIZING THE DEBTORS TO CONTINUE  
TO SELL CERTAIN PREPETITION CONSIGNED GOODS**

Upon the *Debtors' Motion for Interim and Final Orders (a) Authorizing the Debtors to (i) Continue to Sell Consigned Goods in the Ordinary Course of Business Free and Clear of All Liens, Claims and Encumbrances and (ii) Grant Administrative Expense Priority to Consignment Vendors for Consigned Goods Delivered Postpetition; and (b) Grant Replacement Liens to Consignment Vendors with Perfected Security Interests in Consigned Goods and/or Remit the Consignment Sale Price Arising from Sale of Consigned Goods to Putative Consignment Vendors (the "Motion")*<sup>2</sup> filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors"); and objections to the Motion having been asserted, either in a writing filed with the Court or orally at the hearing on the Motion on March 3, 2016 (the "First Day Hearing"), by various Consignment Vendors of the Debtors, including (without limitation) Agron, Inc., Gordini USA, Inc., SGS Sports, Inc., Castlewood Apparel Corp., Implus Footcare, LLC, and ASICS America Corporation; and the Court having found that it has jurisdiction over this matter pursuant

<sup>1</sup> The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Sports Authority Holdings, Inc. (9008); Slap Shot Holdings, Corp. (8209); The Sports Authority, Inc. (2802); TSA Stores, Inc. (1120); TSA Gift Card, Inc. (1918); TSA Ponce, Inc. (4817); and TSA Caribe, Inc. (5664). The headquarters for the above-captioned Debtors is located at 1050 West Hampden Avenue, Englewood, Colorado 80110.

<sup>2</sup> All capitalized terms used and not defined herein shall have the meanings ascribed to them in the Motion.



to 28 U.S.C. §§ 1334(b) and 157, 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 the Court having found that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and the Court having found that it may enter a final order consistent with Article III of the United States Constitution; and the Court having considered the First Day Declaration; and upon the record of the hearing and all of the proceedings had before the Court; and the Court having previously entered an interim order on March 11, 2016 (Docket No. 278) (the “Interim Order”); and the Court having convened an emergency telephonic conference with the Debtors and the Consignment Vendors on March 11, 2016, subsequent to the entry of the Interim Order (the “Emergency Conference”); and, following the Emergency Conference, the Court having entered an order, dated as of March 11, 2016, granting reconsideration of the Interim Order to the extent set forth therein (the “Reconsideration Order”); and the Court having scheduled and conducted a subsequent hearing (the “Second Interim Hearing,” and, collectively, with the First Day Hearing and the Emergency Conference, the “Hearings”) on March 16, 2016, to consider the implementation of the Interim Order; and the Court having heard argument from, among others, the Debtors and certain Consignment Vendors at the Second Interim Hearing as reflected in the record; and the Court having approved the procedures set forth in this order (this “Order”) with respect to the treatment of Consigned Goods received before the Petition Date (the “Prepetition Consigned Goods”) from the Consignment Vendors; and the Court having overruled all objections solely to the extent necessary for the entry of this Order and the relief provided for herein; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is hereby DENIED on the basis that the Debtors are not entitled to relief under Bankruptcy Code Section 363(f)(4) and for the reasons set forth on the record at the Hearings, except as set forth herein.

2. Without modifying the paragraph above and subject to Paragraph 4 hereof, until entry of a further order by the Court, this Order shall govern the Debtors' sales of Prepetition Consigned Goods (whether in going out of business ("GOB") sales or otherwise) and the proceeds therefrom (the "Consignment Sale Price"), pursuant to the prepetition contracts between the Debtors and each respective Consignment Vendor (each, a "Consignment Agreement"). Except as provided for in this Order, the terms of the Interim Order (as modified by the Reconsideration Order) shall remain in full force and effect. To the extent that the terms of the Interim Order or the Court's interim order granting the Debtors' GOB motion regarding closing store procedures on a limited basis (Docket No. 156) conflict with the terms of this Order, the terms of this Order shall govern.

3. Pending the Final Hearing (as defined in the Interim Order) and subject to Paragraph 4 hereof, the Debtors are authorized to sell the Prepetition Consigned Goods pursuant to the applicable Consignment Agreements. The Debtors are directed to remit proceeds of Prepetition Consigned Goods to the Consignment Vendors pursuant to the terms of the applicable Consignment Agreements in the ordinary course of business. A Consignment Agreement that was not terminated prior to the Petition Date shall constitute written consent of the applicable Consignment Vendor to the sale by the Debtors of any Prepetition Consigned Goods. All parties in interest reserve all other rights under the Bankruptcy Code or applicable law.

4. To the extent that any of the Debtors are a party to a Consignment Agreement that was terminated prior to the Petition Date, the Debtors shall comply with applicable law.

5. Nothing in this Order shall impair or expand the rights of any party with respect to any Consigned Goods, or impair or expand upon any interests that any Consignment Vendor, the Debtors and their respective estates, the Secured Lenders, and/or the Secured Lender Agents (as defined in the Interim Order) may have in the Consignment Sale Price.

6. Nothing in the Motion or this Order shall be deemed or construed as: (a) an admission as to the existence or validity of any claim, lien, or encumbrance against the Debtors or their estates; (b) an admission or waiver with respect to any claim of ownership or other interest in the Consigned Goods and/or the Consignment Sale Price; (c) a waiver of the rights of the Debtors or any other parties in interest, including, without limitation, the Secured Lenders and the Secured Lender Agents, to dispute any claim, lien, or encumbrance; (d) an acknowledgment that any Consignment Agreement is an executory contract pursuant to Section 365 of the Bankruptcy Code; (e) an approval or assumption of any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (f) a modification of the rights of the Debtors or any other parties in interest, including, without limitation, a Consignment Vendor, the Secured Lenders and the Secured Lender Agents, to seek relief under any section of the Bankruptcy Code or applicable law.

7. To the extent that Bankruptcy Rule 6004(h) is applicable, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

8. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

9. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

10. The Debtors shall serve a copy of this Order, within one (1) business day after entry of this Order, upon each Consignment Vendor, by first class mail and by either facsimile or email.

Dated: April 5, 2016  
Wilmington, Delaware

  
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MARY F. WALRATH  
UNITED STATES BANKRUPTCY JUDGE