

**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)

(Jointly Administered)

Docket Ref. Nos. 714 and 715

DEBTORS' RESPONSE TO (A) EMERGENCY MOTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS (I) TO CONTINUE HEARING DATE WITH RESPECT TO THE DEBTORS' DIP FINANCING MOTION AND BID PROCEDURES MOTION AND (II) FOR A PROTECTIVE ORDER AND ORDER QUASHING NOTICES OF DEPOSITION, AND (B) THE MOTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO SHORTEN NOTICE

Sports Authority Holdings, Inc. and its affiliated debtors and debtors in possession (collectively, the "Debtors") hereby submit this Response (this "Response") to that certain (A) *Emergency Motion of the Official Committee of Unsecured Creditors (I) to Continue Hearing Date with Respect to the Debtors' DIP Financing Motion and Bid Procedures Motion and (II) For a Protective Order and Order Quashing Notices of Deposition* [Docket No. 714] (the "Motion to Adjourn"), and (B) *Motion to Shorten Notice of, and Schedule a Hearing on Emergency Motion of Official Committee of Unsecured Creditors (I) to Continue Hearing Date with Respect to the Debtors' DIP Financing Motion and Bid Procedures Motion and (II) for a Protective Order and Order Quashing Notices of Deposition* [Docket No. 715] (collectively with the Motion to Adjourn, the "Committee Motions"). In response to the Committee Motions, the Debtors respectfully state as follows:

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.



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RESPONSE

1. As previously represented to the Committee as recently as yesterday (the day that the Motion to Adjourn was filed), the Debtors do not oppose a short adjournment of the hearing on the Debtors' motion to approve (the "DIP Motion") debtor-in-possession financing (the "DIP Financing") and the Debtors' motion to approve (the "Bid Procedures Motion") bidding procedures governing the Debtors' sale process (the "Bid Procedures").² However, this Response was necessitated in order to (i) clarify more specifically the calendar limitations of any such adjournment, and (ii) correct the record with respect to certain of the factual assertions of the Committee in the Committee Motions.

2. The DIP Credit Agreement places certain restrictions on the Debtors with respect to the timing of the sale process, which restrictions carry through to the Bid Procedures. Notably, the DIP Credit Agreement requires the Debtors to schedule a hearing to approve the sale of the Debtors' assets (the "Sale Hearing") by no later than April 27, 2016 and, in compliance therewith, the current Sale Hearing is scheduled for April 26, 2016.³ Also affecting the timing of the potential adjournment is Rule 2002(a)(2) of the Federal Rules of Bankruptcy Procedure, which requires no less than twenty-one (21) days' notice of the Sale Hearing. Accordingly, while the Debtors are amenable to a short adjournment, the Debtors respectfully request that any hearing on the Debtors' Bid Procedures take place on or before April 5, 2016 so

² The Debtors' representation to the Committee was subject to the DIP Agent and DIP Lenders' consent (which was received this morning) and Court availability. The credit agreement governing the DIP Financing (the "DIP Credit Agreement") requires the Debtors to obtain entry of a final order approving the proposed DIP Financing within thirty (30) days following the filing date. The Debtors have confirmed with counsel for the Agents and Lenders under the DIP Credit Agreement that an adjournment of a hearing on the DIP Motion and the Bid Procedures Motion to April 5, 2016 (as requested in this Response) is acceptable and will not constitute a default under this milestone set forth in the DIP.

³ The Debtors were advised at the outset of these cases that the Court is not available to hold the Sale Hearing on April 27, 2016.

that they may maintain compliance with both the Bankruptcy Rules and the current milestones set forth in the DIP Credit Agreement.

3. Indeed, before the Committee filed its Motion, the Debtors informed the Committee that they were amendable to an adjournment (subject to the DIP Agent and Lenders' consent). Despite any assertions to the contrary in the Committee Motions, the Debtors have been working tirelessly to accommodate the Committee with regard to the timing and substance of their discovery requests. The Debtors submit that any "emergency" the Committee now faces is predicated not on the Debtors' lack of cooperation, but due to the fact that the Committee (which was appointed on March 10), only began serving discovery on March 17, and even then didn't provide proposed search terms or custodians of documents (notwithstanding repeated requests by the Debtors beginning on March 12 after the Committee indicated its intent to object to the DIP Motion) until Sunday, March 20th. Nonetheless, the Debtors have already produced over 1,300 documents to the Committee consisting of over ten thousand pages, and are in the process of producing more documents on an expedited basis.

4. The Debtors will continue to work proactively and cooperatively with the Committee with respect to discovery and all other issues in this case, and the requested adjournment to April 5, 2016 should provide the Committee with the additional time it needs to complete its discovery and hopefully reach a consensual resolution of any issues it may have with respect to the Bid Procedures and DIP Financing.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court enter an order substantially in the form attached hereto as Exhibit A adjourning the hearing with respect to the DIP Motion and the Bid Procedures Motion to April 5, 2016, and granting such other and further relief as this Court deems appropriate.

Dated: March 23, 2016
Wilmington, Delaware

/s/ Andrew L. Magaziner
Michael R. Nestor (No. 3526)
Kenneth J. Enos (No. 4544)
Andrew L. Magaziner (No. 5426)
YOUNG CONAWAY STARGATT & TAYLOR, LLP
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253
mnestor@ycst.com
kenos@ycst.com
amagaziner@ycst.com

-and-

Robert A. Klyman (CA No. 142723)
Matthew J. Williams (NY No. 3019106)
Jeremy L. Graves (CO No. 45522)
Sabina Jacobs (CA No. 274829)
GIBSON, DUNN & CRUTCHER LLP
333 South Grand Avenue
Los Angeles, CA 90071-1512
Telephone: (213) 229-7000
Facsimile: (213) 229-7520
rklyman@gibsondunn.com
mjwilliams@gibsondunn.com
jgraves@gibsondunn.com
sjacobs@gibsondunn.com

*Proposed Counsel to the Debtors and
Debtors in Possession*

EXHIBIT A

Proposed Order

**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)

(Jointly Administered)

Docket Ref. No. _____

ORDER CONTINUING HEARING

Upon consideration of (a) the *Emergency Motion of the Official Committee of Unsecured Creditors (I) to Continue Hearing Date with Respect to the Debtors' DIP Financing Motion and Bid Procedures Motion and (II) For a Protective Order and Order Quashing Notices of Deposition* (the "Emergency Motion") filed by the Official Committee of Unsecured Creditors of Sports Authority Holdings, Inc. *et al.*, and (b) the *Debtors' Response to the Emergency Motion* filed by the Debtors (the "Response")²,

IT IS HEREBY ORDERED THAT:

1. The hearing on the DIP Motion and Bid Procedures Motion is continued from March 29, 2016 at 1:00 p.m. (ET) to _____, 2016 at __:__.m. (ET).

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.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Response.

2. This Court shall retain exclusive jurisdiction to interpret and enforce the provisions of this Order in all respects and further to hear and determine all matters arising from the construction and implementation of this Order.

Dated: March __, 2016
Wilmington, Delaware

MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE