

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

SPORTS AUTHORITY HOLDINGS, INC., *et al.*,¹
Debtors.

Chapter 11

Case No. 16-10527 (MFW)

(Joint Administration Requested)

Ref. Nos. 9 and 102

**JOINDER OF GORDINI USA, INC. AND SGS SPORTS, INC. TO AGRON, INC.'S
LIMITED OBJECTION TO 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**

Gordini USA, Inc. (“Gordini”), and SGS Sports, Inc. (“SGS”) by and through its undersigned counsel, hereby concur with and join (the “Joinder”), for the reasons set forth therein, in all respects to: (i) the objection of Agron, Inc. (“Agron”) [Docket No. 102] (the “Agron Objection”) to the above-captioned Debtors (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*

¹ 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.



Interests in Consigned Goods and/or Revert the Consignment Sale Price Arising from Sale of Consigned Goods to Putative Consignment Vendors [Docket No. 9] (the “**Consignment Motion**”). In support of this Joinder, 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. The Debtors continue in possession of their respective properties and the management of their respective businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

3. The Debtors operate a retail sporting goods and accessories business. The Debtors obtain a substantial portion of their inventory through consignment arrangements with various consignors, including Gordini and SGS.

4. Pursuant to the terms of the certain vendor trade agreements (the “**Consignment Agreement**”), Gordini and SGS each agreed to consign certain goods to the Debtors (the “**Consigned Merchandise**”). The terms of the Consignment Agreements are intended to and do create a true consignment of such goods. Pursuant to the Consignment Agreement, Gordini and SGS each retain title to and ownership of the Consigned Merchandise until such goods are sold to a retail customer of the Debtors, at which time title transfers to the customer. The Debtors never obtained title to or ownership of the Consigned Merchandise.

5. Accordingly, Gordini and SGS retain legal title to the Consignment Merchandise

and the Debtors hold, at best, a mere possessory interest with the right, subject to the recall by Gordini and SGS, to sell the Consignment Merchandise in the ordinary course of business to retail customers provided that the Debtors pay the respective costs of such sales to Gordini and SGS.

6. Gordini and SGS each filed a UCC-1 financing statement to perfect its interests in the Consignment Merchandise. Contemporaneous with the filing of its financing statement, each provided written notice of its security interest to Bank of America, N.A.

7. As a result of pre-petition sales of certain Consigned Merchandise, Gordini and SGS each has significant prepetition claims arising from the Debtors' breach of the Consignment Agreements and failure to remit payment.

8. The Debtors currently have in their possession Consignment Merchandise, which is subject to the terms of the Consignment Motion.

JOINDER

9. Gordini and SGS hereby join in, and incorporate herein by reference, the Agron Objection, and adopts the arguments therein as their own. For the reasons stated in the Agron Objection, Gordini and SGS object to the Consignment Motion on a limited basis and request to be carved out of the relief requested therein. The Consignment Motion, as presented, does not adequately protect Gordini's ownership interest in the Consigned Property and seeks to modify material terms of the prepetition Consignment Agreements. Gordini and SGS intend to work with the Debtors on a mutually agreeable stipulation to govern any potential sale of Consignment Merchandise.

10. To the extent not inconsistent with the relief sought herein, Gordini and SGS join in any other objections that may be filed to the Consignment Motion.

11. Gordini and SGS reserve the right to make other and further objections to the Consignment Motion as appropriate as additional information is provided.

WHEREFORE, Gordini and SGS respectfully request to be carved out of the Consignment Motion, and that the Court grant such other and further relief as is just and proper.

Dated: March 3, 2016
Wilmington, Delaware

CHIPMAN BROWN CICERO & COLE, LLP

/s/Mark D. Olivere

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
Facsimile: (302) 295-0199
Email: chipman@chipmanbrown.com
olivere@chipmanbrown.com

Counsel for Gordini USA, Inc. and SGS Sports, Inc.